

Viewpoint paper

Unlock the value of social media data

Social intelligence



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What's driving marketing today

The onset of new social media technologies has fundamentally changed the way people communicate. It has also changed how enterprises must market to customers. Social media networks, blogs, forums, chat rooms, and consumer comments on retail websites are some of the many growing sources of unstructured customer data. Enterprises can use this data to gain insights into customer behaviour and as new marketing channels.

This new social media-driven environment is driving real-time marketing demands; however, traditional “early generation” business intelligence (BI) approaches don't provide the flexibility, timeliness, and mobility required to respond to these demands. In addition, legacy BI solutions cannot support analysis of social media data sources to integrate these new sources with existing customer information.

The result is that marketers and other decision-makers across the enterprise can't access vital information. The future of successful customer marketing depends on new BI approaches that are flexible enough to meet ever-changing business requirements. These new approaches must also use technology that is data-agnostic and suitable for analysing social media data sources.

Social intelligence is one such approach. It responds to the unique challenges of handling social media data, helping enterprises make better-informed marketing and business decisions.

A rapidly changing, customer-centric domain

The rapid adoption of social media technologies has fundamentally changed the way people communicate. Information flows between friends and family efficiently and instantaneously, to any location, via numerous devices. Channels of communication have expanded to include social media networks, blogs, forums, and chat rooms.

The people communicating via these new channels are also information consumers. What they do online illustrates their lifestyle choices, buying preferences, and brand perception—potentially valuable customer profile data. Recognising and using these sources of social data appropriately is a relatively new challenge for many organisations.

The term “customer intelligence” describes the process and techniques used to gather, integrate, and use customer data to make more informed and effective decisions about how to manage customer relationships. Social intelligence takes a finer view by focusing on specific challenges involved with proactively using social media data to make better-informed marketing and business decisions.

These differences aside, a discussion on social intelligence cannot exist apart from the broader category of customer intelligence. Customer intelligence programmes support interactions across many channels of communication, including the Internet, television, email, telephone, print, and others.

Even before the explosion of social media data, many companies struggled to integrate all relevant and available sources of useful customer information to create a consistent and customer-focused experience. Providing integrated messaging across these channels is challenging. Even those organisations that have integrated customer communications across many of their online channels—email, site targeting, and web analytics solutions—still may need to integrate those channels with display advertising, site targeting, and lead management data.

Classic integrated customer communication challenges have grown broader, deeper, and more complex. Social intelligence seeks to understand, prioritise, and leverage the data and behavioural insights that social media provides. Embarking on a social intelligence programme starts with a deep understanding of a company's overall business strategy. This sets the focus and priorities of social intelligence initiatives.

Most companies will need to modify their technical environment to support these initiatives. For example, more customer data must be available at the point of contact, enabling targeted marketing at that time. Significant first-mover advantages exist for companies that execute an effective social intelligence strategy before their competitors.

New business intelligence approaches

In the last 10 years, enterprises have largely resolved the shortcomings of typical business intelligence solutions deployed in the 1990s—siloes of information, poor scalability, and inability to manage drastically increasing data volumes. Whilst centralisation streamlined siloed data sources, the tradeoff was a loss of system agility. Modelling and implementing BI environments became increasingly difficult as business processes changed constantly.

The arrival of new social media data sources has highlighted an important shortcoming of traditional BI implementations. That is the ability to handle semistructured or unstructured data—for example, data that does not fit conveniently into an enterprise data warehouse. Today, all new social media data sources fit into the category of semistructured or unstructured. Definitions of content include:

- **Structured content:** Data stored in data marts, data warehouses, and relational databases that sit beneath packaged applications such as enterprise resource planning, customer relationship management, and human resource management.
- **Unstructured content:** PDFs, letters, notes from phone calls, pictures, video content, and information in content management systems and knowledge management systems.
- **Semistructured content:** Enterprise content falling within a continuum between structured and unstructured. For example, emails are semistructured; they include unstructured text, as well as irregular structure from fields, tags, and send/receive histories. Other examples include documents, web pages, wikis, and live information services marked up as XML, information “crawled” from the web and internal file systems, or information generated by alerts.

Some enterprises are largely ignoring their unstructured customer data sources, making it impossible for them to gain vital customer insights. Many other enterprises have grappled with semistructured and unstructured data sources so they can use search technologies to better understand their customer data. These efforts remain separate from customer analytics programmes, so unstructured data is not integrated with other customer data. In both cases, the enterprise has an incomplete view of the customer base.

The future of successful customer marketing depends on new BI approaches that are flexible and timely enough to meet ever-changing business requirements. These approaches must also leverage technology that integrates all types of data sources.

Leverage integrated customer data

Even before the explosion in social media customer data, companies struggled to leverage other forms of semistructured and unstructured content, including call notes, email text, and audio files. They neglected these sources of customer data, focusing instead on the more straightforward task of integrating their structured customer data.

Consider the following scenario: When a consumer speaks to a customer service representative, it creates a new source of unstructured data. The representative types notes during the call. These notes contain valuable information about the customer, such as a complaint, service issue, or product feedback. Internal applications collect the data. But what happens next? How will the company use those unstructured call notes in the future?

- Will customer services have access to that information when they respond to an email from the same customer soon afterward?
- When that customer logs into the vendor's website, does it impact targeted banner ads?
- Will a call centre representative make a more appropriate offer to that consumer because of this new information?
- Does the information lead to a better understanding of brand perception and future product or service design?

“Listening”: The start of a social intelligence programme

When social media began, organisations with an especially strong brand identity started to listen to their customers online. At first, they did this by simply becoming members of relevant communities and searching out related content.

Sophisticated software tools that automate listening activities have become available recently. These tools advance listening from a human function to an automated activity that can scale to listen to vast quantities of available social media data. In addition to listening to chatter on sites and communities, companies can now use tools that crawl the Internet looking for more extended feedback.

Did you know?

MediaPost Online Media Daily reports that 54 percent of companies interviewed planned to increase spending on email marketing, and 66 percent planned to increase expenditures for social media.

Cision reports that a national survey of reporters and editors revealed that 89 percent use blogs for story research, 65 percent turn to social media sites such as Facebook and LinkedIn, and 52 percent use microblogging services such as Twitter.

A study by The Viral Garden of high-level marketing executives showed that 70 percent planned new social media initiatives in 2010.

MediaPost Online Media Daily reported that nearly half of all Americans are now members of at least one social network. Whilst social network use is highest amongst the young, two-thirds of 25- to 34-year-olds and half of 35- to 44-year olds also now have personal profile pages. Thirty percent of social media users access a social media site several times a day, up from 18 percent in 2009. Also, nearly half (45 percent) of all mobile phone owners send text messages on a daily basis.

YouTube research shows that it now hosts more than 100 million videos and the second largest search engine. Seventy-eight percent of consumers trust peer recommendations when making purchase decisions; just 14 percent trust advertising. Facebook users share more than 1.5 million pieces of content (videos, photos, blog posts, links, and so forth) daily.

But what does an enterprise hope to gain by listening to what is said about its organisation? In large part, it hopes to better understand articulated sentiments:

- How does the customer feel about the organisation?
- Has the customer experienced service problems?
- Does this customer influence other consumers?

Social intelligence answers all these questions by making sense of vast quantities of structured and unstructured data to define intent, loyalty, influence, and sentiment. Customer sentiment analysis is often the best place to begin the journey of establishing conversational marketing with the customer.

Understanding: Using text data to create customer insights

Information processing techniques using search engines assume that discovered data is true and factual. But today, a large amount of information on the web includes opinion, and current information processing tools are not designed to interpret opinion. To overcome this gap, research is under way to design a new technique called sentiment analysis, which can assess opinion in user-generated content.

The goal of sentiment analysis is to identify the opinion or emotional state of a writer or speaker. Doing so is a complex undertaking because:

- Feelings and emotions are subjective.
- Sentiment is rarely an all-or-nothing expression; it comprises a range of feelings and tones. So placing a qualitative label such as “strongly agree” on a survey form offers no true quantitative measure of what the respondent actually feels.
- Gauging sentiment is strongly associated with context. Book and movie review mining builds subjectivity into the analysis; it focuses solely on positive vs. negative responses. Additional work includes mining based on relevance and subjectivity.
- Studies can also measure sentiment at the document, paragraph, sentence, phrase, or pattern level, or any combination of these items.

Applying customer sentiment analyses

A key element of all successful social media initiatives, including customer sentiment analyses, is a carefully designed business plan that clearly defines the strategic and economic value of such programmes. Listening to and understanding a customer’s opinion about your products and services in a strategic vacuum is worthless. You must first address these questions:

- Will your definition of a customer change to encompass the many online personas each has?
- How will you measure value in the future, and how will it differ from today?
- How will you make social media insights actionable within your organisation?
- Will you need to transform your technology-enabled business processes to maximise the opportunities of conversational marketing?

Addressing these questions leads to the next vital component for leveraging social media as a new source of unstructured customer data—moving beyond merely listening to customers and instead responding to and acting on the information.

Did you know?

According to ClickZ, 80 percent of companies use social media in some manner for recruiting; of those, 95 percent use LinkedIn.

An article by Danny Brown notes that LinkedIn has more than 70 million members worldwide—including executives from every Fortune 500 company.

Social Media Today reports that whilst many executives still dismiss Twitter as a waste of time, recent research suggests it is one of the most valuable social networks for business.

Mashable research shows that amongst the world’s 100 largest companies, two-thirds use Twitter, 54 percent have a Facebook page, 50 percent manage at least one corporate YouTube channel, and 33 percent have created company blogs. Overall, 79 percent of Fortune 100 companies use at least one social media channel, with the highest use in European (88 percent) and U.S.-based (86 percent) companies; however, only 20 percent of these companies (28 percent in the United States) use all four major social media platforms. Sixty-nine percent of U.S.-based firms in the study have a Facebook page, but just 32 percent have posts with comments from fans.

An article by Penn Olson states that the Fortune 100 uses social media in visual infographic form. The average Fortune 100 company follows 731 people on Twitter and is followed by about 1,500.

Beyond listening—integrating and acting on social media data

Many forward-thinking companies have taken their online listening efforts to the next level. They found that whilst listening to consumers yields good information, integrating that information with other customer data sources creates deep insights that drive better marketing and business decisions company-wide.

Filtering out the “noise”

Rather than assume all social media data has inherent value, information requires augmentation from numerous data enrichment processes. Augmentation services score the various attributes associated with a particular social interaction. For example, Klout scores a Twitter user account based on the number of followers, the total engaged network, or likelihood that a recommendation will be acted upon. Peer Index performs a similar function. Once augmented, the data can help marketers build a new wave of consumer social segments.

Engaging: Real-time and mobile requirements for social intelligence success

Consumers behave in real time. They constantly receive information and use it to make near-instantaneous decisions. Marketing to these customers requires systems that can continually receive, process, and output data.

Traditionally, systems using data for marketing to customers have “batched” this information, collecting groups of transactions over a period of time. The system produces batch results used for analytics and reporting. Management uses this information to guide their decisions and create new marketing programmes. Batch processing is an efficient way to process high volumes of data but ineffective for leveraging social media in real time.

Within an organisation, any employee interacting with customers needs access to all customer information at all times. Using this information, employees can change a conversation, modify a tactic, or extend a new product offer—whatever it takes to ensure customer satisfaction. This new real-time reality not only requires real-time information but also real-time databases. The underlying IT environment must enable marketers to execute social media and online marketing programmes in real time, as well as reach customers on their device of choice.

Social media-focused scenarios

- Sentiment analysis suggests a new product’s assigned name has created brand confusion in the marketplace. The company can fix this problem in future advertising campaigns.
- An identifiable customer posts negative comments about service received from a particular company. Integrating this information with other sources of customer data reveals that this is a high-value customer. The company must make every effort to retain this customer, including offers made by direct mail and during incoming calls to a call centre.

Most information-intensive applications are built on a search (inverted) index or relational database. Search engines were originally architected to accommodate unstructured content, whilst relational databases were designed to manage structured information. Today’s enterprise content is a mix of structured, unstructured, and semistructured content, and employees need access to all types.

Conclusion

A winning social intelligence initiative is critical to successful customer marketing today. Using a complex set of tools and techniques, social intelligence solutions can enhance any business strategy and help you:

- Listen when data is captured from all online and social media systems to help describe a customer’s experience
- Understand the ability to integrate and analyse all customer data using powerful but inherently simple technologies and accelerators to create valuable insights
- Deliver information and insights to new and existing customer management processes, and enable marketers to act quickly, decisively, and appropriately

Point solutions such as individual social media listening applications are only one component of a social intelligence initiative. To harness the true potential of social intelligence, companies must deploy a broad information management and analytics programme, linked tightly with the overall business strategy.

To ensure success, you need a realistic roadmap that starts by aligning your enterprise information vision with your overall strategy. This lays the foundation for designing and developing process, organisational, and technical architectures. These architectures will transform information environments from multiple, disconnected systems to a unified enterprise programme.

Next, you should analyse how your organisation is using information and optimising its distribution to customers, partners, and to broader business or agency ecosystems. Plus you need an optimised real-time analytics infrastructure in place to analyse “big data” (terabyte to petabyte size) from multiple sources in real time. These sources include traditional analytical CRM, social insight, and contextual insight to generate an enhanced 360-degree view of customers/citizens or organisational needs using all relevant data points.

The desired result is connected intelligence inside and outside your organisation—a foundational element in enterprise growth. With this intelligence, you can proactively manage information-related business or mission risks, enhance customer and citizen experiences, optimise business or agency performance, and discover new market opportunities.

To learn more, visit our Information Management and Analytics solutions page at hp.com/go/connectedintelligence

About the author

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