

Kaizo Advocacy Index



Winter 2009



A bi-annual
study of online
reputations and
recommendations

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Background and Purpose

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The Kaizo Advocacy Index (KAI) is designed to provide a perspective on a brand's online reputation and recommendations.

It ranks a brand based upon a methodology that emulates the way consumers and businesses assess brands online, looking at what they actually find when they search through Google and other social media search tools.

The study recognises that online content is a key source of brand reputation, word-of-mouth (WOM) and ultimately influences consumer decision-making.

The Index examines a selection of major brands from the food, software, airline and mobile sectors. Research was conducted in January 2009 over a two week period. The data was captured simultaneously for all brands within each sector to ensure consistency.

This is the fourth bi-annual study.

The KAI combines the depth of relevant qualitative information on the internet with a quantitative scoring system.

The basis for the metric is the Net Promoter Score (NPS). The NPS acts like a Balance Sheet of a brand's 'recommendability'. It calculates both the negative and positive recommendations for a brand or its products/services, and a resultant score based on this.

For this study, Google searches are conducted in the categories *Web*, *News*, *Groups* and *Blogs* for selected brand names. In each category, the first ten search results that express an opinion about the brand (and are not part of a company or affiliate's Web site) are analysed.

The page is assigned a positive (Promoter), neutral (Passive) or negative (Detractor) score based on its content. An index is calculated by subtracting the percentage of Detractors from the percentage of Promoters.

This is the first report to present additional measures incorporating the findings from Facebook and Twitter. Facebook searches are conducted for the specific brand names and then filtered down to include only independent 'group' results. The first 10 groups that express an opinion about the brand (and are not part of the company or affiliate's group) are content analysed.

For the Twitter score, Twitter searches are conducted for the selected brand names and the first 20 results are then looked at. The Facebook and Twitter results are analysed in the same fashion to the Google results.

The overall KAI score for each brand is based on the average score for all the Google categories, Facebook and Twitter. A negative score indicates that the percentage of Detractors is greater than the percentage of Promoters.

Each KAI score must be considered in relation to competitors' scores rather than in isolation, or against companies in different sectors. Some sectors have broad word-of-mouth appeal – such as airlines and mobile – and tend to have more extreme average rating.

However, within a sector a score is a clear sign about who will be winning the 'recommendation stakes' now and in the immediate future. Even more important in the current economic climate where finding new customers is tougher than ever.

As with previous studies, this study shows that the internet is providing customers with a rapidly increasing amount of information on which to base their purchasing decisions. This proliferation of information can mean that brand news is less prominent. The message is that the more the internet expands the more online activity needs to increase.

Key highlights of this study include the following:

Virgin Atlantic almost matched by Hovis in online popularity

Hovis has seen a dramatic rise in popularity online from the last Kaizo Advocacy Index where its score was passive. Both Hovis and Virgin Atlantic, the perennial number one in this study, benefitted from popular marketing campaigns during this period. Key here is that the best campaigns allow online and offline activity to complement each other, so content is easy to bookmark and imbed and the themes encourage debate and conversation.

Economic downturn increases need to reach out

During an economic downturn businesses with a poor communication strategy will lose out. It is often the uncertainty, rather than the situation itself which creates reputation concerns. Oracle, for example, has received negative comments regarding job losses, which was accentuated by the fact that there was no representative available to respond online.

Social media is coming of age as a business tool

Social media is not exclusively a platform for consumer brands looking to reach younger audiences. All ages are now active users of social media and smart businesses are recognising this as part of their own activity.

For instance, our study highlighted Symbian's presence on social networks such as Facebook as a prime example of how business brands can use social media to interact with customers. The variety of Web 2.0 tools, and broad spectrum of ages, means that every brand can find platforms that reach their customers.

Opportunities appear when brands get involved

As the internet expands, retaining brand identity in the Web 2.0 space becomes increasingly complex. Search engines, social media sites, forums and blogs make it easy for consumers to comment on a brand and play an active role in shaping perception.

Smart brands are interacting with their customers online and encouraging involvement, for instance our study revealed that software brands, particularly Symbian and SAP, appear to be monitoring online blogs and responding to posts.

Keeping perspective is a balancing act

The Internet has allowed word-of-mouth to spread further and faster than it does offline. Clearly, this can mean that negative comments spread quickly.

The leading brands, in terms of online recommendations, are joining conversations and putting negative comments into perspective. They are also more active in posting news, views and comments to balance out the weight of online coverage found through search. For instance, Virgin Atlantic received a lot of criticism after 13 employees were fired for creating an offensive Facebook group. However, by sustaining an active presence online, this story is now receiving very little exposure online, as more recent posts and comments dominate the searches.

Of course, finding Promoters as well Detractors online, brands need to monitor their social media outreach effectively.

Increasing impact of Facebook and Twitter

The introduction in this year's study of searches on Facebook groups and Twitter recognises the growing importance of social networks and micro blogs. Some brands such as T-Mobile, Orange and SAP are improving their image online with consistent strategic interactions in these channels.

Results Summary

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	Not including Facebook and Twitter searches			Including Facebook and Twitter searches	
	Summer 08	Winter 09	Change	Winter 09 KAI	Rank
Food Brands					
Hovis	2.0	34.5	32.5	42.7	1.0
Heinz	-11.0	31.1	42.1	22.4	2.0
Kellogg's	-6.0	38.3	44.3	22.2	3.0
Danone	25.0	17.8	-7.2	19.6	4.0
Del Monte	-13.0	-21.4	-8.4	-8.5	5.0
Airline Brands					
Virgin Atlantic	16.0	37.5	21.5	45.0	1.0
easyJet	-7.0	12.5	19.5	9.2	2.0
RyanAir	-40.0	-12.2	27.8	-15.8	3.0
British Airways	-39.0	-16.1	22.9	-21.6	4.0
BMI	11.0	-33.3	-44.3	-35.1	5.0
Software Brands					
Symbian	18.0	24.7	6.7	26.3	1.0
SAP	-17.0	-0.3	16.7	7.3	2.0
Oracle	14.0	-20.8	-34.8	-12.2	3.0
Microsoft	-16.0	-32.5	-16.5	-24.2	4.0
Symantec	-3.0	-32.5	-29.5	-24.3	5.0
Mobile Brands					
T-mobile	-19.0	3.1	22.1	14.6	1.0
O2	-1.0	23.1	24.1	12.0	= 2.0
Vodafone	14.0	20.7	6.7	12.0	= 2.0
3 mobile	26.0	25.0	-1.0	8.3	4.0
Orange	34.0	-16.7	-50.7	-0.8	5.0

Of the four sectors, the food brands are receiving the most positive comments online. The highest KAI score is claimed by Hovis (42.7), followed by Heinz (22.4), Kellogg's (22.2), Danone (19.6) and Del Monte (-8.5).

Hovis (42.7)

Hovis has seen a dramatic rise in online popularity due to the great response to its marketing campaign celebrating Hovis' 122nd Anniversary. Positive posts have appeared alongside embedded clips of the 122nd Anniversary advert, one such post reads *"For me it is definitely the ad of the year so far. It was a sweeping epic and I really liked it"*.

The brand did receive some criticism that Hovis bread is not what it used to be, with comments such as *"This is not the Hovis bread I remember as a child"*. However, the positive chatter balances out the impact of these negative comments from a search perspective.

Heinz (22.4)

Chat relating to Heinz is generally positive. Favourable comments are expressed towards the brand's products especially Heinz ketchup and Heinz tomato soup. The Heinz association with MyPyramid to promote healthy eating is also generating positive exposure. However, another association has cast a shadow on the reputation of the brand, i.e. the Heinz association with Theresa Heinz and John Kerry. One post describes Teresa as a *"misogynist and racist right's worst nightmare...who inherited the giant H.J. Heinz food company"*.

Whilst this is not fresh news, it is an issue that continues to appear on search engine hits, suggesting that Heinz isn't being active enough online. Due to the fast moving pace of the internet, a focused campaign and the use of social media outreach can help brands recover from reputation issues.

Kellogg's (22.2)

Kellogg's products generally receive positive feedback especially on Facebook with groups promoting the brand Kellogg's, one fan wrote *"Kellogg's cornflakes - the best snack ever!"*.

Other positive comments relate to Kellogg's decision to save 'Mothers Cookies'. However, the recall of 'Peanut Butter Crackers' is generating a lot of unfavourable comments on Twitter.

Danone (19.6)

The majority of negative remarks related to the feud between Danone and Wahaha. *"With Danone aggressively pressing its exclusive rights to the brand, the CEO of Wahaha finally took up the motto of defending the 'national interest' to attract public support"*, reads one article. It would be advisable for Danone to resolve the conflict with Wahaha in an attempt to play down the negative subtext that the feud carries.

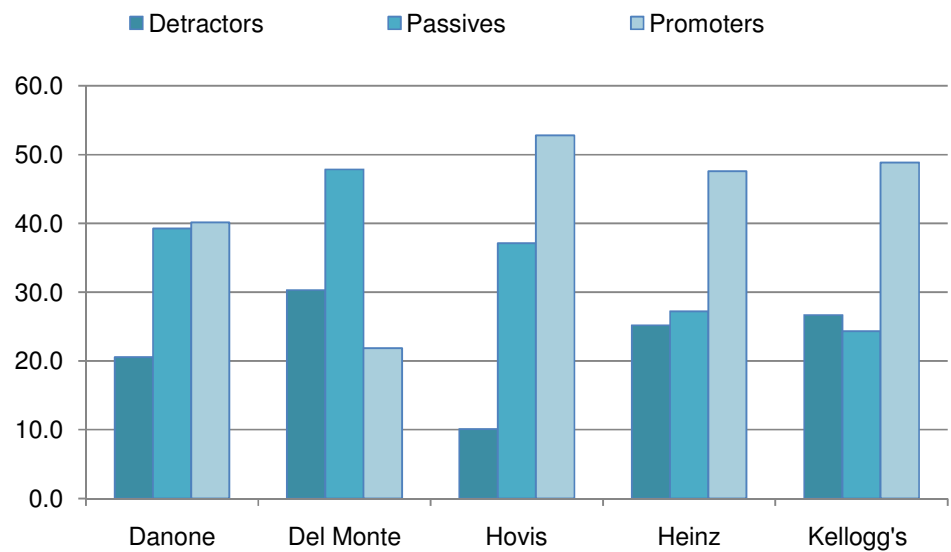
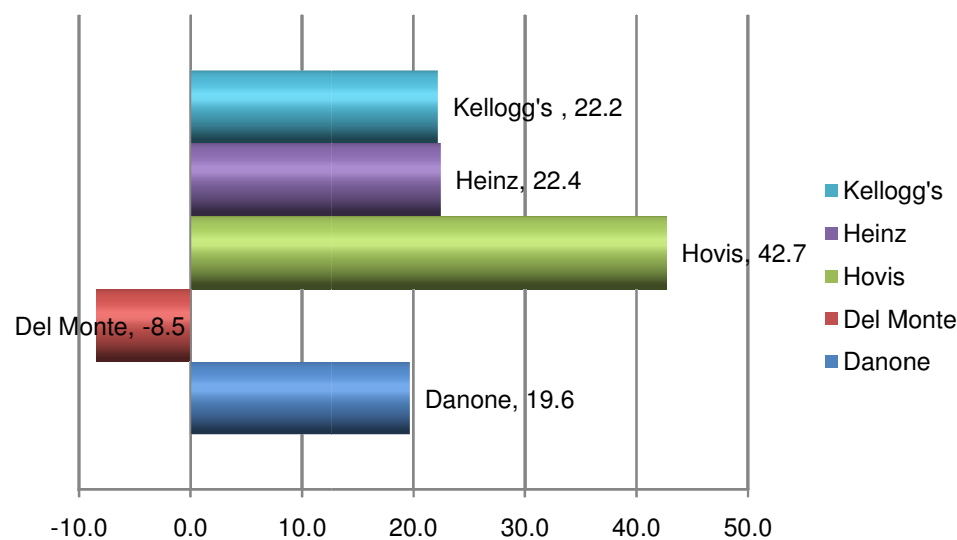
On the other hand, Danone's eco-awareness, reflected through their alliance with the Ramsar Convention, has generated positive coverage for Danone. The lack of chat on Facebook and Twitter highlights Danone's need for more online engagement.

Del Monte (- 8.5)

Del Monte scored the lowest out of all the food brands with Detractor comments questioning the ethics of the perceived multinational giant. Particular mention is made of the exploitation of cheap labour by Del Monte which was deemed unethical. One commentator writes "*Del Monte is also accused of exploiting their workers, claiming they were too unsafe, poorly paid and inhuman conditions*".

Given that the brand is trying to appeal to a family audience, this perception needs to be addressed and attempts must be made to shift the focus of chat to more positive aspects of the brand. Commentators responded positively to promotional vouchers available online.

Food Brand Scores



The software brands, on the whole, generate more online chatter than other sectors. However, the content that reached the top on search engines is typically negative based on corporate and product issues.

There are also a lot of passive comments relating to technical issues whereby commentators seek advice/tips on how to get the best out of their equipment. Symbian claimed the top score (26.3), followed by SAP (7.3) then Oracle (-12.2), Microsoft (-24.2) and Symantec (-24.3).

Symbian (26.3)

Symbian is way ahead of the other software brands we analysed. The brand is represented well on Facebook, with a large number of Promoters, most of these express positivity towards the brand's products and software updates. A Facebook group describes Symbian as "the world's leading mobile operating system. We all love what Symbian OS can do with our mobile phone. We can choose programs and install them on our mobile phone with SYMBIAN OS".

This is a great testament to the fact that you do not need to be a youth brand to use social media - business brands can make use of the platform too. The negative comments mostly relate to difficulties in using the products. This could be minimised with comprehensive user guides on the company's website. Innovation is key within this sector and, as Symbian has demonstrated, it is crucial that bigger and better products are constantly being developed in order to stay ahead of the competition.

SAP (7.3)

Users of SAP generally express positive experiences of the brand - *"Using SAP for your business or career is something like supplying a jewel to the crown. It can sure boost up your career or business and can take it to newer altitudes"*.

However, several detracting issues are raised. Firstly SAP's law suit with Oracle has generated negative comments. SAP's decision to ban technical trainers from using screenshots is also being frowned upon. *"The company is sending out letters telling training and tools providers that its copyright infringement to use any screenshots of their software. This makes me sad that my company uses a SAP product"*, informs one post.

Finally, the brand is also viewed as a large unethical corporation after a small family business was made bankrupt following an encounter with SAP.

Oracle (-12.2)

The majority of online chatter relating to Oracle is passive although commentators generally appear satisfied with Oracle's products. Unfortunately, as with Microsoft, Oracle's recent financial performance and the associated job losses have generated some detracting

comments. One article reports “*Business software company Oracle Corp. cut about 500 jobs last week in its North American sales and consulting businesses, the Wall Street Journal said Wednesday. A representative for Oracle could not be reached for comment Wednesday morning.*”

Oracle needs to adapt to the current economic climate in order to remedy their brand recommendability. In times of economic downturn, communication online is vital to consolidate the brand’s message and maintain brand recommendability.

Microsoft (-24.2)

Microsoft’s recent financial performance and related job cuts have generated negative opinion. Whilst this is an unfortunate side effect of the current economic climate, clean and open communication can help to maintain consumer confidence in a brand.

Commentors also expressed frustration with Microsoft’s latest operating system Vista and on Facebook there are several groups expressing a dislike for the Microsoft ‘paperclip’ tool. One such group has 5000 members and negative comments include “*I’m sick and tired of you sitting in the corner of the screen, blinking your eyes, and mocking me. You’re supposed to be an office assistant so assist me DAMMIT*”.

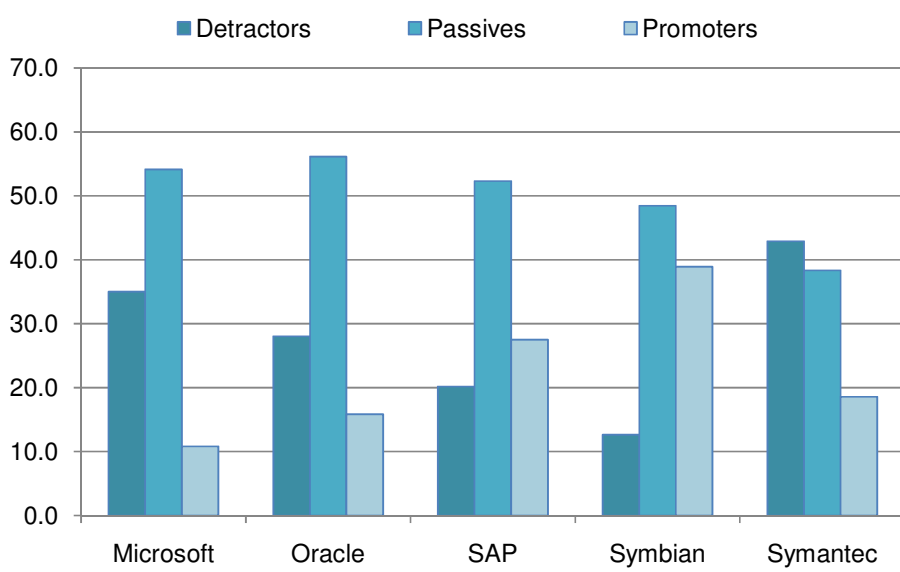
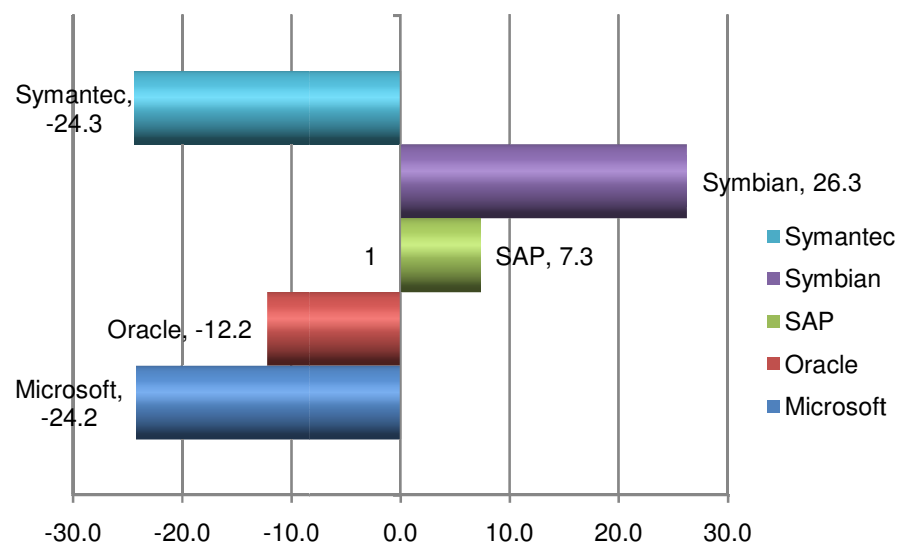
Symantec (-24.3)

Symantec has a lot of negative comments referring to problems with its anti-virus software.

The company has also been criticised for spamming and withholding information about a recent virus. “*Security firm Symantec withheld information about at least one big cyberthreat for hours after spotting it, possibly harming millions of Internet users.*” Transparency is important for companies such as Symantec as withholding information can have a detrimental effect on the brand’s recommendability.

However, the brand is well promoted through Twitter, with positive comments related to new product launches. Twitter is a useful social out reach tool, but it has a very fast turnover and needs to be used in conjunction with other forms of social media in order to prolong the brand message.

Software Brand Scores



Airline Brands

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Once again Virgin Atlantic sparkled as a brand which inspired and excited consumers. Overall though, the general performance of airline brands was poor, with three of the five brands generating a negative score.

Streets ahead is Virgin Atlantic with the highest score (45) followed by easyJet (9.2), RyanAir (-15.8), British Airways (-21.6) and BMI (-35.1). There is a trend for employees within this sector to set up Facebook groups that can include negative comments about customers. Brands must ensure these groups are monitored and that employees are aware of the detrimental effects that inappropriate content can cause.

Virgin Atlantic (45)

Virgin Atlantic is not only top of the airline brands, but also has the highest score across the sectors. The majority of online chatter is related to the marketing campaign for Virgin Atlantic's 25th anniversary. On Twitter, one fan writes *"Loving the current Virgin Atlantic advert. It has the cheekiness that only the Branson empire could get away with"*. Many bloggers embedded the clip on their websites thus increasing its exposure.

There were very few negative comments towards Virgin Atlantic, however, the brand did receive some criticism for firing 13 employees who set up a Facebook group. That said, the minimal exposure this received is testament to the fact that brands can put such issues into context and overcome potential reputation damage.

easyJet (9.2)

easyJet is performing well amongst the airline brands and the brand is praised for its low cost flights and expansion of routes. *"Low-cost carrier Easyjet has just announced a summer schedule of flights from Liverpool to Dubrovnik. Beginning on June 2, flights will run Tuesday, Friday and Sunday. Prices begin at a lowly £40!"*

However, the brand also receives a lot of negative comments due to poor flight conditions and delayed services. *"don't bother with these cheapo airlines, it's worth the extra 30 pound or whatever to get to your destination on time or at least know what the hell is happening..."*

Poor communication is an issue that crops up several times, with customers left frustrated by the lack of information provided, especially with regard to flight delays. Effective communication is a great tool to minimise the impact of negative brand experiences.

RyanAir (-15.8)

Whilst RyanAir has reported an increase in passengers, customer reports are consistently negative and thus reflected in the brand's score. One Facebook group member writes *"Let's gather all Ryanair haters online! Dirty, delayed and dangerous"*.

Despite the low cost of tickets, a large number of comments on blogs and Twitter report poor customer service, delays and poor flight conditions. RyanAir will be unable to sustain passenger numbers if it continues to generate poor customer reviews, especially with competition from other budget airlines such as easyJet which has seen vast improvements in customer relations. RyanAir needs to address its customer relations in order to promote brand recommendability.

British Airway (-21.6)

Although improved somewhat since summer 2008, British Airways' score is still negative. The brand is also extensively criticised over a lack of diplomacy regarding racial and cultural issues. The surfing community is also expressing discontent over the banning of surfboards, *"British Airways sucks man! That's just discriminating against surfers...Not cool"*, declares one disgruntled surfer.

The brand should be aware that customers who feel victimised are more likely to voice their opinions. Issues such as these can have a major negative impact on brand recommendability.

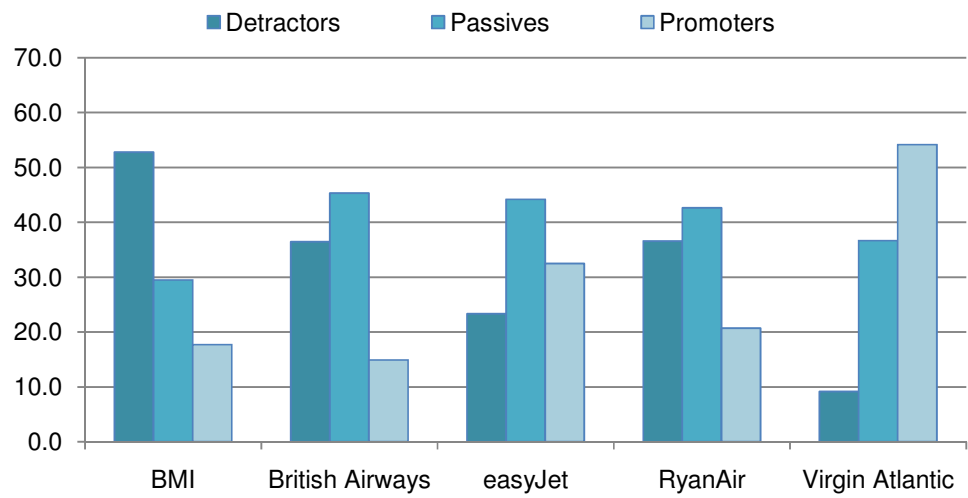
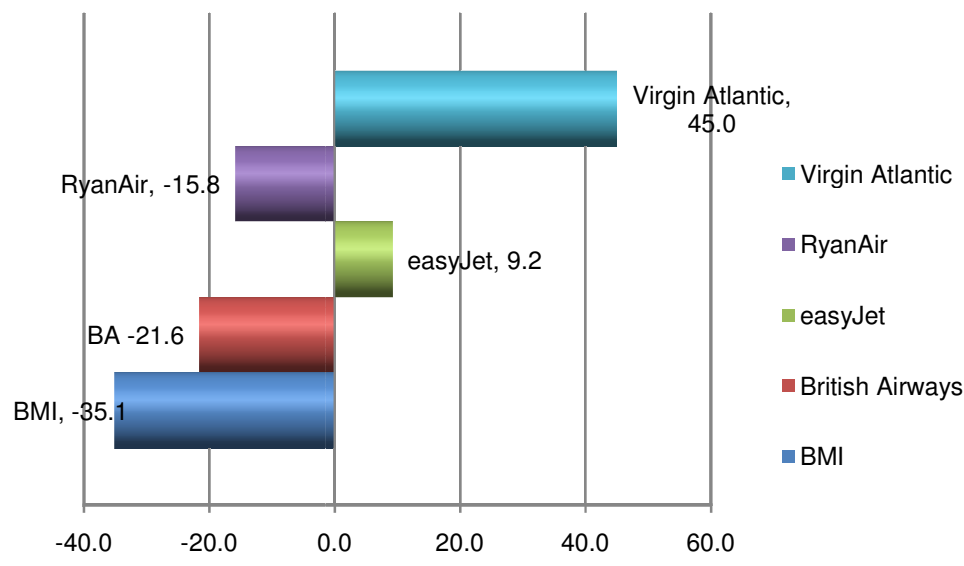
BMI (-35.1)

BMI showed a large decline since summer 2008 and over 50% of all comments relating to BMI were negative.

Negative comments relate to bad experiences whilst flying with the airline, the most prominent of which being lost luggage and flight delays. One customer complains *"I travel half way across the world and back and bmi lose my luggage on the way from London to Glasgow. Typical!"*.

BMI's association with the deportation of migrants has also been criticised. By becoming more active online, BMI should be balancing content and looking to generate more positive content.

Airline Sector Brands



A recurring theme within the mobile sector is poor customer relations and this is remarkably similar across all the brands.

Despite this, four out of the five have a positive score, T-Mobile (14.6), jointly followed by O2 (12) and Vodafone (12), then 3 mobile (8.3). Orange came bottom of the mobile brands with a negative score (-0.8), this is in stark contrast to last year's report, where Orange excelled within the mobile brands.

T-Mobile (14.6)

Online commentator's recommended T-Mobile as the brand with the best deals. Other comments express positive opinions towards T-Mobile products, for example, one Twitter post reads *"I am lusting for the Blackberry 8900 on T-Mobile. I wants me some GPS"*.

That said, customers did express problems with poor customer service, for example, one customer writes *"I have to pass my story on about the utter complete and useless customer service I have had from T-Mobile in the past couple of weeks"*.

As with the other brands in this sector, T-Mobile needs to address their customer service issues.

O2 (12)

Customers are generally pleased with the deals they get from O2 which is reflected with the brand's high number of Promoters. Positive comments include *"O2 has an exceptionally good deal with a SIM only O2 monthly pay tariff plus 8mb ADSL broadband (in unbundled areas) for as little as £17.13 per month"*.

However, this is accompanied by a large number of Detractors. Negative comments relate to the difficulties customers have with contacting O2. One post reads *"The most frustrating thing has been multiple (and all unsuccessful) attempts to speak to anyone at O2's iPhone support department...."*.

This comment highlights issues of poor communication and the inability to get customer problems resolved. O2 needs to improve communication and increase the company's accessibility.

Vodafone (12)

Almost half of the online chatter surrounding Vodafone is passive and the brand has the lowest number of Detractors out of the mobile brands. Neutral comments include, *"Vodafone Group Plc is a mobile network operator headquartered in Newbury, Berkshire, England"*.

This gives Vodafone a fantastic opportunity to turn Passives into Promoters and increase the online WOM potential of the brand. Vodafone needs to ensure it remains active online so that positive messages about the brand are not lost amongst the passive commentary.

3 mobile (8.3)

There are two main issues which are generating online chat for 3 mobile: customer service and 3 mobile's broadband service. The latter generated a lot of comments, especially on Twitter, the majority of which were positive. One customer tweets *"3 mobile broadband is very fast and loading well and streams very well"*.

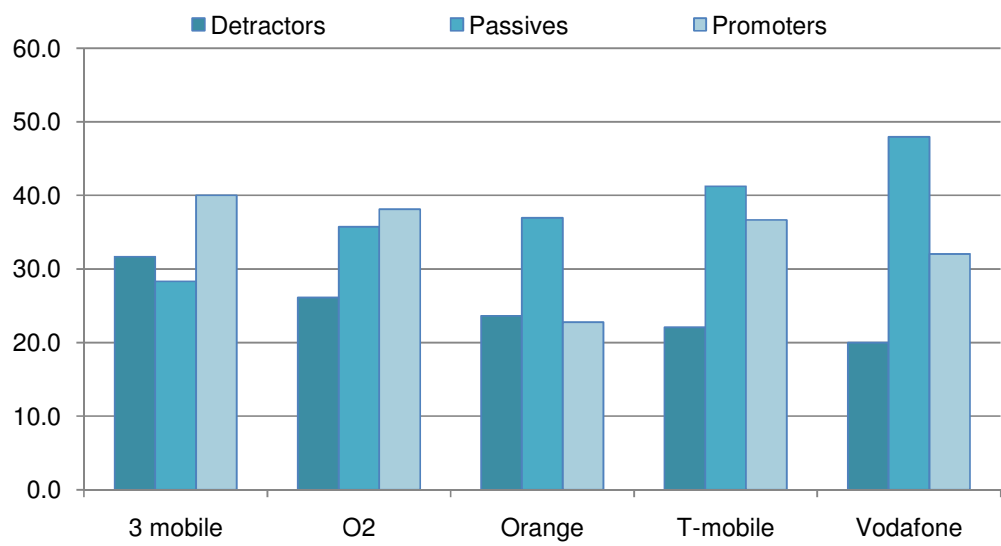
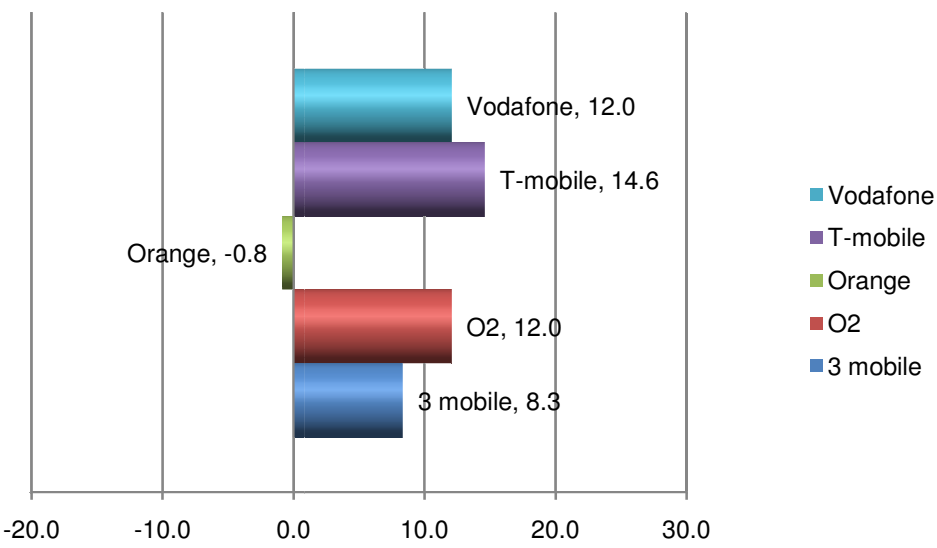
However, customer service was generally perceived to be poor and customers are not impressed with the way they are treated. 3 could improve communication and customer service by increasing their online engagement with consumers.

Orange (-0.8)

The large majority of the online chatter for Orange related to their customer service, of which the opinions are incredibly mixed with a range of positive and negative experiences being expressed. For example *"Orange voted number 1 for the second year for customer support...yeah....right...I lost count of the times I rang 150 to report a fault"*.

Orange needs to monitor and react to customer feedback on blogs and forums more, in order to adopt a consistent approach to their customer relations. This will ensure that Orange exceeds or, at the very least, meets the expectations their customers have of them.

Mobile Sector Scores



Appendix

What makes 'thin-slicing' in the Google age so valuable?

One answer would be that thin-slicing acknowledges that only a tiny fraction of the abundance of online information is really used.

But even more importantly, by harnessing the power of Google and now other platforms, the Kaizo Advocacy Index recognises that we are now in a Web 2.0 world where online content increasingly drives offline conversations, as well as decisions.

The idea driving the Kaizo Advocacy Index is the need to help organisations and businesses:

- Value and protect their online reputation
- Plan for the reputational risks and benefits of WOM
- Engage with online influencers to stimulate and influence the right kind of online content
 - research shows that content created by consumers is increasingly influential.

As a metric combining the good sense and analytic logic of the NPS, the Kaizo Advocacy Index provides a balance sheet of a brand's online reputation and recommendability. By also accounting for neutral content, it identifies which brands are winning and losing in the recommendation stakes and which brands are prone to attack because they are not creating online word of mouth or '*Word-of-Mouse*'.

The results capture a snapshot of brand recommendability for winter 2009. It should be noted that a brand's online recommendability is constantly changing and with the correct approach, companies can nurture and mould the online chatter that surrounds their brands.

Building an identity with Web 2.0

Social media sites, if utilised correctly, can allow companies to enhance their message and extend their brand's recommendability.

Consumers are no longer limited to a single source for company information and there is a variety of tools and services that consumers can consult. The downside is that these tools were built to favour the consumer, not the brands. Whilst there are ways in which companies can employ them to their advantage, they can also provide a platform for 'brand bashing' as frustrated and dissatisfied customers seek ways to express their annoyance to their peers.

This makes it all the more essential for brands to increase their awareness of popular Web 2.0 tools.