

NIelsen SURVEY SAYS, WORD-OF-MOUTH ADVERTISING DOESN'T COST A PENNY BUT WORTH A FORTUNE



Nielsen's 'Global Trust in Advertisement Report' has found that Advertising relevance and trust, may vary between online ad, mobile ads and print ads, but word-of-mouth promotions still rules the roost. Nielsen surveyed more than 28,000 Internet respondents in 56 countries and a whopping 92 percent say they trust recommendations from friends and family, above all other forms of advertising, closely followed by online consumer reviews as the most trusted form of advertising. 70 percent of global consumers surveyed online, specified they trust this advertising platform, an increase of 15 percent in four years. According to the survey, "Word-of-mouth recommendations and reviews, either from someone they know or a stranger's opinions online, are the most trusted sources of information for buying decisions." Randall Beard, global head of advertiser solutions at Nielsen, says "Many companies are already increasing their paid advertising activity on social networking sites, in part due to the high level of trust consumers place in friends' recommendations and online opinions." Trust in online ads, is better than before but still trails print and TV advertisement. 33 percent of respondents said they believed messages they saw on online banner ads. 40 percent trust search ads, whilst 36 percent echo similar feelings for ads on social networking sites. For mobile ads, the numbers are comparable: about 33% of respondents trust mobile banner ads and 29% trust mobile phone text ads. Despite a testing global economy, worldwide advertising expenditure posted a 7.3 percent rise year-over-year in 2011 to \$498 billion. Spending in Q4 was up 6.2 percent from a year earlier, closing at \$131 billion. In the US, advertising spend decreased year-over-year by 0.2 percent in Q4, but rose 2 percent for the year. According to Nielsen's global head for advertiser solutions Randall Beard, the survey reveals "there is still much potential for marketers looking to reach the right audience through advertiser-driven messages." The survey reflected that the fragmented media world and the resultant inconsistencies, forces marketers to make every effort to make 'relevant and effectual' ads. Moreover, the high cost of advertising left little margin for error. Beard said, "In order to boost advertising ROI, marketers need to make sure an ad's content and message is relevant to the consumer who sees it." In a nutshell, the earned media sources remain most convincing and trustworthy. Trust in traditional paid advertising messages has declined but the confidence in online and mobile advertising has increased. Regional inconsistencies offer global marketers opportunities and that there is still a lot of room to improve relevance in advertising.

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