

# KEY FINDINGS

Trends and Insights into the Consumer/Business Marketplace

## November/December 2004

### Qualities Americans Desire in the Opposite Sex

The top traits people find most desirable in the opposite sex are being “Affectionate and sensitive” and having “a good sense of humor.” See the following chart for details.

Qualities Americans Most Desire in the Opposite Sex		
	Women desire in Men	Men desire in Women
Affection and sensitivity	51%	44%
Humor	38%	44%
Money	8%	2%
Good looks	2%	8%

Source: Ipsos-Insight

### Webby Awards for Best Web Sites

The International Academy of Digital Arts and Sciences has been honoring the design, creativity, usability and functionality of web sites since 1996. Here are a few of the 2004 winners.

Webby Awards for Best Web Sites		
Category	Web Site	Description
News	news.bbc.co.uk	World news from a British company
Spirituality	www.gracecathedral.org	Episcopal church in San Francisco
Technical Achievement	www.us.map24.com	Mapping tool from a German company
Activism	www.tolerance.org	Information on fighting hate and promoting tolerance
Travel	www.igougo.com	First-hand travel reviews and photos from everyday travelers
Health	www.kidshealth.org	Health tips for kids and parents

Source: International Academy of Digital Arts and Sciences, www.iadas.net

### Seniors Increasingly Look to Web for Health Information

Currently, 5.5 million seniors in the US use the Internet to find health information, and so do eight times as many future seniors (people between the ages of 45 and 65). Analysts, assuming these 40 million people continue their online activity as they age, expect huge market growth over the next 15-20 years for senior’s online healthcare information and services.

### Entertainment Media Trends

While the US has seen a 31% increase in population between 1978 and 2003, sales or viewership of the most popular entertainment media have not kept up.

- Some 39% fewer people went to see the year’s biggest movie in 2003 than in 1978.
- The best-selling music recording of the year sold 60% fewer copies in 2003 than it did in 1978.
- In 2003, 14% more people watched the Super Bowl than in 1978, but the 2003 telecast reached a smaller percentage of the US population than the 1978 game.
- The number of households watching the most popular broadcast television series of 2003-2004 season was 47% lower than it was in the 1978-1979 season.

### Women-owned Businesses On the Rise

Business ownership among women in general is growing at nearly twice the rate (17%) as all businesses (9%), according to a report published by the Center for Women’s Business Research. The study also found that the number of businesses owned by minority women – historically the smallest segment of entrepreneurship in the U.S. – is growing at six times the rate of all private companies. Since 1997, the number of businesses owned by minority women grew 54.6%. African-American women saw a 32.5% jump, while Hispanics, Asians, and Pacific Islanders; and Native Americans and Alaska Natives, each showed increases of 60%. The highest estimated growth for companies owned by minority women (55.8%) was in the service sector.

### Leading Worries of Working Women

More than six in 10 working women (62%) earn one-half or more of their families’ incomes. Some 70% are “very worried” about rising healthcare costs, both on a personal basis and as an issue for legislation. Other concerns are listed in the chart below.

### Consumers’ Decreased Trust in Businesses

Eight in 10 Americans think that businesses are too concerned about making a profit and not concerned enough about their responsibilities to workers, consumers and the environment. Almost two-thirds of these people say that even well known, long-established companies can’t be trusted to make safe durable products without government guidelines, and 44% would like to see more government regulation of business.

Almost one-half (45%) of consumers report that there is at least one retail business that they once trusted, but no longer do. Most of these consumers (94%) say they spend less money with that company now than in the past.

Leading Worries of Working Women		
	% Very Worried	% Somewhat Worried
Rising healthcare costs	70%	22%
Possibility of overtime pay being eliminated	43%	28%
White-collar jobs going overseas	42%	37%
Lack of well-paying jobs for young people	38%	43%
Losing one's job	38%	33%
Reduction in benefits	34%	29%

Source: AFL-CIO

### Technology Trends Forecast

The recent annual "Top 10 Technology Trends" event in Silicon Valley featured a panel of tech industry experts who predict the following changes.

Top 10 Technology Trends
1. Web services will evolve and create new businesses
2. Patients will demand online medical records
3. Corporate computing won't see big changes for at least five years
4. The next big tech innovation will come out of China
5. Blogging and other online content will force traditional media to change
6. California will lead the world in embryonic stem-cell research
7. Text messaging will become more pervasive
8. New consumer technologies will appeal to more than just young hipsters
9. Every consumer-electronic product you own is about to become obsolete
10. Utility computing will keep tech spending strong

Source: Business Week

### Biometric Technologies Use in Healthcare Organizations

In response to the need for greater security within healthcare organizations, many are adopting biometric technologies to provide patient information access to doctors and other employees. Biometrics involves the biological identification of a person based on the structure or action of physical characteristics such as fingerprints, hand geometry, irises, the face, voice responses and handwritten signatures.

Worldwide use of biometric technologies is expected to grow rapidly during the next four years, from revenues of \$50 million in 2004 to almost \$200 million in 2008. The most

common technologies in use today within the healthcare industry are iris, fingerprint and hand geometry.

### The Changing Rules for Advertising

According to The Center for Emotional Marketing, there are five entrenched rules for advertising that contribute to lackluster results. Recommendations include dropping those rules and replacing them with new principles more suited to today's marketplace.

A New Approach to Advertising
<b>Abandon these unwritten, yet entrenched rules:</b>
1. Using general positioning strategies
2. Banning creative language in concepts
3. Putting creative freedom ahead of the need to focus
4. Translating a winning message a multitude of times until it has lost its meaning
5. Focusing on the details of strategy while overlooking the details of execution
<b>Adopt these new principles:</b>
1. <i>Bypass traditional positioning and get closer to advertising.</i> Focus on the positioning and the specific message in order to sharpen the consumer hook.
2. <i>Use creative language in positioning development, and if it works, stick with it.</i> Use the highly relevant creative language discovered during the research and positioning development processes. This is where you find the untapped insights and break-through strategies.
3. <i>Research intangibles and get "executional."</i> Intangibles such as imagery and tonality are often the elements that consumers identify with most. The story, setting, mood, music and actors are just as important as the tagline.
4. <i>Reign in your agency to set them free.</i> This means to set them free within the limits of a highly focused strategy. Don't make them work on overly general positioning or discourage them from researching creative.
5. <i>Condense the positioning development process and go for "message integrity."</i> Be sure the creative storyboard doesn't lose track of the original concept developed. Assign message caretakers - people who understand the research insights and ideas - in order to maintain its integrity.
6. <i>Don't rely on your brand name to build your brand.</i> Use a simple, striking device that occurs throughout your ad that reinforces your product and message.
7. <i>Get researchers out of the closet and into the limelight.</i> Researchers are the agency's and client's closest link to the consumer, and often are the best keepers of the positioning strategy and message integrity.

### Search Engine Optimization Key for B2B Companies

Search Engine Optimization, also called natural search, is where a web site's content and unseen tags are optimized to appeal to search engine spiders. Only 54% of business-to-business companies optimize their sites at all or do so at least nominally. This is unfortunate since these companies may find their position in search results to be even more critical than consumer goods companies. This is because they have longer sales cycles, where prospects are anonymously gathering information on solutions to chronic or complicated

challenges. Business-to-business customers often look for companies considered industry experts, and being listed in natural results gives the company added credibility.

According to OneUpWeb, of the business-to-business companies that optimize their sites, 19% are doing it well and as a result, appear on the first three pages of Google and Yahoo!. Another 35% are doing a "moderate" job.

**Health Insurance Coverage Drops**

According to the Employee Benefit Research Institute, the proportion of Americans covered by employment-based health benefits dropped to 64.1% in 2002 from 70.1% in 1987. Several factors affect this including the rising cost of providing health benefits and a decreasing number of workers who find their part of the premiums prohibitively expensive.

Approximately 81.8 million Americans (one in three people under age 65) were uninsured at some point during 2002-2003. About 31.7 million were uninsured for at least 12 months.

People Under Age 65 Without Health Insurance During 2002-2003, By Race and Hispanic Origin			
Race/Hispanic Origin	Number uninsured	% of racial/ethnic group	% of all uninsured
Non-Hispanic White	39,386,000	23.5%	48.1%
Non-Hispanic Black	13,720,000	42.9%	16.8%
Hispanic	22,416,000	59.5%	27.4%
Other	6,312,000	38.5%	7.7%
Total	81,834,000	---	100.0%

Source: Families USA estimates based on US Census data

**US Lags Behind in Working Conditions Affecting Families and Children**

America has a good track record on the right to work, which includes equitable opportunity for all racial and ethnic groups, men and women, regardless of age or disability. However, it lags behind other countries when it comes to working conditions especially in areas that affect families and children. The chart below highlights several of these areas for improvement.

**Areas Where the US Working Conditions Fall Behind Those of Other Countries**

- The US is not among the 163 nations that offer guaranteed paid leave to women in connection to childbirth.
- The US is the only industrialized country (besides Australia) that doesn't have paid maternal or parental leave for women.
- The US is not among the 76 countries that protect women's right to breastfeed.
- The US is not among the 96 countries worldwide that mandate paid annual vacation.
- The US is not among the 139 countries that provide paid leave for short- or long-term illnesses.
- The US is not among the 40 countries that have government-mandated evening- and night-wage premiums.
- The US is not among the 98 countries that require employers to provide a mandatory day of rest - at least 24 consecutive hours off - each week.
- The US is tied with Ecuador and Suriname for 39th place in enrollment in early childhood care and education for 3- to 5-year-olds.
- The US ranks 91st out of 151 countries in pre-primary-school student-to-staff ratios.

Source: Harvard School of Public Health's Project on Global Working Families

**Bullets**

- Seven in 10 adults say they are more likely to fall in love with someone who makes them laugh, rather than someone who makes them think (30%).
- On average, the typical big company CEO earns almost 300 times more than the average worker. In other words, by mid-morning on January 2<sup>nd</sup>, the average CEO has earned what the average worker will earn in an entire year. Most (75%) of CEOs also serve as chairman of the board that sets his or her salary.
- The average woman uses nine cosmetics and other personal care products each day.
- Fifty-seven percent of employees say they know of an office romance that ended in marriage.
- The number of moviegoers age 50-59 rose 20% between July 2002 and July 2003.
- One-half of American workers (52%) live paycheck-to-paycheck. This includes most workers who earn less than \$30,000 a year (87, as well as 34% of those who earn \$75,000 or more.
- More than one-half (54%) of senior executives expect to work for seven or more companies during their careers, up from 9% in 1994.
- Some 41% of African American women, 38% of Hispanic women, and 35% of Caucasian women say their looks are "above-average."

- The average wireless household uses only 452 of the 1,831 cell-phone minutes it pays for each month.
- About 57% of Hispanic moms speak primarily Spanish at home, while 25% only speak English and 17% speak Spanish and English equally.
- In an online poll by Career-Women.com, 70% of women say they have opted out of corporate work at some point in their careers. Most common reasons include taking several years off to spend time with family, pursuing non-profit or foundation work, and taking a job with the government. Some 62% of these women say they have no plans to go back.
- Women who worked full-time, year-round jobs earned 77 cents for every dollar paid to their male counterparts in 2002. This matches the all-time high reached in 2001. African Americans (female and male) made only 57 cents in 2001 for every dollar earned by whites, up from 55 cents in 1968.
- Three-quarters (76%) of male Hispanic Internet users and 71% of their female counterparts have made online purchases.
- According to Nielsen/NetRatings, three-quarters (74.9%) of Americans age two or older had home access to the Internet, this is up from 66% in 2003 to reach 204.3 million people.
- More than one-half (57%) of companies were sued by employees in 2003, up from 49% in 2002 but down from a peak of 62% in 1995. Frequent charges included racial discrimination (54%), gender discrimination (48%), age discrimination (46%) and discrimination due to a disability (37%).
- About one-quarter (23%) of adults (approximately 30 million people) access the Internet from places other than home or work. The most common locations are schools (27%), friends' or neighbors' homes (26%), and libraries (26%).
- Most (87.6%) of regular readers of Black newspapers do not read general-market daily papers on a regular basis.
- The average salaries of school district superintendents rose 12% in the past decade, after adjusting for inflation, and those of principals increased 4%, while teachers' salaries dropped 2%.
- The growth in Internet users increased only 1.7% for the year ending April 2004, compared to 11.3% during the same period in 1999-2000.
- Corporal punishment of children by educators is prohibited in every industrialized country except for the Outback regions of Australia and 22 of the United States. During 1999-2000, US educators struck 342,038 children, down from more than 1.4 million children in 1980.
- Some 55% of Americans say traffic in their area has worsened in the past five years, and three in ten say it is "much" worse. About one in 20 people use mass transit.
- Some 68% of married women with children have a full-time job outside the home.
- Currently, there are 33 million Black, Hispanic and Asian women in the US, and they hold \$722.8 billion in buying power. By 2008, they will be 37 million strong and have \$1 trillion in buying power.
- More than four in 10 (42%) NASCAR racing fans are women, up from 36% in 1995.
- About four in 10 Internet users (39%) have searched for themselves online, 36% have looked for friends they've lost touch with, 29% have looked for family members, and 17% for ex-girlfriends or ex-boyfriends.
- The average household spent \$2,063 on restaurants and carry-outs in 2001, up 1.7% from the prior year. The amount spent on restaurants and carry-outs were both 41%, while the remainder was spent at employer and school cafeterias, vending machines and mobile vendors.
- The proportion of consumers who asked that their names and addresses be removed from marketing lists grew to 87% in 2004, up from 58% in 1999. Similarly, about eight in 10 (81%) have asked companies to not sell or give their information to another company, up from 53% in 1999.
- According to Packaged Facts, retail sales of weight-loss products increased 88.7% from 1999 to 2003 to reach \$4.5 billion. The strongest gains were in frozen dinners and entrees, food bars, meal replacement liquids and powders, and diet candies.
- Almost one-fifth of adult Americans, including 26% of women and 12% of men, are currently on a diet.
- One in five (19%) Americans think hospitals should be run by for-profit companies, while 21% believe the same way about nursing homes, 22% about health insurance, 25% about homecare, and 37% about pharmaceutical manufacturing.

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- Less than three in 10 Internet users (29.3% of men and 23.3% of women) can tolerate more than three advertisements on a web page, while 34.2% will tolerate no more than one. Some 36.8% of users immediately leave a site that appears cluttered.
- Seven in 10 marketers (69%) say that blogging is more than just a fad. About 45% believe the word “blog” is descriptive; 33% say it’s silly and 22% describe it as ugly.
- Some 440 consumer magazines were founded in 2003. About 10% of the 6,200 consumer magazines published today in the U.S. are general-interest titles (vs highly targeted to a specific market), down from 30% two decades ago.
- In 2001, the US had 2.7 doctors per 1,000 people, compared to a median 3.1 doctors per 1,000 among all industrialized nations. Also, the US had 8.1 nurses per 1,000 (compared to 9.0 elsewhere), and 2.9 hospital beds (compared to 3.9 elsewhere).
- More than 800,000 Americans are expected to file for bankruptcy in 2004 because of medical debts, mostly from hospital bills.
- During 2002, the offshoring of business processes was worth \$32 billion to \$35 billion, and is projected to grow by 30% to 40% percent annually over the next five years. This will cause more job losses in the United States and make offshoring an industry with well over \$100 billion in annual revenue by 2008.
- During 2003, 3% of US businesses implemented VoIP (voice-over-Internet protocol) in order to reduce their long distance telephone expenses. This number is expected to quadruple to 12% by the end of 2004.
- In a survey of 254 global senior business executives, 66% of respondents say some of their staff works remotely, up from 54% in 2003. In the US about 19% of employees worked from home at least once a month as part of their primary job. Survey respondents say that the three business functions best suited for remote working are sales (64%), customer-service (49%), and marketing-related functions (40%).