

The strength of ‘weak signals’

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Snippets of information, often hidden in social-media streams, offer companies a valuable new tool for staying ahead.

As information thunders through the digital economy, it's easy to miss valuable “weak signals” often hidden amid the noise. Arising primarily from social media, they represent snippets—not streams—of information and can help companies to figure out what customers want and to spot looming industry and market disruptions before competitors do. Sometimes, companies notice them during data-analytics number-crunching exercises. Or employees who apply methods more akin to art than to science might spot them and then do some further number crunching to test anomalies they're seeing or hypotheses the signals suggest. In any case, companies are just beginning to recognize and capture their value. Here are a few principles that companies can follow to grasp and harness the power of weak signals.

Engaging at the top

For starters, given the fluid nature of the insights that surface, it's often useful to get senior leaders actively involved with the social-media sources that give

rise to weak signals. Executives who are curious and attuned to the themes emerging from social media are more likely to spot such insights.¹ For example, a global manufacturer whose high quality and low prices were the topic of one customer's recent social-media post almost certainly would not have examined it but for a senior executive who was a sensitive social “listener” and found its implications intriguing. Did the company have an opportunity, the executive wondered, to increase prices or perhaps to seek market share more aggressively at the current prices?

To find out, the executive commissioned research to quantify what had started out as a qualitative hunch. Ultimately, the low-price perception turned out to be an anomaly, but the outsize perception of the product's quality was widely held. In response, the company has started funneling marketing resources to the product in hopes of building its market share by capitalizing on its quality and differentiating it further from the offerings of competitors.

Listening and mapping

As the manufacturer's example implies, spotting weak signals is more likely when companies can marshal dispersed networks of people who have a deep understanding of the business and act as listening posts. One global beverage company is considering including social-media awareness in its hiring criteria for some managers, to build its network and free its management team from "well-rehearsed habits."

Weak signals are everywhere, of course, so deciding when and where to keep the antennae out is critical. One such situation involves a product, market, or service that doesn't yet exist—but could. Consider the case of a global advertising company that was investigating (for one of its clients) a US growth opportunity related to child care. Because no one was offering the proposed service, keyword searches on social media (and on the web more broadly) wouldn't work. Instead, the company looked to social-media platforms where it might find weak signals—finally discovering an online content service that allows users to create and share individualized newspapers.

In the child-care arena, digital-content channels are often curated by mothers and fathers, who invite conversations about their experiences and concerns, as well as assemble relevant articles by experts or government sources. Analysts used semantic clues to follow hundreds of fine-grained conversations on these

sites. The exercise produced a wealth of relevant information about the types of services available in individual markets, the specific levels of service that parents sought, the prices they were willing to pay, the child-care options companies already sponsored, the strength of local providers (potential competitors), and the people in various communities who might become ambassadors for a new service. This wasn't a number-crunching exercise; instead, it took an anthropological view of local child care—a mosaic formed from shards of information found only on social media. In the end, the weak signals helped the company to define the parameters of a not-yet-existing service.

Spotting visual clues

It's also useful to search for weak signals when customers start engaging with products or services in new, tech-enabled ways, often simply by sharing perceptions about a company's offerings and how they are using them. This can be hard for companies to relate to at first, as it's quite removed from the usual practice of finding data patterns, clustering, and eliminating statistical noise. Spotting weak signals in such circumstances requires managers and employees to have the time and space to surf blogs or seek inspiration through services such as Tumblr or Instagram.

As intangible as these techniques may sound, they can deliver tangible results. US retailer Nordstrom, for example, took

an early interest in the possibilities of Pinterest, the digital-scrapbooking site where users “pin” images they like on virtual boards and share them with a larger community. Displayed on Pinterest, the retailer’s products generate significant interest: the company currently has more than four million followers on the site.

Spotting an opportunity to share this online engagement with in-store shoppers, the company recently started displaying popular Pinterest items in two of its Seattle-area stores. When early results were encouraging, Nordstrom began rolling out the test more broadly to capitalize on the site’s appeal to customers as the “world’s largest ‘wish list,’” in the words of one executive.² The retailer continues to look for more ways to match other customer interactions on Pinterest with its products. Local salespeople already use an in-store app to match items popular on Pinterest with items in the retailer’s inventory. As the “spotting” ability of companies in other industries matures, we expect visual tools such as Pinterest to be increasingly useful in detecting and capitalizing on weak signals.

other operational activities. Interestingly, TomTom, a company that offers products and services for navigation and traffic, found that the mechanism for spotting weak signals proved useful in enhancing its product-development process.

As part of normal operations, TomTom monitored social media closely, mining conversations to feed into performance metrics for marketing and customer-service executives. The normal process changed after an attentive company analyst noted that users posting on a UK forum were focused on connectivity problems. Rather than let the tenuous comments get lost in the company’s performance statistics, he channeled them to product-development teams. To resolve the issue, the teams worked directly—and in real time—with customers. That helped short-circuit an otherwise costly process, which would have required drivers using TomTom’s offerings to check out connectivity issues in a number of locales. The broader payoff came in the form of new R&D and product-development processes: TomTom now taps directly into its driving community for ideas on design and product features, as well as to troubleshoot new offerings quickly.

Crossing functions



As the Nordstrom example demonstrates, listening for weak signals isn’t enough—companies must channel what’s been learned to the appropriate part of the organization so the findings can influence product development and

At most companies, weak signals will be unfamiliar territory for senior management, so an up-front investment in leadership time will be needed to clarify the strategic, organizational, and resource implications of new initiatives. The new

roles will require people who are comfortable navigating diverse, less corporate sources of information.

Regardless of where companies observe weak signals, the authority to act on them should reside as close to the front lines as possible. Weak signals are strategic enough to demand top-management attention. They are sufficiently important to the day-to-day work of customer-service, technical-development, and marketing teams to make anything other than deep organizational engagement unwise. ○

¹ See Martin Harrysson, Estelle Métayer, and Hugo Sarrazin, “How ‘social intelligence’ can guide decisions,” *McKinsey Quarterly*, November 2012, mckinsey.com.

² See Rachel Brown, “Nordstrom touts merchandise with Pinterest,” *Women’s Wear Daily*, July 2, 2013, wwd.com.

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