



WHY CONSUMERS BECOME BRAND FANS

PART OF THE SYNCAPSE VALUE OF
A FACEBOOK FAN 2013 REPORT SERIES.

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EXECUTIVE SUMMARY

As social media matures, marketers are increasingly asking tough questions around social ROI. Perhaps no question is asked more than “What is the value of a Facebook Fan?” To answer this question, Syncapse released *The Value of a Facebook Fan 2013* report (www.syncapse.com/value-of-a-facebook-fan-2013), that applied a rigorous Fan valuation model to 20 major brands across key consumer categories. With hard proof that brand Fans are disproportionately valuable on average, the next vexing question is: “Why do consumers become Facebook Fans of specific brands in the first place?” A marketer armed with this knowledge becomes empowered to optimize Fan acquisition strategy to improve social marketing impact. With that premise, this report probes prerequisite behaviors to becoming a brand Fan; ratings of the top reported reasons among consumers; and prescriptive guidance to improve social marketing.

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BACKGROUND & METHODOLOGY

This installment is part of Syncapse’s *The Value of a Facebook Fan 2013* report series. The current study builds on methodology introduced in 2010, while maintaining the integrity of the original benchmarks. Enhancements include measures of cross-media consumption, device usage, attitudes and emotional drivers. Brands under study in 2013 were selected based on their wide consumer adoption and a Syncapse SynQ rating, a proprietary social brand index that ranks brands’ relative performance. SynQ incorporates blended Facebook Page metrics such as Fan count, Fan growth, engaged Fans and engaged Fan growth.



Brands Included in the Value of a Facebook Fan 2013 Study



Based on a valuation model developed by Syncapse, the survey research for this study was conducted by Hotspex and consisted of a 25-minute survey using its online panel. After screening a large mega panel of U.S. consumers, data was collected from 2,080 panelists in Q1 2013. Respondents self-identified as Fans by indicating which brands they have “Liked” on Facebook. Next, information on past and projected future behavior was collected both at the category and individual brand level.

FINDINGS

Fan Motivators & Brand Value

“Average value of a Facebook Brand Fan up **28%** since 2010”

According to Syncapse empirical research, the average value of a Facebook Fan is \$174 across key consumer categories. This is an increase of 28% since 2010. Syncapse's Fan valuation methodology incorporates key drivers of brand value, including spending, loyalty, propensity to recommend, earned media value, acquisition cost and brand affinity. The effect is amplified given the exploding number of Fan memberships among the twenty major consumer brands under study; they have doubled, tripled or more. Brand Fan value is driven by Fans' tendencies to be Super Consumers – they tend to be brand users first, spend more, engage more, advocate more and demonstrate more loyalty.

The disproportionate economic value of brand users who are Fans (versus non-Fans) helps justify marketers' desire to grow their Facebook memberships. In addition to pure economic value, a high quality Fan membership presents many benefits, particularly the direct access to a self-selecting group of passionate, high-value and receptive

“Why do Fans, fan?”

customers. The Facebook platform is a highly immersive media venue, offering rich consumer data, and opportunity to deliver individualized communication at great scale.

With these benefits, a key question emerges for marketers seeking to grow high quality Facebook memberships: Why do consumers become Facebook Fans of specific brands in the first place?

Prerequisites To Becoming A Fan

“**78% of Fans are current Brand users**”

One of the most significant attributes of brand Fans is that they typically do not Fan a brand without trying it first. 78% of Fans were users of respective brands in this study, which focused on mass-appeal brands like consumer packaged goods, quick serve restaurants and big-box retailers. Exceptions to this rule can occur with passion and aspirational brands that are price prohibitive. For example, the one brand in this study that demonstrated this phenomenon was BMW, where the usage rate for Fans was 36%.

BRAND MANDATE

PRIORITIZE SOCIAL MARKETING ON CONVERTING EXISTING USERS FIRST

Since being a brand user is usually a prerequisite to becoming a Fan in consumer goods categories, marketers should prioritize their Fan acquisition investments on converting existing customers. Not only is acquisition cost and conversion friction lower, but the investment in a higher quality Fan base will reap rewards down the line, and this is true for both lower-cost and higher-cost consumer brands. Higher quality Fans tend to attract greater numbers of other high quality Fans, and they also tend to advocate more. Establishing a direct channel with Fans (who are customers) also empowers marketers to communicate more effectively and upsell to their most valuable audience segment. Establishing a firm Fan base (of existing users) also creates powerful opportunities for lookalike profile modeling, which empowers marketers to improve targeting against both customers and prospects.

Drivers of Consumer Brand Fanning

“**49% of Brand Fans cited “Supporting The Brand I Like” as the reason behind liked pages**”

While being a brand user is usually a prerequisite for becoming a Fan, 49% of brand Fans cited a desire “to support the brand I like” as a reason for becoming a Fan – making it the most popular reason across all brands. This may be surprising considering the prevalence of rewards and direct-response tactics employed by marketers to grow their Fan memberships. While transactional offers and incentives are prevalent reasons, emotional and relationship motivators were more universal.



Reasons for Becoming a Brand Fan on Facebook

QUESTION: The following are the reasons of becoming a fan that were mentioned to us by others. Which, if any, of the following reasons led you to become a Fan or ‘Like’ the following brands on Facebook?

49% To support the brand I like	27% To share my interests / lifestyle with others
42% To get a coupon or discount	21% To research brands when I was looking for specific products / services
41% To receive regular updates from brands I like	20% Seeing my friends are already a fan or “liked”
35% To participate in contests	18% A brand advertisement (TV, online, magazines) led me to fan the brand
31% To share my personal good experiences	15% Someone recommended me to fan the brand

Syncapse/Hotspex U.S. Survey March 2013 (n=2,080). Primary brands under study included BMW, BlackBerry, Xbox, Disney, Zara, Levi’s, H&M, Victoria’s Secret, Adidas Originals, Nike, Monster Energy Drink, Coca-Cola, Dr Pepper, Oreo, Skittles, Starbucks, McDonald’s, Subway, Walmart, Target.

Source: Syncapse.com

BRAND MANDATE

PRIORITIZE EMOTIONAL MOTIVATORS TO ATTRACT HIGH QUALITY FANS

Many brands, particularly retailers and lower-cost brands with high purchase frequencies, often resort to rewards and direct-response incentives for driving Fan membership. However, these tactics are often blindly targeted to brand-promiscuous deal hunters, resulting in a lower-quality, fickle Fan membership (and waste of scarce marketing dollars). Instead, marketers should prioritize (or at least test) emotional and relationship motivators to attract high-quality, loyal Fans, and then deploy transactional offers for usage and purchase reinforcement.

Reasons Consumers Become Fans Of Specific Brands

While brand categories exhibit similarities, every brand is nuanced in how it motivates consumers to become Facebook brand Fans. Disney, Starbucks and Nike ranked highest when considering the propensity of consumers who became Fans because of their desire to support these brands. Retail brands tend to rank high among Fans who desire “to receive regular updates from brands I like” and “to get a coupon or discount.”



Reasons for Becoming a Brand Fan on Facebook

QUESTION: The following are the reasons of becoming a fan that were mentioned to us by others. Which, if any, of the following reasons led you to become a Fan or ‘Like’ the following brands on Facebook?

BRAND	To support the brand I like	To receive regular updates from brands I like	To share my personal good experiences	To share my interests / lifestyle with others	To participate in contests	To get a coupon or discount	To research brands when I was looking for specific products / services	Seeing my friends are already a fan or “liked”	The brand advertisement (TV, online, magazines) led me to fan the brand	Someone recommended me to fan the brand
	61	49	28	29	47	37	15	20	15	9
	61	41	30	22	50	48	17	15	17	11
	58	41	36	34	31	36	20	25	16	19
	57	43	27	28	34	40	16	18	19	8
	56	49	27	27	39	59	14	19	13	12
	56	57	30	30	45	61	20	20	20	12
	56	37	33	26	22	33	27	18	20	17
	54	41	41	37	33	28	25	31	22	20
	53	34	26	19	33	48	8	12	13	7
	52	45	28	17	40	55	13	14	16	11
	48	49	24	19	41	59	20	16	13	9
	47	40	37	38	34	31	28	27	27	22
	46	38	30	21	37	53	17	20	19	13
	46	42	40	29	30	32	30	21	19	16
	45	47	29	25	34	43	30	20	16	10
	44	42	32	27	31	42	21	23	17	24
	44	33	32	26	31	34	23	23	25	23
	42	30	30	23	34	41	16	17	18	14
	37	31	35	28	26	17	35	24	19	19
ZARA	25	29	31	35	23	39	25	23	14	27
AVERAGE	49	41	31	27	35	42	21	20	18	15

Syncapse/Hotspex U.S. Survey March 2013 (n=2,080).

Source: Syncapse.com

BRAND
MANDATE**CALIBRATE FAN ACQUISITION STRATEGIES BASED ON THE REASONS CONSUMERS ACTUALLY CONVERT**

After understanding the composition of social membership, it becomes critical for marketers to understand the reasons consumers become Fans of brands in the first place. Marketers must compare actual reasons for becoming a Fan, and the hard tactics (and often expensive investments) they often deploy to acquire Fans – sometimes they match up, sometimes they don't. There may be more effective and efficient strategies to acquire more of the right types of Fans. It's also important to consider what motivates a brand's higher-value segments to opt into social membership compared to those for undesirable Fans. Syncapse data shows that poorly run social ads campaigns or offer-driven contests can be effective at attracting Fans, but they can exhibit lower engagement rates, which is one component of social brand health.

CONCLUSION

Facebook brand Fans have proven highly valuable in key consumer categories. Importantly, data show that marketers are very much in control over how much value is created and extracted from their social memberships. After understanding Fan value, marketers must enrich their Fan memberships by capitalizing on the reasons consumers become brand Fans in the first place. As the trend of acquiring Fans for ego's sake fades away, employing such knowledge about Fan motivations will greatly improve targeting and overall segment value.

VALUE OF A FAN SYNDICATED BRAND TRACKING STUDY

Customized for each individual brand, Syncapse's *The Value of Your Brand Fan* benchmark study and brand tracker provides marketers with accurate and affordable answers to guide social and overall marketing investment planning. Using the same methodology from "The Value of a Facebook Fan 2013" public study, brands gain a deep understanding of the value of their Fans across core areas, including: Product Spending; Customer Loyalty; Advocacy; Brand Affinity; and Media Value. It also provides benchmarks on competitors, content performance, and Fan attitudinal and behavioral drivers. Finally, it sets the stage for ongoing brand tracking and insights into social cause and effects. Visit syncapse.com to speak with a specialist.

ABOUT SYNCAPSE

Syncapse is a technology-enabled services company that uses social media data to achieve smarter marketing for the world's most valuable brands. Anheuser-Busch InBev, The Coca-Cola Company, Diageo, L'Oréal, Reckitt Benckiser and others turn to Syncapse to understand their customer needs and improve marketing performance. Visit syncapse.com.