

TECHNOLOGY RESEARCH PANELS

ONLINE SOCIAL NETWORKS: TRUST NOT INCLUDED

*Breaking through in a medium marred by
privacy concerns and skepticism.*

September 2010

Executive Summary

Social networkers are people who use online networks to stay in touch with the people that they trust and care about: friends and family. These social connections drive the social networking phenomenon, and marketers must recognize that learning about products and services is secondary to the pursuit of social outreach with friends and family.

Social networks have earned very little trust as communication platforms and are surrounded by deep skepticism and concerns about protection of privacy, scams and spam.

Marketers must transcend the inherent distrust within social network platforms if their messages are going to resonate with consumers. Without a meaningful connection to friends and family, marketing messages on social networking sites will merely become more ads to be avoided.

Discussions and recommendations by friends and family members are among the most trusted sources of information about brands within social networks. Gaining access to these organic discussions (and acquiring the associated trust) can be achieved by delivering remarkable and engaging brand experiences—both online and off-line—and by speaking to consumers' values and ideals. Many consumers also respond to activities that deliver tangible value, such as coupons or special offers.

The rise of social media offers marketers a new and powerful medium through which to engage consumers, but does not replace the reach and inherent trust found with more traditional media channels such as broadcast TV and radio.

Methodology

Vision Critical is conducting ongoing research exploring issues related to the growing use of online social networks among both consumers and marketers. The research presented in this working paper draws on data from several surveys conducted through Vision Critical's Global Panels in the United States, Canada and Great Britain:

- The first of these surveys took place in early October 2009 with a sample of 5,974 adults in the three countries.
- The second survey, conducted in March 2010, was designed to dig deeper into consumer attitudes about online social networks and preferences for advertiser's involvement. This survey included interviews with 4,021 respondents across the three countries.
- Vision Critical conducted an additional survey in May 2010 to assess the mood in the United States just before "Quit Facebook Day"—a campaign initiated by Facebook members in response to concerns about the social networking website's treatment of its users' personal data. A total of 1,007 American adults were surveyed.

Key Findings

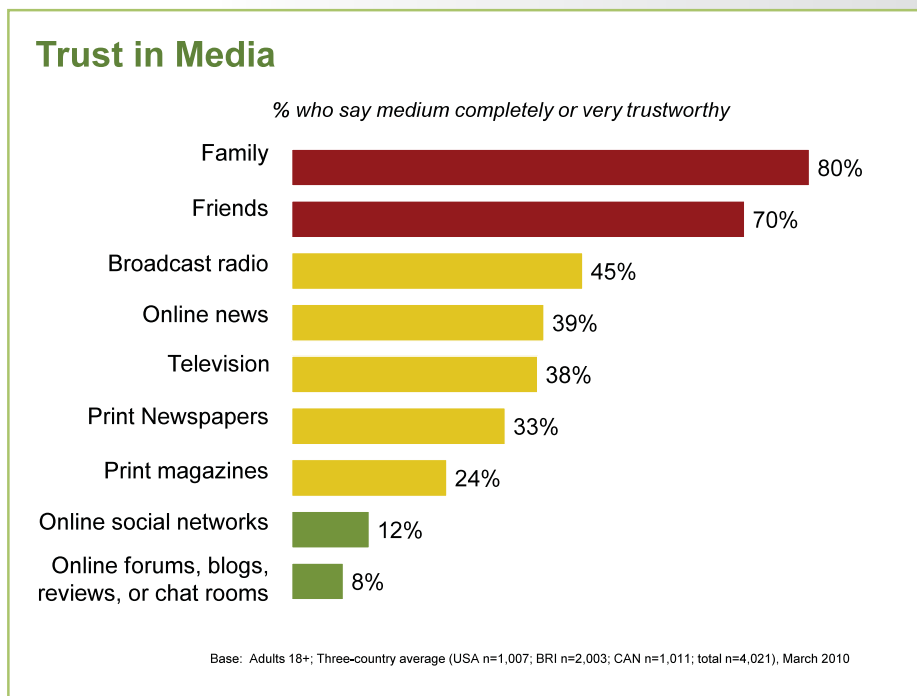
- Consumers place little trust in online social networks themselves, far less than what they grant to traditional media.
- Although many social networkers find their networks helpful for learning about brands, privacy concerns and frustrations with spam and scams make people skeptical of online social networks.
- Social media marketing that earns its way into the conversation between family and friends can be powerful—family and friends deliver much higher levels of trust than any media.
- Younger consumers are more receptive to social media advertising than those in the older demographic groups, but they place even greater trust in traditional media.
- Coupons and offers that deliver tangible value to social networkers are more trusted than other forms of branded content.
- Other media, television and radio in particular, deliver high reach, frequency and trust even among regular visitors to social networking sites.

You can't buy trust on social networks.

Online social networks have captured both the imagination and wallets of marketers. And while it is estimated that social media represents roughly 6% of current marketing budgets, this level of commitment is expected to reach 10% within one year and jump to 18% within five years, according to Duke University's 2010 CMO survey of elite marketers .

Will these marketers be getting their money's worth? Research conducted by Vision Critical over the past year suggests that throwing money at social media by itself will not motivate consumers. While many consumers are open to advertising on these networks, marketers cannot assume that a mere presence on social networks will deliver the trust needed to motivate consumer behavior—and unlock potential revenue.

Even though online social networking sites bring consumers closer to the most trusted components of their lives—their family and friends—consumers place little trust in the social network platforms themselves. And despite the rapid growth of services such as Facebook, MySpace and Twitter over the past two years, social networks are trusted less than broadcast and print media.



Youth just don't trust social networks.

While it may be expected that older consumers would find online social networks less trustworthy than the traditional media channels they are more accustomed to, younger consumers, in fact, share their concerns. The sought-after 18-to-34-year-old demographic segment places much less trust in social networks and forums than in other media—suggesting that they view this medium as providing different types of information and requiring unique forms of engagement.

Trust in Media—by Demographics

% who say medium completely or very trustworthy

| | Overall % | 18-34 % | 35-54 % | 55+ % |
|--|-----------|---------|---------|-------|
| Broadcast radio | 45 | 44 | 45 | 45 |
| Online news | 39 | 42 | 40 | 35 |
| Television | 38 | 36 | 38 | 40 |
| Print newspapers | 33 | 37 | 34 | 29 |
| Print magazines | 24 | 29 | 25 | 19 |
| Online social networks | 12 | 19 | 12 | 7 |
| Online forums, blogs, reviews, or chat rooms | 8 | 14 | 8 | 4 |

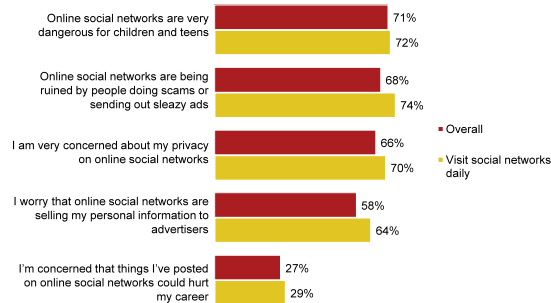
Base: Adults 18+, 3-country average (US n=1,007, BRI n=2,003, Canada n=1,011, total n=4,021, March 2010)

Privacy issues and concerns about scams pollute social networks.

To explore why trust is so lacking within a medium that connects 'friends' with common interests, Vision Critical has been probing the concerns and associations people have with social media networks. It is very clear that online social networks are perceived as places where expectations of privacy are nebulous and the security of personal information is often violated. This is compounded by questionable marketing efforts as advertisers struggle to learn how best to engage social networkers within this new medium. Indeed, most respondents surveyed feel that these networks are dangerous for children or "ruined" by "scams" and "sleazy ads." The situation appears to create an environment where users are continually forced to evaluate the credibility of the people and information they encounter.

Concerns about Social Media Networks

% who strongly or moderately agree

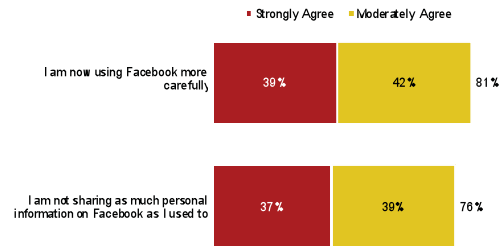


Base: Adults 18+, Three-country average (USA n=1,007, BRI n=2,003, CAN n=1,011, total n=4,021, March 2010)

Facebook users respond to privacy concerns by modifying their behavior.

This concern over privacy was exemplified when just days before the May 2010 “Quit Facebook Day,” Vision Critical conducted a survey to gauge the mood in the United States about the social networking website’s privacy policies. Four-in-five account holders (81%) claimed to be using Facebook more carefully than before, and three-quarters (76%) indicated that they were sharing less personal information than they used to.

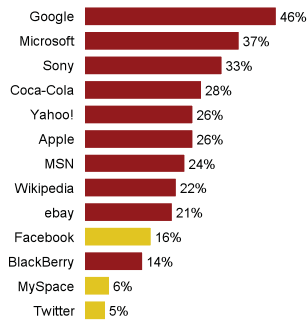
Response to Privacy Concerns Prior to “QuitFacebook Day”



Base: Adults 18+; Facebook account holders in the United States (n=699); May 2010

“Most Trustworthy” Brands

% who identify each as a “most trustworthy” brand



Base: Adults 18+; Three-country average (USA n=2,005; BRI n=2,019; CAN n=1,950; total n=5,974; October 2009)

This lack of trust extends to the social network brands themselves.

Even before “Quit Facebook Day” thrust privacy concerns into the spotlight, consumers were less likely to consider Facebook, MySpace and Twitter as trustworthy brands. In October 2009, consumers were far more likely to identify other online, technology or iconic products, such as Google, Microsoft, Apple, Sony, Coca-Cola or Wikipedia among the “most trustworthy” brands. This finding reinforces the assumption that brands seeking to improve their standing through online social media need to have already earned their customers’ trust elsewhere. Brands cannot rely on the halo effect from presence on the social networks themselves.

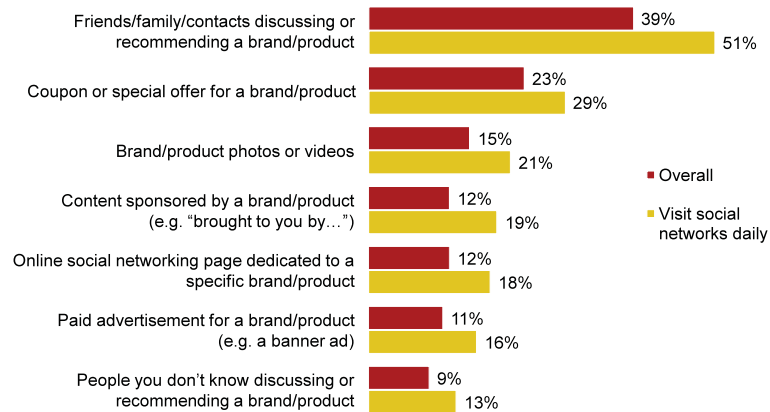
Trust in discussions and recommendations.

Given this unique perceived benefit of social media, it seems only natural then that trust within this environment would be strongest among social networkers' personal contacts. Nearly two-in-five consumers overall (39%) and more than half of daily social network users (51%) trust discussions and recommendations by their friends, family and contacts about brands and products on social networks.

Second to friends and family, consumers and social networkers also trust offers such as coupons or special offers from brands or products, which is notable given the recent rapid rise of coupon-based online services such as Groupon that encourage offer-sharing via online social networks. And in a sign that online social networkers are discerning about the information they consume within social networks, they place considerably less trust in paid ads or recommendations from people they do not know.

Trust in Info Channels for Brands on Social Media Networks

% completely or very trustworthy

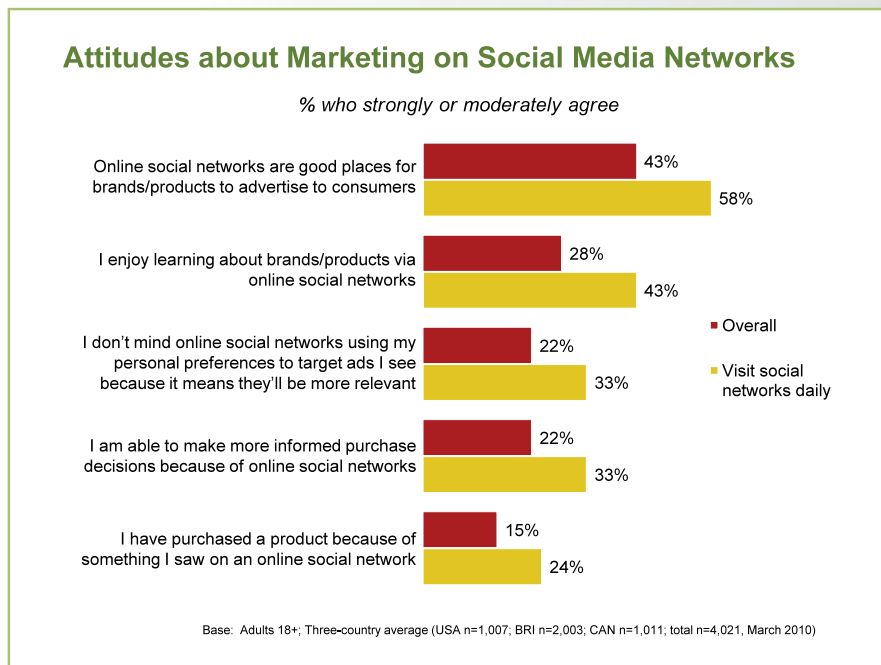


Base: Adults 18+; Three-country average (USA n=1,007; BRI n=2,003; CAN n=1,011; total n=4,021, March 2010)

Open to brand messaging.

While limited trust in paid advertising on social networks is widespread, our research reveals there are indeed opportunities for marketers in social networks. More than two-in-five consumers overall (43%) and nearly three-in-five (58%) daily users of social networks indicate they are open to brands advertising on social networks.

Many also say they enjoy learning about brands and products on social media networks. One third (33%) credit social media with helping them make purchasing decisions. The same proportion indicated that they are open to receiving targeted advertising on social networks.



Younger consumers express more receptive attitudes to advertising on social networks.

Women are more likely to trust product recommendations from friends, family members and other contacts while men are less likely to be bothered by behavioral targeting in social media advertising. These results underscore that while consumers may not be as

receptive to traditional advertising within online social networks, many are open to learning about brands and products within this environment, and are using this to inform purchase decisions.

Attitudes About Marketing on Social Media Networks— by Demographics

% who strongly or moderately agree

| | Overall % | Male % | Female % | 18-34 % | 35-54 % | 55+ % |
|---|--------------|-----------|-------------|------------|------------|----------|
| Online social networks are good places for brands/products to advertise to consumers | 43 | 43 | 44 | 56 | 43 | 32 |
| I enjoy learning about brands/products via online social networks | 28 | 27 | 30 | 36 | 29 | 21 |
| I don't mind online social networks using my personal preferences to target ads I see because it means they'll be more relevant | 22 | 26 | 19 | 32 | 23 | 13 |
| I am able to make more informed purchase decisions because of online social networks | 22 | 24 | 20 | 30 | 21 | 16 |
| I have purchased a product because of something I saw on an online social network | 15 | 15 | 14 | 24 | 14 | 8 |

Base: Adults 18+; Three-country average (USA n=1,007; BRI n=2,003; CAN n=1,011; total n=4,021, March 2010)

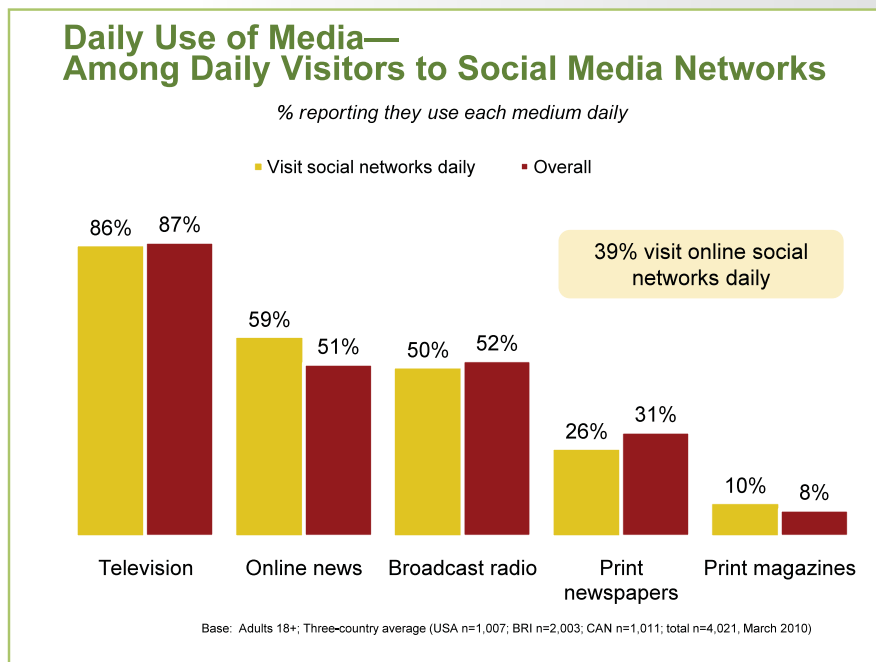
Other media helps build and sustain brand recognition

Broadcast and print media are not dinosaurs. With all of the attention paid to social media over the past several years, it would be easy to disavow traditional media as a dying channel of consumer influence. However, traditional media continue to deliver unsurpassed reach and frequency, even among regular visitors to social networking sites.

Daily users of social media are only slightly less likely than other adults in the U.S., Britain and Canada to say that they listen to broadcast radio or watch television daily. Generally, people are more likely to use broadcast media on a daily basis than online social networks.

Daily visitors to social networking sites are somewhat less likely to read print newspapers daily—a difference driven by the contrasting age profiles of each medium.

Indeed, the reach and frequency of traditional media, coupled with the inherent trust associated with many of these channels, suggest they will continue to be better at building and reinforcing the core values of brands with consumers for the foreseeable future. This offline brand presence may in fact be essential for supporting an online and increasingly social brand strategy.



Implications for Marketers

- There are no shortcuts to success in social media. There is little or no resident trust in social network platforms—nothing that magically accrues brand equity or product loyalty through a social media presence.
- Brands can overcome the trust barriers associated with online social networks by delivering meaningful value. Giving friends and family reasons to make organic recommendations via social networks or offering users clear and relevant benefits can help drive engagement, even in a distrusted space.
- Credible and engaging brand presence is critical. Online social networks constantly force consumers to evaluate the credibility of the people and information they encounter, carrying over into a hyper-skepticism of brand and product marketing.
- Traditional media remain a critical part of the marketing mix. Broadcast media are particularly important to deliver the reach necessary to build and maintain strong brands, even among heavy users of social media.
- Low trust in social networking platforms presents a competitive advantage for broadcast and print over social media. Trust represents an important edge for print and broadcast media as brands migrate into new platforms and explore new business models.

Request detailed tables showing country and demographic results by clicking [here](#).