

SOCIAL CURRENCY IMPACT STUDY 2013

What it takes to create lasting impact



THE TOP 25 LIST

THE NEW CURRENCY FOR BRANDS

SOCIAL IMPACT

For this Social Currency Impact Ranking we administered over 5,000 questionnaires in three different countries (USA, Germany and the UK) using an online panel of millions of consumers, asking them about brands and their perceptions regarding several dimensions of social behavior and the extent to which consumers see the brands enabling these behaviors. These social behaviors are: utility, information, conversation, advocacy, affiliation and identity.



Brand performance or impact was measured in terms of conversations: awareness to consideration, consideration to purchase or use and purchase to loyalty

In order to arrive at a ranking, each of the dimensions was weighted equally.

The New Currency For Brands – Social Impact

Major Conclusions

Top 25 List

Vivaldi Partners Group

Today, it is clear that using new technologies merely for the purpose of amplifying advertising campaigns, creating conversations on social channels, or building communities of influencers to connect with consumers or customers more often underwhelms and disappoints.

We believe we are entering a new era of developments in the evolution of the digital revolution that began more than 20 years ago. The proliferation of mobile computing devices and the new social technologies combine to unleash unimaginable opportunities for people to improve their lives.

This alters consumer behaviors forever. Customers are evermore empowered, enabled, and know how to make use of these technologies to engage or connect with brands and businesses.

In our opinion, an entirely new vision and plan is required to harness and capitalize the power of these technologies. In order to provide senior executives with guidance in this evolving digitally-connected world, we conducted several new studies with customers in the U.S., Germany, and the U.K. involving over 60 brands and businesses. We researched several hundred digital and social initiatives.

Erich Joachimsthaler, Ph.D
Vivaldi Partners Group Founder and CEO



MAJOR CONCLUSIONS

Achieving top scores in social currency and driving brand performance is expensive. The top performers in our ranking needed to address almost every dimension of social currency and drive social buzz, engagement and large social audiences. Today, social requires real commitment. Even then, conversion of social performance into business or brand results is not guaranteed. Its value depends on the category in which the brand competes in.

Brand performance requires continuous commitment and continuity. There seems to be no success in half-hearted efforts, or experimentation. There is a need to keep consumers engaged and to find the right balance between advertising, information and entertainment or utility.

Social media investments does not impact all categories equally and some brands simply don't benefit from social. Consumer electronics such as Apple translate social media performance much less into business results or brand performance than brands such as Coca-Cola. Amazon drives social currency through its own website that is socially enabled rather than broad social network presence.

There is a huge difference between brands and how they compete. What works for one brand does not work for another brand. Some brands like Playstation and Xbox compete on affiliation and community and have relatively little social presence on networks. A brand like Coca-Cola has much higher social presence but relatively little engagement. There is no one success formula for brands, each brand needs a different route for achieving social currency that actually translates into brand performance.

If there is a universal success factor, it is the degree of engagement that a brand and a social currency initiative achieves that really matters. Social Currency seems merely a means toward this end. Nike Fuel band is valuable because it engages a broader set of consumers, not merely athletes or weekend-warriors and it embeds Nike in their daily lives 24/7 and can help modify human behaviors.

TOP 25 LIST

#1. SUBWAY (712)

Initiatives like the “Flavorizer” emphasize on the customizable nature of Subway’s sandwiches and promote brand identity among its 20 million Facebook fans.

Subway ranks No. 1 because it performs high on both, the six social behavior dimensions of Social Currency and impact with customers or consumers (consideration, purchase and loyalty). Subway not only benefits from a large Facebook and Twitter audience but it also gets very high engagement scores which drive Conversation, Advocacy and Affiliation. Subway fans and followers are very active. Subway continuously manages to sell promoted deals without pushing the advertising theme too far. These results are confirmed by other social rankings including TrackSocial and SocialBusinessIndex rank its presence and engagement above average. Numerous studies including for example the 2012 Social Media Restaurant Index by DigitalCoCo confirms the strong performance of Subway in 2012 with high scores on engagement. Subway is not only the leader in our ranking, it is among the top restaurant social media category leaders. Very positive overall sales performance with a growth of nearly 50% over five years. Subway ranks now No. 2 with over 11 billion in sales (5-year sales growth McDonalds 26%, Wendy’s 9%, and BurgerKing flat growth (Technomic 2012).

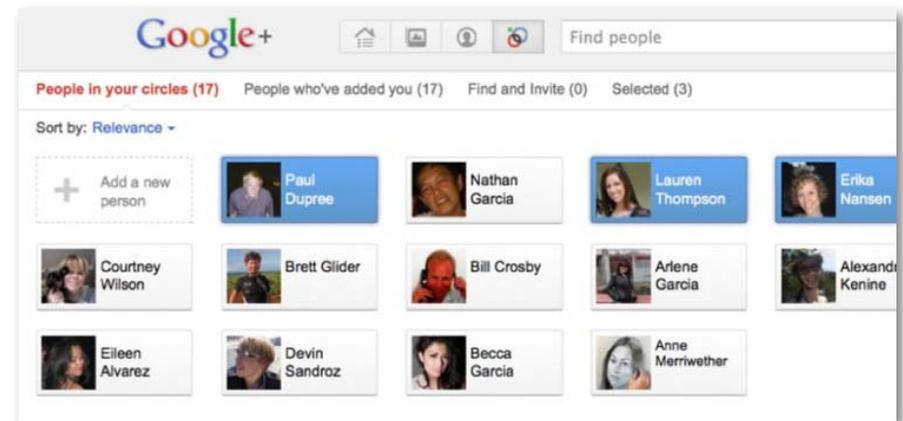


#2. GOOGLE (709)

Launched mid 2011, Google Plus holds 500 million users, and even though Facebook is leading the way, Google Plus is well embedded into Google’s portfolio, creating synergies.

Google leads the other tech companies such as Microsoft and Apple in terms of the large number of social audience, nearly 21 million. It has more than 5.5 million Twitter followers, more than any other technology firm. Apple and Microsoft merely get about 10 percent of this number. Google’s success follows from its large branded ecosystem of product portfolio that consumers access in their

daily life. Be it GMAIL, Google Maps, Youtube, Google Plus or classic Google search, there is just no way around it. This all encompassing business models boosts social media presence and leverages business impact.



GOOGLE GOOGLE PLUS

Google+ aims to make sharing on the web more like sharing in real life. Check out Circles, Events and Hangouts, just a few of the things we’ve been working on.

#3. TARGET (688)

There is something for everyone

Among retailers, Target succeeds because it understand well to attract consumers using a 360° presence through numerous channels and in different functions to create buzz and awareness. It has been ranked Target Social Media Champ in 2011 because of its richness in content and customer segmentation. With over 21 million FB users target attracts huge audiences. Target has well organized their social network presence from FB to Twitter, Pinterest, You Tube, Instagram, Tumblr and LinkedIn. These channels are managed well, the presence is integrated across recruiting, branding and fashion Youtube channels, and there is an enormous effort on content creation that drives social buzz of over 60 million views, the highest of any retailer and



consideration. The FB is illustrative. There is something for everyone including apps designed for newlyweds, bargain hunters, the tech savvy, and everything in between. Relative to Walmart, Target realizes a higher repurchase or loyalty rate. Walmart has scores higher on social performance but Target effectively translates its social performance into consideration, purchase and loyalty.



#4. HEINEKEN (665)

Reaching more than 11 million fans

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

HEINEKEN
BOTTLE OF THE FUTURE

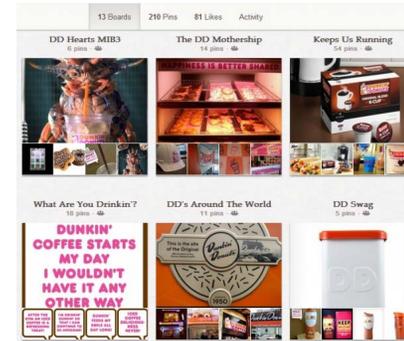
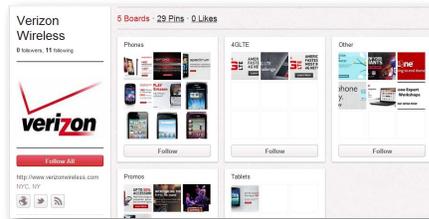
After the success of the inaugural bottle re-design challenge – which saw over 30,000 entries from more than 140 countries – Heineken launched its second annual global bottle design competition. In celebration of their 140th anniversary, the iconic beer company opens the doors to its rich history of iconic items in their expansive archive, giving designers creative freedom to explore and work with nearly 250 unique items and images as design inspiration for the bottle of the future.



#5. VERIZON (661)

Social effort drives business impact

Verizon ranks high because of its presence in classical social media channels like Facebook and Twitter. It ranks No. 3 of all brands in terms of its social presence across major social platforms: Facebook, Twitter, LinkedIn, Youtube, Instagram and Google Plus, ahead of all other telco or technology brands. Presence means includes also initiative conversations on those platforms including running customer support and engaging with customers supports customers' social behaviour and therefore its social effort drives business impact.



DUNKIN' DONUTS A KILLER JOB OF ENGAGING CUSTOMERS VIA SOCIAL MEDIA

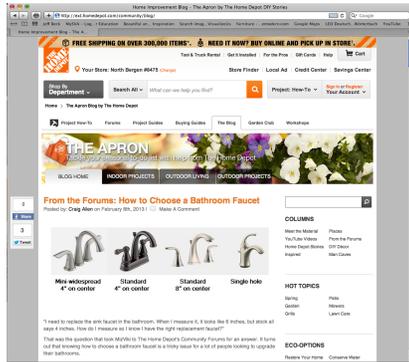
For a food company, Pinterest might be an obvious sharing platform, but it can quickly get overwhelming if they're posting photos of every donut under the sun. The Dunkin' Donuts Pinterest features 13 boards, and while there is inevitably a board dedicated to donuts and a board dedicated to coffee, the 11 other boards feature a well-rounded glimpse into the brand. In particular, we like the glimpse at Dunkin Donuts through the years as well as the "Creativity runs on Dunkin'" board, featuring fan tributes to the coffee house.



#6. DUNKIN' DONUTS (661)

Understanding that you don't own your online media channels

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



**THE HOME DEPOT
DIY BLOG**

To help DIYers quickly find what they need, Home Depot has introduced a new mobility tool for Windows Phone 7 users.

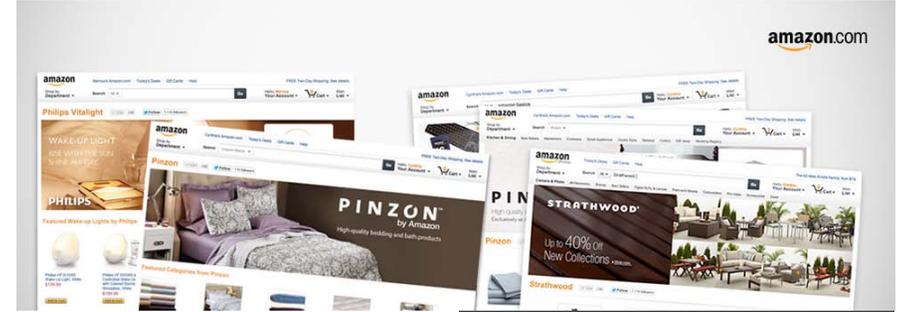
The Home Depot app is the ideal power tool. Consumers can research and purchase more than 100,000 products directly from within the app. Now it's easier than ever for Home Depot shoppers to get inspired, search, plan, find discounts and get more done – all on the go.



#7. THE HOME DEPOT (652)

Being top of mind

It is always about being present in the consumer's mind without pushing the brand. The Home Depot tries to get customers to think about home improvements, materials, renovating ideas, etc. This happens well through little Facebook quizzes or innovative design ideas on Pinterest to hopefully draw the customer back into store. It scores high on conversation with customers about relatively narrow topics of interest. This brand hence needs to be evaluated relative to its category – competitor Lowe's ranks slightly below The Home Depot.



**AMAZON PAGES
CUSTOMIZED URL'S**

Amazon is opening a new chapter in its role as an online marketplace for third-parties to sell their goods. The company is quietly pushing a service called Amazon Pages, which lets companies set up their own pages on Amazon.com as "custom destinations," complete with <http://www.amazon.com/brandname> URLs and dynamic designs with large photos and social media links. Along with this, it is also offering Amazon Posts for companies to market themselves across Amazon and Facebook, and Amazon Analytics to measure how well all of the above is working.

#8. AMAZON (649)

Relative weak social platform presence

Amazon has high-quality security measures, excellent shipping methods and the highest reputation among all online retailers. While Amazon has high social features implemented on its site that enhances the shopping experience resulting in very high affiliation scores that drives repeat purchases, it has a relatively weak presence on social platforms. Hence Amazon scores relatively on conversion due to social currency, even though social currency scores are moderate. High scores still on social buzz with 48 million mentions across platform, the highest retailer score, except Target that has over 60 million. Some of the Amazon buzz has to do with its evolution beyond retailers including creation of a device business such as Kindle resulting in impressive figures on social audience of over 16 million.



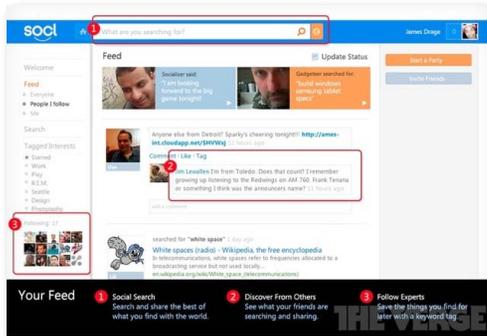


#9. MICROSOFT (647)

Integrating across social platforms



Microsoft's presence among consumers is lagging with noteworthy social buzz or audience. However, with its push in the mobile OS market and its cooperation with Facebook and Bing, MS integrates across social platforms. This is why MS has relatively higher scores on social presence that indicates this successful social network performance. Microsoft social currency does not drive consideration or purchase but drives loyalty and repeat engagement.



MICROSOFT SOCL

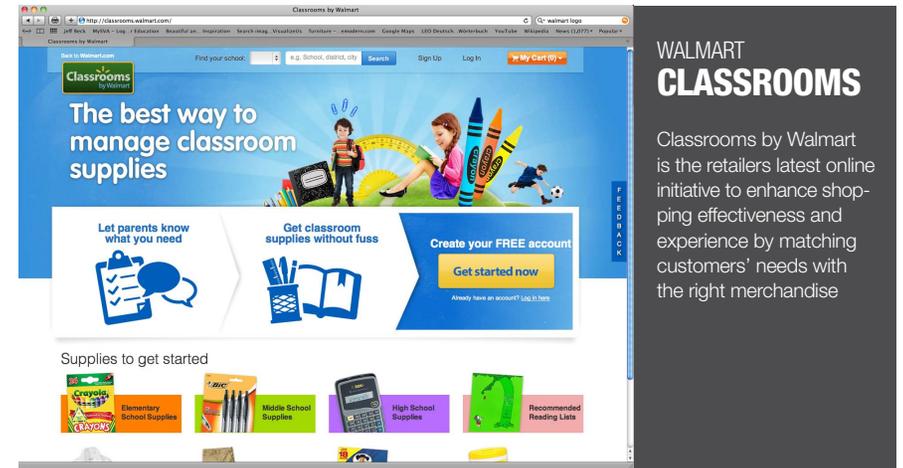
Microsoft has taken a shot at creating something like a mix of a social network and a search engine. Specifically, the tech giant launched its search-based social network Socl (pronounced "social") as something targeted mostly at students, with the intention to let them learn and enlarge their scope; however, at the moment the project looks simply like a service where the users share their ideas and interests with others by means of eye-catching posts created in couple of seconds each.

#10. WALMART (646)

Geo-targeted deals



Walmart's engagement with its customers focuses on a social media strategy, which aims at building local communities to deliver shoppers more personal and geo-targeted deals and information about Walmart stores. Both TrackSocial and SocialBusinessIndex rank Walmart high on presence, audience, engagement and buzz. Relative to Target, Walmart needs to focus on conversion of this very strong social performance toward consideration, purchase and loyalty.



WALMART CLASSROOMS

Classrooms by Walmart is the retailer's latest online initiative to enhance shopping effectiveness and experience by matching customers' needs with the right merchandise.



#11. BUDWEISER (640)

*High engagement,
relatively low audience*

Whereas Budweiser is a well known brand their presence on the web is running behind its competitor Heineken at the global level. Budweiser for example has a respectable 3.8 million followers on Facebook but Heineken beats Budweiser with 11.2 million followers. Budweiser performs high overall on social networks but lacks social presence (having accounts across networks and engaging on them). It ranks relatively high on engagement (that is the degree to which consumers respond to actions or initiatives by Budweiser) but Budweiser is lower on the size of social audience.



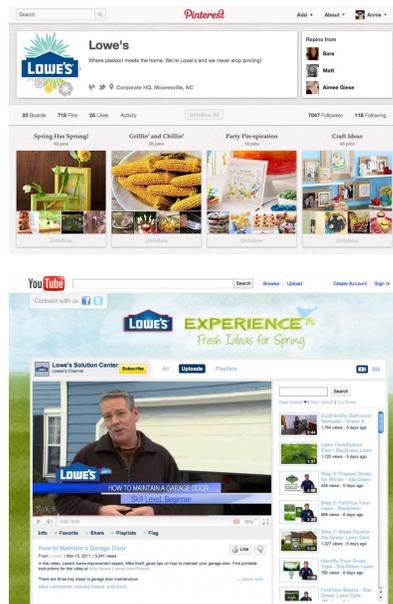
BUDWEISER TRACK YOUR BUD

TrackYourBud enables consumers to discover the journey of their drink to the roots of the brand's brewing process.

#12. LOWE'S (630)

Developing customer relationships

Lowe's defines "developing customer relationships" in order to provide superior customer value by helping customers to solve problems and to complete their projects. It scores high with influencers on conversation topics. Buzz via Twitter or inspiration via Facebook aims at sharing information and knowledge with consumers as well.



#13. COCA COLA (620)

Strong presence across all social networks

In terms of performance on social currency dimensions, Coca-Cola performs strongly. It has a strong social presence across all social networks and takes the No. 1 spot among social audience, consumers who like and follow the brand, a total of over 58 million consumers. It also generates strong buzz levels which confirms that its 20/20 content strategy is working. This also shown by high ratings on the social currency dimension of information and advocacy. Overall, this is the top performing brand. There is one social dimension, namely engagement, where Coca-Cola does not perform as strongly. We believe this has to do with the category in which Coca-Cola competes in where brands like Disney score on the top. Its rank of No. 13 in our ranking is also influenced by its brand performance. It scores far lower in terms of consideration and purchase, and scores high on loyalty/affinity.



#14. GATORADE (616)

Social Media Command Center

Gatorade performs equally well across both dimensions of our ranking, the social currency performance and the brand performance. It has over 5.5 million Facebook fans. The social currency performance of Gatorade is driven by both online and offline performance of this brand in specific usage or consumption contexts such as sports events. Gatorade is most known for its "Mission-Control" social media command center which is dedicated to consumer engagement and to connect consumers closer to the attributes of the brand. It is possible that this command center efforts drive the relatively high conversion rates for the Gatorade brand.



GATORADE MISSION CONTROL

Gatorade recently created the Gatorade Mission Control Center inside of its Chicago headquarters, a room that sits in the middle of the marketing department and could best be thought of as a war room for monitoring the brand in real-time across social media.



#15. PLAYSTATION (608)

Connecting players around the world

PlayStation as Sony's top brand in the gaming market relies on gaming communities since online features are an essential part of the video games community. Connecting players around the world drives its very high social presence scores of over 31 million people and overall social buzz. Its relative engagement scores are lower and so are this brand's social presence across all major social networks. Clearly this has to do with this category which really is its own social network in a way and does not require traffic from others. PlayStation drives high performance on affiliation, advocacy and utility scores which is the result of the high communication among the active and engaged online community. This is also reflected by SocialBusinessIndex' social semantic search score, where PS ranks 23.

#17. EBAY (601)

The original social marketplace

As the first social marketplace on the web, Ebay ties social communication close to its business core. By setting up a special social business unit for its marketplace ultimately to promote its peer-to-peer commerce. Although under pressure by big competitors like Amazon or small copycats it remains visible and known throughout the web. It is the purchase and loyalty performance that drives this brand standing in our ranking.



EBAY GO TOGETHER

A social way to buy tickets online together with friend via Facebook or e-mail. Invite friends through Facebook or email to split the cost of tickets and guarantee seats.



#16. CORONA (603)

Promoting the brand's identity

Anheuser-Busch's new top brand as of 2012 communicates attributes like vacation or relaxation across its social media channels to promote the brand's identity. Yet it fails to reach visibility and reach like its competitors Heineken or Budweiser particularly with consumers. It has relatively high performance on brand conversions toward consideration, purchase and loyalty but its social currency scores are only moderately high.

THANKS FOR THE LIKE

Let's take our like to the next level, and by "next level" we mean NYC!

Upload a photo of yourself to appear on our Times Square billboard (11/8-12/8), so we can very publicly thank you for the like you've given us.

PUT ME IN TIMES SQUARE

If not, that's cool too. There's still plenty of likes we have in common.

FIND OUR COMMON LIKES

TIMES SQUARE OTHER LIKES WHERE YOU LIVE SHARE THE LIKE



#18. COORS LIGHT (590)

Limited social presence

Popular American lager beer Coors Light enjoys a strong online community with engaged users posting regularly on Coors' channels. It has 2.5 million fans on Facebooks. However in terms of presence Coors cannot compete with Heineken or Budweiser and therefore its social impact is limited. This also proves TrackSocial's ranking with only "D+" in presence. Our brand performance scores are also lower.



#19. APPLE (587)

Performance is driven by design and product expertise

Apple's brand attributes base on exclusivity and loyalty from existing customers. The successful tech company does not rely on heavily on social media presence. It generates social buzz or visibility across social media sites and also has nearly 9 million followers on Facebook, but these social media efforts are not designed to drive its brand performance of consideration, purchase and loyalty. The brands' strong performance as a company is driven by its design and product expertise, not by social media developments and network effects. This is why this brand comes out in our rank No. 19.



#20. AT&T (577)

Frustration among customers led to negative buzz

AT&T's former status as iPhone exclusive carrier has significantly improved its brand image. However, on social channels, its performance clearly lacks other leading carriers like Verizon. Bad reception and frustration among customers led to severe negative buzz on Facebook and Twitter (#attfail and "AT&T sucks"). Picked up by semantic search analytics from SocialBusinessIndex AT&T's social reputation and therefore business impact suffered. It is a relatively large brand with large social media presence and this accounts for our No. 20 ranking.



#21. NINTENDO (564)

Limited Brand Reach

Nintendo's brand reach is very limited to specific consumer segments. Therefore awareness and visibility on popular channels fall behind average. However, within its community Nintendo experiences high audience involvement (TrackSocial) and loyalty. Brand performance is relative commensurate with its performance on social media channels.

#22. TESCO (563)

Past challenges led to heavy investments

Tesco heavily invested in its social media business after having challenges with its engagement in the past. Negative buzz and reproachful behavior towards shoppers (blogger accused of stealing) had a negative impact on the brand. The brand has been very active on the major social channels but our research could not determine its impact on brand performance.



TESCO FACEBOOK GAME TO DELIVER ENGAGEMENT

Tesco's first game on Facebook, called Delivery Dash, is seeking to boost engagement through the theme of customers making a delivery. The game primarily targets female shoppers, who compete against the clock to pack shopping carts for friends – with increasing levels of skill required.



#23. MC DONALDS (555)

Twitter campaign backfired

The world's most famous fast food company is a star performer on social media channels. For example it has more than 27 million followers on its main Facebook channel. Overall social buzz is high, and its has a large social audience overall across all channels. These numbers lack significantly those of other large brands such as Coca-cola or retailers such as Subway, for example. But in terms of social engagement and social presence across the major networks, McDonald's drops clearly below other major brands. It is not clear to us whether the translation of its social media performance on brand performance, particularly consideration and purchase is driven by the brand's activism. It heavily tries to emphasize on values like nature and environment to promote its green strategy and CSR. Promoting local sourcing and happy farmers however resulted in a Twitter fiasco when users picked up the theme and criticized the food or meat quality.



#24. X-BOX (549)

Behind Playstation in absolut numbers

Xbox, in brand terms mostly unlinked to its parent company Microsoft, generally targets a young male consumer segment. As other games consoles it depends on a strong network of players. Not helping in terms of visibility and social media presence, Microsoft last year retired the Facebook and Twitter apps on Xbox Live but it has a strong Facebook fan base of nearly 21 million. It is relatively high on social buzz with 52 million but these numbers overall trail those of Playstation. There is the same pattern of performance for Xbox as it is for Playstation but Playstation beats Xbox in terms of absolute numbers.



#25. PEPSI (506)

A late shift toward social channels

PepsiCo, in constant battle with its bigger competitor Coca-Cola, struggled re-allocating its marketing budget between traditional media and social media, it seems. It shifted late toward social channels, around 2010. Pepsi shifted substantially towards social media leaving an unbalance in consumer awareness between channels. Impact suffered. The main Facebook channel has less than 10 million fans. Social Buzz is about 44 million versus Coca-Cola's 110 million. Social engagement is also lower relative to other brands and consistent with lower levels also found for Coca-Cola, clearly this is a category effect.



SPECIFICS OF CALCULATIONS

Some specific calculations to arrive at the overall ranking were:

Step 1: (old) SC-Score

Function: $[=1/6*(SC_AV+SC_C+SC_AF+SC_UT+SC_INF+SC_ID)]$; With e.g., $SC_AV = [1/2*(SC_AV_1+SC_AV_2)]$

Step 2: (old) SC-Score

The average conversion rate is measured with the „geomean“ function in Excel: Geometric mean is a kind of average of a set of numbers that is different from the arithmetic average. The geometric mean is well defined only for sets of positive real numbers. This is calculated by multiplying all the numbers (call the number of numbers n), and taking the nth root of the total. A common example of where the geometric mean is the correct choice is when averaging growth rates.

The single conversion rates are the basis for this equation, e.g.:

Amazon has a conversion rate from Awareness 2 Consideration (A2C): **85.71%**

Amazon has a conversion rate from Consideration 2 Purchase (C2P): **54.02%**

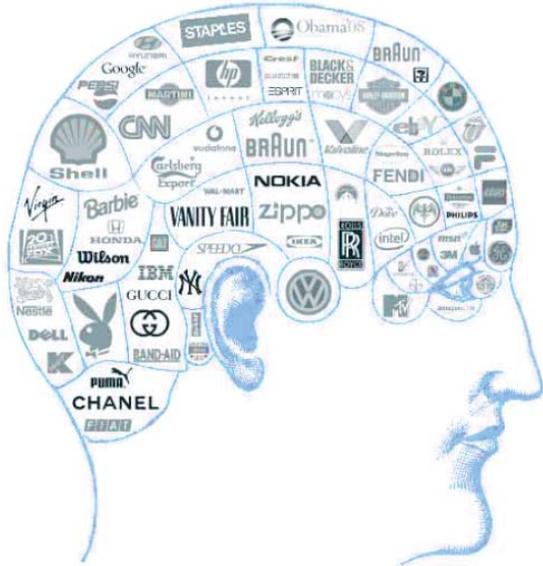
Amazon has a conversion rate from Purchase 2 Loyalty (P2L): **88.30%**

Therefore: $(85.71\% * 54.02\% * 88.30\%)^{(1/3)} = 74.22$

Step 3: New Social currency score

Function: $[=1/2*(old\ SC-Score+AVG\ Conversion)]$

VIVALDI PARTNERS GROUP

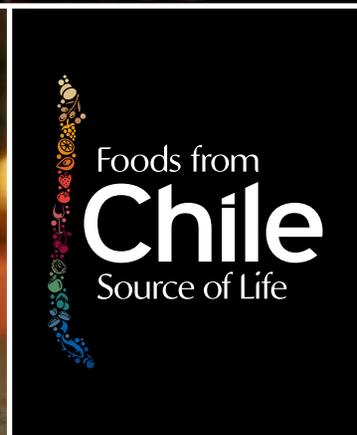
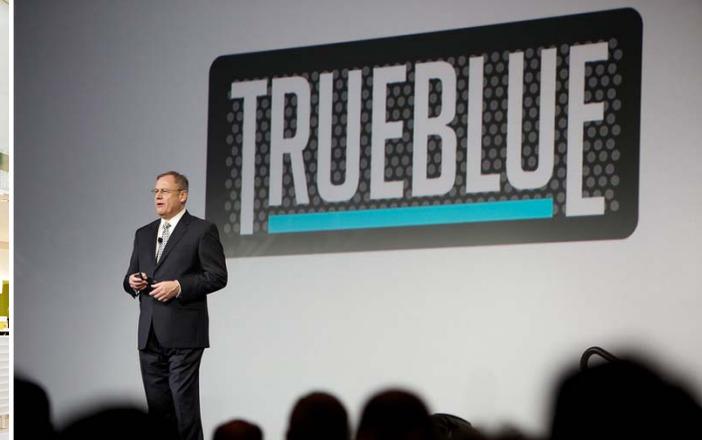


WHAT MAKES US DIFFERENT ...

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

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

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



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

Vivaldi Partners is a global strategy consulting firm that helps companies achieve breakthrough levels of profitable and sustainable top-line growth through identifying new demand opportunities, formulating strategies for innovation and growth, building strong brands, and developing actionable marketing strategies.

Vivaldi Fifth Season is a global creative powerhouse that orchestrates and produces innovative, engaging social interactions, builds brands, connects with audiences, and creates entirely new businesses. Our multi-disciplinary team operates at the crossroads of brand, business strategy, design and digital technology.

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

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