

Game Changer: Cone Survey Finds 4-out-of-5 Consumers Reverse Purchase Decisions Based on Negative Online Reviews

89 Percent of Consumers Find Internet Channels Trustworthy Sources and Will Seek Online Information to Verify Product Recommendations from Friends and Family

BOSTON (August 30, 2011) – At a time when **89 percent** of consumers say they find online channels trustworthy sources for product and service reviews, new Cone research reveals **four-out-of-five** consumers have changed their minds about a recommended purchase based solely on negative information they found online. This is up from just 67 percent of consumers who said the same in 2010, according to the **2011 Cone Online Influence Trend Tracker**. Positive information has a similar effect on decision making, with **87 percent** of consumers agreeing a favorable review has confirmed their decision to purchase. But, negative information is gaining traction and is now just as powerful in tipping the scales against a recommended purchase.

Data from the survey underscore the growing power of online reviews to lead consumers to the cash register or, conversely, drive them away. As compared to one year ago, consumers are more likely to open their wallets when they can find online recommendations to support offline advice (**85% versus 77%**).

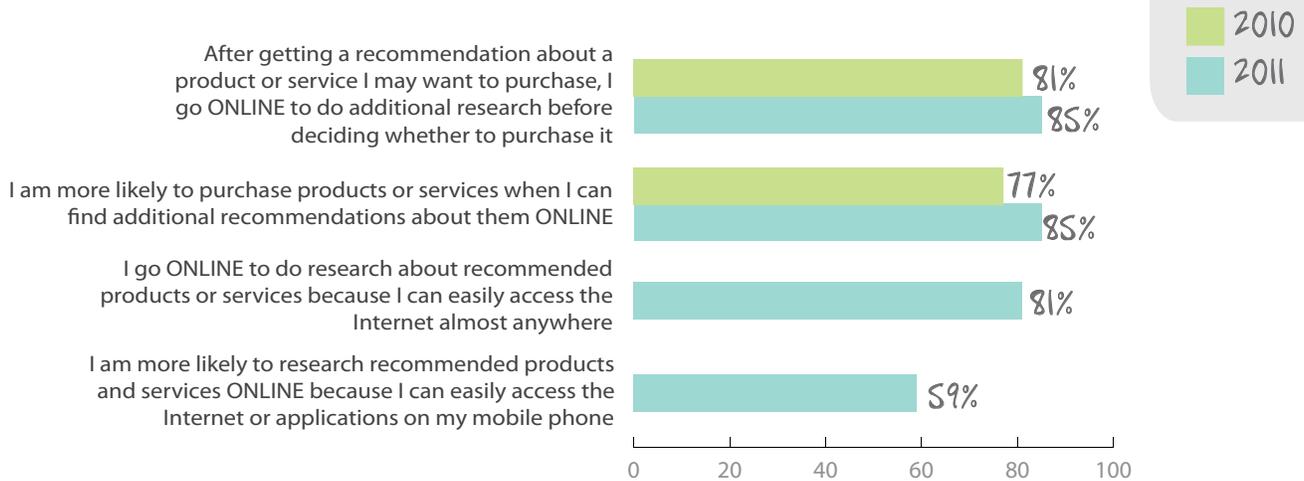
“The increasing impact of online content on buying decisions cannot be ignored,” noted Bill Fleishman, president, Cone. “We work with a range of clients from Fortune 500s to entrepreneurs, and our message remains the same. Today’s marketers, no matter the product or service, must learn how to sway the conversation by connecting with those who have significant influence over their peers and will champion the brand message.”

Survey data suggest this year-over-year increase in online verification may be attributed to near-universal access to the Internet and the pervasiveness of the smartphone. Today, online product or service information is literally at consumers’ fingertips with nearly three-out-of-five (**59%**) reporting that they are more likely to research recommended products online because they can easily access applications on their mobile phones, and **81 percent** crediting wide-spread access to the Internet.

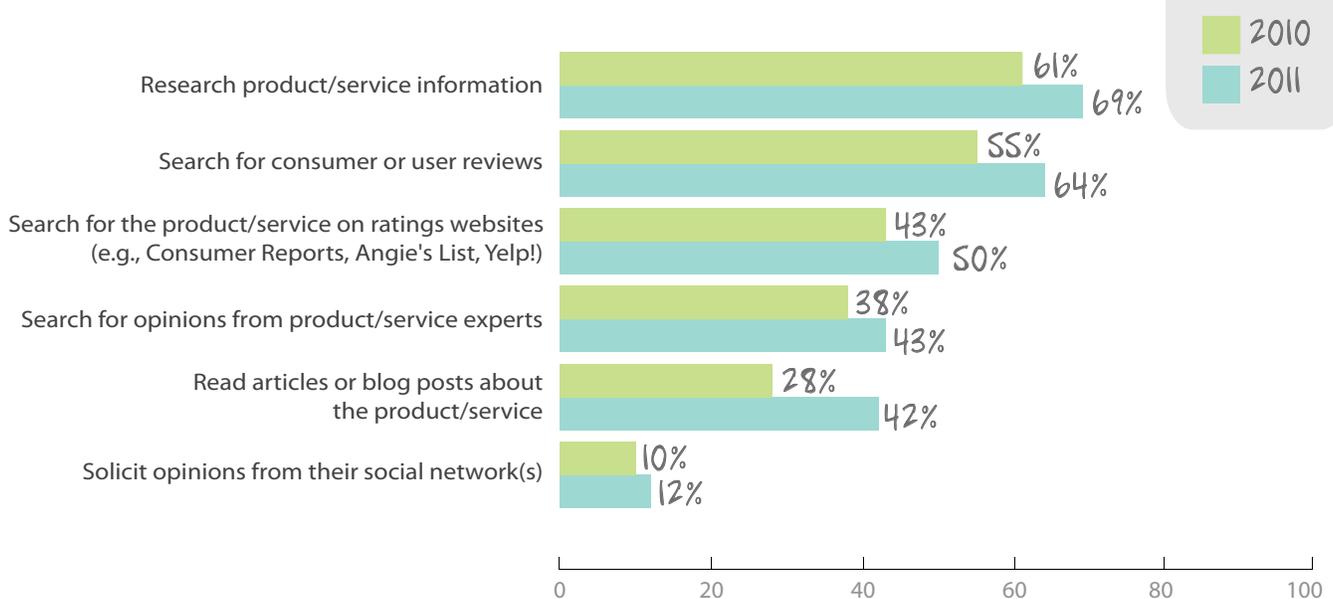
The increase in online purchase verification may also be attributed to careful spending. Americans are nearly **25 percent** more likely to verify recommendations for high-cost purchases, such as cars, today than they were in 2010 (**89% today vs. 72%**), while moderate- and low-cost purchases did not experience the same jump.

“Today’s consumers want reassurance before opening their purse strings, and personal recommendations alone are just not enough to guarantee a purchase,” explained Mike Hollywood, director of New Media, Cone. “The explosion of online word-of-mouth channels and the adoption of online verification have forever changed the marketing landscape. Targeting the right people is a marketer’s first step toward influencing the conversation.”

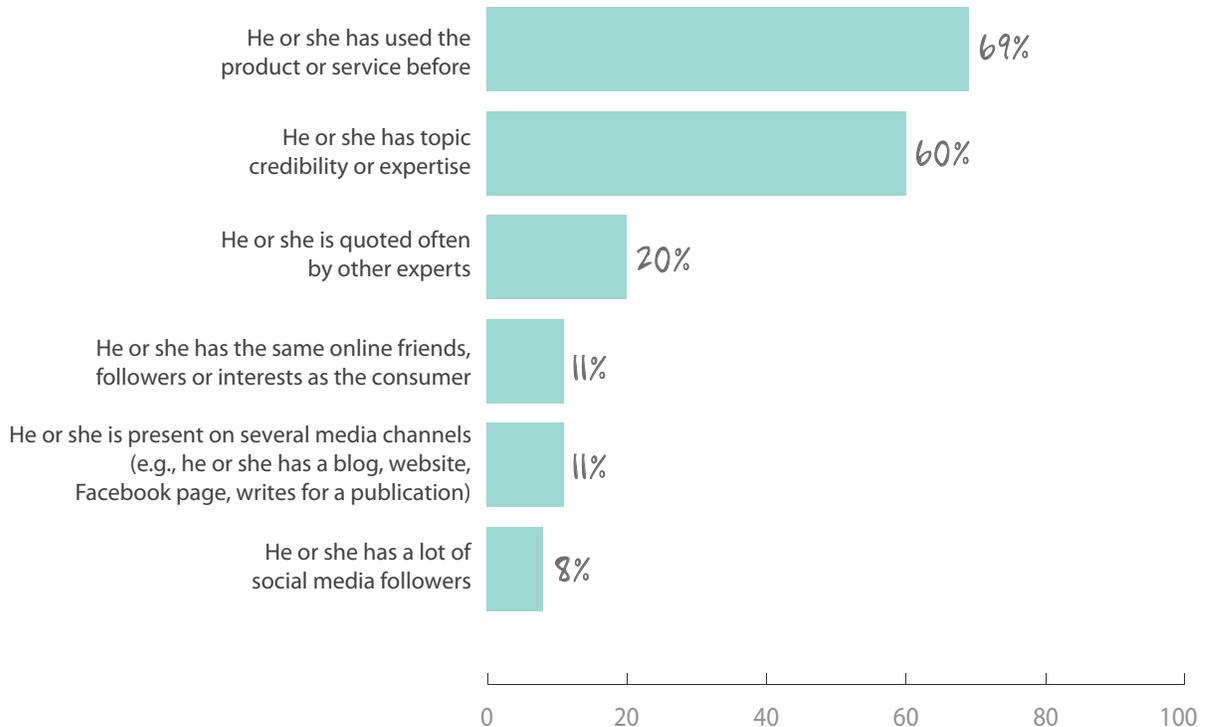
Easy access to the Internet sends more consumers online to verify purchase recommendations.



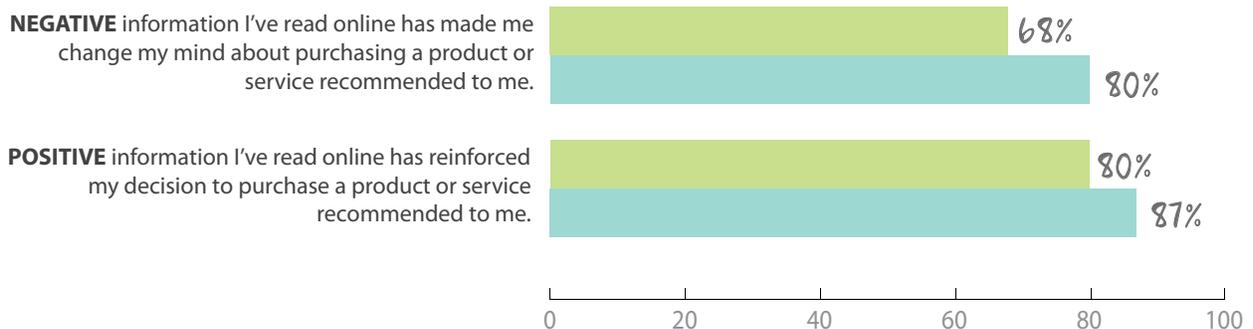
Consumers turn to product/service information and customer reviews, but blogs are gaining traction. Before deciding whether to purchase, consumers go online to:



Recognized experts with product/service experience are the most trustworthy online sources. Consumers say a source is trustworthy when:

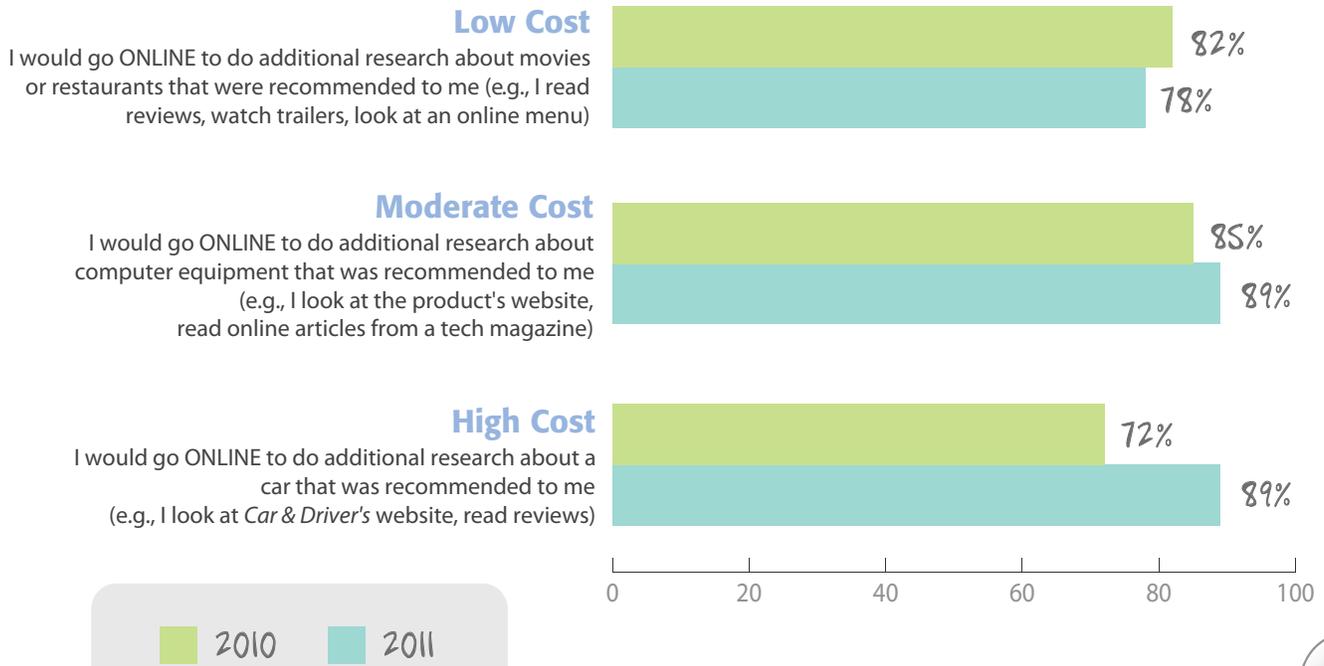


Negative information is just as powerful as positive in influencing consumers' purchase decisions.

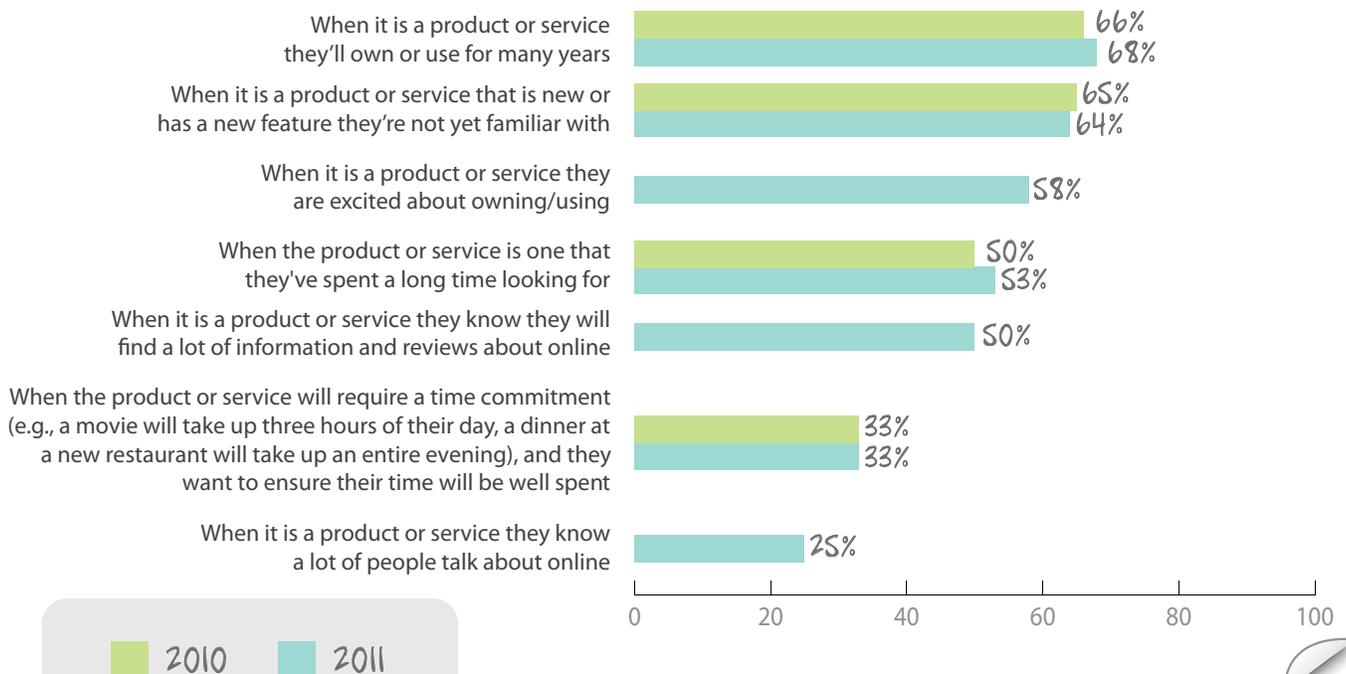


2010 2011

Consumers are increasingly careful to verify high-cost purchase recommendations online.



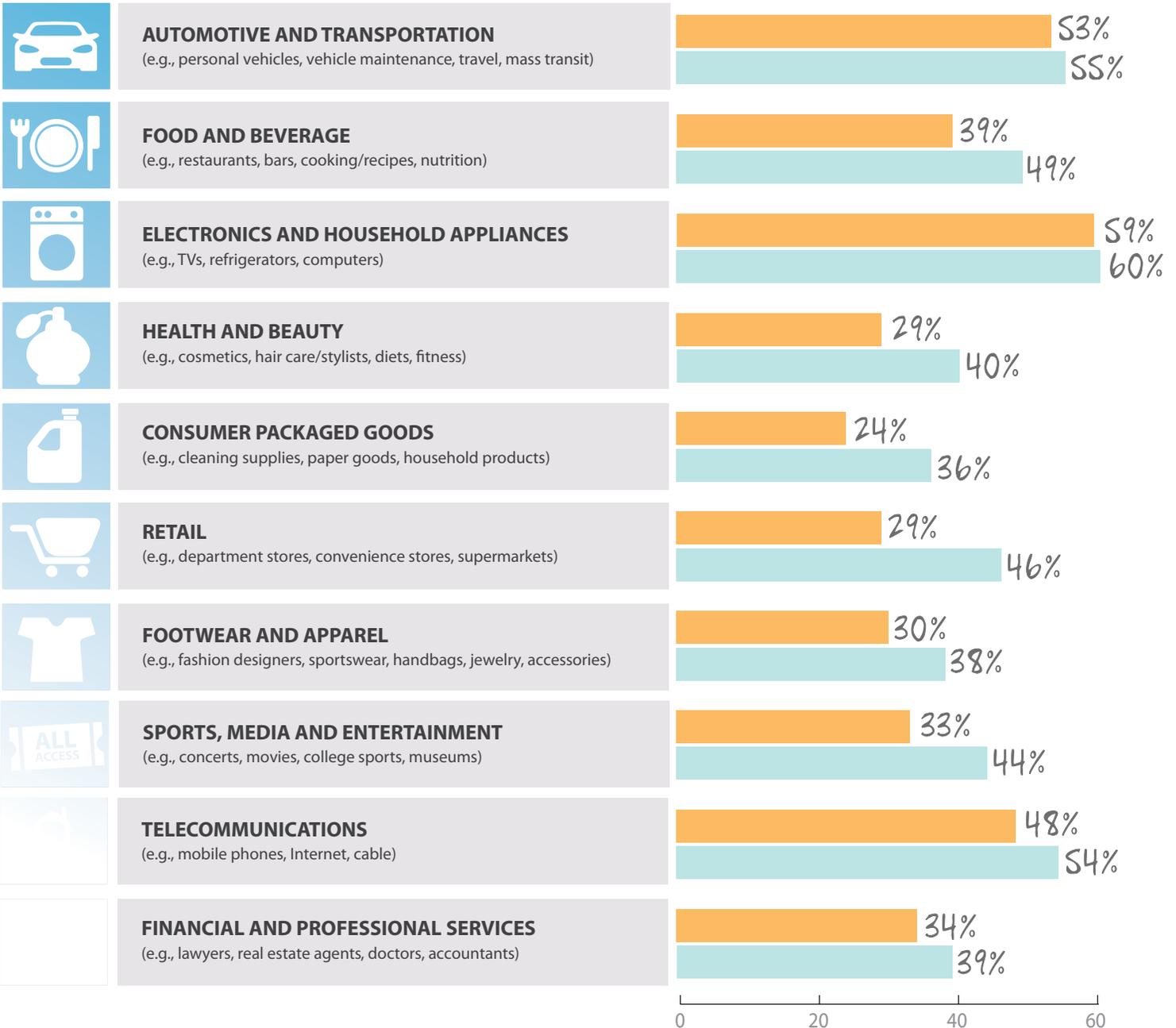
Consumers go online to verify a product/service recommendation:



Technical industries, such as electronics, automotive and telecommunications, most often require recommendation verification.

I go ONLINE to do research after receiving a purchase recommendation for a product or service in this industry.

The information I find ONLINE about the product or service in this industry is useful/relevant to what I'm looking for.



About the survey:

The 2011 Cone Online Influence Trend Tracker presents the findings of an online survey conducted June 27-29, 2011 by ORC International among a representative U.S. sample of 1,054 adults comprising 505 men and 549 women 18 years of age and older. The margin of error associated with a sample of this size is ±3%.