



**U.S. Adults
Word of Mouth Communication Study**

march 2006

conducted and prepared by
lucid marketing

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executive summary

Word of mouth marketing has received considerable attention from the business world as a means for driving successful marketing campaigns. Lucid set out to examine if there were differences in behavior when it comes to conveying word of mouth, among various demographic groups of U.S. adults. This report highlights the differences and similarities that were uncovered.

When examining the number of contacts people make, men make more daily contacts than women, use email more often, and are more likely to create a web site. On the other hand, women are more likely than men to recommend a business or product. And they are more likely to visit a message board or chat room daily. These results might be linked to the fact that more men are employed full-time than women.

Full-time employment status proved to be an indicator pointing to more daily contacts. In fact, adults employed full-time make as many contacts per day as part-time workers and those staying home combined! Adults who make the most contacts are 1.) full-time working men with no kids, 2.) full-time working moms, and 3.) full-time working women with no kids. However, individuals not employed, who stay home, are more likely to visit a chat room or message board daily, possibly to seek the social interaction they are missing.

It was discovered that as household income rises, so do the number of contacts a person makes daily. This increase corresponds to a higher use of email. Conversely, as income rises, the use of instant and text message declines. Additionally, households with middle income between \$30K and \$99K are more active in creating blogs and web sites. Lower-income households are less likely to convey positive word of mouth. Marketers have traditionally targeted household incomes of \$75,000+ to reach affluent audiences. However, the research indicates no apparent increase in word of mouth activity for people with incomes between \$75,000-\$90,000. Rather, the results show an acceleration in the likelihood to spread word of mouth for people with household incomes of \$100,000 and more.

executive summary (cont.)

When comparing generations, word of mouth is greatly influenced by technology advancements.* Gen X makes the most amount of daily contacts, but by small margins when compared to Gen Y and Boomers. Gen X tends to use email more often, while Gen Y chooses instant and text messaging more than others.

As expected, younger generations produce more of their own online personal media. Interestingly, SilverBirds have more activity on message boards and chat rooms than Boomers, which might be to reconnect with family and friends they don't see as often anymore. Gen X and Boomers are more likely to spread positive word of mouth.

Although men have more daily contacts than women, they speak in-person and on the phone in nearly equal amounts. Similarly, blog ownership is nearly equal between men and women, contrary to public perception.

Full-time and part-time workers build web sites, own blogs, and visit message board and chat rooms in equal amounts. Full-time and part-time workers also are equally likely to recommend a business or product.

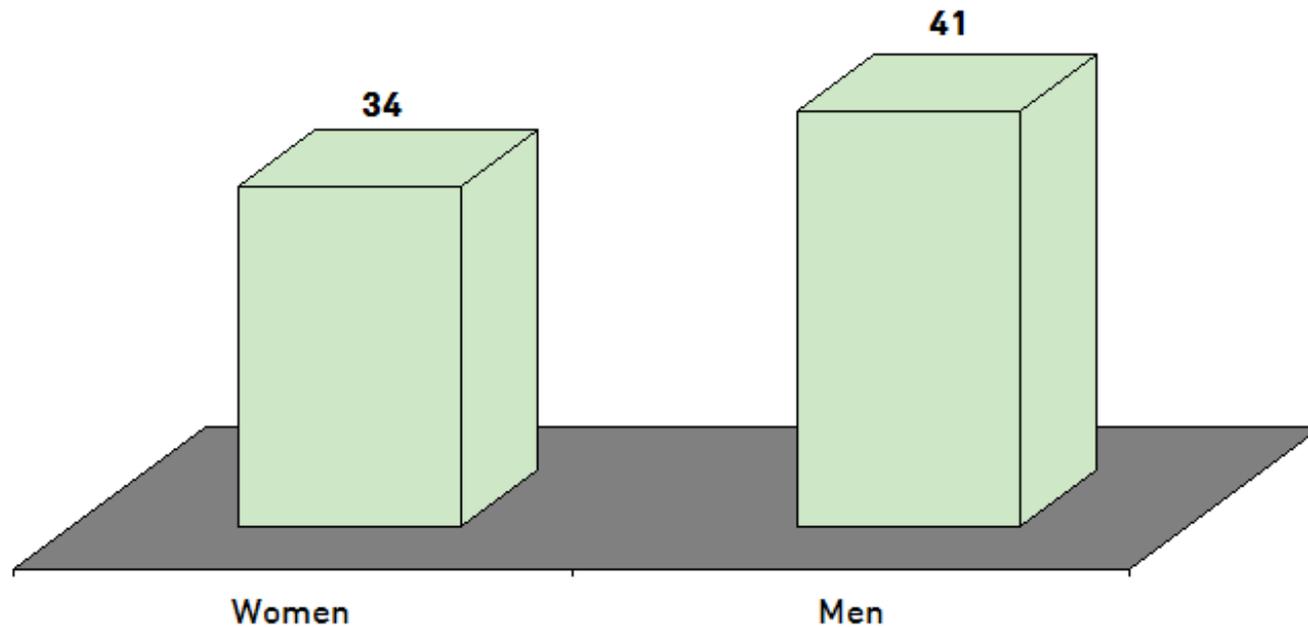
The average number of contacts per day across Gen Y, Gen X, and Boomers is relatively consistent, especially noted for contacts made by phone.

In summary, employment status and household income play a large role in the amount of word of mouth activity. However, when determining word of mouth behavior, other factors also have an impact such as generational differences and gender.

* sample sizes for adult Gen Y and Silverbirds were limited in size for this study, thus likely require further validation.

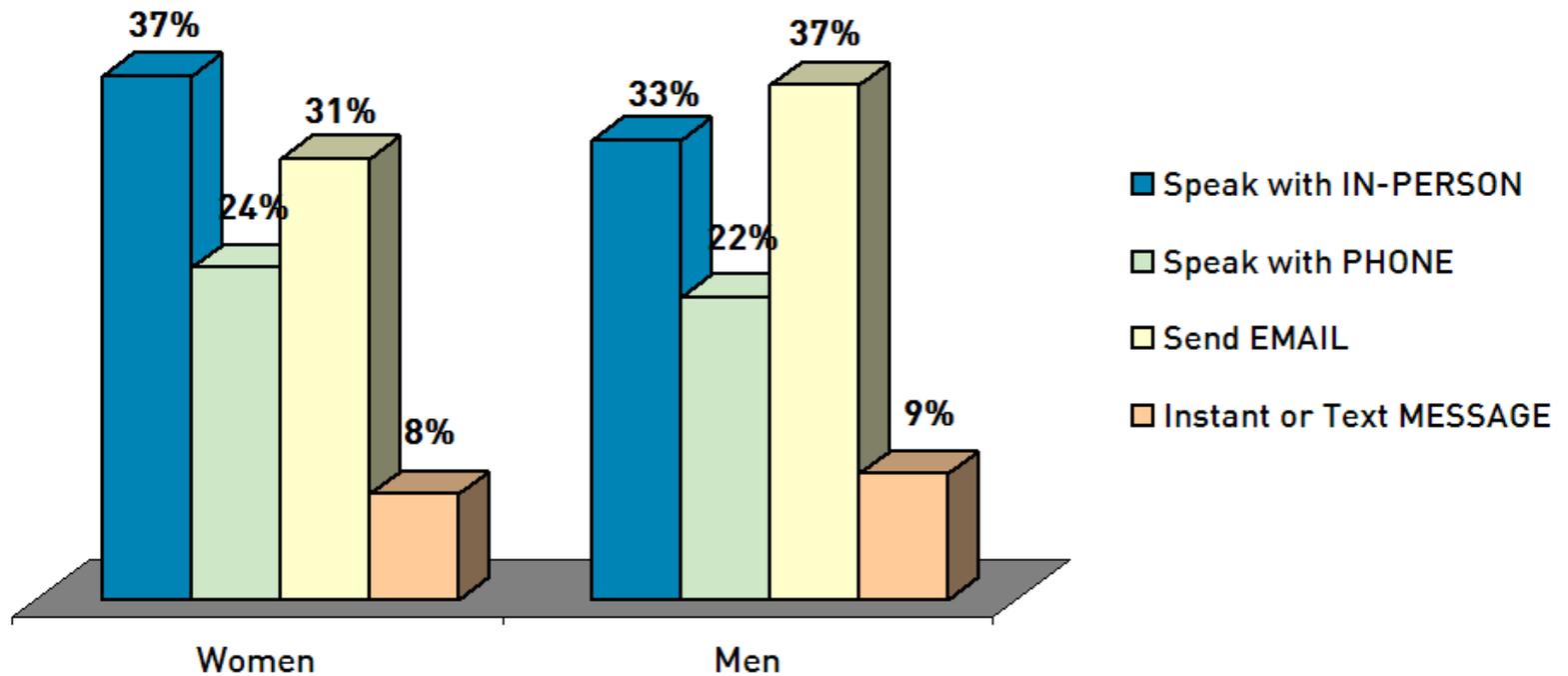
gender differences
women vs. men

gender differences
average number of contacts per day



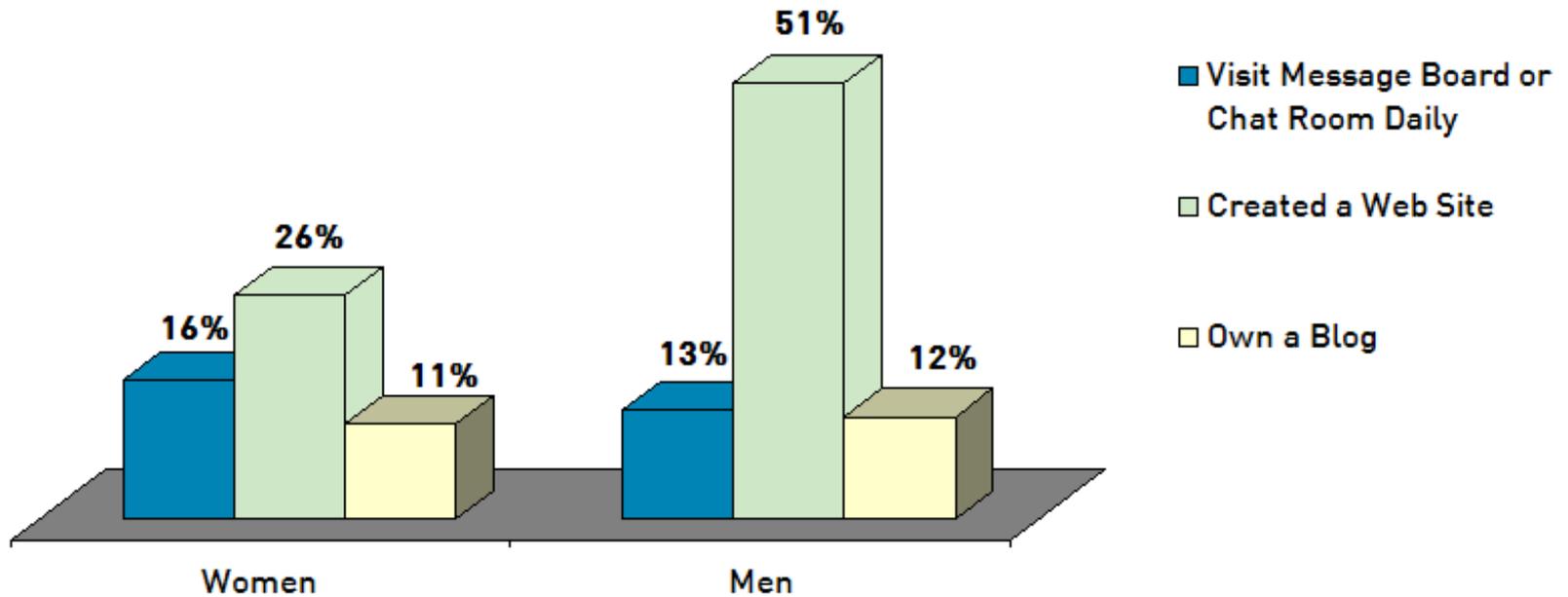
- On average, men contact more people per day than women.

gender differences
how contacts are made



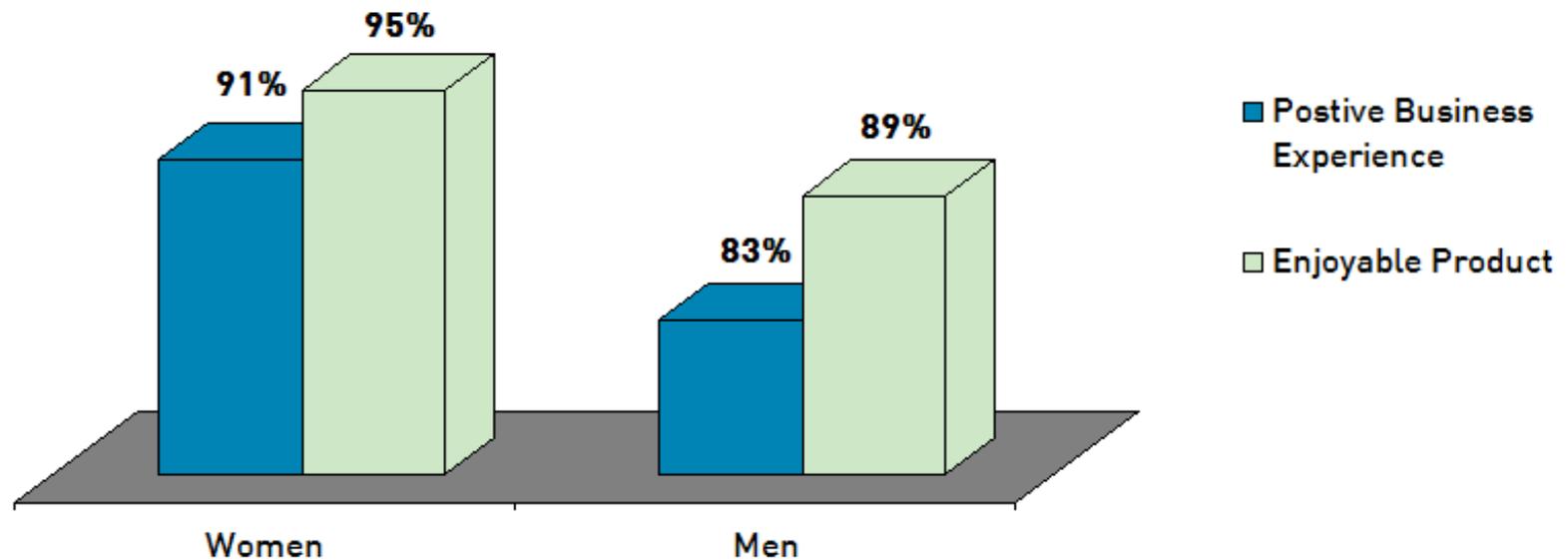
- Men use more email and women appear to prefer personal, spoken face-to-face communications.

gender differences
consumer-created media



- Men are more likely to have created a web site.
- Women are more likely to visit a message board or chat room, daily.

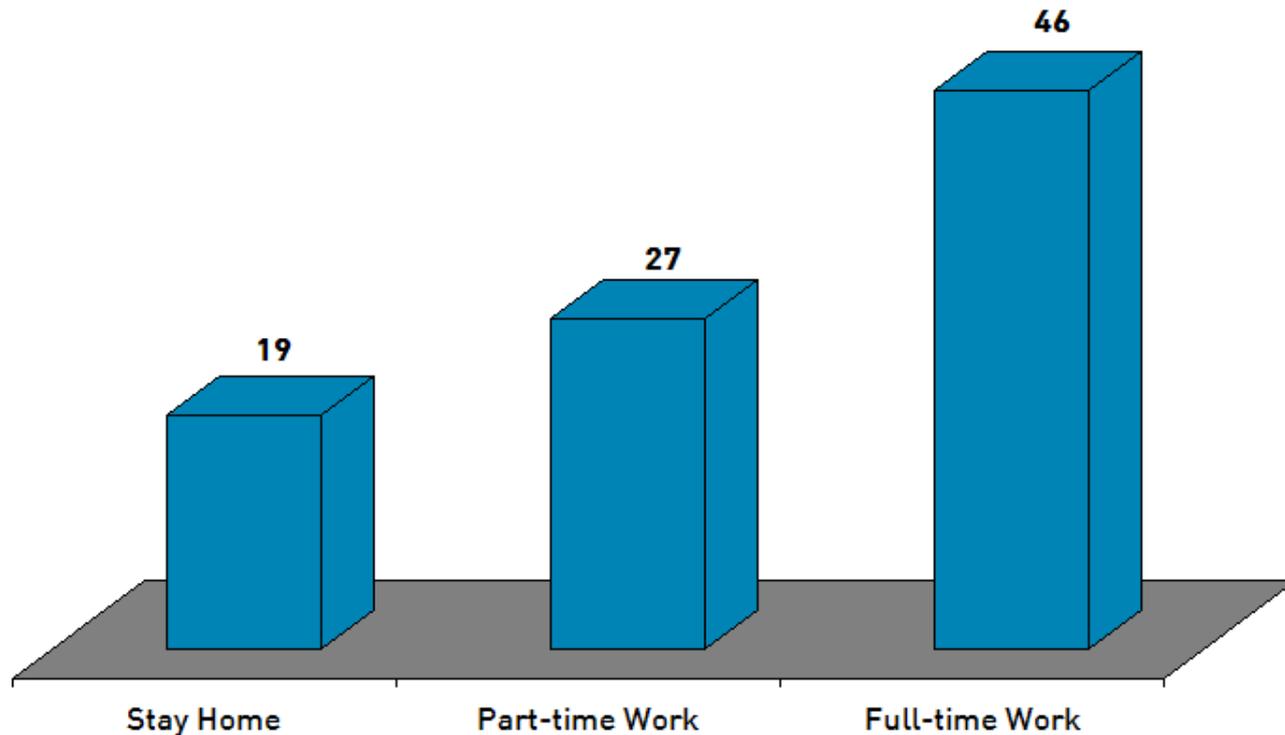
gender differences
likely to recommend



- Women are more likely to convey positive word of mouth.

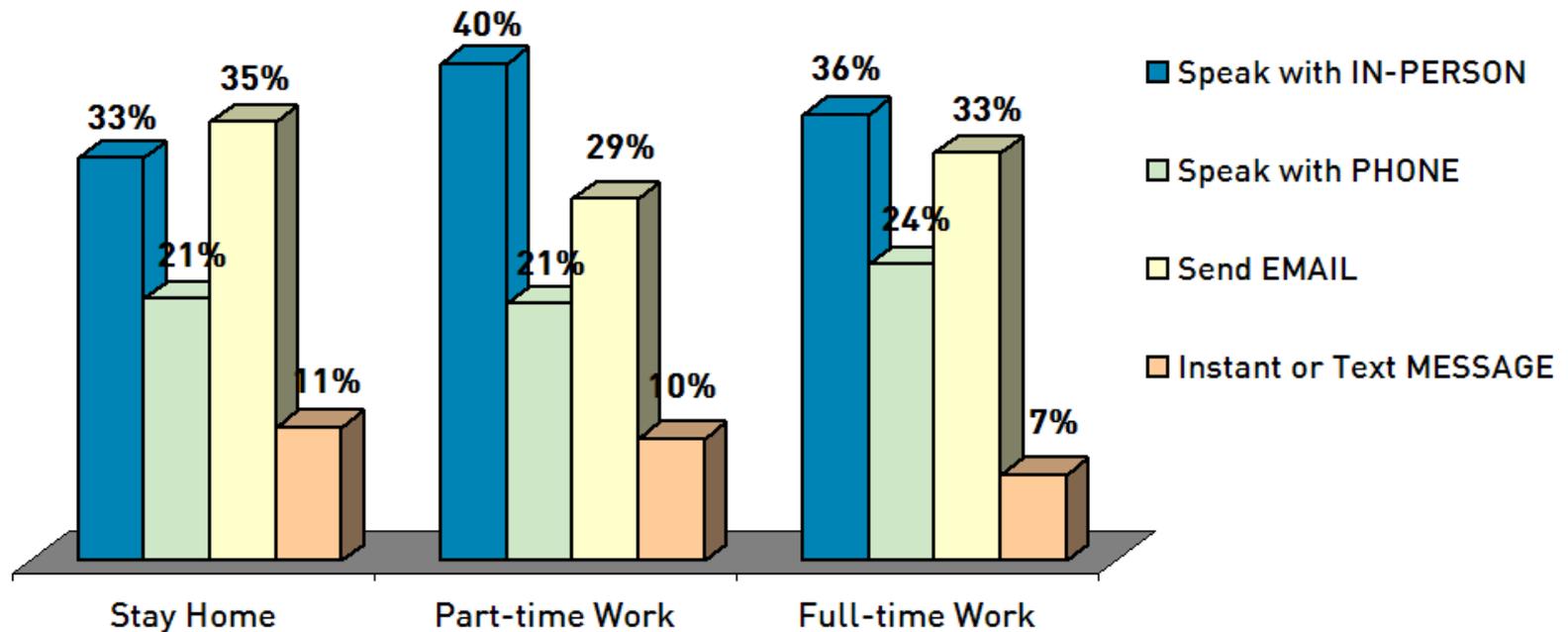
employment status impact
stay home, part-time & full-time

employment status impact
average number of contacts per day



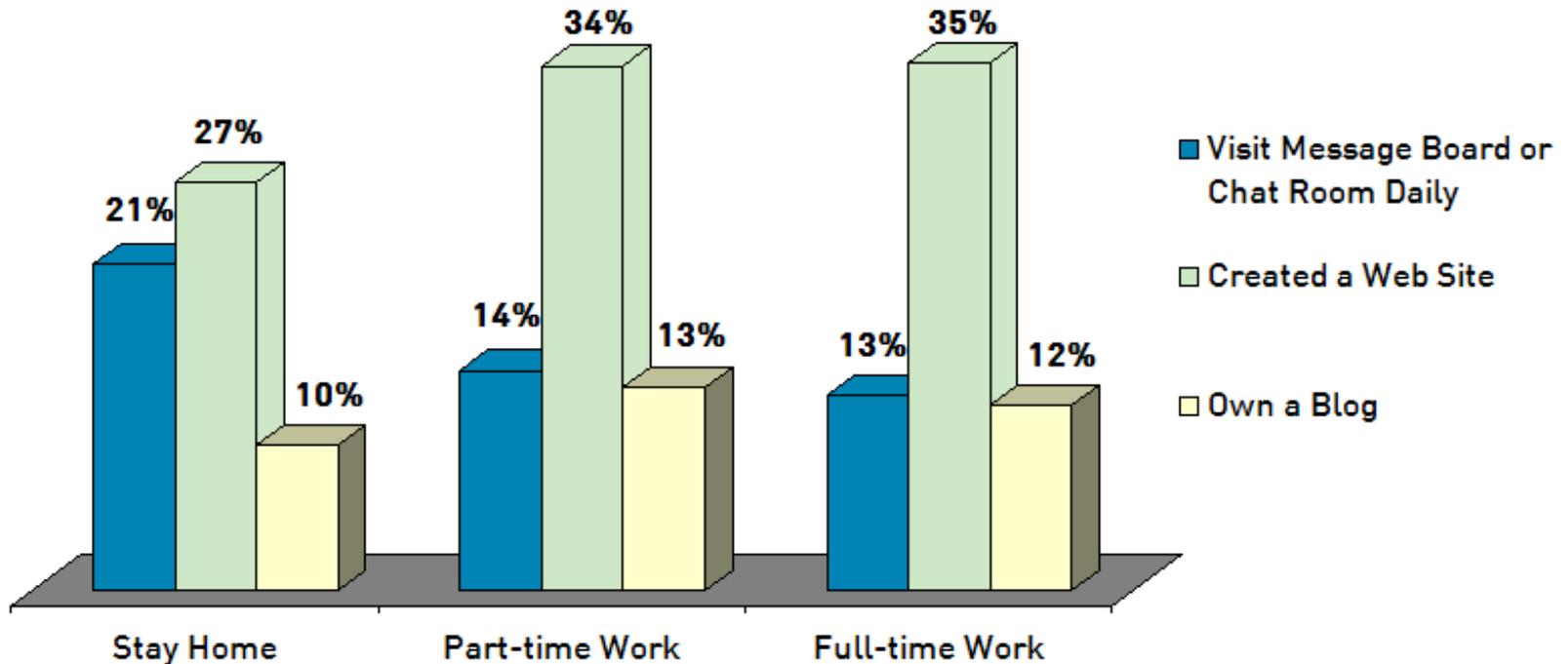
- Employment status is highly influential on the average number of daily contacts for adults. Full-time workers make the same number of contacts as part-time workers and individuals who stay home, combined!

employment status impact
how contacts are made



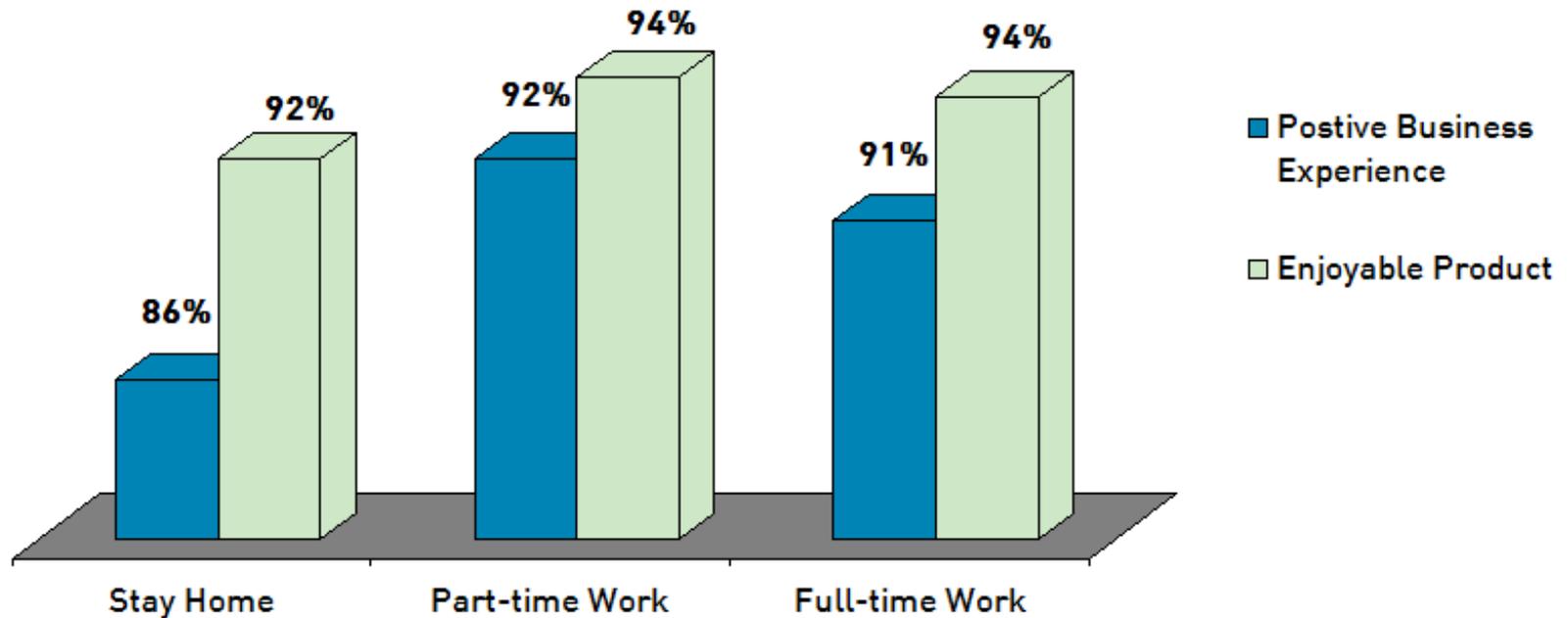
- The distribution of communication choices is similar across the three employment groups, but adults staying home rely more heavily on technology (email and instant/text messaging) to connect with other people. While part-time and full-time workers seem to engage more in speaking with people in-person.

employment status impact
consumer-created media



- Individuals who stay home are more likely to visit a chat room or message board on a daily basis.
- Full-time and part-time workers are more likely to have created web sites.

employment status impact
likely to recommend



- Individuals who stay home are less likely to convey positive word of mouth regarding business experiences.

household income influence

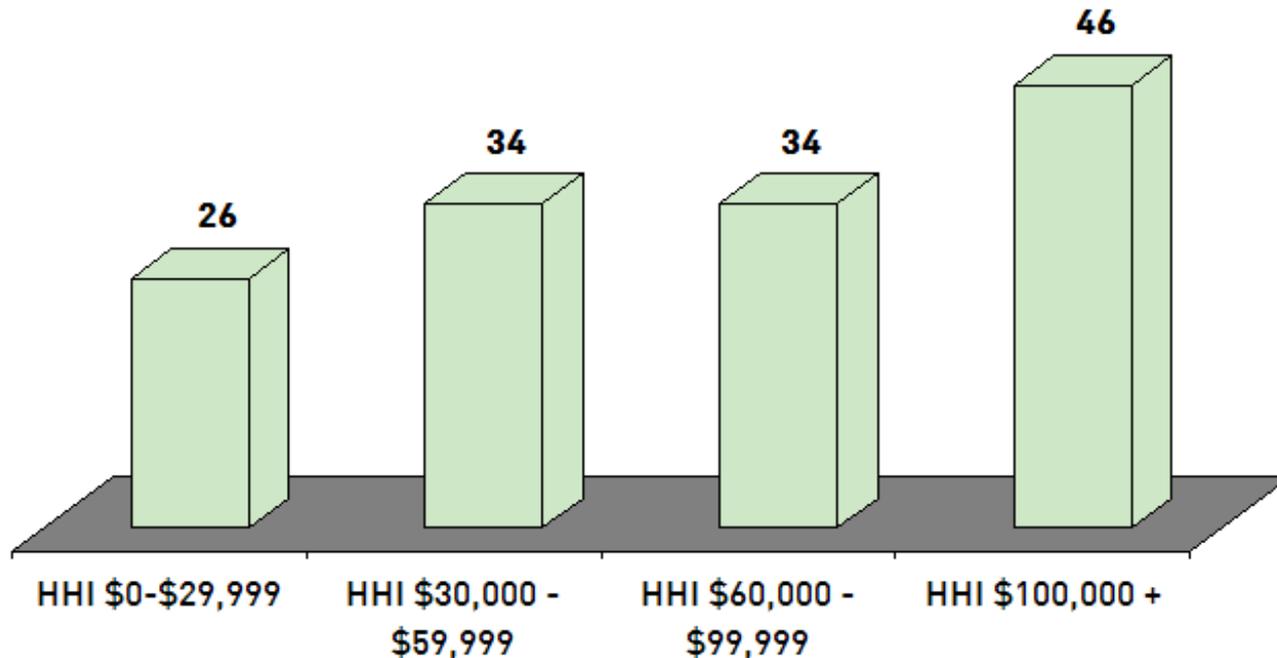
\$0-\$29,999

\$30,000-\$59,999

\$60,000-\$99,999

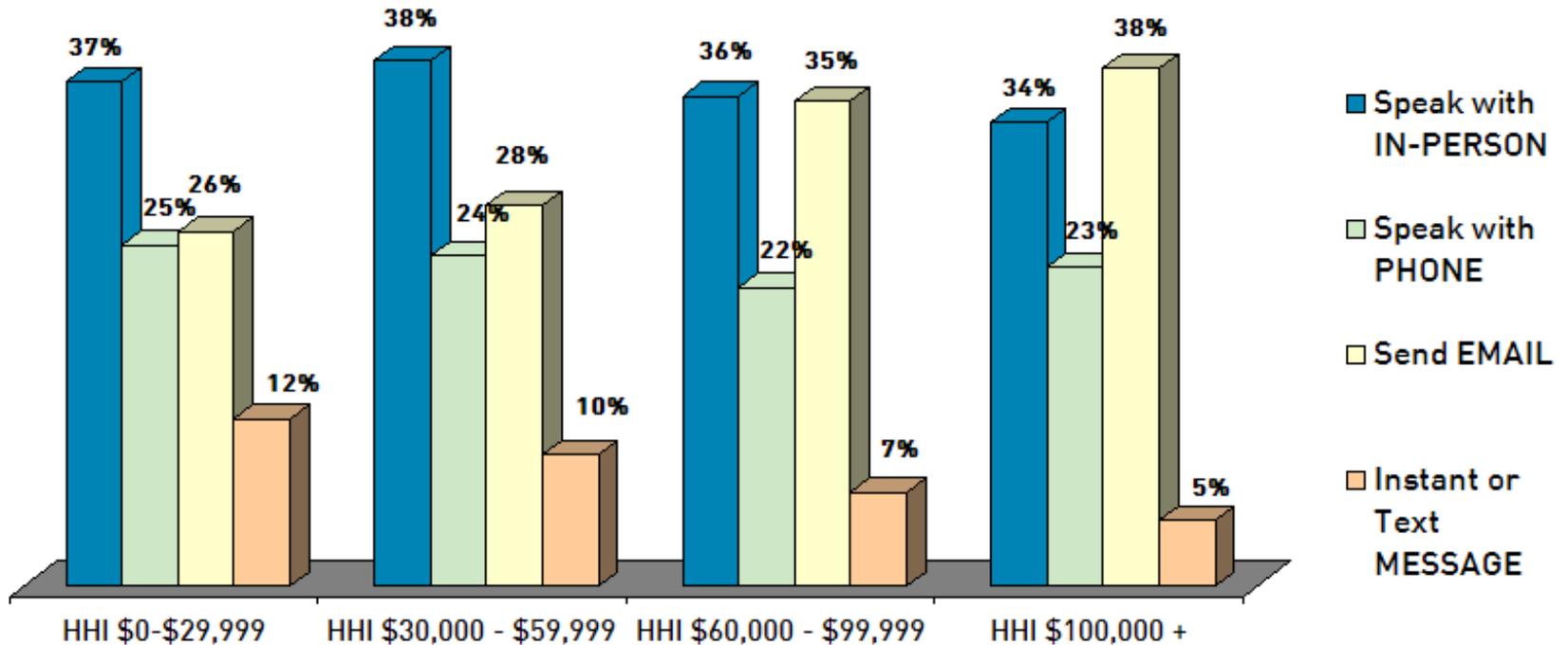
\$100,000+

household income impact
average number of contacts per day



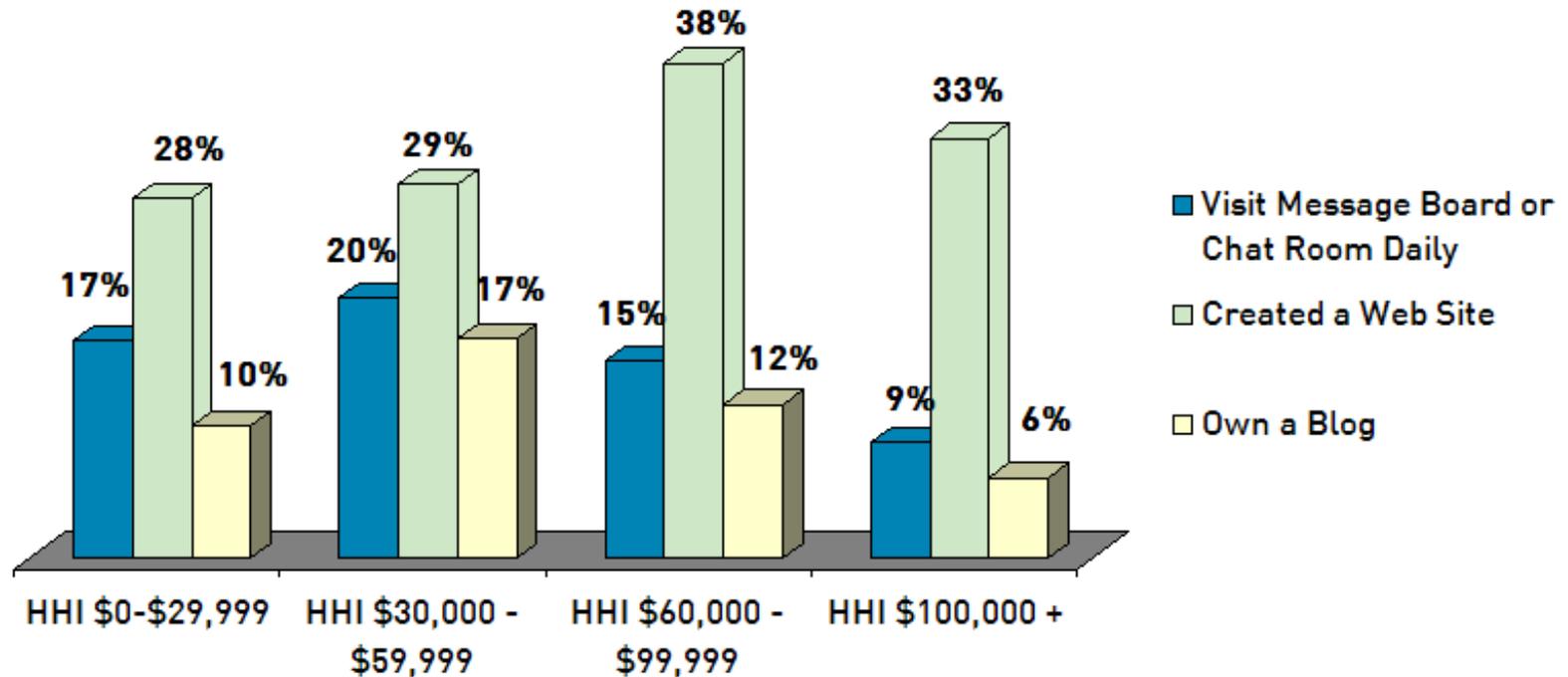
- As household income rises, so do the number of contacts a person makes during a day with a significant plateau occurring in incomes ranging \$30,000-\$99,999. Marketers have traditionally targeted household incomes of \$75,000+ to reach affluent audiences. However, the research indicates no apparent increase in word of mouth activity for people with incomes between \$75,000-\$90,000.

household income impact
how contacts are made



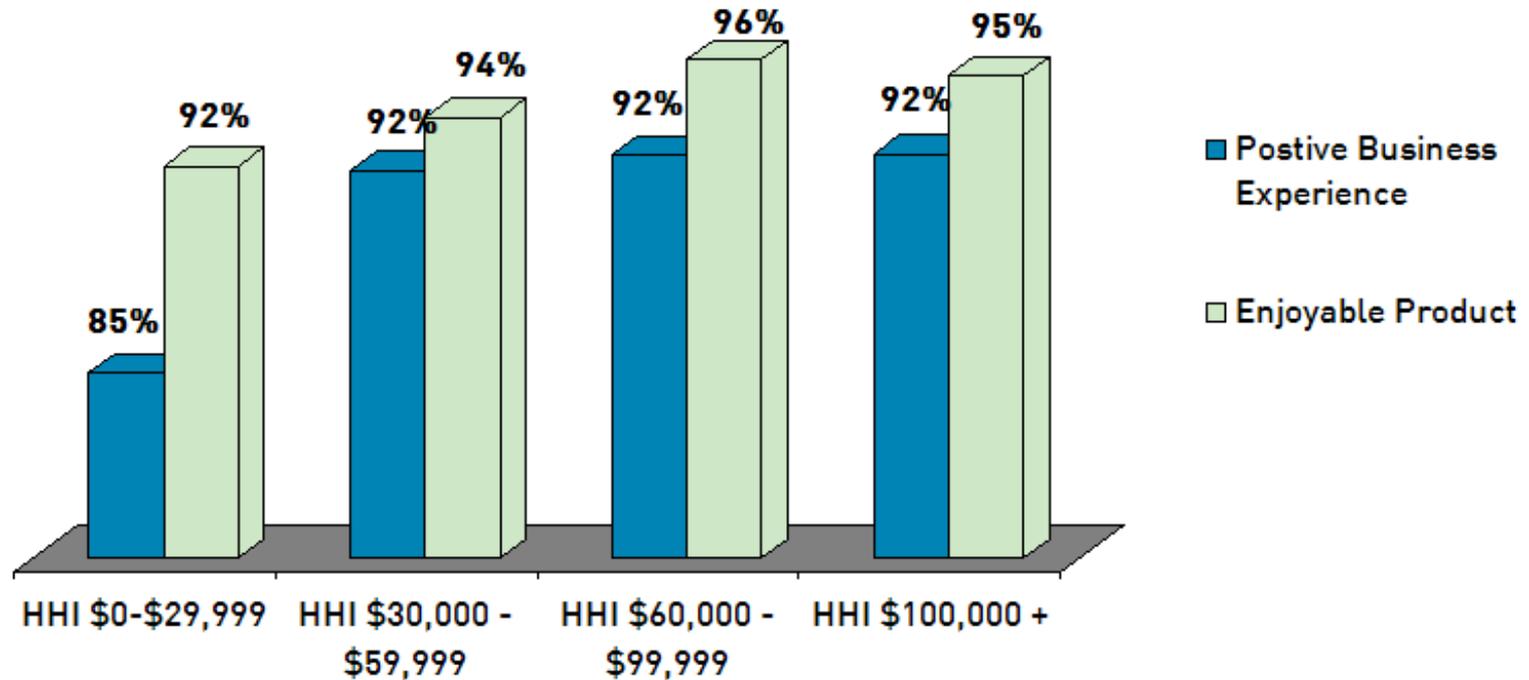
- As income rises, so does the use of email while instant/text message usage declines.

household income impact
consumer-created media



- Households with income between \$30K and \$99K are more active in creating online media.

household income impact
likely to recommend



- Low income households are less likely to convey positive word of mouth regarding business experiences.

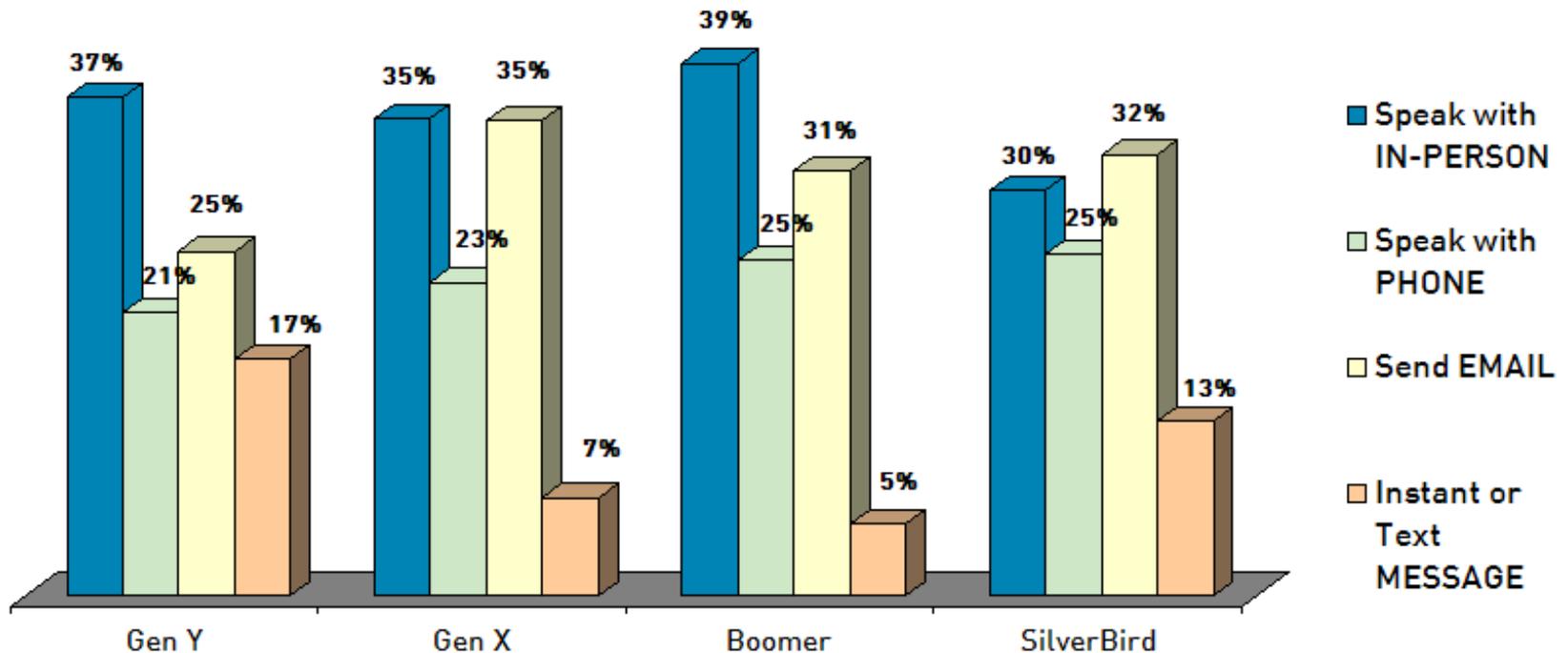
generational comparisons
y, x, boomer & silverbird

generational comparisons
average number of contacts per day



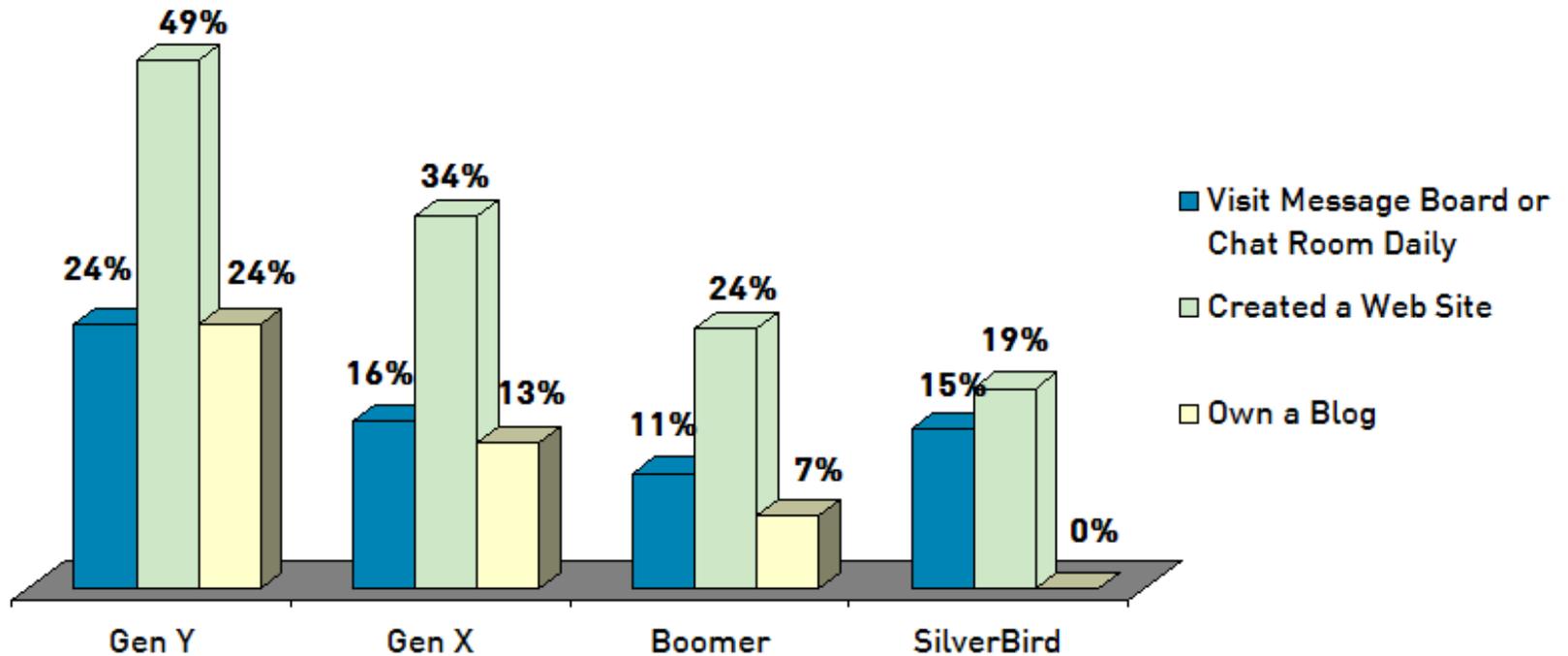
- Gen X makes the highest number of daily contacts, but by small margins when compared to Gen Y and Boomers. Of note, the Gen Y sample size is limited since at the time of this study only a small percentage of Gen Y has reached adulthood.

generational comparisons
how contacts are made



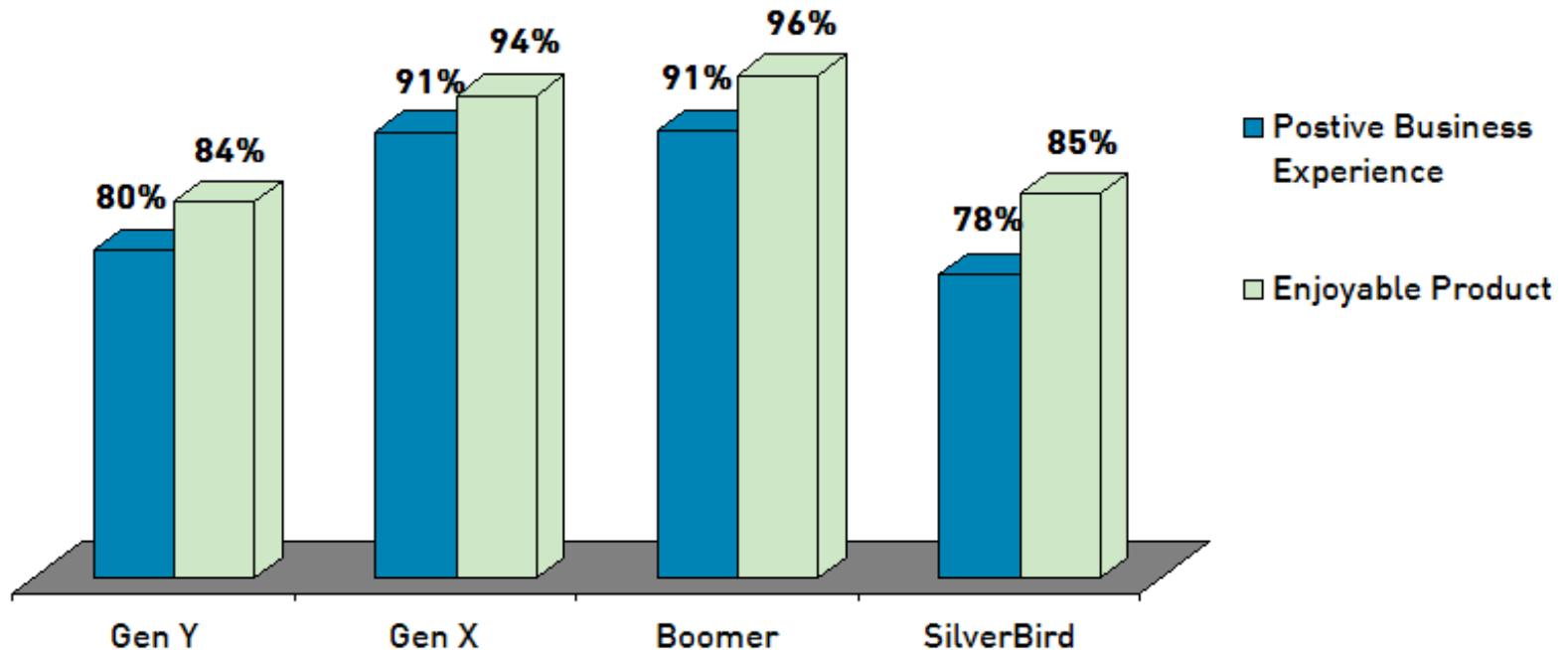
- Gen X tends to use email to a greater extent. Gen Y chooses instant/text messaging more, followed surprisingly by the SilverBird generation.

generational comparisons
consumer-created media



- Younger generations are creating personal online media to a greater extent, with nearly half having built a web site and a quarter having their own blog.

generational comparisons
likely to recommend



- Gen X and Boomers tell others more about positive product and business experiences.

methodology

A 20-question web survey was completed by 616 U.S. adults randomly recruited on the internet between November 29, 2005 and January 11, 2006.

The opportunity to win one of three \$100 Amazon.com gift certificates was provided as an incentive to participate. The survey was hosted online and data was collected through a web page.

The survey took approximately five minutes to complete.

demographic profile

gender

- female 77%
- male 23%

parents

- yes 68%
- no 32%

age

- Gen Y (18 – 24, born 1981 – 1987) 10%
- Gen X (25 – 44, born 1961 – 1980) 53%
- Boomer (45 – 60, born 1946 – 1960) 25%
- SilverBird (60 – 85, born 1921 – 1945) 12%

relationship status

- single 30%
- exclusive 12%
- married 58%

employment status

- fulltime 56%
- part-time 15%
- unemployed 29%

household income

- \$0 - \$29,999 25%
- \$30,000 - \$59,999 28%
- \$60,000 to \$99,999 21%
- \$100,000 + 26%



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