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Delivering business value with social media analytics

Session objectives

In today's session we will cover:

- Why be an interactive, social business?
- The new enterprise imperative
- How to approach social analytics
- Making social analytics actionable

The 'consumerisation' of technology is changing the way consumers interact, obtain information and purchase items

28.7% of the world is online

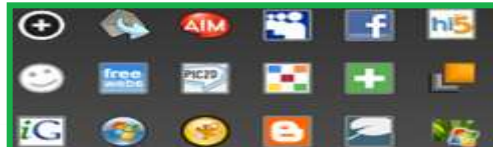**1.96 billion people** are online today and this number is estimated to reach **2.2 billion** by 2013

5.3 billion mobile subscriptions WW

940 million subscriptions to **3G services**

U.S. mobile commerce reaches $3.4 billion

Global mobile commerce sales expected to reach **$163 billion** by 2015

63% research via social networking

47% of the time they are influenced by what is read

83% of holiday shoppers influenced by reviews

Consumer reviews are **12x more trusted** than descriptions from mfg

800 million + members, 10.7 million in AU (Dec11)

A **'Facebook Like'** from a friend carries the same weight as 100 positive reviews from strangers

86% of shoppers are willing to use at least one technology when shopping and making purchases

% of Consumers Willing to use Technology During Their Shopping Process
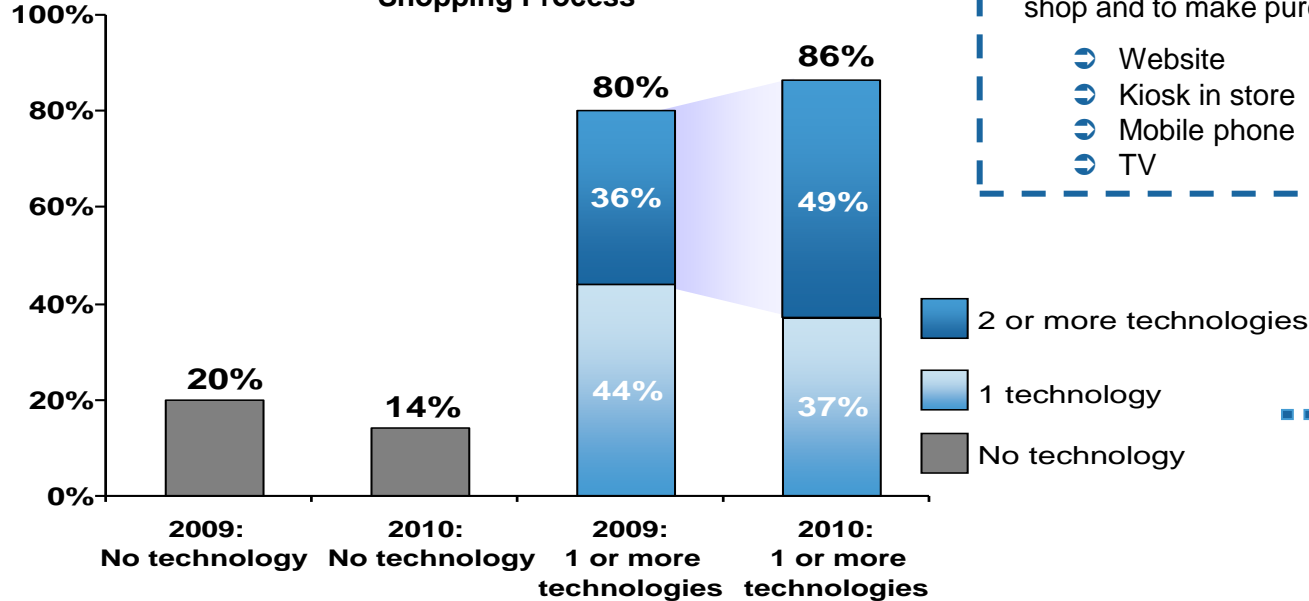
Technologies that consumers are willing to use to shop and to make purchases:
- Website
- Kiosk in store
- Mobile phone
- TV

2 or more technologies

1 technology

No technology

Luxury Brands (62%), Consumer Electronics (53%) and Youth Apparel (52%) shoppers are more willing to use technologies to shop

Source: Institute for Business Value Retail 2011 Global = 30624

Consumers are obtaining different value from each touch point
and consequently are deconstructing the shopping process

Consumer

Customer

| Awareness | Browse & Research | Purchase | Receive | Service & Support |

Personalised interactions remain the top consumer demand

"Know Me"

Personalise Promotions (#1 influence of purchase decision)
– Top consideration when determining where to shop
– Most likely to increase my spend
– The area retailers need to improve most

Personalise Shopping (Most important factors)
– Recognise me in the store or online
– Remember preferred payment method
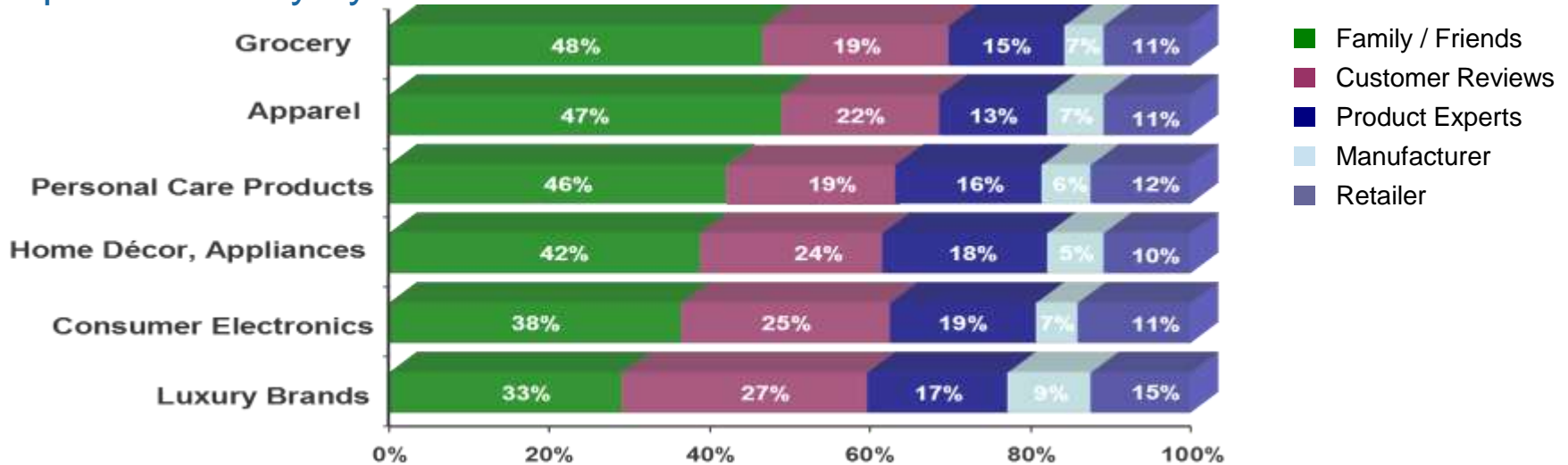– Provide preferred receipt type

Personalise Assortments (Most important loyalty drivers)
– High quality/low price private label products
– New and unique products
– Manufactured or grown in my country (tied)
– Environmental friendly/sustainable products (tied)

Know me

While brands have influence, consumers' opinions are formed predominately by their social network

	Family / Friends	Customer Reviews	Product Experts	Manufacturer	Retailer
Grocery	48%	19%	15%	7%	11%
Apparel	47%	22%	13%	7%	11%
Personal Care Products	46%	19%	16%	6%	12%
Home Décor, Appliances	42%	24%	18%	5%	10%
Consumer Electronics	38%	25%	19%	7%	11%
Luxury Brands	33%	27%	17%	9%	15%

Legend:
- ■ Family / Friends
- ■ Customer Reviews
- ■ Product Experts
- ■ Manufacturer
- ■ Retailer

Specific challenges reflect growing complexity

Figure 4

The biggest headaches The four most prominent

Underpreparedness
Percent of

1. Data explosion

2. Social media

3. Growth of channel and device choices

4. Shifting consumer demographics

8. ROI accountability
9. Customer collaboration and influence
10. Privacy considerations
11. Global outsourcing
12. Regulatory considerations
13. Corporate transparency

— Mean

Factors impacting marketing
Percent of CMOs selecting as "Top five factors"

40 —

0   20   40   60
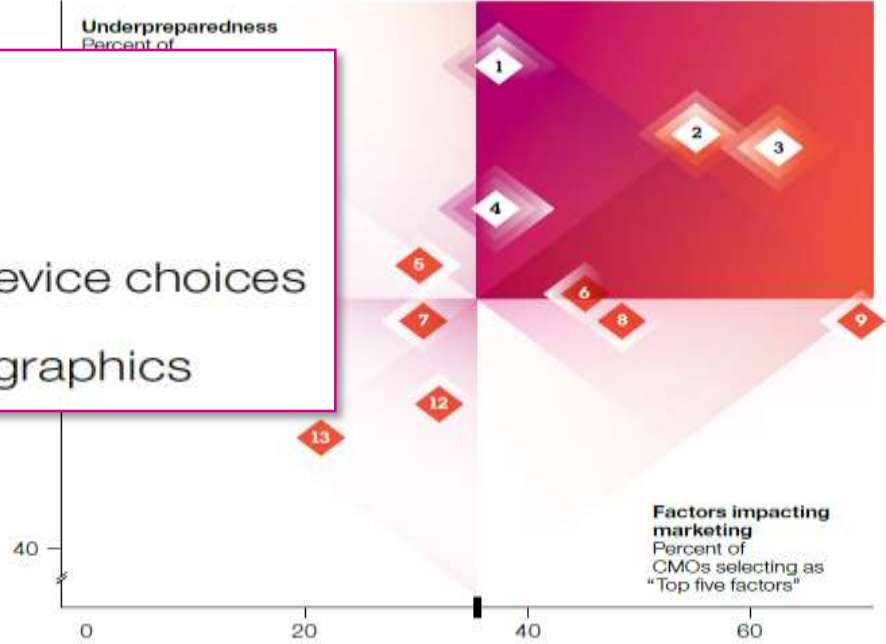
"From Stretched to Strengthened; Insights from the Global Chief Marketing Study"
www.ibm.com/cmostudy

Expanding C-Suite's role and contribution to the business

Traditional CXO

+

Transformative CXO

Agenda:

- ✓ **Understand the market and the customer**
- ✓ **Build awareness and demand**
- ✓ **Steward the company's brand**
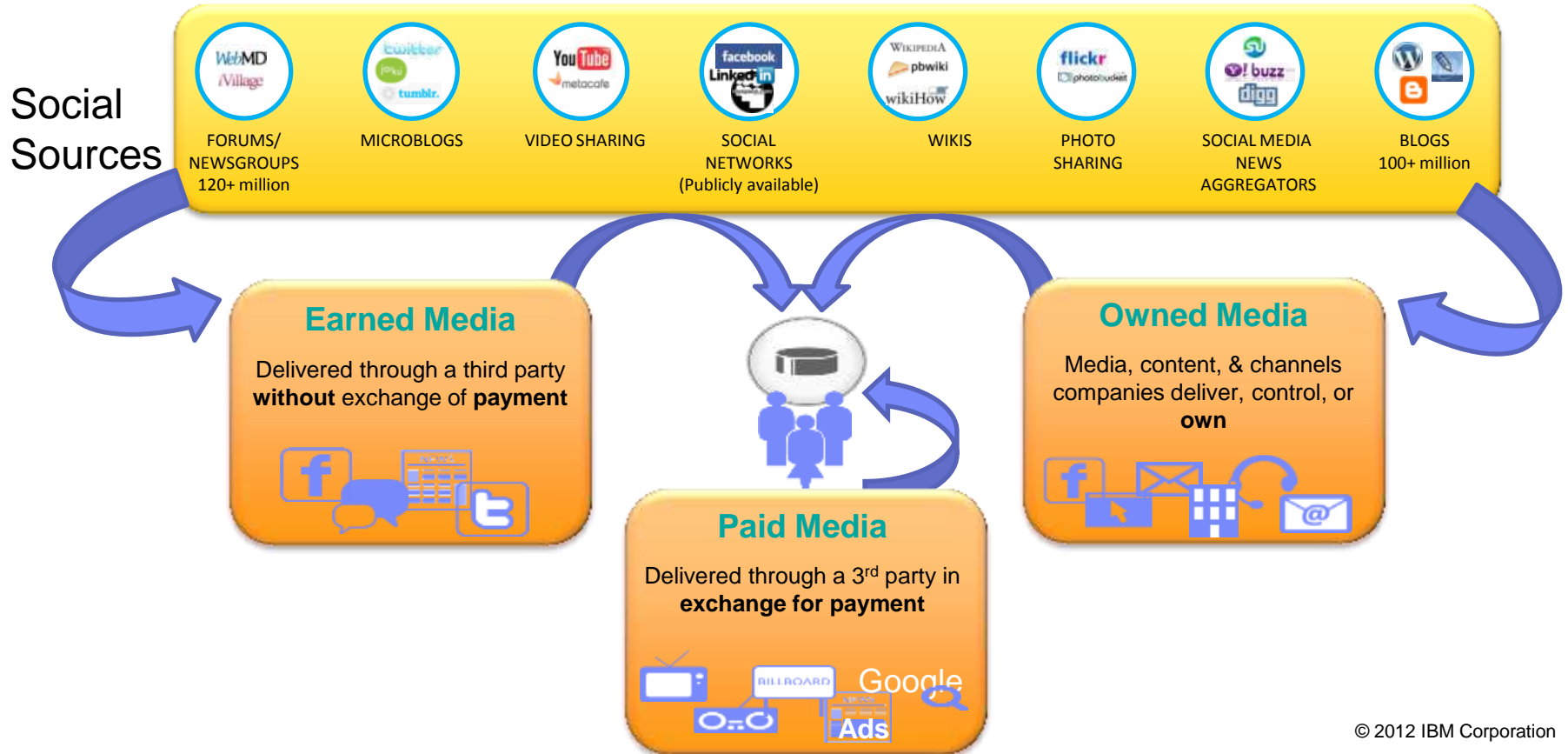- ✓ **Drive brand strategy & execution**

Agenda:

- + **Understand the customer in real time, across the business**
- + **Anticipate customer needs**
- + **Drive consistent, compelling interactions across all channels**
- + **Steward the customer experience across all touch points**
- + **Monitor satisfaction & improve loyalty**
- + **Accountable for business outcomes & return on investment**
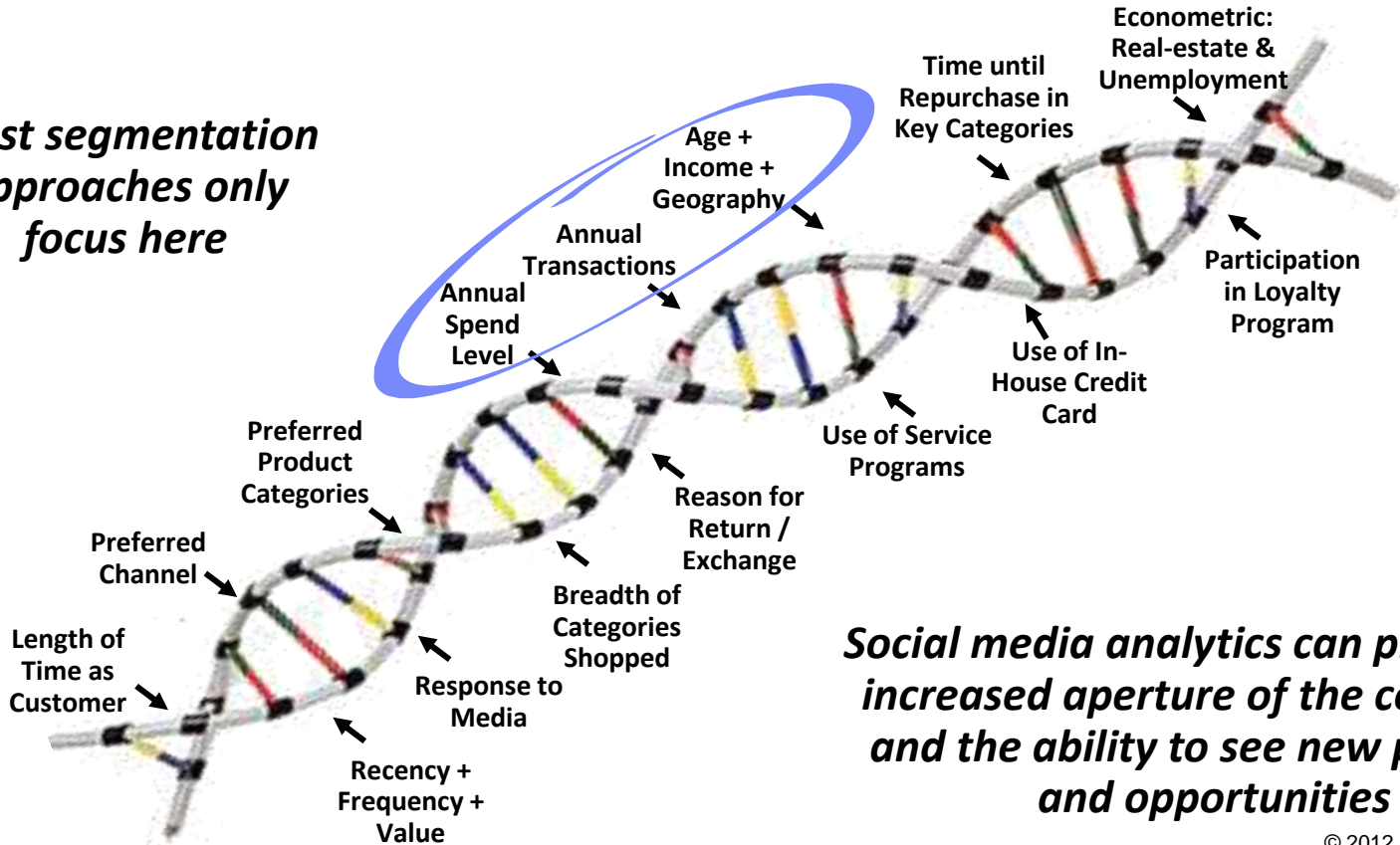
The New Enterprise Imperative

The wide world of media

Social Sources

FORUMS/
NEWSGROUPS
120+ million

MICROBLOGS

VIDEO SHARING

SOCIAL
NETWORKS
(Publicly available)

WIKIS

PHOTO
SHARING

SOCIAL MEDIA
NEWS
AGGREGATORS

BLOGS
100+ million

Earned Media

Delivered through a third party **without** exchange of **payment**

Paid Media

Delivered through a 3rd party in **exchange for payment**

Owned Media

Media, content, & channels companies deliver, control, or **own**

Social media analytics extends traditional segmentation

Most segmentation approaches only focus here

Econometric: Real-estate & Unemployment

Time until Repurchase in Key Categories

Age + Income + Geography

Annual Transactions

Annual Spend Level

Participation in Loyalty Program

Use of In-House Credit Card

Use of Service Programs

Preferred Product Categories

Preferred Channel

Reason for Return / Exchange

Breadth of Categories Shopped

Length of Time as Customer

Response to Media

Recency + Frequency + Value

Social media analytics can provide an increased aperture of the consumer and the ability to see new patterns and opportunities

Pulling together the whole scenario

Rinse and Repeat

@BrainyJanie
Tweets sneak preview link, opened by 25 friends

Cookie=24601
Regular web site browser
Recently looked at green widgets

Comes to the web site and gets a cookie, browses, but does not buy

Email =jane@brainyjanie.com
Cookie =24601
Open rate: 73%
Click-through rate: 5%

Email and cookie are tied together

Later receives an email with a personal URL, and clicks through to the web site.

Jane gets an email invitation to attend a sneak preview of Green Widget 2.0 and she can invite her friends via Twitter.

Jane makes a purchase and enters her email for the confirmation and address for shipping

Connections made between:
• Cookie and Email
• House Hold and Cookie
• Email and House Hold

Facebook ID
And cookie tied together

Jane, tweets about #GreenWidget

Jane, loves her product so much she becomes a fan on The Facebook.

@BrainyJanie
Following 53
Followed by 152

Facebook ID=01810
210 Facebook friends
Born in Houston, TX
Gadget's Galore Fan

Twitter handle appended through third party

Channel	ID
Cookie	24601
Email	jane@brainy.com
Direct	Jane Cogswell
Facebook	01810
Twitter	BrainyJanie

How to approach social media analytics

Social Analytics Maturity

Business Value

Time

Wave II: Taking the Lead

Optimisation

Integrated Predictive Modelling

Integration

Wave I: Laying the Foundation

Active Monitoring & Response

Active Acquisition

Create Presence
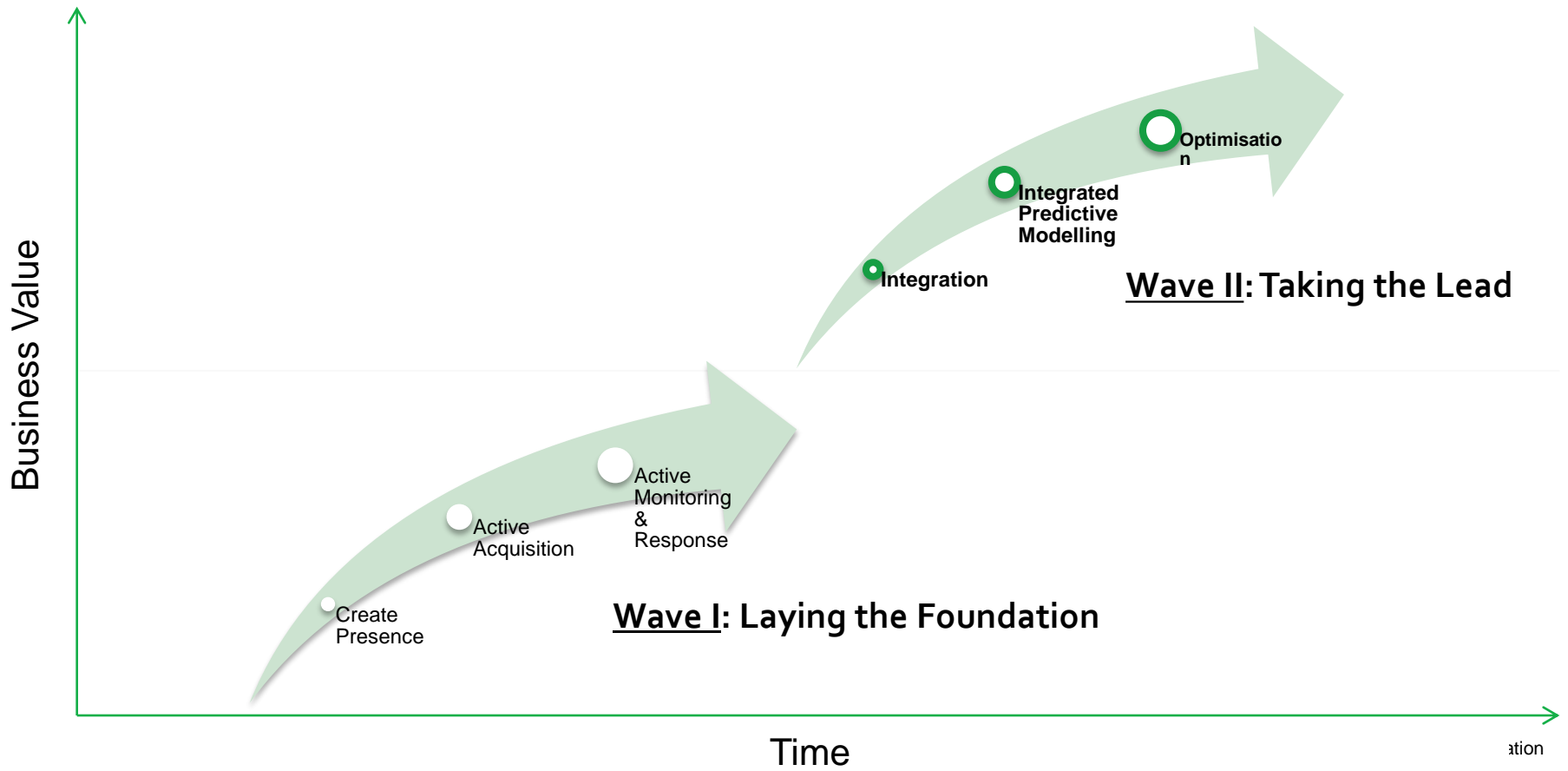
3 simple steps to a great social strategy

Transform

Align
Align your organization around information

Manage, integrate and govern both traditional and big data information sources to create a foundation for analytics

Anticipate
See, predict, and shape business outcomes

- Understand, at all times, what is happening & why
- Look forward to model & predict what could be happening

Act
Act with confidence at point of impact

- Embed analytics into key business processes
- Empower a culture of data-driven decision making

Learn

Align – Detect & Capture

Anticipate – Analyze & Predict
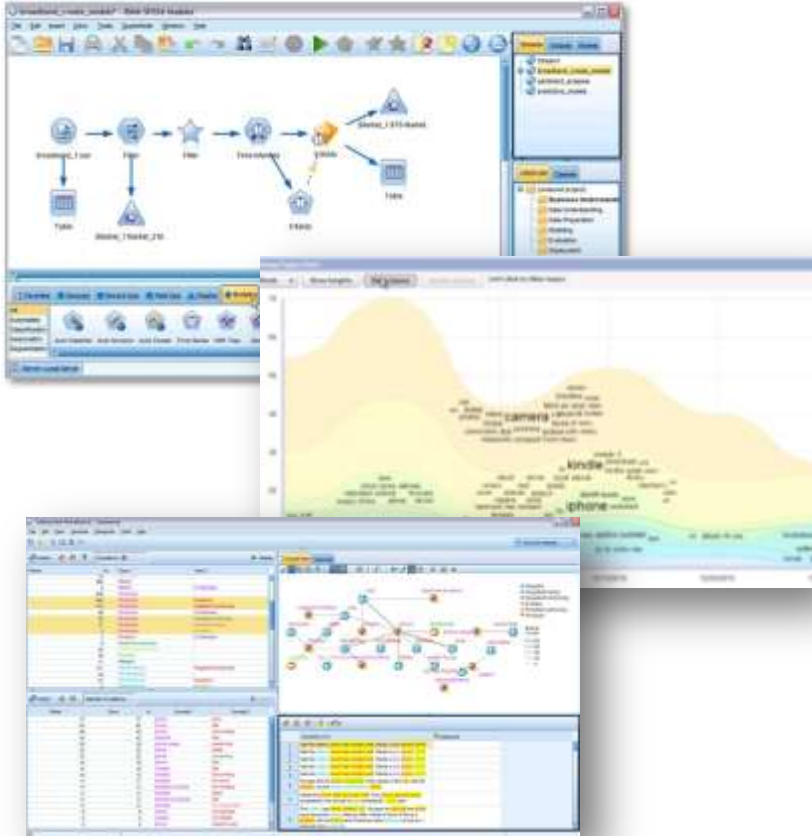
Segmentation

- Ability to find hidden clusters of people
- *Example: Identify those likely to respond*

Association

- Finding things done in tandem
- *Example: Identify products likely purchased together*

Classification

- Identify attributes causing something
- *Example: cascading attributes of defection behavior*

Act – Embed & Engage

Making Social media analytics **Actionable**

BBVA - Banco Bilbao Vizcaya Argentaria

What if your bank could measure and manage its reputational risk on social media and Internet sites?

This global bank implements a customer insight solution that helps it measure Internet sentiment about the bank, and enables it to challenge negative opinions, build on positive ones, and generally improve the bank's reputation

The Opportunity

As a leading bank in Spain and South America, and with a presence in the USA, BBVA has been working for several years to strengthen the BBVA brand around the world. Monitoring and assessing reputational risk – negative sentiment about the bank that may become widely disseminated and impact the bank's business reputation – is a key element of the bank's global strategy. The bank set out to implement its "Global Vision on Reputational Risk," to standardize and deploy a single tool for the entire BBVA Group, where the branches work with the same sample, report template and methodology to determine sentiment toward the bank as expressed via the Internet, and to measure reputational risk. The ultimate goal of the project was to enable the bank to detect, assess, and respond to threats to its reputation before they could become a significant problem for the bank.

What Makes it Smarter

Banks cannot control what is posted about them on the Internet and social media sites, but they must be aware of and respond to such postings to reduce their reputational risk. This global bank has implemented an automated consumer insight solution to monitor and measure the impact of Internet sentiment about BBVA – whether customer postings in social media (twitter, boards, Facebook, blogs, etc.), the voice of the experts in postings about BBVA and its competitors, or the mention of BBVA in news sites – to detect possible risks to BBVA's reputation. BBVA can now listen to the voice of its clients and what they think about the bank's services, publicity campaigns, new products, customer service, and president's statements, from a totally new viewpoint. Insights derived from the analytical tool give BBVA the opportunity to meet reputational challenges or continue to build on positive results. For example, the bank can respond to negative (or positive) sentiment by focusing its communication strategies on particular Internet sites, countering (or backing up) the most outspoken authors on twitter, boards and blogs.

Solution Components

- IBM Cognos Consumer Insight
- IBM Global Business Services (GBS): GBS BAO; GBS CRM; GBS Strategy and Change
- IBM Industry Solutions: FSS: Banking - Front Office Optimization - Customer Insight

Real Business Results

- Provides precise analysis on the global positioning of BBVA over the Web; for example, the global positive sentiment in Q2 2011 has increased by more than 1% and the negative sentiment has been reduced by 1.5%

- Improves global monitoring allowing analytics on results; for example, the number of mentions of the different BBVA brands was similar to the top large global banks in the first half of 2011.

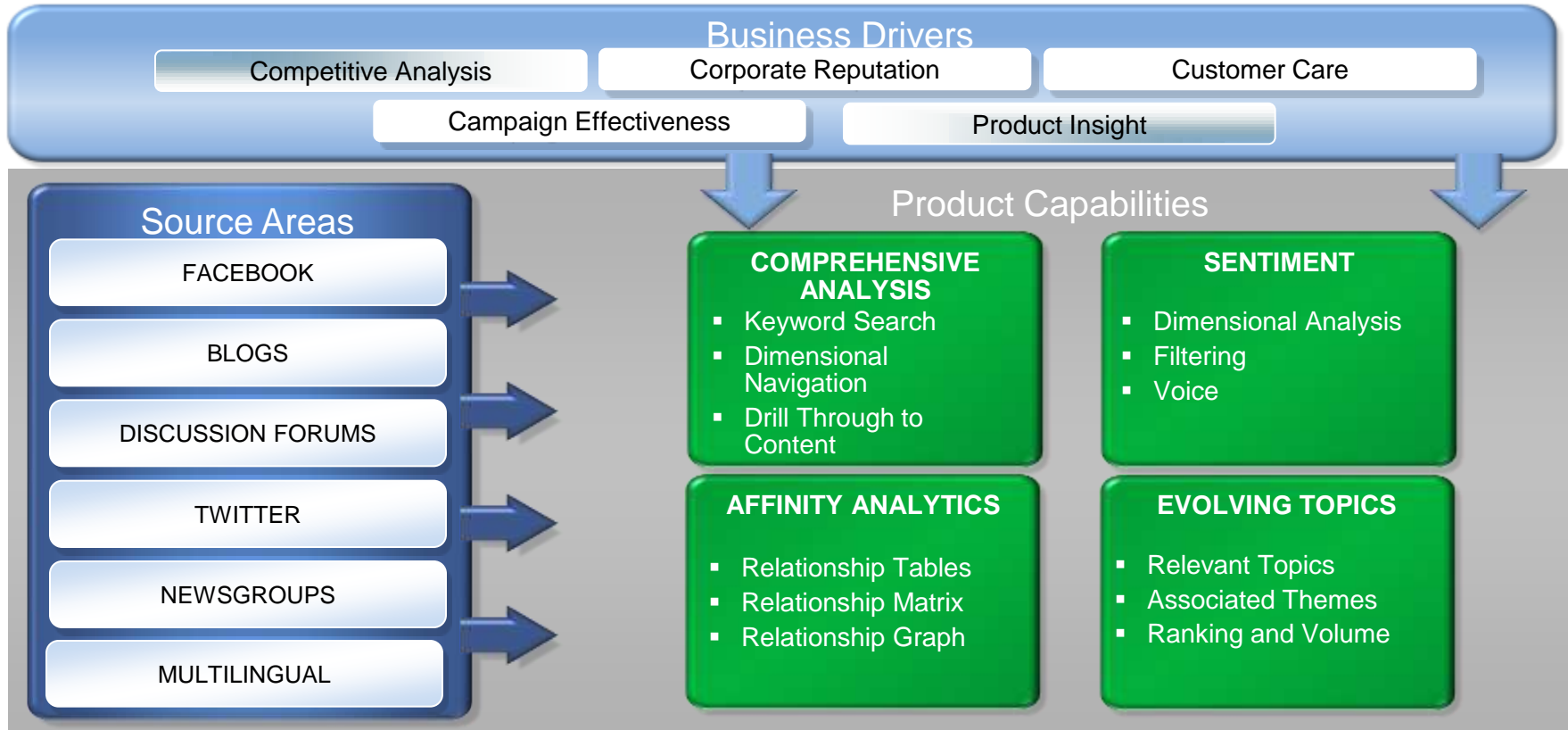- Improves reliability when comparing results among branches/countries

"Knowing what our customers think about us is essential to implementing effective customer service strategies, new products and strategic goals."

-- Carlos Pérez Beruete,
Director, Identitad Corporativa e Innovación

IBM Cognos Consumer Insight

IBM Cognos Consumer Insight

Business Drivers

Competitive Analysis

Corporate Reputation

Customer Care

Campaign Effectiveness

Product Insight

Source Areas

FACEBOOK

BLOGS

DISCUSSION FORUMS

TWITTER

NEWSGROUPS

MULTILINGUAL

Product Capabilities

COMPREHENSIVE ANALYSIS

- Keyword Search
- Dimensional Navigation
- Drill Through to Content

SENTIMENT

- Dimensional Analysis
- Filtering
- Voice

AFFINITY ANALYTICS

- Relationship Tables
- Relationship Matrix
- Relationship Graph

EVOLVING TOPICS

- Relevant Topics
- Associated Themes
- Ranking and Volume

Comprehensive Analytics

Analyse billions of blog posts and hundreds of thousands of forums and discussion groups on publicly available websites "on the fly" to measure the effectiveness of your social media campaigns and the sentiment of consumer opinions of your brand and company

- **Highly scalable** and robust search that can pull snippets from multiple social media channels, such as blogs, posts and discussions forums, Twitter, Facebook and Linkedin

- **Easy to configure** with user-defined business rules, or analytics, to create snippets of consumer opinions that can be searched by different dimensions, such as date, keyword or region

- **Flexible search** by specifying attributes for your analysis, while modifying sentiment to analyse the same content from a different perspective

Affinity Relationships

Understand the relationship between different areas of analysis and view the snippets that are associated with their intersection to gauge impact and identify future messages among key audiences

Gain insight into affinity relationships in your search of your campaigns' hot words to more agilely and precisely modify messaging for your campaigns

Anticipate new opportunities to engage audiences on specific subject areas with the words and messages that resonate with and are specific to their interests and perspectives

Evaluate campaign messaging by analysing affinity contexts and associations with corporate and brand values to ascertain responsiveness and reaction to reputation, student service and corporate social responsibility activities
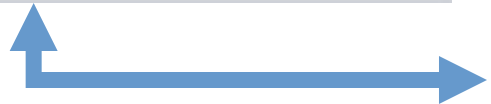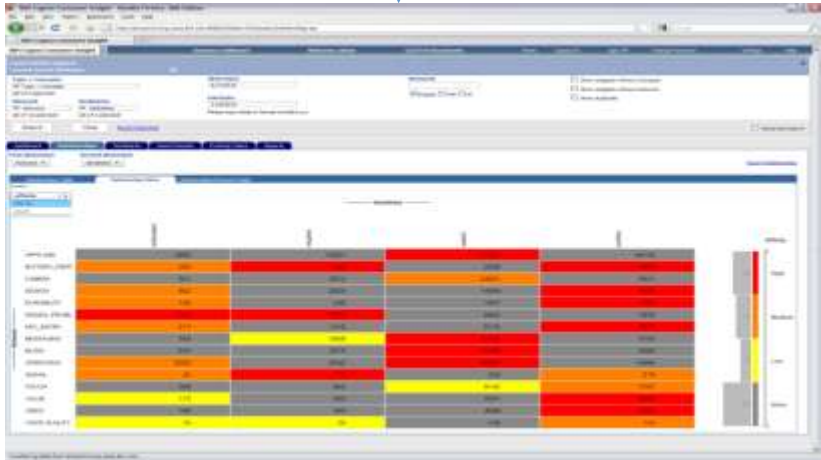
Evolving Topics

Capture a weighted summary of discussions to determine snippets that share the same terms and ascertain related topics above and beyond your analysis of trends and common discussion topics across time

Determine risks and opportunities of related topics to corporate reputation, campaigns and student service

More effectively target broader adjacent themes and events to link your product, services and corporate messages to, while prioritizing and ranking their relevance and applicability for proactive campaigns

Expand your social media campaigns to incorporate other discussion contexts by analysing evolving topics related to hot word sentiment and by targeting other social media communities or communication channels

Sentiment Analysis

Analyse sentiment and filter by concepts, hot words and media sets – among others.
Complete comparative analysis by comparing positive, negative,
neutral, or ambivalent sentiment

- **Make evidence-based** messaging decisions with analysis into consumer and stakeholder sentiment; Assess with precision trends and changes in perception of your corporate reputation and reaction to campaigns

- **Identify and target** new social media channels to drive greater advocacy of your products and services with key influencers based on an analysis of sentiment

- **Determine the effectiveness** of your campaigns' messages and their impact on consumers' purchasing decisions, as well as the resonance and believability of their promise
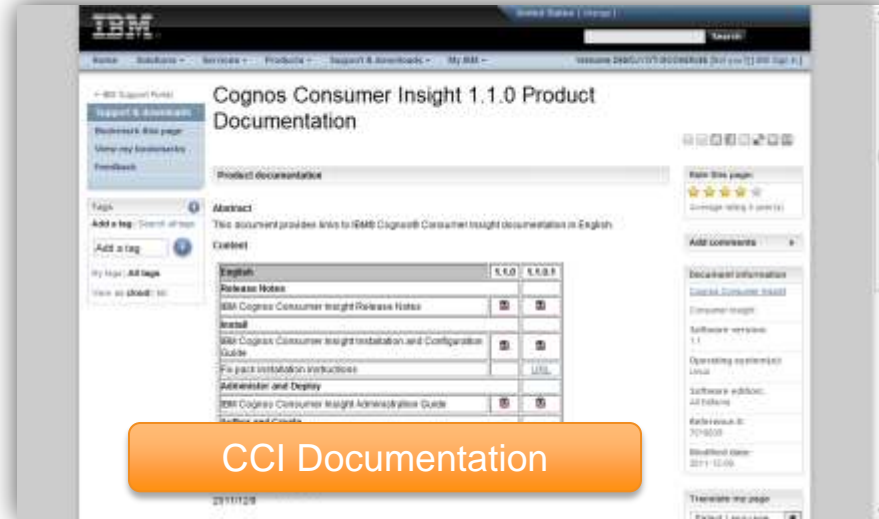
Where to go from here……….

CCI Australia Page

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