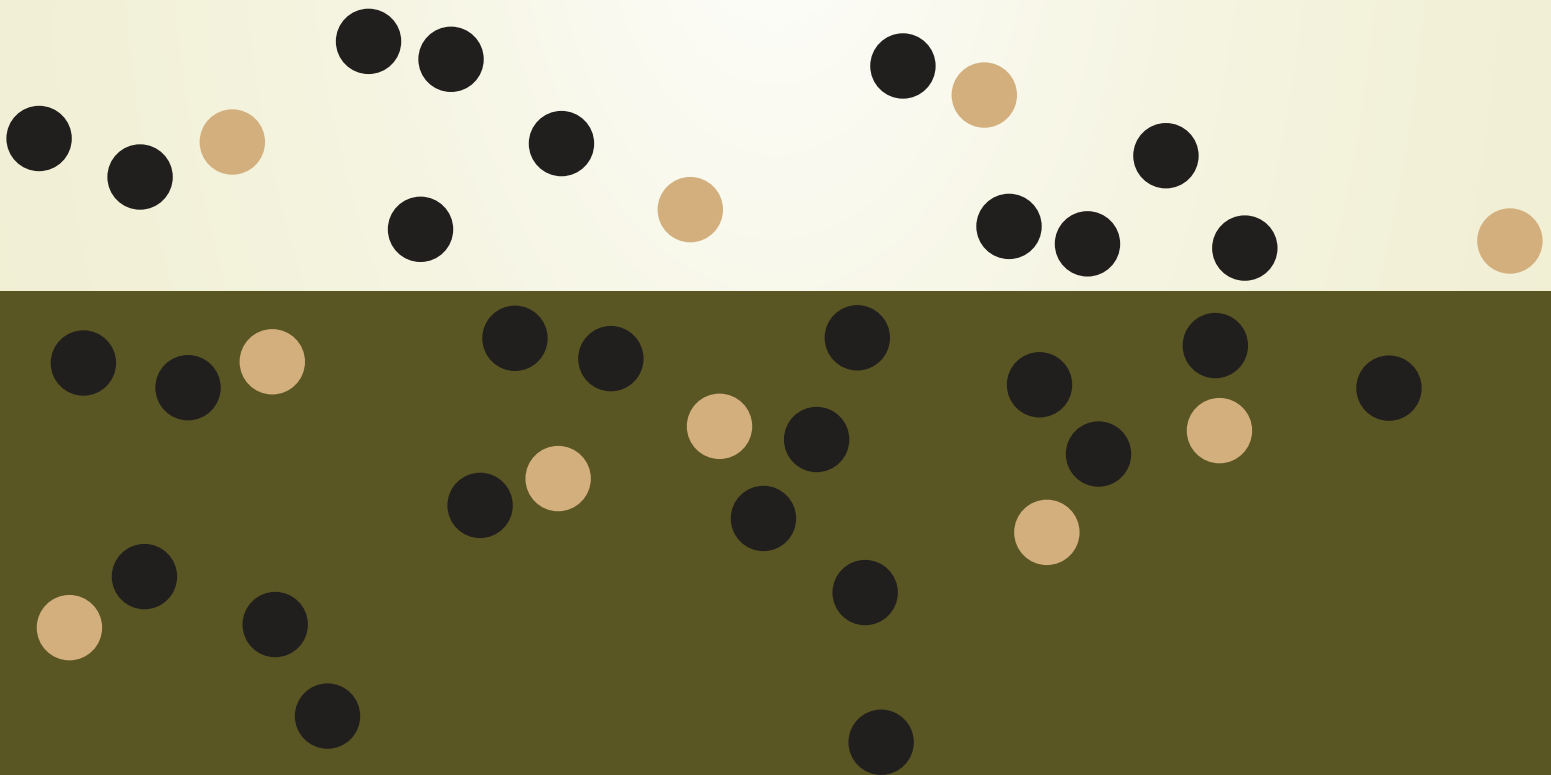


THE BENSIMON BYRNE

Consumerology Report



How Canadians Perceive and Receive Advertising

March 2013



Groundbreaking Study on How Canadians Perceive and Receive Advertising

18th Quarterly Edition of *The Bensimon Byrne Consumerology Report*

This report sheds new light on issues fundamental to advertising including:

- Which media are most effective?
- What images do people like to see?
- What makes an ad interesting?
- What words or phrases will attract and which will repel?

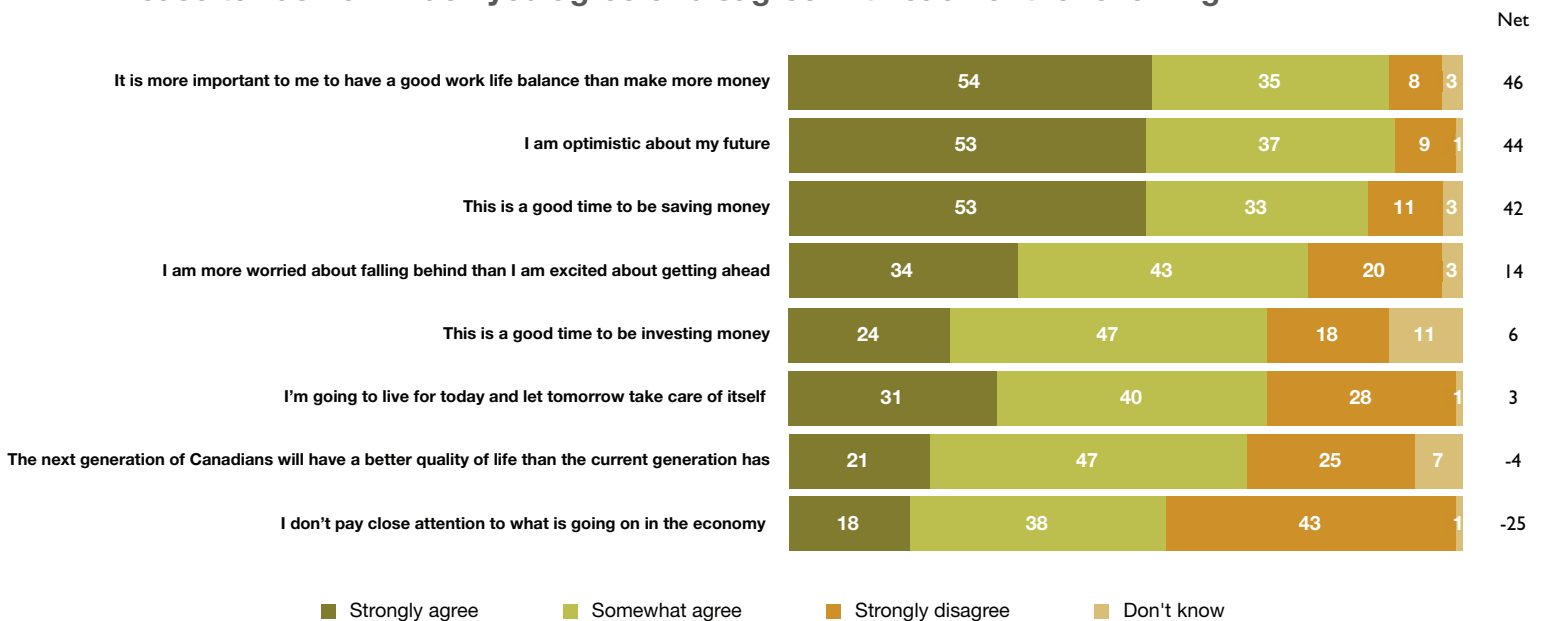
In keeping with the rigour of the Consumerology Study, these findings are analyzed from many different angles, most notably gender differences and differences by financial status. The survey is based on the interviews of 1500 Canadians. The Consumerology Report is the only in depth research being conducted on a quarterly basis about Canadian perspectives on marketing and issues that impact marketing.

Part One – Background and Context

Canadians are, overall, in a generally cautiously positive mood at this time. Most people say they are optimistic about their future, but they don't share that optimism with future generations. Most people think this is a good time to be saving money, but few think it is a good time to be investing money. Most people want work/life balance to be more important than money, but most are also keeping a close eye on what is happening with the economy. They are hopeful, but risk averse.

Views on the Economy and Personal Finance – Among All Respondents

“Please tell us how much you agree or disagree with each of the following.”



Agree/disagree on a 1-9 scale, where 1 is strongly disagree, and 9 is strongly agree
 Net refers to the % difference between the % giving a 7-9 and 1-3

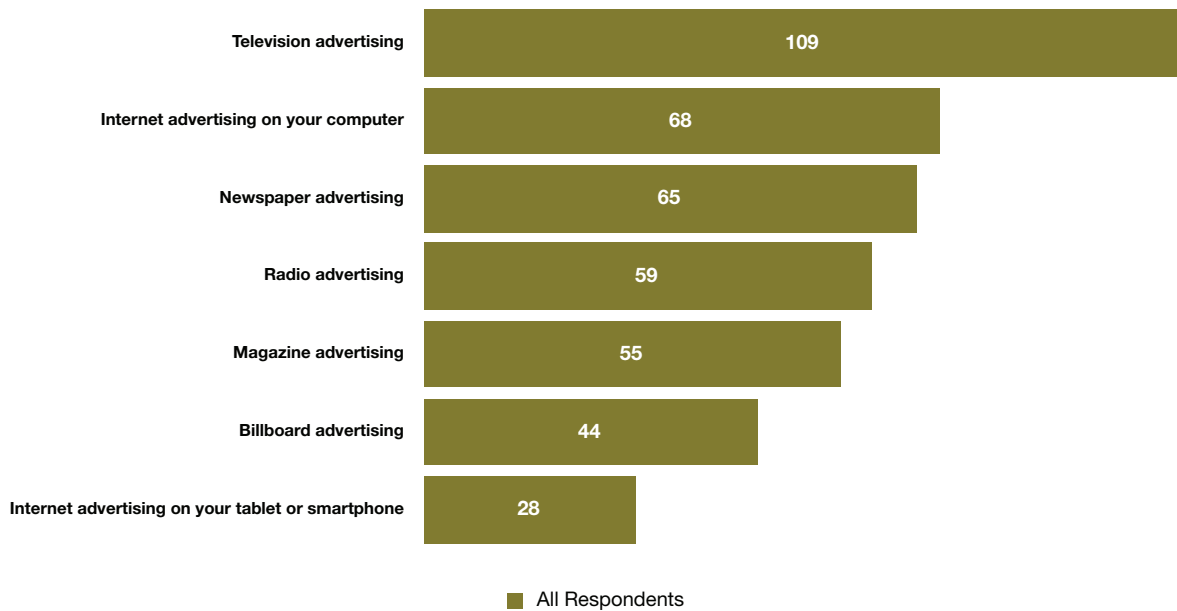
Part Two – How Advertising is Consumed

The first thing that Consumerology demonstrates is that Canadians don't really dislike advertising. Only online and Smartphone advertising comes close to provoking a strong negative reaction. Most people derive at least some enjoyment from advertising, and at least 40% of people mostly enjoy advertising in any form. However, television is the king of entertainment and almost six out of ten people say they enjoy television advertising.

Despite constant rumours of its demise, this report shows television to be by far the most impactful medium to advertise on. Combining the variables of amount consumed and amount enjoyed, we created an index upon which to assess the different media. This index shows that television has almost twice the impact that its' nearest competitors (online and newspaper) ads have.

Advertising in Different Forms of Media – Engagement Index – Among All Respondents

“How much advertising do you get from each of the following types of media?” &
“How much do you enjoy advertising that you see in each of the following media?”
(Index Score)



Index Score represents % who receive a great deal of ___ advertising, + % who enjoy that advertising a great deal and somewhat

Part Three – What Canadians are Looking for in Advertising

Because there seems to be a dark cloud hanging around every economic silver lining for the past few years, Canadians have embraced a “culture of thrift” that is showing some staying power several years into a modest recovery. As a consequence, the advertisement that is most likely to attract a viewer is one that offers a chance to save money buying or doing something that already has to be bought or done. People are looking for a chance to reduce their cost of living. If you are offering that, you will have their attention.

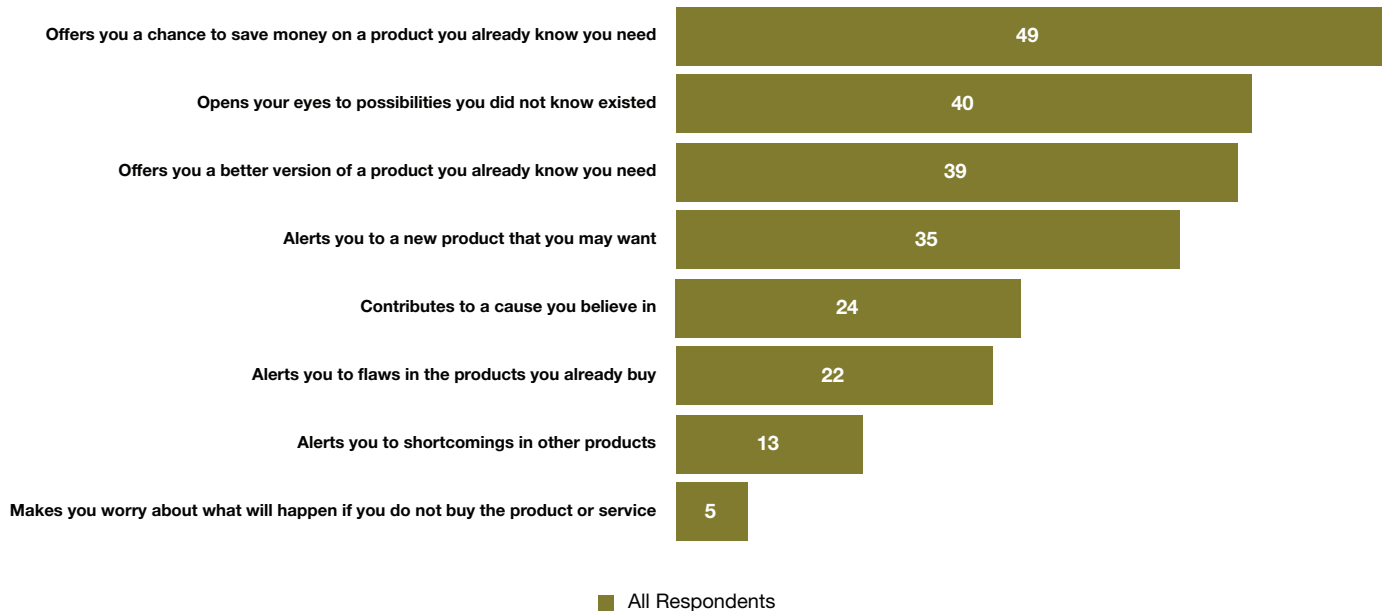
It’s not only about money however. For Canadians who can afford it, value is more important than the lowest possible cost. For this reason, three other types of advertising offering have broad appeal:

- Ads that open your eyes to a possibility previously unknown
- Ads that give you a superior alternative to what you currently buy
- Ads that introduce you to a new product that you may want

Negative or threatening ads are not interesting to most people, although other evidence indicates they can be effective in political advertising. Sadly, most people are not interested in an ad that promotes an important cause.

Most Popular Advertising Objective Overall – Among All Respondents

“We are now going to present you with three pairs of advertising objectives. Which advertising objective makes you more likely to pay attention to an advertisement? The advertisement:” (% of Respondents Giving Each Advertising Objective a First Place Vote Within All Possible Pairings)

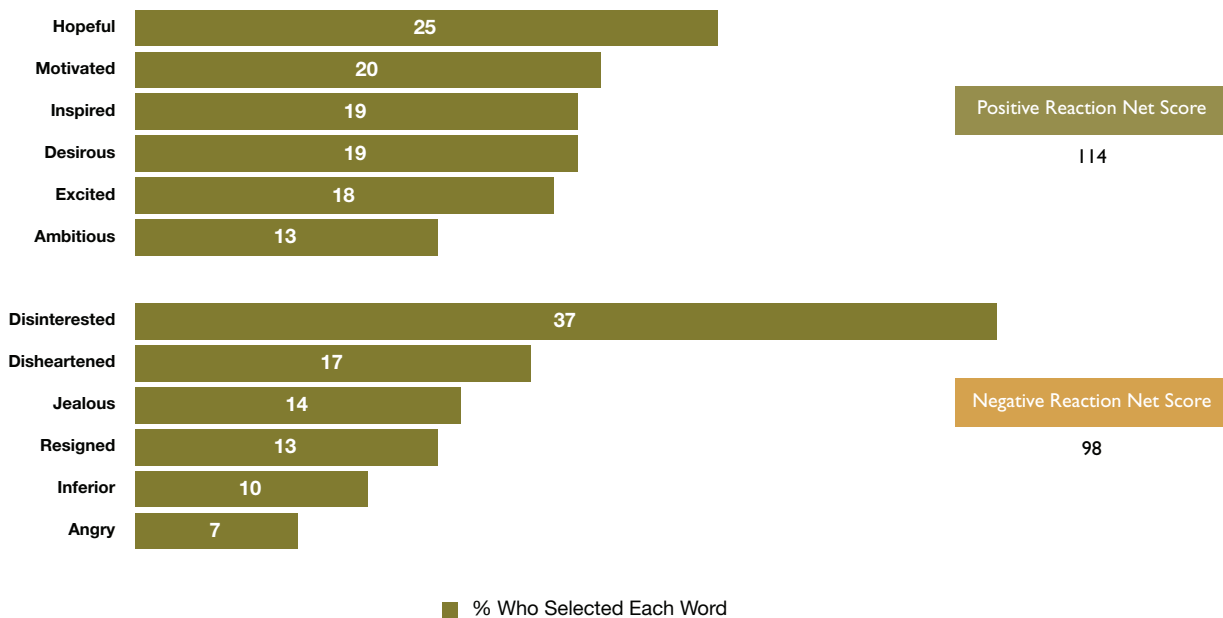


All objectives were paired together in all possible ways, and three pairings were presented to each respondent in a random way. All pairings were presented in equal frequency to respondents overall.

In this era of caution and frugality, one needs to be careful with how aspirational advertising is constructed. If you confront people with a future that seems out of reach they are as likely to respond by being disheartened, resigned or jealous as they are to be motivated or inspired.

Reaction to Advertisements of Expensive Products or Services – Among All Respondents

“If you see an advertisement for an expensive product or service, like a vacation, home renovations, a car, or expensive versions of things, like food, alcohol or clothing, which of the following words express how you feel when you see the advertisement?”
(Select as many as apply)

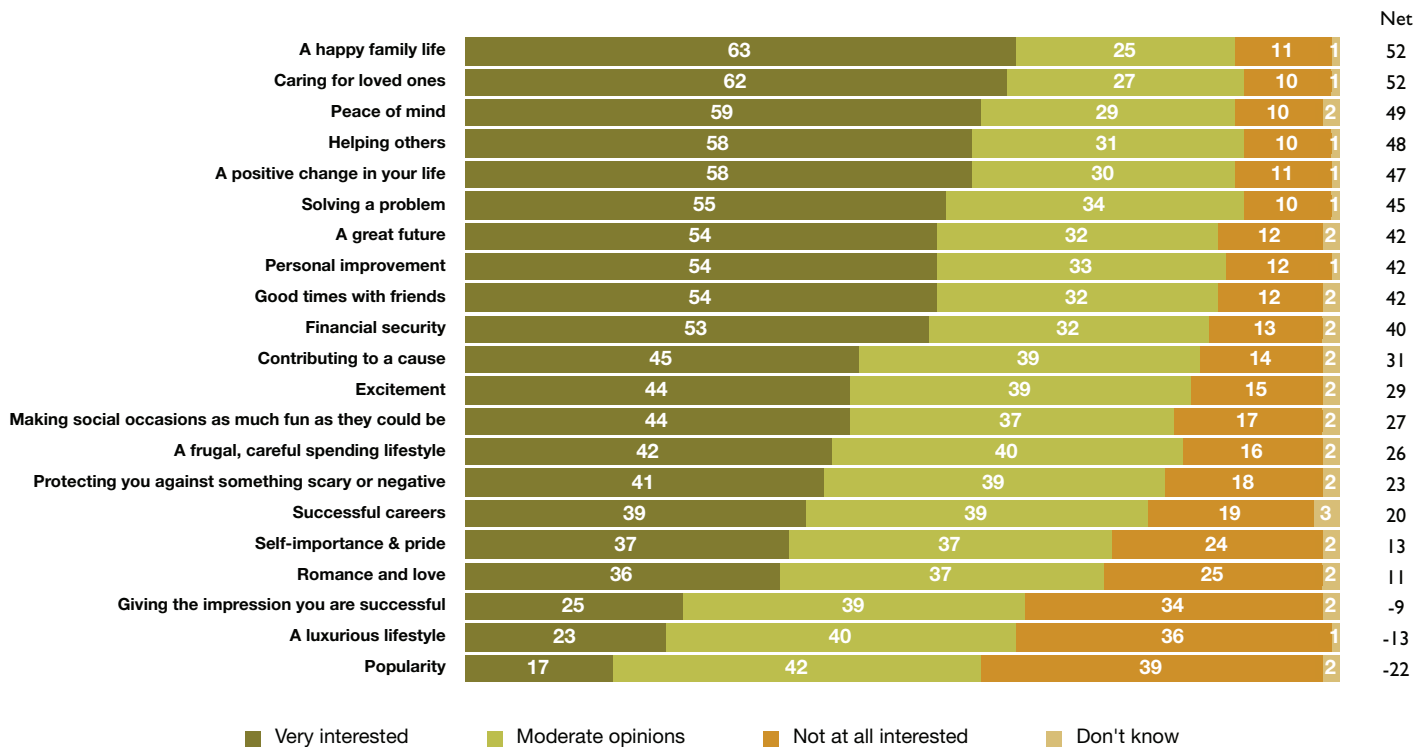


Part Four – What Makes Canadians Like an Advertisement

Again, the uncertainty of our times affects the way Canadians consume advertising. A population more likely to fear falling behind than be excited at the prospect of getting ahead is also looking for security in its commercials. Some might say that they would prefer to ‘Nest’ rather than ‘Hunt’, where ‘nesting’ advertising constructs are portrayals of a happy family, being surrounded by loved ones, peace of mind, solving a major problem, and having financial security. These are all much more desirable than ‘hunting’ constructs, like being popular, living a luxurious lifestyle, looking successful, romance, and pride.

Portrayals in Advertising – Among All Respondents

“How interested are you in advertising that portrays the product or service as contributing to:”

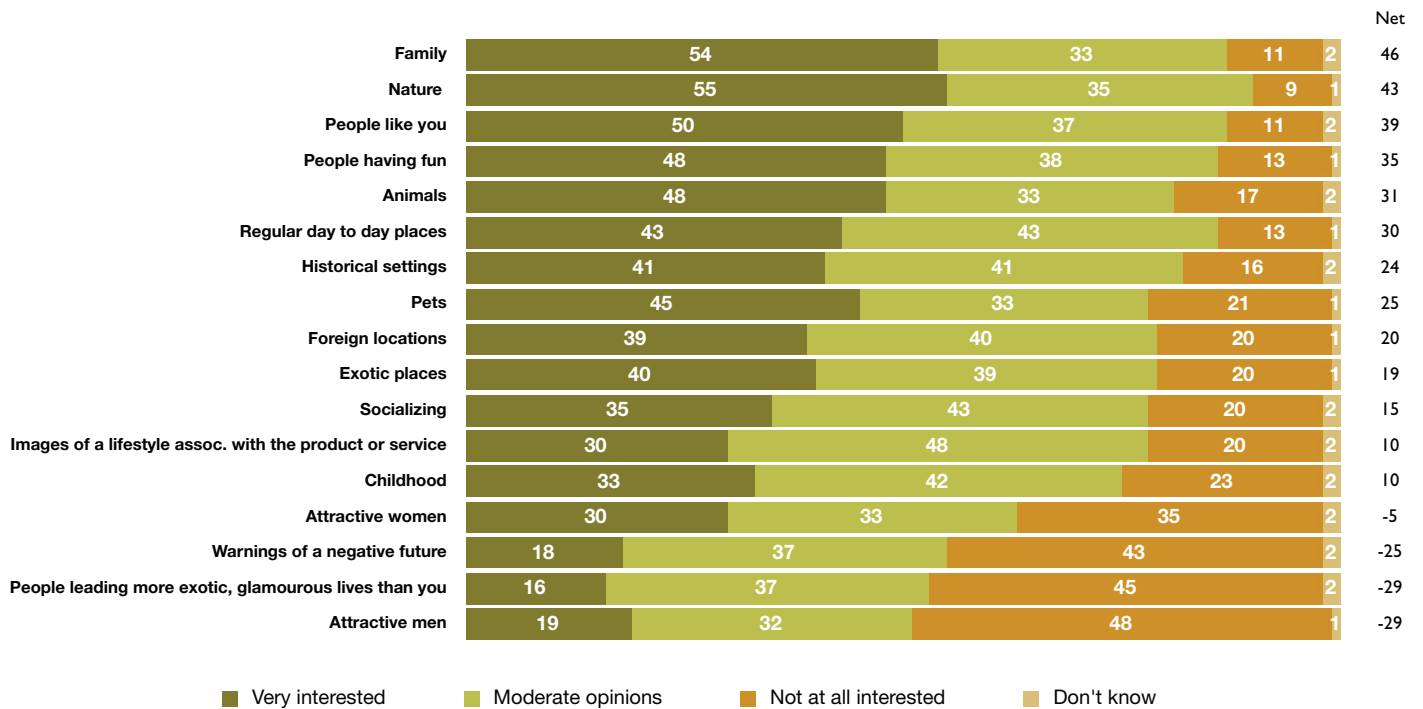


Very interested/not at all interested on a 1-9 scale, where 1 is not at all interested, and 9 is very interested
 Net refers to the % difference between the % giving a 7-9 and 1-3

For those who wonder why advertising breaks so often resemble the Animal Planet channel, it is because Canadians love to see animals in advertising. Nature, animals and pets take up three spots of the top six images that interest Canadians in an advertisement. The other images that attract, involve people like the viewer, having fun with friends and family.

Images Used in Advertising – Among All Respondents

“How interested are you in advertising that uses the following kinds of images:”



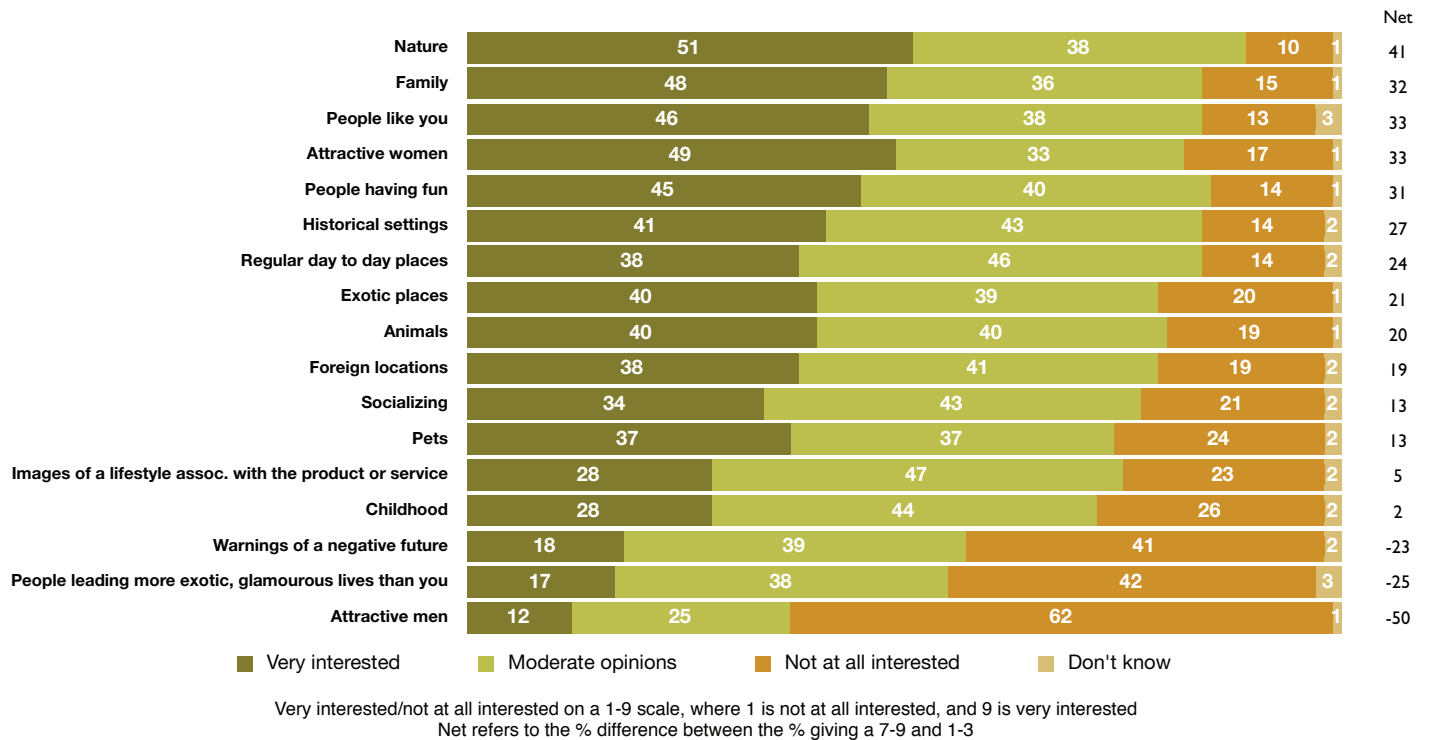
Very interested/not at all interested on a 1-9 scale, where 1 is not at all interested, and 9 is very interested
 Net refers to the % difference between the % giving a 7-9 and 1-3

People do not like to be shown up by ads that flaunt a luxurious lifestyle or an exotic locale. Despite the success of *The Walking Dead* and other post apocalyptic entertainment, most people are not interested in ads that feature foreboding images of the future.

There is one huge difference between the genders on images in advertising. Men really like seeing attractive women in advertising – quite a bit more than they want to see an animal – and, being competitive, do not like seeing attractive men in the ad. Women are almost as likely to want to see an attractive woman as see an attractive man, and they would much prefer to watch an animal or pet than either.

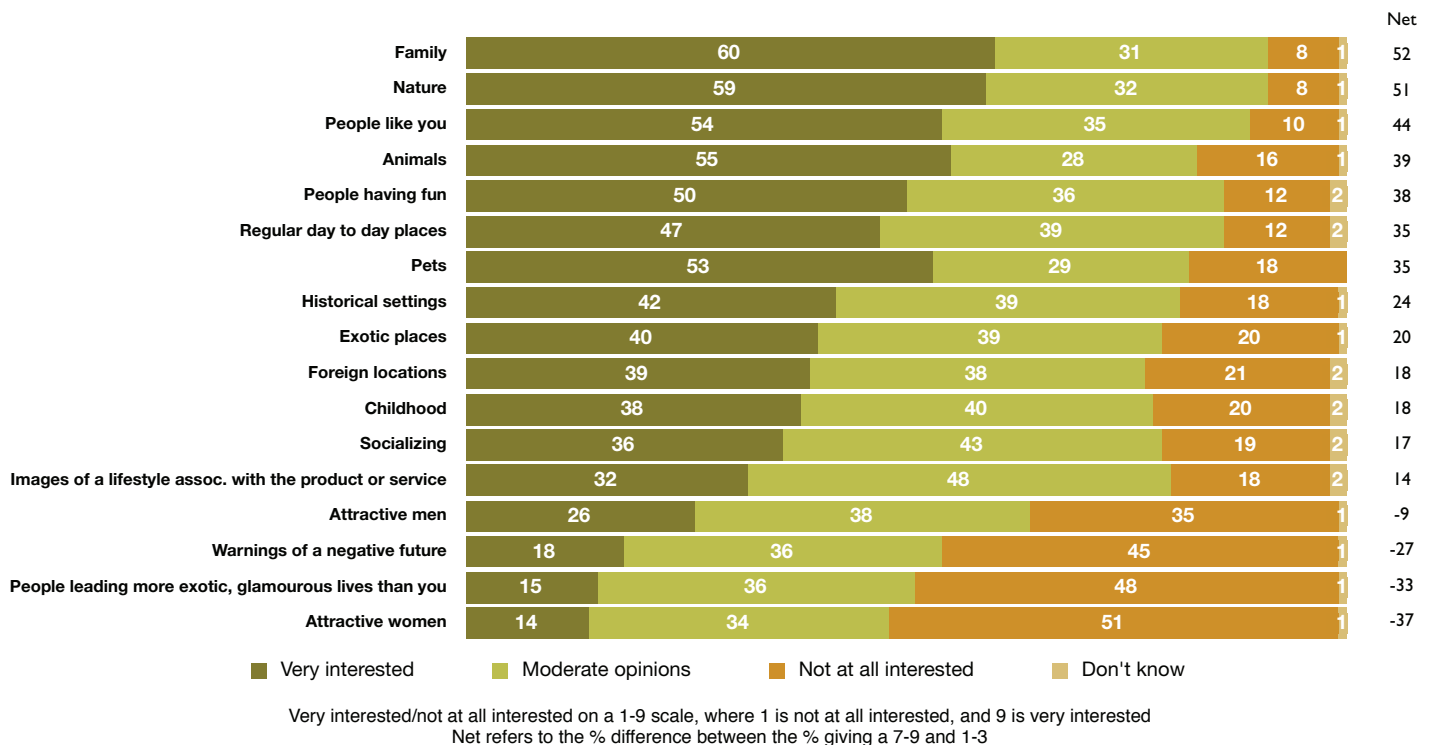
Images Used in Advertising – Among Males

“How interested are you in advertising that uses the following kinds of images?” (n=706)



Images Used in Advertising – Among Females

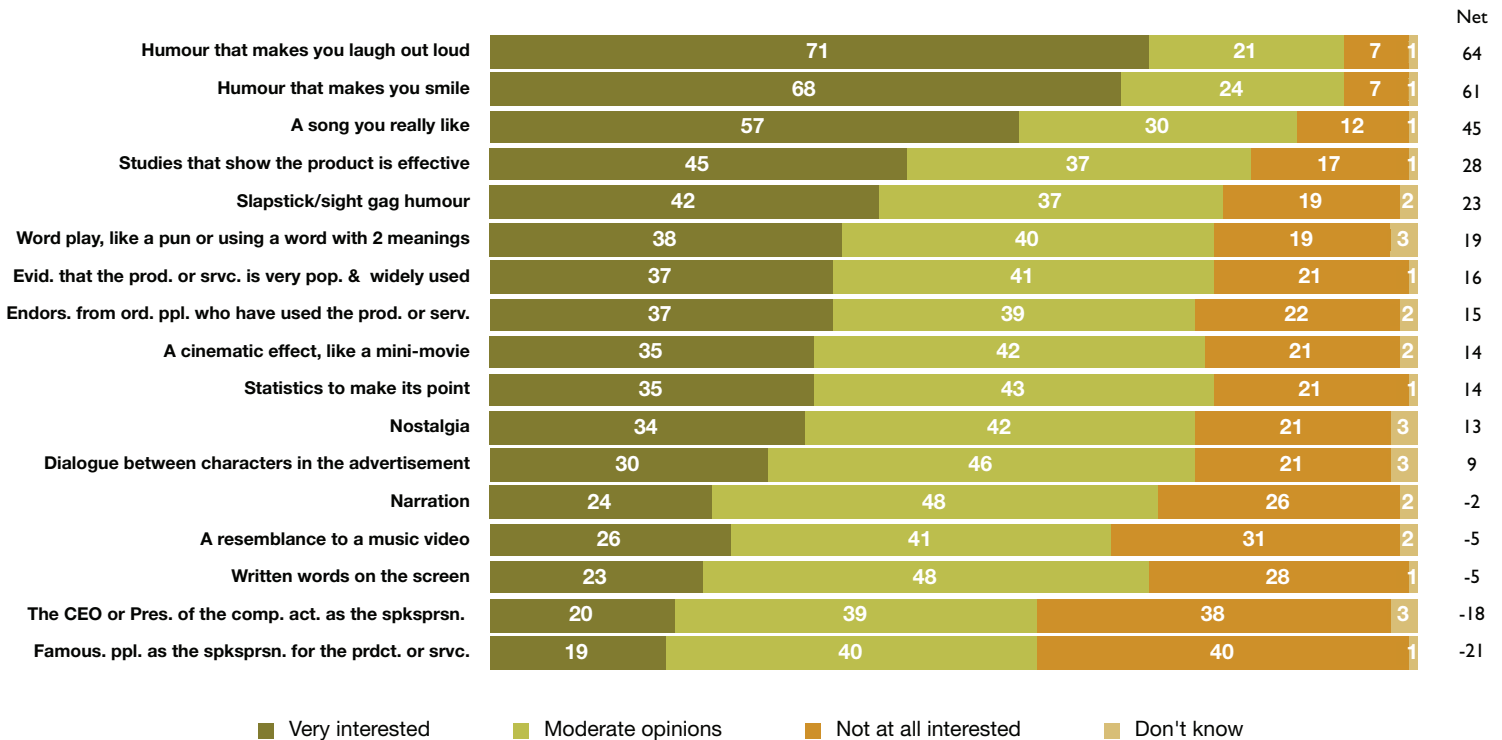
“How interested are you in advertising that uses the following kinds of images?” (n=794)



The most attractive device one can use in advertising is humour. Far more than any other technique, humour will attract interest in a commercial, whether that be humour that makes you laugh out loud or simply brings a smile to your face. Because the advertising industry frequently interprets humour as slapstick, it is worth noting that many people want humour in an ad but do not want slapstick. Good dialogue can be as interesting as a sight gag. The other key ingredient is music, for many people it is the most enjoyable part of advertising. A good song can draw eyeballs.

Advertising Elements – Among All Respondents

“How interested are you in advertising that has:”



Very interested/not at all interested on a 1-9 scale, where 1 is not at all interested, and 9 is very interested
 Net refers to the % difference between the % giving a 7-9 and 1-3

People mostly want to be entertained by advertising, so they don't want to do much work when watching or reading one. Narration, statistics or words that run on the screen all make a commercial uninteresting to most people. Editing similar to a music video is distracting. And one cannot assume that a prominent spokesperson or the CEO of the company will make the commercial interesting. When using that format, one needs to remember what people really want from a commercial – entertainment featuring people like them.

Part Five – The Downwardly Mobile

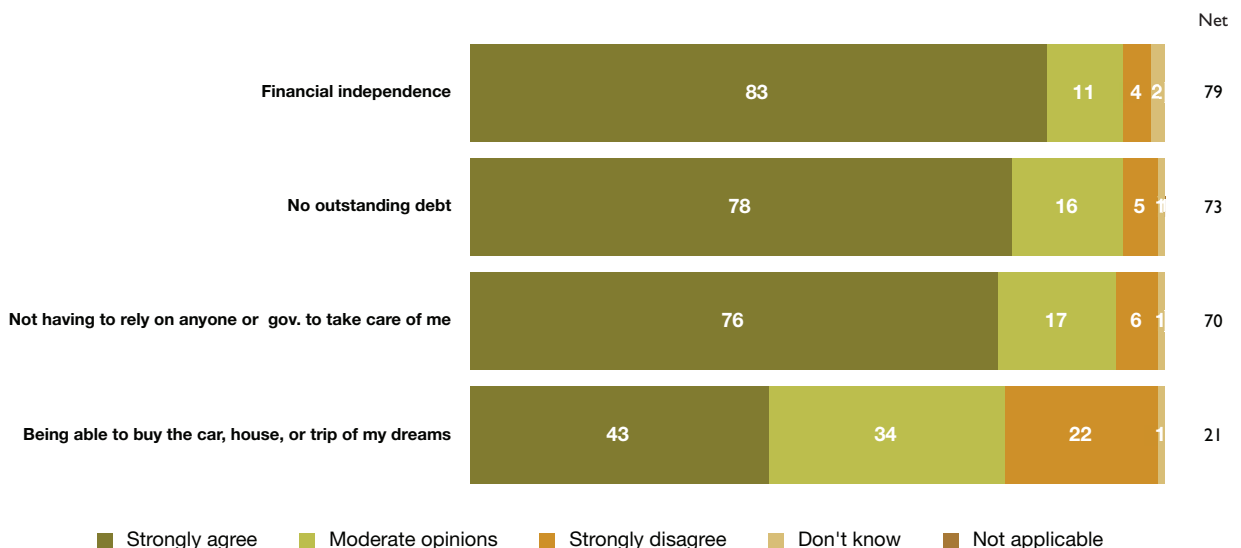
So far we have discussed the findings of this study as they reflect the total population of Canada. There is a group of consumers we have been monitoring since the beginning of the Great Recession – people who think of themselves as middle class but are losing ground on standard of living and piling on additional debt every year. These people represent more than a quarter of all consumers and they take in advertising very differently.

This group is not optimistic. They are likely to be feeling depressed or down about their finances and feeling great pressure to deliver more than they are. These people share the same material aspirations as the upwardly mobile or those that are holding their own, but they feel those aspirations slipping away from them. They are worried about falling behind and are not even thinking about exciting prospects for getting ahead. They don't think it is a good time to be saving or investing. This group will definitely ignore or dislike an ad that asks them to aspire to an expensive or luxury product.

Defining Success or a Good Life Lived: A Good Financial Situation – Among Downwardly Mobile With Debt

“The following is a list of ways that people might define success or a good life lived. please tell us how much you agree with these definitions of success.”

Downwardly Mobile With Debt

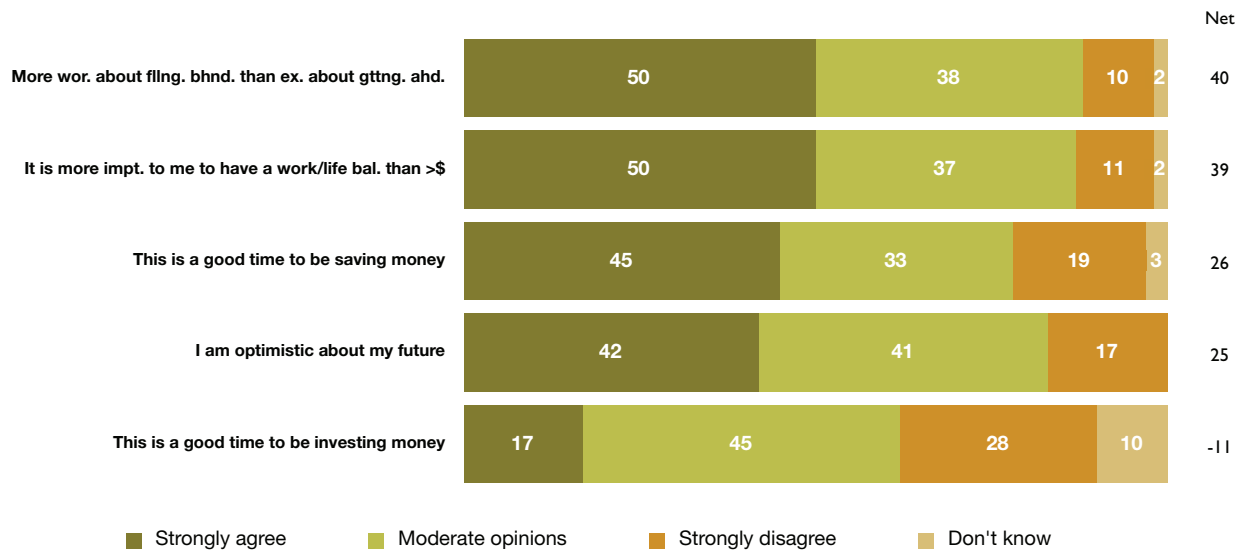


Agree/disagree on a 1-9 scale, where 1 is strongly disagree, and 9 is strongly agree
 Net refers to the % difference between the % giving a 7-9 and 1-3

Views on Personal Finance – Among Downwardly Mobile With Debt

“Please tell us how much you agree or disagree with each of the following.”

Downwardly Mobile With Debt

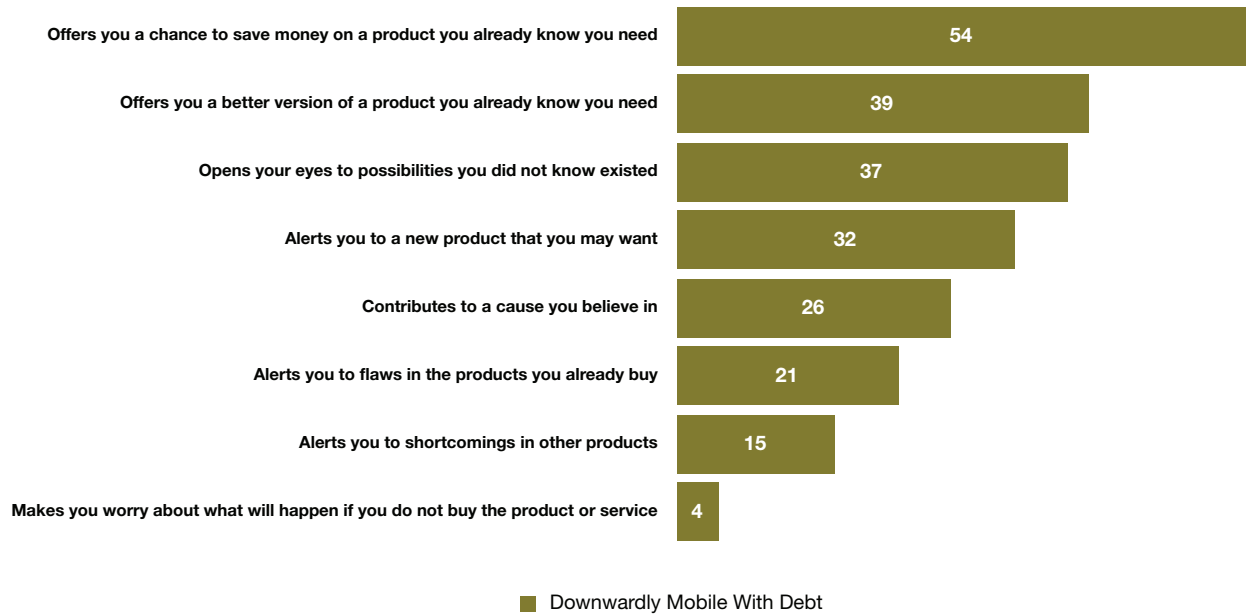


Agree/disagree on a 1-9 scale, where 1 is strongly disagree, and 9 is strongly agree
 Net refers to the % difference between the % giving a 7-9 and 1-3

They are on the lookout for advertising that tells them how to buy more cheaply, and they are avoiding advertising that tries to sell them on something new. On the Bensimon Byrne Media Index, this downwardly mobile group (downwardly mobile and with more debt than savings) over index on radio and outdoor, and under index on magazines and Smartphone advertising.

Most Popular Advertising Objective Overall – *Among Downwardly Mobile With Debt*

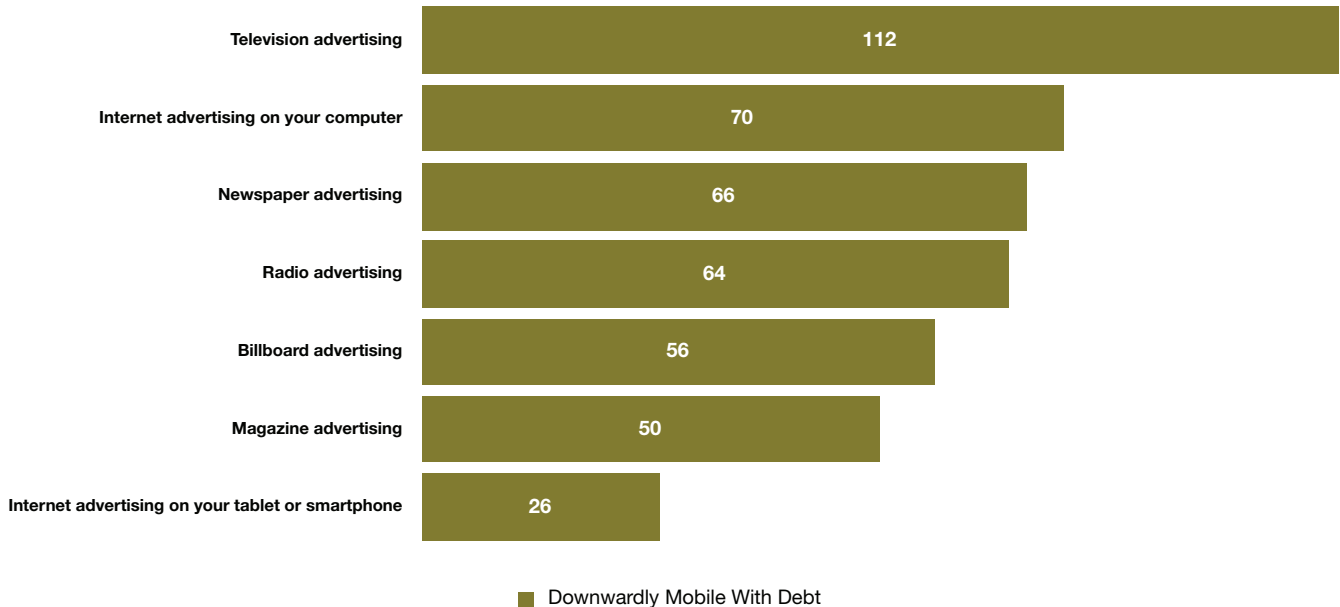
“We are now going to present you with three pairs of advertising objectives. Which advertising objective makes you more likely to pay attention to an advertisement? The advertisement:” (% of Respondents Giving Each Advertising Objective a First Place Vote Within All Possible Pairings)



All objectives were paired together in all possible ways, and three pairings were presented to each respondent in a random way. All pairings were presented in equal frequency to respondents overall.

Advertising in Different Forms of Media – Media Engagement Index – Among Downwardly Mobile With Debt

“How much advertising do you get from each of the following types of media?” &
“How much do you enjoy advertising that you see in each of the following media?”
(Index Score)



Index Score represents % who receive a great deal of ___ advertising, + % who enjoy that advertising a great deal and somewhat

Conclusion

A population that is generally worried about risk to their lifestyles, and having settled in to a more modest set of expectations than they once had, is looking for advertising imagery that entertains and comforts rather than imagery that challenges or materially aspires. Television remains by far the most effective and powerful medium to convey those messages.