



purchase
versus
frivolity



the
internet
paradox

Introduction

We all like to think that we know our audience. This knowledge, after all, is the doorway to advertising success. But what do we really know about the audience that increasingly spends so much of its time and money online?

Are we guilty of making assumptions, missing vital opportunities in the process? For the Internet, with its ability to track and capture data so precisely, is also beset by myriad distractions and competitors waiting on the sidelines to whisk 'your' customer away with promises of something better. And once you've managed to hook a customer in, how can you be sure of keeping them interested? Are we treading too carefully in a territory where experiment is key? Are we really sure that online marketing and sales activity is having the impact we need it to?

At Panlogic, having spent the last five years working in the online arena, we're no stranger to the different schools of thought surrounding online marketing. We've seen the market boom and bust and have recently noted an increasingly positive attitude amongst advertisers to the Internet. So, with more and more players jostling for the online public's attention, we've realised that now is not the time to rely on assumptions. There is, after all, no substitute for knowing with certainty that your marketing strategy is perfectly targeted.

With this in mind, we've started out on a path to gain this knowledge. This study is the first in a series that aims to provide insight into just how Internet users think and behave. Some of the findings confirm what we already suspect, but of vital importance are the findings that might just change the way we all approach our online endeavours.



Key findings

- Different user modes determine online behaviour: we have identified three broad groups and looked at their motivations.
- Swapping between user modes is increasingly common amongst younger people and results in 'schizophrenic' behaviour online, making precise targeting more critical than ever in hooking and keeping potential consumers.
- Brands need to allow people in different user modes to interact with them online. This might mean acting out of 'character' but can reap long term rewards.
- Men and women react to fundamentally different emotional triggers that drive all their online behaviour. This is severely underexploited.
- Currently, online activity does not and cannot damage your brand.

Who we studied . . .

We're planning to look at all age groups in turn, but started with 17 to 22 year olds. It's a segment of the population that represents the leaders in online activity, currently heavy users of the Internet who will very soon become serious "website customers". They are young, experimental, eager to learn and are characterised by their ability to multi-task. This ability results in behaviour verging on the schizophrenic: presenting as it does a seeming lack of concentration, continual switching between purposes and expectations and the delving into many subjects at the same time. By its very nature the Internet facilitates and encourages this schizophrenia.

How they see the Internet . . .

We had to start with perceptions of the Internet simply as a control so that we could benchmark subsequent studies.

It is immediately obvious that this age group considers the Internet an integral part of their lives. It is taken for granted and relied on to an extraordinary degree. It is regarded as a 'window on the world' - highly convenient for accessing information, products and services, covering every aspect of life using 'complex, cutting edge technology'.

As you'd expect, however, feelings about the Internet are both positive and negative. It is helpful, illuminating, stimulating and practical as well as an acknowledged 'time-waster'. Negative connotations - technology failures, annoying pop-ups and unsolicited advertising - further counter its upsides. For many, it is also perceived as lonely and impersonal and concerns about its dark side, for example paedophilia, were voiced.

Yet when asked how they would feel if the Internet was taken away, the majority of the sample expressed 'total panic'. This rapidly growing reliance on the Internet is crucial to the way we approach it as a marketing medium.

We also encountered revealing issues around search and navigation, which for this group is intensely frustrating. Brands and advertisers would do well to take these into account when signposting key areas, providing users with a greater sense of control over the time they spend online.

Interestingly too, we thought, it was also perceived as a 'moral vacuum'. Youngsters see cyberspace as a virtual Wild West where there are no rules and, even for an age group associated with wanting to get as much as they can for nothing, this is not something they are necessarily comfortable with: some mentioned that sharing music files feels like stealing. So while it might be a very convenient medium, advertisers should certainly not become complacent: just because an audience is online doesn't mean it is a captive one.

Learning Points: Signposting is essential; give users a sense of control; tap into their reliance on the medium but be aware of the negatives they are feeling. Especially important to realise the attitude towards pop-ups and unsolicited advertising.



Fun Seekers

- Play games
- Enjoy social aspect ie, chat rooms, email, interactive games
- Seek out new games and pass on good ones
- Use the Net to pass the time

Enthusiasts

- Hobby or passion eg, music, cars, film
- Use Internet for information, contacting other enthusiasts, purchasing / researching related products or services

Focussed

- Use Internet for specific needs eg, banking, emailing, study, research, purchasing
- Can be wary of wasting time on the Net

USER MODES CHANGE ACCORDINGLY TO CIRCUMSTANCES AND EXTERNAL INFLUENCES

Different user modes . . .

What quickly emerged from the research, are the different user modes in evidence when 17-22 year olds go online. Primary user modes are determined by personality type, and consumers default to these, although all consumers move through other secondary user modes depending on mood and other stimuli.

A high degree of multi-tasking feeds a degree of 'schizophrenia' whereby one user can display one or all user modes at any one time.

We also found that 'surfing' as we know it is dead. The majority of our group have a definite purpose when coming online and are more directional and confident about where they want to go.

We've identified three broad user modes: Funseeking, Enthusiast and Focussed. Crucially, membership of these categories is not mutually exclusive though each of us will have a default mode. Users slip easily between the groups, changing very quickly and even within the same online session, according to intention and external influences. Therefore whilst a user might go on the Internet to do something very specific, next time he comes online, if his purpose has changed, his behaviour might be unrecognisable from his previous visit.

Activities associated with Funseeking include playing games, using chat rooms and emailing, with the Internet regarded as a good way to pass time. These are the users who primarily go online purely to have fun, to chat and discuss things and to find out what the latest trends are. More than any other, this is the group to be depended upon to seek out new games and pass on the good ones to their peer group.

For the Enthusiast, hobbies and passions are pursued online, for example in areas such as music, cars and film. Community is perhaps most important for these people - the Internet is used for contacting other Enthusiasts and also for research on and purchasing related products or services. Enthusiasts are more likely to be male, a point discussed in more detail below.

The Focussed user, on the other hand, comes online to fulfil very specific needs. In contrast to the Funseeker, and to a lesser extent to the Enthusiast, the Focussed user is more wary of wasting time on the Internet. Serious pursuits such as banking, study, research and purchasing take up the bulk of his online time.

The existence of these different user modes raises the importance of contextual advertising. We feel that it is not enough to have general ads or even to have a general theme around ones' advertising. In our considerable experience, advertisers take a particular view about how they want to talk about their product and this does not tend to dramatically change to take into account different user modes. Based on the findings of this research we believe that this attitude should be reviewed when it comes to online strategy. It is vital to have different themes: varying user modes are apparent in different sites and if you want to reach a cross section of the population you need to have ads that talk to all manner of users.

Learning Points: Advertisers must take into account the different user modes and create very targeted campaigns accordingly. They must also recognise that there is an element of crossover between the different users. Contextual advertising is key!

The differences of gender...

Differences in users also, of course, comes down to gender. We don't need research to tell us that. However, this study goes a long way in highlighting just how differently each gender approaches the Internet. Both men and women fall into the categories outlined above yet there are major differences that need to be taken into account by advertisers.

Consumers currently seem to connect with the Internet more at a functional than an emotional level. We found that for women, the Internet is seen as a complement to offline relationships but does not replace human contact: they don't see it as an alternative to building relationships. Although women might make extensive use of the Internet for chatting, they tend not to participate in the more complex, interactive internet games and are rarely Enthusiast in outlook.



Fructis Shampoo

To support the relaunch of L'Oreal's Fructis brand, an online campaign was devised to deliver product trailing and an opt-in database for future mailing campaigns. With an exclusively female audience, an online ePoll was devised to get women interacting with the brand and encourage them to use their online community to get their friends to do the same. 'How Fresh Are You?' was based on a simple and entertaining lifestyle quiz; participants who completed address details and sent the quiz to at least one friend were sent a bottle of shampoo, and entered into a free prize draw for a holiday to Iceland. A target of 10,000 users was set and rapidly exceeded, with a total of 28,000 entering the prize draw. Additionally, once the prize draw element had finished, the ePoll generated a further 10,000 users, highlighting the pull of this type of activity way beyond the competition.



For men, on the other hand, the Internet can play a real social role in their lives and even provide an alternative to human contact: men will form relationships online that women won't. They are more likely to be Enthusiasts, with the Internet a growing resource for feeding traditional hobbies such as sport, music, film and cars. And male Funseekers are attracted to sophisticated games on the net - particularly interactive ones where they are competing against others - hence the rise in community gaming. Interactive elements also seem to be more emotionally satisfying for males, though this could extend to women as stronger TV links and filmatic elements come into play. Here ads are likely to include more rich media, say for example video in an email or an interactive game in a banner. Our research shows that men are currently happier to receive these. What is vital then is having communication that understands both consumer modes.

Men are also more open to creating and getting involved with communities of people they don't know, whereas the communities women are drawn towards are more likely to be made up of people they already know. Another difference comes in the approach to quizzes and other similar methods that can be utilised to make a site more sticky. We've found that generally men are dismissive of quizzes and horoscopes while this is an area that women enjoy.

Insights such as these can help brands target their audiences more effectively. There is clearly a challenge to build stronger emotional connections with consumers on the net, especially females, while also continuing to build enhanced functional benefits. Knowing what hooks men and women can help build online brand relationships that can be leveraged offline as well.

Learning Points: Brands/Advertisers need to be very aware of the different approaches to the Internet by each gender and strive to build strong emotional connections with each.

You can't damage your brand . . .

This takes us to what we found to be another surprise finding of the research. Contrary to common belief, we discovered that brands can't be damaged by the way they are perceived online, not yet anyway. Our sample did expect a brand's online image to be broadly consistent with its offline image and these high standards of presentation can help to build overall brand values. However, it's currently a one-way street in favour of the brand. These consumers are unanimous in their agreement that if they don't like a brand's online activities, it won't sway their attitude to the overall brand. They don't hang around to be turned off, and wouldn't consider their online experience detrimental to their perception of the brand offline. This offers very positive encouragement for brands to go out and experiment online.

In these relatively early days of online activity, it is our experience though that brands are hesitant to experiment, concerned as they are that they might damage their brand by delving into an inappropriate activity, say for example a game on a site perceived as serious. Yet our questions about the way brands portray themselves online were met with a very open-minded response. If a user is disappointed by a site this does not appear to detract from his perception of, for example, a high street store, nor does it appear to undermine consumer relationships. There's so much else going on, that it's a matter of 'one click and you are away'.

This of course might change as the Internet develops, but for the time being it seems that many retailer and FMCG sites could be more experimental and creative in their approach to the Internet. Based on this, brands should be able to indulge in activities they were previously reluctant to try out, really testing the waters to see what works and what doesn't. Again, the key point here is to work towards emotionally engaging with the consumer, provided that practical aspects are not undermined and the price proposition is maintained. Innovation, thus, is crucial.



We found some sector-specific issues. Online retailers are universally expected to be professional and efficient if they are to be taken seriously. Users demand clear communication on well-designed and easy to use sites. Etailers such as ebay and Amazon were quoted as good examples. There's a fine balance between low-tech and overly glossy: the former are perceived as 'dodgy', despite price incentives; the latter give the wrong price cues, unless they are balanced by strong price communication.

FMCG brand sites are viewed dispassionately – they are expected to exist to support offline brands, but they do not yet have a critical role. The perceived function of these sites is the provision of product information and a way around the middle-man but they are expected to have some 'pay back' element to entice and keep consumers on site. As above, there seems to be the scope to deliver creative edge by offering innovative and emotionally engaging hooks to draw consumers in and build loyalty. This could be manifest in games, quizzes, discounts or perhaps advance information of new lines and offline promotions.

This leads to another finding: exclusivity seems to be a huge potentially appealing online retail proposition. Consumers like the idea of obtaining items that are exclusive on the net and an early preview of up and coming products on the net could encourage site visits and both on and offline traffic.

Learning Points: Brands/Advertisers should take advantage of the current openness of the online population to really experiment with what works and what doesn't. Don't be afraid to try.

And 'serious' brands? Can they also be playful?

Just as users themselves can be categorised, so too are the different areas of the Internet. Realising this, we asked our sample to categorise activities that they partake in online, in order to better understand their motivations for going to various sites.

Games, quizzes, competitions and gossip are viewed as a 'laugh' – there purely for fun. Sites such as MTV, Quizyourfriend and FHM.com were mentioned positively by a number of respondents.

Enjoyable activities on the Internet include downloading film/TV, purchasing items such as DVDs and gadgets and researching areas of personal interest – whether that's clothes or cars. Amazon and Firebox are brands that stand out in this area.

On the serious side, government services, charities, grocery, retail and banking are highlighted. Sites mentioned in this area include DVLA, Barnardos, multimap.co.uk and exam.net.

There is crossover too. Chatrooms and listening to or downloading music are seen as both 'a laugh' and enjoyable, while reading news and booking tickets and holidays are viewed as both enjoyable and serious.

Many online brands seem to take a 'one size fits all' approach based solely on the 'type' of brand they are. But bearing in mind our new findings, there seem to be many missed opportunities. 'Serious' brands can build closer relationships with consumers by hooking people when they're in fun mode. Many travel sites – ticket booking, route planning, advance travel information – are perfectly placed to create appropriate and engaging interaction with funseekers and enthusiasts as well as those in focussed mode. But their sites and their online advertising placement don't necessarily reflect this.

The crossover between the various activities and areas indicates an opportunity for brands and advertisers to add to their marketing raft artillery that they previously would not have considered. This compliments the discovery about different user modes. Serious sites set a particular challenge for appropriate and engaging consumer interaction.

Ease of use and a subdued tone are key for charity, banking, government information and the like. However, taking the example of how women like to interact online, providing quizzes (about spending habits and budgeting), friend networks (for charity appeals) or fact-finding (from government services) are all areas where more sensitive targeting could be disproportionately effective.

UKTI

UK Trade & Investment is the United Kingdom Government's lead organisation for supporting UK companies in overseas business, and attracting inward investment. A functional and theoretically 'serious' site, it recently launched an advisory service for exporters, specifically UK games developers. Understanding and targeting different user modes was important and led to the creation of a microsite specifically designed to appeal to that group (which was very different in tone from the main UKTI site). Supported with engaging online advertising on other 'serious' sites such as ft.com and thisismoney, the campaign attracted a much wider range of users than it might have done.

There are, of course, some sectors where consumers might see the inclusion of fun or interaction as trivialising serious matters but we believe that this comes down to creative treatment. In some cases this can be as simple as using more interactive elements to engage more than one user type. It is all about experimenting with various methods in order to enhance brand awareness. These methods can also help to achieve greater emotional engagement with the consumer, which surely is every brand's goal.

Learning Points: Brands/Advertisers must look at all forms of online marketing and brand awareness building methods, not dismissing those they might initially assume inappropriate. This will throw open doors to different user groups that might otherwise be lost.



And in conclusion...

This study, we believe, has thrown out many assumptions that we would previously have relied on when marking out online strategies. It has cemented the knowledge that, as with other marketing media, we need to drive greater emotional engagement with the consumer. But to do this online, we need to be very aware of the different modes of use, existing across the board and also within each user. Recognising these will enable campaigns to be more targeted, tapping into and making use of the expectations of each user. Gender differences also need to be fully understood to optimise targeting. Important too, and particular to this study, is the need to recognise this age group's schizophrenic behaviour. This is crucial in the decisions advertisers and brands make as to what will bring visitors to a site and how to keep them there.

Also, and we feel this is vital, advantage must be taken of these relatively early days of online exploration. If, as our research strongly shows, brands are currently unable to be damaged online, then now is the time to really experiment and test the waters. This will help to drive forward the consumer's belief in both the convenience and fun of the Internet, a medium at the cutting edge of technology.

In our next study, we will discover whether these findings transcend the boundaries of age.



Methodology

Independent research was carried out by Chrysalis between 10th and 21st March 2004.

The sample demographic was ABC1 living in South West London. An equal number of males and females were interviewed, and a mixed group was put together of students and those working. Internet usage both at home and at work was studied. In-depth interviews and focus groups were held and participants were required to write Internet diaries for the week prior to the research.

Selection criteria ensured that those chosen for the sample all use the Internet for at least one hour a day and have spent a minimum of £30 online over the last six months. They all have access to a credit card, have an email address, use emails and use the Internet for both fun and serious pursuits.





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