

consumer
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The Nielsen Annual Client Conference

Date: May 16, 2007



Realising opportunities in the

dynamic

Retail, Media and Consumer environment

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‘Wildfire’ Called Negative News *Impact on Brands...*

A

TAM Media Research Presentation

May 16, 2007 - Mumbai

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Realising opportunities in the dynamic Retail, Media and Consumer environment

May 16, 2007

Market Scenario...

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5000
dialects

1.7 Lac
brands advt.
on Print

45+ News
Channels

17000
brands advt.
on TV

Cost of buying
media spiraling

Belief Factor
of 'Content'
gaining hold!

High incidence of
Ad Avoidance
across mediums

Lines
between Ad &
PR blurring

Increased
dependency on
Content Space

For Marketers/Brand Custodians...

An ideal scenario to depend on
“CONTENT” lead Marketing...



In 2004, to monitor CONTENT space consumer
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The Multi-Media Content Measurement & Evaluation Specialist

Newspapers, Magazines, Trade Journals, TV, Internet

Rise of PR – Editorial Marketing...

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- Increased use of Cost effective Marketing Push
- Becoming an integral part of marketing mix
- A drastic shift from “Table & Chair” management to “Strategic/Boardroom Insights”
- In-depth studies showcase vital use of PR during:
 - Reputation Management
 - Retail Marketing
 - Sales Generation
 - Crisis Management
 - Generic MarCom efforts and Integration with it



Today, a Rs. 500cr market housing 10,000 professionals in India !

What insights does Evaluating PR Initiatives provide...?

Monitor - Measure - Analyze - Actionable Insights...

Eikona Reports targets...



- A brief overview on company divisions : CEO's, MD and Board of Directors
- Detailed report on Zones, Areas and Products & services : Marketing head and Brand Managers
- Comprehensive report including details on Journals and journalist : Corporate head and PR executives



Eikona PR Reports: Wide Client requirements



- I use PR measurement for strategic planning
- My measurement method produces usable data for
 - PR agency
 - Communications cell
 - Marketing team
 - CEO
- It indicates success level of my PR Program
- I use measurement evaluation to justify budget requests
- Helps me explain to Non-PR managers



Eikona reports are useful during

- **Gauging Corporate and Brand Image against competition**
 - Board level decisions
- **Product/Service Launch**
 - Adv:PR Push
- **Crisis Management - Damage Control**
- **Marketing & Sales Support**
 - Retail and Distribution
- **During Ad hiatus - for sales push**
- **Management of Talent Pool**
 - Fresh recruits
 - Attrition

“Eikona works on a different space”



- Moving even beyond ‘Quantity’ matrices
 - Volume
 - Tonality
- Eikona raw data provides high flexibility for dissection - query solving
- Eikona data is based on:
 - mutli-media tracking - TV, Newspapers, Magazines, Print, Internet
 - widest reach - maximum indepth coverage
 - E.g.: 415 Print publications
- Clients can make full use of TAM-Eikona & Parentage expertise on Qualitative & Quantitative insights
- Insights is key; Data is default



Eikona PR Track: Talent Pool

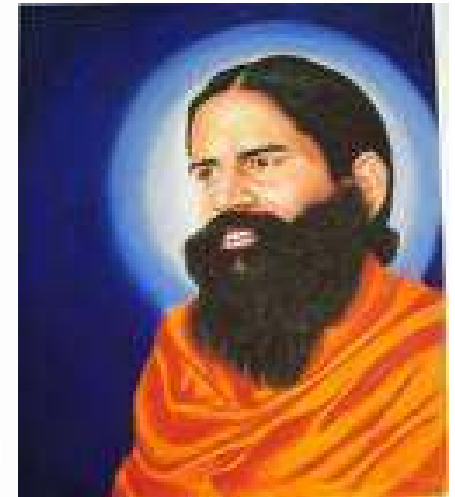
- Management headed by experts in the field of:
 - media and market research
 - advertising
 - public relations
 - media planning
 - media tracking techniques
 - media analysis
- Highly trained hunting and analysis staff
- Monitoring & Analysis staff strength – easiest to define as ‘FACTORY’

IMPACT of NEGATIVE NEWS...

Let's Begin!



What is a Negative News?...



From Marketer's point of view - Any news that negates brand perception, leading to change in purchase pattern!

Impact Fueled by Technology...^{consumer} 360

- For Media Owners, **SPEED** of News **GATHERING & DISSEMINATION** paramount
- **TECHNOLOGY** enabling this key differentiation for Media Owners to Compete!



Background of the study...



- TAM Media Research wishes to study the impact of 'Negative News' on various brands and the relevant category as a whole
- Understand as to how News in its various forms can influence consumer attitudes and behavior towards a particular brand or category
- Through this, obtain a co-relation between News (Negative News in particular) and consumer usage and behavior towards specific brands
- Work on a detailed and customized template to assist Marketers and Corporate Strategists to understand negative news, impact on consumers
- Though negative news can pertain to various phases of a Company's operation – production, finance, HR etc – this study focuses at a product specific negative news
- During future emergencies, use the study as reference to take corrective measures
- Following slides are simple topline observations specific for marketers...will be detailed out as the study moves further



Research Methodology & Design...

- 2 Focus Group Discussions
 - 1 category covered per group
- Consumer Profile : SEC A (A1 & A2)

We were looking at three segments across groups:

 - Favorably disposed towards a particular product category or brand
 - Neutral or zero pre-disposition
 - Negatively disposed
- Centre : Mumbai

Respondent Profile...

The respondent profiles were the following:

- Males
- SEC A
- 24-30 years old
- 1st or 2nd time jobbers: having 2-3 years of work experience at the most

The respondents were from all spheres of life:

- CAs
- Bank Executives
- IT professionals
- Sales and marketing professionals
- HR executives
- Graphic Designers

Negative News...establishments



- Negative news as opposed to Positive is more attention getting
- Negative news is considered more diagnostic than positive news



News Processing Filters...

Filter 1

➤ **Derived gratifications → the need to belong**

- NEWS → keeps one in sync with the world around

“I would not want to feel left out in my friends circle when they are discussing key issues...”

Filter 2

➤ **Credibility of the MEDIUM & BRAND**

- News across Television seen to be more focused on sensationalism

“TV channels blow up trivial incidents & flash it throughout the day. E.g., Jhanvi turning up at Abhishek’s wedding incident...”

“There is a lot of unnecessary emphasis on crime & violence...”

- News carried in newspapers is perceived to be more unbiased

“Newspapers are very rarely sensational, they more or less carry appropriate news...”

Filter 3

➤ **Relevance of the News - context specific**

- They expected the news to be in tune with their expectations & needs

“It has to have something for me. Otherwise, it is of no interest to me...”

5 Questions!

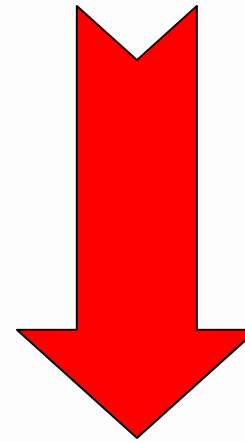
a Brand Custodian can start with...

Q1

From a pre-selected list of product categories, can we create a ranking which showcases those which have the highest impact of negative news?

Prioritization Approach...

- Financial Product
- FMCG/Beverage
- Spiritual Guru



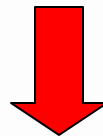
News about products and services which are personal and close to the consumers have a deeper impact and force them to think about the issue to a limited extent

Q2

What is a key factor that drives impact of negative news?

A KEY matrix...

- Respondents were familiar of the Brand before negative information hit them
- Set definitions of attitudes defines their pre-disposition towards a brand
 - Prior knowledge of brand
 - Commitment
 - Importance
 - Extremity
- Stronger the Attitude, higher the resistance towards negative news



This study takes COMMITMENT as the key attitude parameter

Key Matrix - COMMITMENT



- Consumers with Low Commitment to a brand will showcase greater degree of “in two minds” when exposed to Negative News
 - Exposure to positive news controls
- Commitment (Attitudinal Strength) is directly linked to Impact of Negative News
- Majority of respondents with HIGH commitment levels instinctively end up counter-arguing negative information
 - LOW commitment consumers have less counter arguments on negative information



Q3

How important is SOURCE of the information?

Expectation from news-*in their words*

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Should be appealing
“News on TV is better to watch...”
“News in newspapers is less appealing...”



Need to be in sync
“News is important to keep ourselves updated...”
“I won't feel left out in front of others”

Concise & Convenient
“Usability of television news is less...”
“News in newspapers can be referred to anywhere. It is convenient...”

Should be credible
“It is better to read newspapers than watch television as newspapers are consistent...”
“Newspapers convey more unbiased news...”

Source: 2 Key Points emerge...

- **Credibility of Medium**

- Print (Newspapers & Magazines) were found to be more dependable than TV

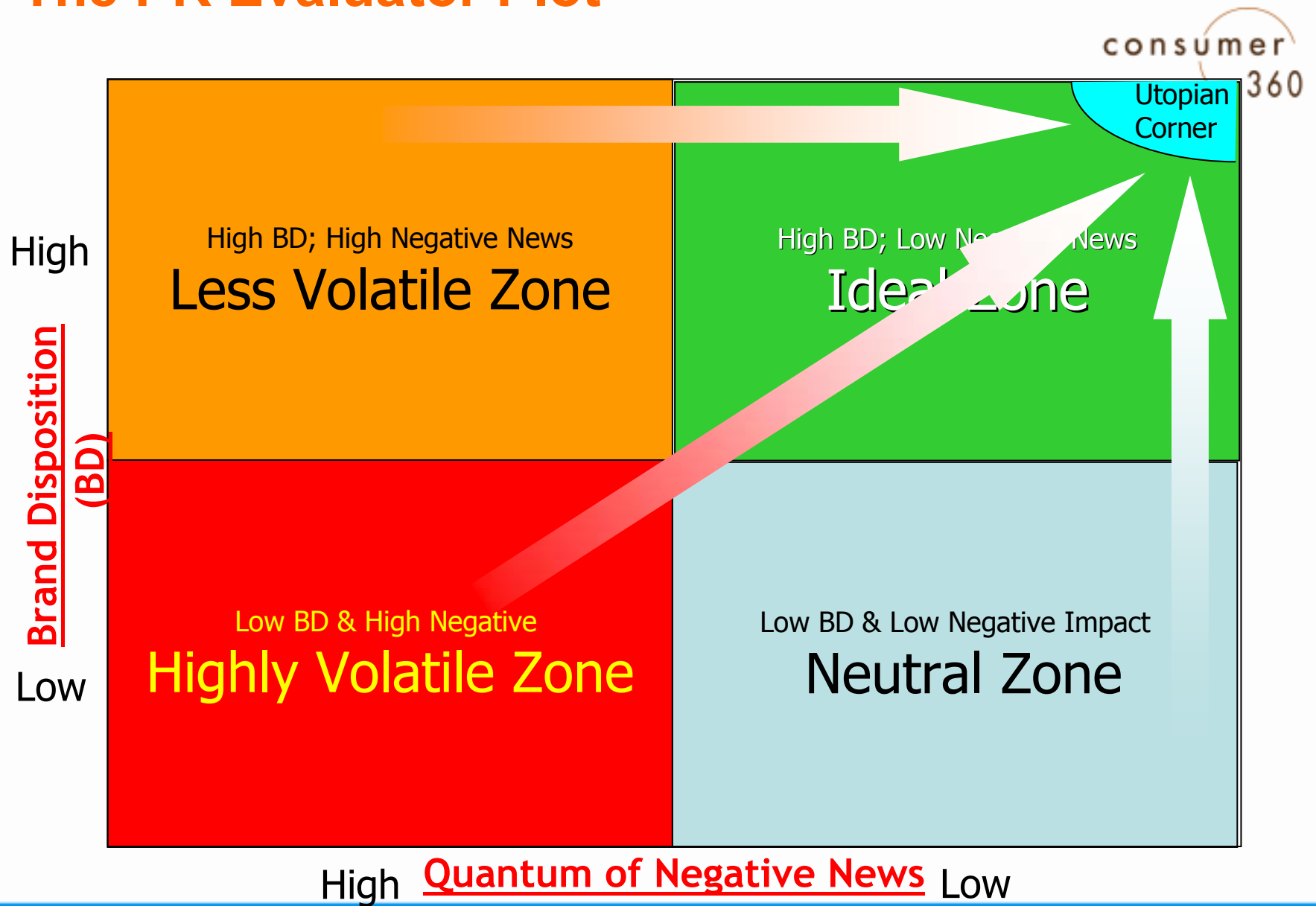
- **Credibility of the media Brand**

- Which TV channel or newspaper was the source of the information is key to creating an Impact

Q4

What is the net impact of the negative news? Is the impact limited to Perception? Or does that get extended to purchase/loyalty decisions.

The PR Evaluator Plot



Q5

*If the respondent were to put through a damage control exercise, which mode of communication would help him transform? **Belief factor!** Advertising or Public Relations or a mix of both?*

Ad, Editorial or Advertorial...?

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- **While Ads do help in**
 - Optimizing OTS
 - With required AV Appeal
- **However, during crisis, consumers seek authentication**
 - **Editorial** authentication
 - Editorial space
 - Advertorial space
 - Featured with details on facts and analysis
- **Credibility of Medium and Brand**
 - Source needs to be trust worthy

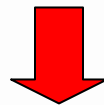
Is there another tactical tool for
damage control...

Use Brand Placements...!



Brand Placements: Focus on 'CONTEXT'

- Brand theme is linked to story plot or storyline
- Linked with turning point of a story
- Usage of Celebrities in storyline



During crisis, the right attributes of the brand should get highlighted using product placements in an effective medium like TV!

Other interesting snapshots...



Some other quick ones...



- Importance of “BRAND IMAGE” to the TG
- For Negative News to be considered as credible, OTS has to be across media with high frequency
 - Reflection of TG that has multiple Touch-points of NEWS
- Use of celebrity:
 - Highly effective in cases where involvement of product is high
 - However not effective in categories where the product - consumer linkage is weak



Summary...

- Ground scenario forcing Marketing to become “CONTENT” lead!
- Impact of Negative News omnipresent - getting amplified through technology
- Commitment is the strongest of all attitude parameters that can impact brand loyalty and therefore purchase
- Commitment (Attitudinal Strength) is directly linked to Impact of Negative News
- Relevance/Impact of negative news depends on influence on the consumer’s personal life
- Credibility of Medium and Media Brand is key for creating impact of negative news
- Marketing Team can derive actionable points by correlating Brand Disposition with Impact of Negative News
- Damage control through Ads should be supported by various forms of EDITORIAL/CONTENT lead push
 - In-Content Brand Placements could be an effective NEW option

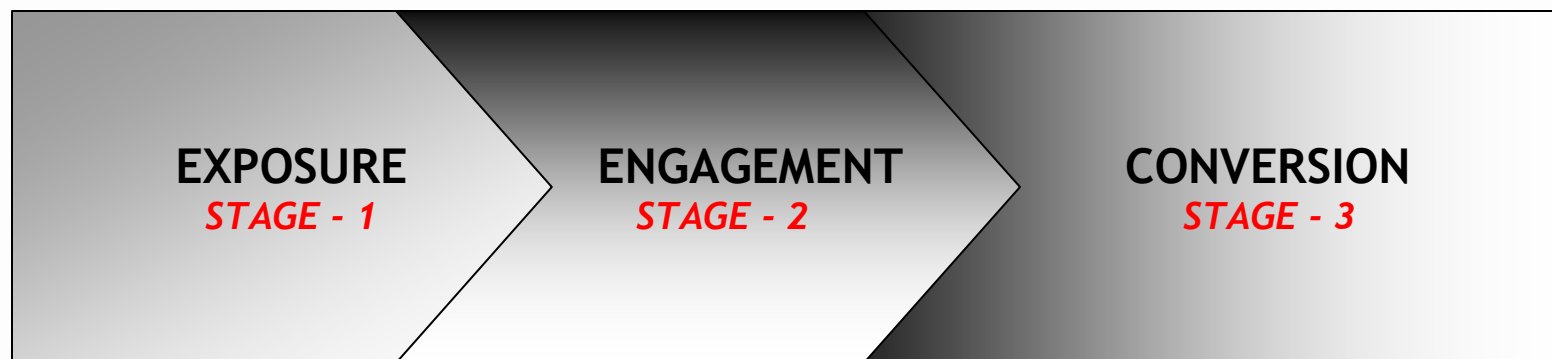
In the Marketing Communications World...

Lines between Ad and PR are blurring!

Need for a SINGLE PR Measurement Currency!



TAM & PRCAL are working towards a **SINGLE** PR Measurement Currency!...



Thank You!!!

TAM Media Research will present to you the next phase of this study soon...

References...

- Study by Nielsen Company specially conducted for TAM Media Research
- Paper on “Consumer Response to Negative Publicity” by Rohini Ahluwalia, Robert E BurnKrant and H Rao Unnava