

ASC Research

Consumer Perspectives on Advertising 2015



Advertising Standards Canada
Les normes canadiennes de la publicité



the gandalf group



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Overview

Conducted in early 2015 with a representative sample of 1,052 Canadians, this research probes more deeply into consumer comfort levels concerning the truth and accuracy of advertising across all media

Advertising Standards Canada regularly asks Canadians about their perceptions of advertising and the value it brings to them.

On occasion, our research findings peak our curiosity and warrant closer scrutiny. Such was the case last year when our **2014 Consumer Perspectives on Advertising** report revealed that Canadians perceive higher levels of truth and accuracy in advertising appearing in traditional media than advertising in online media.

With this in mind, we commissioned The Gandalf Group to conduct focused quantitative research to better understand Canadian consumers' trust in advertising in the digital world. Conducted in early 2015 with a representative sample of 1,052 Canadians, this research probes more deeply into consumer comfort levels concerning the truth and accuracy of advertising across all media, but with a particular spotlight on online advertising. Importantly, we explored consumers' perceptions of truth and accuracy in advertising for favourite and familiar products and services in various media.

The results, while not surprising, are important. Consumer comfort level regarding the truth and accuracy of an advertisement is highly influenced by their personal relationship with the advertised product or service. Further, this influence seems to be greater than the influence of the presenting media.

Highlights



Most Canadians continue to report that they get value from the advertising they read, hear and see.



Consumers continue to rate ads in traditional media as more trustworthy than ads that appear online...

A majority of Canadians continue to have a favourable impression of advertising and find advertising helpful in their daily lives.



The vast majority – roughly four in five - are at least somewhat comfortable with the levels of truth and accuracy in ads for their favourite products and services; those that they like, value and trust; those that are personally known to them; or those that have been recommended to them by friends.



However, for their favourite products and services, and other products and services they know and like, consumers are generally comfortable with the levels of truth and accuracy in both **traditional** and **online** media.

Consumers are significantly less comfortable with the levels of truth and accuracy in advertisements for products or services unfamiliar to them, versus ads for products or services they know.



Consumers who distrust online advertising seem to perceive the whole digital world as a sort of 'wild west', and this perception applies equally to both online content and online advertising.



Seven in ten Canadians are at least somewhat comfortable with the levels of truth and accuracy in ads for Canadian products.



When it comes to types of online ads, Canadians are more comfortable with promotional emails, search, pre-roll and banner ads than with other forms of digital advertising.



Canadians generally have a positive view about advertising.

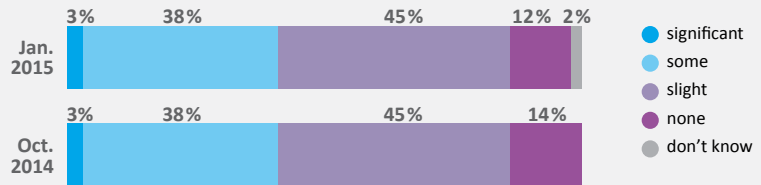
1 Canadians View Advertising Positively

- Consistent with our 2014 research findings, a majority continue to have a favourable impression of advertising that they see, hear or read.
- Most derive at least slight value from advertising, and only 12% believe advertising provides them no value at all.
- A majority continue to find advertising helpful with consumer decision-making.

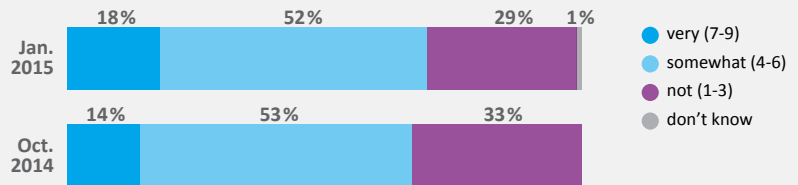
What do Canadians get from advertising?



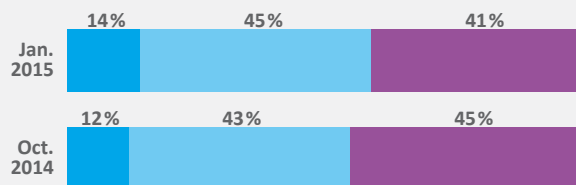
Generally speaking, how much value does the advertising that you see, hear or read offer you?



Generally speaking, how favourable is your impression of the advertising you see, hear or read?



How helpful is the advertising you see, hear or read to your decision-making as a consumer?



2 Perception of Trustworthiness of Advertising Varies Across Media Types



Consistent with our 2014 research findings, consumers continue to rate ads in traditional media as more trustworthy than online advertising. But importantly, as shown in Section 4, that is only part of the story.

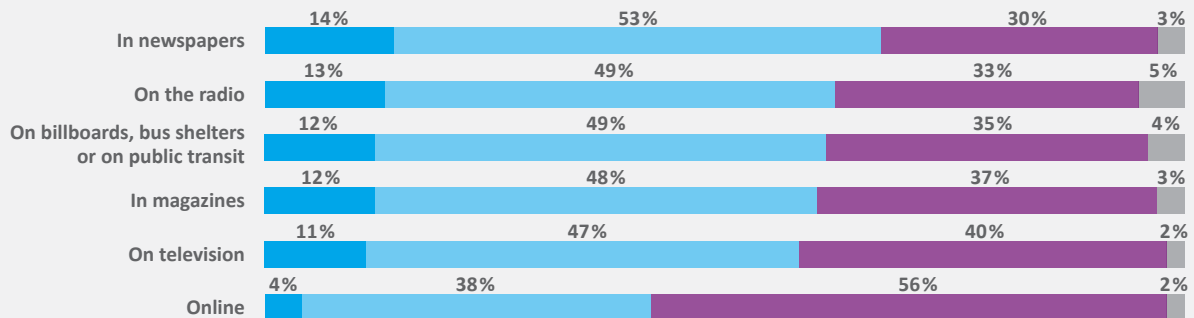
- Consumers continue to tell us they have greater trust in ads that appear in traditional media.
- While the greatest trust is expressed for advertising in newspapers, ads in traditional media enjoy the trust of at least a majority of Canadians.
- The lower overall trust levels for online advertisements are in part driven by those 65 years and over – they are significantly less likely than others to say they find online ads trustworthy.

Trustworthiness across media



On a scale from 1 to 9 where 1 is “not at all trustworthy” and 9 is “very trustworthy”, how trustworthy do you find the following types of advertisements? Advertisements you see/hear...

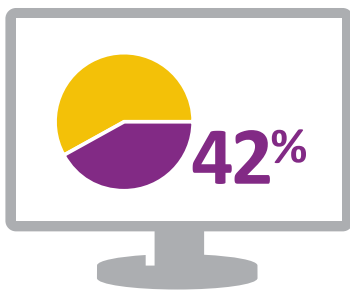
- very trustworthy (9-7)
- somewhat trustworthy (4-6)
- not trustworthy (1-3)
- don't know



Online by Age % with responses 7-9



3 Concerns about the Internet are Influencing Consumer Perceptions of Online Advertising



- While 42% of Canadians see online advertising as at least somewhat trustworthy, a slight majority continue to see online ads as untrustworthy.
- Those who view online advertising negatively cite a variety of reasons for finding it so, e.g. concerns regarding scams, phishing and malware; unreliable sources; and an uncontrolled environment. These Canadians seem to perceive the whole digital world as a sort of 'wild west', and this perception applies to both online content and online advertising.

In this era of media-savvy consumers, an intangible level of consumer suspicion about the digital environment appears to be influencing perceptions of the ads they encounter online.

Reasons cited for finding online advertisements "untrustworthy"



...And why would you say that? [Among those who said they find online ads untrustworthy; n=586]



4 Brand Awareness and Loyalty Boosts Perceptions of Truth and Accuracy of Ads in All Media

Consumers enjoy favourite products and services in their daily lives. Thus, it is not surprising they perceive ads for their favoured brands through a different lens than they do for products they don't know or like.

- A consumer's relationship with the product or service being advertised plays a role in how comfortable they are with the levels of truth and accuracy in an advertisement for that product or service.



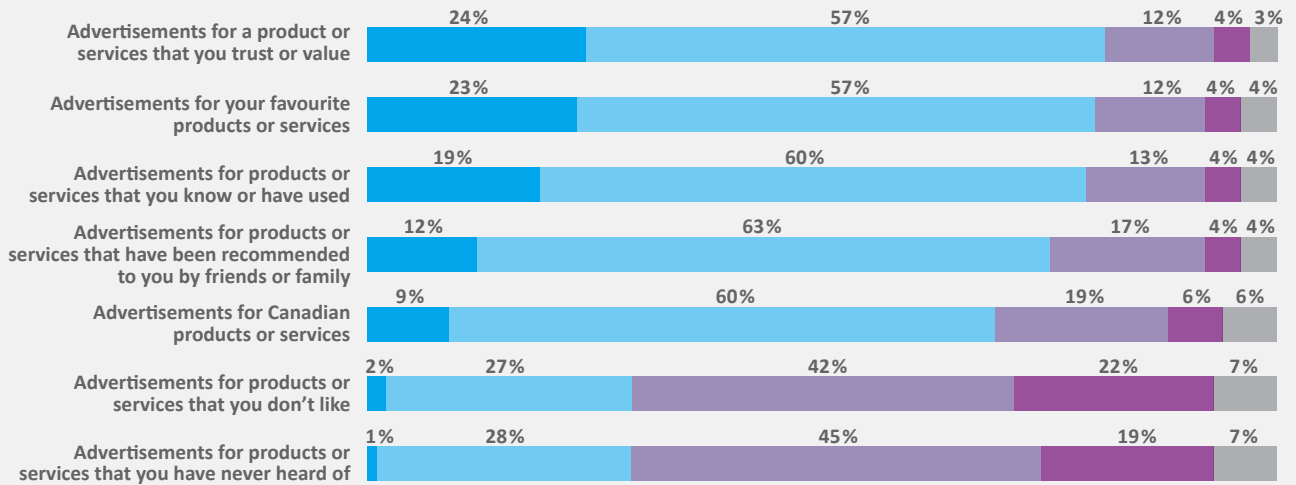
- Four in five Canadians were comfortable with the levels of truth and accuracy in advertisements for:
 - their favourite products or services;
 - products or services they know or have used; and,
 - products or services that have been recommended to them by a friend or family member.
- Patriotism also plays a role in perceptions of truth and accuracy.
 - Seven in ten respondents were at least "somewhat comfortable" with the levels of truth and accuracy in advertisements for Canadian products or services.
- Disliking a product or service - or having never heard of it - were cited as reasons for discomfort with the truth and accuracy of an advertisement.

Comfort with advertisements



How comfortable are you with the levels of truth and accuracy in the advertising you see or hear for each of the following categories of ads?

- very comfortable
- somewhat comfortable
- somewhat uncomfortable
- very uncomfortable
- don't know



Consistent with our findings for ads in traditional media, when asked about online advertising specifically, consumers perceived ads for their favoured brands more positively than ads for products they don't know or like.



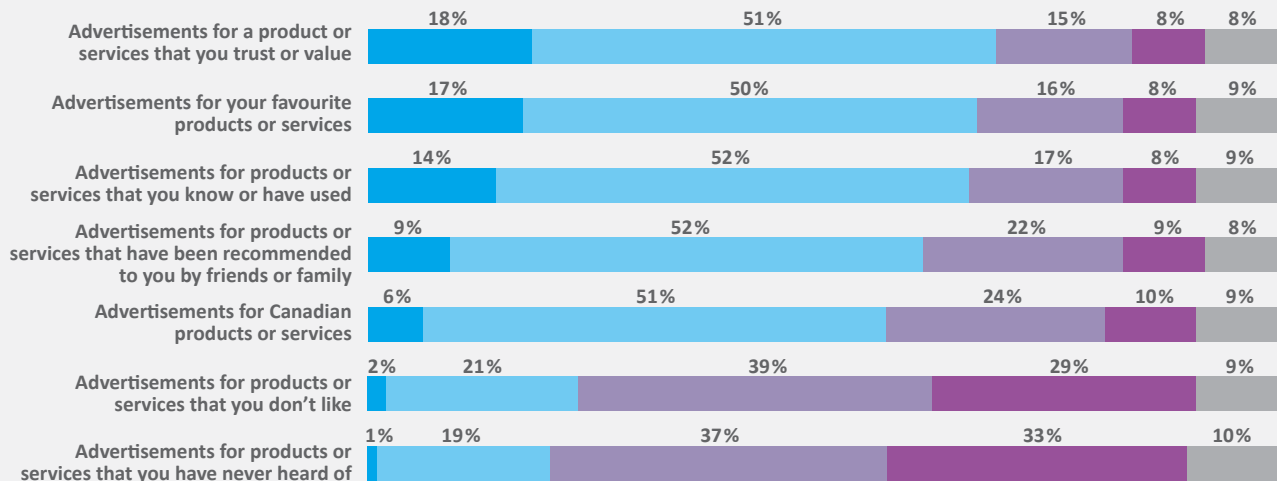
- In fact, a majority of Canadians are at least “somewhat comfortable” with the level of truth and accuracy in online advertising for brands, products and services they value, trust, know, or have been recommended by friends, or are Canadian.
- When it comes to ads for products or services with which they are unfamiliar or dislike, the majority are uncomfortable with the level of truth and accuracy in ads in general, not just those they see online.

Comfort with online advertisements



Thinking about online ads specifically, how comfortable are you with the levels of truth and accuracy in the advertising you see or hear for each of the following categories of ads?

- very comfortable
- somewhat comfortable
- somewhat uncomfortable
- very uncomfortable
- don't know



While a disparity exists between perceptions of truth and accuracy of advertisements in online and traditional media – trust is far more aligned with product or service awareness and loyalty than it is to media type – whether traditional or online.

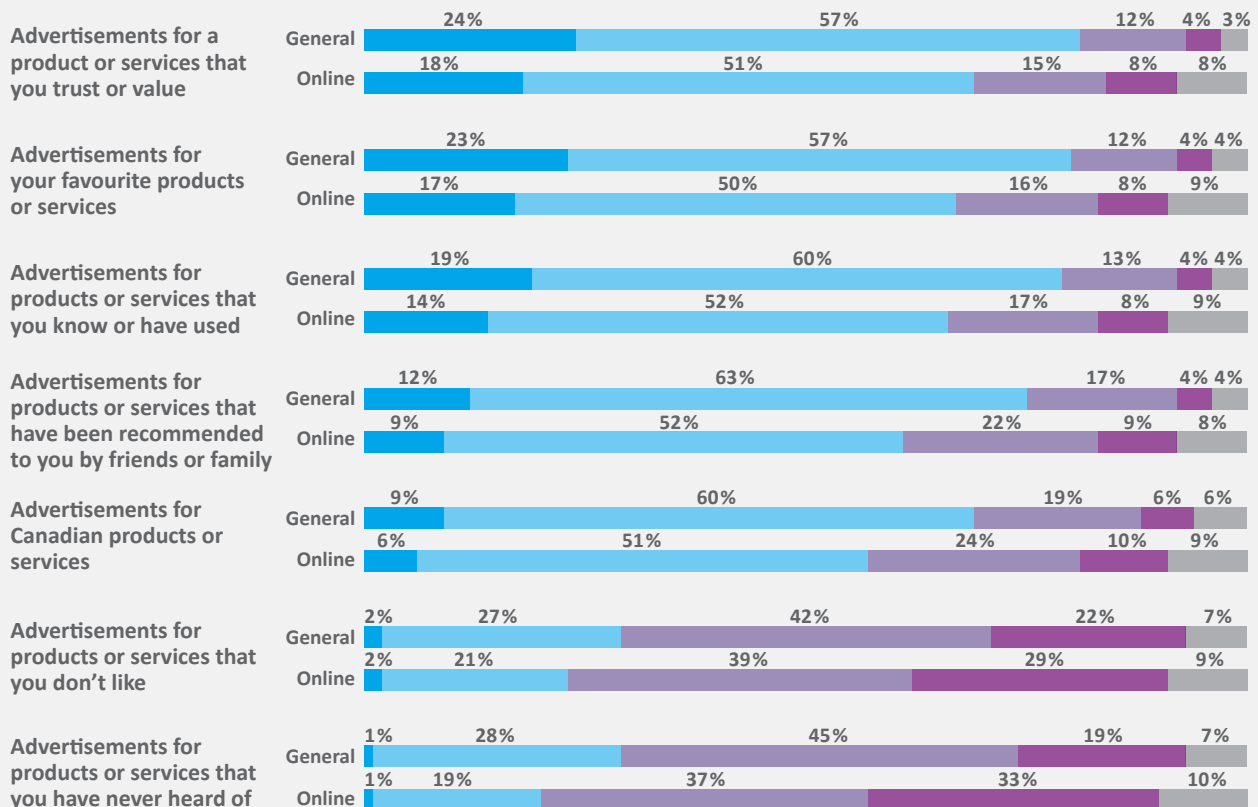
- Comfort with truth and accuracy in online advertising is consistently around 10% lower than levels for advertising in general in all tested categories of product awareness and loyalty.

Comfort: “General” ads vs. online ads



Thinking about online ads specifically, how comfortable are you with the levels of truth and accuracy in the advertising you see or hear for each of the following categories of ads?

- very comfortable
- somewhat comfortable
- somewhat uncomfortable
- very uncomfortable
- don't know



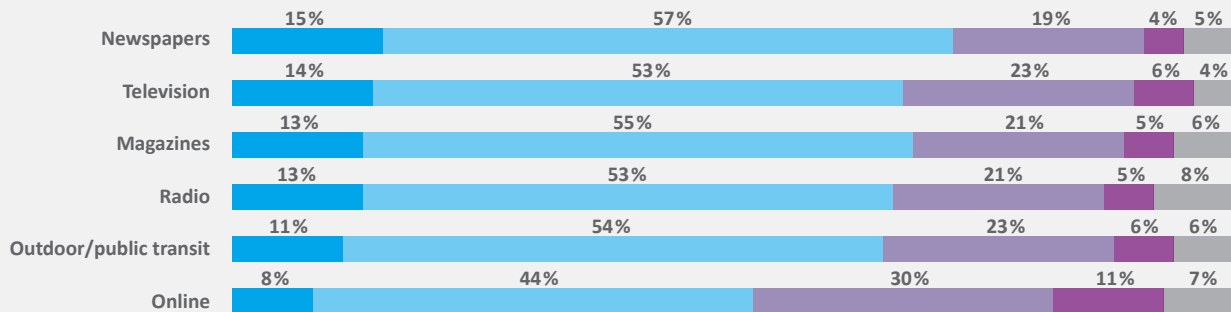
Respondents were also asked specifically about their comfort levels with truth and accuracy in ads across media types for their favourite brands or products and the results were consistent with the above findings. In fact, while a disparity exists between perceptions of advertising in online and traditional media, majority of Canadians were very or somewhat comfortable with the truth and accuracy levels in ads for their favourite brands or products in all media.

Attitudes about ads for favourite brands/products



Thinking about advertisements for your favourite brands or products, how comfortable are you with the levels of truth and accuracy in the advertising you read, see or hear in each of the following places?

- very comfortable
- somewhat comfortable
- somewhat uncomfortable
- very uncomfortable
- don't know



As seen earlier, the lower overall trust levels for online advertisements are in part driven by those aged 65+ who are significantly less likely than others to say they are comfortable with truth and accuracy levels in all forms of online ads.

Online by Age % very comfortable or somewhat comfortable



Spotlight on Perceptions of Truth and Accuracy in Online Ads

Online advertising takes many forms. From promotional emails, pre-roll, banner ads to in-app applications, consumers encounter a broad range of types of online ads. Interestingly, when consumers were asked to rate specific forms of online advertising, they tended to be more negative than when asked to rate online advertising overall.

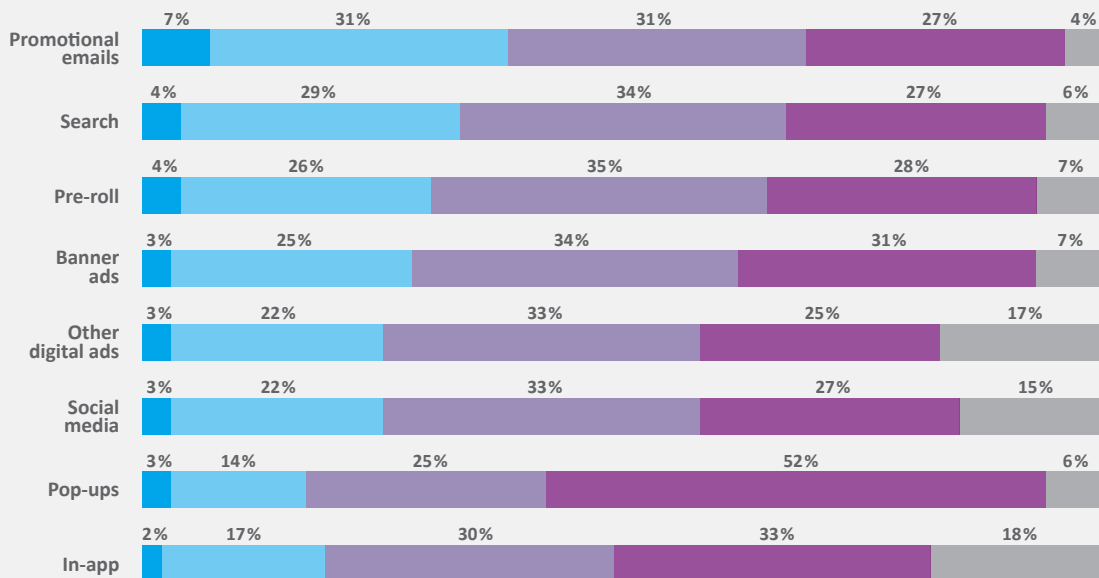
- When considering their favourite brands and products, there is greater comfort with the truth and accuracy of promotional emails, search, pre-roll and banner advertising than for other forms of online advertising.
- A majority of respondents are “very uncomfortable” with pop-up ads in particular, regardless of the brand, product or service, and almost 20% were unfamiliar with in-app and social media advertising

Attitudes about ads for favourite brands/products



Thinking about advertising for your favourite brands or products, how comfortable are you with the levels of truth and accuracy in the advertising you read, see or hear in each of the following places?

- very comfortable
- somewhat comfortable
- somewhat uncomfortable
- very uncomfortable
- don't know

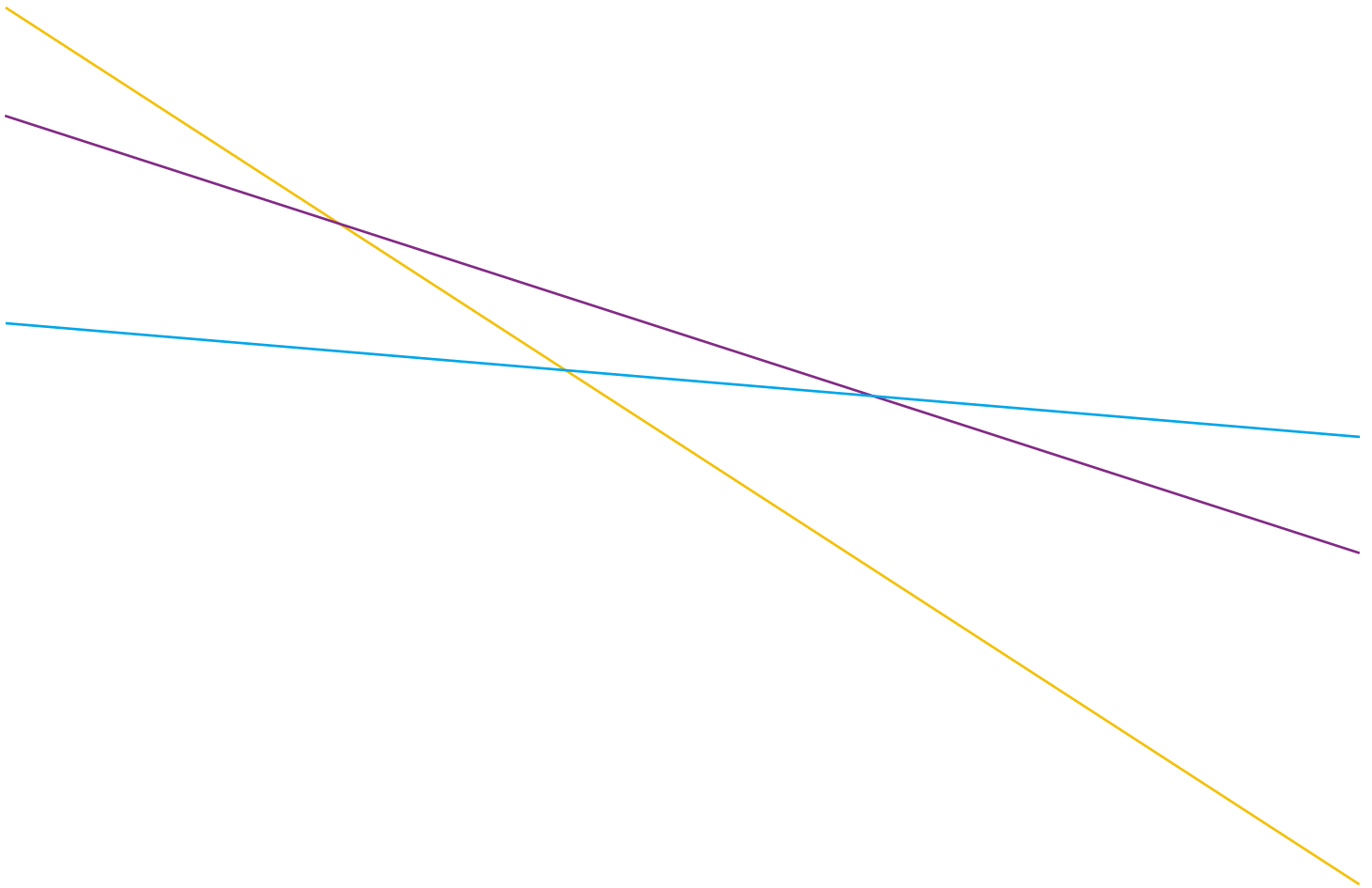


About this Study

In early 2015, ASC commissioned The Gandalf Group to measure Canadian opinions about advertising. An online survey of 1,052 adult Canadians was conducted in January 2015. Building upon the results of our September 2014 survey, this follow-up study focuses on understanding Canadian attitudes toward digital advertising in general and the influence of brand credibility on perceptions of truth and accuracy.

About ASC

Advertising Standards Canada (ASC) is the national independent advertising industry self-regulatory body committed to creating and maintaining community confidence in advertising. ASC members – leading advertisers, advertising agencies, media and suppliers to the advertising industry – are committed to supporting responsible and effective advertising self-regulation. A not-for-profit organization, ASC administers the Canadian Code of Advertising Standards, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumers' complaints about advertising.



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