

Media review

Internet shopping - Annexe D

June 2007

**A report for the Office of Fair Trading by
TNS Media Intelligence**

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Internet Shopping Media Analysis Report

The Office of Fair Trading asked TNS Media Intelligence to both source and evaluate national press and broadcast coverage within the UK regarding online shopping. The purpose of the project was to provide through the analysis an understanding of the general tone of coverage within the media surrounding online shopping, together with the issues, topics and key messages that are prevalent within such coverage. The analysis took place over a five month period, starting in October 2006 and ending in February 2007. A sample week was taken from each month, with TNS Media Intelligence tracking any national press or broadcast coverage relating to online shopping found within each week. Broadcast coverage was tracked by TNS Media Intelligence, while press coverage was tracked and delivered to The Office of Fair Trading through Morethannews, TNS Media Intelligence's online news portal.

Coverage was initially compiled using a defined set of keywords. If an article or broadcast item referred to or mentioned a keyword from the list this was initially included within the project. (A full list of keywords can be found within the appendix.)

Although this method was thorough, the large number of different keywords resulted in some false positives. Coverage was therefore subsequently manually checked by TNS Media Intelligence to ensure that the main focus each item surrounded online shopping. Much of the coverage that was filtered out and not included in the evaluation report contained casual references to websites such as itunes, Google or Amazon without actually commenting on their services, mentioned websites set up by individuals either for personal use such as blogs, or used the word 'online' in a general reference to web use and not specifically the act of purchasing goods online.

The remaining coverage was subsequently analysed by TNS Media Intelligence for the tone of coverage towards online shopping, brand mentions, topics, issues and message communication.

Tone: There are a number of factors which influence the favourability rating of articles. The key factors are the relative proportions of beneficial and adverse comment and the style of language used. Although an article may contain individual negative or positive comment, ultimately the tone was based on the overall tone of the article.

Opportunities to See (OTS): This is a measurement of audience and will be recorded as a cumulative number of audiences for publications and broadcasts and is sourced from the quarterly feed of National Readership Survey, BARB and RAJAR data.

Topics: Each item is evaluated to record each issue that is either generating the coverage or referenced within it.

Key Messages: Coverage was evaluated for any key message communication surrounding online shopping. These key messages were pre-defined within the evaluation brief by The Office of Fair Trading.

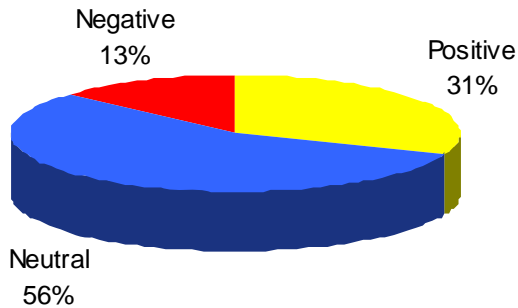
Overview

Month	Volume	OTS
Period 1 - 17th - 23rd October 2006	43	84,551,000
Period 2 - 14th - 20th November 2006	49	128,269,000
Period 3 - 12th - 18th December 2006	66	164,737,000
Period 4 - 9th - 15th January 2007	73	143,054,000
Period 5 - 6th - 12th February 2007	66	120,425,000
Totals	297	641,036,000

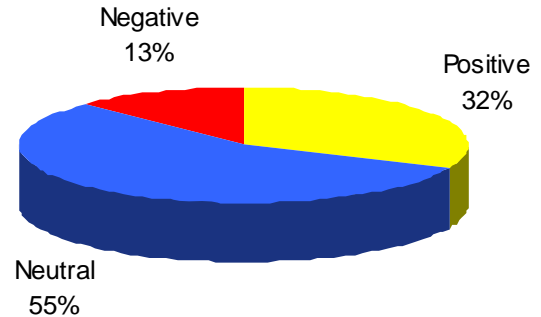
- There were 297 items of coverage within the national media, producing an OTS of 641m.
- January 2007 produced the highest volume of coverage with 73 items of coverage. However the 66 items produced in December 2006 produced the higher OTS of 164m.

Tone of coverage

Favourability by volume

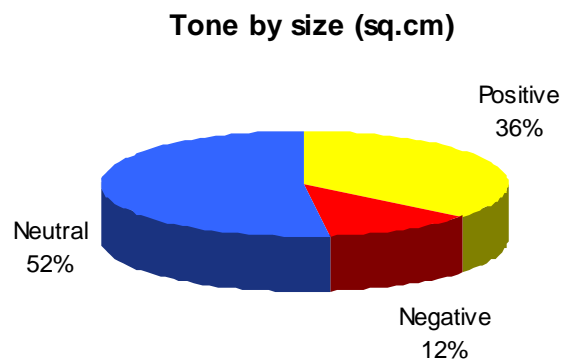
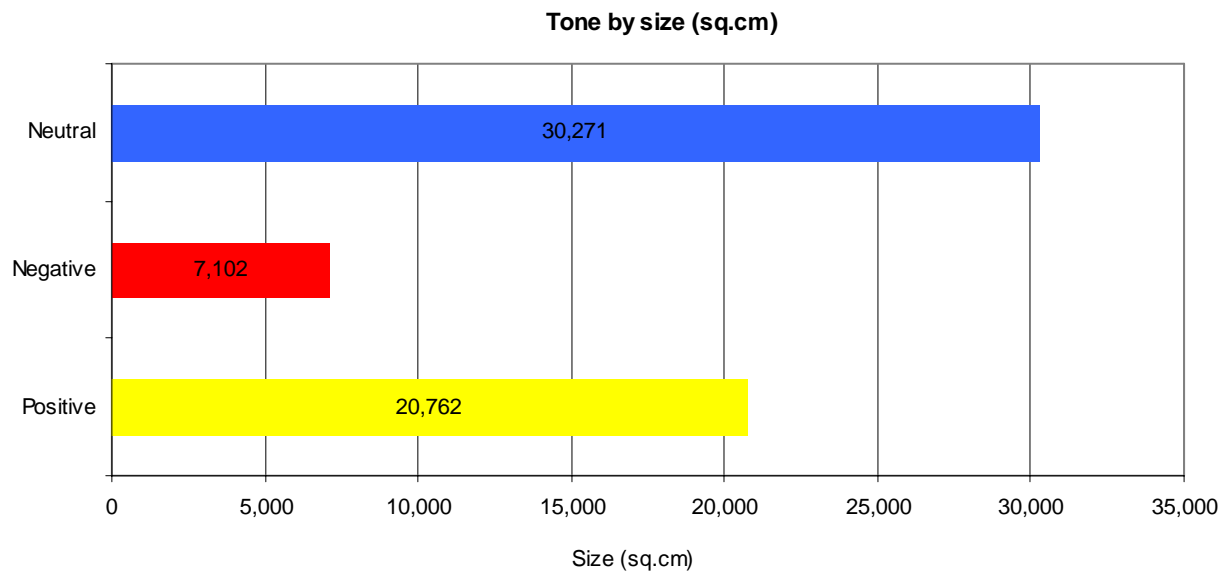


Favourability by OTS



- Thirty one per cent of the volume of coverage was positive in tone regarding online shopping, rising to 32 per cent of the OTS generated. Positive coverage tended to highlight the savings that can be made by shopping online and the convenience; with *The Guardian* writing; 'Brits have fallen in love with Internet shopping for a whole variety of reasons. Seven out of 10 consumers say buying on the Internet saves them time, money and effort'.
- Just 13 per cent of both the volume and OTS was negative in tone towards online shopping through coverage that highlighted either scams and fraud associated with purchasing items online and negative consumer feedback.

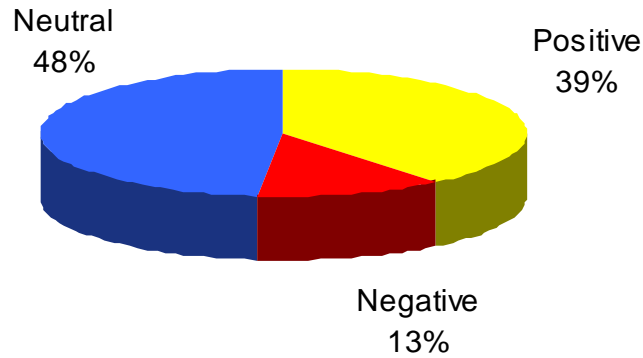
Tone of coverage by size of article



- If we look at the total area produced by press coverage (in sq.cm), 36 per cent was positive in tone with a slight drop in the proportion of negative coverage to 12 per cent compared to both volume and OTS.
- Despite accounting for 56 per cent of the volume, neutral coverage dropped to 52 per cent of the total area produced.

Tone of coverage by duration

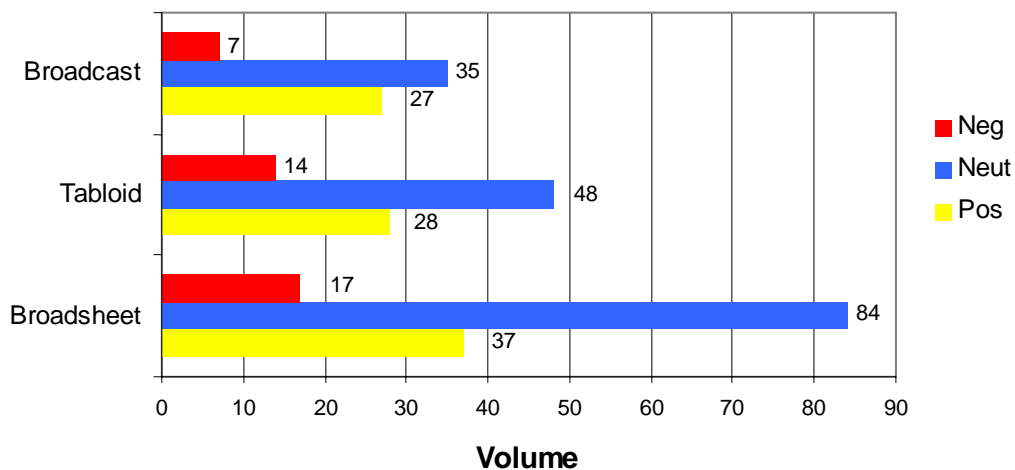
Favourability by duration



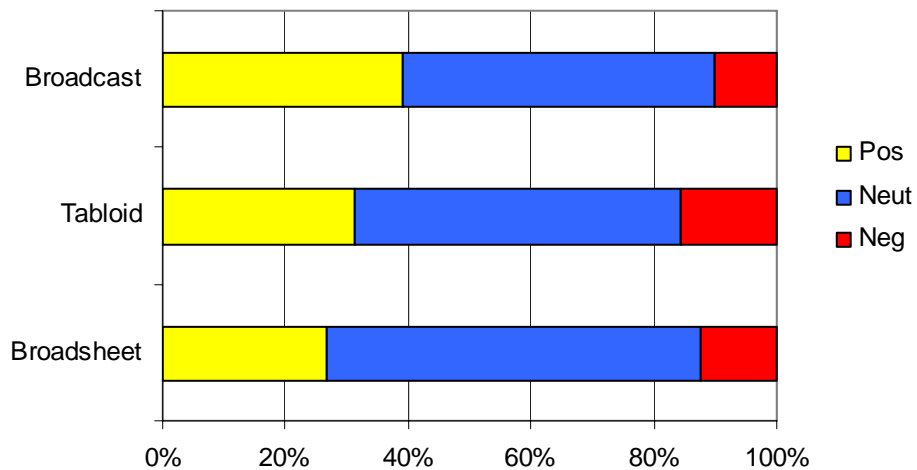
- The proportion of the duration for all broadcast coverage (3h 33m) that remained positive in tone was 39 per cent. Thirteen per cent was negative in tone, the same proportion as both the volume and OTS.

Tone of coverage by media type

Tone of media type by volume



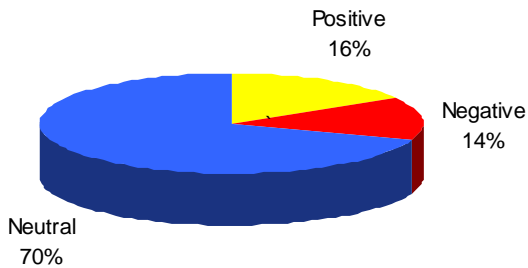
Tone by volume



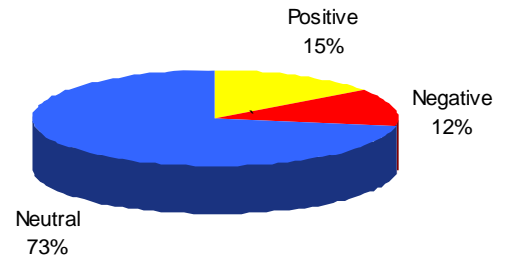
- The broadsheet press produced the highest volume of positive coverage with 37 articles, compared to 28 for tabloid titles. The volume of negative coverage however was similar for both press types.
- Broadcast coverage had the highest proportion of positive coverage by volume with 39 per cent.
- The tabloid press had the highest share of negative coverage by volume at 16 per cent.

Tone of coverage by headline

Headlines: Favourability by volume



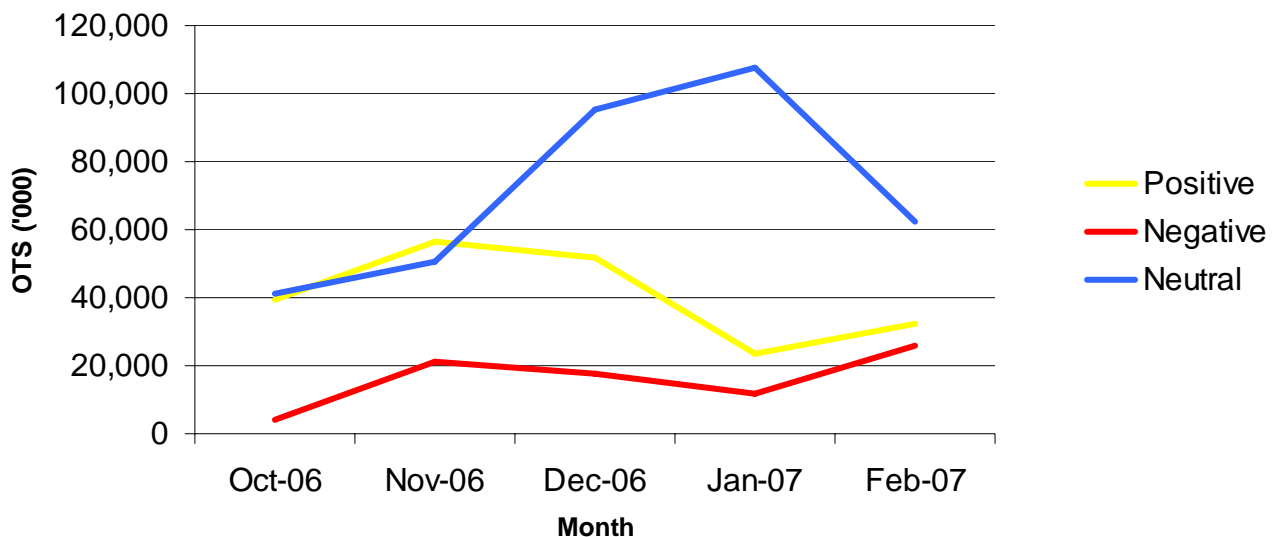
Headlines: Favourability by OTS



- Press coverage was assigned a tone based on the perception to the article as a whole. However by assigning each individual headline of an article a tone we can see how the perception of tone may change for someone who reads the headline but not the entire article.
- Negative coverage increases slightly to 14 per cent compared to 13 per cent of the volume for articles. The biggest change is with neutral coverage, rising to 70 per cent of the volume (73 per cent of the OTS).

Trend of tone

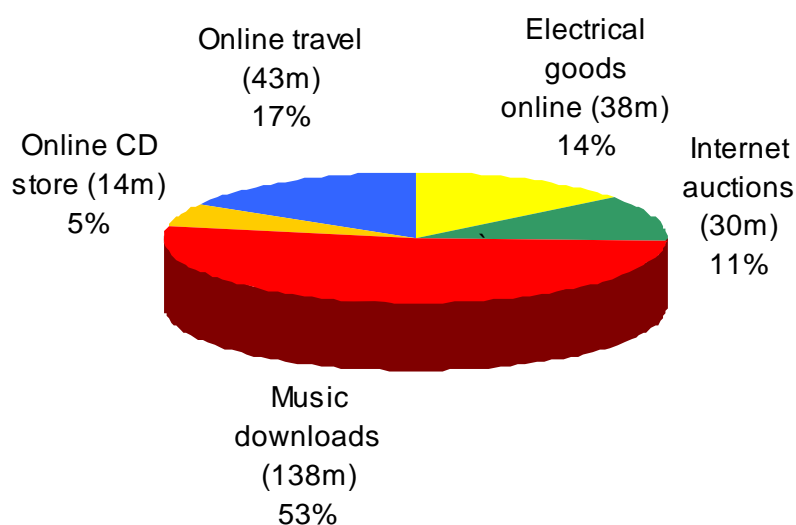
Trend Of tone by OTS



- Positive coverage peaked in November 2006 following claims by the Interactive Media in Retail Group (IMRG) that online sales in the UK will rise by 40 per cent to £42bn in 2007, as reported in *The Guardian* and *The Daily Telegraph*. Also various online shopping guides appeared within the press during this month in the build up to Christmas with *The Sunday Times* claiming; 'The web is the perfect place to go bargain hunting'.
- Negative coverage peaked in February 2007 following the report on the prosecution of a man who conned ebay and Amazon users into giving him money in *The Daily Mirror*, and *The Daily Mail* reporting on a fraudster who used online dating sites to extract money from other users.

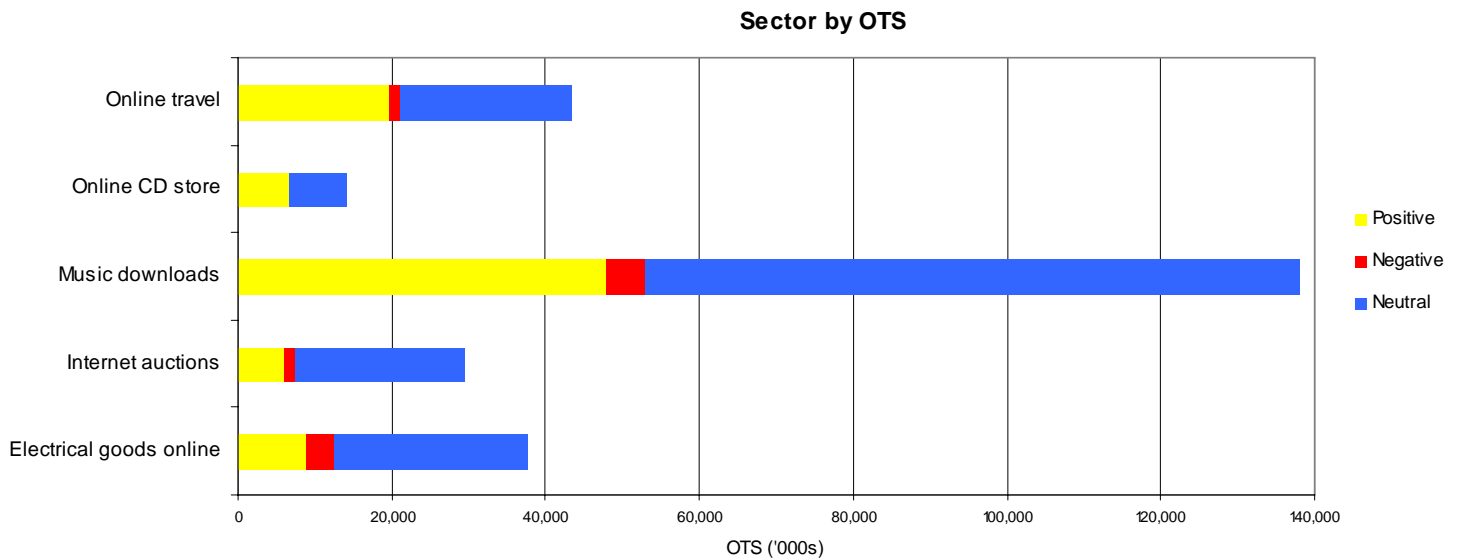
Sectors

Share of OTS by sector



- **Music downloads** proved to be the key topic over the period, producing 53 per cent of the OTS (138m). Coverage was driven by the end of a dispute between Apple Corps Ltd and Apple Computers Inc's iTunes, allowing Beatles tracks to be available to download for the first time, and a plea by Steve Jobs, the CEO of Apple Computers Inc, to record labels to abandon their policy of requiring online retailers to package music downloads in digital rights management software that controls which devices they can be played on.
- **Online travel** accounted for 17 per cent of the OTS. Coverage was found largely within the broadcast media with *BBC Radio 5* and *BBC One News* both reporting on MyTravel merging with Thomas Cook, announcing that they would now be focusing on online holiday packages, and a report by *Which? Magazine* which found that booking holidays online was much cheaper than going through a high street travel agent featuring on *ITV (GMTV)*, *BBC 1*, *BBC2* and *BBC Radio 5* news broadcasts.
- References to purchasing *electrical goods online* accounted for 14 per cent of the OTS (11m) while mentions of *Internet auctions* produced 11 per cent (30m).

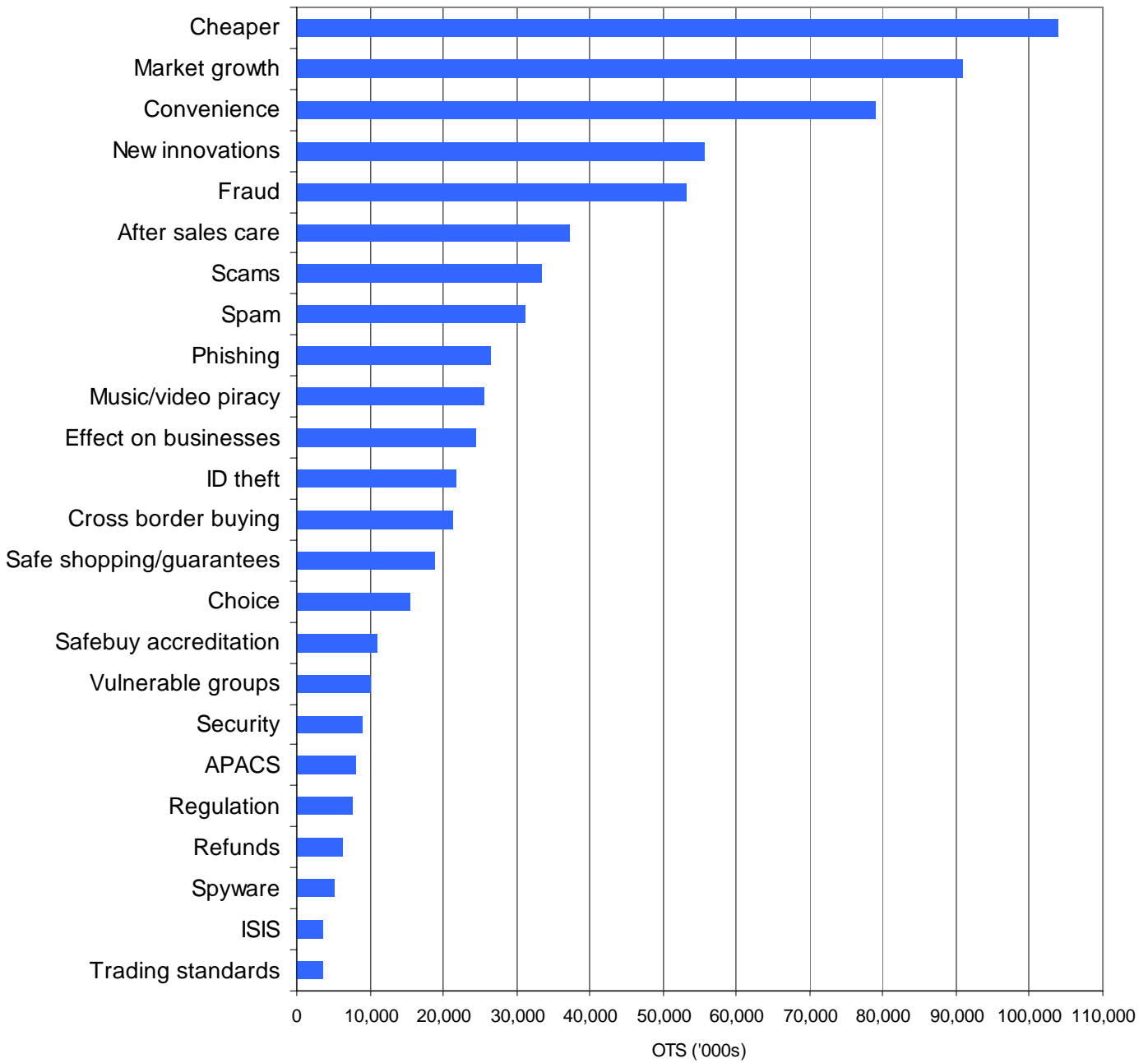
Tone of sectors



- **Music downloads** produced a positive OTS of 48m. *The Mail on Sunday* in October 2006 wrote; 'downloads now account for 70 per cent of all singles sales. You can leave perusing the record shops to the anoraks and instead sit at home and let the music come on.' Four per cent of the OTS was generated through negative articles with many reporting on the levels of music piracy with *The Independent* noting that the Digital Music Forum estimates that 1bn songs are illegally downloaded monthly.
- **Online CD stores** produced the highest proportion of positive coverage with 47 per cent. Amazon was a key site, especially in the build up to Christmas with *The Times* writing; 'Millions of us this year, will be relying on Amazon and its online competitors'. This sector did not generate any negative coverage.
- *Online travel* produced an OTS of 43m with 45 per cent generated through positive coverage after articles focused on the savings consumers can make through booking online. Negative coverage produced 4 per cent of the OTS with a piece in *The Daily Star* noting that some holiday booking websites can be difficult to use.

Issues

Issues by OTS



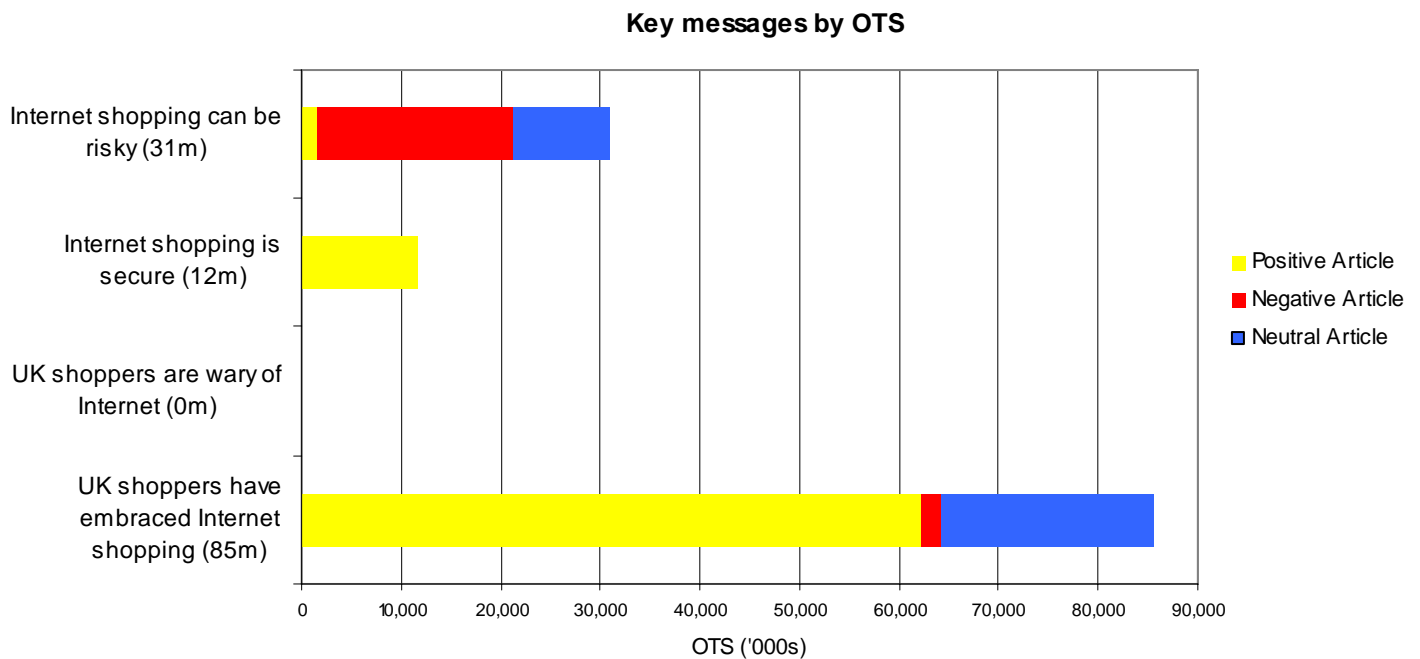
Issues (cotd)

- Online shopping being **cheaper** than the high street was the key topic, referenced in 44 articles and producing an OTS of 104m. Three percent of the OTS was generated within coverage that overall was negative in tone.
- The growth of online shopping produced an OTS of 91m for **market growth**.
- Negative coverage produced less than one per cent of the total after technology expert Jason Bradbury stating on *BBC Radio 4*; 'There has been a massive growth in the last two years, it is too narrow for its form. We could get internet power cuts and some fear it may affect large systems like banking and commerce.'
- The **convenience** of online shopping was a key issue, producing an OTS of 79m. Sixty-eight per cent of this was produced within positive articles. A key article appeared within *The Sun* whose journalist tried online shopping, claiming afterwards; 'Online shopping is definitely less hassle than the real thing and I was surprised at how much cheaper online shopping was'.
- **Fraud** proved to be a prominent issue found within the coverage, producing an OTS of 53m. Sixty-one per cent of the OTS was generated through negative coverage with both *The Times* and *The Daily Mail* reporting on hackers from Nigeria involved with online fraud targeting Britain and *The Times* also noting; 'The bulk of online fraud is now attributed to the 'phishing' e-mails that appear to be from your bank and ask you to confirm your details'. **Phishing** as a separate topic generated an OTS of 27m with just five per cent generated through positive coverage after *The Observer* gave advice on avoiding phishing and online theft.
- **Spam** mail produced an OTS of 31m with all coverage either negative or neutral in tone.
- **After sales care** was a popular issue with an OTS of 37m. Although 62 per cent of this was generated within overall positive coverage, after sales care was often singled out as an area for improvement

with *The Times* noting; 'Fast growth produces growing pains and online retailers are experiencing several, including concerns about after-sales service' An article in *The Daily Express* stated; 'Shoppers who buy cut price electronics on the internet are being let down when it comes to customer service.'

- **Cross border buying** over the internet produced an OTS of 22m with 77 per cent generated through positive articles. *The Sunday Times* reported that; 'The EU is expected to say on Thursday that consumers should be able to buy goods from other European countries from the comfort of their homes' with *The Sun* adding, 'customs may become illegal on Internet-bought cigarettes and booze'.
- Coverage of the **choice** of goods available to buy online produced an OTS of 15m with all coverage found in either neutral or positive articles. Following the merger of Thomas Cook and MyTravel *BBC TV 1 (Six O' Clock News)* noted that more people were now booking online and having a wider choice of holidays while *The Guardian* and *The Times* both reported on MySupermarket.com, a site that enables users to compare product prices between most major supermarkets online.

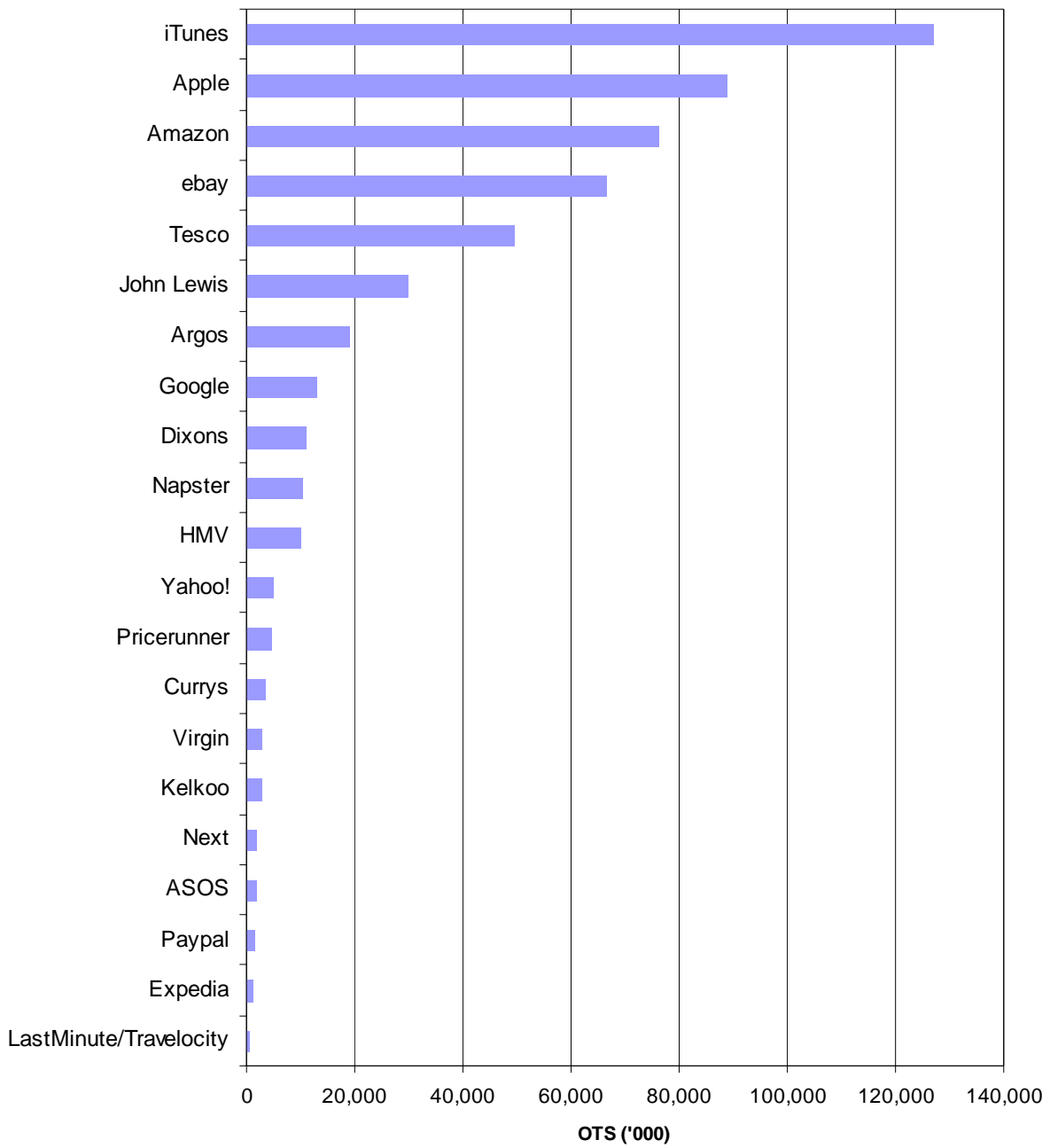
Key messages



- The message that **UK shoppers have embraced Internet shopping** was the most prominent message, producing an OTS of 85m. Seventy-two per cent was produced through positive articles and two per cent was communicated through articles that remained negative in tone.
- In contrast, **UK shoppers are wary of Internet** had no message communication.
- **Internet shopping can be risky** produced an OTS of 31m. A positive article in *The Daily Star* 'Stay In And NET Your Xmas' urged shoppers to 'get online', yet still warned that as many as one in ten consumers still make basic security mistakes which could leave our finances open to fraudsters.
- The OTS of 12m for **Internet shopping is secure** was all produced through positive coverage.

Key brands

Websites by OTS



Appendix

Keywords for identifying clippings:

E-commerce / e-commerce	Lastminute
E-retail / e-retail	Travelocity
E-tail /e-tail	HMV
E-Shopping / e-shopping	Amazon
	Itunes / I-tunes / i-
Internet Shopping	tunes
Internet sales	Argos
Online sales	Expedia
Web sales	Apple
Online Shopping	Currys
M-commerce	Virgin
Buying Online	Dell
Online Holidays	Ryanair
Downloads	Next
Online Auctions	John Lewis
Phishing	Google
Pharming	Yahoo
Scam(s)	Kelkoo
Spam	Pricerunner
Online Fraud	APACS
Hacking	Visa
3-D Secure	Mastercard
Verified by Visa	Paypal
Tesco	IMRG
Ebay	ISP
Napstar	ISPA
Dixons	
Comet	
easyJet	
British Airways	