Leveraging Social Media for Brands
An anecdotal assessment on what works for marketers and what does not
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Thought starters

- Online advertising is growing at a much faster pace than the overall advertising industry
  - Media consumption is evolving across demographic segments with a significant shift towards the online which is no longer only for the young
  - While “search” remains the most popular online activity, social interactive media is growing the fastest
- Social media sites are increasing in popularity across “attractive” target audiences who are passionate about the medium unlike traditional media which is based on “interruption”
  - Unlike traditional media, social media sites provide a forum where consumers “want” to contribute and connect with a like-minded community
- As users proliferate and interact in a collegial environment, leading to opportunities for marketers to increase the impact and ROI of marketing spends
  - Content development and sharing present two distinct platforms for marketers to understand and influence brand perceptions
  - Marketers can partake in and steer co-creation of UGC to generate insights on how consumer segments perceive brands and their value propositions
- Some tangible benefits of being active in social media include higher brand recall in the short term and a sustained emotional connect over the long term
  - Online consumer ‘stories’ and opinions are considered a more trustworthy medium than traditional media, builds an immediate and enduring connect with the brand
- However, leveraging social media requires brand owners to be brave and success would come only through a sustained effort and not a budget focused one-time approach
- Still, too nascent for any best practices study, this research attempts to present some of the recent successes and some not so successful attempts by brand owners

Source: RocSearch Analysis
In the growing online medium, user-generated content as a phenomenon is rapidly increasing its influence...and is demanding attention

- **User-generated content (UGC)** - All content created by end-users as opposed to specialized content created by professional writers, publishers, advertisers, journalists, etc.
  - Includes news, references, movie and product reviews as well as other content posted on discussion fora, blogs, wikis, etc.
  - Also termed as a channel of ‘cultural production’

**Popular UGC Websites**

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<tr>
<th>Photo Sharing</th>
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<th>Video Sharing</th>
<th>Product Rating</th>
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- Social media websites with UGC have grown at a rapid rate over the past years
  - In 2006, UGC based websites attracted 69 million users in the US and recorded US$1.0 billion in advertising revenue in 2007
    - Web traffic on social media sites grew 668% from around 2% of the total traffic to 12% between April 2006 and April 2007
  - By 2011, UGC sites are projected to attract 101 million users in the US and earn US$4.3 billion in ad revenue

Sources: Business Week, Interactive Advertising Bureau, RocSearch Analysis

Time magazine declared 'You', people who create & consume online content, the '2006 Person of the Year'

Nokia predicts that by 2012, 25% of all global entertainment will be created and consumed within peer communities
Content creation and sharing is at the core of the rapidly growing social media... and the future looks even larger...

By 2011, there will be 95 million web users creating content online; up from 64 million in 2005.

“The world has only seen the tip of the iceberg when it comes to online social networking.”

Amit Kapur, VP Business Development at MySpace

Sources: Tech Crunch, Technorati, The Hindustan Times.

Growth in Facebook Page Views in the US (in billion)

By 2011, there will be 95 million web users creating content online; up from 64 million in 2005.

“The world has only seen the tip of the iceberg when it comes to online social networking.”

Amit Kapur, VP Business Development at MySpace

Sources: Tech Crunch, Technorati, The Hindustan Times.
The social media eco-system provides personalized experiences to users, leading to higher engagement... for marketers, a platform to build a relationship with relevant target audiences.

Content Distribution through Internet and mobile

Content Sharing via Communities

Personalized Content Experiences

Brand engagement opportunities

Small, targeted media buys for contextual advertising

Marketers can ‘listen’ to consumers — build a relationship through engagement and dialog

Brands can target/influence like-minded communities through branded content

“"The community is part of their life, and that’s the kind of audience you need to get engaged marketing working. Beboers have shown that they will engage with great content, even if it’s advertising, whether it be viral videos, sponsored homepages or sponsored skins."” Jim Scheinman, VP Business Development, Bebo

Social Media Users

• Look for ‘my type’ content
• Create personalized content

• Unlike traditional marketing campaigns that run in discrete timeframes, the use of social media is an ongoing process where personalized content becomes an input for customizing marketing content
• Leading to building an enduring brand-user relationship

Note: 1Bebo is the largest social networking site in the UK, Ireland, and New Zealand
Sources: Arc Worldwide, RocSearch Analysis
Social media offers opportunities for marketers to influence brand perceptions and user-experience at multiple touch points

Brands can choose to engage with consumers at different points in the UGC ecosystem to enhance brand experience

**Content Development**

- Facilitate creation
  - Build communities with high participation and loyalty
  - Post queries
  - Invite ideas/feedback for newly launched products
  - Open discussions

**GM’s FastLane Blog**

**Content Sharing**

- **Customer Engagement**
  - Provide a platform for content creation and sharing
  - Establish a two-way communication channel between the customer and the company

**Apple**

- **Customer Attraction**
  - Create awareness by placing ads
  - Ensure effective advertising by reaching targeted audience

**Google Ad Words**

**Content Experience**

- Understand how customers view brands
- Tap into the emotional association customers have with brands
- Engage customers to influence experience/decisions
- Improve customer service, features and build brand affinity

Well created and shared UGC has the potential to influence and shape brand perceptions independent of company’s efforts

Source: RocSearch Analysis
... while retaining the choice of exploring a strategy of choosing between communities within large sites or targeting niche fraternities...

Brands need to evaluate the trade off of exposing the brand to a larger number of people to an easy access to the target audience

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<th>Benefits</th>
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<td><strong>OPTION A – Large Community Sites</strong></td>
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<tr>
<td>• Higher exposure – opportunity to tap potential customers</td>
<td>• Brands such as Verizon have advertised on Facebook</td>
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<td>• Content development is faster as it is more generic</td>
<td>• Coke used Bebo for its new ad campaign</td>
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<tr>
<td>• Better for mass consumption low involvement brands</td>
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<th>Benefits</th>
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<td><strong>OPTION B – Niche Community Sites</strong></td>
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<tr>
<td>• Allows higher engagement due to closer access – opportunity to cross-sell to current customers</td>
<td>• AT&amp;T advertises on WAYN.com, a website for travelers</td>
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<td>• Content is more focused as the target audience is better defined</td>
<td>• Colgate-Palmolive and Citibank are also looking at targeting smaller sites</td>
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<tr>
<td>• Better for mass consumption low involvement brands</td>
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Sources: The Washington Post, Stunmedia
...Significantly, there are a few “key opinion leaders” contributing the maximum content, mostly for ‘fun and fame’…who marketers need to target.

How Many Contribute How Much? – Contributions by Users on Various UGC Websites

- A small percentage of users contribute a bulk of the content on top UGC sites
  - Popular websites such as Flickr have ~2% users contributing over 80% of the content
- Personal interests drive users to create content:
  - Belonging – a sense of shared values and common experiences
  - Identification – basic level of engagement

Need for a focused key opinion leader strategy to drive brand perception and adoption

Source: The McKinsey Quarterly - McKinsey surveyed 573 people in Germany in the under 25 and 25-44 age group
... while there is some aggregation of supply evident through new media and ad networks – providing “one-stop” shops for marketers...

Increased importance of UGC is evident from marketers developing new strategies to target blogs for their ads

Traditional strategy of media firms

Marketer 1 → Blog 1
Marketer 2 → Blog 2
Marketer 3 → Blog 3

Each marketer places ads on identified blogs

OR

Marketer 1 → Using bigger sites such as Google, Yahoo, and AOL
Marketer 2 → Each marketer places ads on the websites identified
Marketer 3 →

Emerging strategy of media firms

Marketer 1 → Blog 1
Marketer 2 → Blog 2
Marketer 3 → Blog 3

All marketers together place ads on blogs

Forbes announced plans to sell ads for nearly 400 financial blogs including Xconomy

“Forbes understood our business. A larger network, whether it’s Google or others, has to deal with every industry and large consumer sites.”

Steve Woit, publisher Xconomy - a blog joining the Forbes network

If newspapers, magazines and broadcasters cannot expand online ad inventory, they are “under threat of becoming less and less relevant to the advertiser,” said Russ Fradin, chief executive of Adify Corp., whose technology runs ad networks for Forbes and others

Marketers form ad networks and provide “one-stop” ad buys

Bring together as many like-minded blogs as possible

Sources: The Wall Street Journal, RocSearch Analysis
...adding all of this on to the inherent benefit of lending themselves to an entire array of online brand engagement metrics

**Engagement**
- Calculated across a range of metrics
  - Time on site – helps determine content relevance to visitors, and shows engagement
  - Number of unique users helps gauge the campaign's reach
  - Number of interactions – customer use of touch points or contacts with the company
  - Type of actions – forward, bookmark/tag, blog post and product reviews
  - Content creation – measures quality and its relevance of content to users, by giving them the option to rank the content
  - Buzz – measures customers' positive and negative feelings about content

**Branding**
- Measures brand favorability
- Assesses purchase intent

**Exposure**
- Measured by calculating/tracking page views and the volume of downloaded widgets or other assets
- New registered users – used as a growth indicator

**Purchase**
- Depending on the company’s use of social media, it may be able to attribute specific sales/leads to social marketing

“There’s a network effect that helps grow the community. As the amount of content grows, the community grows.” - Bruce Smith, VP WikiAnswers

“These sites are ‘digital gold’ for marketers. Information is now being used for behavioural targeting with new technology like MySpace’s Hypertargeting and Facebook’s Beacon.” - Jeff Chester, Centre for Digital Democracy

Source: The ClickZ Network

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Social commerce websites provide a remarkably higher ROI… sustained activity by marketers shows a still bigger bang for the buck.

- UGC based marketing is more effective as compared to other marketing activities
  - Substantially lower costs of content creation/acquisition
  - Average ROI through UGC increased 14.5% over September 2006-2007
  - Social commerce sites perform better on ROI compared to ‘Direct Marketing’ and ‘Mass Media Advertising’
  - Leveraging social commerce for a longer period increased ROI by 206%
- Conversational media(1) scored over conventional media(2)
  - Unbiased opinions from end-users are perceived to be more valuable than company advertisements
    - Truth oriented with real-life experiences
    - Involvement of peer group, family members generates more confidence

“Consumer-generated media leaves a digital trail. It’s highly measurable, allowing advertisers to gauge brand equity, reputation and message effectiveness in real time. Advertisers must take accountability for the scope and effect of such media and use it to make more-informed decisions.” - Pete Blackshaw, Chief Marketing Officer, Nielsen BuzzMetrics

Notes: * Long-Term Advertisers are brands that were included, both in the 2006 and 2007 studies. They represent the longest-running online social commerce activity across advertisers.
  (1) Two-way process
  (2) One-way process

Sources: ROI Report, 2007; ClicZ, RocSearch Analysis.
...moreover, being engagement driven as opposed to other online forms, they are likely to grow in trustworthiness and thus have stronger influence than any other media type...

<table>
<thead>
<tr>
<th>Trust in Different Forms of Advertising</th>
<th>78%</th>
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“Advertisers around the world are able to reach consumers across an increasingly diverse range of media platforms. Even so, the recommendation of someone else remains the most trusted source of information when consumers decide which products and services to buy.”

David McCallum, Global Managing Director, Nielsen Customized Research Services

- Rather than seeking opinions from people far removed from their social circles, consumers are now more perceptive to unbiased views of people they know, family, friends, co-workers, and others in their online communities.
- As more people exchange views on their own social networks, consumers are likely to start treating these views as ‘recommendations’, trusting them over traditional media.

98% respondents found online reviews credible and 82% had bought at least one product as a result of such reviews - Deloitte

Note: Based on a survey by The Nielsen Company, covering 26,486 internet users in 47 markets.
Source: Nielsen Research
Recent survey findings show that in contrast to others, 18-34 year olds are more amenable to UGC advertising than other news and media sites...which is in line with maturity of the medium across demographics.

Source: MarketingCharts – study by comScore, Don Singleton Blog, IBM Study, Bazaar Voice
… Even within them, currently, high involvement categories do not respond as well to social media marketing compared to more “fun” and lower involvement categories…

Sources: RocSearch Analysis, MarketingCharts – study by comScore

“On hindsight, I think we tried to rely too heavily on user-submitted content. Even though a lot of it was really great, the overall experience was weak when compared to, say, reading a climbing or mountain biking magazine filled with quality professional content throughout.” - Mathew, blogger
Content Outline

- UGC – An Overview
- UGC Marketing Initiatives – *Some Hits, Some Misses*
- Appendix
Content distribution has been notably leveraged for a while through hosting ‘viral’ online videos – to serve as communication starters

- In May 2007, a video titled “Guy Catches Glasses with Face” was posted on YouTube
  - Video featured a man repeatedly catching a pair of Ray Ban sunglasses with his face after his friend throws them from increasing heights and speeds
  - It was viewed more than 1.7 million times in its first week and led to discussions on how the trick was performed leading to ‘viral’ spread of the campaign
    - Consumers watched the video, passed it to others and contributed to it with their own videos
  - Ray Ban became a positive part of the conversation, by challenging the viewers without insulting their intelligence, showing that audience is highly receptive to brand initiatives

- Apple highlights its new iPod Wi-Fi and YouTube features on its website
  - Includes an address by Steve Jobs announcing iPod Touch release; video introductions to iPod Touch software, and a guided video features tour
  - Really Simple Syndication (RSS) feeds are available for iPod and iTunes; include ‘hot news’ section with information on the top iTunes downloads
  - Hosts a discussion board on an apple.com support page

Sources: Interactive Advertising Bureau, Oneupweb
...which were adapted for the larger social networking sites by using branded content ... engaging through branded applications like skins...

**Using a Facebook application**

- In 2007, Warner Brothers created a profile page on Facebook to promote its movie “Fred Claus”
  - Allowed visitors to watch trailers, play games, join a discussion, enter a contest and download graphics to decorate their own profile pages
  - Also allowed posting comments and queries around name of songs from the movie or release dates overseas

**Using a Profile Wallpaper**

- Offering users branding wrapper or “skin” could be an effective way get noticed on social media sites
  - Wrappers change a social network’s landing page into a branded one which include wallpapers, photos, video, music and links
    - MySpace users would find the home page fully dedicated to a single brand or product, and could engage with that brand even before logging on to their profile
    - On Bebo, users were allowed to make the sponsored community’s skin their own, showing their appreciation for the brand
  - This method does not impose obstacles or extra steps for users to log on, thus is a non-intrusive advertising platform

Source: Interactive Advertising Bureau
...besides widgets and games to engage consumers and their “friends” across target audiences from various segments

Placing widgets on social networking sites

- 1-800-Flowers.com offers a widget on Facebook called “Gimme Love”
  - Allows users to include a small application on their profile page, which can be used to send “virtual bouquets” to friends
  - Links users’ profile with their accounts allowing them to share information and manage rewards points

Introducing games

- Toy and decorative gift and accessory maker, Ganz, introduced its Webkinz ‘plush on social media sites pets’ in 2006
- Aimed at internet savvy children, the firm included a secret code with each pet toy that enabled access to a social network
- Access to a social network allowed kids to interact with other Webkinz pets, play games, design a home and decorate a room
- The campaign became a big success with videos of kids and their Webkinz collections finding their way to popular video-sharing sites
- Ganz was featured on shows like ‘Good Morning America’ and ‘Regis & Kelly’

Sources: Interactive Advertising Bureau, Oneupweb
While brand owners have established communities – to target ‘like-minded’ consumers...

- In 2006, Adidas launched a custom soccer community on MySpace inviting people to align themselves with one of the two models of Adidas’ soccer cleats
- The site allowed users to post comments, access product reviews, graphics and information about professional soccer players in their “team”
- Allowing users to align themselves with a brand “team,” Adidas created a bond with consumers based on their personal identity and preferences

Creating a community among customers is a great way to build loyalty and increase communication and sales

- Robot dinosaur maker, Ugobe, created a PleoWorld website with information about how to pre-order forthcoming variants, apart from explanations of technicalities
- The site features video footage of the Pleo, a tour of the lab where Pleo was born, and a video titled ‘Pleo and Ugobe’s 3 Laws’
  - Encourages owners to post profiles, share opinions, search profiles, find Pleo ‘pals’, and download new sounds and behaviors for their Pleos
- A news page includes blog posts from bloggers all over the internet with a ‘share with a friend’ option

Sources: Interactive Advertising Bureau, Oneupweb
...helping consumers interact and thereby build brand recall and loyalty…
feeling more personalized interaction with the brand

- Pronto has created its own social shopping community
- Allows users to create profiles, post questions, interact with people with similar shopping interests and answer queries, apart from providing product review-feedback
  - Incorporates a ‘message’ feature—allowing users to communicate with friends
  - Provides price comparisons, product reviews, helps in product evaluation and viewing endorsements
  - Uses search technology to track product reviews and convert feedback into a percentage score, thereby facilitating informed purchasing decisions

Success

- In 2006, the US Army created a “MiPagina” profile on Univision to communicate with the Hispanic community
- The US Army feared that allowing users to post any content may impact the quality of the program
  - To ensure filtered content is posted, Univision sent all content first to Sensis, an agency managing the project
  - This provided the US Army full control without sacrificing the authenticity and interaction of user generated content

Sources: Interactive Advertising Bureau, Oneupweb
Content creation by encouraging brand relevant content has proven to be one of the more engaging strategies used by marketers...

- Coca-Cola launched its Shadows, a summer outdoor advertising campaign in Ireland
- Invited people to participate in a competition involving taking photographs of Coke cans together with a prominent shadow image
- A Shadowman profile on social networking site, Bebo, promoted the campaign
  - The site allowed people to make friends with a character called the ‘Coke Shadow Man’ to send in their entries
- The campaign also featured a dedicated competition site, CocaColaShadows
- A great response to the campaign has led Coke to use Bebo for other marketing initiatives

“We can either stay in the mass business, or we can be in the hyper-specialty business where the shows may not have broad appeal but would better engage our Digital Age viewers.”
Brian Graden, President, MTV Network’s Music Group (Entertainment)

- MTV has intensively deployed UGC marketing
  - Invites users to create the MTV logo
  - Encourages blog entries on fun topics
  - Invited fans to create a new video for the Britney Spears single, ‘Piece of Me’, from the album, Blackout
  - Also invites feedback on MTV
- Plans to roll out a series featuring the lives of real teens
  - Will offer teens the entertainment ‘they’ create

Sources: Futurescape, MTV Website
appealing to users’ need for ‘fun and fame’ to help create sustained campaigns by rewarding them for sharing brand related offline activities

- In June 2006, a video featuring a series of geysers created by dropping Mentos in bottles of Diet Coke was posted on Eepybird.com, which later became a major hit on YouTube
  - This was not the first discovery of the reaction, however the makers used music, choreography, and well-timed explosions which attracted many visitors
  - Mentos embraced the video, and held a popular contest for best Mentos/Diet Coke geyser videos. However, Coke said that the video did not fit with their brand personality
  - Later, Coke realised the consumer’s enthusiasm and embraced it by driving viral distribution of the video and securing major media coverage
    - This helped generate low cost media coverage, and the video had a positive impact on sales

- Bazooka Joe bubble gum took the lead from customers, who were dancing to a gum song at a summer camp; launching a campaign on various social networking sites in August 2006
  - The campaign revolved around customers uploading their gum dance videos
    - Had a dedicated website that gave dance tips, linking it to videos of people dancing on YouTube and MySpace
  - The a fun-based campaign ensured healthy participation and a longer lifespan

- In 2007, Pepto Bismol launched its own YouTube channel – “Be the Next Pepto Star”
  - Invited users to enter contest to win a reward of US$15,000
    - Users were asked to submit videos of themselves singing about the ailments the product heals, such as heartburn and nausea
  - Other users were allowed to view and leave comments, ensuring high involvement of users using entertainment

Sources: Interactive Advertising Bureau, Oneupweb
Some of the significant wins have been more to understand and leverage consumer insights than for “pushing” products.

**Nintendo’s Wii debut represented the most successful holiday performance in the US video game history**

- Nintendo Wii was launched in North America on November 19, 2006
- More than 1 million Wii consoles were sold in 44 days through retail outlets in the US

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**Understanding customer demographics and interest**

- Before crafting their marketing strategy, Nintendo evaluated potential customers on:
  - Age, lifestyle, geography, profession and interests
  - It discovered that the target audience was online, reading, writing, making videos and communicating about products

**Customer pre-engagement**

- Three months before release, Wii had its own MySpace webpage, encouraging fans to read and exchange messages with Wii enthusiasts
- It posted videos on YouTube to show product demos, ‘insider looks’, and available games for the new console
- The product page included features like a discussion forum, social bookmarking for Wii news, among others

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**Social Media - A ‘Pull Strategy’**

- At the time of launch, customers were ready to try the product, thereby cutting adoption process time
- Using the ‘end-user’ to market the product
  - Utilizing end-user insights on product perception, unmet needs and comparative brand analysis for refining marketing strategy
  - Creating a psychological advantage by leveraging end-users’ thoughts

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Source: Oneupweb
Two way brand-user interaction by providing information and seeking feedback with a view to build a reputation of “fairness”

- Target uses UGC to help customers make more informed purchase decisions
  - Includes positive and negative reviews below the product information
  - Entries are unedited and reviewers can add to earlier reviews
  - Provides suggestions based on user’s viewing history
  - Maintains wish lists and gift registries that can be shared between friends
- Provides links to other Target sites on the homepage, designed to engage and communicate with customers

- Starbucks used a series of podcasts to engage with the customer
  - Podcasts were used to communicate the company’s philosophy of being a good corporate citizen
  - Included a ‘rumor response’ page with a management response to any buzz on Starbucks
  - Aimed at building credibility and loyalty, especially among corporate customers
- Also runs a campaign enabling people to design their own Starbucks cards for friends

Sources: Oneupweb, Futurescape.
To targeting a specific consumer group – to reach the target segment directly and effectively building brand associations

- P&G introduced ‘Share a Secret’ campaign on the 50th anniversary of its Secret deodorant brand in the US – homing on women’s need for sharing
- It invited women to share a secret with friends on Facebook, committing US$1 to charity for every secret shared
- Encouraging personal friendships: The conscious shift in focus from the ‘product’ was aimed at building a stronger bond with customers
- This campaign garnered 25,000 secrets that were ‘viewed’ 1.4 million times
  - Additional 250,000 viewings of professionally produced video interviews with participants

Sources: Oneupweb, Futurescape.

- Beauty retailer, Sephora, responded to the customers’ needs for tracking latest Hollywood trends by creating a blog
- ‘The Red Carpet Blog’ includes news on Hollywood, trends and new products
  - Its ‘Beauty Insider’ feature allows users to register for free samples and birthday gifts
  - Encourages participation in discussions and suggests products ‘to watch out for’
  - Allows subscribing to the blog via cell phones
- The blog ensures that customers get the latest information—all at one place—and has helped Sephora bond with bloggers
…to engaging in blog analysis to know ‘who’ to influence - engaging key influencers to build brand popularity

- Nokia took to social media to enhance its eCommunication programs and lower its customer acquisition costs
- Along with a social network site, Friendster, Nokia posted a personality test online and matched consumer traits with its six recent phones
  - Gifted participants phones on answering a special question
  - Invited users to forward the activity to friends – enticing with a Bluetooth headset to the user with the most monthly friend referrals
  - Resulted in a huge success with total number of entries exceeding
- The campaign helped customers build a brand association along with an affinity with specific mobile phone ranges
- At the end of the campaign Nokia achieved a much lower cost per acquisition

- Toronto based Harlequin Enterprises, well known for its romance novels, used UGC to know about the conversation topics of influential bloggers
- Harlequin recruited SEO-PR and Buzzlogic when its report about people’s views on dating and love – “Romance report”, failed to get popular
  - The agencies helped Harlequin focus on UGC sites and identify relevant conversations
- The firm identified 80 bloggers as influencers in the category and re-released the “Romance Report to them
- The report became so popular that a leading romance blog, Pink Heart Society, published a series based on the survey

Sources: Interactive Advertising Bureau, Oneupweb
Some brands have used specific relevant sites to cash on salience of their audiences...by engaging right through the product lifecycle ...

2006 dance-themed movie "Step Up" used it's MySpace profile to engage consumers at all stages

- According to a survey 37% of the people who saw the movie had seen its MySpace profile
  - This number went up to 49% for the sequel of the movie which was released in 2008
- MySpace profile of the movie has more than 156,000 friends

Source: Advertising Age
While there are many discrete successes, an integrated social media campaign combining various facets seems to provide a greater likelihood of success

- H&R Block, offering online and in-person tax preparation and tax software, launched a marketing campaign with MySpace and Facebook profiles, YouTube postings, a Twitter account, widgets and a virtual tax office in Second Life
  - Dedicating only 5% of its total marketing budget to the campaign, H&R was able to achieve a 171% rise in internet ad awareness and overall brand awareness increased by 52%

### MANTRAS FOLLOWED BY THE BRAND

**Used entertainment to grab attention**
- Based the tone of the ad on the kind of audience on the channel
  - For sites like MySpace and YouTube where entertainment is key, H&R used a character ‘Truman Greene’, a dorky, overeager troubadour who sings about how to save money and evangelizes H&R
  - Based on the success the company later extended the character to host the company’s MySpace page

**Be Useful to the consumer**
- Brands shouldn’t use social media as just another place to stick traditional ads rather use it to research consumers and involve brands in natural experiences
  - H&R mainly used the Twitter website to send one-to-one “tweets” to customers
  - Questions and comments were closely monitored and immediate replies were sent to users

**Do multiple things to engage**
- Instead of using one big idea, H&R used several small ideas to create impact
  - Launched videos, virtual tax offices posts, polls and applications
  - Some ideas worked better, like polls on social-networking sites, while some like the Magic 8 Ball-like application failed to gain popularity
  - The firm used four agencies to complete its social media efforts as it was hard to find one that could serve all needs

**Be cognizant of ads inviting criticism**
- Brands may need to provide an initial push to social media campaigns
  - H&R ran YouTube ads to promote ‘Truman Greene’ video
  - However, advertising on social media makes the brand more susceptible to criticism from consumers
  - H&R ran a YouTube test to realize that ads on the YouTube home page can attract a host of negative comments if it is not entertaining

Sources: Advertising Age; H&R Block website
However, user-generated content can swing both ways...leading to significant losses

Kryptonite Case Study
- The company suffered a loss US$10 million in a span of 10 days

“Advertisers are afraid their ad will show up next to racy content.”
Tim Vanderhook- CEO and Co-Founder of Specific Media, an advertising network that uses Web-surfing information to better target and raise the price of ads on Web sites

Chevrolet installed a feature on its website that allowed visitors to piece together images and text to create a commercial for its Tahoe SUV. The feature was quickly seized upon by anti-SUV activists, who made videos condemning the vehicle, its low gas mileage, and its impact on the environment.

Source: Agency Campaign Marketing
The flip side of consumers creating “branded content” is the exposure to a tarnishing of brand image as well as to individual perceptions of brand benefits

- **Heinz** launched a campaign encouraging users to create commercials and the best one will win a prize
  - Consumers created and posted videos in which they were using Heinz for brushing teeth, shaving, using it as an acne cream
  - Videos showing rejection of Heinz products and other ads were posted on YouTube
    - For one of the adverts which showed a close-up of a mouth with crooked, yellowed teeth, attracted users comments such as "Were his teeth the result of, maybe, too much Heinz?"
    - Users visiting Heinz’s webpage on YouTube criticized the ketchup maker as "looking for cheap labor to create ads" and terming Heinz as “lazy” to ask consumers to do its marketing work

- **Dove** launched a campaign for its Cream Oil Body Wash and Cream Oil Moisturizer asking users to create ads
  - The user created ads attracted negative blogger reviews
    - “It doesn’t make Dove Cream Oil visually appealing (it’s a skin-care product, but this woman’s skin looks dim and greenish in the grainy footage)”
    - “It doesn’t illustrate Cream Oil’s differentiating attribute and the ad falls back on flat, heard-it-a-million-times copy ("Your skin has never felt like this!")”
  - The campaign ad got 3 million views as it was posted on YouTube home page, but got a rating of 1 star by 10,000 viewers
    - The comments and reviews were disabled by Dove to avoid any negative publicity about the brand and the product

Sources: New York Times, Commercial Archive
... the stronger social media ‘democracy’ makes users demand marketers to follow the rules...allowing freedom of expression and the ability to share

- In July 2006, Wal-Mart launched ‘The Hub’, a Social network site for kids
  - Targeted at 13- to 18-year-olds, the company invited school students to "express their style" and "win cool stuff" by creating their profile page
- However, Wal-Mart ‘ignored the rules of the engagement’ Sent emails to parents intimating them of new registrations
  - Screened and edited content – Banned use of “profane words or materials”, references to drugs or firearms and giving out personal information
  - Did not allow email exchange or any for of communication between kids
  - Posted fake profiles and videos of youngsters and their love for Wal-Mart
- Advertising Age called the site “highly sanitized and controlled
- The Hub completely failed to generate interest amongst kids, and at the end of ten weeks, Wal-Mart had to shut it down

- Wal-Mart launched a marketing campaign on Facebook
  - However, the company restricted comments and feedback on its Facebook page to “Wall Posts” unlike Target which hosted a discussion board
    - This one-way communication left visitors irritated and invited a lot of criticism on Wal-Mart’s Wall
    - In response, the firm did not do anything to disarm the critics, they decided to restrict dialogue and continue the same way
- Users also found Wal-Mart’s focus on style deceptive – as the company is well known for being a discount retailer
- Wal-Mart had 2,000 participants in the site’s roommate quiz and other dorm-related features, while Target attracted 7,176 members, 409 photos, 483 posts and hosted 37 discussion groups

Sources: ViperChill, Mashable, The Guardian, Social Media Optimization - Wordpress
Some ‘iconic’ brands are under-leveraging the social media platform… while different consumer expectations expose some flaws…

- **Apple** has not actively harnessed social media; however it is present across forums and blogs
  - Active support forums are nor targeted at potential customers, instead focus on after-purchase issues only
  - Apple discourages employee blogging, and has sued some of its biggest fans
    - When consumers posted complaints about its Leopard operating system, Apple shut down its online forum posts
- Has a community on Facebook, named Apple Students, having more than 400,000 members
  - Discussion in the community is driven by fans, and not by any Apple official
  - Apple is completely inactive on the community

- **Clorox** launched a social networking site, MomWire
  - Membership to the site is through invitation only
    - “The splash page mentions a "special group of moms" (of which I’m not special, I guess) and mentions events and news about cleaning products”
  - The site has not found much appeal with customers, as is catering to one demographic only
    - Targets mothers only, not does cater to men or women who are not mothers
    - Assuming that mothers are the only one doing the cleaning at home, the company is targeting the ‘mom’ demographic that is growing big in the online marketing space

Sources: Consumer Blogs – Marketing Pilgrim, Profy
As a phenomenon, social media is still at the innovator and early adopter stages of evolution for now... till marketers push the trend faster

UGC Initiatives Continue

• Starbucks launched 'My Starbucks Idea', a social networking website in March 2008
  — On the website – consumers can post ideas for the company and suggest product and service improvements
  — They can also comment and vote on others’ ideas
  — New York magazine called it as the "the biggest and possibly worst idea" and "a virtual suggestion box" whereas Jim Nail, chief strategy and marketing officer for TNS Media Intelligence/Cymfony, called it an "excellent idea"

• Chrysler plans to recruit US residents to get their views on marketing, product development, vehicle features and engineering
  — A new website, chryslerlistens.com, is expected to be launched in April 2008 to facilitate the dialogue
  — According to the company – "It’s a different way to be close to our customers and our future customers"

• Experts believe there is a revival of more professional content on the web and a move away from the user-generated revolution
  — People are now asking for more reliable expert opinion, fearing bad advice and loss
  — "Nobody wants to advertise next to crap," says Andrew Keen, author of "The Cult of the Amateur," a jeremiad against the ills of the unregulated Web

Sources: Advertising Age, The Hollywood Reporter, News Week
Content Outline

- UGC – An Overview
- UGC Marketing Initiatives – Some Hits, Some Misses
- Appendix
# Appendix — Definitions

<table>
<thead>
<tr>
<th>Social Media</th>
<th>An umbrella term that brings together various online technologies, formats and practices enabling people to share opinions, insights, experiences and perspectives.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blog</td>
<td>A regularly updated online space that presents the opinions or activities of an individual or a group of individuals, in chronological order.</td>
</tr>
<tr>
<td>Wiki</td>
<td>A website that allows visitors to add, remove, edit and change available content, e.g., Wikipedia.</td>
</tr>
<tr>
<td>Social Networks</td>
<td>Sites that allow people to build personal web pages and connect with friends to share content and communication, for instance, MySpace, Facebook and Bebo.</td>
</tr>
<tr>
<td>Podcasts</td>
<td>Audio and video files that are available by subscription, such as Apple iTunes.</td>
</tr>
<tr>
<td>Forums</td>
<td>Domains for online discussion, often formed around specific topics, interests and issues. Forums constitute a popular element of online communities.</td>
</tr>
<tr>
<td>Content Communities</td>
<td>Communities that organize and share particular kinds of content, for instance, Flickr, del.icio.us, YouTube</td>
</tr>
</tbody>
</table>
About the Author

Aneesh Issar
Associate Director, RocSearch

Aneesh heads the Consumer & Business Insights practice at RocSearch.

He has over 8 years of experience with firms like Johnson & Johnson, Adidas, ICICI Bank and Ricoh prior to joining RocSearch. Aneesh brings with him functional expertise in Marketing and Sales, Trade Marketing and Supply chain Management and industry expertise in Retail, CPG, Supply Chain and Brand consultancy.

Having worked with global advertising networks, leading brand consultancy firms and multidiscipline interactive/digital agencies he has pioneered the growth of the Consumer & Business Insights practice at RocSearch.

For further details on any of the points discussed in this feature, do write to him at aneesh.issar@rocsearch.com

Consumer & Business Insights Practice at RocSearch

Ranked No. 3 globally by the Black Book of Outsourcing (2007) for Advertising Analysis/Media/Market Research

Marketers and marketing agencies are continually striving to understand and influence consumers.

A continuous effort to enhance current capabilities and evaluating potential opportunities are the business imperatives of marketing agencies.

We understand that the attempt is to move beyond just what the client comes to you for and focus on enhanced, sustained value for clients. We would like to talk to you about how RocSearch could help you achieve your goals effectively.
We help generate consumer and business insights by leveraging our research and analytics capabilities... supporting business growth...

### Service Offerings

- **Brands**
- **Categories**
- **Consumers**
- **Competition**

- **Winning Business**
- **Retaining Business**
- **Cost effectively**

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### Leveraging multiple capabilities across a variety of domains

<table>
<thead>
<tr>
<th>Business Research</th>
<th>Decision Analytics</th>
<th>Blog Analytics</th>
<th>Market Research</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk-based research using premium data sources</td>
<td>Decision support with statistical research using software tools like SAS and SPSS</td>
<td>Key word research for SEO, SEM Brand Reputation Management</td>
<td>Multi-lingual primary research capabilities supported by survey analytics</td>
</tr>
</tbody>
</table>

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...through our support services across multiple agency functions including NBD, planning, and account management

NBD - Prospect Support
- Prospect identification
  - Categories to be targeted
  - Key players
- Prospect validation
  - Media spend
  - Health of agency relationship etc
- Identifying 'reasons to engage'
  - Business and brand performance
  - Category trends and drivers
  - Competition and market analysis
- Mapping clients strengths to prospect specific business, brand, market opportunities

NBD - Agency Pitch Support
- Rapid turnaround brand, category, competitive intelligence
- Business and advertising analysis
- Ad spend, campaign and media vehicle history
- Identifying key influencers and levers to change agency
- Win Strategy support – building from research the key themes for a successful outcome
- Win/Loss reviews – objective analysis with prospects on buying and selection criteria
- Rapid turnaround company and brand assessment from

Strategic Planning - Client Support
- Establishing working hypotheses for client business leaders on how to drive future strategies
- Client and category trends, drivers, challenges and opportunities
- Tracking target audiences and consumer trends
- Benchmarking of competitor product and marketing strategy
- Regular client updates on the market
- Proactive category analysis - trends, opportunities and threats
- In-category and out of category 'best practice' benchmarking

Account Management - Client Support
- Creating more reason to interact and add value becoming distinctive in the process
- Company and competitor perspectives
- 'Out of category' perspectives
- "Did you know?" – relevant news updates
- Supporting clients products
- Supporting through
  - Campaign reporting
  - Campaign analytics
  - Media mix modeling

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While we offer flexible and yet customized delivery models

### Service Model

<table>
<thead>
<tr>
<th>Rapid Research</th>
<th>Project Based</th>
<th>Dedicated Support¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rapid turnaround, fact finding</td>
<td>Customized longer-term projects</td>
<td>Virtual extended team</td>
</tr>
<tr>
<td>Ad-hoc research requests</td>
<td>High on insights</td>
<td>Continuous multi-faceted support</td>
</tr>
</tbody>
</table>

### Turnaround Time

<table>
<thead>
<tr>
<th>Rapid Research</th>
<th>Project Based</th>
<th>Dedicated Support¹</th>
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<tbody>
<tr>
<td>Between few hours – 6 days</td>
<td>Between 6 days – 3 months</td>
<td>As required</td>
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### Applicability

<table>
<thead>
<tr>
<th>Rapid Research</th>
<th>Project Based</th>
<th>Dedicated Support¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primarily for information use only, expected to provide direction to carry out further detailed research</td>
<td>Research support as and when required by client executives based on business cycles</td>
<td>Ongoing research support requirement</td>
</tr>
<tr>
<td>Nature of requests could be</td>
<td>Nature of requests</td>
<td>Research &amp; Analytics is integral to client engagements</td>
</tr>
<tr>
<td>– Basic press/web searches</td>
<td>• Prospect profiling</td>
<td>• Greater security and confidentially norms</td>
</tr>
<tr>
<td>– Financial data retrieval</td>
<td>• Competitive audit</td>
<td>• Consolidation of research activities in the client organization</td>
</tr>
<tr>
<td>– Macroeconomic/ demographic data</td>
<td>• Category overviews</td>
<td></td>
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<tr>
<td>– Creating brief fact-packs</td>
<td></td>
<td></td>
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<tr>
<td>– Basic financial analysis</td>
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### Benefits

<table>
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<tr>
<th>Rapid Research</th>
<th>Project Based</th>
<th>Dedicated Support¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quick turnaround value add</td>
<td>Cost-effective sophisticated research</td>
<td>Analyst becomes a specialist with client-specific skills</td>
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</table>

¹ FT = Full Time refers to an analyst/s, who are working dedicatedly for the client. FTE = Full Time Equivalent; client makes use of the equivalent of the number of hours of a Full Time analyst/s based on skill sets
The dedicated team model has proven to be the ‘best practice’ due to greater cost savings …while enabling a strong capability play.

RocSearch manages

- Infrastructure
- Recruitment
- Research Sources
- HR administration
- Training programs
- Technology & Telecommunications

Client gains access to

- Secure, dedicated, access-controlled facilities
- Skilled, experienced and trained resource/s approved by the client
- Resource/s owned and managed by RocSearch expressly for the benefit of the client
- Ability to scale up so as to meet peak client demand
- Greater client intimacy, access to client tools, techniques and databases, operating as an extension of the client environment
- Ad-hoc resource/s able to integrate rapidly under common management and execution practices
- Direct client influence over the analyst/s activities providing greater flexibility
- Greater onshore bandwidth available towards revenue generating activities
- Build up of client specific skill sets – room for improvement and greater productivity
- Integrated IT/Telecom Systems bespoke to client requirements

All the benefits of a virtual captive with the flexibility of a third-party arrangement!
About RocSearch

RocSearch is an international professional services firm providing cutting edge research and analytics solutions to a diverse set of clients. Our wide range of research service lines spans business research, financial research, market research and emerging markets research.

We add significant value to professional services firms including consulting firms and advertising agencies; investment advisory firms such as private equity players and VCs; and Corporates in various verticals. Our research delivery models include customized projects as well as off-shored client dedicated analyst teams helping clients with speed-to-market and business flexibility in a cost competitive manner.

RocSearch’s executive leadership is lead by David O’Brien who brings with him 31 years of experience in IT and IT/Business Services sector.