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GLOBAL TRUST IN ADVERTISING AND BRAND MESSAGES

SEPTEMBER 2013

BELIEVABILITY IS KEY IN ADVERTISING EFFECTIVENESS

- RECOMMENDATIONS FROM FRIENDS AND FAMILY REMAIN MOST CREDIBLE
- TRUST INCREASES ACROSS NEARLY ALL MEDIA; TRUST IN NEWSPAPER ADS DECLINES
- OWNED MEDIA MOVES TO SECOND MOST TRUSTED MEDIA GLOBALLY
- ONLINE AND MOBILE ADS INCREASE IN CREDIBILITY
- REGIONS REPORTING HIGHEST LEVELS OF TRUST ALSO MOST WILLING TO TAKE ACTION ON ADVERTISEMENTS
- HUMOROUS ADS RESONATE AMONG AUDIENCES AROUND THE WORLD

As marketers spend billions of dollars a year on advertising, effectiveness cannot be measured by impressions alone. Resonance is the holy grail of a successful campaign. In a market saturated with clutter, marketers need to reach audiences with advertising messages using the formats that make the most impact, and new findings from Nielsen reveal that trust in online advertising is increasing. While earned advertising in the form of word-of-mouth recommendations from friends and family continued to be the most influential source among 84 percent of global respondents to a Nielsen online survey, owned advertising on branded websites was the second most trusted format in 2013, a rise from fourth-place ranking in 2007.

The Nielsen Global Survey of Trust in Advertising polled more than 29,000 Internet respondents in 58 countries to measure consumer sentiment on 19 forms of paid, earned and owned advertising formats. Word-of-mouth recommendations increased 6 percentage points from 78 percent in 2007, and owned advertising on branded websites increased 9 percentage points to 69 percent in 2013. Sixty-eight percent of survey respondents indicated that they trust consumer opinions posted online, which ranked third in 2013, up 7 percentage points from 2007.

“Brand marketers should be especially encouraged to find owned advertising among the most trusted marketing formats,” said Randall Beard, global head, Advertiser Solutions at Nielsen. “This form of advertising is trusted by nearly 70 percent of consumers globally, which emphasizes the notion that marketers maintain the ability to control the messages about their brands in a way that consumers consider credible. This perceived credibility is a key component in advertising effectiveness.”

ABOUT THE GLOBAL SURVEY METHODOLOGY

The findings in this survey are based on respondents with online access across 58 countries. While an online survey methodology allows for tremendous scale and global reach, it provides a perspective only on the habits of existing Internet users, not total populations. In developing markets where online penetration has not reached majority potential, audiences may be younger and more affluent than the general population of that country. Additionally, survey responses are based on claimed behavior, rather than actual metered data.

DEFINITION OF ADVERTISING TERMINOLOGY IN THIS REPORT

PAID: PAID BY BRAND

EARNED: ENDORSED BY THIRD-PARTY

OWNED: MANAGED BY BRAND

TRUST IN TRADITIONAL ADVERTISING STILL STRONG

Ads on television, in newspapers and in magazines continue to be among the most trusted forms of paid advertising. Trust in television ads increased from 56 percent in 2007 to 62 percent in 2013. Six-in-10 respondents trusted ads in magazines, a rise of 4 percentage points from 2007. Newspaper ads were the only format to decline—61 percent of respondents found newspaper ads credible, down from 63 percent in 2007. Although global ad spend grew only a marginal 1.9 percent in the first quarter of 2013, traditional paid media continues to own the majority share of spend, with TV in the top spot owning 59 percent, according to Nielsen's most recent Global AdView Pulse Report.

Ads on radio (57%) and before movies (56%) both gained consumer trust as well, reporting increases of 3 and 18 percentage points, respectively, since 2007. Brand sponsorships (61%) increased 12 percentage points from 2007. Trust in billboards and outdoor advertising (57%), TV program product placements (55%) and editorial content such as newspaper articles (67%), an earned form of traditional advertising, were not included in Nielsen's 2007 survey.

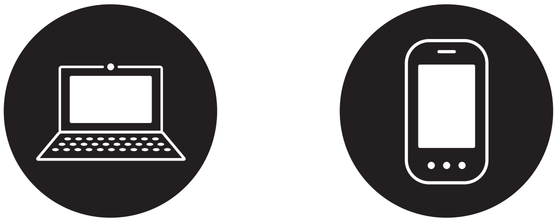
"While TV remains the front-running format for the delivery of marketing messages based on ad spend, consumers globally are also looking to online media to get information about brands," noted Beard. "On the flipside, earned advertising channels have empowered consumers to advocate for their favorite brands, something that shouldn't go unnoticed by brand advertisers."

TRUST IN ONLINE AND MOBILE IS GROWING

While recommendations from friends and family, as well as consumer opinions posted online, remain among the most trusted forms of messaging, online and mobile advertising formats reported some of the biggest increases in trust since Nielsen's 2007 survey.

In addition to an increase in trust in messages on branded websites, more than half (56%) of respondents said they trust consumer-consented email messages, an increase of 7 percentage points since 2007. For other online advertising, almost half (48%) trusted ads in search engine results, online video ads and ads on social networks. More than four in 10 (42%) trusted online banner ads, up from 26 percent in 2007—a form that is steadily seeing increased ad dollars spent, with 26 percent growth in the first quarter of 2013. Forty-five percent of respondents in Nielsen's 2013 survey believed display ads on mobile phones were credible, and 37 percent trusted text ads on mobile phones, up from 18 percent in 2007.

"Increases in the trust of online and mobile advertising demonstrate the growing importance of these formats," said Beard. "With Internet ad spending reporting double-digit growth, advertisers are exhibiting growing confidence in these formats—or at least a willingness to make the investment. While companies may be unable to directly control the messages in earned media, such as consumer opinions posted online, they have the ability to create a positive presence for their brands on these channels."



TO WHAT EXTENT DO YOU TRUST THE FOLLOWING FORMS OF ADVERTISING?

GLOBAL AVERAGE - PERCENT COMPLETELY/SOMEWHAT TRUST

FORM OF ADVERTISING	2013	2007	DIFFERENCE 2013 VS. 2007
Recommendations from people I know	84%	78%	6%
Branded websites	69%	60%	9%
Consumer opinions posted online	68%	61%	7%
Editorial content such as newspaper articles	67%	*	*
Ads on TV	62%	56%	6%
Brand sponsorships	61%	49%	12%
Ads in newspapers	61%	63%	-2%
Ads in magazines	60%	56%	4%
Billboards and other outdoor advertising	57%	*	*
Ads on radio	57%	54%	3%
Emails I signed up for	56%	49%	7%
Ads before movies	56%	38%	18%
TV program product placements	55%	*	*
Ads served in search engine results	48%	34%	14%
Online video ads	48%	*	*
Ads on social networks	48%	*	*
Display ads on mobile devices	45%	*	*
Online banner ads	42%	26%	16%
Text ads on mobile phones	37%	18%	19%

Source: Nielsen Global Survey of Trust in Advertising, Q3 2007 and Q1 2013
*Not included in the Nielsen 2007 Global Survey

DOES TRUST IMPACT ACTION?

While trust in advertising can lend itself favorably to consumers' goodwill toward a company, an important indicator of effective advertising is a consumer's willingness to take action as a result of exposure to an advertisement. And the survey results show that trust and action often go hand in hand.

Not surprisingly, word-of-mouth formats such as recommendations from family and friends and consumer opinions posted online prompted the highest levels of self-reported action among 84 percent and 70 percent of respondents, respectively. Roughly two-thirds of respondents indicated that they take action at least some of the time based on ads shown on TV (68%), branded websites (67%), ads in newspapers (65%), consumer-consented emails (65%), editorial content in newspapers (64%) and ads in magazines (62%).

For some ad formats, the take-action score even exceeded the trust score, suggesting that consumers may be willing to check out a product even if they did not find the ad completely credible. While there was a sizeable difference between respondents who said they always take action versus those that said they sometimes take action, the overall scores demonstrate that, broadly speaking, ads are prompting a reaction in consumers.

There is room for improvement among online ad formats to better engage with consumers, but still roughly half of respondents said they were willing to take action at least some of the time based on social network ads (55%), online video ads (52%), online banner ads (50%), display ads on mobile devices (49%) and text ads on mobile phones (45%).

"Although online formats have the opportunity to engage more effectively with consumers, trust in these ads are growing as they become more pervasive and persuasive with creative that is provocative, smart and challenges the status quo," said Beard. "And customers are responding, as the findings show about half of respondents are taking action based on online ads. A customer's willingness to take action on an ad is a brand marketer's currency. While trust and action generally go hand in hand, even ad formats that are developing show they can be effective in getting consumers to the point of sale."

TO WHAT EXTENT DO YOU TAKE ACTION ON THE FOLLOWING FORMS OF ADVERTISING?

GLOBAL AVERAGE - PERCENT ALWAYS/SOMETIMES TAKE ACTION

FORM OF ADVERTISING	TAKE ACTION	TRUST	DIFFERENCE ACTION VS. TRUST
Recommendations from people I know	84%	84%	--
Consumer opinions posted online	70%	68%	2%
Ads on TV	68%	62%	6%
Branded websites	67%	69%	-2%
Ads in newspapers	65%	61%	4%
Emails I signed up for	65%	56%	9%
Editorial content such as newspaper articles	64%	67%	-3%
Ads in magazines	62%	60%	2%
Brand sponsorships	60%	61%	-1%
TV program product placements	58%	55%	3%
Billboards and other outdoor advertising	57%	57%	--
Ads served in search engine results	57%	48%	9%
Ads on radio	55%	57%	-2%
Ads on social networks	55%	48%	7%
Ads before movies	53%	56%	-3%
Online video ads	52%	48%	4%
Online banner ads	50%	42%	8%
Display ads on mobile devices	49%	45%	4%
Text ads on mobile phones	45%	37%	8%

Source: Nielsen Global Survey of Trust in Advertising, Q1 2013

TRUST AND ACTION LEVELS HIGHEST IN LATIN AMERICA

Quantitatively, Latin Americans reported the highest levels of trust in 13 of 19 forms of advertising. The region also reported the highest percentage of respondents willing to take action on all 16 types of paid/owned advertisements and one of the three types of earned advertising formats (editorial content). Asia-Pacific respondents were the most willing to take action based on recommendations from friends and family and opinions posted online.

In addition to reporting the most skepticism across all forms of advertising, except consumer opinions posted online, European survey respondents were also least likely to take action based on ads.

TO WHAT EXTENT DO YOU TRUST/TAKE ACTION ON THE FOLLOWING FORMS OF ADVERTISING?

PERCENT SOMEWHAT/COMPLETELY TRUST AND ALWAYS/SOMETIMES TAKE ACTION

	ASIA-PACIFIC	EUROPE	MIDDLE EAST/ AFRICA	LATIN AMERICA	NORTH AMERICA
RECOMMENDATIONS FROM PEOPLE I KNOW					
TRUST	85%	80%	84%	87%	82%
TAKE ACTION	88%	79%	85%	85%	79%
BRANDED WEBSITES					
TRUST	77%	53%	74%	74%	62%
TAKE ACTION	75%	51%	72%	79%	56%
CONSUMER OPINIONS POSTED ONLINE					
TRUST	73%	63%	67%	61%	68%
TAKE ACTION	75%	63%	70%	74%	60%
EDITORIAL CONTENT, SUCH AS NEWSPAPER ARTICLES					
TRUST	70%	55%	72%	77%	67%
TAKE ACTION	69%	54%	69%	78%	56%
BRAND SPONSORSHIPS					
TRUST	68%	42%	71%	73%	57%
TAKE ACTION	68%	43%	69%	75%	49%
ADS ON TV					
TRUST	67%	46%	67%	75%	61%
TAKE ACTION	73%	55%	72%	80%	65%
ADS IN NEWSPAPERS					
TRUST	65%	46%	69%	75%	63%
TAKE ACTION	69%	50%	73%	77%	60%
ADS IN MAGAZINES					
TRUST	65%	44%	66%	72%	62%
TAKE ACTION	67%	48%	69%	76%	56%
ADS IN RADIO					
TRUST	59%	44%	61%	74%	58%
TAKE ACTION	57%	44%	62%	75%	51%

Continued on pg 11

		ASIA-PACIFIC	EUROPE	MIDDLE EAST/ AFRICA	LATIN AMERICA	NORTH AMERICA
BILLBOARDS AND OTHER OUTDOOR ADVERTISING						
	TRUST	64%	42%	64%	65%	55%
	TAKE ACTION	64%	44%	66%	72%	45%
EMAILS I SIGNED UP FOR						
	TRUST	60%	43%	55%	64%	63%
	TAKE ACTION	69%	53%	66%	80%	68%
ADS BEFORE MOVIES						
	TRUST	62%	41%	55%	65%	54%
	TAKE ACTION	60%	39%	57%	70%	41%
ADS SERVED IN SEARCH ENGINE RESULTS						
	TRUST	52%	35%	50%	61%	44%
	TAKE ACTION	63%	43%	59%	75%	46%
ONLINE VIDEO ADS						
	TRUST	55%	33%	51%	54%	44%
	TAKE ACTION	59%	36%	54%	70%	39%
ONLINE BANNER ADS						
	TRUST	51%	27%	49%	50%	33%
	TAKE ACTION	58%	32%	57%	68%	35%
TEXT ADS ON MOBILE PHONES						
	TRUST	45%	23%	43%	44%	27%
	TAKE ACTION	53%	28%	51%	65%	29%
ADS ON SOCIAL NETWORKS						
	TRUST	55%	33%	56%	60%	39%
	TAKE ACTION	62%	41%	65%	75%	40%
TV PROGRAM PRODUCT PLACEMENTS						
	TRUST	62%	38%	64%	67%	52%
	TAKE ACTION	65%	41%	68%	76%	49%
DISPLAY ADS ON MOBILE DEVICES						
	TRUST	52%	28%	48%	58%	35%
	TAKE ACTION	59%	30%	54%	68%	32%

Source: Nielsen Global Survey of Trust in Advertising, Q1 2013

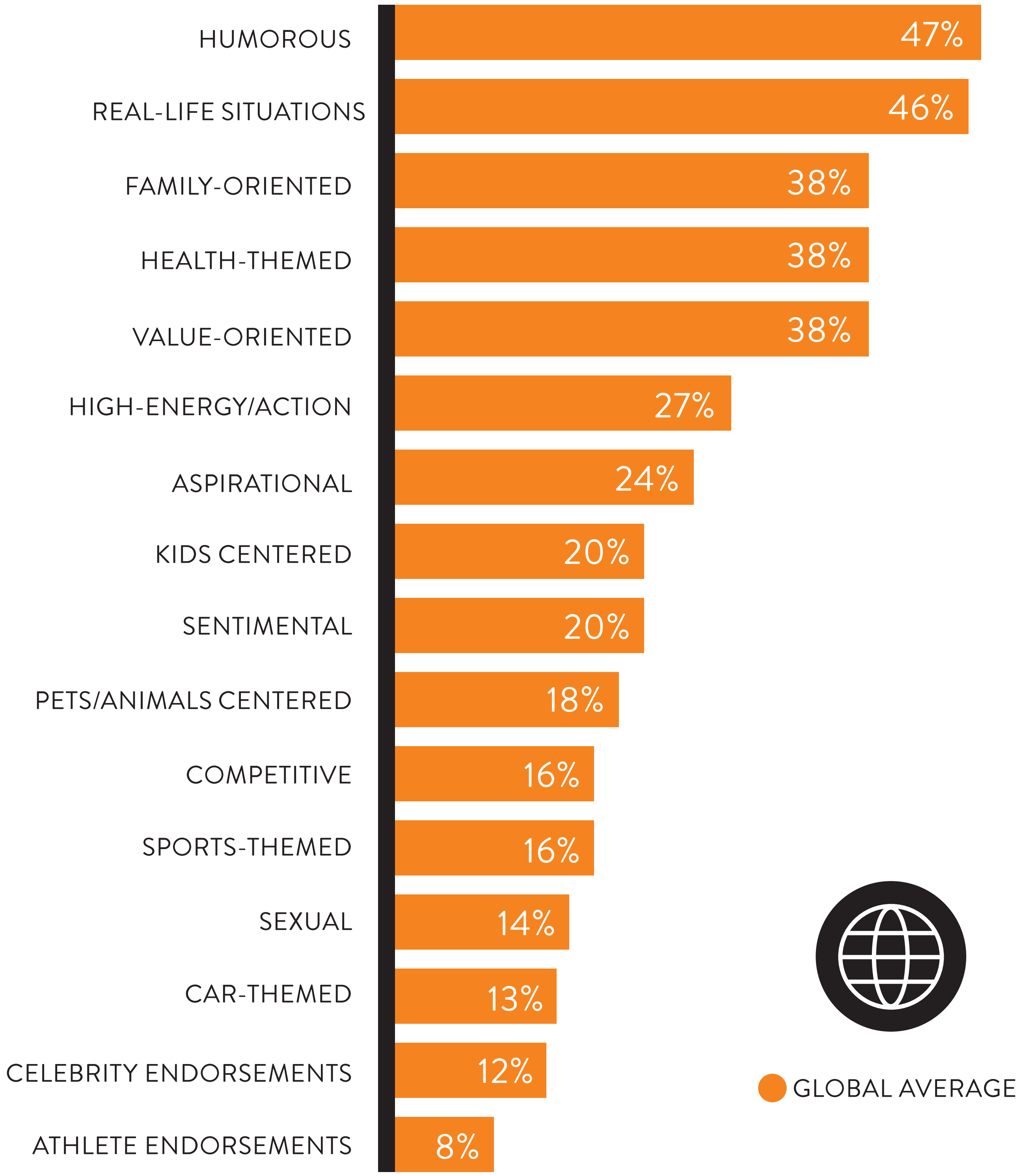
WORLDWIDE RESONANCE: ADS THAT MAKE THE GREATEST IMPACT

As advertisers aim to stand out in today's fragmented media landscape, the advertising medium is only part of the formula for reaching consumers. Creating a memorable brand identity by resonating with consumers is just as important, and some messages resonate more than others.

Forty-seven percent of global respondents agreed that humorous ads resonated most. Regionally, survey respondents in North America, Europe, Middle East and Africa indicated that ads that made them laugh were most appealing. In Latin America and the Asia-Pacific region, however, 57 percent of survey respondents indicated that ads featuring real-world situations resonated most. Other ad characteristics that resonated globally included real-life situations (46%), family-oriented and health-themed (both 38%) advertisements.

"For advertisers, it's vital that consumers make a memorable and meaningful connection with both the message and brand," says Beard. "Regardless of the ad delivery format, be it print, billboard, TV or online, effectively reaching consumers is predicated upon having a message that favorably impacts consumers when making a purchase decision. These favorable decisions are a key metric of marketing ROI. Recent Nielsen research has found that although regional nuances in preference do exist, comedic relief, relatable situations, and those that focus on family and health themes speak to the hearts and minds of consumers around the world."

WHAT TYPES OF ADVERTISING MESSAGES RESONATE MOST WITH YOU?



Source: Nielsen Global Survey of Trust in Advertising, Q1 2013

COUNTRIES INCLUDED IN THIS STUDY

MARKET	INTERNET PENETRATION
Argentina	66%
Australia	89%
Austria	80%
Belgium	81%
Brazil	46%
Bulgaria	51%
Canada	83%
Chile	59%
China	40%
Colombia	60%
Croatia	71%
Czech Republic	73%
Denmark	90%
Egypt	36%
Estonia	78%
Finland	89%
France	80%
Germany	83%
Greece	53%
Hong Kong	75%
Hungary	65%
India	11%
Indonesia	22%
Ireland	77%
Israel	70%
Italy	58%
Japan	80%
Latvia	72%
Lithuania	65%

MARKET	INTERNET PENETRATION
Malaysia	61%
Mexico	37%
Netherlands	93%
New Zealand	88%
Norway	97%
Pakistan	15%
Peru	37%
Philippines	32%
Poland	65%
Portugal	55%
Romania	44%
Russia	48%
Saudi Arabia	49%
Singapore	75%
Slovakia	79%
South Africa	17%
South Korea	83%
Spain	67%
Sweden	93%
Switzerland	82%
Taiwan	75%
Thailand	30%
Turkey	46%
United Arab Emirates	71%
United Kingdom	84%
Ukraine	34%
United States	78%
Venezuela	41%
Vietnam	34%

Source: Internet World Stats, June 30, 2012

ABOUT THE NIELSEN GLOBAL SURVEY

The Nielsen Global Survey of Trust in Advertising was conducted between February 18 and March 8, 2013, and polled more than 29,000 consumers in 58 countries throughout Asia-Pacific, Europe, Latin America, the Middle East, Africa and North America. The sample has quotas based on age and sex for each country based on their Internet users, and is weighted to be representative of Internet consumers and has a maximum margin of error of ±0.6%. This Nielsen survey is based on the behavior of respondents with online access only. Internet penetration rates vary by country. Nielsen uses a minimum reporting standard of 60 percent Internet penetration or 10M online population for survey inclusion. The Nielsen Global Survey, which includes the Global Consumer Confidence Survey, was established in 2005.

ABOUT NIELSEN

Nielsen Holdings N.V. (NYSE: NLSN) is a global information and measurement company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence and mobile measurement. Nielsen has a presence in approximately 100 countries, with headquarters in New York, USA and Diemen, the Netherlands.

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