

Vivaldi Partners | Group

Brands & Social Networks:

New Findings on how consumers connect with brands:

Flash Survey



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“Brands & Social Networks: New Findings on how consumers connect with brands”

is a flash report of the larger “*Social Currency 2012 Report*” by Vivaldi Partners Group that was released in September 2012.

This update explores:

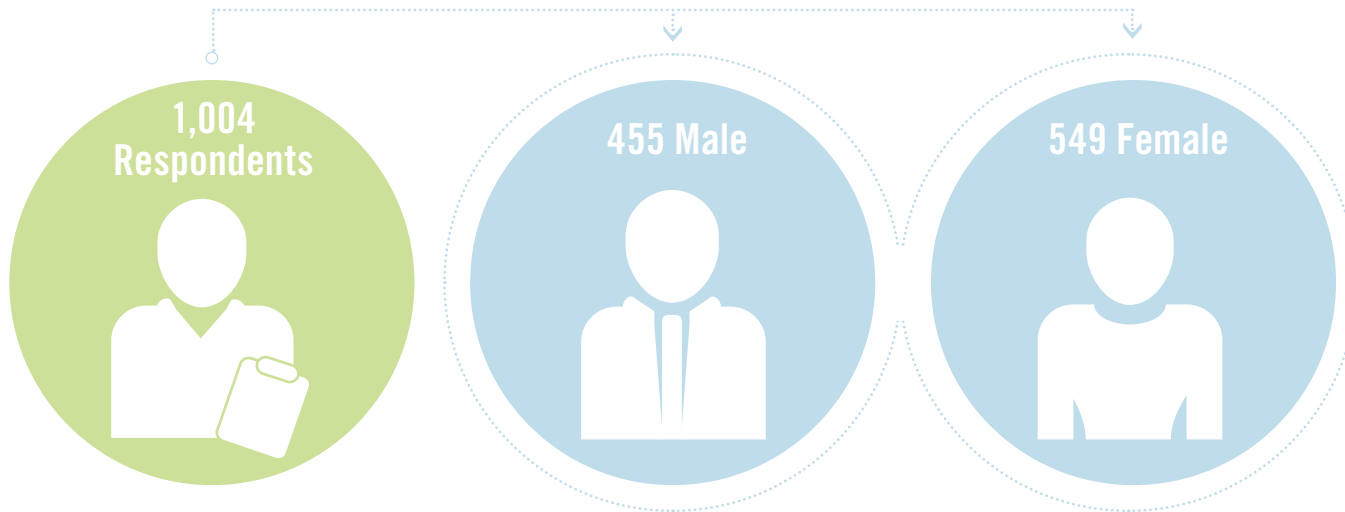
- » why consumers follow brands,
- » why some stop connecting,
- » what brands can do better to engage.

Using the Vivaldi Social Currency perspective, we draw conclusions on what businesses should focus on to engage customers.

We would like to thank our research partner, ***Ipsos***, in their help designing and executing the survey.

What is this study?

>>> We asked:



A c r o s s A l l A g e s & I n c o m e G r o u p s A c r o s s t h e U . S .

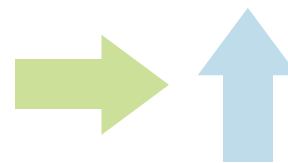
>>> We wanted to find out:



Why do people follow brands?



Why do they stop?



What can brands do better?

Why do people follow brands?

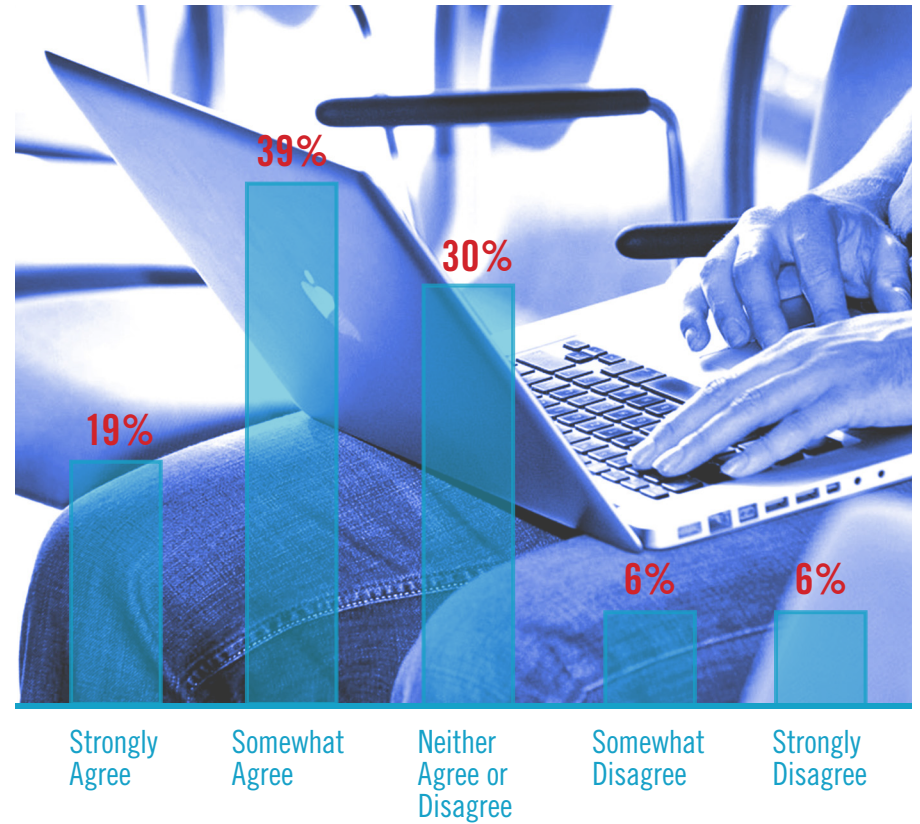


- »» Consumers share on social networks. Out of those who are connected to brands on social media, only 43 percent are motivated to share ideas for new products or services. Even less—33 percent— want to engage and connect with other consumers.
- »» 77 percent of consumers use social networks, and seven in ten connect with brands.
- »» About half of those who connect with brands do so with five or less brands.
- »» The top reasons for connecting with brands on social networks are primarily personal and not social in nature. Specifically, eight of 12 reasons are self-interested motivations such as receiving a discount or getting a deal.
- »» Far fewer consumers state that the reason for connecting with brands is to engage or to connect with others who like the brand. These findings contrast with the prevailing thinking in social media that brands can play an important role in connecting people with others.
- »» Only 33 percent want to connect and engage with other customers of a brand, and only 44% want to recommend and connect with friends with their favorite brands. These numbers are much smaller than those reported in previous studies which showed that more than 67 percent of consumers encourage friends to try new products, or recommend product or services to friends.

Personal reasons for connecting to brands

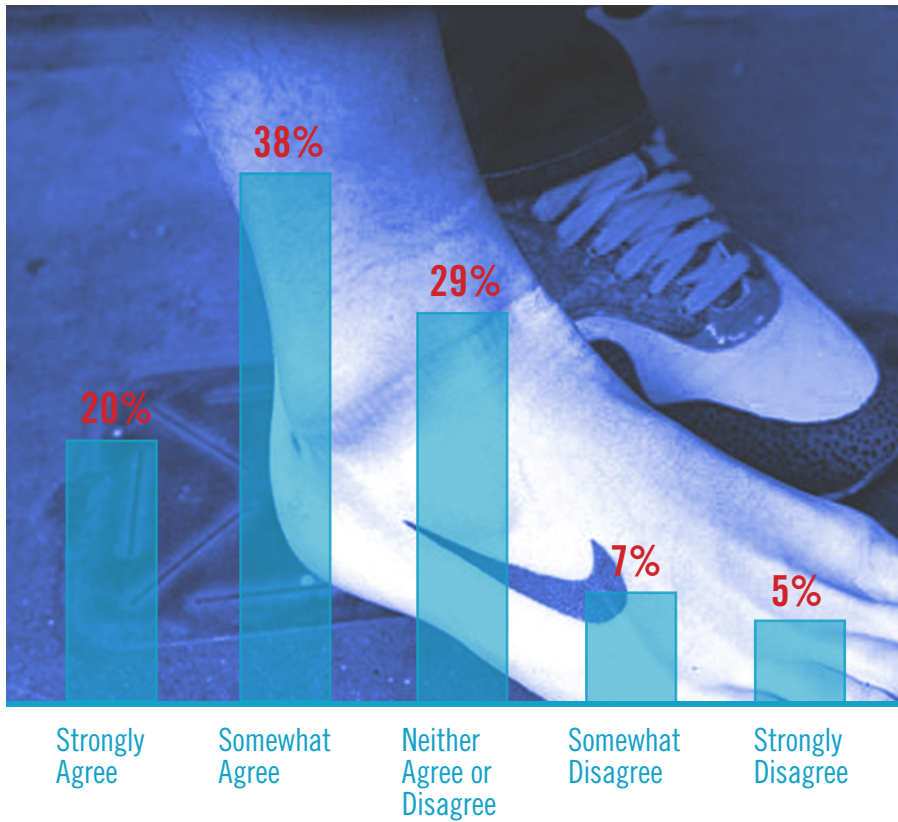


- I am looking for special savings or events or exclusive offers.

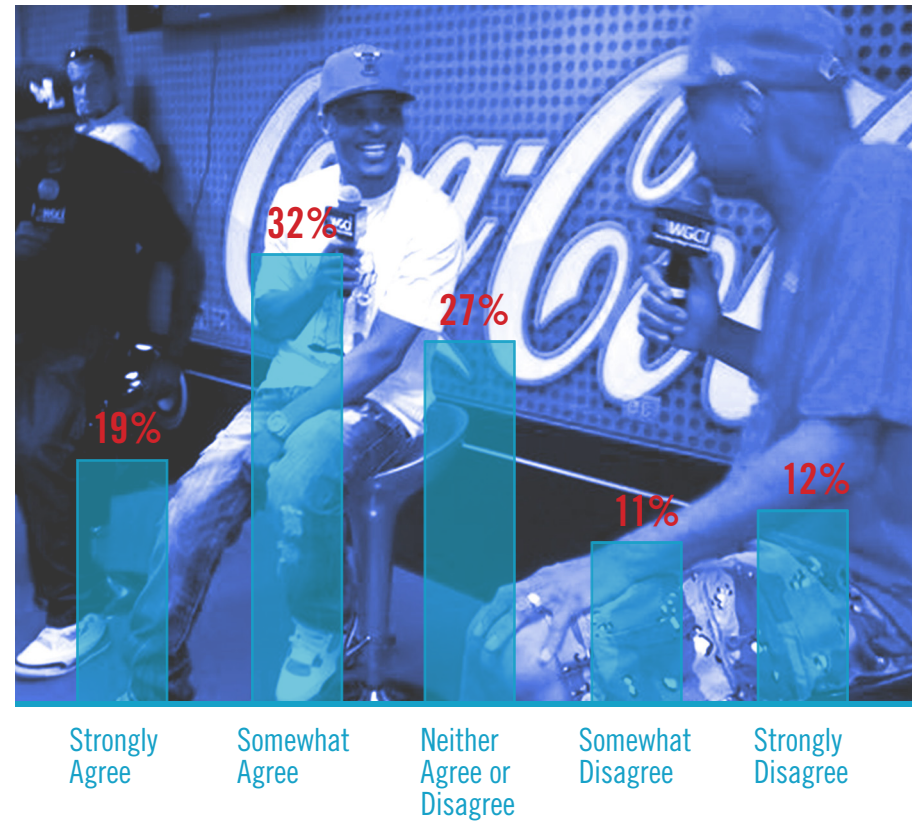


- I like knowing the latest news about this brand.

Personal reasons for connecting to brands

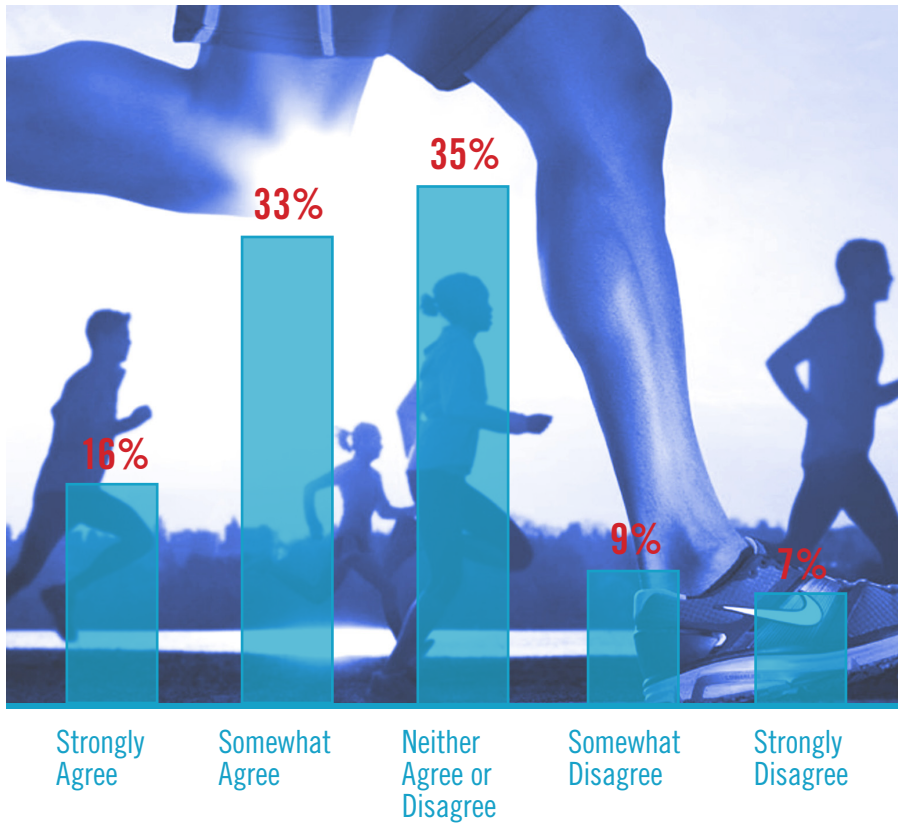


- I am a loyal fan.

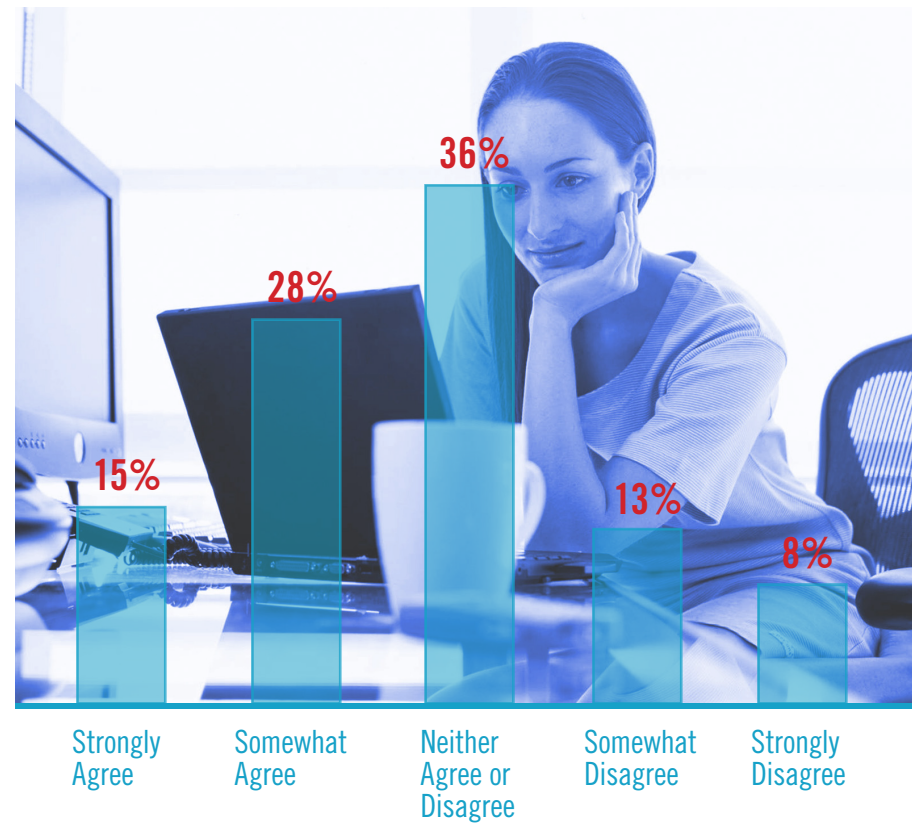


- I am looking for fun/entertainment such as games, contests, and other unique experiences.

Personal reasons for connecting to brands

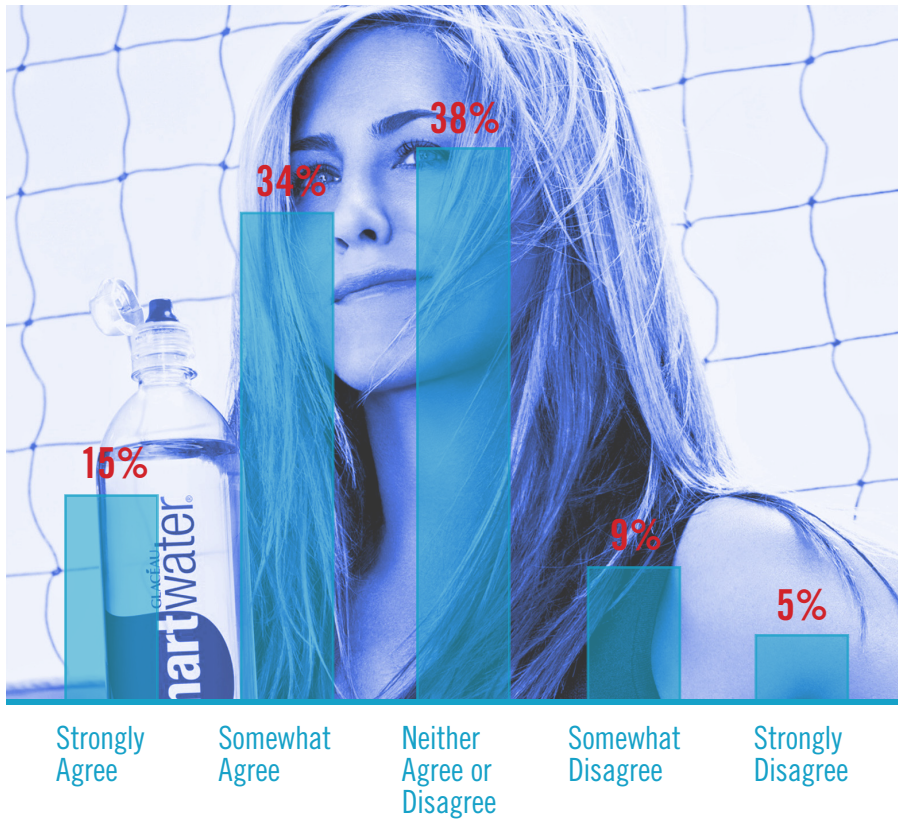


- The brand reflects my lifestyle.



- I want to share my ideas for new products and features.

Personal reasons for connecting to brands



- I identify with what the brand stands for.

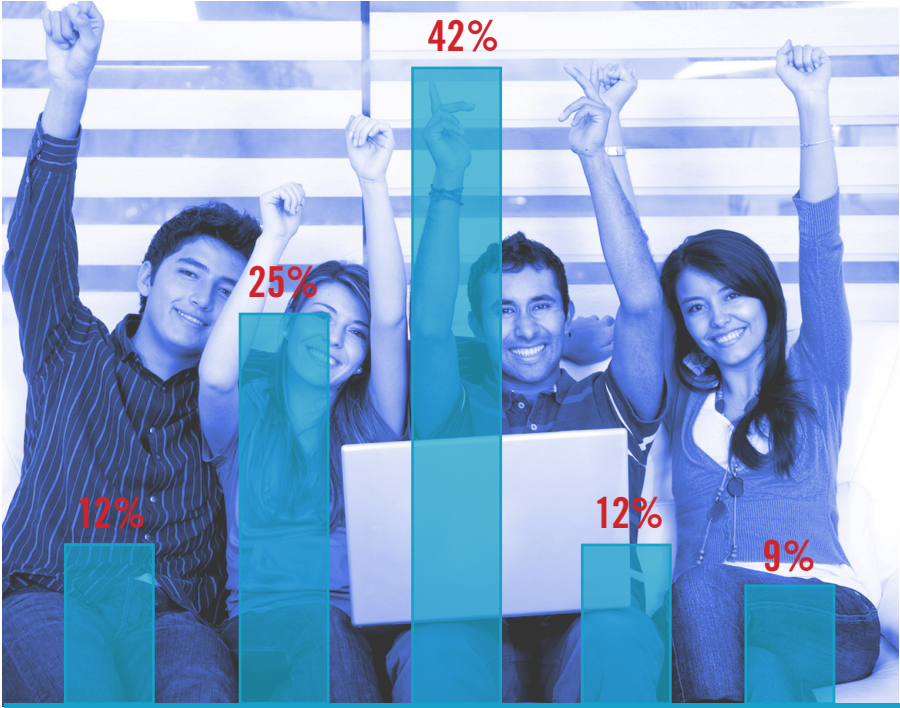


- I want to show others what I like.

Social reasons for connecting to brands

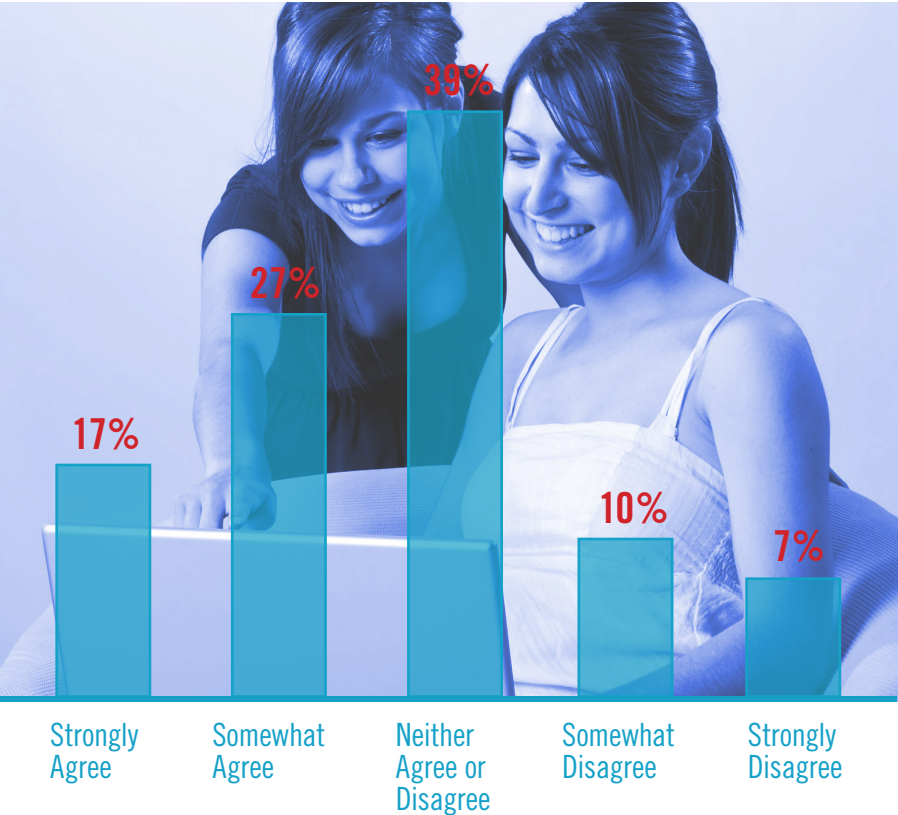


- I want to be heard and interact with the brand on my social network.

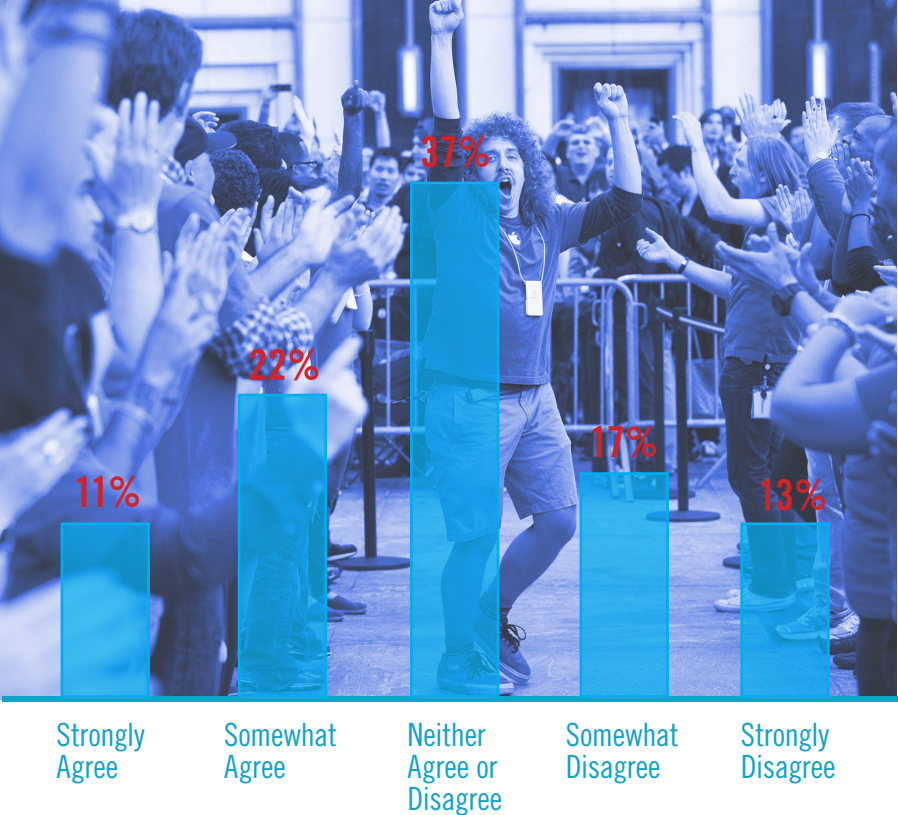


- My friends like/follow this brand as well.

Social reasons for connecting to brands

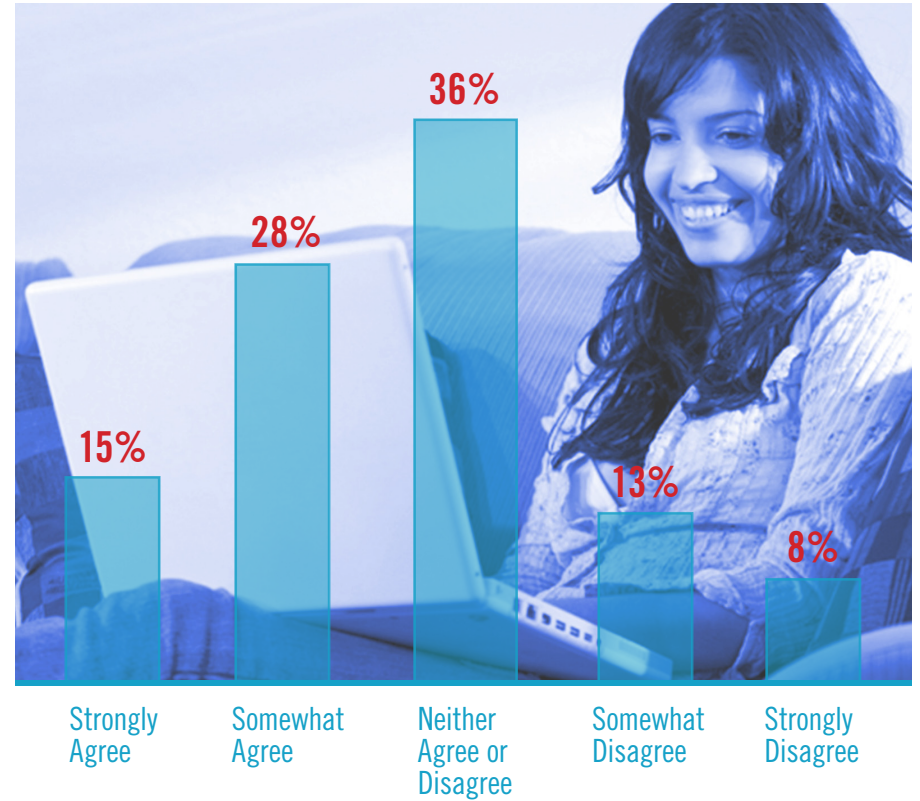
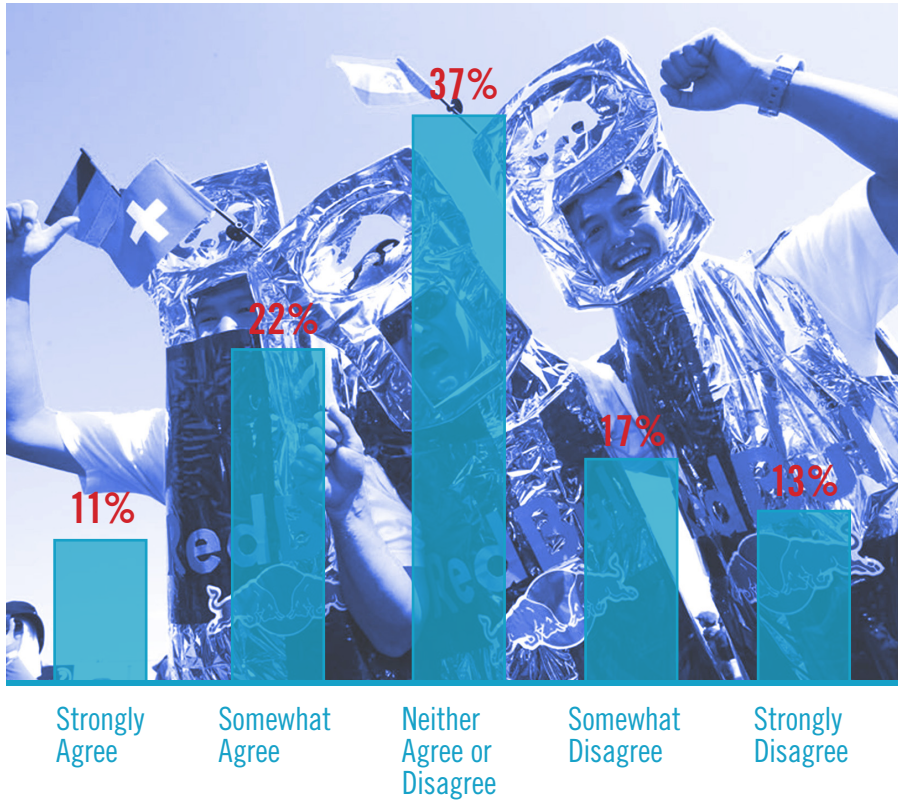


- I want to recommend or connect my friends with my favorite brand.



- I want to engage and connect with other customers.

Sharing is NOT the new giving!



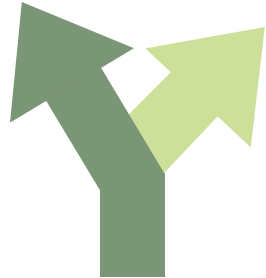
- I want to engage and connect with other consumers.

- I want to share my ideas for new products and features.

»» Only 33% of consumers want to engage and connect with other consumers, and only 43% of consumers want to share ideas for new products and features.

Why do consumers stop connecting with brands?

Consumers do not stay connected with their brands forever.



56% of consumers split up—by unsubscribing or “un-liking”—from a brand or company on a social network.



39% of consumers, however, never disconnect from a brand.

People break up with brands for a variety of reasons:

▶▶▶ People split with brands for the same reasons they follow brands. Some top reasons are:

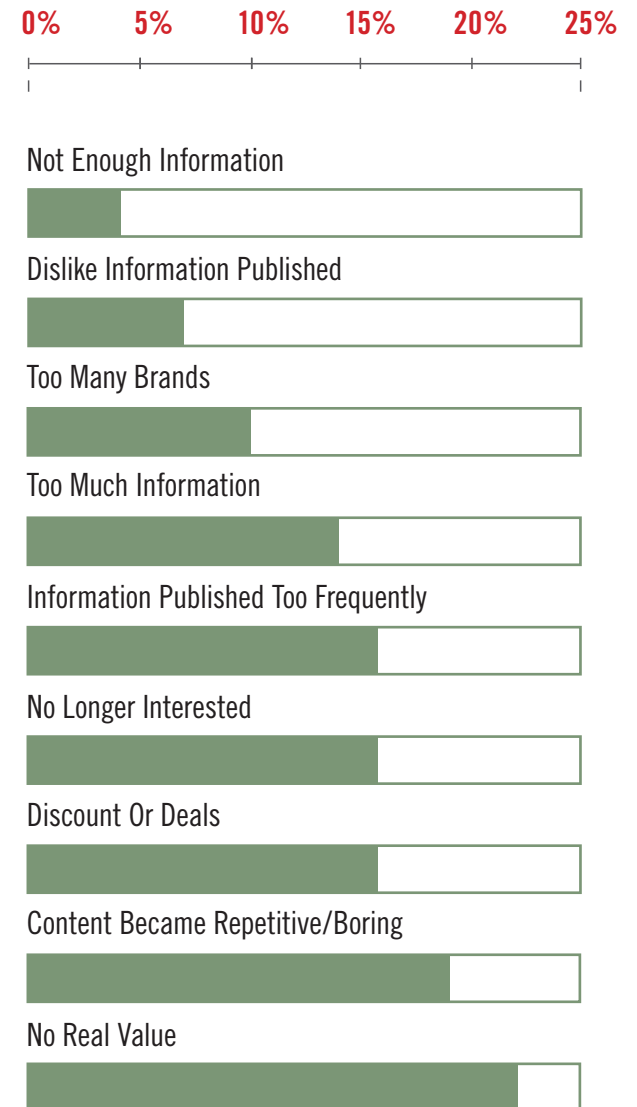
- There was no real value (22%)
- The content become repetitive or boring over time (19%)
- I only liked a page to get discounts/deals and now it is no longer useful (16%)

▶▶▶ Annoyance and impatience with the vast amounts of deals or promotions offered is a big factor too:

- Information was published too frequently (16%)
- I did not want to have more information pushed to me (14%)
- I like too many brands and my wall was too crowded (10%)

▶▶▶ Inability to hone in consumer preference also contributes to splitting with a brand:

- I was no longer interested in the brand or company (16%)
- The brand published information that I did not like (7%)
- Information was not published frequently enough (4%)



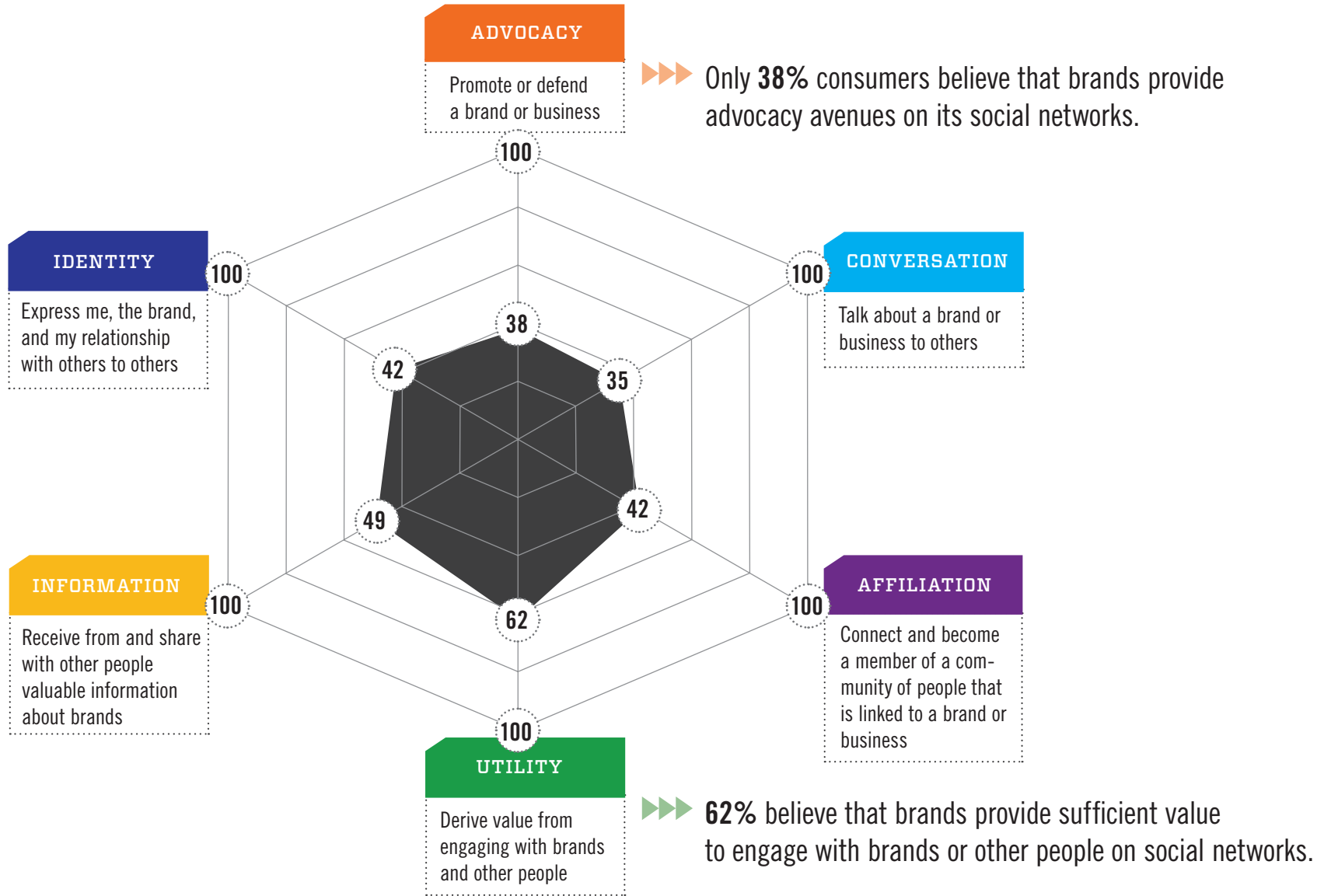
What can brands do better?



Social Behaviors drive Social Currency

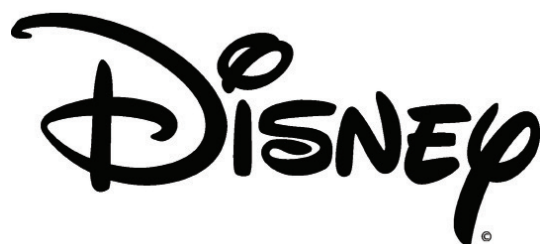
- »»» In order to explore further what brands can do better with consumers on social networks, we assessed the performance of brands across six dimensions of social currency.
- »»» *Social currency is the degree to which consumers share a brand or information about a brand with others.*
- »»» Vivaldi believes that in order to create social currency, marketers must enable consumers' six social behaviors (see next page). To the extent that marketers facilitate or enable consumers, to that extent consumers are willing to connect and engage with the brand online.
- »»» The results show that there is enormous room for improvement. Only 38 percent of consumers believe that brands provide them with the tools or means to promote or defend a brand on social networks (advocacy). And only 35 percent believe that brands provide sufficient motivation or incentives to talk about a brand to others (conversation).

Six Social Behaviors and Consumer Perceptions on Social Networks



Social Currency Behavior metrics are aggregates of relevant statements from the survey.

Deliver outstanding **utility** and entertainment value to consumers.



>>>

Disney is a brand that scores high on overall social media presence. Across various Facebook channels, it has amassed over 75 million followers. Its top channel alone has accumulated over 45 million followers. On TrackSocial, it is second to only Coca-Cola in 2012 in terms of social engagement. On social buzz, it tops every brand.

>>> **Featured Initiative: Disney's My Magic+ Platform**



>>>

Disney enhances the customer experience at its parks through the new **My Magic+** platform that will allow Disney to issue visitors rubber bracelets (encoded with credit card information) which lets them do virtually everything: access rides, park venues, and their hotel room, and even pay for food and merchandise. With this effort, Disney makes a significant effort in the customer service experience of major amusement parks. It eliminates key pain points of service delivery, such as long lines and opening the wallet during the course of the visit.

>>> **Other Similar Initiatives:**

- **Weber's On-the-grill app:** www.weber.com/weber/free-app
- **Waze's social traffic sharing app:** www.waze.com

Learn more:

http://www.cfnews13.com/content/news/cfnews13/on-the-town/article.html/content/news/articles/cfn/2013/1/7/disney_magicband_wri.html

<http://www.koaa.com/news/disney-unveils-magic-bands-with-guest-information/>

Make **information** that is valuable to consumers and broadly available.



Subway takes the top spot in our social currency ranking (see the *Vivaldi Social Currency Ranking Top 25* at www.forbes.com) because it performs high on the six dimensions of Social Currency behaviors and impacts customers in consideration, purchase and loyalty. Subway benefits from a large Facebook and Twitter audience it scores very high on engagement, driving Conversation, Advocacy and Affiliation. Subway fans and followers are very active. Subway continuously delivers valuable information and promotes deals without pushing the advertising theme too far. Subway is relevant and provides meaningful information for its visitors. These results are confirmed by other social rankings, including TrackSocial and SocialBusinessIndex which rank Subway's presence and engagement above average. Numerous studies including the 2012 Social Media Restaurant Index by DigitalCoCo, confirms the strong performance of Subway in 2012 with high scores on engagement. Subway is not only the leader in our ranking, it is among the top restaurant social media category. As a results, Subway has enjoyed a very positive sales performance with a growth of nearly 50% over five years. Meanwhile, the growth for its competitors is less than half, with McDonalds at 26%, Wendy's with 9% growth, and BurgerKing and experience flat growth. Subway is now No. 2 with over 11 billion is sales (Technomic 2012).

»»» Featured Initiative: **Subway’s “The Flavorizer”**



»»»

The **Flavorizer** is an application that lets visitors build and name a breakfast sandwich. The Flavorizer has a gallery of custom-made sandwiches with specialized ingredients, user-created menu names, and photos of the Facebook fan who came up with the “culinary” creation. This initiative is how it links into a brand’s performance of consideration, visitation to the store, purchase, and loyalty. Subway links the initiative to promotional efforts such as coupons.

»»» Other Similar Initiatives:

- **Delta’s glass bottom jet:** mashable.com/2013/01/14/delta-airlines-ipad-app-glass-bottom-jet

Learn more:

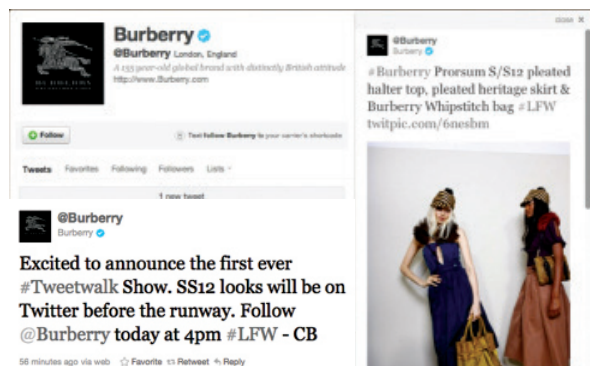
<http://nrr.com/latest-headlines/subway-olive-garden-among-top-movers-restaurant-social-media-index>; Entrepreneur magazine ranks Subway #2 overall in its 2012 Franchise 500 Ranking and SocialBakers list Subway the #27 overall brand on Facebook <http://www.kizata.com/blog/subway-leads-the-way-in-social-media-social-media-for-retail>; Survey of 600 consumers by Conversocial tops Subway over McDonald’s, BurgerKing, Starbucks and 7-Eleven <http://www.entrepreneur.com/blog/224023#>

Create identity-building engagement opportunities for people.



Burberry is one of the top ranked fashion brands across social networks. It has over 13 million fans on Facebook, over 1.3 million Twitter followers (compared to about 100,000 followers for Zara). It has over 500,000 Instagram followers and 1.4 million circles on Google+.

>>> Featured Initiative: **Tweet Walk and Runway to Reality**



Burberry launched **Tweetwalk**, a campaign to premiere its Spring/Summer 2012 collection on Twitter, moments before the models hit the runway, creating massive buzz on Twitter and creating conversations and information equities for Burberry. It also yielded “identity-building” engagement among those that tweeted on behalf of Burberry. As part of its Runway to Reality effort, it made videos shoppable for the Fall/Winter collection now a fairly standard for top fashion brands. Burberry wins, grows its business intelligence of its fan base, and is in the process of building an entirely new business model, more like a media company than a fashion house.

>>> Other Similar Initiatives:

- **Athletica's Create Your Intentions initiative:** www.athleta.net/2012/12/31/the-power-of-intention-whats-yours
- **Canon's project Imagin8ion:** www.youtube.com/watch?v=KHeYtOUb8SY
- **Louis Vuitton's Amble app:** www.louisvuittonamble.com

Learn more:

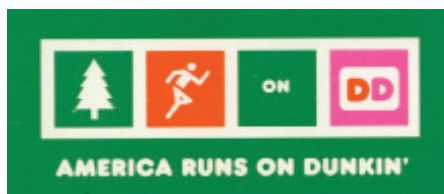
Beth Kowitz (2012), “Burberry’s Angela Ahrends: High Tech Fashion Model,” Fortune, June 11; Lauren Indvik (2011), Burberry’s Evolving Role as a Media Company, September 21; Blue Carreon (2012), “Burberry Lets You Shop While You Watch Its Campaigns,” June 4, 2012. Burberry is ranked the top ten brands photos on Instagram: Jeff Bullas (2012), The Top Ten Brands Photos on Instagram, August 28.

Get word of mouth on steroids for your brand through **advocacy**.



Dunkin' Donuts started its social media campaigns in late 2008, being among the first to understand that it does not own its online media channels, but merely can moderate them. DD invested heavily in social media support with dozens of people engaging with customers and tracking responsiveness via social analytics and monitoring tools. This made DD one of the top brands on SC in our 2010 study already. The social tracking shows that its employee engagement in social media is very high that focus on conversations about the brand and company.

»»» Featured Initiative: **Creativity runs on Dunkin**



Dunkin' Donuts features 13 Pinterest boards where they post photos of donuts and coffee as well as innovative “**Creativity runs on Dunkin**” board, displaying fan tributes to the coffee. Through this, Dunkin' Donuts creates advocacy and visibility.

»»» Other Similar Initiatives:

- **Walmart's Get on the Shelf initiative:** www.brands.walmart.com/getontheshelf
- **Dodge Dart's crowdsourcing initiative:** www.doggedartregistry.com
www.youtube.com/watch?v=BCfxOWLUNwU&ism=KM1.19.13Facebook2

Learn more: <http://bostinno.com/2012/05/19/from-facebook-to-instagram-how-dunkin-donuts-is-killing-it-on-social-media/>

Conversation is good but less words & more action translate into conversions.



Walmart's engagement with its customers focuses on a social media strategy that aims at building local communities to deliver more personal and geo-targeted deals and information about Walmart stores. Both TrackSocial and SocialBusinessIndex rank Walmart high on presence, audience, engagement, and buzz. Overall, Walmart creates an enormous amount of conversations and buzz and has over 26 million Facebook fans. Walmart needs to focus on converting this very strong social performance toward consideration, purchase, and loyalty.

Featured Initiative: **Walmart Facebook Black Friday**



After months of planning, Wal-Mart's social-media team was in the command-control room of the retailer's Bentonville, Ark., headquarters, which is typically reserved for natural disasters. Sheryl Sandberg, COO of Facebook, and other Facebook executives were on standby in New York and California. Over the next 72 hours, Facebook and Wal-Mart rolled out the social network's biggest mobile-advertising campaign ever, consisting of 50 million ads. Wal-Mart's discounted deals on toys and televisions popped up in the Facebook mobile news feeds of tens of millions of people. Unlike previous campaigns, for which companies paid Facebook only after users saw their ads, Wal-Mart pre-purchased the ads and edged out other retailers for space during the all-important kickoff to the holiday shopping season. This effort is a very powerful example of how to convert conversations into a sales drive.

Other Similar Initiatives:

- **Coke Chase:** www.cokechase.com
- **Obermatten Switzerland, local community initiative:** www.youtube.com/watch?v=e91c0mWP960

Learn more: <http://online.wsj.com/article/SB10001424127887324339204578171933054644630.html>

Launch community-building initiatives that drive brand building.



Heineken continuously creates high visibility for its brand through social media. On Facebook, Heineken reaches more than 11 millions fans versus about 3 million for Budweiser. Heineken's users engage with its viral campaigns and innovative concepts. TrackSocial rates them "A" consistently and within a fairly homogeneous beer market, they remain on top. Heineken also performs stronger with consumers and influencers relative to Anheuser-Busch.

>>> Featured Initiative: **Heineken StarPlayer**



Last April, just in time for the UEFA Champions League semi finals games, Heineken released **StarPlayer**, a Facebook and iPhone application that served as a multiplayer, outcome-guessing screen intended to augment the watching of soccer games. Available for download or online, the game offered players around the globe to compete (in self-created leagues or simply against everybody) in predicting what is going to happen next at seminal points in the game, for example: corner kicks and penalty shots (predicting a goal, a save, or a miss). The users that made correct predictions were rewarded with points on the basis of the odds. Player had other chances to score points by answering questions about the countries that were represented in the competition in 30 seconds or less. After the completion of the semi final games, the scoreboard leader won a ticket to the finals at Wembley Stadium in London. The game returned again this September, covering all the 125 games of the 2011/2012 season. Heineken garnered enormous community-building benefits and real engagement.

>>> Other Similar Initiatives:

- **Coca-Cola, "Mirage"**: <http://adage.com/article/cmo-strategy/scenes-coca-cola-s-super-bowl-2013-ad-plans/239568/>

Learn more:

<http://www.vivaldipartners.com/vpsocialcurrency/brand/Heineken>

<http://www.brandingmagazine.com/2012/03/29/heineken-bottle-of-the-future-design-challenge-winners/>

Overall Conclusions:

»» The value of a brand in today's digitally connected world is related to the relationships it creates among people who buy the product or service. Today, brands need to work even harder to earn its value in customers' daily lives. Our research shows the reasons why consumers connect with brands on social networks and also why they disconnect. But connecting or liking a brand is only the first step, it is the permission to play. Brands must also enable consumers and empower them to connect with other people, to advocate for the brand and more.

It is our opinion that brands today, still fall short of customer expectations. In other words, our study clearly shows that brands do not fully leverage social currency to empower or enable consumers' social behaviors.

This is an important challenge that brands and businesses must address. The success of social networks such as Facebook or Tumblr, social commerce, social news services or social recommendations are predicated upon the assumption that we like what our friends like. But if consumers who like a brand on social networks do not connect with other users of the brand, the value of "social" is greatly reduced.

About the Survey:

- »» These are some of the findings of an *ipsos* poll. For the survey, a national sample of 1,004 adults aged 18 and older from Ipsos' U.S. online panel were interviewed online, including 726 adults who use at least one social network. Weighting was then employed to balance demographics and ensure that the sample's composition reflects that of the U.S. adult population according to Census data and to provide results intended to approximate the sample universe. A survey with an unweighted probability sample of 1,004 and a 100% response rate would have an estimated margin of error of +/- 3.1 percentage points 19 times out of 20 of what the results would have been had the entire adult population of adults aged 18 and older in the United States had been polled. All sample surveys and polls may be subject to other sources of error, including, but not limited to coverage error, and measurement error.

»» This flash report is an update of the larger *“Social Currency 2012 Report”* by Vivaldi Partners Group that was released in September 2012.



Please check our website for updates: www.vivaldipartners.com

End Notes

- »» Our study was inspired by our research on Social Currency, which we define as ***the degree to which consumers share a brand or information about a brand with others***. Two previous studies have focused on how consumers connect with brand on social networks: Facebook and brands, DDB Opinionway study, Oct 2010; and The Social Break-Up, Exact Target Study 2011.

VPG is a global firm that helps unlock innovation and growth opportunities for brands and businesses in a digitally connected world. We bring together deep capabilities in strategic consulting, with cutting-edge creative, and digital expertise, and a proven Demand-first methodology to achieve new levels of greatness for our clients.

Vivaldi Partners Group consists of a unique portfolio of three businesses: Vivaldi Partners, Vivaldi Fifth Season, and E-Edge.

Vivaldi | Partners Marketing, Branding, Innovation

Vivaldi Partners is a global strategy consulting firm that helps companies achieve breakthrough levels of profitable and sustainable top-line growth through identifying new demand opportunities, formulating strategies for innovation and growth, building strong brands, and developing actionable marketing strategies. Everything we do is driven by the deepest and most profound understanding of customers' or consumers' ecosystem. Vivaldi has created a ground-breaking approach to learning from customers and consumers and translating this understanding into actionable strategies and tactics.

fifth season Digital, Technology, Design

Vivaldi Fifth Season is a global creative powerhouse that orchestrates and produces innovative, engaging social interactions, builds brands, connects with audiences, and creates entirely new businesses. Our multi-disciplinary team operates at the crossroads of brand, business strategy, design and digital technology. We steer clients through the entire process from establishing a social incubator inside a company to creating social and digital media initiatives, to developing brands.

E-Edge Organization, Training, Leadership

E-Edge is an executive education and management development company that delivers programs for building the capabilities of leaders in the areas of brand management, growth strategy, and marketing. E-Edge creates and delivers effective executive education and learning experiences for senior executives through a staff of experienced facilitators, academics, and strategy consultants.

VP WHAT MAKES US UNIQUE ?

Everything we do is driven by the deepest and most profound understanding of how customers' or consumers' interact with their environment and with other people - resulting in a better understanding of their goals, activities, needs and wants.

Vivaldi Partners Group understands your customers better than anyone else. We are able to identify the technological changes that affect the daily context of consumers. We will tell you what matters to your business so that you can make decisions that ensure long-term growth.

DEMAND-DRIVEN INNOVATION AND GROWTH (DIG)

An important aspect of our approach is how we work. We look at the context of consumers' eco-systems from an "outside-in" perspective to create our **DIG** (*Demand-first Innovation and Growth*) model. This unique model helps build strong brands and great businesses. Our proven DIG model is a practical and repeatable process helping businesses and brands around the globe find new avenues for innovation and growth.



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