



Global Purchase Influencers Report

September 2006

Closing that sale? Get on the Internet and have a strong brand: ACNielsen

Europeans surf the Internet, North Americans rely on previous experience, while in Asia Pacific for now, it's the Brand, Brand, Brand!

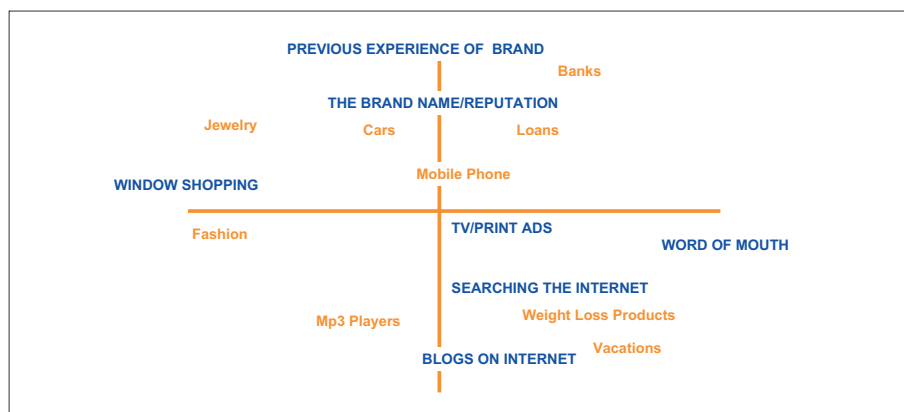
Fashion likely to dominate tomorrow's high street

It may not be a surprise to learn that online consumers rely heavily on the Internet – and a strong brand and reputation - to help make their purchase decisions, but with Internet penetration rates in many markets increasingly reflecting the offline population, we're set to see the transformation of retailing in the high street, along with traditional advertising and marketing approaches, according to ACNielsen, the world's leading marketing information and research company.

In a recent online survey conducted in 41 countries around the world,

ACNielsen asked consumers what helped their final decision when it came to purchasing a variety of products. 'Searching the Internet' was the most popular decision-influence, particularly for purchasing Holidays (54%), MP3 players (42%), Mobile Phones (39%) and Loans (29%). 'Brand/Reputation' was the most popular for almost half when buying Cars (46%) and Window Shopping (47%), and Jewellery/Watches (42%). 'Prior Experience with the Same Brand' was most likely to swing it for four in 10 when it came to choosing a Bank.

Purchase Influencers



'Brand/Reputation' was the second most likely purchase influencer overall, for Mobile Phones, Banks and Jewellery/ Watches, with Word of Mouth for Holidays and Prior Experience for Cars. Conventional Advertising (TV/Print) was the second most likely to influence the Fashion-conscious.

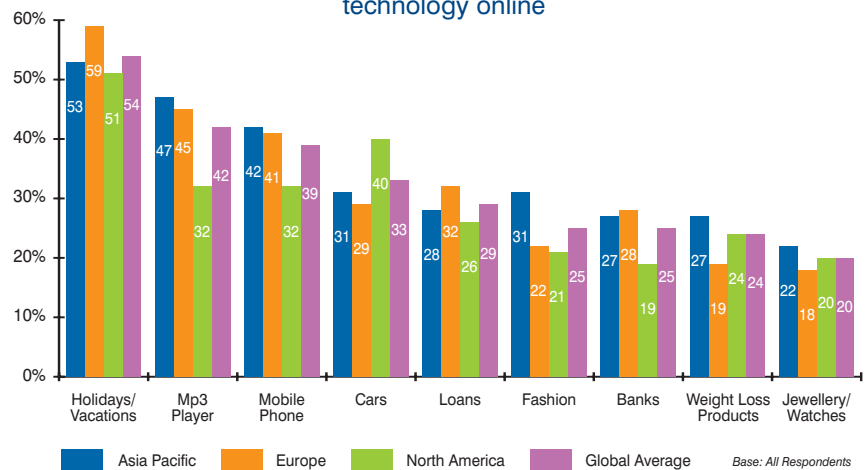
"The reality is that, today, an Internet presence isn't a 'nice to have', it's a commercial necessity. It's where the majority is going to make up their minds about a purchase, particularly in developed markets in Europe, where the Internet is highly penetrated, and for certain categories where services may becoming more commoditised, such as holidays, banking, loans and mobile phones," said Tom Markert, Senior Vice President, VNU Marketing Information Group.

"The High Street of the near future may well be devoid of the traditional travel agent, mobile phone store and high street bank, reserved entirely for fashion, jewellery, watches and other retailers selling merchandise that consumers need to see, feel and try on before they buy".

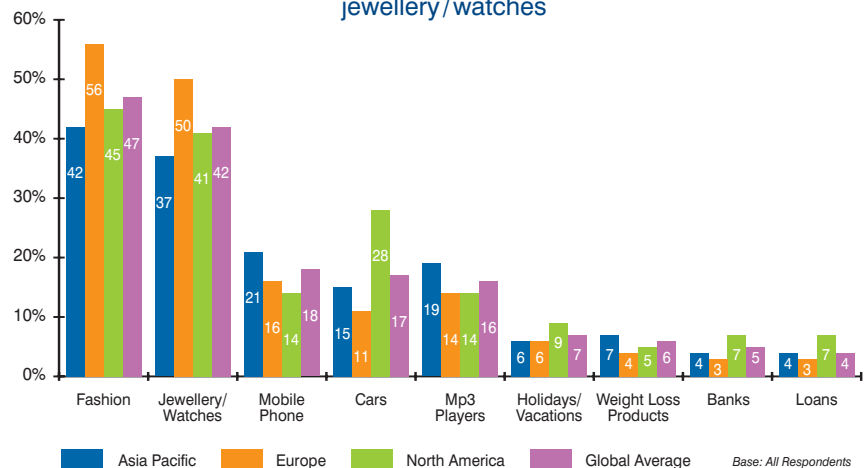
Except for Fashion and Jewellery/ Watches for which it was seen as a priority, globally, Window Shopping ranked among the least likely way to confirm a purchase, along with

Blogging, which appears to have a long way to go before hitting mainstream, even for the Internet consumer.

Searching the Internet
People are more likely to research holidays and technology online



Window Shopping
People rely on visual presentation for fashion and jewellery/watches

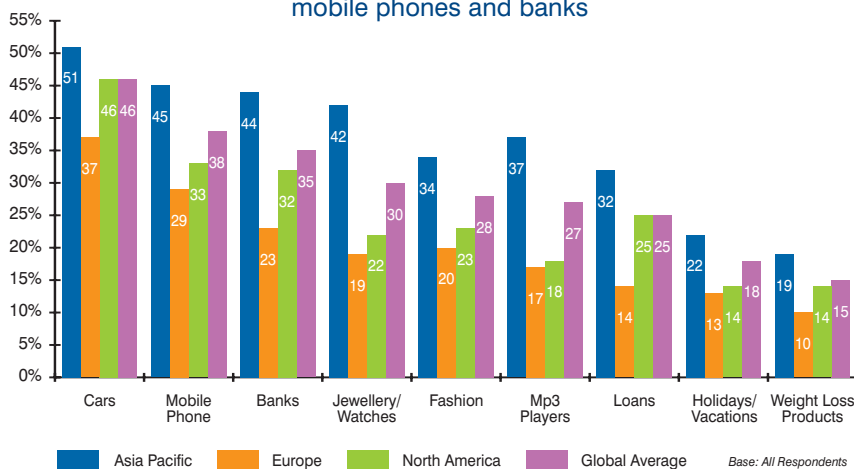


“It certainly poses a challenge for tomorrow’s retailers and mall operators. The retailing experience of the future will need to be a much different proposition than it is today, if people no longer feel the need to visit a store to buy anything other than fashion and accessories, which are less likely to be researched online and more likely to be spontaneous in-store purchases.”

The importance of a strong Brand was also borne out by the survey, particularly in Asia Pacific, where Brand/Reputation was the most important influencer when buying a Car (51%), Mobile Phone (45%), Bank (44%), Jewellery/Watch (42%) and Loan (32%).

“In Asia Pacific, Brand/Reputation outranked Searching the Internet as a major influencer. While growing rapidly, Internet penetration rates are still relatively low in some markets in Asia, and as home to a number of developing economies with burgeoning middle classes, the power of Brand and the status it conveys, is very strong,” commented Mr Markert.

The Brand Name/Reputation
Important in Asia Pacific, particularly for cars, mobile phones and banks



In the US, Previous Experience was the strongest influencer when it came to buying Cars (49%), Banks (46%), Mobile Phones (39%) and Loans (35%). Word of Mouth was the second most important when it came to Vacations and Banks.

“In the US, and to an extent in Europe, Prior Experience and Word of Mouth are much stronger influencers of purchase than Brand. The purchase influencers reflect the development of the markets, and the history a consumer may have with a particular brand or provider. In the US and Europe, people have experience they can fall back on, while in less developed markets, there may be little or no previous experience, so they become more reliant on the brand positioning conveyed through advertising.”

Globally, Searching the Internet and Brand/Reputation are strong purchase influencers

Global Averages	Internet	Brand / Reputation	Word of Mouth	Prior experience	TV/Print ads	Window Shopping	other	Blogs
Holidays/vacations	1	5	2	3	4	7	6	7
Cars	3	1	3	2	5	6	7	8
Fashion	4	3	6	5	2	1	7	8
Jewelry / watches	3	2	6	5	3	1	7	8
weight loss products	3	5	1	6	4	7	2	8
banks	4	2	3	1	5	7	6	8
loans	1	3	5	2	6	7	4	7
Mobile Phones	1	2	4	3	5	6	7	8
MP3 players	1	2	2	7	4	6	5	8

In Asia Pacific, Brand/Reputation dominates, followed by Searching the Internet

Asia Pacific	Internet	Brand / Reputation	Word of Mouth	Prior experience	TV/Print ads	Window Shopping	other	Blogs
Holidays/vacations	1	4	2	4	3	8	6	7
Cars	4	1	2	5	3	6	7	8
Fashion	4	3	5	5	2	1	7	8
Jewelry / watches	4	1	5	6	3	2	7	8
weight loss products	2	5	1	6	3	7	4	7
banks	4	1	3	2	5	8	6	7
loans	2	1	3	4	4	8	4	7
Mobile Phones	2	1	3	3	5	6	8	7
MP3 players	1	2	3	6	4	5	7	8

In Europe, Searching the Internet and Prior Experience are influential

Europe	Internet	Brand / Reputation	Word of Mouth	Prior experience	TV/Print ads	Window Shopping	other	Blogs
Holidays/vacations	1	6	2	3	4	8	5	7
Cars	3	2	4	1	5	7	6	8
Fashion	3	5	6	4	2	1	6	8
Jewelry / watches	3	2	7	6	4	1	4	8
weight loss products	4	5	2	6	3	7	1	7
banks	2	3	3	1	6	8	5	7
loans	1	6	5	2	4	8	2	7
Mobile Phones	1	3	4	2	5	6	8	7
MP3 players	1	5	2	7	3	6	4	8

In the US, purchase is strongly influenced by Prior Experience

US	Internet	Brand / Reputation	Word of Mouth	Prior experience	TV/Print ads	Window Shopping	other	Blogs
Holidays/vacations	1	6	2	3	4	7	5	8
Cars	3	2	4	1	5	5	7	8
Fashion	5	4	6	3	2	1	6	8
Jewelry / watches	4	2	7	2	6	1	4	8
weight loss products	3	6	1	5	4	7	1	8
banks	5	3	2	1	4	7	6	8
loans	2	3	5	1	6	7	3	8
Mobile Phones	4	3	1	1	5	6	8	7
MP3 players	1	5	3	7	4	6	2	8

"In highly developed markets where Previous Experience and Word of Mouth are strong influencers, manufacturers and service providers will need to pay specific attention to Customer Service and Quality, which become critical if they are to secure this kind of repeat purchase."

Globally, Conventional TV/Print Advertising ranked second for influencing Fashion purchases, and ranked third in Asia Pacific when it came to purchasing Holidays, Cars, Jewellery/Watches and Weight Loss products.

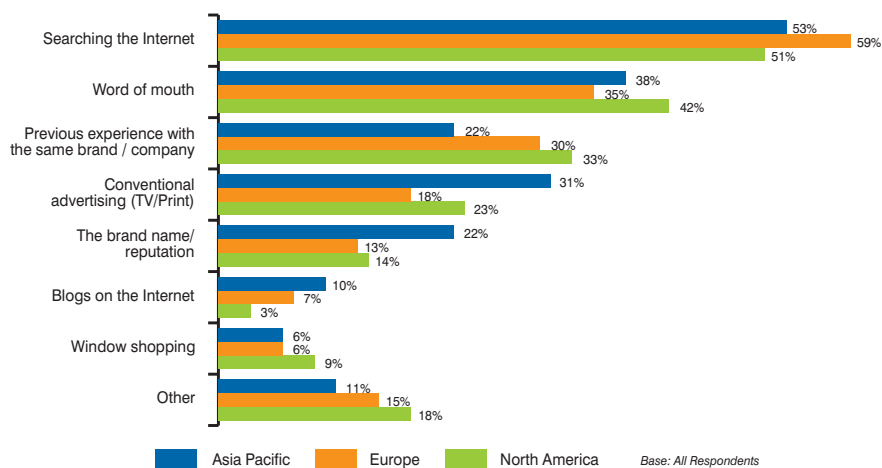
"Traditional media was not skewed to any particular type of product, suggesting it's a 'generic' that people take as a given. While consumers may not think conventional advertising influences their purchase, advertising builds the brand image and positioning. Traditional advertising will continue to play a major role in marketing strategies, but there is no doubt consumers will need to be 'addressed on all fronts', with the Internet a core part of any multimedia strategy. At the same time, we are likely to see a gradual drift of ad budgets out of traditional TV and Print media, into Online advertising, where the consumers are going to research certain Product categories," said Mr Markert.

Holiday surfing, on the recommendation of a friend

When it comes to buying a holiday, those surveyed were in strong agreement that the internet was the place to go, particularly in Europe, where 59 percent cited the Internet, compared to a global average of 54 percent. People are much more likely to research their vacation plans online, and talk with others about their experience of them. After the Internet,

the world's consumers rely on Word of Mouth and Previous Experience, except in Asia Pacific, where TV/Print Advertising was considered more important than Previous Experience for some of the region's first-time long-haul vacationers, perhaps. Window Shopping ranked seventh globally, suggesting that these days, few are likely to wander into a Travel Shop to speak to a Consultant about their vacation plans.

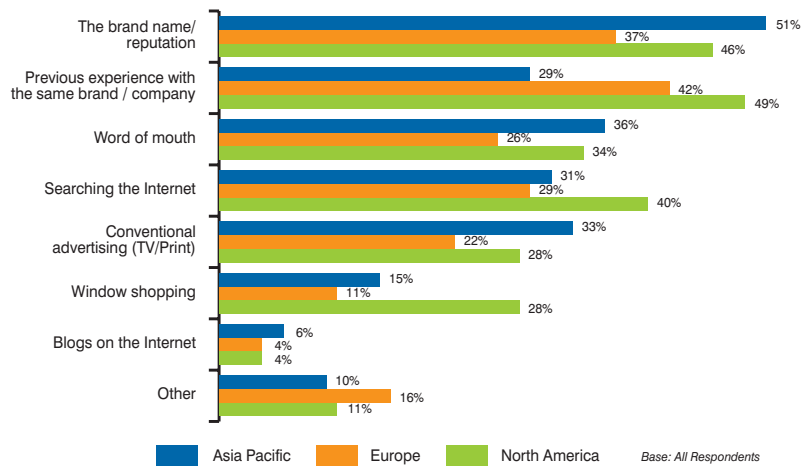
Where Internet users go for Holidays / Vacations



Brands drive the car purchase in Asia Pacific, but for the rest, they'll stick with what they know

When it comes to buying a new car, Brand/Reputation - in other words make and model - followed by Word of Mouth and Advertising were most influential for half of Asia Pacific would-be motorists, while Europeans and North Americans rely on Previous Experience, followed by Brand/Reputation and the Internet. Advertising ranked fifth for Europeans and North Americans alike, while Window Shopping was considered equally as important as Advertising for North Americans only.

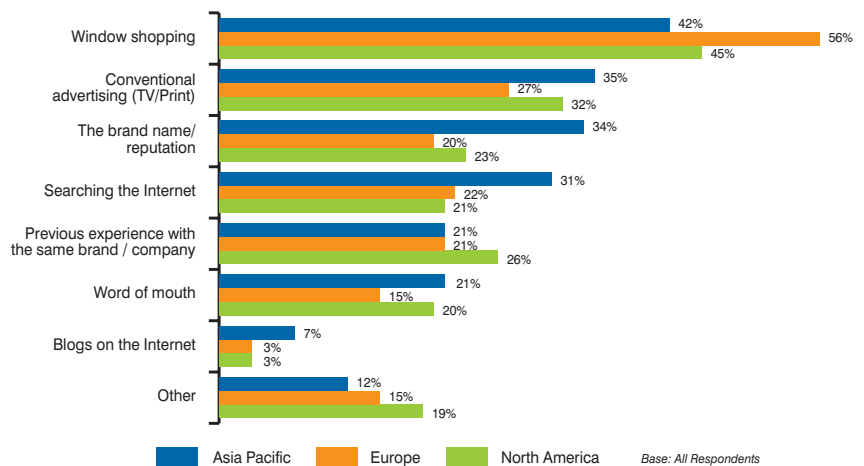
Choosing a Car



When it comes to fashion and accessories, you just can't beat a bit of window shopping

Window Shopping was the most important decision influencer when it came to Fashion, in particular for Europeans, with 56 percent preferring some good old-fashioned retail therapy, compared to a global average of 47 percent. People rely much more strongly on visual presentation when selecting Fashion and Jewellery/Watches. This would suggest these purchases are less likely than average to be researched and more likely to be spontaneous. Advertising and Brand were the second and third ranked influencers globally.

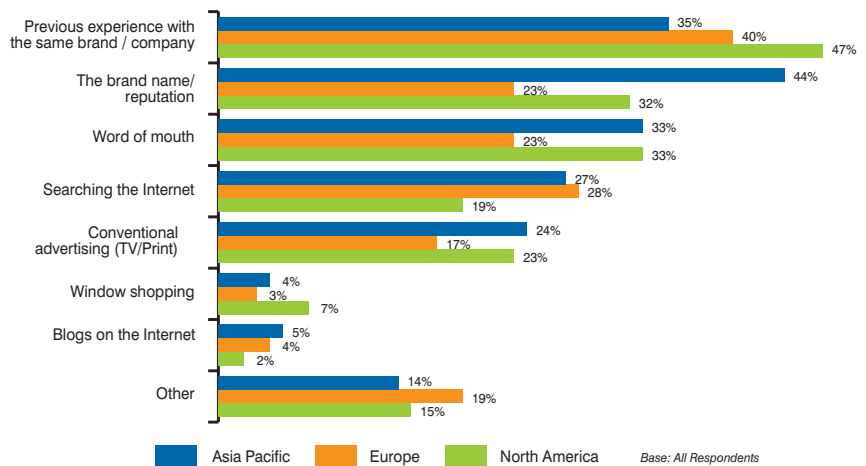
For the Fashion-followers



Banks and Loans

When it comes to choosing a bank, there's nothing like Previous Experience, particularly for North Americans, followed by Brand/Reputation and Word of Mouth. However, when it comes to Loans, people were more inclined to shop around, citing the Internet as the main driver of choice, particularly for Europeans. North Americans, however, cited Previous Experience in selecting their Loan provider.

Selecting a Bank



The Survey

The ACNielsen Online Consumer Confidence and Opinion Survey is the largest half-yearly survey of its kind aiming at gauging current confidence levels, spending habits/intentions and current major concerns of consumers across the globe. The ACNielsen Consumer Confidence Index is developed based on consumer's confidence in the job market, status of their personal finance and their readiness to spend. The latest survey, conducted in late May/early June, polled about 22,780 internet users in 41 markets from Europe, Asia Pacific, North America to the Baltics.

About ACNielsen

ACNielsen, a VNU business, is the world's leading marketing information provider. Offering services in more than 100 countries, the unit provides measurement and analysis of marketplace dynamics and consumer attitudes and behaviour. Clients rely on ACNielsen's market research, proprietary products, analytical tools and professional service to understand competitive performance, to uncover new opportunities and to raise the profitability of their marketing and sales campaigns. To learn more, visit www.acnielsen.com.

The 41 Markets covered in the July 2006 Global Online Survey were:

Europe:

Austria
Belgium
Czech Republic
Denmark
Finland
France
Germany
Greece
Hungary
Ireland
Italy
Netherlands
Norway
Poland
Portugal
Spain
Sweden
Switzerland
Turkey
United Kingdom

Baltics:

Estonia
Latvia
Lithuania

Asia Pacific:

Australia
China
Hong Kong
India
Indonesia
Japan
Korea
Malaysia
New Zealand
Philippines
Singapore
Taiwan
Thailand
Vietnam

North America:

USA
Canada

Other:

Russia
South Africa

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