

THE STATE OF Social Media Analytics



Getting to Know You: How Leading Marketers Are Using Social Media Analytics

» Marketers are expanding their use of advanced social media analytics and combining the insights from those tools with other enterprise data to learn more about their customers and their prospects.

A 2015 survey from the [Social Media Examiner](#) found that 96% of businesses are using social media in their marketing efforts.

Social media analytics can play a vital role in helping marketers gauge the results of their efforts and better understand how the world perceives their company, brand, and products or services. To learn more about how businesses are using social media analytics today and how they plan to use them in



the future, UBM conducted a survey sponsored by IBM in January 2016. In all, 389 business technology professionals involved in social media analytics at their organizations took part. Respondents came from companies of all sizes and a wide variety of industries.

The results revealed that a higher percentage of marketers employ social media analytics to enhance their understanding of their customers and markets. However, they want more if they can get it. They are curious about their customers' opinions and preferences. They want to gain insight into their corporate reputations and the ways their brands are perceived — perhaps to get an early warning about any potential problems or concerns. In addition, they are considering more investments in analytics to make new discoveries about their target markets by, for example, combining social analytics data with other enterprise data and using it with capabilities such as predictive analytics.

Learning More About Customers

Marketers want to know customers and want to anticipate what they need. They are using social media analytics to ask and answer questions that help them better define their marketing campaigns and build stronger brand reputations. According to Elcenora Martinez, director of offering management for Cognos and Watson Analytics at

IBM, "Organizations want to use analytics on social data to capture sentiment and determine reach, to gauge the success of a specific campaign or new product launch, and to gain insights they can take action on."

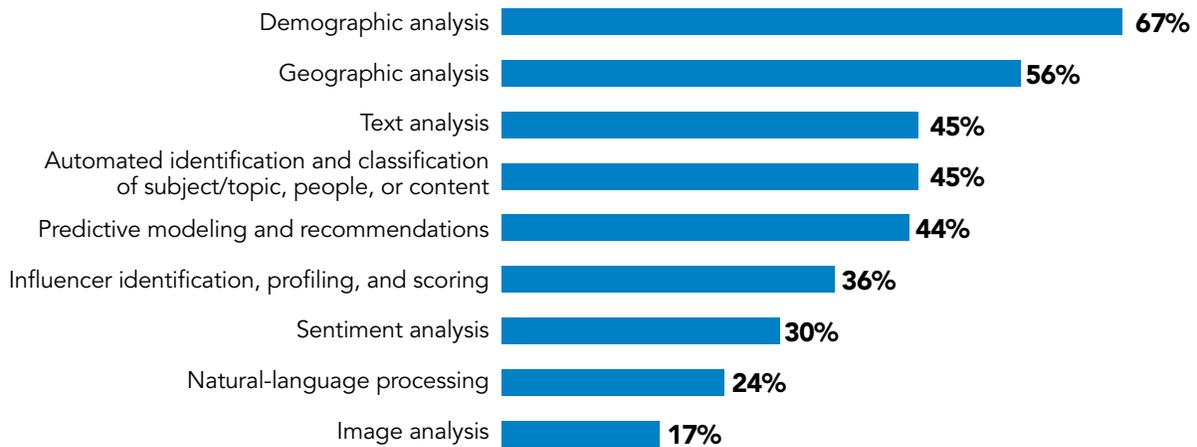
Martinez explains that the objective for many marketers is to validate the marketing spend

Figure 1: What questions are you trying to answer with your social media analytics program?



Note: Multiple responses allowed
Data: UBM survey of 389 business technology professionals involved in social media analytics, January 2016

Figure 2: What kinds of capabilities do you need in a social media analytics tool?



Note: Multiple responses allowed
 Data: UBM survey of 389 business technology professionals involved in social media analytics, January 2016

and investments in their campaigns and tactics. However, determining their general reputation is also important, so they can take action to correct a market misconception or capitalize on brand identity. In addition, she says, they want a quick way to identify problem situations that customers may be encountering related to online ordering glitches, shipping details, low product inventory in a specific region, poor quality or customer service, and much more.

“Social media is a direct line from a customer to the world,” says Martinez. “It is the key to securing unadulterated opinion data and employing analytics to learn from the patterns tied to sentiment. Social media analytics captures that unstructured data from millions of online sources and transforms it into meaningful lessons that can help marketers take action.”

Interestingly, questions about products, competitors, and partners ranked much lower in the survey responses than questions about customer thoughts, feelings, and opinions. Current social media analytics use is focused primarily on gaining insights into target markets and improving

customer satisfaction and brand reputation.

This conclusion is also supported by the responses to another question in the survey. When asked what kinds of capabilities they need in a social media tool, 67% of respondents selected demographic analysis, and 56% selected geographic analysis. Again, these help organizations learn more about their target markets rather than about products, competitors, or partners. Marketers have been segmenting their target audiences by demographics and geography for generations, and most continue to expect these abilities from newer software.

But Martinez points out that some marketers are interested in software that can help them do much more. Some social media analytics tools can add insights about customer sentiment to the demographic and geographic detail to evaluate that data from a different point of view. Some newer capabilities, such as natural language processing, appeared on the survey as important criteria for leading marketers who would like to leverage new technology in the social analytics sphere.

Combining Social Media Analytics with Other Enterprise Data

The survey revealed that one key way marketers hope to learn more about customers and prospects is by combining their social media analytics with other enterprise data. Although only 16% said that they were already combining their social media analytics, 39% responded that they would like to do so in the near future. Only 17% said they were not interested in combining enterprise data and social analytics.

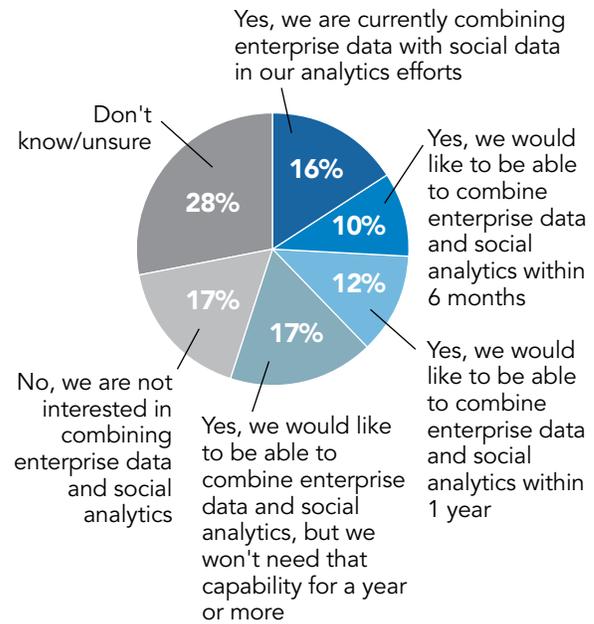
The most critical enterprise data that organizations want to integrate with their social media analytics includes customer service/customer relationship management (CRM) data and marketing data. A majority also said they wanted to combine social media analytics with website traffic logs and sales or e-commerce data. Linking multiple data sources and integrating them with social media analytics can give marketers the ability to:

- Uncover insights that could help them better target their marketing
- Improve their customer service
- Drive more revenue
- Offer their customers a more personalized experience

How? By enabling marketers to build out a profile of their customers and their preferences. They can offer an enhanced customer experience to those who interact with their organization. And this integration allows marketers to refine campaigns and tactics to provide a more personal experience. For example, would this customer prefer an email or a text when a new sale is announced?

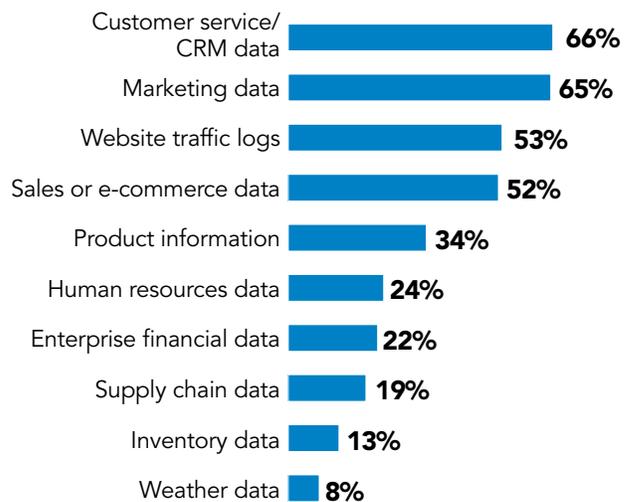
For many organizations, this ability to integrate data and social media analytics is a very important part of their overall digital business strategy. A separate study, the [Altimeter 2015 State of Social](#)

Figure 3: Is your organization looking to combine enterprise data with social data for a unified analysis?



Data: UBM survey of 389 business technology professionals involved in social media analytics, January 2016

Figure 4: What kinds of enterprise data would you like to be able to combine with your social analytics?

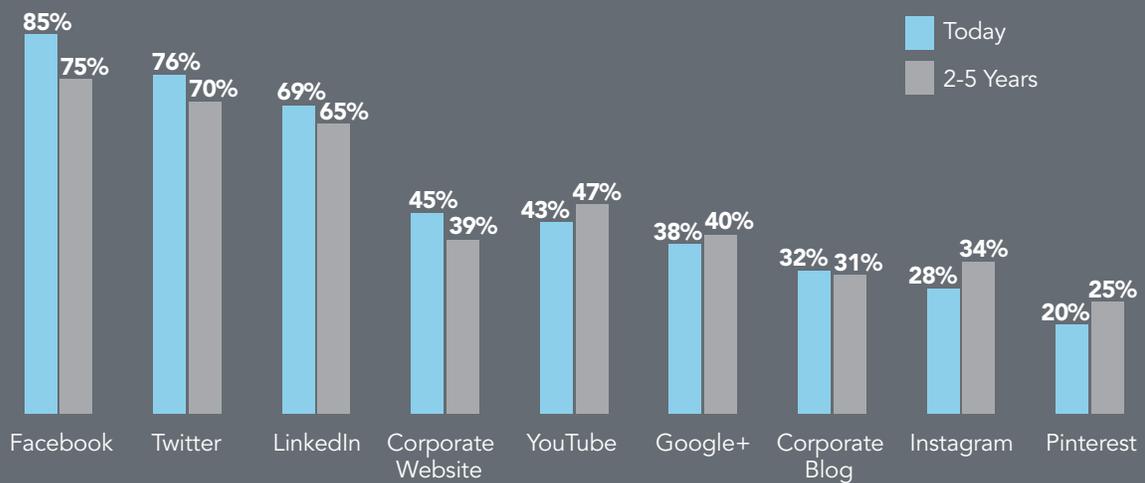


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Most Important Sources for Social Media Analytics Data

In the survey, social media analytics users were asked to identify which social media sites are “must-have” sources of data today, and which they expected to be “must-haves” in five years. Not surprisingly, Facebook and Twitter were the top responses for today, although marketers expect their importance to diminish slightly over the next two to five years. Corporate websites and blogs are also expected to become less important. By contrast, respondents said YouTube, Google+, Instagram, and Pinterest will likely become more important to analytics efforts in the coming years.

Which are your “must-have” social media data sources for your analytics program today? Which do you expect to be your “must-have” social media data sources for your analytics program over the next two to five years?



Note: Multiple responses allowed
 Data: UBM survey of 389 business technology professionals involved in social media analytics, January 2016

[Business](#) report, found that the current top social priorities for organizations are to better integrate social media with existing digital programs and to develop an integrated digital content strategy.

This focus on integration marks a significant shift in the ways companies are approaching social media. Instead of simply listening to what customers are saying and using that information in conjunction with CRM packages for one-on-one engagement, they have entered a new phase. Their new objective is to use social media analytics together with other data sources and tools to help them discover patterns in behavior and preferences so they can better target markets.

Adding New Analytics Capabilities

“Marketers are on the frontlines of social media and of social media analytics,” says Martinez. “This statement is further evidenced by survey findings that revealed that a group of marketing visionaries plan to go even further with their analytics.” Not satisfied with basic social media analytics and integration, these marketers want new features, such as predictive modeling, forecasting and natural language processing.

In the survey, predictive modeling and recommendations were particularly popular, with 44% of respondents saying that they need these abilities. A predictive element combined with social

media analytics allows organizations to forecast what customers will want next and prepare to meet those needs. For example, manufacturing services firm [Jabil Circuit](#) uses its social media analytics to gauge user sentiment as part of forecasting production and shipping needs. In one case, it was able to improve its four-week forecasts by 18%.

In addition, nearly a third said they needed sentiment analysis, about a quarter needed natural language processing, and 17% wanted to be able to do image analysis. To provide these sorts of abilities to marketers, vendors will likely need to add machine learning or cognitive computing technology to their analytics. Organizations should look to those who are already using cognitive technologies to help them:

- Gain a holistic view of their markets
- Extract more accurate insights
- Explore topics and related subjects
- See, at a glance, visualizations that can guide their decision-making

Investing More in Social Media Analytics

Based on their responses to questions about their budgets, 47% of organizations expect to increase their spending on social media analytics, and of that number, 71% estimated these increases to be between 3% and 10%. About a quarter said they expected their social media analytics budgets to stay the same. Only 5% anticipated a decrease.



Key Features of IBM Watson Analytics for Social Media

- **Topic Suggestions** — When users type in a topic, the tool automatically generates a list of related terms and contextual information. It understands the meaning of the words and phrasing and offers alternative lists to add into a search.
- **Themes and metrics** — Users can define criteria and break down topics into distinct metrics to enhance the analysis.
- **One-click analysis** — Preconfigured visualizations make it easy to understand the nuances of social media conversations.
- **Automatic deliverables** — Immediate dashboards highlight themes, topics, sources, geography, active authors, and more.

Next Steps for Social Media Analytics

It's clear from the survey results that social media has become an invaluable source of information for marketers. Many organizations see social media analytics not just as a tool that enhances their perspectives on their markets, but also as an asset that helps them predict future customer needs and wants. That enables them to anticipate customer behavior and be prepared to fulfill needs and wants immediately.

Marketers who have experienced success with social media analytics have come to understand how powerful these tools can be. They now want to combine their social data with other types of enterprise information and integrate the results into their larger digital business strategies. They want to take advantage of technological advances that enable them to incorporate social media insights into their digital marketing plans. Being able to optimize offers and target the right customers enables organizations to enhance their customer relationships to build or increase brand

loyalty. That is a recipe for success in any industry and in any market.

The objective, then, for many companies, is to acquire and use a solution that taps into the power of cognitive computing technology and makes it easy to apply social media insights to overall data analytics. "Watson Analytics for Social Media fits that bill," Martinez says. "It helps marketers intelligently search for information about various topics to obtain actionable insights that marketers can use to increase their sales, improve customer service, and make their organizations more successful."

She added that automatic topic suggestions in Watson Analytics streamline the process of refining searches and help users identify related terms they otherwise might not have thought to include in their analysis. Visualizations show relevant and interesting relationships and patterns. And users can combine social media analytics results with other data to provide a more in-depth view of what is happening in the marketplace.

The questions that many marketers want social media analytics to answer are expanding. Our survey has shown that marketers want to move beyond social listening to using insights from social media as part of a larger, integrated analytics process. They want these insights to help them forecast future sales and revenue by combining

Recommendations for Marketers

Organizations that plan to take their social media analytics to the next level should consider tools with these capabilities:

- The ability to integrate social media analytics with enterprise data
- Predictive modeling and recommendations
- Cognitive computing capabilities, such as natural language dialogue
- An intelligent, easy-to-use interface that simplifies the process of performing social media analytics

Sign up today for a [free trial](#) of Watson Analytics and Watson Analytics for Social Media.

them with past buying behaviors and patterns. Many seek natural language processing based on cognitive computing technology, which allows systems to evaluate context and understand the way that humans colloquially speak for even easier analysis of social media conversations and sentiment.

"Social media analytics is changing," says Martinez. "Companies that want to get ahead of the curve should consider a solution that uses context and natural language processing to provide critical insights with laser-like accuracy that can be applied to larger analytics projects." ■