



# Social Media Intelligence Platforms

## Peeling Back the Onion for Retail and Consumer Lifestyle Brands

Point Of View

March 2011

### About Lenati

Recently named one of the "Seven Small Gems of the Consulting Profession" by Consulting Magazine, Lenati designs, implements, and optimizes marketing and sales solutions for clients to build stronger customer connection.

Lenati is based in Seattle, WA.



### About the Author

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In many ways, Social Media Intelligence (SMI) firms are modern PR press clipping services, scouring the web to capture what people say about products, brands, retailers, fashion, entertainers, and more.

Facebook is all the rage, but to render the flood of content from millions of other sources useful, over 100 SMIs such as NM Incite, Nielsen's joint venture with McKinsey; Radian6, just acquired by Salesforce; Visible Technologies; Viralheat; and Converseon promote the ability to "Listen" to, "Engage" with, identify "Influencers" of, and "Analyze" everything said about your brand across the web.

But as with any new technology in a hot industry, firms vary in quality and what they enable marketers to do, it can be overwhelming to assess them all, and total costs vary considerably.

Our intent here is not to rank a select group of firms, but rather provide perspective to help determine which is best for you. So peel back the onion, separate promise from reality, and gauge how effectively SMIs can truly help your business.

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### Summary of content and key takeaways

#### Peeling back the onion on SMI services

In many ways, SMIs are modern versions of PR press clipping services, scouring millions of sources to capture and render the torrent of social media content useful, and well over 100 (at current count) firms enable you to “Listen” to consumers, “Engage” them, “Analyze” how brands are mentioned and perceived, and identify “influencers.” But, like any nascent technology in a hot space, SMIs vary in quality and what they truly enable marketers to do.

#### How are they relevant to retail and consumer lifestyle?

Consumers talk about anything merchandising and lifestyle-related all over the web, and SMIs help you monitor and potentially engage consumers in ways surveys, CRM or loyalty systems cannot -- with a growing capability to help you convert customers or determine why you lost them.

Just look at Kenneth Cole’s ill-fated tweet likening the Egypt protest “uproar” to his Spring collection, and we would bet The Masters, one of the most tightly controlled brands, gauged sentiment on Tiger Woods closely before co-branding this year’s EA Sports PGA Tour 12 game.

Figure 1: Kenneth Cole tweet



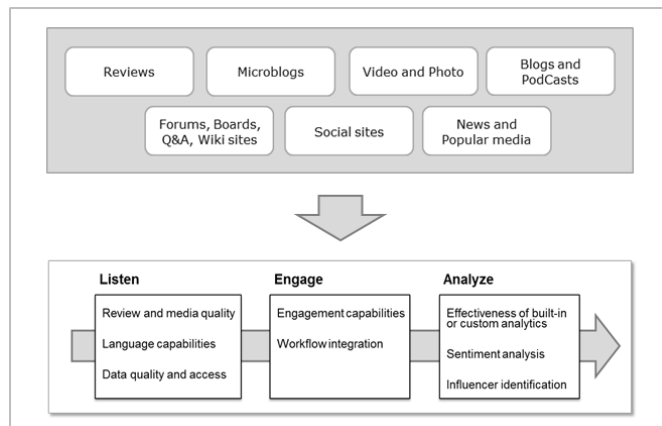
Best Buy’s comp sales may be showing cracks, so to keep its \$50B tanker from turning slowly toward the fates of Blockbuster and Circuit City, it may listen to how consumers talk about Netflix and Amazon’s TV pricing in ways it never could before to inform new strategy in its suffering entertainment and TV categories.

The flood of content will only increase, especially as a critical segment of younger consumers who thrive on sharing their lives online grows. That said, while SMIs are great for capturing content, applying them as retail website or store traffic and conversion drivers will require a lot of work for the foreseeable future. However, as we expected, Omniture’s entry into the space (following acquisition by Adobe), and Salesforce’s acquisition of Radian6 for what seems to be a huge premium, are good indicators of SMIs’ growing importance.

#### The Challenge

It can be overwhelming to evaluate them all, pricing models vary considerably, and direct and indirect costs can be difficult to project. While SMIs are promising and will improve, we have found they can be evaluated across several areas (Figure 2) to separate bells, whistles and promises from truly practical and strategic capabilities. Next, we lay out an overview of the space, key trends, “Listen, Engage, Analyze” capabilities, and realities behind each to help you gauge how effectively SMIs can help your business.

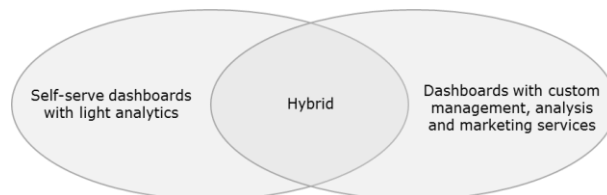
Figure 2: SMI framework with key competency and differentiation areas



### Business models and value proposition

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SMI business models range across 3 basic areas, from fully-automated self-serve dashboards to self-serve technology complemented by full custom brand and marketing analysis services.



The basic value proposition centers on several elements:

- See what's being said about your brand and competitors in "real time" on an increasingly global basis
- Identify and respond to situations that could impact your business faster than ever
- Identify and engage more of your critics and brand ambassadors
- Develop a platform for potential new promotional and revenue opportunities
- Complement or replace other marketing methods such as focus groups

Pricing models vary by segment, but also within segment, so be sure to understand benefits and risks of each:

- The self-serve model is typically a low cost-perception, penetration strategy susceptible to volume spikes and offers only basic analytics. The indirect cost of producing actionable analysis can be significant.
- The fixed price of the hybrid model may be higher, but eliminates risk of volume spikes. Custom analysis seems costly, but the value of the reporting and alleviation of indirect costs could outweigh it.
- The full-serve model could be prone to volume-driven cost increases depending on your contract, but is predicated on providing higher-quality insight from dedicated account management and custom analysis.

### Key trends

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- 1) Low initial barriers to entry enable a hot, but highly competitive market space
- 2) Listening is commoditized – Engagement and Analytics gaps are opportunity to move ahead
- 3) Continued consolidation, roll-up, and failure within the SMI space
- 4) Vertical-specific players will continue to emerge
- 5) Pricing varies wildly, so customers should evaluate both direct and indirect costs
- 6) Convergence of the SMI space and broader web marketing and analytics services
- 7) Integration of social media Listening content into organic search results

### Listen summary

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"Listen to over 9 billion conversations about your brand..."

Really? 9 BILLION about YOUR brand? Don't let the marketing fool you. Much of the Listen element is already commoditized as virtually any firm can access the same sources, with most claiming over 100 million of them. But since the quantity is less a point of differentiation, what matters is the quality of data and what you can do with it.

Many firms also source content in multiple languages, but fewer actually translate or apply sentiment. For global brands, multi-lingual capability may be essential, but translation may not, so be sure to evaluate the capabilities that fit your needs and consider any price premium you may be paying.

- Don't be swayed by the quantity of sources, but do ensure you're getting those relevant to your needs
- Use demos to evaluate the relevance and accuracy of information pertaining to your keywords
- Understand the frame of reference – how does short-term chatter stand in context of opinion over time?
- The relative mix of content from Twitter – and its spotty quality - can be overwhelming
- Results are based on explicit search terms – nothing exists yet to capture what could be implicitly relevant but not explicitly searched
- If you want translation, validate the capabilities and how well sentiment analysis is applied

### Engagement and Workflow summary

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Engaging from a central dashboard, resolving issues, soliciting opinions, and launching campaigns are beneficial capabilities, as are opportunities to streamline call center costs and integrate lead generation and CRM processes. Most SMI firms include a built-in workflow system, but they are usually proprietary and may not integrate with Outlook, CRM, or other systems, potentially increasing workload to manage multiple systems and UIs.

- A central means of engaging can create efficiencies in managing the flood of social media, but be sure not to underestimate the labor required to manage the tools
- Little current integration with CRM systems or productivity tools such as Outlook, Excel, and Sharepoint, though Salesforce's acquisition of Radian6 indicates a step forward

### Analytics summary

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SMI analytics fall in four categories: 1) Built-in dashboard; 2) Sentiment; 3) Influencer; and 4) Custom services. Current tools have a great ability to capture post volume, reviews, and elements like "share of voice" to understand perception and reach. However, it's a classic marketing challenge to truly inform business performance and ROI.

#### 1) Built-in analytics

Automated dashboard reports typically include:

- Topic-specific post-volume trends
- Brand and competitor key term clouds
- Topics by media, language, region
- Media source mix and trending
- Share of voice and unique voices

But beware the hype and indirect costs; while built-in analytics demonstrate impressive technology and offer good listening data, they currently fall short of delivering truly effective marketing insight and are not linked to



## Point of View

revenue analytics. And as with any analysis, it's only as good as the data feeding it, and you can incur hidden labor costs to manage the tools and integrate with other data to produce strategic and tactical insight.

- Self-serve tools are short-term focused – be sure to evaluate any indirect costs to produce useful insights and frame the bigger picture
- Calculating a true ROI is elusive at best, especially for the generalist services

### 2) Sentiment analysis

This is a critical area, especially as applied to different languages and dialects. Competitors are differentiating in how they provide and score sentiment quality, and a firm should willingly provide how its sentiment engine is tuned for nuance, wording idiosyncrasies, flexibility in managing core terms, and if/how it accounts for the context around the core terms.

- A good sentiment engine will be able to help you monitor perceptions on different elements of a brand - for example, service, design, pricing, or environmental impact
- For more effective use, collect sentiment from targeted sources focused on your industry or product

### 3) Influencer identification and analysis

Ability to engage “influencers” from blogs, micromedia, and other sources is promising, but capability and execution still need work, and quality is spotty. One firm’s highest-ranked influencer, for its own brand, was an Amazon television series product page. Effectiveness also depends on how you define an influencer.

- Tracking true influencers is still a largely manual process
- Technology cannot yet track downstream impact of influencers on brand perception and engagement
- If firms target the same influencers, what is the net impact or advantage?

### 4) Custom analytics and services

Custom reporting enables integration of built-in analytics and classic brand marketing, segmentation, and audience measurement. Models, pricing, and quality can vary, but as a reference point, custom reporting can cost anywhere from \$5,000 to \$50,000 and be delivered on a quarterly or ad-hoc basis.

- Consider the value of custom services relative to the indirect costs of using self-serve tools
- Ensure they provide quality business insight, not just dressed-up commentary on the basic analytics
- Focused account management can help address quality issues by helping you target the best sources

### Full Report

#### How are SMIs relevant to retail and consumer lifestyle brands?

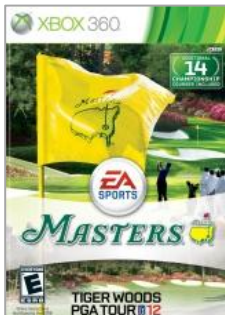
Consumers talk about products, brands, shopping, and anything lifestyle-related across the web, and SMIs enable companies to monitor their own and competitor web presences, develop marketing tactics to engage customers, identify operating issues, and potentially capture revenue.

In retail, consider \$50B Best Buy. Its FY11 revenue increased slightly, but comp sales dropped 1.8%, driven by a 14% drop in its bread-and-butter entertainment hardware and software category (ie – TVs and DVDs), likely due to aggressive customer acquisition by Netflix and growth in Amazon’s TV business.

How could it figure out how to respond? Listening to consumers and “influencers” talk online about competitors would be one way to gather insight for its multichannel strategy, perhaps by moving more assortment online at lower prices. As CEO Brian Dunn said in a recent earnings call, “we intend to actively reach out to new customers...to take advantage of how easy it is to shop for, compare and buy...at Best Buy in-store and online.”

Various SMIs offer different capabilities. Visible Technologies (Figure 3) offers basic listening and analytics with in-depth custom analysis. Nielsen (Figure 4) drills downs to brand segment or attribute-level analysis. Radian6 offers only basic listening and analytics.

Figure 5: The Masters and Tiger



Another lifestyle brand, EA, just co-branded The Masters with Tiger Woods PGA Tour 12 (Figure 5). The Masters, one of the most stringently protected and managed brands, clearly needed to track consumer sentiment about Tiger following his personal downfall before doing the deal.

Hotels can benefit by monitoring and scoring reviews. Island Records can monitor fickle teen sentiment about Justin Bieber while engaging fans to promote everything from Saturday Night Live appearances to tour tickets, though as Figure 6 shows, Island Records needs all the help it can get to monitor and make sense of the pure volume of content on Justin Bieber.

The bottom line? Whether you’re Target, Marriott, Disney, or Nordstrom, you can learn much about how consumers engage with your brands, but the technology and product is a work in progress.

Figure 3: Visible retail competitor post volume



Figure 4: Nielsen post volume by brand attribute

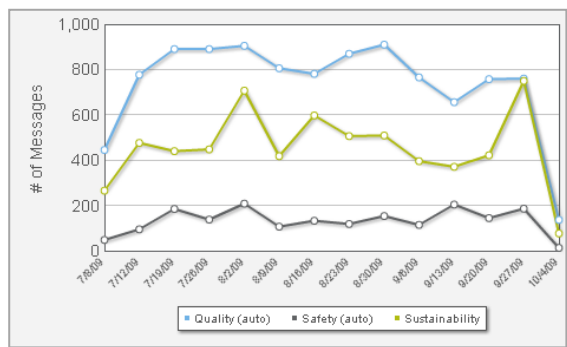
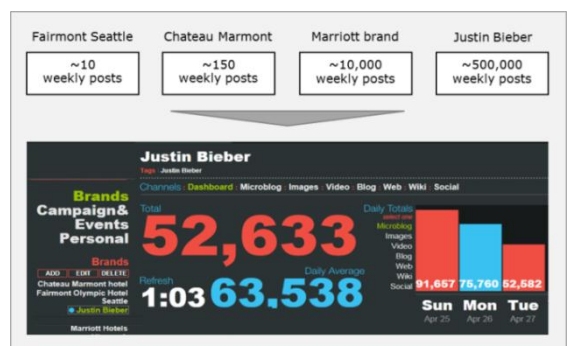


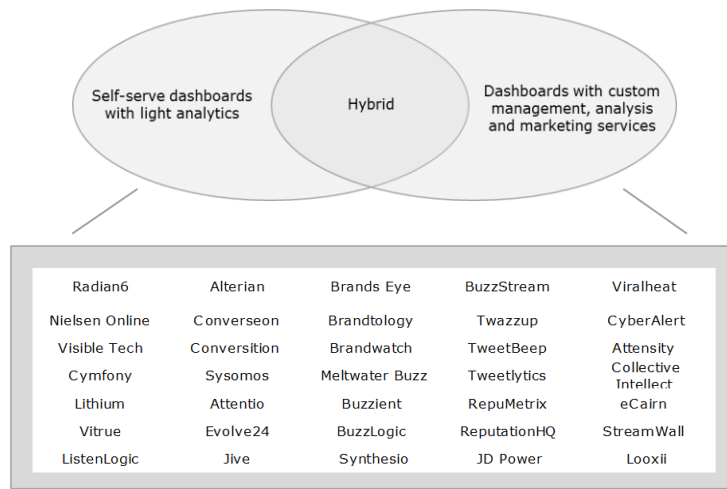
Figure 6: Relative brand volume traits



### SMI Landscape and key trends shaping it

Generalist SMI business models range across 3 basic areas - from fully-automated self-serve dashboards to self-serve technology complemented by full custom brand and marketing analysis services. *Figure 7* shows just part of the SMI landscape - imagine the task of selecting among well over 100 of them:

*Figure 7: Range of Generalist SMI models and sample firms:*



This is a hot space with low initial barriers to entry, attracting dozens of new entrants with more similarities than differences and more hype than reality - many vying for the attention of corporate clients. In other words, the market is too specific to support so many companies doing the same things, and we may see more consolidation and more industry-specific players emerge that understand the nuances of consumers, tailor engagement and analytics capabilities, and tune pricing to the economics of specific industries - for example, hotels.

#### Seven key trends we see shaping the SMI space:

##### 1) Low initial barriers to entry create a hot, but highly competitive market

Just a few years ago, crawling the social media universe for content or specific keywords to pull into a central location might have been unthinkable. Now, Twitter and Facebook API's, Wordpress blog platforms, travel review feeds, and more make it feasible to create a social Listening platform fairly quickly and inexpensively.

##### 2) Listening is commoditized - Engagement and Analytics gaps are opportunity to move ahead

In addition, Listening capabilities are essentially now commoditized. White-label content aggregators like Moreover Technologies have even emerged, and every firm seems to claim access to anywhere from 50 to 250 million sources. What matters is not the quantity, but the quality and what you can do with it.

##### 3) Continued consolidation, roll-up, and failure within the SMI space

Salesforce just acquired Radian6. Adobe acquired Omniture and launched Adobe Social Analytics. Lithium acquired Scoutlabs. Attensity acquired Biz360. Marketwire acquired Sysomos. Tweetlytics is "currently offline." We expect to continue to see this given the competition, low barriers to entry, common targeting of corporate clients, and need for funding to expand that many smaller startups may not be able to finance themselves.

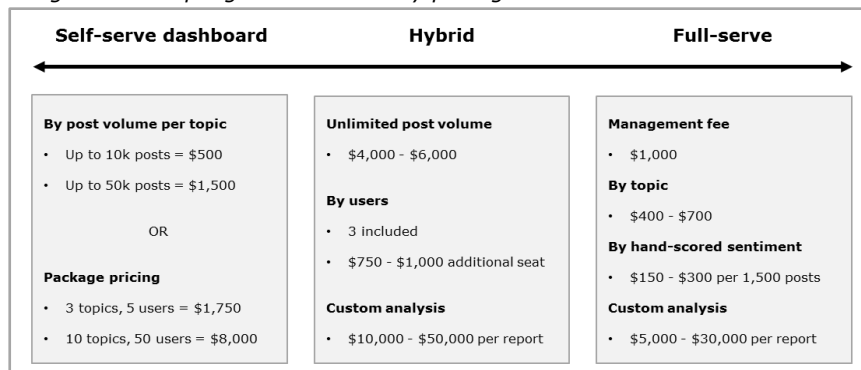
### 4) Vertical-specific players will continue to emerge

We also expect to see more industry-specific players emerge - for example, hotel-specific firms that aggregate and score reviews. JD Power is known for its automotive testing and satisfaction ratings, but also acquired Umbria to tailor social media intelligence to its other focus industries, including home improvement and travel.

### 5) Pricing varies wildly, so customers should carefully weigh both direct and indirect costs

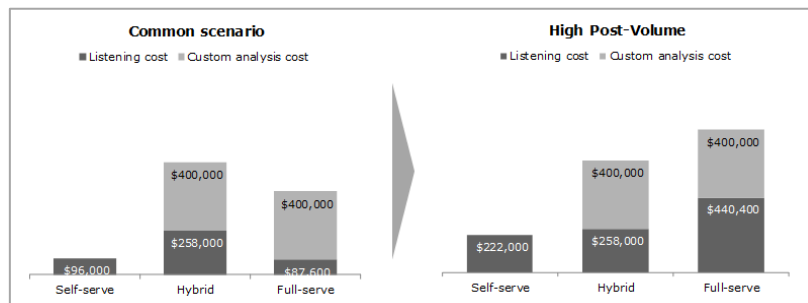
Various pricing models have pros and cons, and both direct and indirect costs vary such that determining a true cost can prove challenging. *Figure 8* shows representative pricing models.

Figure 8: Sample generalist monthly pricing models



Now to demonstrate the variability, *Figure 9* shows potential annual costs of three basic generalist models with a common brand-level scenario of 25 user licenses, 10 topic profiles, and moderate post-volume of 500 daily posts per topic. For custom analysis, assume 20 reports cost \$20,000 each. Note how annual costs could change if volume spikes to 5,000 posts. Then imagine costs at the level of a portfolio of pop stars.

Figure 9: Annual generalist cost scenarios and impact of post volume



- The self-serve model is a low cost perception, penetration strategy susceptible to volume spikes and offers no analytics beyond basic widgets. The indirect cost of producing actionable analysis can be significant.
- The fixed price of the hybrid model is higher, but eliminates the risk of volume spikes. Custom analysis seems costly, but the value of the reporting and alleviation of indirect costs could outweigh it.
- The full-serve model leads to volume-driven cost increases, but is predicated on higher-quality insight from dedicated account management and custom analysis.

Keep in mind:

Pricing is usually negotiable depending on certain variables, eg - seat licenses, custom services, topics, and more, but the sales strategy of firms can obfuscate costs of ownership, so press for information and test-drive how tools really perform to weigh indirect labor costs against direct custom service costs.

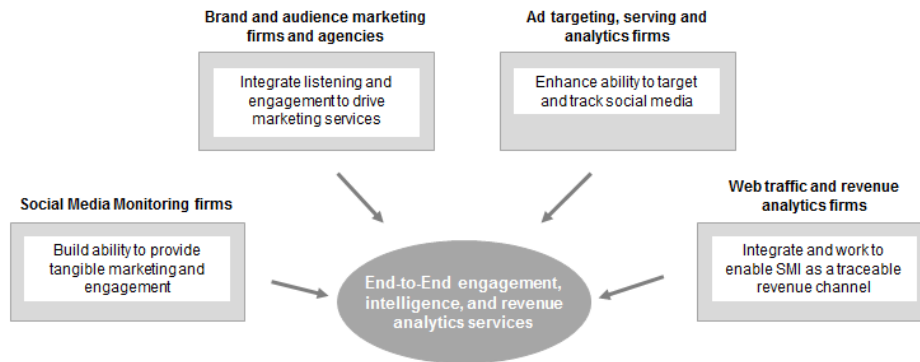
### 6) Convergence of the SMI space and broader web marketing and analytics services

SMI services and technology are nascent, but can also complement, or in some cases replace, focus groups, satisfaction and product surveys, and more. In that context, brand and digital marketing agencies, ad serving companies, and web analytics firms are recognizing opportunities to enhance their value propositions by integrating SMI technology as well.

Nielsen acquired BuzzMetrics both as a standalone tool and lead-in to custom services and has now partnered with McKinsey on NM Incite. Omniture incorporates Twitter and Facebook tracking as it works toward integration of social media analytics with broader web analytics. Marketwire acquired Sysomos to augment its media management service. Buzzlogic promotes integration of SMI capabilities and its ad targeting platform.

So along with the shakeout in the SMI space itself, we should continue to see various forms of convergence into more comprehensive social media engagement, intelligence and revenue analytics models (*Figure 10*).

*Figure 10: Convergence to create end-to-end solutions*



### 7) Integration of social media content into Search

Dedicated SMI firms are not the only ones sourcing social media content based on keywords. Google is now integrating social content relevant to your searches posted by your Google contacts into results (*Figure 11*).

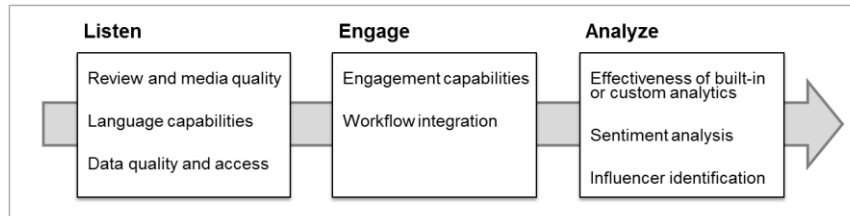
A potential implication? It's not just SEO you need to monitor and influence to impact organic search results anymore.

*Figure 11: Google integration of social content*



### Listen, Engage, Analyze – Peeling back the Onion

As we mentioned, the scope and quality of firms can vary, and in this section we will cover the Listen, Engage, and Analyze elements in more detail to help you better evaluate which tools may be the best fit. To start, recall:



#### Listen – Media and content sourcing

The opportunity for any brand to “listen” and track content in virtually any form across the web on the scale available is astonishing, and hotels can capture reviews from almost anywhere they’re posted. Radian6 claims 200 Million. Nielsen claims 130 Million.

White-label content aggregators have emerged, such as Moreover Technologies and Boardreader, lowering the barriers, time, and costs to entry for new SMIs.

“Grounded in billions of conversations across 130 MM blogs, forums, social networks... we offer the industry’s most reliable view into the consumer mindset...”

#### Keep in mind:

“Listen to over 9 billion conversations about your brand...”

Really? 9 BILLION about YOUR brand? Don’t let the marketing fool you. Much of the Listen element is commoditized as virtually any firm can access the same sources, but often do not reveal how they’re counted. They may tap 2 million good blogs, but how are they counting 100 million sources? Is every Twitter account a source?

“Scan 150M+ blogs, 90+ million Tweets, ...420+ video and image sharing sites...we are the only provider who has invested...in a proprietary social media crawler...”

Since quantity is less a point of differentiation, what matters is quality of the data and what you can do with it. How are firms ensuring the time you invest is most effective? Twitter feeds alone won’t give a reliable picture, and without quality control, you may miss valuable content in a flood of bad sources.

Finally, what access to historic data can they provide? Some keep up to 2 years of data for a fee, which could be helpful in tracking the impact of prior marketing initiatives. Make sure firms provide as good an overview as possible on the sources relevant to you, and have them add it if you know of any they don’t.

- Don’t be swayed by the quantity of sources, but do ensure you’re getting those relevant to your needs
- Use demos to evaluate the relevance and accuracy of information pertaining to your keywords
- Understand the frame of reference – how does short-term chatter stand in context of opinion over time?
- The relative mix of content from Twitter – and its spotty quality - can be overwhelming
- Results are based on explicit search terms – nothing exists yet to capture what could be implicitly relevant but not explicitly searched
- Historic data is sometimes available if you want to layer marketing initiatives over time

### Languages and translation

Many SMIs claim global coverage and content in multiple languages. For multinational firms, listening to conversations pertinent to regions has obvious benefits. For example, Disney can capture thoughts from European customers about Disney World to improve travel experiences, marketing and distribution, and perhaps even park planning and development.

"What sets us apart is our ability to monitor and evaluate more than 30 languages..."

#### Keep in mind:

Fewer firms actually translate or apply sentiment analysis in multiple languages. Some auto-translate, and some employ regional linguists to deliver higher quality. However, with translation technology developing rapidly, we would not be surprised to see it featured more, and tapping a Google Language API or partnering with a translation firm such as WorldLingo are viable.

"The only company providing sentiment analysis in more than 12 different languages..."

For global brands, multi-lingual capability may be essential, but auto-translation vs. manual translation may be a point of differentiation, so be sure to evaluate which language capabilities fit your needs. Sample options include:

"39 languages harvested, 15 automatically translated..."

- Domestic-only
- 20+ languages sourced, but no translation
- 30 languages sourced, with 14 auto-translated
- 20 languages, all of them translated by local linguists

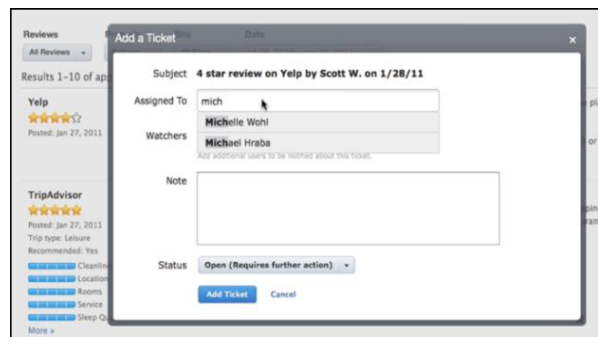
- Be sure to evaluate which capabilities you need, and if necessary, know their product plan
- If you want translation, validate how well multi-lingual sentiment analysis capabilities perform

### Engagement and Workflow

Another main feature is the ability to not only view social media content, but engage consumers directly from the tools. Responding to content or publishing it to your own site efficiently from a central dashboard, soliciting opinions, and launching campaigns are all beneficial, as are potential opportunities to streamline call center costs and integrate service and lead generation processes.

Most SMIs include a workflow system (*Figure 12*) to identify, prioritize and resolve issues, and capabilities typically include emailing, assigning tasks, and initiating tweets and other communications. Some firms, via Facebook Connect and other API's, also present profiles of social media posters.

Figure 12: Revinate workflow module



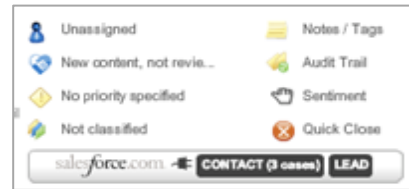
CRM, lead generation, and Loyalty programs are also areas of opportunity, exemplified by Radian6's original integration of Salesforce.com (*Figure 13*).

### Keep in mind:

These workflow systems are usually proprietary and may not integrate with Outlook, Sharepoint, CRM, or other enterprise systems, potentially increasing the workload to manage multiple systems and interfaces.

The ability to initiate engagement with, for example, a promotional link could be productive, but no tools that we have seen can auto-generate a traceable link to enable you to track the initiative through, and perhaps even integrate with web analytics.

Figure 13: Radian 6 and Salesforce



- Thoroughly demo engagement and workflow capabilities, including labor required to manage them
- Little current integration with CRM systems or productivity tools such as Outlook, Excel, and Sharepoint
- Some may offer an API, so evaluate the costs and benefits of integrating it in your own systems

## Analytics

SMI analytics fall in four basic categories: 1) Built-in dashboard; 2) Sentiment; 3) Influencer; and 4) Custom services. Capturing post volume, tracking reviews, identifying key terms associated with a brand, and tracking “share of voice” are excellent advances to help you understand your perception and reach. On the other hand, it’s a classic marketing challenge since tools and initiatives launched from them do not truly link to performance, and determining an ROI is elusive.

We do expect firms to continue to improve the ability to impact real marketing and brand strategy, and the ability of some to enable analysis of brand attributes and customer segmentation in social media monitoring is a first step. But for now, the cost of producing actionable intelligence on consumers, products, and brands can go well beyond the analytics provided.

Figure 14: Radian6 analysis widget dashboard



### 1) Built-in dashboard analytics

Basic dashboard reports for any brand, competitor, or desired topic typically include:

#### Generalist SMI reporting

- Post-volume trends and key term clouds
- Topics by media, language, region
- Media source mix and trending
- Share of voice and unique voices

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- Raw data export to CSV, PDF, HTML, XML

### Keep in mind:

Beware the hype and indirect costs. Built-in analytics fall short of delivering effective marketing insight, and firms are prone to marketing them as more than they are. Radian6, for example, markets 50 dashboard widgets (Figure 14), but on closer look, its brand, competitor, and industry intelligence widgets are the same except for specific keywords. Visible's dashboard options include similar content (Figure 15).

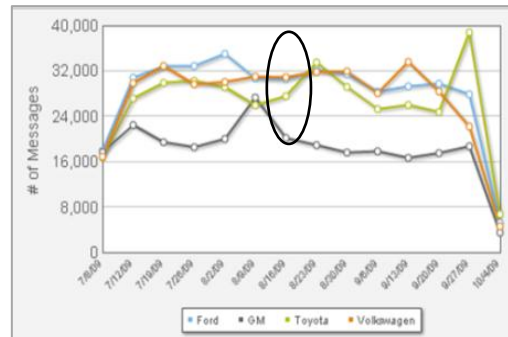
Figure 15: Visible post volume and key terms



Integration with productivity software is also rare, and to its credit, Radian6 just launched an Excel add-in button, but most firms still inefficiently export to .CSV files rather than Excel or Access.

What also seems to fall short is functionality such as layering marketing campaign data on post-volume trend graphs to track social media volume against competitors as campaigns run (Figure 16).

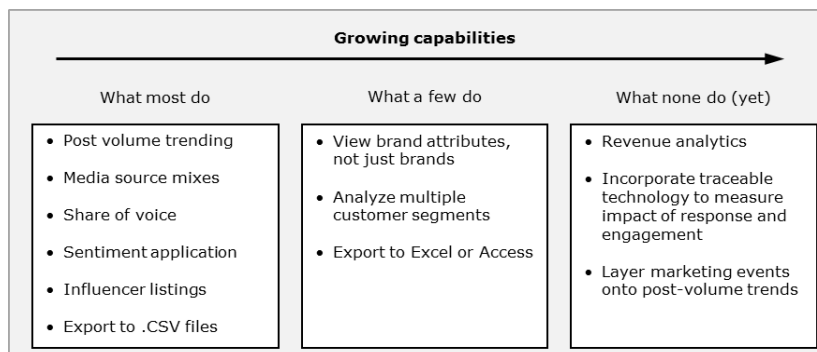
Figure 16: Potential campaign layering



"ROI" is also typically promoted in terms of getting in the conversation, engaging with consumers, and building awareness, but frankly, we sense some rationalization because the technologies don't enable a real financial approach – yet.

That said, Nielsen, for one, does claim to be working toward "intent-to-purchase" metrics. We expect capabilities to improve, especially as organizations with comprehensive marketing and media technology acquire or build their own tools and services, perhaps advancing capabilities in a pattern as below (Figure 17):

Figure 17: Analytics progression?



The bottom line is that built-in analytics are promising, but lag listening technology and can incur significant labor costs to manage and integrate with other data to produce actionable strategic and tactical insight.

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- Current SMI analytics provide great overviews of post volume and other basic data, but fall short of actionable brand and marketing strategy insight
- Low-priced, volume-based solutions can seem great at first, but beware the indirect costs
- Thoroughly demo ease of use, accuracy, and ability to integrate with existing tools
- Thoroughly consider and budget indirect costs to produce useful insights
- Analysis is only as good as the data feeding it, so keep in mind when evaluating sources and capabilities

## 2) Sentiment analysis

This is a critical area for SMIs, especially as applied to different languages and dialects, and competitors are differentiating in how they provide and score sentiment and the quality with which they do it. Machine learning, identifying slang and/or counter-uses of words such as “sick” and automated analysis will continue to improve.

Sentiment analysis is typically built into the listening technology, but given potential lack of accuracy, some firms provide manual reading of content and hand-scoring of posts to produce high quality content and visuals.

For example, Radian6 and Nielsen automate scoring at a post-level. Cymfony (Figure 18) and Visible Technologies (Figure 19) do not automate sentiment at the post-level, but instead on a sample basis or at the aggregate level by topic using manual reading.

For brand and lifestyle firms, sentiment is expressly stated or can be inferred at a brand level, but gauging it on particular aspects of the brand or experience is also promising and enables a brand to discern how consumers feel about different brand attributes, services, and more.

### Keep in mind:

Automated sentiment is improving, but can create a sizeable margin of error, and sampling the general population may lead to scoring that shifts little over time. Therefore, it may not be as useful as sentiment applied to targeted elements. In addition, as we’ll see in the influencer section, people may view the same experience very differently based on who they are and their implicit needs. Keep this in mind when using sentiment to inform engagement.

- An SMI should willingly provide how its sentiment engine is tuned for nuance, wording idiosyncrasies, flexibility in managing core terms, and if/how it accounts for the context around the core terms
- To create even more effective uses, collect sentiment data from targeted sources that you know are knowledgeable about your industry, brand, or product

Figure 18: Cymfony brand sentiment analysis

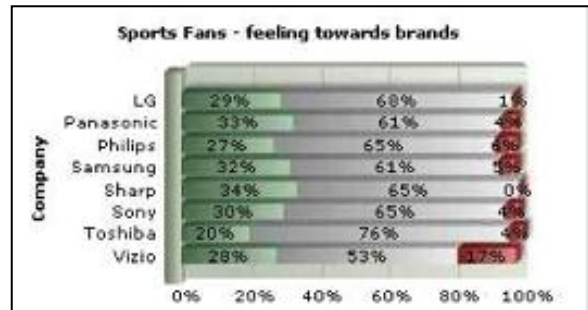
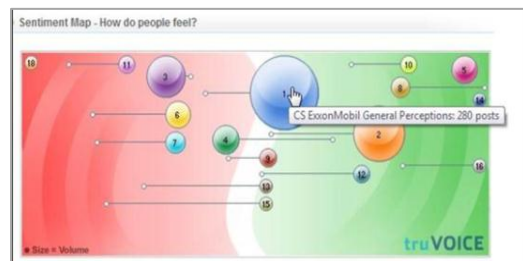


Figure 19: Visible custom sentiment map



### 3) Influencer analysis

One of the promising aspects of SMIs is the purported ability to identify and engage “influencers”, but we’ll caution that while the promise is real, the capability and execution still need work. A good example? One firm’s highest-ranked influencer – for its own brand name – was an Amazon product page for “Fringe: the Complete 1<sup>st</sup> Season.”

The intent is tried and true – retailers, hotels, and others identify their best customers and build relationships to keep them coming back and spread word-of-mouth. But in the SMI space, influencers are allegedly identified by tracing Twitter followers, bloggers who generate the most comments, link-backs, and more to identify online personas who can reach the most people and potentially influence their perception of your brand.

We consider two segments of potential influencers:

- family and friends who can influence choice
- web-based influencers as described above

The former is in part exemplified by TripAdvisor’s Facebook integration for hotels. For the latter (Figure 20), SMIs rank sources that mention your topics, including (among others):

- Top blogs and micromedia
- Top video and image sites
- Top forums, boards and authors for Brand Volume

Keep in mind:

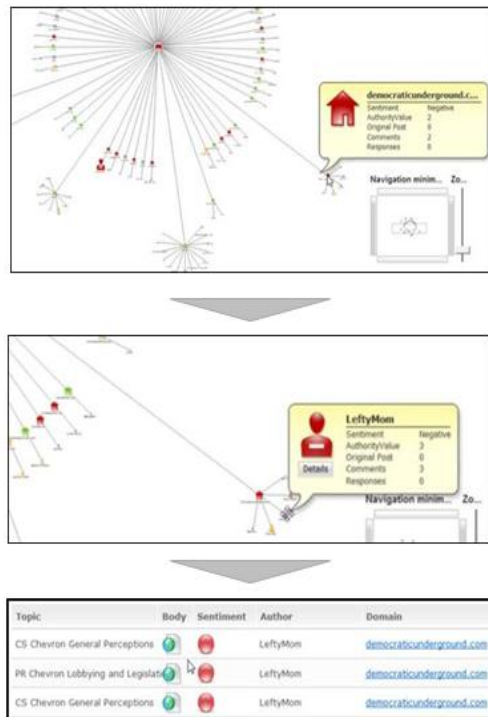
Again, at this point the potential is great and should improve, but there is a lot to question:

- Tracking true influencers is still a largely manual process, and working with a firm that can trace through networks to identify true influencer ecosystems (Figure 21) may cost more, but add more value than automated tools
- Accuracy of influencer scores is uncertain, and engaging based on number of followers can backfire – what if the influencer becomes negative?
- Lack of hard data on ability to drive revenue
- What is the impact if companies target the same influencers based on what the SMI tells them?
- A brand can deliver the same experience to two “influencers” who may view it very differently, and consumers may not know how influencers look for, perceive, or value things relative to their own views
- The effectiveness also depends on how you define an influencer. Is it a news site with a story on your brand? A blogger with 20,000 readers? A Tweeter who produces fairly useless content but has many followers? A less frequent poster who produces more meaningful content? Someone with a higher “Klout score” (Figure 22)?

Figure 20: Radian 6 influencer rankings



Figure 21: Visible’s influencer ecosystem



## Point of View

- How can SMI technology identify and consolidate content from users' multiple profiles and ID's on Facebook, Twitter, Gmail, forums, FourSquare, LinkedIn, etc to truly understand their reach?

Figure 22: Klout web-wide "influencers" on photography



- Influencer analysis, like built-in analytics, is a work-in-progress – know the product roadmap
- Technology cannot yet track the downstream impact of influencers on brand perception and engagement
- Remember the Joie de Vivre "customer service smile." Most reviewers fall in the middle of the 1 – 5 star scale, and the 1's and 5's are the influencers that can really have an impact
- Tracking influencers over time is important, but current tools don't offer the means to do so

#### 4) Custom analytics

Custom reporting enables integration of built-in analytics and classic brand marketing, segmentation, and audience measurement. Models, pricing, and quality can vary, and as a reference point, custom reporting can cost anywhere from \$5,000 to \$50,000 and be delivered quarterly or ad-hoc.

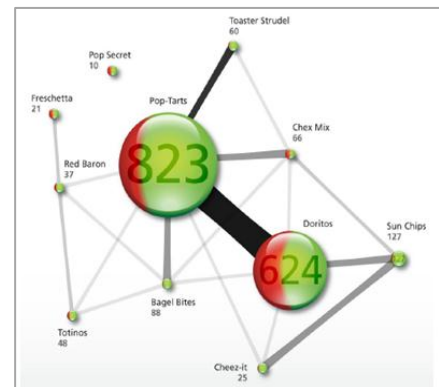
Sample custom reports from various providers could include:

- Sentiment or Influencer mapping
- Brand buzz and category tracking and audits
- Brand association maps or networks (Figure 23)
- Affinity map and cloud
- Brand insight and customer segmentation by various factors

#### Keep in mind:

At first glance custom services seem expensive, but the risk of automated tools is that managing, interpreting, and turning basic analytics into useful, actionable insights can be labor-intensive and drive indirect costs even higher.

Figure 23: Visible brand network



- Ensure "custom reports" provide high quality business insight and/or recommendations, not just enhanced versions of basic analytics in a PowerPoint deck with some summary commentary
- Custom analytics can help identify and engage influencers even more effectively

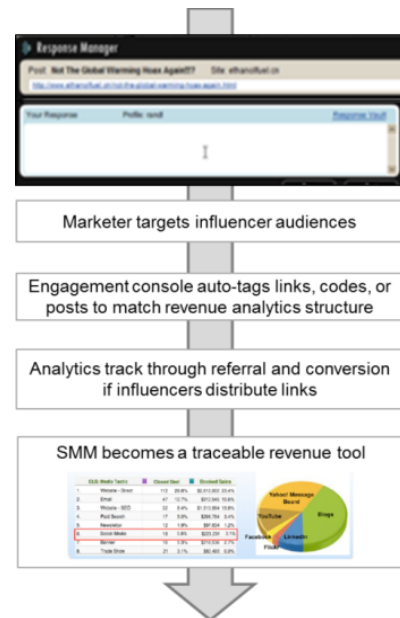
### A few things we would be interested to see

#### 1) Engagement integration with revenue analytics tools

One key thing we believe could increase the value of tools:

- For promotional or push marketing, creating traceable technology to auto-tag a response or a link pushed to a certain channel from the engagement system – eg, a promotion link
- This could enable end-to-end engagement not only to gauge effectiveness in spreading word-of-mouth, but to help bridge the gap between current SMI analytics and financial performance metrics (*Figure 24*)

Figure 24: Traceable engagement



#### 2) Create a new revenue platform for Search and new ad platform for marketers by addressing consumer demand for real-time social media content

What if Google or Bing embedded a consumer-facing UI in search results to feed real-time data streams and behavioral ad-serving? By clicking through a social media link, consumers themselves could view or even engage in the real-time social media streams.

Not only that, Bing or Google may have an entirely new ad platform. Advertisers relevant to the topic generate even more highly-qualified traffic and space. For example, Disney may want to promote the Jonas Brothers’ 2010 tour and movie, Camp Rock 2, to drive revenue and develop consumer insight, engagement, and marketing strategy. Seem silly? In our sample, the Jonas Brothers generated 15,000 posts daily – not quite Justin Bieber, but significant.

In *Figure 25* below, a fan searches Jonas Brothers, and an SMI icon appears. By clicking through:

- Consumers can see and engage all the streaming social media content
- Bing or Google can create a new social media search-based revenue layer
- Corporate users and advertisers can engage customers directly via the tool...or entice them to click to a revenue-driving action, in this case highly-targeted music / concert / movie call-to-action ads

Figure 25: Icon next to search result clicks through to new SMI layer, where ads are served with real-time content (Note – visuals are mock-ups)





### 3) Integration of semantic search focused on critical relevant topics

Integrating true semantic analysis (not “semantic” as ReviewPro refers to sentiment analysis) capabilities would move beyond what you explicitly define as topics and create the ability to identify relevant content to help you engage in opportunities or issues you might otherwise miss.

As systems are designed today, a customer / advertiser will narrowly define topics and keywords to get the most relevant data, but might miss conversations centered on other topics that could impact the tracked topic. The automated tool could then both enable the client to narrowly define topics, but also grab trends of growing relevance it could not catch explicitly. Relying on human monitoring (ie – your marketing managers) of news and topics can help you be quite vigilant, but still miss things that could be important.

An example? Microsoft could track specific Windows Phone 7 topics but miss conversations around Adobe's feud with Apple over its rejection of Flash, which has great relevance to WP7's technology and positioning.

## Conclusion

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The flood of social media is only going to grow. SMIs offer a world of promise retailers, brands, and consumer lifestyle firms, and consumers are proving to have a tremendous appetite for the content they capture and analyze, creating opportunities to gain valuable knowledge about what consumers are saying about your brand and competitors, engage consumers and influencers, and potentially streamline functional marketing costs.

That said, SMIs need a lot of work, and the technology should continue to improve. As the space shakes out and further investment yields progress, companies should look to these tools as a valuable marketing platform.

But beware the reality vs. the promise now and be diligent in peeling back the onion to evaluate true performance relative to the direct and indirect costs.

#### About the Author

Jonathan Alford brings over 14 years of experience in business and technology related projects. He has proven success in driving strategic vision and implementing performance improvements across large corporations and small ventures.

#### About Lenati

We focus our keen market insights and knack for creating innovative user experiences on helping you optimize every stage of the customer lifecycle. We ensure audience awareness, drive customer acquisition, and help build brand loyalty. Based in the Pacific Northwest, Lenati is well-known for intellectual rigor, practiced expertise, and an uncanny ability to perceive and meet clients' needs.