

**For immediate release**

**16 July 2012**

**O2: how the outage affected its brand**

***57% of O2 customers affected believe there was a lack of communication during the outage; BrandIndex registers sharp fall in brand health***

A network failure last week – believed to be caused by a new Ericsson database - led to almost 8 million O2 customers experiencing a 24-hour outage across the UK and Ireland. The UK's second largest mobile phone network (after Everything Everywhere) acted quickly in order to restore services, getting the network up and running within 24 hours.

Once services had been restored, YouGov conducted a survey amongst O2 customers, in order to understand the following: how the network outage affected customers (if at all); how the event may have changed customer opinion of the brand; and how future consideration rates were affected– those customers expecting to stay with O2. In addition, YouGov looked at the mobile phone provider on its social media analysis tool – SoMA, as well as BrandIndex – a daily brand tracker, to determine how the media surrounding the incident may have affected brand health.

The survey, conducted amongst over 500 O2 customers, reveals that despite the incident, customers remain positive about the operator: 71% believe O2 is a good network despite the outage, and 65% believe all mobile phone networks suffer from outages and O2's problems are no different. However, the mobile phone provider hasn't got off lightly: just 20% of O2 customers affected believe the mobile phone provider handled the situation well, while 57% believe that there was a lack of communication during the outage. Despite this, loyalty amongst O2 customers remains high - customers are forgiving and understanding towards the fact that problems do occur, though research shows that O2's communications during the incident let the brand down.

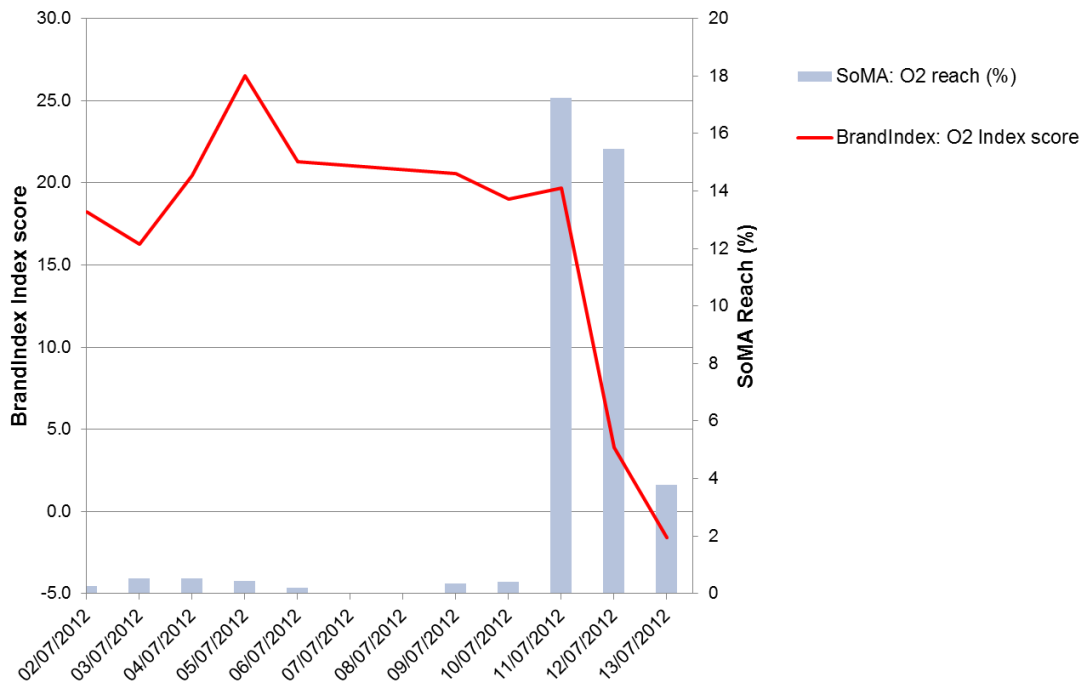
Analysing O2's social media presence during the incident, SoMA – which measures what people are hearing using access to YouGov panellist social media feeds - reveals that 17% of UK Twitter users heard something about O2 on the day of the outage (Wednesday 11<sup>th</sup>). To put this into context -- on the day LinkedIn announced that security systems had been breached -- over a third of UK Twitter users (38%) had heard something about LinkedIn.

On the following day for O2 (Thursday 12<sup>th</sup>), 15.5% had heard something about the outage – even though the volume of mentions had risen by 25%; an indication that media channels, with a significant amount of followers, stopped tweeting about the incident, whilst those affected continued to discuss it on Twitter. Interestingly, the majority (76%) of those who heard about the incident on the day of the outage were between the ages of 18-44, while just 23% were aged 45+. This suggests that younger audiences were quicker to hear the news as it unfolded than those aged 45+.

So, did social media activity surrounding O2 and the outage damage brand perception of the mobile phone provider? BrandIndex – YouGov's daily brand tracker – saw O2's Index score (a composite measure of general impression, customer satisfaction, corporate reputation, quality and value) take a sharp fall, (dropping by 21 points) post-incident. O2's Index score currently stands at its lowest level in three years. In comparison, when the BlackBerry outage occurred in October 2011, its Index score declined dramatically – dropping 27 points in a week. BlackBerry's scores are yet to return to pre-outage levels.

Russell Feldman, Associate Director in YouGov's Technology and Telecom's team, says: "To O2's credit - the problem was fixed in less than 24 hours. And whilst some O2 customers weren't too happy with the decline in service, most understood that problems like this do happen from time to time."

Feldman continues: "The challenge for all customer-centric organisations is to be transparent and keep communications open - customers appreciate honesty. One only has to look at BlackBerry and how they communicated during its own outage last October to learn valuable lessons."



**-ENDS-**

**Notes to editors:**

Figures, unless otherwise stated, are from YouGov Plc.

YouGov interviewed 545 O2 customers between 12<sup>th</sup> and 13<sup>th</sup> July. Of those, 488 were aware of the problem and 210 were affected by the problem. The survey was carried out online.

**Enquiries:**

Giovanna Clark

PR Executive

T: +44(0)20 7012 6069

E: [giovanna.clark@yougov.com](mailto:giovanna.clark@yougov.com)

**General YouGov enquiries:**

T: +44(0)20 7012 6000

E: [info@yougov.co.uk](mailto:info@yougov.co.uk)

W: [yougov.co.uk](http://yougov.co.uk).

### **About YouGov**

YouGov is an international, full service market research agency offering added value consultancy, qualitative research, field and tab services, syndicated products such as the daily brand perception tracker BrandIndex and social media analysis tool SoMA, fast turnaround omnibus and comprehensive market intelligence reports. YouGov's sector specialist teams serve financial, media, technology and telecoms, FMCG and public sector markets.

YouGov is considered a pioneer of online market research and has a panel of 2.5 million people worldwide, including over 350,000 people in the UK representing all ages, socio-economic groups and other demographic types.

As the most quoted market research agency in the UK, YouGov has a well-documented and published track record illustrating the accuracy of its survey methods.

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