

Chair of **Innovative** Brand Management (LiM),
University of Bremen



FRoSTA Blog

Results of user generated branding (UGB) study

Key findings

May 22, 2009



Agenda



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- External study (consumers)
- Internal study (employees)



Key results of consumer survey



Base: Survey about FRoSTA blog among 1.018 consumers online and 107 'offline'

FRoSTA blog rarely known

- Despite high brand awareness (95%+) and consumption (80%+), majority not aware of FRoSTA blog
- Only 4% at Bistro and supermarket respectively know blog—compared to 20% in online sample

Low internet and Web2.0 usage as main reason

- A third of supermarket and a fifth of Bistro customers rarely go online
- Majority not familiar with Web2.0—only 43% of 'offline' and 67% of online consumers once visited a blog at all

However, if FRoSTA blog shown, general appraisal

- Also 'offline' customers consider FRoSTA blog entries appealing—although less than online sample
- Blog evaluation even higher than TV advertising scoring

Overall, high acceptance of open brand communication

- Consumer participation in brand communication regarded more customer friendly as advertising
- 34% at Bistro, 50% at PoS and 60% of online consumers would rather buy brands with open communication (!)

Source: Consumer survey at FRoSTA Bistro (N=53) and supermarket (PoS) during tasting (N=54) in February 2009 as well as online consumer survey via FRoSTA blog, Sozioland panel and Bremen university in March/April 2009 (N=1.018)

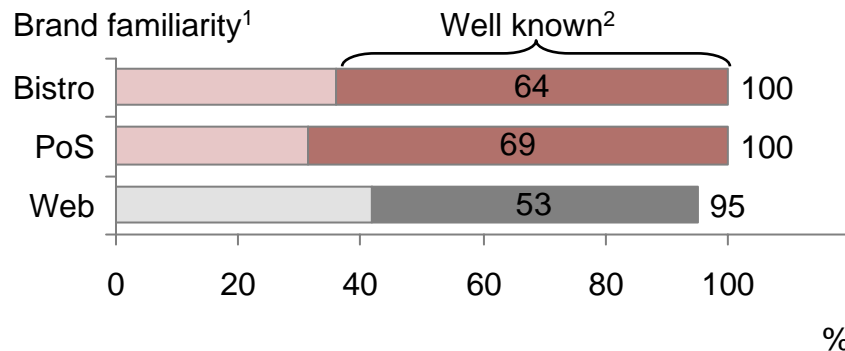


Most consumers know and rather like FROSTA...

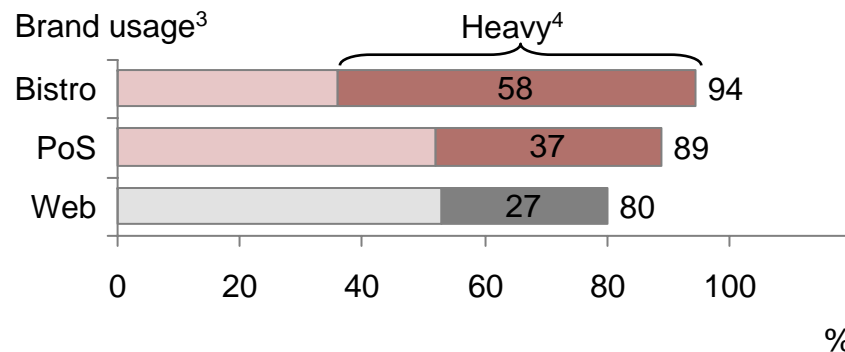


High brand awareness and usage

100% brand awareness at Bistro and PoS

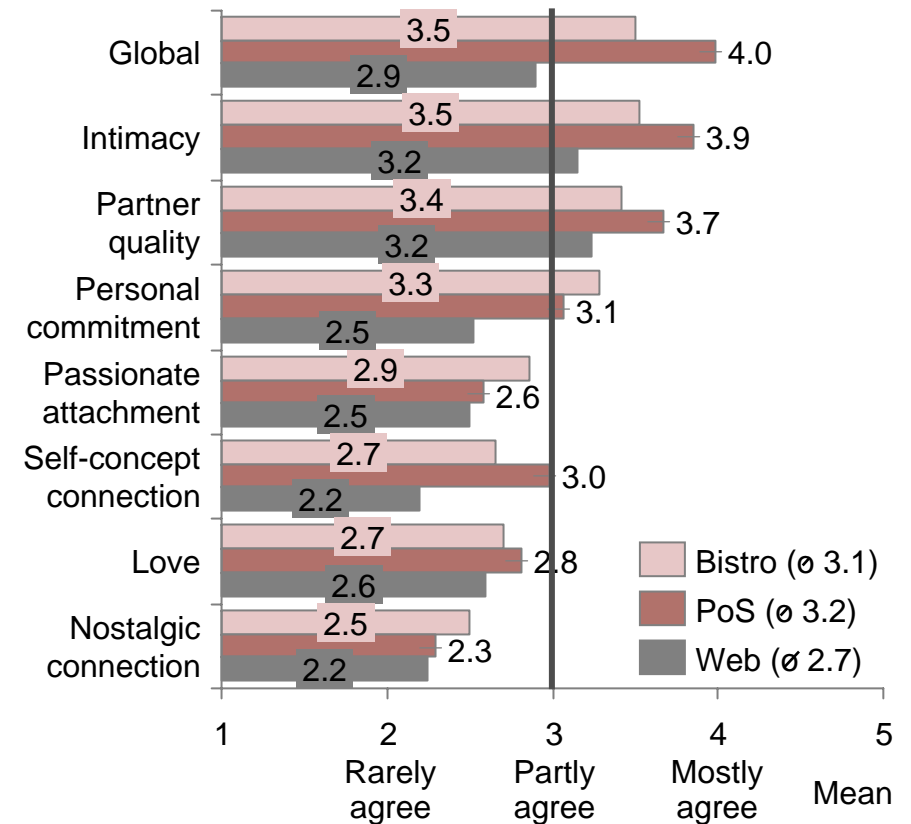


Heavy brand usage, above all among Bistro guests



Rather positive brand relationship

Consumer-brand relationship⁵



1) Question: How familiar are you with the FROSTA brand (aided awareness)? 2) "Well known" refers to response categories "I mostly agree" and "I fully agree"

3) Question: How often do you use FROSTA products? 4) "Heavy" refers to response categories "Once a month" and "Once a week"

5) Question: How would you describe your relationship to FROSTA? Please indicate to what extent you agree with the given quality indicators. Scale: 1—5 (Don't agree—Fully agree)

Source: Consumer survey at FROSTA Bistro (N=53), supermarket (PoS) during tasting (N=54) and in the internet (N=1.018) from February through April 2009

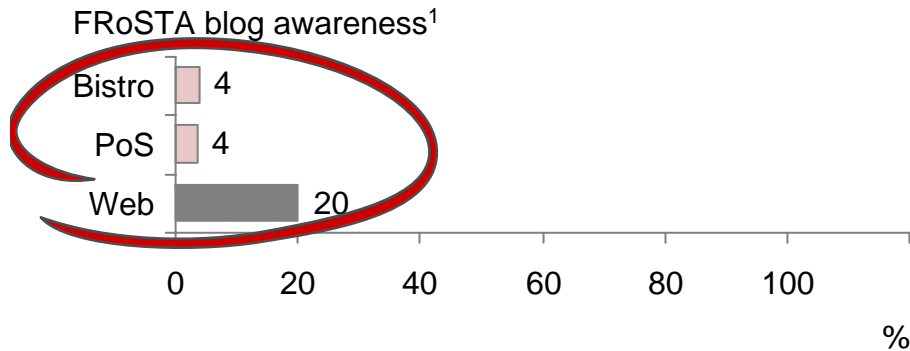


...but have rarely heard of the FRoSTA blog

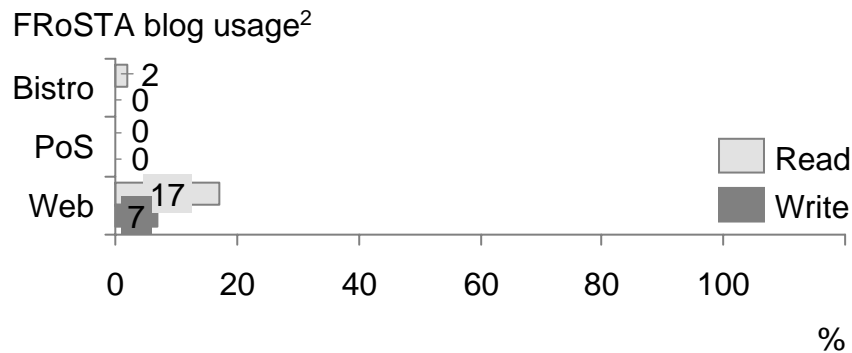


'Offline' virtually no blog awareness at all

FRoSTA blog more known online than 'offline'

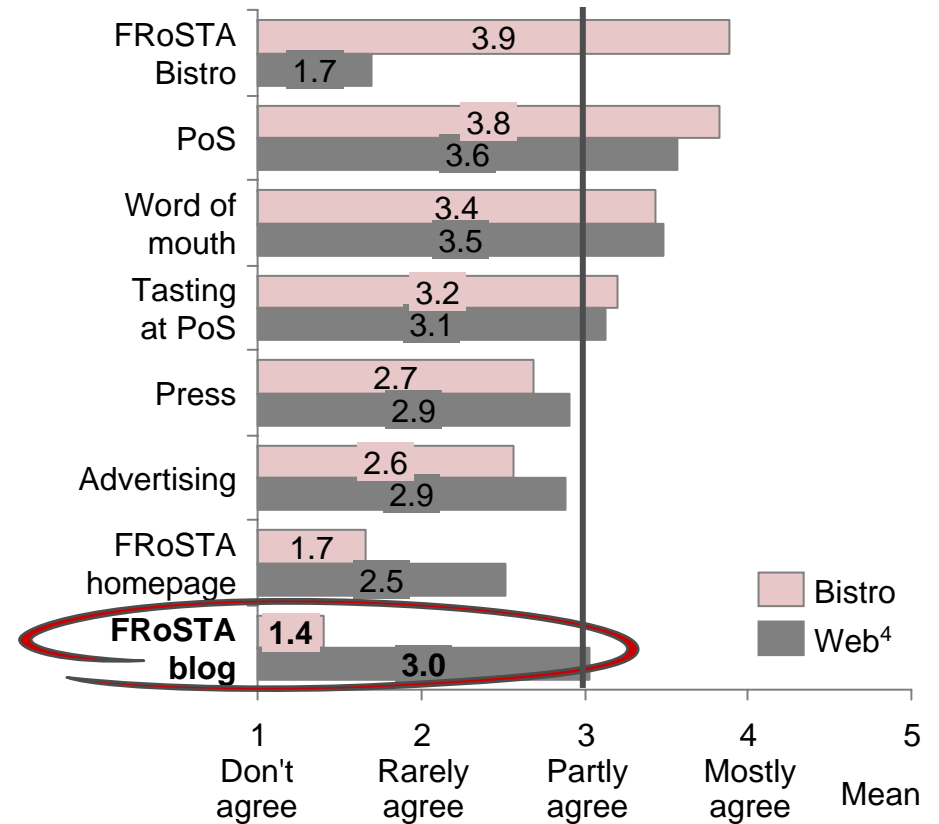


Mostly passive blog usage than active contribution



FRoSTA blog as weak brand touch point

Brand touch points³



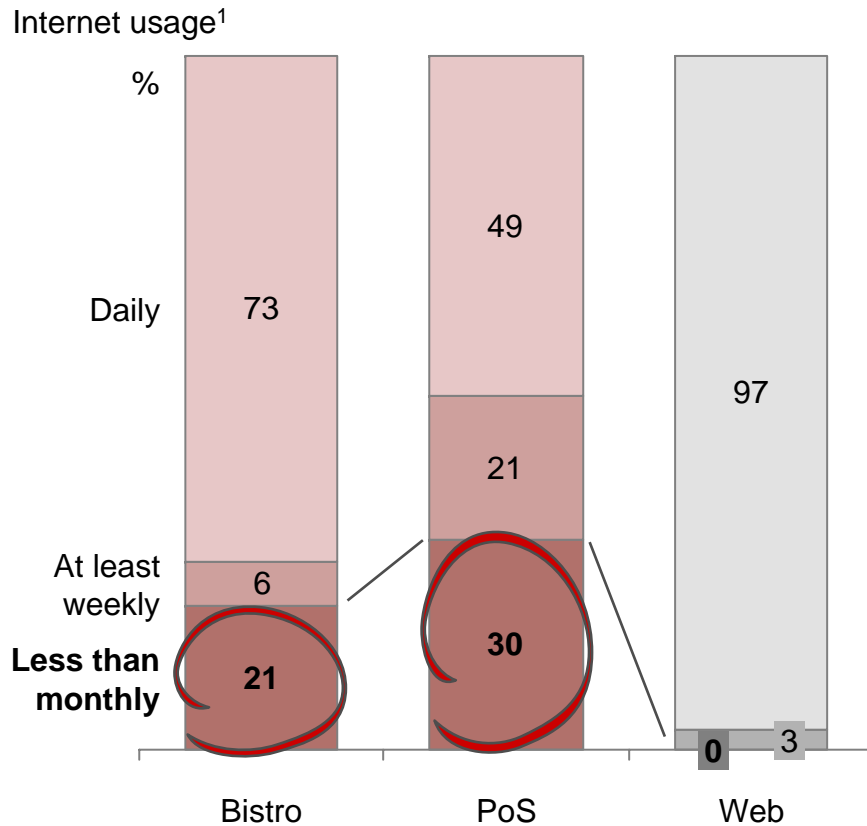
1) Question: Do you know the FRoSTA blog? 2) Follow-up question if blog awareness: What do you do at the FRoSTA blog? Response categories: Reading articles; writing/commenting on entries
 3) Question: Where do you usually get in touch with FRoSTA? Please indicate to what extent you agree with the given touch points. Scale: 1—5 (Don't agree—Fully agree)
 4) Only partial sample excluding online panel shown (N=274) Note: Not specified cases (no response) not displayed
 Source: Consumer survey at FRoSTA Bistro (N=53), supermarket (PoS) during tasting (N=54) and in the internet (N=1.018) from February through April 2009



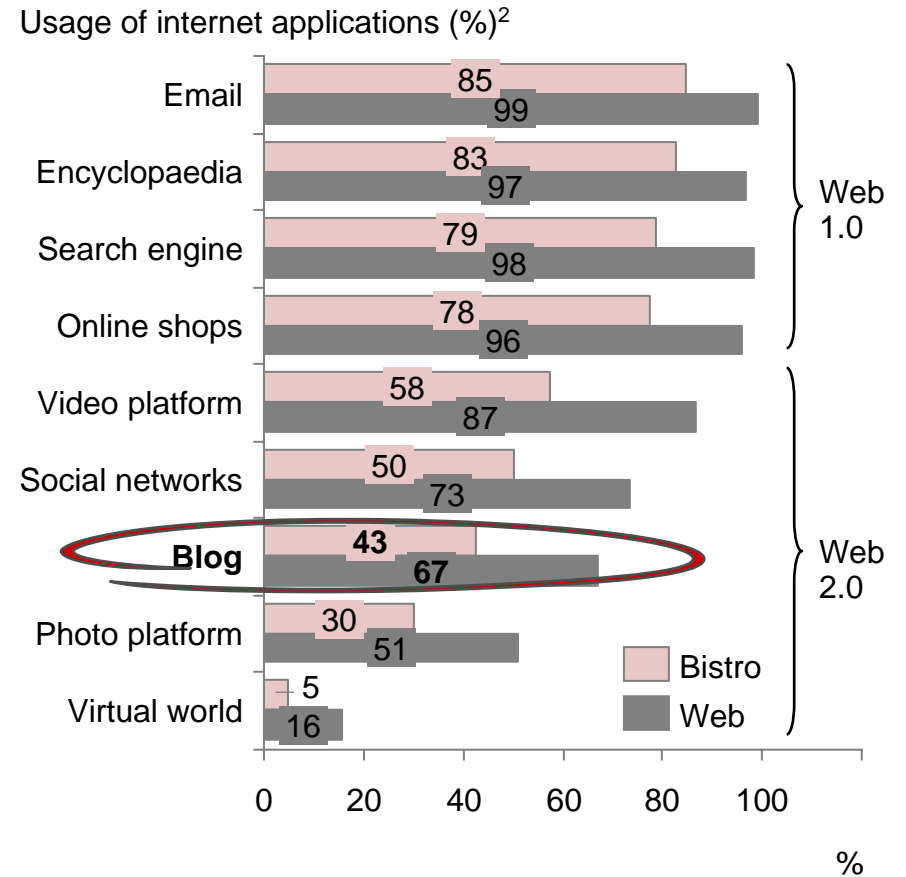
Low Web2.0 usage as one reason for reluctance



Great deal at Bistro & PoS rarely use the web



...and never visited a blog at all



1) Question: How often do you use the internet?

2) Question: If you are online, which applications have you used? 'Once in a life time' usage displayed

Note: Not specified cases (no response) not displayed

Source: Consumer survey at FRoSTA Bistro (N=53), supermarket (PoS) during tasting (N=54) and in the internet (N=1.018) from February through April 2009

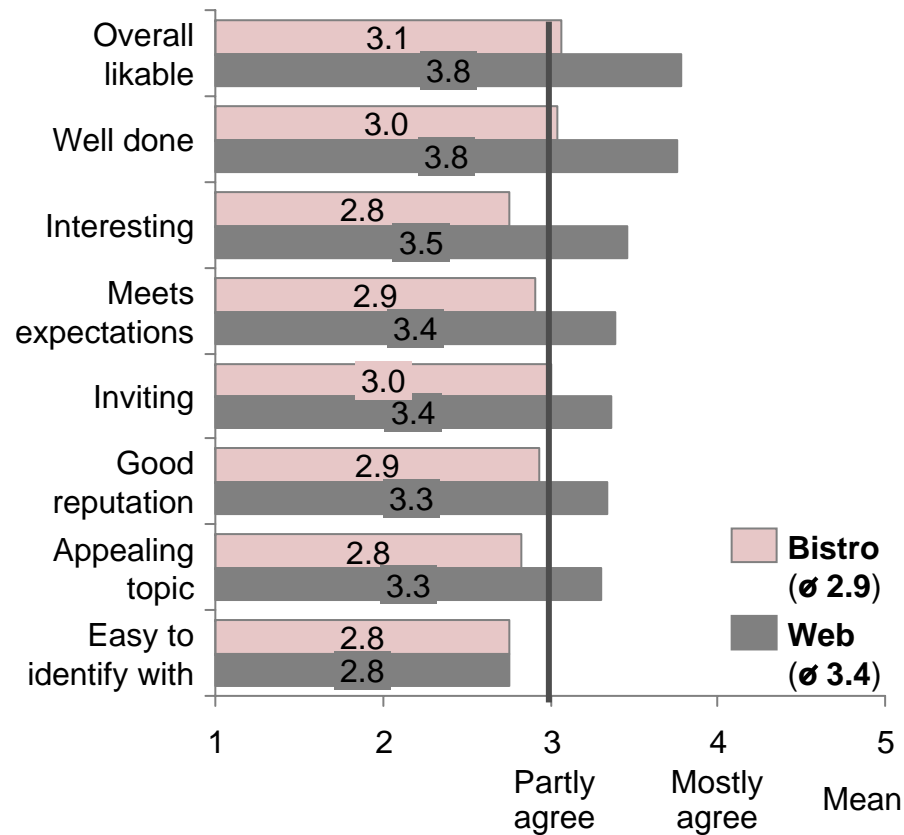


However, if blog introduced, general appraisal



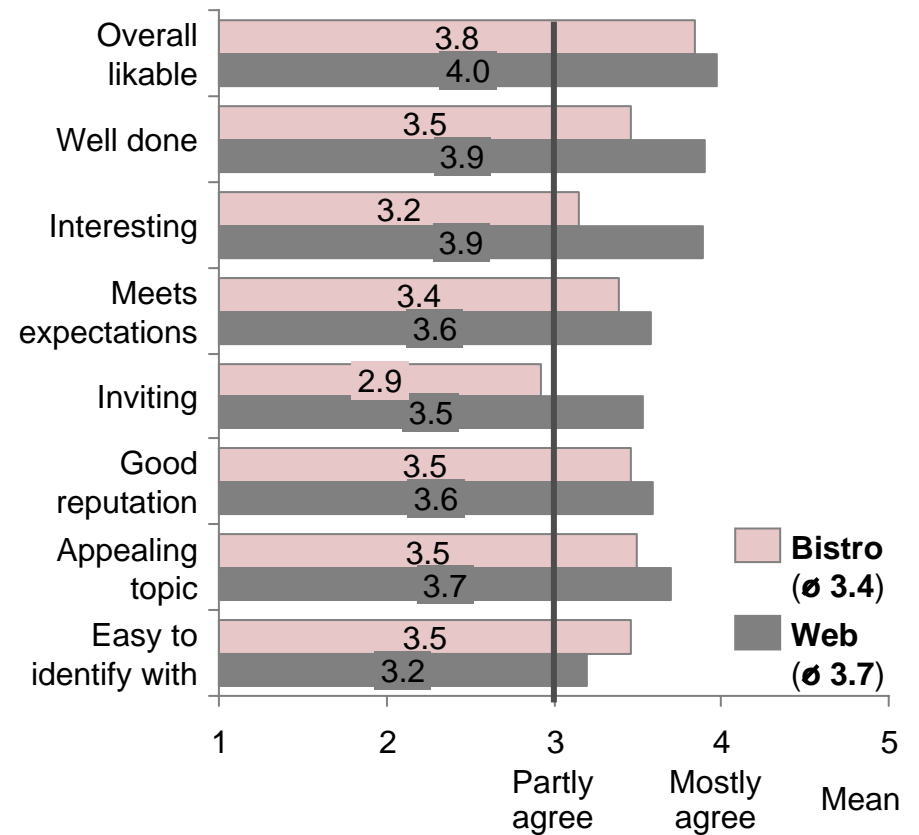
Prior, 'offliners' more sceptical than 'onliners'

Liking of FRoSTA blog (in general)¹



If actual blog entries shown, much higher liking

Liking of FRoSTA blog articles (most popular entry)²



1) Question: How do you like the FRoSTA blog? Screenshot and "Blog Info" shown. Scale: 1—5 (Don't agree—Fully agree)

2) Question: How do you like the most commented entry of the FRoSTA blog—"FRoSTA wird kleiner"? Entry incl. selected comments shown. Scale: 1—5 (Don't agree—Fully agree)

Note: Not specified cases (no response) not displayed

Source: Consumer survey at FRoSTA Bistro (N=53) and in the internet (N=1.018) from February through April 2009



What consumers say about the blog



Pros¹

Honesty

„...direkte Auseinandersetzung mit Kunden & Kritik“
„...authentische und ehrliche Beiträge“
„...gut, dass sich ein Unternehmen das 'traut“

Transparency

„...Einblicke in die Produktion aufschlussreich“
„...bringt Transparenz in undurchsichtige Industrie“
„...als würden wir gemeinsam am Tisch sitzen“

Participation

„...jeder kann sich beteiligen“
„...Chance, Meinung loszuwerden“
„... es wird auf Kommentare eingegangen“



Cons¹

Layout

„...nicht mehr so ganz zeitgemäß“
„...hausbacken und nicht sehr attraktiv“
„...zu langweilig.“

Scepticism

„...Blogs im Allgemeinen doof“
„...weiß nicht, wie vertrauenswürdig das Ganze ist“
„...wahrscheinlich nichts anderes als Werbung“

Overall, only little concern regarding data privacy and mode of operation²

1) Open-ended question: Why do you like the FRoSTa blog and dislike it respectively? Extracts from original quotes (in German) displayed.

2) Question see above, but closed-ended: Please indicate to what extent you agree with the given indicators. Scale: 1—5 (Do not agree at all—Fully agree)

Source: Online survey (N=1.018) (February/March 2009)

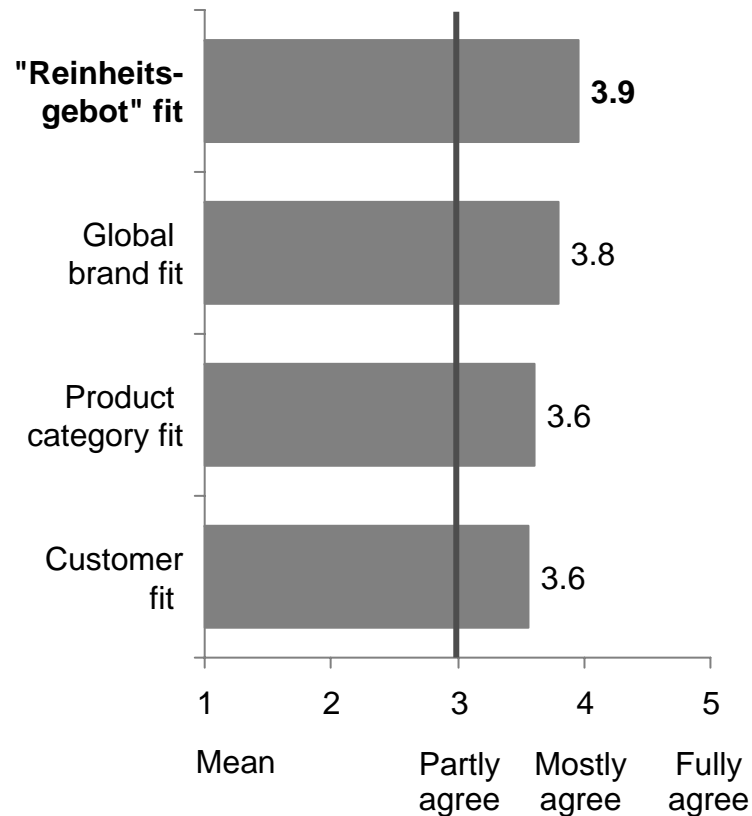


Blog and FRoSTA brand perceived a good fit



Link to FRoSTA 'Reinheitsgebot' understood

Blog brand fit¹



FRoSTA blog perceived as 'mirror'

Consumer quotes²

„Toll, dass Frosta so offen ist, passt zu einer sympathischen und vertrauenswürdigen Marke mit nachhaltigem Konzept.“

„...gewährt Einblick in die Arbeit von FRoSTA, gibt dem Unternehmen ein Gesicht, macht es persönlicher.“

„Sehr innovative Kommunikationsmaßnahme für ein Unternehmen – alle Achtung. Der Blog wirkt glaubwürdig und authentisch...“

1. Question: Does the FRoSTA blog fit to the FRoSTA brand? Please indicate to what extent you agree with the given indicators. Scale: 1—5 (Do not agree at all—Fully agree)

2. Open-ended question: Why do you like the FRoSTA blog and dislike it respectively? Extracts from original quotes (in German) displayed.

Source: Consumer survey from February through April 2009 (questionnaires with valid variable data: N=903)

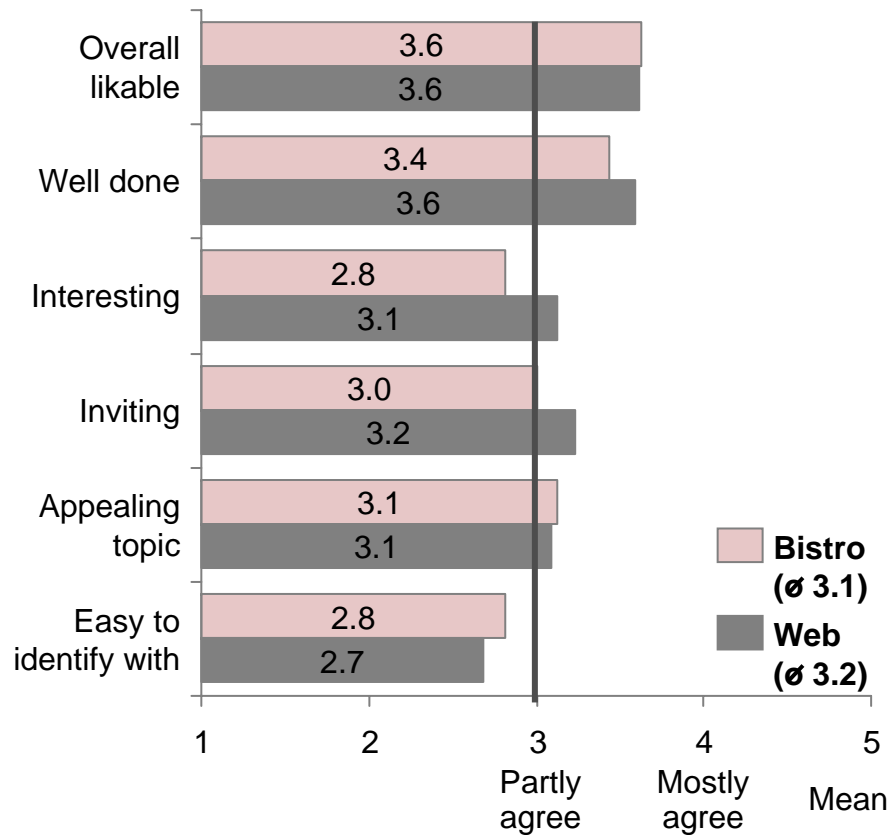


Blog evaluation even better than ad scoring



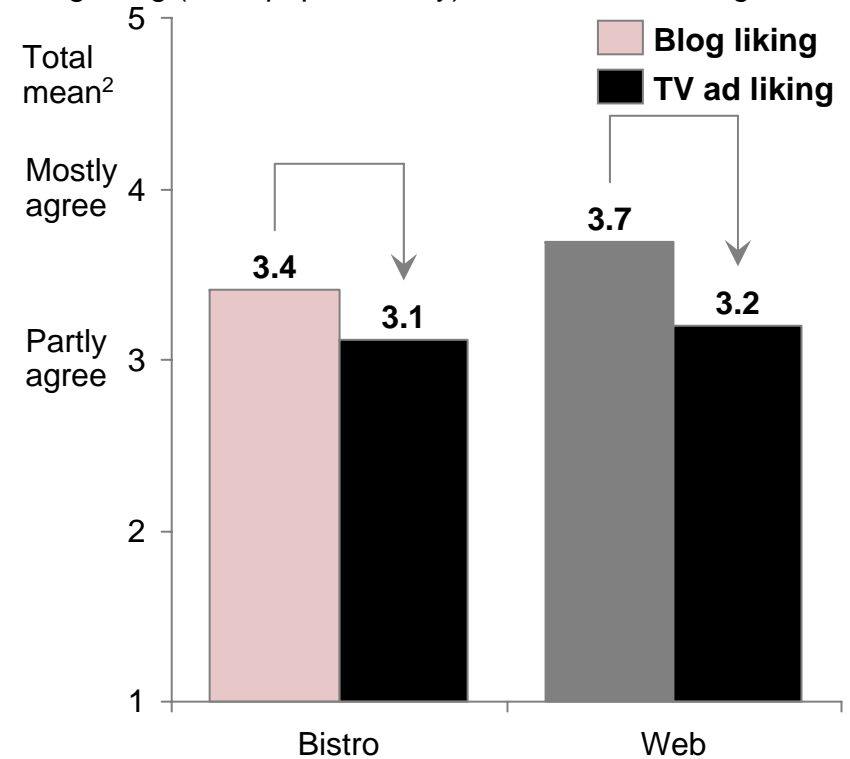
TV ad equally liked in online and offline group

Liking of FRoSTA TV ad¹



...but not as much as FRoSTA blog

Blog liking (most popular entry) versus TV ad liking



1) Question: How do you like the currently shown TV ad with Peter from FRoSTA about "Brigitte Diät" products? Selected pictures from TV spot shown. Scale: 1—5 (Don't agree—Fully agree)

2) Average of measured indicators as shown on left side and previous page.

Note: Not specified cases (no response) not displayed

Source: Consumer survey at FRoSTA Bistro (N=53) and in the internet (N=1.018) from February through April 2009

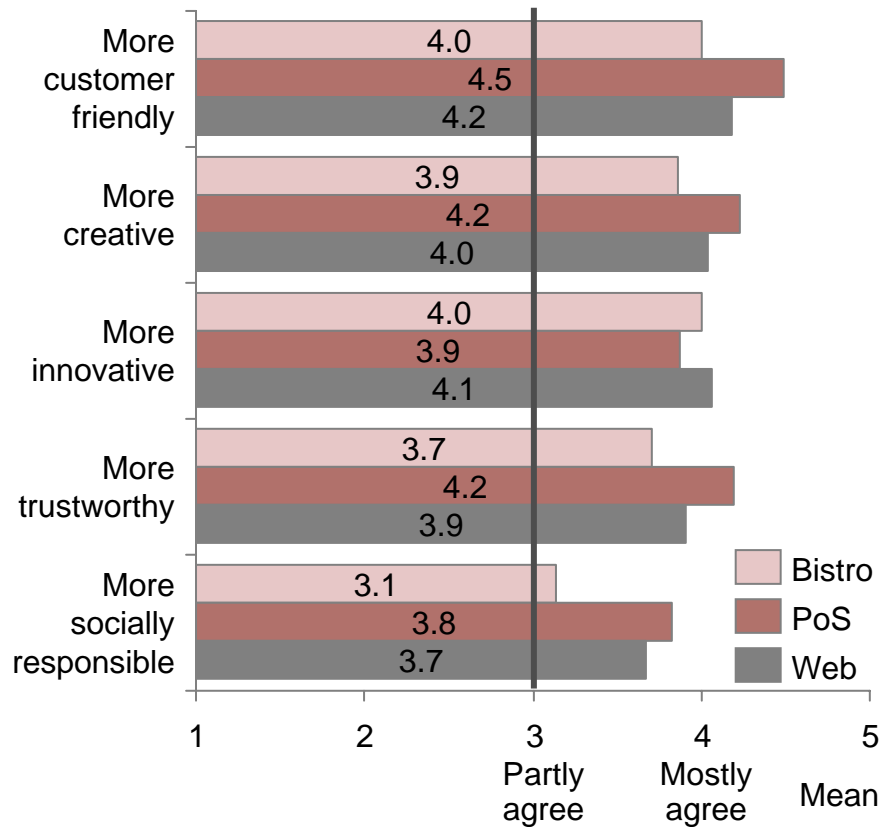


Overall, high liking of open communication



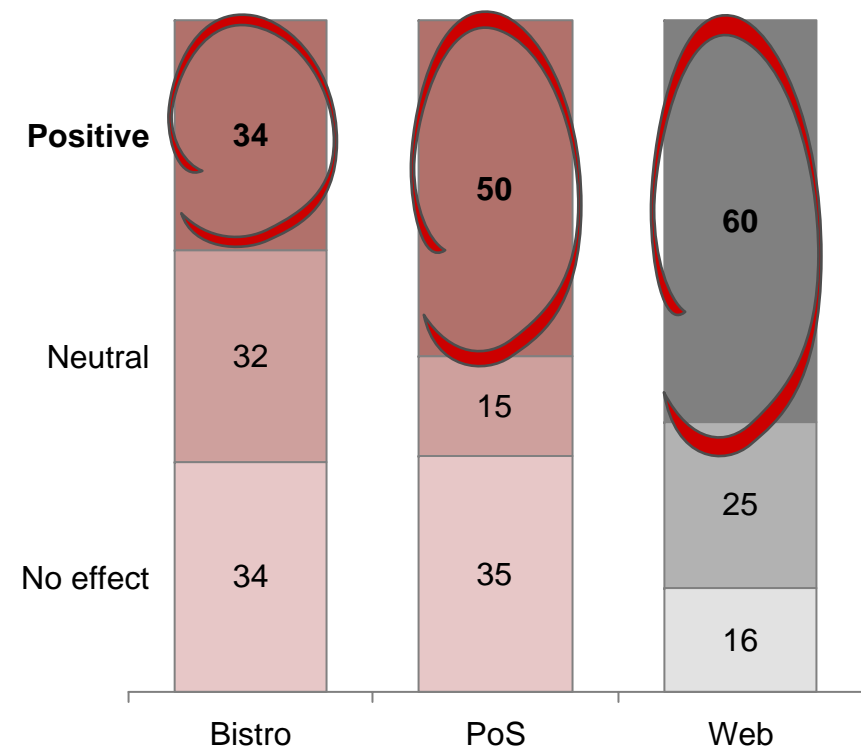
High acceptance of user generated branding

Open vs. top-down brand communication¹



...which may also drive purchase decision

Influence of open communication on purchase decision²



1) Question: How do you like open communication which you can participate in (e.g. blogs) compared to classic top-down communication (e.g. advertising)? Scale: 1—5 (Don't agree—Fully agree)

2) Question: Would you rather buy brands that allow customers to participate in their brand communication? "Positive" refers to "I mostly agree"/"I fully agree", "Neutral" to "I partly agree"

Note: Not specified cases (no response) not displayed

Source: Consumer survey at FRoSTA Bistro (N=53), supermarket (PoS) during tasting (N=54) and in the internet (N=1.018) from February through April 2009



Agenda



2

- External study (consumers)
- **Internal study (employees)**



Key results of employee survey



Base: Online survey among 46 employees about FRoSTA blog

High liking of FRoSTA blog

- Employees mostly positive about FRoSTA blog
- Appreciation and identification highest among active blog contributors

FRoSTA blog rather perceived as external communication tool

- Among participants, only one fourth (24%) active blog contributors despite overall familiarity (93%)
- Purpose of exchange with customers higher estimated as exchange with colleagues

Overall, positive effect of FRoSTA blog on brand commitment

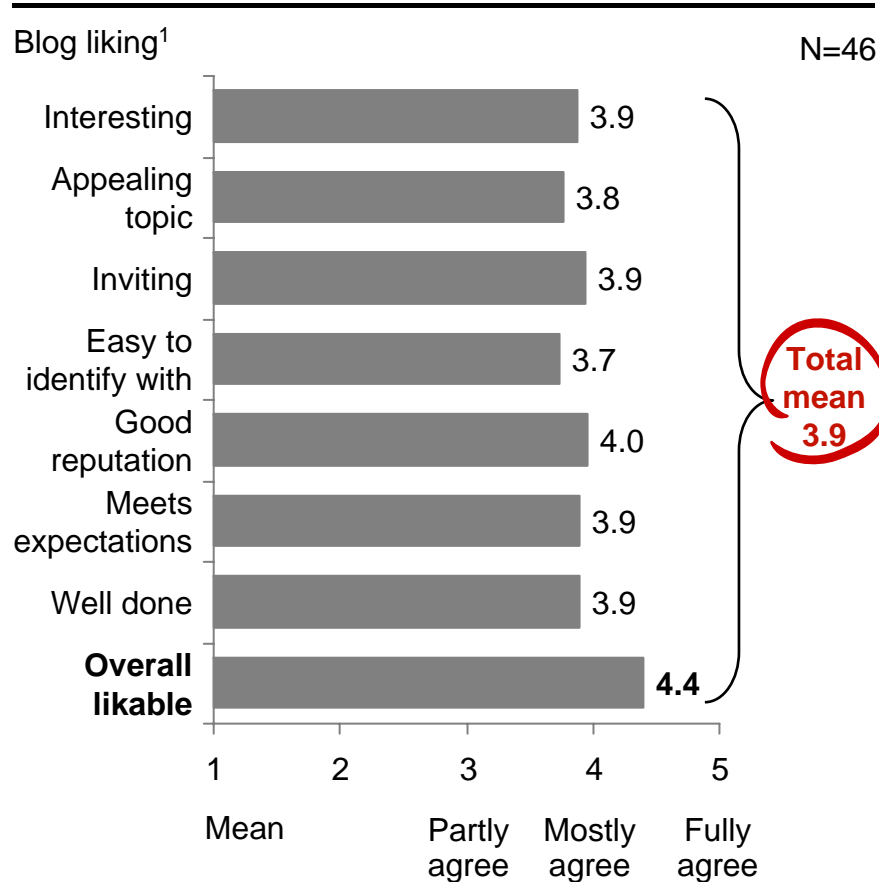
- In general, pride in brand rather caused by 'FRoSTA on the shelf' than 'FRoSTA in the media'
- However, positive effect of FRoSTA blog on psychological attachment of employees to the brand



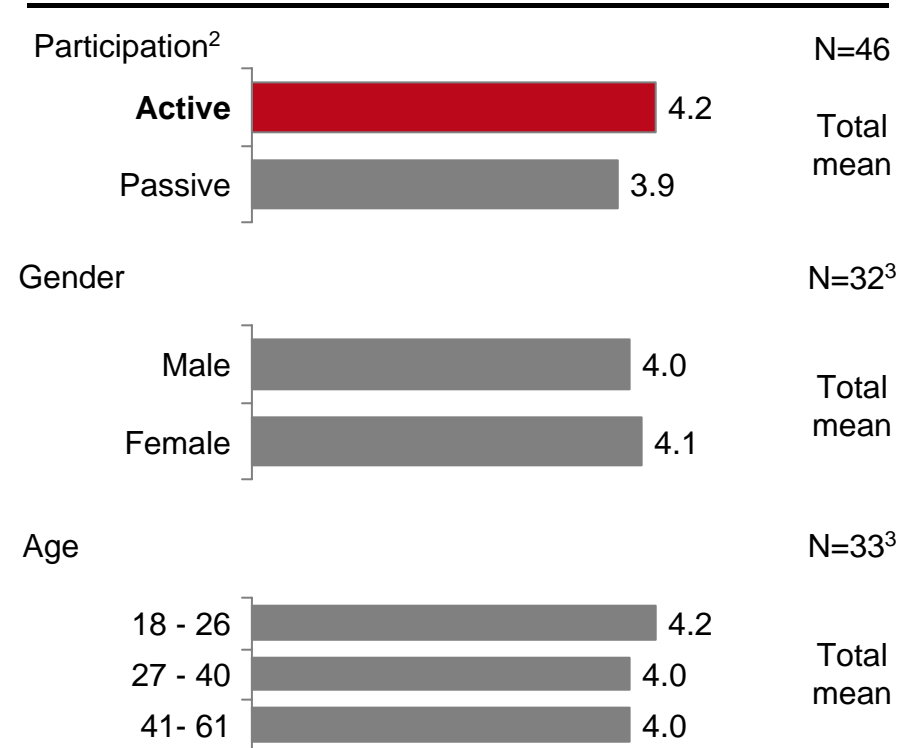
FRoSTA blog liked by employees



Blog appraisal across all indicators



Liking even higher with active contributors



1) Question: How do you like the FRoSTA blog? Please indicate to what extent you agree with the given indicators. Scale: 1—5 (Do not agree at all—Fully agree)

2) Question: How do you participate in the blog? Indicators: read articles (passive usage); comment on entries and write own articles respectively (active usage)

3) Due to smaller base for gender and age split means not directly comparable with total mean of blog liking

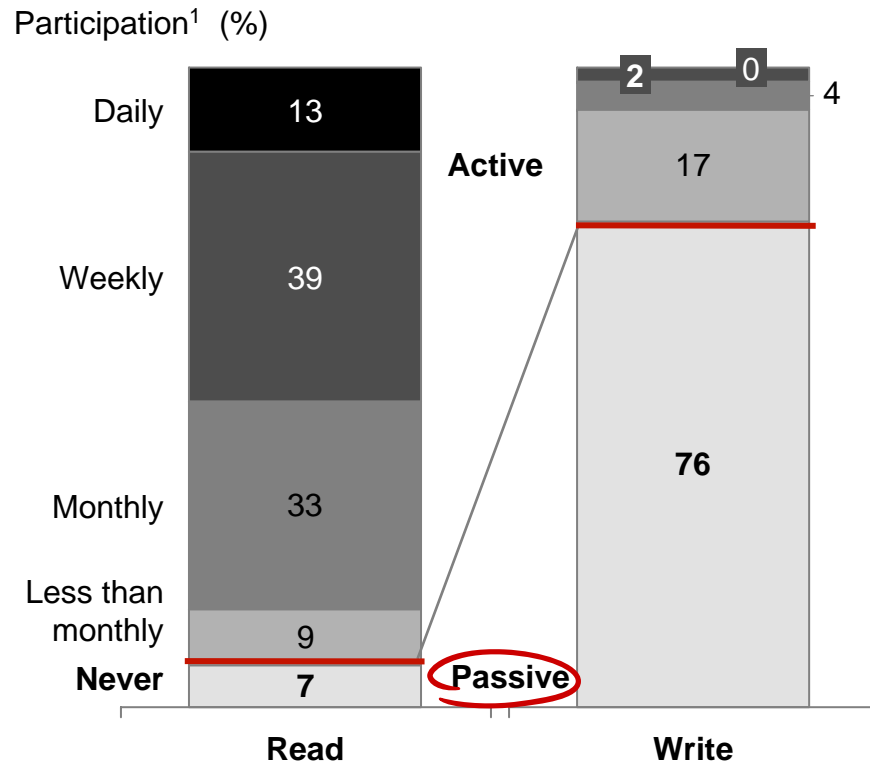
Source: Online survey (N=46) (February/March 2009)



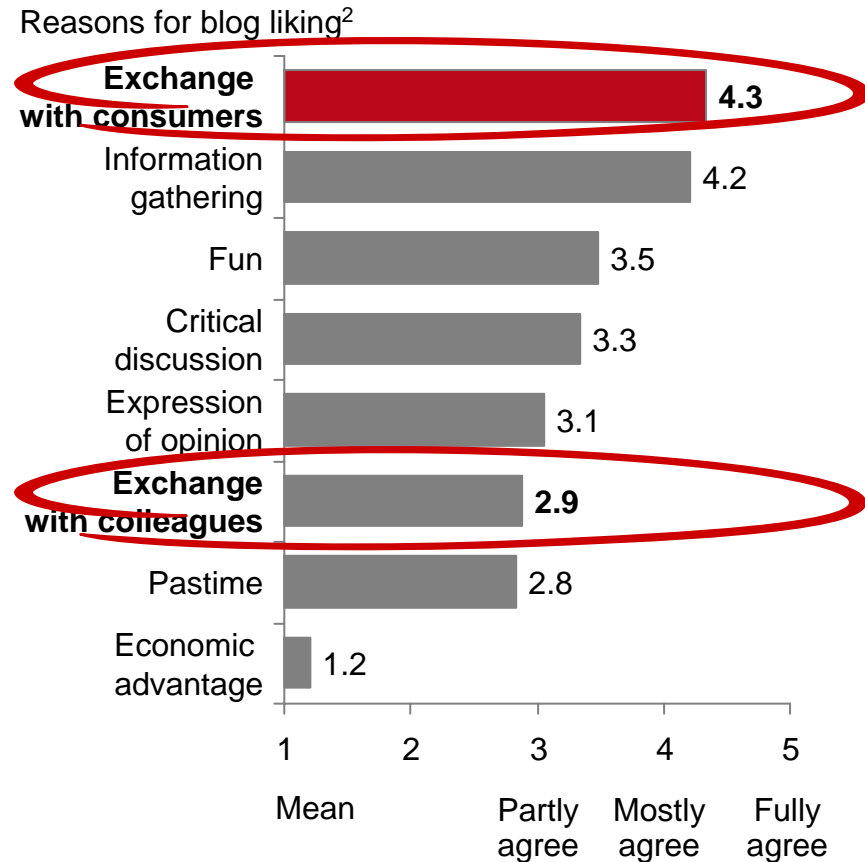
...but rarely used for internal communication



Vast majority of readers never contribute



Blog mostly perceived as external tool



1) Question: How do you participate in the blog? Please indicate how often you read articles and write or comment on articles respectively.

2) Question: Why do you like the FRoSTA blog and dislike it respectively? Please indicate to what extent you agree with the given indicators. Scale: 1—5 (Do not agree at all—Fully agree)

Source: Online survey (N=46) (February/March 2009)



What employees say about the blog



Pros¹

„Das FRoSTA Blog intensiviert die Beziehung zu meinen Kunden. Und somit erfüllt es die Kriterien eines guten **Kundenbindungsinstrumentes**.“

„Mir gefällt das FRoSTA-Blog, weil **Mitarbeiter so ein Gesicht bekommen** und Persönlichkeit zeigen können.“

„Man erfährt interessante und spaßige **Dinge aus anderen Abteilungen** bzw. Niederlassungen.“



Cons¹

„Es können **nur ausgewählte Mitarbeiter** Beiträge erstellen.“

„**Zu wenige firmeninterne Textbeiträge**. Immer dieselben Blogger.“

Overall, only little concern regarding data privacy and mode of operation²

1) Open-ended question: Why do you like the FRoSTA blog and dislike it respectively? All given comments displayed, original quotes (in German)

2) Question see above, but closed-ended: Please indicate to what extent you agree with the given indicators. Scale: 1—5 (Do not agree at all—Fully agree)

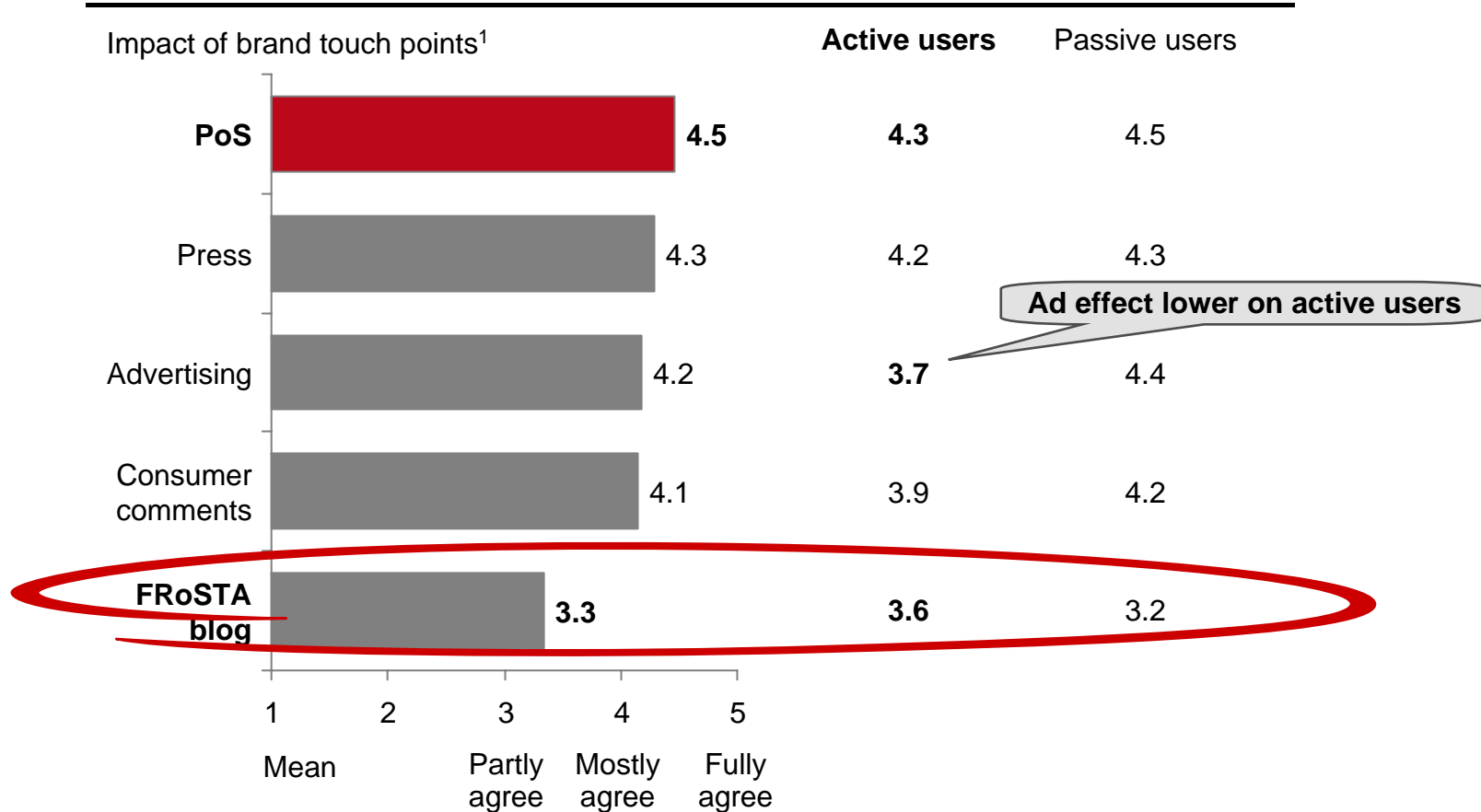
Source: Online survey (N=46) (February/March 2009)



Pride in brand through "FRoSTA on the shelf"



PoS as most effective brand touch point—also driver for active blog users



1) Question: What makes you proud to work for FRoSTA? Please indicate to what extent you agree with the given brand touch points. Scale: 1—5 (Do not agree at all—Fully agree)
 Source: Online survey (N=46) (February/March 2009)



However, FROSTA blog perceived as stimulating



Impact of FROSTA blog on brand citizenship behaviour¹

Brand citizenship behaviour²



...even stronger with passive users

Effects split by blog participation³



1) Brand citizenship behaviour is understood in short as employees' willingness to exert extra effort towards reaching the brand's goals.

2) Question: How does the FROSTA blog influence the behaviour of your colleagues? Please indicate to what extent you agree with the given indicators. Scale: 1—5 (Do not agree at all—Fully agree)

3) Question: How do you participate in the blog? Indicators: read articles (passive usage); comment on entries and write own articles respectively (active usage)

Source: Online survey (N=46) (February/March 2009)



Contact



- www.lim.uni-bremen.de

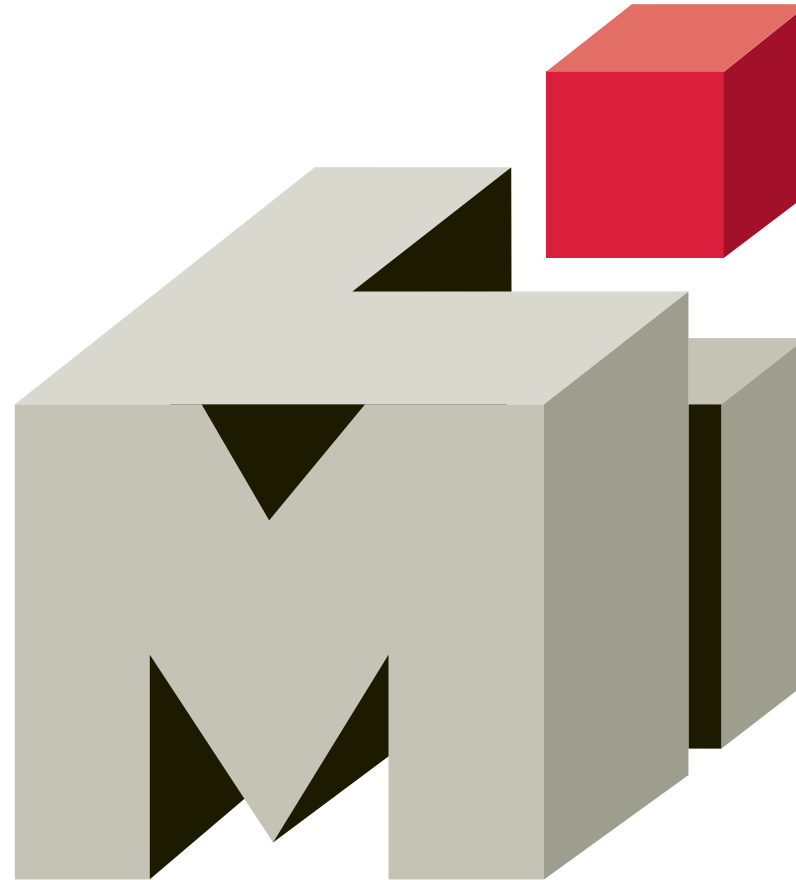
- **Chair contact:**

Chair of **innovative** Brand Management (LiM)
Faculty of Business Studies and Economics (FB7)
Prof. Dr. Christoph Burmann
University of Bremen
POB 330 440
28334 Bremen, Germany
Phone: +49 (421) 218 – 7554
E-mail: info-lim@uni-bremen.de

- **Topic contact:**

Ulrike Arnhold (PhD candidate)
E-mail: s_ru7v8u@uni-bremen.de

Backups



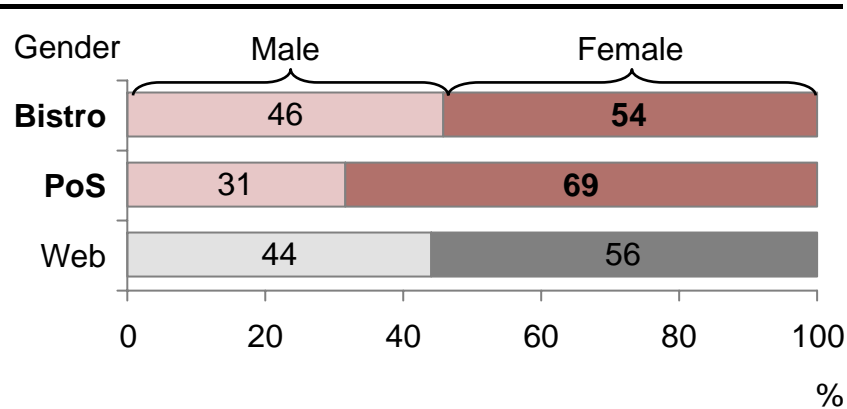
Thank you for your attention!



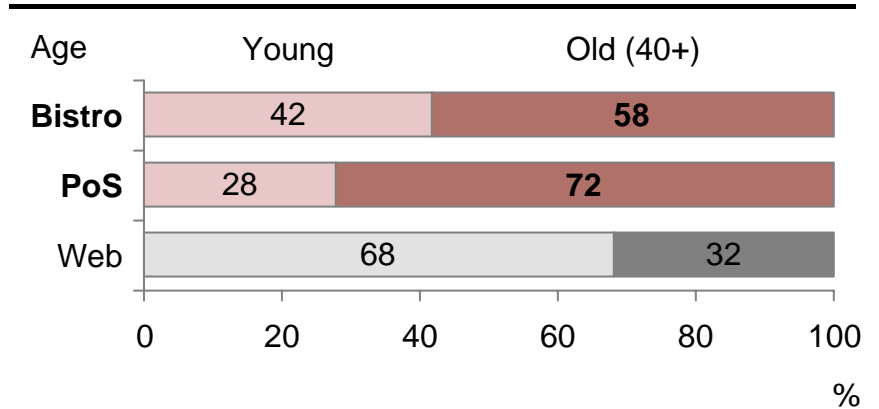
Description of consumer samples



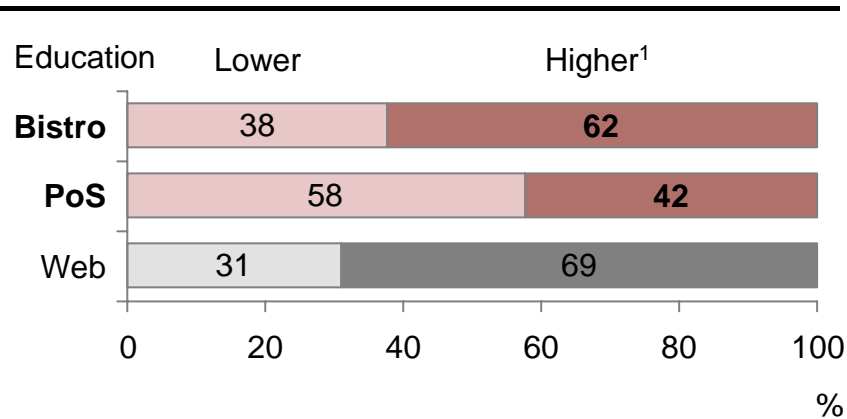
Majority at Bistro & PoS is female



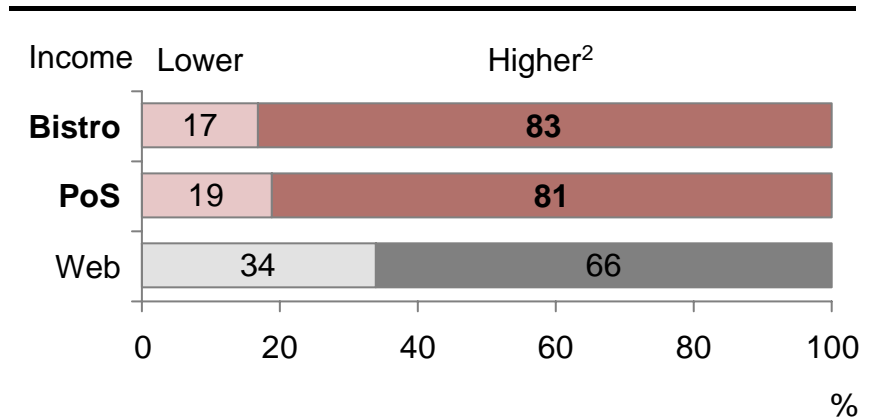
...not a digital native



...less educated than web sample



...but with higher household income



1) Refers to A-levels and college degree 2. Refers to a monthly net household income of more than €1,500

Note: Not specified cases (no response) not displayed

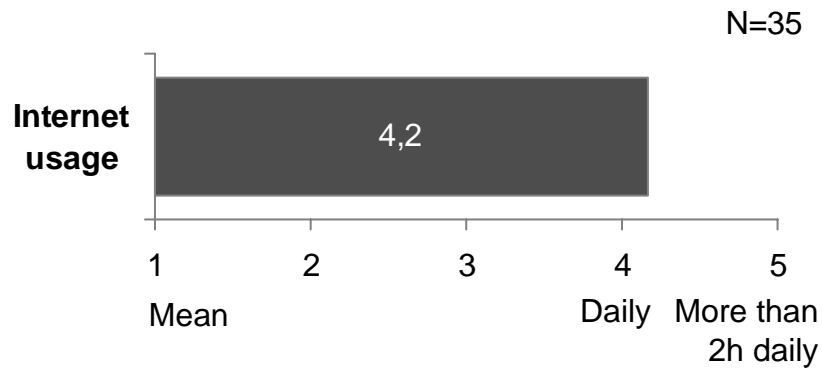
Source: Consumer survey at FRoSTA Bistro (N=53), supermarket (PoS) during tasting (N=54) and in the internet (N=1.018) from February through April 2009



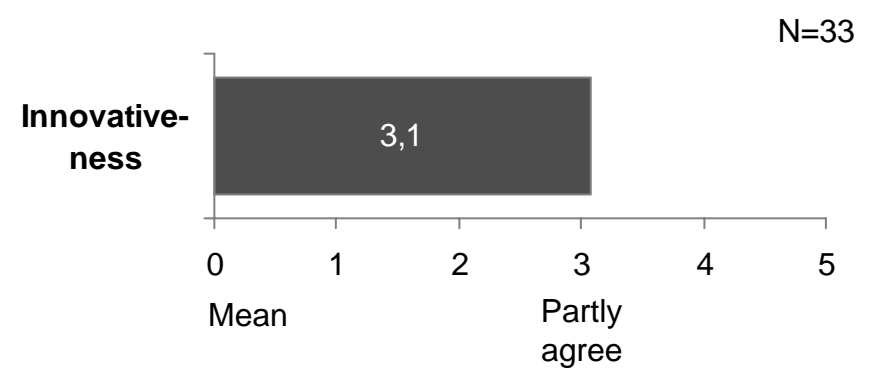
Description of employee sample



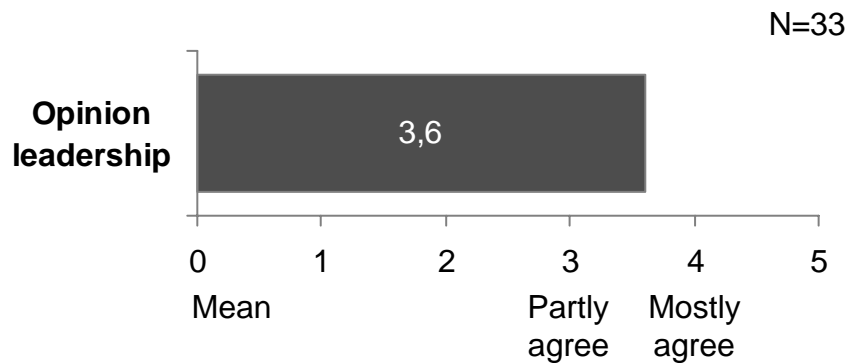
Participants are daily internet users



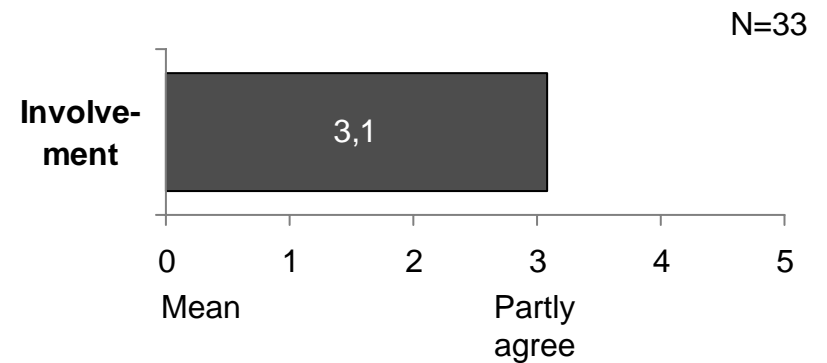
...not especially open to innovation



...rather opinion leaders



... not notably involved in product category



Source: Online survey (N=46) (February/March 2009)