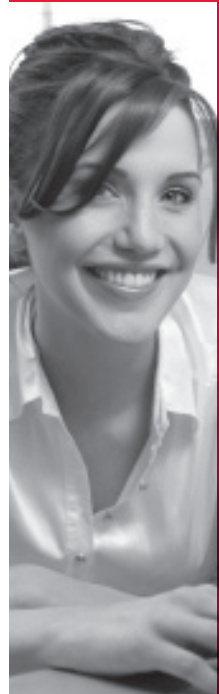
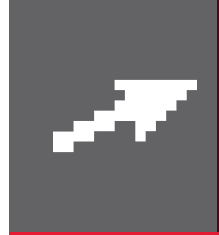


LIVING WITH THE INTERNET:

a global study of what's
driving web behavior



MINDSHARE



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.

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 reconfirmed 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.

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.



What's changed, What hasn't?

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

01

Information:

- > Finding out about a specific topic or news story
- > Finding out about a specific product or service (e.g., train departure times)
- > Keeping up to date with the news or a hobby

02

Communication:

- > Logging on to a discussion forum or online community
- > Picking up/sending emails
- > Chatting on IM
- > Chatting on VOIP (i.e., phone calls over the internet via broadband)

03

Entertainment:

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

04

Creation:

- > Updating blog, web or profile page
- > Uploading video
- > Uploading photos

05

Transaction:

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

06

Surfing:

- > No specific plan or purpose
- > Just browsing/surfing

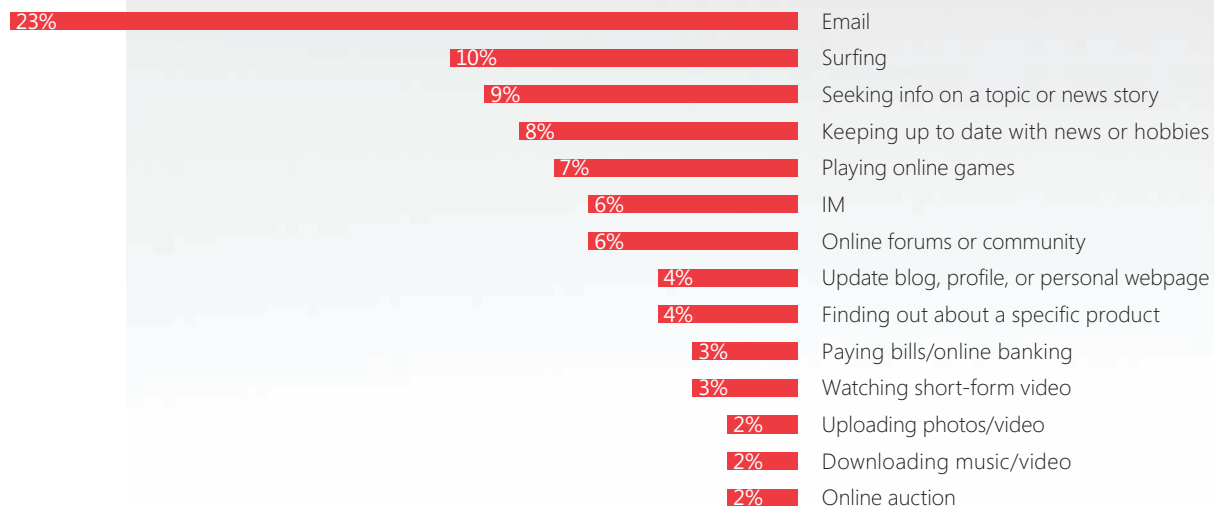
Communication still leads, but Creation now more woven into activities

As in 2007, Communication accounts for the largest share of web sessions. It is the biggest driver among motivations and consequently accounts for the most web sessions.

Share of all daily web sessions by motivation

Among all 10 countries	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

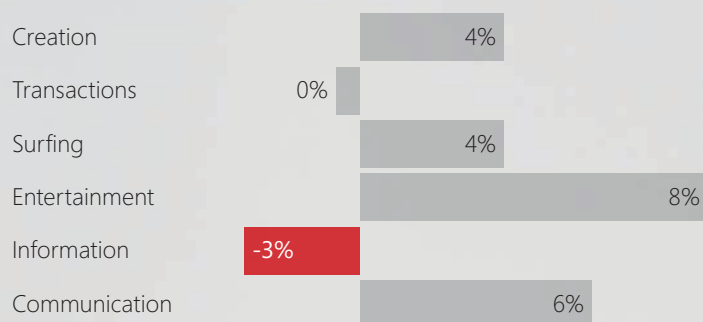
Note: Based on completed diaries; all devices and locations.

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 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

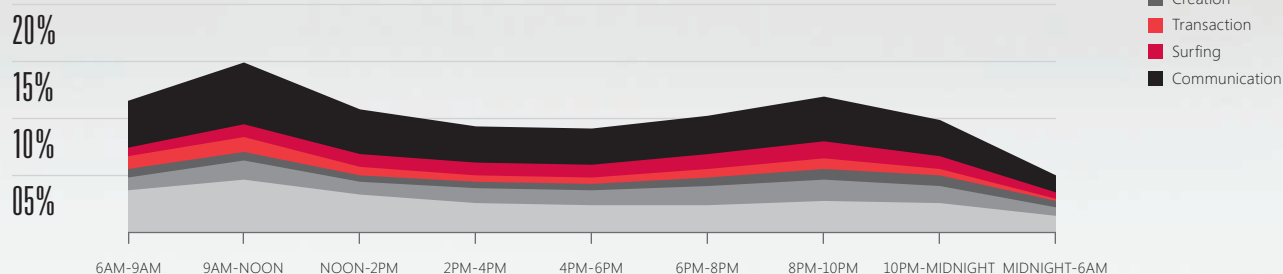


In terms of time of day, there was little change in the distribution of sessions by type between 2007 and 2010. Communication triggers most of usage throughout the day particularly in the morning. Neither were there differences between mature and emerging web markets. The notable exception was the higher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

Share of web sessions by motive throughout the day

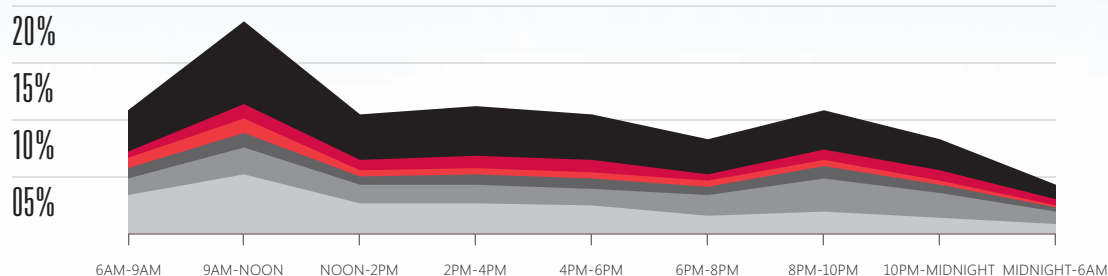
Mature markets

US, Canada, UK, France, and Japan



Emerging markets

Brazil, Russia, China, India, and Mexico



More planned use of the internet, so advertising has to work harder

In the 2007 study we found that people navigated the web in much the same way they navigated 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 village...

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 in destinations and services and means of access. Where email was the dominant mode of information sharing, users now have new options like micro-blogging, RSS feeds, and social networks with multiple applications that 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 being 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.

So among more seasoned users we find a cautiousness and more routine web behavior. Also, such users seek greater efficiency in web navigation.

I connect more frequently but for a shorter time.

– Male, France

I search for news, social networks (in the past I loved to spend all day editing my profile, now I no longer spend so much time like that).

– Female, Mexico

I don't like that: the internet is an "infection"; sometimes a person comes to the PC again and again even if he/she doesn't want to; even if he/she doesn't need it.

– Male, Russia

I spend less time on the internet but I manage to do much more than before.

– Male, France

I've stopped bringing my laptop into the bedroom at night, as I would just sit there for hours surfing aimlessly. Now I just go to sleep.

– Female, France

...to major metropolis

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, while India is lowest, at 72%.

Planned web usage makes users 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 that these sessions follow helps 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:

Start of the journey

Throughout the journey, instant messenger is always on, as is music (iTunes/YouTube)

Intimate Zones

A	B	C
Social networks	Blogs, forums, RSS, and spaces	Emails
Check for messages and respond	Log in to any forums or blogs to get updated	Log in and reply to any messages

Public Zones

D	E	F	G
News updates	Entertainment	Online shopping/banking	Information search
Google news, BBC, etc.	YouTube, etc.	Amazon, eBay, etc.	Google, Wikipedia, etc.

End of the journey

Intimate Zones

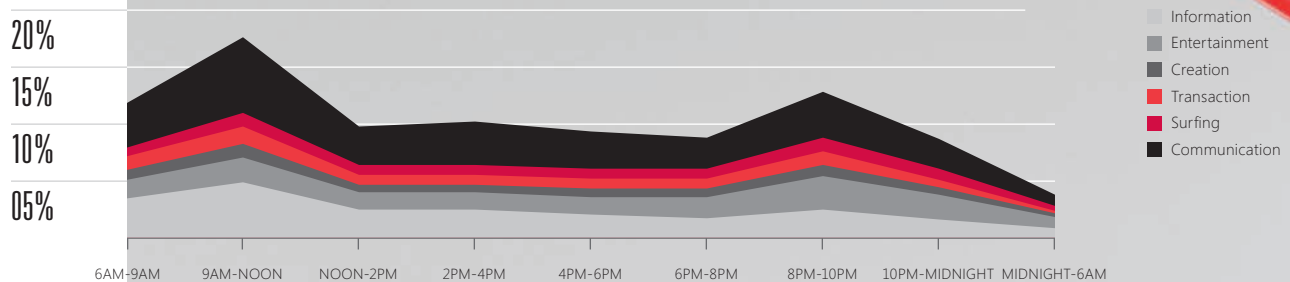
C	B	A
Emails	Blogs, forums, RSS, and spaces	Social networks
Check emails again	Final check of forums or blogs	Final check of social network

How does mobile device ownership alter web behavior?

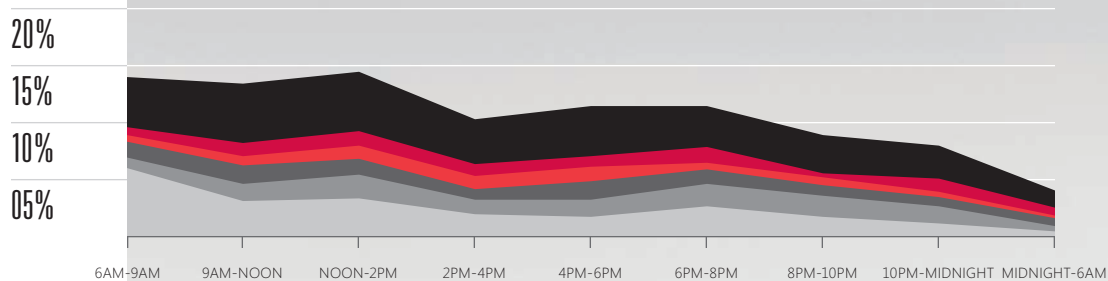
With the convenience of mobile devices constantly in hand and always on, it is not surprising that web access is fairly flat throughout the day in comparison to web access through personal computers.

Share of daily sessions by motive through the day in all ten countries

PC web use among users with web-enabled handheld devices



Handheld web use among users with web-enabled handheld devices



The share of sessions by motive varies slightly by device, but with communications as the primary motivation. While the rank order of motivations are similar, there is a larger share of Entertainment and Transaction sessions with mobile devices compared to those on PCs. Also, mobile access is usually with a more singular purpose per session, though we suspect more frequent usage.

Share of sessions by device by motive

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

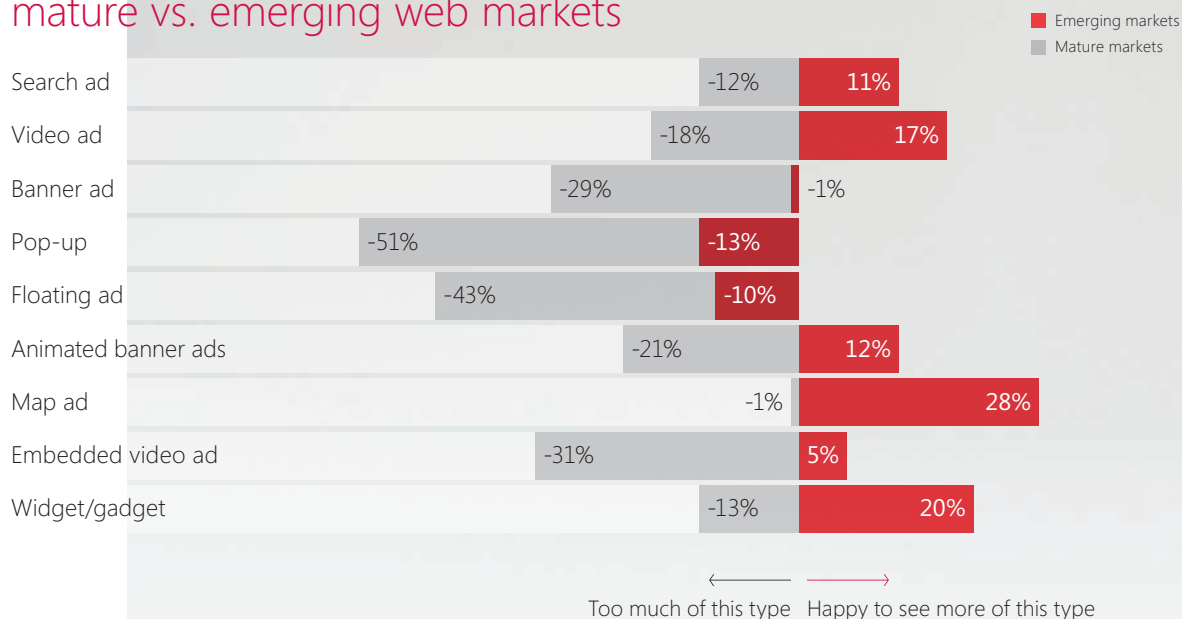


Receptiveness to web advertising

We showed survey respondents images of different advertising formats and asked them which ones they would like to see more of and which ones they thought are seen far too frequently on the web. Those that they wish to see more of tend to be those that fit naturally into tasks.

The big difference between mature 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. This suggests that web audiences in emerging markets are more responsive to advertising.

Ad liking by format: mature vs. emerging web markets



Emerging market consumers are also more likely to talk about the online advertising they see regardless of format:
Likelihood of ads being talked about: emerging vs. mature web markets



The other 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 they are so highly favored may be that they tend to be better integrated into the content sought by the user. Thus, these most liked formats are most matched to user intent — and therefore are most in context.

Ranking of ad formats from most to least liked

	Ad format	Mature markets	Emerging markets
Paid	Map ad	1	1
Paid	Ad in video games	2	7
Owned	Branded SNS profile page	3	3
Earned	Co-creation	3	2
Owned	Microsite	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 video ad	16	14
Paid	Floating ad	17	17
Paid	Pop-up	18	18

Integrated
Happy to see more
of this type



Intrusive
Too much of this type



Summary of findings

01

- > Tenure on the web defines web behavior more than age. More experienced web users tend to have more planned and therefore more predictable web sessions.

02

- > Emerging countries such as the BRIC markets and Mexico are much easier to engage with web advertising than are mature markets.

03

- > The value of the web in marketing communication lies in 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. Contextual relevance builds the link between users and a brand's messaging through the web.

04

- > 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.

01

- > 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.

02

- > Brand messaging should be consistent with the context of and motivation behind a session.

03

- > Brand interactions with users on the web should serve to satisfy a user need (complement a user's task) or, in the absence of that, seek to delight.

04

- > The web does play different roles throughout the day. Thus marketers should consider different creative messaging by daypart and by websites' content.

05

- > Communication accounts for the plurality of user sessions, with Creation becoming more and more a part of the sessions. Marketers should consider how creative executions can provide users the ability to share or co-create content they find meaningful.

06

- > As mobile access 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.



How the study was done

This study is a collaboration among 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, the 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 four or five individuals in each country.

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