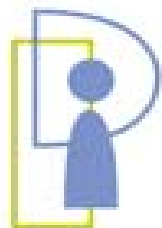




Networked Consumers: **How networked and how important?**

Jim Jansen
Senior Fellow
Pew Internet & American Life Project



Pew Internet
Pew Internet & American Life Project

a project of the
PewResearchCenter

Thanks!

DMAWFF
DMAW EDUCATIONAL FOUNDATION

About Us | Events | Awards | Professors' Page | Articles | DM Links

DMAW EF
Direct Marketing Association of Washington
Educational Foundation

Calendar

August 7 - 9, 2012
6th Annual Bridge to Integrated Marketing & Fundraising Conference
Gaylord National Hotel and Conference Center on the Potomac in National Harbor, MD

Third Thursday of Every Month
Monthly Networking Luncheon

First Tuesday of Each Month
Annapolis Direct Marketers' Social
Eva Bowe at ebowe@annadirect.com

Last Wednesday of Each Month
Young Professionals Networking
Jenna Silverstein at jenna@turnkeysolutionsdm.com

2011 John Swain Memorial Direct & Interactive Marketing Scholarship Announced

2010 Collegiate MAXIs Winners

of Washington's was established in association of young people in direct marketing.

DMAWFF's first officers, Ed and Bill Armistead, understood that it was important to develop faculty understanding of the industry to make it possible to offer direct marketing education programs at the college and university level.

Since then, DMAWFF has been expanding its programs to fulfill this mission. The DMAWFF, a 501(c)(3) nonprofit organization, has become the link between direct marketing professionals, educators, and students interested in careers in DM.

2011 Sponsors

Action Mailers

DirectMail.com

Nova Label Co., Inc.

The Best of Direct
Spotlight on RightVantage

The Best of Direct Holiday Celebration and Awards Ceremony
was held in December 2011, at The National Geographic Society

2011 Sponsors

Pitney Bowes
Presort Services

PRODUCTION SOLUTIONS

Great to be here!

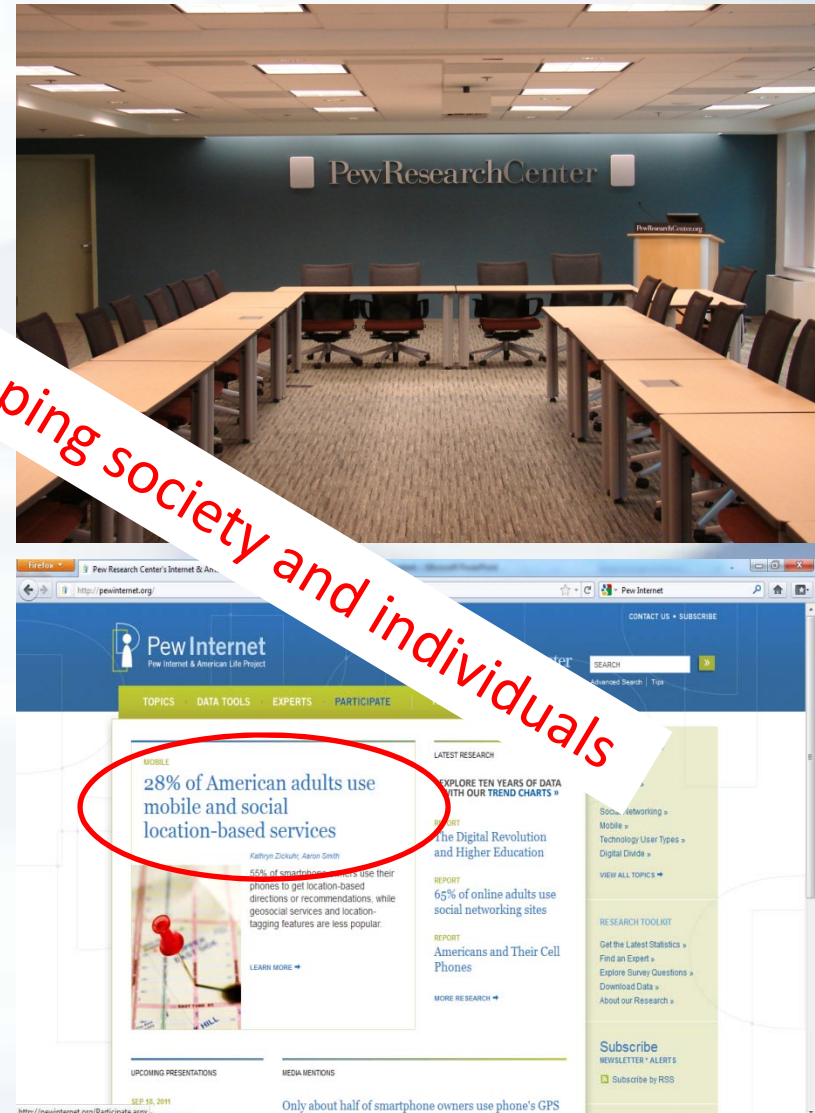
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Who's Jim Jansen?

- Senior Fellow at the [Pew Research Center](http://www.pewinternet.org) (Pew Internet & American Life Project) - <http://www.pewinternet.org>
- Associate professor at College of Information Sciences and Technology, The [Pennsylvania State University](http://www.psu.edu), USA
- Active research and teaching efforts in the web searching area - http://ist.psu.edu/faculty_pages/jjansen/
- New book, [Understanding Sponsored Search](#) (Cambridge University Press) ... *theory of keyword advertising*
- Recent Pew Internet reports focusing on *purchasing digital content, income effect on internet usage, online product research, religious and their technology.*
- Academic Panelist for *The Google Online Marketing Challenge*

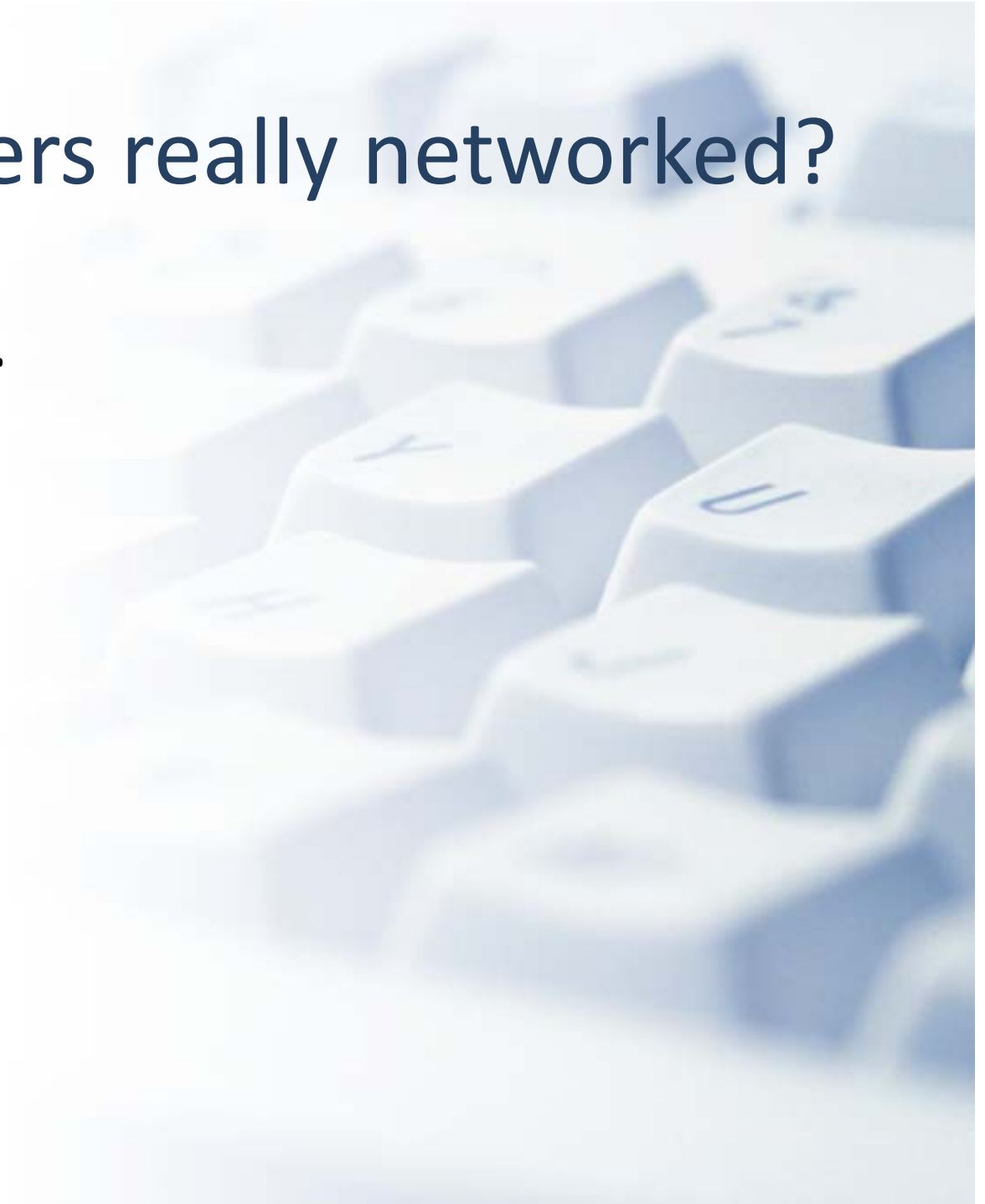
What is Pew Internet?

- Part of the **Pew Research Center**
- A nonpartisan 'think tank' based in Washington, DC
- Provide **quality** and **objective** data to thought leaders and policy makers
- **Pew Internet & American Life** is one project of the Center
- All findings are based on **nationally representative telephone surveys** ...
 - U.S. adults age 18+ or U.S. teens ages 12-17
 - Drawn from dual-frame (landline/cell phone) samples
 - English or English and Spanish



Are consumers really networked?

- Yes, they are ...



twitter fact,

- 71% of sites (



is now use video sharing

- 66% of online adults use (facebook, LinkedIn)

facebook

- YouTube

ic ... phones use
o LinkedIn d services

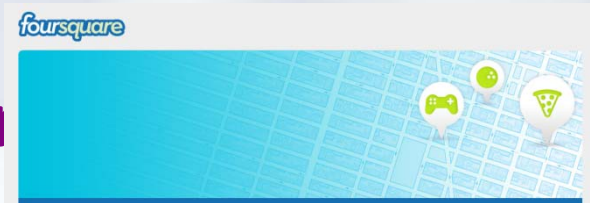
(e.g., FourSquare)

- → the
techno
harder

Google+

Learn more about Google+

me
line' world (getting
e from online)



Is this important?

- Yes, it is ...



In fact,

- 95% of those earning \$75,000 or more a year use the internet + occasionally, compared with 58% for those earning less than \$75,000.
- 88% of those earning \$75,000 or more a year conduct online product research compared to 58% for the overall internet population.

Many other reasons on why the networked consumer is important. Income is just one example.

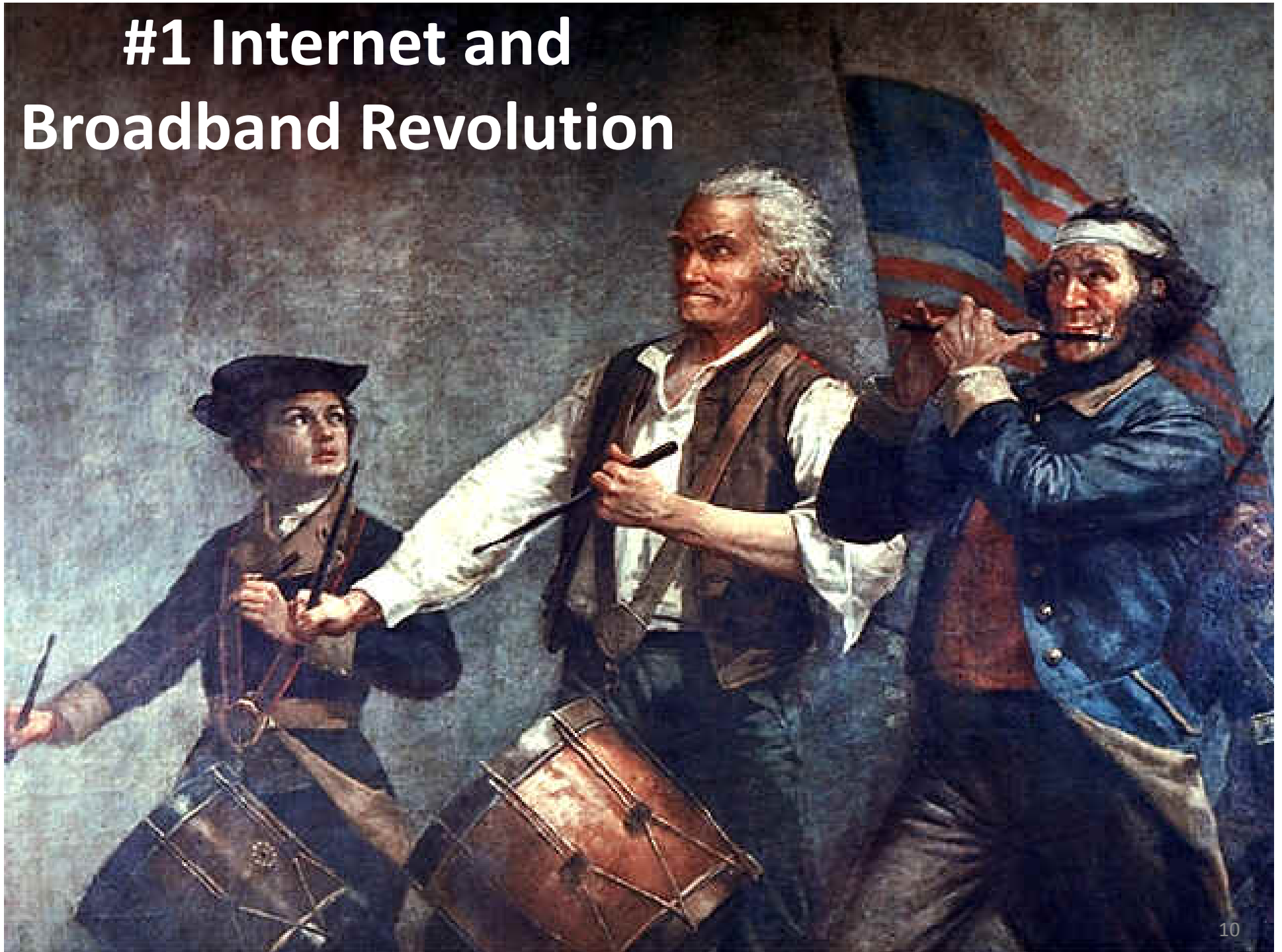
There is a positive correlation between **income** and ... → **use of the web, use of the internet, and ownership of electronic devices.**

The **more income** = **more networked.**

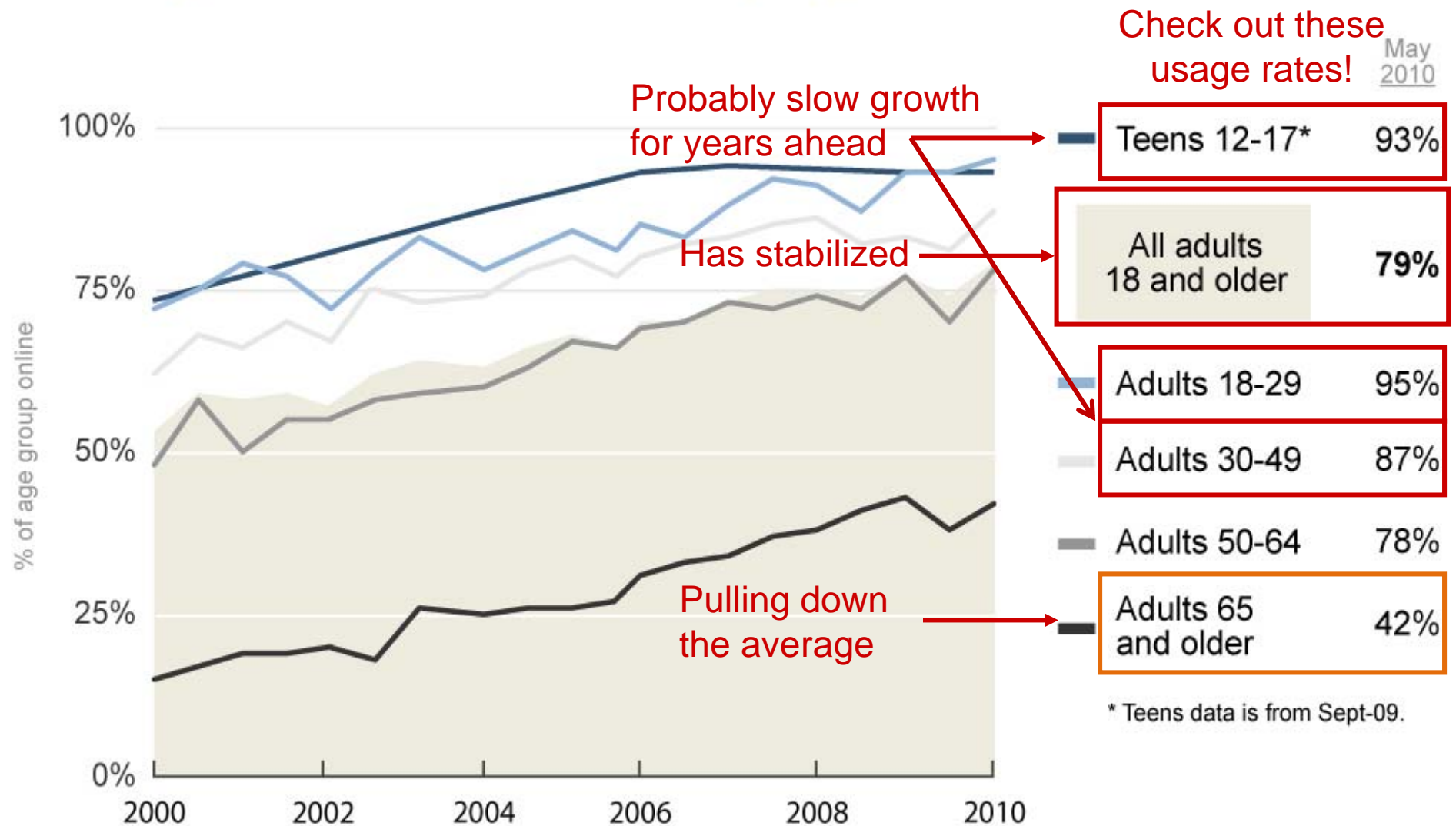
Before we look at the details, ...

- Let's examine the **context** in which this is occurring.
- There are **three** on-going **revolutions** in **technology** and **access** ...

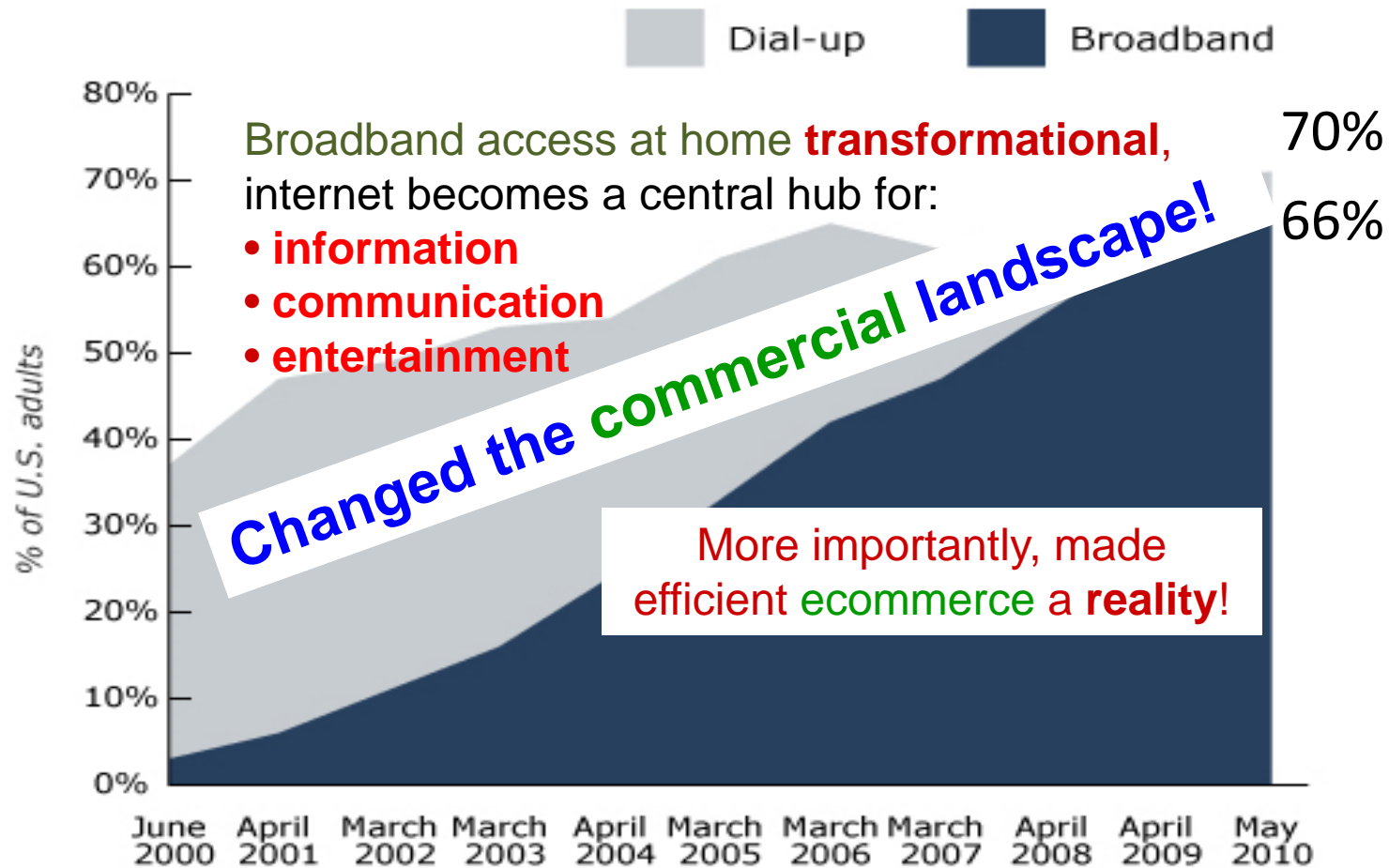
#1 Internet and Broadband Revolution



Change in internet use by age, 2000-2010



Home Broadband Adoption, 2000-2010

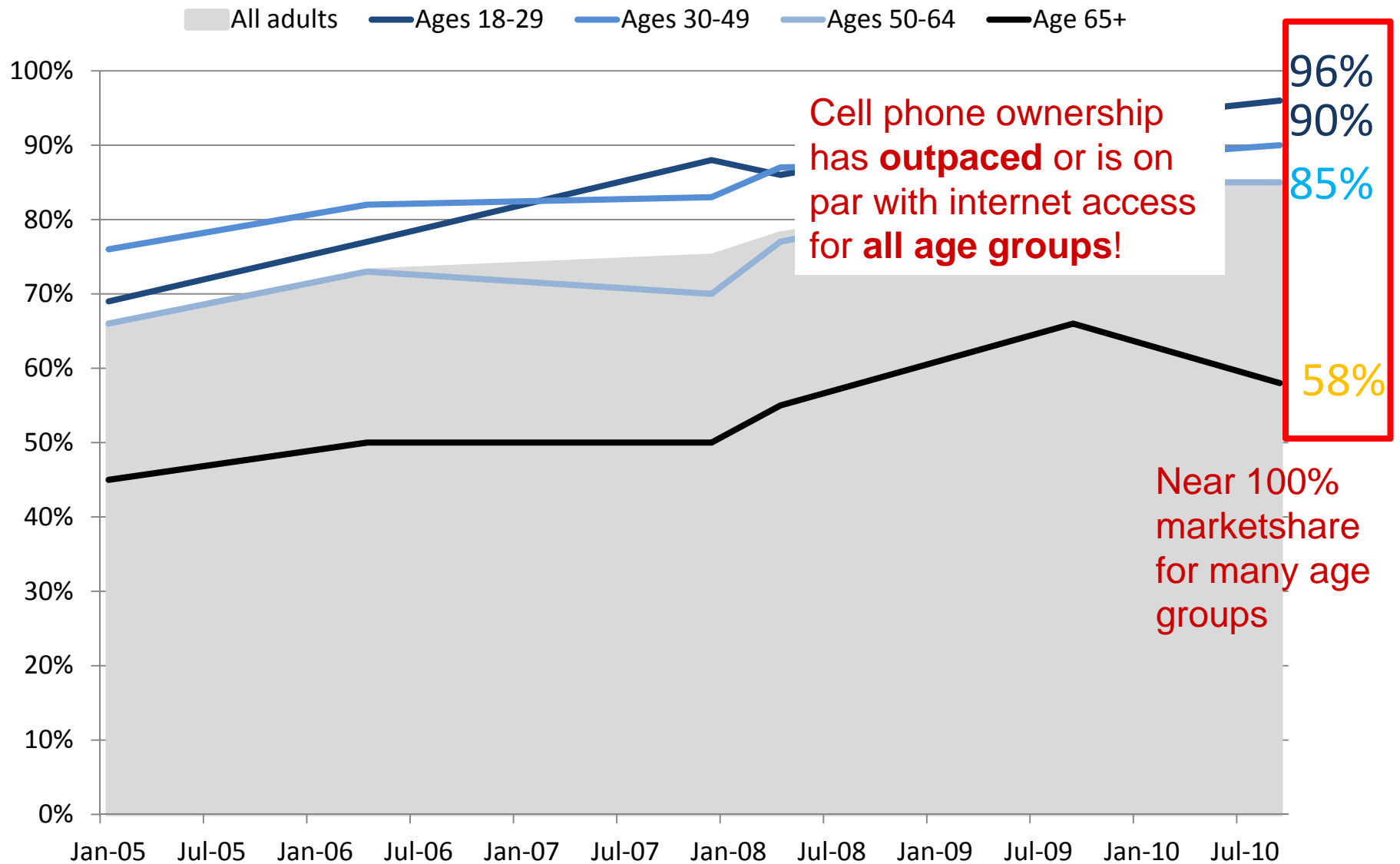


Source: Pew Internet & American Life Project surveys 2000-2010. Based on all American adults 18 and older.

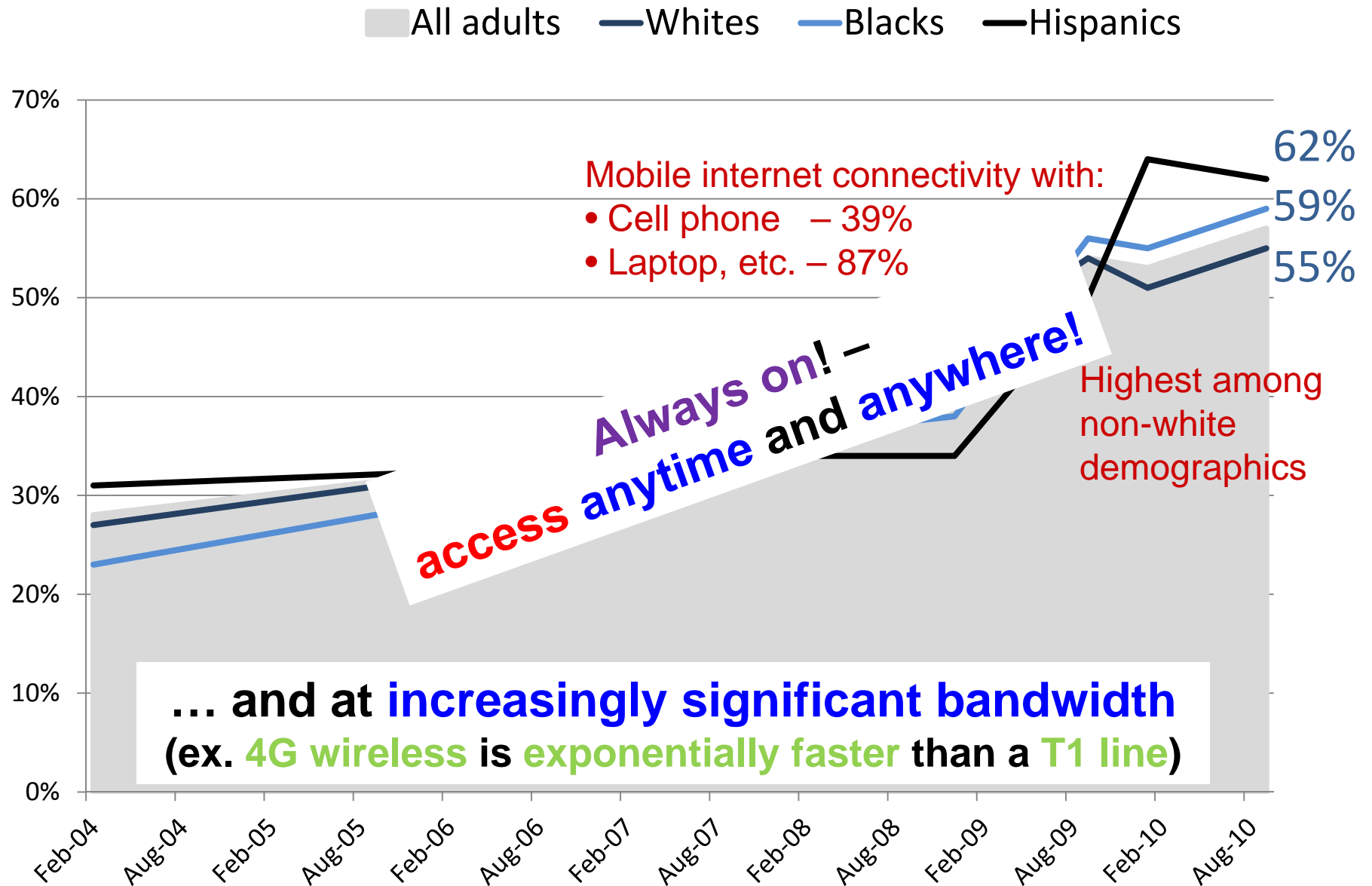
#2 Wireless Connectivity Revolution



Cell phone owners: 85% of adults



Mobile internet connectors: 57% of adults

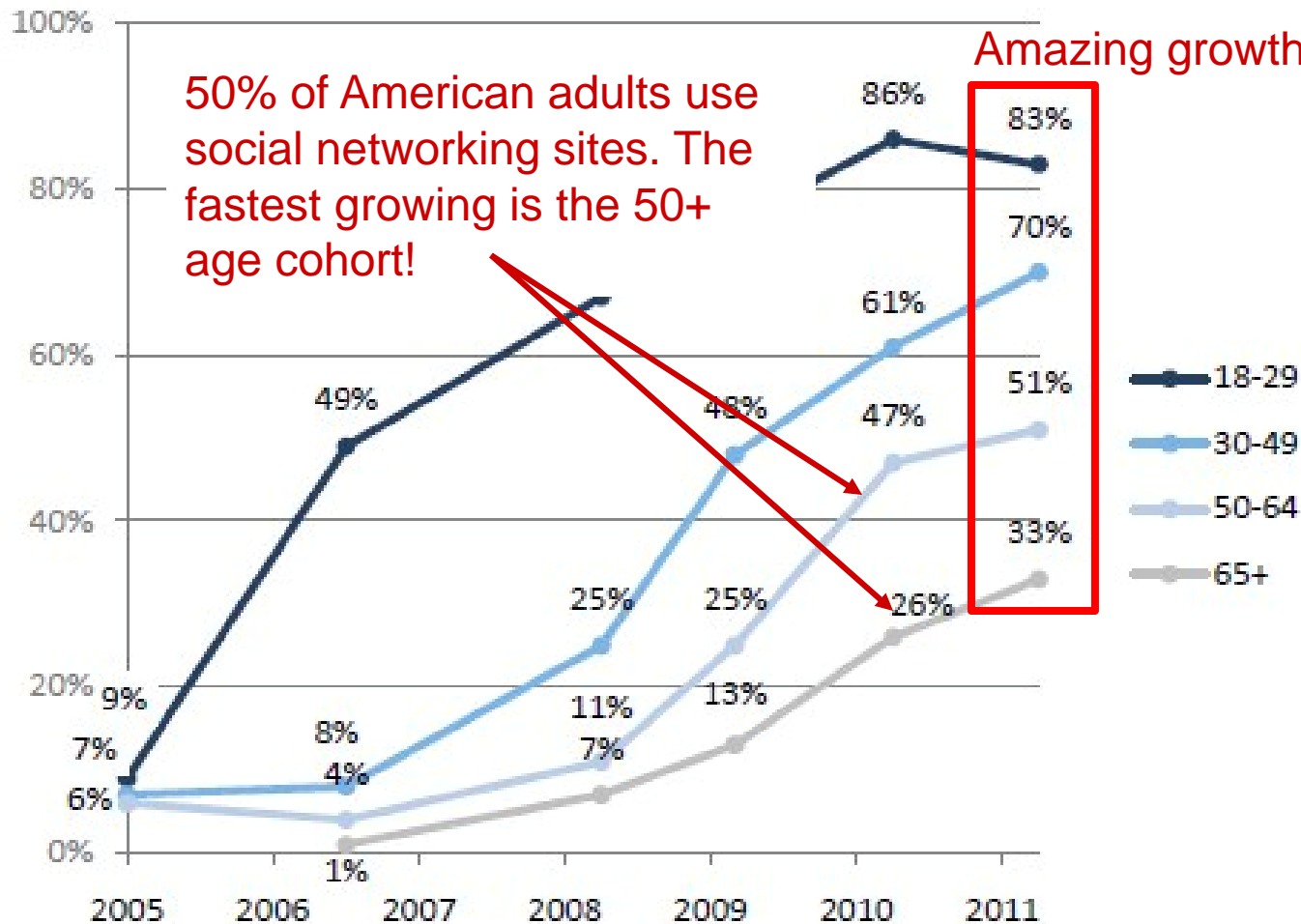


#3 Social Networking Revolution



Social networking site use by age group, 2005-2011

The percentage of adult internet users in each age group who use social networking sites



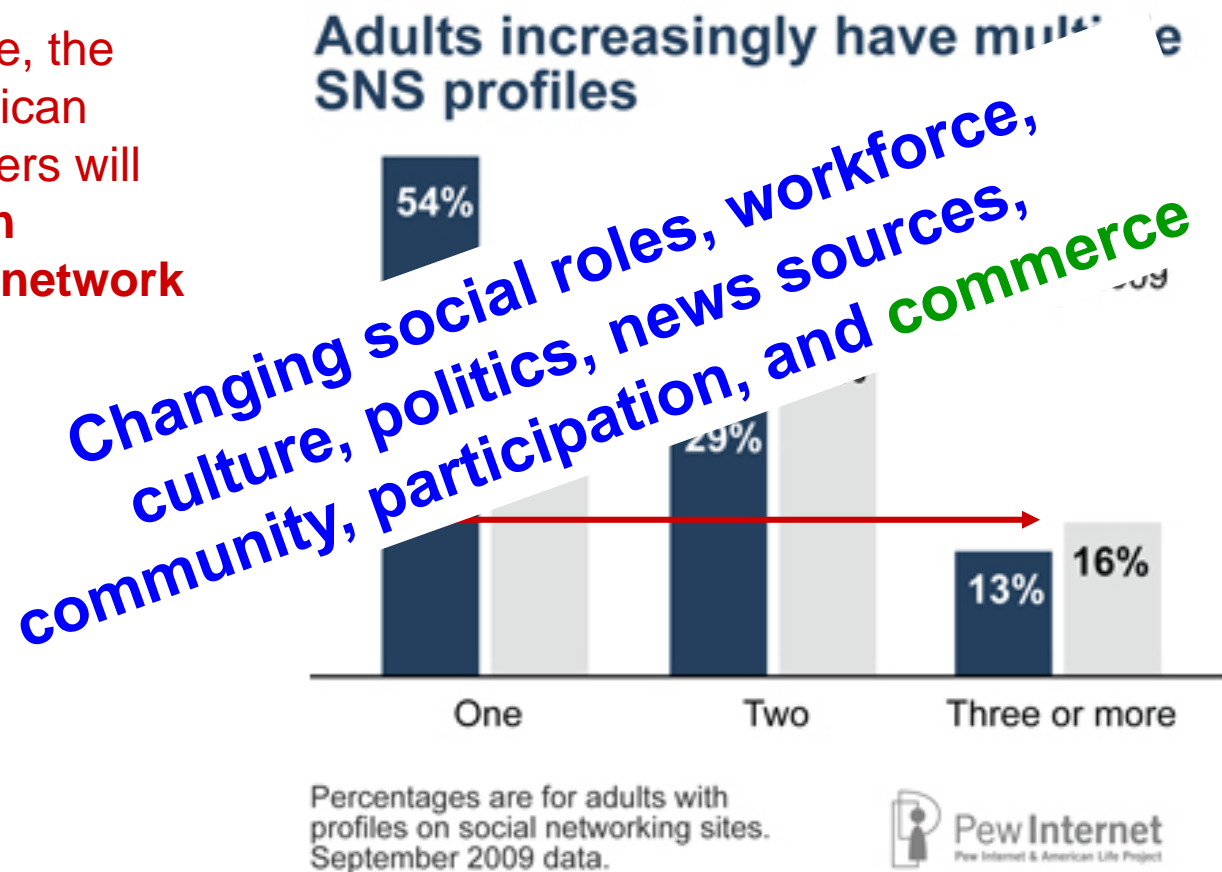
Note: Total n for internet users age 65+ in 2005 was < 100, and so results for that group are not included.

Source: Pew Research Center's Internet & American Life Project surveys: February 2005, August 2006, May 2008, April 2009, May 2010, and May 2011.

And, folks aren't using just one SNS!

If trends continue, the majority of American adult internet users will have **profiles on multiple social network sites**.

Currently, a r. social network users already c



The impact on information ...

Industrial Age

Info was:

Scarce

Expensive

Community oriented

Designed for
consumption

Information Age

Info is:

Plentiful

Cheap

Personally
oriented

Designed for
participation

**Dramatic effects on people's relationship to
information, communication, and commerce**

So, what does this mean for networked
consumer?

This is what we are seeing ...



Snapshot of the networked consumer

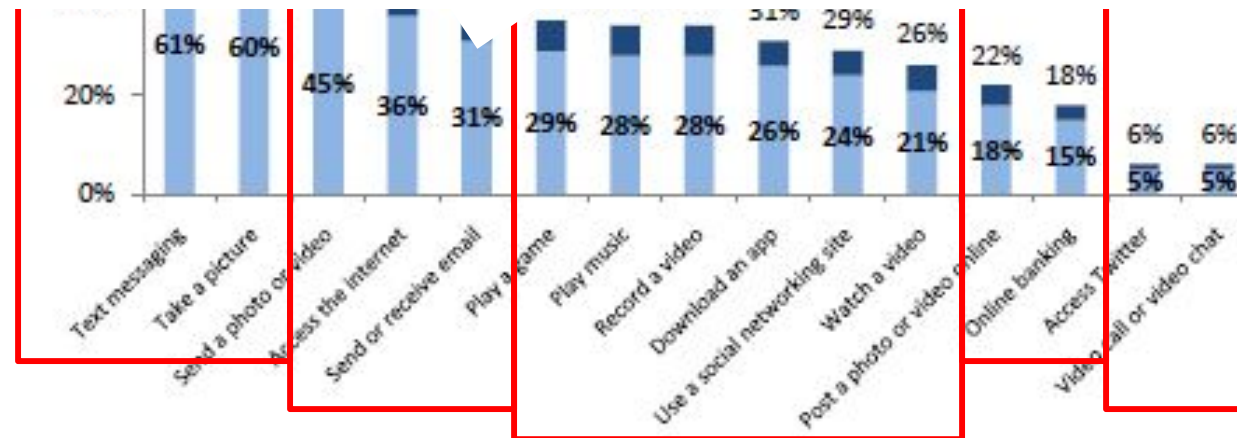
- 79% of American adults use the internet
- Half of adults (50%) or 66% of internet users, say they use at least one social network site (92% use Facebook)
- Half of all adult cell owners (51%) use their phone to access information
- 92% of smart phone users send or receive text messages

The networked consumer: cell phones

How Americans use their cell phones

Based on US adults

Interesting tidbit: 17% of American adult cell phones owners **have bumped into another person or an object** because they were **distracted by talking or texting** on their phones.



V
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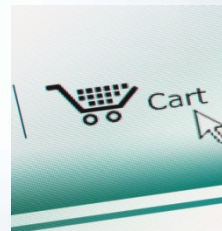
Miscellaneous

Social media and the networked consumer

- 66% of online American adults use social media platforms (Facebook, Twitter, etc.)
- 43% of online adults use social media sites use on a typical day. Only email (61%) and search engines (59%) are used more frequently.
- Social media sites most popular with women (69%) and adults under 30, especially those 18-29 (83%)

The State of Online Shopping

- 58% of Americans perform online research concerning the products and services that they are considering purchasing
- 21% of Americans do research about products on any given day
- 78% of American internet users, at least occasionally conduct online product research
- 74% of American internet users have bought products such as books, music, toys or clothing online
- 74% American internet users have made travel reservations or bought travel services such as airline tickets, hotel rooms, or rental cars
- → a lot business online!



Purchasing Online Content (i.e., bits vs atoms)

- 65% of internet users have paid for online content and they spend about \$10 per month

What do we mean by online content?

- Online content in this case refers to intangible digital products (i.e., software, articles, music, etc.). This is in contrast to ...
- tangible products (e.g., hard-copy books, clothes, computers, etc.) that one can touch or
- tangible services (i.e., hotel reservations, airline ticket, rental cars, etc.) that one engages after purchase.



Breakdown by type of content

Music and software

High of 33%

- 33% of internet users have paid for digital music online
- 33% have paid for Apps, Games, and Articles

- 21% have paid for apps for their cell phones or tablet computers
- 19% have paid for digital games
- 18% have paid for digital newspaper, magazine, or journal articles or reports

Videos and Ringtones

- 16% have paid for videos, movies, or TV shows
- 15% have paid for Photos, Premium content, and e-books
- 12% have paid for digital photos
- 11% have paid for members-only premium content from a website that has other free material on it

- 10% have paid for Podcasts, Stuff for Games, and Services

- 7% have paid for podcasts
- 5% have paid for virtual items to use in video or computer games
- 5% have paid for “cheats or codes” to help them in video games
- 5% have paid to access particular websites such as online dating sites or services

Porn

Low of 2%

- 2% have paid for adult content

Information on Local Businesses

- Some **55% of adults** say they get news and information about local **restaurants, bars, and clubs**.
- **51%** use the internet, including:
 - **38%** use search engines
 - **17%** use specialty websites
 - **3%** use social networking sites
- **47%** use the internet for news & information about other types of **local businesses**

Take Aways

- Technology and access is changing (has changed) the value, dissemination, and relationship attributes of information
- The networked consumer is leveraging technology, especially social, to engage with the physical world.
- Near majorities of American adults are now (or soon will be) networked consumers. For some networked activities and consumer demographic groups, near saturation levels.

Follow-on Discussion

- Happy to chat (either today or contact me)
- Email jjansen@acm.org
- LinkedIn <http://www.linkedin.com/in/jjansen>
- Twitter [jimjansen](https://twitter.com/jimjansen)

Related Reports Available at Pew Internet

- Use of the internet in higher-income households
<http://www.pewinternet.org/Reports/2010/Better-off-people-use-the-internet-more-often.aspx>
- Online product research
<http://www.pewinternet.org/Reports/2010/Online-product-research.aspx>
- Generation and gadgets
<http://www.pewinternet.org/Reports/2011/Generations-and-gadgets.aspx>
- Adults and cell phone distractions
<http://www.pewinternet.org/Reports/2010/Cell-Phone-Distractions/Major-Findings/5-Bumping-into-people-and-objects.aspx>
- Generations 2010
<http://www.pewinternet.org/Reports/2010/Generations-2010.aspx>

Pew Internet uses a 'freemium' model. All reports, surveys, and data are available and free. Material from 2000 to the present!

The Google Online Marketing Challenge



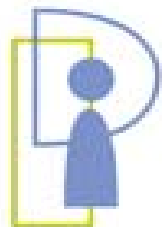
GOMCHA! Excellent classroom experience for both professor and students!



Thanks!
(welcome questions!)

Consumers are increasingly **networked**
... and it's increasingly **important!**

Jim Jansen
Senior Fellow
Pew Internet & American Life Project



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a project of the
PewResearchCenter