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Sydney, Australia



AUSTRALIAN ONLINE SEARCH HABITS 2006

EXECUTIVE SUMMARY **OCTOBER 2006** COMMISSIONED BY NETWORK PR AND CONDUCTED BY GALAXY RESEARCH





ABOUT THE REPORT

In July 2006 Network PR discussed with independent research agency Galaxy Research the concept of conducting a survey into Australians' internet search habits. The outcome was an online survey, *Australian Online Search Habits 2006*. Conducted online from 14 -18 September 2006, it asked a series of questions of Australians aged 18-64 years with access to the internet. Galaxy Research presented the results of the survey to Network PR in late September 2006.

The survey findings indicate that the Australian online population has embraced the use of the internet as a source of information and the internet is now a 'mainstream' media being used regularly for news, news updates, and product research. Key findings included:

- The internet is challenging traditional media as a source of news and current events with 66% of online Australians turning to the internet for news updates in preference to TV, radio, newspapers or magazines.
- The internet is the most popular source of information about specific products or services, with 96% of online users turning to the internet for this purpose.
- Travel and Accommodation, Personal Electronics and Motor Vehicles are the leading consumer categories searched.
- When searching online for product and service information, 85% use a search engine with only 15% going directly to a known website.
- More than half (55%) of those online use search engines for personal use on a daily basis.
- The online population has a good understanding of the difference between natural (or 'organic') language search results and sponsored or paid links, with 92% saying natural language results are more likely to be relevant.
- When searching, most internet users view the first three pages only (79%).
- Regular (weekly or more) Blog interaction is low at 14%, web casts 7% and pod casts 5%. Discussion forums - the more established of the interactive medium is strongest at 22%.

The internet has cemented its place as an integral resource for gaining information on news, consumer goods and services.

The report highlighted that Australians are mature online searchers, have a good understanding of the role of search engines, and can differentiate between paid and natural language search results.





BACKGROUND

This research was undertaken because there is a paucity of research about the internet habits of online Australians.

In reading this Executive Summary it should be noted that Australia - according to the 'Information Economy Index 2006' produced by the Department of Communications of the Australian Government - is ranked among the top three countries in the world for internet connectivity. More importantly, its rate of growth is faster than most other countries.

'Information Economy Index 2006' states:

PERCENTAGE OF HOUSEHOLDS ONLINE

IE INDEX	2006	2004	2003
Sweden	69	66	63
US	68	68	60
Australia	65	56	54
Canada	63	64	59
UK	63	58	52
Germany	54	47	43
Italy	52	46	41
Japan	50	39	36
Spain	44	42	30
France	40	31	27

(Nielsen/NetRatings)

PERCENTAGE OF PERSONS WITH INTERNET ACCESS VIA A HOME PC

IE INDEX	2006	2004	2003
Sweden	74	70	69
US	74	70	64
Australia	66	59	57
Japan	57	47	49
UK	57	50	50
Germany	54	49	44
Italy	50	43	50
Spain	38	35	27
France	37	33	26
Canada	na	68	57

(Nielsen/NetRatings)

PERCENTAGE OF PERSONS 16 YEARS AND OVER WITH INTERNET ACCESS FROM ANY LOCATION

IE INDEX	2006	2004	2003
Sweden	89	89	85
Australia	86	84	72
US	82	83	78
Canada	78	79	73
UK	77	80	68
Germany	68	67	58
France	67	63	56
Italy	65	60	55
Spain	64	62	47
Japan	41	33	32

(Nielsen/NetRatings)

Other figures show that research into the internet habits of online Australians is timely:

- Australian search engine advertising spend in 2005 - \$124,000,000
- Australian search engine advertising growth, 2005 v 2004 - 77%

Source: Frost & Sullivan 'The Australian Paid Search Industry 2006'.

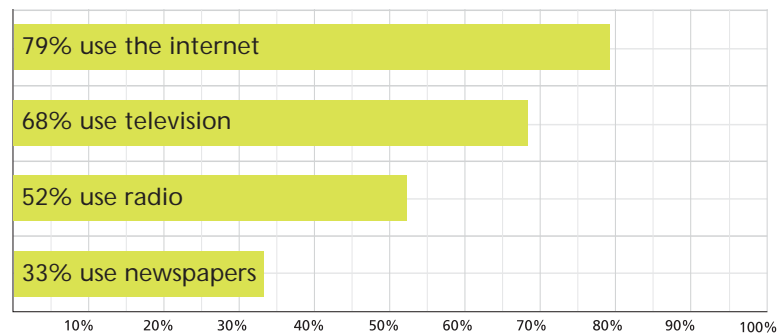


KEY RESEARCH FINDINGS

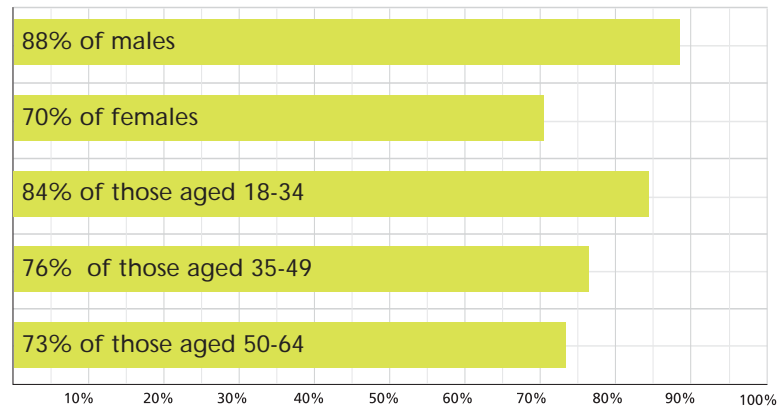
Use of the Internet



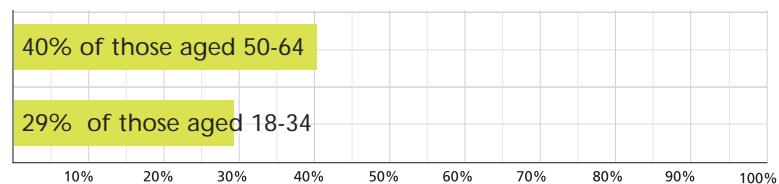
- Online Australians have embraced the use of the internet as a source of information. As a daily source of information:



- The pattern of those using the internet as a daily source of information varies by group:



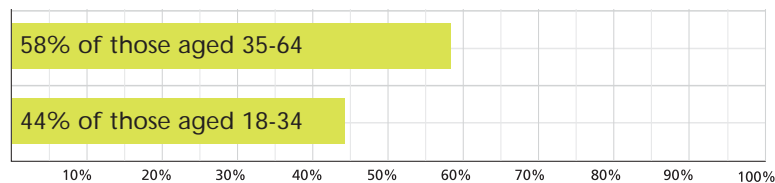
- This contrasts with patterns found for traditional media. Newspapers are used daily as a source of information by:



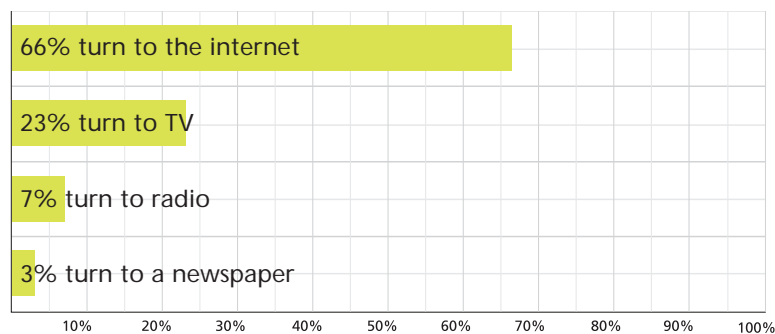
KEY RESEARCH FINDINGS



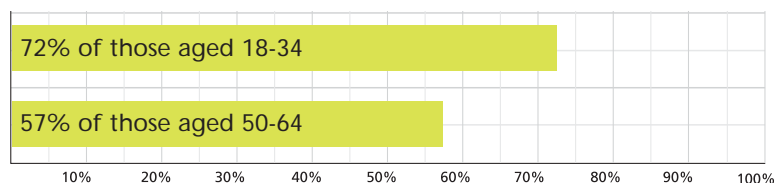
- The radio is used daily as a source of information by:



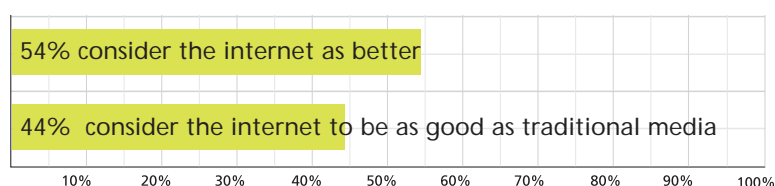
- The internet is challenging traditional media as a source of news and current events. When online Australians want information or an update about a news story or current event:



- Use of the internet as a source of news and current affairs is most prevalent amongst the young, but is still heavily used by older audiences. The internet is the primary source of information for:



- The increasing acceptance of the internet as simply another media channel is evident by the fact that when online Australians are asked how they consider internet compared to traditional media (TV, newspapers, radio and magazines):



Note: These are 'headline' results only. More in-depth analysis on each of the above is available by a series of demographic variables e.g. sex, age, location, household income.

KEY RESEARCH FINDINGS

Search Engine Usage




- When looking for new information about products or services on the internet very few online Australians use the specific URL of a manufacturer or supplier - most choose to use a search engine:
 - 85% ▶ use a search engine to find what they want
 - 15% ▶ go direct to a website by typing in the web address
- Among online Australians who search for information online about products and services:
 - 50% ▶ use a search engine to find information and sites relevant to a product or service
 - 35% ▶ use a search engine to find a specific manufacturer
 - 15% ▶ go direct to the website of a manufacturer by typing in their web address
- Search engines are used for a variety of purposes:
 - 70% ▶ to check an item to make sure it meets their needs
 - 63% ▶ to compare prices and pick a store to buy
 - 60% ▶ look for reviews of items they are considering buying
 - 46% ▶ look for the lowest prices
 - 44% ▶ check out advertised items

Note: multiple answers
- Online Australians use search engines for personal use frequently:
 - 93% ▶ use them at least once a week
 - 55% ▶ use them daily
- Work use is also common by online Australians who work full time:
 - 76% ▶ use a search engine at least once a week
 - 45% ▶ use a search engine daily
- Personal use of search engines daily by the online population increases with household income:
 - 68% ▶ among those with a household income over \$70,000
 - 49% ▶ among those with a household income of \$40-\$70,000
 - 48% ▶ among those with a household income of under \$40,000

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KEY RESEARCH FINDINGS

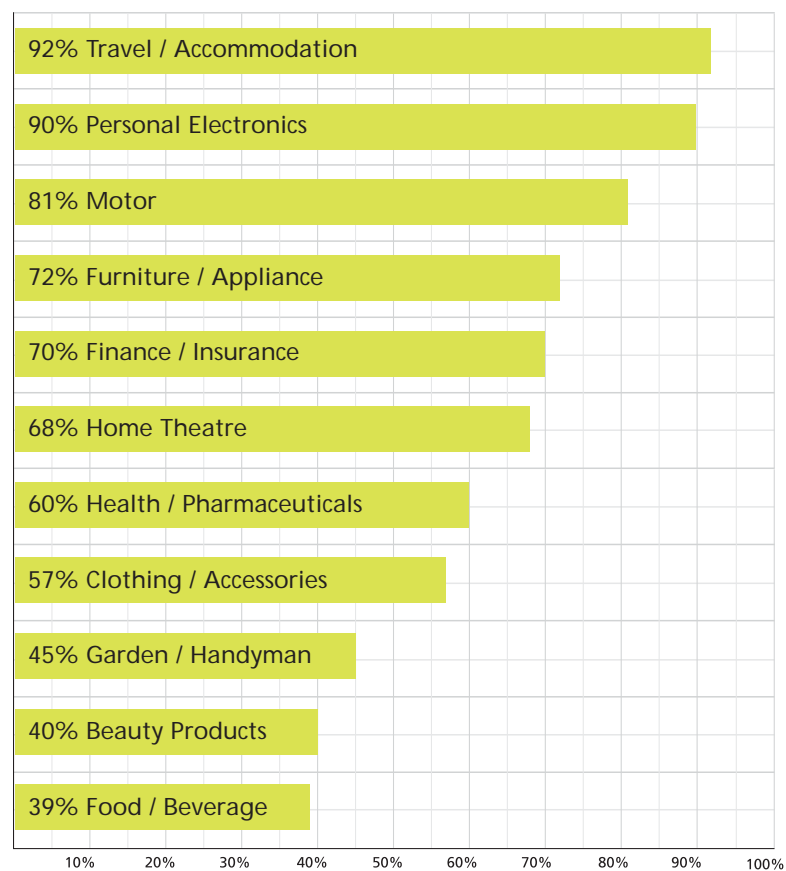
Sponsored Vs Natural Language (Organic) Results

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- Online Australians overwhelmingly click onto a natural (sometimes called organic) search listing as opposed to sponsored listings:
 - 85% ▶ of clicks are on natural or organic listings
 - 15% ▶ of clicks are on sponsored links
 - They are well aware that organisations pay to be listed in the sponsored link section on search engines:
 - 71% ▶ recognise 'sponsored' listings as paid for by organisations
 - Natural language (organic) results are more powerful than sponsored links for a number of reasons:
 - 92% ▶ consider them to be more relevant to their enquiry
 - 88% ▶ are more likely to trust them
 - 88% ▶ are more likely to be influenced by them
 - Most online Australians don't go past the first three pages (30 natural or organic listings) when searching. In a typical search:
 - 20% ▶ only the first page is viewed
 - 52% ▶ only the first one or two pages are viewed
 - 79% ▶ three pages or less are viewed

KEY RESEARCH FINDINGS

Leading Categories Searched

The internet is being heavily used for researching products and services. The popularity of consumer search categories is as follows:



PERCENTAGE OF RESPONDENTS SEARCHING THIS CATEGORY

Some items, such as travel and personal electronics, are equally popular among men and women, the young and old alike, while other topics are more popular among specific groups within the community e.g. those over age 50 are heavier searchers of health and pharmaceuticals and those under 34 are heavier searchers of clothing and accessories.

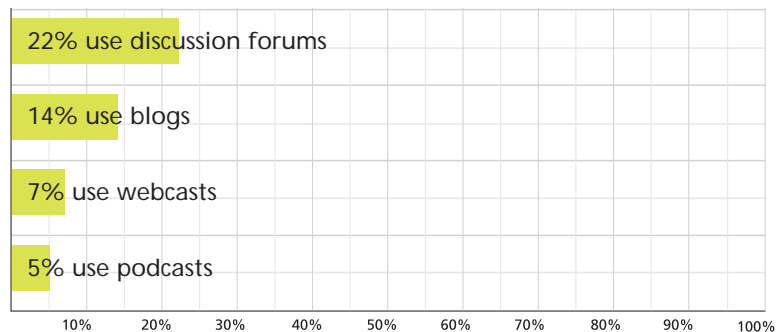
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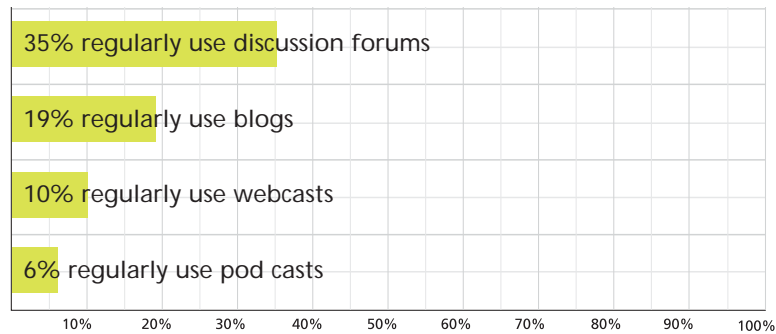


New Media Tool Usage

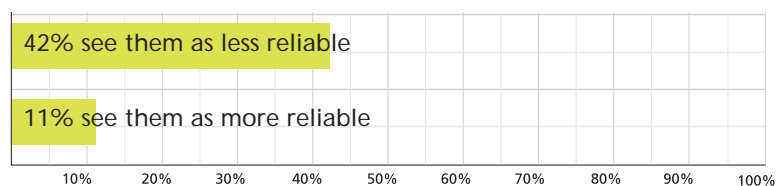
- Uptake of new media tools is still at an early-adoption stage in Australia. The proportion of online Australians who regularly access these tools (once a week or more) is currently:



- Uptake of all four sources of information is occurring most rapidly amongst 18-34 year olds. Amongst this segment:



- Online Australians do not view blogs as a particularly reliable source of information. Compared to the information found through search engines:



Note: These are 'headline' results only. More in-depth analysis on each of the above is available by a series of demographic variables e.g. - sex, age, location, household income



ADDITIONAL INFORMATION

Methodology

Galaxy Research designed the questionnaire which was then conducted online with 302 internet users aged 18-64 years of age. The sample, and data from the fieldwork, was stratified by age, sex, and geography to match the profile of Australian internet users.

Fieldwork commenced on 14 September and was completed 18 September 2006.

The Full Research Study

This is an Executive Summary of the research undertaken - giving only headline results.

The full 43 page report provided by Galaxy Research provides a wealth of detailed information about the internet habits of online Australians analysed by a series of demographic variables.

Network PR is happy to share that information with marketers who recognise that the web has become another media channel and who wish to engage in natural search marketing campaigns.

More Materials

Network PR has also produced a White Paper:



BEING FOUND IN WEB SEARCHES VIA NATURAL LANGUAGE SEO

Why it's now time for the marketing department to have a say in corporate web site management

The White Paper, a range of other materials relating to New Media and natural search results, and a description of the services available from Network PR can be accessed at our web site - www.networkpr.com.au

ADDITIONAL INFORMATION



Galaxy Research

Formed in 2004 by principals David Briggs and Jerry Berowne, Galaxy Research provides high quality quantitative and qualitative research to a diverse range of commercial clients. It is well known for its political polling - in particular for accurately forecasting both the last Federal and Queensland election results. Further information on Galaxy Research can be found at www.galaxyresearch.com.au



Network PR

Network PR is a Sydney-based PR agency which has a specialist unit that applies research-based web content, media, publishing and distribution strategies to give organisations the optimum ranking in 'natural' listings on key search engines.

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