iProspect Offline Channel Influence on Online Search Behavior Study

August 2007

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Background

In June 2007, **iProspect** partnered with **JupiterResearch** to develop and field a survey to U.S. search engine users (heretofore referred to as "online search users") to gain a better understanding of how exposure to offline channels influences their search and purchase behavior. Because iProspect works with many search marketing clients who coordinate and integrate their offline marketing channels programs with their search marketing initiatives, we hypothesized that a significant percentage of individuals are driven to conduct an online search as a direct result of exposure to offline messaging. Further, we also theorized that a significant percentage of those driven to search by these means eventually make a purchase from the company whose website is the object of their search. The questions that comprised the survey that lead to this study sought to quantify this offline influence on online search behavior.

Methodology

In June 2007, JupiterResearch designed and fielded a survey to U.S. online users (heretofore referred to as "online users" who may or may not be users of search engines) selected randomly from the **Ipsos U.S. online consumer panel**. A total of 2,322 individuals responded to the survey. Respondents were asked approximately 25 closed-ended questions about their behaviors, attitudes, and preferences as they relate to games, digital imaging, portable devices, and service bundles. Respondents received an email invitation to participate in the survey with an attached URL linked to the Web-based survey form. The samples were carefully balanced by a series of demographic and behavioral characteristics to ensure that they were representative of the online population. Demographic weighting variables included age, gender, household income, household education, household type, region, market size, race, and Hispanic ethnicity. Additionally, JupiterResearch weighted the data by AOL use, online tenure, and connection speed (broadband versus dial-up), which are three key determinants of online behavior. Balancing quotas are derived from JupiterResearch's Internet population model, which relies on U.S. Census Bureau data and a rich foundation of primary consumer survey research to determine the size, demographics, and ethnographics of the U.S. online population. The survey data are fully applicable to the U.S. online population within a confidence interval of plus or minus three percent.

Executive Summary

Question 1

Hypothesis

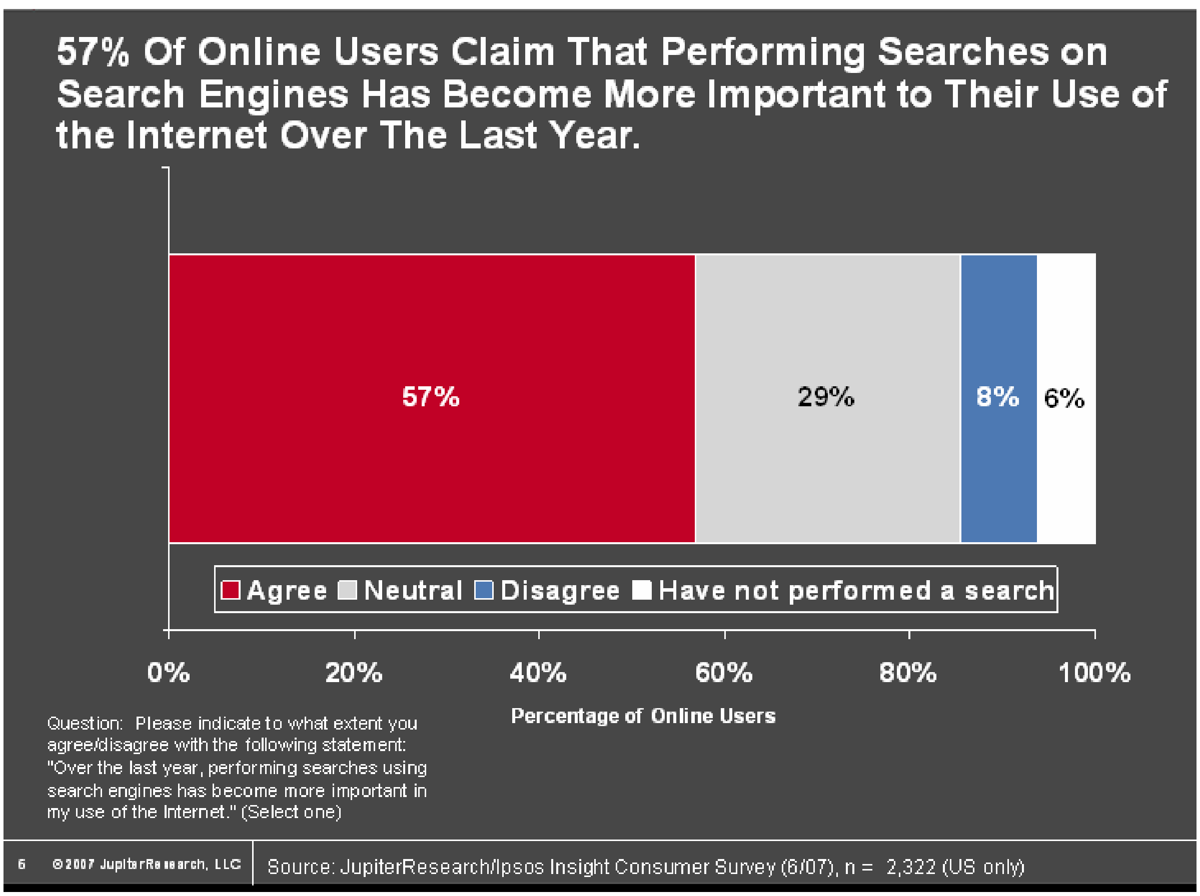
Prior to asking online users (see definition under "Methodology" section above) about their exposure to offline channels, we wanted to learn whether performing searches on search engines is becoming more or less important to their use of the Internet. Our hypothesis was that use of search engines to perform searches is growing more important to the majority of online users.

Survey Question & Responses

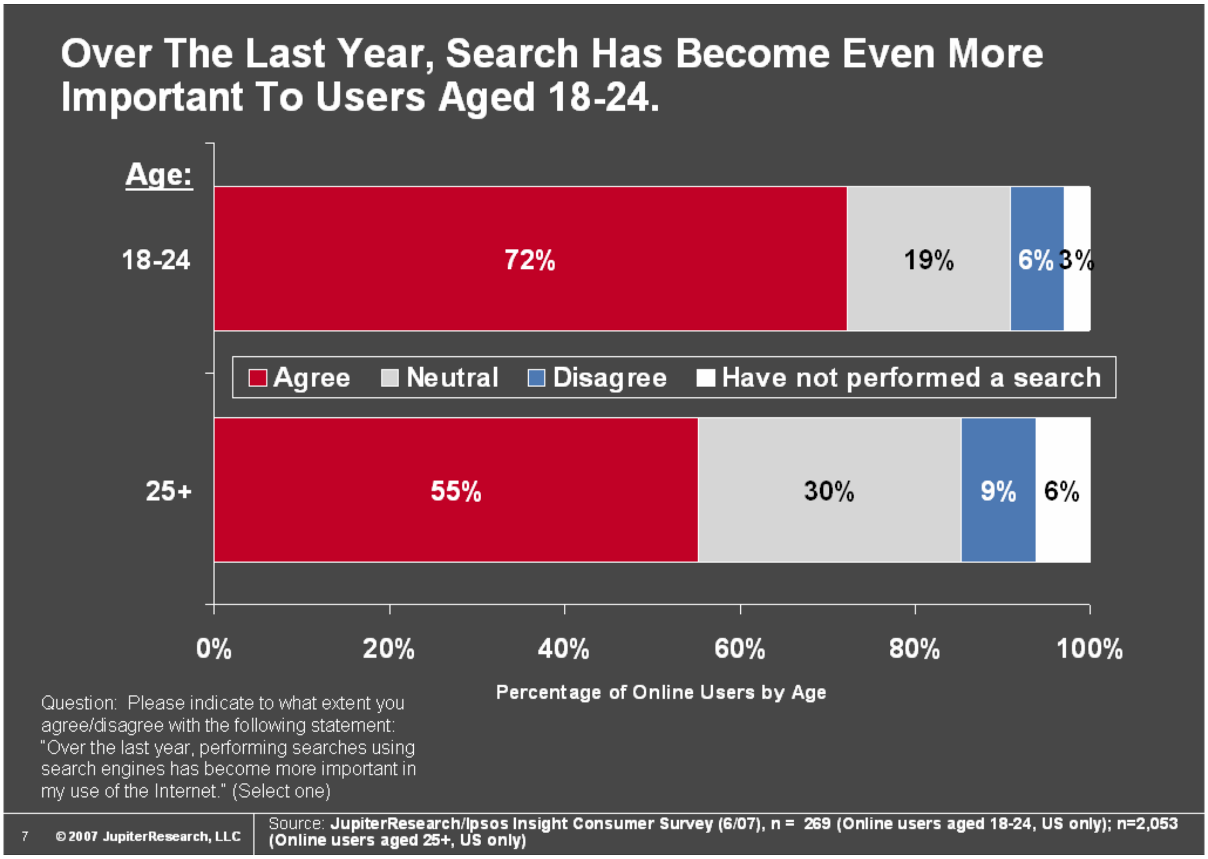
When online users were asked…

"Please indicate to what extent you agree/disagree with the following statement: "Over the last year, performing searches using search engines has become more important in my use of the Internet." (Select one)"

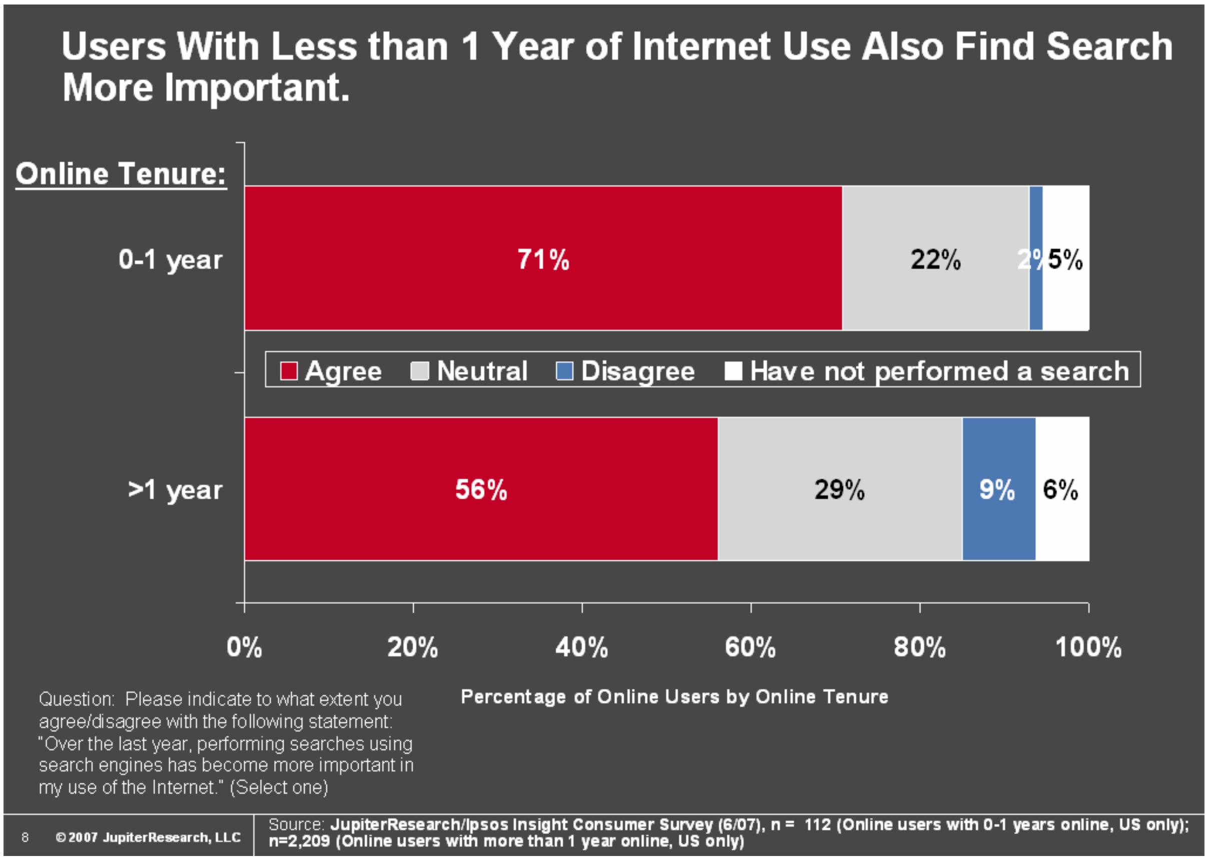
The results were as follows:



The data clearly shows that a significant percentage of online users believe that performing searches on search engines has become more important in their use of the Internet. Moreover, the data demonstrates that this phenomenon is not limited solely to one age group, or solely to new Internet users (see below).



Specifically, the vast majority (72%) of the younger age group (18-24) reported a growth of importance in performing queries on search engines. Likewise, a significant percentage (55%) of online users 25 and older reported the same. These separate findings demonstrate that the 57% overall figure is not skewed by the younger age group.



It is also interesting to examine the impact online tenure holds in this regard. Data analysis reveals that a significant portion (71%) of online users who have been using the Internet for less than a year report that this activity has grown in importance to them. Yet 56% of online users with more than one year of Internet experience concur with their less experienced counterparts. Thus, as is the case with the factor of age, Internet tenure doesn't distort the overall finding that performing searches on search engines has become increasingly important to a significant percentage of online users. This finding validates our original hypothesis.

Question 2

Hypothesis

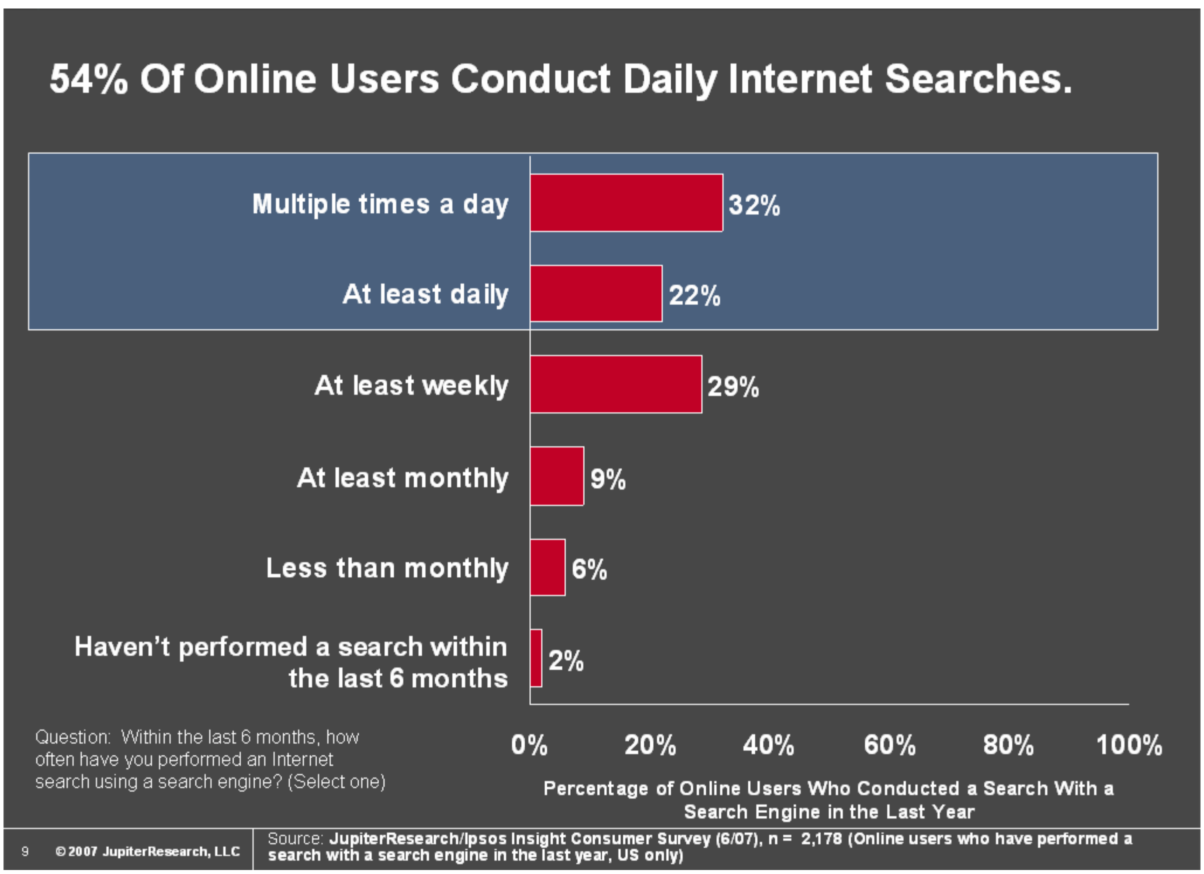
Once again, prior to asking online users about their exposure to offline channels, we wanted to learn how frequently they perform search engine queries. Based partially on data previously published in iProspect 2004 research on this question (see "Analysis & Implications" section later in this study for link to that research), and partially our own observation of user behavior, our hypothesis was that today 60-65% of online users are performing searches daily.

Survey Question & Responses

When online users who performed a search with a search engine within the last year were asked…

"Within the last 6 months, how often have you performed an Internet search using a search engine? (Select One)."

The results were as follows:



A full 54% of online users who have performed a search in the last year are performing searches daily, with 32% of respondents reporting that they perform searches multiple times a day, and 22% stating that they do so at least once a day. Clearly, this falls short of our hypothesis that 60-65% of users perform searches using search engines at least daily. However, when the range of frequency is extended to weekly (29%), the data reveals the vast majority (83%) of those surveyed report performing searches on search engines at least weekly.

Question 3

Hypothesis

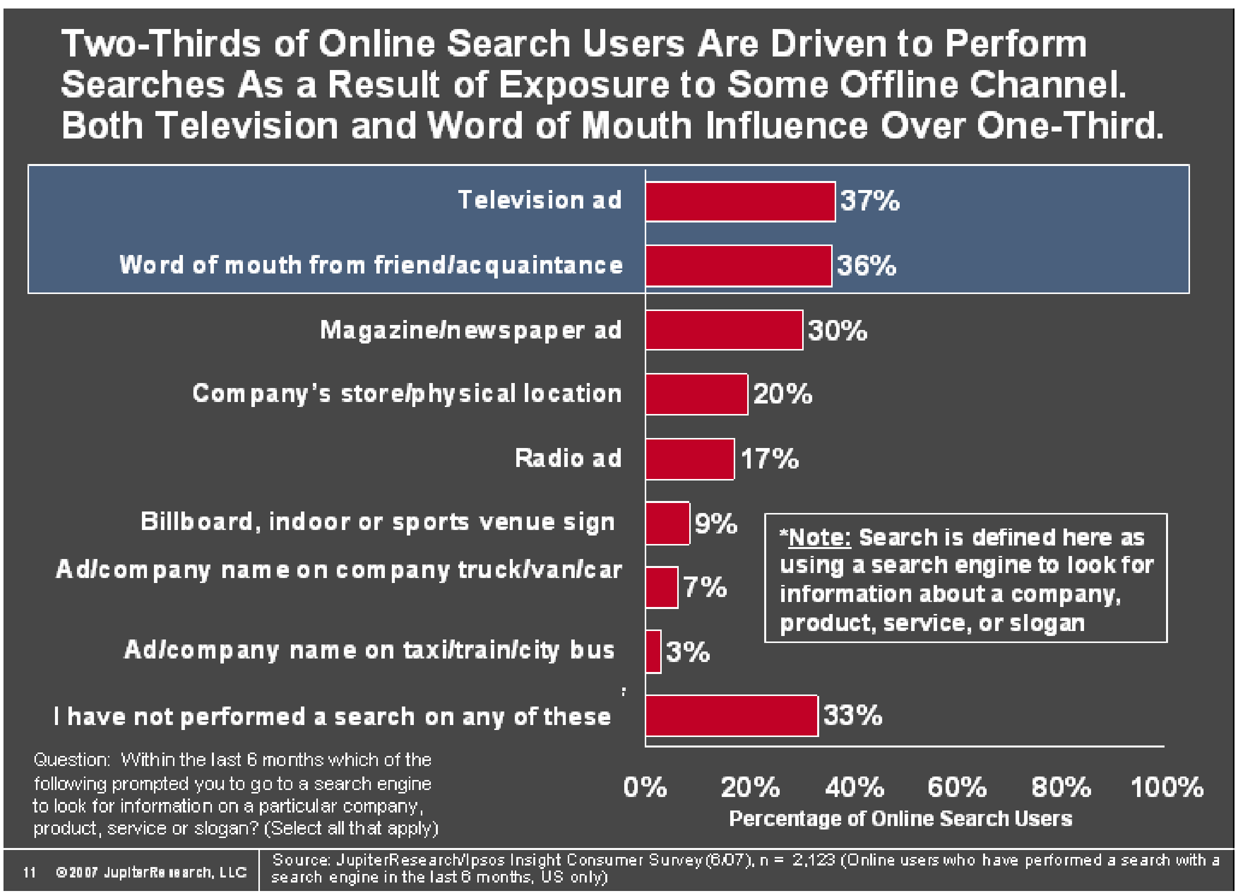
iProspect was interested in quantitatively learning which offline channels cause online search users to subsequently perform searches. At the outset of the survey, we hypothesized that it would be an even split – roughly -- between the percentage of users influenced to search by some offline channel, and those NOT influenced by an offline channel.

Survey Question & Responses

When online search users were asked…

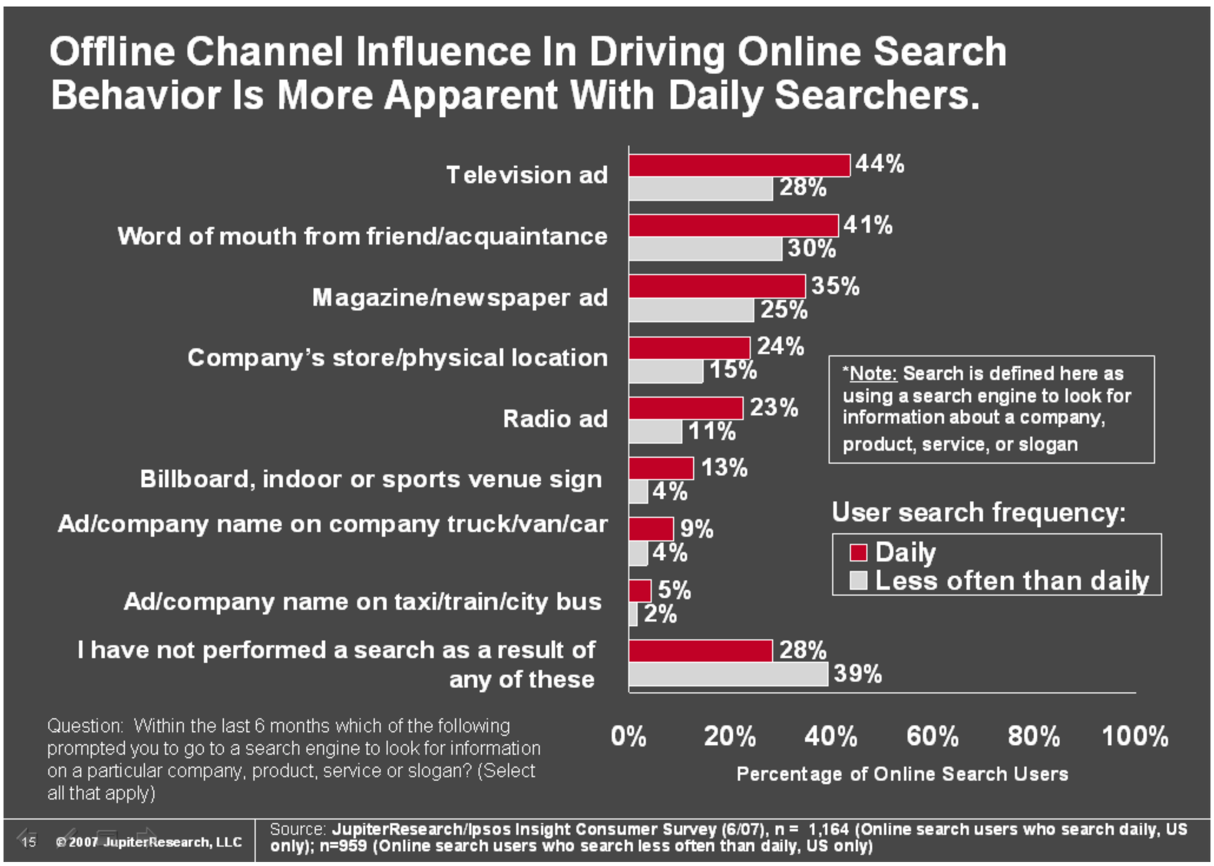
"Within the last six months, which of the following prompted you to go to a search engine and look for information on a particular company, product, service or slogan? (Select all that apply)."

The results were as follows:



Based on the survey data illustrated on the previous page, offline channels clearly influence a significant percentage of online search users (see definition under "Background" section above) to subsequently perform queries on search engines based on the company name, product or service name, or slogan that appears in the messaging of that offline channel. And though iProspect is not surprised at the finding that television and word of mouth are the two most frequent offline drivers of search, we are a bit stunned that both of these channels influence over one-third of online search users to perform a search. But even more surprising is that a full 67% of online search users are driven to search as a result of some offline channel. This percentage clearly surpasses the 50/50 split between influenced and non-influenced online search users we predicted prior to launching the survey.

To further understand this surprising finding, we analyzed the factor of online search user search frequency. We hypothesized that those online search users who search at least daily would be more influenced to perform searches as a result of exposure to offline channels. The findings uncovered are illustrated below.



We are not surprised to find that across all offline channels listed, daily online search users are influenced more to perform searches after exposure to some offline channel, than those online search users who search less frequently.

Question 4

Hypothesis

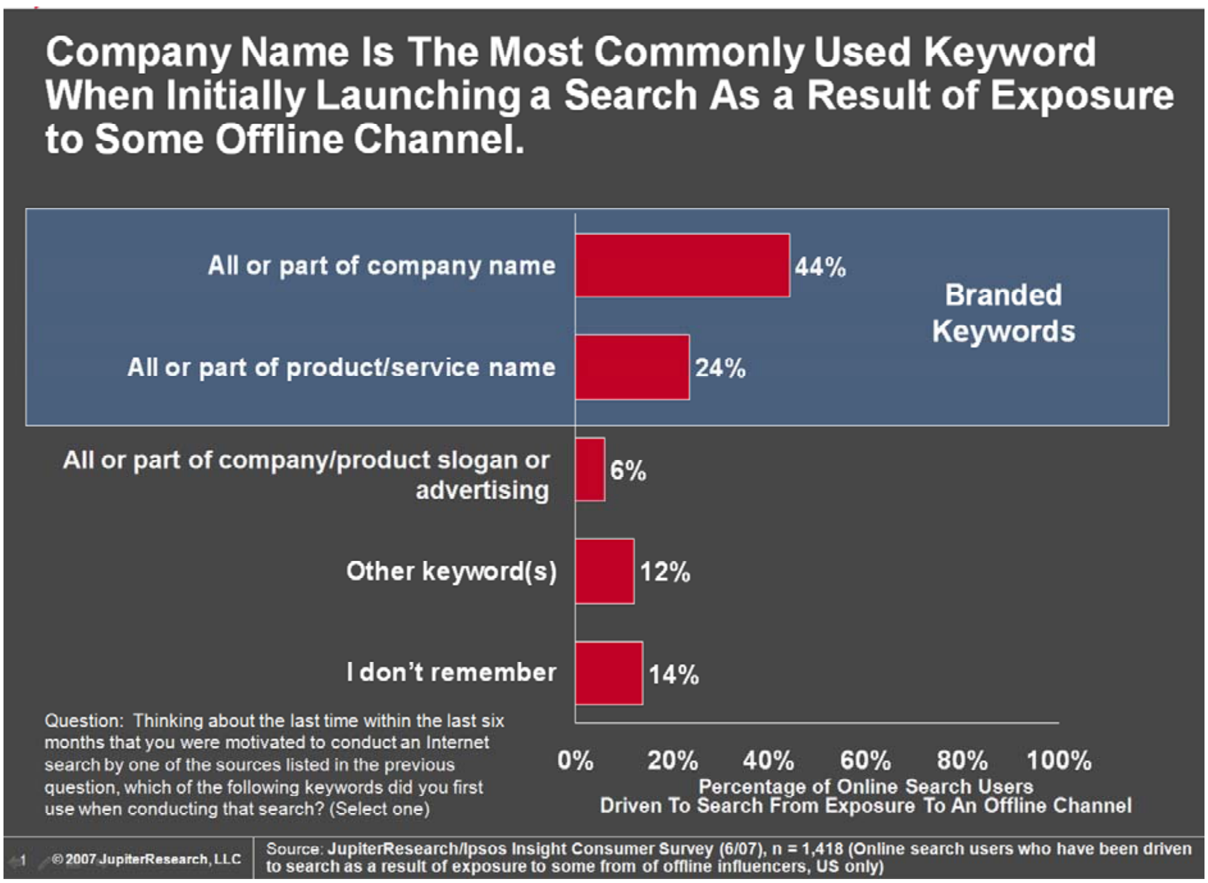
iProspect was interested in learning which “types” of keywords are being used most to perform an initial search by online search users who are influenced to perform that search by exposure to some offline channel. Based on iProspect’s experience managing both organic and paid keywords for our clients, we hypothesized that use of “branded” keywords (those containing the company name or the name of one of its products or services) to perform a search – as a result of exposure to some offline channel – would significantly outweigh the use of non-branded keywords. More specifically, we predicted that “company name” would account for more than 50% of total initial searches.

Survey Question & Responses

When online search users who were driven to search from exposure to an offline channel influence were asked…

"Thinking about the last time within the last six months that you were motivated to conduct an Internet search by one of the sources listed in the previous question, which of the following keywords did you first use when conducting that search? (Select one)”

The results were as follows:



The data clearly indicates – of those online search users who are influenced to perform a search as a result of exposure to some offline channel – that branded keywords far outweigh messaging from the non-branded keywords (company advertising, slogan, or “other”) 68% to 18%, respectively. This validates our first hypothesis. And though iProspect also estimated that at least 50% of online search users would use company names to perform their initial search, 44% still clearly leads the next most often used keyword type (all or part of a product/service name at 24%) by nearly a two-to one margin. It is also not surprising that 14% do not remember the type of keyword they used to perform their search.

Question 5

Hypothesis

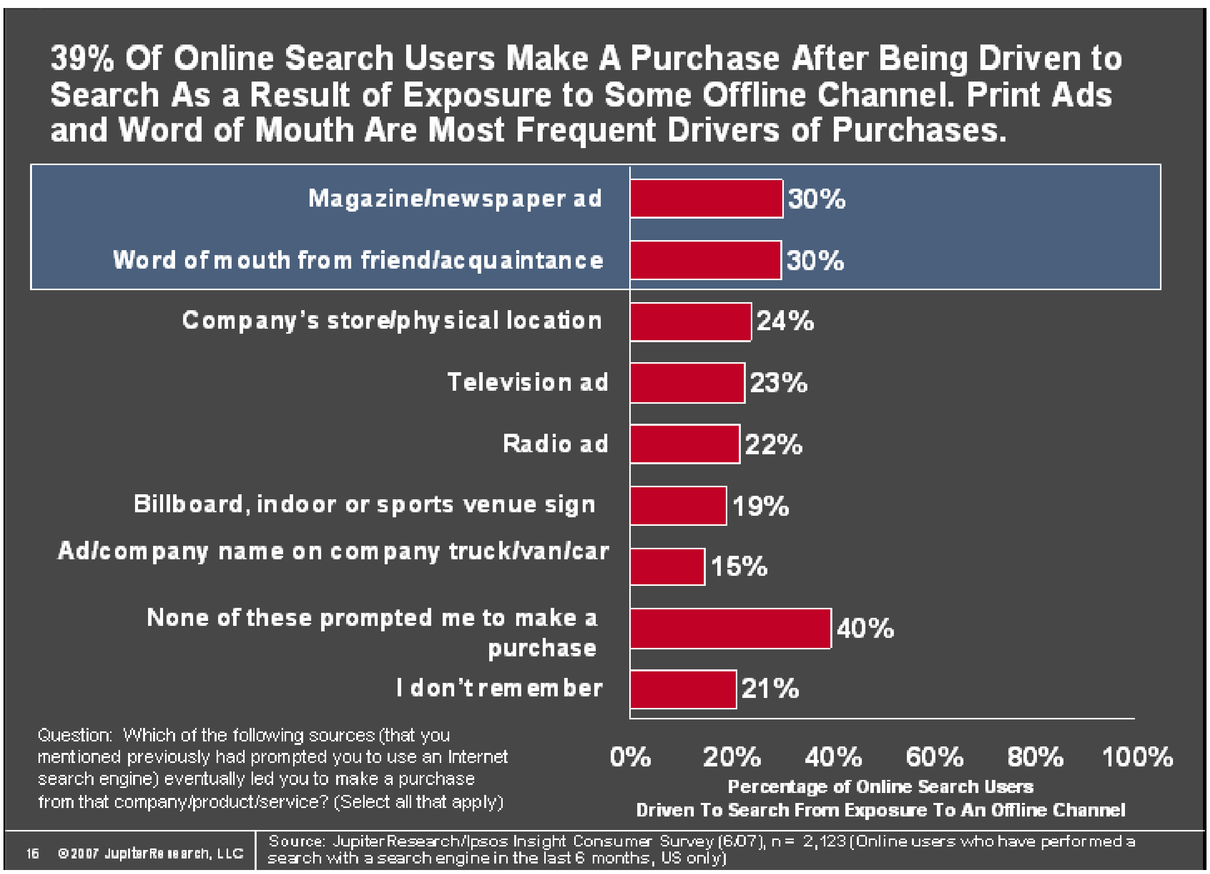
All the traffic in the world can be driven to a company's website via offline channels, but it's meaningless unless, at some point, the individuals who searched for that company's site make a purchase from that company – via any channel. Given that, iProspect concluded our survey by asking a question to only those online search users who had performed a search as a result of exposure to some offline channel. Specifically, we asked whether they ultimately had made a purchase from the company whose website had been the object of their search. Our hypothesis was that roughly one in four online search users, who are driven to search by exposure to some offline channel, makes a purchase.

Survey Question & Responses

When online search users who were driven to search from exposure to an offline channel influence were asked…

"Which of the following sources (that you mentioned previously had prompted you to use an Internet search engine) eventually led you to make a purchase from that company/product/service? (Select all that apply)"

The results were as follows:



From a marketer's perspective, iProspect believes that the most significant finding of this study is that over one-third of online search users who perform a search as a result of exposure to some offline channel recall making a purchase (via any channel) as a result of that search. Moreover, the number of those who made a purchase as a result of exposure is probably higher still, but 21% of respondents do not remember if they made a purchase or not (undoubtedly, some did). This finding exceeds our hypothesis that only one in four searchers who are influenced to search by some offline channel will eventually make a purchase. We do find it interesting that the magazine and newspaper ads channel (together with the word of mouth channel) is the most influential at generating purchases.

Analysis & Implications

Question 1

Performing Searches More Important to 57% of Online Users

Across all ranges of age, income, and online tenure, survey respondents reported that conducting search engine queries has become more important to their use of the Internet over the last year.
To address the reasons why is to describe a virtuous cycle in which a growing online population, of growing experience and sophistication, is seeking a growing body of information available on the Internet. This includes more commercial content by more businesses spending more money to attract that growing online population, and the growing amount of money that online population is spending with those businesses.

The implications of this are obvious. If users report that the activity of searching is growing more important to them, then businesses need to assign growing importance to ensuring that their website is **found** by searchers. This is especially true of companies not yet doing business on the Internet, or those who are doing business, but whose competitors have a significant head start on them in this process. This implication is specific neither to organic search nor paid search advertising, as both search channels have their benefits and limitations. Ideally, businesses should be engaged in both search channels to maximize the chance that their website will be found on the keyword searches that are most important to their business. However, at the core of this finding is a wake-up call to businesses. Quite simply, they need to ascribe greater importance to the search channel, and take action accordingly. Failing to do so would equate to denial, and foolish disregard for the online population's perspective on, and use of search.

Question 2

54% of Online Population Searching at Least Daily, 83% at Least Weekly

As logical as it would seem to use the virtuous cycle described in the analysis of Question 1 above to explain the seemingly increasing frequency at which the user population is searching, daily searching on the part of the online population has remained somewhat flat over the past three years. **iProspect's Search Engine User Attitudes Study** (April 2004), found that 56.3% of online users performed queries at least once a day, compared to this study's finding of 54%.

Despite the growing importance of search as an Internet activity described in Question 1, an increase in search frequency was not evidenced by this study. But according to data from JupiterResearch's March 2007 Internet Population Model, the U.S. adult (18 years+) online population has grown 19.4% from 144.3 million in 2004 to a projected 172.3 million in 2007. So today's "at-least-daily" searchers (54% of 172.3 million = 93 million) represents 11.8 million more people than were performing searches "at-least-daily" in 2004 (56.3% of 144.3 million = 81.2 million).

The implication of this finding is somewhat conjectural, as the iProspect surveys that produced this study and the 2004 study did **not** include questions about the nature/objectives of the searches being performed. But using data from JupiterResearch's July, 2007 U.S. Paid Search Model as a proxy, 38% of search volume launched in 2004 was commercially motivated (searches seeking information on products or services) while 40% of search volume launched in 2007 is projected to be commercially motivated.

iProspect submits that those additional 11.8 million U.S. adult Internet users, generating a projected 2% more commercial search volume per person (40% in 2007 minus 38% in 2004), emphasizes the need for businesses to undertake initiatives that will result in their websites being found when this larger population of more purchase-motivated users perform searches for products or services that they offer.

Question 3

Two-Thirds of Online Search User Population Driven to Search By Offline Channels

Intuitively, it makes sense that offline channel messaging – some of which a potential customer might be exposed to for only a matter of seconds (e.g. television, radio, billboard, outdoor, sports and transportation advertising) – would pique a user's curiosity to such a degree as to motivate them to initiate an Internet search for additional information about the business issuing the message. And for the most part, it meshes with our prediction (though admittedly exceeding it a bit). However, despite its intuitive nature, and the numbers it garners, we can't help but be baffled by the phenomenon. The vast majority (67%) of online users are being driven to perform a search as a result of exposure to these offline channels when the majority of offline advertising does very little to facilitate the process. In other words, they don't exactly make it easy for potential customers to find their company's website.

Tactics as simple as prominently displaying or announcing the company's URL (or both) within offline channel messaging is becoming increasingly common, but doing so is still the exception, and not the rule. Even more rare, though extremely effective, are offline campaigns that overtly state "search keyword: Buick," or "Google Maytag" – sending online users to search results pages where savvy marketers know searchers will find their company listing at the top of either or both the natural or paid search results.

Marketers who take pains to have their toll-free number repeated several times within their messaging would be well-served to incorporate their URL. Simply adding the phrase "…or find us online at…" could prove to greatly enhance results. After all, if someone is interested in your offering, chances are they'll want to know more about it. Giving them the information they need can only facilitate the discovery process, as a URL can be a lot easier to remember than a phone number. Moreover, it is more economical to communicate with potential customers online than it is via the telephone; it allows information to be easily disseminated, and orders expeditiously placed.

But incorporating a URL into your messaging holds other benefits as well. For example, marketers should keep in mind that there are potential customers who might not be ready to buy yet, and/or who might simply be averse to speaking live with someone on the phone. However, many of them would seize the opportunity to explore a company's website, obtain all the information they need, and ultimately make a purchase, that is, if marketers responsible for offline channels made it easier for them to perform their searches.

The implication here is that smart marketers can enhance the effectiveness of their offline channels, as well as the effectiveness of the search marketing channel by including clear and overt options to seek additional information on their website (through the use of search engines) in their offline messaging. Two-thirds of search users jump through hoops to perform those searches now – imagine what that number would be if marketers actually made it easy for them.

Television and Word of Mouth Channels Most Effective at Driving Search

The two channels that drive the highest percentage of online users to perform searches are television (37%) and word of mouth (36%). However, they present a study in contrasts. From a proactive, mass advertising perspective, television undoubtedly reaches the largest audience, and due to its cost, is utilized by large companies/brands that have the financial resources to afford it. But television is also "interruption marketing" in which the viewer/potential customer is engaged in another activity when messaging about a particular brand is thrust upon them.

Viewers are pre-motivated to want information about a particular product or service, and need to have their interest generated by the messaging within the advertising – messaging that television viewers fully realize is generated by marketers that they do not necessarily trust. But because of the medium's sheer numbers and the "curiosity-generating effect" that a short 30-second television ad can produce by failing to provide complete information about a product or service, it makes sense that it would top the list of channels that drive viewers to perform a search engine query for additional information about the brands it is touting.

Word of mouth, on the other hand, is not a mass advertising channel, although it very well may also have large numbers associated with it. Rather, it is made up of many one-on-one conversations or interactions between individuals who have some experience with, or knowledge of, a brand and other individuals who are learning about the brand based on information provided by the experienced individuals. In this medium, the experienced "talk" while the uninitiated "listen." Whether these "listeners" sought out the information, or had their interest generated as a result of interactions with others, there is an inherently higher trust factor associated with the word of mouth channel than virtually any other.

In addition, a word of mouth conversation is not limited by time. A discussion about a particular brand can last an hour or more, and actually provides opportunity for Q&A, thereby allowing the less knowledgeable individual to question their more knowledgeable partner about the company, product or service involved. So where television earns its place as one of the largest drivers of online users to search because of the quantity of views and brevity of its message, word of mouth nets its prominence in driving online users to search based on its quality, thoroughness, and the inherent trust associated with its message.

As explained above, the implications here are the same, but are specific to these two channels. The easier marketers make it for online users to perform a search, the more effective these channels become. Display and announce the company URL several times in the 30-second TV spot, or tell the viewer to “Google Maytag.” Better yet, provide a special offer with a unique URL intended for television viewers only. The word of mouth channel has its own unique opportunities. When generating word of mouth campaigns that would employ tactics to ensure the mental connection between the conversation and the website, what could be simpler than having the URL be the company name (Monster.com), or the solution it provides (FreeCreditReport.com), or the specials being offered (Expedia.com/CaribbeanDiscounts). Overall, regardless of the channel, failure to make it easier for the person exposed to the channel to connect to the website as a result of that exposure is loss in both opportunity and effectiveness.

Question 4

Company, Product and Service Names Most Commonly Used Keyword Types

It makes sense that the keyword that online search users employ to launch their first search (after exposure to some offline channel) would be a keyword that describes what the messaging of that channel is about. In 44% of the cases, that keyword is the company name. For example, if a viewer sees a Circuit City television ad, or a listener hears one of their radio ads as a source for consumer electronics, the Circuit City company name is a very easy and intuitive starting place for a search. The implication of this finding is that prominence and repetition of the company name within offline channels is important in driving people to search.

Likewise, if a magazine or newspaper ad is published about, or a conversation takes place with someone who recently bought, a Jeep Grand Cherokee Laredo (manufactured by the company Daimler Chrysler), a search for the product name would be a natural and simple place to start a search. The implication of this finding is that similar to a company name, the product or service name can be key to driving people to search when the company name is less relevant than the known product or service name. These product or service names, therefore, should be featured prominently and repeated often within offline channels.

In both the cases above, these keyword types are “branded,” and yet not every brand or product is a household name or can be easily remembered after a single exposure to offline messaging (especially in a BtoB environment). So the prominent use of easy to remember slogans or taglines, as well as other keywords that describe the product in non-branded terms can be effective ways for some marketers to use their offline messaging to drive people to search. For example, even though someone might be unfamiliar with Chicago, a taxi cab or a bus display reading, “Chicago’s Largest Irish Pub,” would most likely enable them to find that establishment online, even if its actual name wasn’t noticed during the offline exposure to the brand.

A search for “copper recycling company” or “search engine marketing firm” or “acrylic paint polisher” all have the potential to assist locating the website of the company whose offline messaging was absorbed – or the websites of companies competing with that company. So the implication of this finding is that slogans, taglines, and non-branded descriptions will only be effective if the marketers at those companies purposefully and carefully coordinate the messaging used in their offline channels with that used on their websites and within their paid search ads. Otherwise, online search users will not have the patience to scroll through page after page of search results looking for a reminder of the company name to which they were exposed, but don't recall at the time of the search, and may abandon their efforts – or worse, **click on the listing of one of your competitors**. And as with branded terms, prominence and repetition of these non-branded terms within the offline channels makes them easier to remember when it comes time to search.

Question 5

39% of Searchers Influenced By Offline Channels Make a Purchase

To represent this finding in different terms than those expressed in the Executive Summary above, the two-thirds of all online users – who are influenced to search after exposure to some offline channel – purchase at an extremely impressive 39% conversion rate. This leads us to believe that exposure to the combination of offline and search channels produces greater results than either search only, or offline channels only. One can theorize that the typically brief exposure to an offline channel – with its typically limited amount of information – does a superior job at grabbing a potential customer's attention, and starting the process of generating interest (perhaps only curiosity at this stage).

Then once that individual has been influenced by the offline channel to search for the appropriate website, the website completes the process of generating interest, creating desire, and motivating action. The two key factors that help enable the website to do a superior job at this are: 1) its potential for containing virtually limitless content, options, and calls to action compared with those available through most other channels, and 2) the ability for a visitor to spend an indefinite amount of time on the website (or make numerous trips back to the site at will).

Echoing previously defined implications, this one suggests that in order to benefit from the amplification that the offline channel and search combination offers, marketers must create messaging for offline channels with both ease of search and ease of remembering in mind. In addition, they must also use similar messaging and similarly targeted keywords in their organic and paid search campaigns as those used in their offline campaigns. This is critical as it will help ensure that keywords reflected in the offline channel messaging that are searched online find the website that potential customers are seeking. Such messaging coordination also reassures website visitors that they have found the right site that is saying the same things, and using the same language in the same way about the same products or services.

Magazine/Newspaper Ads and Word of Mouth Most Effective at Generating a Purchase

With the possible exception of the physical store channel – which one could theoretically browse from the hour it opened to the hour it closed and yet not necessarily be exposed to proactive "messaging" – the magazine/newspaper (print) ads channel, and the word of mouth channel, have the advantage of "time" in their favor. Unlike a television or radio ad that is viewed or heard over a 30-60 second period and is then irretrievable by the viewer/listener, and unlike the billboard or outdoor or transportation channels that pass by as quickly as the vehicle is moving, messaging from print ads and word of mouth can be extended in time.

A potential customer can hold and read a print ad again and again and again. It can be "studied" and retrieved again and again. And as highlighted earlier in this study, the indefinite duration, level of inherent trust, and highly interactive nature of the word of mouth channel are discussed as reasons that its messaging is of higher quality than all of the other channels.

It's iProspect's belief that these inherent advantages that the print channel and word of mouth channel have over the other channels addressed in this study cause them to produce more interested, more motivated searchers who are farther down the attention, interest, desire, action path at the point at which they launch their first search than individuals who have been exposed to other channels. The implication of this finding is somewhat obvious – when possible and appropriate, utilize these two channels in a coordinated and consistent fashion with both organic and paid search campaigns.

About iProspect

Founded in 1996, iProspect is the Original® Search Engine Marketing Firm. We help organizations with large, complex websites increase their online ROI and market reach through natural (organic) search engine optimization, pay per click advertising management, paid inclusion management, shopping feed management, and other related services.

iProspect has a long legacy of research and thought leadership in the search marketing industry:

How Visible is the Fortune 100 to Web Searchers in February 2001.

Marketing Tactics of Big Brands Not Meeting Web User Expectations in July 2002.

Searcher Behavior Shows Top Listings are Most Important in November 2002.

iProspect's Search Engine User Attitudes Study in April 2004.

iProspect's Natural SEO Keyword Length Study in November 2004.

iProspect's Search Engine Marketer Performance Study in August 2005.

iProspect's SEO Metrics & ROI Study in August 2005.

iProspect's Natural SEO Outsourcing Study in August 2005.

iProspect's Search Engine User Behavior Study in April 2006.

iProspect's Social Networking User Behavior Study in April 2007.

iProspect's Search Marketer Social Networking Study in May 2007.

iProspect's Search Marketer Measurement & Performance Study in June 2007.

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Proper attribution requires that the study is clearly identified as the "iProspect Offline Channel Influence on Search Behavior Study."

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Questions regarding this release should be directed to iProspect Media Relations Manager, Colleen Reed, at 1-800-522-1152 x1203 or **colleen.reed@iprospect.com**.

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