

How brands and businesses
can prosper in a digitally
connected world





Our cover design organizes people in a chain around the globe, illustrating how social currency is a global concept. The value of social currency lies in the connections between people, and people to brands and businesses. The changing tones of the colors symbolize the ebbs and flows of social behaviors and social processes that drive value for those businesses and brands.

Learn in this report how to build and leverage social currency and profit from it.

Letter from VPG's Chief Executive Officer

Erich Joachimsthaler, Ph.D
Vivaldi Partners Group Founder and CEO

What a difference two years can make! When we first defined social currency as the degree to which consumers share a brand or information about a brand with others, little could we have imagined how important social technologies, social media, and social networks would become.

The research we conducted with consumers in early 2010 showed that social media can help to drive brand equity, realize price premium, and increase loyalty. Over the past two years, there have been significant technology changes and widespread adoption of these technologies by brands and businesses. Marketers have used these developments:

- 1) to amplify advertising campaigns
- 2) to create conversations on social channels
- 3) to build communities of influencers to connect with consumers or customers

Some successes of these efforts are shown in the latest award ceremonies of major industry groups and case studies of advertising agencies, as reported by trade press.

But today, it is also clear that using these new technologies merely for these three purposes more often underwhelms and disappoints.

We believe we are entering a new era of developments in the evolution of the digital revolution that began more than 20 years ago. The proliferation of mobile computing devices and the new social technologies combine to unleash unimaginable opportunities for people to improve their lives.

This alters consumer behaviors forever. Customers are evermore empowered, enabled, and know how to make use of these technologies to engage or connect with brands and businesses.

In our opinion, an entirely new vision and plan is required to harness and capitalize the power of these technologies. In order to provide senior executives with guidance in this evolving digitally-connected world, we conducted several new studies with customers in the U.S., Germany, and the U.K. involving over 60 brands and businesses. We researched several hundred digital and social initiatives.



Letter from VPG's Chief Executive Officer

In the following pages, you will find a snapshot of our conclusions organized around several major sections:

In Section 2, we will introduce a paradigm-shifting new Social Currency model to build brands and businesses. This new model departs from traditional perspectives of creating competitive advantage.

We conclude in this section that there is a new way of doing business and building strong brands.

In Section 3, we will explore the implications of this new model on industries and categories. We show how companies can adopt these new technologies to challenge existing strategies and business models in their industries.

We conclude in this section that social does not just impact communications or marketing, it impacts entire industries and categories - each in a different way.

In Section 4, we explore how social technologies impact the value-generating activities of the firm, also known as the traditional value chain. We evaluate specific functions, including innovation, finance, design, and marketing.

We conclude in this section that there is breakdown in the traditional value chain. Social technologies now put customers at the heart of every step in the chain. In the extreme, this leads to a reconfiguration of the entire value chain.

In Section 5, we will show how the new social behaviors drive a new model of building brand equity, sales, and loyalty.

This section explores social processes along the new Social Currency Wheel, an alternative to the traditional brand funnel or customer decision journey. For the first time, to our knowledge, our work evaluates the impact of social behaviors of customers on social currency and three outcomes: consideration, purchase, and loyalty.

We hope this report contributes to a deeper understanding and better knowledge of the opportunities for businesses and brands. Vivaldi Partners Group's global organization is ready to help you and work with you to jointly navigate your way into the exciting future that lies ahead.

We are still at the early stages of these significant changes. As Mary Meeker, a Partner of Kleiner, Perkins, Caufield and Byers, remarked in her recent "State of the Internet" report:

"The magnitude of the upcoming change will be stunning - we are still in Spring training"



Erich Joachimsthaler
@ejoachimsthaler

Acknowledgements

There is no easy way to acknowledge everyone who has contributed to this report. We are lucky to be a part of a community of over 80 extremely talented and smart consultants, strategists, designers, digital and social media experts at Vivaldi Partners Group.

So many have helped along the way, from conceptualizing our company's thinking about brands, business, and social media and digital strategy, to executing the research and surveys, to designing and producing the final report.

This report benefited from the experiences and insights of all the partners and consulting staff at Vivaldi Partners. They helped draw out the insights in how to build brands in the digitally connected world, and how the new technologies shape industries and categories.

Our digital teams at Fifth Season worked diligently in collecting and analyzing hundreds of applications of social technologies and social media for brands. Their efforts in building the SC100+ site (www.vivaldipartners.com/vpsocialcurrency) have produced a powerful resource for understanding how brands are built today.

We would also like to thank our research partner, Respondi, who helped in designing and executing the surveys across three countries. Respondi has been an excellent partner in researching consumers' perceptions and social behaviors around brands.

Thank you!
The Vivaldi Partners Group Digital Team



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Introducing the Concept of Social Currency

Understanding Social Currency

Six Dimensions of Social Behavior

“In the long history of humankind (...) those who learned to collaborate and improvise most effectively have prevailed.”

CHARLES DARWIN /1809-1882/

2009

2010

We first launched the *Social Currency Study* at Vivaldi Partners Group

Our interest was to understand how consumers and customers relate to (or in the words of Charles Darwin: “collaborate and improvise” with) brands in the new digital and social world.

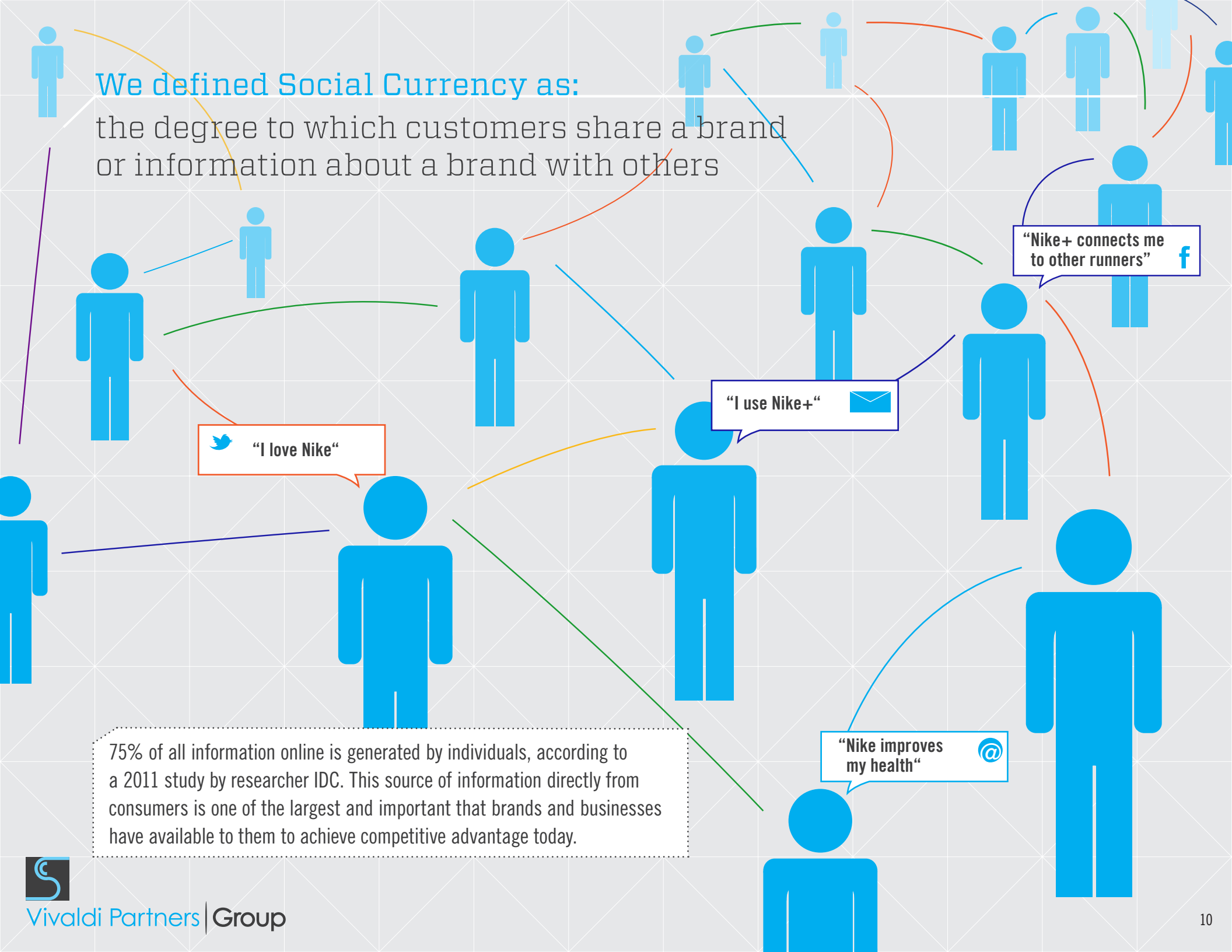
We felt that as social networks, social media, and technologies spread, the world of marketing and building of strong brands would change.

Hence, the need for the study.



We defined Social Currency as:

the degree to which customers share a brand or information about a brand with others



75% of all information online is generated by individuals, according to a 2011 study by researcher IDC. This source of information directly from consumers is one of the largest and important that brands and businesses have available to them to achieve competitive advantage today.



Six Dimensions of Social Currency, the “Social Sixes“

Through a study with thousands of customers, we identified six types of social behaviors of customers that underlie Social Currency

C O N V E R S A T I O N
I N F O R M A T I O N
A D V O C A C Y
I D E N T I T Y
A F F I L I A T I O N
U T I L I T Y

Defining the Six Social Behaviors that Drive Social Currency



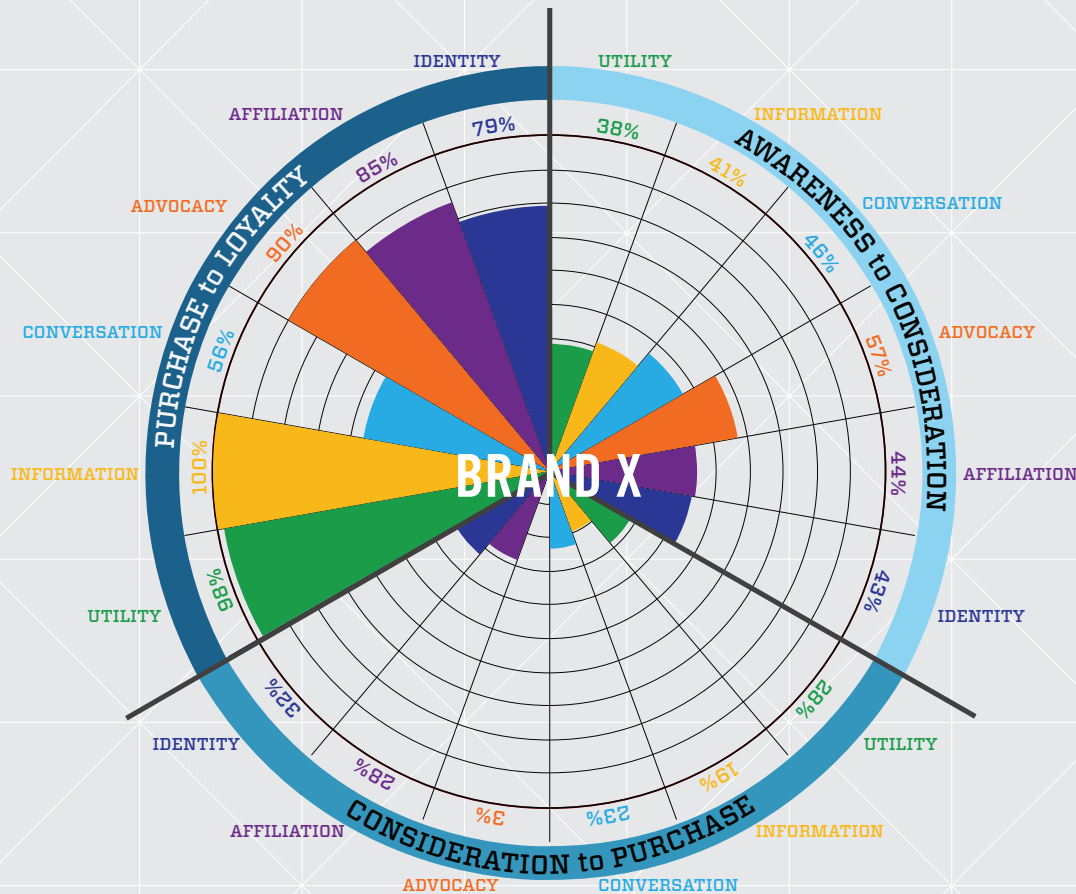
For illustrative measures of these behaviors, please see the Appendix section



Assessing the impact of Social Currency

At the **customer relationship level**, we look at the impact of Social Currency on three contingencies: **Consideration, Purchase, and Loyalty**

SOCIAL CURRENCY WHEEL



The SC Wheel assumes that customers follow very different paths towards Consideration, Purchase and Loyalty. These paths are influenced by the six social behaviors.

For example, a customer might convert from merely knowing about a brand to considering the brand among a set of alternatives because he or she hears others advocating for the brand (see Advocacy at 57%).

The six social behaviors explain how customers convert from one spoke of the wheel to the next spoke (or contingency).

In order to facilitate the interpretation of the results across brands, categories, and industries, we scaled the Social Currency dimensions and assigned the highest value to 100. This allows the evaluation of the impact of Social Currency on Consideration, Purchase, and Loyalty for a brand in a given industry or category.

In this illustration, Brand X's social initiatives primarily drive the third spoke, Purchase to Loyalty conversion.

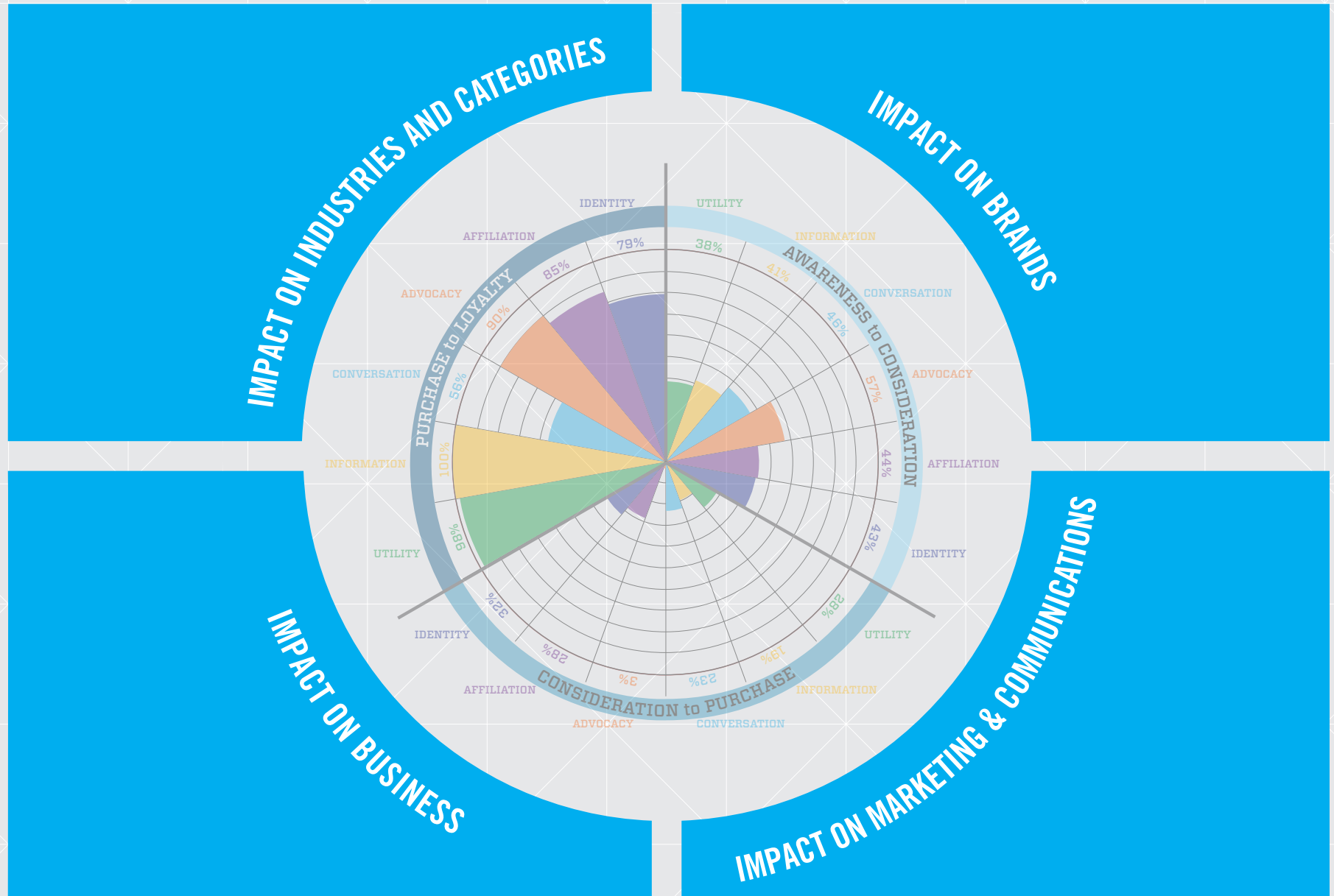
The social behaviors that influence the conversions are Information (100%), Utility (98%), Advocacy (90%), and Affiliation (85%).

We will further elaborate and explain the SC Wheel in Section 4, page 55.



Assessing the Impact of Social Currency

From a **broader perspective**, we look at the response and impact of Social Currency on **Brands, Businesses, Industries & Categories**, and **Marketing & Communications**



The Social Sixes are enabled through numerous social technologies and applications deployed by brands and businesses:

UTILITY

Illustrative Examples:

- **Burberry** makes videos of runways shoppable, inviting fans to order items from the new collections even before the fashion shows finish.
- **The Gap** worked with Groupon on a deal: \$25 for \$50 off at Gap. Over 441,000 coupons sold, giving existing or potential customers the benefit of group purchasing.
- **Nike FuelBand** gives consumers a way to measure physical activity throughout the day. It motivates users by awarding points and helps people live by the numbers.

INFORMATION

- **Fab.com** provides members with information from their social networks to help in making online purchases.
- **Sanofi Aventis' iBGStar** mobile app provides diabetics with information to analyze their glucose patterns over time and track eating and other activities.
- **Best Buy's Twelpforce** turned Best Buy employees into customer service agents over social channels.

CONVERSATION

- **Old Spice** creates conversations with Isaiah Mustafa's videos on YouTube.
- **Coca-Cola** changed from its emphasis on "Creative Excellence" to "Content Excellence." It asks consumers to engage in "dynamic story telling" that is relevant to its business, brand, or customer interests.
- **American Express Small Business Saturday** launched an initiative and engaged 103 million Americans in receiving \$25 dollars when spending \$25 dollars at a small business.



ADVOCACY

Illustrative Examples:

- **Audi A8** targeted design, luxury, technology, and automotive influencers, identified through Klout, and invited them to test drive. The influencers spread word to their large audiences.
- **Cree LED Lighting Revolution** launched a YouTube campaign of short videos that show success stories of people converting to LED lighting and also leverages efforts on Twitter and Facebook.
- **AON**, a corporate risk and insurance company, uses net promoter scores (NPS) to identify (positive) influencers, engages them in providing testimonials and case studies, and uses this customer-generated content across a wide range of social channels.

AFFILIATION

- **Sermo** is the largest online community exclusive to physicians. It facilitates collaboration among 125,000 licensed physicians.
- **Philips** Innovation in Light community on LinkedIn is one of the largest B2B networks delivering community benefits to members (chats, information, connection, etc).
- **Bombardier** crowd-sourced design ideas through the YouRail contest. It created over 60,000 visitors, countless page impressions, and over 5,000 ideas.

IDENTITY

- **Coach** uses Instagram to communicate its core values of classy, trendy, and luxurious. Detailed images translate these values into product design.
- **Levi's Girl** created identity-building hype by asking female consumers to create a video about themselves and advocate why they manifest the brand.
- **Louis Vuitton** invited consumers to check-in at their new store on Bond Street in London via Foursquare.



Underlying the Six Dimensions of Social Currency is a well-known shift towards the new customer environment of today



OLD

- **Uninvolved**
- **Gullible**
- **Trusting**
- **Ignorant**
- **Passive**
- **Obedient**
- **Uninformed**
- **Subservient**
- **Targeted**

NEW

- **Smart**
- **Discernible**
- **Questioning**
- **In control**
- **Vocal**
- **Informed**
- **Self-reliant**
- **Media savvy**
- **Empowered**
- **Connected**



Vivaldi Partners Group conducted three new studies over the course of the last six months

1

How do the new social technologies impact the behaviors of people around brands and businesses?

Global Consumer Survey



Respondents for each country
(no limits on gender or age):



5,000

Consumers

60+

Brands for each country

2

What are the best and most successful applications of social, digital, and mobile technologies that drive social currency?

Social Currency Initiatives



3

What motivates people to engage and disengage with brands and businesses on social networks?

U.S. Social Split-Up Study

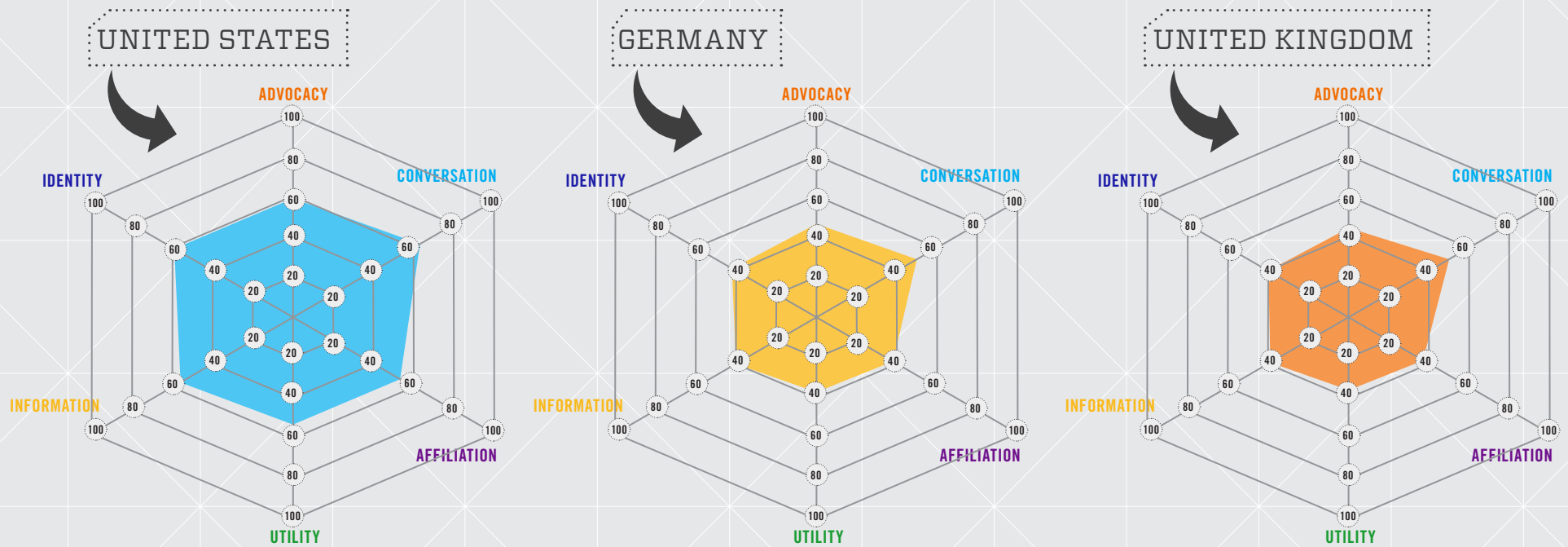
1,000

Consumers



Note: For the U.S. Social Split-Up Study, refer to our blog: <http://vivaldipartners.com/blog/>

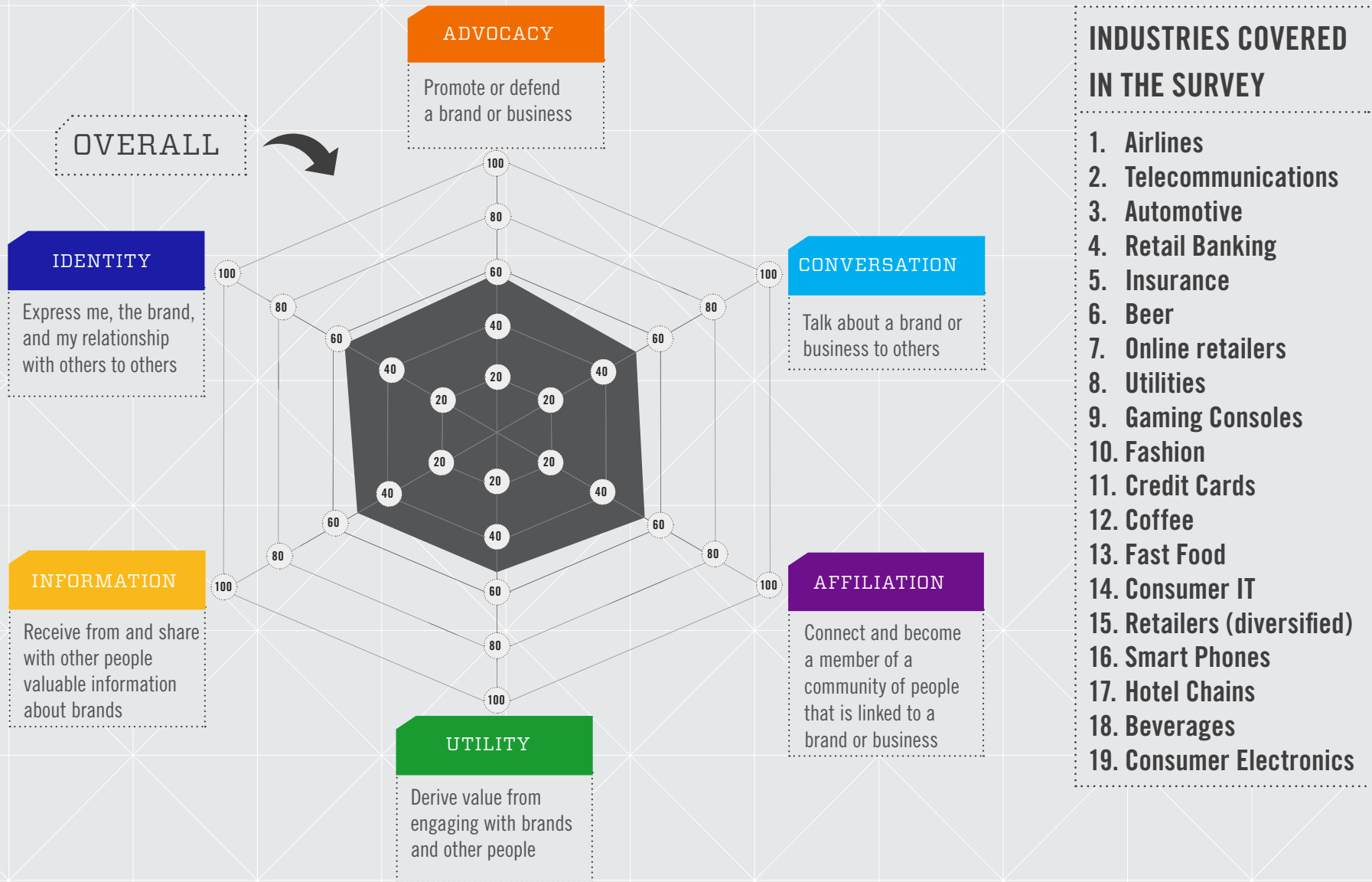
Results of the Global Consumer study across three countries



The survey shows that U.S. consumers engage in social behavior with brands more than U.K. or German consumers. Conversation, Advocacy, and Identity score over 60 percent on average. Information, Utility, and Affiliation are above 50%. In the U.K. and Germany, all values average below 60 percent. In the three countries, Conversation is the social behavior most frequently driving Social Currency, but it is striking how Social Currency has been generated through much more than just conversation: the other dimensions are also very important.

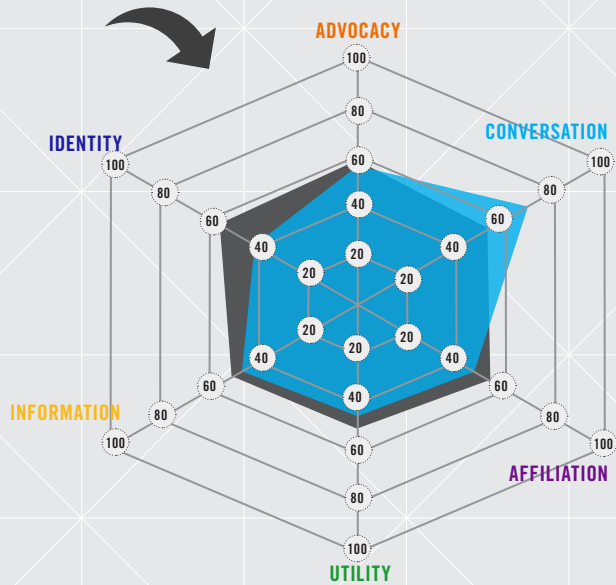
Note: Values are percentages, averaged over the survey items that measure each of the six dimensions of Social Currency

The scope of the Global Consumer study covers 19 industries



There are huge differences across industries and categories

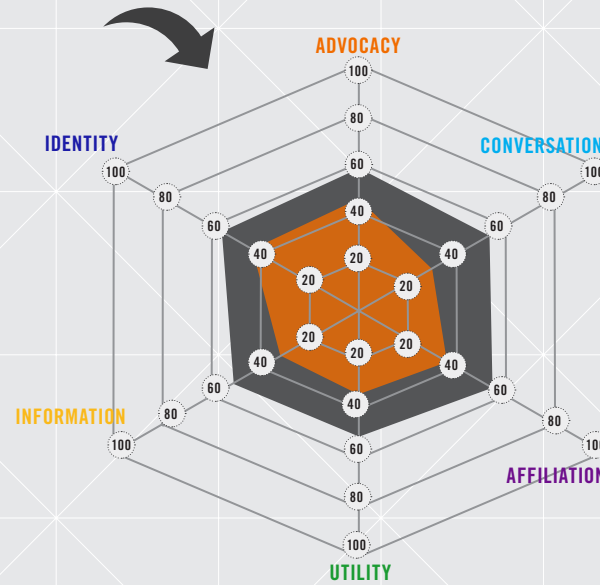
AUTOMOTIVE



COMMENT:

Unsurprisingly, automotive brands emphasize conversation and advocacy to create social currency. These typical top-of-funnel efforts are where most of the social media investment have apparently been allocated. As a high-involvement category, automotive brands could potentially lead far stronger leverage across social currency dimensions.

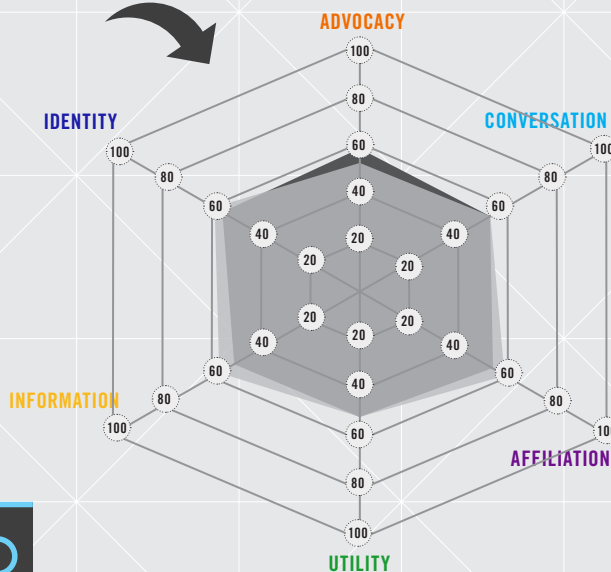
FASHION



COMMENT:

Fashion brands and businesses have generally underleveraged the potential of creating social currency. There are exceptions in this group (as discussed later in this report). The general reluctance of fashion brands is temporary, and new technology developments will significantly increase the opportunities for this group in creating social currency.

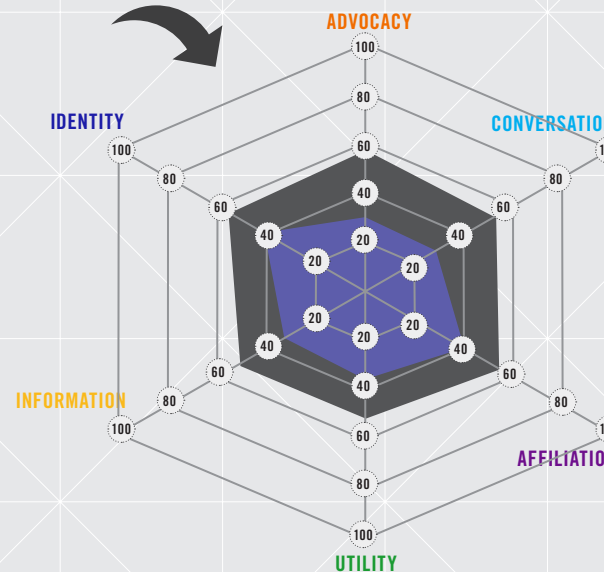
TELECOM



COMMENT:

Across all categories, this group of brands have leveraged social currency opportunities well. Consumers clearly understand Telecom as not only services, but also to include devices like smartphones. Our results suggest that as a group, there is participation in social media and technology applications but no outstanding-performing brands that lead the telco category in creating a new model of connecting with customers or of building brand equity.

INSURANCE



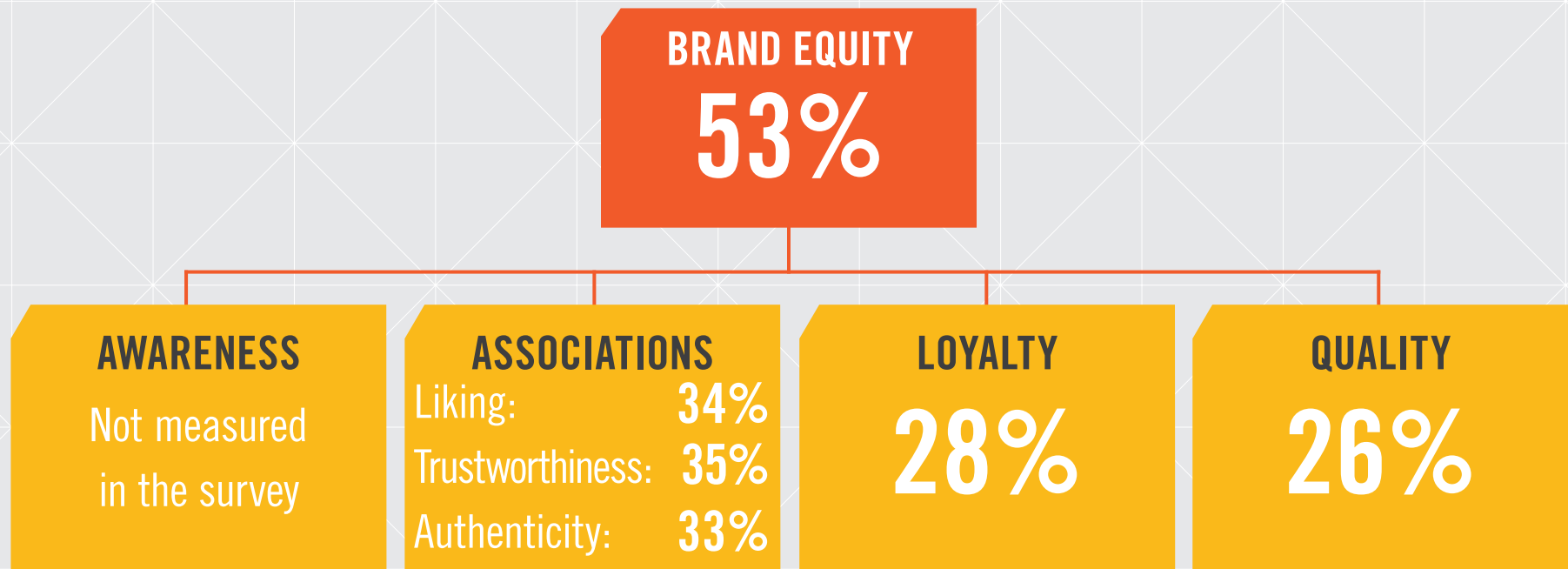
COMMENT:

Insurance brands and businesses are low on social currency, similar to fashion brands, but for different reasons. Insurance is generally a low-involvement category relative to fashion and hence are typically less engaging. However, we see significant opportunity to increase Utility and Information dimensions. For example, other customers are trustworthy sources of financial information and hence there is contribution that social media and technologies can make in insurance and similar categories as well.



Impact of Social Currency on Brand Equity

The study shows that Social Currency has significant impact on brand equity



Brand Equity, as conceptualized by Vivaldi Partners' brand model and as measured by the price premium consumers are willing to pay, is strongly influenced by Social Currency (53%). Social Currency also drives key brand associations, including liking, trustworthiness, authenticity, loyalty (28%) and quality perceptions (26%).

Note: Values are squared correlations multiplied by 100, meaning that values describe the proportion of variance in common between two variables. Read as follows: 53% of the variation in brand equity and Social Currency is common, or 53% of the variance in brand equity can be explained by Social Currency.

Results from Analyzing the Social Currency Initiatives in the SC 100+

Our research into the best practices of brands and businesses in applying these new technologies that drive Social Currency shows primarily three applications:



1

**AMPLIFYING
ADVERTISING
CAMPAIGNS**

Example:

Encouraging people to “like” a brand or business on Facebook or building a base of Twitter followers

2

**CREATING
CONVERSATIONS**

Motivating existing customers with product expertise to support a firm’s customer service

3

**BUILDING COM-
MUNITIES**

Building and maintaining an influencer community for a brand or business to support amplification of conversations

Our Conclusions:

The new social and digital technologies have changed and will continue to change customer behavior profoundly. Today, all customer behavior is social. The main changes are:

- 1 There is a new emerging paradigm of how to do business and how to build strong brands. We call this paradigm the Social Currency Paradigm and we explore its fundamental premises in the next section.
- 2 Our research shows that most social initiatives have initially focused on marketing, customer service, sales, and communication functions. While there are successes, we believe the impact of social technologies can be far greater by holistically and comprehensively looking at how a business' value-generating activities are changing, how categories evolve, and how industries configure. Social technologies change entire industries and categories – each in a different way.
- 3 We find that there is a breakdown in the traditional value chain. Social technologies now allow businesses and brands to put customers at the heart of every step in the chain. In the extreme, this leads to a reconfiguration of the entire value chain. We discuss these changes in more detail in Section 4.
- 4 We believe that businesses and brands must well understand the social processes that make customers share a brand or information about a brand with others – that is creating social currency. Social Currency drives consideration, purchase, and loyalty. Section 5 will provide more detail on a brand by brand comparison.

The NEW Social Currency Paradigm of Building Strong Brands and Businesses

“If you don’t like change,
you’re going to like irrelevance even less.”

GENERAL ERIC SHINSEKI,
U.S. ARMY, CHIEF OF STAFF

Most firms today approach their business from one of two inside-out paradigms

One is the **Product-Benefit Perspective**:

**HOW
DIFFERENTIATED
THE OFFERING IS**

PRODUCT - BENEFIT PERSPECTIVE

- **Technology Innovation**
- **New Products**
- **New Applications**
- **Disruptive Innovation**
- **New Technologies**
- **New Product Development**
- **Brand Extension**
- **Design Innovation**

Companies apply these approaches in search of differentiation



Another is the **Consumer-Needs Perspective**:

**HOW RELEVANT
THE OFFERING IS**

CONSUMER-NEEDS PERSPECTIVE

- **Consumer Orientation**
- **Segmentation**
- **Customer Delight**
- **Trading Up/ Trading Down**
- **Ethnography, Market Research**
- **Customer Satisfaction**
- **Customer Centricity**
- **Voice of the Customer**

Companies apply these approaches in search of relevance



We believe these two traditional perspectives are limited in today's digitally connected world, because they are based on assumptions that today are merely half-truths

- 1 Executives view the customer from the inside-out, from the confines of a company's existing capabilities and product offerings, ignoring the more important social processes among consumers or customers
- 2 Customers are viewed as targets to be managed, controlled, and messaged to with communications that interrupt and seek customers' attention
- 3 Executives see the company as owning the customer and managing the relationship, assuming that the most important connection is between themselves and customers
- 4 Marketing's job is to get attention from customers, sales is in charge of getting or acquiring customers, and customer service is in charge of retaining customers
- 5 Customers are the receivers of a product or service that comes out at the end of the company-optimized value chain and supply chain processes



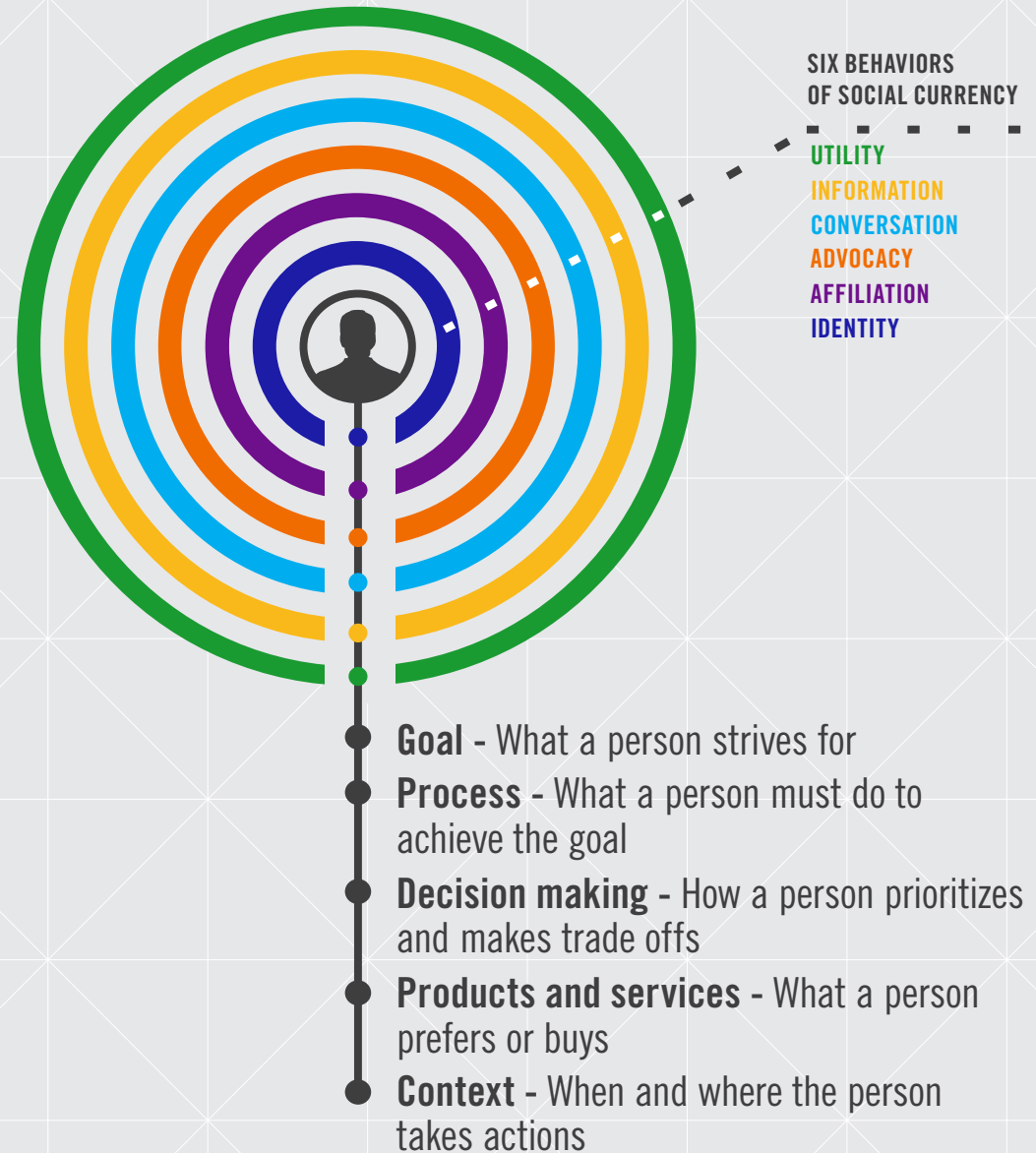
We believe companies need to adopt a new perspective and mindset!

What if companies see the world from the outside-in, from the perspective of the **customers' social context** and **goals**, including **social behaviors** and **processes**?

SOCIAL CURRENCY PERSPECTIVE

What if companies focus not just on satisfying needs, but on improving people's lives:

- By helping achieve people's **goals**
- By improving **processes** and **activities**
- Making it easier to **make decisions**
- Through **products** and **services**, or anything that really matters
- In the **context** of their daily lives or work-flow processes



Case Study:

What if we solve the problems, challenges, frustrations, and points of pain for customers?

Deeply Understanding the Goals People Seek to Achieve - An Illustrative Example

DAILY LIFE EPISODES:

AUGUST						
1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

8am - 8:45am	Episode 1
9am - 10:15am	Episode 2
10:15am - 11am	Episode 3
11:30am - 12pm	Episode 4
12pm - 13:30pm	Episode 5

How Dr. Rahim R. Treats Patients and Seeks New Medical Knowledge

“I was seeing a patient of mine with a nephrotic syndrome who, in addition to rheumatoid arthritis also had a new agent called Humira. **I was planning to biopsy her and so wanted to find out more. I Googled Humira and nephrotic syndrome** and found out that Humira is known to cause kidney problems and that there are a few case reports out there. I used Google because **it’s quick, cheap, and dirty.** You can put in “nephrotic syndrome Humira” and you’ll get a bunch of links and you say, “Okay, there’s stuff here. I’ll go to Medline” to read the articles. It might say in the link what journal it is or the authors, which **makes you feel that these are reliable papers. In fact, I recognized one of the authors of the papers.** It was also useful because I couldn’t remember the mechanism of Humira, which type of blocker it was, and so I found that it was a TNF blocker. When **I went to Medline to look it up further, I could go straight to TNF blocker.** And so that helped me **discuss with the rheumatologist** that we needed a kidney biopsy, this could be toxicity from the medication that they were using. It turned out it wasn’t from the medication, but still - **it was very interesting.**”

- Prepare for an upcoming appointment
- To be confident in my decisions
- To make the best use of my time
- Reliability of information
- Known authors
- Saving for later
- Feel successful
- Feel knowledgeable - learned something

BEHAVIORAL ACTIVITIES

UNSPOKEN GOALS

NEEDS

Imagine we knew all episodes of goal achievement from several hundreds of doctors like Dr. Rahim R.: how they treat patients and how they search for, learn, and use new medical knowledge.

We could then harness the power of social networks, and the new social mobile and digital technologies to:

- Define innovative solutions for doctors
- Invent entirely new strategies and ways to help doctors
- Build brands that truly differentiate
- Create entirely new businesses

Tools to track episodes of customers’ daily lives exist today using various mobile platforms. Vivaldi Partners Group Lifetracker is one example. Others include Real-Time Experience Tracking (RET) and the Day Reconstruction Method (DRM).



A Social Currency Perspective changes the role of businesses and brands in creating value to customers

INSIDE-OUT PARADIGMS

PRODUCT-BENEFIT PERSPECTIVE

CUSTOMER-NEEDS PERSPECTIVE

OUTSIDE-IN PARADIGM

SOCIAL CURRENCY PERSPECTIVE

Role of Social Media and Social Technologies

LIMITED ROLE:

- 1 **AMPLIFYING ADVERTISING CAMPAIGNS**
- 2 **CREATING CONVERSATIONS**
- 3 **BUILDING COMMUNITIES**

MAJOR ROLE:



Social currency provides a new perspective on how to build brands and grow and evolve businesses



It views customers as in control of their relationship with brands or businesses



It views the customer from the outside-in, from the context of daily life or work life, and the goals, processes, and decisions that people make



It views customers as enabled and empowered by the new social, digital, and mobile technologies



It solves for “What Really Matters” to people and not just what matters to companies and brands

In the following sections, we explore the challenges and issues in adopting this radically new mindset - the Social Currency perspective - to build strong brands and businesses



Impact of Social Currency: Different Across Industries and Categories

Health care

Sportswear

Media

“The greatest danger in times of turbulence
is not the turbulence; it is to act with yesterday’s logic.”

PETER DRUCKER /1909-2005/

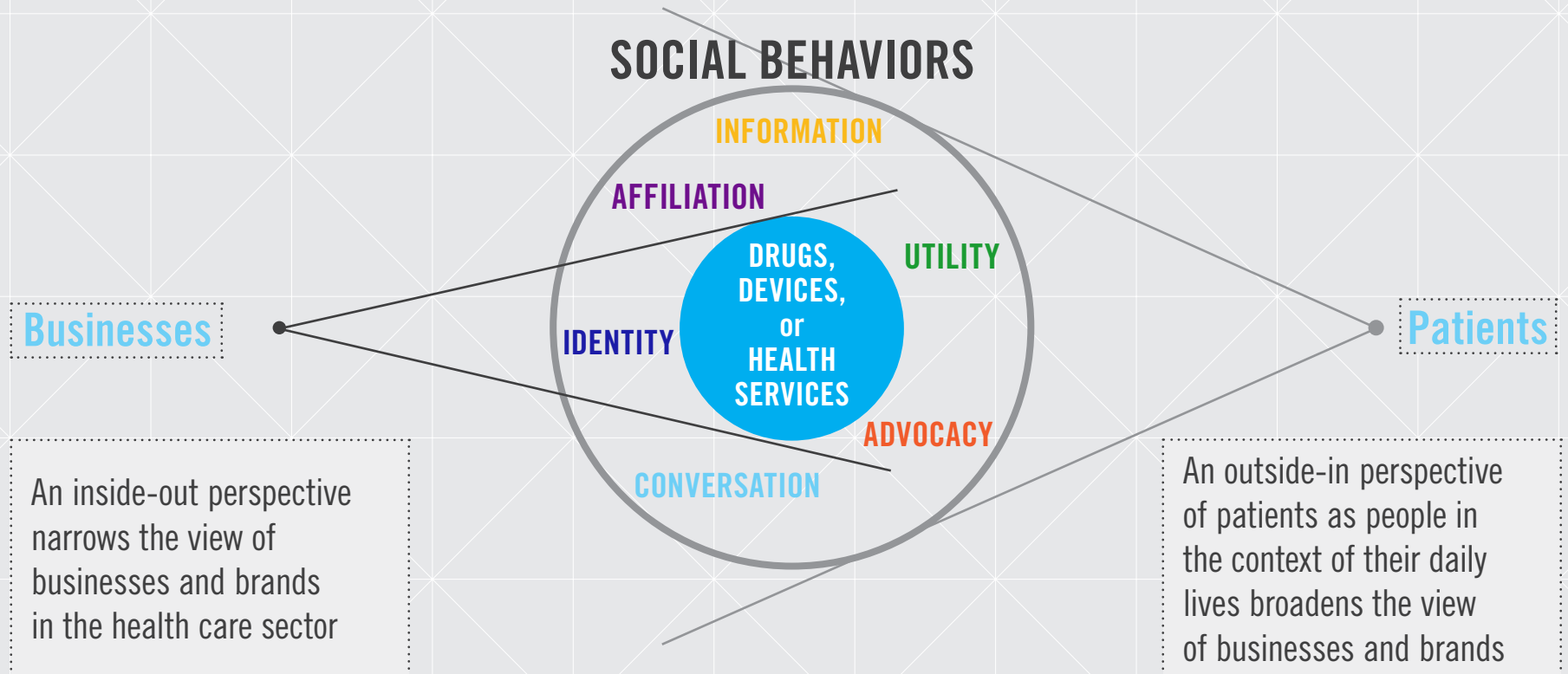
Social behaviors affect all industries with the new outside-in logic and the impact of new technologies. I.e., health care:

From: **INSIDE-OUT**

Selling as many drugs as you can, as efficiently as possible (pharma), or getting acute patients faster through the hospital

To: **OUTSIDE-IN**

Improving health care outcomes and changing how patients interact with the system of providers, payers, and other health care professionals



SANOFI-AVENTIS aspires to become the world leader in diabetes treatment by helping to improve the lives of people living with diabetes

INSIGHT:

- Expansion beyond the narrow cycle of care to encompass patients' daily lives
- Holistic approach to patient care and disease management
- Collaboration and co-creation of innovation

SANOFI-AVENTIS enables the daily life activities & goals of patients:

Websites

The DX - an information source about life with diabetes

Diabetapedia - an encyclopedia on diabetes

Lantus Connection - a web portal with support, information, and advice; exclusively for Lantus users

Apps

iBG Star - an innovative blood glucose meter launched in May 2012

Go Meals - an iPhone nutritional guide, restaurant finder, and intake tracker

Amplification

DOC Friends - profiling blogs about diabetes-related connections

Nominate a Volunteer - awards contest for outstanding volunteers

DiabetesMine™ Patient Voices - short video contest on biggest challenges in diabetes care

RESULTS:

Facebook:

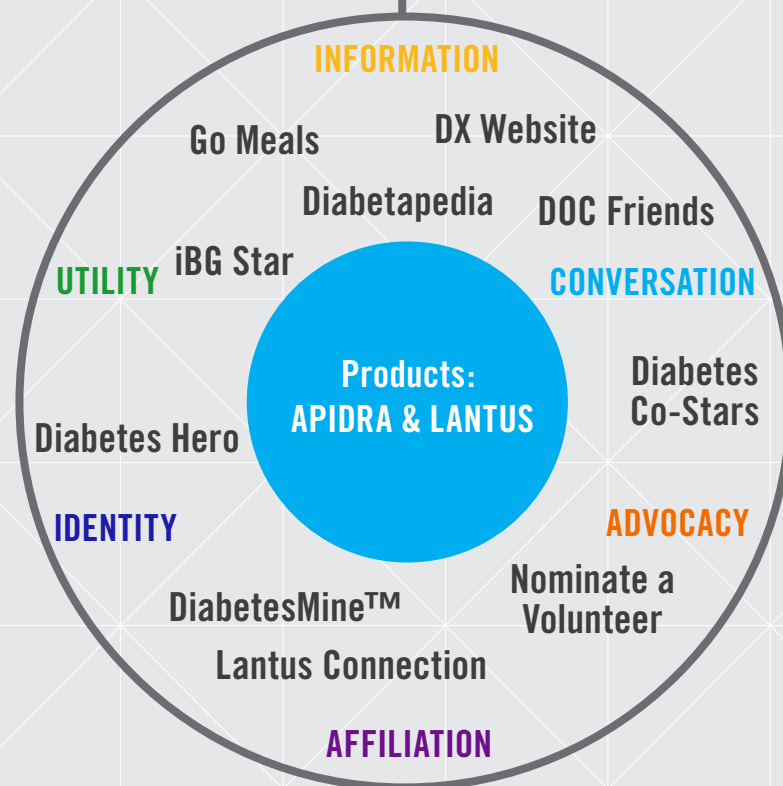
Sanofi US ≈ 2,000 likes

Sanofi US Diabetes ≈ 4,000 likes

Twitter:

Sanofi US ≈ 5,250 followers

Diabetes Sanofi ≈ 4,300 followers



OUR SOCIAL CURRENCY VERDICT:



75%
util

100%
info

75%
conv

50%
adv

25%
affi

50%
iden

Or take the sportswear category as it evolves towards health and lifestyle

From

Applying technology to enhance athletes' performance through better materials, cushioning or fabrics

To

Using new technologies to motivate people to achieve their daily goals and enable activities



NIKE+:

Helping to achieve fitness/health goals by living by the numbers

INSIGHT:

- Helping people set daily goals and measure achievement, beyond enhancing sports performance
- Offering socially-enabled services to motivate people to stick with the process
- Leveraging a major consumer trend - The Quantified Self - to achieve people's goals, enhance processes & decisions, and offer products & services

NIKE+

Description:

shoes communicate with an iPod Nano through a small oval pod inserted under the shoe liner

Features:

after the run, upload distance covered, pace, and calories burned to Nike+ website for review



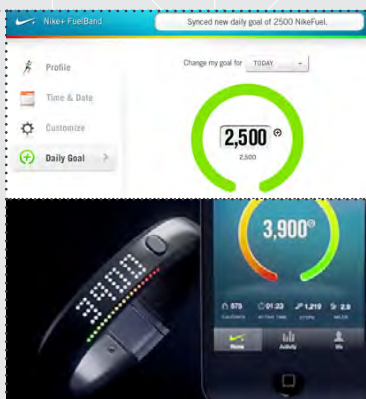
NIKE+ FUEL BAND

Description:

wristband that tracks every move and translates it into NikeFuel, a count of all daily activities

Features:

set daily "activity" goals and see progress on the band or compete/compare with others



RESULTS:

Facebook:

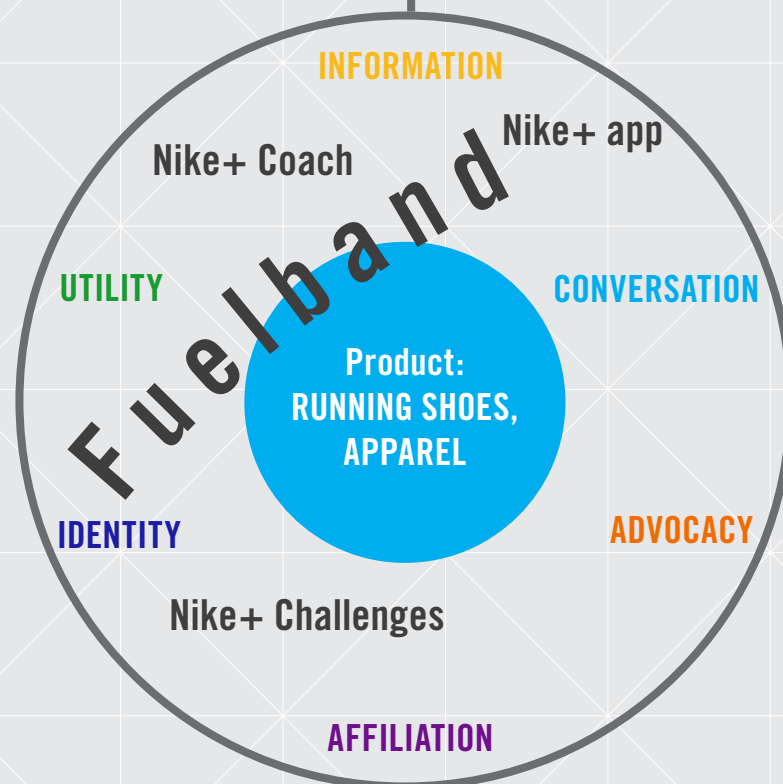
Nike ≈ 10,500,000 likes
 Nike Running ≈ 1,200,000 likes
 Nike+ Fuelband ≈ 30,000 likes

Twitter:

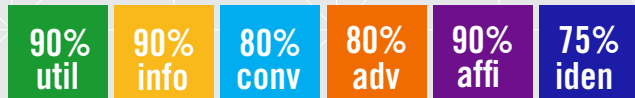
Nike ≈ 650,000 followers
 Nike Running ≈ 107,000 followers
 Nike Fuel ≈ 80,000 followers

Instagram:

Nike ≈ 425,000 followers



OUR SOCIAL CURRENCY VERDICT:



The evolving media environment illustrates how industries are affected by the new social technologies

Adapted from Imran Kahn's Perspective on the Evolving Media Environment

ERA	Before the Web	Early Web	2000s Web	Social Web
EXAMPLE	Newspaper	Portal Site	Search Site	Social Site
CURATOR	Editor	Editor	Consumer	Consumer's Social Graph
FRAGMENTATION	Minimal	Limited	Growing	Multiplying
SOCIAL CURRENCY	Information	Information Utility	Information Utility Conversation Advocacy Identity	Information Utility Conversation Advocacy Identity Affiliation

Each evolution of the web has changed the way people find, discover, or learn about information such as, for example, news. This has created an increasingly fragmented web that gives control to consumers or customers.

For additional examples of our research, consider:

All examples can be found on vivaldipartners.com/vpsocialcurrency



iTunes U



Fab.com



Square



Skype



Dropbox



WIKIPEDIA
The Free Encyclopedia

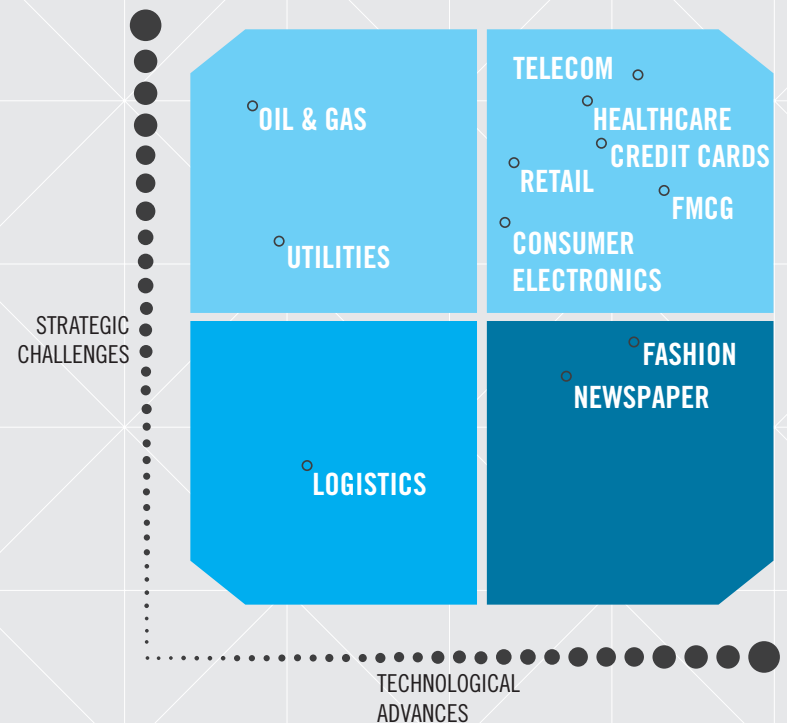
Wikipedia



Our Conclusions:

- 1 The new social technologies have a profound impact on the evolution of industries and categories. Examples such as Sanofi-Aventis or Nike show that the changes will be far more aligned along the delivery of customer needs or wants that are driven with the goals, processes, and decisions that matter to people.
- 2 Barriers to enter industries and categories blur. Nike can quite possibly become a competitor in the health care space. Square provides an alternative in the payments industry that is currently dominated by the payment networks such as VISA and MasterCard or the credit card firm American Express. This illustrates how competition grows among incumbents, and between incumbents and non-traditional players.
- 3 New clusters of competitors will emerge through collaboration and partnership as businesses and brands align their strategies along customers' goals, processes, and decision-making. Skype, for example, becomes an integrated desktop solution in use with Microsoft Office, and Nokia or Samsung smart phones are powered by Microsoft Windows mobile operating system. This provides a competing solution cluster to the Apple ecosystem. There will be new enabled services, products, and innovations that will result in more comprehensive brand portfolios that are connected to provide seamless customer experiences across all possible touch points.

SOCIAL IMPACT EVALUATION MATRIX



Breaking Down the Traditional Value Chain

Burberry

Glaceau's Vitamin Water

Bombardier

Pebble

“Insanity: doing the same thing over
and over again and expecting different results.”

ALBERT EINSTEIN / 1879-1955/

While Zara has found retail success by optimizing the traditional value chain ...

Traditional Value Chain



The value chain categorizes a firm into a linear, sequentially executed, logically aligned set of value-generating activities with the objective of capturing superior value to customers

In the best case, the traditional value chain treats customers as bystanders of the set of value-generating activities. In the worst case scenario, it treats customers as recipients of its output and ignores the important social behaviors and processes among people.

Zara: Success With Optimized Value Chain

Zara has become one of the most successful fashion retailers with 2011 revenues of Euro 13.8 billion by relentlessly optimizing the traditional value chain. Zara takes just four weeks to turn an idea into merchandise, and items spend two weeks on store shelves. Technically, this makes Zara one of the fastest retailers.

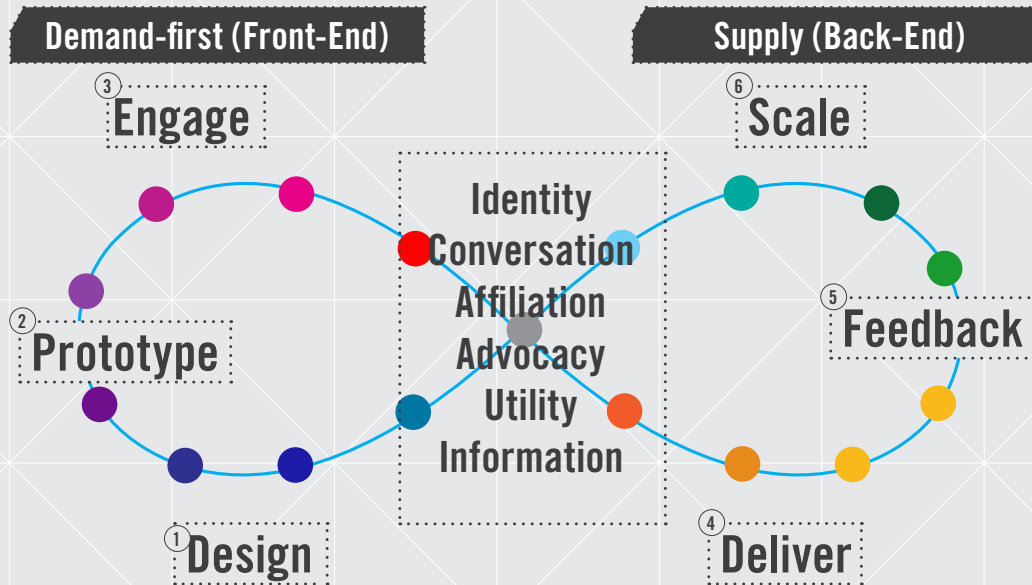
The company relies on business intelligence and analytics to manage inventory and product distribution based on consumer preferences. Zara has been the subject of numerous business school case studies on supply chain management.

But there are limits to the optimization of anything, even Zara's value chain. It is rather difficult for competitors to outperform Zara. However, history shows the difficulty of maintaining success. For example, DELL had enjoyed competitive advantage with its built-to-order model for many years. For a long time the PC industry was unable to copy it or improve on it. Today DELL faces major strategic challenges despite an optimized value chain because consumer preferences lean toward new devices, like tablets.

We believe the fashion industry is undergoing similar consumer preference changes. Fashion is one of the most social products that exists and social technologies will have a significant contribution toward building the future industry model. Burberry, a fashion house with smaller 2011 revenues of GBP 3.5 billion, leads the way toward this future, as shown in the next case study.

... Burberry breaks down the value chain and reconfigures its business to create a seamless experience

The New Demand-first Value Chain



While Burberry is still operating its back-end operations following the traditional value chain, there are indications that they are reconfiguring the front-end. We call this value chain the “Demand-first Value Chain” because it creates value in unique ways with a demand-driven front-end step first. Demand-first front-end involves consumers in an intensive, co-creation effort. The back end step scales the business using its traditional supply chain and technology infrastructure.

We believe this new value chain reconfiguration is possible today because of the enabling social behaviors of consumers through new social technologies. Demand-first front-end steps, like the use of competitions to crowd-source ideas, are common practice today. How Burberry drives toward the New Demand-first Value Chain creates success in building a unified “feeling” and emotional connection for the Burberry brand anywhere around the world.



Some examples of social initiatives that are changing the value chain at Burberry:

Burberry: Changing the Game



RESULTS:

Burberry

Facebook ≈ 13,500,000 likes
Twitter ≈ 1,250,000 followers
Instagram ≈ 525,000 followers
Google+ (in) ≈ 1,425,000 circles
YouTube ≈ 41,000 subscribers
≈ 16,000,000 views

Zara

Facebook ≈ 14,600,000 likes
Twitter ≈ 90,000 followers
Instagram ≈ 4,500 followers
YouTube ≈ 6,000 subscribers
≈ 1,500,000 views

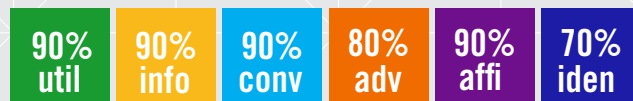
Burberry launched **TweetWalk**, a campaign to premiere its Spring/Summer 2012 collection on Twitter, moments before the models hit the runway, creating massive buzz on Twitter and creating Conversation and Information equities for Burberry.

As part of its **Runway to Reality** effort, it evolved the campaign to make the videos shoppable for the Fall/Winter collection.

As *Forbes* puts it: “Watch the video, click on the item you like, pick a size, add to cart, give your payment information and voila, you’ve shopped the video.” This new innovation creates Utility and Affiliation equities.

Burberry wins new Social Currency, grows the business intelligence of its fan base, and gets closer towards reinventing the traditional value chain. Designing, prototyping, engaging followers, and receiving payment even before spending for the costs of goods (fabrics, buttons, etc.) means the customer is financing the business. The consumer input in the front-end steps should minimize manufacturing, inventory, and logistics costs and create efficiencies beyond those that exist today.

OUR SOCIAL CURRENCY VERDICT:



Vitamin Water FlavorCreator Lab – Changing the Innovation Process

The Flavor Creator Lab



Glaceau shows how to engage passive consumers and make them active co-creators of new products

This design competition from Coca-Cola-owned Glaceau Vitamin Water illustrates how consumers can be integrated in a company's value-generating activities.

Three factors drive the success of Vitamin Water: flavor, vitamins, and packaging design. Glaceau invited fans to a design competition for all three activities.

The interactive and Facebook-integrated platform gave away just \$5,000 for the winning entry. The first ten flavors were selected based on the buzz-worthiness of the flavor, creating enormous Conversation and Information equities in the social sphere (Google, Twitter, Flickr, and Foodgawker).

Fans were then able to vote on the flavors shortlist and the vitamins. The competition also contained a series of interactive mini-games that allowed players to define the health benefits of the new product. This created Utility.

The final flavor (Connect - named after the Facebook Connect feature) made it to store shelves, and stayed there.

OUR SOCIAL CURRENCY VERDICT:



80%
util

60%
info

70%
conv

80%
adv

60%
affi

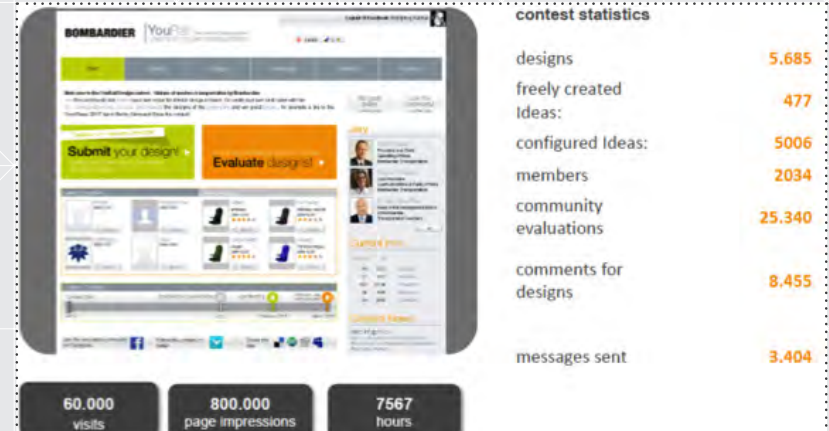
90%
iden

Bombardier - YouRail - Get Design Expertise for Free!

Hyve's Bombardier Design YouRail Contest



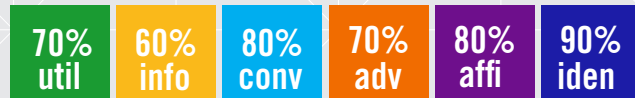
Integrating the customer seamlessly into the front-end of the new value chain process – from designing, to prototyping, to engaging of customers.



With the help of Hyve, an insights research firm, Bombardier crowd-sourced the front-end of the new value chain process from its customers. Consumers were invited to design interior designs for trains and judge the most popular ones. Over 5,000 designs were submitted and over 25,000 evaluations of these designs were made.

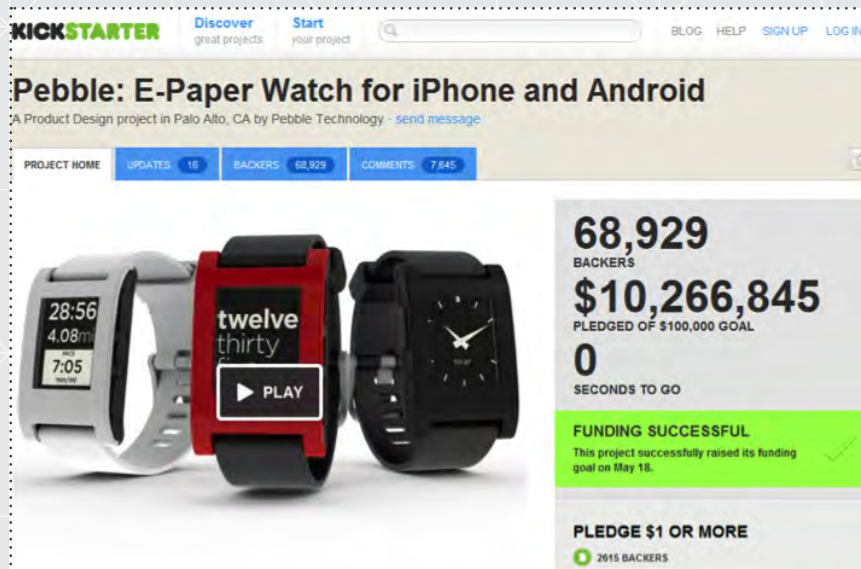
This effort helps Bombardier supercharge the fuzzy front-end of the innovation process and create enormous Social Currency in the form of Conversations (about 8,500 comments), Affiliation (about 2,000 members became part of the design community), and Advocacy (about 25,000 evaluations).

OUR SOCIAL CURRENCY VERDICT:



Pebble - Financing a Startup through Crowd-funding

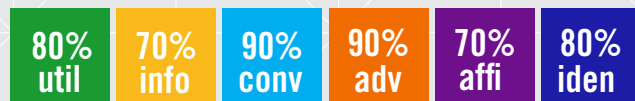
Pebble - E-Paper Watch for Smartphones



Pebble reversed the value chain process:

It created the prototype (Step 2) and sought financing from customers before committing to sourcing the materials, manufacturing, and distribution

OUR SOCIAL CURRENCY VERDICT:



RESULTS:

- ≈ \$10.3 Million Funded (\$100,000 planned)
- ≈ 70,000 Backers
- ≈ 85,000 orders
- ≈ 12,400 Twitter Followers
- ≈ 7,800 Kickstarter Blog Comments

Pebble Technologies Corp, a small California startup, wanted to raise \$100,000 on Kickstarter, a fund-raising site, for its \$115 “smart” wrist watch that connects to smart phones.

Within 28 hours, it raised \$1 million dollars, and today stands at over one hundred times more than its initial goal.

Regular updates keep visitors curious about the shipping date, development status, new features, and apps. This creates Conversations with others and Advocacy.

The jury is out on whether Pebble has financed a dream or a nightmare. While it needs to push forward to meet the (expected) delivery date of Q4 2012, it also finds itself in the unusual situation of having to manage 70,000 “investors” all needing or demanding the usual investor relations support.



For additional examples of our research, consider:

All examples can be found on vivaldipartners.com/vpsocialcurrency



My Starbucks Idea



Ben & Jerry's Flavor Contest



McAfee's Customer Service



Walmart Labs



Best Buy Twelpforce

Our Conclusions:

- 1** Social technologies provide opportunities to reshape the traditional value chain. Even the most efficient and highly optimized value chains can be usurped, as illustrated in the comparison of Zara and Burberry. While Burberry will not upend its existing business and value-chain activities altogether, it provides a brilliant example of the potential for deeply integrating the customer at every step, and reversing the linear logic of the traditional value chain.
- 2** Social technologies also can change, improve, and enhance specific value-chain activities. Vitamin Water showed how the product development process can be enhanced; Bombardier showed how to include customers in the design process and how to test and launch new products and services. McAfee shows how customer service can be delivered existing customers, and Best Buy's Twelp Force illustrates how employees can be engaged in customer service.
- 3** We believe that social technologies change the role of customers in the way a company does business and how brands are built. Customers evolve from passive bystanders to active participants.
- 4** Organizationally, the social technologies break down the functional silos that exist to perform the activities along the value chain due to the amount and intensity of customer co-creation taking place at every step.

Social Currency Wheel: the New Model to Drive Consideration, Purchase and Loyalty

Consideration, Purchase, and Loyalty

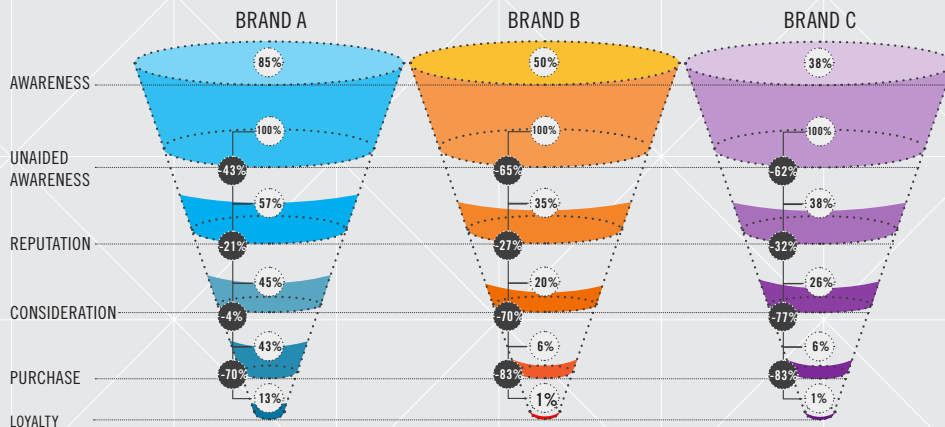
Coca-Cola Content 2020

American Express Small Business Saturday

Levi's

Brand and Model Evaluation - Traditional Approaches

A Typical Application - the Brand Funnel



For more than a century, marketers assumed that the response to marketing messages or sales pitches is linear, one-directional, and sequential. The assumptions are that consumers advance through stages (e.g., awareness, knowledge, consideration, preference, purchase, and loyalty). Response hierarchy models have been created to codify these assumptions. Marketers' jobs are to push consumers through the steps while they narrow down brands to a final choice.

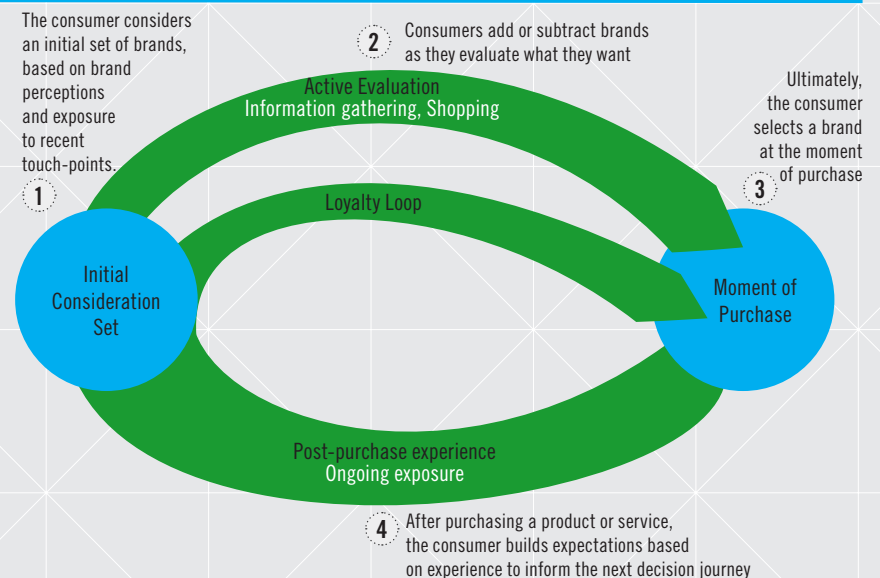
Strategic consulting firms such as McKinsey have popularized one such model and called it the brand funnel, and market research firms such as Allison Fisher call it the purchase funnel (see figure on the left).

The brand funnel assumes that consumers can be pushed through the steps of the funnel. The big question a marketer asks: what communication converts a consumer from one stage to the next?

The Consumer Decision Journey

Recently, the basic assumptions of these models and the logic of the funnel have been challenged numerous times. The arguments against the funnel are: consumers today are in charge and information no longer just flows from brands to consumers. Consumers are not just consumers of information, but also creators, and the stages are non-linear, unpredictable, and complex. A *Conference Executive Board* survey of 7,000 consumers showed that only one third of consumers exhibit purchase behavior consistent with the funnel.

Numerous alternatives to the funnel have been proposed in recent years. One popular model, known as the consumer decision journey, includes four stages: Consideration, Evaluation, Purchase/Buy, and Experience (see figure on the right).



The Impact of Social Currency on Brand Performance

Following these models, we conceptualize the response of customers to messages from marketers from a social influence perspective: the Awareness to Consideration conversion, the Consideration to Purchase conversion, and the Purchase to Loyalty conversion. The conversions to Consideration, Purchase, and Loyalty are the key spokes of the Social Currency Wheel.

The goal is to explain how customers' social processes and behaviors drive each of the conversions. Marketers can engage with customers during these social processes and behaviors, and influence the outcomes. From a marketer's perspective, the question is: what can we do to help customers achieve their goals, enhance their activities, and support their decisions through the six social behaviors that drive conversion?

A corollary question is: which of the six social behaviors is the most effective in achieving daily customer goals and business' objectives?

The Social Currency Wheel of Coca-Cola

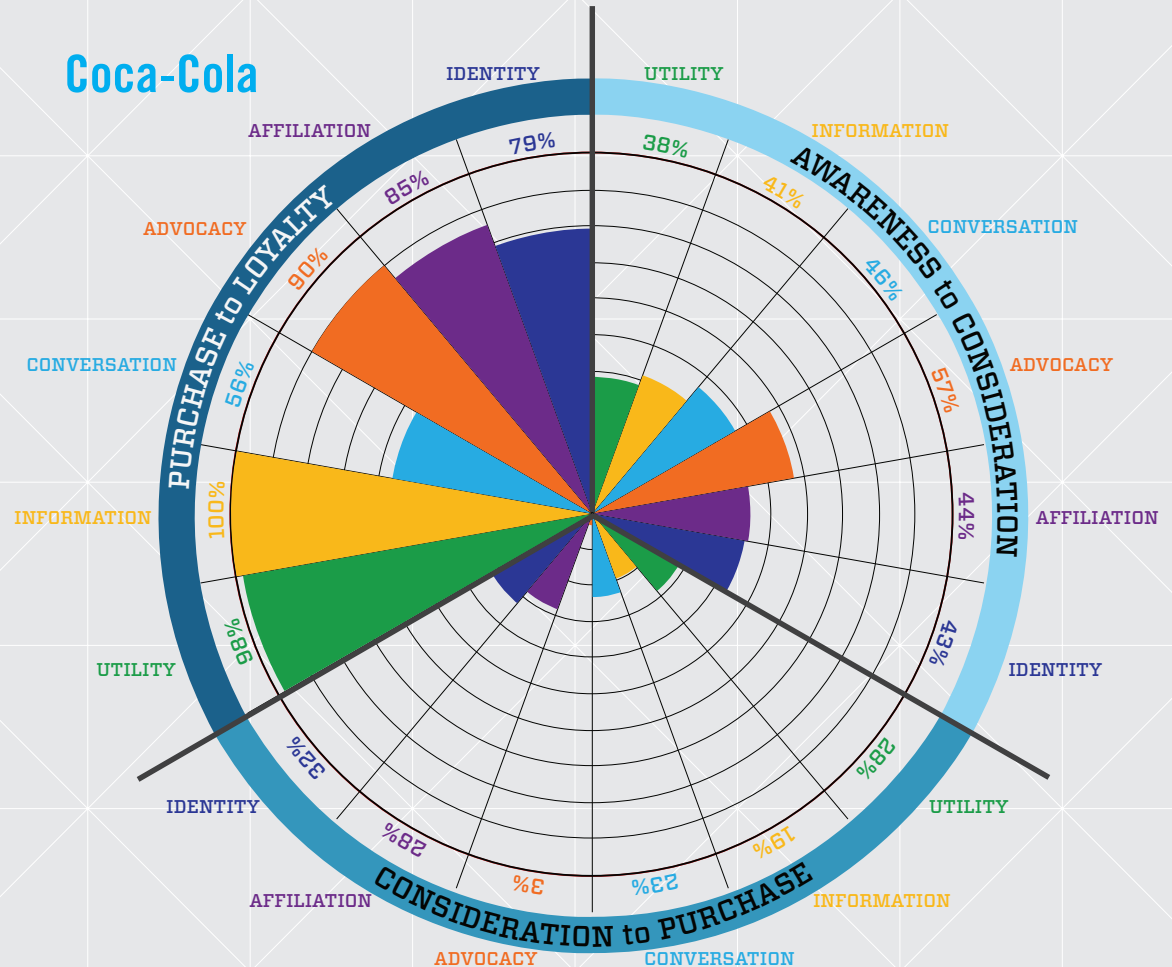
shows that the brand's social effort primarily drives conversion to loyalty and secondarily conversion to consideration. There is a significant opportunity for Coca-Cola to drive purchase conversion. The Coca-Cola Content 2020 social media initiatives clearly have an impact on our data and results. Content 2020 is a significant change of The Coca-Cola Company in terms of marketing and communications. As described by the company, the initiative seeks to change marketing from Control to Curation:

From Control:

Creative / static
One-way
Campaign-centric
Impressions

To Curation:

Liquid and linked content
Dynamic story telling
365 days conversations
Expressions



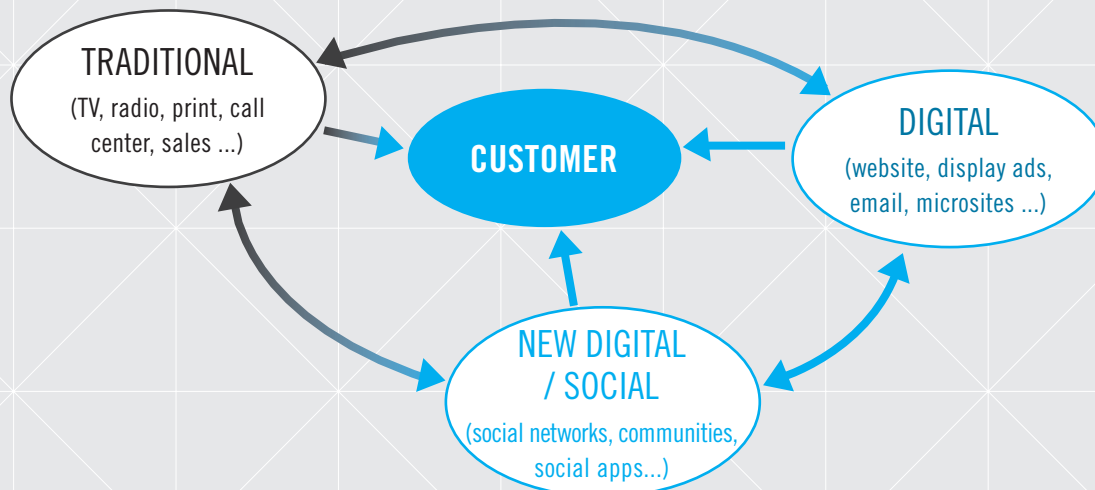
Coca-Cola: Engaging with your fans

Coca-Cola's Content 2020

Coca-Cola shifted its marketing from one-way communication of its creative ideas to a dynamic relationship with storytelling, linking of “liquid” content, and creations sourced from friends. As a result, Coca-Cola scores very high on the dimensions of Utility (98%) and Information (100%). This strategy works because, as the leader in the cola category, Coca-Cola relies on a large consumer fan base with high affinity to tap into. This drives its scores for Advocacy (90%), Affiliation (85%), and Identity (79%). It ultimately drives Purchase through Loyalty conversion, a critical business driver in the carbonated soft drinks category.



The Expanded Touch-Point Map



A key element of Coca-Cola’s social effort is to create “ideas” so compelling that fans will share it. Our research shows that Coca-Cola is hugely successful with this effort.

The Expanded Touch-Point Map

illustrates that. Coca-Cola’s initiatives clearly deliver beyond the traditional touch-points (paid media) and extend into digital touch-points, including new social channels that are not controlled by The Coca-Cola Company.

The success of Coca-Cola is due to its strategy and great execution. As early as 2008, the company committed to social media. It launched a successful campaign, Expedition 206, in early 2010 as part of the “Open Happiness” campaign. The Content 2020 marketing mandate is merely the next step in a long-standing ambitious effort. Coca-Cola systematically manages its efforts across the three parts of the Extended Touch-Point map. It has established organizational guidelines for the “uncontrollable” new digital/social touch point.

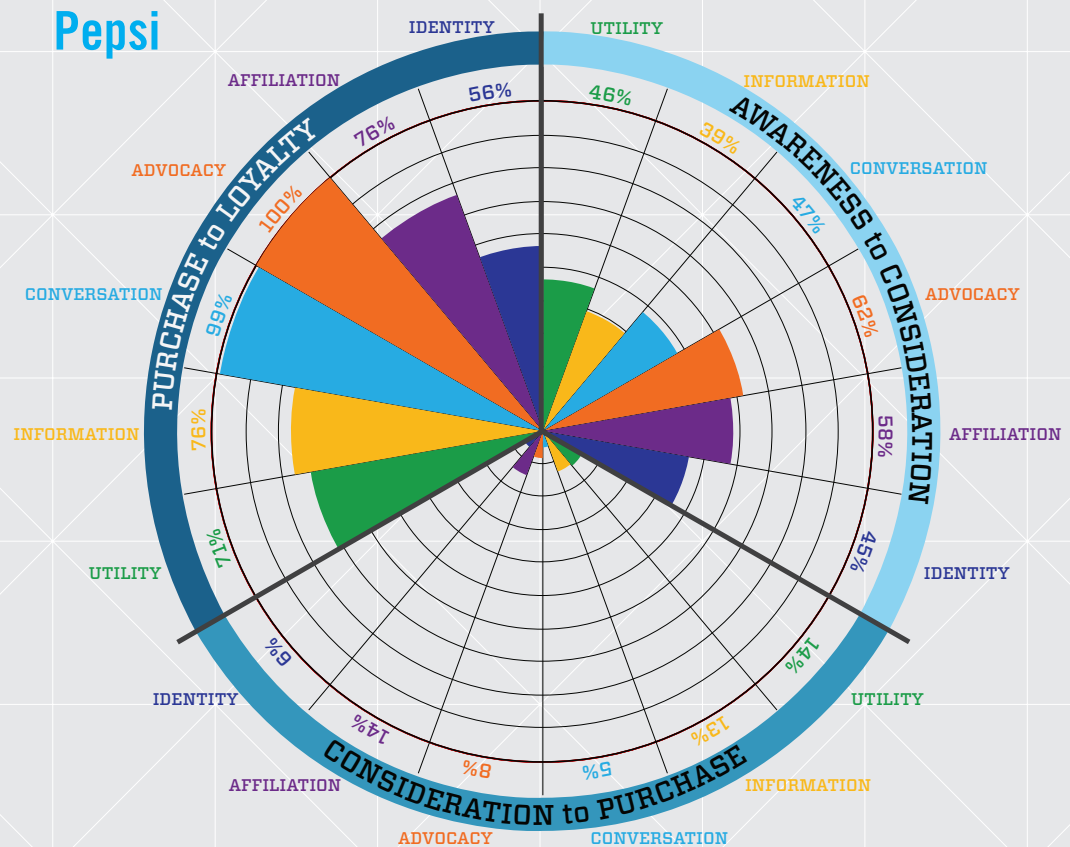
Pepsi: Using social engagement to drive Loyalty and Affinity

Pepsi is another large brand in the cola category, a category that is a low-involvement purchase, with relatively high preference formation. This means social initiatives rarely drive consideration or purchase conversions. As with Coca-Cola, social initiatives drive loyalty, but the drivers for loyalty are different for Pepsi, which generates higher levels of conversation (99%) and advocacy (100%).

There are many possible reasons for these differences. One potential reason is the Pepsi Refresh initiative that started in early 2010 and its continuation through 2011. The initiative involved awarding a total of \$20 million in grants to individuals, businesses, or non-profits that promoted a new idea that had positive impact on their community, state, or nation.

Pepsi Refresh drives conversation and advocacy. In the first year, Pepsi got over 60 million responses and funded various initiatives. We don't believe the "Live for Now" effort in 2012 could have affected our results yet.

A comparison of Coca-Cola versus Pepsi shows how the two cola brands have different strategies concerning social networks. Coca-Cola's strategy is far more social network-centric than Pepsi's, for example. This could explain the differences in our results.



Social Networks Comparison:

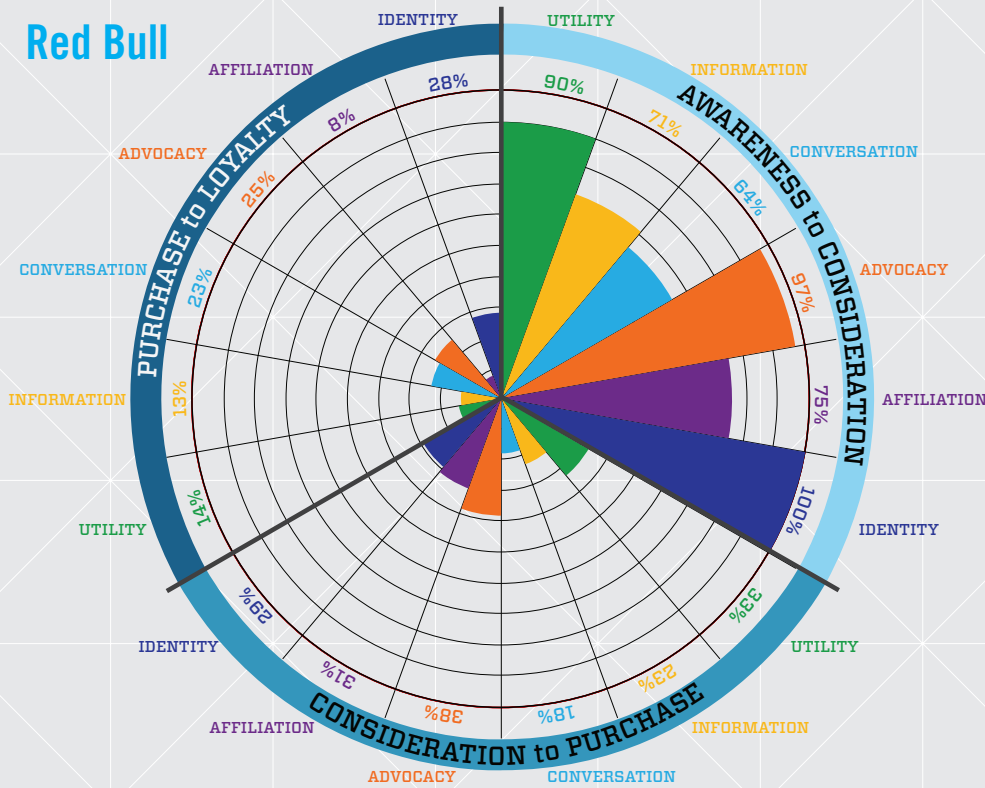
Facebook Likes: **Coca-Cola** ≈ 51 Million, **Pepsi** ≈ 9 Million
 Twitter Followers: **Coca-Cola** ≈ 600K, **Pepsi**: ≈ 1 Million
 Twitter Tweets: **Coca-Cola** ≈ 62K, **Pepsi** ≈ 18K

Red Bull: Driving Consideration through Identity and Advocacy

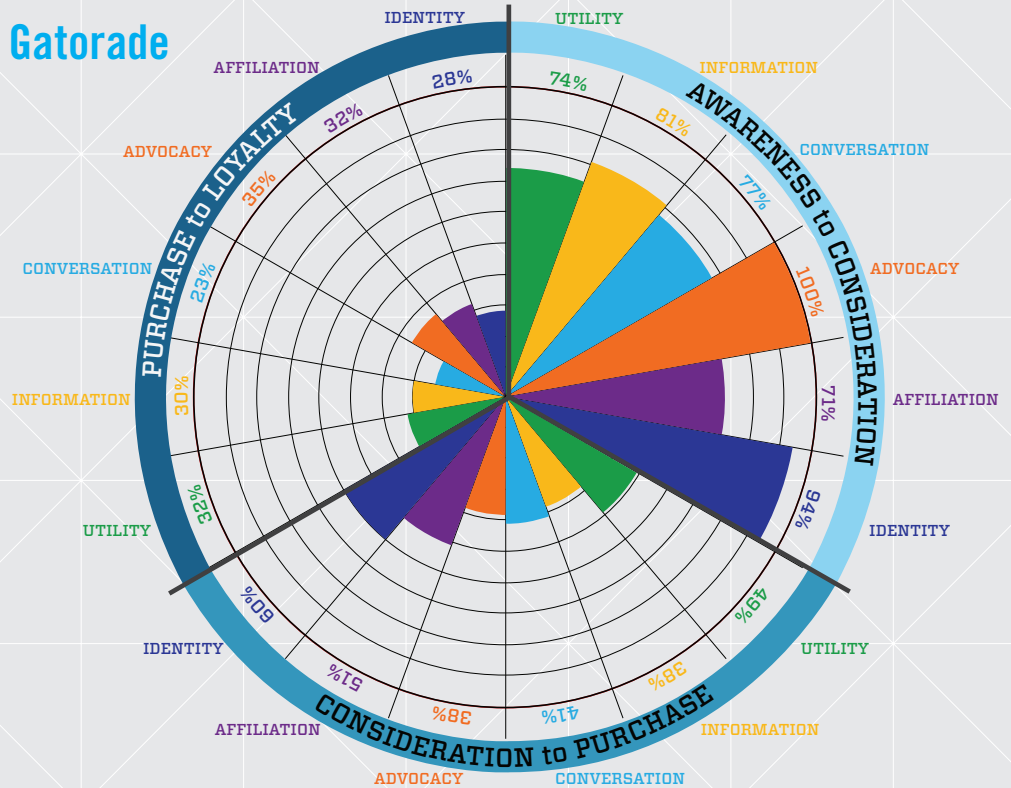
The results of Coca-Cola and Pepsi contrast with another beverage brand, Red Bull. Energy drinks is a subcategory with significantly higher involvement levels and very distinctive brand positions compared to colas. It is also a high-growth category with a low market penetration. In this category, Social Currency primarily drives consideration.

Red Bull drives social currency through identity (100%), advocacy (97%), and utility (90%). These drivers are similar to Gatorade in terms of identity (94%) and advocacy (100%), but Red Bull has significantly less utility (74%).

Red Bull

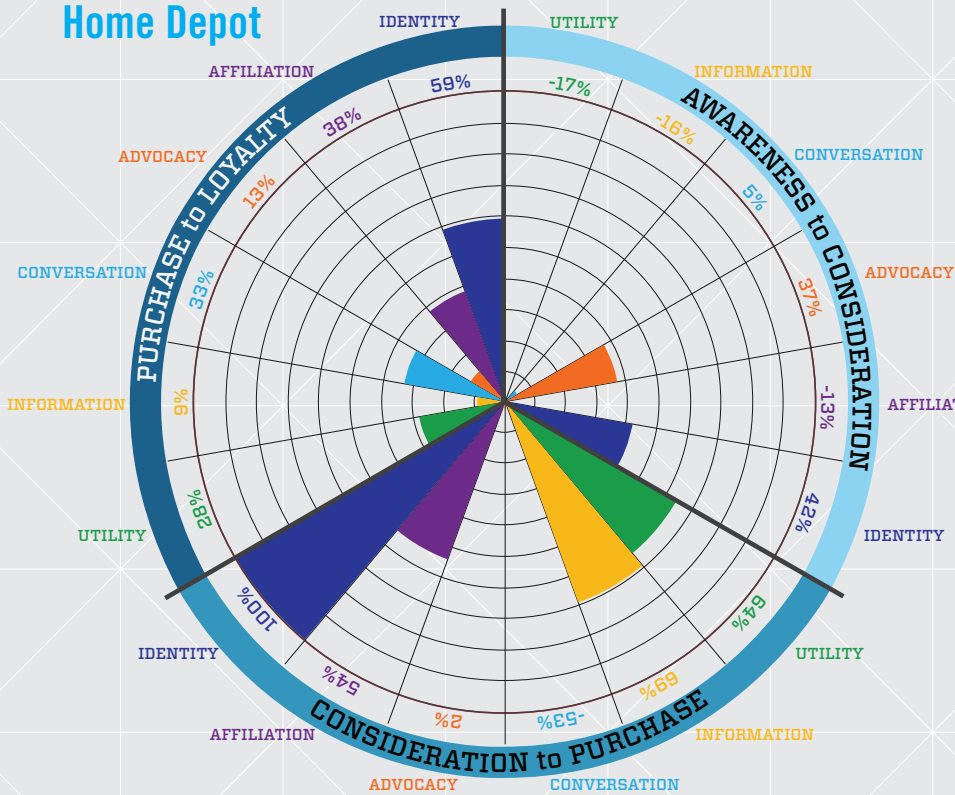


Gatorade



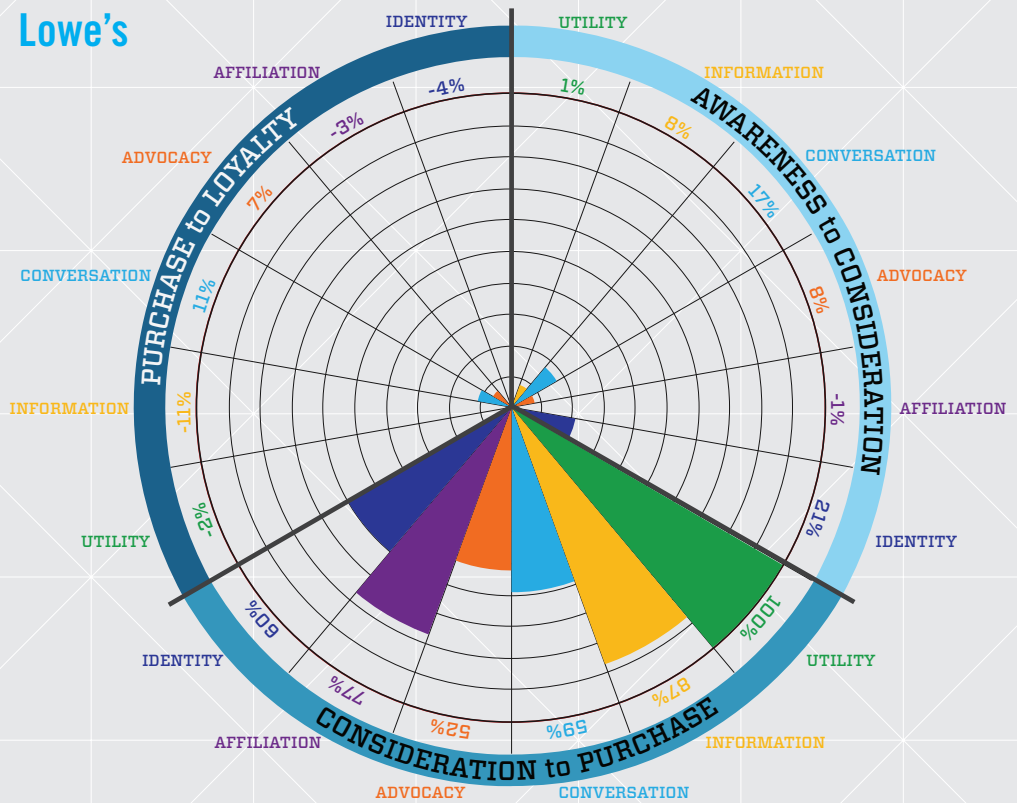
Home Depot and Lowe's drive Preference and Purchase

Home Depot



Home Depot leads the home improvement category and is twice as large as Lowe's. Because the retailers' products and services are part of people's DIY projects, shopping and purchasing are high involvement. Therefore, social media and currency drives purchase. For Home Depot, the primary influences of purchase are identity (100%) and information (69%).

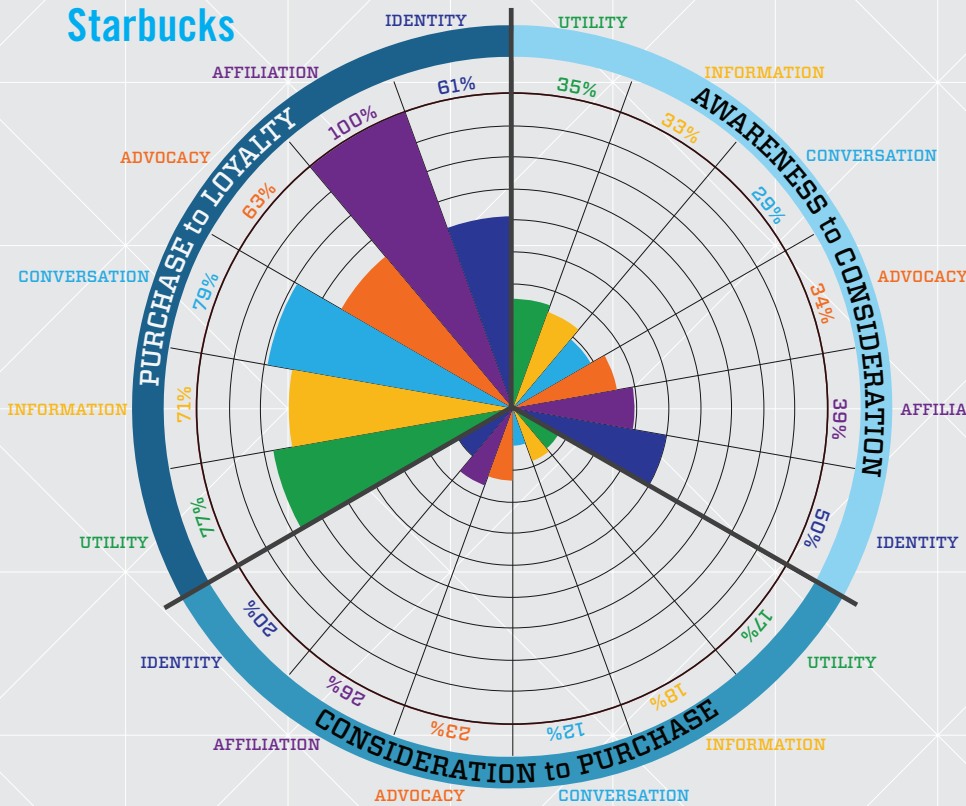
Lowe's



Lowe's has a strong presence on Facebook and, unlike Home Depot, is a more functionality-driven brand. One survey of retailers by UBS showed that Lowe's has the highest number of fans and customers who visit the site for deals. This drives Lowe's utility score to 100% and information value to 87%.

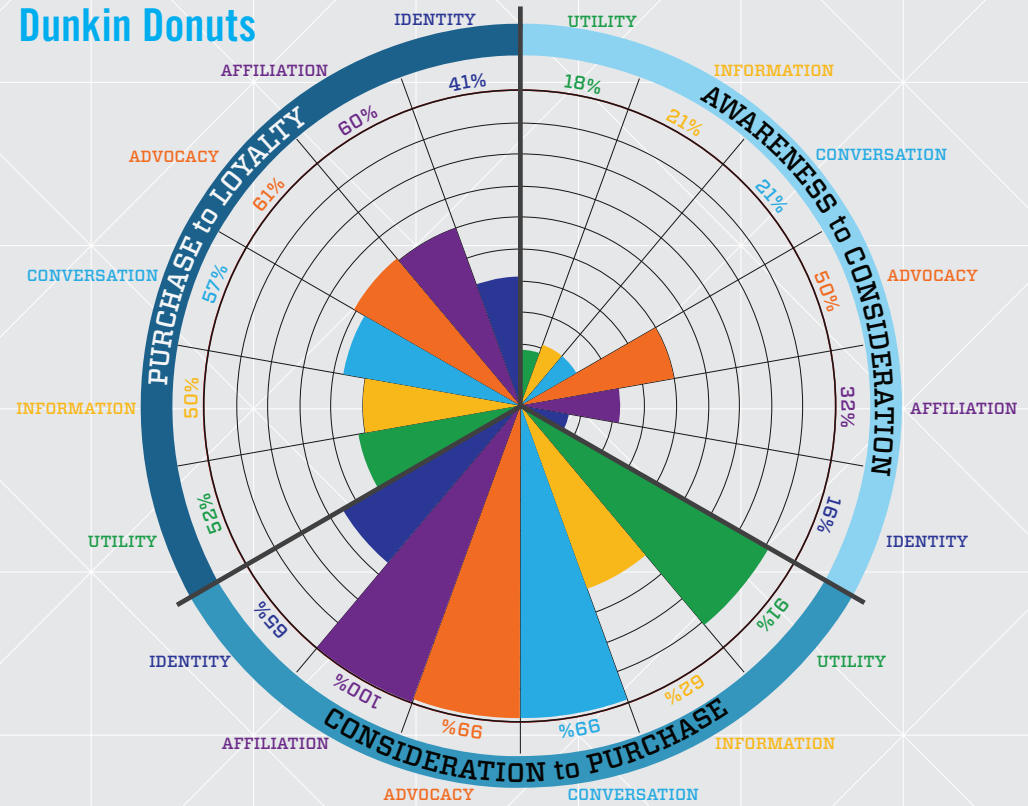
Starbucks appeals to fans, while Dunkin Donuts drives visits from new customers

Starbucks



The positioning of Starbucks as an affordable luxury drives loyalty. Its initiative, “My Starbucks Idea,” helps create loyalty through affiliation (100%) and conversation (79%).

Dunkin Donuts

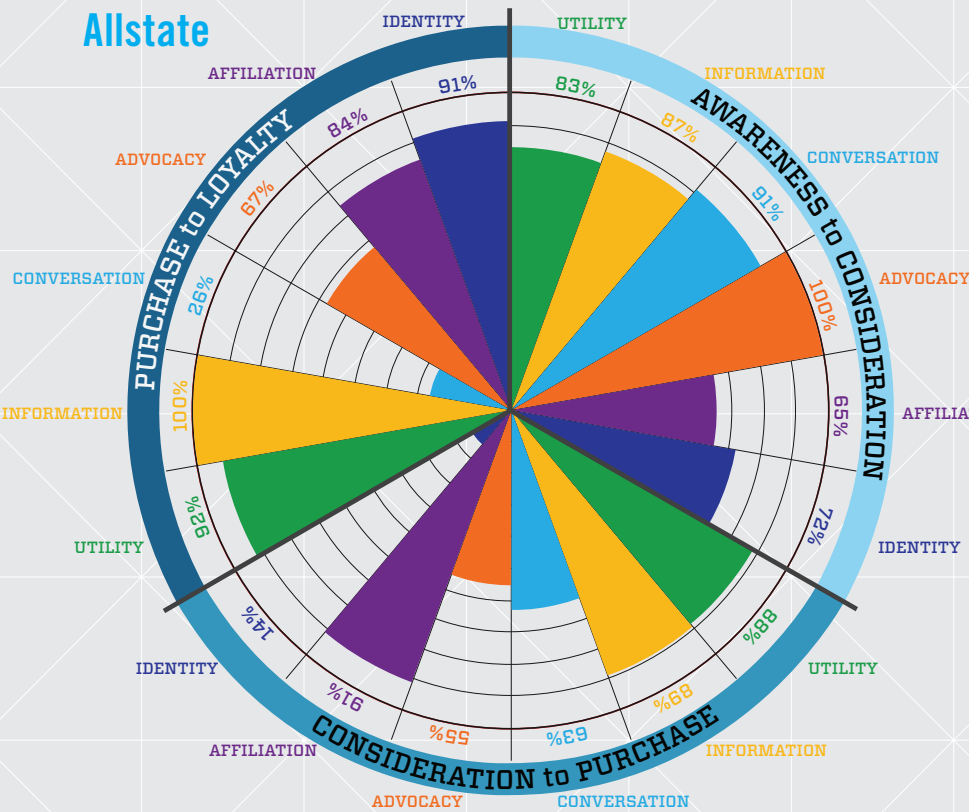


Dunkin Donuts’ position is less identity-driven and more focused on value. Promotions such as “Office Party Sweepstakes” and frequent coupons and freebies on their social networks drive purchase and consumption through utility (91%), conversation (99%), advocacy (99%), and affiliation (100%).



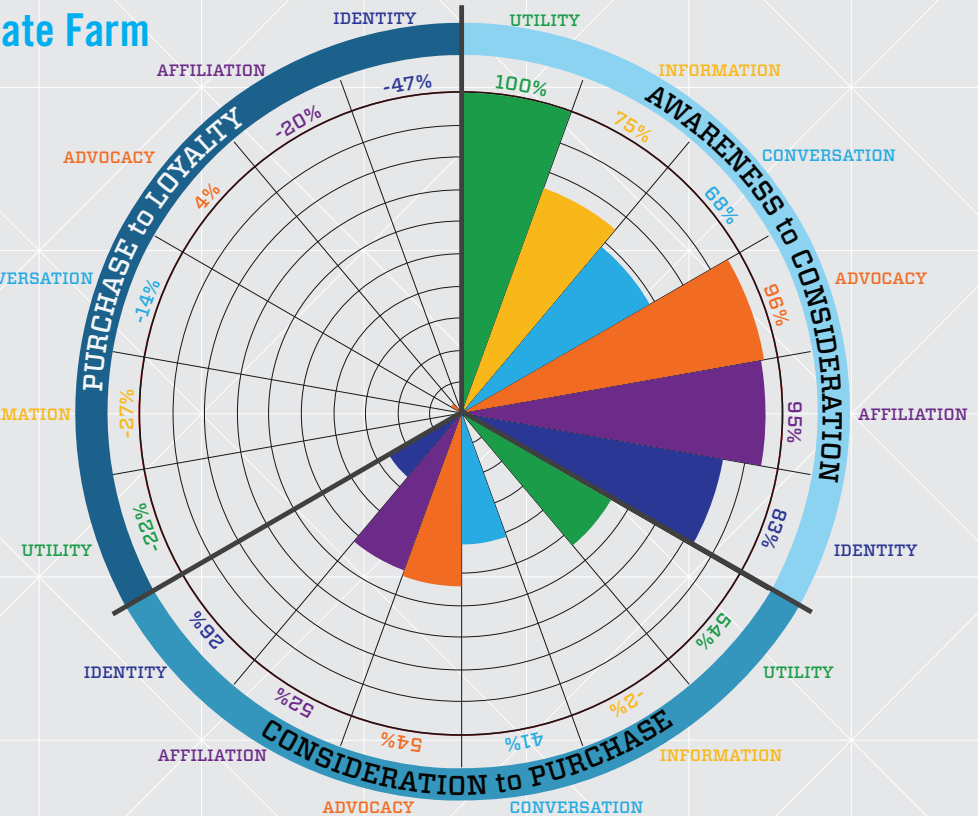
Allstate drives Consideration, Purchase, and Loyalty

Allstate



Allstate’s brand positioning of service and value, rather than low price (eg., Geico), is supported through its highly viral communications such as “Mayhem.” The humorous ads deliver “information” on why consumers need protection. This effort works and is reflected in high information scores across consideration (87%), purchase (89%), and loyalty (100%).

State Farm



State Farm’s social initiatives drive conversation. It scores high on advocacy (96%), affiliation (95%), and utility (100%). The results reinforce the State Farm’s positioning of service.



American Express: Achieving Consideration and Usage

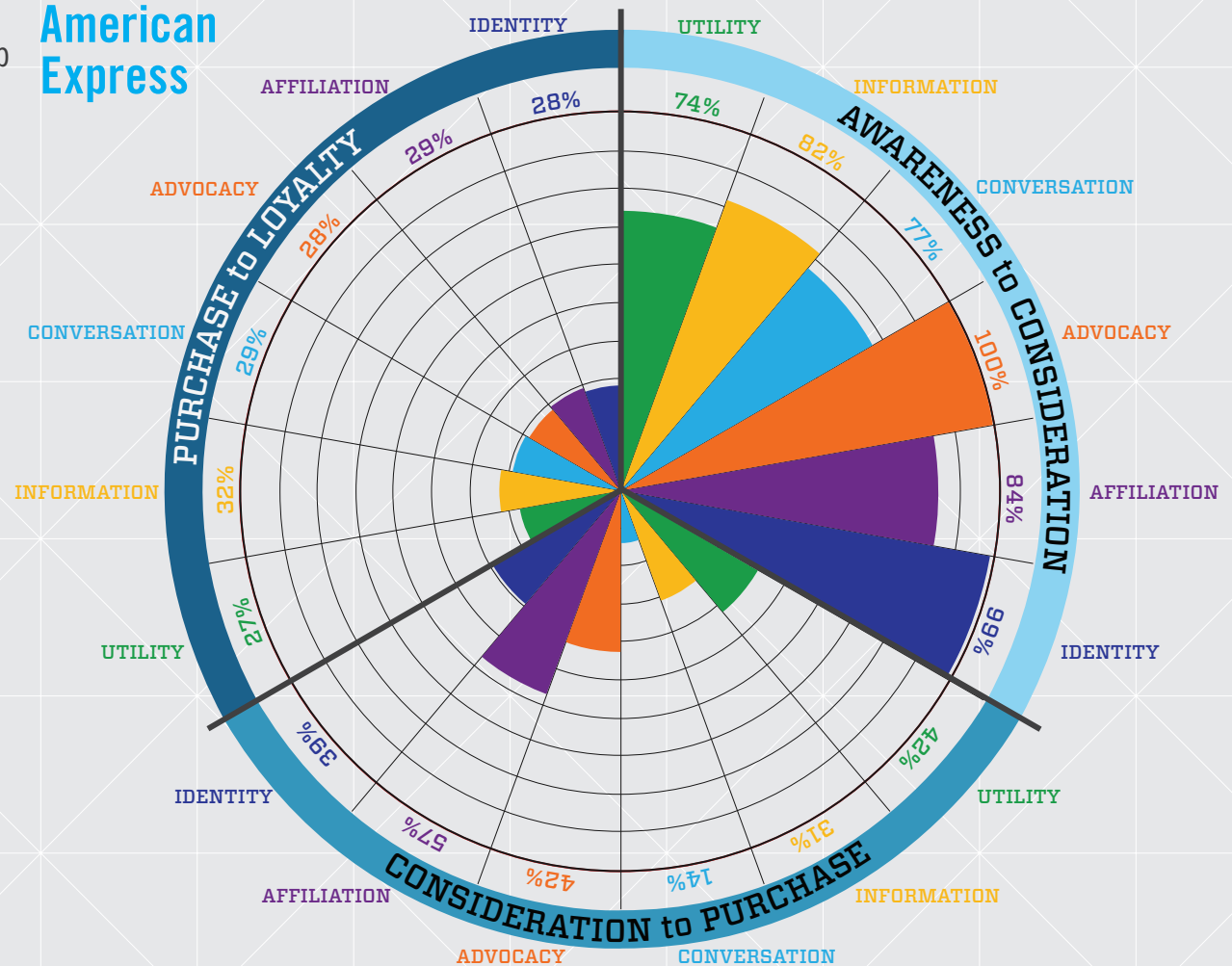
The plastic in your wallet is about to go the way of the VCR, the typewriter, or your CD player. Unsurprisingly, American Express is at the forefront of today's digital and social revolution.

American Express drives significant consideration and card usage through its social initiatives. American Express also benefits from social initiatives because of its business strategy and brand position in the card category. The drivers of AmEx's social currency are evenly distributed in the Awareness to Consideration cycle: advocacy (100%), identity (99%), affiliation (84%), information (82%), conversation (77%), and utility (74%).

In 2010, American Express made its Membership Rewards program social. The new initiative is called "Social Currency" (www.socialcurrency.com) and adds new ways to use the points and, more importantly, enables sharing of spending activity on social networks.

This effort, like others, drives considerable consideration and usage of American Express cards while engaging others.

American Express



American Express – Small Business Saturday drives Social Currency



The result:

Charge volume with small businesses grew by 27% in one year

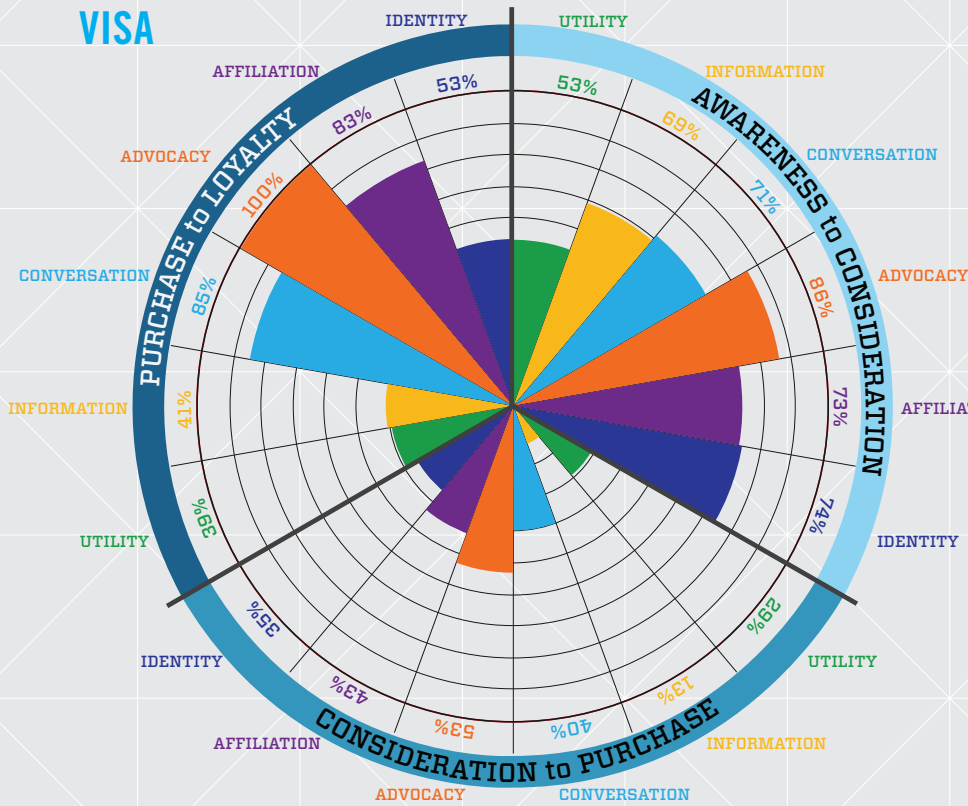
Many AmEx customers are small-business retailers that get overlooked by consumers during the shopping days of Black Friday and Cyber Monday for big-box retailers like Walmart or Target. So AmEx created Small Business Saturday, a shopping holiday held on the last Saturday in November to motivate consumers to shop at their local small business. 103 million Americans participated.

Shoppers who registered their AmEx card on Facebook received \$25 dollars when spending \$25 dollars at a small business, gathering 2.7 million “Likes”. A cause-related effort, support from politicians, including tweets from President Obama, created enormous Conversation equity.

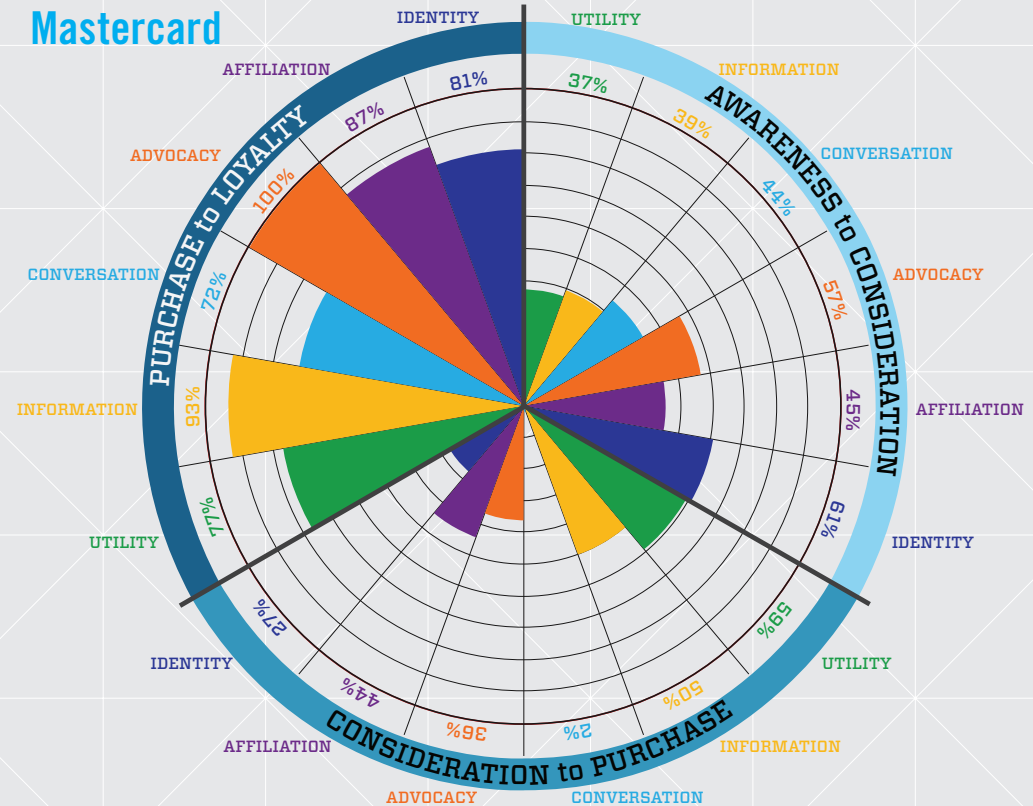
AmEx created a web-based platform for its small business merchants to engage their customers, offering businesses a place to create their own Facebook page, Youtube videos, and Twitter accounts, creating Utility.

VISA and Mastercard drive Loyalty

VISA

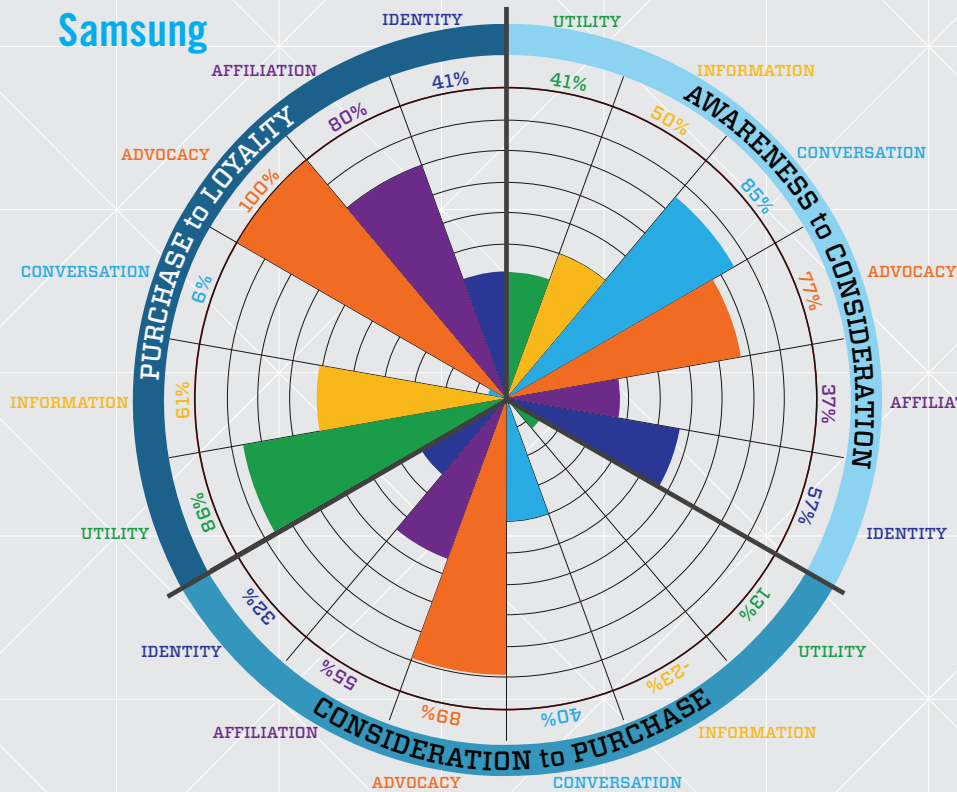


Mastercard

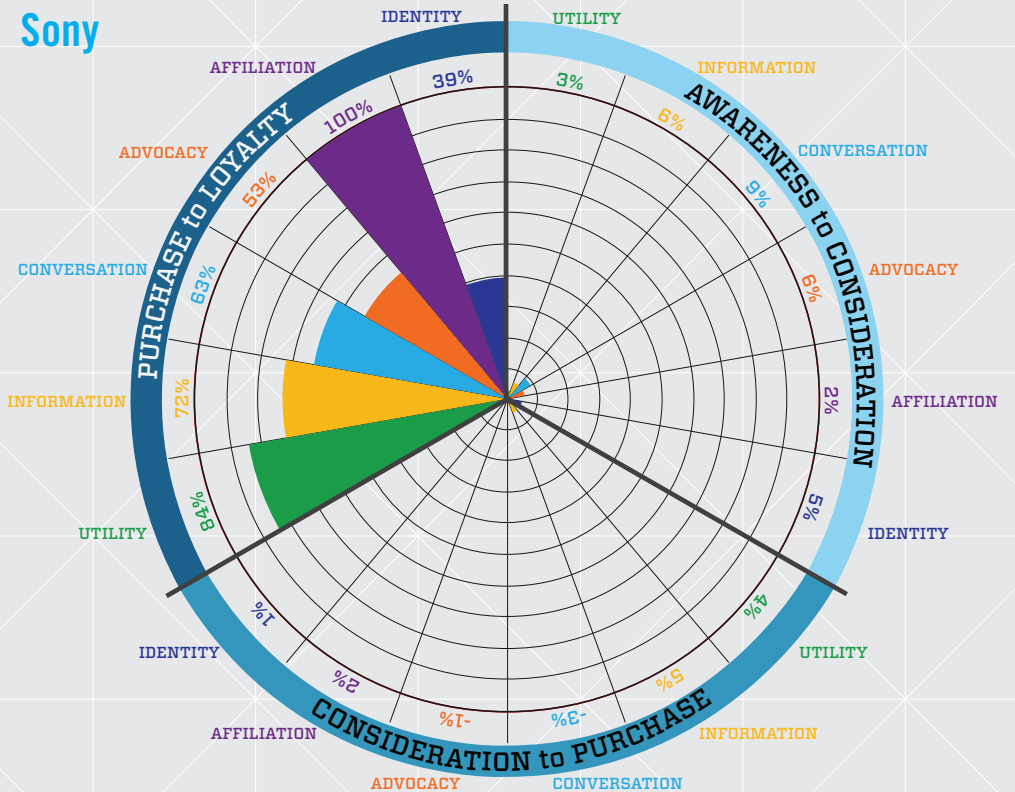


The impact of Social Currency differs for VISA and Mastercard when compared to AmEx. VISA and Mastercard are issued by banks and are essentially payment networks. For example, VISA focuses its efforts around major sporting events like the World Cup, Olympics, and Super Bowl. During the Olympics, Visa encouraged fans to cheer for Team VISA athletes for several months leading up to London 2012. More than 28 million fans followed and submitted cheers. This created conversation (85%), advocacy (100%), and affiliation (83%).

Samsung wins over Sony



Samsung leads in terms of Social Currency relative to Sony, achieving high Advocacy scores to drive Consideration, Purchase, and Loyalty. Samsung also benefits from conversation that drives consideration. This effect is likely due to the efforts around the launch of the Galaxy smart phones and tablets.



Sony's Social Currency is primarily driven by affiliation (100%) and utility (84%) to increase Loyalty. This is likely due to the fact that Sony faces significant challenges with new and young consumers in its consumer electronics business.

Levi's drives Purchase and Preference

Levi's is a well-known brand that is already "considered" by a large U.S. consumer base. Hence, the objective of Levi's is to achieve preference and purchase. This requires the brand to create relevance in young people's lives by connecting with them in what matters to them. The "Levi's Guy" and "Levi's Girl" efforts are two examples of social initiatives that succeeded.



After choosing 23-year-old Gareth Hornberger, better known as the "Levi's Guy," as its first social media ambassador, Levi's brand decided to find the "Levi's Girl," the new face and voice for Levi's women in the digital space.

To land a six-month paid position in the marketing department at the company's headquarters in San Francisco, interested women were invited to submit a 1-2 minute video of themselves on Levi's Facebook page. In the video, the women needed to show off their unique sense of style, their social media prowess, and ultimately appeal to the brand's Facebook fans, who chose the winner among the top five submission, as preselected by Levi's.

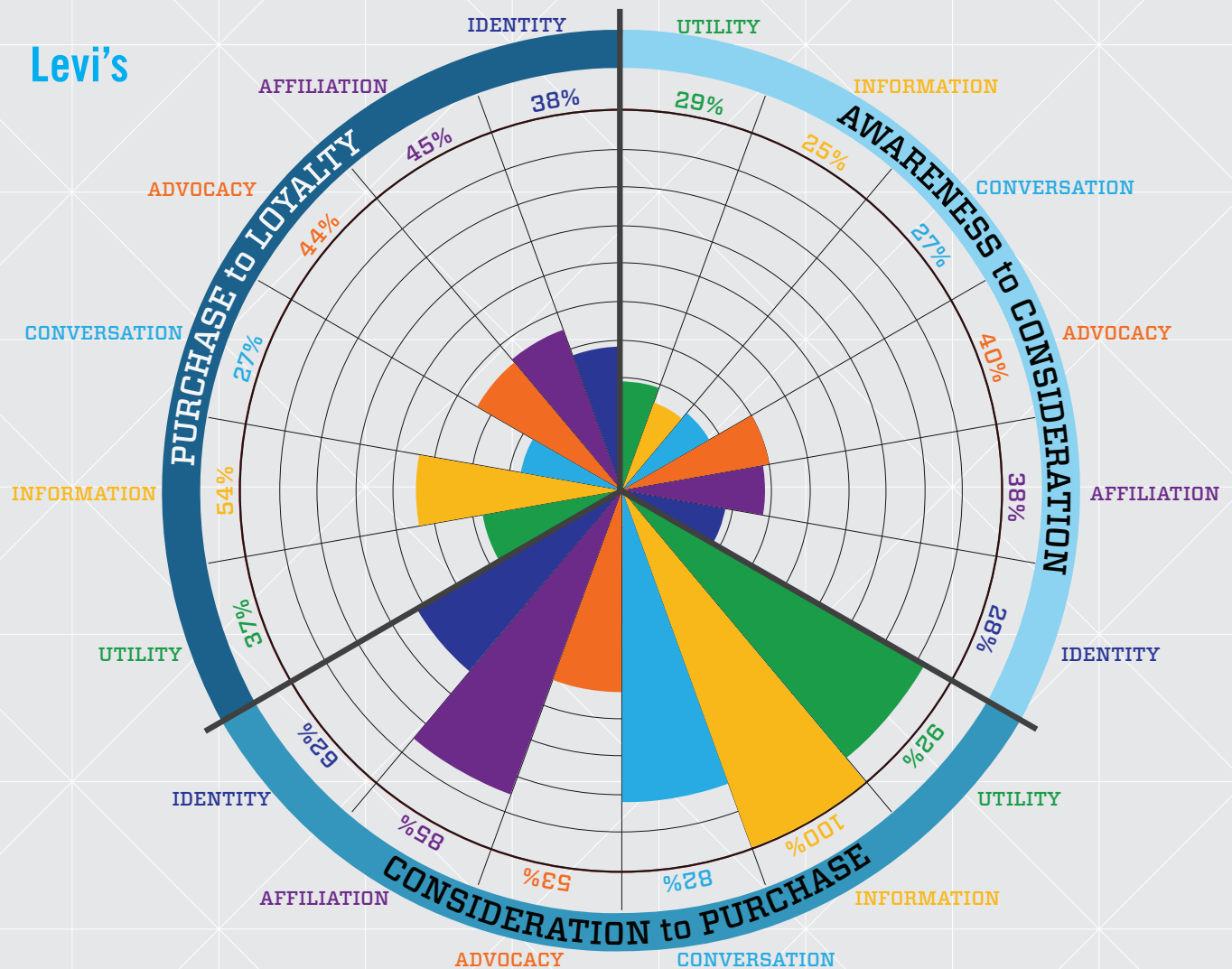
In June 2010, the winner and first Levi's Girl was Meghan Smith from Charleston, South Carolina. Assuming the role of the Levi's Girl, Meghan served as the Style Ambassador for Levi's Women, posting inspiring looks and designs, and covering news and live events for the brand. The next and last Levi's Girl was Gaby Dolceamore from Brooklyn, New York.

Levi's drives Purchase and Preference - *continued*

The “Levi’s Guy” and “Levi’s Girl” efforts engaged young consumers and encouraged them to think about what the Levi’s brand stands for. Consumers who participated developed preference, which translated to purchase.

From a brand-building perspective, offering a six-month position in the marketing department at the company headquarters is a rather small expense for the impact this effort had.

It is not surprising that Levi’s scores high on information (100%), utility (92%), conversation (82%), and affiliation (85%).



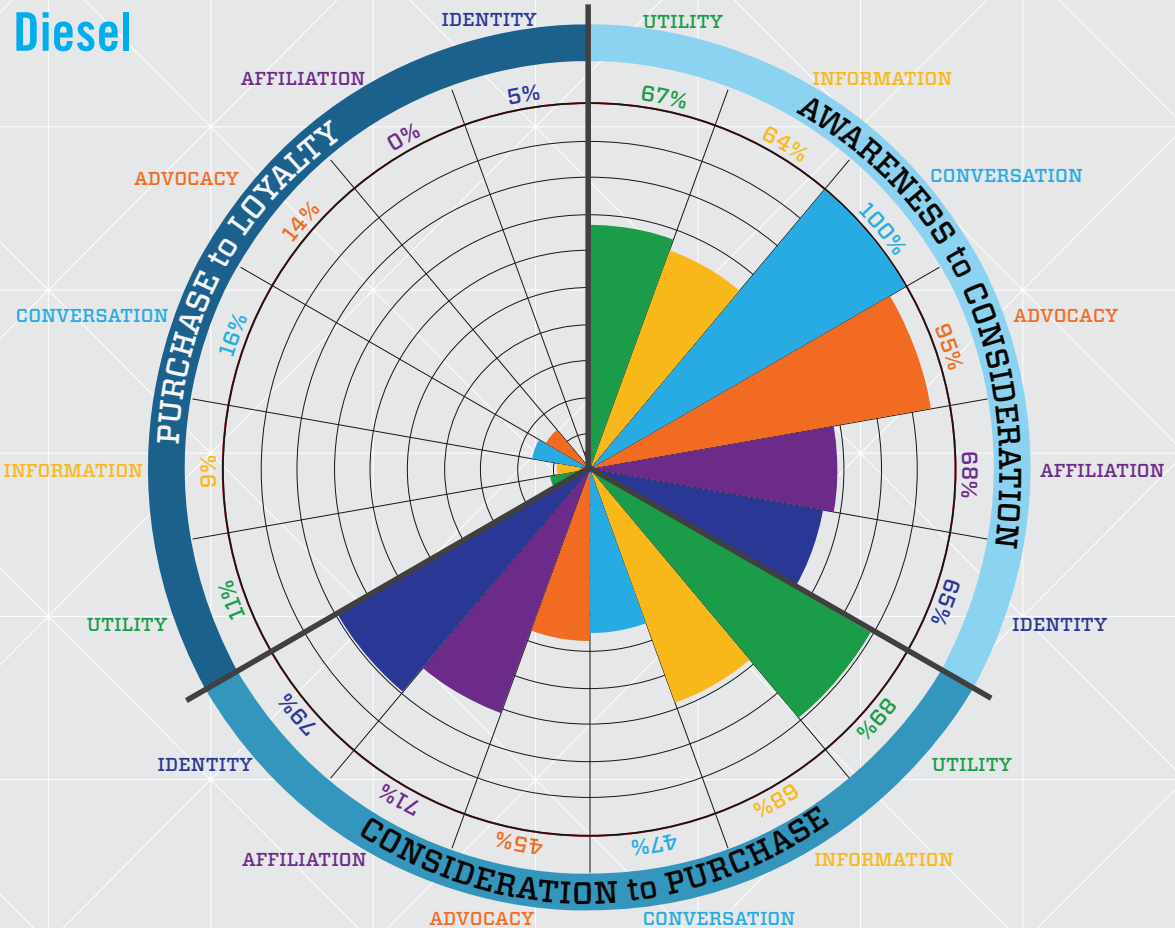
Diesel's social efforts drive Consideration

Diesel is competing in the same category as Levi's, but is a brand with a completely different positioning. Historically, Diesel was positioned at the higher-end of the jeans category, as an alternative, controversial, trend-setting brand. Brand values - such as irreverence, boldness, originality, creativity, and provocation - describe the positioning.

For Diesel, the brand challenge is to achieve consideration. Conversation (100%) and advocacy (95%) are two drivers of consideration, and identity (79%) and affiliation (71%) drive purchase and preference.

Diesel helps consumers to advocate for the brand using different technologies. In-store visitors can use QR codes and publish their likings to Facebook, or otherwise share with friends. This can drive the utility score (89%) and encourage friends' visits to the store, and eventually purchase.

One of the category drivers for jeans brands is the fit. Check out the Diesel Cam initiative on the SC 100+ site to see a preference-driving social initiative.



For additional examples of our research, consider:

All examples can be found on vivaldipartners.com/vpsocialcurrency



Old Spice



Coach on Instagram



Whopper Sacrifice



Lufthansa



Lookbook.nu by American Apparel



Red Bull - Strike-in Scavenger Hunt



Our Conclusions:

- 1 Overall, the research shows that social currency drives brand performance in terms of Consideration, Purchase, and Loyalty
- 2 As illustrated through selected case studies, the impact on brand performance differs significantly across brands depending on a unique combination of Social Currency Behaviors
- 3 Impact is largely a function of several key strategic factors:
 - A) The industry / category
 - B) Positioning of the brand
 - C) Customer / consumer base
 - D) Brand strength and evolution
 - E) Competitive context
- 4 Social initiatives, such as social or digital campaigns, cannot be judged solely on their creativity or metrics, such as “likes” on Facebook, but must be evaluated on:
 - A) The specific objectives that initiative seeks to achieve for a brand or business
 - B) The level of integration of the initiative with the brand-building program of the business

What now?

So, how can you get started?

We believe that businesses and brands can prosper greatly in this new social and connected world. It will require a major change toward the new Social Currency Paradigm: a new mindset and perspective to the business, its functions, and its relationships with others. There are four key steps that are required in this change toward the new paradigm:

1 CONDUCT A STRATEGIC DIAGNOSTIC

1. Analyze your customers from the Social Currency perspective – from the outside-in. Define the goals, activities or processes, and trade offs customers make. Identify pain points, workarounds and behaviors, problems, challenges, and frustrations that exist along these customer processes.
 - Map the episodes of daily lives of customers that are relevant for your business or brand
 - Define how customers interact to achieve goals in their environment and make choices
2. Evaluate your industry and category and how it addresses customers' goals and processes. From this starting point, expand beyond your category. What adjacent categories contribute to the goals, activities or processes, and decision-making of customers?
3. Evaluate the role technology has in the customers' daily life processes, in the past, today, and in the future

2 DEVELOP YOUR AGENDA FOR CHANGE

1. Define your business in terms of customer outcomes or goals
2. Map the value-generating activities that help your business or brand to deliver value to customers
3. From the perspective of the business, evaluate the impact of the new social technologies on each of these activities or functions of the firm
4. From the perspective of the marketers, assess your brand on the Social Currency Wheel
5. Define the brand strategy objectives (consideration, purchase, loyalty)
6. Identify the dimensions of social currency that drive the objectives



So, how can you get started? - *continued*

3 EXECUTE THE AGENDA TO BUILD THE BUSINESS AND BRAND

1. Create the digital strategy to achieve social currency
 - Processes, programs, etc.
2. Reorganize all digital activities and integrate within the function
 - Build a digital core around key functions such as marketing, brand management, internal communications, external communications, marketing research, etc.
3. Build the enabling technology platform to manage the functions from the digital core
 - Develop the capability to listen to social conversations, and to respond to them in real time (a digital cockpit)
 - Enhance the platform and improve existing processes
 - Brand management
 - Consumer insight generation
 - Customer experience management
 - Communications processes
 - Lead generation
 - Sales support




4 MEASURE THE RESULTS TO ACHIEVE OPERATIONAL EFFICIENCIES AND MARKET PLACE IMPACT

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Brands Studied in the Social Currency Survey 2012

INDUSTRY			
Airlines	<ul style="list-style-type: none"> American Airlines Delta Jet Blue Southwest 	<ul style="list-style-type: none"> Lufthansa Germanwings RyanAir Air Berlin 	<ul style="list-style-type: none"> British Airways Virgin Atlantic RyanAir Easy Jet
Telecomm	<ul style="list-style-type: none"> AT&T Verizon Sprint 	<ul style="list-style-type: none"> O2 Vodafone Telekom 	<ul style="list-style-type: none"> O2 Vodafone Everything Everywhere
Automotive	<ul style="list-style-type: none"> BMW Mercedes-Benz Volkswagen Hyundai Toyota Ford 	<ul style="list-style-type: none"> BMW Mercedes-Benz Volkswagen Hyundai Toyota Audi 	<ul style="list-style-type: none"> BMW Mercedes-Benz Volkswagen Hyundai Toyota Audi
Retail Banking	<ul style="list-style-type: none"> Chase Bank Of America 	<ul style="list-style-type: none"> Deutsche Bank Commerzbank 	<ul style="list-style-type: none"> NatWest First Direct
Insurance	<ul style="list-style-type: none"> Allstate State Farm Prudential 	<ul style="list-style-type: none"> Allianz ERGO AXA 	<ul style="list-style-type: none"> AXA Aviva Directline - Insurance
Beer	<ul style="list-style-type: none"> Budweiser Coors Heineken Corona 	<ul style="list-style-type: none"> Krombacher Warsteiner Bitburger 	<ul style="list-style-type: none"> Carling Stella Artois Guinness
Online retailers	<ul style="list-style-type: none"> Amazon Ebay 	<ul style="list-style-type: none"> Amazon Ebay 	<ul style="list-style-type: none"> Amazon Ebay
Utilities	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> E.ON Yello 	<ul style="list-style-type: none"> E.ON British Gas
Gaming Consoles	<ul style="list-style-type: none"> Nintendo Xbox Playstation 	<ul style="list-style-type: none"> Nintendo Xbox Playstation 	<ul style="list-style-type: none"> Nintendo Xbox Playstation

INDUSTRY			
Fashion	<ul style="list-style-type: none"> • H&M • Zara • Gap 	<ul style="list-style-type: none"> • Levis • Diesel 	<ul style="list-style-type: none"> • H&M • Zara • Jack Wills
Credit Card	<ul style="list-style-type: none"> • American Express • Mastercard • Visa 	<ul style="list-style-type: none"> • American Express • Mastercard • Visa 	<ul style="list-style-type: none"> • American Express • Mastercard • Visa
Coffee	<ul style="list-style-type: none"> • Starbucks • Dunkin Donuts 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Starbucks • Costa Coffee
Fast Foods	<ul style="list-style-type: none"> • McDonald's • Burger King • Subway 	<ul style="list-style-type: none"> • McDonald's • Burger King • Pizza Hut 	<ul style="list-style-type: none"> • McDonald's • Burger King • Pizza Express
Consumer IT	<ul style="list-style-type: none"> • Google • Apple 	<ul style="list-style-type: none"> • Microsoft 	<ul style="list-style-type: none"> • Google • Apple
Retailers (diversified)	<ul style="list-style-type: none"> • Target • Walmart • Lowe's 	<ul style="list-style-type: none"> • Home Depot 	<ul style="list-style-type: none"> • OBI • Hornbach • Mediamarkt
Smart Phones	<ul style="list-style-type: none"> • Blackberry • iPhone 	<ul style="list-style-type: none"> • Saturn 	<ul style="list-style-type: none"> • Tesco • Waitrose • Do it all
Hotel Chains	<ul style="list-style-type: none"> • Blackberry • iPhone 	<ul style="list-style-type: none"> • Blackberry • iPhone 	<ul style="list-style-type: none"> • Blackberry • iPhone
Beverages	<ul style="list-style-type: none"> • Marriott • Hyatt • Hilton 	<ul style="list-style-type: none"> • Marriott • Hyatt • Hilton 	<ul style="list-style-type: none"> • Marriott • Hyatt • Hilton
Consumer Electronics	<ul style="list-style-type: none"> • Coca-Cola • Red Bull 	<ul style="list-style-type: none"> • Pepsi • Gatorade 	<ul style="list-style-type: none"> • Coca-Cola • Pepsi
	<ul style="list-style-type: none"> • Red Bull • Gatorade 	<ul style="list-style-type: none"> • Red Bull • Bionade 	<ul style="list-style-type: none"> • Red Bull • Gatorade
	<ul style="list-style-type: none"> • Samsung • Philips 	<ul style="list-style-type: none"> • Sony • LG 	<ul style="list-style-type: none"> • Samsung • Philips
	<ul style="list-style-type: none"> • Sony • LG 	<ul style="list-style-type: none"> • Sony • LG 	<ul style="list-style-type: none"> • Sony • LG

SC100+ Social Currency Initiatives

INDUSTRIES



Apparel

Automotive

B2B

Confectionery

Consumer

Products

Finance/Banking

Food/Beverage

Luxury

Media/ Entertainment

Not-for-Profit

Technology/ Communications

Toys

Travel/Leisure

- American Apparel
- 4Food
- Adobe Systems
- American Eagle
- American Express
- Apple
- Ben & Jerry's
- Best Buy
- BlablalLAB
- Burger King
- Cisco Flip Video, Singapore
- Coca-Cola
- Corona
- Dell
- Diesel
- Dime Magazine
- Dominos Pizza
- Facebook
- Fiat
- FootLocker

- Foursquare
- France Telecom - Orange
- GE
- Google
- Heineken
- History Channel
- IKEA
- Intel
- Jeep
- Kingdom of Jordan
- KLM
- Lacta, Kraft Foods
- Levis
- Livestrong
- London Metropolitan Police
- Lookbook.nu
- Louis Vuitton
- Lufthansa Airlines
- Mattel
- McDonald's

- Mercedes-Benz
- New York Times Magazine
- Nike
- Odwalla
- Old Spice
- PepsiCo, Inc.
- Polyvore
- Prabal Gurung
- Proctor & Gamble
- Quicksilver
- Red Bull
- SAS Airlines
- Skittles
- Starbucks
- Tour De France
- Vespa
- Vitamin Water, Coca-Cola Company
- Vodafone
- Volkswagen
- Wired Magazine

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Appendix

Illustrative measures of Social Currency behaviors

1

UTILITY

I enjoy spending time following or engaging with others around this brand

2

INFORMATION

It is easy to share information about this brand or new ideas

3

CONVERSATION

I hear a lot of positive things about this brand from other people I know

4

ADVOCACY

I feel the need to tell others how good this brand is

5

AFFILIATION

Through this brand I feel like a member of a community

6

IDENTITY

I can identify well with others of this brand

Vivaldi Partners | Group

VPG is a global firm that helps unlock innovation and growth opportunities for brands and businesses in a digitally connected world. We bring together deep capabilities in strategic consulting, with cutting-edge creative, and digital expertise, and a proven Demand-first methodology to achieve new levels of greatness for our clients.

Vivaldi Partners Group consists of a unique portfolio of three businesses: Vivaldi Partners, Vivaldi Fifth Season, and E-Edge.

Vivaldi | Partners Marketing, Branding, Innovation

Vivaldi Partners is a global strategy consulting firm that helps companies achieve breakthrough levels of profitable and sustainable top-line growth through identifying new demand opportunities, formulating strategies for innovation and growth, building strong brands, and developing actionable marketing strategies. Everything we do is driven by the deepest and most profound understanding of customers' or consumers' ecosystem. Vivaldi has created a ground-breaking approach to learning from customers and consumers and translating this understanding into actionable strategies and tactics.

fifth season Digital, Technology, Design

Vivaldi Fifth Season is a global creative powerhouse that orchestrates and produces innovative, engaging social interactions, builds brands, connects with audiences, and creates entirely new businesses. Our multi-disciplinary team operates at the crossroads of brand, business strategy, design and digital technology. We steer clients through the entire process from establishing a social incubator inside a company to creating social and digital media initiatives, to developing brands.

E-Edge Organization, Training, Leadership

E-Edge is an executive education and management development company that delivers programs for building the capabilities of leaders in the areas of brand management, growth strategy, and marketing. E-Edge creates and delivers effective executive education and learning experiences for senior executives through a staff of experienced facilitators, academics, and strategy consultants.

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Everything we do is driven by the deepest and most profound understanding of how customers' or consumers' interact with their environment and with other people - resulting in a better understanding of their goals, activities, needs and wants.

Vivaldi Partners Group understands your customers better than anyone else. We are able to identify the technological changes that affect the daily context of consumers. We will tell you what matters to your business so that you can make decisions that ensure long-term growth.

DEMAND-DRIVEN INNOVATION AND GROWTH (DIG)

An important aspect of our approach is how we work. We look at the context of consumers' eco-systems from an "outside-in" perspective to create our **DIG** (*Demand-first Innovation and Growth*) model. This unique model helps build strong brands and great businesses. Our proven DIG model is a practical and repeatable process helping businesses and brands around the globe find new avenues for innovation and growth.



Engaging **consumers** for marketing & research.

Respondi creates direct relationships with consumers for the market research and marketing industries. To this end we operate opinion platforms and communities Europe-wide. In addition we are a leading provider of online panels for corporate market research and we operate online communities for our clients in the marketing and public relations sectors.

Acting as a link between companies, market research institutes, media agencies and their target groups, our products and services create the right conditions for rapid access to differentiated customer opinions. Furthermore we assist in improving the quality of concepts, products and services and pave the way for intensified customer relations.

Respondi is based in Cologne and has offices in London and Paris. We combine the consistency of quality and standardized processes which a single global entity can claim with the leverage of knowledge on local markets a local agency can provide. We therefore team up with local data collection experts such as uSamp and Vision Critical for North America.



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