Integrating social media and advanced analytics for richer customer insight

IBM Social Media Analytics and SPSS predictive analytics technology

Overview
Social media has provided consumers with a liberating voice and radically changed the purchasing cycle. Most businesses are now feeling the pressure to get as much information and insight as they can from customer interactions with countless blogs, Facebook, Twitter, discussion forums and other sources. In fact, according to recent IBM global studies of leading companies, the number one priority for CEOs is to engage customers as individuals,1 and the number one priority for CMOs is to enhance customer loyalty.2

As a result, power has shifted to the consumer, compressing margins, changing paradigms and calling for a new approach to commerce. And for many companies, this means acquiring the critical business insight needed to:

• Understand and anticipate customer behavior better.
• Adapt your supply chain based on customer demand and orchestrate interactions between your trading partners and suppliers.
• Market, sell and fulfill the right product and service, at the right price, right time and right place.
• Provide flawless service to your customers by predicting their needs, engaging them and sustaining relationships.

IBM’s combination of social media and predictive analytics solutions can help you address these considerations.
Getting closer to customers

A social media strategy seeks to balance message and media with specific consumer segments. Social media analytics technology captures consumer preferences and opinions expressed on the Internet and applies predictive capabilities to identify new patterns and opportunities. You can then integrate this insight with marketing automation solutions, pinpointing campaigns to specific segments, times, channels and offers, driving consumer advocacy and ultimately revenue.

IBM Social Media Analytics solution helps your company take advantage of everything social media has to offer in terms of getting closer to your customers. It analyzes publicly available information on the web from billions of blog posts and discussion boards. By combining this capability with IBM SPSS® predictive analytics, you can effectively determine the next best action you should take based on what you’ve learned.

The combination of these solutions provides a foundation for linking measurement and the tactical executions of social media to help companies like yours:

- Measure the effectiveness of campaigns by assessing consumer sentiment expressed in social media channels.
- Combine attitudinal and survey-based data with social media sentiment to anticipate and target new segments.
- Gain intelligence and cross-channel reporting and benchmark capabilities from social marketing campaigns.
- Identify order fulfillment to campaigns and predict close rates for new orders.
- Predict consumer sentiment in social channels to segment customer behavior and optimize the ROI for campaigns.
- Synchronize marketing processes to create cross-channel consistency.
- Embed predictive capabilities and propensity models to drive personalized campaigns and micro-targeting.

IBM Social Media Analytics

IBM Social Media Analytics is an analytics application designed specifically for social media. It uses sophisticated software to assess the volume, sentiment and trends in consumer conversations that span different social media. You can use this information to guide your organization’s marketing strategies to be more precise, agile and responsive to consumer demands, allowing you to target or calibrate marketing campaigns to grow market share, enhance reputation and improve customer experience.

IBM Social Media Analytics works by analyzing “snippets” of text that contain the user’s search terms and loading retrieved snippets into a database (Figure 1). You can then search this database by date, region, keyword, the sentiment of the feedback and other factors to gain insight and analyze consumer attitudes toward your brand, products and services—both at a macro level, or drill down into the actual conversation.

Figure 1: IBM Social Media Analytics analyzes snippets of text that contain user search terms and loads them into a database.
In addition, marketers can evaluate dimensional relationships between terms to look for trends, such as the affinity between products and media channel—a feature currently unique to IBM. They can assess related and relevant topic associations above and beyond an initial search, such as clustering of purchasing preferences around a key word.

Lastly, as part of the administrative configuration, IBM Social Media Analytics populates a conformed Cognos Framework Manager package, which can be queried using standard Cognos platform technology. With this package, a report author can create and publish reports, using IBM Cognos Business Intelligence to create interactive dashboards or individual reports.

**Using SPSS Modeler and SPSS Data Collection for social media**

Social media analytics requires the full integration of your enterprise data. Thousands of IBM clients around the world have been using IBM SPSS Data Collection and Statistics software to combine attitudinal and survey-based data (including free-text data) and structured data (demographics, transactional and more) to gain critical business insight for many years. As a result, IBM is not new to the practice of incorporating the world of opinions into the analytics process. That experience is extremely useful in the environment of social media. SPSS solutions help you augment your view of customers with additional critical data to improve the predictive performance of customer models.

With SPSS applications, you can take data from social media interactions and use it to analyze customer behavior in a way that helps you tailor marketing campaigns to attract new customers and increase cross-sell and up-sell potential. The content that IBM Social Media Analytics analyzes in the form of “snippets” is stored in a searchable database (attitudinal) and can be fed into a powerful text analytics platform. You can mine snippets to determine categories and groups of consumers and then survey identified segments, such as social leaders, to ascertain demographics, interests and preferences better.

For example, it is possible to use SPSS Modeler to analyze IBM Social Media Analytics snippets to determine that “coverage” in telecommunications conversations likely indicates churn (Figure 2). With more advocacy, there is more influence. In many cases, however, social commentary is frequently anonymous. In such a case, you can analyze social contributions to determine segments and potential intentions, then survey and mine your customer base or population for similar characteristics. These actions can help you model and target your campaigns more effectively.

![Figure 2: Using SPSS Modeler to analyze IBM Social Media Analytics snippets to determine what might cause churn.](image)

Before long, you can begin to get a sense of consumer segments, such as promoters and detractors, and compare them with benchmark levels of engagement, sentiment and influence, along with propensity to buy. With that knowledge, you can create targeted campaigns that more effectively support viral marketing to specific segments with special offers and promotions to encourage influence among certain segments, such as the brand advocates mentioned above.

The result? Marketing quickly gains insight and confidence with critical statistical evidence that is readily available to make informed decisions. This opens the door to increasing market share and profitability.
Conclusion
The richness of social media data and the unbound growth of user generated content found in networks, communities, blogs, forums and comments on the web provides an exceptional opportunity for your company. You can listen to and discern what people are saying about your products and services by real people passionate about their beliefs.

Those organizations best able to differentiate themselves, however, have an ability to incorporate social media analytics into their customer and marketing automation processes, to monetize their investments and to integrate insight into their customer data. This provides a foundation from which organizations can link measurement and the tactical execution of social media strategies to the imperatives of revenue generation. Social media analytic solutions, such as the integration of IBM Social Media Analytics, SPSS Modeler and SPSS Data Collection, provide the means to do just that.

About Business Analytics
IBM Business Analytics software delivers data-driven insights that help organizations work smarter and outperform their peers. This comprehensive portfolio includes solutions for business intelligence, predictive analytics and decision management, performance management, and risk management.

Business Analytics solutions enable companies to identify and visualize trends and patterns in areas, such as customer analytics, that can have a profound effect on business performance. They can compare scenarios, anticipate potential threats and opportunities, better plan, budget and forecast resources, balance risks against expected returns and work to meet regulatory requirements. By making analytics widely available, organizations can align tactical and strategic decision-making to achieve business goals. For further information please visit ibm.com/business-analytics.

Request a call
To request a call or to ask a question, go to ibm.com/business-analytics/contactus. An IBM representative will respond to your inquiry within two business.