

2018

Ad Standards Research

Consumer Perspectives on Advertising



the gandalf group



Ad Standards™

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Introduction & Methodology

Research objectives:

- Track perceptions of advertising, acceptability of advertising
- Track the importance of standards and the role of Ad Standards
- Track perceptions of advertising by media, channel, platform
- Track perceptions of Influencer Marketing
- Update understanding of unacceptable ads
- Examine acceptability, truth and accuracy of ads from different industries

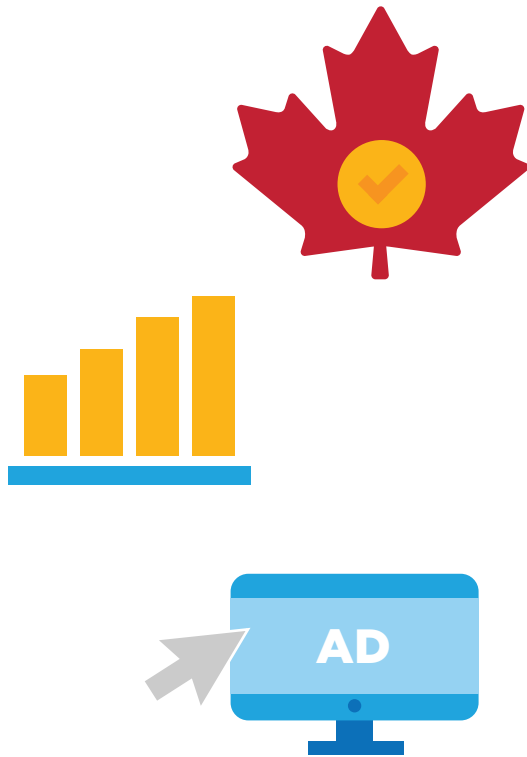


Online survey

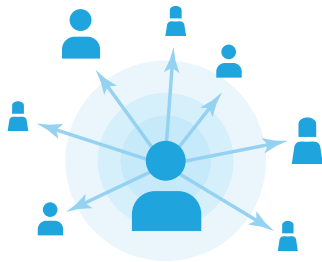
1,581

Canadians – a representative sample of adult Canadian population

Highlights



- Canadians continue to have a positive view of advertising. Most report a favourable impression of advertising and find it helpful to them as consumers. Many report that advertising provides value to them.
- The vast majority of Canadians (96%) believe it is very or somewhat important that there be rules and regulations for advertisers to follow, and this number has been increasing year-over-year. Most believe, correctly, that there are currently rules and regulations for advertisers.
- While awareness of Ad Standards is down in 2018, perhaps due to the recent name change, Canadians say they are more likely to trust an advertiser who is a member of Ad Standards or an ad that contains an Ad Standards stamp of approval.
- In a time when media consumption habits are rapidly shifting from traditional to digital media, it is interesting that consumers report higher comfort with truth and accuracy levels in traditional media than in digital. However, those under 35 years of age report more comfort with digital media than do other groups.
- Most consumers report that most advertising is acceptable to them, but when it comes to online advertising, they are more concerned about acceptable advertising. Those younger than 35 do not share this concern to the same degree as other groups.



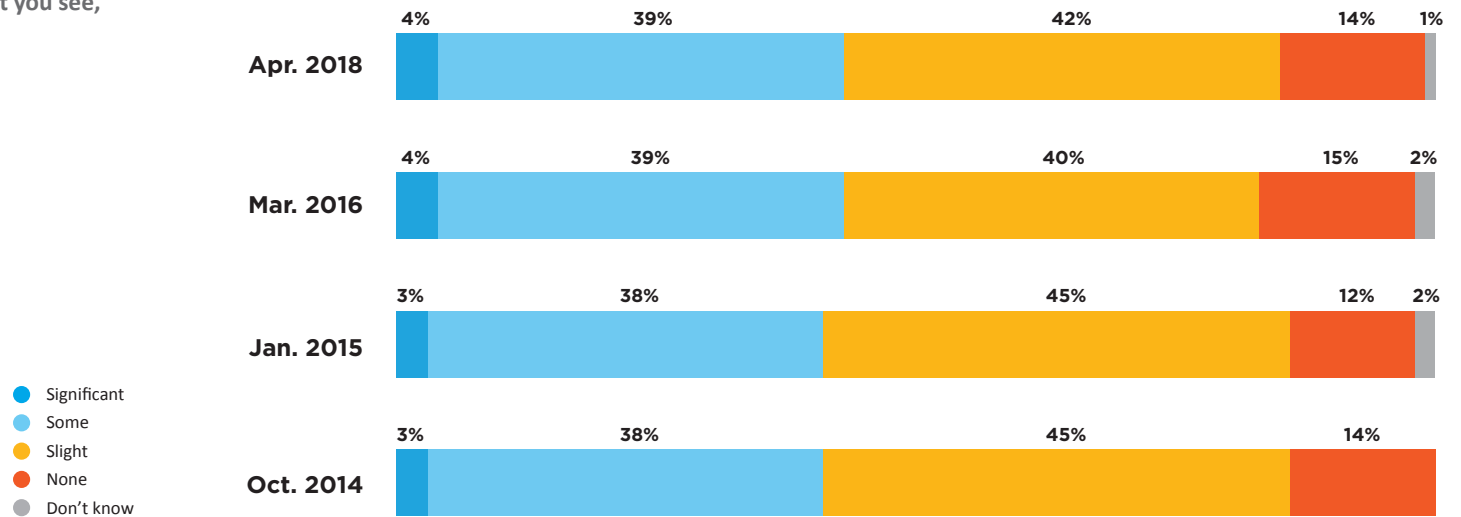
- Consumers' comfort level with truth and accuracy in advertising varies within the advertising sector. Consumers have more comfort with advertising by Retail Stores and Restaurant Chains than they do with advertising for health therapy advertising or search engines.
- Across all sectors, the most common reasons given for not trusting advertising was related to misleading claims or the sense that not all the costs or details have been made clear to the consumer.
- Consumer awareness of influencer marketing is somewhat higher in 2018 and younger Canadians continue to be more aware of this type of marketing. Those under 35 years of age continue to be more likely to purchase on the basis of an influencer's recommendation. Influencer marketing is as acceptable to consumers whether the influencer is well-known or not.
- Among those consumers who are familiar with influencer marketing, a majority believe that influencers do not have to disclose compensation when promoting a product and that influencer marketing is not regulated (education efforts are ongoing).
- At the same time, most consumers are in favour of transparency in advertising when it comes to sponsored products or product placement and that non-disclosure should have consequences.
- Canadians have mixed feelings about the idea of brands using advertising to reveal where they stand on important social issues. Canadians are more supportive of companies discussing specific steps they're taking rather than public statements in general support of a cause.

What Do Consumers Get from Advertising?



Consumers continue to say that advertising offers value.

? Generally speaking, how much value does the advertising that you see, hear or read offer you?



Total 2017 n=1526 | Total 2016 n=1564 | Total 2015 n=1052 | Total 2014 n=1275

1 Tracking Perceptions of Ad Acceptability

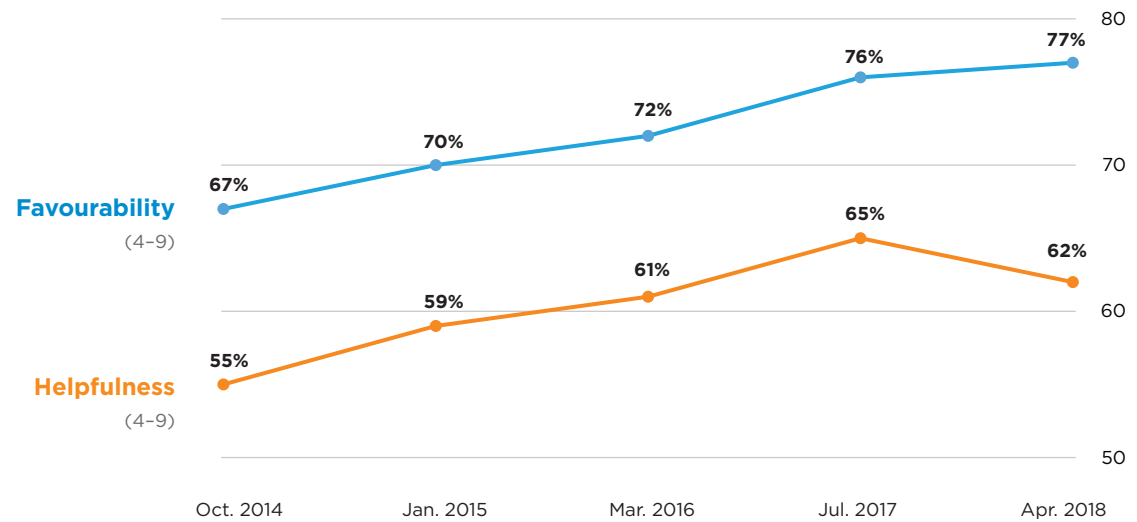


Attitudes Towards Advertising

- Since 2014, consumers have reported an increasingly favourable impression of advertising.
- Most find advertising helpful – consistent over two years and up since 2014.

? Generally speaking, how favourable is your impression of the advertising you see, hear or read?

? How helpful is the advertising you see, hear or read to your decision-making as a consumer?



Total 2018 n=1851 Total 2017 n=1526 | Total 2016 n=1564 | Total 2015 n=1052 | Total 2014 n=1275

2 Importance of Standards, Role of Ad Standards



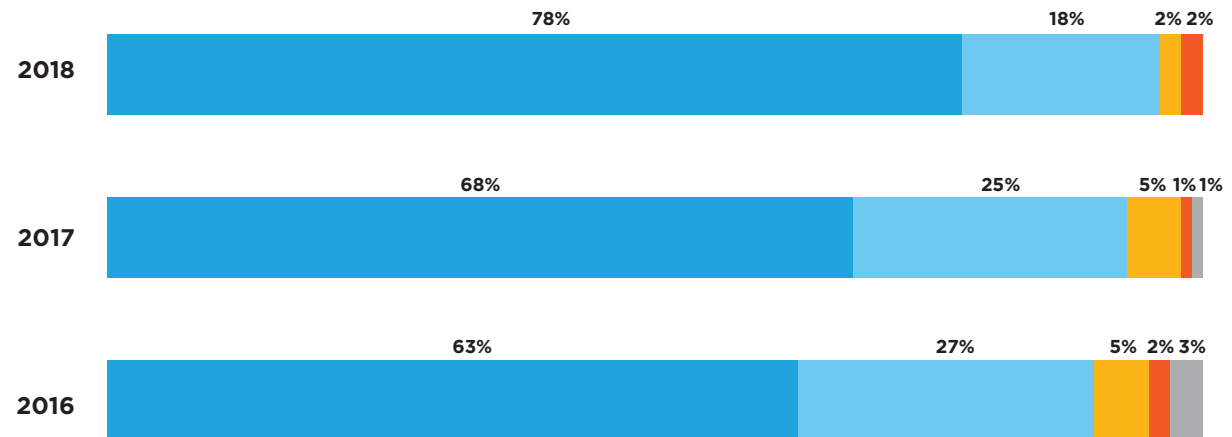
Standards: Importance of Rules & Regulations

- The vast majority of consumers believe there should be rules and regulations for advertisers to follow.
- The proportion saying this is "Very important" is up 15 points over two years.
- Millennials are less likely to say this (72%) while Seniors are far more likely to say it (87%).



In your opinion, how important is it to have rules and regulations that advertisers must follow? Would you say that it is...

- Very important
- Somewhat important
- Not very important
- Not at all important
- Don't know




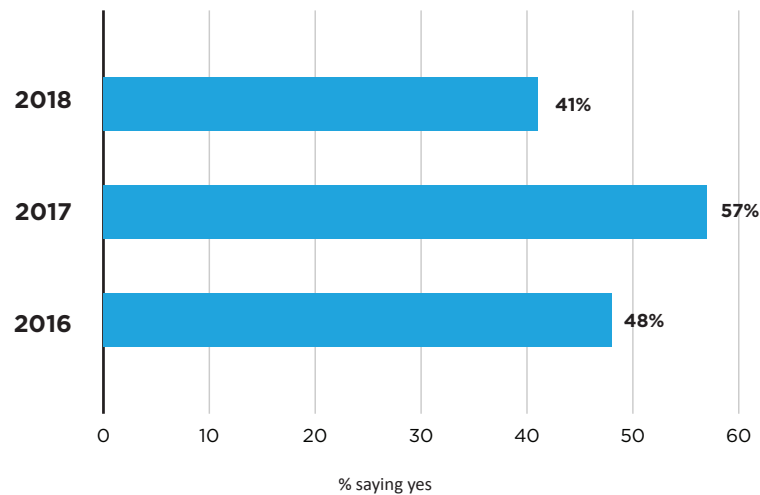
Total 2018 n=1851 | Total 2017 n=1526 | Total 2016 n=1564

Familiarity with Ad Standards

- Awareness of “Ad Standards” has diminished, but this may be temporary due to the organization’s recent name change. An Ad Standards PSA campaign promoting the name change is currently in market.
- However, the proportion that believes there are standards governing advertising has in fact increased over the same time.


Heard of Ad Standards?

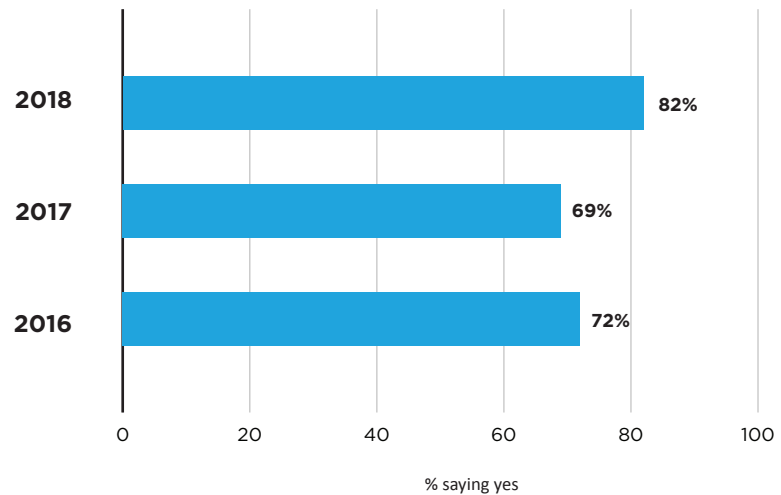
 Before participating in this survey, had you heard of Ad Standards?



Total 2018 n=1851 | Total 2017 n=1526 | Total 2016 n=1564

Are there rules advertisers must follow?

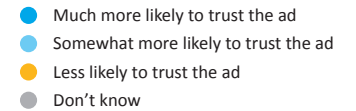
 To the best of your knowledge, are there rules and regulations about advertising that advertisers must follow?



Total 2018 n=1851 | Total 2017 n=1526 | Total 2016 n=1564

Trust in Ads Based on Association with Ad Standards

- Most Canadians say they would trust ads more if they knew the advertiser was a member of Ad Standards.
- Identical proportions said a visible Ad Standards stamp of approval would increase their trust in an ad.



Advertiser a member of Ad Standards



Would you be more or less likely to trust an advertisement if you knew the advertiser was a member of Ad Standards?



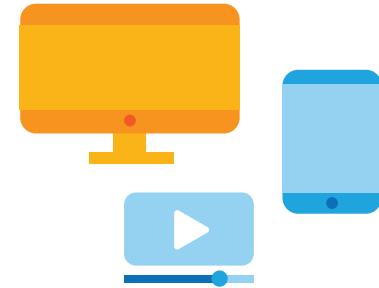
Advertisement with Ad Standards stamp of approval



If an advertisement had a stamp on it indicating it had been reviewed by Ad Standards, would you be more confident that you could trust what you read?



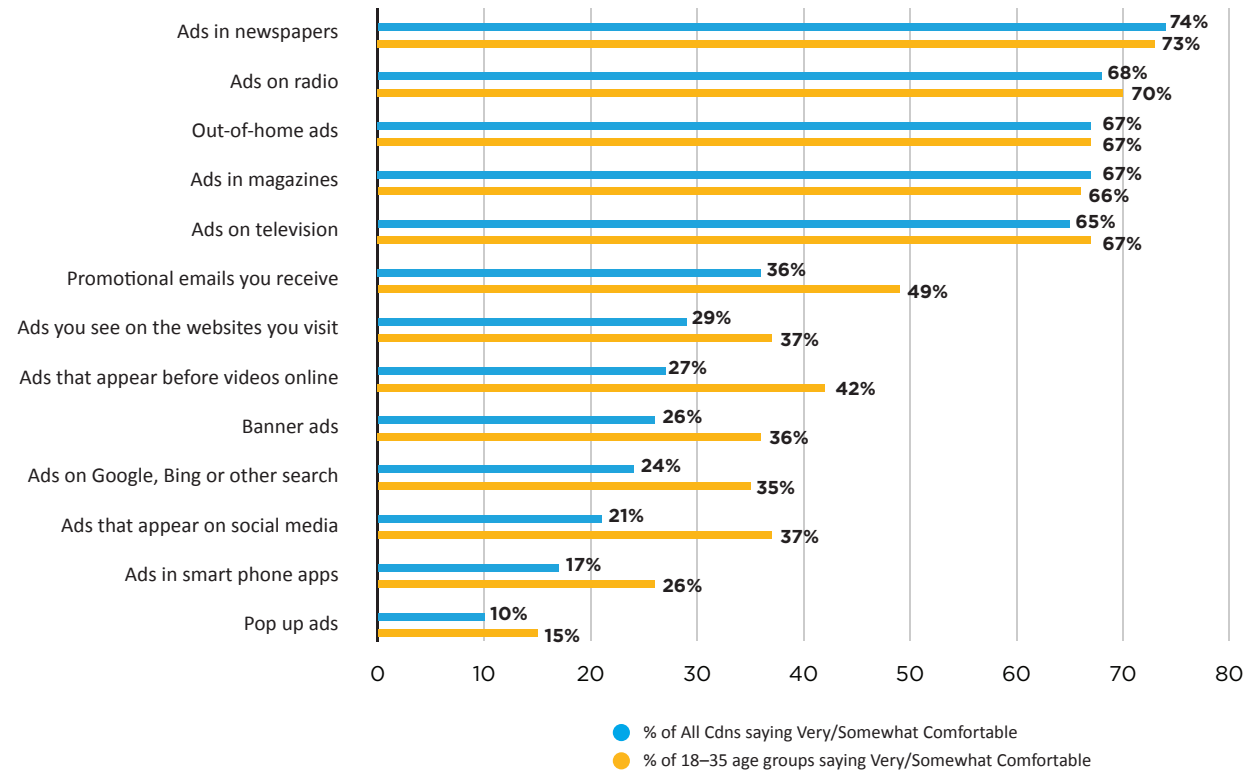
3 Media, Channel, Platform



Truth & Accuracy by Media

- Consumers remain more comfortable with ads in traditional media than ads in digital.
- Those aged 18-35 are significantly more comfortable with online advertising.

Thinking about advertising across different types of media, how comfortable are you with the levels of truth and accuracy in the advertising you read, see or hear for each of the following?



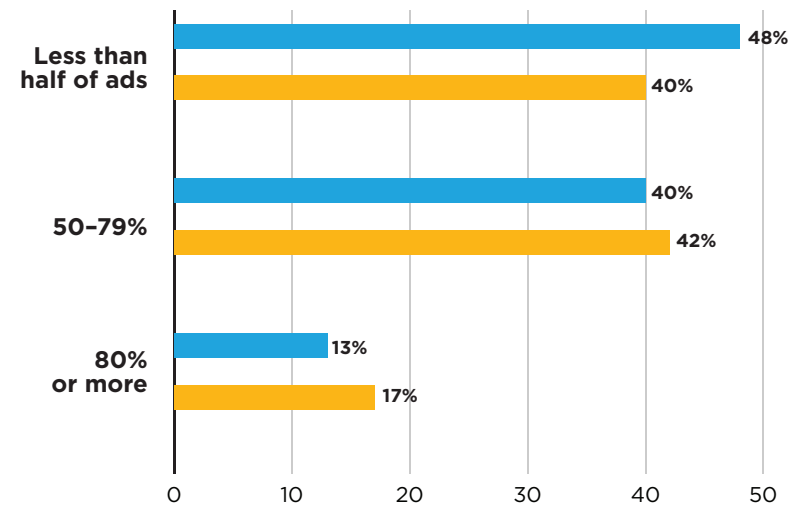
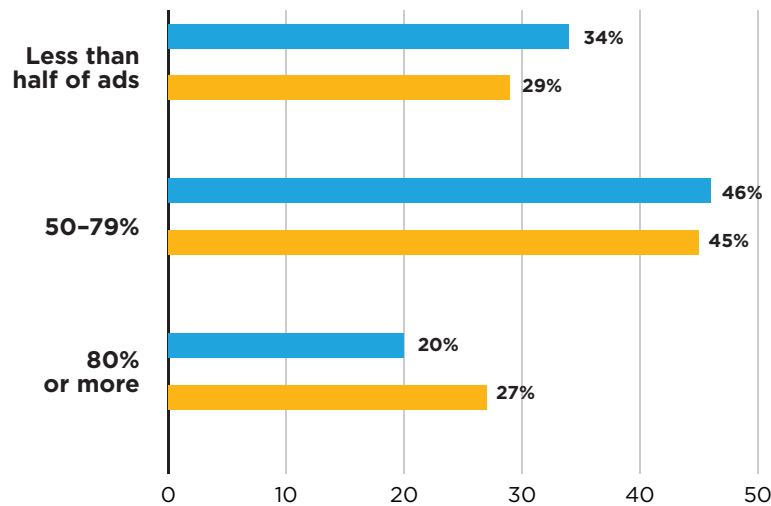
% of Advertising Canadians Think Is Acceptable, Truthful, Accurate

"What % of Canadian advertising... is acceptable to you because it is truthful, accurate and not misleading?"

And for ONLINE ads?

? What percentage of Canadian advertising that you see, hear or read is acceptable to you because it is truthful, accurate and not misleading?

? And the same for online ads. What percentage of Canadian online advertising that you see, hear or read is acceptable to you because it is truthful, accurate and not misleading?



● All Canadians ● Canadians Aged 18-35

- Most Canadians (66%) said most advertising they encounter is acceptable i.e. truthful, accurate and not misleading.

- Fewer Canadians said most online ads were acceptable (i.e. accurate, not misleading, truthful). Almost half (48%) said most online ads were unacceptable.
- Younger Canadians are more likely than others to say they find a large proportion of ads to be acceptable.

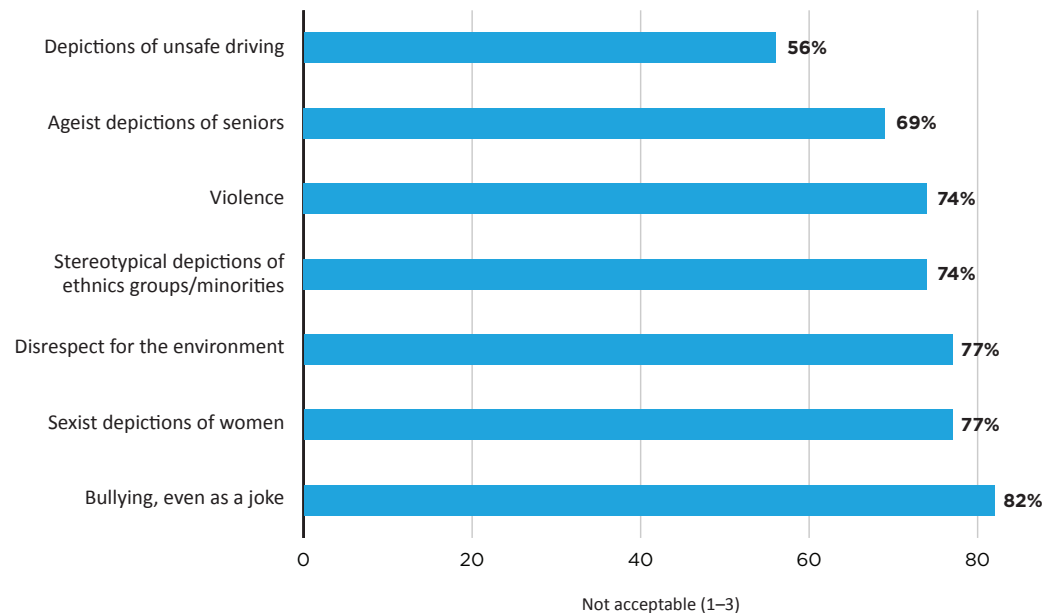
4 Unacceptable Ad Themes



Unacceptable Ad Themes

- As in 2013, a majority of Canadians told us they would consider various themes or portrayals to be unacceptable if they encountered them in advertising.
- Almost none would say the following are very acceptable – with bullying, as well as sexist depictions of women (as opposed to men), being among the least acceptable.

? On a scale of one to nine, where one is completely unacceptable and nine is completely acceptable, how acceptable would you personally find each of the following in an advertisement...

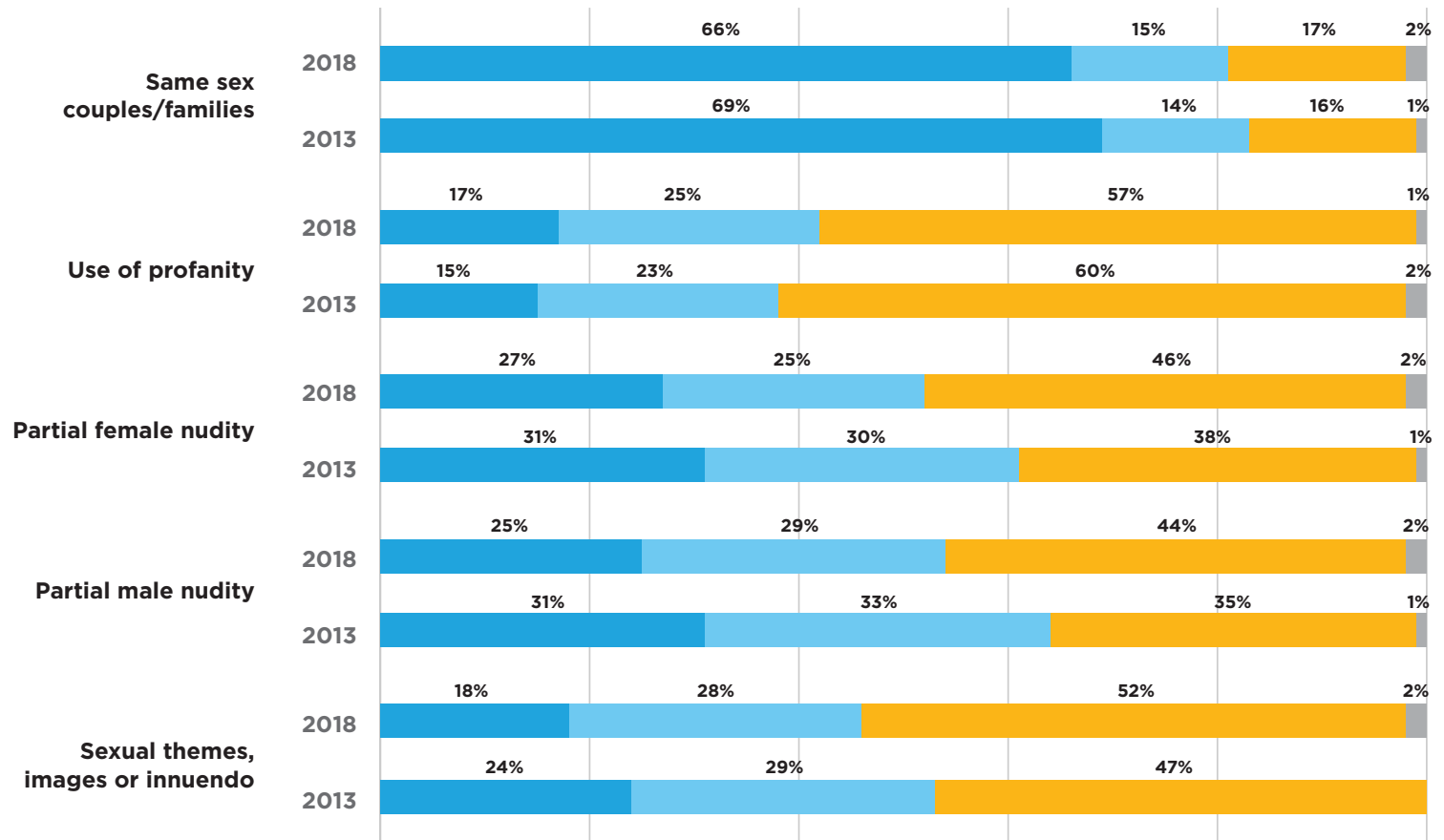


- Perceptions of what is unacceptable in advertising are mostly unchanged since 2013.
- There has been a change in respect to sexual themes and nudity. Significantly more said such themes or portrayals would be very unacceptable.



On a scale of one to nine, where one is completely unacceptable and nine is completely acceptable, how acceptable would you personally find each of the following in an advertisement...

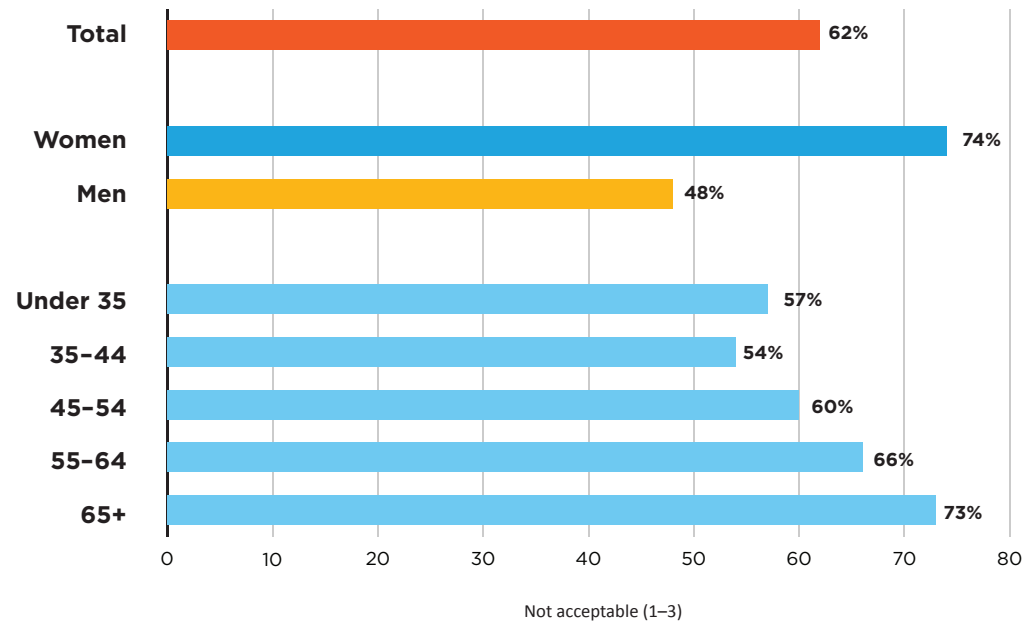
- Acceptable (7–9)
- Somewhat acceptable (4–6)
- Not acceptable (1–3)
- Don't know



Unrealistic Representations of Female Body Image

- Consistent with 2013 research, women are substantially more likely to say certain themes are unacceptable: i.e. partial nudity or sexual innuendo.
- Women are even more likely than men to say that unrealistic portrayals of the female body are unacceptable.
- Those under 45 were less likely than older Canadians to say this.
- As in 2013, those aged 18-35 were less likely than others to consider various themes or portrayals in advertising to be unacceptable: e.g. frightening content, profanity or violence.

? On a scale of one to nine, where one is completely unacceptable and nine is completely acceptable, how acceptable would you personally find images of female bodies that are unrealistic for normal women?



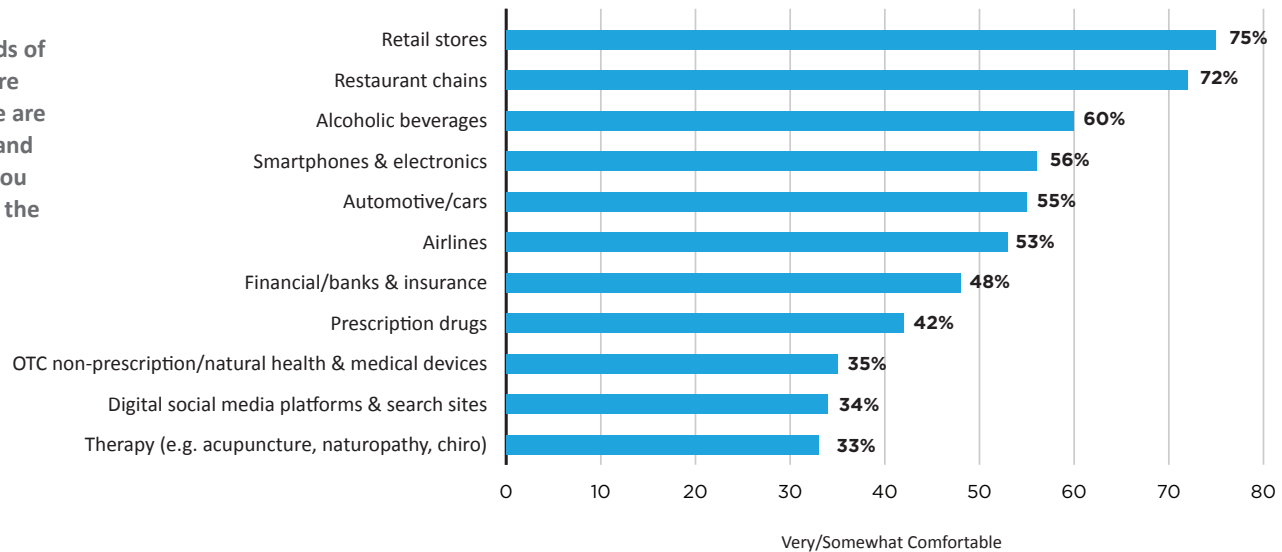
5 Acceptability by Industry



Trustworthiness of Ads by Industry

- There is a clear divergence in terms of trust in different industries' advertising.
- Most trusted are retailers and restauranteurs. Medical and social media brand advertising are least trusted, based on the general assessments of participants asked about advertising from each industry in general – as opposed to specific brands from each.

? Thinking about different kinds of products and services that are advertised, how comfortable are you with the levels of truth and accuracy in the advertising you read, see or hear for each of the following categories?

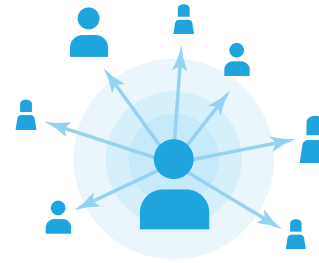




Trustworthiness of Ads by Industry

- The most common reasons given for not trusting advertising in different sectors relates to misleading claims.
- For automotive, retail, financial and health product advertising, hidden costs were also among the most common reasons given.
- For food and hospitality advertising, exaggerated claims about the quality of the product are more likely to be the reason.

Influencer Marketing



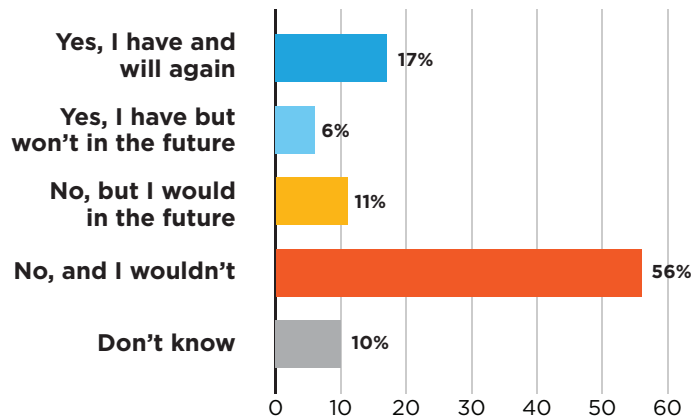
Influencer Practice

- Awareness of influencer marketing is somewhat higher this year. Most of the population is very or somewhat familiar with it – a 7% increase since 2017.
- There is a clear age skew, with Canadians aged 55 & older being relatively unfamiliar with influencers. Among those 18-35, nearly 3 in 4 are familiar with the practice.
- The proportion that has purchased as a result of an influencer’s recommendation has not increased significantly since 2017: 23% have, with most of them saying they will do so again. Among those 18-35, the proportion is higher – 35%.

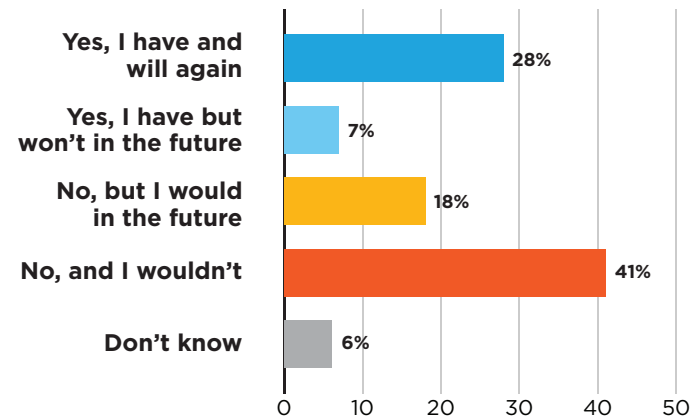


Have you ever purchased a product because of an influencer's recommendation before?

All Canadians

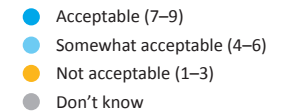


Canadians 18–35



Acceptability of Influencers

- Canadians are more likely to say influencer marketing seems unacceptable than very acceptable.
- Among those aged 18-35, the opposite is true: younger generations say influencer marketing is acceptable.
- Whether the influencer is a celebrity or not does not impact the acceptability of this type of advertising among older or younger generations.
- The survey found most Canadians think celebrity influencers – unlike bloggers or others – are always paid or compensated in some way for promoting or reviewing a product.

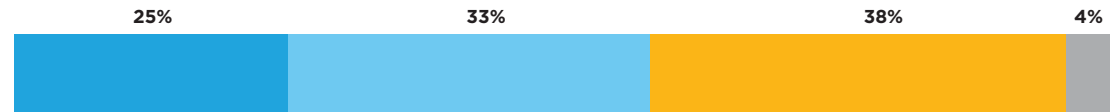


All Canadians

Acceptability of blogger influencer mktg (not a celebrity)



A show business celebrity or famous athlete influencer



Canadians 18-35

Acceptability of blogger influencer mktg (not a celebrity)



A show business celebrity or famous athlete influencer



How acceptable is this practice to you when it involves:

a) ...a show business celebrity or famous athlete?

b) ...a blogger or person with a social media account who is not otherwise a celebrity?

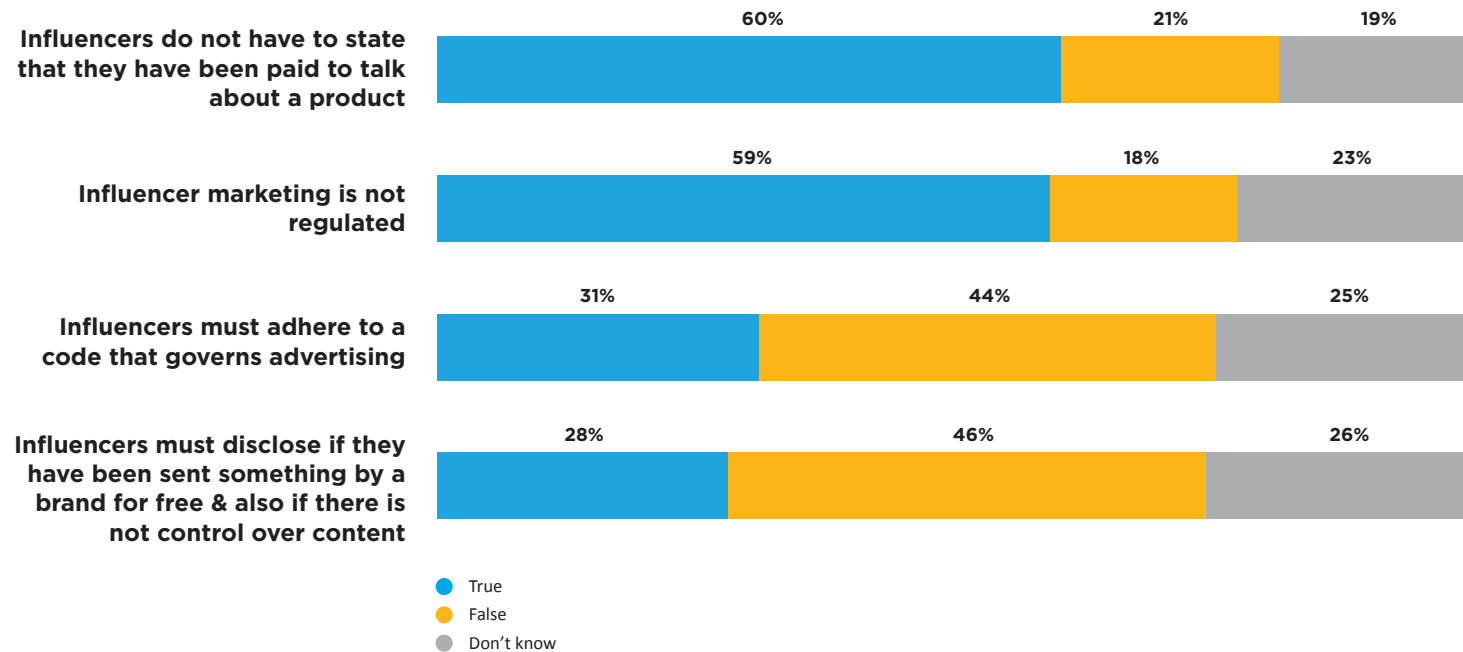
Please tell us on a scale of 1 to 9, where 1 means it is completely unacceptable and 9 means it is completely acceptable.

Influencer Code of Conduct

- Among the majority who are familiar with online influencers, most do not believe there is either regulation or requirement to disclose.



Please let us know if you believe the following statements are true or false regarding the rules and regulations surrounding influencer marketing?

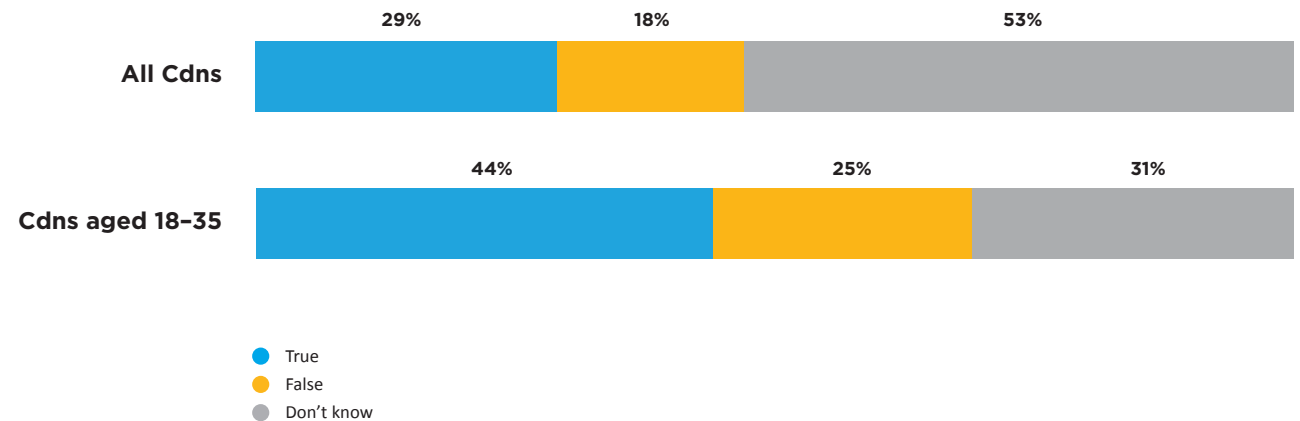


- Canadians aged 18-35 are more likely to be aware of influencer marketing; but most are not aware of hashtags that denote paid influencer marketing.
- In response to a separate question, 21% of all surveyed said they had seen or noticed #Sponsored or #Ad in posts. Among those aged 18-35, nearly four in ten recalled seeing those hashtags (39%).



Please let us know if you believe the following statements are true or false regarding the rules and regulations surrounding influencer marketing?

True or False: If influencers include "#ad", then they have been paid to promote

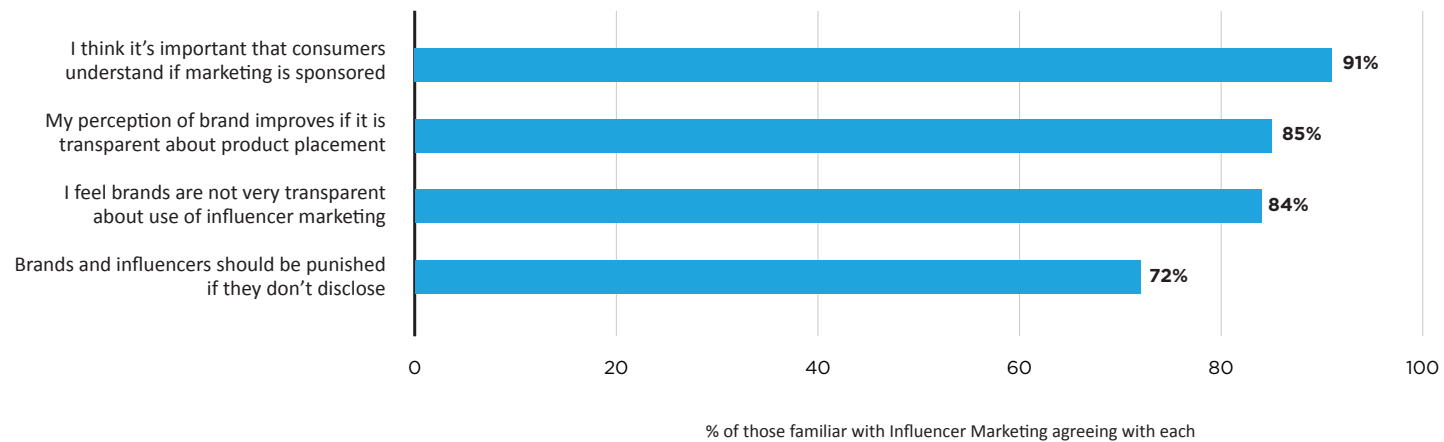


Transparency in Marketing

- The vast majority strongly or somewhat agree there should be transparency about sponsored ads.
- 72% agree non-disclosure should have consequences.
- Most said their view of brands would improve if there was transparency about product placement.



Please tell us whether you strongly agree, somewhat agree, somewhat disagree or strongly disagree with each of the following.



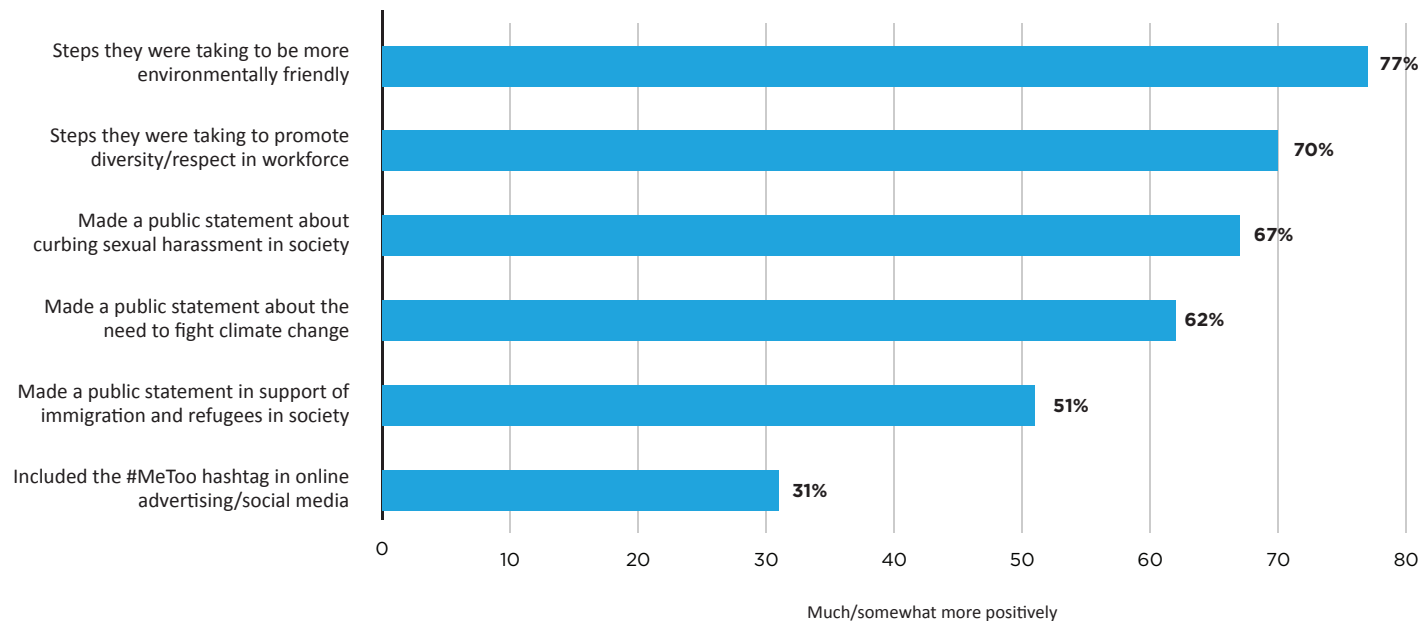
Social Responsibility Messaging



- Canadians have mixed feelings about the idea of brands using advertising to reveal where they stand on important social issues.
- A majority of Canadians are more supportive of companies discussing specific steps they are taking, rather than public statements in general support of a cause.
- In most cases, women were more likely to think positively about issues-based messaging.



We would like you to think about advertising you might see either from retail stores or online retailers and the products and brands they sell. These could be ones that you or your neighbors shop at and buy. How would you feel about any of those stores, retailers or brands if they discussed or made reference to each of the following in their advertising and social media posts?





About this Study

Conducted in 2018 by The Gandalf Group with a representative sample of 1,581 Canadians, this research continues Ad Standards' probing into consumer perceptions about advertising. This year, in addition to general views on advertising and perceptions of truth and accuracy of advertising across media types, we examined Canadians' perspectives on Influencer Marketing and Social Responsibility Messaging, and compared Millennials to the general population.

About Ad Standards

Ad Standards is Canada's national, independent, not-for-profit advertising self-regulatory body. We are committed to fostering community confidence in advertising and to ensuring the integrity and viability of advertising through responsible industry self-regulation. Ad Standards administers the *Canadian Code of Advertising Standards*, the principal instrument of advertising self-regulation in Canada, and a national mechanism for accepting and responding to consumers' complaints about advertising. Ad Standards Clearance Services reviews creative and offers consultative services in five categories, to help ensure advertising complies with relevant regulations.

About The Gandalf Group

The Gandalf Group is a Toronto-based consulting firm that provides expertise in public opinion research, strategic communications and issues management.

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