NEWSBRANDS AND ITS ROLE IN CONVERSATION MANAGEMENT

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Background: the power of Newsbrands

In contradiction to alarming rumours in some European countries, the total net audience reached by Belgian paid newspapers remains stable since the beginning of the 21st century. Already since the end of the previous century Belgian newspapers reach 1 out of 2 Belgians on an average day (CIM, 2010a). This strong coverage is a consequence of the continuous investments in the paid newspaper market in Belgium. These investments in both newspapers and newspaper magazines secured the existing audience and even attracted new readers. The launch of free newspaper publications in Belgium (e.g. Metro) did not seem to cannibalize the audience reached by paid newspapers.

During the same period, an explosive growth of the audiences reached by news websites (and newspaper websites) occurred, especially during the past 5 years (CIM, 2010b).
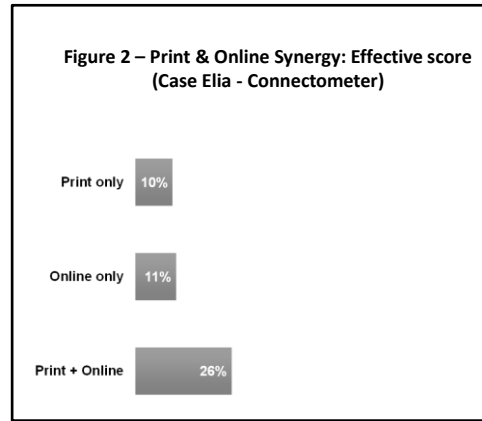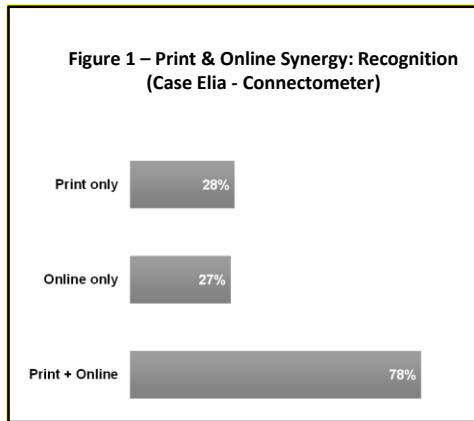
Despite these strong coverage results for newspapers, newspaper websites and newspaper magazines, Belgium lacked a single-source audience survey to measure the net reach of a Newsbrand. A simple question as "how many people does a Newsbrand reach on an average week by means of the different channels: newspaper, newspaper magazine & the website" could not be answered.

In 2007 Belgian editor Corelio launched in cooperation with TNS Media a single-source audience survey, INA (Integrated Newsbrand Audience) in order to measure the net reach of a Newsbrand and to integrate this data in media planning software (duplication, accumulation, exclusive reach,…). This audience survey showed that surfers of newspaper websites are not exclusively the regular readers of the newspaper (Corelio Connect, 2007). Newspaper websites attract also new Newsbrand consumers that are not reached by its newspaper.

In 2008, the study was repeated together with all Belgian editors (except 2) which resulted in the Newsbrand Qualifier (NBQ) study and which was awarded with an AMMA Award for the best media research in Belgium. Finally in 2010, the study was repeated for a second time with all Belgian editors. The National News publishers Survey (NNS) was developed and awarded with a European IAB research award 2010, category cross media.

The NNS survey (Corelio Connect, 2010) indicates that on an average week 8 out of 10 Belgians are reached by at least one Newsbrand channel. On average the net audience of a Belgian newspaper increases with 34.5% when adding the audience of one day of its newspaper website reach. When adding the weekly reach of its newspaper website, the audience even increases with 64.5%.

In a separate project, but in line with the integrated audience measurement vision, Corelio launched its impact survey tool (Connectometer in cooperation with InSites Consulting). The Connectometer measures more classic impact parameters such as recall, attribution, useful score ... Through this study we were already able to measure the (combined) impact of advertising campaigns that appeared in the online and offline channels of a Newsbrand. Several cases proofed that the impact amongst Newsbrand consumers that read the newspaper and surfed to the website was bigger than the sum of those Newsbrand consumers that only read the newspaper or only surf to the website. A campaign that is launched through more than one Newsbrand channel significantly increases the OTS, reinforces recognition and attribution to the brand. Moreover, the combined impact is bigger than the sum of the separate impact of the different (online & offline) channels.

Figure 1 – Print & Online Synergy: Recognition (Case Elia - Connectometer)

Print only — 28%
Online only — 27%
Print + Online — 78%

Figure 2 – Print & Online Synergy: Effective score (Case Elia - Connectometer)

Print only — 10%
Online only — 11%
Print + Online — 26%

Nevertheless the strengths of these two studies (NNS & Connectometer), Belgian editor Corelio was convinced that another important key element in understanding the power of Newsbrands remained unknown. More precisely the role of Newsbrand to support brand related conversations between consumers. As after receiving an advertising message, there are still numerous processes which influence the impact of the message before changes in shopping behavior of consumers can be noticed.

A new role for advertising: the start of a good conversation

Brands are daily the subject of countless conversations. Research by InSites Consulting scaled the importance of word-of-mouth and estimated that 25 million brand and / or product related conversations are conducted by Belgian consumers every week. These brand related conversations have a significant impact on the brand image, as the research indicated that one in three conversations led to a change of opinion about the discussed brand for at least one of the participants (Claus, 2008).

In the book The Conversation Manager Steven Van Belleghem (2010) defines a 'new' role for advertising based on the importance of brand related conversations. He outlines the new role as following: advertising should be the start of a good conversation.
When advertising becomes activation the return of campaigns will be higher. To start the campaign reach will be extended as of result of conversations (either through social media or offline) between people. Moreover the credibility, and the impact, of the campaign will increase as conversations between consumers generate an endorsement effect.

Figure 3 – Brand Activation Pyramid

CREATING

SPREADING
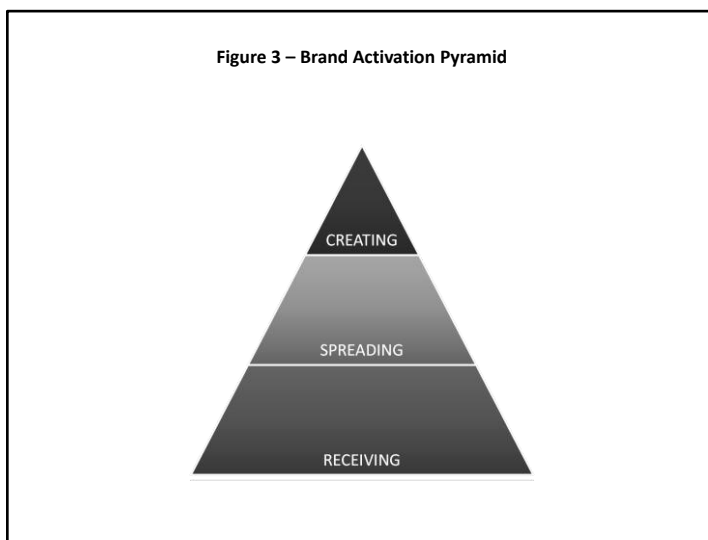
RECEIVING

Advertising should be the start of activation, but activation has 3 different participation levels. These levels form the core of the InSites Consulting activation model (Verhaeghe, 2007).

- Receiving is the lowest step in the activation pyramid. This basic level is exposing the message to the target group, who absorbs the message but does not undertake any word-of-mouth actions.
- Spreading is the second step in the pyramid. This encompasses the different ways in which consumers share information with each other about brands and products.
- Creating is the ultimate form of activation. This occurs when a consumer create new information to support the brand message.

The higher activation occurs in the pyramid, the better the results of the brand in question.

However activation should be the goal of every communication campaign, we should overcome the danger of activating for activation's sake. Only campaigns which support the brand values will generate useful conversations for the brand.

The InSites Consulting brand activation model outlines that activation is successful and leads to buying activation if the necessary conditions are fulfilled. The fundamental idea behind the model is that it is not merely the frequency of actions create impact, but the balanced interplay between the different activation components. Three dimensions determine the impact of the activation:

- Participants: who activates?
- Drivers: why do people spread campaign messages?
- Conversations: what is the subject of their activation?

The right people, the right reasons and the right words are key to good activation.

Figure 4 – Brand Activation Model
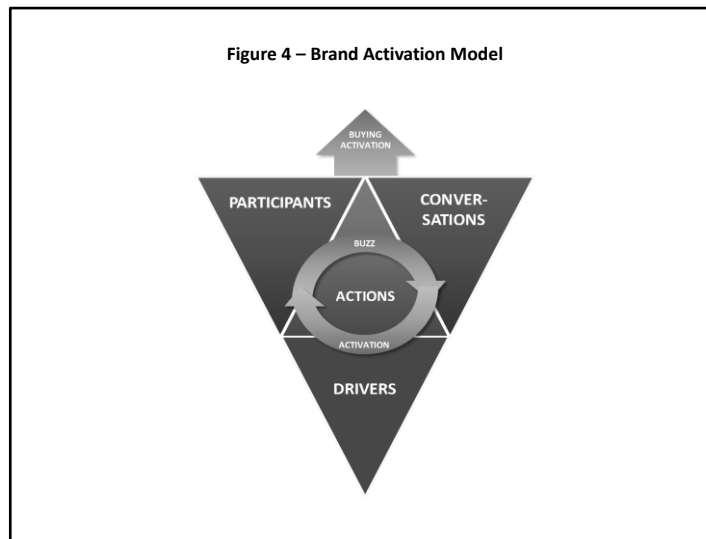
Conversation mapping: bashing, barking, bonding & ballads

When observing or measuring conversations there is a nearly unlimited list of elements that can be taken into account to identify the impact of these conversations. The conversation mapping framework developed by InSites Consulting focuses on three elements to give the answer to the question: what is word-of-mouth doing for a specific brand (Claus, 2008).
By combining the following three elements in one mapping the model helps to understand the role that conversations are playing for a brand in comparison with its competitors.

- Frequency: how often is the brand included in conversations?
- Tone of voice: is the brand discussed in a positive or negative way?
- Change: how often does a conversation about the brand lead to a change in opinion?

Figure 5 – Conversation Mapping
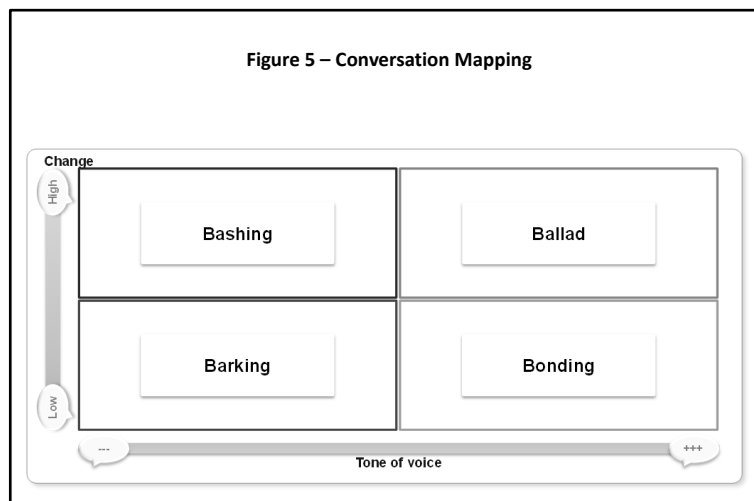
The position on the mapping defines the role of conversations for a brand, product, service or company. In general, four different positions can be distinguished, each position implying a different approach to deal with conversations.

- <u>Bashing</u>: negative conversations with a high rate of opinion change, a conversation nightmare.
  Computers / laptops are an example of product category which is more often positioned in the bashing quadrant. The limited product knowledge, combined with the high importance of these specifications as purchase decision criteria, create a situation in which conversations can more often change consumer attitudes. Additionally, this is a product category that is highly sensitive to technical malfunctions and the related frustration among users, leading to a higher propensity of a negative tone-of-voice in the related conversations.

- <u>Barking</u>: negative conversations with a low rate of opinion change, a position where the barking dogs do not bite.
  Soft drinks is a product category which is typically more often situated in the barking quadrant, as personal taste is crucial. Consumers can spend hours recommending Coke Zero or Gatorade to others, but if they do not like it when they taste it, they will not drink it again. There is more polarity, simply because there are a lot of different preferences for a lot of different brands. However, the final judgment in the mind of the consumer is so dependent on personal taste, that the conversations have relatively less impact in terms of opinion change.

- <u>Bonding</u>: positive conversations with a low rate of opinion change, which create bonding between brand lovers but do not focus on acquisition.
  Conversations about radio stations are more often positioned in the bonding quadrant. These conversations are mainly between fans of the same station and discuss the latest new songs that were on air or a prank call during a show.

- <u>Ballad</u>: positive conversations with a high rate of opinion change, the ultimate position to be in when it comes to using activation as a source of influence. Consumers love you and are your ambassadors.
  The product category of mp3-players generates more often ballads. The category has a lot in common with computers and laptops: a list of technical features and secondly a risk of frustrating malfunctions. But both aspects are less pertinent present within this category. Furthermore, the introduction of Apple's iPod meant setting a new standard within this category. Suddenly there was only one device that everybody should have and there were plenty of evangelists ready to convince their peers of this message.

Research objective: understanding the role of Newsbrands in brand related conversations

The word-of-mouth study was conducted by InSites Consulting in Belgium in 2010 for Corelio. This study was conducted to understand the impact of advertising on brand and product related conversations (offline & online). More specifically the ultimate goal of the study was to identify the unique profiles of Newsbrand consumers as participants in brand related conversation, and secondly outline the role of the different Newsbrand channels within these conversations. In other words connect the power of Newsbrands to the power of conversations.

The objectives of this research are divided into the following:
- Primary research objectives
  - Estimate the different drivers of conversations (focus on conversations based on advertising versus conversations driven by news related topics, personal experience…)
  - Identify the impact of conversations
  - Understand the impact of advertising on brand related conversations
  - Estimate the impact of the different media channels in general and the impact of Newsbrands (newspapers and digital channels) in particular.
- Secondary research objectives
  - Understand the context in conversations among Belgian consumers occur

Methodology: tracking conversations via an online diary

In February 2010, we collected during 4 weeks detailed information about 25.500 conversations concerning 870 brands. In order to measure these conversations, we developed an online diary that each participant in the study could use to report the conversations he or she had on a particular day.

In order to overcome non-reporting behavior of certain conversations, because participants did not have time to go through the full reporting on a specific moment, we also allowed respondents to create a mnemonic. Via this mnemonic they could briefly describe the conversation in the online diary, which made it easier to afterwards complete the reporting of the conversation.

Figure 6 - Online Diary
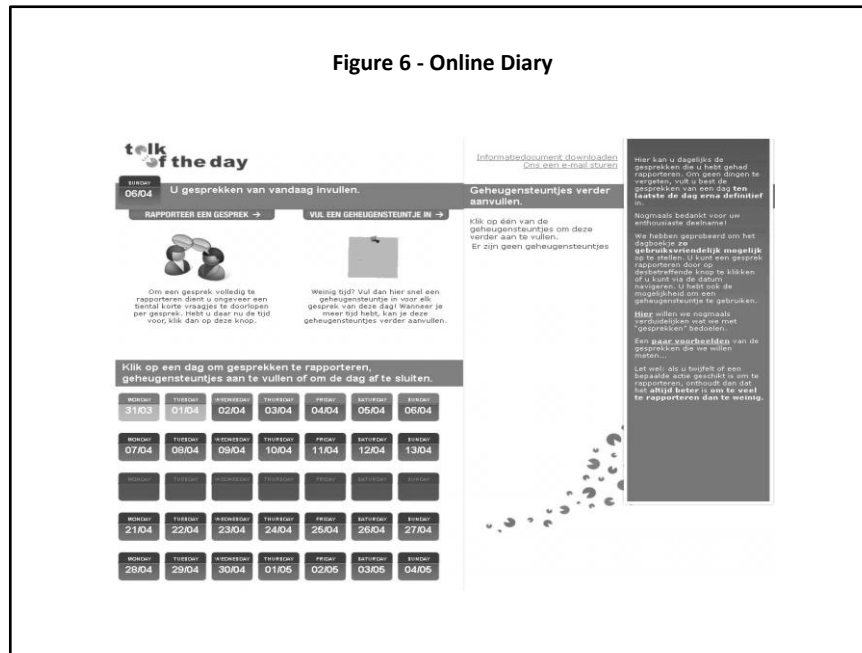
A representative sample of the 3590 Belgians was recruited via the research panel of InSites Consulting, Talk To Change (more than 2 million members worldwide) and a customer database of Corelio. Within the study we focused on participants between 15 and 65 years old. In order to be representative each day quota were put on language, gender, age, education & Newsbrands consumption.

Participants were extensively briefed on what they were expected to report. For this particular study, conversations were defined as the exchange of opinions about companies, brands, products and advertising between consumers in a non-commercial context. Each conversation was reported by going through a brief survey that used closed questions to describe the conversation. Additionally, participants were given the opportunity to report the conversation in their own words. Although the majority of questions were closed, it is important to note that these questions and the related answer options have been carefully composed based on previous research.

For each conversation, participants in the study were asked to report a number of characteristics, based on the InSites Consulting Activation Model. As mentioned before the model investigates how and why different types of actions start and considers the participants involved in these actions and the actual content that is shared through these actions. For this particular study, the following elements were included in each conversation report:

- Actions
  - Frequency: how often do conversations occur?
  - Channel: are conversations conducted online (e.g. via blogs, chat rooms, social networks ...) or offline (e.g. face-to-face, telephone ...)?
  - Level: were participants just listening to the conversation, sharing their opinion or deliberately trying to convince others?

- Drivers
  - Engagement: did the participant start the conversation him/herself, was the conversation triggered by a question or was the conversation already going on?

- Content
  - Tone: were there mainly negative or positive opinions exchanged in the conversation? Or a mix of both?
  - Topics: which products, services, brands, companies and/or advertising was discussed?
  - Source: what was the reason to stat the conversation (personal experience, advertising, …)

- Participants
  - Number: how many people were involved in the conversation?
  - Knowledge: who had more or less knowledge about the discussed topics?

Apart from merely describing conversations, the primary objective of the current study was to distinguish between influential and non-influential conversations.

Influence was operationalized in a straightforward manner, asking consumers to describe the outcome of each conversation for them personally and the other participants in the conversation.

Although this approach relies on a self-declaration of participants, which in some context incorporates the risk of being biased, we believe that there are several reasons why it is a pragmatic, yet valid measurement of influence:

The question is limited to the outcome of the conversation itself, excluding other potential influencing events from the equation.

The focus is limited to short term influence of a conversation, making it easier for a participant to assess the influence directly. Only a change of opinion is taken into account, not a change in behavior. Since this is less drastic, it will more likely result in more honest answers from participants.

Understanding the context of conversations

During the study we captured 25.500 conversations about 870 brands and 27 product categories. This shows that the relevance of conversations is not limited to love brands, but is important for all brands in all product categories.

The main channel for brand related conversations is still face-to-face conversations. Approximately 9 out of 10 conversations happened in a face-to-face setting. Furthermore 6% of the conversations occurred by phone and 5% online.

Brands are most discussed in the afternoon (43%); furthermore 29% of the conversations take place in the forenoon and 26% in the evening. Newsbrand consumers have significantly more brand related conversation in the morning, which can be related to the fact that these consumers read their newspaper in the morning, which generates immediate input for conversations.

Figure 7 – Conversation Source

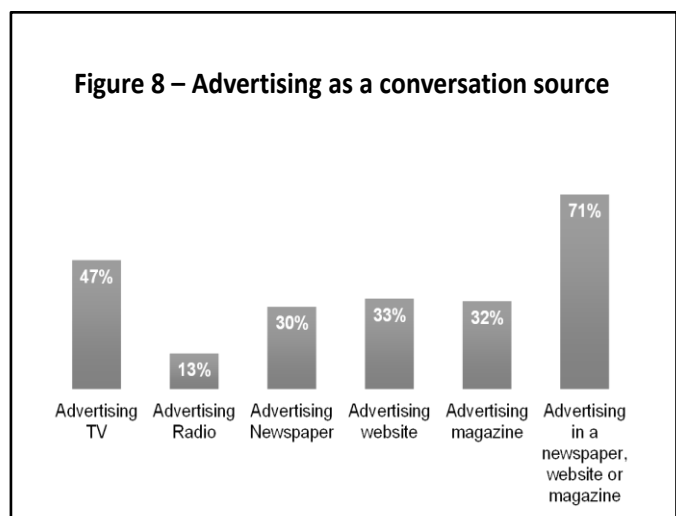43% Personal experience
29% Advertising
27% News topics
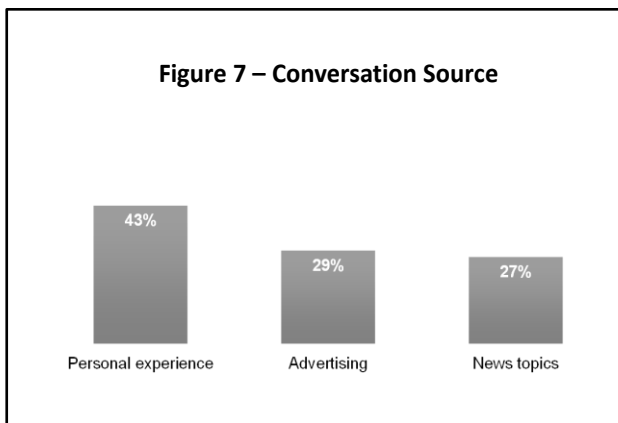
4 out of 10 conversations led to a change of opinion about the discussed brand for at least one of the participants. This result is in line with the Belgian research conducted by InSites Consulting in October 2008.

Negative opinions are limited present in brand related conversations. Only 7% of the conversations exclusively discussed negative opinions, while 49% of the conversations were exclusively positive.

Personal experience is the most important driver to start brand related conversations; more precisely 43% of the conversations discuss personal experiences of the participants. Advertising is used as a source in 1 out of 3 conversations, whereas news topics were integrated in 27% of the conversations.

Advertising as a source for conversations

The WOM study already showed that almost 1 out of 3 conversations about brands or products are fed by advertising. When advertising was a driver for conversations, 48% of these conversations used TV advertising as a source. Followed by websites (33%), magazines (32%), newspapers (30%) and radio (14%).

One can assume that these findings are influenced by the existing advertising habits of advertisers (the number of advertisements placed via the different media channels) and the media landscape itself (the strength in coverage of the different media types). If for instance 55% of advertising campaigns appear on TV, than there is bigger opportunity to use advertising from TV as a source for a conversation than another media type that only covers for instance 5% of all advertising campaigns.

Figure 8 – Advertising as a conversation source

47% Advertising TV
13% Advertising Radio
30% Advertising Newspaper
33% Advertising website
32% Advertising magazine
71% Advertising in a newspaper, website or magazine

During conversations when advertising is used, there is no necessity to use advertising from recent media consumption. In fact, the number of media consumers that can use advertisements from specific media is in line with the totale reach of the different media. A media consumer can use advertisements to fed a conversation from any kind of media, from whatever period of time, being a heavy user or light user of the media type.

Therefore extra analyses were conducted in order to estimate the differences between different media user profiles. For example do TV users significantly more often use TV advertising as a source, compared to the usage of newspaper advertising by newspapers users. However it is imporant to note that the initial purpose of the study was not to create a kind of WOM Power Ratio per media (e.g. "market share totale reach" medium X vs "market share advertising as a source" from medium X), but to better understand the importance to use Newsbrands in an advertising campaign.

The measurement of both (a) using advertising from medium X in correlation with the total reach of medium X, and (b) the measurement of the importance of Newsbrands in its strict defintion (weekly reach of the Newsbrand by its newspaper, newspaper website and newspaper magazine) gave some room for improvement. In the second WOM survey we conducted in 2011, we have taken these findings into account when finetuning the questionnaire.

 In the first WOM study (and subject of this paper) there are already strong indications for the power of Newsbrands, when looking at the combined effect of the different Newsbrand channels. In 71% of the conversations driven by advertising, newspapers and/or websites and/or magazines are indicated as the advertising source. In the second WOM study we measured Newsbrand more strict.
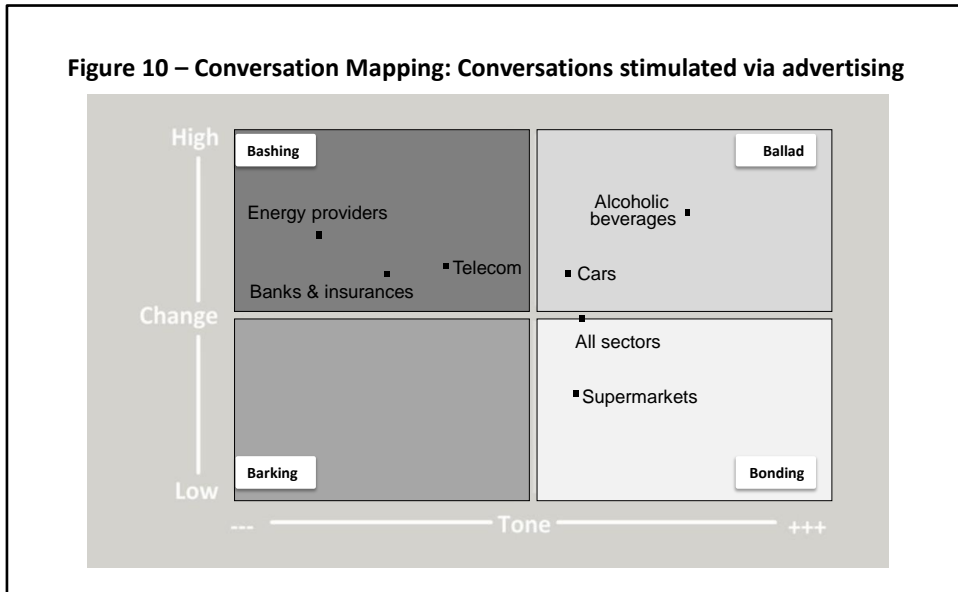
Different sources, different conversations … The conversational power of Newsbrands

Using advertising as source of a conversation is one part of the story. Another, even more important parameter, is the impact of the conversation. What was the effect of the conversation on the participants in the conversation? Was the brand or product, being a subject of the conversation, discussed in a positive or negative way and was there a low or high rate of opinion change?

When looking to all conversations for a number of categories (mixture of traditional TV advertisers and traditional Newsbrand advertisers, based upon real advertising expenditures), most of these categories can be found in the bonding quadrant. Just like the average for all categories ("all sectors" in the graph, meaning all 25.500 conversations). The brands are discussed in a more positive way with a low rate of opinion change. Consumers share their love for the brand.
Categories such as Banks, Telecom and Energy providers are traditionally discussed in a more negative way, especially when personal experience is source of the conversation. However these conversations don't have in general a high rate of opinion change, as these three categories are also categories with traditionally a high inertia. High inertia implies that provoking a high rate of opinion change will be difficult.

Figure 9 – Conversation Mapping: All conversations
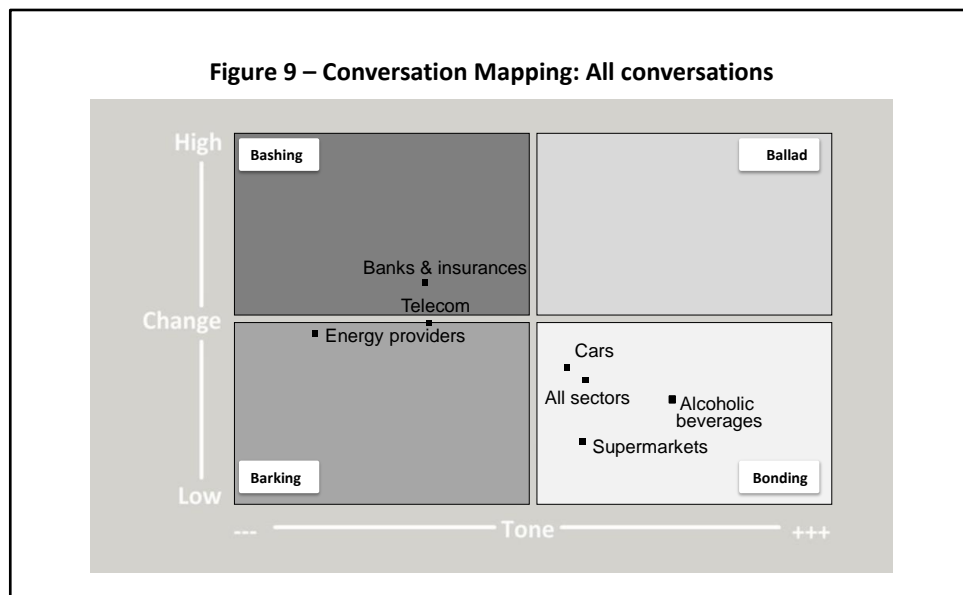
We were especially interested in conversations that used advertising as a source. For these conversations, influenced by advertising, we did not notice a shift in tone of voice. Conversations influenced by advertising have a similar (positive) tone of voice as conversations driven by other sources. Consequently we don't notice a big shift towards the right side of the quadrants. The biggest difference can be found concerning the rate of opinion change. The goal of advertising is to influence consumers' perception on brands and products. The conversations that are influenced by advertising indeed show overall a higher rate of opinion change, which leads to upwards movements of the different product categories in the mapping.

Figure 10 – Conversation Mapping: Conversations stimulated via advertising

In a next step we compared the impact of conversations which used TV advertising as a source, versus conversations which used Newsbrand advertising as a source. Overall we could identify differences in terms of impact on two levels. Conversations using Newsbrand advertising as a source are generally more positive conversations than those which use advertising from TV as a source. Moreover, the brands and products are not only discussed in a more positive way, also the rate in opinion change is much higher. We see clearly the movement towards the Ballad quadrant (positive conversations with a high rate of opinion change) when Newsbrand channels are involved.

Figure 11 – Conversation Mapping: TV versus Newsbrands as a source
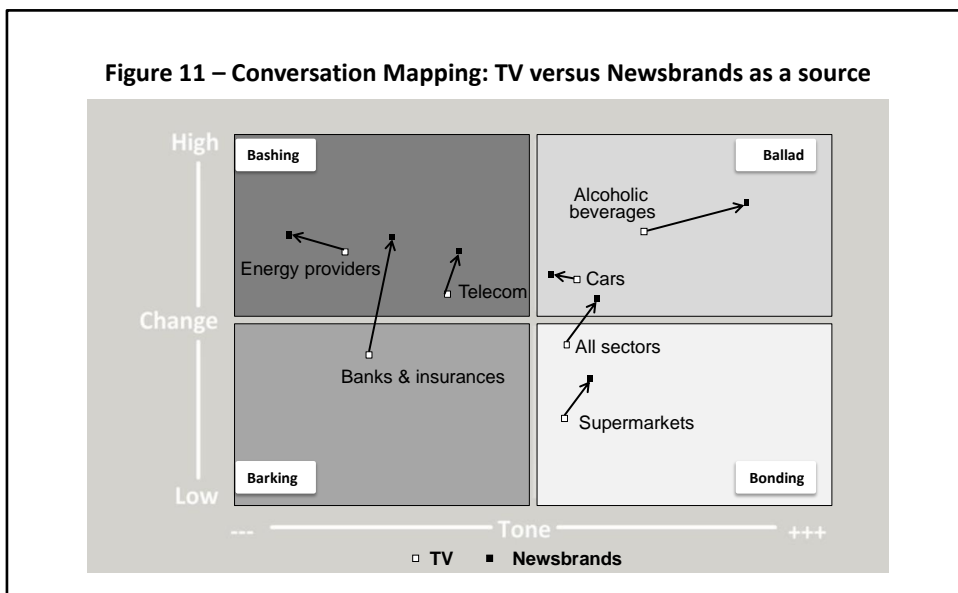
The added value of Newsbrand consumers

We observed that the media source of advertising was an important factor for the impact of conversations, as certain media are more successful in generating impactful conversations. One could wonder if the differences in terms of impact are the result of the different media consumers that are reached through the different media. Or that these differences are related to the specific characteristics of the different media.

In this study we focused on the differences between media consumers that can be reached via different media. Whereas in the second WOM study, conducted in 2011, we have put the focus on the specific characteristics of the different media. This part can be subject for a next Print and Digital Research Forum.

In the study we integrated next to the measurement of the conversations three questions which give an idea about the personality of the different media consumers, and how they behave or intended to behave during the conversation.

- The level of knowledge about the topic which was discussed
- The conversation intention
- The specific topics discussed during the conversation

As a consequence we can deduct how high their level of influence was in steering the conversation. The results clearly show behavioral differences for the different media consumers.

Regarding the level of knowledge of the different media consumers, we do not see significant differences between the different target groups. This can be explained by the fact that participants need to evaluate and declare their own knowledge level versus other conversation participants, as the latter is more difficult to estimate.

In terms of conversation intention the study shows that Newsbrand consumers create (the highest level of activation) significantly more often than for example TV consumers. Newsbrand consumers create more new information to support the brand message, which leads to a higher impact of these conversations.

Figure 12 – Conversation Intention
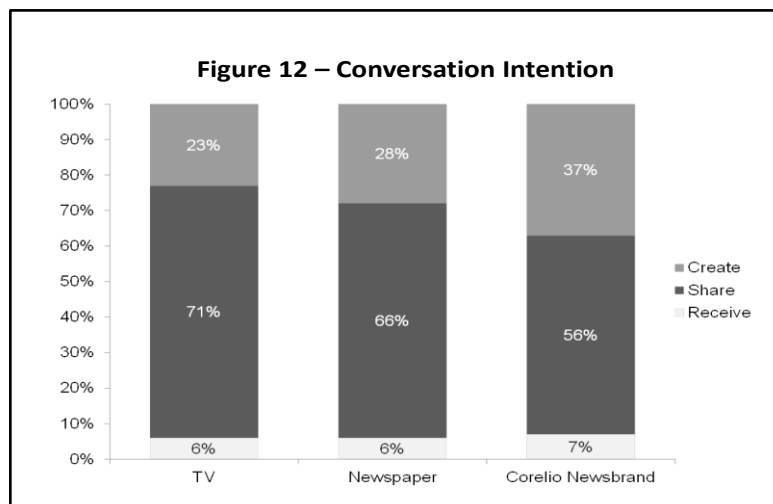
The study does not identify big differences concerning the specific topics which have been used in the conversation, besides the fact that Newsbrand consumers refer more often in their conversations to the company and advertising.

However the limited differences in topics integrated in the conversations, Newsbrand consumers claim to have used more topics during the conversation. The latter might result in a stronger perception of expertise.

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Figure 13 – Topics
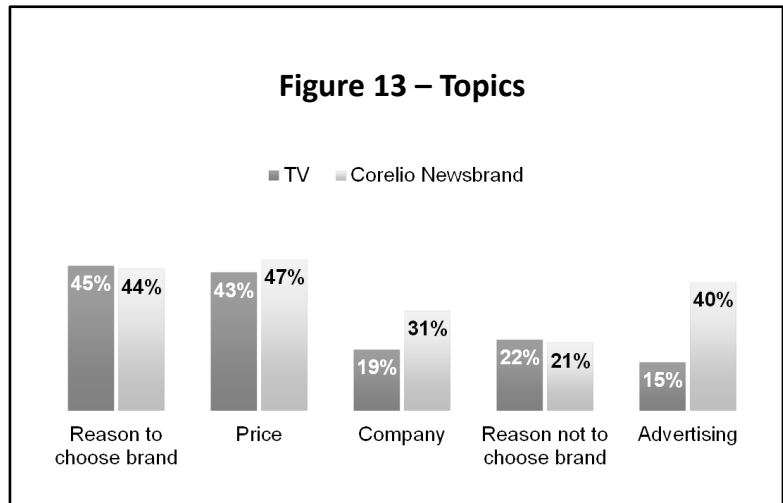
Conclusion

This study clearly illustrates that advertising is an important driver of conversations, 1 out of 3 brand related conversations between consumers is influenced by advertising. This outlines that the power of advertising is not limited to reach and traditional impact KPI's such as recognition, useful score, etc. Advertising encourages consumers to talk about brands and products, which results in impactful indirect exposure of the campaign by extending the reach of the campaign and increasing credibility through the conversations.

Compared to other media, advertising integrated in Newsbrands leads to more powerful conversations. More specifically advertising in Newsbrand generates more positive conversations and which also result more often in opinion change. This demonstrates that Newsbrand advertising is an efficient source of conversations.

These more powerful conversations can be explained by consumer profiles reached by Newsbrands. Newsbrand consumers use advertising more often in their conversations, they integrate more arguments or topics in their discussions and finally generate more impact as they create more new information to support the brand.

The profile of Newsbrand consumers is probably only partly the explanation for the fact that Newsbrands tap into more powerful conversations. The effect can probably also be partly explained by the media itself and its specific characteristics. As we were very curious to determine this effect we conducted a second WOM study in 2011 in order to tackle this further.

So what does this mean for editors and advertisers? The importance of conversations stipulated in this study shows that editors and advertisers need to incorporate the parameter of conversations when evaluating the effect of their campaign. Conversations extend the reach of the campaign and give an additional perspective on the impact of the campaign. Impact studies which focus activation or conversations will be able to provide a more complete perspective on the impact of a specific campaign.

Furthermore advertisers should take this power of conversations into account when creating a new campaign. An advertising campaign should be the start of a conversation, which implies that the advertiser needs to determine upfront which topics he wants consumer to discuss about the brand. Consequently the campaign needs to focus on these topics, in order to support consumer conversations. Finally in order to stimulate the conversations about a campaign, a campaign should make use of the specific characteristics of Newsbrands and its consumers. For example, offering multiple arguments in the advertisement, as we know that Newsbrand consumer use more often different arguments.

Campaigns, which communicate a clear consumer insight and make use of the conversational characteristics of Newsbrands, will be able to support impactful conversations about their brand in the most effective and efficient way.

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