Do you want to discuss?

The product categories that Russian consumers discuss most of all

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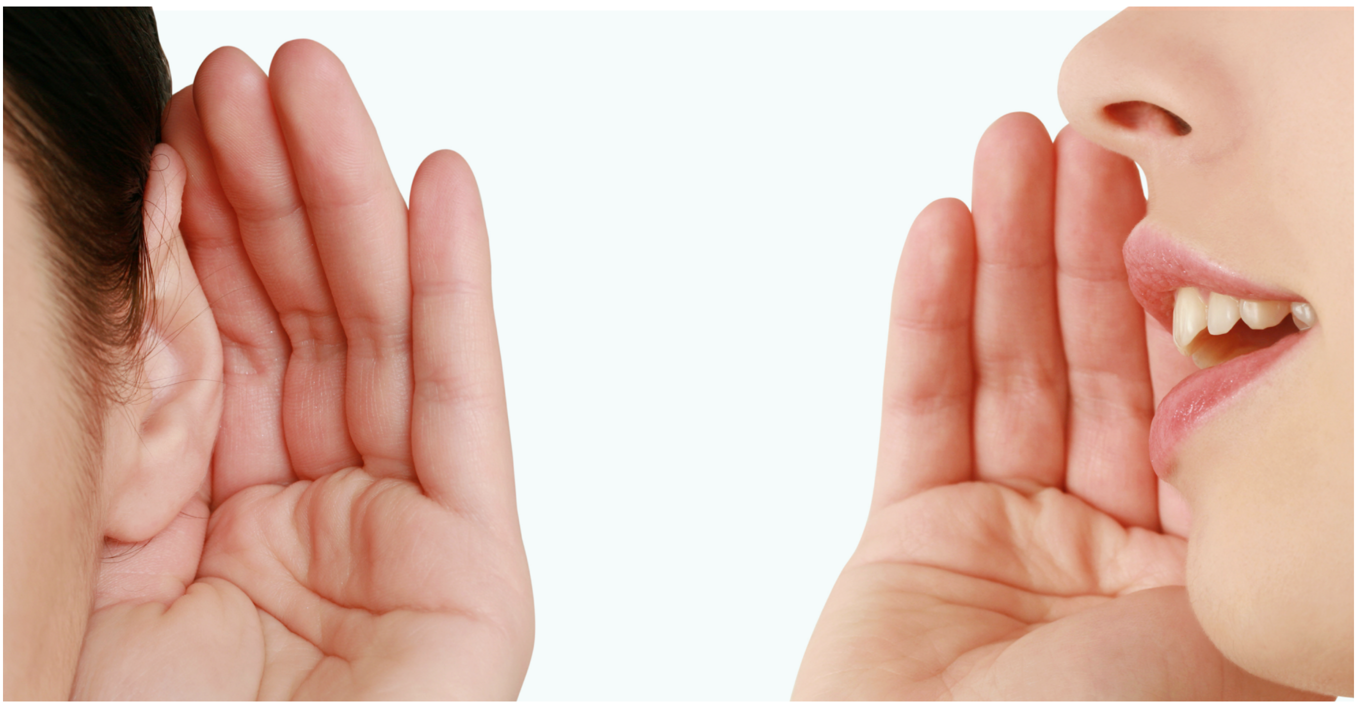


Goods manufacturers want consumers to discuss the benefits of their products widely, and are glad to have "word of mouth" helping them in promoting goods and contributing to advertising efforts. In this context, information about the power of 'virality' of different product categories is useful, as well as the concentration of so-called opinion leaders in each category—those consumers who proactively learn a lot about the category, and actively broadcast their point of view in wide and narrow circles.

This article is based on data from the 'Word of Mouth' (WoM) section from the Russian survey RosIndex, conducted quarterly by Ipsos Comcon.

In the WoM section we ask three questions:

- **With whom did you discuss products and services in the last 12 months?**—with lots of people, with a narrow circle of relatives/friends or did not discuss
- **What can you tell us about the products and services?**—A lot in detail, a little, nothing
- **How often can you convince others in your opinion?**

Based on these questions we formed four groups of people:

Connectors
discuss products/services
with a wide range of people

Experts
can talk in great detail about
some categories of goods

Salesmen
often manage to convince
others of their opinion

Champions
real opinion leaders, combining
in one the qualities of all three
previous groups

There are two dozen categories of goods and services in the WoM section in which categories are discussed with different intensity. With the help of the RosIndex data we split all the categories into groups.
Below you will find the analysis of dynamics within these groups over the past five years: 2011 to 2015.

Groups of product categories by the intensity of the discussions

We revealed core types of categories
by intensity of discussions:

- Actively discussed categories
- Moderately discussed
- Poorly discussed

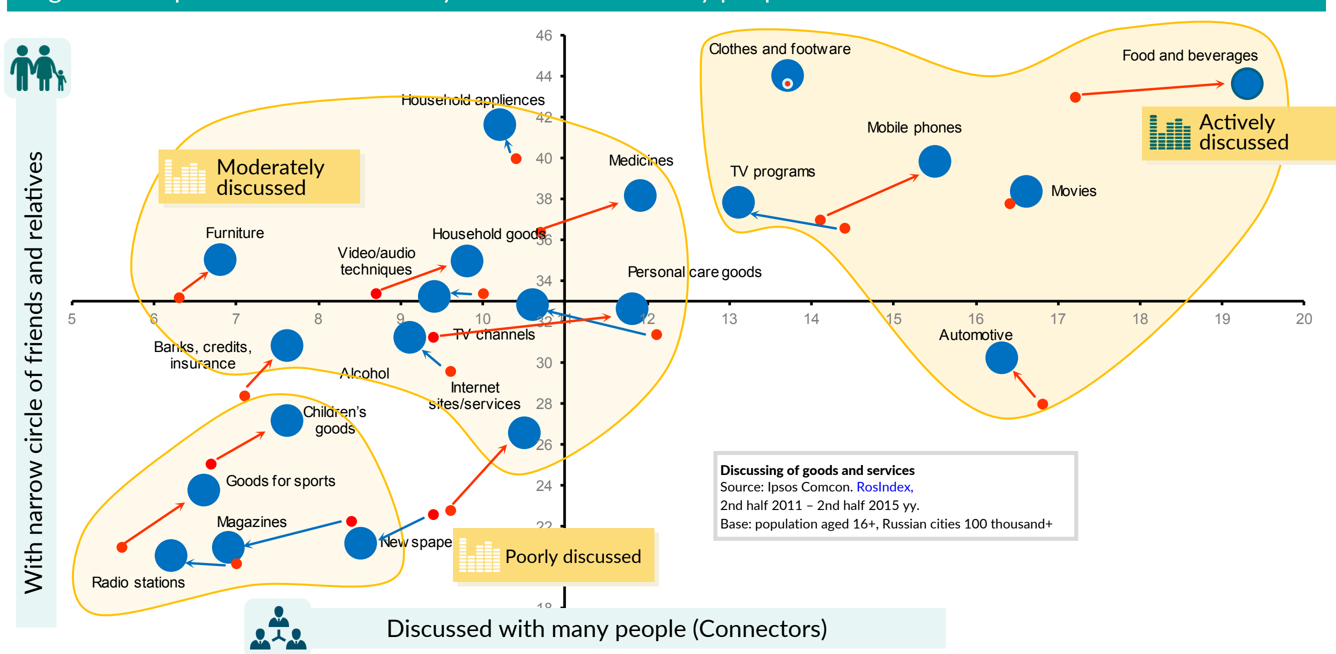
Actively discussed categories

Moderately discussed

Poorly discussed

Map of discussion intensity of sectors is shown in Figure 1.

Figure 1. Map of discussion intensity of sectors: with many people and in narrow circle



It is necessary to pay attention to the differences in the ranges of values. On average, across all groups with a narrow circle some categories were discussed by one in three people aged 16 years and older from cities with a population of 100,000 and more. The maximum percentage of 'discussed in a narrow circle' falls in the category of **Food** and **Clothing/Footwear** with 44%. Thus, this categoryi with the closest circle was discussed by almost every second person.

At the same time, only one in ten had discussed one or another product category with a wide range of people (the "Connectors" group). The maximum as of the second half of 2015 belongs to the **food** and **beverages** category (19%), which pushed down the automotive industry, which had been leading a year before. Thus, food and drinks were discussed in a wide range of people by every fifth inhabitant of the major cities aged 16 years and older. This undoubtedly was influenced by the sanctions to import a number of certain types of products to Russia and the subsequent intensification of import substitution locally. Both topics were accompanied by active discussion in the media.

The map in Figure 1 clearly shows almost linear dependence of the discussions in the broad and narrow circles—if the topic is actively discussed with many people, it is actively discussed in the family too.

Actively discussed categories

Among actively discussed are:

- food/beverages
- automotive topics
- clothing and footwear
- mobile phones
- movies
- TV programs

In this clustter, already mentioned above, foodstuffs have the highest discussion activity (19% in narrow and 44% in wider circle).

Among the actively discussed categories during the past five years is the significantly increased discussion of mobile phones—both in the broad and narrow circles. In the narrow circle, discussions of TV programmes and automotive topics became significantly more active. In the wide circle, foodstuffs led the way.

Moderately discussed categories

Among moderately discussed sectors with the average values on both horizontal and vertical axes we have:

- furniture and household goods
- products for personal care
- medicines
- household, video and audio equipment
- TV channels
- Internet services/sites
- alcoholic beverages
- banks, finance and insurance

In this group there are two of the most distant points on the horizontal axis—household appliances and Internet services/sites. Household appliances are actively discussed with a narrow range of contacts; online services, by contrast, are not very interesting to discuss in private. Discussing these two topics in a wide

range of people is at an average level.
Looking at the dynamics for the last five years, we only see significant changes in the video technique category. For all the other categories there is a significant increase in discussions in the narrow circle. At the same time, data shows growth of discussion with a wide range of people in the following number of categories: Internet services/sites, medicines, household goods and products for personal care. Compared to 2014, in 2015 the interest to discuss financial topics in a wide range slightly decreased—banks, credit or insurance were subjects to talk with many people for less than 8% of respondents.

Poorly discussed categories

And finally, the most poorly discussed product categories are:

- goods for sport
- children's goods
- newspapers, magazines and radio stations

Despite the fact that among all industries children's goods category seems poorly discussed, this topic is very controversial among mothers of children up to 16 years. In this group the share of widely discussing the topic reaches 19%, and 43% of such women talk about children's goods in a narrow circle. By these parameters the category can be attributed to the one being discussed actively in its narrow target group.

In kids and sports topics there is significant growth of discussions both in wide and narrow circles over the past five years. Among the poorly discussed categories there is also a significant drop in percentage of those speaking about newspapers and magazines—both widely and with a limited number of people. Radio has seen a significant loss only in the broad circle discussions.

The relationship between the communicative activity, expertise and ability to convince

The relationship between the communicative activity, expertise and ability to convince is shown in Figure 2.

People from the communicative group of 'Experts' can tell about products a lot and in detail.

Foodstuffs is the undisputed leader here, outpacing the rest of categories on the level of expertise and the ability to convince others that they are right. Here, 28% of respondents claim they can talk about the category in detail, and 22% believe that most of them manage to convince others of their own opinion.

Together with food, the highest percentage of experts is in categories such as movies, products for personal care, clothing/shoes and automobiles.

In general, on all categories in Fig. 2 again we see a linear relationship—the more people know about the category, the more they tend to discuss it with a wider circle, and the greater the share of those who can convince others to share their point of view. This is quite a natural chain—knowledge provokes the desire to share, it gives confidence and, as a rule, it sounds convincing.

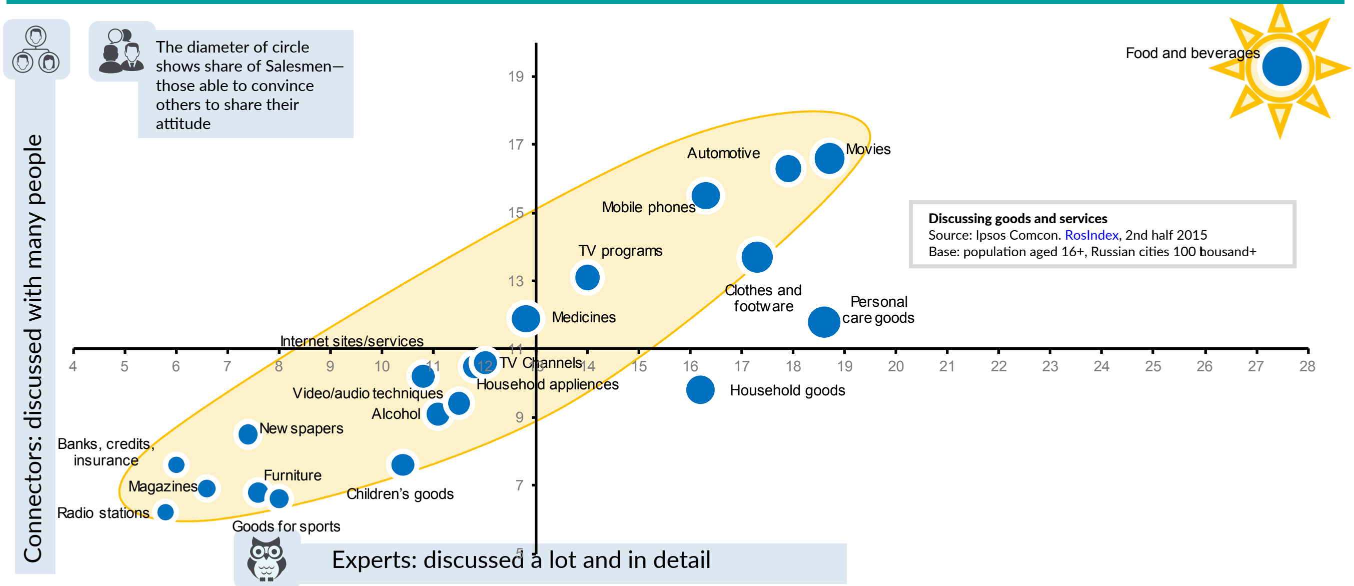
Least of all is the number of experts in such categories as radio, magazines, furniture and goods for sport. A low level of expertise is associated with **financial sector**.

Most of the categories fit into a linear trend, which is clearly visible in Fig. 2. It employs the logic of classifying "the more I know, the more I tell, and the higher are my chances to convince others."

However, there are a couple of categories, where at a high level of expertise and ability to convince others, the desire to discuss with a wide range of people is much lower than in other categories with the same level of expertise. These are so called **"routine" goods** such as personal care and household products.

It is interesting to look at the dynamics too. Thus, for the past five years, the data shows a significant increase in 7–8 of the 21 categories researched on share of discussing with a broad range of people and the ability to convince. But the significant increase in the share of experts was fixed in only four sectors: financial services, mobile phones, household goods, and movies. The share of experts in clothing and footwear significantly decreased. In all the categories mentioned above the dynamic is very slow—the rise and fall for five years fluctuates between 1.5-2%.

Figure 2. The relationship between the communicative activity, expertise and ability to convince



Champions—the smallest group

Champions—the group of opinion leaders, who combine characteristics of three groups together (Connectors, Experts and Salesmen) are not that numerous group in WoM.

At the top of the list here are again food and automobiles. In the automotive topic every fifth driver is the opinion leader.

Among mothers of children under 16 years old, almost one in ten is the opinion leader on children's goods. And 5% belongs to opinion leaders among consumers of beer and vodka.

In the five years since 2011, there was asignificant increase in the percentage of opinion leaders revealed in these categories: **products for personal care, household products, medicines, furniture, children's goods, products for sports** and **financial services**.

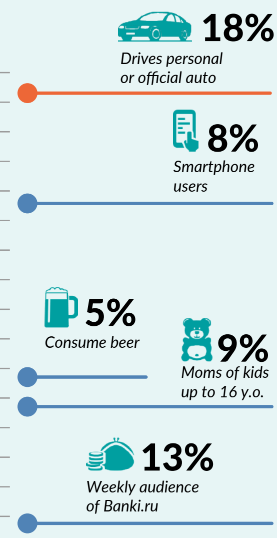
The share of opinion leaders in **financial services** is one of the lowest. Even among the users of banking services it is not higher than 2%. However, among the weekly audience popular financial website Banki.ru the share of opinion leaders is very high at 13%.

It is also worth noting that in the weekly audience of social media, the share of opinion leaders is significantly higher in almost all categories by an average of one percentage point.

Share of opinion leaders (Champions) in categories,%

- *In table — from 16+ y.o.*
- *In circles – from 16+ y.o. category users*

Food and beverages	7,8
Automobiles	6,2
Movie	5,4
Clothes and footware	4,8
Personal care products	4,8
Mobile phones	4,6
Medicines	3,7
TV programs	3,7
Internet services / sites	3,5
Household goods	3,2
TV channels	2,8
Alcoholic beverages	2,8
Children's goods	2,7
Video/audio techniques	2,5
Household appliances	2,1
Goods for sport	1,9
Financial services	1,7
Furniture	1,7



Source: RosIndex, 2nd half 2015, people aged 16+. Russia

In fact, this classification shows the power of virality for different categories of goods and services. The higher the share of those wanting to discuss inside the category, the more likely that positive or negative news and personal experience about the brand will be circulated online and offline.

We can say that with increasing consumer familiarity with products and categories, brands not only increase the loyalty of their audiences, but also stimulate a desire to share this knowledge and to recommend a product or a service.

The "Champions" groupis a rare but valuable communicative resource for brands. The easiest way to use this resource is for retailers to record contacts and behaviour statistics of their clients, and can pick out these important opinion leaders from all of their clients; and then organise work with them in order to form "embassy" — a group of truly loyal customers, who act as brand advocates and promoters-by-heart—online and offline.
It is interesting that among online shoppers, the share of opinion leaders, for example, in the category of clothing/shoes is 1.5 times higher than the share of opinion leaders in the same category among the population in general. Loyalty programmes, that take into account the communicative activity of their customers, are rare in Russia.

This is a pity, as it can be not only an excellent 'natural' help in promoting the brand, but also a good safety cushion in case of reputation trouble, from which no a brand is immune. In this case, communicatively active opinion leaders sincerely stand up for the brand under attack. And this, iswell worth it. ■