

Kaizo Advocacy Index

Summer 2010



A bi-annual study of online reputations and recommendations



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Executive summary

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Key study highlights include:

Supermarkets sweep board for online positive recommendations, although Tesco's expansion plans attract controversy and attacks

Supermarkets scored well in this study. Renowned for “price wars”, from the battle for cheap petrol started by Asda over the August bank holiday weekend to the jostle to come out top of the World Cup, streams of positive online chatter were initiated by the brands trying to increase footfall through price drops, promotions and enticing new product ranges.

With a loyal following of customers who do their weekly shop at the same store, fan pages and positive tweets were widespread. But some took this further for real impact. A blogger event to Asda's head office, a Morrisons branded World Cup Facebook group and the revamping of MyWaitrose, the online members club, all encouraged positive online chatter.

In spite of increased profits recently announced, Tesco was the only supermarket to receive a negative score, finding itself to be the brand people love to hate. An example of this is the outcry through blogs and news outlets against Tesco's expansion plans compared with the almost wholly positive conversations on similar schemes by Waitrose, leader of the Supermarkets and, in fact, the entire Kaizo Advocacy Index.

Cereals see healthy awareness online and benefit from nostalgic cyber fans

Health is clearly an important factor when it comes to breakfast cereal choices. In our study Cheerios leads the way in consumer popularity online, being championed on blogs and social networks as providing a well-balanced yet tasty cereal. Even less healthy brands taking a stance against poor health can benefit in terms of online recommendations, although Coco Pops along with Frosties were both criticised for their high sugar content, a potential factor in today's child obesity issues.

Additionally, cereals seem to spark nostalgic emotions amongst teenagers and young adults. From Facebook campaigns to bring back old cereal mascots to tweets declaring that they've eaten the same brand for ten years, it appears that old habits die hard with youths in terms of breakfast choices. This is a great opportunity for brands to engage further with their promoting audiences.

Faring worst in this study is Frosties which, alongside health issues, has seen an abundance of negative online conversations surrounding a recent advert which sparked death threats, suicide rumours and hate campaigns about the child starring actor!

Airlines reputations slump further after disputes and delays mar summer

Following a particularly disappointing summer of delays, cancellations, strikes and union movements, airline brands have once again taken a reputation hit. Whilst Virgin Atlantic leads in customer satisfaction yet again, there have been concerns aired online that their standards have slipped recently in the wake of ash clouds, the recession and threats of strikes over the holiday season.

Ryanair has again fared badly, with hate campaigns and negative press about hidden costs and extra charges, especially amid recent news that a 12 year old girl was made to pay £190 to take her violin on board. Safety concerns and accusations of appalling customer service coupled with consistently negative reports expressing outrage at how the brand is putting 'profit before passengers' means this airline's already poor online reputation has deteriorated further.

Poor holiday experiences probably spark the greatest outbursts online so airlines are always going to need to be extremely active to combat this. Brands should capitalise on the plethora of online outlets available for consumers to talk about them and generate positive hype to combat the negative conversations that many consumers are experiencing, whilst also addressing customer service issues directly.

Mobile operators failing in fight to overcome persistent service issues

In a hotly contested although barely positive sector, issues persist around poor customer service, whilst delayed updates, such as Orange's Android 2.2 update for the HTC Desire, also had a negative impact as frustrated consumers vented online.

Innovative brand initiatives by some proved an effective way to engage with consumers, such as O2's eco mobile rating scheme awarding handsets with a 'green' rating and 3's Broadband Bus offering advice to consumers.

By engaging with online communities and using innovative techniques to increase positive buzz, brands have an opportunity to stand out in a sector that currently generates predominantly neutral conversation.

Background and purpose

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The Kaizo Advocacy Index (KAI) is a bi-annual study designed to provide a perspective on a brand's online reputation and 'recommendability'.

The KAI ranks a brand based on 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 and word-of-mouth (WOM), which ultimately influences consumer decision-making. The importance of online content continues to rise, as demonstrated by the [latest Nielsen trust statistics](#), which sees consumer opinions posted online move into second place with a 70% trust score. The most trusted source is personal recommendations with a 90% trust score. Therefore opinions shared online can shape opinions shared offline to make a significant impact on brand success. This is particularly important as [work by the Keller Fay Group](#) estimates that 90% of WOM is carried out offline - which means that an opinion shared online could be multiplied nine times by offline WOM.

The Index examines a selection of major brands including the food, software, airline and mobile sectors. Research was conducted in August 2010 over a two week period. The data was captured simultaneously for all brands within each sector to ensure consistency.

This is the seventh study.

Methodology

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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), developed by Bain & Co, Satmetrix Systems and Fred Reichheld and proven by work at the prestigious London School of Economics. 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 provides a resultant score based on this.

For this study, Google searches are conducted in the categories *Web*, *News* 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 third report to present additional measures incorporating the findings from Facebook and Twitter. Facebook searches are conducted for the specific brand names and then filtered 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 evaluated. The Facebook and Twitter results are analysed in the same way as 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 ratings.

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.

Results Summary

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	KAI Score (%) Summer 10	KAI Score (%) Winter 10	Rank Increase/ decrease
Mobile Operators			
Vodafone	12	38	-
3 Mobile	6	-20	↑
O2	3	-5	-
T-Mobile	2	-27	↑
Orange	-10	1	↓
Airlines:			
Virgin Atlantic	10	12	-
easyJet	-4	-36	↑
British Airways	-14	-21	↓
BMI	-16	-31	↓
Ryanair	-56	-50	-
Supermarkets			
Waitrose	52	-	-
Morrisons	44	-	-
Asda	38	-	-
Sainsbury's	20	-	-
Tesco	-4	-	-
Cereals			
Cheerios	41	-	-
Weetos	32	-	-
Nesquik	25	-	-
Coco Pops	16	-	-
Frosties	10	-	-

Sector averages

The work by the LSE showed that brands with an above average profile for their sector grow at four times the sector growth rate. A score above the sector average should indicate that they will perform well in the months ahead.

Supermarket Brands

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Waitrose came out on top of the supermarkets, and the entire Kaizo Advocacy Index, with a high score of 52%, Morrisons was not far behind at 44%, followed by Asda (38%) and Sainsbury's (20%). Tesco trailed at the back with a score of -4%.

Waitrose (52%)

Waitrose topped the index with a raft of positive stories around the opening and success of new stores, new products and partnerships with celebrity chefs Delia Smith and Heston Blumenthal helping. A new salad with "floral flavours" was well received on blogs and news sites, though its "pineberry" – crossed between a pineapple and strawberry – was seen as a gimmick by some.

Waitrose is also now being discussed as a store offering value for money, branded the "top supermarket price cutter" in a recent survey, whilst a Guardian blogger reassessed his view and found their prices to be surprisingly reasonable.

Whilst new Waitrose store openings were often received well, of the few negative comments on the store were fears a Cambridge newsagent would go out of business after a new shop opened next door. However, opposition to supermarket expansion was rife throughout the research and, compared to other chains, new Waitrose stores were welcomed.

Morrisons (44%)

As the official supermarket of the World Cup, initiatives such as the creation of the "Morrisons Back the Bid" fan page on Facebook helped the brand increase its market share in the grocery market over the period.

Morrisons' value was discussed positively on Twitter, with comments such as "the new nanos look horrible. ive just bought an old one from Morrisons for £60 :) 16gb - bargain :)" and "I'll buy it in Morrisons, as it will probably be buy 1 get 17,000 free, like all the other stuff in the store".

Negative stories included the recent recalling of strawberry cheesecakes over the fear that they may contain pieces of plastic. Also, with 857 members, the Facebook group "Morrisons Worthing loves leaving kids out in the cold" is littered with posts from young people unable to enter the shop because two others were already in there.

Asda (35%)

Asda also scored positively. Real mums were chosen by the brand to star in a new advert and the brand also recently invited a group of mummy bloggers to spend the day at head office, both of which led to positive posts from bloggers. In addition, the bank holiday petrol price war started by Asda led to a number of news stories.

Blogger PR Gossip summed up Asda's efforts: *"I'm a massive fan of ASDA's communications strategy. I think the brand is innovative, ahead of the curve and not afraid to take chances. ASDA PR stories are always really timely and quirky; you rarely go a week without seeing ASDA in the national press."*

Asda was let down by comments on Twitter, with a number of negative posts often based around the perceived customer-type associated with the shop: *"also pull the fire-alarm at an Asda if you want to see Thai brides and poorly done /s*** tattoos"*.

Sainsbury's (20%)

For Sainsbury's, positive conversations and stories often revolved around promotions such as free home delivery on all non-food orders over the bank holiday weekend and offers on beer, with a number of bloggers recommending these to their readers.

Amusing Facebook groups set up by customers such as *"That's why mums go to iceland" - Funny, My Mum Goes To Sainsburys* helped the brand increase its score.

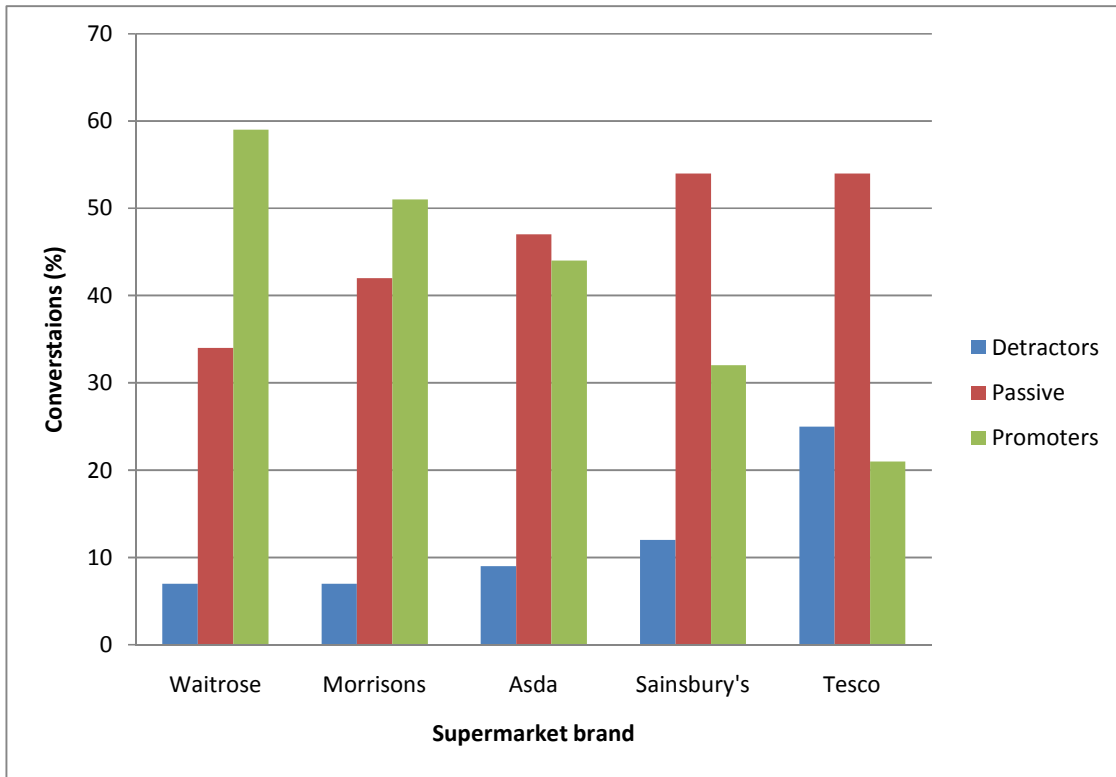
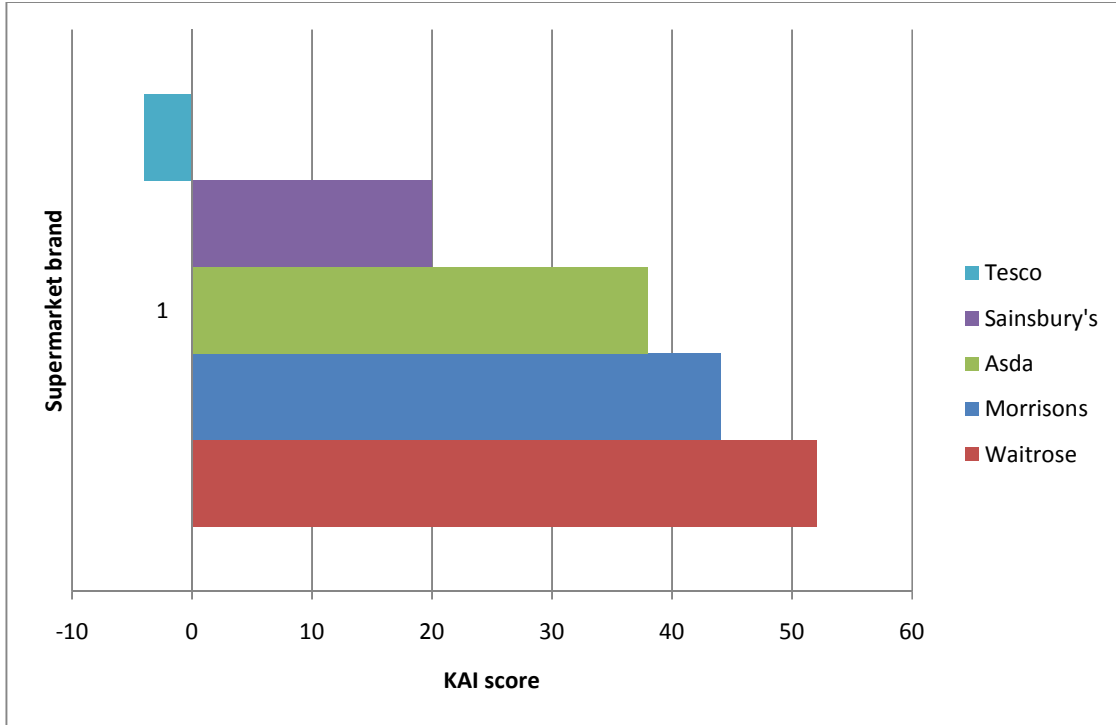
The majority of negative posts were news stories about the brand, which is in contrast to the higher scoring brands. Reports that *"a woman and a young boy were injured when a wooden structure fell on them as they shopped at Sainsbury's"*, objections to a new superstore in Crosby Village and a Sainsbury's own washing up liquid coming bottom in a Which? survey, all had a negative impact.

Tesco (-4%)

Tesco was the only supermarket to receive a negative score. There were a number of local stories opposing the planned opening of new stores, with one post on Twitter saying *"Love Neil and Caroles bid to support our brilliant local shops in the face of the looming monster that is Tesco!!!"* Delays over the opening of other new stores also had a negative impact. Angry over lack of communication over the delay in opening a new store, Aviemore Community Council *"went public yesterday (Tuesday) demanding to know just what exactly is happening"*.

Tesco seems to have a love-it or hate-it appeal. Facebook groups such as *"I love all tesco in london..but the tesco next to chelsea hospital is the best..!! because I know all staff ^__^"* and *"Best store ever! :-)"* contrast with one blogger *"Tesco is, as ever, being accused of all manner of dodgy stuff."*

Supermarket Scores



Children's Cereal Brands

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The overall performance of cereal brands has been generally positive, with only one generating a negative score. Cheerios is at the forefront with 41 NPS points, followed by Weetos (32), Nesquik (25) Coco Pops (16), and Frosties (-10).

Cheerios (41)

Cheerios has proved to be the most popular cereal for a number of reasons, one of which being its appeal to both children and parents. Claiming to lower cholesterol and containing very little saturated fat or sugar, this is considered by many online to be the perfect cereal choice for parents to buy for their children, with one parent citing that the brand is *'the foundation of Kiddo's nutrition.'* Additionally, the Honey Nut version of Cheerios has a cartoon mascot that appeals to children, which was covered in a number of posts.

Of the few negative posts, there has been some controversy surrounding claims that it lowers cholesterol and treats heart disease, with *'federal regulators...scolding the makers of Cheerios.'*

Weetos (32)

Weetos has also proved to be a popular choice amongst consumers this year. Another apparently healthier cereal choice for children, this is one of the few breakfast cereals that *'directly advertises to children seeing as it is not high in fat, salt and sugar (HFSS) and as a result, doesn't qualify for Ofcom's ban on promotional tie-ups with HFSS food products.'* Weetos contains fortified iron and vitamins, meaning that this cereal, rather like Cheerios, attracts parents as well as children.

The decision to no longer have Professor Weeto as the brand mascot led to Facebook groups entitled *'BRING BACK PROFESSOR WEETO'* and *'bring back the weeto man'* being set up. Some bloggers have even gone as far as to write scenes depicting the moment the professor was fired.

Nesquik Cereal (25)

Nesquik cereal has also proved popular, with one consumer claiming that it is *'the best cereal in the universe!'* and others expressing their concerns that Nesquik had stopped being made in some countries, with Facebook groups such as *'Bring Back Nesquik Cereal'* being created.

There are, however, numerous comments on the internet regarding the similarity between Nesquik and rabbit droppings, which has apparently put some consumers off the cereal. One blogger has jokingly claimed that *'it's actually rabbit poop,'* with another posting photo comparisons.

Coco Pops (16)

Coco Pops has performed reasonably well, with positive comments around news that the brand aims to reduce its sugar content by 15% within the next twelve months. The managing director of Kellogg's has reported that this move is a response to suggestions put forward by mothers, which was positively reported. One consumer does observe, however, that whilst at present Coco Pops contains 35% sugar and following the reduction the level will go down to 29.75%, the cereal will still be full of sugar.

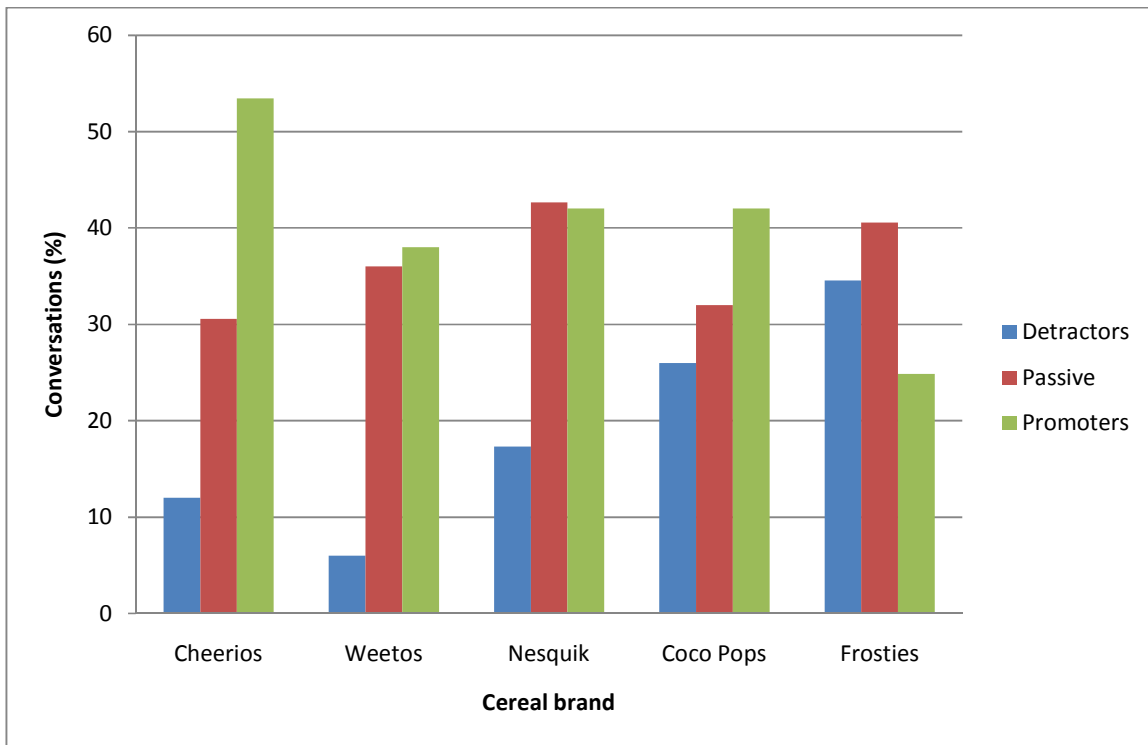
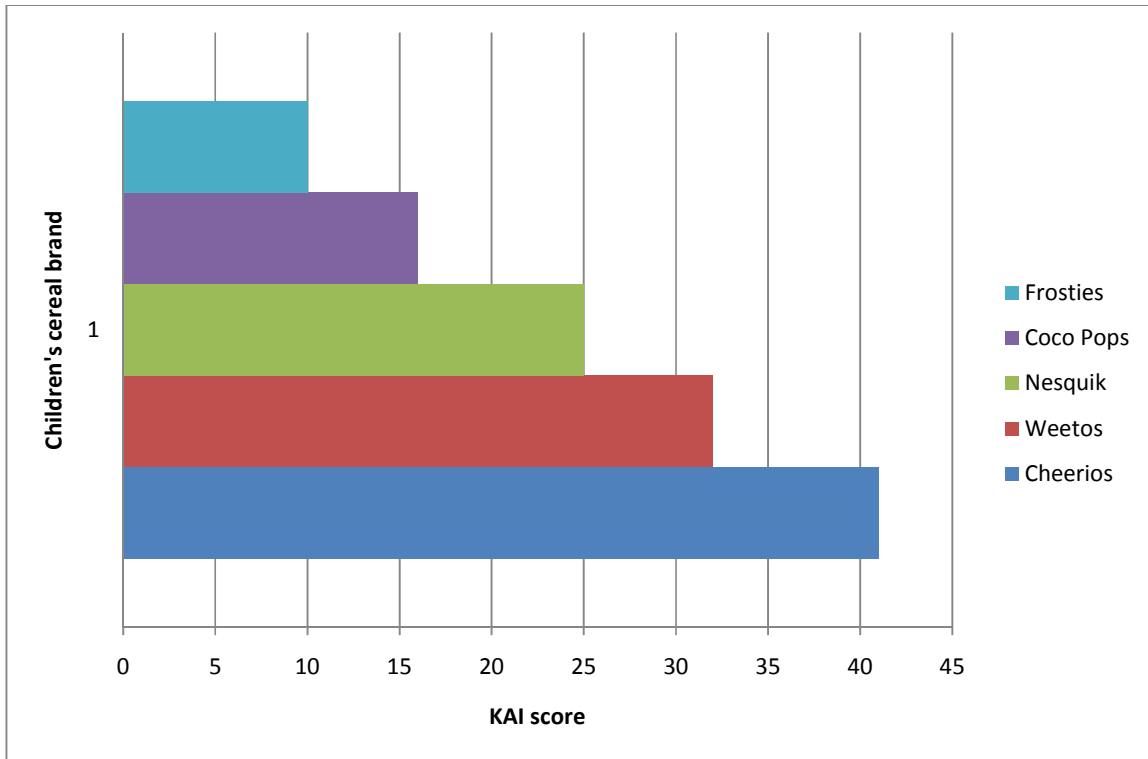
Coco Pops is popular amongst all ages, with many nostalgic teens and young adults commenting on Facebook groups that they *'can't live without them...♥ coco pops @ breakfast,lunch and dinner...'* and others tweeting questions such as *'is it wrong to have a third bowl of coco pops?'*

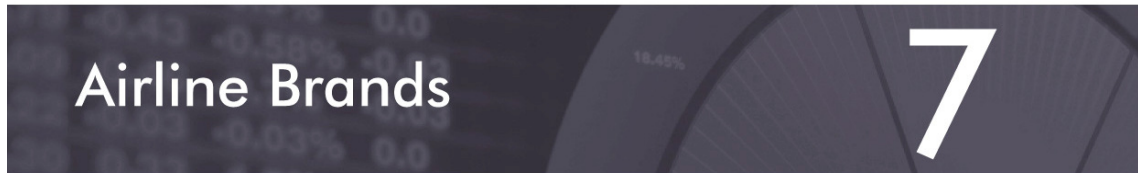
Frosties (-10)

Frosties performed the worst among the cereal brands, with a score 26 points lower than its nearest competitor. With over a third of its ingredients being sugar, there have been many news articles in popular papers reporting that the cereal *'contained a third sugar,'* which is higher than many other cereals.

Further negative posts surrounded a recent advertising campaign. Off the back of what was deemed an incredibly irritating advert, the child actor cast has been subject to death threats, Facebook hate groups and had untrue rumours spread that he had committed suicide, all of which have been broadcast over sites, blogs, forums and social media.

Children's Cereal Scores





Taking the lead is Virgin (10), followed by easyJet (-4), British Airways (-18), BMI (-16) and Ryanair (-56).

Virgin Atlantic (10)

Virgin once again performed the best in the airline sector, though it has dropped again for the third time in a row. Despite this, it performed better than the other airlines: *“The inflight entertainment is excellent, food good, a choice of 3 meals. Brilliant seats, no delays”*. In keeping with its recent advertising, the flight attendants clearly do provide that certain ‘je ne sais pas,’ with customers tweeting *‘Virgin airlines has the sexiest flight attendants hands down!’* and *‘the Virgin Atlantic flyboys are some welcome eye candy.’*

It appears, however, that the brand has recently seen a decline in adequate customer service. The threat of upcoming strikes combined with redundancies may have contributed to a slipping of the expected premium treatment for others. On Facebook, one passenger observes that *“Virgin Airlines have gone down the toilet lately,”* whilst another customer tweets *“Virgin Atlantic: slipping fast down the ranks of what was once relatively exciting flying. Crap service, crap food. Once cool, now tired.”*

easyJet (-4)

Despite a negative score, easyJet’s performance has improved. There were positive comments amid reports of an increase of 8.4% of passengers and high levels of staff satisfaction, with one tweet claiming that *‘easyJet is one of the top 10 companies in the UK for employee satisfaction,’* and Facebook groups set up by employees which claim that *‘trying to condense 12 years of amazing achievements into a brief background of easyJet is nearly impossible’*.

easyJet received a lot of negative comments due to delayed services. *‘Two hours late and on board. Locked in and logging off to enjoy further delays. Yawn,’* complains one passenger, whilst another tweets *‘Que raro, #easyjet delayed...’*

There are also communication issues between the brand and its customers. One writes *‘I have no idea how to claim for a compensation’* and *‘if nothing comes up in the next couple of days i am going to go to a solicitor here, maybe they can get something moving.’*

British Airways (-14)

Although improving since the last report, British Airways' score still leaves much room for improvement. The largely publicised staff strikes saw a backlash of disgruntled and angry people whose holidays were ruined by this action: *"Thanks 2 all u guys who decided to strike & mess up our holidays"*.

There has also been a number of serious incidents recently which have seen a plane take off from the wrong runway and also an emergency message being played by mistake telling passengers that they were about to crash into the sea, which has led to reports of numerous lawsuits: *'BA's lawyers can't be looking forward to the inevitable wave of lawsuits from traumatized passengers ("every time I try to go to sleep, Your Honor, I hear that awful warning in my head—it's ruined my life" etc etc).'*

BMI (-16)

Despite receiving a negative score, BMI's score has improved. Tales of delays still trouble the airline and there have been recent concerns expressed around reports that Unite are suing BMI for not paying staff their bonuses.

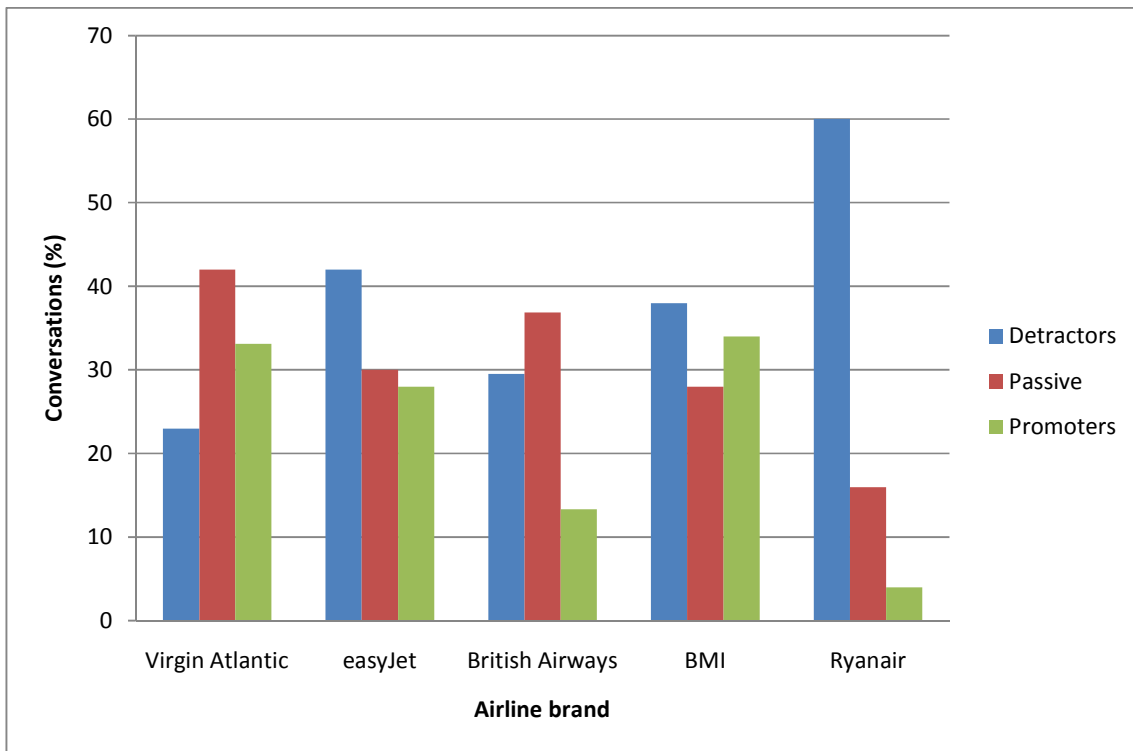
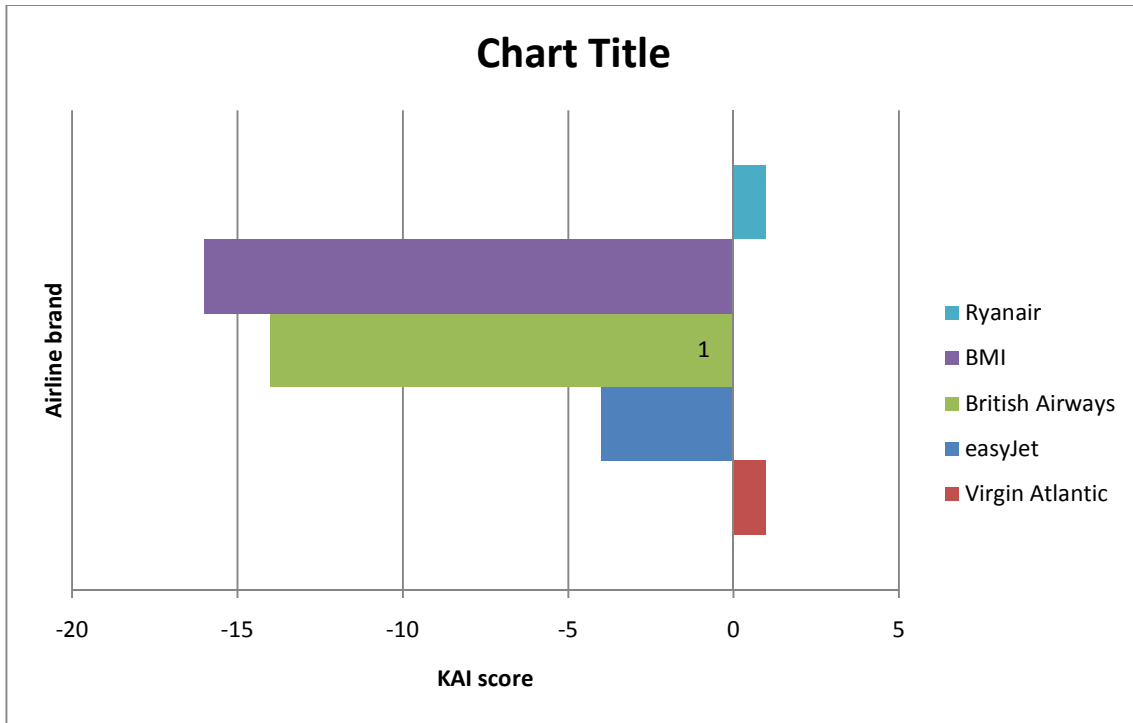
There has been controversy surrounding the different sized luggage gauges to monitor hand luggage, which is being investigated by Watchdog, the consumer affairs programme. This is not good for the reputation of the airline, although the brand was quick to respond and is *'looking to replace all its gauges with a version that removes this anomaly, by increasing the size of the gauges to compensate for this problem'*.

Ryanair (-56)

Ryanair once again performed the worst with a shocking score of -56, far below the other airlines. Named by one consumer as 'the world's most hated airline,' this brand even has its own hate website, www.ihateryanair.co.uk. Consistently negative reports have surfaced expressing outrage at how the brand were putting *'profit before passengers'* and *'lie, rip you off, and make a fortune because they give no money back when they leave you stranded.'*

It appears that although the low price of tickets still attracts record numbers of passengers, the internet is home to a large number of websites, Facebook groups, tweets and blog posts which complain about the customer service, delays and hidden costs.

Airline Scores



Mobile Brands

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Vodafone retained top spot with a score of 12%, however its score has declined from 38% in the last report, allowing the other brands, 3 Mobile (6%), O2 (3%), T-Mobile (2%) and Orange (-10%), to close the gap.

Vodafone (12%)

Multiple positive stories focused on the announcement of Nokia's N8 handset exclusive to Vodafone. Which Smartphone? closed their story with *"So, when Vodafone provide us with a slightly more accurate release date, what will you decide? Green or black? Or do you not mind as long as you get your hands on one of these fantastic Nokia N8 handsets?"* Some Facebook groups were very positive, such as *"Vodafone will remain the No.1 mobile network operator in the world"* and *"This Group is for every 1 who loves vodafone and its products."*

On the negative side, one story titled *"Vodafone denies being bad employer"* is related to the company's refusal to increase the pay of call centre workers for the second year running.

On Twitter Vodafone customers were divided. Particularly positive comments included *"hey! Vodafone is awesome"* and *"Bye O2, Hi Vodafone"* however one user angrily tweeted *"F*** you Vodafone for deleting my voicemails automatically!"*

3 Mobile (6%)

Coverage of the brand's Broadband Bus placed them in a positive light. On this occasion focusing on the visit to Glasgow, the initiative aimed to provide guidance to an area with the lowest broadband ownership in the UK.

Despite the positive score, there was some negative coverage of 3 Mobile. A story in the Guardian reporting a uSwitch study that revealed *"3 Mobile was rated the least popular network among pay-monthly customers"*. This feeling was also present on social media sites. Groups such as *"I hate 3 mobile"* are active on Facebook. The aforementioned has the description *"They are the worst mobile company"* and depicts the 3 logo being struck by lightning. Twitter users focused on customer service with comments including *"3 mobile, still trying to harass us after we closed our account"* and *"3 Mobile's online ordering system is inexcusably buggy"*.

O2 (3%)

Positive stories reported the launch of the company's eco mobile rating scheme, which is *"according to the firm, the UK's first sustainable rating system for mobile phones."* The scheme generated interest amongst technology journalists, with one writing *"O2 hope that by highlighting the impacts of mobile phones, manufacturers will have the drive to better their current standards, which will in turn help the wider industry."*

The most notable negative conservation was found on social media sites. Although one of the two groups found on Facebook had the description *"best network"*, the other was called *"o2 F*** you"* and pictures a protestor outside an O2-branded building holding a sign with this written on it.

T-Mobile (2%)

T-Mobile's score has improved significantly since the last report due to a notable reduction in negative content. Of the few stories that stood out, one in particular was positive for T-Mobile and its merger with Orange: *"The owners of the Orange and T-Mobile will be offering automatic roaming between the two networks within weeks. This will increase the power and range of the signal for users of both networks and ensure a good signal."* There was a hint of positivity on Twitter, focused mainly on new pictures of the T-Mobile G2 handset, with the comment *"T-Mobile G2 renders break cover; that's one sexy keyboard"* proving to be a popular retweet.

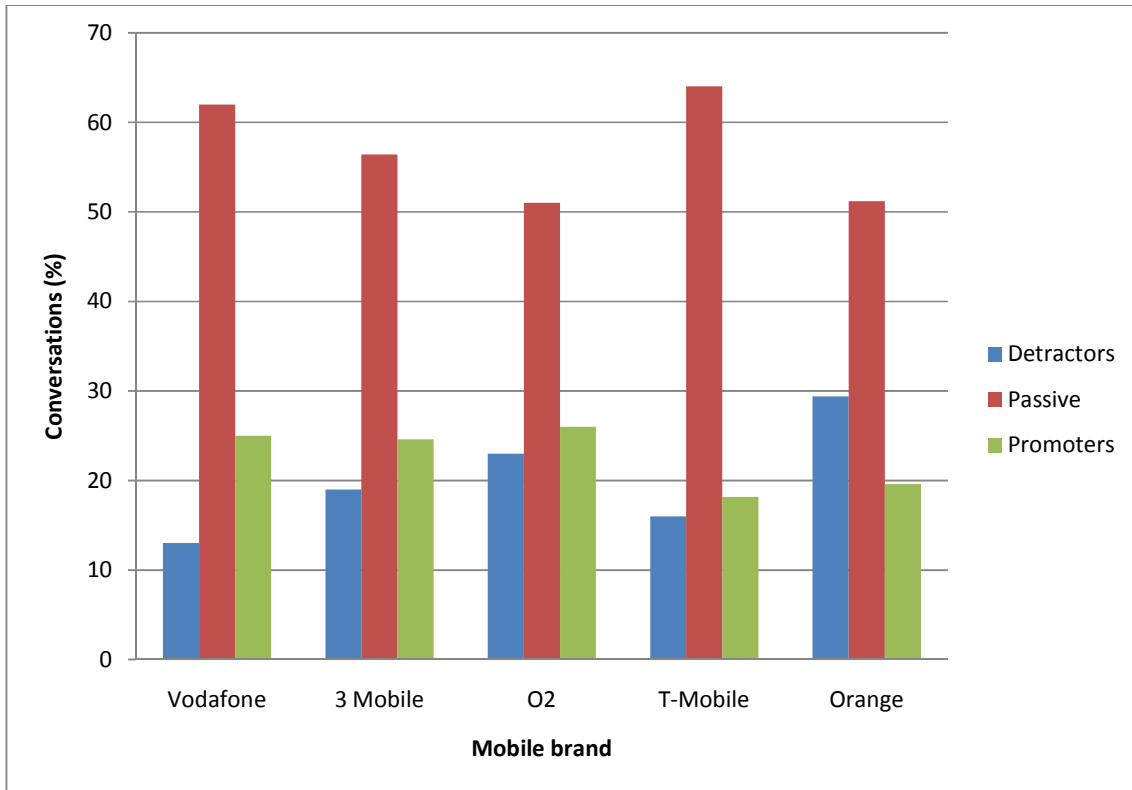
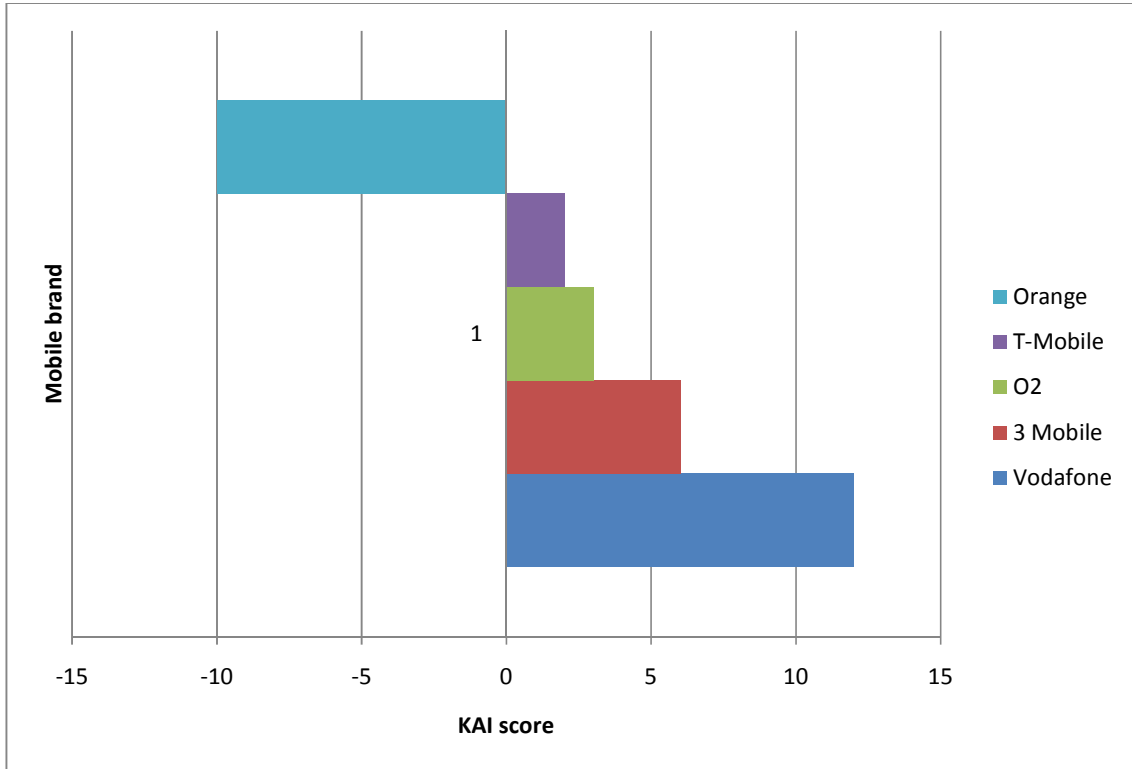
Much of the negative feeling toward T-Mobile came from Facebook. Groups included *"T MOBILE SUCKS"*, *"T(hief)-Mobile"* and *"I HATE T-MOBILE!"* The latter had an especially gloomy description: *"If you've ever had trouble with T-Mobile or even know people who have had their lives ruined or souls taken by T-Mobile, this group is for you."*

Orange (-10%)

Orange's performance decrease can be largely blamed on an issue that was being reported at the time the snapshot of results was taken. This was the delay of the Froyo (Android 2.2) software update to the HTC Desire handset. Techwatch.co.uk pointed out that it *"was rolled out by Vodafone last week, although it seems Orange customers are going to have to wait a bit longer for that Android 2.2 goodness."* Elsewhere, there were some alarming tweets like *"Imao orange are c*** :)"* and *"I know that Orange and T mobile have merged, but why has my Orange mobile reception become so c***!"*

Twitter users did however show their appreciation for Orange Wednesdays, the 2 for 1 cinema ticket scheme. Comments included *"I am to watch 2 films at the cinema tomorrow :D Good old Orange Wednesdays"* and *"T mobile 5 for £5! Not as good as orange Wednesday."*

Mobile 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 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 recommendations online. 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.