A Market Definition Report

Social Data Intelligence:

Integrating Social and Enterprise Data for Competitive Advantage

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Includes input from 34 ecosystem contributors

ALTIMETER®

Executive Summary

The average enterprise-class company owns 178 social accounts, while 13 departments — including marketing, human resources, field sales, and legal — are actively engaged in social media.1 Yet social data, such as posts, comments, and reviews, are still largely isolated from business-critical enterprise data collected from Customer Relationship Management (CRM), Business Intelligence (BI), market research, email marketing, and other sources. The challenge is that, without consistent governance and strategy in place, social media will become yet another silo within the organization, yielding isolated findings that lead to missed opportunities and risk.

Altimeter Group interviewed 34 organizations that are actively using social data in conjunction with enterprise data to make investment and resourcing decisions, better understand customer needs, and discover unanticipated risks and opportunities. While integration of social and enterprise data is still nascent and rife with challenges, we noted a clear progression of maturity in the application of social analytics, from organizations who treat social data in an ad-hoc and siloed manner to those who view it as a business-critical asset, with the discipline needed to make it strategic and sustainable. Those who approach data strategically already see measurable results in the areas of opportunity and risk identification and improved customer experience, and they are able to identify and act on insights that they may not otherwise have discovered.

Increasing the sense of urgency is the fact that much social data meets the criteria for "big data," which encompasses signals from sensors, mobile devices, digital assets, transaction records, global positioning systems, and a host of other sources — many generating data in real time — that have not yet been invented or broadly implemented.

As social data continues to proliferate, the challenges faced by organizations will only compound. To make the most of this critical resource — and avoid costly missteps — organizations must define a common approach to data collection, institute processes to share and interpret it, and, most importantly, set clear criteria for action. The questions you must answer, sooner rather than later, are how proactive you wish to be and how much investment and organizational disruption you are willing to face to realize the promise of next-generation social data intelligence.

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The State of Social Analytics

Social Data Is Not an Island

During the past year, Altimeter Group has seen an increase in the number of organizations that are actively seeking to look beyond fans and follower counts and view — even integrate — social data with enterprise data to understand if and how they relate to each other. They want to:

- Detect signals that could affect the health, reputation, and financial performance of their organization.
- Understand what people are saying about their products, services, and brand.
- Take action on this knowledge, and use the insight they gather to make critical business decisions.

While we are still in the very earliest stages, social data is beginning to enter the enterprise mainstream. Organizations need to know whether what they detect in social channels is similar or different to what they collect in customer satisfaction scores, market research, or through business intelligence and customer relationship management platforms. They need not just social data, but social data intelligence, which we define as follows:

Insight derived from social data that organizations can use confidently, at scale, and in conjunction with other data sources to make strategic decisions.

The goal of social data intelligence is not simply to justify the existance of social business initiatives, but to recognize at a strategic level that signals from the outside world — as seemingly chaotic as they may be — now constitute critical input into organizational decision making.

Viewing Social and Enterprise Data in Context

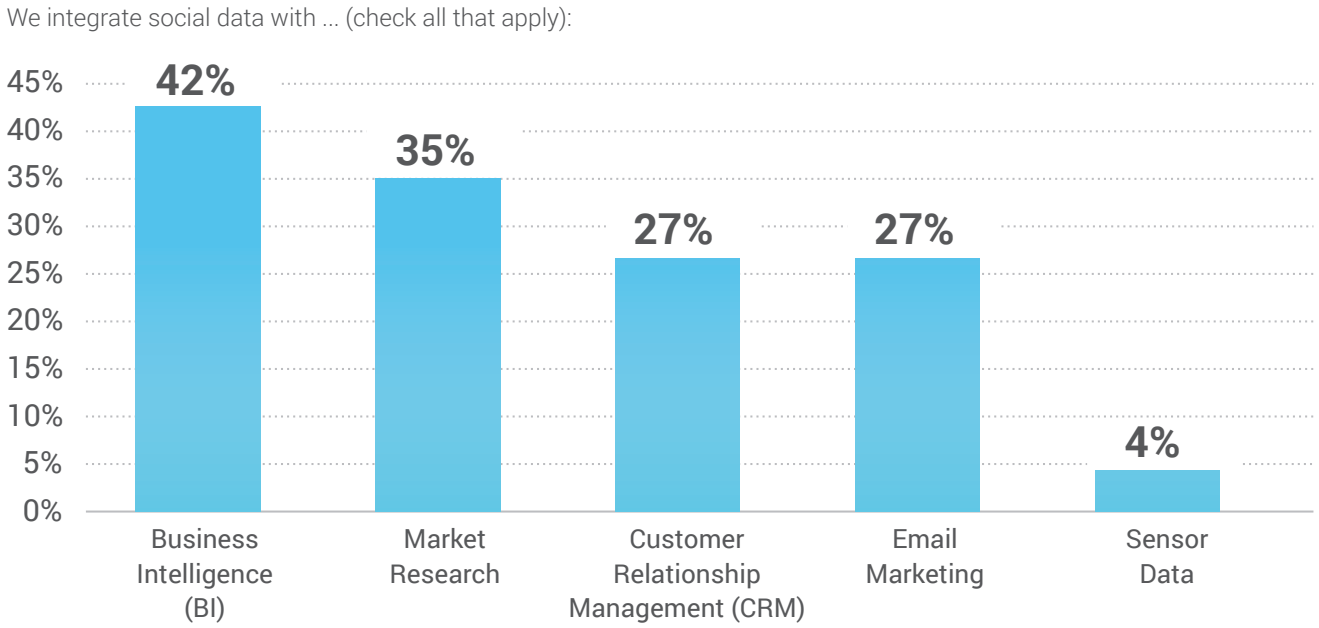
Because social data is mostly unstructured and — more to the point — still relatively new, it tends to be largely separate from enterprise systems. While some organizations are building social data warehouses or exploring other approaches to true technical integration, most are just starting to look at social data intelligence as a potential driver for enterprise decision making.

For the purposes of this report, "integrated" is to be taken broadly to mean that an organization is viewing the output of separate systems in context of each other, rather than integrating the data in a strict technical sense. Integrated systems and platforms will evolve over time as enterprise systems become better adapted to social data, as

Social Data Intelligence

Insight derived from social data that organizations can use confidently, at scale, and in conjunction with other data sources to make strategic decisions.

Fig. 1: Organizations Begin to Integrate Social and Enterprise Data



organizations refine and automate their workflows, and as tool ecosystems and APIs mature.

In an Altimeter Group survey of 27 enterprise-class organizations, 70% stated that they are viewing social data in the context of other enterprise data to make business decisions.[2] While this is a small sample size and should be taken anecdotally, it's an early indication that social data is beginning to be considered a legitimate source of intelligence.

The most common and logical initial point of integration is business intelligence, as it is an analytics-driven function to begin with (Figure 1). But it's important to note that market researchers and customer experience and support teams are also paying close attention to social data to identify trends, both attitudinal and behavioral, that could influence their experience and, ultimately, their loyalty.

The following case study illustrates how one organization used social data in the context of enterprise data to discover the extent of — and mitigate — a business risk.

Case Study: Parasole — Using Social Data to Protect Product Quality

Parasole Restaurant Holdings, a Minneapolis-based restaurant company with 1,400 employees, is known for creating exceptional brand experiences. One of its brands, Manny's Steakhouse, is celebrated for the superior quality of its steaks; the company spends approximately $5 million each year on steaks alone. Recently, Parasole and Manny's noticed a steep uptick in negative feedback about its steak in both customer satisfaction surveys and social media.

The company used the New Brand Analytics platform to track social mentions and discovered a sudden change in sentiment related to its meat quality. Says Kip Clayton, VP of Marketing and Business Development

at Parasole, "We noticed a dramatic increase in complaints across the board; this influx turned up the heat very quickly, prompting us to act. Without seeing the comments in aggregate, this situation could have gone on for months before we would be able to see the full extent of the problem. When manufacturing a product that is sold on the same day, taking a year to identify it can be deadly. But by coupling social data with personal experiences, we were able to pinpoint the precise dates, times, and incidences of the faulty product."

Parasole and Manny's identified six suspect samples, lined them up, tasted them, and immediately discovered the root of the problem. The company acted quickly; it cut ties with the meat supplier, provided employee training to smooth the transition, and updated its employee incentive programs to integrate social ratings and reviews into the accountability process.

In this instance, Parasole used social data opportunistically — in conjunction with customer satisfaction surveys and verbal feedback — to identify a quality issue with its meat supplier. While this was essentially a manual and ad-hoc process, it highlights the opportunity of social data to supply context — in this case, about unsatisfied customers that the company otherwise may have missed, or seen too late.

Challenges of Measuring and Integrating Social Data

Social data presents methodological, interpretive, and technical challenges that are quite different from what has come before; when it comes to collecting, computing, analyzing, and acting on social data, organizations are in new territory. Unlike the classic department-based model of business, in which teams analyze clearly defined data sets, social media comes from outside the organization and does not respect boundaries such as database structures, processing windows, or organizational design.

As to be expected with any disruptive trend, social media creates challenges related to people, process, and technology. Altimeter found the following to be the three most common issues organizations face as they try to interpret social data in the context of the business.

1. Social Data Serves Multiple Internal Constituents — and Interests

One of the characteristics of social media is that it breaks silos; that is to say, it forces groups who may not regularly work together to collaborate, or at least to share information on an unprecedented basis. Altimeter research indicates that, today, at least 13 departments are actively engaged in social media throughout enterprise-class organizations (Figure 2).[3] Far beyond marketing and corporate communications, or even customer support, this participation extends throughout the business: human resources, product development, information technology, and legal.

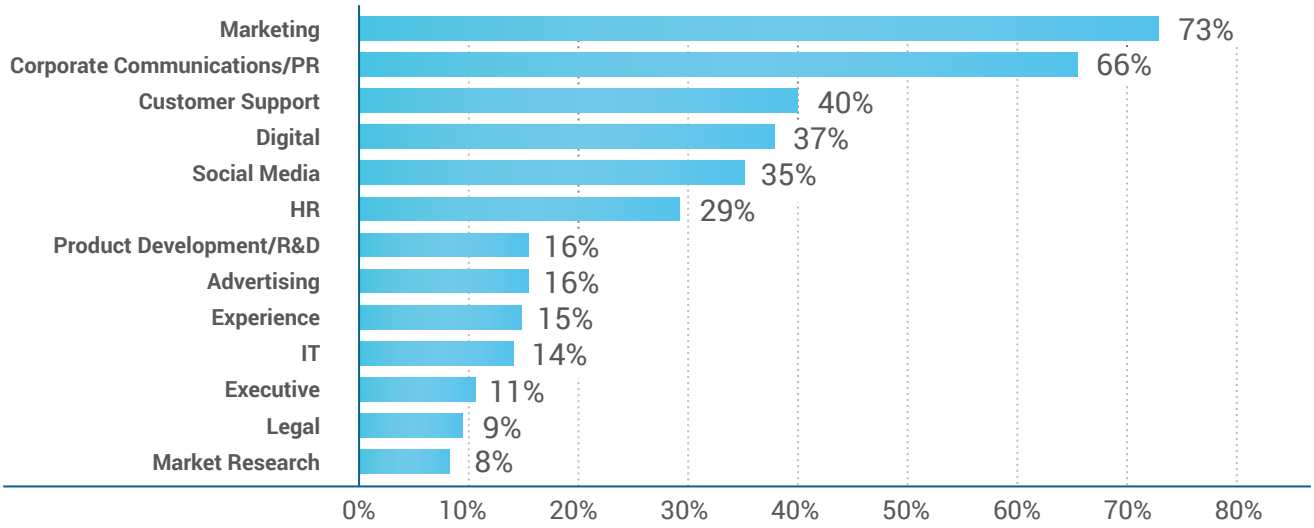
Furthermore, while an email, survey, or phone call is clearly directed to one individual or a small set of people, social media is a two-way mechanism, and the intent, intended recipient, and desired action is not always clear or repeatable. As a result, social data can have many stakeholders, and the processes to identify the data, put it in context, benchmark it, share it, act on it, and document the process appropriately can vary dramatically.

The impact for social strategists — and analysts — is that many more stakeholders within the organization become actual and potential customers of the social data intelligence. This can create tensions as social data analysts strive to serve multiple constituents with different needs. Here are several examples of how individual departments use social data:

- **Community managers and customer service representatives** need data to facilitate engagement and case management on a one-to-one basis.

Fig. 2: Thirteen Departments Are Actively Engaged in Social Media

In which of the following departments are there dedicated people (can be less than one FTE) executing social?



- **Marketing and digital teams** need performance measures that help them understand how campaigns are performing, often in real time, so they can make adjustments that improve performance.
- **Risk and compliance, legal, and human resources** need the capability to discover quickly when problematic terms or issues are escalating that might present a risk to the company.
- **Market researchers** need to view social data in the context of existing enterprise measures of satisfaction, such as Net Promoter Scores, customer satisfaction, and other surveys, to add context to the information they're gathering about customer attitudes, behaviors, and intentions.
- **Product developers and product marketers** need to understand customers' likes and dislikes — not only those expressed directly to the brand, but also those shared with friends and followers — so that they can learn more about them, address product issues before they become critical, and even incorporate their findings into product roadmaps.

Given the variety of requirements, it's not surprising that no single tool or process can address every scenario. Many organizations struggle with tool proliferation, multiple analytical approaches, unclear expectations, and strain on analytics resources while having to constantly respond to a steady stream of ad-hoc requests for different data cuts. This all undermines the team's ability to deliver a holistic — or at a bare minimum — consistent analysis of the social data.

The greatest danger, however, is that fragmentation of social data undermines the organization's ability to reach what Filippo Passerini, Group President of Global Business Services and CIO of Procter & Gamble, calls "one single version of the truth"; a foundational element for any business strategy, and one that is increasingly important as social data proliferates and is used throughout the enterprise.[4] Without a common version of the truth, organizations are vulnerable to a variety of disasters: missing a crisis, halting a highly successful campaign, overlooking a customer service issue, or underestimating a competitive threat.

2. Because Social Data Is Different, It Requires New Analytical Approaches

Many organizations continue to use traditional marketing and advertising metrics, such as impressions and Advertising Value Equivalency (AVE), to gauge the value of their social programs. The default assumption is that social media is a new kind of broadcast channel through which to distribute content and messages.

But social media — and social data — are highly complex, and using traditional metrics to understand it can distort its meaning, and ultimately, its value. "The fundamental problem we have," says Matt Hixson, CEO, Tellagence, "is that few people are doing genuine new research to understand social data. They are using old models that were never designed for social networks and are trying to fit the data into them." Aggregating social data with enterprise data before understanding the native characteristics of social data and networks is counterproductive, and can compound interpretive problems.

Why is social data so different from what has come before? One key reason is that it is a type of "Big Data," which Gartner Group has defined in terms of "The Three Vs."[5]

- **Volume:** Social data is characterized by unprecedented volumes. Well-known brands can reach hundreds of thousands of brand mentions per day, while conversations on popular topics number in the millions.[6]
- **Variety:** It's comprised of multiple data types: structured (stars and ratings), unstructured (comments, posts), images, sound, and video. Different types have different life spans; for example, the average (unpromoted) Facebook post or tweet has a fleeting life span, while a Pinterest pin or a video can last forever.
- **Velocity:** Social data can be blindingly fast. One common Twitter metric is "Tweets Per Second" (TPS), which, for context, reached a peak of more than 10,000 TPS in the last few minutes of Super Bowl XLVI and more than 25,000 TPS during the 2011 Japan broadcast of the anime movie Castle in the Sky. (In contrast, the Syfy premiere of Sharknado generated 5,000 tweets per minute.)[7]

This explains why evaluating social data in terms of traditional advertising metrics, such as "impressions," can set a team up for failure. Because of the inherent volatility of the social web, mentions may be extremely high one month and low the next, for a host of reasons that a social strategist is unable to control (for example, new product introductions or service issues).

Furthermore, measuring impressions or ad value equivalency without understanding the nature of the signal — a share, a like, a positive or negative comment — distorts the meaning of the signal, leading to poorly informed decisions and, ultimately, risk. Before we aggregate social data with other enterprise data sets, we need to better understand the nature of social networks and the data they create. Here are seven core characteristics that make social data unique — and require a different approach to data collection and analysis (Figure 3):

When viewed in this context, it becomes clear that social data is highly heterogeneous and rich with meaning in a way that traditional marketing and advertising metrics are simply not tuned to account for. Understanding these signals, and their relationships, is a prerequisite to the ability to use social data strategically and in context of the business.

3. Social Data — and Analysts — Lack Enterprise Credibility

An open secret among organizations working with social data is the credibility gap between social and enterprise data, and, as a result, between social and enterprise analysts. "Put bluntly," says a representative at a data analytics vendor who preferred not to be quoted by name, "we see challenges where the analysts on the social media team don't have the heft to make it with other data geeks in the organization." There are several drivers of this phenomenon:

Fig. 3: Key Characteristics of Social Data

Characteristic	Description	Considerations
Content Type	Posts, comments, tweets, photos, Vines, and video require different levels of energy to create, and can signal different levels of engagement.	When measuring engagement, factor in the energy expended to produce the social content. For example, it's more time-consuming to create a two-minute video than a 140-character tweet.
Social Action Type	Re-tweets, favorites, shares, +1s, fans, likes, and votes up and down carry nuances of meaning and intention.	Consider the result of the social action. A like on Facebook puts content from that brand into your news feed, while a share ensures that your friends will see it as well.
Content Lifespan	Platforms, such as Facebook or Twitter, that deliver content in the form of timelines or feeds have a shorter lifespan than those that deliver content on pages or channels, such as Pinterest or YouTube.	A Facebook post is visible for up to a few hours, while a Pinterest pin is permanent (until removed).
Platform Demographic	Facebook, Twitter, Tumblr, LinkedIn, and Snapchat have somewhat different demographics.	Demographics vary. Snapchat has proportionately high adoption by teens, while demographics on other platforms are more evenly distributed.
Strength and Type of User Relationships	Some platforms, such as Facebook and LinkedIn, are generally based on relationships, while others, like Youtube and Pinterest, are generally based on interests.	Consider whether relationships among users are based on social graph versus interest graph.
Data Type(s)	Tweets and comments are narrative and therefore unstructured, while star reviews are structured. Product reviews are typically a mix of both.	Structured data, unstructured data, or a mix.
Location Awareness	Access to location data depends on the platform being used as well as the user's behavior. Some platforms, such as Foursquare, inherently use location data, while others, such as Facebook Twitter, and Instagram, make is optional.	Availability of location data, via mobile, GPS, or other sensor.

Social data is new. Organizations do not have the same comfort level with using social data for decision making as they do with enterprise data from sources such as customer relationship management and business intelligence systems, so they may dismiss critical signals that can provide context or identify issues that they may not have detected otherwise.

Social data lacks standards. Unlike other forms of enterprise data, such as web analytics and market research data, there are no analytical standards for social data. As a result, social data is — quite literally — open to interpretation. Organizations struggle to analyze it and align their findings across multiple stakeholders. Furthermore, social analytics tools have not yet reached a comparable level of maturity to the types of business intelligence tools that executives trust to inform decision-making.

The role of social data analyst is new. The role of an enterprise data analyst is established and highly professionalized, while the role of social data analyst is newer, with no established standards with regard to required expertise, particularly in quantitative analysis.

The lack of credibility of social data—and social analysts—creates significant risk for organizations. For analysts to be of strategic value, they must be able to surface insights in the data that lead to decisions and action. The question, however, is where to start, and without accepted approaches, processes, and standards, they lack the credibility and organizational gravitas to make their case effectively. The solution is to prioritize metrics in a way that stakeholders can support, even if their priorities differ from others in the organization.

The following pages will examine how to address these three challenges. The first step is to identify and prioritize which social data and metrics matter the most to your organization.

Making Social Data Actionable

Define Your Core Social Metrics

A common dynamic among organizations Altimeter interviewed was the delicate balance between what data is readily available versus what should be measured in a perfect world to best understand the dynamics of the customer experience, the sales process, brand reputation, and the many other areas that social data can illuminate.

After all, we have relatively clean data on volume metrics; it's not hard to count likes or shares. It is far more challenging, however, to connect them with revenue generation, especially for organizations with multi-channel operations, long sales cycles, or ingredient brands.8 In some cases, analysis may be a Herculean task involving multiple people, data sources, Excel pivot tables, and manual calculations; in others, it may rely on your social analytics tool's ability to deliver the desired metric on a dashboard.

The key is to focus at first on a few key metrics that you believe are practical to deliver and have the most impact on your business. Then formalize those metrics with processes and dashboards before expanding. Says Chris Kahle, Manager, Web Analytics at Caesar's, "The good news is that we can track everything. The bad news is that we can track everything. That will be the challenge for everyone."

To address this issue, work backward from business goals; they will be your "North Star" as you determine what is and isn't important to measure. Following are some key recommendations:

1. **Tie Metrics to Business Strategy.** To make social media more relevant to your organization, you must tie it to something that matters to the C-suite, primarily in the areas of revenue generation, brand lift, and customer experience.9 Connect your social media strategy to business objectives by forming a hypothesis. For example:

   a) If your goal is to understand the impact of social media on revenue, reverse-engineer the process by starting at revenue-generating events and connect them back to social content. There are six primary ways to do this, documented in Altimeter's Report, The Social Media ROI Cookbook.[10]

   b) If your goal is to improve customer experience, set a hypothesis that sentiment in social data should correlate roughly to sentiment in other data collection channels, such as surveys or Net Promoter Score (NPS). This will help sensitize you to fluctuations in the data, and look for drivers that may indicate whether or not your hypothesis is valid.

2. **Define "Synthetic" Metrics**. In addition to raw volumes, you will be asked to demonstrate increases in more nebulous phenomena, such as "engagement," "reach," and "influence." These are "synthetic" metrics because they are a combination of multiple metrics (often from different data sources). None has a universal definition because each business is different. But they do tell you how people are interacting with your organization's people and content, how far content is spreading, and which individuals or groups influence the conversation.

   a) Define these "synthetic" metrics so they reflect what is important to your business and are clear and consistent across all groups who use social data. "Engagement" is the most important to define early, as it is most widely discussed. Document the ingredients you will use to calculate engagement. Is it time on site? Shares? Tweets and Retweets? Facebook PTAT (people talking about this)? Or some other combination?[11]

   b) Once you have defined "engagement," follow the same process to agree on definitions for

"reach" and "influence," as well as other metrics that require some degree of consensus as to their impact on your business. Measure your progress by the extent to which you are able to drive alignment around these definitions. One litmus test is the ability to provide a consistent answer to the question: "How do we define engagement for our organization?"

3. **Prioritize Your Metrics**. While you should expect ad-hoc requests to be a way of life, the most strategic thing you can do is to use the "Social Metrics Scorecard," discussed in the next section, to set expectations internally as to what data you have readily available, the resources required to analyze it, the value of the metric, and its priority. This will establish that the analytics team is thinking strategically about what is credibly measurable, what is measurable with caveats, and what is not yet measurable within the organization.

The following case study describes how Caesar's Entertainment is using social data to better understand customer touchpoints. The approach at Caesar's is a useful example of how one organization tailors its measurement strategy to key business drivers. Their approach is to focus first on understanding the journey that customers take with the brand — whether online or offline in their hotels, casinos, or restaurants — and how that experience may vary across segments, media types, and brands. By prioritizing the most important metrics, Caesar's expects to better understand its customers' unique preferences and inform future investment decisions.

Metric Prioritization

Altimeter's Metrics Scorecard provides a starting point to help you evaluate and, more to the point, communicate your organization's capability to deliver these desired metrics (Figure 4). This is a sample only; use this template to catalog your existing social data

Case Study: Caesar's — Integrating Social Data to Understand the Customer Journey

Objective

Caesar's Entertainment, Inc. is an American public gaming company that owns and operates more than 50 casinos, hotels, and golf courses under several different brand identities throughout the world. As a result, making sense of the vast array of data, systems, brands, audience segments, and transaction history — in addition to a host of other data streams — is no easy task.

Caesar's realizes that the value of its data lies in its ability to provide insight into the customer journey across multiple channels and touchpoints. But customers don't move linearly or predictably in an increasingly digital world. Says Chris Kahle, Web Analytics Manager for Caesar's, "We were looking at attribution as direct vs. indirect. Social Direct means someone comes to any one of your social assets, interacts with that asset, and then most companies drive that traffic directly back to their core site to book (convert). With Social Indirect, people come on, then go talk to someone, then come back through another channel, then head over to Google where they might come in on paid search or via email. If you don't have all channels integrated — including social — you won't be able to see that." As a result, when the company looked at direct attribution numbers for the impact of social media on revenue, it didn't seem as though social was having much of an impact. What Caesar's couldn't see was the indirect, or multi-point, attribution history.

Solution

Caesar's deployed Adobe Social to better understand the customer journey and is now undergoing a mass data integration project across the company, beginning with its customer relationship management and enterprise data warehouse systems. In addition, the company is aggregating data across advertising channels, such as display, email, organic, search, and affiliate, and is driving toward one integrated marketing channel in order to gain a holistic and complete view of each prospect or customer's relationship with Caesar's. Kahle explains, "By making sure all customer data is integrated, if customers interact with us, we can see that. We're also aiming to be able to track movement through all channels so we can give credit to each for how it drives marketing and budget."The goal is to understand both online and offline touchpoints along the customer journey and how they may vary across segments, media types, and brands. Part of Caesar's strategy includes integrating online and offline data; for example, to enable hotel concierges to use customer preferences to inform recommendations during their stay and enter information after check-out to better personalize their future interactions.

Caesar's is also leveraging data to inform smart engagement throughout the customer's lifecycle. It is using previous purchase and engagement history — both online and offline — to build preference models and is tying together pre-purchase and rewards data to drive loyalty, enabling customers to earn points toward rooms, discounts on shows, and other perks. The goal is to enable Caesar's to offer the right rewards at the right time through the right channel, tailored to customers' specific interests.

From an organizational point of view, the company is gaining tremendous insights into the behavioral preferences and tendencies of its audience segments to inform more efficient, strategic, and timely investments in marketing and customer service offerings. Says Kahle, "Best practices are all theories right now. We have the tool set to develop best practices to know what works and what doesn't. First we want to understand the entire model; then we'll start building preference models based on customer profiles and previous purchase history."

Results

Although this project is still in the early stages, Caesar's is already detecting insights at both a customer and organizational level. Kahle is cautiously optimistic: "I think our customers will be receptive to it," he says. "They are already very engaged." As the company continues to integrate social data with other enterprise data sources, the focus will shift toward scaling this effort more broadly across the organization, enabling Caesar's to prioritize the insights they receive in a strategic and actionable way.

metrics, rate them, and determine which ones your organization is most able to deliver and which will require additional criteria to be met before they can be adopted and shared.

Below is a short process overview of how to use this sample metrics scorecard.

1. List the core set of metrics you would like to evaluate.
2. Score them as follows, on a scale of one to five, where one is lowest and five is highest:
   a) Value: How useful this metric is to your organization. For example, number of fans and followers may be relatively low value,

while impact to revenue or brand health will be much higher, as they correspond to existing organizational metrics.

b) Capability: Your organization's ability to deliver this metric. It's important to note that your capabilities today are highly dependent on the availability and stability of social network APIs, as well as the analytics tools ecosystem. While there will always be constraints, measurement will become increasingly consistent as the industry matures.

c) Resource: The time and staff power it will take to deliver this metric. API changes and gaps among tools mean that many analysts are required to calculate core metrics manually or using complex Excel pivot tables. Manual calculations should be scored at the low end, while automatic and/or readily available metrics should be scored at the higher end.

d) Dependency: The degree to which other metrics or future decisions rely on it. For example, a metric describing conversation drivers provides the foundation to understand many other metrics, including share of voice of a particular conversation, brand lift, or potential risk.

This will give you an overall score, which will constitute an average of Value, Capability, Resources, and Dependency. The final score will indicate which should be your initial priority metrics versus those that require additional conditions to be met (for example, the ability to integrate web and social analytics platforms) before you can deliver them at scale.

Once you have prioritized your metrics, it's time to focus on the organizational and process aspects of integrating social data effectively into the fabric of the enterprise.

Fig. 4: Sample Metrics Scorecard

		Scale of 1-5: 1 is very low and 5 is very high				
Category	Metric	Average Value	Average Capability	Average Resources	Average Dependency	Overall Score
Brand Health	Share of relevant conversation	5	3	4	5	4.25
Brand Health	Sentiment over time	4	2	2	4	3
Brand Health	Sentiment drivers	5	4	5	5	4.75
Brand Health	Top Influencers, Top Detractors	5	3	3	4	3.75
Revenue Generation	Relationship of Generation Social to Awareness	4	4	2	3	3.25
Revenue Generation	Relationship of Social to Consideration	5	1	3	2	2.75
Revenue Generation	Relationship of Social to Conversion	5	1	1	5	3
Revenue Generation	Relationship of Social to Loyalty	4	3	3	4	3.5
Revenue Generation	Relationship of Social to Advocacy	5	2	1	4	4

This is a sample scorecard; these numbers are intended as placeholders and will vary according to business context

Building a Data-Driven Organization

From Social Data to Organizational Intelligence

For social data — any data — to be relevant and credible to the business, it needs to move past counting (how many?) to intelligence (what does it mean?) to action (what should we do?). While this process may be reasonably well established for traditional enterprise data, it is still nascent for social data. To ensure that social data becomes a strategic driver for decision-making, analytics teams must establish a set of expectations and processes early on that demonstrate its integrity, reliability, and utility.

The Social Data Integration Maturity Map

The Social Data Integration Maturity Map categorizes the phases of social analytics maturity across six dimensions, from the initial ad-hoc, on-the-fly approach to a mature, strategic, holistic, and sustainable set of business processes that scale across the organization (Figure 5).

Following is an overview of each maturity stage, its primary characteristics, and the value created for the organization.

Stage 1: Ad-Hoc

During the Ad-Hoc stage, the organization is beginning its social data collection efforts, typically in one department or work group, or several isolated work groups. At this point, the organization typically begins to track volume metrics: numbers of fans, followers, and likes, with the objective of demonstrating momentum within social media programs.

Organizations should use this phase as a learning opportunity to understand as much as possible about normal versus peak conversation volumes, how people are talking about the brand in social channels, where they congregate, what topics they discuss, and which social media efforts indicate momentum. This early learning stage is critical, as it will build organizational confidence and competence and form the basis for understanding the nature of social data as it relates to other aspects of the business.

The next step is to show how social media supports business strategy, rather than simply "social for social's sake" value propositions.

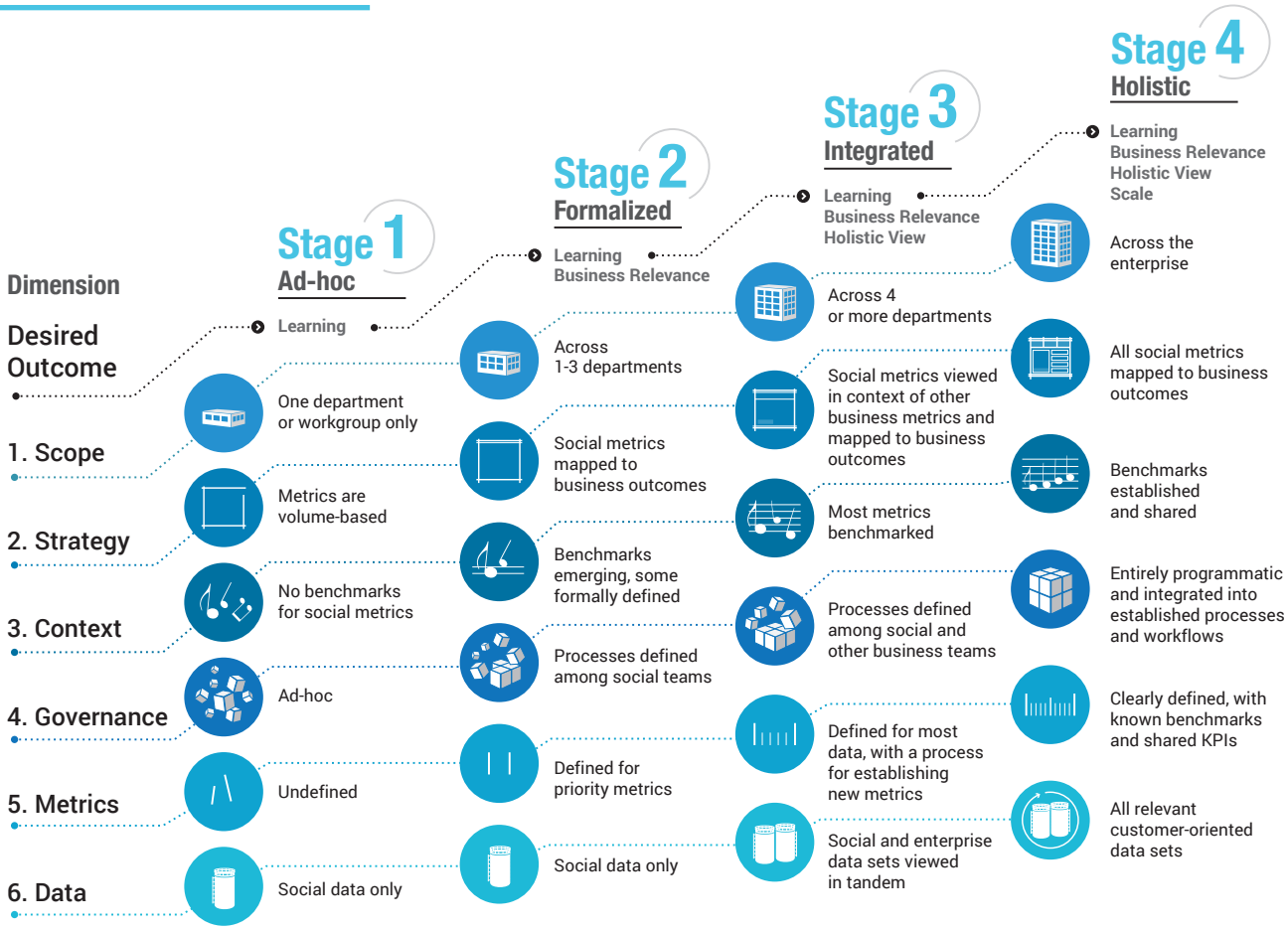
Stage 2: Formalized

During the Formalized stage, the organization has taken what it learned during the Ad-Hoc stage and has extended its efforts. It is beginning to create workflows and processes for social data, and has begun to scale analysis and create common approaches and measures of success across departments such as marketing, corporate communications, and customer service.

Most importantly, the organization desires to understand the business impact of its social media efforts and move beyond volume metrics (social for social's sake) to understand how social data maps to business outcomes such as brand awareness, customer experience, and revenue generation. But, while the organization has become more advanced with regard to understanding the business relevance of social media, social data still remains largely separate from other data sets in the organization.

The extent to which organizations execute on Stage Two will set a precedent for how the success of future programs and campaigns will be evaluated and will strongly influence later efforts to secure additional budget and resources for subsequent social media programs. For example, teams able to identify significant opportunities or risks — such as that noted by Parasole in its examination of social data related to its meat quality — are able to reach consensus on

Fig. 5: Social Data Maturity Map



the value of social data intelligence much earlier and avoid costly and time-consuming "analysis paralysis."

Organizations have mastered Stage Two when any social program, campaign, or content can pass the "So what?" test: How does this drive our business forward? What value does it provide to shareholders, customers, and stakeholders? What have we learned that will influence future decisions?

The next step is to integrate that understanding with other enterprise data for a more holistic view of the business.

Stage 3: Integrated

Organizations moving into the Integrated Stage already understand that social media can drive business outcomes. Now they must determine how findings from social data relate to other enterprise data, such as CRM, business intelligence, or market research. During this stage, organizations begin to view social and enterprise data side-by-side to better understand whether trends in one are detectable in the other, whether social data provides context for enterprise data, or vice versa. Some may even incorporate econometric data such as interest or inflation rates, gas prices, or other external factors that can influence a buying decision or the market landscape as a whole.

During this stage, the resource, organizational, and tool challenges become more acute, as a holistic view of data requires organizational alignment, shared objectives and approaches, and rationalization of what is generally a large and heterogeneous data (and tool) set. One additional factor on the horizon is the

emergence of real-time (or as some refer to it) "right-time" analytical capabilities, such as those offered by SAP HANA, which will increase not only the potential for actionable insight but the pressure to respond effectively within hours, minutes, and even seconds.12

The truth is, this is hard work, and it requires the ability to facilitate the integration of multiple groups, agendas, and requirements. As a result, the most critical criterion for mastering Stage Three is executive demand and support for a holistic view of data and the intelligence needed to inform strategic decision-making.

If this executive involvement does not exist, or if social data intelligence is not considered strategic enough to champion, the organization will never achieve true insight, even assuming the best possible people, resources, and intentions are available. Without an executive mandate for holistic intelligence, groups become vulnerable to charges of empire building, and the organization is at risk of feudal warring among analytics teams.

Organizations will know they have mastered Stage Three when they have a consistent framework for business analytics, the ability to view and analyze data from multiple streams in tandem, and the processes needed to support intelligence across the organization.

The next step is to do all of this efficiently and at scale.

Stage 4: Holistic

While organizations in the Integrated stage have the analytical and governance heft to view multiple, heterogeneous data streams in context, the effort and time required to do so is still significant, leading to real trade-offs between cost and insight. In Stage Four, the organization is now able to view multiple signals in context and respond to them fluidly. The source of the data — social, business intelligence, CRM — is irrelevant; it's the intelligence that matters.

Another key characteristic of the Holistic stage is the ability to scale — to take what was learned, operationalized, and integrated in Stages One, Two, and Three and put them to use across the organization in a rational, repeatable, and efficient manner. More importantly, any signal that illuminates a specific business issue — customer experience, risk management, brand reputation — can be viewed holistically by whoever needs it, when they need it (the "right time"), and without regard to data source or type.

While no companies we interviewed have yet reached all criteria for Stage Four, some, such as Caesar's and Symantec (see case study below), are already well on the way. Caesar's is mapping the customer experience with the goal of understanding desires and preferences across its properties at all stages of their journey, while Symantec has built out a strategic and comprehensive governance model.

The following case study illustrates how Symantec is addressing the challenges of meaningfully integrating social data with enterprise business processes and data. Note that, while many of the processes the company is using are still manual, the organization has established a clear vision for how it will solve both granular issues (integrating social signals into customer care) and more visionary ones, such as how it will use social data to inform a deeper and more strategic ongoing relationship with customers.

Case Study: Symantec — Using Social Data Across the Organization

The following case study illustrates how Symantec is addressing the challenges of meaningfully integrating social data with enterprise business processes and data. Note that, while many of the processes the company is using are still manual, the organization has established a clear vision for how it will solve both granular issues (integrating social signals into customer care) and more visionary ones, such as how it will use social data to inform a deeper and more strategic ongoing relationship with customers.

Ultimately, the company vision is to integrate social data intelligence deeply into the organization to empower all 20,000 employees around the globe to engage with its 2.5 million customers.

Objective

Founded in 1982, Symantec provides security, storage and systems management solutions to help customers secure and manage their information and identities independent of device. The company uses social data to optimize business value across the customer journey, as well as to drive revenue, improve efficiencies and mitigate risk.

Approach

Today Symantec uses Salesforce Marketing Cloud to harvest social data — including posts, brand mentions, and comments — from across the web and sends it to a central team within the marketing organization that determines the business function best equipped to serve the customer. The central team, known as the Social Business Team, has established processes and workflows to route incoming queries and mentions to approximately 300 trained employees based on which product or issue is mentioned.

Symantec has established specific tracks for specific products, but most notably classify what they call Actionable Internet Mentions (AIMs) into seven buckets, falling into different business functions and corresponding to various phases of the customer journey. The seven classifications are:

1. **Case:** Request for help resolving real-time issue
2. **Query:** Question that doesn't require support resource
3. **Rant:** Insult that merits brand management consideration
4. **Rave:** Praise from Symantec brand advocate
5. **Lead:** Pronouncement of near-term purchase decision
6. **RFE:** Request to enhance a product with a new feature
7. **Fraud:** Communication from an unauthorized provider of Symantec products

These seven categories incorporate workflows for Symantec's top 15 product lines and span business functions that include marketing, customer support, engineering, PR, product management, and legal. Following are some of the ways Symantec harvests social data:

- **Customer Experience.** Symantec aims to optimize customer experience at every touchpoint. For example, if a customer mentions the name of a product in a social post, that case is automatically assigned and routed to the appropriate support resource trained in social and on the specific product. Symantec also leverages existing content to streamline the process for both customer and employee, routing to support team members with a deep knowledge of product content who can answer the question or direct the customer to an existing thread in Symantec's online community.

For example, one of Symantec's goals (and key metrics) is the conversion of "ranters" into "ravers." The PR team is trained to surface a potential product issue hidden in the "rant," re-tags the case accordingly, and conducts a "warm transfer"of the customer to the proper support staff to resolve the issue.[13] "Raves" are also used to improve experience and are routed when appropriate to product marketing to say thank you, inquire about customer references, or invite the customer to become a blogger or forum advisor. For other customers, submitting ideas for innovation (or "Requests For Enhancements" — RFEs), Symantec routes suggestions to its product management team to help instruct development roadmap and priority.

- **Lead Nurturing.** Symantec also uses social data intelligence to generate and nurture leads, both for consumers and businesses. If the customer is comparing with a competitor, questioning renewal, asking for product specifications, or expressing frustration with a competitor's product, listening tools enable Symantec to route these insights into its lead pipeline and engage in the most appropriate manner based on the customer's comment.
- **Risk Mitigation.** Symantec has also discovered a way to mitigate risk when analyzing data to build content for marketing. "The fraud protection value of social media monitoring came as a surprise to me: As we ran our product monitoring queries, we were alarmed to find a number of posts promoting and linking to illegal download sites," explains Tristan Bishop, Symantec's Director of Social Business. In addition to training its legal department to handle these posts, Symantec now actively monitors for fraud and helps preserve the integrity (and limit the potential for negative posts) around the product.

Results

Since rolling out this workflow, Symantec has resolved numerous support cases, converted many ranters into ravers, generated hundreds of business and consumer leads, rapidly identified key areas to prioritize for product development, and uncovered hundreds, if not thousands, of fraudulent product pilots.

In the longer term, Bishop hopes to standardize all customer data within the same CRM system to provide full context for every employee. "When a Symantec employee interacts with a customer, we hope they'll be able to view Symantec's entire relationship with that customer: The customer's sales history, their support history, and their social likes and shares of Symantec products and content. By giving our frontline staff this context, we can empower them to create a superior customer experience."

Six Dimensions of Analytics Maturity

In Altimeter Group's interviews with and surveys of enterprise-class companies, we noted a number of consistent themes that signal a level of maturity in social data analysis that is a prerequisite for strategic decision-making across the business. The following six dimensions lay out the most critical factors that you must evaluate, formalize, and — over time — scale across your organization.

Use this model to gauge your organization's social analytics maturity level within each dimension and identify the steps you must take to reach the next stage (refer to Figure 5). It's important to understand that while you may be at one stage for one dimension (such as Strategy), you may be at another stage within a different dimension (such as Process). The goal is to review all dimensions, locate your current level, and note the steps needed to reach the next stage.

Below is an overview of these six dimensions of analytics maturity.

1. Scope

Definition: The number of internal groups that work with social data and the scope of data to be measured: which platforms, which data points, and why.

Defining scope early on — what you will do initially, what you won't do, and why — is your first priority. Why? Because the process of defining scope will become a forcing function to align multiple, disparate stakeholders; will establish analytics as a strategic discipline rather than a tactical "help desk"; and will help mitigate the "report monkey" phenomenon, in which analysts are forced to react blindly to a constant stream of ad-hoc requests.[15]

While initially you may only be able to address a small portion of what you (and your stakeholders) want to measure, take the time to lay the groundwork for a consistent, methodological approach across the organization. The following are the key factors of scope:

- Inventory: A clear understanding of all departments actively engaged in social media (market research, HR, ecommerce), whether and how they are using social data, what metrics they are tracking and reporting on, and any inconsistencies across departments.[14]
- Documented Methodology: Documentation of the confidence levels you are able to deliver on various social platforms. For example, if sentiment analysis is important to your business, you must be transparent about the accuracy level you are able to achieve with your tool set.[16] Set expectations that trial and error will be the norm, as you will be accorded a very short learning curve before you're expected to deliver social data insights.
- Documented Success Criteria: Document success criteria for delivery of metrics. This includes clear formulae, consistent use of tagging, and access to web analytics dashboards to track the impact of social content.

You will know you've mastered "Scope" when you can easily answer questions such as: What social data do we have at our disposal? What do we track? What is our methodology for social data? What are the critical success factors to scale this across the organization?

2. Strategy

Definition: The extent to which social data — and metrics — is in alignment with strategic business objectives across the organization.

Most organizations begin measuring social media focus first using volume metrics: how many likes, fans, followers, brand mentions, etc. But counting can only take you so far. If you cannot demonstrate a connection to the outcomes that executives in

the C-suite care about — brand reputation, revenue generation, operational savings, customer satisfaction, and so on — you're at risk of creating a silo (worse, a cost center) that you are unable to justify.

In some organizations, business strategy may involve multiple dimensions of business value; in others, it comes down to one, simple, over-arching goal. Says Ryan Smith, Digital Marketing Manager, Royal Canin, "The really important thing for our vision of the business is to improve the understanding of our brand and what we stand for." In Royal Canin's case, this consists of using social media to drive brand awareness and preference in concert with other marketing activities.

The prioritization of metrics will evolve over time to support the evolution of business strategy. In the early stages, you may start with tying social media metrics effectively to only one specific goal, such as marketing optimization or brand awareness. But you will be able to chart your organization's maturity by the extent to which every social media initiative throughout your organization — no matter how small or short-term — has a clear set of goals and measures that illustrate success.

3. Context

Definition: The extent to which the organization is able to view social data in various contexts to understand what is typical, what is unusual, and the drivers for each.

When you start to measure social data, you will have no historical record on how social assets or campaigns performed in the past. And while you may have performance benchmarks for non-social campaigns, you'll need to understand the actual performance of your social programs and campaigns to evaluate impact.

Typically, you will need a healthy sample of data (minimum three to six months of completed campaigns) before you can get a feel for what is "normal" and begin to craft defensible KPIs. But you can start measuring and learning about the drivers of results on day one and use this insight to set expectations internally. In addition:

- Understand how social data changes in the context of time. For example, net sentiment may be an inexact metric at a single point in time, but significant fluctuations are worth investigating and worth digging deeper to better understand the source of the change.
- Multiple outliers gain significance. A single exception at a point in time has little meaning, but over time, may signal a significant risk or opportunity.
- Look at existing metrics — brand lift, aided and unaided awareness, Net Promoter Score, or other customer satisfaction metrics — to set a point of comparison for what you may find in social data. For example, if you introduce a campaign to drive awareness of a new brand or service, does social data confirm or refute your existing brand lift metrics? In Parasole's case, the social data not only confirmed customer satisfaction feedback and verbal complaints, it demonstrated that the problem was much more widespread than the company would otherwise have realized.

While it's important to be aware of what your competitors are doing, don't over-focus on competitive analysis or searching for industry benchmarks until you have a good feel for your data and for how your customers behave in social channels. Says Jen Evans, CEO, Squeeze CMM & Atom Agency, "The digital behavior of every audience is completely different; you can't rely on general research to understand your customers."

The markers of maturity for the Context dimension are simple: the existence of clear benchmarks against past history, enterprise data, and, in some cases, the competition.

4. Governance

Definition: The extent to which the organization has developed, socialized, and formalized processes related to workflow, collaboration, and data sharing.

In the early stages, governance processes tend to be ad-hoc; they become formalized and integrated into business process as the use of social data matures. When you begin to measure social media, you will run into numerous situations for which you have no existing processes or policies. While you will not yet have established governance for new workflows, you can begin to note exceptions that require attention down the line. Following are key areas of focus.

- Data Sharing: Social media creates an unprecedented need to share data across the organization. But not every organization is uncritically enthusiastic about sharing data among teams, whether for process, resource, or cultural reasons. Sharing data can have unintended consequences: exposing problems to peers, management, and employees before there is a common understanding of the problem or a proposed solution, which can create tensions and pressure among and between groups. This can be especially acute in more "command-and-control" organizations, where information sharing is less the rule than the exception.

  While it's critical to respect your organization's processes and cultural norms, this is an opportunity to begin preparing your organization to take best advantage of social data (and eventually other types of big data) that do not respect departmental boundaries or cultural conventions. To do this, you must explicitly demonstrate the value of sharing data, and the risks inherent in suppressing it.

  Tristan Bishop of Symantec experienced this first-hand. "Symantec helps consumers and organizations secure and manage their information-driven world. Because we focus on eliminating risks to information, technology, and processes, we had to internally clarify the "risk versus reward" ratio of social engagement before launching the [social analytics] program." For Symantec, the risk of organizational tension was outweighed by the customer experience, risk reduction, and other gains they achieved by sharing social data.

- Executive Support: Bringing the right executive sponsors and champions to bear is critical to your success. To do this, you need executives who are comfortable with the challenges of social data and are willing to publicly support the degree of research and investment needed to pursue unexpected findings and work across departments. Says Jen Evans, "To run an effective social analytics pilot, you need a multidisciplinary focus with significant tolerance for changing direction as the findings warrant. You need an executive champion, clear goals and objectives, and clear expected outcomes. It takes a special type of executive to do this."

  The ideal executive for this role is someone who has a vested interest in customer, operational, or financial insights; that is, a CMO, COO, CFO, or head of strategy. He or she needs to champion the integration of social data in the belief that it will yield greater insight than separate data sets can on their own. But to support this champion, analytics teams must do their homework: They must establish a clear and credible discipline for social data within the organization to provide the executive with the justification needed to push for alignment, change, and, ultimately, budget.

  As the organization matures, this champion's role will evolve from an evangelical to a facilitative role as multiple organization heads now understand the value of a holistic view of data.

  Organizations will reach Governance maturity when their social data measurement processes are documented, socialized, and understood throughout the organization and when workflows are clear, automated, and scalable.

5. Metrics

Definition: The extent to which metrics have been defined and socialized throughout the business.

The key to metrics maturity is definition and prioritization, as discussed in depth in the "Making Social Data Actionable" section. In the early stages, organizations focus on a small set of metrics, define them, and socialize them throughout the organization. As they gain context and confidence, they establish clear benchmarks, which set the stage for defining KPIs and establishing future metrics.

A marker of maturity for metrics is the ability to articulate not only the ingredients and data sources, but also the process and criteria by which a metric is established and evaluated. For example, ad value equivalency may be a practical metric early on as the organization becomes accustomed to social media and its impact. But over time, you should expect to see metrics emerge that tell you more about the impact of social media on the business.

As metrics mature fully, it will become clear which ones drive insight and decision-making and which should be used as KPIs to measure performance. For example, impressions are generally too volatile a metric in social media to establish as a KPI, while ROI on a marketing campaign will inform not only future decisions but performance evaluation as well. A mature analytics organization clearly understands and can justify the value of these metrics across the organization.

6. Data

Definition: A strategic approach to the data and platforms at your disposal.

There are three main areas of focus to ensure a strategic approach to social data:

- Know Thy Social Data. Note the difference between a social action (a share, like, pin, retweet) versus social text (a tweet, a post, a comment), because each carries different signals. A person who "likes" a Facebook page will see that brand in his feed (unless he hides it), while a comment may simply become a one-to-one transaction. "This data is only going to get more complicated," says Matthew Knell, Director, Social Media, AOL. "We need to understand where content is coming from: a fan page, a comment, a share button, etc."
- Know Thy Platforms. Make sure someone in your organization is spending the necessary time to stay on top of social media platforms and their metrics. You'll need to know what they are, what they do, what samples you have access to, and how much historical data you are able to acquire. This is critical to understanding how to view the data and what conclusions to draw from it. Stay abreast of API and Terms of Service (TOS) changes that may affect your data samples and results. Tools such as Brandle, which provides online presence management, can ensure that you have an inventory of all points of presence that generate social data.
- Warehouse Thy Social Data. Qualcomm has built a social data warehouse to provide a shared service to inform decision-making, while Caesar's is integrating social data with Customer Relationship Management and its enterprise data warehouse.

Your organization's approach to social data will evolve, especially as it becomes integrated with enterprise and other data streams. Over time, social data may be folded into an organizational "big data" initiative, including transaction data, sensor data, and other data sets. Keep in mind that the work you do now to establish the integrity of social data intelligence will influence the extent to which it is viewed as credible and integral to the business later on. So your investments now will pay off down the line, even if the organization of the future looks markedly different from today.

Conclusion

Although technical integration of many disparate data streams is on the horizon, today's opportunity is to see social data as a lens for insight and a crucial input into business decisions and strategy. This will be a journey in itself, but a worthwhile one, as organizations strive to make data actionable and even predictive. It will create expected and unexpected outcomes. We are already seeing the following patterns emerge:

- A view from the customer in, not the organization out. One of the opportunities of social data intelligence is to better understand how consumers, citizens, patients, volunteers, and business customers think and feel at different stages of their journey with us. Right now, what information organizations have is stored in CRM, business intelligence, ERP, and supply-chain systems, social media dashboards, search, apps, and devices, in a format that is (arguably) useful for individuals in the organization but too fragmented to provide a holistic view from a customer perspective. Chris Kahle of Caesar's is already working toward this future. "We are trying to understand the customer's entire journey and all the touchpoints so we can optimize the experience."
- Social data is the dress rehearsal for "Big Data." The volumes, variety, and velocity of social data, combined with innate interpretive challenges, multiple stakeholders, and utility across the business mean that organizations that embrace social data and seek to understand it are already addressing issues they will inevitably face as other real-time, heterogeneous, and unprecedented data streams become available, integrated, and scalable.
- Big data drives organizational change. One of the most interesting aspects of a data-driven organization is the impact to decision-making, especially at the executive level. An October 2012 article in the Harvard Business Review discusses the "HiPPO" phenomenon, meaning that the traditional mode of decision-making in many organizations is based upon the "HiPPO," or "highest paid person's opinion"[16].
- As organizations gain access to better quality, better filtered, curated, and interpreted data, clashes between the intuitive or experience-based and the data-driven decision makers are inevitable. The challenge will be to anticipate and transparently plan for the cultural implications of better, faster, and more transparent data, while preserving the human factors that cannot be quantified.
- Making the real-time enterprise real. Location data, social media, multi-channel experiences, sensors, and transactional data are all realities today. Propensity modeling demonstrates the statistical likelihood of event "A" versus event "B," given a specific set of conditions. With the advent of new technologies, such as SAP's HANA platform, real-time insights become possible — SAP and Adobe are already working on an early integration of HANA and Adobe Marketing Cloud. It's real, and it's happening now.

Social or not, big data raises customer expectations and competitive pressure. It breaks silos. Admittedly, we are at the very early stages of social, enterprise, and big data integration, but organizations such as Caesar's, Symantec, and others are already thinking deeply about these issues and preparing their organizations for the changes to come, taking social data and turning it into organizational intelligence.

Methodology

Interviews with 11 brands that are currently integrating social with enterprise data.
Interviews with 23 agencies and vendors of social media or social analytics technology.
Survey of 27 end users of technology on how they are integrating social data in the context of other enterprise data sets. Note that, because of the small sample size, these findings should be viewed as anecdotal rather than quantitative.

Ecosystem Input

This report includes input from market influencers, vendors, and end users who were interviewed or briefed by Altimeter Group during the course of this research. Input into this document does not represent a complete endorsement of the report by the individuals or companies listed below.

Brands (11)

AOL, Matthew Knell, Director, Social Media

Caesar's, Chris Kahle, Web Analytics Manager

Caterpillar, Kevin Espinosa, Social Media Manager

e-Toro, Adi Yagil, Social Media Strategist

Interscope Records, Lee Hammond, VP Digital

Parasole, Kip Clayton, VP Marketing and Business Development

Parasole, Sarah Nearison, Marketing Manager

Parasole, Randy Stanley, Digital VP

Qualcomm, Michael Whelan, Senior Manager, Marketing

REI, Paolo Mottola, Digital Engagement Program Manager

Royal Canin, Nigel Blackwell, IT Manager,

Royal Canin, Ryan Smith, Digital Marketing Manager

Symantec, Tristan Bishop, Director of Social Business

Third Door Media (Search Engine Land; Marketing Land), Monica Wright, Director of Community

Vendors & Agencies (23)

Adobe, Lawrence Mak, Product Marketing

Adobe, Jordan Enright-Schultz, Product Manager

Adobe, RJ Simonian, Sr Product Manager for Analytics

Adobe, Carmen Sutter, Product Manager, Listening

Ai-One, Olin Hyde, VP of Business Development

Anametrix, Pelin Thorogood, CEO

Awareness, Sal Gilberto, Marketing Program Manager

Brandle, Chip Roberson, CEO

Converseon, Constantin Basturea, VP, Strategy

Coveo, Dianne Berry, VP Marketing

Coveo, Jessica Hohn-Cabana, Senior Director, Corporate Marketing

Crimson Hexagon, Wayne St. Amand, VP of Global Marketing

Digital Marketing Works, Aaron Zwas, Director, Emerging Technologies

Infegy, Justin Graves, CEO

Janrain, Bill Piwonka, VP, Marketing

LittleBird, Marshall Kirkpatrick, CEO

MixPanel, Suhail Doshi, CEO

NetBase, Lisa Joy Rosner, CMO

New Brand Analytics, Cindy (Cynthia) Kazan, Strategic Marketing & Public Relations

Revinate, Michelle Wohl, VP Marketing

Salesforce, Gordon Evans, VP Marketing, Salesforce Marketing Cloud

SAP, Amit Sinha, VP Database and Technology Marketing

Squeeze CMM & Atom Agency, Jen Evans, CEO

Simply Measured, Adam Schoenfeld, CEO

Spiceworks, Adam Schaeffer, Manager, Public & Analyst Relations

Spiceworks, Adam Weinroth, Executive Director of Vendor Marketing

Tellagence, Sarah Buchanan, Director of Marketing

Tellagence, Matt Hixson, CEO and Co-FounderTellagence

uberVU, Mark Pascarella, CEO

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End Notes

[1] Source: Jeremiah Owyang, Social Business Readiness. http://www.altimetergroup.com/research/reports/social-business-readiness

[2] Based on a quantitative survey of 27 organizations with revenues in excess of $100M who currently use social data in the context of enterprise data. The small sample size for some of the answers (disclosed on the individual charts) reflects the nascency of this trend. As a result, Altimeter recommends viewing these findings as suggestive rather than indicative. Altimeter will repeat this survey over time to track the evolution of social data integration in the enterprise.

[3] Jeremiah Owyang, Social Business Readiness, op. cit.

[4] Source: Speech at Brandworks University, May 21, 2013.

[5] Source: Gartner Group: http://www.gartner.com/it-glossary/big-data/

[6] IBM has said that 90% of the data in the world was created in the past two years alone (source: http://www-01.ibm.com/software/data/bigdata).

[7] Source: Twitter.

[8] An ingredient brand is one in which the product is used in other products, but generally not as a standalone entity. For example, Intel's chipsets are an ingredient brand.

[9] For recommendations on how to map social data with business outcomes and measure revenue impact. See A Framework for Social Analytics and The Social Media ROI Cookbook: http://www.altimetergroup.com/research/reports/the-social-media-roi-cookbook.

[10] The Altimeter Report The Social Media ROI Cookbook is available at http://www.altimetergroup.com/research/reports/the-social-media-roi-cookbook. The six ways to map social activities to revenue generation are brand health, marketing optimization, revenue generation, operational efficiency, customer experience, and innovation.

[11] Simply Measured has a good analysis of the pitfalls of correlating Facebook PTAT with engagement. For more information, see: http://simplymeasured.com/blog/2013/05/16/why-ptat-doesnt-correlate-with-engagement-on-facebook

[12] The reason HANA, and "real-time" analytics is so disruptive is that it speeds up the rate at which data becomes available and therefore the organizational requirement to act on it. Organizations that do not have scalable processes, standards, and governance in place to act on weekly or monthly reports, or criterial for what data should be acted on at what time, will be even more challenged when the pace of data increases to days, hours, minutes, and seconds.

[13] A "warm transfer" is the customer service standard for transferring one person to another within a call center. The key is to ensure that the second party is available and all parties are fully prepared and aware of the reason for the call before the transfer is complete. For a more detailed definition of "warm transfer," see https://www.8x8.com/Resources/Learn/HintsandTips/CallTransferTips.aspx.

[14] "Report Monkey" is a disparaging term for someone whose job it is to respond continuously to ad-hoc report requests, rather than perform a more strategic analytical role. The lack of a clear analytical foundation for social data can exacerbate this situation, leading to employee turnover, missed opportunities, and risk — especially if there is a lack of analytical standards.

[15] Altimeter defines this as having at least one person (not necessarily a full-time equivalent, or FTE) who is tasked with listening and/or engagement within the department.

[16] Most sentiment analysis tools deliver 60%-65% accuracy in English out of the box; machine learning and more sophisticated text analytics can raise the accuracy level to 80% or higher. Some tools, such as NetBase, Tracx, and Adobe, go further by enabling analysts to categorize emotion type and intensity. But this will never be perfect; even humans disagree in their interpretation of sentiment. Choose the best tools you can afford, and be transparent about their accuracy.

[176] "Big Data: The Management Revolution," Andrew McAfee and Erik Brynjolfsson, Harvard Business Review, October 2012.

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About Us

Altimeter Group provides research and advisory for companies challenged by business disruptions, enabling them to pursue new opportunities and business models. We share our independent research on business disruptions via research reports, webinars, speeches, and more. We also offer advisory services to business leaders who wish to explore the specific implications of these disruptions within their organizations.

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