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**New research results prove
print advertising still reigns
over online advertising.**

solution white paper



**U S A S T R A T E G I E S
I N C**



3	Abstract
4	Internet vs. Print Publications – Which Wins?
4	Internet Gains in Depth of Information— Business-to-Business Product Specifications
5	Speed of Response – “We Want It Now!”
5	What Do We Read? Paper or Web?
6	Product Research Moves Online
6	The Future: What Is Ahead?
7	Implications for the Publishing Community
7	Implications for Advertising

About the Author

Patrick Yanahan, President at USA Strategies, Inc., has conducted major research projects on publishing-related topics throughout the last 20 years. After developing a commercial online system for a client in 1985, Yanahan has been a leader in the application of Web-based systems. Yanahan has testified on Internet issues before the House Ways & Means Committee of the United States House of Representatives. He also serves as a director of the Chicago Software Association and lectures at several colleges and universities.

Abstract

With the explosion of Web-based advertising and email, many marketers and agencies have moved away from traditional print advertising in favor of the new medium. To validate this shift, USA Strategies conducted a research study among business decision-makers. The Graduate School of DePaul University in Chicago performed the fieldwork under the supervision of USA Strategies senior staff. The results were surprising in that the majority of the 600+ respondents stated that they still prefer print as the source to find out about new products and services. These data indicated that the pendulum may have swung too far in favor of online advertising and that marketers should return to a balanced media usage in their communications with customers and prospects. Online sources are used for more detailed product and technical information, where space limitations in advertising cannot provide the depth or detailed data required for purchasing evaluation.

Continuing Research

This study is a follow-up to media research that has been conducted over the past ten years. USA Strategies is committed to understanding trends in the media industry and has worked for several major publishers in the development of print and electronic publishing properties.

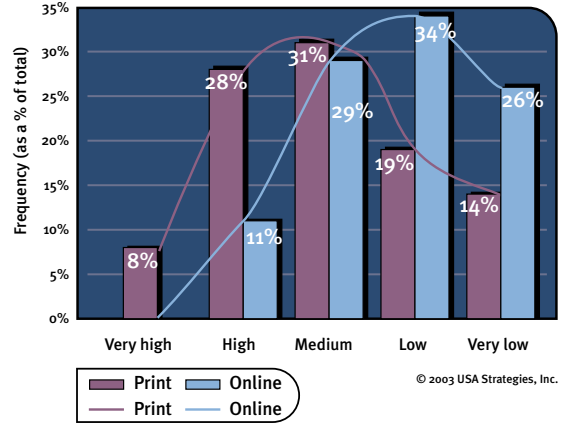
DePaul University

DePaul University in Chicago is known for its graduate business programs as well as being one of the leading IT graduate schools in the nation. Patrick Yanahan is working with several of the university professors to merge many of the programs into a study of how new technologies will be used as communications media. This assignment provided an interesting real-world project to the class work of over 30 graduate students. USA Strategies is committed to working with students to provide practical course work that relates to their work upon graduation.

Internet vs. Print Publications – Which Wins?

When the participants were asked which medium creates the greater awareness for a product or service, print trade publications were the vehicles of choice. Online advertising was judged as less credible and persuasive than its traditional print counterpart. The distribution curves illustrate that print advertising leads in acceptance, and if the primary purpose of advertising is to create awareness, then print is still the king (see Figure A). The caveat is that the presence of online advertising is strengthening, so the distribution curve may shift as the online medium develops.

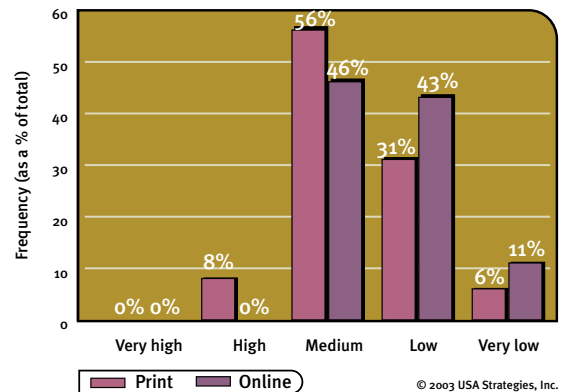
Figure A | Attention Paid to Advertising



Internet Gains in Depth of Information – Business-to-Business Product Specifications

Another trend the research results point out is that the influence of advertising in a purchase decision still gives the edge to print, yet the Internet is growing as an area where businesspeople seek out detailed information. The Web has an advantage in its depth and richness of content, such as the ability to convey more of the technical specifications and engineering details that cannot be conveyed in a standard print ad. But, as opposed to early alarmist reports that the Web would directly replace print, that does not now seem to be the case. Many publishers have adopted the model that Web and print can work in concert with each other and actually create a more vital dynamic product.

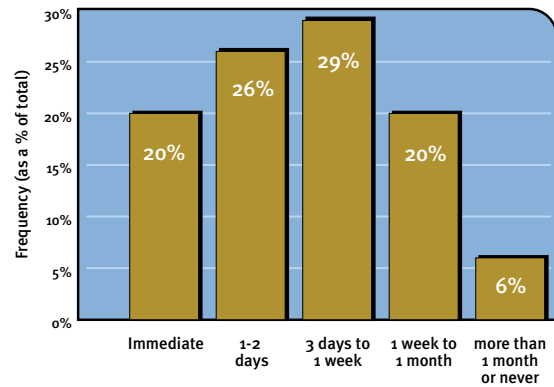
Figure B | Influence of Advertising in Purchasing Decisions



Speed of Response – “We Want It Now!”

Response times for information requests from traditional print media were measured between one to three days in the research study. When key decision-makers want information from an advertisement, they want it as fast as possible. In the present email-driven world, decision-makers are able to respond quickly to a print ad via the Web, and the traditional bingo card mail-based vehicle publishers have relied on for many years may not be able to keep up with the increased expectation for a rapid response.

Figure C | Time to Respond to Print Advertising

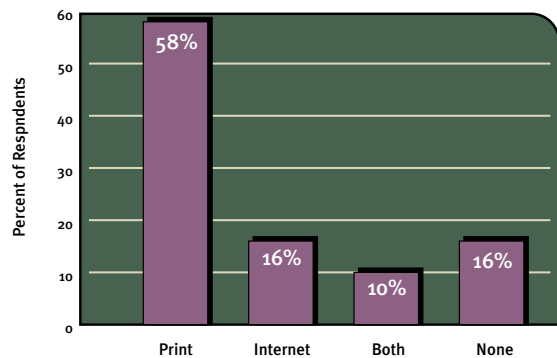


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What Do We Read? Paper or Web?

A hypothesis stating that decision-makers prefer to read content and details from a Web site, as opposed to the standard magazine format, was tested in the research. Surprisingly, the response indicated that the print version of a trade magazine remains the preference of the respondents.

Figure D | Reading Preference

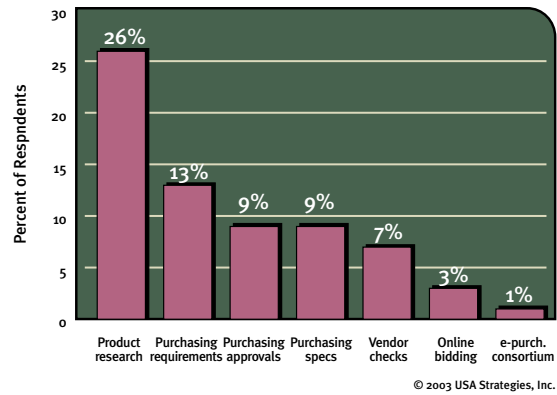


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Product Research Moves Online

One area that the Web has gained credibility and visibility in is the daily job of researching product information. A trend was noted that when making a purchasing decision, more people are gathering specific product information from Web-based sources.

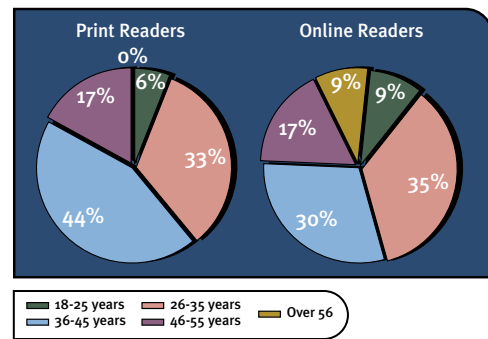
Figure E | Influence of Internet on Purchasing Behavior



The Future: What Is Ahead?

This study and previous research support the importance and critical nature of print advertising in the current business environment among key decision-makers. But the study also queried the next generation (the under-30 age group) and how they prefer to receive information. Ten years ago, when we did a similar study, the age of the Internet user was a significant factor in that the under 20-year-old represented the majority of Internet users. Today, all age groups in the sample survey are using the Web, so age is no longer a factor in print usage vs. online usage. But as this next generation moves up the business hierarchy, they will change their demands from trade publications and the trend will be toward faster response times, instant messaging and a general acceleration of the type and depth of information demanded regarding products and services.

Figure F | Hypothesis 3: Age vs. Online Subscription



Implications for the Publishing Community

As with our previous research on Internet and print published in 1999, this study points to some very important current and future trends. Publishers should be reassured by the fact that print advertising remains a powerful, important vehicle in making a purchasing decision. At the same time, decision-makers have recognized the value of the Internet to provide rich product information. There is an opportunity to tailor advertising to these new directions and offer marketers new ways to pinpoint where they are putting their dollars. The next generation will be using new yardsticks and measures of credibility to form their opinions and make their decisions. Research such as this must be updated periodically to help marketers and publishers allocate their marketing dollars for optimum impact.

Implications for Advertising

In a time of economic volatility, our research proves that the world of business-to-business marketing and communications is indeed changing—but not to the exclusion of print publications. Today's marketer can be assured that decision-makers continue to rely on print trade publications. These publications should serve as a foundation for creating awareness of products and services as well as a way of building Web site traffic. In addition, marketers should be looking at new and innovative ways to allocate marketing dollars in order to influence the next generation of business decision-makers.

The time-honored approach to advertising must also change and move to a more action-oriented, responsive, dynamic model. A print ad should no longer stand alone. There has to be an accompanying Web presence sharing the same branded graphic appearance as the associated print work. The decision-maker who we need to influence has less time to find and evaluate information, which means the role of the marketer is to blanket that prospect with multiple ways to access a brand, product or service. Instead of pulling back and hesitating, a marketing executive who wants to make a difference should be aggressively pursuing today and tomorrow's decision-maker.”

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