NEWSPAPER ASSOCIATION OF AMERICA

How America Shops & Spends 2011

Prepared by Frank N. Magid Associates

Table of Contents

Introduction

The research reported here is based on a new survey of 2,502 American adults that builds upon and expands several earlier studies sponsored by the Newspaper Association of America.

This research is designed to help advertisers understand the current dynamics of consumer shopping and how that activity interacts with advertising media.

The report addresses many issues, including:

- For 14 leading merchandise categories, who shops in an average week and where?
- Which shopping venues do people check for different types of merchandise, and where do they buy?
- How long is the shopping decision cycle?
- How many shoppers were consciously influenced by advertising?
- Which media do consumers go to when they want to check advertising?
- Which media have shoppers used in the past 7 days to plan shopping or to make purchasing decisions?
- How do consumers compare media options regarding advertising and shopping-related benefits?
- How many people shop on the Internet, and how does that relate to in-store shopping?
- How many shop at work vs. at home either during the day or evening?
- What information do shoppers seek online, and where?
- What types of shopping-related websites do they use?
- How many consumers shop with hand-held devices, and in what ways?
- How do consumers interact between newspapers and online sources when shopping?
- How have consumers—whether or not they are "readers"—act on newspaper adverting?
- How many readers look at advertising when paging through a newspaper?
- How many and what types of readers look at advertising inserts, or preprints from their newspaper? How do they read inserts and how long do they keep them?
- What do consumers think of newspaper advertising inserts, or circulars?
- Do consumers prefer advertising circulars to be delivered with their newspaper, or in the mail, or online?
- Where do consumers go for coupons?
- How many shoppers use different types of shopping websites?
- The research was conducted by Frank N. Magid Associates, Minneapolis, MN. Fieldwork was from October 26 to November 23, 2010. Technical details are in the appendix.

Overview

The research reported here provides a detailed review of current advertising media usage and perceptions by shoppers. This chapter summarizes themes from the study.

Shopping

Earlier surveys in this series traced shopping decisions to the level of individual products, such as men's trousers or dining furniture. The current study focused on 14 broader categories such as women's apparel, men's apparel, small appliances, furniture, toys, telephones and service plans, etc. The report reviews shopper demographics for these categories, the time frames for shopping decisions, venues for shopping and purchasing, the impact of media in encouraging shopping, and media used for shopping planning or decisions in the previous week. The analysis also addresses other shopping media-related issues.

Past week incidence of shopping within the 14 broad categories ranges from 4 percent for large appliances to 17 percent for any women's clothing and nets to 61 percent of adults. Past week purchasing is lower, ranging from 2 percent for large appliances to 13 percent for women's clothing, and nets to 52 percent for all categories. Earlier studies repeatedly demonstrated that specific items within these categories, such as men's shirts or washing machines, would show very small numbers (low single digits or less) if we were measuring at that level. The "Thin Market" still aptly describes retailing for most products and services over the course of a week.

- The time frame for the decision to shop often is short but varies by product and the shopper's personal situation. Altogether, two-thirds of the decisions to shop were made on the shopping day or the week before. On average, 36 percent of the decisions to shop in these categories were made the same day that shopping activities commenced, with a majority while consumers were out shopping for something else. Jewelry, clothing, lawn and garden supplies and toys were most subject to on-the-spot decisions. That leaves an average of 31 percent of shopping decisions originating in the week before the shopping day, 9 percent two weeks before, and 19 percent earlier still.

- The thin quality of the shopping market and the short-term nature of many shopping decisions argue for frequency in advertising, especially as consumers are demonstrably receptive to this communication. Almost 6 in 10 (57 percent) of these category shoppers recalled ads in the previous two weeks that either brought a sale or item to their attention, reminded that it was available or needed, or encouraged going to the store for other reasons. This incidence ranged from 43 percent for lawn and garden supplies to 72 percent for large appliances.

- These category shoppers also are particularly strong newspaper users, as they average 73 percent reading in the past 7 days, which is 7 points above the average for all adults. For newspaper websites, their past 7 day visiting at 36 percent is far above the 25 percent adult average. They also are above average to a similar degree in using newspaper media to plan shopping.

- Most shopping and purchasing still occurs at stores. Three-fourths of category shoppers visited stores, while 41 percent visited websites. The great majority of online shoppers also visited stores in the process.

Advertising Media

Earlier NAA studies documented the considerable importance of various media sources in the shopping process. If anything, media influence appears to have increased due to expansion among online sources such as mobile devices and social

"The research reported here provides a detailed review of current advertising media usage and perceptions by shoppers."

networks and more sophisticated Web marketing by retailers—even while consumers continue to use traditional media in huge numbers.

Internet access—presently around 78 percent of adults—now is growing very slowly, but shoppers with access are doing more things online. On the other hand, it is really a misnomer to think of "the Internet" as a single advertising medium, as this term represents quite a variety of competing promotional sources and sales channels that serve different functions with different audiences and media buys.

The breadth of advertising influence is illustrated by an aided survey question that found 86 percent of adults—or almost 9 in 10— recalled using any of 15 advertising sources in the previous 7 days for "shopping planning and purchase decisions." The average was 4.0 types among users. This really understates the variety since shoppers may look at multiple media brands within particular categories.

- Among the 15 sources, print newspapers led overall at 52 percent for all adults and 57 percent for women. Seven online sources tested netted to 48 percent of adults, or 62 percent of those with online access. Emailed store or product information led this group by far with 31 percent of adults; 17 percent recalled ads from newspaper websites. Newer online options used for shopping decisions included ads on social network sites at 10 percent (including 19 percent among 18-34s); mobile screen ads had 4 percent.

- Other leading traditional sources included in-store displays (47 percent), direct mail (42 percent), television (36 percent), magazines (21 percent), videos in malls or stores (17 percent), and radio (16 percent).

The report profiles these audiences. As we would expect, online media usage is higher both among younger adults and also among more affluent consumers. While younger adults are well below average for newspapers, usage for shopping decisions sharply increases to the adult average at about age 35. By that time households typically are more settled, which is reflected in their shopping needs. Newspaper preprint advertising is an especially strong driver by that age even though online circulars are widely available.

Newspaper Advertising

Print newspapers remain a formidable force for consumer advertising. While 52 percent of adults used newspapers for shopping planning and decisions in the previous week, 79 percent acted on newspaper ads in various ways in the past 30 days. This includes 48 percent of adults who made newspaper ad-driven purchases, and 42 percent who were directed to online sources by the ad. (Note: Newspaper websites are counted in the Internet advertising category.)

Advertising media have different strengths, and user-control, functionality, and convenience in usage occasions describe why newspaper advertising remains effective with consumers.

- In a series of choice questions, a 35 percent plurality of adults selected newspapers over other major media as their primary source when they <u>want</u> to check advertising. (Online sources were second at 28 percent.) They also chose newspapers, for planning their regular shopping, for bringing sales to their attention, being the most valuable in planning shopping, being the most believable and trustworthy, and for having the ads they most look forward to receiving.

- A commonality among these benefits appears to be that newspapers provide a user-friendly aggregation platform that allows consumers to scan multiple ads and store options quickly.

- The Internet was the second choice on the above items but led all media in being the most convenient to use and most up-to-date, and for ease in comparing store prices. (Newspapers were the second choice on these benefits.)

- The mechanics of reading a newspaper page also illustrate why this type of advertising is effective. Almost two-thirds (63 percent) of past week readers say they usually read or glance at the ads when they page through the paper; another 21 percent of readers say they will do this when they are planning to shop. Readers' eyes make numerous short stops as they scan pages, and these can lead to longer pauses and deeper levels of reading if the ad draws interest. Advertising in this environment is relatively unobtrusive yet draws attention while readers retain a sense of control.

Preprints

Convenience, while an obvious strength of online media, is situational rather than absolute. This factor, along with functional benefits helps explain why Sunday newspaper preprints remain wildly popular among American adults even though online versions are becoming readily available.

- Three-fourths of Americans (72 percent) say they read newspaper preprints regularly or occasionally. About half of adults (47 percent) have used newspaper preprints in the previous 7 days to plan shopping. About 8 in 10 (79 percent) acted in them in various ways over the previous 30 days, such as to clip coupons, compare prices, show to another person, make an unplanned purchase, or take to the store when shopping.

- Three-fourths (75 percent) of those who consider the Internet to be their primary advertising source used newspaper preprints in the past 30 days.

- The research finds a mix of operational and usage benefits highly rated by preprint readers, including their predictable availability, the expectation that they will save time and money, ease for checking sales, browsing for ideas, and to plan routine shopping.

- Large groups of consumers use preprints for coupons, to compare prices, to take to the store, and to make unplanned purchases. Preprint readers keep them an average of four days, and most scan them beyond the stores they usually shop.

Online Circulars: Some advertisers recently have started to make electronic versions of weekly preprints more available, although they remain a second or third choice for consumers. Online circulars measured include those from store brand websites, emails from the store, and, to a much lesser extent, from aggregation websites. Forty percent of adults said they had read an online circular over a 30-day period, although most (87 percent) of this group also used newspaper preprints.

When asked to choose, 48 percent of adults say they prefer newspaper preprints over both mail delivery (23 percent) or online (18 percent), with 11 percent having no opinion. The online choice is heavily skewed to young (age 18-24) adults, but among those 25-34, newspapers lead online by a 44 percent to 28 percent margin. This preference likely reflects the particular advantages of newspaper preprints discussed earlier and also usability advantages for those who wish to scan circulars from various stores quickly.

Coupons: A good part of the appeal of Sunday inserts or circulars comes from coupons, and consumers are most likely (64 percent) to mention that source as their coupon source. Direct mail is second at 57 percent, while electronic coupons for printing and weekday newspaper inserts are next at 47 percent. A much smaller group (13 percent) downloaded coupons on a handheld device for scanning at store.

Online Shopping

The size of the online audience depends on the time frame considered and which channels and activities are counted. More than one-fourth (28 percent) of adults consider online sources as primary when they want to check advertising, and this group defines the core online market. As noted earlier, over the course of a week, 48 percent of adults said they had used one of seven online sources to inform shopping decisions. A larger group—62 percent— said they had at least one of nine online shopping-related activities in the previous 30 days, including 53 percent who purchased something.

"Readers' eyes make numerous short stops as they scan pages, and these can lead to longer pauses and deeper levels of reading if the ad draws interest."

The survey also measured past 30-day usage of 15 varieties of websites for researching or shopping for products or services to buy. Search engines to find product or store information (47 percent) and store websites tie for the lead, followed by online-only stores such as Amazon.com at 35 percent. Manufacturer sites and standard auction sites such as eBay tie at about 23 percent. Among newer online stores, group discount sites such as Groupon reach 11 percent of adults, including 13 percent of women.

Mobile Devices

One-third (25 percent) of adults report using a Smart Phone such as an iPhone, Android, Blackberry or similar device to go online. Another 21 percent do this on a conventional cellular phone with an Internet data plan, and these two groups net to 33 percent of adults. This online group—which is a subset of all mobile device users—is quite active and appears typical of early adopters. Among this group, 44 percent reported looking for shopping or store information in the previous week; 30 percent use place-based functions, such as to identify nearby stores in the neighborhood or special deals when they are in a store. Another 14 percent watched video advertising. Together, these three shopping categories net to 56 percent among mobile online users, or 18 percent of all adults.

Category Shopping in the Thin Market

It has long been established that while Americans in general are active and frequent shoppers, the market for particular consumer goods and services is quite "thin" most of the time. Earlier *How America Shops and Spends* research by the NAA documented in detail shopping and purchasing, down to, for example, women's dresses vs. slacks vs. tops.

The 2011 edition uses a different question format to consider the incidence and shopping dynamics among 14 broader categories such as women's apparel, small appliances, and lawn and garden supplies. This discussion provides the context for exploring the multiple and evolving ways that consumers use media during the shopping process.

Shoppers routinely and often quickly come into and out of the market due to a complex mix of interacting factors, including the following:

- Immediate need, such as those pushed by daily life or lifestage contingencies.
- Desire for discretionary goods largely driven by social or interpersonal influences.
- The length of the shopping funnel and how engaged the consumer is with the product.
- The financial ability to shop, based on available funds and credit, as well as confidence in the economy and one's employment.
- Opportunities for bargains and sales that advance the timetable for planned purchases or encourage unplanned buying.
- Lifestyle tendencies that define which venues and circumstances are convenient for shopping.
- Habitual styles of shopping and preferences for information sources and shopping venues.
- Interactions with various media sources on a routine basis and also at a heightened level of attention during periods of intentional shopping or information gathering.

Shopping and Buying: At the beginning of the interview, survey respondents noted which, if any among 14 standard product categories they had "shopped" for in previous seven days, whether or not they had purchased anything.

- This question was "aided" for each category in contrast to the "unaided" format of earlier *How America Shops and Spends* studies. This enabled a broader focus and a larger sample base.
- "Shopping" was broadly defined to include checking at stores, by mail, over the phone or on the Internet. The Internet clearly has increased opportunities for shopping occasions and what we would term "window shopping" in other contexts. We have ample evidence in this survey and other sources that many consumers engage in more or less serious information gathering—especially but not always online— prior to going out on a shopping trip. We did not attempt to distinguish between shopping and "pre-shopping" here, as the lines blur. For example, one may be in an information-gathering mode but decide to buy upon finding and irresistible bargain.
- In all, 61 percent of respondents reported a shopping event among the 14 product categories, with an overall average of about 1.8 categories per respondent. Additional follow-up questions probed the circumstances and results of up to six shopping events.
- Half (52 percent) of respondents purchased something from at least one of the 14 categories in the previous week. This amounts to 85 percent of those who shopped.

"It has long been established that while Americans in general are active and frequent shoppers, the market for particular consumer goods and services is quite "thin" most of the time."

- Targeting on shopping occasions (as opposed to people) finds that 79 percent of these episodes resulted in a purchase. Of course, these events have different time frames, ranging from an impulse purchase to one requiring much investigation over days, weeks or months.

The table below shows shopping and purchasing across 14 merchandise categories. The incidence of toy shopping and purchasing is a surprising but may reflect early Christmas sales. (Interviewing finished early in Thanksgiving week.)

QUESTION: Please indicate whether you shopped for any of the following items in the past 7 days whether you actually purchaserd anything. this could include shopping at a store, by mail, over the phone or on the internet.

[If shopped:] Did you buy [item]?

Percent of Adults Shopping/Purchasing by Category in Past Week

	Shopped	Purchased
Net Any	**61%**	**52%**
Any women's clothing or shoes (age 15+)	17	13
Children's clothing or shoes (age 14 or younger)	15	13
Any men's clothing or shoes (age 15+)	14	11
Toys	15	12
Home furnishings, decorations	13	10
Lawn and garden supplies	10	8
Travel plans or reservations	11	7
Computers, software or related equipment	10	7
Small appliances	7	5
TV or home entertainment equipment	8	6
Jewelry or watches	7	6
Furniture of any kind	6	4
Telephone equipment or service plans	5	4
Large appliances	4	2

Base = Total adults

To put this into context, the table below shows the detailed women's wear data collected in earlier *How America Shops and Spends* surveys. Women's wear in general increased during the middle of the decade but dropped sharply with the 2009 recession before bouncing back somewhat to 17 percent shopped in the current survey (noted in the table above). Tops, blouses and sweaters together are the largest subcategory, and in 2009 they netted to only 4.9 percent purchasing in the previous week; individually they were less than 2 percent each. Dresses, hosiery and accessories each were less than 1 percent.

The Thin Market for Women's Apparel in Earlier Surveys

	Shopped in Past 7 Days			Purchased in Past 7 Days		
	1999	**2005**	**2009**	**1999**	**2005**	**2009**
Any women's wear (net)	**18.4%**	**19.4%**	**14.3%**	**16.6%**	**17.1%**	**12.4%**
Dresses	1.4	0.9	0.9	1.1	0.7	0.6
Pantyhose, nylons, hosiery	0.9	0.7	0.7	0.7	0.6	0.6
Coats, suits	1.2	1.2	0.6	0.9	1.0	0.4
Shoes, boots, sneakers	5.0	6.6	4.9	4.1	5.4	3.9
Bras, lingerie, nightwear	1.5	2.0	1.7	1.2	1.7	1.5
Tops, blouses, sweaters	7.2	7.8	5.8	5.4	6.7	4.9
Slacks, jeans, pants, shorts	5.2	7.0	4.3	4.0	6.1	3.0
Accessories	0.8	1.9	1.3	0.7	1.5	1.3
All other women's wear	4.7	2.5	2.5	3.7	2.1	1.7

Base: Total adults

Gender Patterns: The table below shows from the current data the share of purchases by the two genders. We would expect sharp differentiation on several categories, but furniture, small appliances, telephone equipment and plans, and travel planning are about the same for men and women.

Shopping by Men & Women

	Men	Women
Total adults	**(52%)**	**(48%)**
Any women's clothing or shoes (age 15+)	21	79
Children's clothing or shoes (age 14 or younger)	29	71
Toys	32	68
Jewelry or watches	33	67
Home furnishings, decorations	37	63
Furniture	46	54
Small appliances	48	52
Telephone equipment or service plans	48	52
Travel plans or reservations	50	50
Any men's clothing or shoes (age 15+)	55	45
Lawn and garden supplies	57	43
Large appliances	61	39
TV or home entertainment equipment	65	35
Computers, software or related equipment	70	30

Age: Below are the shares of purchases by four age groups. Most categories are near the average for the age group, but younger adults also are creating households and more likely have small children.

Proportion of Purchases Made by Age Groups

	18-34	35-49	50-64	65+
Total adults	**(30%)**	**(26%)**	**(27%)**	**(17%)**
Any women's clothing or shoes (age 15+)	30	28	**32**	9
Children's clothing or shoes (age 14 or younger)	**42**	**34**	19	5
Toys	**37**	**34**	18	10
Jewelry or watches	**39**	23	29	8
Home furnishings, decorations	34	28	26	12
Furniture	35	31	24	10
Small appliances	33	22	25	**19**
Telephone equipment or service plans	**54**	23	17	6
Travel plans or reservations	28	27	**33**	12
Any men's clothing or shoes (age 15+)	36	26	25	12
Lawn and garden supplies	23	23	**37**	17
Large appliances	**48**	19	22	10
TV or home entertainment equipment	**40**	**33**	18	9
Computers, software or related equipment	**40**	31	21	8

As a rule, the incidence of purchasing over the course of a week increases with each level of household income and ranges from 39 percent among those below $25,000 up to 66 percent for $100,000+ households. Among categories this pattern is more mixed, with increases by income apparent for men's and children's apparel, home furnishing, computers or software, travel, and lawn and garden supplies. Life stage factors, which are only somewhat correlated with income, also drive consumer activity.

Shopping Occasions

In this chapter we explore for various categories the timing in the decision to shop, and locations for shopping and purchasing.

The Decision to Shop

Products vary in the typical time required for shopping decisions, although most include a significant proportion of late deciders. Among the 14 product categories we are reviewing, an average of 36 percent of shopping actions commenced on the decision day. Some 21 percent happened rather spontaneously while the consumer was out shopping for something else, while 15 percent were established earlier that day before the actual shopping started.

This same-day average in fact varies a lot by category, ranging from only 14 percent for travel plans up to around 50 percent for jewelry or watches, or for children's or women's apparel. On the other end, travel, furniture, large appliances and telephones or service plans are most likely to have more than a 2-week planning funnel.

Familiar life contingencies can trigger a decision to shop earlier in the day before the shopping action, such as reading or hearing an advertisement that brings a sale or product to your attention or perhaps reminds that you need to get something. Having free time or being in a convenient location can make one consider what should be on the shopping list.

Various stimuli can trigger shopping decisions while in the middle of a shopping trip. These could include in-store displays, suggestions from sales help, conversations with companions, remembering something not on your shopping list, calls from home, checking a shopping app on mobile device, or the purchase of something else that requires accessories.

"In this chapter we explore for various categories the timing in the decision to shop, and locations for shopping and purchasing."

When Decided to Shop for Item

	While Out Shopping for Something Else	Earlier that Day Before Shopping	Net Same Day	Previous Week	2 Weeks Prior	More than 2 Weeks Prior
Average	**21%**	**15%**	**36%**	**31%**	**9%**	**19%**
Travel plans	2	12	14	26	13	42
Furniture	14	8	22	24	12	33
Large appliances	9	14	23	30	10	29
Telephones or service	7	17	24	29	9	30
Computer equipment, software	11	17	28	36	10	20
TV/Home entertainment equipment	18	12	30	29	10	25
Home furnishings, decorations	24	11	35	33	9	17
Small appliances	23	14	37	36	9	10
Toys	37	15	42	25	10	9
Lawn and garden supplies	25	17	42	35	8	9
Any men's wear	29	15	44	37	5	8
Children's, infant's wear	29	19	48	36	5	6
Any women's wear	27	22	49	32	5	8
Jewelry or watches	40	10	50	24	7	13

Base = Shopping occasions for noted products. (Don't know responses not shown)

Shopping and Buying Locations

Brick and mortar stores continue to have a big lead over online shopping venues but the gap is narrowing. For the 14 categories tested, 78 percent of shoppers reported visiting a store while 41 percent looked online. (Other shopping channels, such as catalogs or direct sales by television were not tested.)

QUESTION: How many stores or internet websites did you shop when you were looking for this product?

Stores or Websites Shopped (Net Across Categories)		
	Stores	**Websites**
Any (net)	**78%**	**41%**
One	37	14
Two	20	10
Three or more	21	17
Mean	1.5	2.6

Base = Past week shoppers for categories measured; asked for up to six items shopped for past week

The net incidence of any online shopping for the 14 categories does not vary much among gender and age groups except for being much lower among those aged 65+. Online shopping increases steadily with income, going from 26 percent for those below $25,000 household income to 54 percent if above $100,000.

While the incidence for online shopping is substantial, the great majority of those who shop online also visit brick and mortar stores. For example, 32 percent of men's apparel shoppers looked online, while 25 percent said they shopped both online and at a store. This leaves only 7 percent who were online-only. Purchasing in this category was mostly at stores (78 percent) with 16 percent online. As we will see, a substantial amount of shopping research consists of checking online before going to a store.

Note: the purchase locations in the table below refer to items purchased rather than dollars spent, so these results do not represent relative sales volumes.

	Where Shopped or Researched Product			Where Purchased	
	Regular Store or Office	Online	Both	Regular Store or Office	Online
Any women's wear	85%	34%	24%	77%	18%
Any men's wear	87	32	25	78	16
Children's, infant's wear	86	24	21	86	12
Large appliances	76	57	43	85	13
Small appliances	87	33	28	83	14
Furniture	80	60	53	67	24
Home furnishings, decorations	84	35	29	80	14
Lawn and garden supplies	88	22	17	91	4
Computer equipment, software	73	71	58	49	47
Telephones or service	69	54	38	54	15
TV/Home entertainment equipment	81	48	36	72	27
Toys	86	41	37	73	21
Travel plans	47	84	44	4	82
Jewelry or watches	69	34	23	62	27

Base = Asked regarding up to six items shopped for in previous week

Planned vs. Spontaneous Purchasing

Another dimension is whether the shopper considered the purchase to have been "planned' or "spur of the moment." This distinction was not defined further in the question, and consumers may have different time horizons and personal definitions for a "planned" occasion.

Travel purchases are most likely to have a longer lead time (90 percent), which is understandable.

Telephones or service are very close with 86 percent planned, and this seems a function of having to deal with discrete time frames for a service plan, which for many delays purchasing the latest new phone. Things like toys, home furnishings, apparel, and costume jewelry often become salient when there is an immediate need, or a sale, or when they are noticed while shopping for something else.

Purchase Planning		
	Spur of the Moment	**Planned**
Average:	**31%**	**68%**
Travel plans	10	90
Telephones or service	14	86
Large appliances	19	81
Lawn and garden supplies	19	79
Computer equipment, software	21	79
Furniture	27	73
Small appliances	33	67
Children's, infant's wear	34	64
TV/Home entertainment equipment	36	62
Any men's wear	37	60
Home furnishings, decorations	41	58
Toys	41	59
Any women's wear	42	57
Jewelry or watches	57	41

Base = Purchase occasions for noted products. (Don't know responses not shown)

Purchase Location and Spontaneity: In-store shopping appears to stimulate unplanned purchases. Women's and men's apparel, home entertainment systems and, especially, toys show a pattern of more spur-of-the-moment purchasing when done at a brick and mortar store than online. (Other categories lacked enough cases to analyze.) Many consumers likely prefer to see these items directly when making a purchase decision. Online shopping may be more akin to researching and searching, while browsing may be easier to do in-person.

Purchase Was Spur of the Moment by Purchase Location		
	In-Store	**Online**
Toys	45%	18%
Women's wear	47	29
Men's wear	40	26
TV/Home Entertainment Systems	38	22

Base = Purchase occasions for noted products. (Don't know responses not shown)

Advertising Consumption and Shopping

Media messages can influence choices throughout the shopping process by driving product and store awareness, brand concepts, and bargains at shopping venues. Messaging may push information-gathering from other sources or directly facilitate the transaction. Shoppers use a variety of media for these purposes, but they also have preferences, especially when their attention is more focused.

Advertising Influence on Shopping Planning

Advertising doesn't create needs, but consumers rely on it in more subtle ways. For example, a net of 57 percent of shoppers in the 14 categories below agreed that advertising in the previous two weeks either:

- 39% Brought a sale to your attention
- 32% Brought a particular item to your attention
- 28% Reminded you that the item is available
- 24% Reminded you that you need to purchase it
- 29% Made you interested in going to the store or website for other reasons

This effect was pronounced for each category measured, ranging from 43 percent for lawn and garden supplies up to 72 percent for large appliances. Sale notices were especially important for large appliances, furniture, home furnishings, home entertainment equipment, toys, men's wear and women's wear.

"Advertising doesn't create needs, but consumers rely on it in more subtle ways."

Influence of Advertising on Category Shopping Event in the Two Weeks Prior

	Net Any	Brought Sale to Attention	Brought Item to Attention	Reminded You That It Is Available	Reminded You Need To Get	Made You Go to Store or Website for Other Reasons
Category Average	**57%**	**39%**	**32%**	**28%**	**24%**	**29%**
Large appliances	**72**	48	43	42	28	37
Furniture	**67**	46	42	32	24	34
Home furnishings, decorations	**62**	47	37	35	27	34
TV/Home entertainment equipment	**61**	43	38	31	22	32
Toys	**61**	40	36	26	26	30
Telephones or service	**61**	34	36	33	24	29
Small appliances	**60**	35	37	33	33	27
Any men's wear	**58**	41	29	29	28	25
Computer equipment, software	**57**	38	34	28	22	32
Jewelry or watches	**57**	31	28	25	15	34
Any women's wear	**55**	44	34	23	20	28
Travel plans	**52**	33	26	25	16	22
Children's, infant's wear	**52**	38	23	21	24	25
Lawn & garden supplies	**43**	28	26	26	22	21

**If shopping decision made in the previous two weeks

Past Week Advertising Media

Consumers obviously have many choices for advertising information. The table below itemizes 16 advertising media "used in the past seven days to help plan any shopping or to make purchasing decisions." Respondents were read the 16 options, which including seven types of online ads and nine from traditional media.

- Almost 9 in 10 (86 percent) adults acknowledged using at least one of these sources in the previous week, with an average of 4.0 sources among users. Each of the gender and age groups are close to the 86 percent average for net usage, but they vary in the number of different media formats used ranging from 4.4 out of 16 for 18-34s down to 3.0 for those 65 and older.
- Newspapers were noted most often (53 percent), including 57 percent among women. Age 18-24 adults are well below average at 30 percent, but this jumps to 40 percent for 25-34s, and then to 56 percent with the 35-49 age group. The 25-34s are strong Internet users, so what drives their reliance on newspaper advertising when they get to this age? They are much more likely to be married (63 percent vs. 26 percent for 18-24s) and so are more likely to have formed independent households and start families. Their shopping needs change and the informational and lifestyle benefits provided by newspaper preprint advertising become compelling. (These benefits are discussed later in this report.)

Media Used in Past 7 Days For Shopping Planning and Purchase Decisions

	Total	Men	Women	18-34	35-49	50-64	65+
Any listed (net)	**86%**	**82%**	**89%**	**83%**	**88%**	**88%**	**85%**
Newspapers	**52**	46	**57**	36	**56**	**59**	**63**
Net Online	**48**	45	51	**58**	**54**	44	27
Store or product info. that comes in email	**31**	25	**37**	**36**	**39**	30	14
Ads that appears on your local newspaper's website	**17**	16	18	16	20	18	13
Ad displays on general interest websites, e.g. Yahoo, MSN, etc.	**16**	**19**	14	**22**	18	14	5
Ads on the right side of the screen when you use a search engine	**11**	13	10	**16**	11	10	4
Ads on social network sites, e.g., Facebook, MySpace, etc.	**10**	10	9	**19**	10	4	1
Ads appearing on your handheld device screen, e.g., cell phone, iPhone, Blackberry, etc.	**4**	4	3	**8**	3	2	<1%
Ads shown on video games	**4**	5	3	**8**	3	2	2
Product displays in stores	**47**	41	**52**	47	50	49	38
Direct mail, ads in the mail	**42**	34	**49**	40	**46**	**44**	36
Television	**36**	37	34	40	38	36	24
Magazines	**21**	19	22	22	21	21	18
Advertising videos in malls or stores	**17**	18	16	**23**	15	15	12
Radio	**16**	**18**	13	14	20	17	10
Yellow Pages book	**10**	11	9	8	10	10	15
Billboards	**8**	**9**	6	10	9	7	2
Average # if Used	**4.0**	**4.0**	**4.0**	**4.4**	**4.2**	**3.8**	**3.0**

Base = Total adults

- The net of seven online sources is next at 48 percent, with the 18-34 age group (58 percent) and 35-49s (54 percent) well ahead of older adults. The 35-49s are just as likely to use newspapers as the online sources (netted together) tested here. The netting of varied online sources is a bit misleading as they are discrete sources with different functions (promotion or sales channels) and media buys.

- Among online options, emailed store or product information easily lead at 31 percent, followed by advertising on your local newspaper's websites (17 percent), ads on general interest websites, or portals such as Yahoo, MSN, etc (16 percent), paid ads that appear on the right side of the search engine screens (11 percent), and ads on social network pages, such as Facebook (10 percent). Ads on mobile devices (4 percent) are not widely experienced, but 18-34 adults at 8 percent are far ahead of other age groups. (More about mobile is presented in Chapter 8 of this report.)

- Among other traditional media, direct mail (42 percent) and television (36 percent) lead, followed by magazines s (21 percent), videos in malls or stores (17 percent), radio (16 percent), Yellow Pages (10 percent) and billboards (8 percent).

- Two on-site forms of store advertising showed strongly, with in-store product displays noted by 47 percent of adults and videos shown in malls or stores mentioned by 17 percent, or one–in-six adults.

Media Used in Past 7 Days For Shopping Planning and Purchase Decisions

	Total	<$25K	$25K - $49K	$50K-$74K	$75K -$99K	$100K+
Newspapers	52%	45%	49%	55%	62%	52%
Net Online	48	30	43	54	60	55
Store or product info. that comes in email	31	15	27	37	42	41
Ads that appears on your local newspaper's website	17	14	15	18	22	17
Ad displays on general interest websites, e.g. Yahoo, MSN, etc.	16	8	17	14	22	19
Ads on the right of the search engine screen	11	7	11	13	11	13
Ads on social network sites, e.g., Facebook, MySpace, etc.	10	8	10	13	10	5
Ads appearing on your handheld device screen, e.g., cell phone, iPhone, Blackberry, etc.	4	1	4	4	4	4
Ads shown on video games	4	2	6	3	3	3
Product displays in stores	47	39	47	50	51	45
Direct mail, ads in the mail	42	37	41	43	47	42
Television	36	27	37	37	39	34
Magazines	21	13	18	21	23	30
Ad videos in malls or stores	17	14	19	18	15	15
Radio	16	12	14	15	20	18
Yellow Pages book	10	9	13	10	7	9
Billboards	8	4	8	10	8	8
Average # if Used	**4.0**	**3.2**	**4.1**	**4.1**	**4.2**	**4.1**

Base = Total adults

- Women are more likely than men to be influenced by advertising in newspapers, email, in-store displays and direct mail. Men, more than women, responded to display ads on general interest websites, radio and billboards.
- Young (18-34) adults lead several categories and are at least average for others except for newspapers (36 percent). Social network advertising is not a big factor for adults generally, but one in five (19 percent) from this age group reports acting on this format in the previous week. Young adults also are ahead of older respondents in acting on in-store or in-mall videos (23 percent).
- Consumers with household incomes above $100,000 on average are less inclined to use advertising media compared to those in the $50,000 to $99,000 range. This appears due to their having more discretionary funds and less of a need to search for bargains. Very low income respondents use advertising the least probably because they have much less money to spend. For example, among income groups, the use of newspapers for shopping planning in the past week increases from 45 percent for low-income respondents up to 62 percent for those in the $75,000 to $99,999 category before dropping back to 52 percent at the $100,000+ level. A similar pattern holds for the net of the seven online media we tested. Usage increases with income but the strongest users at 60 percent are in the $75,000 to $99,999 income group. Magazines, which tend to focus on lifestyle and branding advertising, are the one medium where upper-income consumers (30 percent) lead other income levels.

Category Shoppers: The tables below show the same data for shoppers in the 14 categories we have investigated in this report. They show media used for <u>any</u> shopping they do—not just within these categories. As with shoppers in general, these groups use a wide array of media. Newspaper usage ranges from 50 percent to 63 percent, and newspaper website usage ranges from 23 percent to 35 percent. In-store displays and direct mail also are in the upper tier among these choices.

Media Used for Any Shopping Planning in Past Week by Category Shoppers

	Women's Apparel	Men's Apparel	Child's Apparel	Travel	Toys	Computers/ Software	Home Furnishings
Newspapers	59%	59%	63%	50%	62%	52%	60%
Net Online	69	73	69	76	73	78	73
Store or product info. that comes in email	39	36	38	53	35	47	35
Ads that appears on your local news paper's website	23	31	27	25	31	32	29
Ad displays on general interest websites, e.g. Yahoo, MSN, etc.	19	28	22	28	27	35	27
Ads on the right of the search engine screen	16	18	16	12	19	25	22
Ads on social network sites, e.g., Facebook)	14	14	15	18	18	20	18
Ads on handheld device screen, e.g., cell phone, iPhone, etc.	17	17	18	14	17	17	17
Ads shown on video games	6	9	7	3	8	6	5
Product displays in stores	62	61	64	57	64	58	63
Direct mail, ads in the mail	59	54	59	43	55	46	60
Television	42	46	48	45	49	45	47
Magazines	28	30	26	30	23	29	28
Ad videos in malls or stores	24	24	25	22	22	22	24
Radio	16	19	17	16	16	18	18
Yellow Pages book	10	11	8	10	9	8	10
Billboards	8	12	11	9	9	9	10

Media Used for Any Shopping Planning in Past Week by Category Shoppers							
	Home Entertain-ment	Jewelry/ Watches	Small Applcs	Furniture	Lawn & Garden	Telephones or Service Plans	Large Applcs
Newspapers	55%	51%	58%	63%	63%	50%	58%
Net Online	76	72	73	73	63	76	76
Store or product info. that comes in email	24	34	33	46	27	43	29
Ads that appears on your local news paper's website	25	27	30	35	27	25	30
Ad displays on general interest websites, e.g. Yahoo, MSN, etc.	35	22	27	31	28	31	36
Ads on the right of the search engine screen	25	18	20	24	15	23	28
Ads on social network sites, e.g., Facebook)	18	19	14	21	11	27	19
Ads on handheld device screen, e.g., cell phone, iPhone, etc.	18	20	15	19	14	23	14
Ads shown on video games	10	8	7	8	6	8	12
Product displays in stores	57	70	62	63	61	57	60
Direct mail, ads in the mail	43	52	49	58	49	48	43
Television	52	49	52	47	40	50	51
Magazines	28	29	28	26	30	26	29
Ad videos in malls or stores	23	28	26	24	25	29	27
Radio	18	19	22	17	22	17	21
Yellow Pages book	11	12	9	12	15	13	15
Billboards	10	9	7	12	11	10	13

Comparing Advertising Media Perceptions

Shoppers use numerous advertising sources for various reasons. Some fit into different parts of the day or week or locations. Another dimension is active choice, where consumers purposefully check advertising or promotion messages as opposed to the ads finding them, as with in-store media or apps. These distinctions can blur, since there is an element of choice required even with the most obtrusive advertising.

In this survey consumers chose which among seven major media categories are the best regarding 13 benefits or characteristics. For a majority of consumers the positive choices mostly are between newspapers and the collection of sources under the Internet heading. Newspapers lead on eight items while the Internet leads on three. Television leads on two negative assessments.

- As we have found in earlier *How America Shops and Spends* surveys, women are more newspaper-reliant for advertising than is the case for men. The difference averages around eight points. Another continuity is that younger adults are the most likely to rely on the Internet while newspaper usage sharply increases around age 35. The age 35-49 group is key in determining which medium leads on a particular benefit.

Primary Source: The most basic indicator is which medium is used most when the intention is to be exposed to consumer advertising. Newspapers (35 percent) lead the Internet (28 percent) for age 18+ consumers, with direct mail (12 percent), television (9 percent) and catalogs (7 percent) trailing.

- Men divide evenly between the two top choices while women favor newspapers over online by a 39 percent to 23 percent margin.
- Illustrating the age gap, 18-34 consumers favor online over newspapers by a large 43 percent to 18 percent, but with the 35-49 group this becomes a 37 percent to 28 percent advantage for newspapers, which is about the average for all adults. The 50-64 age group favors newspapers by a 2-1 margin.
- The newspaper-online division becomes more equal as household income increases, ranging from a 12-point newspaper advantage for low-income adults to parity at the $100,000+ level.

Medium Used Most When You Want to Check Ads — by Demographics

(Read Across)	Newspapers	Internet	Ads in the Mail	TV	Catalogs
Total	35%	28%	12%	9%	7%
Men	31	32	9	12	5
Women	39	23	15	6	8
18-34	18	43	12	13	4
35-49	37	28	11	8	7
50-64	43	22	14	5	7
65+	49	9	10	8	11
<$25,000	34	22	15	11	5
$25K - $49K	33	26	13	11	7
$50K - $74K	38	29	10	9	6
$75K - $99K	39	34	8	3	7
$100,000+	32	30	12	7	8

Base: Total adults

Leading Newspaper Benefits: Besides the primary usage item, newspapers also lead other media on the following benefits. They tend to show the same demographic patterns noted in the primary source discussion above.

- **Check for Your Regular Shopping (41 percent)**. No other source is close, as the Internet, at 19 percent, and mailed advertising (15 percent) are far behind. This statement speaks to a feature of shopping that can be overlooked: Much of it is routine and rather predictable. Weekly shopping years ago was a Saturday event, but lifestyle changes have made it less bound to particular days.

- **Has Advertising that you Consult from Stores that You Regularly Shop (36 percent)**. The sense of regularity is similar to the above item but distinct, as one may go to the same subset of stores but on an irregular basis.

- **Is the Best for Bringing Sales to Your Attention (38 percent)**. Sale awareness is quite important to many consumers, and newspapers do this effectively because they aggregate information from various sources in a format that can be easily scanned. Online sources, in contrast, seem less effective perhaps because the aggregation is not as user-friendly. Television (16 percent), mail (17 percent) and online (18 percent) share a secondary position.

- **Is the Most Believable and Trustworthy (36 percent)**. In a way it is surprising that newspapers would lead other media by such a wide margin (the Internet is second at 15 percent), but this may reflect the status of newspapers as the news source of record in most communities, even though other media may have the news first.

- **Is the Most Valuable in Planning Your Shopping (36 percent)** and **You Prefer for Receiving Advertising Information (36 percent)** also favor newspapers. The margin over the Internet is only 8 points for being most valuable, compared to 15 points for preference for receiving ad information. This illustrates that part of the online shopping planning is to check for information other than advertising. Many consumers use links in newspaper ads to follow up online, as will be discussed later in this report.

- **You Look Forward to This Kind of Advertising (30 percent)**. Almost as many (20 percent) answered "none of the above" to this question, and the Internet and direct mail were next at only 13 percent. The newspaper advantage comes especially from the insert package, which remains one of the best-read parts of the Sunday newspaper.

"Sale awareness is quite important to many consumers, and newspapers do this effectively because they aggregate information from various sources in a format that can be easily scanned."

Relative Benefits of Advertising Media (Top Media Choice for Each)	Newspapers	Internet	Ads in the Mail	TV	Catalogs	Radio	Magazines	None
Primary medium when you want to check ads	35%	28%	12%	9%	7%	1%	3%	5%
You check for your regular shopping	41	19	15	4	4	1	1	12
Best for bringing sales to attention	38	18	17	16	4	2	2	4
Has advertising that you consult from stores that you regularly shop	36	19	17	7	5	1	2	10
Most valuable in planning shopping	36	28	14	7	5	—	1	6
Prefer for receiving advertising information	36	21	16	9	6	1	2	6
Most believable and trustworthy	36	15	12	8	7	1	3	14
Look forward to this kind of ad	30	13	13	8	9	1	3	20
Most convenient to use	29	37	12	9	5	2	2	3
Most up-to-date	25	43	8	13	3	2	1	3
Easy to compare store prices	25	50	9	3	3	1	1	6
Try to avoid this type of advertising	6	15	17	20	5	11	5	15
The most annoying advertising	3	15	12	41	2	15	2	7

Base = Total adults

Leading Online Benefits: Consumers give the Internet the lead on these characteristics. Newspapers are the second choice at an average of 26 percent.

- **Easy to Compare Store Prices (50 percent)**. The search function and ability to go directly to store websites makes this an obvious online strength. This now extends to mobile devices so that one may check the Costco or Target price while browsing at a Best Buy store. Newspapers are the choice of only half as many adults (25 percent). Later in this report we also find that shoppers still consider "easy comparison shopping" to be a major benefit of preprinted newspaper inserts. Comparison shopping also is occasion-based and includes more than just prices. That is, for many shoppers, scanning a computer screen does not fit well with their Sunday routines.

- **Most Up-to-Date (43 percent)**. Newspapers also are well behind at 25 percent.

- **Most Convenient to Use (37 percent)**. Newspapers trail somewhat at 29 percent. No medium fits well with all usage occasions.

Negative Benefits: Television (41 percent) wins hands-down as having the "most annoying advertising." Radio and Internet tie at 15 percent. TV (20 percent) also leads for having advertising you "try to avoid." Direct mail (17 percent), the Internet (15 percent) and radio (11 percent) are not far behind.

Coupons

Two-thirds of adults regularly or occasionally use coupons for groceries or food products, and half use them that frequently for non-food items. Together, the two categories net to 69 percent of adults.

QUESTIONS: How often do you save coupons to buy or purchase groceries/food products (non-grocery/ food products)?

Frequency of Saving Coupons

	Grocery/ Food	Non-Grocery
Regularly/ Occasionally (net)	**64%**	**53%**
Regularly	38	22
Occasionally	26	31
Seldom	16	23
Never	20	24

Base = Total adults

- Women are above the average by about 10 points on both categories and lead men by 20 points. The Midwest leads among the Census Regions with the West trailing the average by 7-10 points.
- The $75,000 - $99,999 income group leads others in coupon usage, which is consistent with other findings showing them as the strongest consumers of advertising. Usage actually does not vary a lot by income groups, and those in $100,000+ households are about average.
- Newspaper preprints drive coupon usage: Some 81 percent of those who regularly or occasionally read newspaper inserts also save coupons. This is twice the rate (39 percent) of those who only rarely or never read newspaper preprints.

Preferred Coupon Source: As implied by the above finding for coupons and Sunday insert readers, newspapers are the primary acquisition source for coupons users. Among those who ever use coupons, three-fourths obtained them either from Sunday inserts, weekday inserts, or ROP ads. They use other media as well, including 57 percent for direct mail, 47 percent online for printing out remotely, 24 percent from magazines, and 13 percent from a handheld device for downloading at a store. Half of those using the two online sources are 18-34. The other coupon sources do not show much variation by age and income. Apparently, coupon saving is a habit that you take with you through advancing age and income.

"Two-thirds of adults regularly or occasionally use coupons for groceries or food products, and half use them that frequently for non-food items."

QUESTION: Which of the following sources have you used in the past 30 days for coupons of any kind?

Sources Used for Coupons in Past 30 Days

Newspapers (net)	**72%**
Sunday newspaper inserts or circulars	64
Weekday newspaper inserts or circulars	47
Ads in regular pages of newspaper (ROP)	29
Other media	
Advertising that comes in the mail	57
Online where you download and print out a coupon	47
Magazines	24
Online for downloading to a handheld device that you scan at a store	13

Base = If ever use coupons (69 percent of adults)

Consumers and Newspaper Advertising

This report confirms in various analyses that a majority of consumers use newspaper advertising on a regular basis. Consumers find newspaper ads convenient in different ways, including quick scanning, planning regular shopping, checking for sales and bargains and comparison shopping. This appeal is magnified by the added benefits of being credible, reliable, and unobtrusive.

Despite changes in the media landscape over the past decade, newspaper reach in fact remains quite broad. In this survey, two-thirds of adults (66 percent) read a daily or Sunday newspaper in the previous 7 days. Shoppers in the 14 product categories are well above the average for newspaper print and online readership.

- These shoppers average 73 percent for past week newspaper reading, a difference of 7 points or about 10 percent compared to adults in general.
- For newspaper websites in the previous 7 days the premium is even higher, as category shoppers average 36 percent compared to the 25 percent average among all adults.

Newspaper and Newspaper website Usage among Shopper Categories

Shopped for in Past 7 Days	Read Newspaper Past 7 days	Visited Newspaper Website Past 7 Days
TOTAL ADULTS	**66%**	**25%**
Any women's wear	71	30
Any men's wear	75	38
Children's, infant's wear	76	30
Large appliances	74	40
Small appliances	71	37
Furniture	76	40
Home furnishings, decorations	75	36
Lawn & garden supplies	77	32
Computer equipment, software	74	41
Telephones or service	71	36
TV/Home entertainment equipment	71	34
Toys	75	32
Travel plans	70	42
Jewelry or watches	71	34
Average for 14 Categories	**73.4**	**35.9**

Base: Shoppers for each category

Ad Noting by Newspaper Readers

The high readership noted above means that category shoppers should have the opportunity to see relevant advertising when reading their newspapers. But do they have the inclination to look?

Advertising and promotional message exposure works differently depending on the medium, but newspaper advertising consumption is essentially active. A reader can choose to look at advertising while reading a newspaper or not—the news stories remain just as accessible either way.

So what is "normal" with readers and newspaper advertising? We find a very high level of ad exposure due to the mechanics of reading.

- Given the opportunity to choose, 63 percent of past week newspaper readers say they "usually read or glance at the ads" when paging through their newspaper.
- This finding is both consistent with earlier research and not surprising, as it falls rather naturally in line with the process of scanning pages. Depending on reading style, one's eyes go left or right and up or down from a starting point on the page while looking for items of interest. The eyes make numerous short stops along the way which can lead to longer pauses and deeper levels of reading if the ad draws interest. Various ad design elements can increase or reduce the odds of reader attention.
- A smaller group (21 percent) said they look at ads only when they are planning to shop. These occasions may be tied to big ticket item shopping or even planning weekly shopping. The shopper's perceptual antennae are in a higher state of readiness.
- Altogether, this nets to 84 percent of past week newspaper readers who read or look this advertising. Only 14 percent of past week readers say that they only look at the stories and "never" look at this advertising.

These ratios are very similar across all demographic groups, which is due to the mechanics of newspaper reading described above. For example, the 18-34 age group is only 5 points below the average

"The high readership noted above means that category shoppers should have the opportunity to see relevant advertising when reading their newspapers."

QUESTION: which of the following best describes how you page through a newspaper?

Newspaper Advertising Reading Style

	Past 7-Day Newspaper Readers
Look at advertising (net)	**84%**
I usually read or glance at the ads when I page through the newspaper	63
I look at newspaper advertising only when I am planning to shop	21
I only look at the stories and never look at the advertising	14
None/Other	2

Base =If read a weekday or Sunday newspaper in the past 7 days (66 percent of adults)

Acting on Newspaper Advertising

Given the high attention to newspaper advertising among readers the question naturally arises: Do they act on these ads, and if so, how? As a probe, survey respondents were asked about a variety of contexts and possible ways of acting on ads.

Past 30 Days: About 8 in 10 of among all adults (79 percent) said that they had responded to newspaper advertising in various ways over the previous 30 days.

- The 18-34 age group is slightly below average at a net of 73 percent, but other age groups are not very different at 81 percent. Lower income adults (<$25,000) are only 59 percent on this indicator, but other income groups also average 81 percent, including those at the $100,000+ level.
- Among all adults, about half (48 percent) purchased something advertised in their newspaper in the past 30 days.
- Among other actions, 54 percent of adults clipped coupons and 45 percent visited a retail store.
- Online direction has become a substantial response category for newspaper ads. Some 42 percent of adults followed up online, either by going directly to a website, or using search, or by making an online purchase.

QUESTION: Now, thinking about printed newspapers, please indicate whether in the past 30 days you have taken any of the following actions as a result of advertising that you saw.

Actions by Consumers in Past 30 Days from Print Newspaper Advertising

	Total adults
Net Any	**79%**
Net purchased	**48**
Net Online Actions (Purchase, Search, Visit Sites)	**42**
Clipped a coupon	54
Bought something advertised	46
Visited a retail store or showroom	45
Picked up shopping ideas	39
Visited a website to learn more about an advertised product or service	37
Used the search function online for more information about an ad in the paper	26
Tried something for the first time	20
Bought something at an Internet website	10
Called for more information	10

Base = Total adults

Ad Response by "Non-Readers"

People who do not consider themselves newspaper "readers" in standard measurements nevertheless may have a good deal of more incidental contact with newspapers that leads to advertising response.

Newspaper readership—when using industry-developed standards—is defined by how a survey respondent answers a small set of questions: Did you read or look into a weekday edition of a particular newspaper brand in the past seven days? If so, then an open-ended question that defines "yesterday" or "average issue" readership: When was the last time that you read or looked into this newspaper? A similar two-question series measures Sunday readership. Survey respondents have to decide whether their actions qualify as "read or look into" without guidance regarding how much time is required to count as a reading occasion.

This leads to some respondents thinking that checking for coupons, a sports score, movie ads doesn't really count, but they may well remember these behaviors when asked about them specifically.

- Among the one-third of respondents who had not read or looked into a weekday or Sunday newspaper in the previous week according to standard measurements, almost 4 in 10 (38 percent) recalled other forms of engagement, including checking sales for local stores, clipping coupons, comparing prices, checking movie or TV listings and classifieds, and also various forms of editorial content.

- Altogether, this unofficial exposure overall adds another 13 percentage points to the newspapers' weekly reach among all adults and so may be considered as a bonus beyond the "normal" audience. This pattern is consistent with other public and proprietary research.

QUESTION: Have you possibly used a printed newspaper in any of the following ways during the past week?

Actions with Newspapers by "Non-Readers" Past Week

Net Any in Past Week	**38%**
Checked sales in local stores	13
Clipped a coupon	11
Checked the weather forecast in the local area or somewhere else	12
Checked local entertainment options such as a concert or show	4
Compared prices for an item you're looking to buy	8
Read a cartoon or comic strip	9
Checked movie listings	5
Checked sports scores	6
Checked a classified ad from the newspaper	7
Checked the horoscope	6
Checked stock prices	4
Used a recipe	6
Checked local TV listings	4

Base = Have not read daily or Sunday newspaper in past 7 days (34 percent of adults)

Advertising Preprints

"Proprietary readership surveys consistently find the Sunday insert package to be one of the best-read sections of the paper and especially important to female readers."

Preprint inserts have been a key part of the newspaper advertising mix for many years. Proprietary readership surveys consistently find the Sunday insert package to be one of the best-read sections of the paper and especially important to female readers. As with virtually all other media, advertising preprints have been appearing in new electronic formats. All of this leads to several questions:

- To what extent are consumers using and responding to newspaper preprints now?
- Why benefits do readers associate with preprints?
- How many are using electronic alternatives?
- Which delivery source—newspapers, direct mail, online—do consumers prefer?

Newspaper Preprint Usage

Most Americans look at newspaper preprints, and the numbers presented here are not materially different from earlier surveys over the past decade.

- Almost three-fourths (72 percent) of all adults said they read or look at these inserts at least occasionally when they come with their newspaper. About half (47 percent) check preprints regularly and another 25 percent do occasionally, while only 15 percent of adults said they never do.
- Preprints are a very important to Sunday newspaper readers. Among this group, 68 percent regularly check the Sunday inserts, and 90 percent do at least occasionally.
- A more specific test is whether they actually use preprints to plan shopping or to make shopping decisions. Over the course of 30 days, 8 in 10 of all adults (79 percent) acted on newspaper preprints in various ways to plan shopping or to make purchasing decisions, as did about half (47 percent) of adults over the previous 7 days. Newspaper preprint usage has to be broadly based to achieve the total reach numbers noted here. The aggregate breadth of usage is analogous to the wide customer base of a shopping mall.
- Among demographic groups, young adults (18-34) are slightly below average as, for example, 38 percent used preprints over the past 7 days, although they are close to the average for 30-day usage. Women, who tend to do more shopping, are several points above average, for each indicator, including 86 percent for past 30 days.
- High-income respondents ($100,000+) are average in reading and using preprints. Those in the $50,000 to $99,000 range are somewhat above average (85 percent).

Personal Trend: Readers and users of preprints on balance show more rather than less inclination to use them for shopping. Past 30-day users of preprints are much more likely to say they use them more often (28 percent) than less often (11 percent), while 61 percent report no change over the past few years.

- Those who ever read newspaper preprints are most likely (57 percent) to report that their usage of this advertising is little changed over the past few years. Slightly more (23 percent) say they are using them more often than say less often (19 percent).
- The 25-34 age group is most likely to say they have stepped up their newspaper preprint usage, and this most likely is due to lifestage factors, such as starting independent households and families and a greater need to economize.

QUESTIONS: During the past 7 days, did you use any advertising inserts that came with a weekday or sunday newspaper to help plan shopping or to make purchasing decisions? when they come with your newspaper, how often do you read or look at any of the advertising inserts?

Newspaper Preprint Readership and 7-Day Usage		
	Read Regularly or Occasionally	**Used in Past 7 Days to Plan Shopping**
Total	**72%**	**47%**
Men	67	39
Women	76	54
18-34	65	38
35-49	74	49
50-64	74	52
65+	76	48
<$50,000	67	40
$50,000 - $74,999	77	52
$75,000 - $99,999	75	52
$100,000+	72	49
Northeast Census Region	72	43
Midwest	76	52
Southern	70	42
Western	66	44
African-American	70	45
Hispanic	69	44

Base = Total adults

Specific Actions from Preprints in the Past 30 Days

Over the course of 30 days, newspaper preprint advertising evokes a variety of responses from most adults.

- Among all adults, 79 percent report taking at least one or eight responses to newspaper preprints tested, with an average of 4.0.
- Leading actions included coupon clipping (62 percent) and comparing prices (58 percent). Six in ten (59 percent) saved the inserts for various reasons, and 41 percent carried the circular while shopping.
- Most strikingly, 40 percent made an unplanned purchase from information conveyed in an insert.
- Among the 28 percent of adults who consider the Internet to be their primary advertising information source, three-fourths (75 percent) said they had used newspaper inserts in the ways listed here.

QUESTION: In the past 30 days, have you ever done any of the following with newspaper circulars or ad flyers?

How Acted on Newspaper Circulars in Past 30 Days	
	Total Adults
Net Any	**79%**
Clipped and saved a coupon	62
Used it to compare prices	58
Saved it until you visited the store	52
Compared one circular or ad flyer to another	51
Saved it until you needed to purchase the item or service advertised	48
Saved it and showed it to your spouse, family member or friend	45
Took the circular or ad flyer to the store with you	41
Used a special ad, sale or promotion offer to make an unplanned purchase	40

Base = Total adults

Shelf-Life

Most (79 percent) preprint readers save them for more than one day, with the median of 4.0 days. They keep inserts to review them further later, give them to someone else, or perhaps take the inserts with them when shopping.

QUESTION: For how many days do you usually keep the sunday store inserts you are interested in?

Number of Days Usually Keep Sunday Inserts	
One	14%
Two to Six (net)	47
Seven or more (net)	31
None/Don't keep	7
Mean	4.7
Median	4.0

Base = If regularly or occasionally look at advertising inserts (72 percent of adults)

Selectivity in Reading Preprints

Sunday newspapers typically carry a wide array of preprints for various store and product categories and different brands within each. As we would expect, readers have different habits for reviewing this package. Some plow through all of them while others sort as a first step.

- Most preprint readers—69 percent—review inserts from stores other than those they shop most of the time. These include 4-in-10 (41 percent) of preprint readers who say they look through most inserts and 28 percent look at inserts from their regular stores plus a few others. The balance (29 percent) say they review only inserts from their regular stores.

- Income predicts this selectivity to some extent. Readers with household incomes below $50,000 are most likely to look through all inserts (42 percent). Those in the $50,000 to $99,000 range lead their groups in looking at their regular stores' inserts plus a few others (34 percent). Those above $100,000 lead in looking only at inserts from stores they shop regularly (40 percent).

"Sunday newspapers typically carry a wide array of preprints for various store and product categories and different brands within each."

QUESTION: Which best describes how you handle the newspaper store inserts?

Manner of Handling Newspaper Inserts	
Look through most inserts	41%
Look at inserts from stores they shop & a few others	28
Only look at inserts from stores they shop regularly	29

Base = If regularly or occasionally read or look at newspaper inserts (72 percent of adults)

Usage Occasions and Benefits

Newspaper advertising inserts work for consumers because they allow users to achieve information and action goals relatively easily, and they fit into usage occasions defined by lifestyles and habits. Absent either of these conditions, inserts likely would be much less popular with readers. (The numbers reported below are based on adults who read inserts at least occasionally.)

- Operational benefits include easy and predictable availability (70 percent agree), enabling savings of time and money (67 percent), easy comparison shopping (62 percent), new product intelligence (57 percent), ease of browsing compared to doing online (56 percent), and visually accurate product representations (54 percent).

- Regular circumstances for using preprints include, in order, scanning to see what is on sale at the time (74 percent), searching specifically for items that you are in the market for (67 percent), scanning for fun or to look for unexpected opportunities (64 percent), to look for higher-end brands (61 percent) and to plan routine shopping for the week (58 percent).

- The five bolded items have the strongest statistical relationship with preprint usage frequency. These include the checking because you know they are in the paper every week, saving time and money, checking for sales, browsing for fun, and planning routine shopping.

- As in earlier surveys, women run well ahead of men, in this case by an average of 14 points for each attitude item. Young adults (18-34s) are about average on all items except for two items with lower than average agreement ratings: Inserts being a part of their routine because they are in the paper every week, and insert browsing being easier than online alternatives.

QUESTION: Rate the following statements about advertising inserts in the sunday newspaper, using a 1-to-5 scale, with "1" meaning you do not agree with the statement at all, and "5" meaning you strongly agree.

Newspaper Preprint Usage Occasions (Rate 4-5 on 1-5 scale)	
You usually check inserts to see what's on sale or other special savings**	**74%**
You make a point to look at inserts when you are in the market for what they are selling	67
You enjoy browsing through inserts even if you are not looking for anything in particular	**64**
I use newspaper ad inserts to check for higher quality brands as well as for bargains	61
You use store inserts to plan your regular shopping	**58**

**Bolded items have strongest relationship with usage frequency.

Newspaper Preprint Operational Benefits (Rate 4-5 on 1-5 scale)	
Checking store inserts is part of your routine because they are in the paper every week**	**70%**
Checking newspaper advertising inserts saves you time & money	**67**
Advertising inserts make it easy to comparison shop	62
Newspaper circulars help you learn about new products	57
It is easier to browse through ad inserts that interest me than to search the Internet for the same information	56
Insert ads give you a good idea of what products really look like	54

Base = If regularly or occasionally read or look at newspaper inserts (72 percent of adults)

**Bolded items have strongest relationship with usage frequency.

Online Circulars

Usage of online versions of advertising circulars in different formats obviously has been growing and now nets to 40 percent over a 30-day period.

About one-fourth of respondents report downloading a weekly circular from a store website in the previous 30 days, and the same number received a circular or link to one by email. A much smaller group (5 percent) said they checked websites that aggregate circulars from multiple stores.

QUESTION: In the past 30 days, have you looked online for the electronic version of the weekly advertising circular in any of these ways?

How Received Electronic Version of Weekly Circular (Past 30 Days)	
Net Any	**40%**
Go directly to store's website to click and review the ad circular for the week	28
You receive an advertising circular or link sent by email	27
You go to a website such as shoplocal.com, zip-2-save.com or similar sites that list advertising circulars from various store brands	5

Base = Internet users (78 percent of adults), rebased to total adults

Consumers checking online or email for electronic circulars are not very distinct demographically age 65 and older adults are well below average (21 percent), but this also reflects their lower probability of online access generally. The Western Census Region (45 percent) is well ahead of the South (36 percent), but this also reflects general online reliance typical of those two regions.

Newspaper vs. Online Circular Incidence: We do not have exactly comparable usage indicators for newspaper-sourced inserts vs. online circulars, but the audiences clearly overlap. Almost 9 in 10 (87 percent) of those getting online circulars in the previous 30 days also used newspaper inserts. Not quite half of the newspaper insert audience also looked online in that time frame.

Preferred Preprint Source

The rather broad access of online circulars and cross-usage discussed above raises the question of consumer preference between these two sources and also for direct mail. The choice varies by target group but newspapers lead the other media as a matter of stated choice.

- When asked to choose a favored delivery source, half of consumers (48 percent) cited newspapers, while 23 percent mentioned direct mail, and 18 percent were for online sources. Reasons for the preference were not explored, but usability and occasion-based factors likely drive the choice. Motives for using online circulars probably include a mix of desire for additional coupons, a desire to check them when the print versions are not available, and greater comfort with online sources generally.

- While men and women are about equally likely to favor newspapers as a first choice, women take mail delivery as a second choice while men favor online. Young (18-24) adults have the strongest online orientation for circulars, but this changes drastically with the next age category (25-34), which favors newspapers. We did not ask reasons for these choices but suspect that the switch largely comes with broader shopping needs associated with forming independent households and starting families.

- Consumers who used newspaper inserts for planning shopping in the previous 30 days favor newspapers over online by a wide (60 percent to 13 percent) margin. Those who checked one type of online source for circulars (email delivered, or store website, or aggregation sites) still favor newspapers by a 41 percent-23 percent margin. Those using more than one type of online circular provider show a greater commitment to this source and divide about evenly in preferring online vs. newspaper circulars.

QUESTION: How do you prefer that most advertising inserts or circulars that you look at be delivered?

Preferred Source for Advertising Circulars

	Newspapers	Mail	Online	No Preference
Total	**48%**	**23%**	**18%**	**11%**
Men	47	19	22	12
Women	49	27	14	11
18-24	17	30	42	11
25-34	44	20	28	8
35-49	50	24	15	11
50-64	59	22	7	12
65+	62	19	4	15
<$50,000	44	23	20	13
$50,000 - $74,999	46	38	15	11
$75,000 - $99,999	56	24	9	11
$100,000+	55	14	24	7
Northeast Census Region	46	21	21	12
Midwest	48	22	19	11
Southern	56	23	13	8
Western	38	26	22	14
African-American	37	21	28	14
Hispanic	25	35	28	12
Past 30 days:				
Used newspaper Inserts to plan shopping	60	20	13	7
Check online for circulars	39	25	29	7

Base = Total adults

Online Media: Shopping and Promotion

"Another dramatic change has been the rapid expansion of competing Smart Phone brands and wider use of shopping apps."

Use of the online options for shopping and related activities continues rapid growth, and this appears driven in part by improved and expanded online functionality such as new types of shopping and coupon sites. Another dramatic change has been the rapid expansion of competing Smart Phone brands and wider use of shopping apps.

What is growing very slowly now is Internet access in general, which in the *How America Shops and Spends* series has gained a point or two annually since the 70 percent recorded in 2005 and is now 78 percent.

Nine in 10 (89 percent) of those in the 18-49 age group say they use the Internet, but this drops to 76 percent for the 50-64 group and 49 percent for those 65 and older. Internet access among the 65+ group is growing the fastest, but that simply reflects their low base. The younger age groups have much less room to grow in general access, although they likely will find more things to do online as capabilities continue to improve.

In this chapter we estimate the scope of the online shopping audience, types of shopping and researching behaviors, and the use of mobile devices for shopping.

Measuring online usage and impact on shopping is challenging for several reasons. One issue is to reasonably accommodate the growing range of shopping-related activities that exist. Speaking of "the Internet" as a meaningful single category is misleading and becoming more so.

A related conceptual problem is that online shopping-related activities really come under different functional categories. Some sites are basically sales channels while others are essentially promotional vehicles. Some could be counted as both, depending on how the consumer interacts with them.

Sizing the Online Shopping Audience

Core and Extended Audience: We can define a core vs. extended audience among those who use the Internet for shopping.

- **Top Source:** As noted earlier, more than one-fourth (28 percent) of adults say that they <u>most</u> often check somewhere online when looking for things they might want to buy. This group comprises the core online shopping audience.

- **Recent Usage (Past 7 Days)**: A larger group (48 percent of all adults in the previous 7 days) checked at least one of seven types of online advertising, emailed advertising, ads on newspaper websites, display ads on general interest portals, paid search ads, social network sites, handheld device screens, or video games. (These were reviewed in Chapters 4 and 5.)

- **Cumulative Usage (Past 30 Days)**: The nine items below range from 13 percent to 49 percent of adults and net to 62 percent of adults, or about 8 in 10 of those with online access.
  - Researching or shopping for a product or service online lead at 49 percent. Three measures of purchasing net to a larger number (53 percent), including purchasing online, purchasing at a local store after checking the Internet for that product (25 percent) and buying online after checking local stores for that product.
  - One-third of adults obtained online coupons, either for discounts at online stores or for brick and mortar stores.
  - One-fourth each, or a net of 34 percent, went online for more information to follow up on a newspaper ad or for a television commercial.

- About 1 in 8 (13 percent) posted an online comment about a shopping experience.
- In earlier studies men tended to lead women on most of these online shopping indicators. Women now lead slightly (64 percent vs. 60 percent). They are about the same for most of the behaviors, but men lead in following up newspaper or TV ads by checking online, while women are more likely to obtain coupons.
- Newspaper site visitors (past 30 days) are well above average on these shopping activities at 90 percent.

QUESTION: Have you used the internet in the past 30 days to do any of the following?

Online Shopping Activities in Past 30 Days	
Net Any Listed	**62%**
Researched or shopped for a product or service online	49
Purchase something online	43
Bought something at a local store after checking the Internet for that product	30
To get more information about advertising you saw in the newspaper	25
To get more information about advertising you saw on television	25
Obtain coupons for discounts on purchases for online stores	24
Obtain coupons for discounts on purchases at regular stores	23
Bought something on the Internet after checking local stores for that product	22
Posted comments about a product or service or shopping experience online	13
Purchased (Net)	53
Used the Internet to get more information about newspaper or TV ad (Net)	34
Get coupons online (Net)	33

Base = Total adults

Online Shopping Information

What information do online shoppers seek? Over the previous 30 days most online shoppers looked for a similar mix of facts or opinions including comparing prices and features, store information, where the desired products can be found, and reviews from other shoppers.

QUESTION: For which of the following types of shopping information did you use the Internet in the past 30 days?

Information Sought by Online Shoppers in Past 30 Days	
Comparing prices	42%
Checking store hours, phone number or location	38
Comparing features of different products	37
Reading reviews or experiences of other shoppers at shopping sites	37
Finding stores that carry particular products	34
Checking product availability	34

Base = Online Shoppers (62 percent of adults), Rebased to Total adults

Researching and Shopping at Websites

The selection among various types of online shopping-related venues keeps expanding. The table below ranks 15 site categories for lists past 30-day researching or shopping. We included "researching" along with "shopping" in the question but did not force a distinction. With online functionality it is clear that many consumers research before getting into a buying mode. Researching may be seen as a more purposeful version of window shopping.

As noted earlier, these sites also perform different marketing functions, and we classified them either as predominantly sales channels or as promotional media.

QUESTION: What types of websites have you used in the past 30 days when you researched products or services or shopped on the internet?

Past 30-Day Researching or Shopping			
	Past 30-day Usage	Sales Channels	Promotional Media
Search engines to search for product and service information, such as Google or Yahoo Search, Bing or others	47%		X
Store websites, such as Wal-Mart.com, Target.com, HomeDepot.com, etc.	46	X	
Online-only stores, such as Amazon.com or Shop.com, or others	35	X	
Manufacturer sites, such as Dell.com or Ford.com or others	23		X
Standard Auction sites, such as eBay.com or uBid.com	22	X	
Discount sites, such as Half.com or Overstock.com, etc.	16	X	
Research sites based on testing, such as ConsumerReports.com	15	NA	NA
Internet portal shopping sites, such as Yahoo Shop, AOL Shop, etc.	14		X
Advertising or shopping information at **your local newspaper's website**	11		X
Coupon sites, such as Currentcodes.com, Fatwallet.com, etc.	11		X
Group discount sites, such as Groupon, Living Social and others	11		X
Comparison sites, such as PriceGrabber.com or PriceScan.com	11		X
Flash sale sites where discounts are offered for a short time, such as Gilt.com, the outnet.com etc.	7		X
Local shopping sites such as shoplocal.com, kudzu.com or similar sites	6		X
Penny auction sites, where you pay a fee to bid for discounted merchandise	4	X	

Base = Total adults

- Group discount sites, which have had much attention in the past year (e.g., Groupon, Living Social, and others), were used by 11 percent of adults and 21 percent of newspaper website visitors.

- Search engine usage (47 percent) was recorded for product or service information. It is striking that store websites are close to parity to search engines for this purpose at just under 50 percent of adults in the past 30 days.

- In earlier surveys men led women on most categories, but they are close on most this year. Women lead on Store websites, coupon sites and group discount sites. Men lead on manufacturer sties and discount sites. High income householders ($100K+) are especially strong users of search engines, online-only stores such as Amazon, and manufacturer sites.

- Newspaper website visitors are far above average on each category.

QUESTION: What types of websites have you used in the past 30 days when you researched products or services or shopped on the internet?

Past 30-Day Researching or Shopping				
	Total	**Men**	**Women**	**Newspaper Site Visitors**
Search engines to search for product and service information, such as Google or Yahoo Search, Bing or others	47%	47%	47%	72%
Store websites, such as Wal-Mart.com, Target.com, HomeDepot.com, etc.	46	42	50	71
Online-only stores, such as Amazon.com or Shop.com, or others	35	36	35	59
Manufacturer sites, such as Dell.com or Ford.com or others	23	26	20	41
Standard Auction sites, such as eBay.com or uBid.com	22	25	20	38
Discount sites, such as Half.com or Overstock.com, etc.	16	14	17	25
Research sites based on testing, such as ConsumerReports.com	15	19	12	28
Internet portal shopping sites, such as Yahoo Shop, AOL Shop, etc.	14	14	13	23
Advertising or shopping information at **your local newspaper's website**	11	11	12	22
Coupon sites, such as Currentcodes.com, Fatwallet.com, etc.	11	8	14	21
Group discount sites, such as Groupon, Living Social and others	11	8	13	19
Comparison sites, such as PriceGrabber.com or PriceScan.com	11	11	9	21
Flash sale sites where discounts are offered for a short time, such as Gilt.com, the outnet.com etc.	7	7	6	11
Local shopping sites such as shoplocal.com, kudzu.com or similar sites	6	7	4	13
Penny auction sites, where you pay a fee to bid for discounted merchandise	4	3	4	6

Base = Total adults; Past 30-day newspaper website visitors (31 percent of adults)

"Mobile Internet usage—now around 33 percent of adults—is about where Internet access in general was in the late 1990s."

Online Shopping Locations

The sheer breadth of online shopping and information gathering raises a question about when and where this shopping takes place, especially as the Internet allows for productive activity on your own schedule.

- Almost 9 in 10 who shop online (86 percent) typically use the evening hours, but two-thirds (66 percent) also say they typically shop at home during the day.
- A much smaller group (26 percent) said they will shop at work during breaks. The incidence of shopping at work is highest among those in the 18-49 age range and also increases with household income. These factors correlate with online shopping generally.
- Those who shop at their offices tend to be more active as shoppers, which may simply reflect having another venue and time of day at their disposal. Compared to the home shoppers they are about 10 points higher for store websites, online-only stores, standard auction sites, comparison sites, discount sites, search engines, group discount sites such as Groupon, and coupon sites.

Mobile Devices and Shopping

Mobile Internet usage—now around 33 percent of adults—is about where Internet access in general was in the late 1990s. One-fourth (25 percent) of respondents reported accessing the Internet in the past 30 days using an iPhone, Android, Blackberry or similar Smart Phone. Another 12 percent said they had with a conventional cellular phone with an Internet data plan. Together they net to 33 percent. This is a subset of mobile device users; many more consumers have cellular phones but do not use Internet functionality. Smart Phone users in general are much more active online compared to conventional cell phone users with data plans.

Accessed the Internet with Hand-held Cellular Phones (Past 30 Days)

	Net Cellular Phone with Data Plan	Smart Phone (iPhone, Android, Blackberry, etc.)
Total	33%	25%
Men	49	54
Women	51	46
18-34	44	48
35-49	29	32
50-64	20	18
65+	7	3
<$25,000	9	6
$25K - $49K	26	23
$50K - $74K	20	20
$75K - $99K	17	16
$100,000+	28	34

Base: Total adults

Earlier in this report it was noted that four percent of adults had used advertising from their mobile screens to aid a shopping decision made in the previous week.

Below is a more complete inventory of online activities done with mobile phones. The high usage numbers appear to reflect their status as early adopters and the active online habits of young adults generally.

- In the previous 7 days, 84 percent of this target group of mobile phone device users who are active online did at least one of the six functions listed below, with an average of 2.5. This translates to 27 percent of all adults. News categories and social network activities lead the list.
- Three shopping and advertising-related items net to 56 percent among the target mobile group, or 18 percent of all adults. Shopping or store information and place-based functions have a much bigger reach than video advertising. Among all adults only 5 percent viewed video advertising on a handheld device.

QUESTION: Which of the following types of functions have you viewed in the past 7 days on your cell phone, smart phone, tablet or other hand-held device?

Online Functions Used in Past 7 Days on Smartphone or Cellular Phone

	Total Adults	If Online with Mobile Device (In Past 30 Days)
Net Any	**27%**	**84%**
News, weather or sports from a local news site	20	62
Social network sites such as Facebook or Twitter	19	58
Videos	14	43
Advertising, Shopping or Store-related information (net)	**18**	**56**
Shopping or store information	14	44
Place-based functions that identify nearby items such as stores of interest or special deals when in the store	10	30
Video advertising	5	14

Base = Total adults, and those who accessed the Internet with a mobile device in the past 30 days (33 percent of adults)

Appendix: Technical Notes

The Newspaper Association of America contracted Frank N. Magid Associates, based in Minneapolis, to conduct the research described in this report. (MORI Research, a Magid unit, produced earlier studies in this series in 1999, 2005 and 2009 but now functions under the Magid brand.)

The latest edition of *How America Shops and Spends* is based on a national telephone and online survey conducted in English from October 26 to November 23, 2010. Two data collection formats were used in order to reach a wider range of respondents (including those without landline telephones) than would be possible with one technique and also because the questionnaire was too lengthy to administer in one telephone interview. The survey included 2,502 respondents (1,526 by telephone and 976 online) interviewed in English in the U.S. The sample was balanced to match the population distributions of the four Census Regions (Northeast, South, Midwest, and West). The telephone sample was random digit dial (RDD) in format, while the online interviews were obtained via the e-Rewards and Opinionology national panels. Two online panels were employed to balance potential biases that might be present from using just one.

The telephone data set was weighted by number of adults in the household, and then post-stratification weights were calculated simultaneously for age by gender categories, race (white, African-American, and other), and Hispanic ethnicity. The online sample was balanced against the 78 percent of weighted telephone respondents who use the Internet. This included the demographics mentioned above, along with frequency of going online and frequency of purchasing online, which were much higher for the online sample than for Internet users in the telephone sample. The data sets otherwise were very similar.

As a final step, the incidence of the combined online sample and the telephone sample of Internet users were adjusted so together they properly account for the 78 percent of the total working data set who use the Internet.

The working data sets also included a data file based on 4,537 shopping occasions noted by respondents. For up to six items per respondent, follow-up questions were asked about the circumstances of shopping for those items. Most of the analysis in the report is based both on characteristics of shoppers and also of shopping events.

Advancing
Newspaper
Media
for the
21st Century

Newspaper Association of America
4401 Wilson Boulevard, Suite 900, Arlington, VA 22203-1867
571.366.1000   Fax 571.366.1195

www.naa.org
www.newspapermedia.com