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Profitable Use of
Social Media Monitoring
A report on how to implement strategic social media monitoring

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EXECUTIVE SUMMARY

Social Media is probably one of the most fashionable and celebrated trends of the decade and while worldwide experts engage in the debates about its longevity, it is impossible to deny that emergence of social media has changed the nature of corporate strategies. The explosion of social media forced businesses to acknowledge the importance of consumer opinions and the value of two-way transparent communication.

The most advanced business solution available today is via the business intelligence gathered through Social Media Monitoring (SMM) applications. Whether SMM represents a service or software, the platform provides extraordinary potential to monitor and measure consumer behaviors, and offers companies the data analytics required for strategic planning. This paper is set up to define the useful features of contemporary social monitoring systems, as well as the drawbacks, such as the lack of semantic web data analysis abilities. The reader will be pleased to find comprehensive highlights of SMM usability and pointers on how to optimize online monitoring to facilitate productive participation and in particular, via social communities.

While SMM contains many practical features, maximizing the benefits of the platform ultimately depends on usability of its findings in departmental or organizational strategies. The challenge to find the perfect placement for social media strategy brings up the questions of the purpose of the strategy. This paper defines strategy as a plan of action to achieve a particular goal and brings to the attention of the reader the fact that ROI results not from the quality of tools, but from clear goals for which these tools will be used. The discussion further continues to address strategic advantages gained from proper SMM, such as trust, influence and cost-effectiveness, as well as the process of further sustaining these advantages.

This paper should not be viewed solely as a 'self-help' piece on SMM, rather it identifies the considerations and strategies related to formulating a plan that addresses ways to benefit from getting involved in the process.

If you have questions, comments or suggestions please visit us or follow our blog at www.socialstrategy1.com or call us directly at 904.273.2440.

Business Landscape In an Era of Social Media

In 2000, Malcolm Gladwell, a reporter for Washington post published the book "Tipping Point", where he described how a profitable marketing strategy can be considered a social epidemic: "Ideas and behavior and messages and products sometimes behave just like outbreaks of infectious disease. They are social epidemics." He was not aware about that his description of social epidemics would become corporate reality in as little as 5 years. Social media represents a contagious explosion that has revolutionized business management, as social platforms give a voice to literally everyone.

In 2010, companies have started to realize the potential of social media by viewing the social web as an outlet to push products and services, build buzz and engage consumers. Though many companies have started participating in social media platforms, most of them are doing it without a clear, well-planned strategy. Some corporations simply lack consistent social strategies, however most lack strategy completely. Fortune's 2009 list of the top 100 CEOs shows discouraging figures on how many CEOs were using Facebook, Twitter, LinkedIn, Wikipedia, or had a blog. The study showed:

- Only two CEOs had Twitter accounts and 81 percent of CEOs did not have a personal Facebook page.

- Only 13 CEOs had profiles on the professional networking site LinkedIn. Three CEOs stood out with more than 80 connections but they were all from technology companies — Michael Dell from computer manufacturer Dell, Gregory Spierkel from technology products distributor Ingram Micro, and John Chambers from Cisco Systems Ltd.

- Three quarters of the CEOs did have some kind of Wikipedia entry, but nearly a third of those had limited or outdated information, such as incorrect titles, or lacked sources.

- Not one Fortune 100 CEO had a blog.[1]

Sharon Barclay, editor at UberCEO.com commented that : *"It's shocking that the top CEOs can appear to be so disconnected from the way their own customers are communicating. They're giving the impression that they're disconnected, disengaged and disinterested."*

While the corporate world is trying to discover how to control and to benefit from the new ways of communication, technology has reached a point where everyone has a voice. Of course not all online users utilize the privilege of open and unobstructed to communicate, but those who do have proven to be extremely powerful and capable of changing how individuals, companies and communities behave. The average consumer mentions specific brands over 90 times per week in conversations with friends, family, and

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[1]   Reuters' CEO Tom Glocer has a blog and a Facebook presence. *Courtesy UberCEO.com.*

co-workers[2]. For those brand marketers still neglecting (or underestimating) digital, it's as if they've shown up to a cocktail party in sweatpants[3].

Enterprises today require "social strategies": fundamental customer relationship strategies that turn traditional, antisocial corporate behavior into real monetary value. This is the basic premise of growth in the next decade and beyond.

The Rationale For Social Media Monitoring

Social Media Monitoring (SMM) is a service that provides clients with documentation, analysis, and links to social media content of interest to the clients. The reporting format varies from a simple overview of comments to the aggregated dashboard filled in with multiple diagrams that catalogue frequency, geographic location, sentiment, and relevancy of dialogues related to business or industry.

SMM is valuable for companies regardless the degree of their involvement in online communications and their current communication media mix. Customers, potential prospects, internal users, competitors and even employees are talking about brands and industries via new social media platforms and the rigorous analysis of their conversations can result in the following benefits for different business units:

New Type of Consumer Research. Until now the primary methods of consumer research were focus groups and massive questionnaires that were quite costly and to some extent biased. Today the optimization of two-way communication has enabled companies with not only more cost-effective, but also more accurate ways to research the consumer groups. SMM allows the detection analysis and categorizing of all online opinions, without launching a mass direct-marketing campaign. Furthermore, as the online comments are voluntarily, the quality of data represents the highest quality of consumer investigation, which lacks the bias of research design and implementation.

Base for Strategic Decisions. The discussion threads and comments by influencers provide extensive data for the companies to ascertain new market needs, direction in industry trends as well as the strategic moves of their competition. The formulation of strategic decisions always requires substantial data and extensive research. However, with a well-functioning SMM platform companies can eliminate numerous research departments. As the world knowledge library migrates online, competitive and industry research is now more accurate and accessible than ever.

Reputation Management. The analysis generated with SMM can help to identify the company's current online reputation. Customer service teams now can use monitoring platforms to identify aggravated comments and identify problem areas. Furthermore, social media monitoring allows businesses to identify the source of influence enabling immediate engagement and reputation management. Systematic

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2   Keller Fay, WOMMA,
3   Razorfish Digital Brand Experience Study, 2009

monitoring can also serve as an integrated crisis communication platform. SMM can timely anticipate the issue, before it hits main-stream media, as well as locate the direction of communication efforts, if the crisis is in its culmination phase.

Management of Social Media Monitoring

Social Media Monitoring generates an extensive amount of data, yet, not all social monitoring platforms supply the analysis or at least comprehensive categorization of these data. Hence to benefit from the process of social media monitoring, one should not only pay attention to the quality of the data generated, but also to the methods of aggregating and coordinating this data in a way that provides valuable insights for your organization. Listed below are recommended approaches to social media monitoring:

Negative Reactions

Watch for posts containing complaints about products or services, company brand, management and staff, as well as competition and overall industry. Catching something early enables companies to show their level of responsiveness in times, which can lead to new business; particularly when monitoring competitive mentions. A complaint is an opportunity to demonstrate problem-resolving abilities, and also draw out other comments by others with the same or similar concern. Responding quickly to even the most upset customer can generate future positive posts about how the company resolved a problem. By responding to negative comment about competitors has been proven to result in additional business.

Positive Compliments

By incorporating ratings and reviews into websites, and participating on sites containing bi-directional communication, companies can discover untapped unsolicited positive feedback. Customers appreciate when they are the first to know about the launch of new product, or when they are included in a trial or beta testing. This level of customer engagement produces positive commenting and organic SEO. Marketers should utilize such comments as testimonials, which are far more credible than company-paid advertisements.

Influencers

The real power of influencers lies in the number of times they post on a given topic, the number of people who link to their posts on that topic, the number of people gathering to comment, and how engaged visitors to these posts become. A company can identify the tune of influencers and find out why they advocate its brand or why they are oppose its brand.

User Pulse

Social media is an excellent platform for understanding the pulse of customer. A well-thought out campaign, like that used by Grasshopper[4] in their company rebranding campaign can identify which buzzwords have an

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4   The Grasshopper rebrand campaign http://grasshopper.com/a/5000_final.pdf

impact on influencers and their buying decisions. Using SMM, a company can identify which social media sites are discussing its brand or its competitors' brand, and which words are trending in threads. Using keyword analysis, influencer relations and monitoring sentiment helps to identify the where influencers congregate online, and provides valid suggestions for targeting already engaged and valuable customers.

Identifying Need

Social media enables a company to identify users' needs. Consumers and potential customers often ask for suggestions and guidance for their needs and before they make a decision. A company can seize this opportunity to offer solutions such as product tours, webinars, trials and offer to provide solutions to issues in order to expand its customer base.

Conversation Index

The so-called "Conversation Index" (a term coined by blogger Stowe Boyd) is the ratio between blog posts and comments-plus-trackbacks. Organizations can use this index to measure whether a blogger is doing a lot of writing with very little uptake or response on the part of the readers, or the opposite, where the audience seems to be hanging on every word and eager to contribute to the conversation. This helps a company measure the user participation and engagement.

Beyond Social Media Monitoring: The Importance of Human Analysis

In the age of Google and iPhones, the computer-dominated world seems like a reality once depicted in a famous blockbuster Matrix. While digitalization of simple human activities seems to be more time-and task-efficient, more complicated activities and types of research still require the "human touch". Social media monitoring is one of the examples of high value for the human analysis, especially with the launch of sentiment analysis features.

The automatic measurement of Sentiment is a relatively new technology in the world[5] and at the same time one of the most promising features of multimedia monitoring. As the ability to classify online conversations by the tone of voice can greatly optimize the benefits of online research. While humans have no difficulty understanding the tone of the text, the recent comparisons[6] showed that automated sentiment extraction tools leave much to be desired: 'we compared automated sentiment analysis with the findings of human analysis… And the outcome suggests that automated sentiment analysis cannot be trusted to accurately reflect and report on the sentiment of conversations online'[7].

The major challenges to digitalize sentiment analysis in social media result due to the abrupt and flowing character of the comments. Tweets are probably one the best examples when the comment is taken out

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5   Sentiment Extraction: Measuring the Emotional Tone of Content; Lexalytics white paper; 2010
6   Comparisons were conducted by Fresh Networks Blog
7   www.freshnetworks.com The Problem with Automated Sentiment analysis; Matt Rhodes; May 2010

of the context and expresses a hard to identify nature sometimes followed by the link, such as "Check this out: http://bit.ly/dyQzLf". Furthermore, the availability and interconnectedness of multiple social media platforms (ie. blogs connected with Twitter and Facebook) take the comments out of the context.

The challenge of identification of sentiments in social media environment is challenging not only for computers, but also for humans. Below are the regular social media comments who would confuse even the most intelligent human being:

"I hate blackberry"
Does the statement refer to the type of berries or to the popular phone brand?

"Check out the last update from Dell"
Does the author refer to the brand of the computer or to the statement of the founder of Dell computers Michael Dell?

Even more challenging is to distinguish complicated forms of human communication as contextual jokes and sarcasm:

"Wow, my ISP, FatPipes, is so awesome, they know I spend too much time online and take my connection down now and then just to give me a breather"
Can you software interpret this statement as negative rather than positive statement?[8]

While the inability to identify the sentiment of some of the user-generated comments may seem a non-relevant feature, the risk for such negligence is high. The inability to target and categorize the sentiment challenges the entire quality of the monitoring process. Secondly, the wrong classification of the sentiment such as "I totally agree" into positive, while the phrase refers to the harsh critique of organization can jeopardize the whole goal of reputation management.

After the review of the most popular social media monitoring tools[9] it was established that 'automated sentiment analysis fails in its role of helping brands to make real decisions and to react to conversations about it online'. To conclude, while social media monitoring represents a great strategic tool, one should not leave this process fully digitalized, at least at these stage of development.

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8   "The Social Web Analytics eBook" by www.socialwebanalytics.com
9   The review is conducted by Flash Networks Blog

Strategic Implication of Social Media Monitoring

From Analysis to Action

The main function of Social Media Monitoring is to provide the company with daily comprehensive and overview of online dialogues. However, the knowledge of one's online environment is just the first step on the ladder of corporate value from social media. To gain any benefit from the data, one needs to utilize the insights in the process of corporate strategy formulation. The data can be incorporated either into the master corporate strategy, into the marketing plan or into the individual planning of corporate divisions, depending on the goals, industry and the character of organization. Here is the small outline how different parts of strategic action plans can benefit from acquired data:

Marketing

- Gives insight and direction about what is discussed online about an industry and brand

- Determines the location and communities of target groups

- Locates advocates and influencers for a company's brand

- Determines what keywords and phrases are used in those discussions that will assist in SEO and messaging placement

- Offers valuable competitive intelligence on positioning and how it pertains to the host company

Sales

- Provides patterns of behavior with online conversations and actions that can assist in timely lead scoring and distribution
- Ensures prospects, advocates, and naysayers are finding the right information on a company's brand
- Assists in providing the sales team with "trusted source" intelligence to leverage in their efforts
- Provides an avenue to engage in sales activities in online conversations

Support

- Locate where and how people are assisting each other with solutions to issues on products or services

- Gives valuable insight on what social media channels to leverage for support

- Using Twitter and similar websites as an early warning or support update tool to lessen the strain on

other customer support issues that may just be of an informational nature

- Direction on how to guide the online audience to use online tools for updates, product support, and FAQs

As U.S. astronomer Clifford Stoll pointed out: "Data is not information, information is not knowledge, knowledge is not understanding, understanding is not wisdom", **making the point that results of SMM may look impressive, but are irrelevant unless applied within the perspective of organizational strategy and corporate objectives.**

Gaining Strategic Advantage

The crucial feature of successful SMM is the integration of collected data with the business objectives of the corporate strategy. While the terms such as "short-term objectives" and "long-term goals" are very abstract and vary from company to company, the main strategic advantages of social media stay the same: trust, influence, and cost-effectiveness.

Trust

Management gurus across the globe agree that the most invaluable competitive advantage of an organization is the trust of its customers, employees and partners. "Trust is the one thing that affects everything else you're doing"- It's a performance multiplier which takes your trajectory upwards, for every activity you engage in, from strategy to execution." says Stephen M. R. Covey, the author of "The Speed of Trust: The One Thing that Changes Everything"[10]. Mr. Covey insists that true collaborations, teamwork and partnerships, that are key ingredients of globalized marketplace, require trust –"Compliance does not foster innovation, trust does".

While it is hard to disagree with Mr. Covey, the challenge is that there has been a continuing erosion of trust across numerous business sectors in America: 75% of people don't believe that companies tell the truth in advertisements[11]. According to the 2010 Edelman's Trust Barometer, "the most credible source of information about a company is now 'a person like me' which has risen dramatically to surpass the doctors and academic experts for the first time". This means that social media represents today the most powerful media source to establish crucial element of strategic advantage – trust. Transparent and timely one-to-one communications with numerous stakeholders can not only increase loyalty but also increase profits.[12]

Influence

Communication in social media environment leaves a digital trail, which can be identified and tracked back to the source by means of SMM. This little feature is more than a new trick for the private investigators, but a

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10   http://www.emorymi.com/covey.shtml
11   (Yankelovich)
12   Bain & Co claims that boosting customer trust by 5% can increase profits by anywhere from 25% to 95%

compelling ability to change online publicity, reputation and even opinions. By tracking the most influential posts back to the source, the company can identify its most prominent influencers and use their presence to its own benefit. Some participants have more influence, then the others; some challenge someone else's influence, while other remain just under the influence of communicator. But the fact that nearly two in five adults online (38%) say that they aim to influence others when expressing their preference online[13], already signifies the impelling nature of online conversations.

Cost-Effectiveness

When Naomi Klein, a major critic for advertising coined the rule of law of gravity for advertising spending ("If your budget isn't rocketing upward you will soon come crashing down")[14] she definitely could not foresee the change of marketing budgets with the emergence of social media platforms. While the experts are currently arguing that the costs of online campaigns are competitive with the traditional ones, one cannot deny potential costs savings from guaranteed allocation of target audience or certain ways to reach them. A comprehensive SMM can provide deep insights where your customers, prospects or influencers are located, as well as it can track their migration through the different communities. The implication of this knowledge is the cost saving from numerous marketing campaigns, which consume tremendous resources because of inability to reach or to capture the attention of target audience. Hypothetically the cost-effectiveness from free publicity generated by users, as well as from better insights into the market needs.

Sustaining Strategic Advantage

No matter which competitive advantage (or the combination) the corporation has chosen to gain as a result of its online monitoring efforts, every strategist knows that the imperative is to sustain this advantage. The following section discusses ways to sustain the knowledge gained through SMM.

Sustaining Trust

The question of sustainability of corporate trust will inevitably lead to the question of establishing personal trust. It is not a secret that individuals reach trust within community or within a relationship by means of being honest, kind and sensitive to others. While it is easier said than done that corporations should be transparent, there are some new ways to insure how to keep the brand of trustfulness.

Charles Handy, philosopher specializing in organizational behavior suggests that longstanding 'trust needs touch'. This 'touch' can be interpreted as shared social norms, repeated interactions and shared experiences[15], which imply highly proactive type of communication from the side of corporations. Hence, sustainable trust is more than just transparent one-to-one conversations or new direct social media promotions. While consumers can have favorable reaction better positioned promotions, the trust has to come from more intensive

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13   Harris Interactive, June 2010
14   Naomi Klein, "No logo" 200
15   "Your Brand: At Risk or Ready for Growth?" by Alterian

engagements such as: creating communities, providing information that goes beyond selling proposition and engage in co-creation of content, i.e.. instead of bombarding the audience with press releases and advertising videos, comment on their content.

Sustaining Influence

Although some Social Media Monitoring systems can identify the most active or the most interconnected user, to achieve the maximum influence a company should recognize the different types of influencers and thus different approaches of communication with them. The main two types of influencers are called 'Starter and 'Spreader'[16]:

- ✓ The Starter. The person is typically is creative, forms opinions and articulates them well. Has the ability to state a view at the right time. [His] readership is not necessarily large, but views the individual as trustworthy.

- ✓ The Spreader. The person thrives by sharing opinions and wants to do it first. He is trusted and has large readership.

The list of influencers was eventually extended to three more types that can have a significant impact on the community[17]:

- ✓ The Adapter. The person takes opinions of others and reforms them so that it is tailored to their bespoke niche group. This information is then published and spread to a smaller but highly targeted audience.

- ✓ The Commentator. This person doesn't create content, but reads the views and opinions of others and takes part in conversation via adding comments. He is far more likely to share the knowledge of this topic with their peers through offline discussion rather then published content.

- ✓ The Reader. This person does not create any online content. However, they tend to be a vociferous consumer of information to which they read, learn and share with their peers in the offline world.

Recognition of these different types of influencers and decisions on which ones to involve or impel is crucial to achieve maximum impact on social involvement investments.Additionally, the goal of sustaining the influence, has to recognize the dynamism of online environment: influencers change, migrate to new communities, lose credibility, etc. The meaningful influence comes from right mapping of the communication environment at a certain point of time. Hence, the capabilities to constantly monitor and the ability to change are the fundamental methods to sustain influence in online environment.

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16   Following the study by Jeff Jarvis
17   Extended by Jonny Bentwood "Distributed Influence: Quantifying the Impact of Social Media"

Sustaining Cost-Effectiveness

Cost-effectiveness of SMM directly depends on the social media technologies and structure, thus any forecast on the potential budgetary savings is inaccurate to say the least. Nevertheless, based on the previous development of Web 2.0 and lessons from other industries it makes sense to hypothesize that learning curve can make the cost-efficiency advantage sustainable. While social media management can be painful in the beginning, early adjustments to the corporate infrastructure or at least lessons in market uncertainty can greatly advance business.

Turning investments in SMM into Profits

The holy grail of any investment is to see the Return and effectiveness on investment. Due to the fact that social media still remains a very recent phenomenon; there is still uncertainty and debate about the measurement scales, approaches and software. Some experts claim that it the most attention should be dedicated to the metrics one uses, as these metrics should be aligned with the metrics that the company currently uses or is comfortable with[18]. Others say that the two most important metrics are influence and engagement[19] (though very few provide consistent guidelines how to measure these parameters). This paper is not intended to present a universal solution for measuring social media, but to create guidelines for effective and investment-justifiable use of social monitoring systems. For the arduous efforts of listening to numerous conversations not to go in vain there are certain precautions that need to be established before purchasing any SMM.

The Rationale. Before you will reach for the pocketbook to pay for the fancy SMM platform, establish the clear goal of what are you planning to achieve: either you are trying to watch industry trends and competitor moves, or you are trying to increase awareness through digital technology, or you plan to apply the online feedback to improve the quality and functionality of your product. With the speed and volume that are so typical for social media, it is very easy to get overwhelmed and to lose focus. Enter the the social media world with a solid plan and try to organize your findings according to your objective.

Time Commitment. Unfortunately one can't get loyalty, influence and reputation in a month. Social Media is not a billboard campaign that has certain objectives on exposure; social media is in essence a customer relations platform that comes with benefits of marketing possibilities. Thus time commitment is one of the

vital factors for revenue-generating SMM. Depending on the size of your business and the amount of online conversations about it, one should define the time frames, starting with trial period of 6 months for small businesses and 3 months or larger companies. On average, the current media environment dictates a year trial period (but it can soon change due to the vibrant character of this media type).

Power of Execution. The most important ingredient of a worthwhile SMM is the power to apply the findings

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18   http://www.socialmediaexaminer.com/4-ways-measure-social-media-and-its-impact-on-your-brand/#more-3597
19   http://econsultancy.com/blog/4887-35-social-media-kpis-to-help-measure-engagement

and the designed tactics. Whether the company outsources SMM or has an internal "New Media" department, the decision-making capability is critical. If the findings of SMM keep piling up on the tables of the executives, social media involvement is losing effectiveness, as these reports are valid for maximum a week. The first step into getting benefits from Social Media Monitoring is to enable people who do it (or oversee it, if outsource) to have the capacity to immediately act upon what they encounter.

In conclusion, social media strategies seem no more than turbulent versions of traditional business strategies. Both require kernel for every decision, both demand integrative approach to implementation and both need to reach high-level decision-makers. The crucial difference is speed: social media strategy is a traditional strategy on steroids – it requires much faster decision-making mechanisms, uncertainty acceptance and flexibility. Thus it also requires special infrastructures and research technologies that allow higher rapidity. Nevertheless it is important not to get obsessed to become a speed reader of social media comments, but to be a speed judge of consumer communications.