FACE

THE INFLUENCER INDEX 2008

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INTRODUCTION TO FACE AND HEADBOX

FACE

Face brings together brands and consumers to co-create insights, ideas and advocacy. We believe that the customer is always right so they should stay involved in every stage of the innovation and marketing process. We help clients like Google, Orange, Pepsico, RBS and Unilever to profile consumers, generate insights, develop new products, create UGC advertising & content and spread word of mouth.

HEADBOX

Face has developed Headbox, an on-line collaboration community, to enable brands to work with their most influential and creative consumers across all major categories. Consumers aged 11 to 35 years old are profiled when they join and are given both an influence and creativity score. Brands then collaborate with consumers in project teams and each member of a team can share their ideas, opinions and creativity with other team members (including brand owners) to complete project tasks using a range of community tools. These include on-line focus groups, on-line and mobile surveys, multimedia diaries and virtual creative studios.

Job Muscroft
Managing Director, Face

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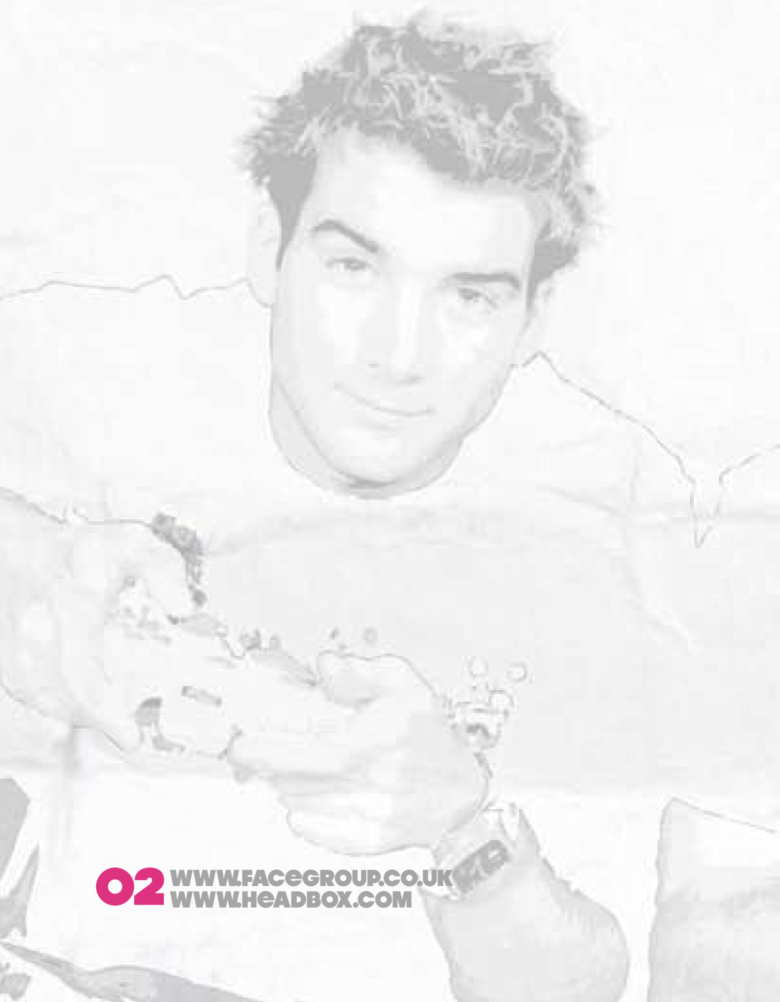
FOREWORD



"Ubiquitous connectivity" whereby "the individual becomes the agent of everything. Moving, frictionless from one community to another; consuming freely, from a wide universe of sources; publishing, from each individual to any number and any size of audience. This is the consumer of the age we live in" James Murdoch told us at the Marketing Society's 2008 Annual Dinner.

He reminded us that 3-4 years ago we saw the internet as just another way of talking to millions of people by doing pretty much what we had always done. He also reminded us (although he didn't need to) that this view of the internet was and still is wrong. Doing business well in the new empowered world means understanding that the relationship brands have with their customers has changed fundamentally. It is not a question of scale but a completely different way of existing.

And the reason for this is simple. Customers today have changed. They are more empowered. They have a greater belief in their own voice and their own creativity and self expression. As a result they have much more control in their brand relationships than they did 5 years ago, seeing themselves less as passive respondents and more as active stakeholders.

The arrival of this new breed of customer "the empowered consumer" means that the old way of talking to them – the 30 second spot, the great poster, the PR stunt – "the conventional tools of commercial sloganeering" as Murdoch refers to them is no longer enough. Their desire to be listened to and involved more directly in what a brand does and says means now more than ever there is great opportunity to market with consumers rather than at them.

But to market WITH consumers effectively brands need to do more to understand who their empowered consumers are – who are their key customers who are not just passionate about the brand but carry influence for it amongst their peers?; how far are these consumers prepared to go in their levels of brand engagement and how far are brands prepared to go to involve them in a more meaningful and deeper relationship? If brands are prepared to invest in understanding the answers to these questions they will find it much easier to spread positive word of mouth about what it is they are doing.

With the Headbox influencer index study we have pulled together our own thoughts to help brands with a methodology to answering these questions and so embark on this important journey.

Andrew Needham
Founding Partner, Face

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METHODOLOGY

JAN 2008 ON-LINE SURVEY OF 500 HEADBOX MEMBERS AGED 16-25 YRS NATIONALLY REPRESENTATIVE.

FEBRUARY 2008 INTERVIEWS WITH 20 HEADBOX MEMBERS 16-25 YRS SELECTED FROM ORIGINAL SURVEY SAMPLE.

WORD OF MOUTH CATEGORIES

WE BELIEVE THAT THE INFLUENCE OF INDIVIDUALS VARIES BY CATEGORY, NO ONE IS AN INFLUENCER ACROSS ALL CATEGORIES!

WHEN PROFILING WE FOCUS ON FIVE KEY CATEGORIES WHERE THERE ARE HIGH LEVELS OF WORD OF MOUTH ACTIVITY (BASED ON FINDINGS FROM TECH TRIBE 2007 REPORT)

- PERSONAL CARE/GROOMING
- MOBILE PHONE
- TECHNOLOGY
- MUSIC
- FASHION

SO HOW DO WE WORK OUT WHO IS AN INFLUENCER?

EVERY MEMBER OF HEADBOX IS GIVEN AN INFLUENCER SCORE THIS IS CALCULATED IN THE FOLLOWING WAY:

A CORE INFLUENCER SCORE IS GIVEN BASED ON THEIR PERSONALITY TYPE, BEHAVIOUR AND SIZE OF SOCIAL NETWORK

THEY ARE THEN GIVEN A SCORE FOR THAT CATEGORY BASED ON HOW INVOLVED & PASSIONATE THEY ARE IN EACH CATEGORY

WE THEN MULTIPLY THE TWO TOGETHER TO GIVE AN OVERALL INFLUENCER SCORE FOR EACH CATEGORY

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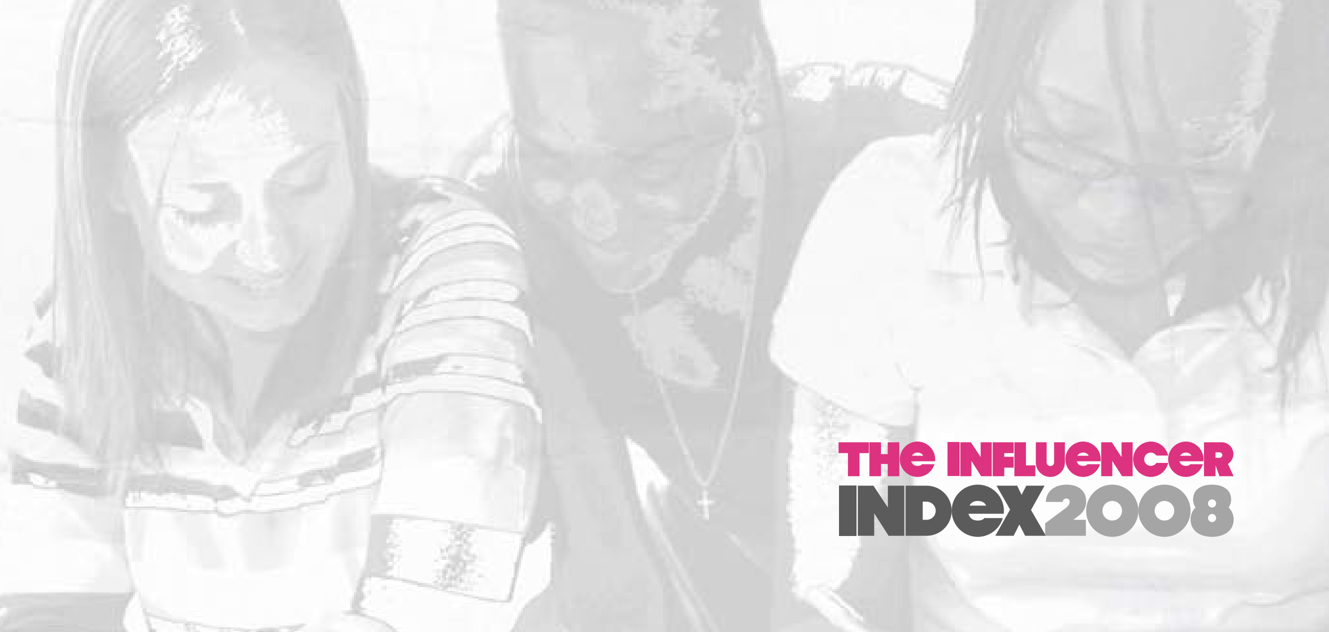
WHAT % OF INFLUENCERS DO WE CONSIDER TO BE TRULY INFLUENTIAL?

WE BELIEVE THAT EVERYONE HAS THE POWER TO INFLUENCE BUT THAT SOME PEOPLE ARE MORE INFLUENTIAL THAN OTHERS

SO WHEN WE ARE LOOKING TO WORK WITH HEADBOX INFLUENCERS WE TAKE THE TOP 15% TO BE KEY INFLUENCERS IN EACH CATEGORY

THE FOLLOWING PAGES GIVE AN INDICATION OF WHO THE TOP 15% OF INFLUENCERS ARE, WHAT THEY DO, AND WHAT MAKES THEM DIFFERENT...



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INFLUENCERS BY LIFESTAGE

INFLUENCE INCREASES AFTER LEAVING EDUCATION – MORE OF OUR TOP 15% OF INFLUENCERS HAVE STOPPED STUDYING THAN ARE AT SCHOOL OR UNIVERSITY

% OF EACH GROUP FOUND IN TOP 15% OF HEADBOXER INFLUENCERS

INFLUENCERS BY GENDER

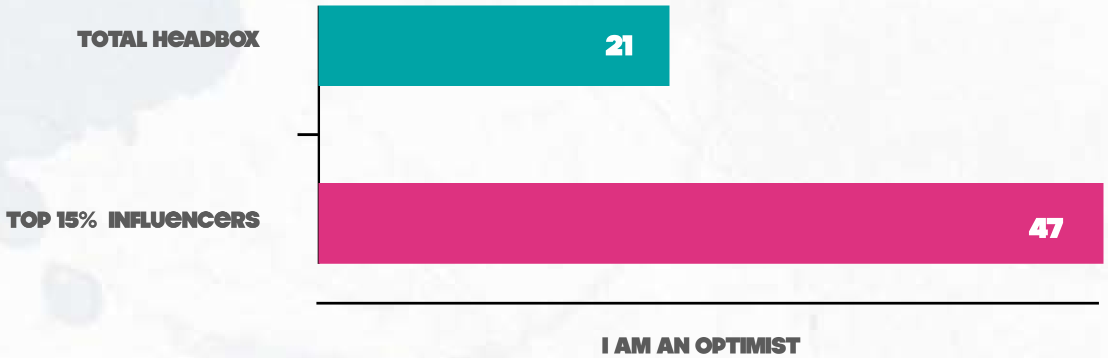
CORE INFLUENCERS ARE MORE LIKELY TO BE FEMALE THAN MALE

% OF HEADBOX INFLUENCERS

INFLUENCERS & OPTIMISIM

INFLUENCERS ARE MORE LIKELY TO BE OPTIMISTS

% STRONGLY AGREEING WITH THE STATEMENT



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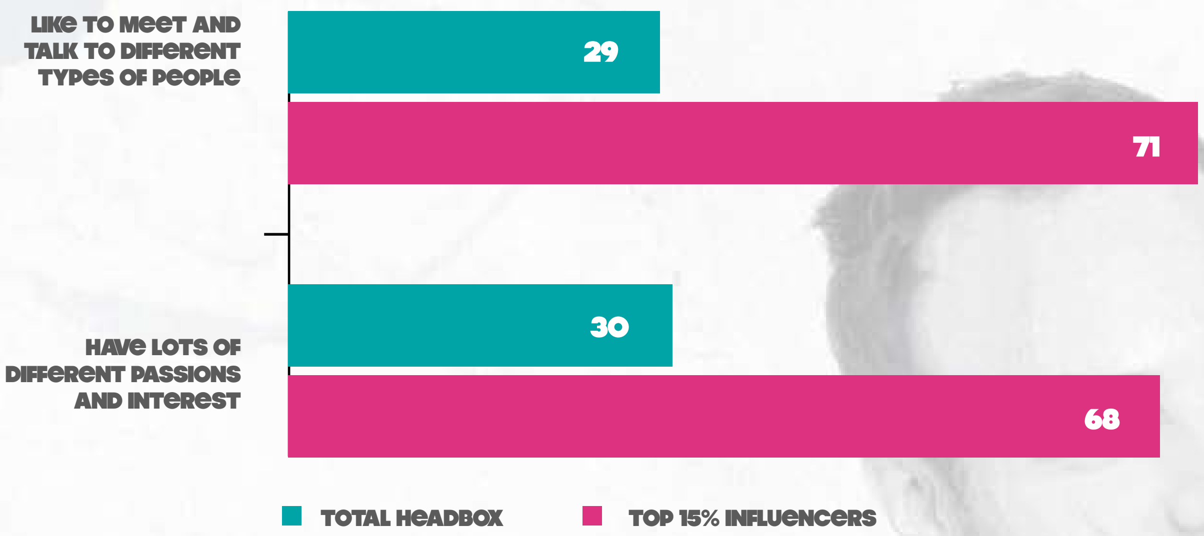
INFLUENCER INPUTS

INFLUENCERS HAVE A VARIETY OF DIFFERENT INPUTS IN TERMS OF PEOPLE AND PASSIONS

% STRONGLY AGREEING WITH THE STATEMENT



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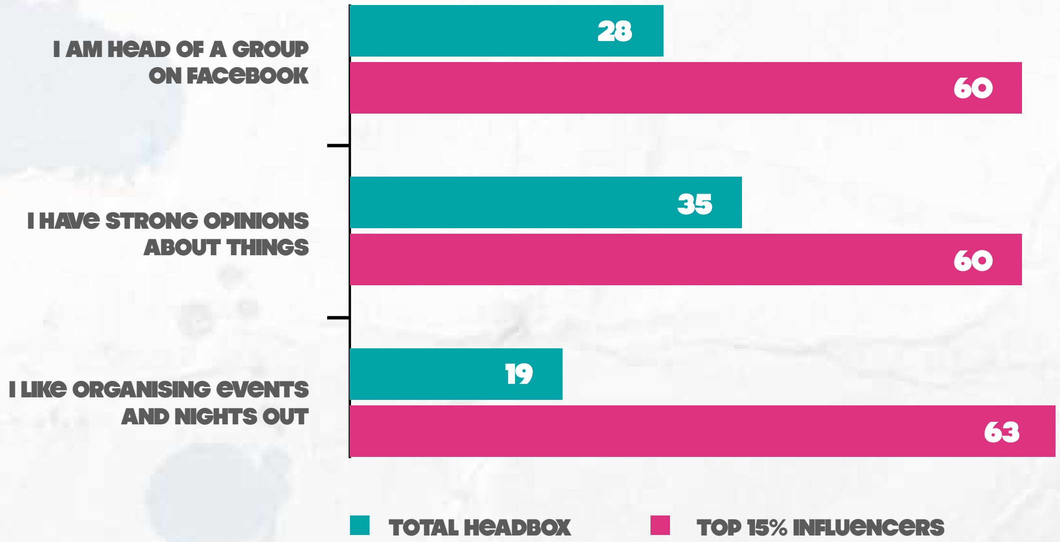
INFLUENCER PROACTIVITY

INFLUENCERS ARE PROACTIVE, TAKING A LEAD IN THEIR SOCIAL GROUPS

% STRONGLY AGREEING WITH THE STATEMENT



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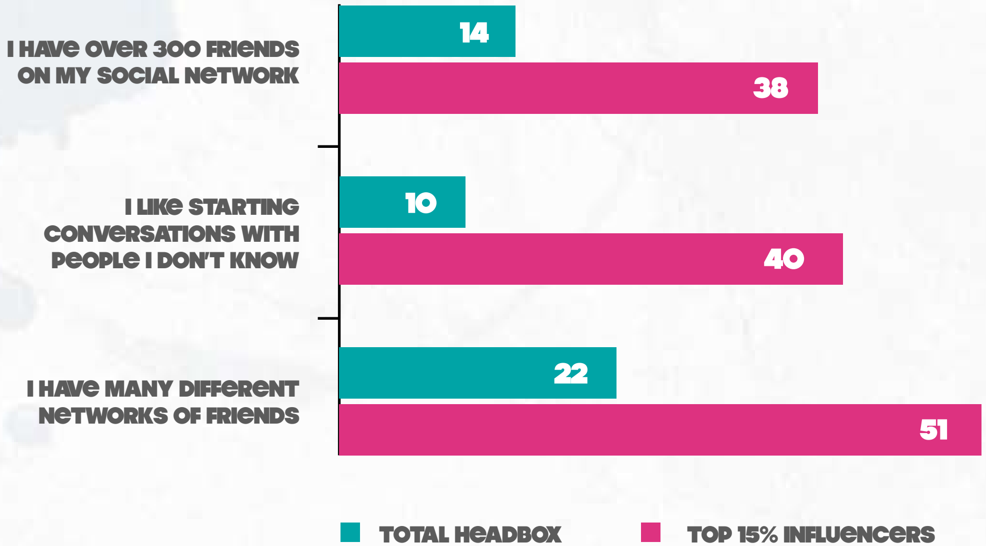
INFLUENCER OUTPUTS

INFLUENCERS HAVE THE TOOLS AND THE INCLINATION TO SPREAD THE WORD

% STRONGLY AGREEING WITH THE STATEMENT



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INFLUENCER SOCIAL NETWORK

INFLUENCERS HAVE REACH AND REAL INFLUENCE ON SOCIAL NETWORKS

HEAD OF MORE THAN THREE GROUPS ON FACEBOOK

Top 15% of influencers are twice as likely to be head of more than three groups on facebook.

Mobile influencers are nearly three times as likely to be head of more than three groups on Facebook (35%)

Fashion influencers head the trend in having more than 100 people in their main Facebook group (35%)

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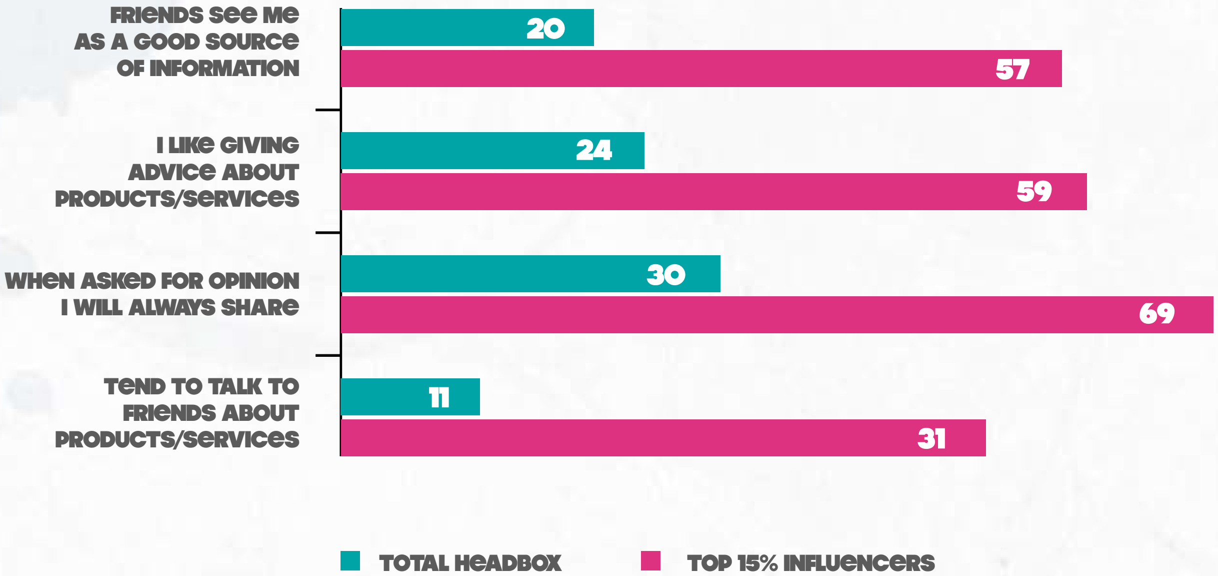
INFLUENCERS SPREAD WORD OF MOUTH

INFLUENCERS DO TALK TO OTHER PEOPLE ABOUT BRANDS AND SERVICES

% STRONGLY AGREEING WITH THE STATEMENT



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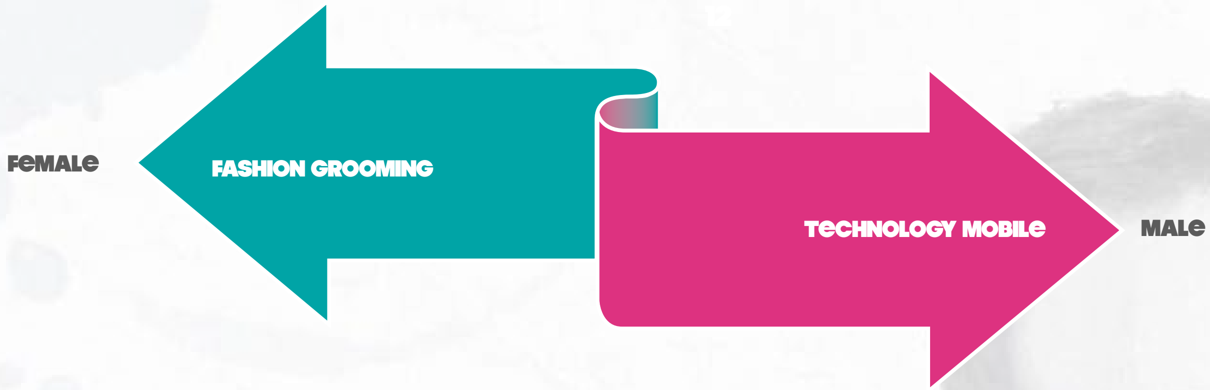
AREAS OF INFLUENCE VARY BY GENDER

MUSIC INFLUENCERS ARE NOT DIFFERENTIATED BY SEX OR LIFE-STAGE BUT BY THE FACT THAT THEY ARE CUMULATIVELY MORE LIKELY TO BE INFLUENCERS IN ALL OTHER CATEGORIES.



MUSIC INFLUENCERS

MUSIC INFLUENCERS ARE MORE LIKELY TO BE TECH, FASHION OR PERSONAL GROOMING INFLUENCERS THAN ANY OTHER INFLUENCER. THE CONVERSE, HOWEVER IS NOT TRUE. IMPLYING THAT A MUSIC INFLUENCER IS BOTH ECLECTIC AND A POWERFUL INFLUENCER.

38% OF MUSIC INFLUENCERS HAVE OVER 300 FRIENDS IN THEIR MAIN SOCIAL NETWORK, 68% HAVE OVER 180 FRIENDS

“ FOR FINDING NEW MUSIC I LOOK AT IDIOMAG – PERSONALIZED ONLINE MUSIC MAGAZINE. LASTFM, MYSPACE – HELPS TO FIND OUT WHO SUPPORT ACTS ARE.

“ GOING TO 4 FESTIVALS THIS SUMMER – GREAT ESCAPE, V, LATITUDE & READING – NEW BAND TENTS ARE GREAT FOR FINDING.

“ MY FRIENDS ASK ME WHO BANDS ARE AND WHAT I THINK OF THEM BEFORE THEY BUY/DOWNLOAD MUSIC.” (ARABA)

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FASHION INFLUENCERS

FASHION INFLUENCERS ARE MORE THAN TWICE AS LIKELY TO BE FEMALE THAN MALE 17% V 7%

THEY ARE 60% MORE LIKELY NOT TO BE IN FULL TIME EDUCATION OR TO BE WORKING 10% V 16%

“ A LOT OF MY FRIENDS BORROW MY CLOTHES.

“ WHEN I AM SHOPPING I DO GET STOPPED BY STRANGERS AND ASKED WHERE I GET CERTAIN ITEMS OF CLOTHING FROM.

“ I CHECK OUT CELEBRITY WEBSITES TO KEEP UP TO DATE ON THE LATEST TRENDS (AND GOSSIP!).

“ TIP – EITHER YOU SHOW YOUR LEGS OR YOUR CHEST, NEVER EVER BOTH!!!” (FRANCES)

Tech Influencers

Tech influencers were most likely to also be mobile influencers 89%

They are about 35% more likely to be male than female 19% v 14%

Tech influence increases with age, but is roughly the same for university students and those in work or not in full time education.

“ I use iGoogle to get RSS news feeds about technology onto my homepage.

“ tend to broadcast my views rather than speak when spoken to. Everybody around me knows what the new gadgets I want are.

“ use Google reader to share websites and news with family and friends.” (Archi)

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MOBILE INFLUENCERS

MOBILE INFLUENCERS ARE THE LEAST LIKELY TO BE INFLUENCERS IN OTHER CATEGORIES

93% OF MOBILE INFLUENCERS STRONGLY AGREE THAT THEIR FRIENDS SEE THEM AS A GOOD SOURCE OF INFORMATION ABOUT BRANDS AND PRODUCTS

“ I AM IN A GROUP OF FRIENDS WHO TAKE AN INTEREST IN MOBILE PHONES; THEY ARE ALL EXPERTS, THEY TRADE TIPS AND IT IS MAIN TOPIC OF CONVERSATION.

“ ENJOY READING REVIEW & COMPARISON SITES, AND REFERS OTHER PEOPLE TO TRUSTEDREVIEWS.COM AS IT IS INFORMATIVE AND RELIABLE.” (ADAM)

PERSONAL CARE INFLUENCERS

PERSONAL CARE INFLUENCERS ARE NEARLY TWICE AS LIKELY TO BE FEMALE THAN MALE 16% V 9%

THEY ARE AS LIKELY TO BE AT SCHOOL OR UNIVERSITY 12% BUT SLIGHTLY MORE LIKELY TO BE WORKING OR NOT IN FULL TIME EDUCATION 15%

THEY ARE MORE LIKELY THAN ANY OTHER GROUP TO BE A CAPTAIN OF A SPORTS TEAM 23%

“ I'M ALWAYS ON THE LOOK OUT FOR NEW THINGS – COSMO IS A GREAT WAY TO DISCOVER NEW PRODUCTS.

“ I THINK I HAVE A MASSIVE SAY ON WHAT MY FRIENDS DECIDE TO USE AS WE ALL GET READY TOGETHER AND ARE THE FIRST PEOPLE TO SEE EACH OTHER. ITS LIKE A RITUAL. ” (JODIE)

THE INFLUENCER INDEX AS A PROFILING AND RESEARCH TOOL

There is nothing new in trying to identify and work with opinion formers, leaders and influencers. Brands and their agencies have been doing it for decades.

What is different now is that in the modern world of "ubiquitous connectivity" where the reach of the individual goes further and the power of the network is stronger – working with the most connected, the most influential "empowered consumers" is more important than it has ever been. We think that we are pretty good at identifying influencers, but the development of the Influencer Index is only the start of a journey for us and our clients.

We believe that the real challenge that lies ahead is not just in identifying influencers, but also in working out the best ways to work with them and harness their power. This does mean at the very least involving them throughout the entire marketing process – to listen, collaborate and co-create with them in order to innovate and accelerate word of mouth. But we don't want to leave things there. Increasingly we are looking to work with our most forward thinking clients – Unilever, Orange, Pepsico and Google – to overlay models of brand affinity with our influencer index in order to allow companies to work with the sweet spot of consumers that are both influential and truly committed to their brand. Working with this group of people means even more targeted recruitment and profiling and it means being more committed to the process of bringing these key consumers into the heart of your organisation. The journey might not always be easy but the benefits it can bring can have the greatest influence of all – on the bottom line.

Philip McNaughton

USE THE INFLUENCER INDEX TO DISCOVER WHAT OPINION FORMERS THINK OF YOUR BRAND

DISCOVER THE TARGETED GROUPS WITH WHOM SEEDING & CO-CREATION ACTIVITY WILL BE MOST EFFICIENT

OVERLAY WITH BRAND AFFINITY DATA TO IDENTIFY YOUR MOST PASSIONATE & INFLUENTIAL FANS

INVITE YOUR FANS TO CO-CREATE WITH YOU AND NATURALLY SPREAD WORD OF MOUTH

FOR MORE INFORMATION ABOUT THE INFLUENCER INDEX AND HOW IT CAN HELP YOU TARGET AND WORK WITH INFLUENCERS CONTACT ANDREW NEEDHAM, JOB MUSCROFT OR PHILIP MCNAUGHTON ON 020 78746599

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