



Listening to Consumers 101

How Marketers Can Leverage
Consumer-Generated Media

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October 2008

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Market Context: The Empowered Consumer

The roles of consumers and corporations have changed significantly since the rise of the Internet. YouTube is only the latest manifestation of a broader trend: consumers have the ability to voice opinions about products and brands, and there is now little standing in their way.

Consumers have come to expect that companies can and should listen to their ideas, requests and questions, and that companies will *react* to this input. A broad range of traditional companies—including Purina, Mattel, American Airlines and Comcast, to name just a few—have quickly learned the importance of listening and responding to consumers. Companies are being held to increasingly high standards set by organizations that excel at listening and responding, such as Zappos, Geico, Starbucks, Southwest Airlines and others. These companies are setting the bar not just for their direct competitors, but for all businesses that serve consumers.

Consumers who feel they are not being heard will turn to other channels to share opinions and express frustration. Many choose the Internet—and specifically social media sites including discussion

boards, blogs and online groups. A recent Nielsen survey found that 73% of online U.S. adults actively participate in consumer-generated media (CGM) in some form. Nielsen Online's BlogPulse service tracks the creation of blogs—at this writing, there are more than 91 million identified blogs, and more than 80,000 of these were launched in the last 24 hours. Social media is an easily accessible forum for nearly anyone who has an opinion and would like to share it.

Companies today face an increasingly difficult challenge: how to communicate with consumers in a way that encourages trust and engagement, in an environment where companies' statements and actions are routinely dissected on the Internet for the entire world to see. As consumers take an increasingly proactive and vocal role, marketers and brand managers now must navigate new and unfamiliar waters. What



can companies do to change this dynamic and open a door of communication with today's empowered consumer? The answer to this question is complicated, but one thing is clear: marketers have a lot to gain by listening to the social media conversation that is already taking place.

The Challenges and Benefits of Listening

There can be no doubt that creating a listening culture presents a challenge for many companies. In certain corners of corporate America, a “listening as liability” mindset has prevailed.

Many companies are intimidated by the procedures that must be put in place for logging consumer feedback, seeing that it gets to the right place and, most importantly, following through. But if we can move past these challenges, there are some very real benefits that can be realized by tapping into social media as a resource for better understanding consumers. Following are just a few examples of the learning opportunities social media research presents:

Understand consumers' questions

Consumers who are new to a product often have questions about how to use it. In many cases, these questions may not occur to the consumer during the buying process, but only after they have taken the product home, removed the

packaging and have had some hands-on experience with it. Consumers often turn to the experiences of others within the online community for answers to their questions or help with product knowledge. Understanding the questions that typically come up can inform the language used in brand packaging inserts, Web site content, marketing and more. What's more, these consumer experiences are logged online and visible to others—including potential new customers who are considering your product. Understanding the questions and challenges that are associated with your product can help you address any issues that may emerge as deal-breakers for potential future customers.

Learn about consumers' experiences using the product

Is the packaging hard to open? Is the battery life shorter than consumers expect? How does customer service measure up to competitors? This type of feedback can quickly bubble to the surface within online discussion.

Avoid response bias

Overcoming respondent bias is a challenge of market research. Following consumer conversations that are naturally taking place in the online environment

allows researchers to avoid respondent bias by studying the full scope of consumer feedback—the good, the bad and the ugly. This can be a humbling experience, and in some cases brand managers will need to brace themselves for what they will learn. However, many marketers believe that a proactive approach to learning about issues being discussed is preferable to reacting to an issue already snowballing within consumer discussion.

Expand the feedback base

The sheer number of consumers who are participating in online discussion creates an opportunity to collect data from a much larger sample than is often possible through survey or focus group research.

Answer questions the brand team didn't think to ask

Even the best survey instruments cannot uncover the answers to unasked questions. But if consumers are talking about issues outside of what is expected, listening to their online discussion is a great way to learn about the topics that are driving that conversation. Having this knowledge can inform brand strategy or help shape traditional market research efforts to further explore these consumer issues.

Getting Started

Case Study

A few months after the launch of a new prescription that used an innovative administration mechanism, patients began reporting difficulties that were related to its adhesive application mechanism but not to the medication itself. The first accounts of these experiences surfaced in online discussion forums four months before another media outlet picked up the story, and nine months before a major national media outlet reported on it. When the Institute for Safe Medication Practices (ISMP) reported on these difficulties, it cited messages posted by patients and caregivers from “several online message boards” in its alert.

From the very first consumer-generated messages on this issue, patients and caregivers shared details about their experiences, as well as tips and potential solutions for ways to work around the application difficulty, such as putting the medication in the freezer briefly to make it easier to apply. Ultimately, the pharmaceutical company marketing the medication was able to go back to its manufacturing partner and work to resolve the issue.

For companies ready to take a more active role in the process of listening to consumers, but not sure where or how to start, the following steps can provide a roadmap to leveraging the digital space:

Listen to the conversation

This advice may seem obvious, but for companies wondering how to take advantage of the rich learning opportunities in social media, this is the best place to start. There are many ways to approach this important first step.

Conduct an online search on the brand.

Start by scrolling through the first 20 or 30 search results. How many of these are written by consumers? The answer may surprise you. Marketers reviewing online search results should note that these are the very same search results that consumers will find if they search the same terms.

Head online to a discussion board and start reading. Marketers could easily start with any of the large sites that are home to industry-specific discussion—in healthcare, examples include WebMD or Revolution Health; in consumer technology, Howard Forums; in automotive, Edmunds.com. Most discussion sites are organized into smaller forums by subject area, allowing consumers to congregate into

affinity groups—making it easy for brand managers to find relevant discussion too. Those concerned about the content of online conversations can start with a subject area different from what they work on. Online discussion boards are public places, and members understand that any information shared there is publicly accessible, so reading the information shared in these communities is not a violation of members’ privacy.

Visit Wikipedia and see what information has been posted about the brand. Hint: Wikipedia entries typically include both an “article,” which is often more reference-based, as well as “discussion” that usually incorporates consumers’ input. Brand managers will want to be sure to read both.

Check for consumer-created videos about the brand. From serious how-to videos to personal stories and testimonials to spoofs on anything from marketing to product functionality, many marketers are surprised to learn how many product-themed videos (often brand-specific) are already online. For many brands, snippets from news or other television coverage have been posted in addition to consumer-generated videos. In searching for online videos, marketers will want to search on both their own brands as well as competitors.

Those who are ready for a more broad-ranging analysis (or simply do not have time to monitor the discussion themselves) may want to consider enlisting a third-party service, such as Nielsen Online, to provide this information.

Facilitate the conversation

For companies already comfortable listening to the conversation, a next step to consider is helping to build the community in which consumers will congregate. Several companies have already taken this approach.

In healthcare, GlaxoSmithKline hosts myalli.com, the Web site for its over-the-counter weight loss product, alli™. In addition to product information, how-to's (in both text and video) and assessment tools to help consumers determine whether alli is right for them, the site also incorporates a very popular moderated discussion forum. As of late October 2008, the alli discussion boards boasted more than 275,000 messages written by nearly 235,000 registered users, and the site is adding new users at a rate of 100+ per day. That is an incredible community of people supporting and encouraging one another to continue using the product—and an amazing opportunity for GSK to listen to its consumers.

The Sheraton Hotels Web site (www.sheraton.com) has a form where guests can share their travel stories. These stories are then featured on the site's home page along with photos from consumers' travels. Not all of these stories are related to a stay at a Sheraton Hotel—the site invites consumers to share “the details, the sights, the fun and the tips that made your trip memorable.”

Starbucks has received a lot of attention recently for its My Starbucks Idea Web site (http://mystarbucksidea.force.com/), where consumers can share their own ideas, discuss the ideas that have been posted by other consumers and even vote on which ideas they would most like to

see incorporated. The site also features a blog where Starbucks representatives share updates on ideas that are being explored further or that have already been implemented.

In addition to launching a discussion community (or instead of this approach, for companies that are not ready), there are other options for helping to facilitate consumer discussion.

Go where the audience is. A brand team might consider partnering with an existing discussion site to sponsor a subforum for discussion related to its brand or product category. This type of community may benefit from the participation of



a third-party moderator—someone clearly identified as affiliated with or representing the brand—who will take part in the discussion, answer questions and provide information, and generally keep an eye on what is being said.

Provide materials that will help consumers better define their needs, and make a more informed purchase decision. Depending on the type of product, there are several options a brand manager might consider: for example, healthcare marketers might provide a brief questionnaire that helps patients quantify their symptoms prior to a conversation with the doctor. Automotive or consumer tech companies can provide comparison charts for different models. Marketers might also consider leveraging CGM—perhaps by providing expert advice from a blogger who is known in the field, or by sharing relevant content based on questions that frequently come up in CGM discussion.

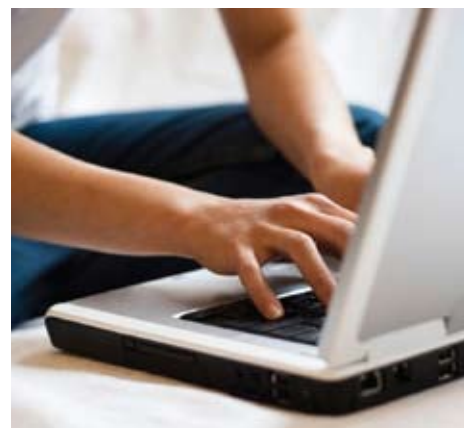
Share product information or how-to's in the form of podcasts that can be downloaded from the brand's Web site. This brief video format allows consumers to watch again and again and to take the information along with them for viewing at a convenient time.

Incorporate the voices of actual customers through personal stories on the brand site. These could include tips for using the product, customer success stories, personal milestones. Text is the traditional format for these types of stories, but marketers may want to consider the power and influence of a video in which a consumer tells his or her own story directly to others who may have the same questions and needs.

Allow and encourage consumers to link to these resources from other sites. Consumers hungry for product information will actively share what they find with others.

Join the conversation

Social media is here to stay. Web 2.0 is a fact of life. Corporate blogging is a reality—in fact, a survey conducted by *PRWeek* in early 2008 concluded that 15% of Fortune 500 companies are blogging. It may be hard to envision the possibility of a corporate blog within some companies or industries. But there was a time when automotive executives could not imagine allowing a corporate blog—and today, both GM and Toyota have successful, popular blogs led by high-ranking corporate executives.



Consider starting a blog. Although it may take time to research, gain approval for and launch a branded blog, marketers who raise the idea within their companies may find that they are not alone in thinking about leveraging this platform on behalf of their organization. There is no doubt that launching a blog will take work and planning—marketers who start now may just be able to make it happen down the road.

Appoint someone from the brand team to take an active role in online discussion as an *identified* representative of the brand. Under no circumstances should companies try a “stealth” approach—there is a high likelihood that this approach will be discovered and the potential damage to the brand’s reputation is great. In fact, legislation enacted in the U.K. in May 2008 makes it a criminal offense for a brand representative to falsely represent him/herself as a consumer in online discussion. Having a brand representative active in the online community creates an opportunity to share information about product developments or new R&D efforts, point individuals to helpful information or other resources and provide answers or additional input when questions (or misinformation) are shared. When this is done with an open, honest, straight-forward approach, members of the online community tend to appreciate the fact that a company cares enough about its consumers to meet them on their own turf.

For any company, taking steps to begin listening to social media discussion can be a challenging task. But the potential rewards are powerful: companies stand to gain a better understanding of their consumers’ authentic voices, their successes and frustrations, their actual experiences. Consumers can share in the benefits by having their voices heard and their needs better understood. Many companies are already seeing the benefits of listening to—and, in some cases, participating in—consumers’ online discussion. For other companies, though the challenges in getting started may seem particularly steep, the potential rewards can be well worth the effort.



About the Author

As Research Director, Healthcare, Melissa Davies oversees integrated Nielsen Online research and analytics for the company's healthcare

practice, which serves the top 15 largest pharmaceutical companies in the U.S. as well as many other healthcare clients. In this role, Melissa has managed research projects to study patient/consumer perceptions about multiple disease categories, emerging and established treatments, and key marketplace issues affecting the healthcare industry. Melissa joined Nielsen Online as a Senior Analyst with BuzzMetrics, which provides monitoring and insights based on online consumer-generated media (CGM).

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The Nielsen Company is a global information and media company with leading market positions in marketing and consumer information, television and other media measurement, online intelligence, mobile measurement, trade shows and business publications.

Recognized as an industry leader in enabling companies to protect and promote brands through the measurement and analysis of consumer-generated media, Nielsen BuzzMetrics uncovers data-driven insights culled daily from more than a million blogs and social networks worldwide. Nielsen delivers trusted brand metrics, meaningful consumer insights and real-time market intelligence to help marketers compete and thrive in today's consumer-driven world.

To learn more about how Nielsen can help with your listening strategies, contact sales.us@nielsen.com or visit www.nielsen.com