



Assessing the impact of negative news coverage on Samsung brand in UK

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A report by:  harris
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INTRODUCTION

- On October 11th 2016, Samsung announced it was stopping all sales of its Galaxy Note 7 smartphone and recommended that owners power down their phones and stop using them.
- This was in response to reports of devices overheating and catching fire and followed an initial announcement of a voluntary global recall of Note 7 phones on September 2nd, due to faulty batteries.
- The flagship Galaxy Note 7 had been launched on August 2nd amid high expectations and to a positive initial response.
- As news broke on October 11th, Harris Interactive decided to launch a **Harris24** poll to measure UK smartphone users' awareness of the news story and the impact on brand purchase intent.
- This report summarises the key learnings.

EXECUTIVE SUMMARY

- Our snap poll indicates that the Galaxy Note 7 news coverage has caused a big splash in the UK; unsurprising given that it was lead news story on all major news channels for much of the day. However, there are also clear indications that any damage done to Samsung's reputation is surmountable.
 - The vast majority of smartphone users had noticed recent news coverage and half (49%) indicated that they had been exposed to 'lots of coverage'.
 - Whilst a significant minority of Samsung brand rejecters referenced the news coverage as a factor in their decision, those exposed to the coverage are actually more likely (42%) to choose Samsung next time than those who have not been exposed to the story (34%). To a degree this will reflect the profile of people who had and hadn't noticed the story of course, but this is still a very interesting finding.
 - And 64% of Galaxy Note users, whilst only a small number in our overall sample (n=21), indicate they will likely re-purchase Samsung next time – another indication that the Samsung brand is strong enough in the UK to withstand the negative impact of the coverage in the long term.

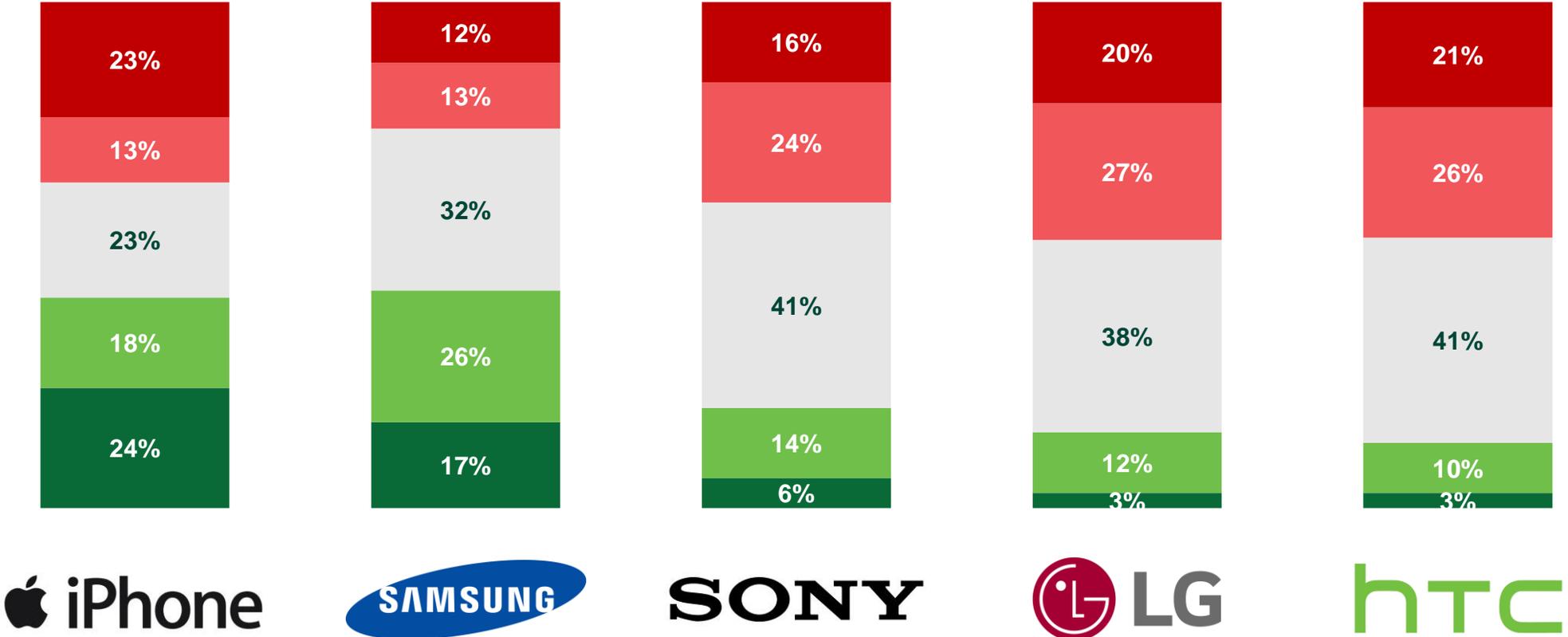
Main Findings



LIKELIHOOD OF CHOOSING BRANDS FOR NEXT SMARTPHONE

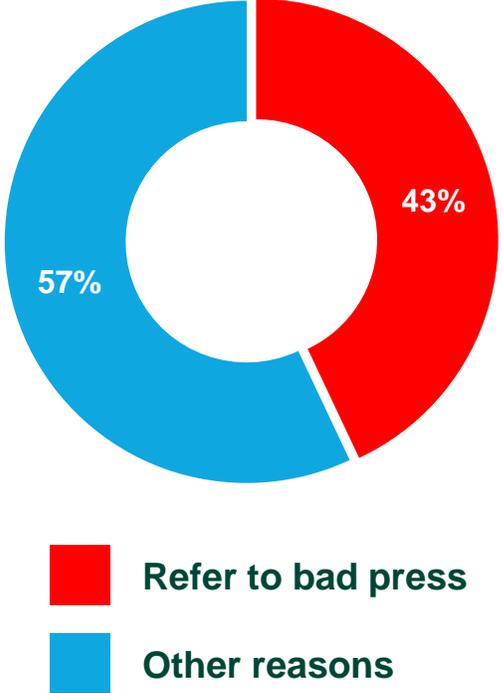
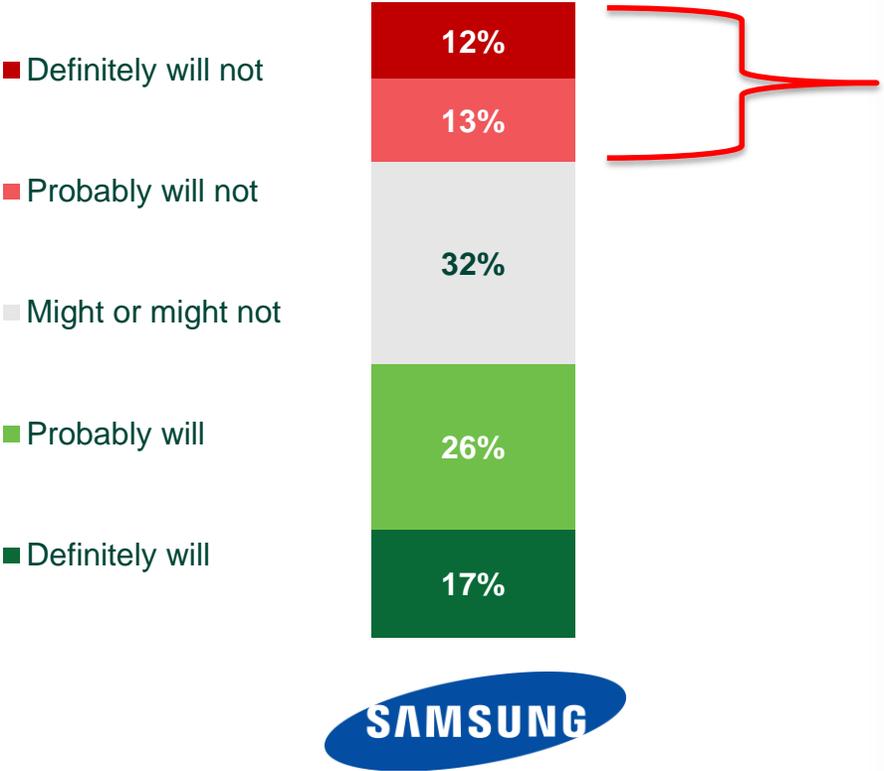
Without prompting about the news coverage at all, we ascertained 883 smartphone users' likelihood of choosing various brands, including Samsung, for their next smartphone. We return to this data later.

■ Definitely will
 ■ Probably will
 ■ Might or might not
 ■ Probably will not
 ■ Definitely will not



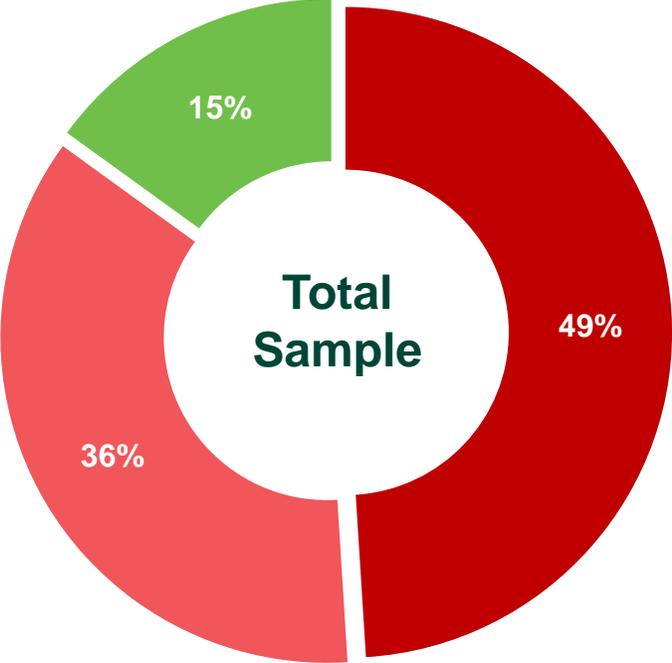
REASONS FOR NOT CHOOSING SAMSUNG FOR NEXT SMARTPHONE

The quarter who ruled out Samsung next time were asked why. Whilst 43% referenced the Galaxy Note 7 story, the majority gave another reason – typically a general dislike of Samsung or preference for another brand.

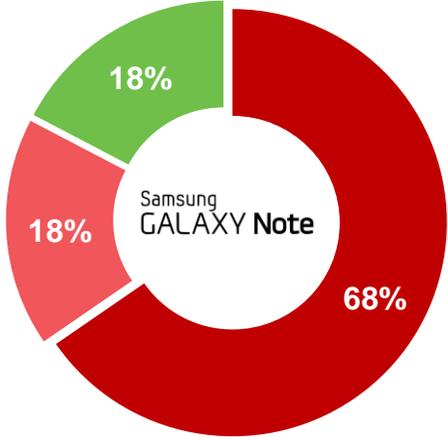
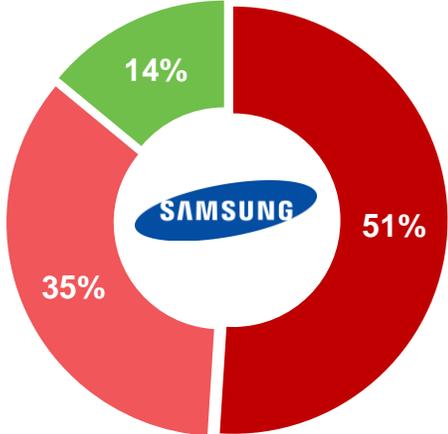


WHETHER SEEN, READ OR HEARD RECENT NEWS COVERAGE OF SAMSUNG GALAXY NOTE 7

In fact, the majority of survey participants had seen at least some recent coverage of the Galaxy Note 7 story, only 15% had not.



- Lots of news coverage
- Some news coverage
- No news coverage

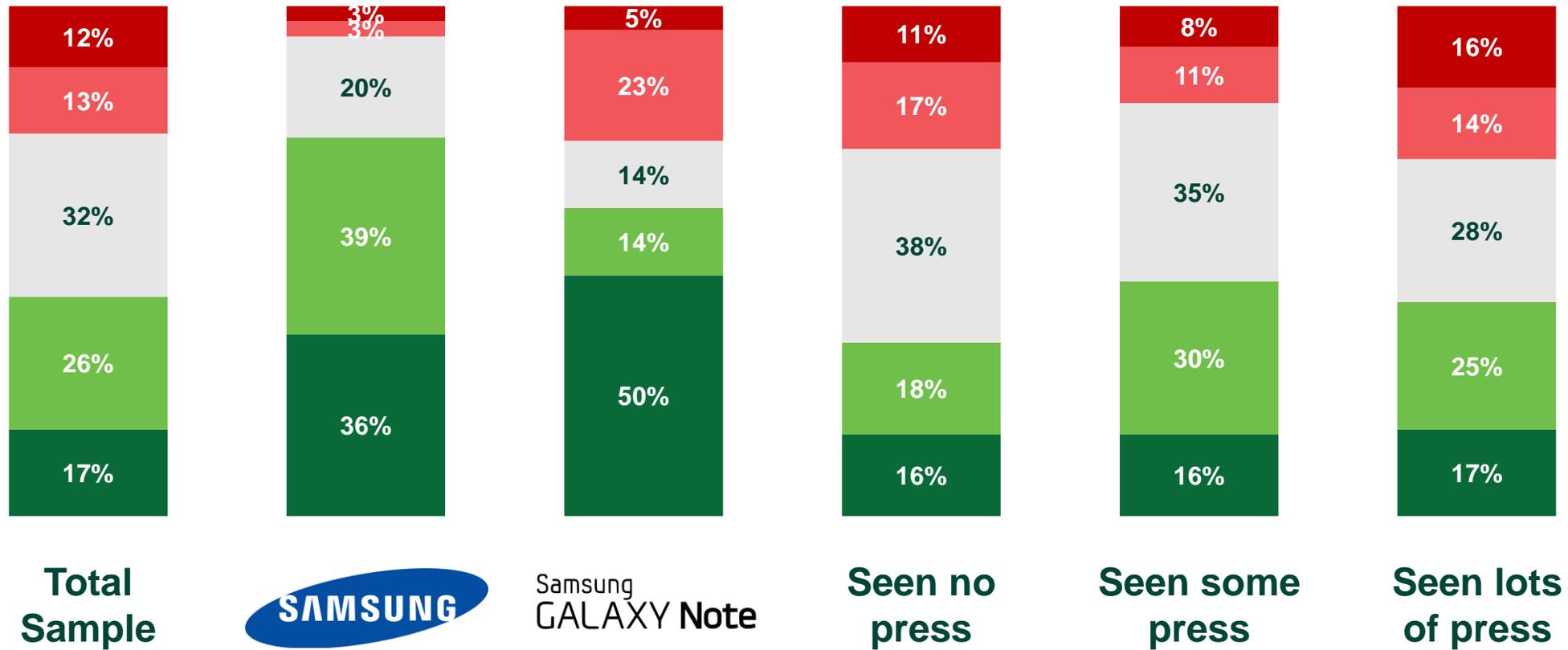


Unsurprisingly, Galaxy Note users were more likely to have heard lots of news coverage of the story.

LIKELIHOOD OF CHOOSING SAMSUNG FOR NEXT SMARTPHONE

- Returning to brand intentions, it can be seen that exposure to the news coverage has only a marginal (5%) uplift on brand rejection and the majority of Galaxy Note users indicate they will buy Samsung again next time.

■ Definitely will
 ■ Probably will
 ■ Might or might not
 ■ Probably will not
 ■ Definitely will not



Method and Contact Details



METHOD AND CONTACT DETAILS

- We surveyed 833 UK smartphone users over a *2 hour period on October 11th 2016 using our **Harris24** online survey.
- Data was weighted to be representative of the UK population in respect of gender, age and region.
- **Harris24** is especially useful for those occasions when you need answers fast from the general population. Covering 30 countries, 1000 – 2000 interviews can be completed and reported in less than 24 hours in the UK, US, France, Germany, Spain and Italy.
- For further information about **Harris24** please contact the author of this report:

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