Wireline Shopper Study

August 2013

Executive summary

We studied wireline (cable, home internet, phone and pay TV, streaming video) service customers to understand their research habits and purchase behaviors. We found that:

Wireline services continues to be a high consideration category:
54% of purchasers begin research 2+ weeks prior to purchasing; two-thirds of purchasers visit 5+ provider sites while carrying out research

Purchasers increasingly rely on digital:
Video and mobile use for research is up 100% year on year (Y/Y)

*Mobile drives brand discovery and call center activity:*
59% of purchasers discover brands via mobile devices, 27% contact call centers via their smartphone

Search drives new customers:
Over 90% of paid category clicks are from prospective customers; 1 in 6 purchasers search exclusively on category terms

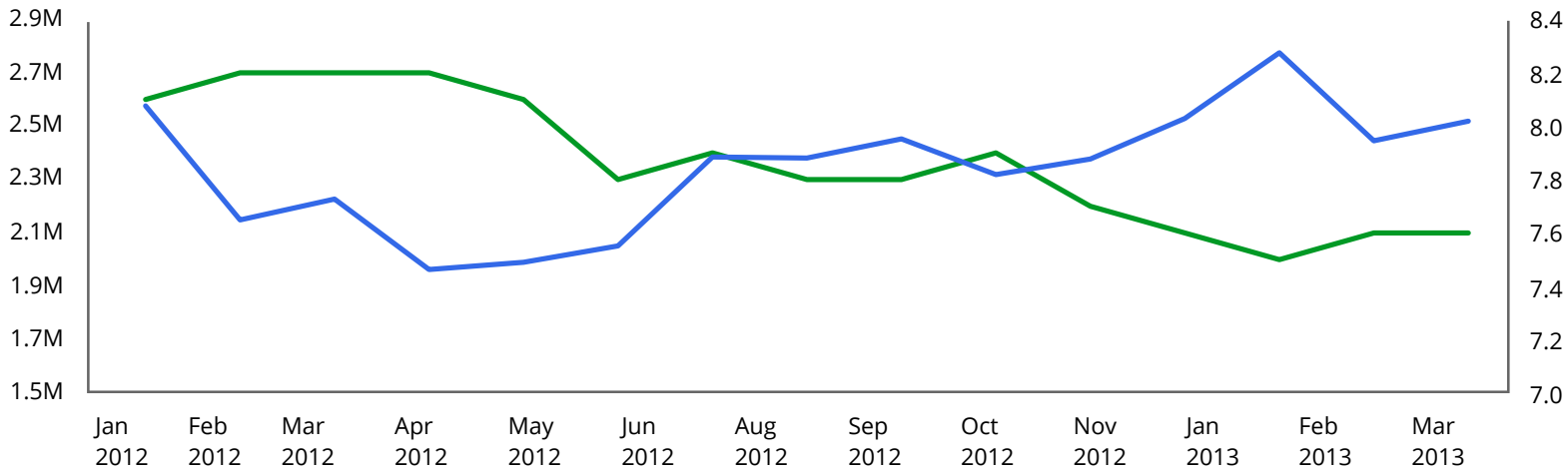*Consumers turn to digital for customer service needs:*
Mobile customer query growth up 52% Y/Y, YouTube query growth up 22% Y/Y
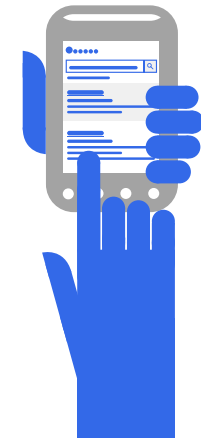
The wireline services market is growing, year on year

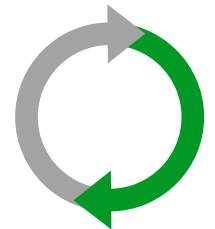... and interest in wireline services is correlated with economic indicators

— Wireline Queries
— Unemployment Rate

As the economy improves, the wireline services market remains robust

+14% Y/Y
People planning to purchase a wireline service

+48% Y/Y
People do not plan to cancel services

The biggest growth factor? Fewer switchers

Top purchase motivators when signing up for new wireline services

Price conscious

41% (42% 2012)

Save money

1

Upgraders

28% (26% 2012)

Upgrade or add new features to current plan

2

Movers

25% (24% 2012)

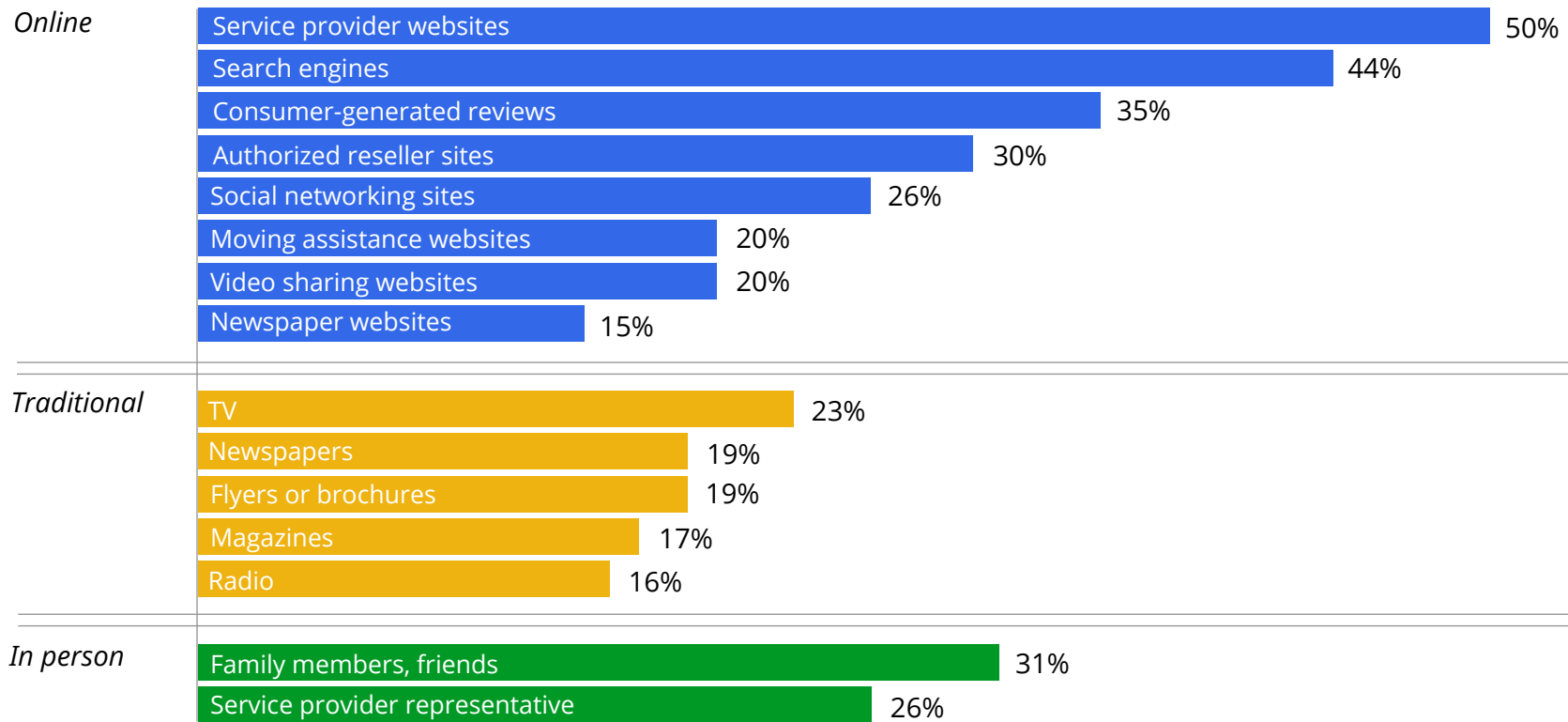Moving home

3

Switchers

18% (26% 2012)

Switch service providers (not related to moving)

4

Source: Google/Millward Brown Digital Wireline Shopper Study, June 2013
O2. *Why did you purchase this telecom service? Please select all that apply*

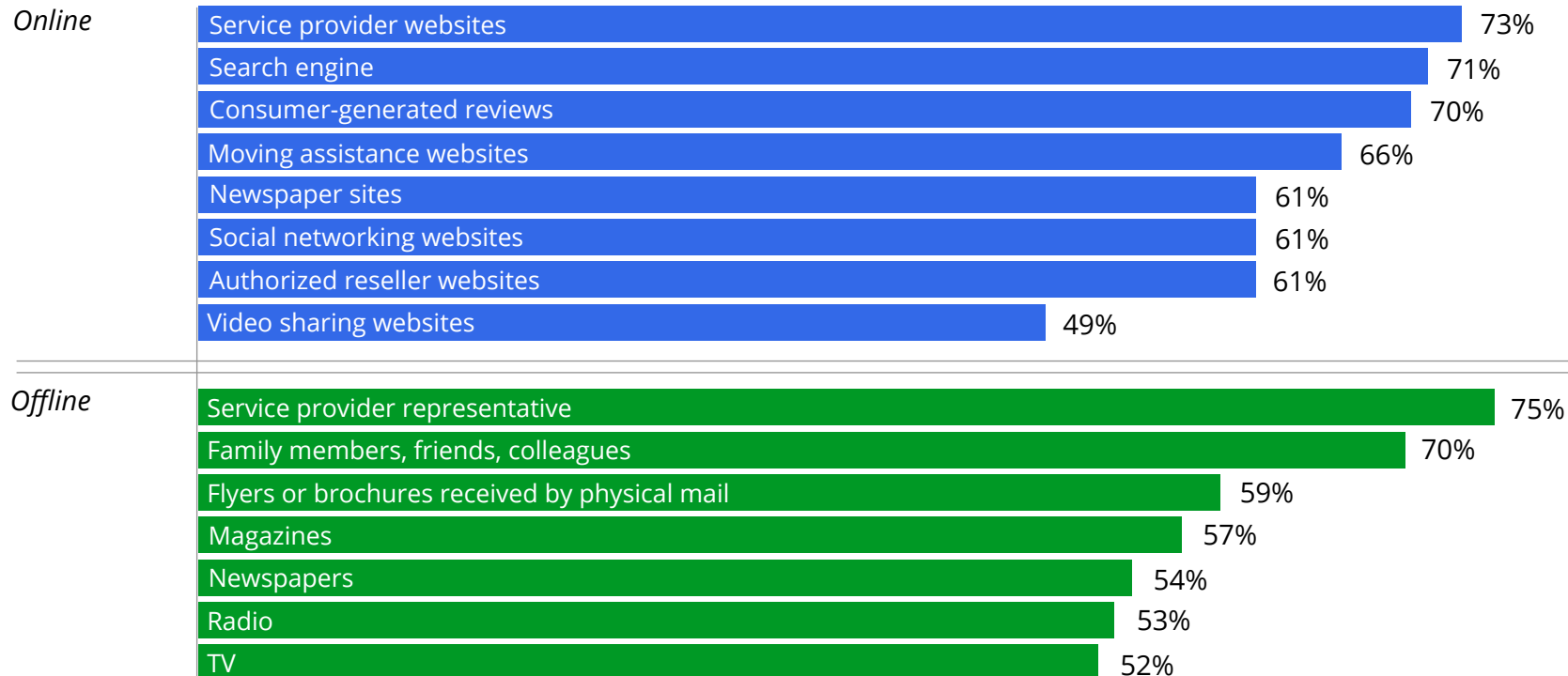# Purchasers use online information sources for research

Sources of information used throughout the research process by wireline purchasers

Online

Source	%
Service provider websites	50%
Search engines	44%
Consumer-generated reviews	35%
Authorized reseller sites	30%
Social networking sites	26%
Moving assistance websites	20%
Video sharing websites	20%
Newspaper websites	15%

Traditional

Source	%
TV	23%
Newspapers	19%
Flyers or brochures	19%
Magazines	17%
Radio	16%

In person

Source	%
Family members, friends	31%
Service provider representative	26%

Source: Google/Compete Wireline Shopper Study, June 2013
RT8. *When did you use each of these sources to shop for wireline services? Please select all responses that apply for each source.*
If you used a source throughout your research, please only select that option.

Google | Think Insights

google.com/think

...and find online sources among the most useful

Very/extremely important resources in the research process

Online

Source	%
Service provider websites	73%
Search engine	71%
Consumer-generated reviews	70%
Moving assistance websites	66%
Newspaper sites	61%
Social networking websites	61%
Authorized reseller websites	61%
Video sharing websites	49%

Offline

Source	%
Service provider representative	75%
Family members, friends, colleagues	70%
Flyers or brochures received by physical mail	59%
Magazines	57%
Newspapers	54%
Radio	53%
TV	52%

Consumers cast a wide net when researching products and services

Most visited more than five service provider sites before purchasing

1 Site
9%

2 to 4 Sites
22%

5+ Sites
69%

% of converters by # of sites visited

Google | Think Insights

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Often visiting the same site several times before purchasing

This means that wireline is becoming higher consideration category

Visits to the same site before purchase
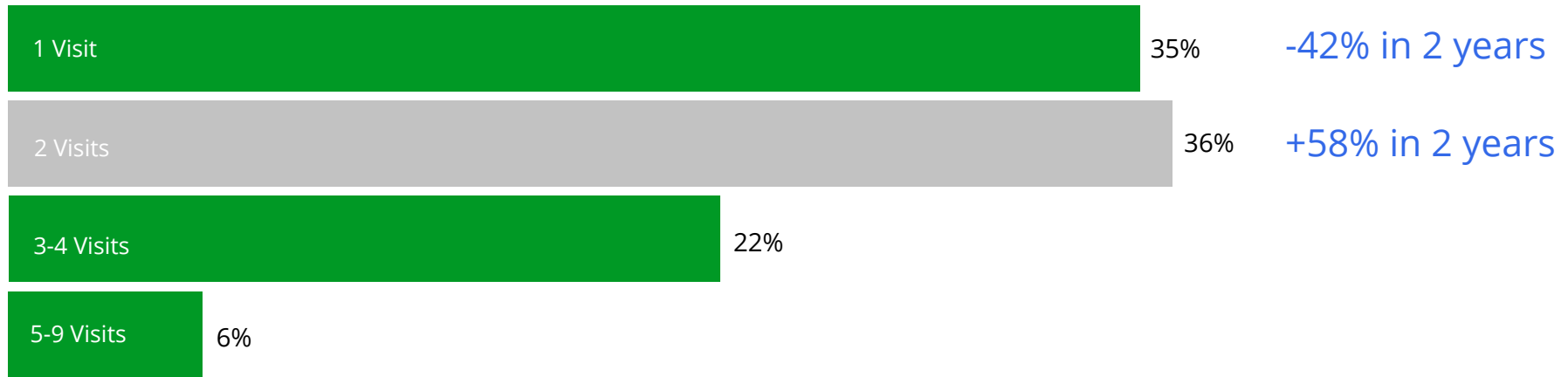
1 Visit	35%	-42% in 2 years
2 Visits	36%	+58% in 2 years
3-4 Visits	22%	
5-9 Visits	6%	

...and take their time deciding on a provider

Over half of initial research sessions take place more than two weeks before an actual purchase

Time between first research session and final purchase

Same Day	Same Week	2 Weeks	3+ Weeks
36%	**10%**	**9%**	**45%**
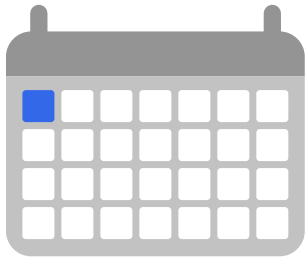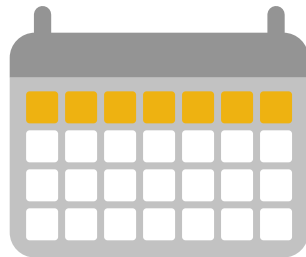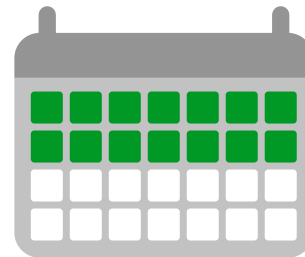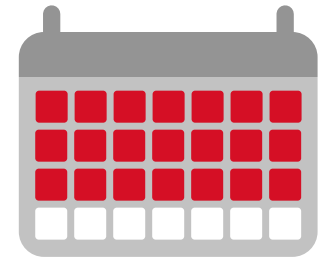
Purchasers care most about cost and reliability

Features, easy installation and customer service are close behind

73%
68%
58%
50%
50%
47%
42%
38%
36%

Price of service
Reliability
Low set-up costs
Promotional/ deal
Features
Customer service
Ease of installation
Ability to bundle
Ability to consolidate billing
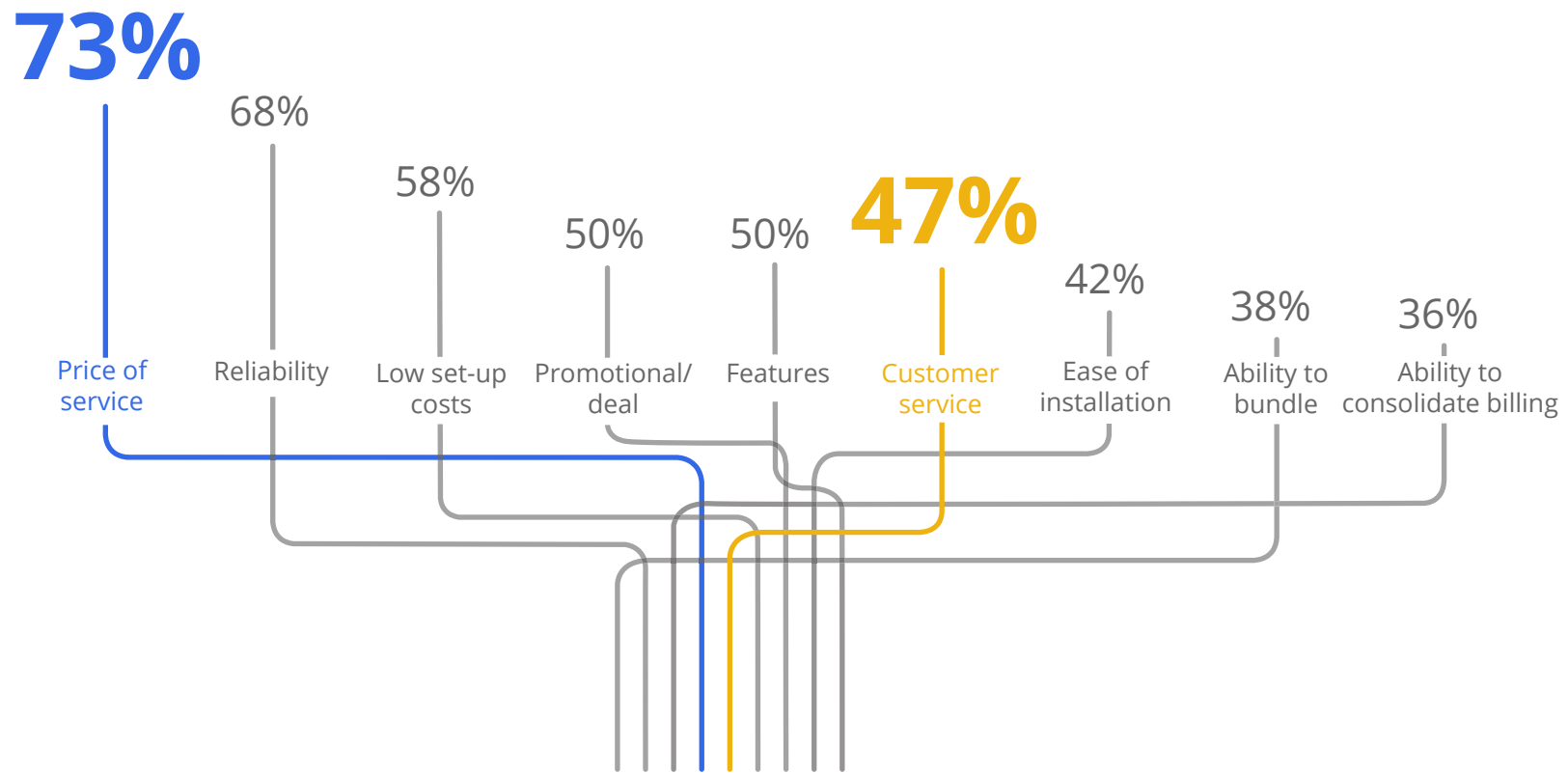
"Extremely important" considerations when shopping for a wireline service

Google | Think Insights

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More than 1 in 4 purchasers watch relevant video content

28% (+100% Y/Y)

of all researchers watch online videos about wireline while shopping for new wireline service
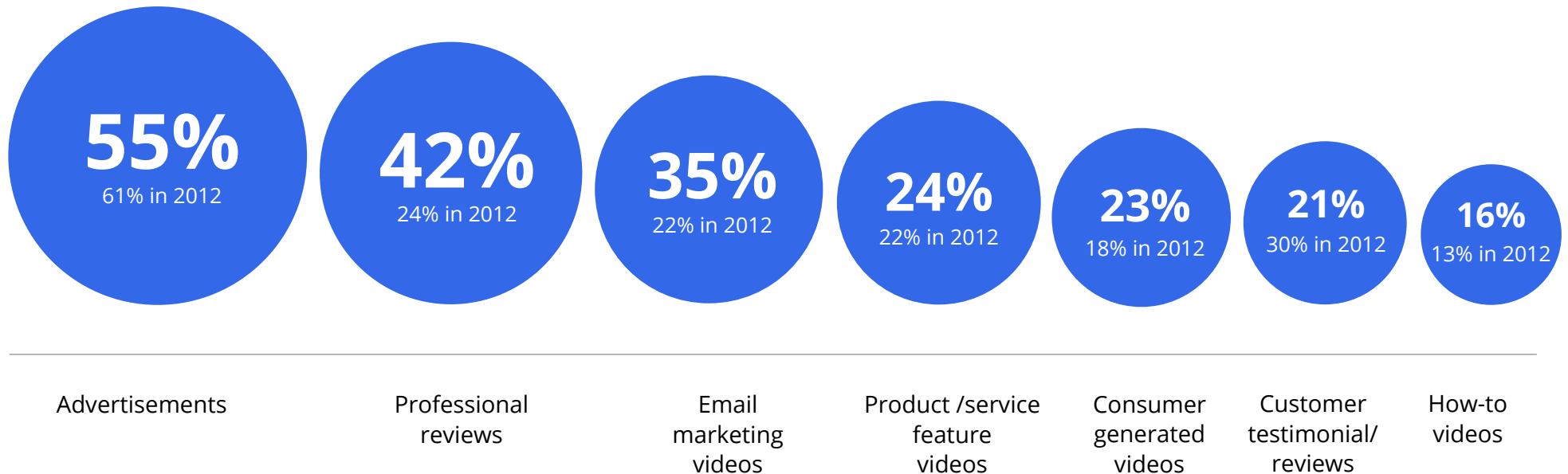
28%

72%
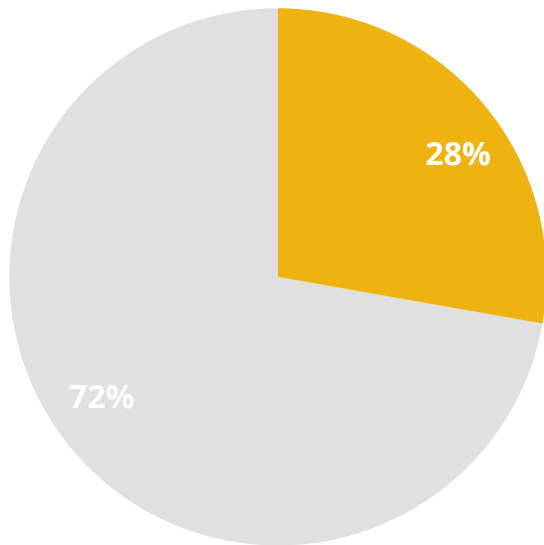
51% (+21% Y/Y)

of mobile researchers use video
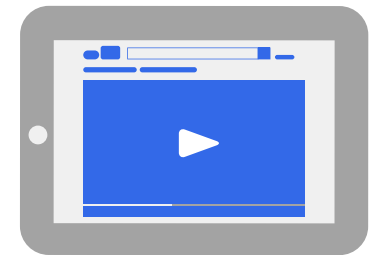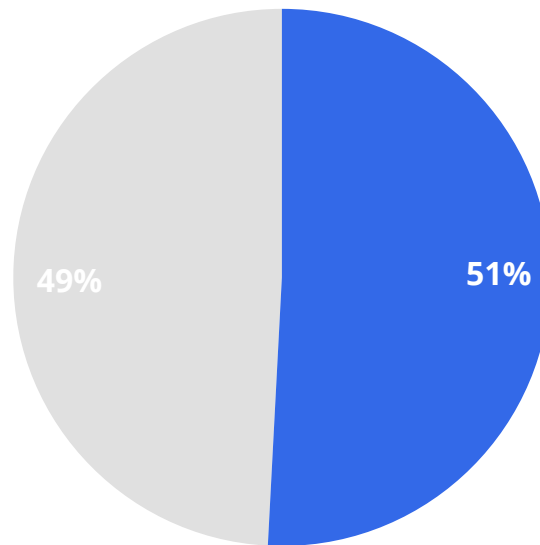
49%

51%

Google | Think Insights

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Purchasers watch everything from ads to how-to videos

Types of online video content watched while shopping for wireline services

55%
61% in 2012

42%
24% in 2012

35%
22% in 2012

24%
22% in 2012

23%
18% in 2012

21%
30% in 2012

16%
13% in 2012

Advertisements

Professional reviews

Email marketing videos

Product /service feature videos

Consumer generated videos

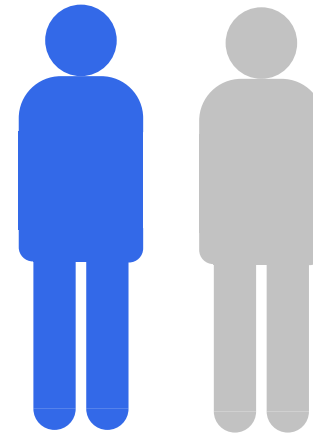Customer testimonial/ reviews

How-to videos

What's more, video drives further research across channels

82%
of respondents who saw an online video looked up the wireline service advertiser for more information
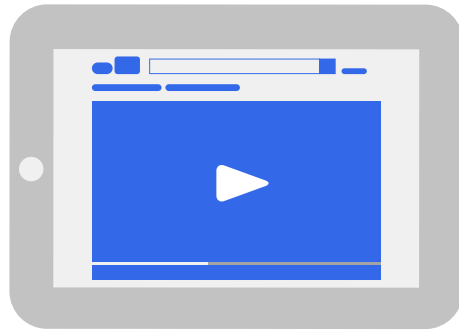
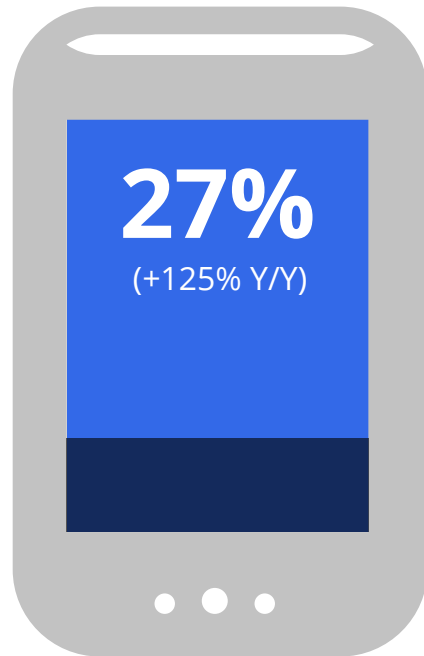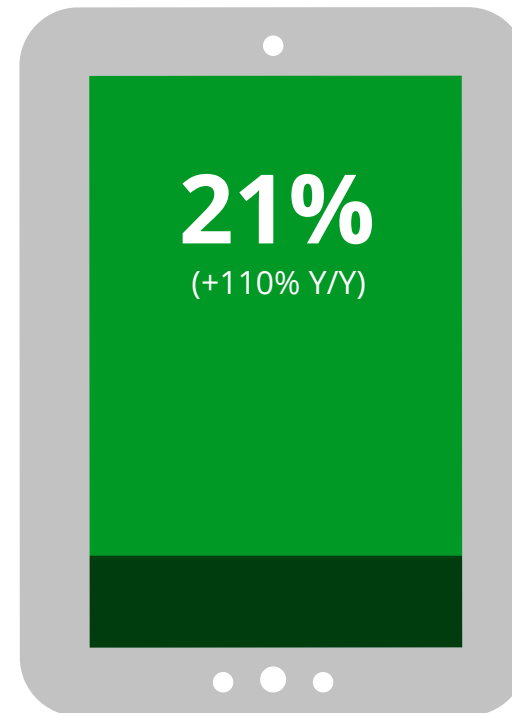## But over half of all respondents were unaware that relevant video content existed

Purchasers are researching across screens

Smartphone and tablet usage is doubling every year, with more than two-thirds using smartphones at home

Use mobile phones to
look for info on wireline
services

Use tablets to
look for info on wireline
services

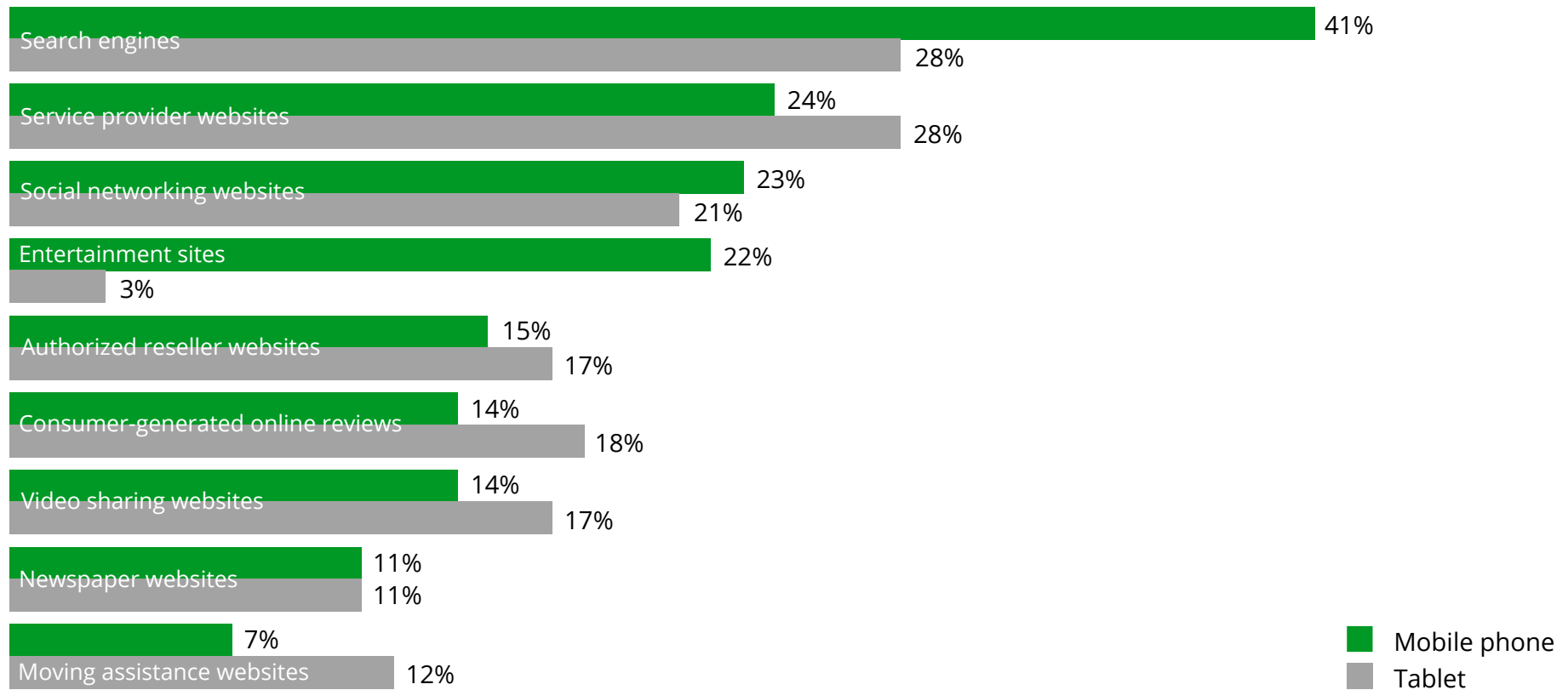## 27%
(+125% Y/Y)

21%
(+110% Y/Y)

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Multi-device search up over 300%, year on year

Online sources accessed via mobile device

Source	Mobile phone	Tablet
Search engines	41%	28%
Service provider websites	24%	28%
Social networking websites	23%	21%
Entertainment sites	22%	3%
Authorized reseller websites	15%	17%
Consumer-generated online reviews	14%	18%
Video sharing websites	14%	17%
Newspaper websites	11%	11%
Moving assistance websites	7%	12%

■ Mobile phone
■ Tablet

Source: Google/Millward Brown Digital Wireline Shopper StudyM1. Earlier you mentioned that you used online sources to shop for wireline services.
Which of the following online sources did you access on these mobile devices?

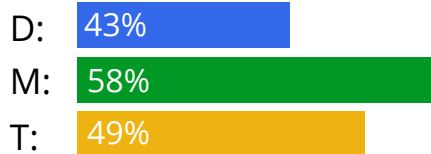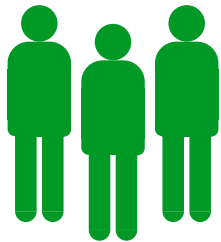# Mobile search is leading purchasers to discover new brands
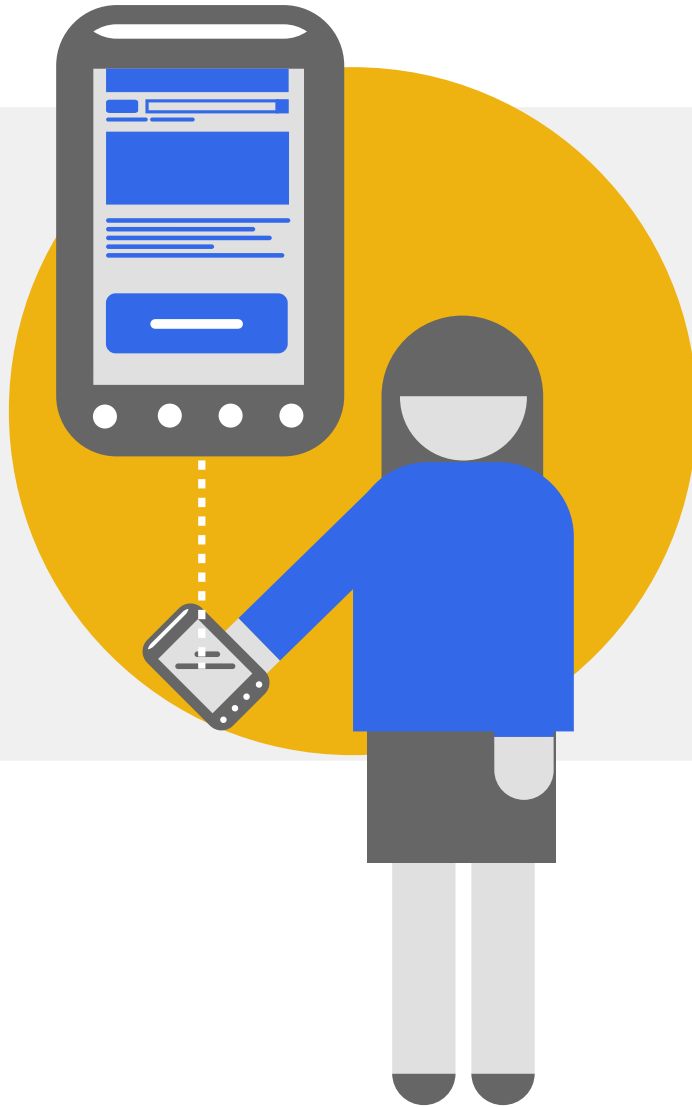
59%

discover brands on mobile devices
that they were not previously
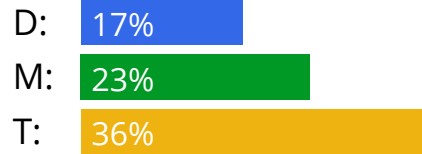aware of or had not
considered before

Mobile researchers tend to be younger and more affluent... and have moved homes

Age 34 or younger

D: 43%
M: 58%
T: 49%

Annual Household income of $100k+

D: 17%
M: 23%
T: 36%
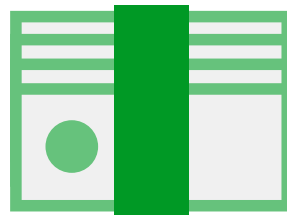
Moved in past 6 months

D: 20%
M: 31%
T: 31%
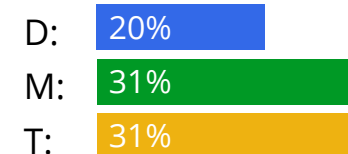
D = Desktop, M = Mobile, T = Tablet

When shoppers are undecided, they turn to search

Many use both brand and category terms in their queries

72%
Searched wireline service provider brand terms
(e.g. XFINITY, Verizon, etc.)

67%
Searched category terms
(e.g. Cable TV, internet service, etc.)
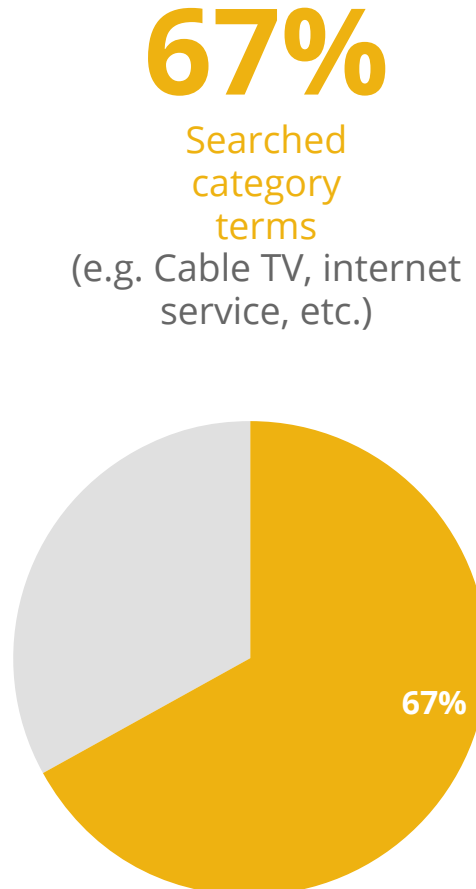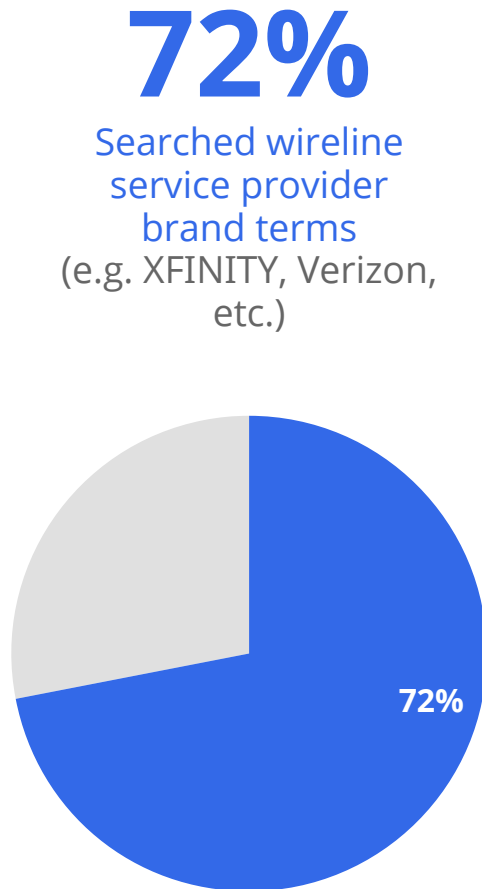
21%
searched on brand terms only

29%
searched on both

17%
searched on category terms only

72%

67%

Mobile researcher's purchase decisions are driven by service features and convenience – more so than price-driven desktop researchers

Price
purchase to get a cheaper plan

37%
mobile/tablet researchers

41%
desktop researcher

Convenience
purchase to reduce # of bills

19%
mobile/tablet researchers

11%
desktop researcher

Service features
purchase to upgrade package

38%
mobile/tablet researchers

29%
desktop researcher

Before and after purchase, customers are searching on service

Search terms across devices

32%

Search on customer
service terms
(e.g. AT&T suppprt,
Comcast services, etc.)

32%
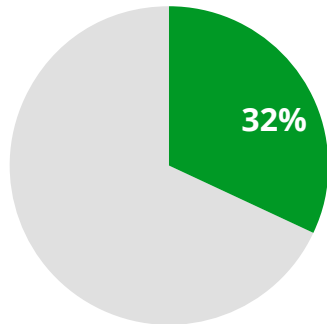
After purchase (across devices)
% growth in customer
service terms search

72% Y/Y on tablet

+52% Y/Y on mobile

+1% Y/Y on desktop

People searching on customer service terms

66% **34%**

Distribution of paid clicks by customer type

■ Prospects

■ Existing customers

Google | Think Insights

google.com/think

The majority of shoppers clicking on category terms are new customers

That means most of your leads are prospects, not existing customers

Distribution of paid clicks by customer type

Branded terms

65% **35%**

Category terms

91% **9%**

■ Prospects

■ Existing customers

Google | Think Insights

google.com/think

And category search terms have the most impact

Exposure to ads on category terms result in more engaged visitors – and conversions

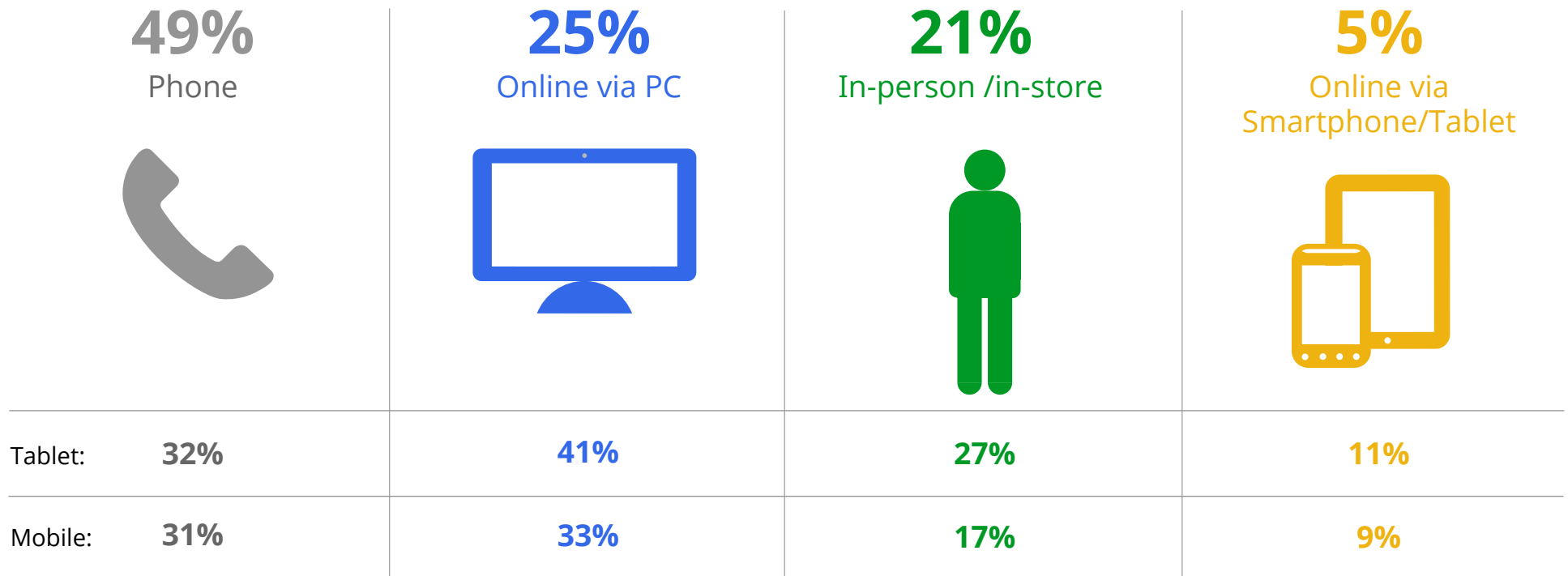|	Value of the Impression	Value of the Click
	Those who were exposed to ad and didn't click	Those who were exposed to ad and clicked
Visit site	5x	21x
Search on brand	2x	4x
View product/ service	8x	51x
Purchase/ convert	5x	32x

Mobile and tablet users are more likely to purchase online via a PC

Though the majority prefer to make a phone call

Purchase outlets (all wireline shoppers)

	49% Phone	**25%** Online via PC	**21%** In-person /in-store	**5%** Online via Smartphone/Tablet
Tablet:	**32%**	**41%**	**27%**	**11%**
Mobile:	**31%**	**33%**	**17%**	**9%**

Research Method

Key takeaways

What does this mean for marketers of wireline services?

Insight	How can businesses respond?
Wireline continues to be a high consideration category for consumers	Be relevant and ensure that consumers remember you're there. Use re-marketing to educate and win customer conversions. Ensure that your attribution window accounts for entire shopping period – which tends to span a number of weeks.
Relevant video consumption is up 100% Y/Y; 1 in 5 uses video throughout the purchase process	Video can provide useful information that shapes decision making. Target consumers searching for video content and remarket to customers post video view.
Mobile use for search is up 100% Y/Y; mobile lets consumers discover wireline provider brands, learn more and purchase services	Be found by your target market, across screens. Continue to invest as volume grows and adapt to consumers who use mobile from the beginning to the end of their path to purchase (e.g. click to call, calls to call centers).
Search drives new customers	Use category terms to reach home movers and service switchers; use re-marketing to close and upsell. Search marketing strategy should reach market consumers early and often.
Consumers are now turning to digital for their service needs, especially via mobile	Address customer service concerns across devices. Use re-marketing to identify customers and meet their needs better.

Methodology

The survey drew in clickstream data from 20 major wireline provider sites and tracked behavior on 90 popular third party aggregators/reseller sites
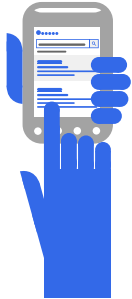
We measured the online behavior of wireline services consumers to understand purchase habits and search patterns

We tracked wireline buyers' behavior backward from the point of purchase, and analyzed what we found

We surveyed wireline buyers to understand their specific purchase behaviors

Survey demographics

Goals:
- 51% Male
- 49% Female

Age:
- 41% 18–34
- 22% 35–44
- 19% 45–54
- 18% 55–64

Marital status:
- 30% Single
- 47% Married
- 11% Divorced or separated
- 10% Living with partner

Children:
- 57% none
- 20% 1
- 15% 2
- 7% 3+

Education:
- 21% High School or less
- 37% Associate or some college
- 29% College degree
- 13% Masters or Doctorate

Income:
- 27% under $30k
- 25% $30k–$59k
- 26% $60k–$99k
- 17% $100k+

Race:
- 77% White
- 10% Black
- 6% Asian
- 6% Hispanic