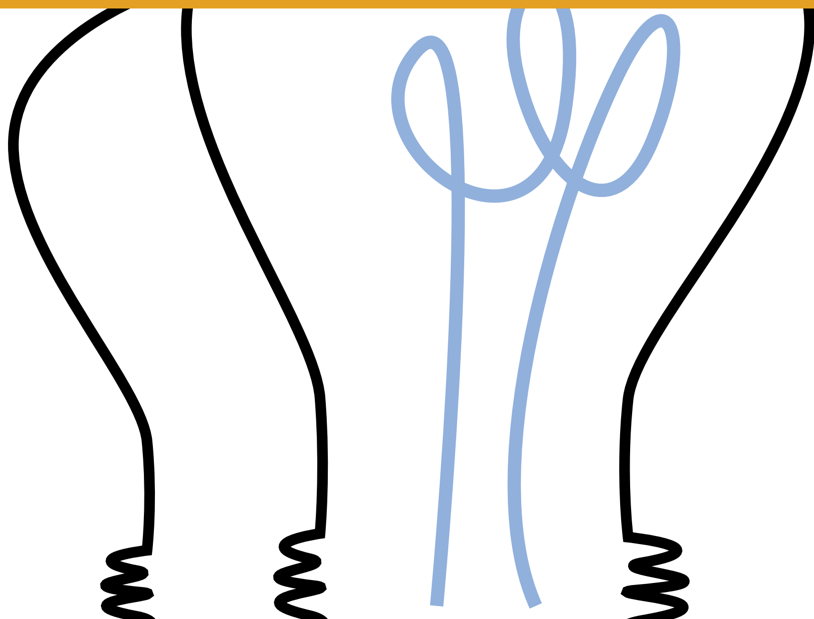
The State of Online Branded Communities

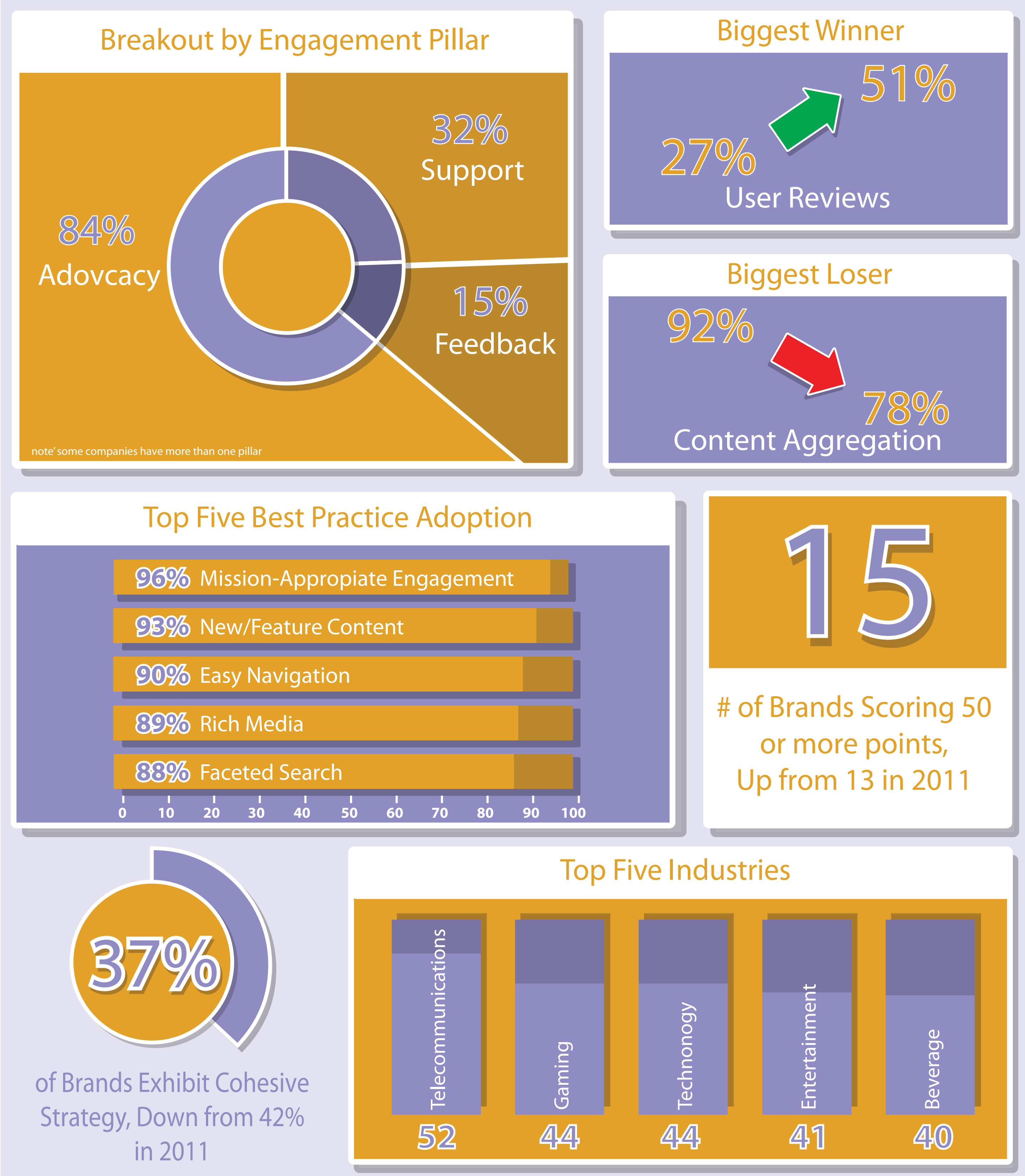


Studying community performance, member engagement, and social media integration of America's top brands.

November 2012

COMBLU

STUDY AT A GLANCE



SHARE

Engagement occurs at the nexus of conversation, content and community.

Readers of the previous three years of "State of Online Branded Communities" reports know that ComBlu broadly defines community as an engagement ecosystem that has no walls. Community includes offline conversations, social networks, review sites, gated brand communities and content hubs. People looking for answers about product performance and service experience, as well as those wanting to share their expertise or find others with similar interests or challenges do not limit themselves to a single digital or social channel. In fact, depending upon the industry sector, people seek connection in over **10 different places before making a buying decision.** Brands engage today because they want to create affinity with stakeholders and tap them as a powerful post-purchase channel. As such, these stakeholders provide product and service insights, enhance product offerings and contribute influence at multiple points of the buying journey of others.

This requires brands to be present where conversations occur as well as provide stimuli for deeper or new conversations.

> "Shoppers today want to explore and think about how products can improve their lives. They do reconnaissance to gain the insights they need and they're driven to bond with others and enrich relationships as they learn. They are motivated by a desire to take charge of their own identities and the well-being of their families and homes."
>
> | Dina Howell, CEO Saatchi & Saatchi in ZMOT

As the social ecosystem evolves, brands continue to grapple with "bright shiny object" syndrome and lack understanding of which channels bring true return on engagement. Often, brands simply default to an all-social view of community and abandon or ignore their branded online community structure. For some brands and programs, this is absolutely the right way to go. But for others, an "all Facebook and Twitter" ecosystem truncates engagement and prevents the formation of deeper affinity.

A recent study by **Incyte Group** found that consumers want both: a social experience with a brand via Facebook or Twitter **and** a web-based community where they can find more relevant information, easily interact with peers with similar needs or interests and learn firsthand how fabulous or horrendous the brand experiences of others have been.

Introduction

ComBlu's 2012 "State of Online Branded Communities" closely examines the community and social marketing programs of 92 companies, all of which are major brands, across 15 industries. We joined and evaluated over 200 communities, comprising a range of feedback, advocacy and support communities.

One of our major goals was to gain firsthand experience with how these communities engage and interact with their members. Specifically, our research assesses the brands' effectiveness in:

- Providing a meaningful experience for members.
- Integrating their brand strategies across multiple communities and social media.
- Applying best practices to strengthen customer engagement.

As companies focus more on using brand advocates to spread influence along the decision journey, they need to both own the place where conversation happens AND be present in places outside of their gated properties where people are talking. Numerous studies have shown that consumers and customers want a secure, private place to interact with the brand without the noise and confusion of other brands disrupting the flow of conversation. Understanding how to use community to create and syndicate a mix of brand and customer content throughout the buying journey is the "new normal" for marketing, customer support and product management. Optimizing community member experience, however, remains an aspirational goal, as this year's results indicate.

2012 STUDY STATS

15 INDUSTRIES

92 BRANDS

219 COMMUNITIES

THREE PILLARS OF ENGAGEMENT

FEEDBACK	ADVOCACY	SUPPORT
Crowdsource new ideas for products or services or gather input on product quality, customer experience, marketing campaigns and messaging, etc.	Use classic word-of-mouth marketing around a product, service, issues or idea to develop deeper relationships with stakeholders or activate them to support a specific mission.	Mix brand and customer experts to provide or extend the customer service model.

Key Insights

> Studies show that consumer participation in brand communities affects customer loyalty positively and strengthens relationships.

| Source: K.L. Keller

This year's study yielded some very interesting insights and observations.

NEW FORM OF EXPERIMENTATION

Brands that were once cohesive are entering a new phase of experimentation as they apply their social learning and as the discipline matures. Intel, Discovery and American Express all fall into this category. We anticipate that these brands will return to a cohesive state next year as their new ideas and programs gel.

ADVOCATE PROGRAMS

The highest-scoring brands had an 80 percent adoption rate of advocate programs vs. a rate of 19 percent study-wide. These brands understand the power of advocates as community leaders, mentors and amplifiers; advocates spread the brand story with passion and context. Recent research by ComBlu revealed that discussions about brand advocacy are growing. The following conversation trends surfaced in the year between September 2011 and 2012:

— **Defining** brand advocates increased by **198 percent**;

— **Engaging** brand advocates increased by **205 percent**;

— **Identifying** brand advocates and **executing** an advocate program increased by **76 percent**.

Despite the low adoption rate overall, we believe and hope an advocate groundswell is starting to bubble up. Some brands that do a great job of drawing on their advocates include:

SAP, which taps advocates as mentors.

Microsoft, which includes advocates as a core part of its peer-to-peer support model.

Pepsi, which invites **Mountain Dew** advocates to a private product testing community.

Sega, which designates advocates as community leaders and moderators.

Kraft, which employs advocates as product testers and brand ambassadors for new product launches.

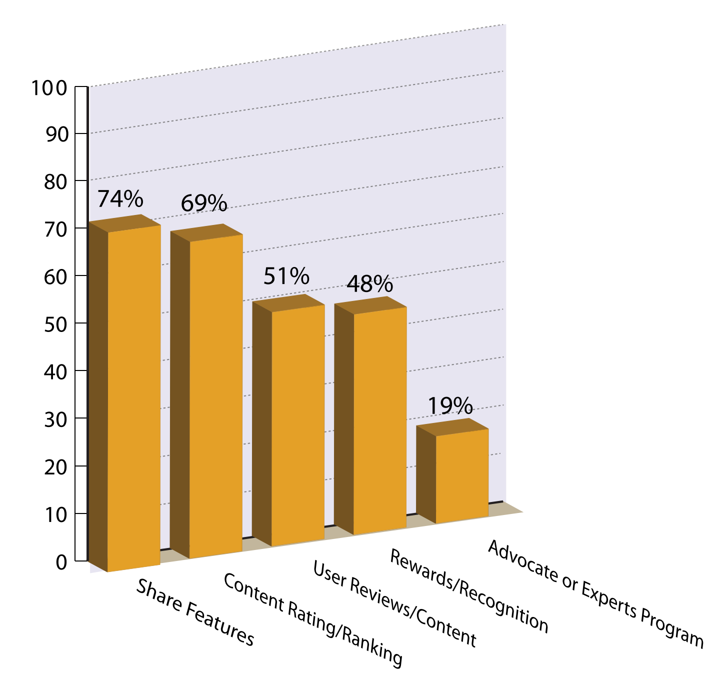
Key Insights

POST-PURCHASE ADVOCACY

Brands should pay more attention to the practices that impact advocacy. In addition to building an advocate program, the five practices on this chart help to stimulate post-purchase word of mouth. Despite this, their adoption rates remain low.

According to Google's tome, **ZMOT,** consumers and customers create their own versions of ***Consumer Reports*** a million times a minute with reviews, tweets, blogs, social networks and videos. They carry access to fresh, detailed information in their pockets. Yet brands are not connecting the dots from the post-purchase channel "trapped" in their communities with the pre-shopping discovery that happens from the smallest ticket items to multi-million dollar purchases. This is a huge opportunity for those brands who want to be part of the "smart before the cart" process.

Post-Purchase Best Practice Adoption Trend Analysis



CONTENT BEST PRACTICES

While many studies show the importance of content as a business and marketing asset, content practices failed to grow significantly. Content customization, tagging and content rating all had less than 70 percent adoption, with content customization scoring a meager 35 percent usage rate. Some brands, however, do a great job of offering a customized content experience, which is both a return motivator and a stimulus for content amplification.

ESPN allows consumers to filter content based on sport, player, team or league.

Toyota displays a "Customize Your Content" button allowing members to curate content according to profile and interests. Aggregation of data will drive the future content roadmap.

Bacardi employs a recommendation engine linking product choice to related content, recipe ideas and engagement activities. Members tweet Bacardi-branded content directly from the community.

Pfizer's "Get Old" community uses color-coded "post-it" notes to show attitudes about aging. This "tagging" then drives a custom content model for each member.

> A lot of people "like" or follow brands on social media but a smaller group goes beyond this, recommending products or services on a regular basis.

| Source: eMarketer Brand Advocacy Study

Key Insights

COMMUNITY LEADERSHIP

The low rate of community management—52 percent—shows a continued lack of community leadership. Active community management is a vital role that directly impacts overall community performance. Rachel Happe of **The Community Roundtable** likens community management to an iceberg: there's a lot more going on below the surface than the visible tip of the iceberg. Many brands devote resources to below-the-surface activities such as moderation, governance or analytics but forget to be visible and purposeful above the waterline, which impacts perceptions about the value of community. Unanswered posts, stale content or expired programs are examples of management practices that signal the community is stagnant and not a go-to destination.

This past year, ComBlu, **Word of Mouth Marketing Association** and The Community Roundtable sponsored a Community Management Certificate program, which drew hundreds of participants. The response indicates the hunger for more standardization and professionalization of this role. Brands are eager to figure out how to best manage their social and community assets efficiently and effectively.

> "Communities include "state of resonance," which is the highest level of connectedness a brand can achieve with its customers."

| Source: K.L. Keller

MISSION-APPROPRIATE ENGAGEMENT

Engaging people appropriately for the community mission and fulfilling member expectations continues to be a study bright spot. Some great examples include:

Unilever's AXE campaign is innovative and engaging. It used community and social to crowdsource a graphic novel, which subsequently drove the creative for the launch of AXE for Her.

Marriott's Roady Awards celebrate the best of community through an annual awards program. Recipients receive votes from other community members and highlight great community content, engagement and participation of key members.

AT&T Mobile Hackathon is an example of the integration of online and offline events. Attendees compete for prizes and scout for teammates to work on new or current projects. Hackathon is supported by both Facebook and the online AT&T Developers Community.

NBC Live provides a virtual backstage pass to multiple NBC shows and properties. This community offers a multiscreen experience and allows fans to see real-time comments from other viewers, and provides a live chat platform for people watching contestant programming such as *America's Got Talent* and *The Voice*.

Johnson & Johnson's My Coach Sleep offers a six-week, community-based workshop to help improve sleep habits. It offers everything from mentoring, downloads of soothing music and the Sleep Tracker iPhone app. A detailed sleep profile results in a customized plan aligned with specific content, tools and tips.

Key Insights

WORST PRACTICES

The study typically focuses on best practices and the brands that are rock stars. But as the community and engagement disciplines mature, it is astounding how many bad practices endure: worse than flypaper on a wall of dry-rubber cement.

> "At the end of the day, it comes down to honest, open human interactions because that's what people like in brand communications. When they feel there's a human being on the other end, it makes them more loyal."

| Source: AYTM Market Research

Worst Practice #1: *Moderating comments, stories and photos before posting to the community site.* Come on—aren't we past this? **Best Buy** leaves up toxic comments and lets the community organically defend or correct misinformation, while **Lowe's** requires all comments to be approved before they are posted. **Sears** requires all reviews to be vetted before they are posted. What decade are we in?

Worst Practice #2: *Asking for information at registration and promising to drive pertinent content based upon personal interests or needs and never delivering on the promise.* **P&G's Eukanuba** community gets props for thinking about content customization but gets razzed for, in reality, sending everyone the same content.

Worst Practice #3: *Related to the above egregious practice is leaving up hopelessly outdated content.* When a brand doesn't care enough to update a blog post or share great, new content with its members, it's time to get out of the community business. **American Express** displayed this practice in a few of its community properties.

Worst practice #4: *Having a banner calling out "what's new" and never having anything new listed.* This was seen in the **General Mills** community, "**MyInsite-Pssst.**"

Worst practice #5: *Asking the community members to submit their success stories but not disclosing the criteria for selection or qualification minimizes engagement.* While **Unilever's Slim-Fast** gets credit for thinking about using great VOC integration, the execution falls short. The stories in this section of the community are highly edited and in corporate voice.

Key Observations

Overall, the biggest miss that we observed this year is the lack of comprehensive community and social assimilation. Many brands continue to define Facebook as their community and point to the number of fans or likes as an indicator of community success. Yet countless studies have concluded that “likes” are **not** equivalent to “relationships with customers.” In reality, a social-only strategy is an incomplete line of attack, as is a “branded community–only” approach. The two are symbiotic and contribute to overall engagement. It is important for brands to understand what to do where and optimize the natural leverage between the owned and social infrastructure.

While Facebook is still predominantly a push channel for content, offers and promotions, smart brands are starting to use their full social ecosystem to aggregate and link to deeper community content. This results in the leverage of both the community and social experience. It also facilitates the appropriate and best use of each channel while still sharing across the entire community/social ecosystem.

The Facebook vs. community debate is one we have been tracking over the past few years. At ComBlu, we do not believe it is an either-or proposition and are disturbed to see many brands focus more and more on Facebook and other social channels while minimizing their investment in true community. Brand advocacy is built through relationships—and community is still the best method for creating affinity with a segment of customers who will spread the word among their own social channels and personal networks. This is a trend worth watching.

6%

Percentage of Fans Who Engage with a Brand’s Facebook Page

Source: Napkin Labs

1:75

Engagement of 1 Superfan=Engagement of 75 “Normal Fans”

Source: Napkin Labs

70%

Questions on Facebook that Brands Ignore

Source: Social Bakers

50%

Prefer Content Rated and Vetted Within a Community

Source: Incyte Group

2

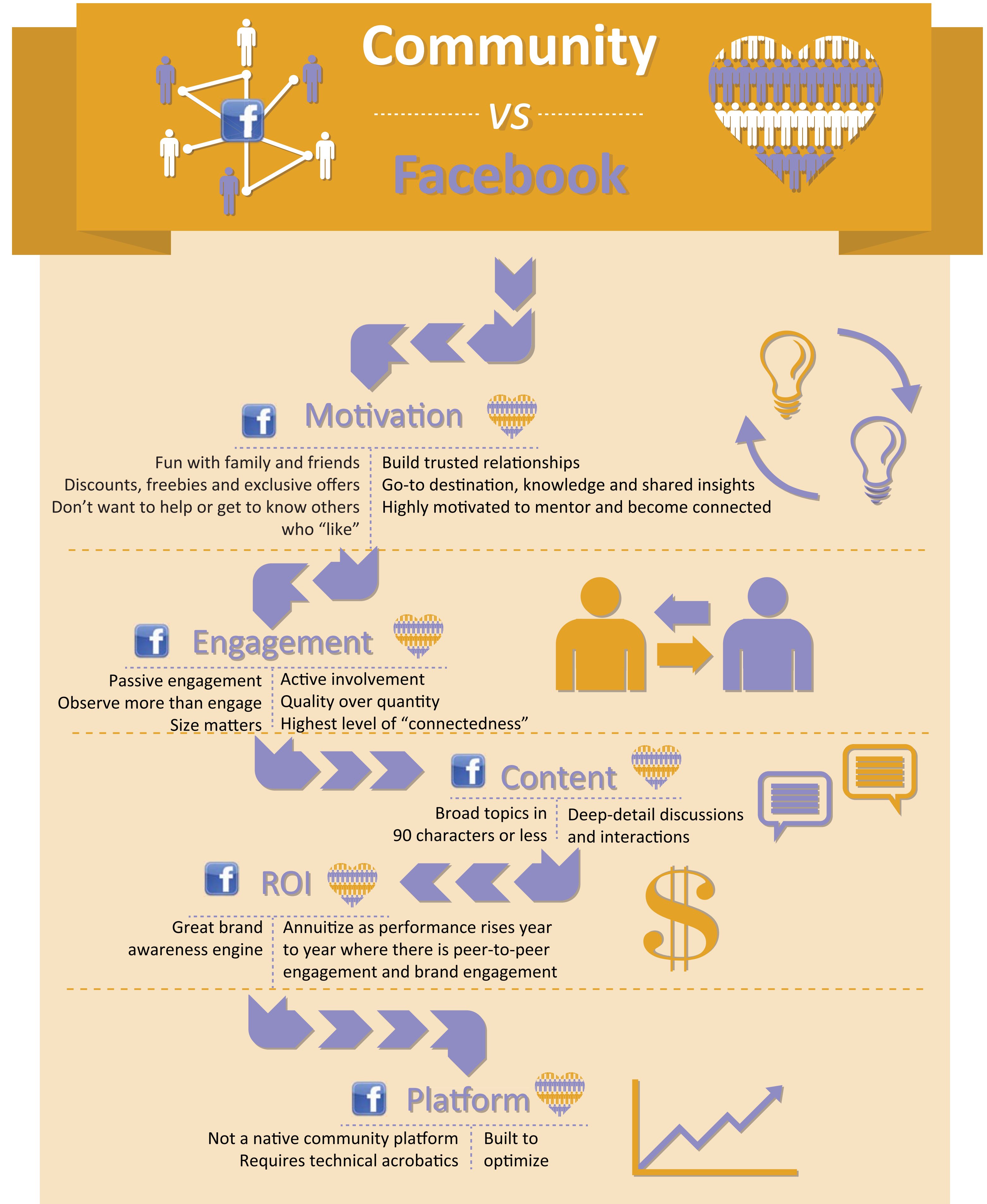
Areas Where Community is “Over-Delivered”: Peer-to-Peer Buying Advice and Customer Ideation

Source: Lithium

90%

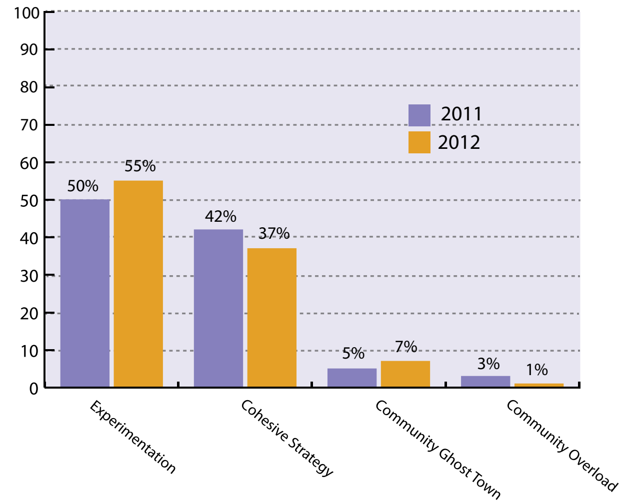
Think Online Communities Give Most Relevant Information for Purchase Decision

Source: Get Satisfaction



Community Classification

Overall Classification



MANY BRANDS SWITCHING CLASSIFICATION

The social experimentation category jumped from 50 percent to 55 percent, which dragged down the scores of some previously high-scoring brands such as Intel, American Express and Discovery. At first this was disturbing. However, the ComBlu team concluded that this actually is a healthy phenomenon.

A natural part of the maturation cycle of community strategy is to make adjustments based on member input and performance analytics. When brands first launched communities, legacy knowledge was nonexistent and experimentation was rampant. Brands tried many things with no obvious strategy and searched for the ultimate "secret sauce" of community.

As brands gain experience and measurement becomes more sophisticated, they are using their learning to jettison non-performing engagement approaches and are introducing new tools and engagement catalysts. The goal is to stimulate new levels of engagement and reignite dormant community members. They thus enter a new era of experimentation and no doubt will apply the best-performing new ideas across a new cohesive framework. This is a trend to watch to see if cohesive strategy rebounds next year.

Last year we saw a growth in the number of brands that offered a cohesive framework across their community and social ecosystem. The decline in the percentage of brands in the cohesive category this year equaled the gain in the experimentation stage.

Cohesive Strategy

A brand has a solid community foundation with multiple activities rolling into a single online experience, or "building with a solid foundation."

Social Experimentation

A brand is experimenting with one or more communities, as well as social media, but lacks evidence of a cohesive strategy to tie it all together, or "lots of bricks, no buildings."

Community Overload

A brand has multiple communities fighting for attention from the same audience, or "too many buildings."

Community Ghost Town

A brand has unpopulated communities with little to no member activity, or "no bricks, no buildings, no people."

Overall Activity Levels

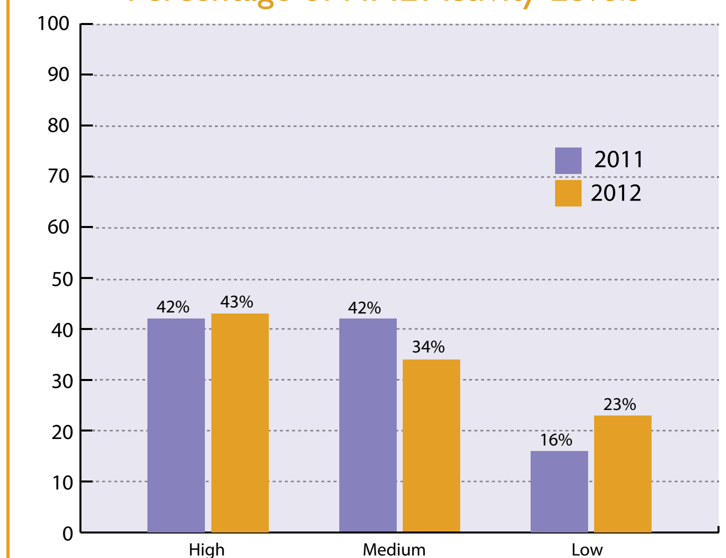
While the percentage of communities with high activity levels remained virtually unchanged from last year, the number of brands with low activity levels grew from 16 percent to 23 percent. Part of this can be attributed to the switch to Facebook for many engagement activities and/or the lack of a strategic approach to community management.

- Many brands do not use their community managers to stimulate engagement and to consistently showcase what's new or interesting inside the community. This tamps down return motivation.
- In multiple instances, community managers fail to respond to forum or discussion threads and diminish the value of the community as a go-to place for ideas, tips and brand relationships.

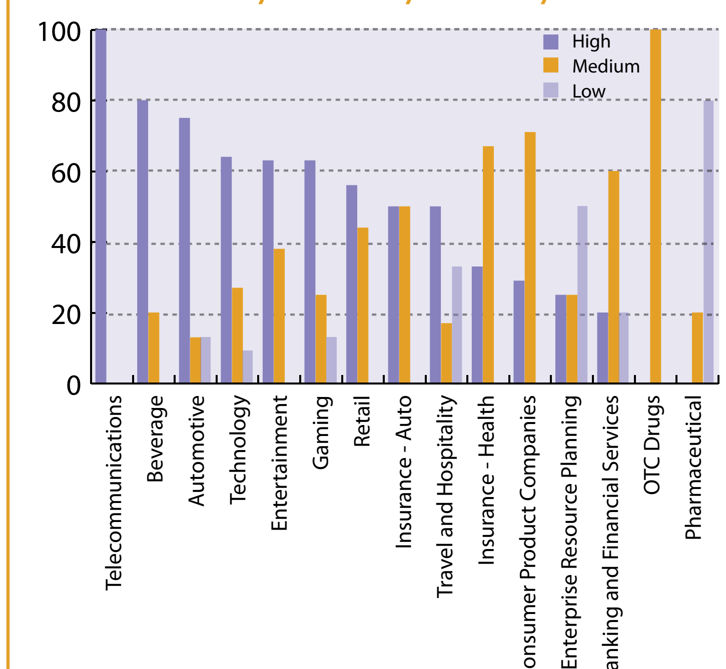
Once again, telecommunications is the sole industry with high activity levels across all brands. Only two other industries—CPG and auto—had activity levels greater than or equal to 75 percent. Auto is a bit of an outlier because most of the brands in this sector use community for vehicle maintenance and do not actively engage their community in other ways.

- Not surprisingly, the overall lowest scoring industry—pharmaceutical—had the lowest activity levels. In fact, the percentage of brands in this sector with low activity increased significantly from last year, growing from about 57 percent to 80 percent this year.

Percentage of HML Activity Levels



Percentage of HML Activity Levels by Industry



High-Wattage Brands

This year, ComBlu introduced its lumen ratings to indicate performance tiers for the study.

No brand achieved "klieg light" status, but Verizon came very close with 56 points and, once again, is the study's highest-performing brand. SAP maintains the number-two position followed by Sony PlayStation in the third slot, an honor PlayStation shared last year with two other brands.

Overall, 30 brands made the high wattage category, but only 15 brands scored 50 or more points, up from 12 last year. Three of the brands with 50 or more points in 2011 dropped off that list. Intel, American Express and Discovery all lost points for dropping from cohesive to experimentation.

- As stated on page 10 of the study, these are sophisticated "community brands" that seem to be making adjustments as they mature. We expect them to fully rebound next year.

Six new brands made the 50+ list this year, including AT&T, IBM, Cisco (also new to study), Kraft, Sprint and T-Mobile. With the exception of Kraft, all are either telecommunications or technology brands, which have been perennially high-scoring industries. Sprint and T-Mobile also made the most-improved list, with each gaining 10 points since 2011.

Xbox, Sears, Whole Foods and Bravo all have identical scores as last year, while EA lost a point. Microsoft and SAP each gained a point since last year's study.

SCORE RANGE

[0-21] Lights Out

[22-41] Low Wattage

[42-56] High Wattage

[57+] Klieg Lights

SHINING STARS

Verizon	56
SAP	55
PlayStation	54
EA	53
AT&T, Bravo, IBM	52
Cisco, Kraft, Microsoft, Sprint, Xbox	51
Sears, T-Mobile, Whole Foods Market	50

Bright Lights

An additional 15 brands scored high enough to be in the high wattage category but failed to make the 50-points-or-more list. Of these, Coca-Cola and Dell also were among the most improved.

- Dell completed a migration to a new community platform since last year's study and is now more cohesive

Dropping out of the high wattage category this year were Apple, Disney, Southwest, JetBlue, Ubisoft, Best Buy and Bank of America.

Fifty-two of the 92 brands in the study landed in the low wattage category. Of these, several came within five points of the high wattage category, including:

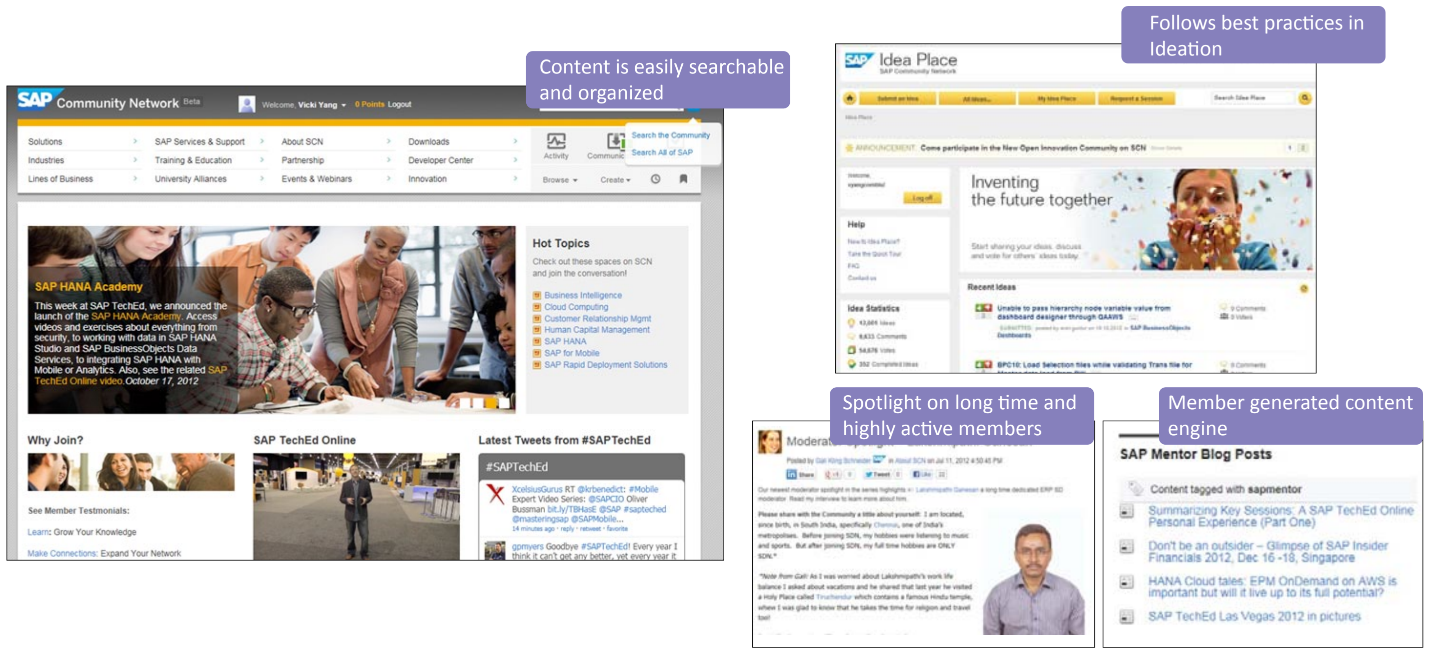
- Comcast
- Home Depot
- Warner Bros.
- Food Network
- Lenovo
- Bank of America
- Apple
- Starwood
- Pepsi
- Discovery
- Sony Gaming
- Sony
- Oracle
- Sega
- Humana (another most-improved brand)
- Aetna (most-improved brand in the study with a jump of 31 points)
- Bacardi (also a most-improved brand)

LIGHTS OUT

Ten brands scored less than or equal to 21 points and comprise the "lights out" category. Of these lowest-performing brands, eight are in a regulated industry, including four pharmaceutical companies and four OTC brands. A major auto manufacturer and an ERP provider rounded out the group.

BRIGHT LIGHTS

Intuit (Small business, rejoice.)	48
HP, Intel, Starbucks, Activision	47
NBC, Dell, Nintendo	46
Kimberly-Clark, ESPN	45
General Mills, American Express, Coca-Cola	43
Microsoft Dynamics, JPMorganChase	42



SAP is a community superstar and remains one of the highest-scoring brands in the study. Through its community network, SAP engages with more than 2.5 million members and yet provides each a streamlined and compelling experience that is aligned with expressed needs and interests.

This brand incorporates all three pillars of engagement—feedback, advocacy and support—throughout the community experience. Since last year, SAP migrated to a new community experience and switched platforms in the process. The company very wisely tapped a mix of SAP community managers and community leaders to help their peers navigate and learn the new community structure. The community is organized into 300 discrete "spaces," with each one revolving around a topic, product or industry. All related content, forums, conversations and interactions are now better organized in a designated space. Members can create a personal dashboard that allows them to quickly and easily find all relevant spaces and navigate between them. This results in a seamless peer-to-peer experience.

All of the spaces have a similar navigation and shared functionality, making it highly cohesive and easy to navigate. This addressed the search and navigational issues that SAP has had in the past. Members browse spaces by designated categories including: Solutions, Industries, Lines of Business, SAP Service and Support, Training and Education and University Alliances.

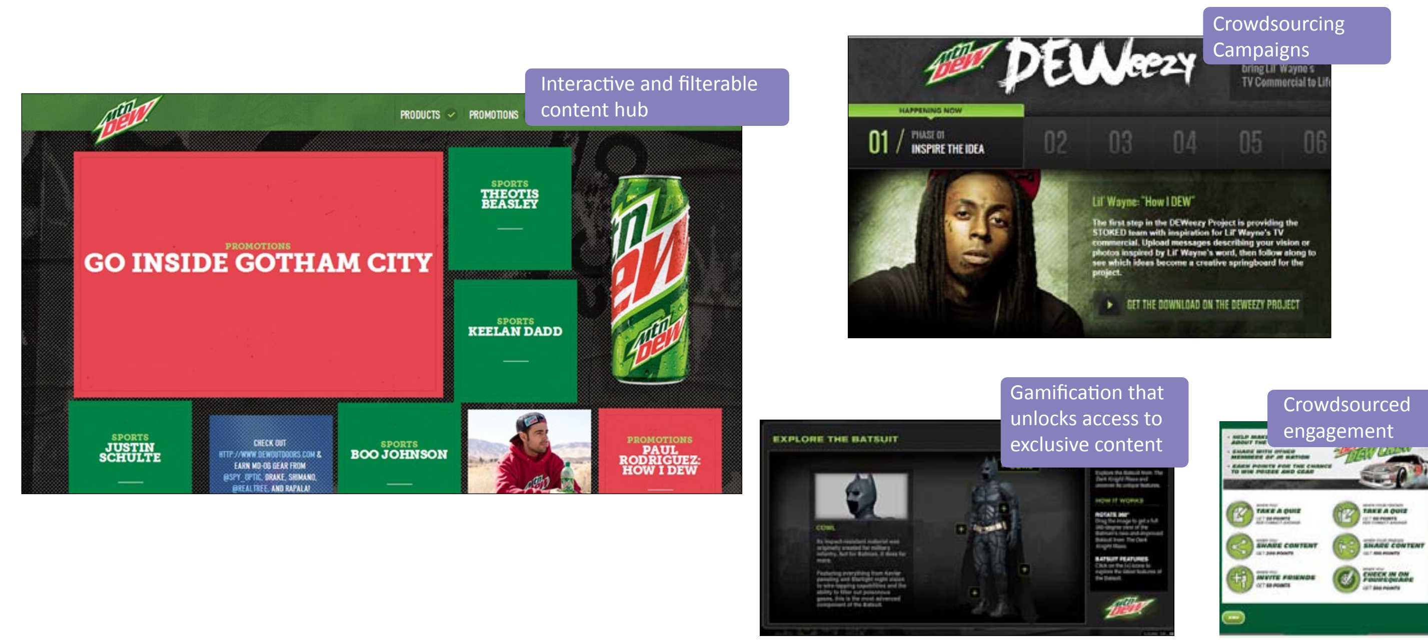
SAP incorporates best practices that make it easy for users to find the best content for their unique interests or needs. The community offers a good mix of expert- and user-generated content and cues the member as to which is the most highly-rated content.

- Members can contribute wiki articles and blog posts and upload and share documents.
- An aggregation widget allows members to capture content from throughout the cloud and share with other groups of members.

SAP has a great reputation management system. Members primarily earn points by sharing expertise and creating content. Each space has a user spotlight for recognizing community members who have made outstanding contributions. Some user spotlights are in-depth interviews, which highlight the member's contributions, interests and areas of expertise. One nice feature is the recognition of high-performing content creators. As a creator's content gains in reputation, his or her content earns higher point values. SAP also does a great job letting members easily identify and connect with experts in specific topic areas. Members nominate "mentors" who are then selected by SAP to become part of its advocate core. Once qualified, mentors provide product and solutions insights, and contribute a significant volume of VOC content, which is highly rated by other members.

SAP also offers Idea Space for co-creation and input about SAP products and services. This is quite active with over 11,000 ideas delivered, 8,500 comments, 50,000+ votes and 330 completed ideas.

Brand Spotlight

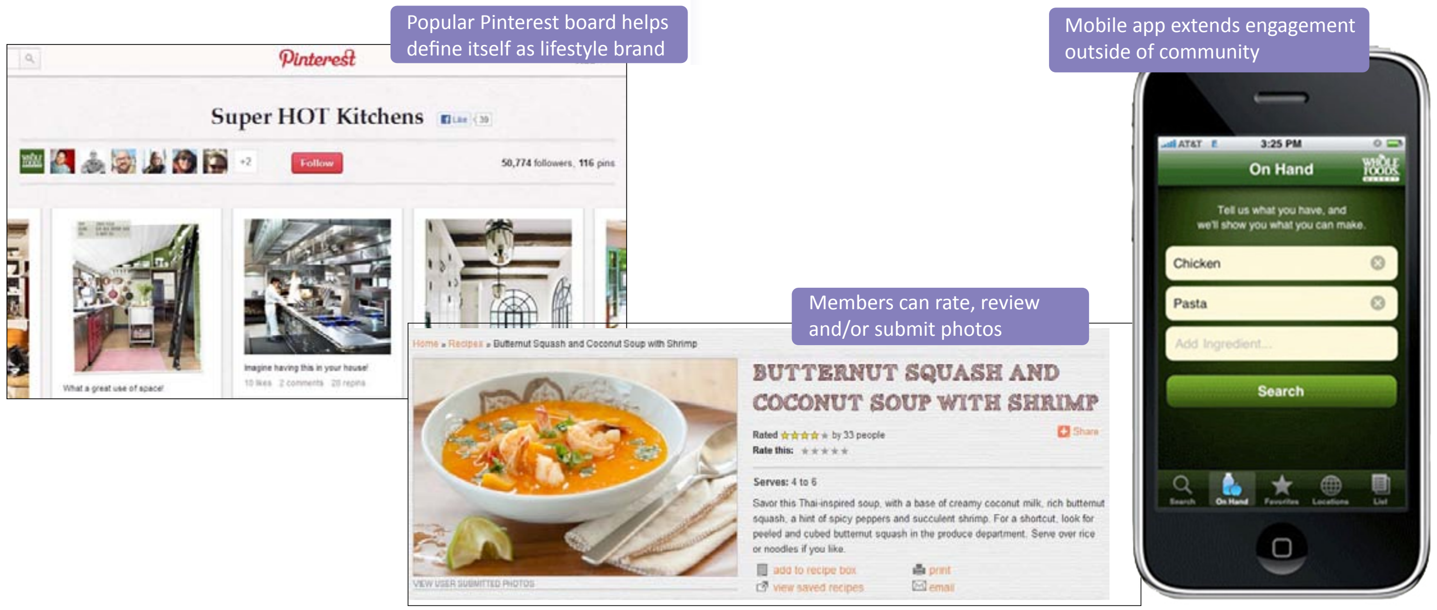


Mountain Dew offers its über passionate fan base a true "community without walls" experience by offering a great mix of content and crowdsourced campaigns across branded community and social sites such as Facebook. This community is an engagement superstar and closely aligns engagement activities with business mission.

- At the Mountain Dew branded community site, members can create a custom content hub by selecting from a variety of celebrity videos, member Instagrams, Facebook photos, etc. The member can filter the content view by product, social, sports, music or all of the above!
- Facebook is the main engagement hub, where everything is crowdsourced. Here, members can:
  - Co-create a Lil Wayne commercial by submitting comments and photos, cast votes for member-inspired themes, add a voice-over, vote on aspects of the shoot while it is being produced, vote on refinements and preview the final commercial spot.
  - Give Dale Earnhardt Jr. driving instructions
  - Access great content
  - Get swag
  - Participate in mini contests and big campaigns and win everything from a trip to New York to a coupon for Mountain Dew
  - Access a gaming platform. A recent *Dark Knight* module allowed the member to unlock exclusive content, earn points on Dew Gotham City and preview Dew Dark Berry, a limited product for the *Dark Knight* promotion.
  - Decide which new products should be launched and which old ones should be reprised

Mountain Dew also has its Dewmocracy community, which is all about bringing new users to the brand and incrementally adding to volume and sales. Since Mountain Dew offers many limited edition flavors as part of special promotions or campaigns, consumers often want their favorites brought back to market. Dewmocracy allows them to vote on which ones should become part of the active Dew portfolio. According to *Beverage Digest*, this approach has generated an incremental 25 million case sales per year, equivalent to over $200 million in revenue.

Mountain Dew has another community called Dew Labs, which is a private, invitation-only community for its brand advocates, also referred to as Dew Nation.



Whole Foods continues to be a high-scoring community and employs social media in a strategic and interesting way. Its use of Pinterest, for example, is widely touted as a framework for defining Whole Foods as a lifestyle brand, rather than as a purveyor of high quality, organic products. One of the brand's most popular boards is Super-HOT Kitchens. The grocer obviously isn't in the kitchen remodeling business, but kitchens and cooking are a big part of their consumers' lifestyle experience. While this seems an obvious tangent, it is a lesson many brands fail to translate to their social engagement framework. Too often, brands focus solely on their products, campaigns and coupons to the detriment of a longer tail-engagement approach.

The Whole Foods Market community gives consumers a place to access recipes, research products, connect with other customers, participate in discussions and link to a wide variety of offline events. The community is a vast resource for information about dieting, healthy living, food preparation, cooking techniques and product information.

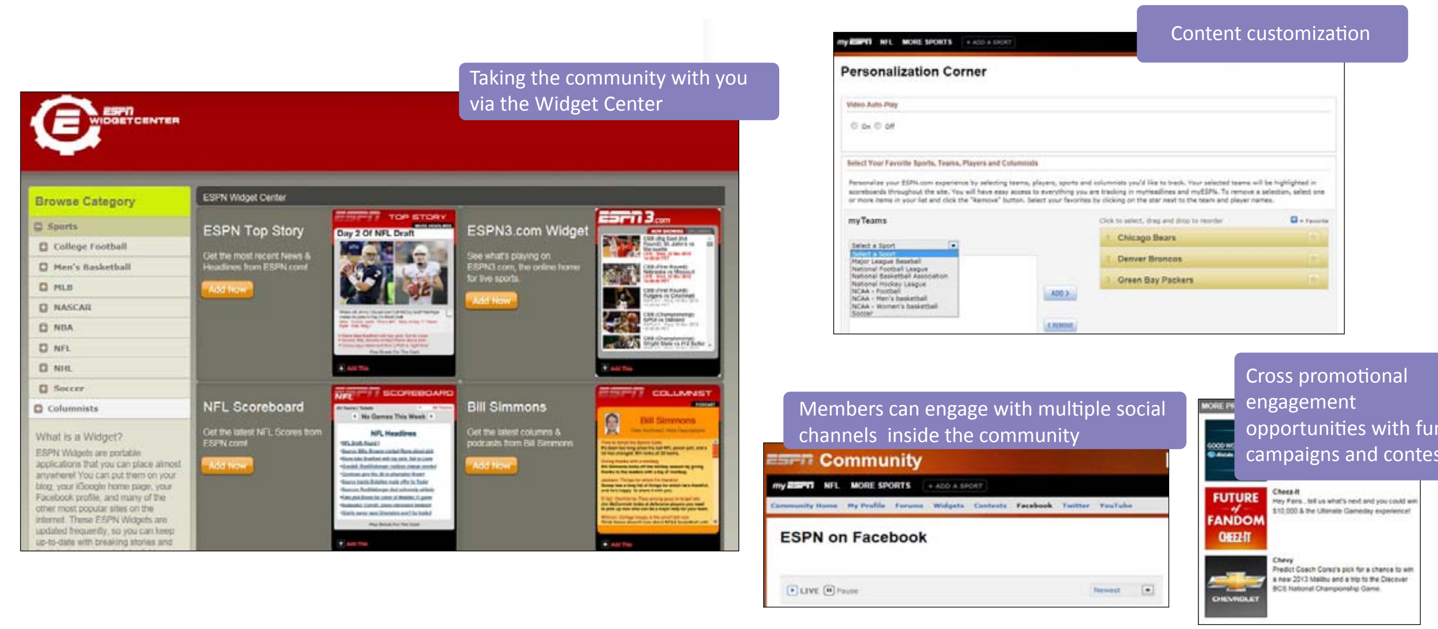
Within a specific product page, consumers can rate products, submit reviews and "recommend" other user reviews. Consumers can also enter the product onto a shopping list that is saved on his/her personal dashboard.

Whole Foods extends its engagement to mobile with two apps.

- The first allows consumers to choose a mission associated with healthy eating. The app allows the user to research culinary advice associated with the mission and download it for future reference.
- The second app is recipe centric and integrated with the community. When the member chooses a recipe, he/she can add it to her recipe box and shopping list, which auto-populates the ingredients from the recipe. The user edits the list and can print it, share it ("Honey, can you pick up a few things from Whole Foods?") or send to the mobile device.
  - The mobile app also offers a cool "On Hand" feature that allows the user to type in three ingredients. The app then returns suggested recipes using those ingredients.

Within the Whole Foods Market forums, users can provide feedback about the in-store shopping experience and give suggestions for improving the website and community functionality. Members also provide a lot of tips and tricks to each other and help with meal and recipe planning. Whole Foods community managers are very active in responding to member questions; they are clearly badged as Whole Foods experts, which is an important best practice.

The community has a good subscription and notification system but it is unclear if members can receive notification of new threads on subscribed forums via mobile.



Members' natural passions for sports make this a highly-active community. Through ritualized experiences, members engage in discussions before, during and after games. ESPN really understands who its audience is and what they want out of a sports site. Fantasy games (baseball, football, etc.) and content customization are appropriate for this demographic, as these sports fans are highly competitive and have strong preferences for which sports and teams they follow.

The site is easy to navigate and ESPN gives very clear direction on how to add favorites, join games or participate in contests (i.e., Streak for Cash, a game where sports fans try to go on betting streaks by guessing who will win matches in a variety of sports. Grand prize is up to $100,000. There is a leaderboard for this game and the ESPN homepage keeps you updated on upcoming matches and those that have been voted upon). Helpful site statistics provide an active feed of what other members are doing (i.e., becoming fans, posting a blog, adding a team, changing their user theme) and cues members about ways to become more deeply engaged.

Members can friend and message other users as well as comment on both their message boards and blogs. Every user also has an option of authoring their own blog posts; other members can view or comment. Members can view each other's profiles, including groups, favorite teams, created content, etc.

ESPN is another brand that offers a great "community without walls" experience by providing widgets and apps that allow members to customize their experience and bring ESPN community content "with them."

- ESPN includes tabs for each social property on its community. From there, members find an aggregated feed where they can consume posts, videos or tweets and respond to them without leaving the community.
  - ESPN also provides widgets that enable members to bring ESPN content to their social pages. For example, members interested in Fantasy Football could download ESPN's "injury report" widget to their Facebook profiles and use just-in-time information to adjust their fantasy team roster. The widgets update news, scores and other content in real time.
- Members customize their content and can segment it by sport, team, players and authors. The member can also access aggregated feeds of community content, which, thankfully, has a pause function. The content is copious as it displays at a lightning-fast pace.

ESPN also expands beyond the walls of its owned properties through engagement partnerships. Some of the 2012 partnerships include:

- Allstate: vote for the captain of the Good Works team. It is an honor for young athletes.
- Cheez-it: submit their ideas on the future of fandom (inventing the next big foam finger).
- Kingsford: sponsor tailgate contests that have weekly and grand prizes for students and schools; uses check-in features.
- Chevy Saturday Selections: predict coach's pick each week.

The ESPN Passport offers check-in functionality for fans. Users can check into places when watching sports shows and games. Members can view check-ins on a map feature.

Best Practice Adoption

Across the majority of the 33 best practices, no significant improvement of adoption rates occurred. The biggest jumps were in user reviews, which went from 27 percent to 51 percent and toolbars/custom widgets, which climbed from 10 percent to 26 percent.

- User reviews indicate a focus on the post-purchase cycle and the recognition that consumers and business buyers both rely on the experience and reviews of others before placing a product in its preference set. While it was nice to see this rebound, the adoption rate of this best practice still is lower than the level of the 2010 study, when it was at 54 percent.
- Toolbars and custom widgets help the community members self-curate a more meaningful experience—some of the better community platforms make it easy for users to capture content and information from across the cloud and organize it in folders. This is a trend worth watching, as it gives easy access to content that matters on the member level as well as creates return motivation to the community.

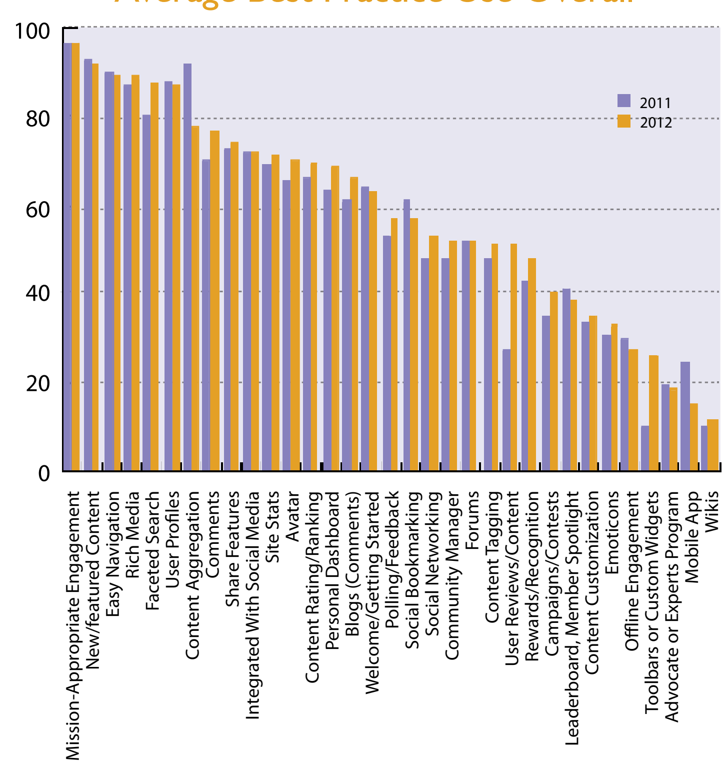
Other content best practices that improved included:

- Faceted search
- Content rating
- Tagging
- Content customization
- Personal dashboard

Mission-appropriate engagement and new/featured content remain the best practices with the highest adoption rates, although this year they switched positions.

Community manager presence rebounded a bit from last year and at a 52 percent adoption rate, it is at its highest level yet. This is an area where brands could make great strides by using the human face of the brand to build and nurture relationships. Communities, rather than open social networks, are where consumers prefer to build brand relationships. This is a big miss for brands that neglect this part of the social/digital equation.

Average Best Practice Use Overall



Other Best Practices Insights

The best practice adoption by the top-scoring brands offers some interesting insights.

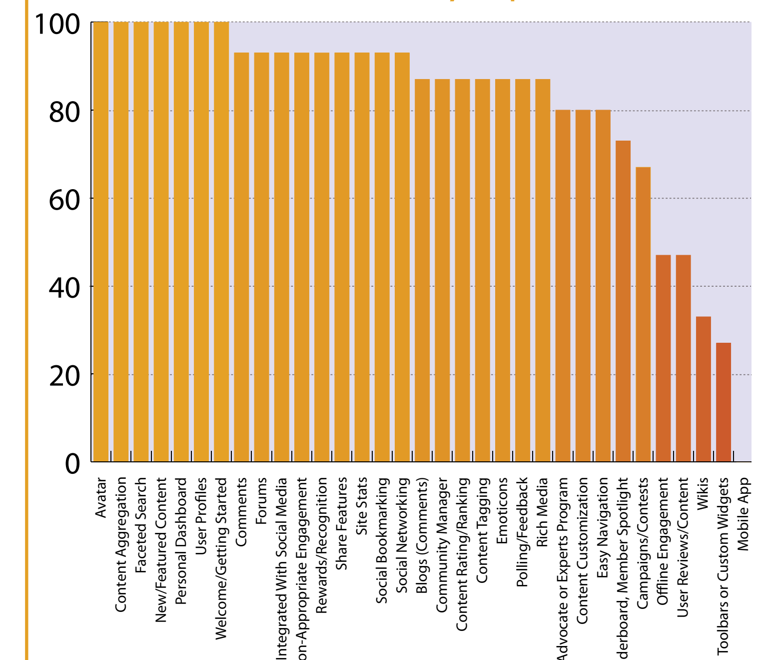
Twenty-six of the 33 best practices had greater than or equal to 80 percent adoption rate and only five were under 50 percent usage levels.

- Content aggregation, faceted search, new/featured content, personal dashboards, user profiles and onboarding practices all had 100 percent adoption.
- One of the big misses in this group was the relatively low use of leaderboards, which was 73 percent among the highest scorers vs. 39 percent across the entire study sample. This is surprising since the highest scorers had an adoption rate of 93 percent for rewards and recognition. Leaderboards are a staple in recognizing the achievements and contributions of community members, so we would have expected it to be higher among this group.
- One data point that is very confounding is the zero adoption of mobile in this group. By definition, we only positively score mobile if it is used to extend the community experience to the handset. Just having a random mobile app does not count in this category. We would have expected these brands to offer a way for their members to easily and efficiently access the community in a device-agnostic way.

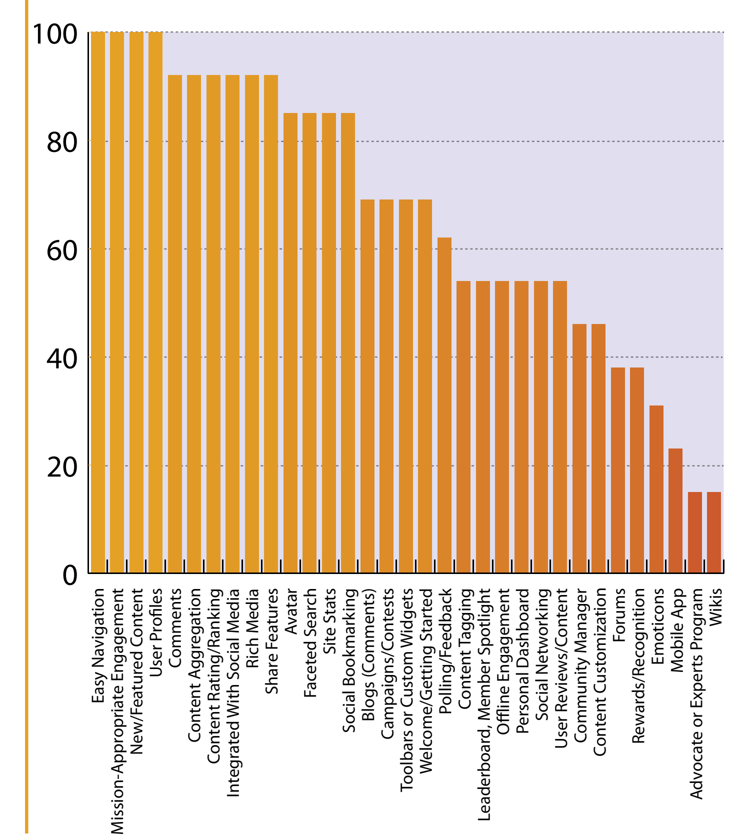
The most improved brands had a much higher adoption rate of best practices across the board than those in this category last year.

- Fourteen of the best practices had greater than or equal to 85 percent adoption rate contrasted to 2011, when only five reached this level. Still, some of the more mature practices, such as leaderboards, personal dashboards, user reviews, community management, content customization, forums and advocate programs, were all well below 55 percent adoption rates.
- Many of the most-improved brands adopted best practices associated with a good content experience.

Best Practice Use by Top Scorers



Best Practice Use by Most-Improved Brands



Best Practice Adoption by Engagement Pillar

Last year, we started to break out the data by engagement pillar to analyze the adoption of best practices aligned with engagement excellence that is appropriate for each pillar.

FEEDBACK COMMUNITIES

Feedback communities provide brands with ideas, insight and efficiencies in bringing new products and services to market. While last year the number of feedback communities increased, this year the overall number decreased by nearly 30 percent. Feedback now represents 15 percent of the communities as opposed to 20 percent last year, and is the smallest of the three engagement pillars.

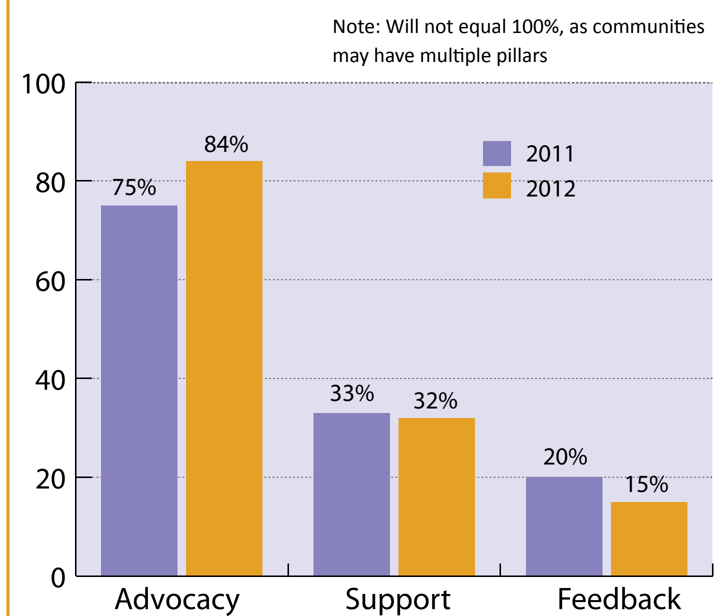
Feedback communities not only give brands great insights—they offer another way for community members to contribute and feel as if they have an important, meaningful relationship with the organization. These only matter, of course, if the brand reciprocates and communicates what and how they will use the information and ideas gathered during the feedback process. SAP, Starbucks, Verizon and Dell all manage high-performing feedback communities. JPMorgan Chase uses a feedback community to crowdsource the distribution of funds to charitable organizations.

Last year, we identified the best practices most closely associated with high-performing feedback communities, including:

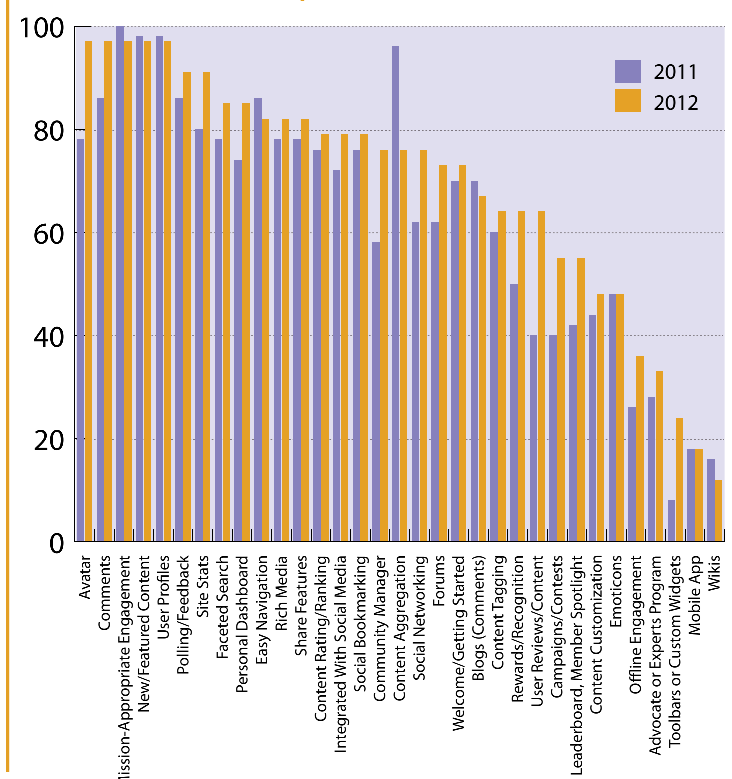
- Polling/feedback to gain consensus around emerging ideas or topics
- Content rating/ranking to facilitate crowdsourcing ideas or concepts
- Forums to facilitate further discussion
- Leaderboards to recognize top contributors and ideas
- Personal dashboard, to track ideas submitted, contributed to or of interest to the member

All of these practices had higher adoption rates this year with leaderboards taking the biggest leap, going from 42 percent adoption to 55 percent in 2012. Personal dashboards and forums each added 11 percentage points.

Community Breakdown by Pillar



Best Practice Adoption Rate by Pillar: Feedback



ADVOCACY COMMUNITIES

Eighty-four percent of the communities fall into the advocacy pillar, up from 75 percent last year. Advocacy communities are engines of word-of-mouth and post-purchase affinity. Great engagement is born of great relationships and disruptive experiences that break through the clutter and make the receiver either think about the brand differently or provide new, unique context. The disruption is designed to stimulate conversation and content sharing.

The best practices that lead to brand advocacy include:

- Rich media to accommodate capturing attention and providing a snackable, shareable asset
- Share features to optimize amplification
- Social networking to spark group conversations and segment by interests
- Community manager to build affinity
- Offline engagement to integrate real and virtual-world experiences
- Rewards and recognition to build continuous engagement and brand involvement
- User reviews to capture post-purchase voice of the customer
- Advocate or experts program, which is essential for spreading word of mouth

Of these, only rich media, at 93 percent, had higher than an 80 percent adoption rate. Share features was the next highest, but was only at a 78 percent level. Shockingly, the rest were all below 55 percent adoption rates. In fact, community manager at 47 percent and advocate program at 16 percent were the lowest among all three pillars.

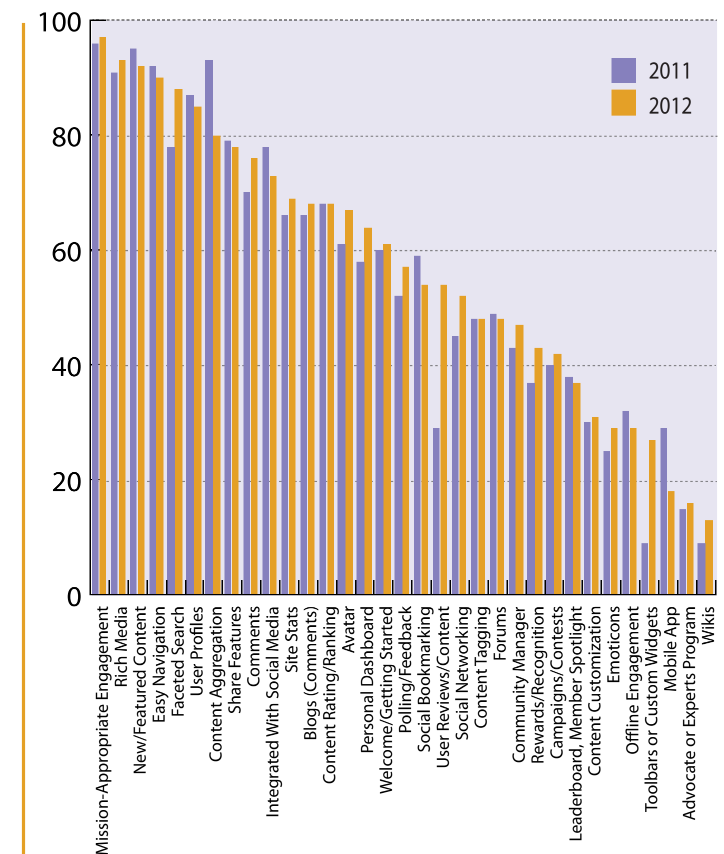
SUPPORT COMMUNITIES

Support communities decreased from 82 last year to 70 this year, comprising 31 percent of the communities studied. As with last year, support communities overall had the highest adoption rate of best:

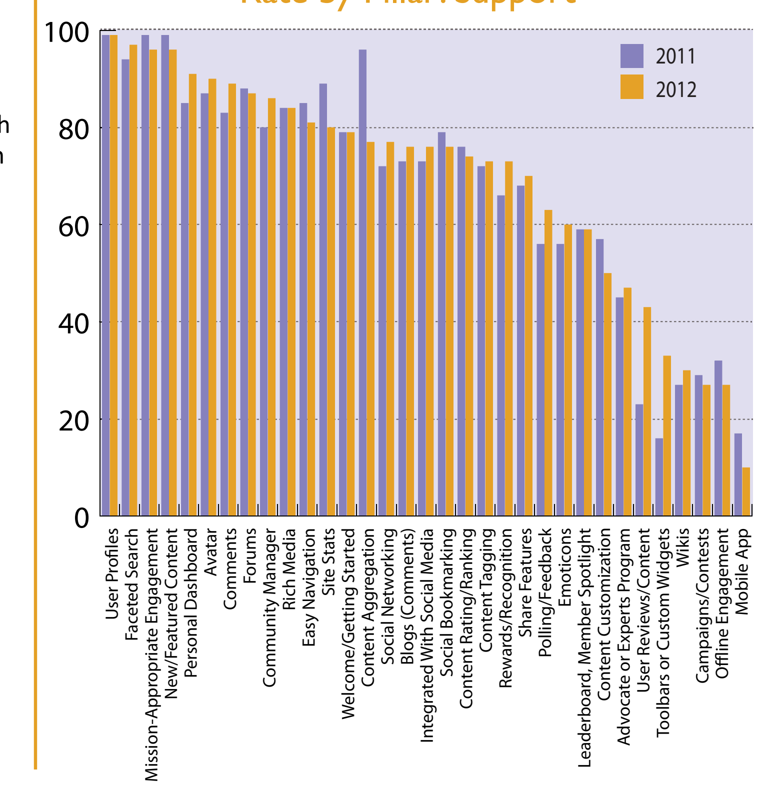
- Content tagging, which organizes community content by segment, problem or product/service
- Rewards and recognition, which reinforce the community experts and keep them engaged
- Leaderboards, to spotlight community leaders
- Advocate program, which taps the passion of knowledgeable customers as mentors

Faceted search, featured content, forums and content rating were all above 75 percent adoption rates. The rest lagged, with advocate programs at only 47 percent.

Best Practice Adoption Rate by Pillar: Advocacy



Best Practice Adoption Rate by Pillar: Support



Social Media Integration

Integrating community with social and mobile will be increasingly essential. While we observed more sophisticated integration of social with the community experience this year, most brands nevertheless do not offer a seamless experience. Among the best examples:

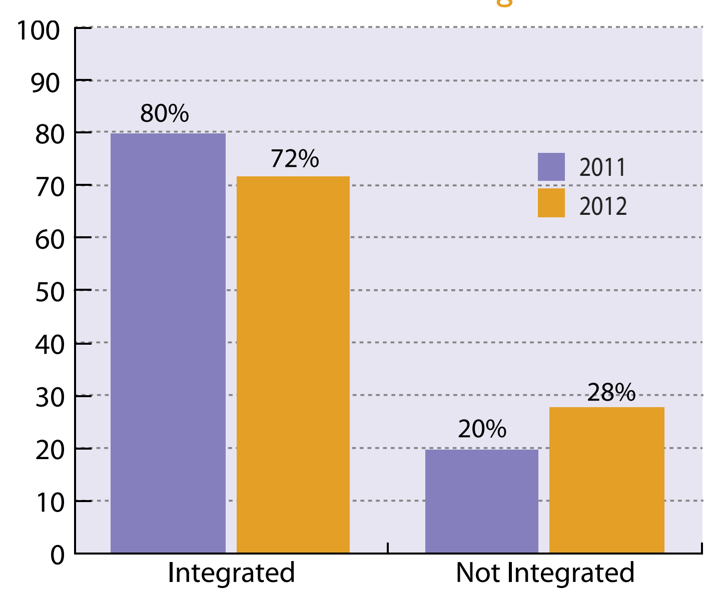
- Pepsi's Mountain Dew uses a crowdsourcing function on Facebook to co-create advertising campaigns, direct their celebrity spokespeople and determine which limited edition flavors to reprise. This is tightly integrated with its online community.
- Sprint features a customer care tab on Facebook that integrates with its online support community.
- AT&T and Verizon feature their Twitter feeds in their support community and invite members to respond.
- Coca-Cola has a Facebook homepage, which links to products and CRM initiatives.

Some brands still only offer a Facebook or Twitter button with a plea to follow or friend them. We did observe an increase in the number of social channels in which brands are engaging, such as Pinterest, Instagram, Tumblr and Foursquare, but this is not yet widespread.

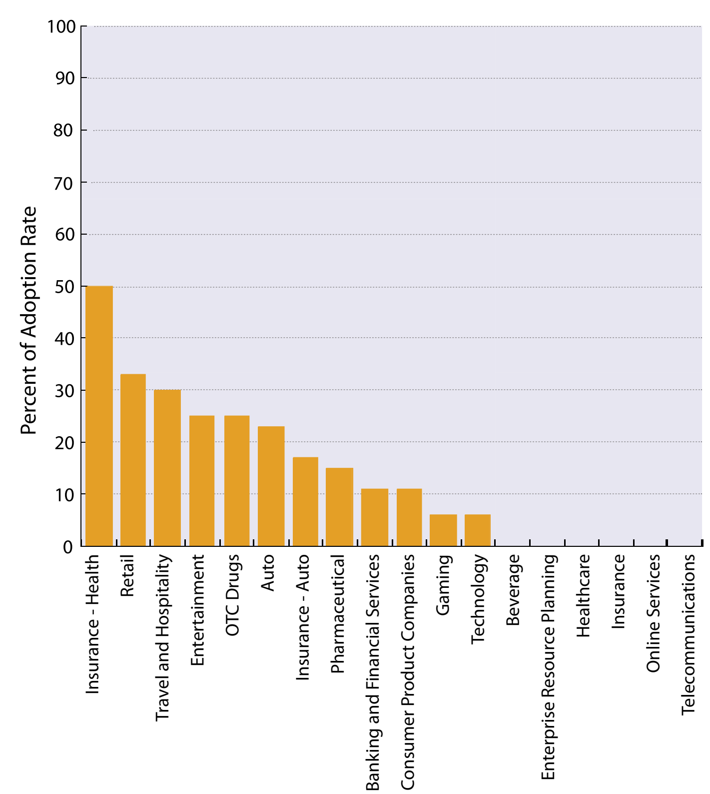
And mobile is missing in action. Six of the 15 industries we scored do not offer any mobile apps. Only health insurance is at a 50 percent adoption rate. Despite this, a few examples demonstrate the direction community managers could take in their mobile community strategy.

- Special K allows consumers to access meal plans they built in the online community, track progress and create and access shopping lists.
- Betty Crocker enables people to access saved recipes, search for recipes based upon ingredients on hand and get coupons at the point of sale.
- Merck offers a Journey for Control app for tracking and managing type II diabetes, and it is integrated with its online community.
- Pfizer offers a Lipitor app that also integrates with its online community.
- Sears has an integrated desktop-pad-mobile community with its Shop Your Way community. The mobile app allows the consumer to access product reviews, earn and redeem points and download coupons or promotional codes.

Overall Social Media Integration



Integration With Mobile by Industry



Industry Scores—Average

The telecommunications industry is the first to average over 50 points; the previous high was 45. Other high-scoring industries included gaming, technology, entertainment and consumer product companies. The biggest gains were in the health insurance industry, which was a huge surprise. It jumped from an average of 24 to 36, a gain of 12 points. Consumer products and telecommunications were the only other industries with a gain of more than two points, with an eight- and seven-point increase, respectively.

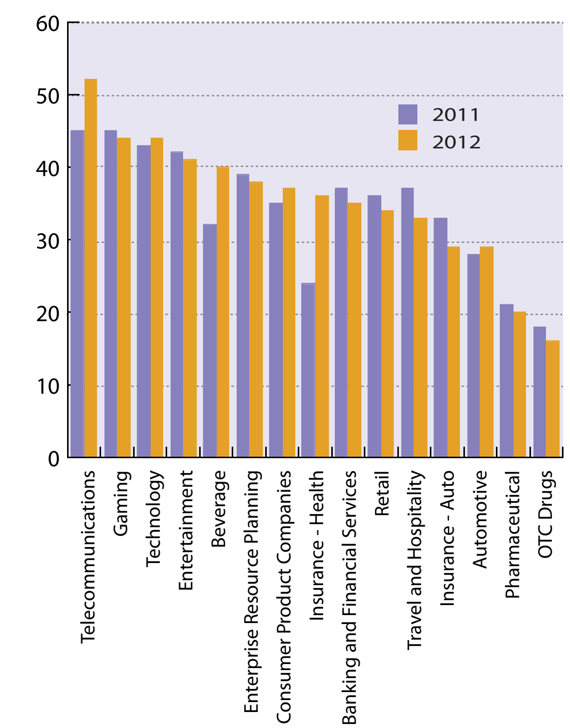
No industry lost significantly but nine out of 15 dropped one or two points. Two of the five lowest scoring industries—auto and travel and hospitality—are baffling. These two industries incite a lot of passion and people naturally seek the opinions of others during the purchase cycle. The two are perennial low scorers and could do a lot better.

SCORING KEY OR LUMEN RATINGS

SCORE RANGE

- [0-21] Lights Out
- [22-41] Low Wattage
- [42-56] High Wattage
- [57+] Klieg Lights

Average Scores by Industry



Automotive Industry

While the automotive industry is still a low performer, six of the eight brands we scored have improved their scores since last year. The auto industry remains among the lowest scoring for a variety of reasons, including:

- A model that pushes content rather than stimulating engagement
- Failure to leverage the powerful post-purchase channel captured by the vehicle service model to find and engage advocates across the buyer's journey
- No integration of social shop experience and great customer stories on commercial sites
- Low adoption of key best practices such as presence of community manager, content aggregation, return motivators such as gamification, leaderboards and content customization
- No obvious use of brand advocates

The two highest scorers in this sector were motorcycle brands: Harley-Davidson and BMW. Both significantly tapped into the passion of its owners by providing a rich engagement environment and using its communities to intelligently integrate online and offline engagement.

Overall, this industry exhibits savvy integration of on- and offline engagement. One great example is Harley, which offers a mentoring program for female riders through its H-D Women Riders community. The community directs community members to local dealerships, which in turn pair volunteer mentors with protégés who want to learn from another woman or ask questions about female "biking."

The two most prevalent engagement pillars focused on road trips and vehicle service, which is a natural tie-in to product use and lifestyle and is not significantly different from last year's report.

Eight of the 13 communities scored were vehicles for customer support. Most of these expedited scheduling maintenance, accessed service records, checked warranties or found a dealer. Essentially, these brands adopted a self-service model to deflect the cost of scheduling appointments and customer calls. This is a good model if the experience meets customer expectations by reducing "on hold" time, easily finding and booking an available time slot, and honoring the scheduled appointment the day the driver arrives. A big miss is the integration of the self-service model with mobile. An app to check status, confirm pickup time or get an alert, and even preview the invoice would be helpful. Some third-party apps also allow you to watch the maintenance or repair process virtually.

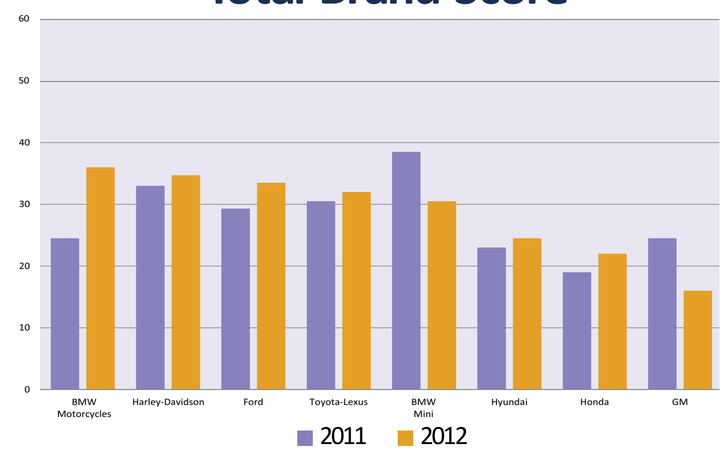
Ford Synch and Mini Cooper took a different tack in offering a support channel by exclusively employing a peer-to-peer model. The Mini Cooper uses an online forum called "Owner Operated Assistance" to encourage conversation around maintaining, ordering or driving the Mini. It does not integrate with the self-service model, which would be a powerful combination. Ford Synch utilizes the experience of the crowd to answer questions and offer tips and tricks for specific functionalities such as mobile phone, media player, voice command and other topics.

Road-trip engagement runs the gambit from sharing favorite trip routes with detailed maps and directions to a fully integrated mobile app offered by Lexus that allows the traveler to share routes with friends, track how far they've traveled, bookmark favorite routes and share photos with friends on the fly. Mini Cooper offers a map-based mobile app that allows the user to detect and connect with other Mini motorists on the road, share tips and traffic alerts, and flag favorite hot spots.

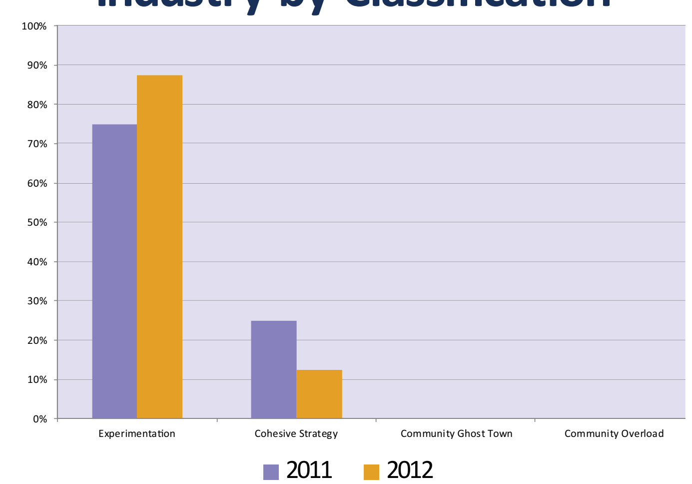
A special shout-out goes to Toyota for its content customization approach. It displays a "Customize Your Content" button that gives members the opportunity for a personalized content experience. The community states that user interests will change content view and may influence future content on the site.

Most improved: BMW Motorcycle

Total Brand Score

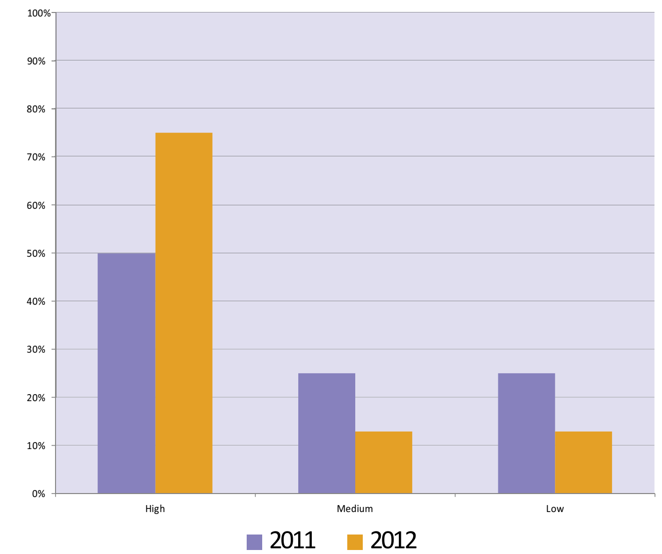


Industry by Classification

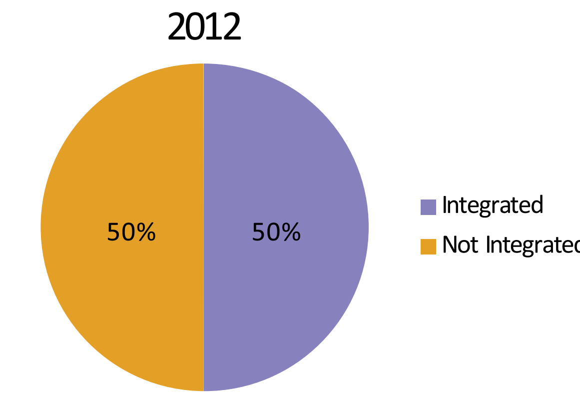


Lumen Rating

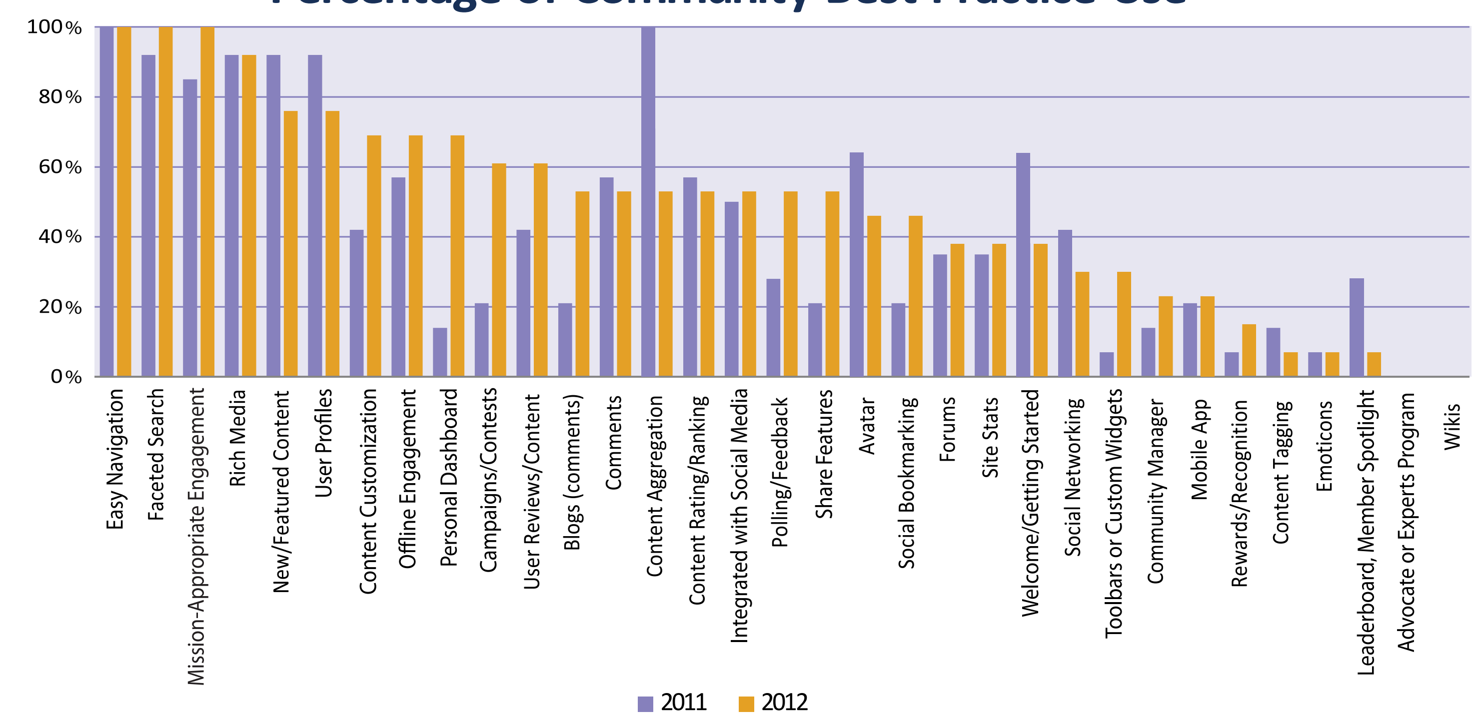
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Banking & Financial Services Industry

As a highly-regulated industry, the banking and financial services sector continues to turn in a mixed performance, with most scoring on the lower end of our scale. For the second year running, American Express retains the top spot in the sector, buoyed largely by the performance of a few engaging communities aligned with its food and travel publications. However, the brand's overall performance has declined noticeably in the past two years, dropping five points in 2011 and another eight points this year. In 2011, American Express still ranked among the top performers but now is barely a contender. Why?

- American Express removed a lot of functionality from its vaunted OPEN community, rendering it strictly a blogging platform rather than a true community.
- The brand's assets had a lot of outdated content, which may be why there seems to be a high bounce rate. This is evidenced by the number of people who have only earned 2–4 points in the community and never seem present again.

Most financial brands still employ a "push" model by presenting information but providing few ways to interact with it or the brand. On the other hand, the sector does employ many content best practices, which is essential in this type of content-centric engagement approach.

- One hundred percent of the brands have a good navigation experience, offer faceted search, feature new content and have some type of commenting.
- Content rating and ranking jumped from 50% adoption to 77%; polling and feedback rose to 88% from 70% and content tagging improved to 77% from 70%.
- Some content best practices waned: User profiles dropped from 100% to 88%; personalized dashboards decreased from 80% to 66% and social benchmarking plummeted from 90% to 55%.

Despite the overall weak showing of this sector, a few bright spots emerged. Wells Fargo. for example, did two good things. It finally put an end to Stage Coach Island, which was a worthy but failed experiment that stayed visible too long. And it launched the Wells Fargo Community in beta, a destination actually worthy of being called a community—a too rare event in this industry.

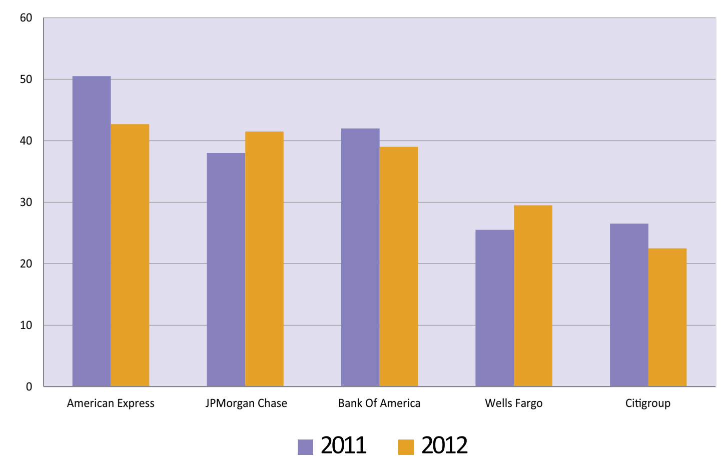
- The Wells Fargo Community mission is broad—"Ask Questions. Share Knowledge," but the focus of the beta is to provide a place for parents, students, guidance counselors and financial advisers to discuss and share information about college planning. We suspect that if the beta succeeds, it will be a prototype for additional "lifecycle tabs," such as home buying, retirement, sandwich generation and more.
- It will be interesting to watch this community and see how it evolves. The trick will be strategically using campaigns and listening to drive membership and engagement. All the pieces and parts are present for success.

Another winner was JPMorgan Chase's CSR initiative which, uses a crowdsourcing model to direct donations to various organizations. The brand generates high levels of engagement with literally thousands of comments on posts. Community polls also receive thousands of participants. Members can nominate charities for consideration; these in turn are voted upon by the community. People can post why a certain charity is worthy of receiving an endowment from JPM Chase. An interesting note: the community now applies location-based functionality to tee up charities keyed to members' location to enhance engagement.

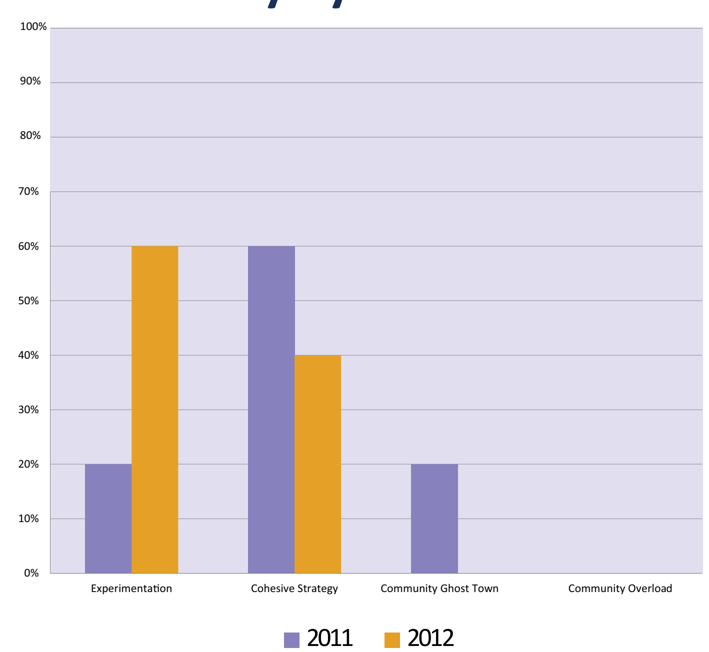
While neither of these communities would be earth-shattering in an industry that is more socially mature, they offer hope for more in the financial sector.

Brand to watch: Wells Fargo

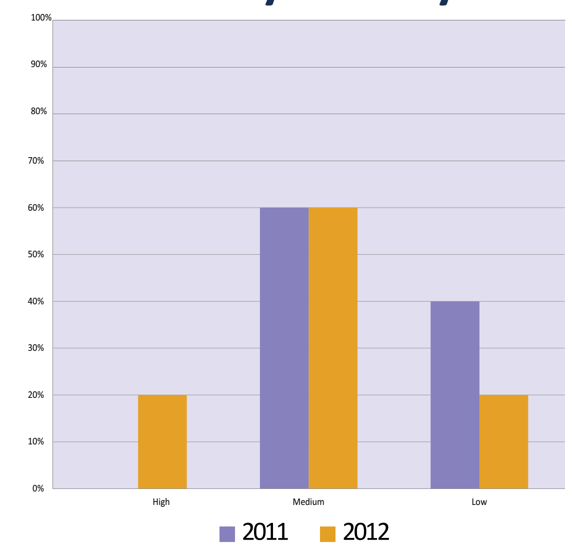
Total Brand Score



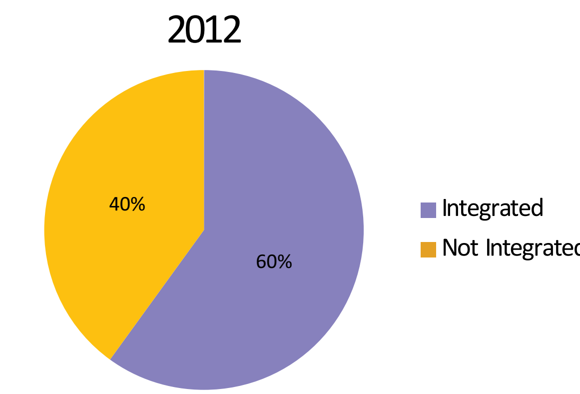
Industry by Classification



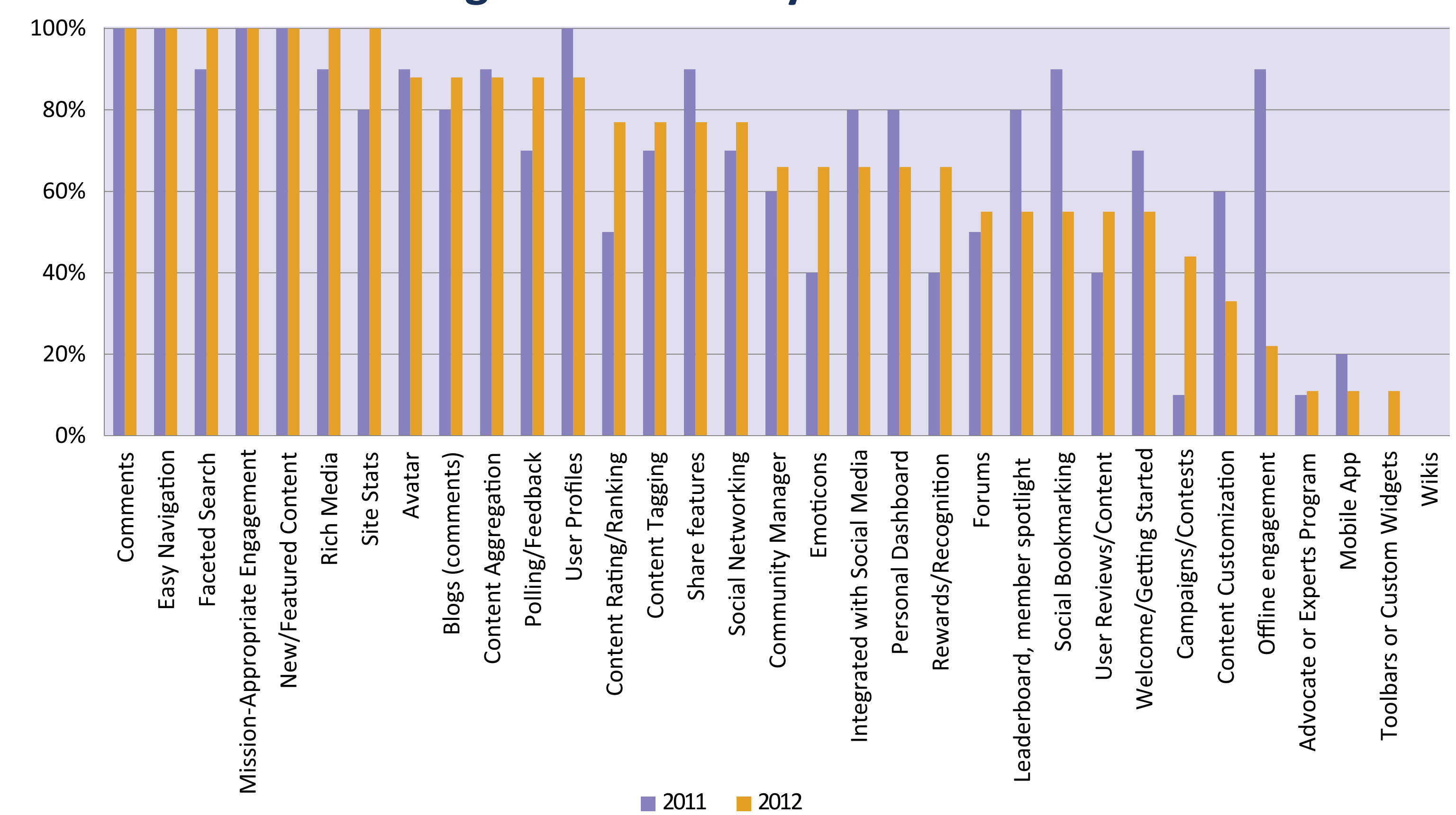
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



This industry made huge leaps in engagement and content strategy, as well as overall creativity. Four of the five brands in the sector exhibited a cohesive strategy and three increased their year-over-year scores significantly. In fact, sector leader, Starbucks, was the only brand to remain static while Coca-Cola showed the biggest gains, rising 16 points.

For the most part, this sector did a great job of reflecting its brand personalities across its community properties. Patrón wraps its brand in the delights of the seasons, as exhibited by its integrated Summerology brand persona. Coke focuses on the spread of happiness, which is reflected in its engagement and content assets. And not surprisingly, Bacardi is all about the PARTY!

Each of these brands did a good job of integrating online and offline engagement, although more can be done to close the loop by bringing the offline experience back to the community.

- Both Bacardi and Mountain Dew did a great job of creating a "community without walls" experience, offering multiple ways and platforms to engage in a cohesive community mission.
- Ocean Spray, on the other hand, missed an opportunity to tie in with the hundreds of cranberry festivals and events across the country. Cranberries are the centerpiece of art, home décor, food, wine and contests, all providing a rich opportunity for social media integration through Pinterest, Instagram and community integration.

We also like the offer of exclusive content to members. This is a prime return motivator and a stimulant of logins. Patrón deeply engaged around this content through member rating and content sharing. Mountain Dew allows highly-engaged members to "unlock" exclusive content based upon their actions within campaigns and engagement assets.

Other great content approaches were also present:

- Pepsi offers a content hub where members can use faceted search to filter by product, social, sports, music and more.
- Bacardi employs a content recommendation engine that links products with related content, recipe ideas and engagement activities. Members can also tweet content directly from their Facebook page.
- Coca-Cola has dedicated content assets offering a variety of formats, a cool, witty vibe and lots of graphic and visual objects.

Pepsi also shows evidence of a formal advocate program with Dew Lab, which it claims contributes to revenue. The Mountain Dew community is particularly strong with diverse, faceted engagement that yields a high degree of return motivation and, in turn, high activity levels.

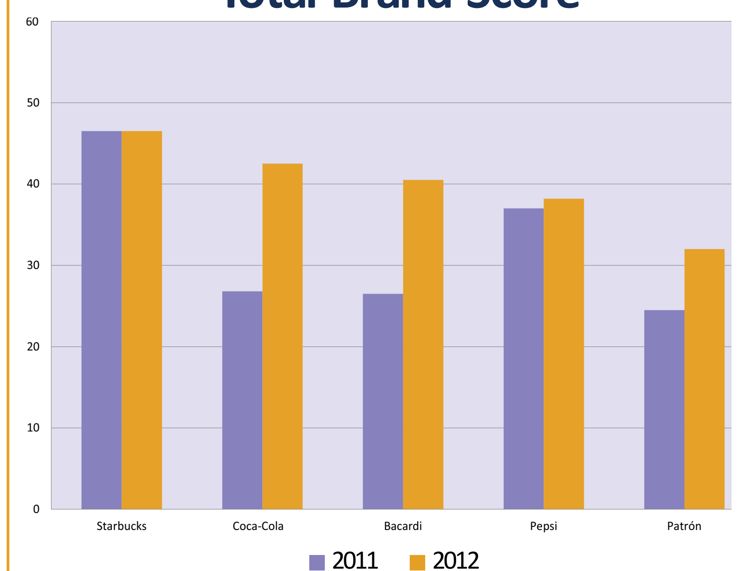
Another interesting trend is the strategic use of Facebook as a community platform. While this is evident across many industries, the beverage sector showed more maturity in its application.

- Overall, posts are very engaging and solicit many likes and comments.
- Coca-Cola has a Facebook homepage, which is rare. It features latest campaigns and new content, and offers e-cards and kids' activities all themed around its happiness persona. The homepage links to products and CRM initiatives.
  - Coke also features images submitted by members on its homepage Timeline and mimics this on its Twitter page.
- Bacardi offers many interactive widgets, such as the Party Planner. The user enters the number of guests, theme, menu, and then receives drink recipes and a Spotify playlist that can be downloaded directly from Facebook.

This sector also uses crowdsourcing effectively. Pepsi enables fans to crowdsource creation of advertising, direct their celebrity spokespeople and determine which Mountain Dew limited-edition flavors to reprieve. Bacardi asked Facebook fans to vote for different aspects of offline events from drinks served to featured entertainment.

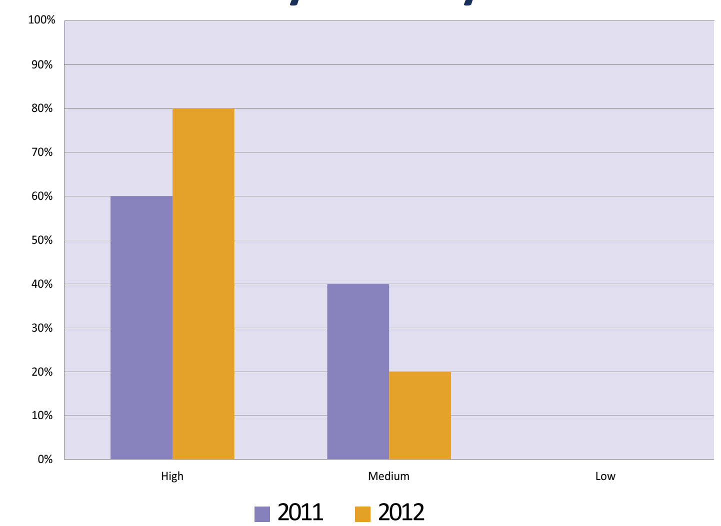
Biggest winner: Coca-Cola

Total Brand Score

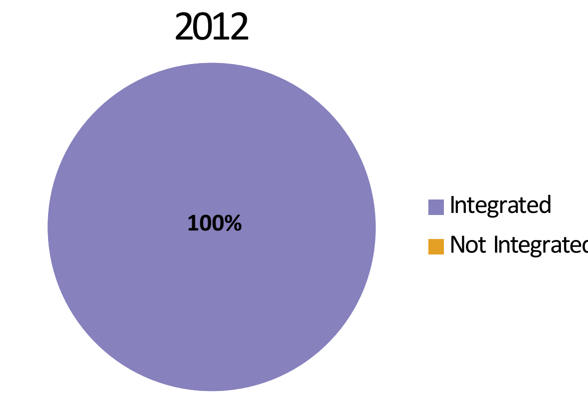


Industry by Classification

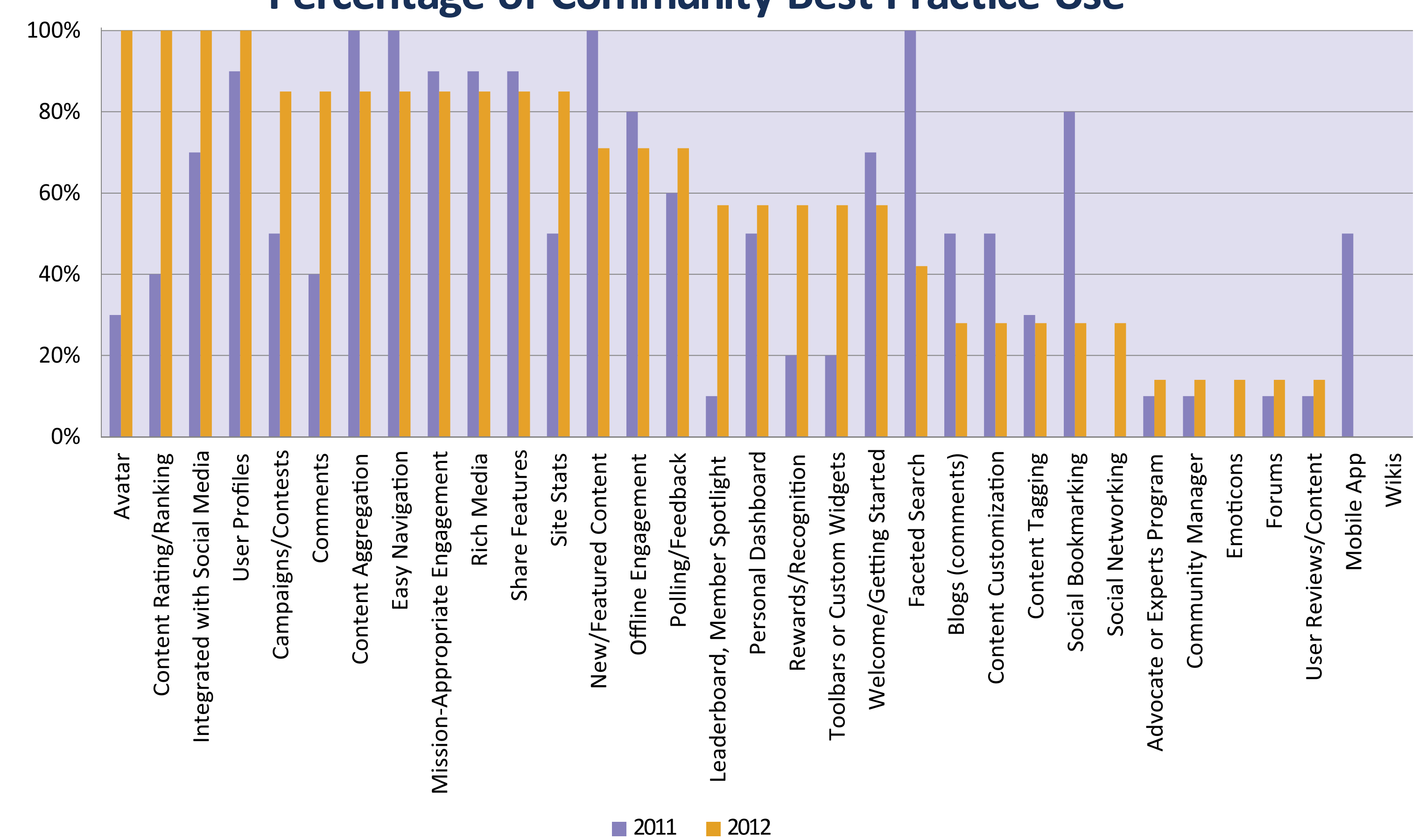
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Consumer product companies all do a good job of pushing "infotainment" and "edutainment" content to drive awareness. Few, however, do a good job of using their communities as a powerful post-purchase channel to generate and amplify content that drives preference and conversion. This is a big opportunity for an industry whose consumers are inherently predisposed to sharing recipes, how-to information and post-purchase experiences.

Part of the challenge is structuring the community experience in a more meaningful way. Traditionally, "house of brands" companies tend to organize engagement by brand rather than by lifecycle or interest areas. For example, Kimberly-Clark does a great job of providing a consistent experience across multiple brands that touch consumers at different points in the life cycle: pregnancy, raising kids, coming of age and aging. The challenge is that all of these wonderful content and engagement assets are spread across multiple brand communities, which can dissipate engagement levels, membership and interaction between like-minded people.

- A community for moms could offer advice on child rearing by stage of development–infant, potty training toddler, bedwetting child, etc.– that is currently spread across three diaper communities, an enuresis community and a Kleenex community. As a consumer, I want to go one place to interact, not four or five places. This also gives Kimberly-Clark an opportunity to find advocates who can be activated across multiple products and given the tools and stimuli to create and share useful stories and how-to content.
- General Mills also has multiple communities where consumers can engage around food, recipes and events. With its Tablespoon community, the brand starts to adopt an interest-driven approach, serving up content from across product lines (Betty Crocker, Pillsbury, Old El Paso, etc.) alongside member-generated and foodie blogger content.
- While Kraft showed strategic restraint in limiting the number of communities and social assets, we felt they missed an opportunity to offer a great sandwich portal or other food hub that could organize its brand advocates and generate post-purchase content.

One great development for this industry is the migration of some of its strongest return motivators—recipe aggregation and shopping lists—to mobile apps.

- Special K offers a mobile app allowing consumers to access their meal plans on the go, track progress and create and access shopping lists.
- The Betty Crocker app from General Mills enables consumers to search for recipes based on available ingredients, and access coupons at point of sale.
- Kraft allows consumers to use its mobile app to scan barcodes of products that get dropped into a shopping list. They too can use the app's shopping list, find coupons and get recipes.

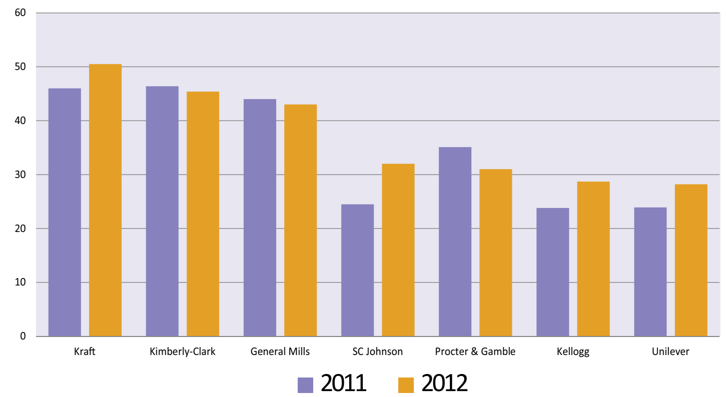
We were surprised at the dearth of Pinterest integration. Only a few brands took advantage of this highly graphic method of sharing recipes, photos, tips and other content. Both General Mills and Kellogg's were leaders here.

A few cool engagement approaches deserve shout-outs:

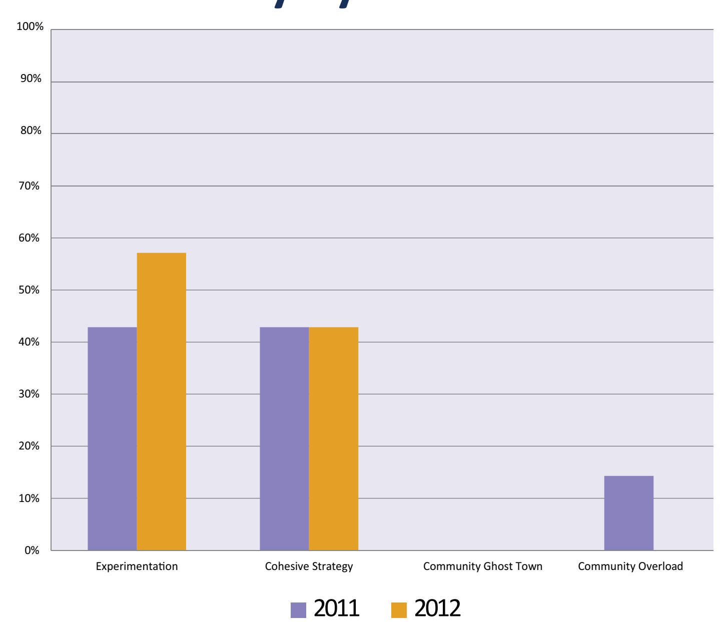
- The Pillsbury "recipe do over" function is highly engaging and very active. It allows people to improve other people's recipes.
- Unilever's AXE crowdsourced a graphic novel, which became the basis for its marketing assets for the launch of its products for women. While this is more of a strategic campaign that incorporated community functionality, it is a good model for low scoring Unilever to use for social engagement.
- Kraft's First Taste Community seeds new products with members and gets their feedback in order to improve quality. Kraft also solicits new product ideas and then engages members as brand advocates when new products are launched.

Most cohesive: Kimberly-Clark

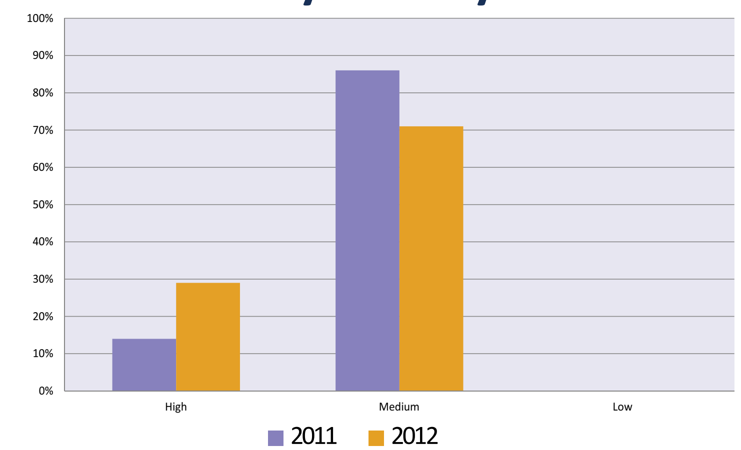
Total Brand Score



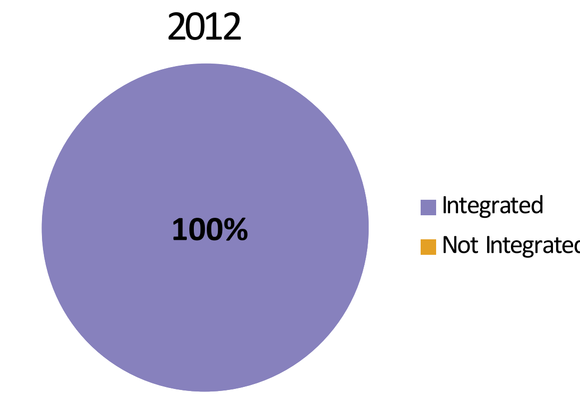
Industry by Classification



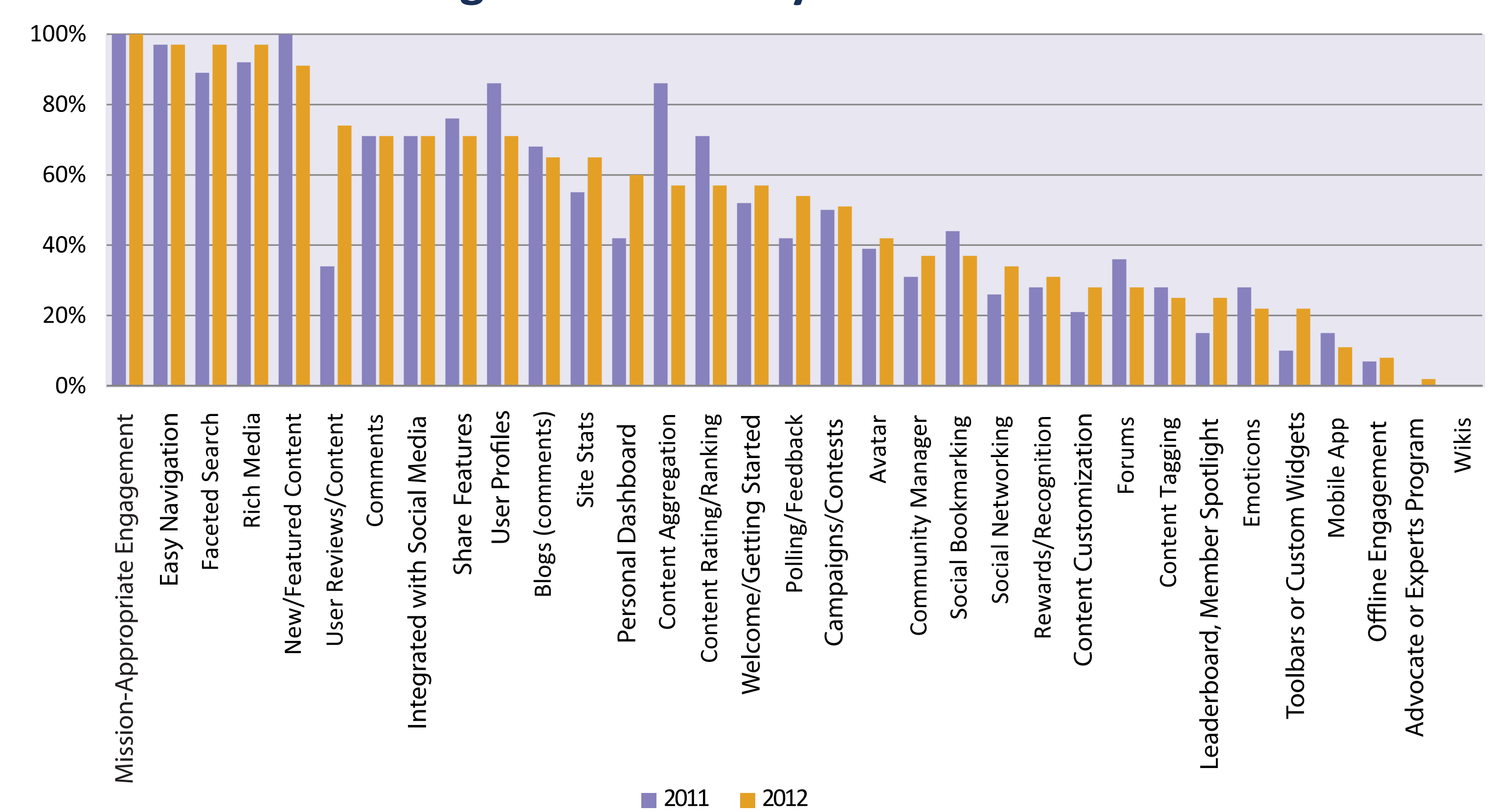
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



With a few exceptions, this industry is relatively unchanged since last year. The emphasis on customer support remains the core focus with Microsoft and SAP both delivering an end-to-end experience. Both brands integrate content and community marketing by considering the user's point on the buyer's journey and matching content experience appropriately. Both also leverage their customer advocates as an effective post-purchase channel, as does Oracle.

- Microsoft Dynamics allows members to browse blogs, video, discussion forums and news related to a specific product on a dynamic page. Also listed are the names of Microsoft MVPs (Most Valuable Professionals) who possess product or solutions knowledge.
- SAP identifies candidates for its mentorship program through community nominations. Once qualified, mentors provide product and solutions insights, and contribute a significant volume of VOC content, which is highly rated by other members.
- Oracle also uses a community nomination process to find their candidates for its ACE program. These advocates work closely with the brand to beta test and stress test new products, as well as provide feedback on a variety of topics. They are also an important part of the peer-to-peer support experience.

SAP migrated to a new community experience and switched platforms in the process. The company very wisely tapped a mix of SAP community managers and community leaders to help their peers navigate and continue to learn the new community structure. Although some grousing was present (and to be expected), the new community addressed some of the search and navigational issues pointed out in last year's study. All related content, forums, conversations and interactions are now better organized in a designated space. Members can create a personal dashboard that allows them to quickly and easily find all relevant spaces and navigate between them.

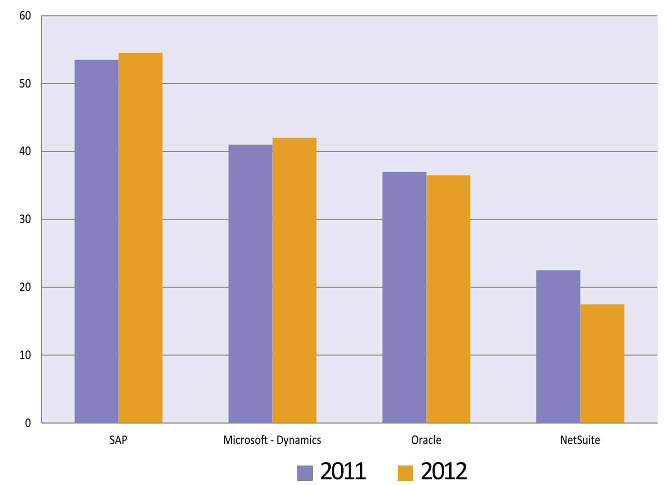
The Oracle Mix community still bears the same "beta" tag it displayed last year. It calls itself "the official social network for the greater Oracle community" and is a hub for group formation around special interests, needs and solution sets. It combines all three engagement pillars (feedback, advocacy and support) in one place while still maintaining a separate community, Oracle Technology Network (OTN), for developers and administrators. OTN does an excellent job at giving members what they want: APIs, code, solutions, peer interaction and relevant content. OTN has very high participation while Oracle Mix shows low activity levels. Many good ideas are present in Oracle Mix that could perhaps be ported to the more active developers' community. The company does get props for having a designated asset for C-levels, recognizing the different needs and orientation of the CxO audience.

NetSuite is a basic, forum-based support community. It does provide recognition in the form of badges for those contributing a high volume of forum posts but there is no rating and ranking of member-generated content. It is a utilitarian destination organized around three main product groups. This has been the preferred model for many busy developers and administrators who just want answers fast. Other brands, however, have evolved their peer-to-peer support model significantly with higher levels of participation and more robust interaction.

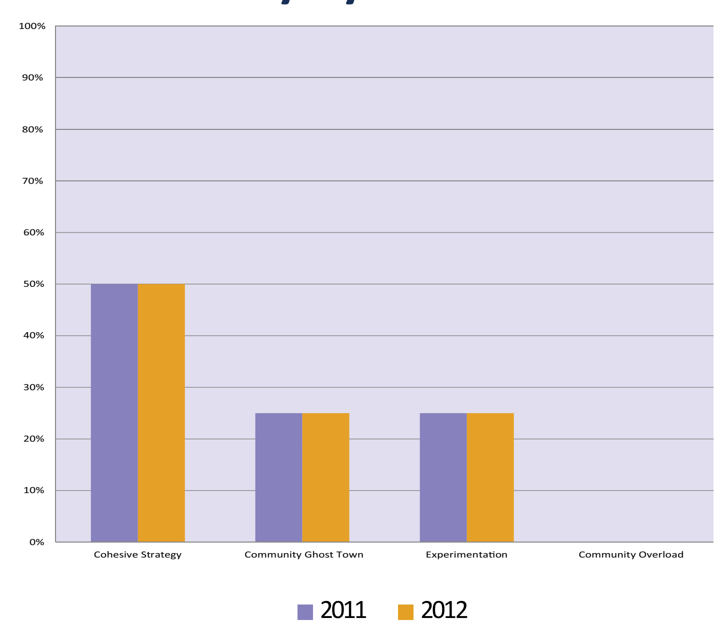
Overall, best practice adoption is very high for those functions that drive an excellent support experience. In fact, active community management, content rating and ranking, new featured content, personalization, and social interaction all had 100 percent adoption. Other important practices had an 80 percent adherence level, including comments, content aggregation, content tagging, faceted search and forums. While this is a high rate, it's not good enough for the technology sector, which is far along the community maturation cycle.

Superstar: SAP

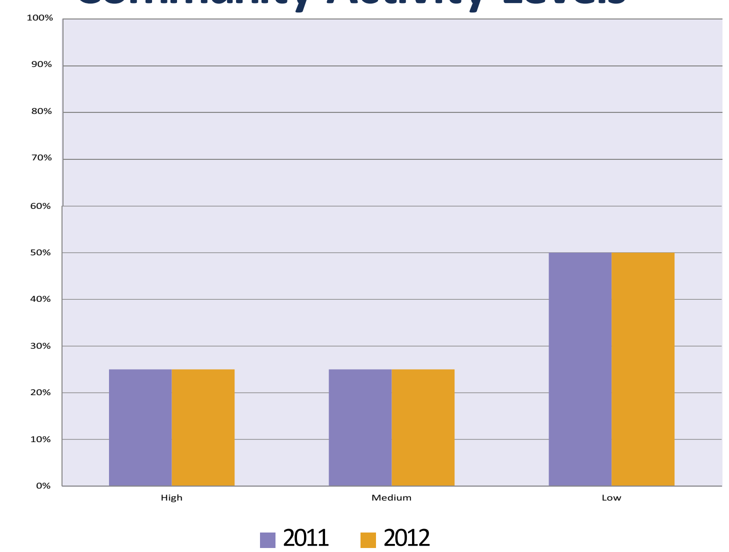
Total Brand Score



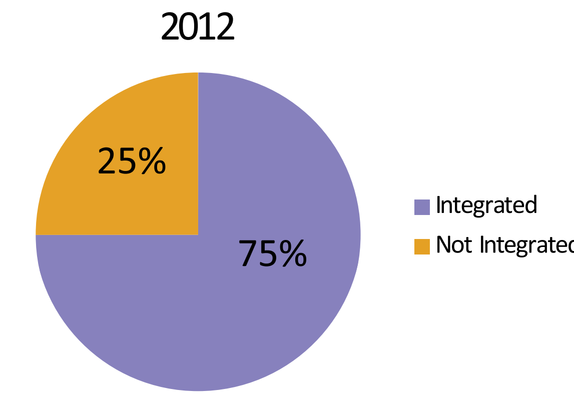
Industry by Classification



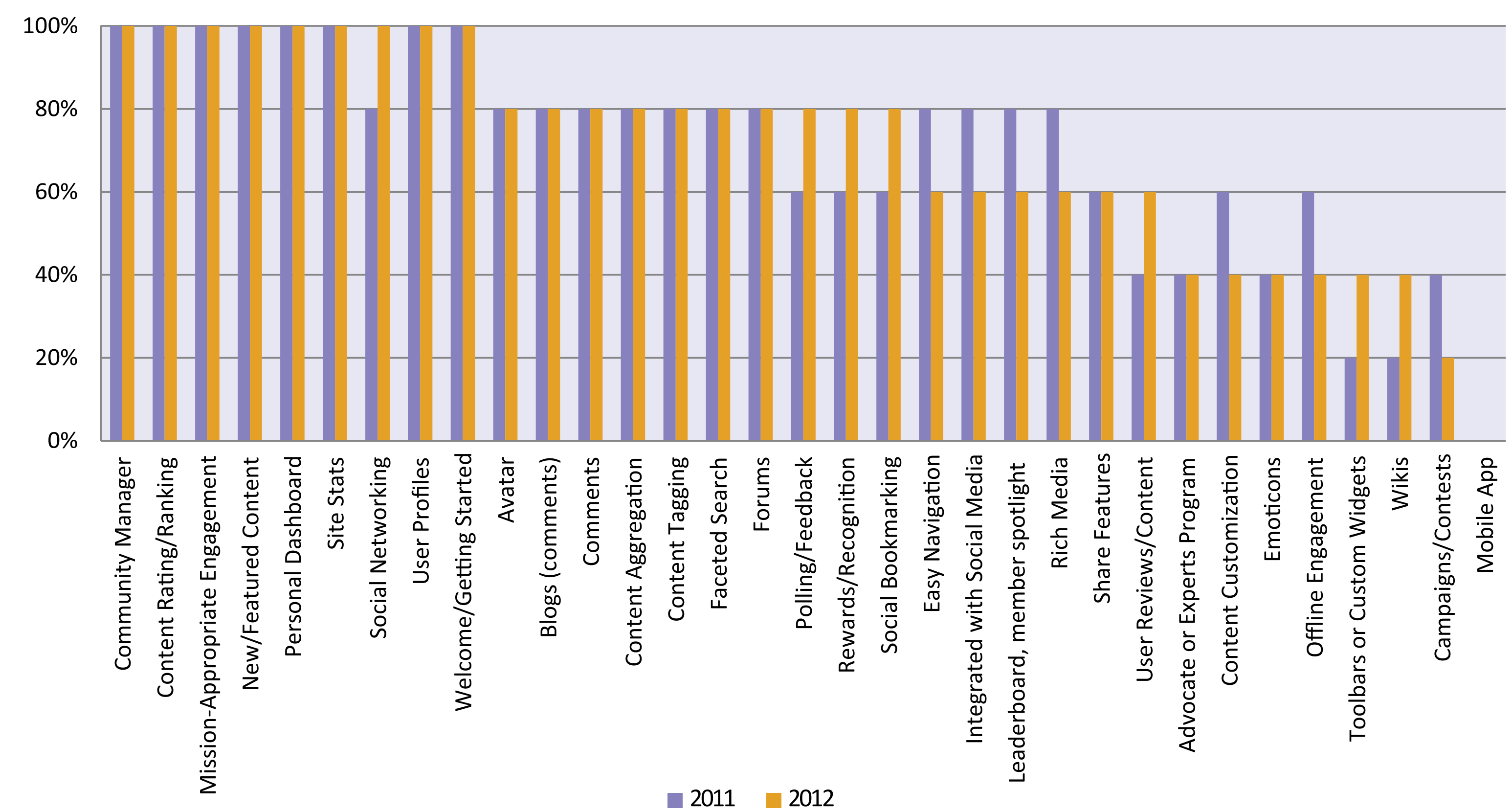
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



The entertainment industry continues to confound. Some brands, such as Bravo, NBC and ESPN, score relatively high and do a great job of engaging viewers while others fail to tap the passion and power of the fans on their communities, such as the WB and, more surprisingly, perennial social engagement heavyweight, Disney. Overall, community best practice adoption is spotty, with those most important for driving advocacy among the lowest in the study. For example, using brand advocates only has a 7 percent adoption rate and the use of campaigns and contests has a 50 percent rate. Rewards and recognition are down from last year as are mobile apps and content customization, which has a dismal 3 percent usage rate. Also losing ground were navigation ease, forums, social bookmarking and social media integration.

Some brands offer a stellar community/social integration experience:

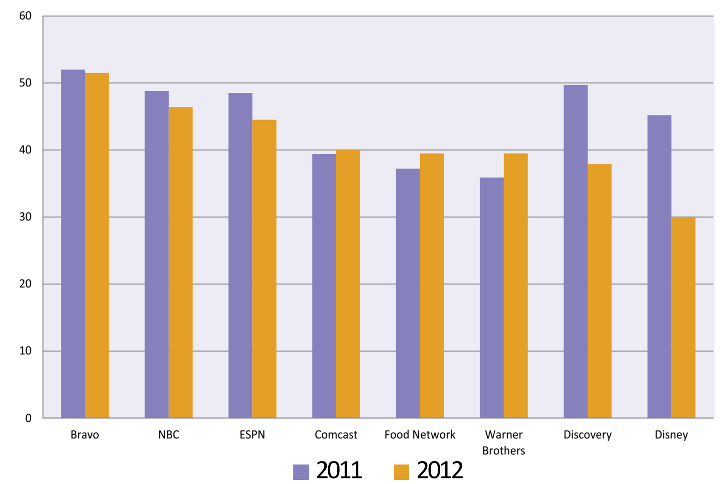
- ESPN includes tabs for each social property on its community. From there, members find an aggregated feed where they can consume posts, videos or tweets and respond to them without leaving the community.
- ESPN also provides widgets that enable members to bring ESPN content to their social pages. For example, members interested in Fantasy Football could download ESPN's "injury report" widget to their Facebook profiles and use just-in-time information to adjust their Fantasy team roster.
- Food Network features a social landing page within its community so members can easily find and join the conversation on Facebook, Twitter, Pinterest, Tumblr, Instagram, Google+ and foursquare. In the process of "joining the party" rather than "hosting" it, Food Network seems to have stripped out key means to build strong emotional connections with Food Network stars within its community. In the past, for example, members could engage with the judges of the "Next Food Network Star" via blogs or celebrity chefs via live chats. Unlike high scorer, Bravo, Food Network misses the opportunity for dual-screen engagement.
- Bravo offers an interesting incentive to encourage members to engage on its social sites and promote reruns of Bravo shows by teasing up "see yourself on the show." If the member posts a great tweet during the first broadcast, it may be featured during the rebroadcast.
- NBC is again the best practice leader in its use of gamification. This brand truly gets how to engage and motivate people to return and drive brand affinity. Fans can earn points both on the community and on social sites, which get integrated into a single dashboard. Points are earned by viewing a show, sharing content or participating in a fun challenge or contest. The site clearly discloses how points are earned and how to get to the next level. Points can be redeemed for either virtual objects or real swag.
- In contrast, Disney does an amazing job engaging fans on Facebook and Twitter (26M+ reported interactions in a year) but it fails to translate that to its primary communities.

Last year, we observed that most entertainment brands fail to organize engagement through a central hub. This is still the case; but those that do—Bravo, NBC and ESPN—have among the highest scores and the highest activity levels. Also, still missing is the widespread use of recommendation engines and integrated mobile apps.

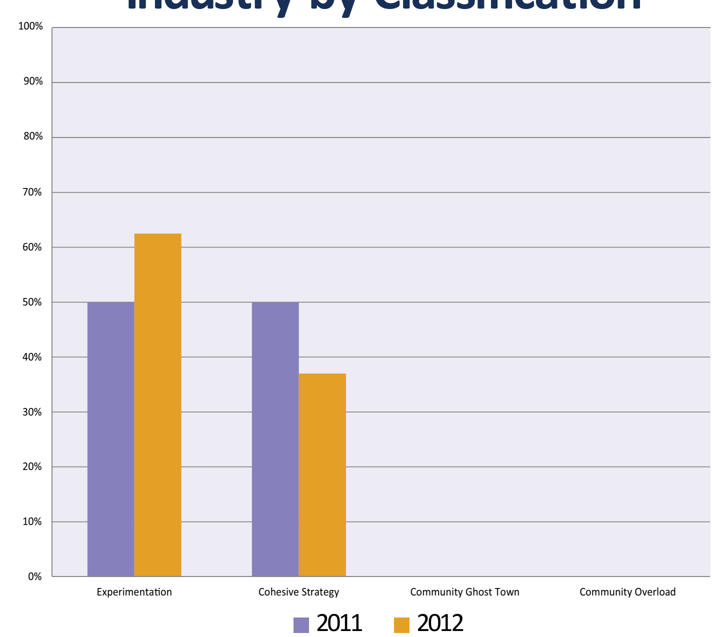
- Food Network does the best job of offering true community experience both online and offline with its "On the Road" feature and popular mobile apps.

A final observation: many of the communities could benefit from better navigation and social or single sign-on. By now, signing in shouldn't be so difficult!

Total Brand Score



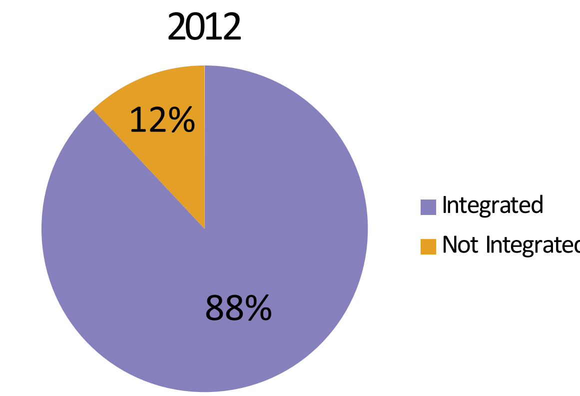
Industry by Classification



Discovery & Disney Declining

Community Activity Levels

Social Media Integration



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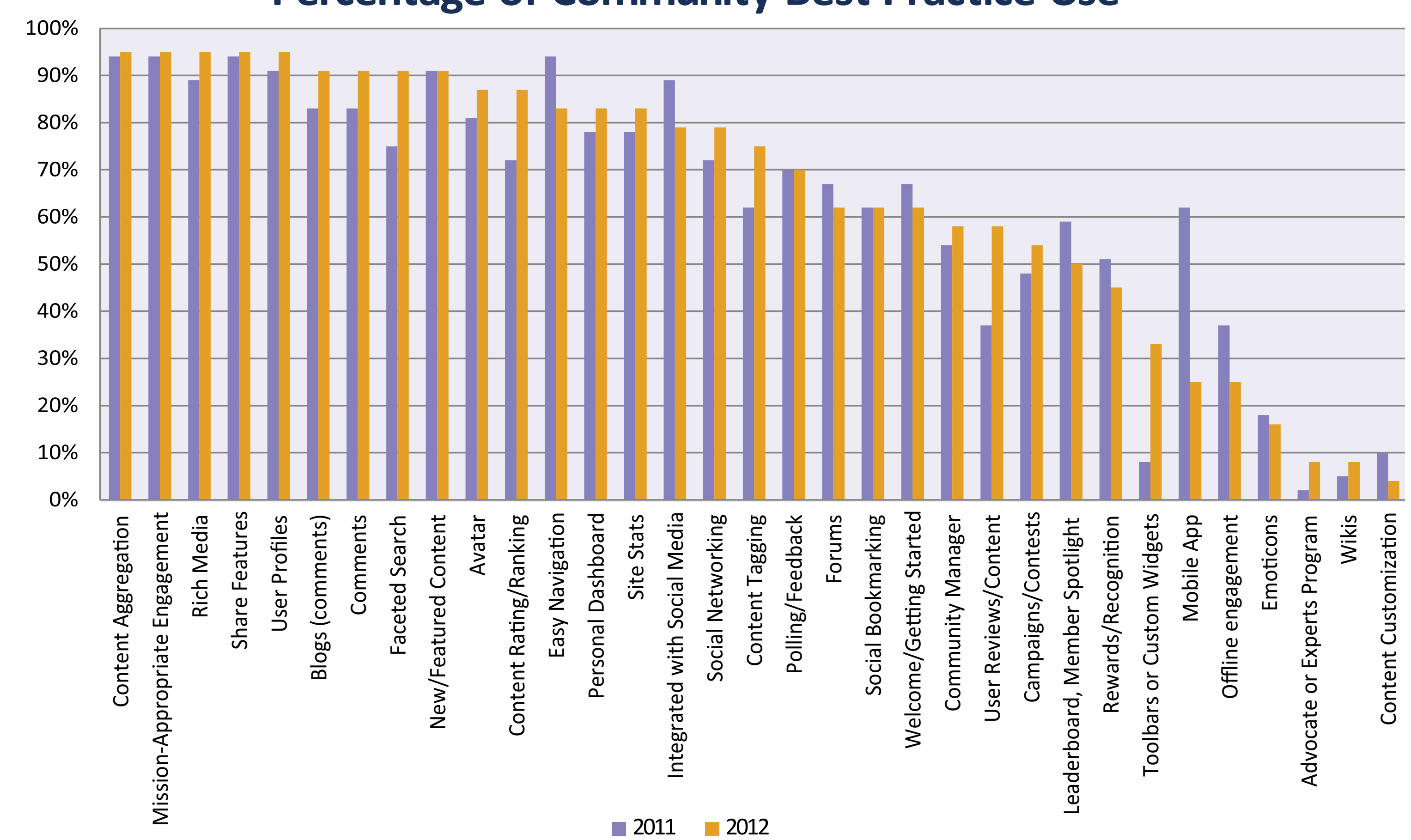


Gaming has been a perennial high scorer but lost ground this year. Many practices relating to a great gaming experience had over 90 percent adoption rate including avatars, support forums, personal dashboards, use of rich media to showcase new properties or features, ability to connect with other gamers, and deep user profile information. But while some brands seek a lot of information about their members, they fail to use it to create a customized experience.

Some important practices, like community management, showed a high adoption rate as well, but didn't necessarily translate to great community management habits. On the plus side, most communities had above-average onboarding experiences. Nintendo, for example, sends newbies a "quick start" guide, awarding points for filling in a profile and cues them on how to start earning points. On the downside, prevalent bad management practices include leaving up outdated content, offering features that don't load and not fixing faulty links or buttons. Take Sony Online Entertainment's "Refer a Friend" button—we tried to launch it at three different times; it never worked.

Lack of reviews is another big miss. Post-purchase excitement is shared through game and product reviews, yet only 23 percent of the communities facilitated this practice.

Rewards and recognition should be table stakes in a gaming community. Yet only 76 percent had leaderboards. Most were attached to individual game properties, which is more reinforcing than a single general board. Gamification is widely used, with most communities choosing not to post achievement markers. Whether to post point structures remains a debate, particularly in the tech and gaming industries. The fear is that with transparency comes the risk of people trying to "game" the system. But there are ways to moderate this activity. Knowing you only need "x" points to reach the next expertise level is a huge return motivator, as is recognition for being a top expert and leader in the community.

- Sega designates high performers as community moderators or "Super Moderators" and are given a leadership role in designated forums. It also has a junior and senior member designation; upon hitting the 50-point level, a junior member moves up to a senior member, unlocking new functionality, including avatars and the ability to personalize his/her homepage and forum posts.
- Sony and Xbox also unlock new experiences based on performance. This taps the competitive nature of gamers and incites the passion for long-term engagement and brand affinity.

Once again, we were surprised that only 41 percent of the communities show evidence of an advocate program. One great development is the increased use of advocates to crowdsource gaming scenarios.

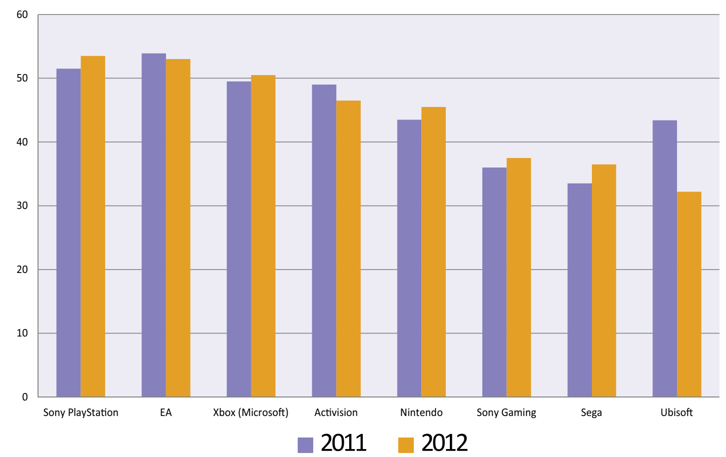
However, when the reviewer applied to become an Xbox Ambassador, she received a strangely legalese-sounding "decline" message:

> *"Hello from the Xbox Community Ambassadors Program!*
> *We regret to inform you that you were not selected for participation in the Xbox Community Ambassadors Program at this time. Common reasons for this include but are not limited to enforcement history in the last 365 days (including cheating—which is permanent), or general inactivity on the account, but we cannot provide further detail regarding your specific case. Thank you very much for your interest!"*

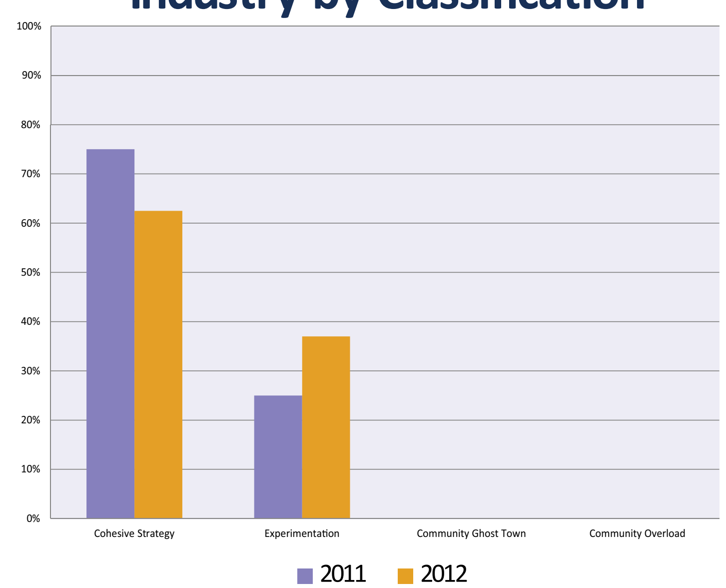
Xbox did have two notable "ritualized" engagement experiences, another great return motivator. These include: Tuesday Night Family Game Night with a published event calendar and ability to compete with other families, and Ladies' Night every Wednesday. In addition, Xbox integrates the overall community experience right into the game console. Great idea!

New industry top scorer: Sony PlayStation, who knocked two-time winner EA out of first place.

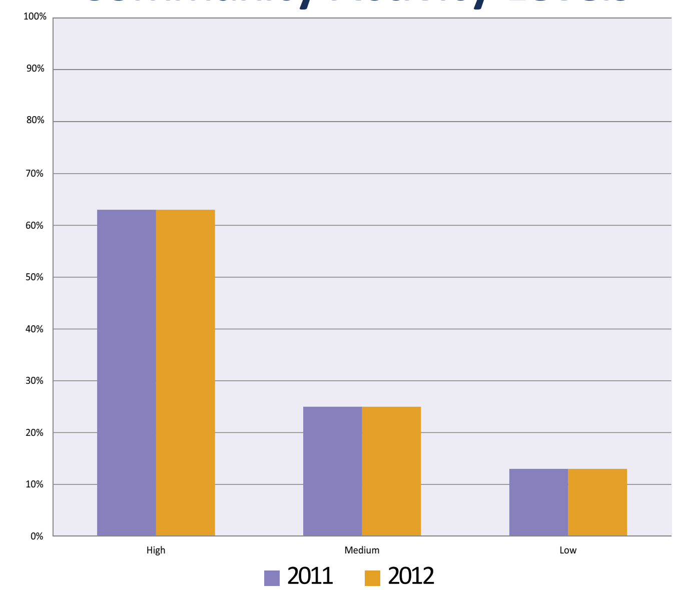
Total Brand Score



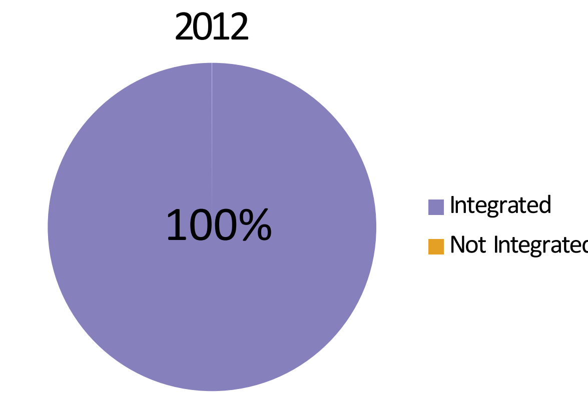
Industry by Classification



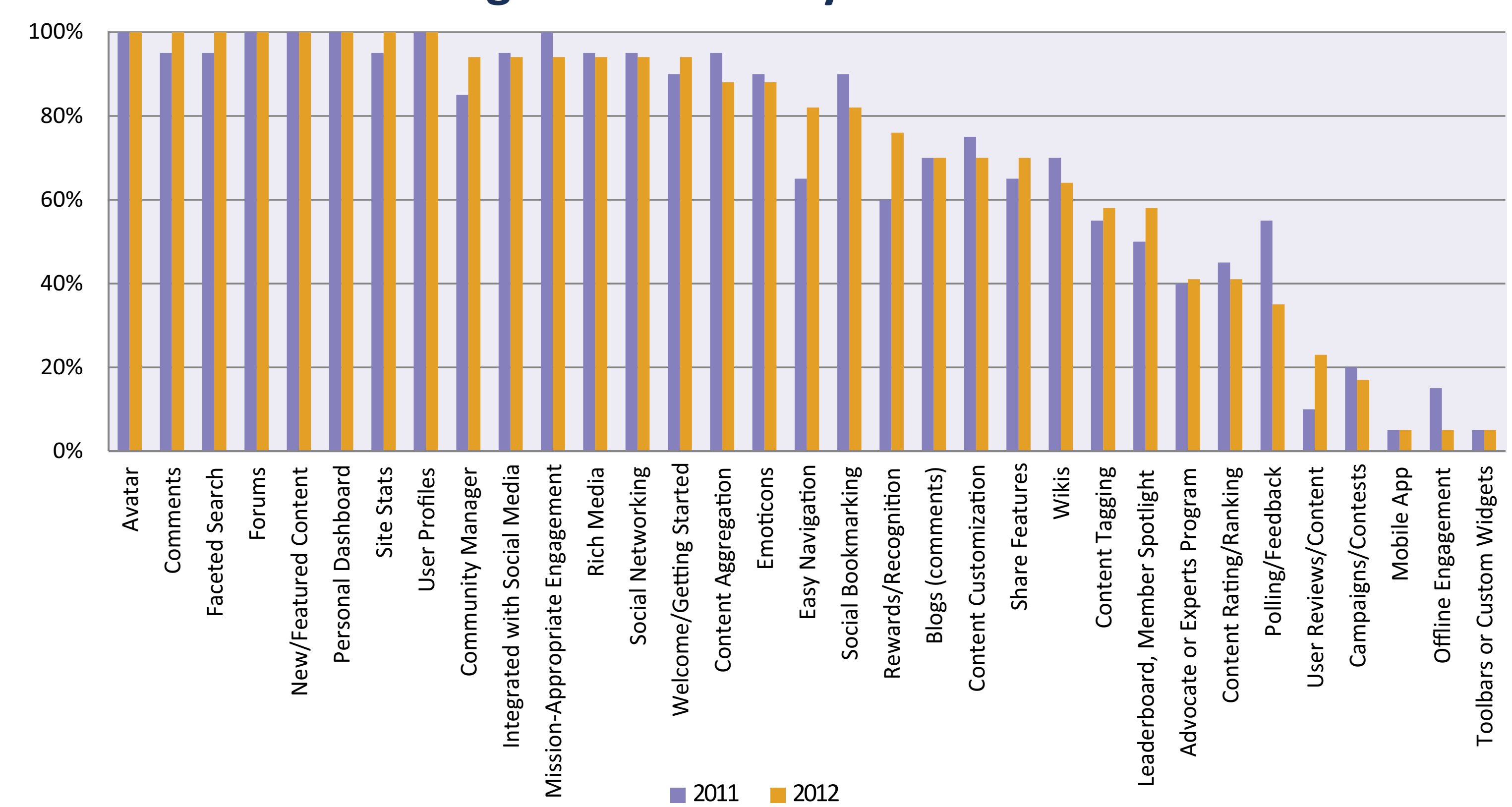
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Insurance [Property & Casualty] Industry

This year, the auto insurance category was renamed "property and casualty" to better reflect the bundling across all product lines beyond auto. Many communities include content, conversations, posts and information for a variety of products, including auto, boat, home and apartment. The industry remains a low scorer consistent with the majority of highly-regulated and risk-adverse sectors. Despite this, the industry is starting to have more finely-segmented Facebook and Twitter strategies by product line and need.

Some progress was made in content best practices with the growth of commenting functionality on blogs and a big increase in the use of faceted search. A big plus is the substantial bump in the adoption of user product reviews. In addition, Allstate offers a notification service to alert subscribers when new or targeted content is uploaded to its blog. This industry progress was offset by the decrease in the use of personal profiles and a face of the brand in the form of a community manager.

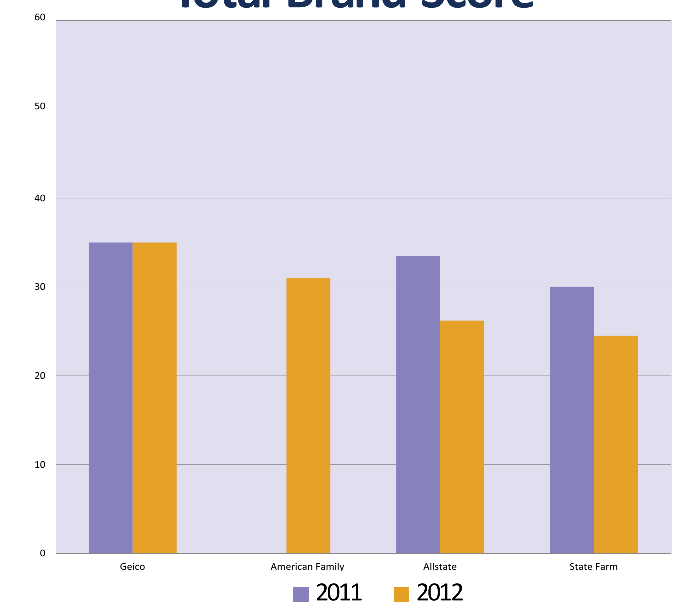
This industry defaults to Facebook "communities" rather than building relationships online. Only a few mobile apps extend the experience. Auto manufacturers do a better job of offering service tracking through mobile apps. It would make sense for these insurance companies to integrate with the auto apps or offer the auto companies an opportunity to co-create apps that offer a full end-to-end experience.

Allstate offers considerable content for teen drivers and activates teen advocates to amplify safe-driving messages to peers. Shareable assets include wallpaper, infographics, stickers, greeting cards and more. These teen advocates are encouraged to start safe-driving campaigns in their schools, using community provided tools, ideas and resources.

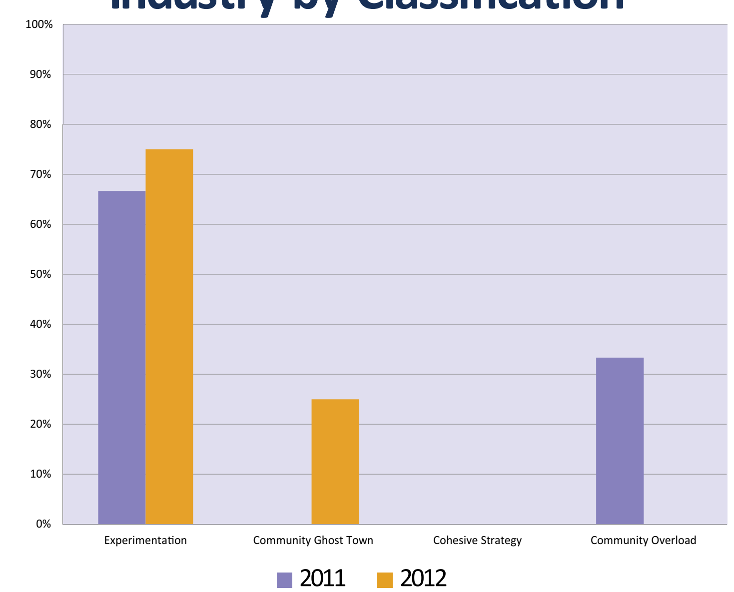
Geico uses Facebook as an e-commerce platform. A products tab enables consumers to get quotes and find an agent. They also solicit feedback about potential new lines of insurance but do not share any information back to the community. A simple acknowledgement, like: "Thanks, you've already given us hundreds of great ideas that we're shifting through. We'll report back soon," is enough to motivate people to continue to respond and contribute ideas. Even better would be to list out the "10 most Gecko-like submissions." This could be a fun response back to the group while not disclosing any proprietary insights.

Needs to try harder: State Farm

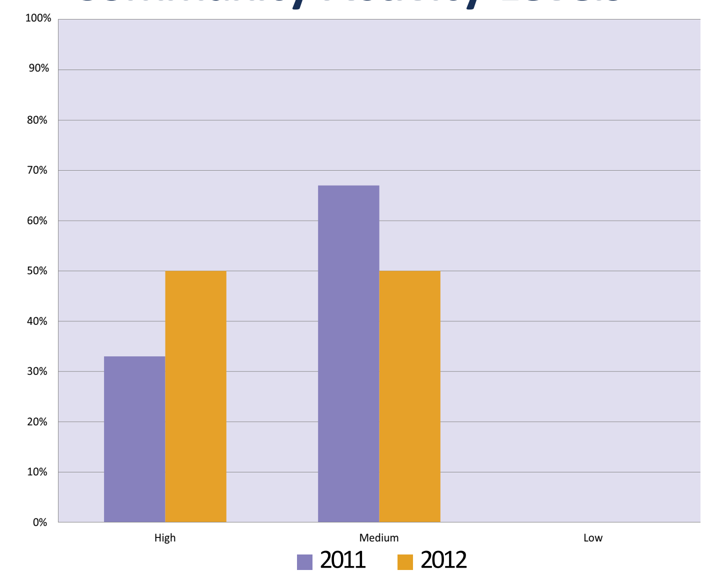
Total Brand Score



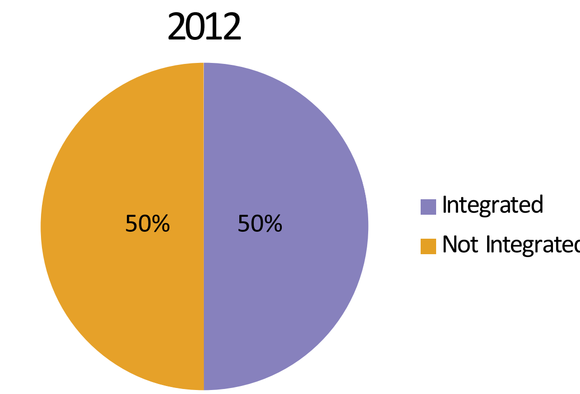
Industry by Classification



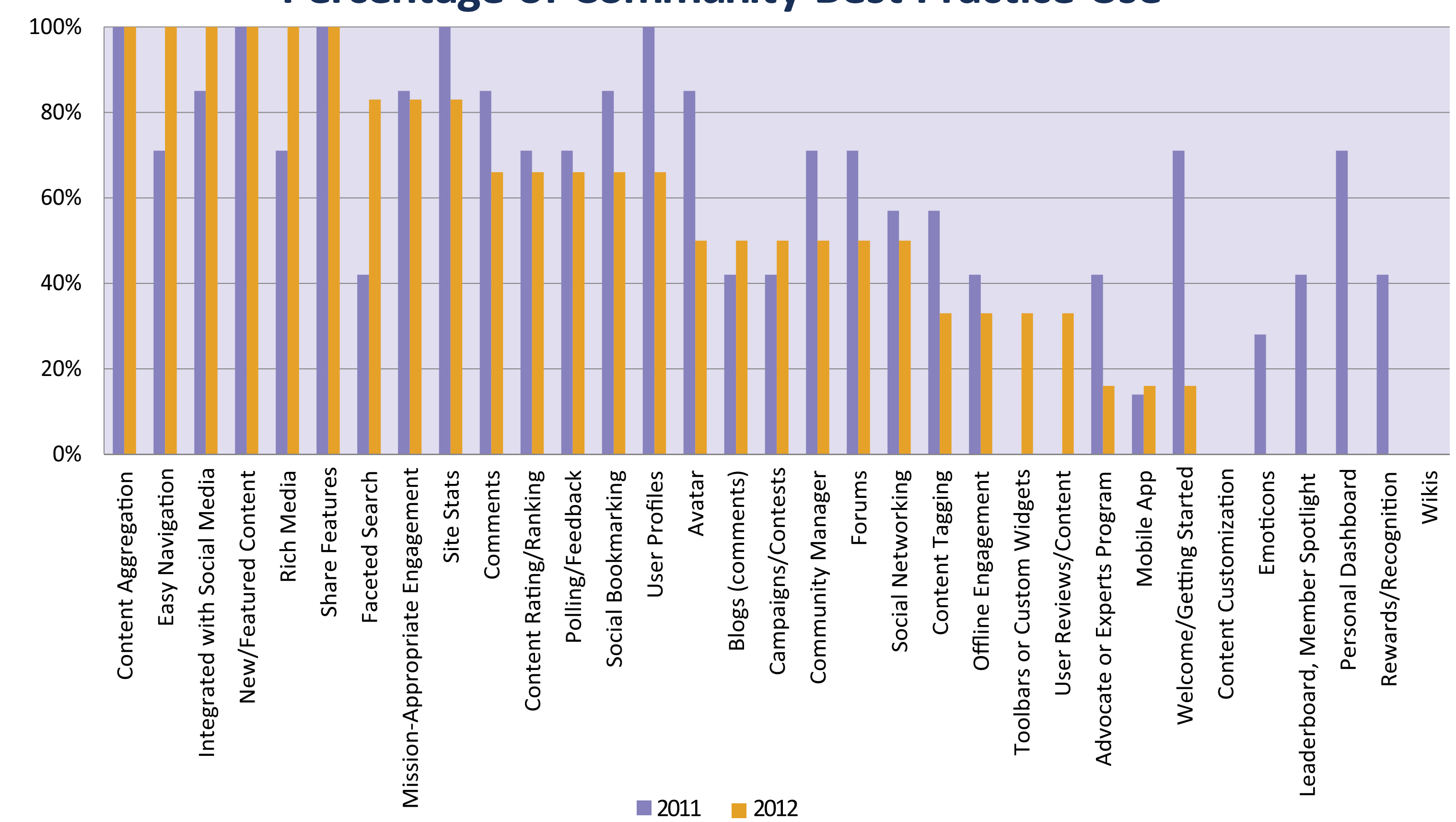
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Insurance [Healthcare] Industry

The healthcare insurance industry remains a low scorer, despite the growth in several important best practices. These practices—more engagement stimuli, content tagging, better use of profile information and adoption of reputation management—drive a more highly-customized experience. This aligns with the most robust strategies present in this industry: focus on a healthy lifestyle. An obvious and natural brand extension, healthy lifestyle also helps these insurance companies potentially deflect cost through disease prevention. It is also safe territory in this highly-regulated industry, which is driven by both privacy and compliance concerns.

Two of the three companies offer tools and resources to monitor and achieve fitness goals.

Aetna Everactive does a great job in using community dynamics to motivate and challenge members. The community offers three main features: Goals, Training Tools and My Team.

- **Goals.** Members select from a list of goals (e.g. drink eight glasses of water a day), which become part of a Goals Dashboard. Members add status updates and track performance. They also have the option to share goals on Facebook, follow other members with similar goals and virtually "high five" members as they reach goals.
- **Training Tools.** Members access various training regimens and can post status updates and log progress through their personal dashboard.
- **My Team.** Members find people with similar goals and plans and form teams, which compete for fitness glory. Leaderboards show both top-performing teams and top individual performers within a single team.
- Captured data drives content customization for each Everactive member. The community also has great faceted search. Members can use tags to find content associated with various activities such as cycling, walking and triathlon, or exercises tailored to their equipment or target muscles. They can also discover offline fitness events in their area.

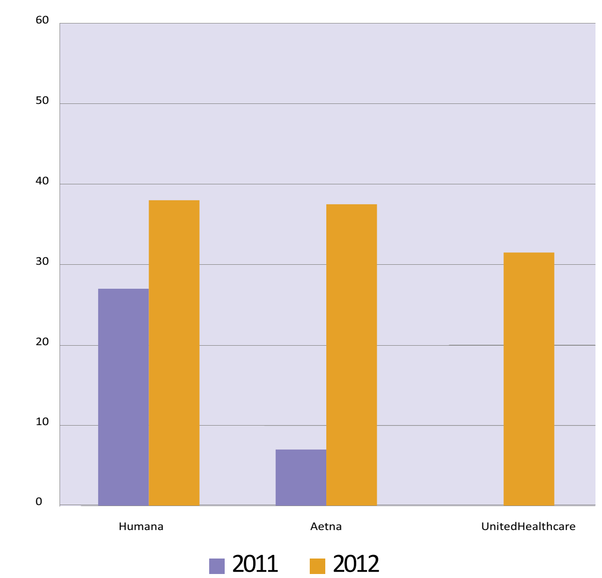
Humana Fit uses similar tools to motivate fitness with a few different twists. Humana's focus is helping members use the online community to connect with health-conscious peers and take part in local events, groups and programs that can help them get and keep fit. Upon registration, the member's location customizes both content and various places to check out on the local scene. Users can change their location if they move or are traveling. (Note: great opportunity to offer this as a mobile app)

- Members can join or form a local group based upon fitness goals, existing groups (charity, friends, gym) and by activity. Members can search for local events and upload their own to the site.
- Good social tools are included to find friends who are Humana Fit members, send IMs, peruse a list of suggested friends and post directly to their social networks.
- The Fittest of the Fit index is a unique community feature, which gives members the opportunity to compare their individual fitness level against a peer group. Humana aggregates the data of over two million members to create the index.

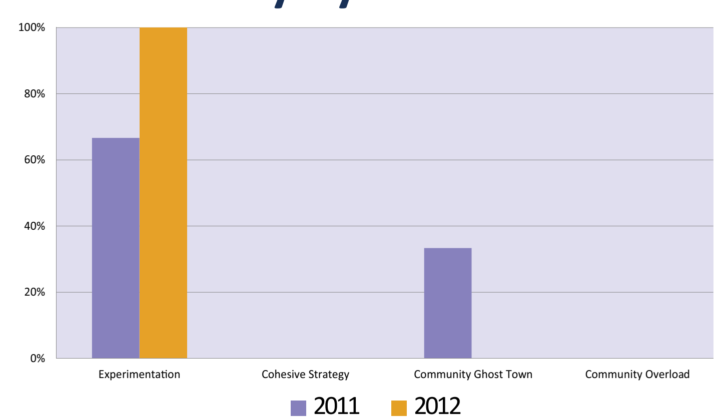
All brands that were scored fall into the experimentation category as they try to find a relevant way to engage with policyholders and other stakeholders. The industry is hamstrung in this effort because of entrenched consumer preferences. For health issues, communities tend to be based on self-referral/self-diagnosis and/or single disease or condition. People typically start with these communities which have more freedom for peer interaction and opinion than do those sponsored within a highly-regulated field. This bears watching as healthcare reform unfolds.

Kudos: Humana, which went from last year's biggest loser to this year's highest scorer.

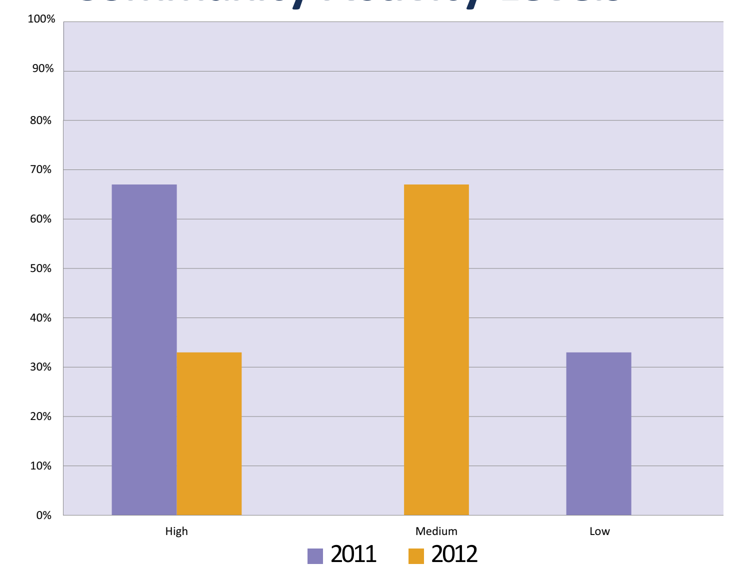
Total Brand Score



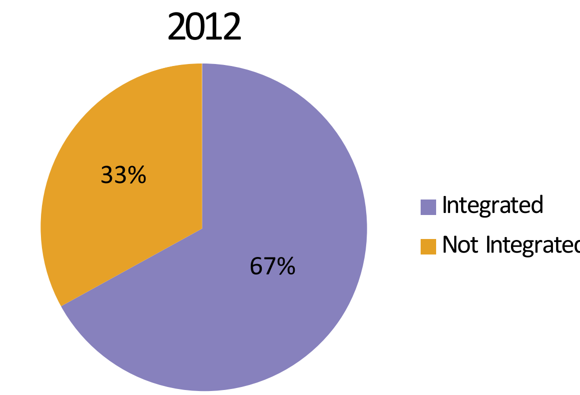
Industry by Classification



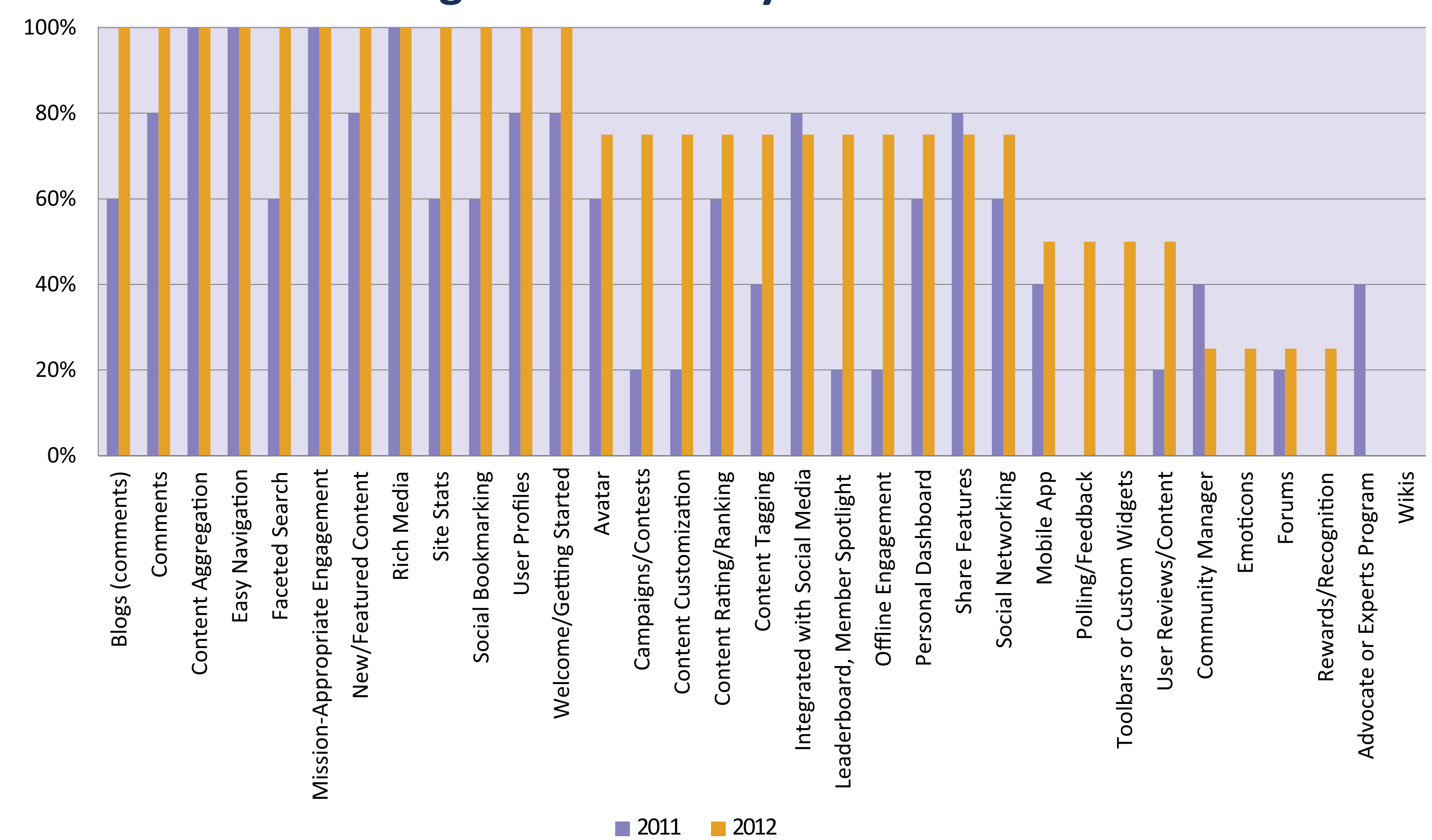
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



The over-the-counter drug industry remains one of the lowest scoring in the study. Obviously, best practice adoption rate is very low with only two of the 33 achieving over 90 percent usage. In addition, 28 of the best practices had adoption rates of less than 50 percent. Although the reviewed sites were labeled as “community,” in reality, more are accurately characterized as great content push models. Many had the ability to customize the content experience and most provided interactive tools and apps to help understand or manage symptoms. But the nuts and bolts of community—the ability to interact, ask questions, or find others with similar challenges—for the most part, did not exist.

As in 2011, most of the true community discussions around symptoms and medical conditions are the purview of the nonbranded forums, such as WebMD.

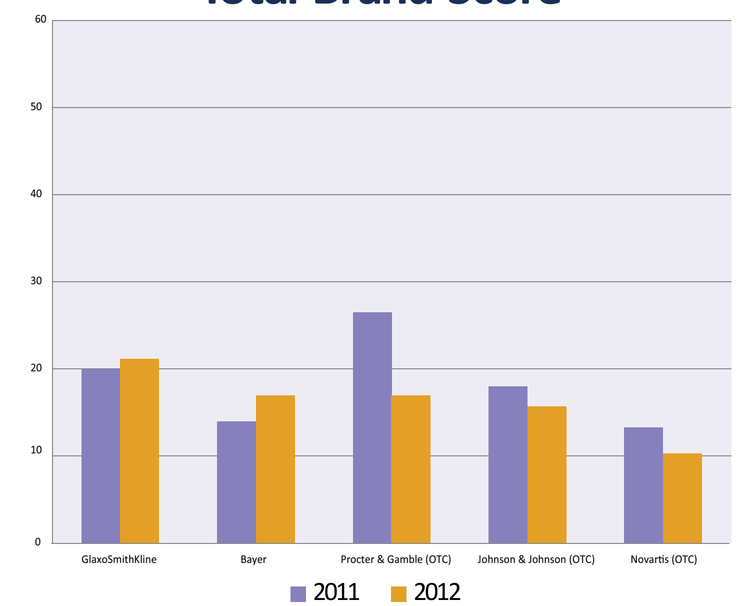
Of the five brands reviewed, only P&G and GSK showed any signs of true community. GSK’s Nicorette Committed Quitters community is one of the best examples. It is a huge contrast to Novartis’ smoking cessation site, which offers only limited content in the form of PDFs.

- The Committed Quitter’s community offers a rich variety of trackers, tips and tools to help members kick the habit.
- The in-depth profile experience captures information about the member’s smoking habits and quitting plan, and then customizes an individual homepage with suggested tools, content, tips and more.
- The personal dashboard displays “money” and “time” saved from not smoking.
- Surprisingly, this community does not use the interaction of peer-to-peer encouragement and engagement, nor does it offer a mobile app. Johnson & Johnson does the best job in the industry of integrating mobile apps with community mission.

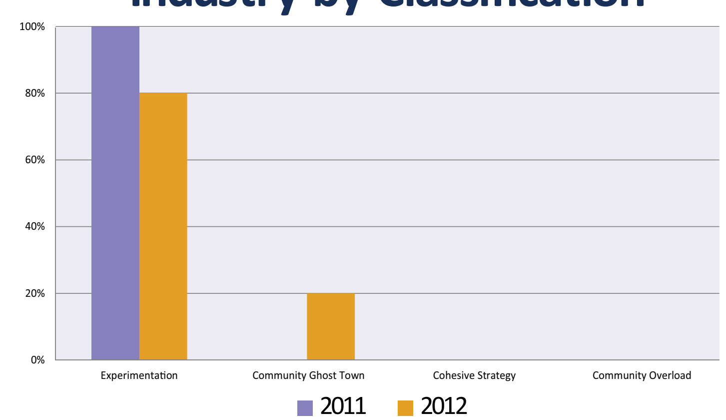
P&G’s Vicks site also exhibits some true community functionality. It is one of the few in this industry that offers product reviews and has a basic recognition system. The most interesting aspect of this site is the ability to order the product directly through an online shopping function. The consumer can access the cart alongside aligned content and tools or use a locator widget to find the nearest retailer. P&G also offered this for some of the products that were reviewed as part of the CPC industry.

Biggest loser: P&G, who eliminated various significant best practices from the community experience.

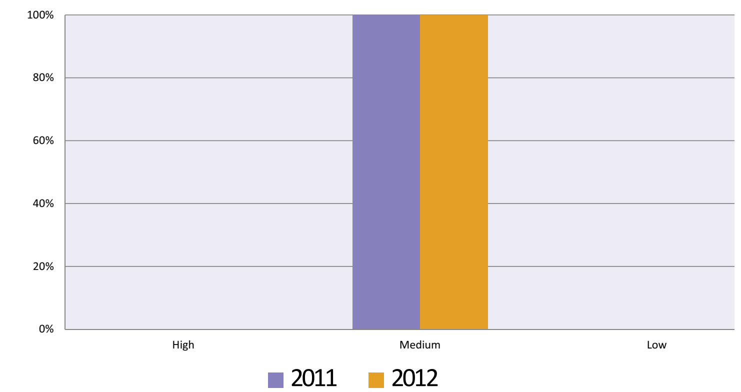
Total Brand Score



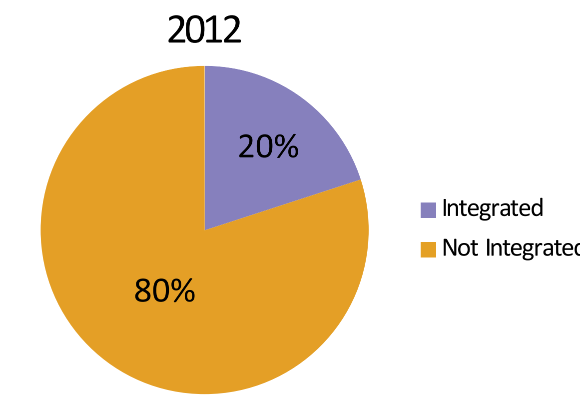
Industry by Classification



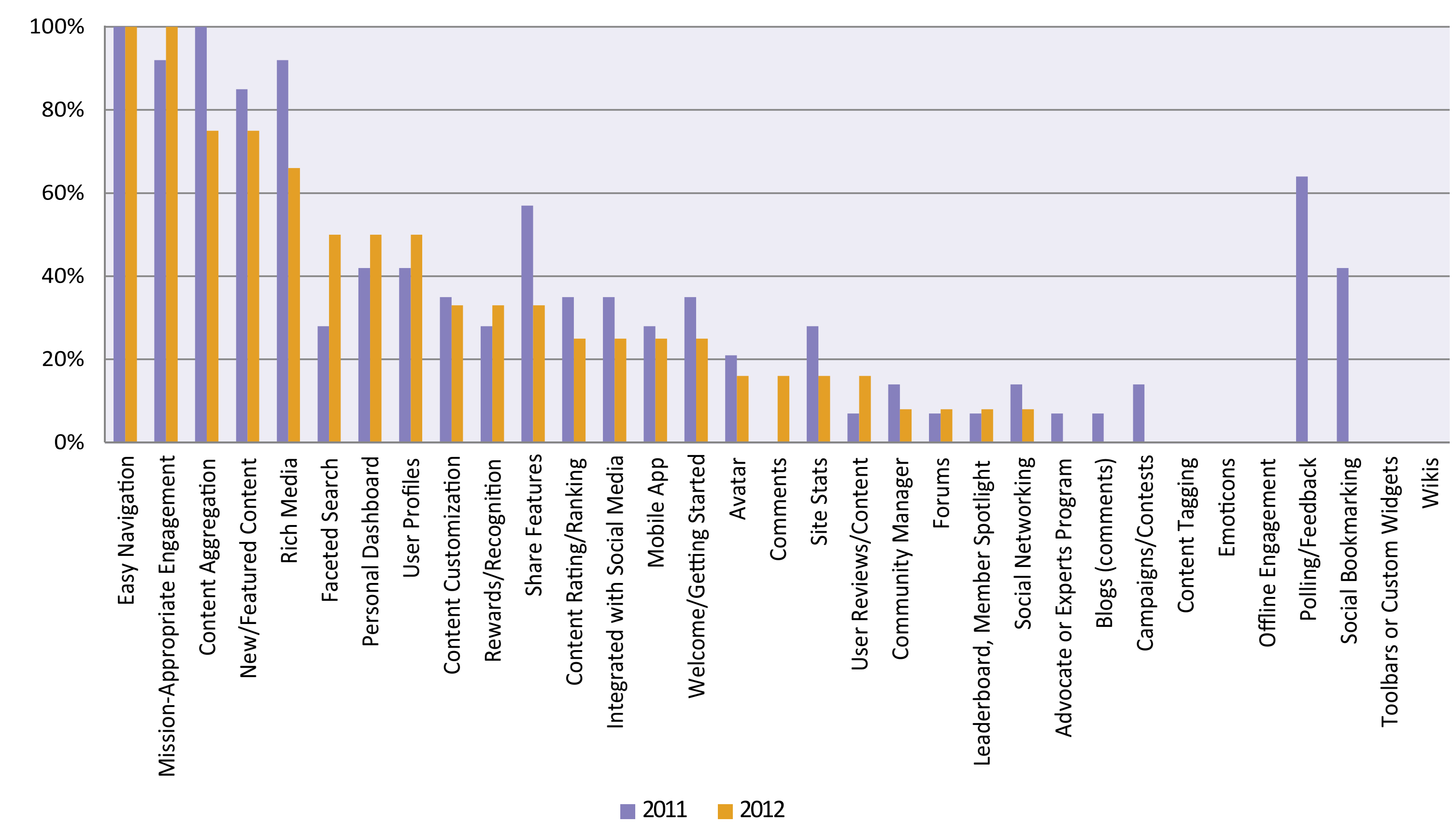
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



The numbers tell a dismal story for this industry. After gaining ground last year in adopting community best practices, this year's data reveals stagnation. In 2012, 23 of the 32 best practices had less than 50 percent adoption. Thirteen of the best practices had less than 30 percent adoption—most notably, advocate programs, mobile apps, leaderboards, offline engagement, community management, forums, rewards and recognition, content tagging and content customization.

Mobile, for example, can be a powerful delivery channel for resources, tools and checklists for the healthcare consumer. Yet, few brands offer a mobile option with two exceptions:

- Merck offers a Journey for Control app that helps those with type 2 diabetes track nutrition, exercise, medications and access healthy lifestyle resources.
- Pfizer ported its Heart Wise community to a Lipitor app that gives users access to recipes and other lifestyle information.

Lack of content customization is particularly troubling in this highly-regulated industry that still fears true engagement. Most pharma brands use community as a push channel and limit true interaction, peer-to-peer knowledge sharing or mentoring. Content customization is a way for health consumers to easily find and bookmark information, resources and tools that would help them monitor progress, track symptoms, prepare for a doctor's visit and cope. While pharmaceutical companies are prevented from giving treatment advice, they can provide disease management information in a branded forum.

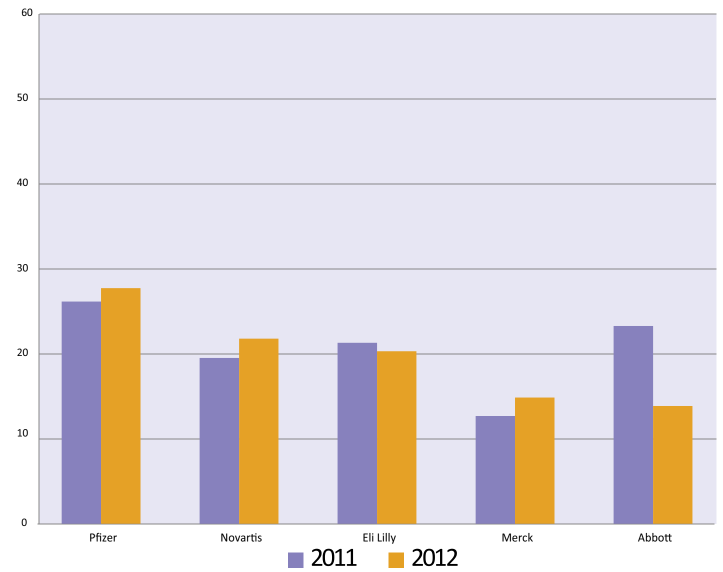
Still, some bright spots were evident:

- Eli Lilly integrates its blog platform, Lilly Pad, with social media. Tweets from its Twitter channel, as well as its Facebook button, are featured in the side rail of the blog. It's also integrated with Goggle+, LinkedIn, Pinterest, and subscribers can use RSS feeds to be notified of new content. While table stakes in most industries, it is forward thinking in the pharma sector.
- Novartis' CML Earth community uses a gamification engine to drive its mission around learning about the cause, risk factors and epidemiology of chronic myeloid leukemia (CML). Points are awarded for completing a CML journey, contributing stories and engaging with various community assets. In addition, emoticons let members reflect their mood. The fact that this community seeks and displays real UGC in a healthcare community puts it in rare company. Most pharmas "brand-handle" their member stories by over-editing and using a corporate brand voice instead of enabling the genuine VOC inject "heart and soul" into the brand asset.
- Pfizer's Get Old community takes an interesting content approach. Members can choose color-coded "post-It" notes to indicate their attitude about aging. That same mechanism serves as a tagging function for content and experience, and helps call out new content. The site aggregates content and offers a faceted search based on the person's age and "emotion." However, centering on age as a driving factor of experience is insensitive to the reality that people age differently—a better center point would be interests, needs and life events. While basically a good "lifestyle" model for healthcare brands, the lack of social sophistication in the industry is evident.

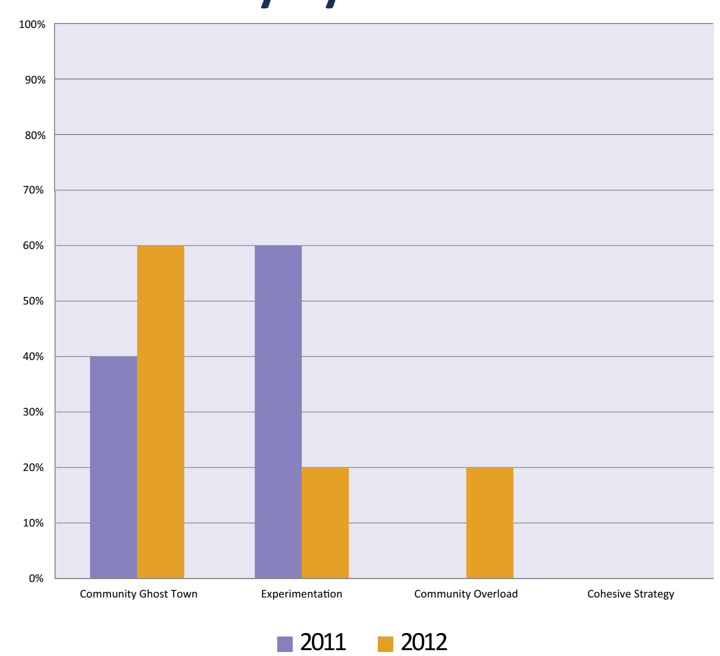
The industry would benefit from studying and judiciously adopting some of the more innovative ways that other industries interact and build band affinity through their community models. Taking a cue from the food industry, a diabetes community, for example, could use crowdsourcing to rate recipes for yum factor and family "likes," and also have a registered dietician badge select recipes as "nutritionist approved." The pharma sector bears watching for signs of social maturation.

Biggest loser: Abbott

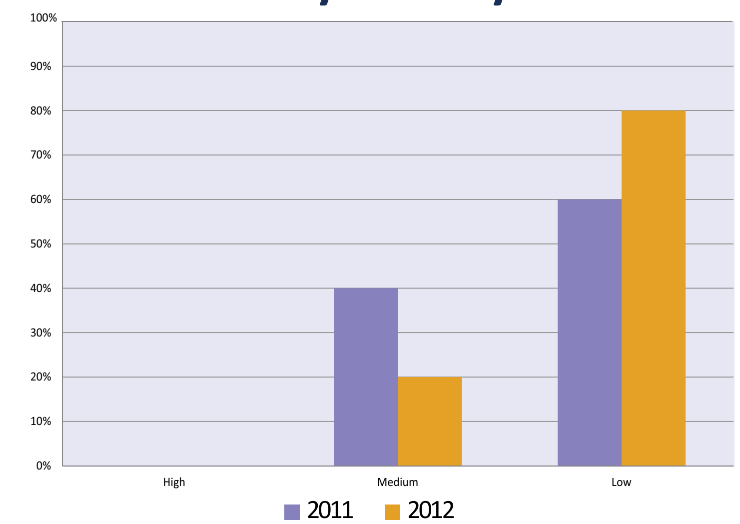
Total Brand Score



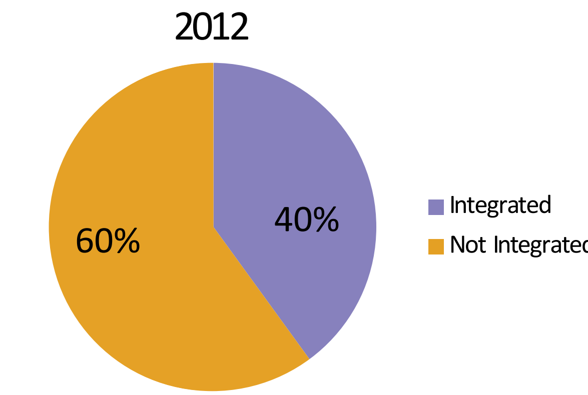
Industry by Classification



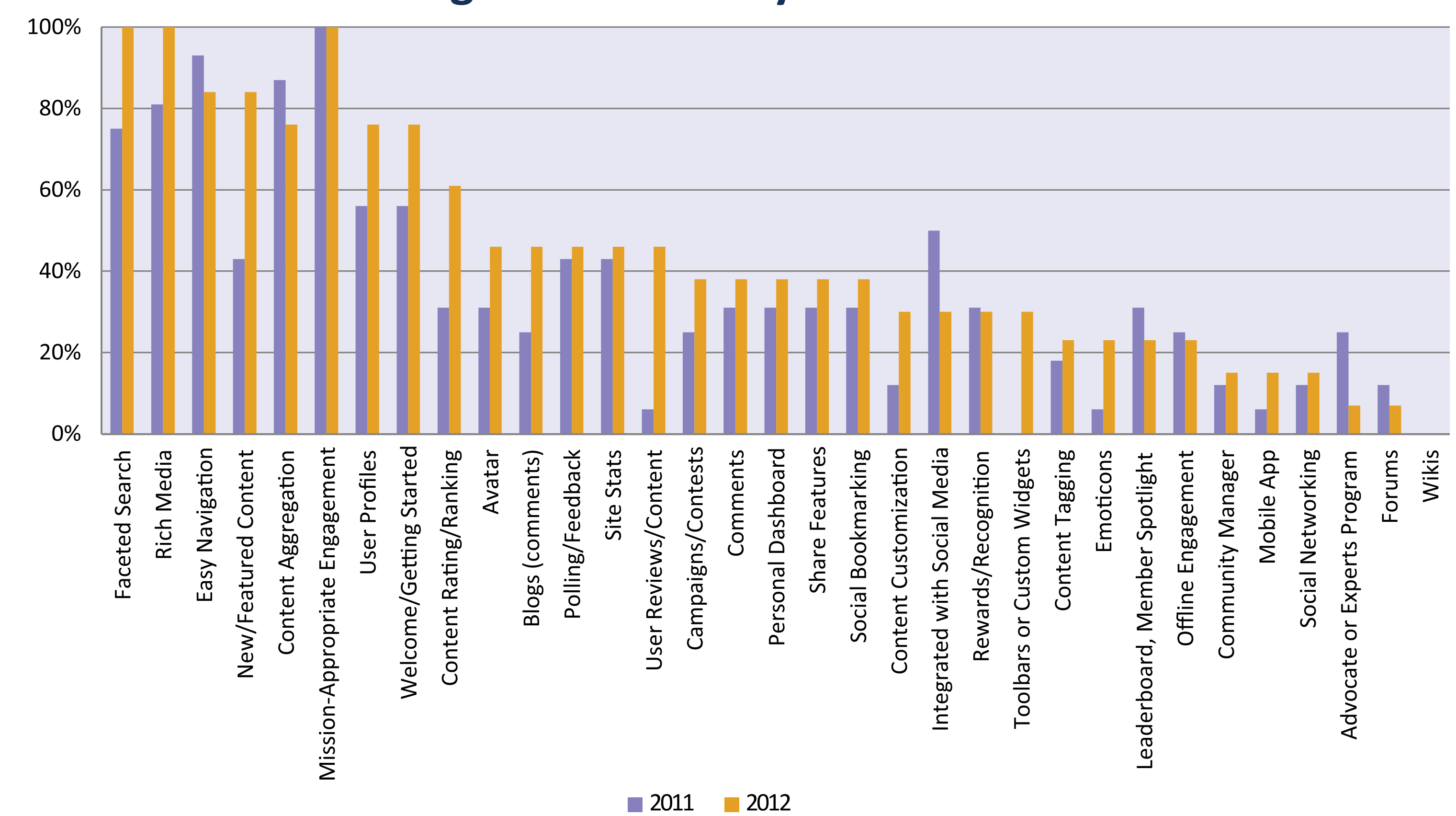
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Retail is another industry with great opportunity to engage around consumers' lifestyles and life cycles. After all, people shop for their needs and wants, and those joining communities or using social shop features tell retailers a lot about both. With lower disposable incomes, consumers use social networks and peer reviews to make informed choices and find real value. Retailers, who are fighting harder than ever for share of wallet, should more strategically use their community assets to engage and drive deeper affinity.

A great example is home improvement stores such as Lowe's and Home Depot. Both do a good job at providing a variety of tools and functionality to engage consumers around home improvement projects: project lists and plans, how-to content, in-store learning events, shopping lists, etc. The experience, however, is disjointed. Ideally, the community would provide a cohesive end-to-end experience that integrates offline and online engagement, curates content according to the projects in the consumer's queue, suggests in-store events driven both by location and topic, and then stimulates feedback on helpfulness of content and events. For a DIY project, what if the consumer could submit an "I'm stuck" video or post and get very specific counsel on what to do next or how to fix his/her current mess? Both expert community members and brand gurus could offer advice, which would be rated by the community. The brand could further engage by asking members to submit a Pinterest board or Instagram photo showing the anatomy of their project. And, a gamification engine would drive rewards and recognition across all activities.

Today, some of these elements exist but the brands make the consumer work too hard to put it all together. The same scenario is equally valid for clothing or garden retailers. For example, Nordstrom's Sole Society community customizes content according to shoe selections but does not facilitate a deeper, more integrated experience, such as letting the consumer select an outfit from a shopping wish list and get shoe recommendations from the brand or friends. These consumers could be driving significant social traffic and experience Nordstrom across properties. This would take the online shop experience to a new level.

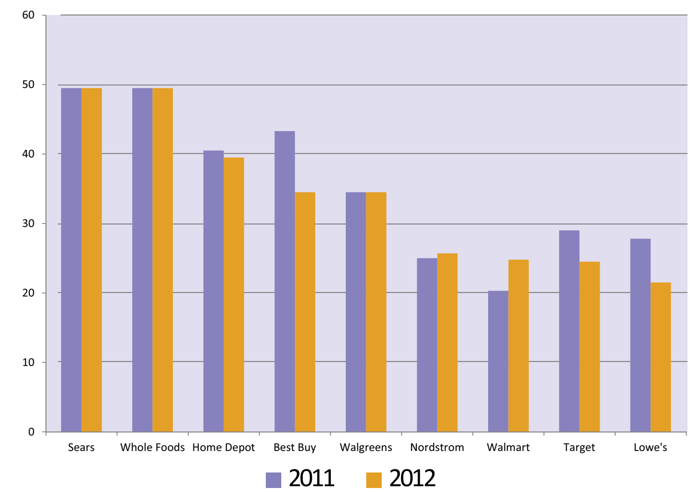
A few positive trends are evident:

- This industry has made strides in content customization and aggregation. Sears and Nordstrom, for example, use information captured in profiles or through the use of widgets to deliver content and tools specific to the individual's interests or needs.
- More brands facilitate consumer reviews this year—nearly double the number in 2011. But a 50 percent adoption rate is still low for an industry that should be focusing on this all-important preference-building tactic.
- Many brands added mobile apps and extend the shopping experience through them. Most allow the consumer to access lists he/she created on the community site via mobile while others miss this important integration.
- Retailers spread community functionality across their digital assets rather than centralizing them. Virtually everyone in the space takes advantage—to one degree or another—of promoting interactions on Facebook, Twitter, YouTube and Pinterest.
- The retailers experienced a huge increase in the strategic use of their social assets with a big leap in number of likes and followers. Many are doing a good job of using custom widgets to extend the engagement experience beyond the Facebook Timeline.

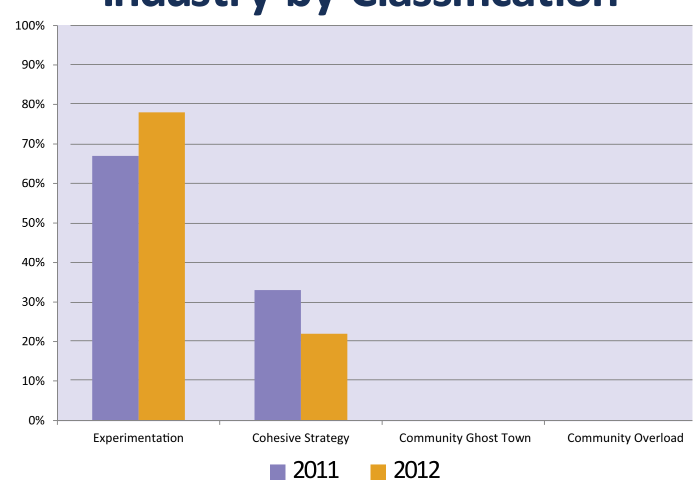
Shop Your Way, the social shop beta that Sears launched last year, was fully functional and is a model for retailers. Members can track products, create virtual catalogs by pinning wish list items to their board, see reviews, earn and redeem points for shopping and access either on the desktop or via mobile. This is a highly active community with a huge following.

Stellar social shop: Sears

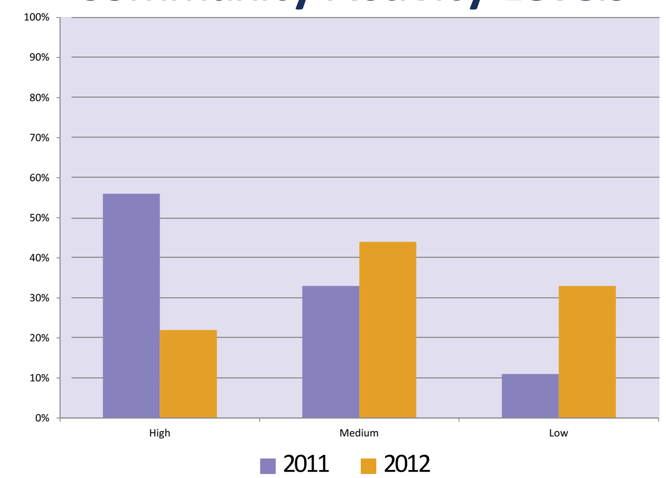
Total Brand Score



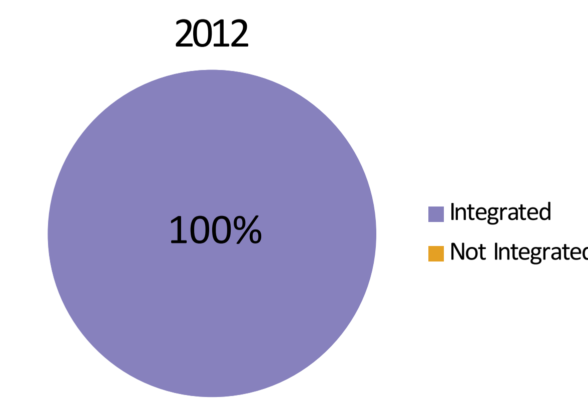
Industry by Classification



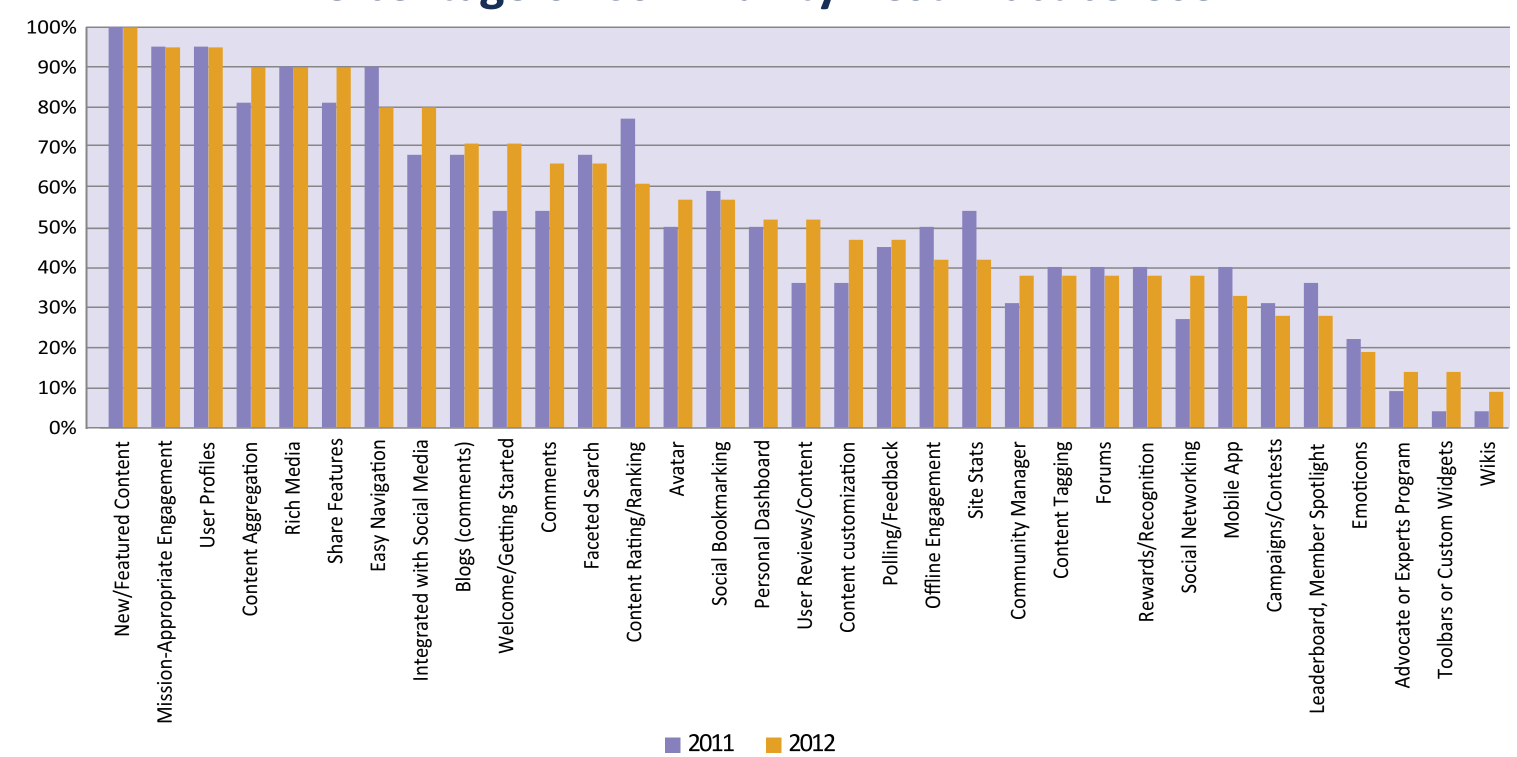
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Technology was one of the most interesting industries, with six of the ten brands we scored last year either losing ground or remaining the same. This is shocking in an industry so reliant on peer-to-peer support models to optimize customer experience and minimize product and service customer care costs. The expectation would be for continuous improvement and maturation. Since none of the brands scored in the top tier, room for improvement exists.

Another surprise was the lack of best practice adoption; only nine of the 33 best practices had a greater than 90 percent adoption rate. Some of the practices most important to a great support experience had less than 50 percent adoption, including user reviews, advocates or experts program, custom toolbars and content customization.

One brand, however, that offered a great experience was IBM. By sharing information through their profiles, members receive targeted links and product information, pre-populated web forms for e-commerce, online events information and recommended content subscriptions. Another interesting community content strategy was offered by Microsoft's O365 community, which has a consideration room, designed to deliver content around products and services and accessible by prospective customers. This is a unique way to use community to drive content along the decision journey.

Microsoft also renovated two of its venerable legacy community properties: MSDN and TechNet. The communities offer a much richer content experience by aggregating branded, user and third-party content, which is organized and parsed along the decision journey. Both communities added best practices and provide a deeper experience for IT pros and developers. The Microsoft Answers community uses two levels of advocates to answer most of the community's questions. "The Answers" scroll feature segments and rewards top weekly contributors; designations include "content creator," "first answer," and "content curator."

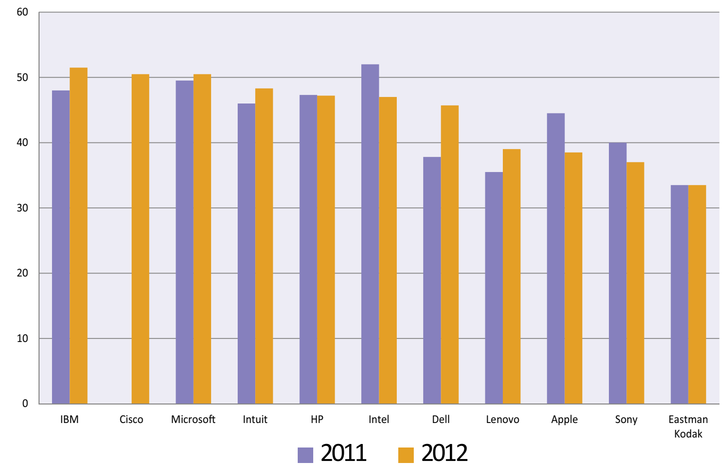
Intel was one of highest scorers in our 2011 study but went backward a bit this year. This brand dropped from cohesive strategy to experimentation as it migrates to a new community platform and upgrades its content offerings. Intel is doing very smart things but member experience is in flux and thus does not offer the same elegant experience as it did last year. One particularly bad experience occurs in the Intel Support Communities, whose global navigation fails to include a "forums" tab. The member must keep returning to the homepage to find these forums, which is where the majority of the engagement and activity occurs. Not a good practice for peer-to-peer support.

New to the study this year is Cisco, which offers a cohesive experience across its communities. The researcher particularly liked the "top contributors tab," which consolidates recognition of outstanding community members cross property. One creative idea was the Cisco Hall of Fame, which recognizes long-term contributors.

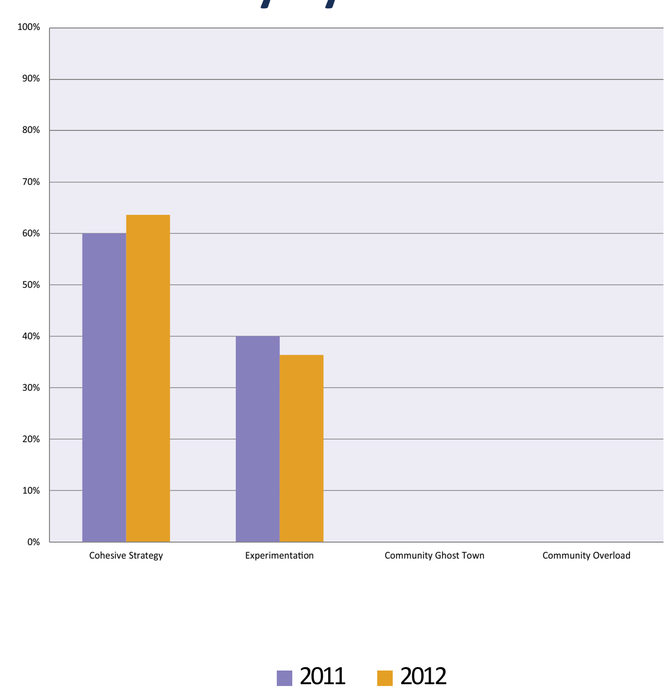
The industry's appallingly low use of brand advocates within its support communities is not only a missed opportunity for post-purchase engagement but potentially stunts community ROI. Many of the support communities that were scored used brand experts almost exclusively to respond to questions and forum threads. Cost deflection occurs when 80 percent or more of the support content is generated by peers rather than brand FTEs.

Most improved: IBM

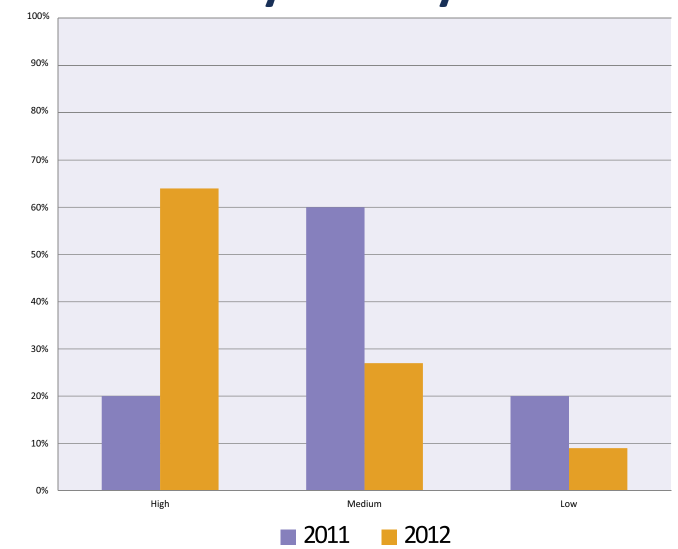
Total Brand Score



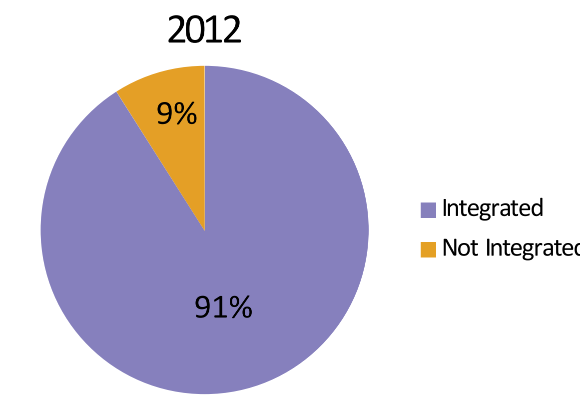
Industry by Classification



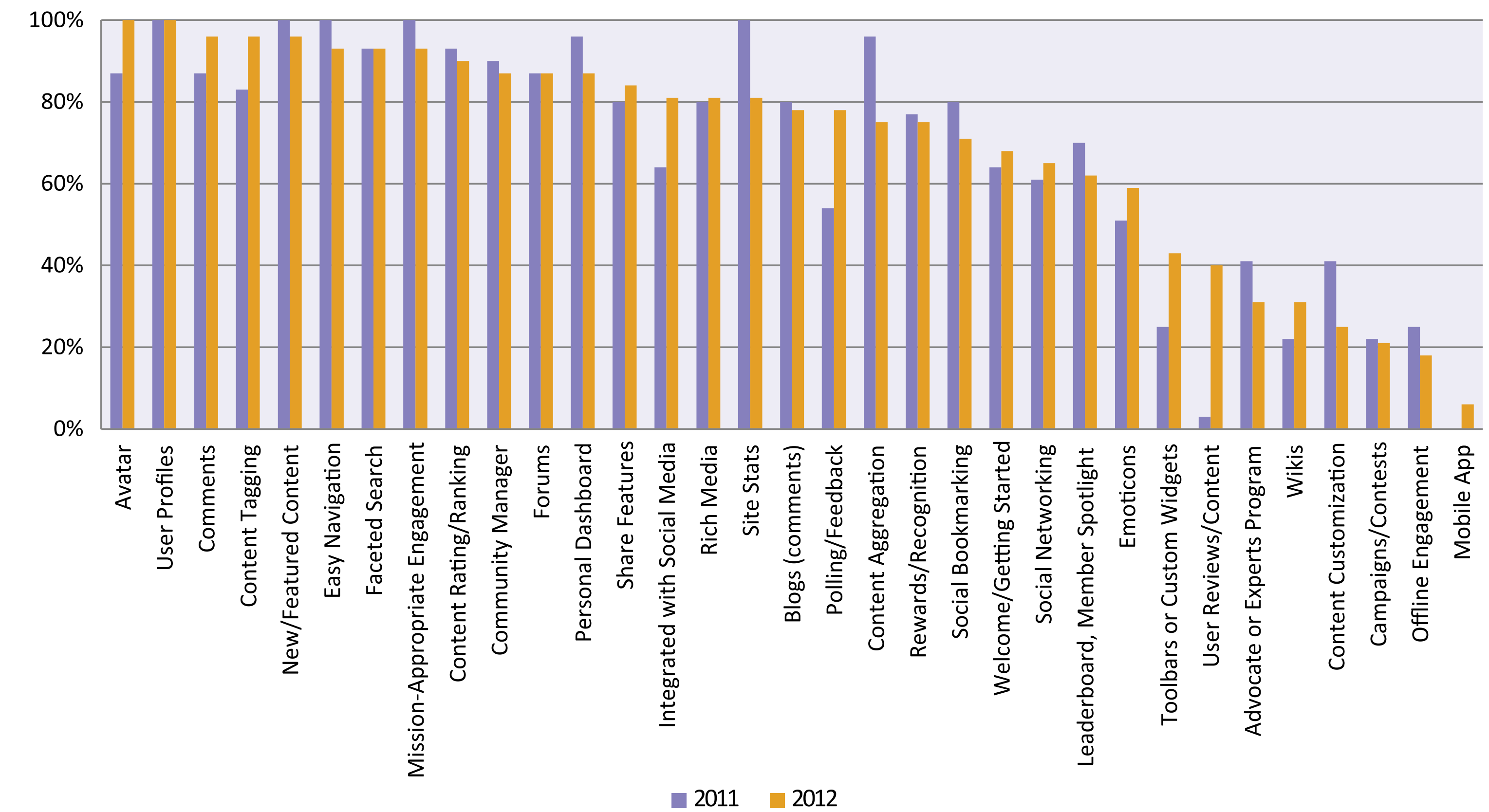
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Telecommunications Industry

For the first time in the four years of the study, all of the brands in an industry scored over 50 points. Last year, telecommunications tied with gaming as the highest-scoring industry, but this year lies sole claim to this title. Not surprisingly, adoption rates of 30 of the 33 best practices either increased significantly or remained at 100 percent—community management and content best practices both soared. The most unexpected finding (given the industry) is the total lack of mobile community apps. While a few of the communities indicated mobile apps were under development, none were currently available.

Of the 12 communities scored, 10 were technical support communities. Two were for mobile app developers (even these two communities did not have a mobile app!) and the rest were for peer-to-peer customer support.

Facebook and Twitter remain escalation channels for customer support. Some brands do better than others in applying good governance in this area.

- T-Mobile includes a support tab on its Facebook Page where representatives actively address broadly-applicable issues and direct people offline for issue resolution of private or account-specific points. Unfortunately, a large number of questions have no responses.
  - Support tab is not synched with the support community.
  - Lack of dates make it difficult to gauge timeliness of response.
- Sprint features a customer care tab on Facebook that integrates with the support community.
  - Questions from Facebook are exposed in the community and addressed there. A link is provided directly to the post on the support community.
  - Sprint misses an opportunity to call out on Facebook when a question has been answered and provide a link to the answered post.
- AT&T and Verizon feature their Twitter feeds in their support communities and invite members to respond. AT&T also actively uses Facebook for customer care issues.

An interesting trend is the maturation of reputation management.

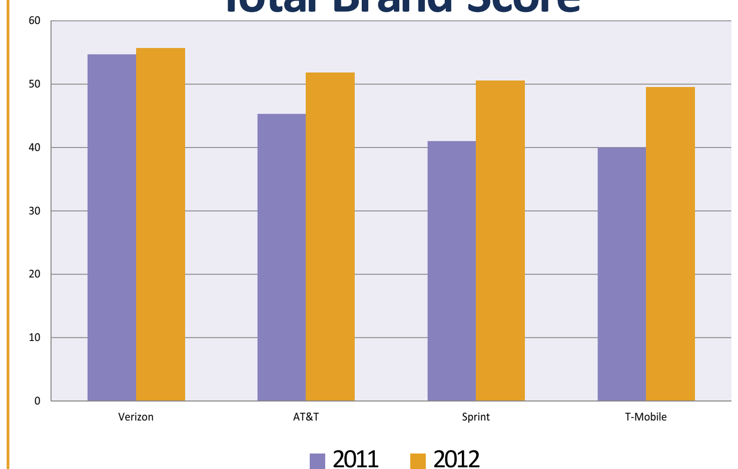
- All but Sprint disclose achievement markers: how to earn points and the point thresholds for various performance levels.
  - Sprint, AT&T and Verizon's Insider and Thinkfinity communities all clearly communicate how to become a community leader.
- More specific rewards are highlighted.
  - AT&T launched a new recognition program: the Award for Community Excellence to recognize members who made outstanding contributions in the previous 12 months.
  - Almost all of the communities used leaderboards, a strong best practice for support communities. Many feature leaderboards for specific products and services.

This high-performing industry can still reach higher levels by providing more of an end-to-end experience. The brands should facilitate dynamic content integration and multiple ways to learn and engage. The Find-Ask-Answer continuum should be better organized and enable people to search for brand-generated "how-to" content right next to searchable forums. If the member is an expert, he/she should be able to easily find or subscribe to questions by topics that he/she could easily or quickly provide an answer.

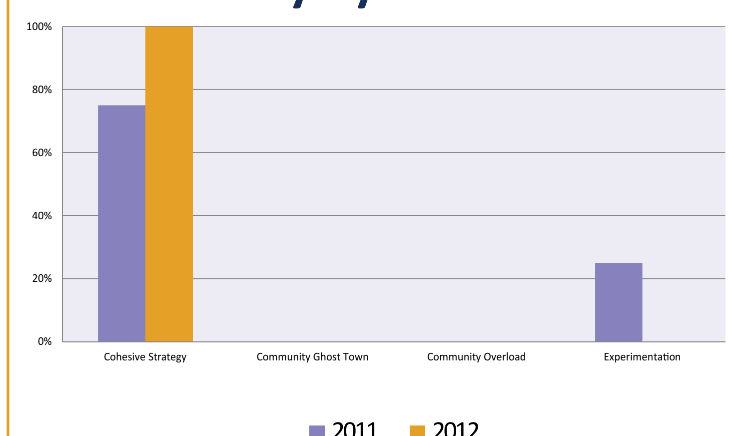
- Sprint does a great job of presenting a dynamic content experience aligned with topics, including product overview, pertinent discussions, documentation, videos and blog posts.
- Many of the communities missed the opportunity to display product "tips and tricks" content near support content, which would stimulate post-purchase advocacy.
  - Verizon's "Room to Learn" does a nice job of aggregating and organizing great content about how to better use and engage with its products but fails to amplify it throughout its other owned communities.

Most improved: T-Mobile and Sprint

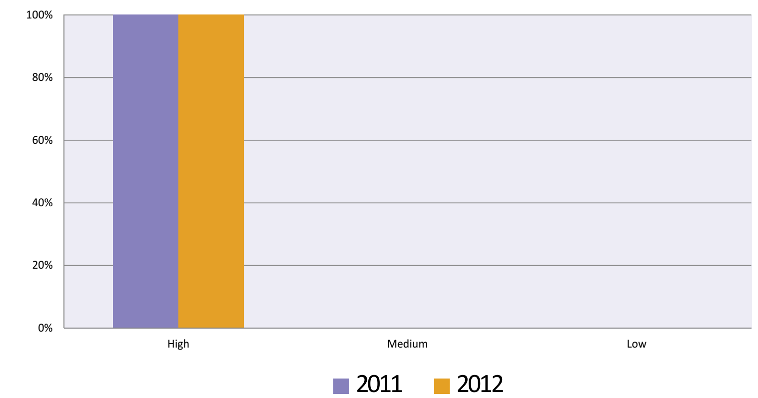
Total Brand Score



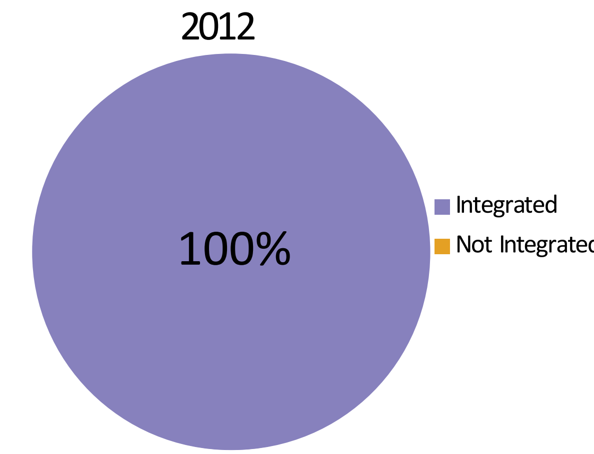
Industry by Classification



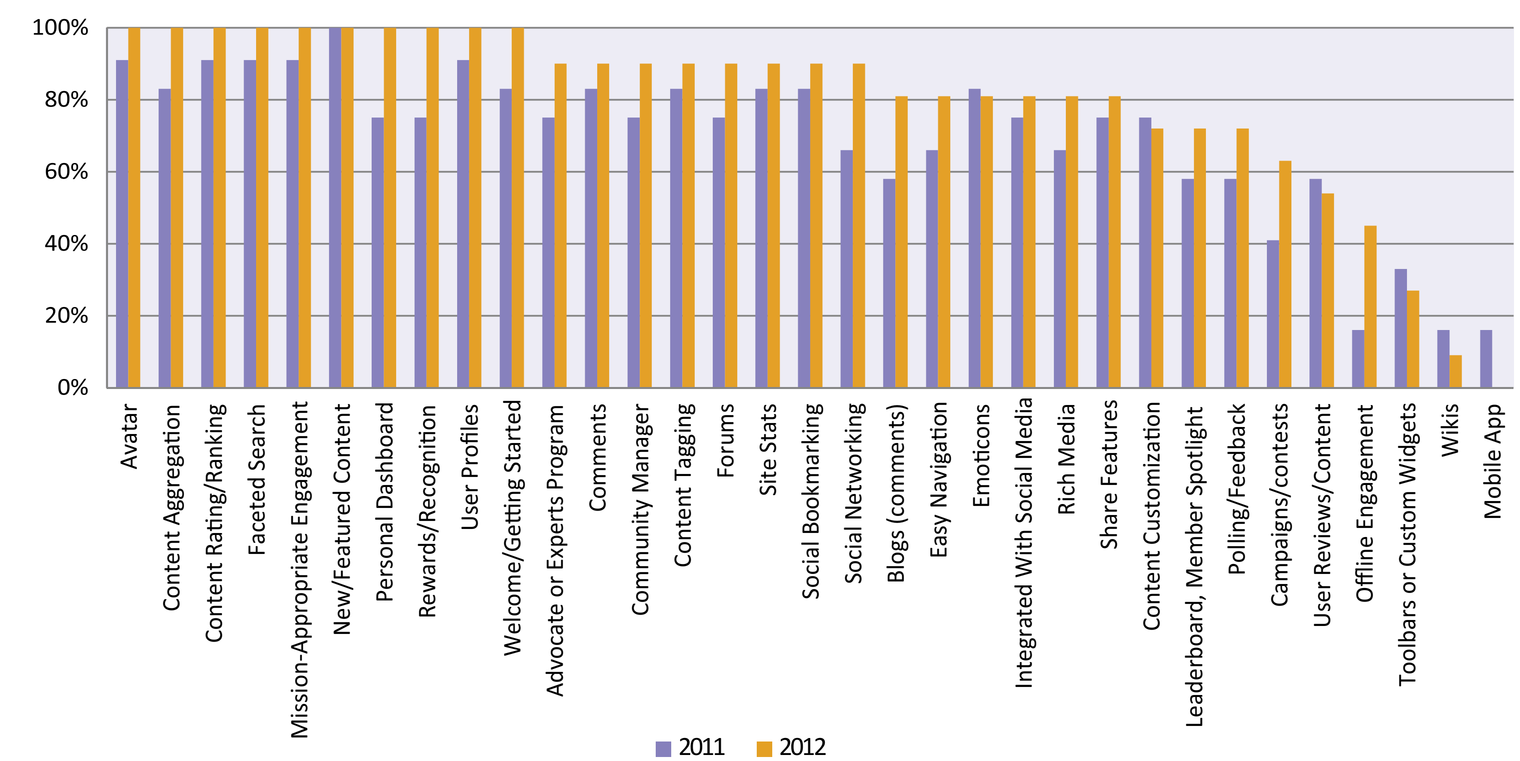
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



Travel & Hospitality Industry

The travel and hospitality industry consistently underperforms in delivering a great member experience. While showing some improvement this year in select best practice areas, only Marriott increased its score significantly. All other brands took a hit, most notably social media darling, Southwest Airlines, and 2011's top performer, JetBlue.

This largely reflects a shift to greater experimentation and fewer brands demonstrating a cohesive strategy. We observed a few underlying factors that impacted this data point:

- As community strategists learn from their experience, they may want to change direction or introduce new tools to stimulate a deeper or richer form of engagement. For example, JetBlue is experimenting with location-based tools and other new elements. As they implement these, the experience may temporarily be more disjointed. This is a trend we are watching to confirm our analysis.
- Another factor in the growth of experimentation is the way brands integrate their community ecosystem. Social tools are becoming a platform of choice for communities, which requires tighter integration between social networks and branded online assets. This industry, for example, does a terrific job of capturing "post-purchase" content in the form of customer stories, reviews and insights about the travel experience. Yet, these stories remain "trapped" within one platform. Aggregation across the social ecosystem is a higher form of integration, which is the de facto standard at this point in the maturation cycle. JetBlue does a good job by regularly sending feeds and sharing community stories on Facebook. Southwest squanders the huge social media presence it has built by not using Twitter to expose community generated content and link potential members to the online community.

Overall, brands collectively shifted their almost singular focus on travel e-commerce and broadened content and engagement around lifestyles, dreams, goals and destinations.

That being said, the industry is missing a huge opportunity to crowdsource rich travel and destination information. While almost all in the industry stimulate engagement around travel destinations, no one brand optimizes its value. Fairmont, for example, offers Wiki-like functionality that solicits customer stories about their experiences at select properties, but does not let members contribute stories about the destinations at large—for example, offering suggestions on great things to do, or cool, quirky places to visit while in a specific city or country.

Another big miss is the lack of facility to create and share graphic content associated with lifestyle, destinations and properties. It would be easy to integrate a "Pin It" button into the community and stimulate engagement that is shareable and engaging. This is a natural addition for a very visual and experiential industry.

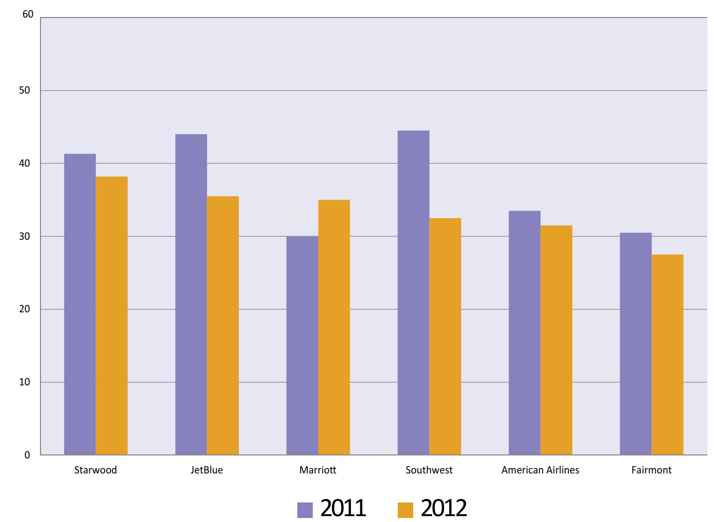
Mobile was an emerging bright spot. Two brands—Fairmont and Westin Hotels (part of Starwood Group)—extended the community experience to mobile devices. Fairmont uses its app to stimulate the uploading and sharing of destination content, which is more sophisticated than we have seen to date. Westin also offers a mobile version of its "Discover" community. the other brands focus their mobile apps on the more traditional e-commerce functions (e.g. check-in, flight status, deal alerts, etc.) rather than community engagement.

We also observed the tendency to be "over-curated." While we consider faceted search a best practice, this industry offers so many topic containers that the navigation and experience tool can overwhelm rather than help. This takes too much away from the organic and serendipitous nature of the community experience.

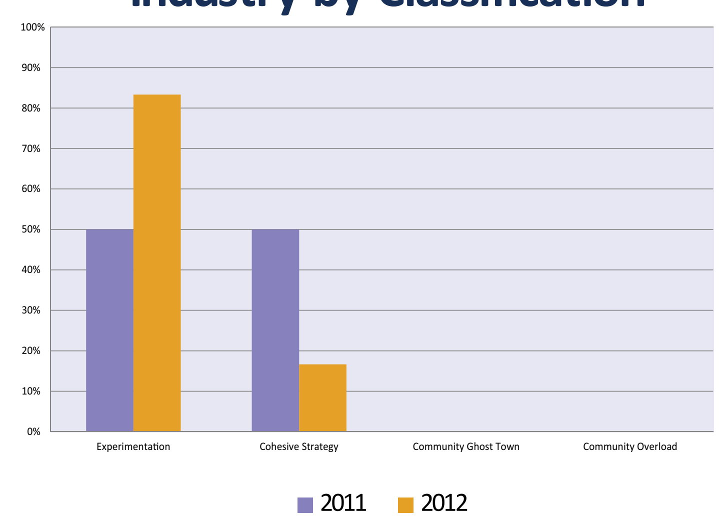
This industry has improved every year of the study, but not significantly. Even the sector's high performers fall short of examples of how to do community right.

Most improved: Marriott

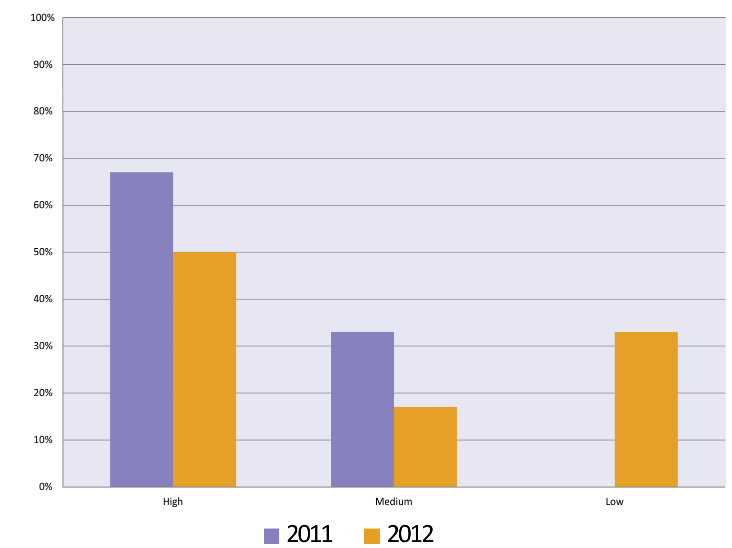
Total Brand Score



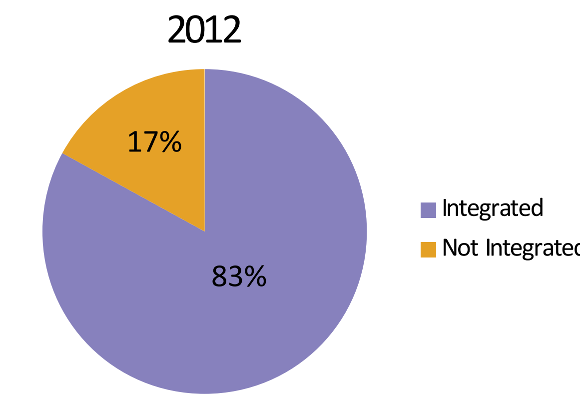
Industry by Classification



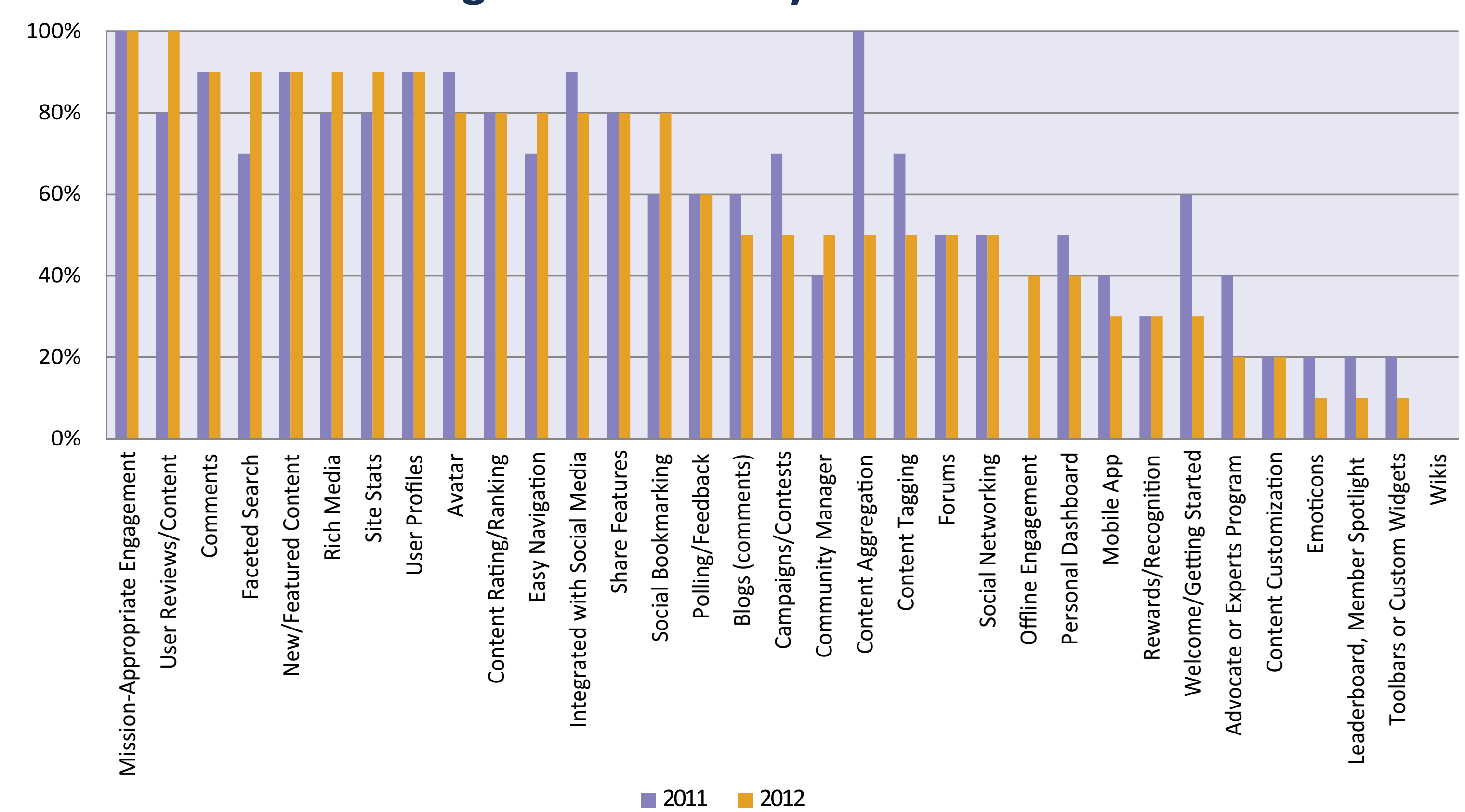
Community Activity Levels



Social Media Integration



Percentage of Community Best Practice Use



For the 2012 study, ComBlu analyzed the community and social-engagement programs of 92 companies during the summer of 2012. Selection criteria remained:

- Large enterprise
- Industry leader
- Diversity in its marketing approach

Like last year, the number of industries reviewed was 15. These include: Automobile, Entertainment, Banking and Financial Services, Insurance (Property and Casualty), Insurance (Healthcare), Pharmaceutical, OTC Drugs, Technology and Consumer Electronics, Telecommunications, Consumer Products Companies, Beverage, Retail, Gaming, Enterprise Resource Planning, and Travel and Hospitality.

Each company was analyzed using a comprehensive auditing tool designed to draw quantitative rating and ranking data, as well as qualitative reactions to community experience. Once all scorecards were complete, they were tabulated to determine an aggregate score.

THE APPROACH

The auditing tool was used to:

- Identify and capture attributes of multiple company- or brand-sponsored community sites. In instances where one company had dozens of community sites, a representative sample was selected for scoring. Each site was analyzed using a scorecard that indicated which among the 33 community best practices were present. Observations about overall experience in interacting in each community were also recorded.

- Capture data about overall community health and wellness, when available, including: community size, activity levels, frequency of engagement by community members and levels of recent activity.

- Evaluate social media integration with community sites. Specifically, this evaluation examined the brands' presence on Facebook, Pinterest, Twitter, YouTube, Flickr and LinkedIn. Other social media presence was also noted. While the primary focus was community/social media integration, detailed observations about branded social-networking sites that were being used in lieu of a traditional branded online community were recorded.

- To determine social media presence and integration within the communities, researchers specifically sought evidence of an official brand presence on popular social media sites available for public access. However, to be deemed integrated with social media, a brand must:
  - → Drive traffic between social media properties and online community.
  - → Indicate a shared vision and purpose through common graphics, verbiage, community managers or theme.
  - → Share UGC between properties while using the strength of each property for a defined purpose to demonstrate the highest level of integration.

- Assign each company's community marketing efforts a primary and, where pertinent, secondary classification. These included:
  - → *Cohesive Strategy*: Existence of an integrated community strategy with multiple activities rolled into a single community or, where brands used a common set of best practices across multiple but noncompeting communities.
  - → *Social Experimentation*: Lots of "one-off" effort but no evidence of a cohesive strategy.
  - → *Community Overload*: Multiple communities and initiatives competing for the same audience.
  - → *Community Ghost Town*: No evidence of recent member growth or activity in the community or communities.

- A literature search provided additional insights about the overarching strategy of a company's social marketing efforts.

Appendix: Methodology

CALCULATING BRAND SCORE

Once all data was captured, analysts applied an algorithm that yielded a brand score.

- The community scoring algorithm overlays multiple data points to yield a score for brand community performance. A detailed description of the filtering process follows.

- Resulting scores could range from 0 to 60.
  - → Scores between 0 and 21 were considered "Low Performers" and received one light bulb.
  - → Scores between 22 and 41 were considered "Medium Performers" and received two light bulbs.
  - → Scores between 42 and 56 were "High Performers" and received three light bulbs.
  - → Scores of 57 or above were considered "Best in Class Performers" and received four light bulbs.

ALGORITHM STRUCTURE + RATIONALE

The community research algorithm is a performance filter built in two parts intended to assign a score for brand community performance. This score is set against a graduated performance ranking scale made up of light bulbs, which include:

- One light bulb: "Light's out"; no one's home
- Two light bulbs: Low wattage
- Three light bulbs: High wattage
- Four light bulbs: Klieg light

PART ONE

- The filter calculates overall brand performance taking into account aggregated community activity and provides an overall average of that brand's community effectiveness.
  - → Assigns a value to only those brands that exhibit an identifiable community strategy.
  - → Assigns a sliding-scale value to the different type or classifications of a brand's communities (Experimentation, Community Overload, Ghost Town and Cohesive Strategy).
- Part One of the filter contains a single multiplier that is applied if the brand exhibits a Cohesive Strategy.
- Next a performance score is calculated for brand activity associated with community.
- This score is then integrated into Part Two, where it is incorporated with the subscores associated with the various individual communities the brand has in play.

PART TWO

- This filter addresses individual community performance against a set of best practices and performance thresholds. Scoring of the second part of the filter is broken into tool use, community activity and social media integration.
  - → *Tool Use*: Thresholds that measure the percentage of tools that are applied to a branded community.
  - → *Community Activity*: A value is then assigned to communities that show consistently high levels of activity. This metric does not take into account membership count, only activity (so that a small but vibrant community is not penalized).
  - → *Social Media Integration*: A value is provided to communities that exhibit social media tools and activity integration within their community. Communities that lack this integration and activity do not receive a value.
- In this filter, there are two potential multipliers available to High Performers.
  - → The first multiplier is applied to the tools section of the filter. Communities using 70 percent of the tools (e.g., forums, wikis, content tagging, community management, etc.) or more receive this first multiplier.
  - → The second multiplier rewards communities that integrate their community and social media strategies.

Each of the three multipliers in Part One and Part Two of the filter carry an equal weight. Brands and their respective communities that integrate best practices and showcase strong results will reap the benefit of all three multipliers and will move them closer to the top performance category of black. Brands and communities achieving one or two of the multipliers—in addition to showcasing strong general and individual community results—will fall closer to or within the green category. Those brands with sporadic or poor performance are assigned to the red category, indicating ineffective community use.

USER PARTICIPATION

- Advocate or Expert Program
- Blogs
- Campaigns/Contests
- Comments
- Community Manager
- Content Aggregation
- Content Customization
- Content Rating/Ranking
- Content Tagging
- Easy Navigation
- Faceted Search
- Forums
- Leaderboard, Member Spotlight
- Mission-Appropriate Engagement
- Mobile App
- Offline Engagement
- Personal Dashboard
- Polling/Feedback Mechanism
- Rich Media
- Share Features
- Social Bookmarking
- Social Media Integration
- Social Networking
- Toolbars or Custom Widgets
- User Reviews
- Welcome/Getting Started
- Wikis

PERSONAL IDENTITY/PROFILES

- Avatars
- Emoticons
- User Profiles

RETURN MOTIVATORS

- Available Site Statistics
- New and Featured Content
- Rewards/Recognition

Automotive

Brand	2011	2012
GM	25	16
Honda	19	22
Hyundai	23	25
BMW	39	31
Toyota-Lexus	31	32
Ford	29	34
Harley-Davidson	33	35
BMW Motorcycles	25	36

Enterprise Resource Planning

Brand	2011	2012
NetSuite	23	18
Oracle	37	37
Microsoft Dynamics	41	42
SAP	54	55

Banking + Financial Services

Brand	2011	2012
Citigroup	27	23
Wells Fargo	26	30
Bank of America	42	39
JPMorgan Chase	38	42
American Express	51	43

Entertainment

Brand	2011	2012
Disney	45	30
Discovery	50	38
Warner Brothers	36	40
Food Network	37	40
Comcast	39	40
ESPN	49	45
NBC	49	46
Bravo	52	52

Beverage

Brand	2011	2012
Patrón	25	32
Pepsi	37	38
Bacardi	27	41
Coca-Cola	27	43
Starbucks	47	47

Gaming

Brand	2011	2012
Ubisoft	43	32
Sega	34	37
Sony Gaming	36	38
Nintendo	44	46
Activision	49	47
Xbox (Microsoft)	50	51
EA	54	53
PlayStation	52	54

Consumer Product Companies

Brand	2011	2012
Unilever	24	28
Kellogg's	24	29
Proctor & Gamble	35	31
SC Johnson	25	32
General Mills	44	43
Kimberly-Clark	46	45
Kraft	46	51

Insurance [Property + Casuality]

Brand	2011	2012
State Farm	30	25
Allstate	34	26
American Family	N/A	31
Geico	35	35

Insurance [Healthcare]

Brand	2011	2012
UnitedHealthcare	0	32
Aetna	7	38
Humana	27	38

Technology

Brand	2011	2012
Eastman Kodak	34	34
Sony	40	37
Apple	45	39
Lenovo	36	39
Dell	38	46
Intel	52	47
HP	47	47
Intuit	46	48
Microsoft	50	51
Cisco	0	51
IBM	48	52

OTC

Brand	2011	2012
Novartis	13	10
Johnson & Johnson	18	16
Procter & Gamble	27	17
Bayer	14	17
GlaxoSmithKline	20	21

Telecommunications

Brand	2011	2012
T-Mobile	40	50
Sprint	41	51
AT&T	45	52
Verizon	55	56

Pharmaceutical

Brand	2011	2012
Abbott	24	14
Merck	13	15
Eli Lilly	22	21
Novartis	20	21
Pfizer	26	28

Travel + Hospitality

Brand	2011	2012
Fairmont	31	28
American Airlines	34	32
Southwest Airlines	45	33
Marriott	30	35
JetBlue Airways	44	36
Starwood	41	38

Retail

Brand	2011	2012
Walmart	20	25
Lowe's	28	25
Nordstrom	25	29
Target	29	30
Walgreens	35	38
Best Buy	43	41
Home Depot	41	42
Whole Foods	50	50
Sears	50	50

Automotive

COMPANY	COMMUNITY
BMW	MINI Owners' Lounge
BMW Motorcycles	BMW Motorcycles Facebook Page
Ford	Ford Social
	SYNC Community
GM	GM Owner Center
Harley-Davidson	H-D H.O.G.
	H-D Harlistas
	H-D Women Riders
Honda	Honda Owner Link
	Honda Rider's Club of America
Hyundai	My Hyundai
Toyota-Lexus	Lexus Drivers
	Toyota USA Facebook Page

Banking + Financial Services

COMPANY	COMMUNITY
American Express	Business Travel ConneXion
	FlyerTalk
	Food & Wine
	Members Project
	Travel + Leisure
Bank of America	Small Business Online Community
Citigroup	Women & Co.
JPMorgan Chase	Chase Community Giving
Wells Fargo	Wells Fargo Community

Beverage

COMPANY	COMMUNITY
Bacardi	Bacardi Facebook Page
Coca-Cola	Coca-Cola Facebook Page
Patrón	Patrón Social Club
Pepsi	Cranberry Club
	Mountain Dew
	Pepsi Sound Off
Starbucks	My Starbucks Idea

Consumer Product Companies

COMPANY	COMMUNITY
General Mills	Betty Crocker
	Eat Better America
	Join My Village
	MyInsite
	Pillsbury
	Tablespoon
Kellogg's	Crazy Good
	Kellogg's
	MorningStar
	My Special K
	Rice Krispies

Consumer Product Companies *(continued)*

COMPANY	COMMUNITY
Kimberly-Clark	Depend
	GoodNites
	Huggies
	Kleenex
	Kotex Girlspace
	Kotex Ladies Room
	Poise
	Pull-Ups
Kraft	Kraft First Taste
	Kraft Recipes
	Real Women of Philadelphia
Procter & Gamble	BeingGirl
	Denture Living
	Eukanuba
	Luvs Diapers
	P & G Everyday
	Pampers Village
SC Johnson	Right@Home
Unilever	Axe Anarchy
	Bertolli
	Dove
	Slim-Fast
	Vaseline
	Wish-Bone

Enterprise Resource Planning

COMPANY	COMMUNITY
Microsoft	Microsoft Dynamics
Dynamics	SuiteFlex
NetSuite	Oracle Mix
Oracle	Oracle Technology Network
SAP	SAP Community Network

Entertainment

COMPANY	COMMUNITY
Bravo	Bravo TV
	Television Without Pity
Comcast	Comast/Xfinity
	Fandango
Discovery	Discovery Channel
	Discovery Fit and Health
	How Stuff Works
	Planet Green
	TLC
Disney	Disney Family
	My Disney
ESPN	ESPN Community

Entertainment *(continued)*

COMPANY	COMMUNITY
Food Network	Cooking Channel TV
	Food Network
	Food.com
NBC	9th Wonders
	Biggest Loser League
	MyNBC
	NBC Live
	Your Garage
Warner Bros.	DC Comic
	Kids WB
	TCM
	The CW

Gaming

COMPANY	COMMUNITY
Activision	Call of Duty
	Guitar Hero
	Hero HQ
	Infinity Ward
EA	EA
	EA Skate
	EA Sports
	Sims 3
Nintendo	Nintendo Tech Forums
Sega	Sega
Sony Gaming	Free Realms
	Sony Online Entertainment
SonyPlayStation	Sony PlayStation Network
Ubisoft	Ghost Recon
	Prince of Persia
	Your Shape
Microsoft Xbox	Xbox

Insurance [Property + Casualty]

COMPANY	COMMUNITY
Allstate	Allstate Blog
	Keep the Drive Facebook Page
	Teen Driver
American Family	American Family Facebook Page
Geico	Geico Facebook Page
State Farm	Learning Center

Insurance [Healthcare]

COMPANY	COMMUNITY
Aetna	Aetna Everactive
Humana	Humana Fit
UnitedHealth-	My Well-Being
care	Source4Women

OTC

COMPANY	COMMUNITY
Bayer	I am ProHeart
GlaxoSmithKline	Abreva
	My Alli
	Nicorette Committed Quitters
Johnson &	My-Coach Sleep
Johnson	Sudafed
	Zyrtec
	Excedrin
Novartis	Prevacid 24HR
	Theraflu
	Triaminic
Procter &	Vicks
Gamble	

Pharmaceutical

COMPANY	COMMUNITY
Abbott	Labs Are Vital
Eli Lilly	LillyPad
Merck	Journey for Control
	Steps to Balance (Januvia)
Novartis	CFvoice
	CML Earth
	GIST Earth
	MyCFConnection
	PatientsLikeMe: Transplants
Pfizer	Get Old
	MS Lifelines
	MS Voices: Multiple Sclerosis Community
	Think Science Now

Retail

COMPANY	COMMUNITY
Best Buy	At 15
	BBYOpen
	Best Buy Unboxed
Home Depot	Home Depot Garden Club
	Home Improver Club
Lowe's	Lowe's Creative Ideas
	Lowe's for Pros
	Lowe's Racing
Nordstrom	BP Fashion Board
	Shop Nordstrom
	Sole Society
Sears	My Sears Community
	Sears Shop Your Way

Retail *(continued)*

COMPANY	COMMUNITY
Target	Target.com
Walgreens	Walgreens.com
	Walk with Walgreens
Walmart	Walmart Community
	Walmart Fitness
	Walmart Moms
	Walmart.com
Whole Foods	Whole Foods Market

Technology

COMPANY	COMMUNITY
Apple	Apple Support Communities
Cisco	Cisco Communities
	Cisco Support Community
Dell	Dell Community
	Dell TechCenter
	Idea Storm
Eastman Kodak	Kodak Exchange
HP	HP Enterprise Business Community
	HP Support Forum
	Teacher Experience Exchange
	webOS Developer Center
	webOS Support Community
IBM	developerWorks
	My IBM
Intel	Developer Zone Communities
	Intel Embedded Community
	Intel Support
	Open Port IT Community
	Premier IT Professionals
	Techers Engage
Intuit	Intuit Community
	Intuit Uservoice
	Quicken Feedback
	Quicken Live Community
	TurboTax Live Community
Lenovo	Lenovo Community
Microsoft	Microsoft Answers
	Microsoft Developer Network
	Microsoft TechNet
	Office 365 Community
Sony	Sony Forum
	Sony Xperia

Telecommunications

COMPANY	COMMUNITY
AT&T	AT&T Business Community
	AT&T Developer Forum
	AT&T Forums
Sprint	Sprint Community
T-Mobile	T-Mobile Support
Verizon	Thinkfinity
	Verizon Developer Community
	Verizon Small Business
	Verizon Wireless
	VZW Inside
	VZW Residential Community

Travel + Hospitality

COMPANY	COMMUNITY
American Airlines	BlackAtlas
Fairmont	Everyone's An Original
JetBlue Airways	JetBlue Airways Facebook Page
	JetBlue TrueBlue
Marriott	Marriott Rewards Insiders
Southwest	Nuts About Southwest
Airlines	Southwest Travel Guide
	Community
Starwood	Sheraton Better When Started
	SPG Facebook Page
	Westin Hotel & Resorts Facebook
	Page

COMMUNITY

- **Cohesive Strategy:** Existence of an integrated community strategy with multiple activities rolled into a single community or, where brands used a common set of best practices across multiple but noncompeting communities.
- **Community Ghost Town:** No evidence of recent member growth or activity in the community or communities.
- **Community Overload:** Multiple communities and initiatives competing for the same audience.
- **Social Experimentation:** Lots of one-off effort but no evidence of a cohesive strategy.

USER PARTICIPATION

- **Advocate or experts program:** Specialized engagement with members, super users and community experts. Advocates typically serve specific community roles and confer elite status.
- **Blogs:** Online journals housed within the community that may be written by community managers or community advocates and offer commenting by all community members to create two-way dialogue rather than simply a one-way push of information.
- **Campaigns/contests:** Brands offer unique and fun engaging opportunities and experiences as a special reward for members.
- **Content Aggregation:** Grouping like-minded and multiple types of content from various resources.
- **Content Customization:** The ability to customize the view of information to what is of most interest to user.
- **Content Rating/Ranking:** Allows community members to judge the quality of user-generated content based on their own criteria.
- **Content Tagging:** The ability to categorize or sort user-generated content with keywords to allow for enhanced search and organization. This helps members find the content they are most interested in. Typically, you'll see a "tag cloud" search function visible in community pages.
- **Comments:** Opportunities for community members to add their own point of view and expressions to either written content or rich media created by the brand and other members.
- **Community Manager:** A personality present in the community charged with building, growing and managing it and making themselves visible and active in dialogue. In some cases, this is a single person. In others, there are multiple people representing the brand. In both cases, they are active and regular participants.
- **Easy Navigation:** A user interface and structure that makes it simple for members to find information and participate in community activities.
- **Faceted Search:** The capability to explore the community's content by filtering available information through key words, topics, dates, etc.
- **Forums:** Also referred to as message boards and bulletin boards, these are applications used to hold both consumer-to-consumer and consumer-to-brand discussions containing user-generated content.
- **Leaderboard/Member Spotlight**: A special area in the community where top participants and community leaders are acknowledged and showcased.
- **Mobile App:** Beyond optimizing the site for a mobile device, a mobile app extends the community by enabling users to post and share content, receive community updates and connect with others via their mobile device.
- **Mission-Appropriate Engagement:** Community provides tools to facilitate engagement that aligns with community-pillar.
- **Offline Engagement:** Connecting members offline and face to face with localized or special events.
- **Personal Dashboard:** Allows the user to monitor and manage individual community activity. Could show the number of posts, type of expertise, friends, kudos, how many points needed to get to the next level, etc.
- **Polling/Feedback:** Inquiring into community opinion through surveys, open forum discussion, commenting or polls to allow community members to voice their recommendations for community improvement.

- **Rich Media:** Integrating video, audio and/or photography into brand content, as well as allowing for user-generated rich media to be created and shared.
- **Share Features:** Making it easy for users to share community content with others within their personal network or in the cloud.
- **Social Bookmarking:** Offers community members a way to store, organize, search and manage content, either within or outside of the community.
- **Social Media Integration:** Combines key social media platforms for the intended audience (e.g., Facebook, Pinterest, LinkedIn, Twitter, Flickr, YouTube) into the community platform and marketing/communication initiatives.
- **Social Networking:** The ability for community members to find and interact with others within the community that share similar interests, opinions or activities.
- **Toolbars/Custom Widgets:** Toolbars, widgets or browser functionality that allows the member to "take" the community with him/her across the social web. Can include custom apps, games, custom signatures or badges, content and share tools.
- **User Reviews:** The presence of user-generated content in the shape of user reviews of a brand's products and services, experiences, stories, opinions, etc.
- **Welcome/Getting Started:** An acknowledgment (instant or via e-mail) of a new member joining the community and/or suggestion of initial engagement tasks. The latter could include a suggestion to complete your profile or an initial incentive (bonus points) for your first action. (You need to register for the community to judge this. It can take up to a couple of days to get response.)
- **Wikis:** Allow all community members to easily create and edit any number of interlinked (often database) community content.

PERSONAL IDENTITY/PROFILES

- **Avatars:** Customizable online identities selected by community members that help members create their own online persona and share their personality with the community via an uploaded photo, brand-generated illustrations, icons or 3D models. Avatars enhance a community member's user/screen name.
- **Emoticons:** Portrayal of a community member's mood or facial expression via illustrations or text.
- **User Profiles:** Collection of personal data compiled by community members, allowing others to find people like them and vet the credibility of members' content by gauging their background on the subject at hand.

RETURN MOTIVATORS

- **Available Site Statistics:** Shares community activity and size data with members and/or site visitors.
- **New and Featured Content:** Highlights new, highly-rated or interesting user-generated content outside of its original home, whether on the community homepage, user profile or topical pages.
- **Rewards/Recognition:** Public awards or praise community members receive for community activities and involvement. Typically reflected with points, badges, call-outs (e.g., Member of the Week).

Are you interested in:

- Learning more about community best practices?
- Getting a customized best practice review?
- Finding out how ComBlu can turn your communities into High Performers?

We'd love to talk!

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