



Oxygen Consulting's **Ray Algar** says companies need to be aware of the growing power of 'bloggers' to enhance - or damage - their reputation

Let's get sentimental

If the company wins this contract, its business will double in size. The owners have spent six years crafting a business that they believe provides a great service to customers, most of the time. They have invested heavily in people, technology and a service proposition that has won industry recognition.

Four members of the bid team have collectively spent 56 days honing their proposal to perfection. The bid to operate 13 leisure centres over a 10-year period is submitted with great anticipation. Two weeks pass, and enquiries begin to stream back from the prospective client. Most are routine. However, one enquiry is perplexing. Can the company explain a series of comments posted in an online discussion forum about service and safety concerns at their leisure centre in Cardiff? It transpires that an online debate is raging about a message entitled: "Profit before safety at Cardiff leisure centre".

Three months earlier, a gym user was found unconscious next to a treadmill late one Sunday evening. She was taken to hospital and discharged the following day with bruising to her face and rib cage. It subsequently emerged that the gym was unsupervised on Sunday evenings between 6-9pm, as part of a recent staffing review. More than 80 people had posted 405 online messages regarding the incident. Most people thought it was an accident waiting to happen and symptomatic of a cultural shift since the outsourcing of the centre.

The injured user had been so incensed by the slightly dismissive reply to her letter (the company alleged that she had fallen after fiddling with the sound on her iPod), that she set up a protest web site. She posted pictures of her injuries and published the managing director's letter.

The website had a discussion forum, which some centre staff began using to anonymously post comments about budget cuts. Google was soon featuring the website when people searched under the centre's name. Cautious optimism about the new business pitch quickly turned to a sinking inevitability that their response to the prospective client was not going to be convincing. Welcome to the world of online sentiment where the power of publishing resides in anyone with access to a computer and a burning desire to rave or rage about a company.

Word-of-mouth marketing

Word of mouth, or the act of consumers passing information between each other is a well-known,

Weblog definition

Web log (abbreviated to Blog): A website where single or multiple authors write short posts in a journal style and display them in a reverse chronological order, writing on a personal or business subject. You can read mine at: <http://www.oxygen-blog.blogspot.com>

but arguably, poorly-understood phenomenon. It has proved notoriously difficult for marketers to monitor, influence and manage, but times are fast changing. Create an enthusiastic customer in the new digital age of user-generated web content and you have an unpaid evangelist who can authentically speak about the merits of your brand. Upset them at your peril.

Publish on demand

A few years ago, poor service or a defective product triggered a letter of complaint, which may have sometimes escalated to the local media. If you were very unlucky, it may have attracted national attention. C'est la vie. You wait a few days; the papers are pulped and then its business as usual. Do you recall the often-quoted conference statistic about the unhappy customer who tells 13 people about their experience? Well, welcome to 2007, where they now go online and tell not 13, but 1.3 million about the experience. Upset a 'tech-savvy' customer now and you potentially unleash a digital diatribe with a warts-and-all account posted on dozens of review web sites and personal web logs (blogs), which is captured by the search engines within a few hours. Phase two of the complainant's strategy is to set up a protest web site and web log and forensically critique and expose any and every customer-facing issue since the company was formed.

With the number of personal web logs now conservatively estimated at 55 million (with some 75,000 started in the past 24-hours), the power of companies to control organisational or brand sentiment has suddenly vanished. Computers are now sold next to the bakery in supermarkets and broadband is often given away free; the number of people expressing sentiment online about companies will proliferate.

There are more than one million personal web logs already in the UK and these nouveau-journalists are now 'blogging' on everything from last night's hotel stay (do not book rooms 17-21 as they suffer from road noise), dinner at Brighton's latest hip restaurant (beware of Friday and Saturday as they have two dinner sittings and you feel as though you are being rushed, to a health club chain that insists on four-month's notice before you can leave. Perhaps you are thinking that people do not trust these 'user-generated' reviews – after all, it is just one person's opinion.

However, in a recent Ipsos/Mori survey customer reviews were significantly more trusted than company statements. If you are a chief executive, please look away now because your statements were some of the least trusted. The survey also found that one third of UK adults have read negative online sentiment about a company's product or service.

On-line analysis unravelled

However, even though we cannot control what

Holmes Place v Virgin Active

"At my gym this week, the tasteful logo of Holmes Place was accompanied by the splashy teenage reds of Virgin Active. My worry is that Virgin, as a lower-end gym, will drag down the quality of Holmes in London. I get a very bad vibe from the cheap-looking logo"

Posted by a member on: www.ecademy.com

people (existing and prospective customers, staff, competitors, suppliers) publish online about our organisations, we can now, at least, begin to monitor the internet 'buzz' with the help of companies such as Nielson BuzzMetrics, ASOMO, WaveMetrix and Cymfony, who operate in the field of online sentiment or 'social climate' analysis.

What are the issues?

The start point for any robust research project commences with a clear understanding of the primary objectives. For example, to investigate member sentiment to the recent acquisition of Holmes Place by Virgin Active. What are Holmes Place members saying about the merging of the two brands? Do they agree with the decision to re-brand all clubs to Virgin Active? Do Holmes Place members like being a part of the Virgin 'family'? With a clearly defined brief, online sentiment analysts or information brokers then begin identifying all relevant discussion forums, web logs and websites where member opinion is being expressed.

The value of this form of research is that member opinions are being freely expressed with no potential issue of researcher or question bias. Research bias can be very subtle. Such as the way a question is phrased in a postal questionnaire or asked, if part of focus group research. Respondents can also be influenced by the presence of a researcher. For example, the question: How would you respond if you went to a restaurant and your bill omitted the expensive wine you had just enjoyed? In the presence of a researcher, such a question is likely to elicit some very honest customers! Comments in online discussion forums tend to be more candid, as they are unprompted by a researcher. Specialist sentiment monitoring software and analysts then passively monitor the internet, never contributing or influencing this digital dialogue.

Focus is on consumer sentiment

This research tool is fundamentally concerned with consumer, rather than professional journalist, sentiment. This ensures that companies are receiving first-hand, authentic and customer-oriented insights. Journalistic sentiment is often captured by press monitoring companies (such as www.romeike.com) as part of a media monitoring strategy. This means that journalist blogs are normally ignored

Figure 1:
Sentiment for a major EU airline

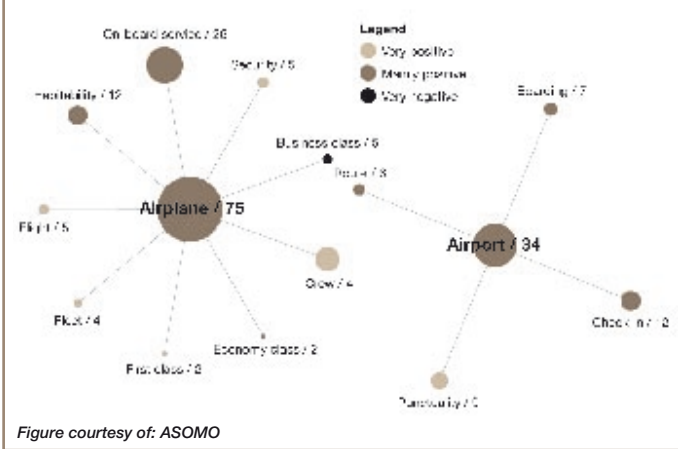
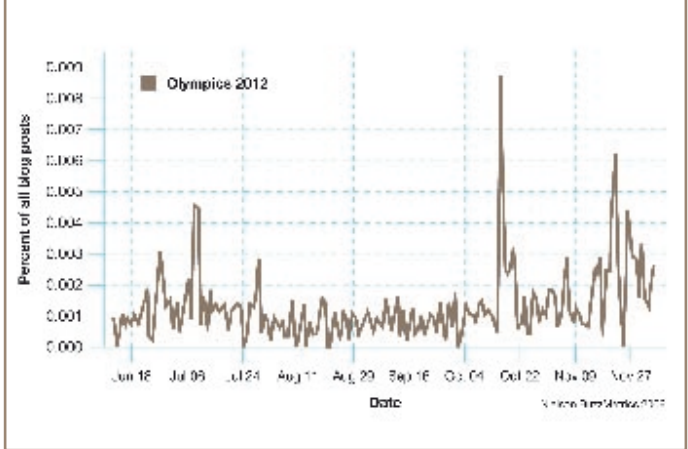


Figure 2:
On-line buzz for the London 2012 Olympics



by online sentiment companies, as the content is controlled and less spontaneous than that found in discussion forums.

What are the insights?

The illustration above (See Figure 1) shows the online sentiment from customers of a major European airline.

Opinion is captured on the airport and actual airplane experience. The circle size denotes the volume of comments relative to another topic. The larger the circle, the greater the conversational 'buzz'. This figure shows more comments about on-board service than airplane security. A turquoise circle denotes that at least 75% of all expressed comments were positive, turning black if 75% or more expressed negative sentiment. Reports are viewed through specialist software that sits on the client's computer.

Therefore, to explore why there was negative sentiment relating to business class with this airline, a user simply drills down and can read actual customer comments. In this instance, customers felt the cabin temperature was too high and the in-seat televisions too small.

Reports can show comments in English and other languages. Comments can also be filtered by different types of opinion holder e.g. regular customers, staff and prospective customers. Users can 'mine' the data at any time, as analysts are harvesting the internet for opinions on a daily basis.

Fake and be damned

Some companies may be tempted to manipulate online sentiment by sneaking into a vibrant and active discussion forum, and posing as a customer, begin raving about their own products and services. This may sound like a good idea during the monthly marketing brain-storm, but often ends in calamity. You may be surprised at how visible our digital footprints are.

Recently, a driver in Norway posted an anonymous video on You Tube (www.youtube.com) proudly showing his speedometer reaching a top speed of 150 mph on a public road. Police followed an electronic trail back to Oslo and fined him £700. Faking online sentiment is unethical and can unleash a customer backlash that can irrevocably damage a brand.

Immediate Insight

The second figure above (See Figure 2) shows the online discussion for the London 2012 Olympics for the six-month period June-November 2006. You will see three key spikes in July, October and the end of November when online comments peaked. The recent announcement by Tessa Jowell, the culture secretary, of an extra £900m for the new Olympic park is the type of public announcement that will lead to a spike in online comment.

However, issues such as a new product launch, price increase or product recall announcement can all be tracked within days, if not hours. When Sony announced it was recalling laptop batteries that may suddenly explode, you can imagine the 'internet buzz' around the topic. Dell was just one company affected and it alone has so far recalled 4.2 million batteries. Word quickly spread that other laptop manufacturers, using Sony batteries, would be affected, and some airlines stopped travellers using laptops on flights, unless directly plugged into an external power supply. Sony has probably not had its best laptop sales quarter as purchaser confidence ebbs away from the 'exploding laptop company'.

From online insight to action

There are many applications for monitoring online consumer sentiment. Here are a few:

- | Build a clearer understanding of consumer opinion towards your competitors
- | Gain immediate feedback on new product launches
- | Assess consumer sentiment towards price increases
- | Evaluate the effectiveness of a new marketing campaign
- | Monitor your company's online reputation.

Some examples of sentiment monitoring for the leisure industry

- | Opinion towards budget increases for London 2012
- | Public opinion towards the July 2007 smoking ban in public places throughout England
- | Spectator sentiment towards overseas companies acquiring British football clubs
- | Do customers believe that Pizza Express has secretly reduced the size of its pizzas?
- | What do Holmes Place members feel about the

new Virgin-style 30-day gym contracts?

| Sentiment towards new obesity-busting drugs and whether it will adversely affect health club attendance going forward.

Spot new opportunities

When a former United States Marine began blogging that Starbucks was unpatriotic, because it was not providing coffee to troops in Iraq, the company saw an opportunity rather than a threat. Within a month, it had donated several million dollars' worth of coffee.

Getting started

To get your internet monitoring programme underway, consider the following:

- | Identify the key web sites and discussion forums that discuss your company or sector
- | Begin to understand the degree of sentiment being expressed about your company.
- Identify an individual or organisation responsible for understanding your online corporate image. Provide this individual with the authority to post online comments on public sites. Not having a proactive web-response is analogous to ignoring a phone call from a newspaper journalist
- | Establish how online sentiment informs your marketing plan
- | Create ways for stakeholders to converse directly with your company via web logs and discussion forums.

We are all living through a communications revolution and it does take time to understand how to harness the power of this new phenomenon. Often the internet does not seem rational; who could have anticipated Google paying £846m for YouTube, an 18-month-old firm that shows amateur videos?

However, one thing is very clear. Companies no longer control the communication platform, so they need to stop shouting at customers and begin to find inventive ways to converse and collaborate with them.

Ray Algar, MBA is the Managing Director of Oxygen Consulting (www.oxygen-consulting.co.uk), a company that provides compelling strategic insight to organisations serving the global leisure industry. Ray can be contacted on +44 (0)1273 885 998 or email ray@oxygen-consulting.co.uk.