

## LIVING WITH THE INTERNET

Beth Uyenco, Global Research Director, Microsoft Corporation  
Julian Smith, Group Director, Analytics & Insights, mec  
Tom Morgan, Business Planning, Mindshare Worldwide

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### INTRODUCTION

In 2007 we conducted the first study called *Context Matters* which sought to understand what defines people's web usage in six countries and their relative levels of receptivity to advertising. In 2009 and 2010 we replicated the study in four of the six markets to track how web behavior may have changed. We also expanded the research to include a greater variety of markets to understand how emerging markets may be different from more developed web markets.

This report documents the shifts we saw in web usage, providing compelling insights into how advertising may be more engaging across different segments of audiences. It also re-confirmed the earlier learning that the motivation and therefore context of a given web session affects advertising receptivity: the context of web usage does matter. This report summarizes the key findings from this study.

### WHAT'S CHANGED, WHAT'S NOT?

As we found in our 2007 study, the same six basic motivations driving web usage still apply in 2010. These are:

#### **INFORMATION:**

- Findings out (more) about a specific topic or news story
- Finding out (more) about a specific product or service (eg. train times)
- Keeping up to date with the news or a hobby

#### **COMMUNICATION:**

- Logging onto a discussion forum or online community
- Picking up/sending emails
- Chatting on IM
- Chatting on VOIP e.g. phone calls over the internet via broadband

#### **ENTERTAINMENT:**

- Watching/downloading video clips, TV shows (both short and long form)
- Listening or downloading music
- Playing games

#### **CREATION:**

- Updating blog, web or profile page
- Upload video
- Upload photos

#### **TRANSACTION:**

- Paying bills or checking a bank account online
- Shopping for items or ordering something online
- Visiting an auction site (e.g. e-Bay)

#### **SURFING:**

- Just browsing/surfing
- No specific plan or purpose

**Communication still leads but Creation now more woven into activities** Our 2007 study found that Communication accounts for the largest share of web sessions. This held true in 2010 as well. It is the biggest driver among the motivations and consequently accounts for most of web sessions.

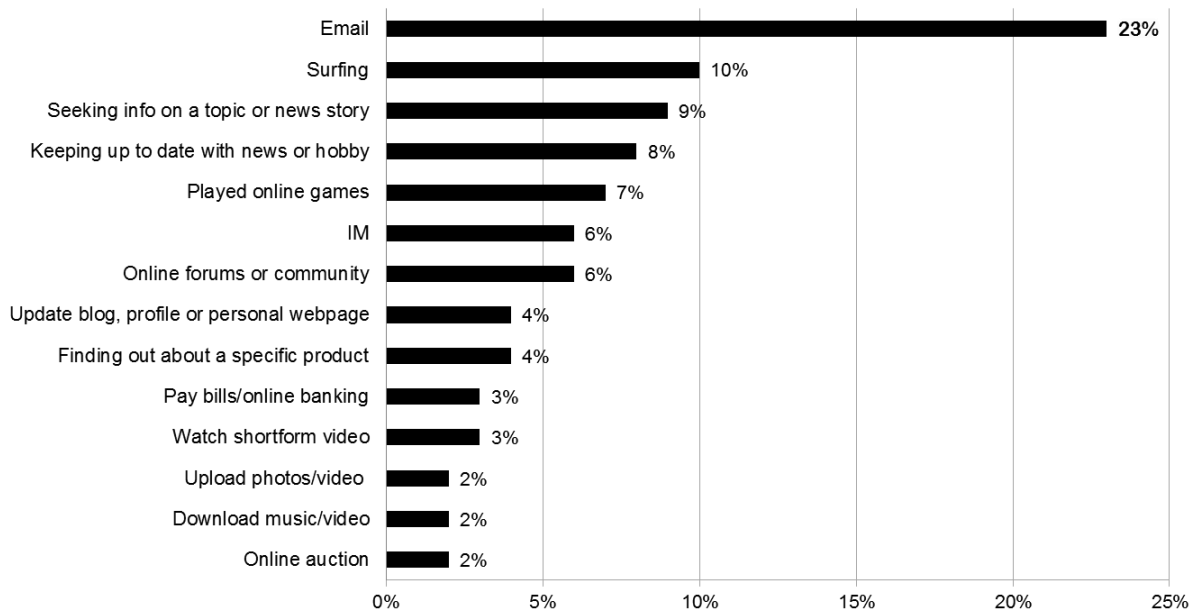
**Share of All Daily Web Sessions in 2010 by Motivation**

<i>Among all Countries</i>	Motive/Intent (Planned)*	Actual Activity
Communication	57%	32%
Information	42%	22%
Entertainment	29%	17%
Surfing	15%	8%
Transaction	11%	7%
Creation	11%	6%

\*Adds up to >100% because of multiple motives per session

Among all Web activities undertaken in a typical day, email takes top ranking among sessions (23%) followed by Surfing (10%) and seeking information on a specific topic (9%).

**Share of Total Daily Web Activities in 2010 by Type across All Countries Surveyed**

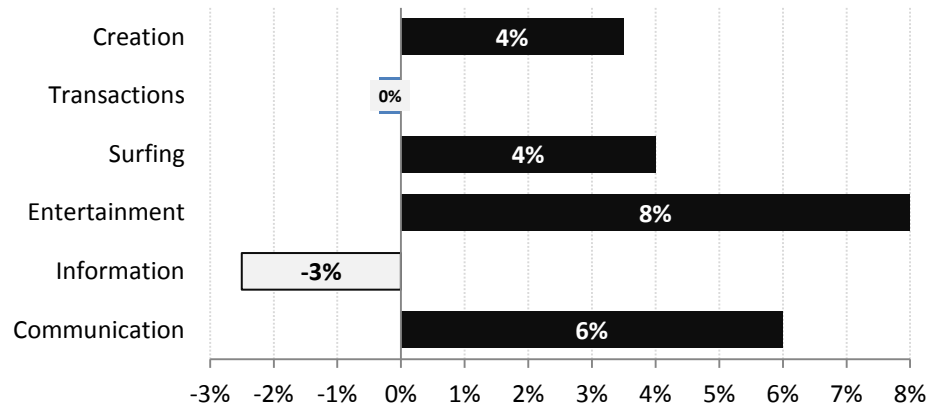


Note: Based on completed diaries; all devices and locations

**Growing Importance of Entertainment** We found that the proportion of sessions that are triggered by entertainment is increasing while that for information is declining. Entertainment now accounts for 15% (UK) to 23% (France) of all web sessions. The increased access to Entertainment is even more skewed among young users aged 16-24 years, up to 29% (Canada).

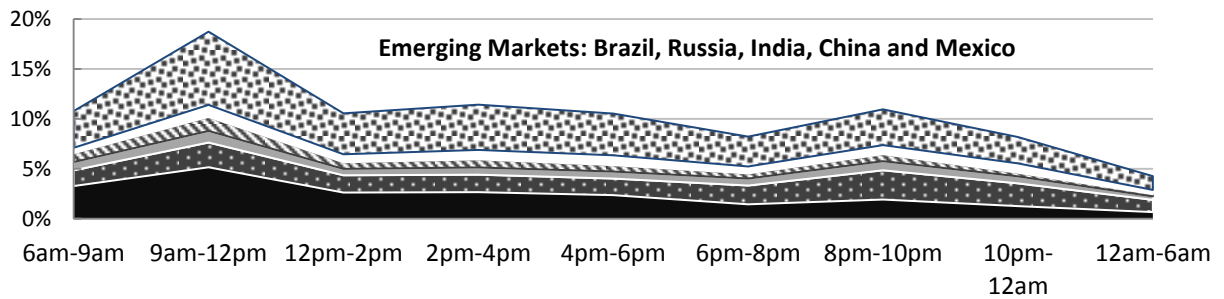
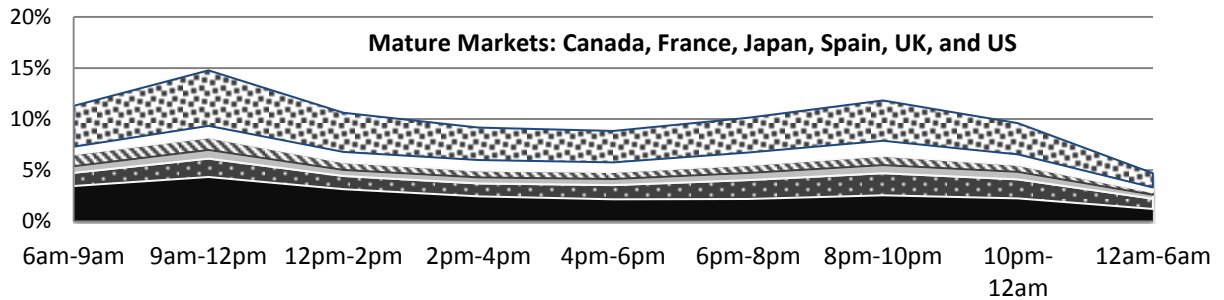
### Change in Proportion of Web Sessions by Intent Activity 2010 vs 2007

Average for UK, France, Brazil and Canada



In terms of time of day, there is little change in the distribution of sessions by type between 2007 and 2010. Communication triggers most of usage throughout the day particularly in the morning. Neither were there differences between mature and emerging Web markets. The notable exception is the higher proportion Entertainment accounts for in emerging markets' usage compared to mature markets particularly in the evening.

### Share of 2010 Daily Web Sessions by Motive throughout the Day



■ Information ■ Entertainment ■ Creation ▨ Transaction Surfing □ Communication

### **MORE PLANNED USE OF THE INTERNET SO ADVERTISING HAS TO WORK HARDER**

In the 2007 study we found that people navigated through the Web in much the same way they navigate their respective local neighborhoods. They established their preferences for a small number of familiar websites with which they could easily fulfill the six basic motives: information, communication, entertainment, transaction, creation (or self-expression) and surfing. This notion of a trusted environment providing a sense of safety and being in control was fairly pervasive.

#### **From Local Neighborhood to Major Metropolis**

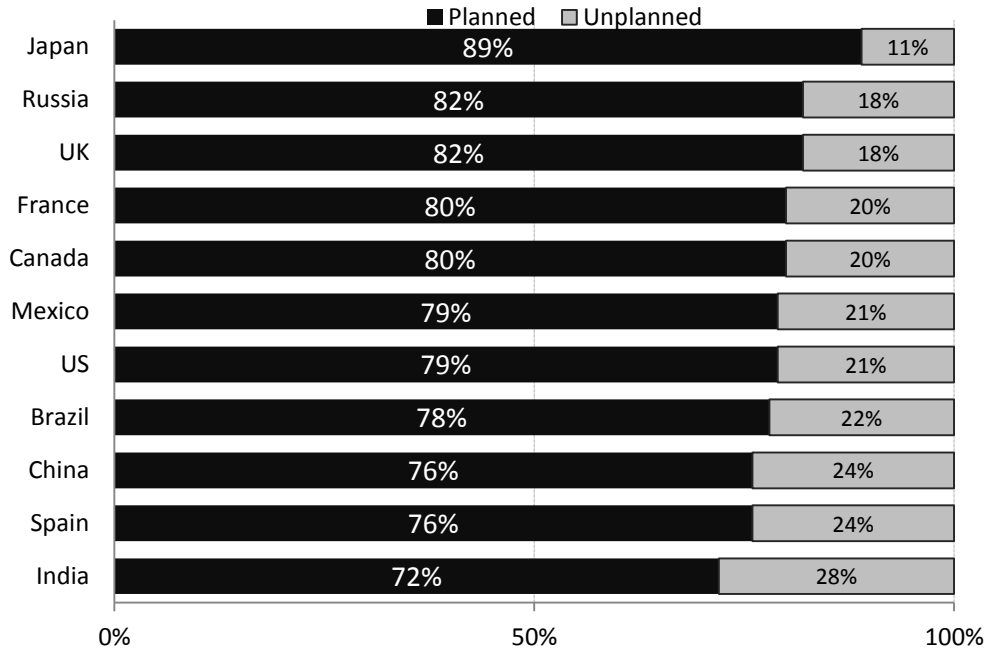


With the explosion of more web destinations today, the analogy of the familiar neighborhood in 2007 has been replaced by that of a vast city--offering far more choice of destinations and services and means of access. Where email was the dominant mode of information sharing, users have micro-blogging, RSS feeds, and social networks with multiple applications which make them attractive portals on their own. Where shopping would have been dominated by Amazon and eBay, we have multiple modes of ecommerce such as Gilt Groupe or Groupon. Also, multiple points of access and devices such as smartphones and tablets have led to more differentiation in web behavior.

More than ever, users recognize the Internet as essential to their daily lives. But while most users are quick to extol the Web's value, many recognize the pitfalls of their Internet reliance. Most laud its benefits of immediacy and ubiquity of (largely) free content. But there is growing unease over privacy risks and the amount of time it takes away from other personal pursuits.

As a result, we found that the more seasoned Web users plan their sessions more closely. Among the four countries surveyed in both waves, spontaneous use has fallen from 39% in 2007 to 21% in 2010. In other words, about 80% of user sessions are done with more deliberate planning --driven by more mindful use of one's personal time. Moreover, we found a consistent pattern in terms of planned versus spontaneous web sessions. Japan leads with 89% of sessions being planned.

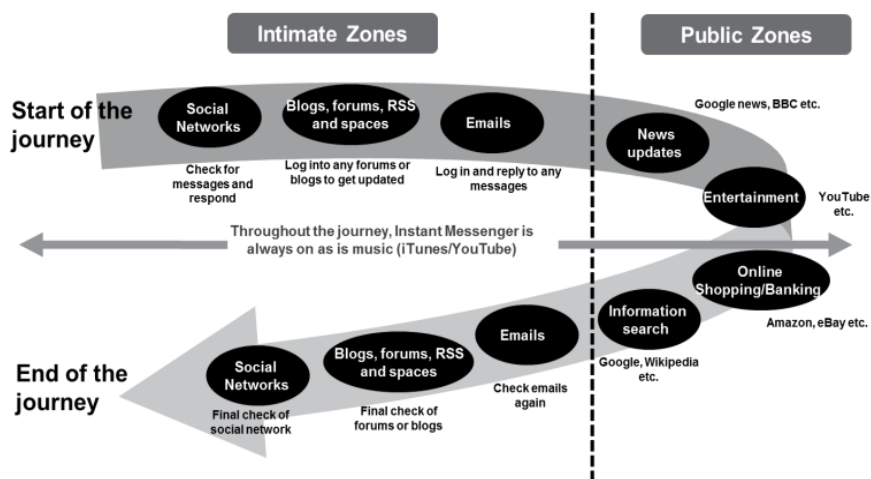
### Proportion of All Web Sessions which are Planned



Planned web usage makes users be more focused in consuming content which in turn requires web advertising to work harder at garnering attention. Knowing the motive behind a session and the pattern in which these sessions follow help us understand the context in which advertising would be received. This can guide creative strategy as well as the appropriate mix and perhaps sequencing of web channels in digital media planning.

For instance, we found that almost all web sessions go from the more personal or intimate destinations to the more public and then back to personal sites:

### Flow of a Typical Web Session

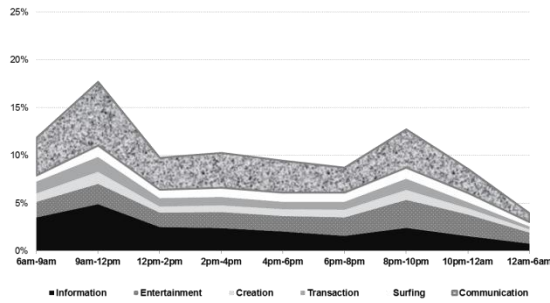


## HOW DOES MOBILE DEVICE OWNERSHIP ALTER WEB BEHAVIOR?

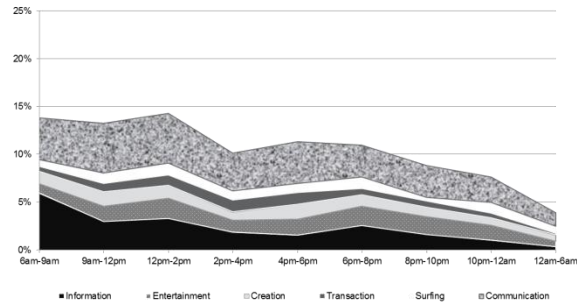
With the convenience of mobile devices constantly in hand and always on, it is not surprising that web access is fairly flat throughout the day in comparison to web access through personal computers.

### Share of Daily Sessions by Motive Through the Day (10 Countries)

**PC Web use among Users with web-enabled mobile devices**



**Handheld Web use among users with web-enabled mobile devices**



The share of sessions by motive varies slightly by device with communications the primary motivation. While the rank order of motivations is similar, there is a larger share of entertainment and transaction sessions on PCs compared to those on mobile devices. Moreover, the slightly fewer number of tasks on mobile suggests more focused web behavior with mobile use.

### Share of Daily Sessions by Motive Through the Day by Type of Device (10 Countries)

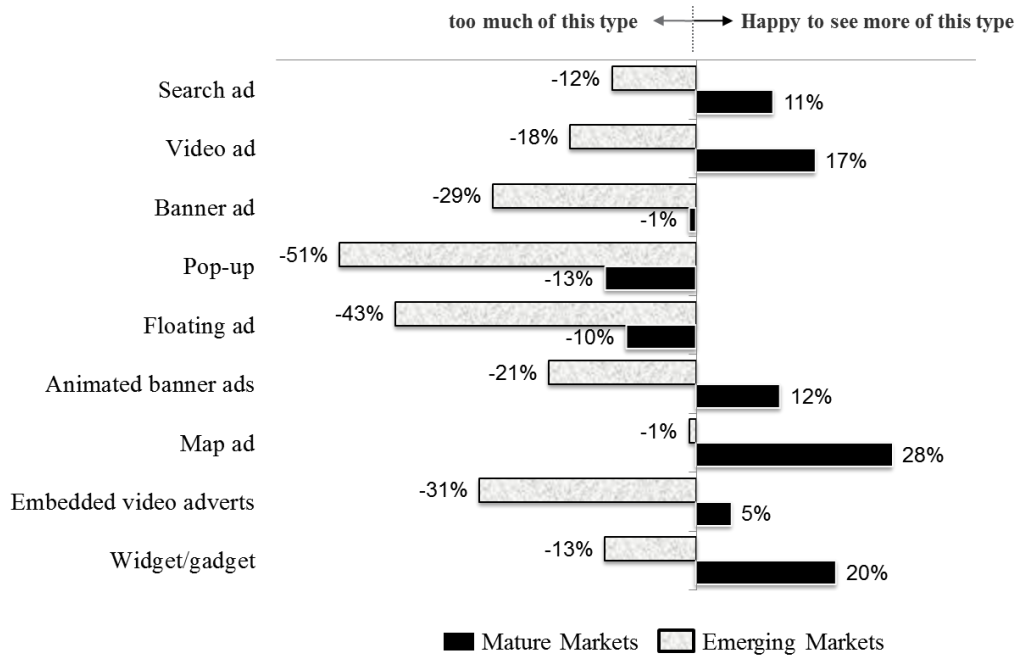
Motivations	PC, laptop or netbook	Smartphone/Tablet device
Communication	57%	53%
Information	43%	36%
Surfing	15%	12%
Entertainment	31%	16%
Transaction	15%	7%
Creation	13%	14%
<b>Total motivations per occasion</b>	<b>1.74</b>	<b>1.38</b>

## RECEPTIVENESS TO WEB ADVERTISING

From images of different advertising formats we asked respondents which ones they would like see more of and those they thought are too far too many on the web. Those which they wish to see more of tend to be those which fit naturally into tasks.

The big difference between mature web markets and emerging web markets is the latter's greater acceptance of advertising which speaks to the novelty their consumers find in almost any type of content found on the Web.

### Ad Liking by Format: Mature vs Emerging Web Markets



Another significant finding about web advertising is that the most liked formats are a mix of owned, paid and earned media. Indeed, the top two formats are paid or bought media. The reason for being so highly favored may be because they tend to be better integrated into the content sought by the user. Thus these top formats are most matched to user intent. And therefore being most **in context**.

### Ad Liking across Owned vs Bought vs Earned Formats

	Mature Markets	Emerging Markets	
Paid Map Ads	1	1	<p>Happy to see more of this type</p> <p>Too much of this type</p>
Paid Ads in video games	2	7	
Owned Branded SNS profile page	3	3	
Earned Co-creation	3	2	
Owned Microsites	3	4	
Paid Search Ad	3	13	
Owned Widget/gadget	7	5	
Owned PC branded app	8	5	
Paid Video Ad	9	8	
Paid Animated banner ad	10	12	
Owned IM Theme Pack	10	10	
Paid Mobile ad	10	10	
Owned Mobile branded app	10	9	
Paid Banner Ad	14	16	
Paid Expanding ad	15	14	
Paid Embedded vido ads	16	14	
Paid Floating Ad	17	17	
Paid Pop-up	18	18	

## SUMMARY OF FINDINGS

- Tenure on the web defines web behavior more than age. More experienced web users tend to have more planned web sessions.
- Emerging countries such as the BRIC markets and Mexico are much easier to engage with web advertising than those in mature markets.
- The value of the Web in marketing communication is its consumer **pull**. The fact that consumers seek out specific content means it already draws engaged audiences. Therefore, the more a brand's presence is naturally embedded into the user experience, the more its message will resonate with users. Contextual relevance builds the link between user and a brand's messaging through the Web.
- Contextual relevance can be surmised through time of day, device used to access the Web and webpages' content and applications.

## IMPLICATIONS FOR MARKETERS

Because web usage is more planned, most sessions follow a routine therefore making web behavior more predictable. As users seek greater efficiency in their Web usage, it is more important than ever to get web advertising right.

- Digital plans should seek an optimal mix of paid, owned, and earned digital channels. Paid advertising can help direct audiences to deeper engagements on other sites or to comment on their brand experiences.
- Brand messaging should be consistent with the context of and motivation behind a session
- Brand interactions with users on the web should serve to satisfy a user need (enhance a user's task) or in the absence of that, seek to delight
- The Web does play different roles throughout the day thus marketers should consider different creative messaging by daypart and by websites' content.
- Communication accounts for the plurality of user sessions with creation becoming more and more a part of it. Marketers should consider how creative executions can provide users the ability to share or co-create content they find meaningful.
- As mobile communication becomes pervasive, brand messaging should be adapted to the unique characteristics of the mobile phone: shorter and more planned web access and tactical opportunities for more localized messaging.

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## HOW THE STUDY WAS DONE

This study is collaboration between Microsoft Advertising, mec and Mindshare Worldwide. IPSOS OTX conducted a three-phased study in ten countries, four of which were initially surveyed in 2007. These countries were surveyed in 2007 and 2010: Brazil, United Kingdom, and France. Markets added in 2010 were: Spain, Russia, China, India, Japan, Mexico, and the US. An eleventh market, Canada, was surveyed in both 2007 and 2009.

The first phase of the study provided a complete profile of respondents' use of the Web across all devices in a 24-hour day. The second survey established how users felt about different forms of web advertising. Then to provide some context to the results from the first two quantitative surveys, we gathered blogs from 4-5 individuals in each country.