

Technology buying: How consumers make decisions in a social media world

In December 2011 Just Media, Inc., conducted some detailed research into the behavior of consumers as they went through the purchase process for a home technology product. Whereas this research focused specifically on the buying processes around external hard drives, it does have, in our opinion, a very real application across any consumer technology product from TV's and phones to computers and even software.

Audience demographic

For the purposes of this study we wanted to survey a cross section of technology users from the most competent to the most inexperienced. To help establish their level of knowledge we asked how capable the users felt in creating a home network of connected devices. In today's multi device world, we decided this was the most realistic method of establishing how reliant each user would be on either help from paid technical experts, knowledgeable friends, or working under their own steam; and subsequently gauge their general technical ability:

Executive Summary:

Research shows user reviews are the single biggest reference point for technology consumers during the purchase process.

Users do not yet trust comments found on social media sites like Facebook and Twitter.

Online advertising works: even if users do not click, they are more likely to visit a manufacturers website of look for a product in a retail store.

Brand is important but is only one factor considered along with price, features and ease of use.

A cool design is low on users priorities and marketers should consider this when thinking about including product shots on ads.

Empowering advocacy should be the social strategy focus.

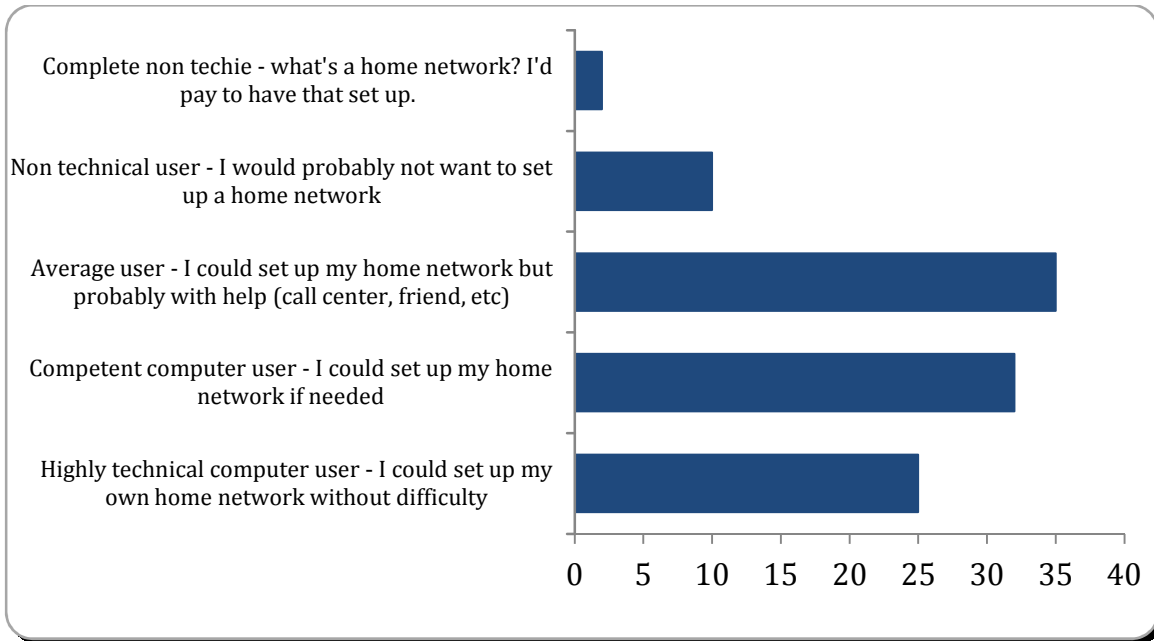


Figure 1 - Percentage of users in each knowledge category

As a secondary test of the audience demographic, we wanted to establish how many devices they typically run within their home environment. Again, this helps establish how committed each audience member is in having a technology rich lifestyle. Devices could range from computers to games consoles; mobile phones to tablets; and even networked devices like printers:

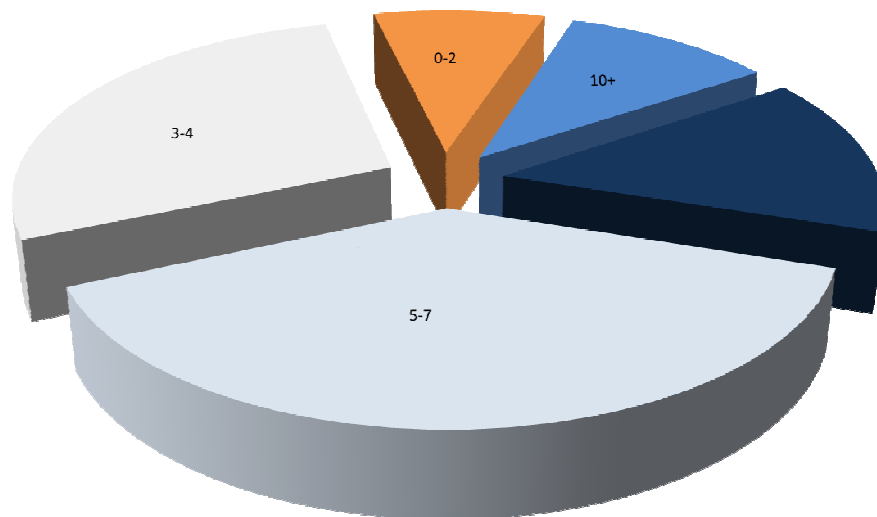


Figure 2 - How many connected devices within the home network?

Conclusion: The audience surveyed would be classified as generally tech savvy, with the majority of users classified as capable at an average level, with 5-7 devices in their home.

Sample size was 102 completed surveys. Audience incentive for completion was the offer to win a Cisco Flip Video camera. Online survey tool used was Survey Monkey. With thanks to Wally Palmer of Palmer Research for question verification and Technologyguide.com for help in promotion of the survey to users.

Reaction to digital advertisements

As expected, the vast majority of the tech audience does not click on advertisements that they see. However, that does not mean they do not react to them and that their behavior is not significantly affected by an ad exposure. Almost half, (46%) rarely or never click on ads. However, 30% always or often do not click, but still visit an advertiser's site. This reinforces our belief that "Every Impression Counts".

(See Just Media, Inc.'s February 2012 whitepaper "Every Impression Counts" for more in depth exploration of this philosophy. Download for free at <http://justmedia.com/blog/signup>)

56% of users will always or often look for a professional product review while 63% of users will look for a user review of the product. Compare this to the 29% who will ask a friend and we can see just how much this web based research has replaced the "peer reference" of old.

Interestingly for companies with a strong retail channel, seeing a banner advertisement leads 32% of customers to actively look for the product next time they are in a technology store.

Please rank in likelihood of action:	Always	Often	Sometimes	Rarely	Never
I click on the advertisement	7%	18%	29%	21%	25%
I will do a search to find out more about the product I see	25%	37%	25%	8%	5%
I will not click on the advert but will check out the company website	5%	25%	38%	23%	9%
I will try and find a professional review of the product (PC Mag, CNET, PC World, etc)	21%	35%	17%	15%	12%
I will look for user reviews of the product	17%	46%	23%	6%	8%
I will look out for it next time I visit my favorite technology store	11%	21%	34%	22%	12%
I will ask my friends if they know about it/have it (in person or via social sites)	9%	20%	42%	19%	10%

Figure 3 - What action is taken when user sees online banner advertisement

What type of reviews are of most value?

One fascinating example of the change in how users buy products is the growing importance of user reviews as an integral part of the buying process. This now is even more important than the professional reviews of major publishers although clearly most users value both.

Why might this be?

At Just Media, Inc., we feel that users trust other users to give a more “real world” opinion on what it is like to use a specific product. These reviews often turn up unexpected issues or benefits that professional testers might not experience or consider not to be as important as a casual user. Also, professional reviews are typical expert users, capable of handling the minor aches and pains that come with

new products, but that will infuriate less experienced users. This makes user reviews more relevant to others. Users also seem quite capable of eliminating obviously overtly negative reviews, particularly if countered by others.

In anecdotal discussions held after the survey, we confirmed a number of common reactions to user reviews. Firstly, a large number of reviews give consumers confidence that the general findings are accurate and can be trusted. Secondly, users would often read the most negative reviews to try and spot common themes and issues encountered (like poor customer service, issues with making the product work or commonly experienced usage issues). Thirdly, the users felt they were capable of eliminating obvious “grudge” negative reviews or overtly positive ones and that they could come to a balanced opinion provided enough reviews were posted. Users rarely read more than a selection of reviews, generally starting with the most recent ones and those at the extremes of the positive/negative scale.

One can see with a degree of dismay just how little trust is placed in retail store salesmen and even the information on manufacturers own websites. With this in mind the importance of the professional and user review is really quite obvious.

Perhaps the single biggest shock though is that users are NOT yet trusting what they read on social media networks. This is fascinating and throws out many of the current trends in thinking about where social media impacts in the buying process. It is certainly a response that warrants further investigation which we hope to undertake soon.

	Critical - I always check this	Important part of my decision making	I'll use this sometimes	Rarely use this	Not important at all
Professional editorial reviews (PC Mag, CNET, PC World, etc)	25%	45%	13%	14%	3%
A user review of experiences with product	23%	50%	17%	7%	2%
Simple star ratings (score out of five stars)	6%	33%	43%	14%	4%
Reviews on sites where I will buy the product (Amazon, Best Buy, NewEgg, etc)	16%	47%	28%	6%	3%
What the in store salesmen tells me	1%	18%	40%	27%	14%
Manufacturers own reviews	3%	19%	36%	32%	10%
Things I read on social sites (facebook, twitter, etc)	6%	14%	22%	40%	18%

Figure 4 - What reviews are most important to you?

How important is Brand?

Research tells us that brand is important to users but it is only one of a few different factors they consider when thinking about a purchase. Looking at the results of either “critical” or “very important” we see some interesting results:

	Critical	Very Important	I care about this	Not that bothered	Not important at all
The manufacturer I trust	23%	47%	21%	3%	6%
The reviews I have read	21%	54%	19%	4%	2%
The Price	25%	45%	23%	3%	4%
The product features	33%	39%	23%	3%	2%
How cool it looks	2%	12%	30%	35%	21%
How easy it is to set up	21%	50%	21%	5%	3%

Figure 5 - What is important for you when considering buying a tech product?

Product reviews are still the most important single item with 75% of all users focused on this.

Other items like price, features and ease of set up are all about evens, with brand also strongly in the mix.

So yes, brand is important but strong brands cannot in themselves sell a poor product. In reverse, a strong product is helped considerably by coming from a brand that users trust. One exists to compliment the other. Neither functions well in isolation. Experienced brand marketers will also point out, quite correctly, that premium, trusted brands can charge higher prices and still be considered good value by consumers. With this in mind marketers need to understand the value of developing good brand awareness = better sales and higher margins.

What is not important is product design which might shock our friends at Apple and in some ways kicks against current conventions that a cool design can bring a lot to the table. However, true Apple fans know that its features and usability that really sets Apple apart in many fields. The fact the products are cool too is just a huge added bonus!

Conclusions

The information we have discovered really confirms many of the expectations we have as regards the current process users go through when making a purchase. They will often see an online or traditional advertisement and rather than engage with it (call or click) they will instead start the process of self-evaluation. This process includes checking the product site, reading expert reviews and finally and most importantly reading user reviews.

Online ads will drive users into retail stores but few trust retail salespeople to offer balanced views on a product.

Information and opinions shared on social networks are also still viewed with skepticism that of course flies against many current trends. This is not to say “social” is not important. Indeed what are user reviews if not the ultimate example of “crowd sourcing” as regards product verification.

Ramifications

Technology marketers need to understand the importance of user power and focus more on leveraging the positive it can bring to both the brand and the product sales process. Brands that ignore negative comments will quickly find themselves failing and indeed should consider just how much long term brand damage can be done by individually weak product lines.

It is essential they do whatever possible to empower advocacy and then use that positivity in advertising and on their own sites. Simple links to off site user reviews and star ratings in ads will help.

Marketers should also pay attention to the fact that users might not be swayed by cool design and so showing a product shot in an advert is possibly not actually delivering the most sought after information to the prospective purchaser.

Even Apple, the granddaddy of cool product design have understood that its really usability, product features and ease of use that actually make consumers come back for more. If that combination is delivered, under the umbrella of a strong brand, then a strong price point and high margins are sure to follow.



About Just Media, Inc.

Just Media, Inc., is an independently owned media buying agency based in Emeryville, California, founded in 1996. We work with national and international, blue chip technology clients in categories ranging from healthcare to education, financial to travel, and more recent sectors such as solar and green tech. Our guiding principle is that the only results that truly matter are what we provide for your brand, today. Our more experienced approach to media evaluation provides consistently stronger results. Our expertise is creating media strategies and developing Lead Generation & Branding campaigns in all media formats including; digital, search, print, out-of-home and TV.

Notable 2011/2012 clients include: Seagate Technology, Netgear, Nvidia, Parallels, YouSENDIt, Autonomy, EMC, Fujitsu North America, Hitachi Data Systems, Juniper Networks, Lumension, Motorola Business Solutions, Salesforce.com, Nexsan, Job Science, Financial Force, Citrix.

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