Unlocking value from social data

By Matthew Egol and Brett Hurt

Marketers have a unique opportunity to tap into online conversations between people and the brands they care about. Consumers are voicing their opinions and desires online more prolifically and loudly than ever before, creating a watershed moment for marketers to establish deep human connections with their customers and to influence their purchases.

To date, marketers have focused on the analytics of more structured data, such as transactions, e-mail open rates, and offer redemptions. The issue is that much of the volume of social listening data from Facebook, YouTube, Twitter, and other social media comes to marketers unstructured — meaning that the content is not directly linked to a specific product or person, which makes it difficult to derive actionable insights from it.

The opportunity surfaces when brands and retailers encourage these conversations on their own websites, mobile applications, and social network pages. The social data derived from these sources can be structured and analysed to reveal valuable insights for how to better influence behaviour along a shopper’s path to purchase and to help marketers push decision-making to the right places in the organisation.

Businesses can proactively provoke social sentiment and capitalise on insights from its analysis in four interconnected ways:

Opportunity 1: enhancing the return on investment of marketing campaigns

Marketers can use social data insights to craft the right messages for the right products for the right audience to increase the return on their marketing spend. Some brands and retailers have measured a threefold increase in redemptions when they optimise content in circular advertisements on the basis of customer feedback.

Brands can also achieve a significant increase in engagement for online display advertisements that embed social sentiment content, driving an increase in time spent, brand favourability, and purchase intent. Beyond this, marketers can benefit by using language that resonates with their consumers for their in-store displays, product packaging, and online content.

Opportunity 2: optimising conversion across channels

Brands and retailers can significantly increase conversion when they integrate social content throughout the customer experience, including websites, mobile, and social properties. When branded suppliers and retailers collaborate to answer shoppers’ questions on the product pages of their websites, they convert shoppers to buyers more quickly.

Opportunity 3: strengthening product innovation

Breakout innovation typically combines an unmet market need with a unique advancement in technology or service delivery. Enhancing marketers’ ability to identify unmet needs earlier in the development cycle and pushing valuable insights to the right decision makers can drive a higher return on innovation spending.

Opportunity 4: unleashing the voice of the customer

Empowering employees to base their decisions on online customer feedback can also drive brand value. In addition to flagging customer service problems faster for action, marketers can build capabilities to resolve issues before they affect product return rates or negatively impact word of mouth.

On a weekly basis, L.L. Bean, the US retailer, uses social data, back-order status, and reviews. It also shows trends by category, as well as average rating and the percentages of one, two, three, four, and five-star reviews. The second report shares details about the highest-rated and lowest-rated products for the past week.

If the item is rated three stars or below, it generates a discussion internally. In many instances, the team responds directly to the customers to resolve the issue and will even remove the product or amend associated sales materials.

Marketers are a driving force in transforming the economics of commerce. Their most fundamental task today is managing the connections among, and between, consumers and their brands. By better tapping into this rich new data source, marketers can drive significant value across their advertising and promotions, e-commerce, product innovation, and customer experience capabilities.

To gauge how well companies are using and learning from digital data, Booz & Company and Bazaarvoice have launched the Digital Customer Centricity Profiler, a tool that helps companies assess their capabilities for customer centricity in comparison with leaders in their markets and other industries. This free survey tool can be found at beadigitalleader.com.

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