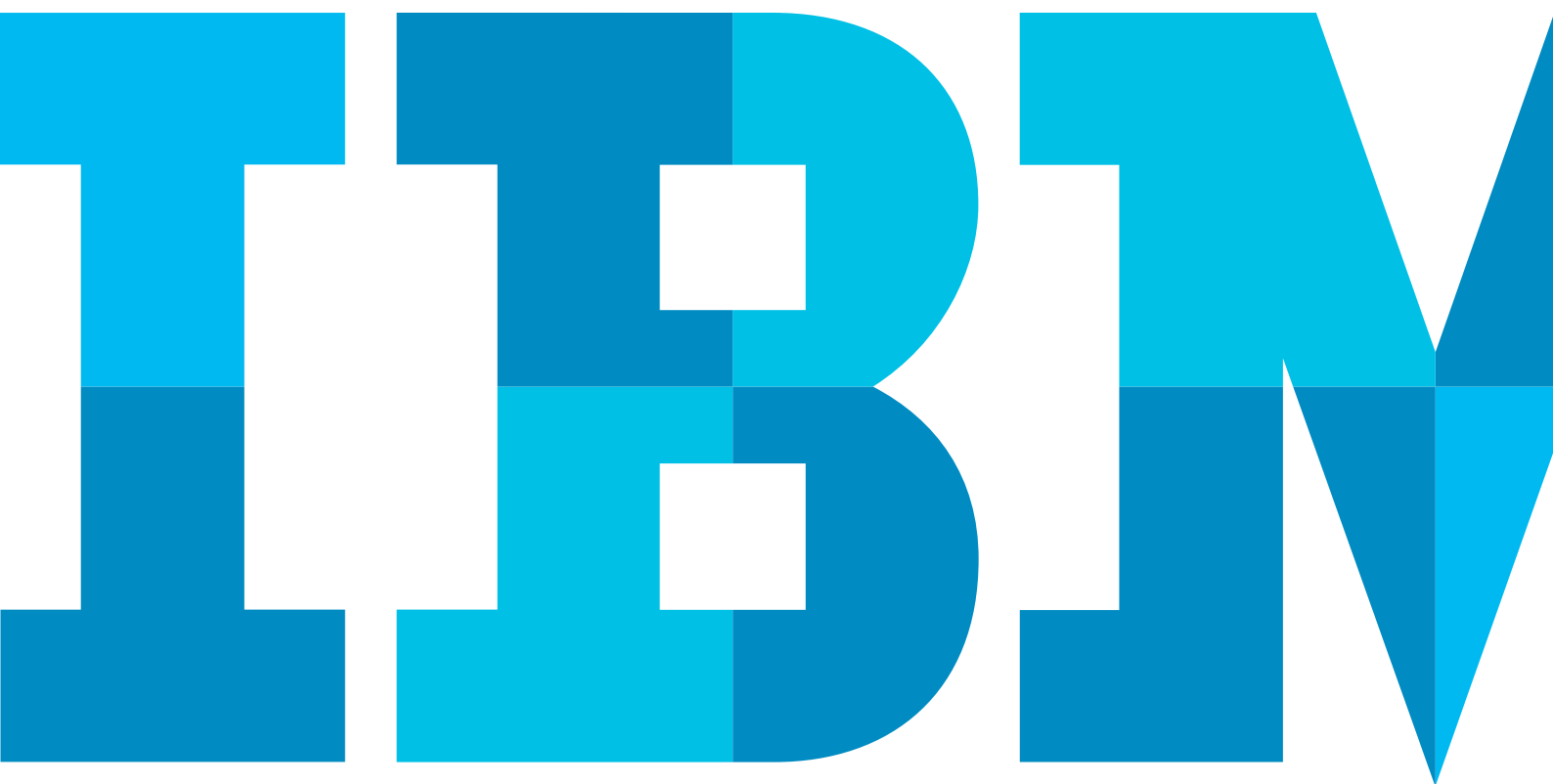


Social analytics: Finding opportunity in chaos

The Social Analytics Maturity Model



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Summary: Finding opportunity in the chaos

All organisations are engaged in social media – either actively as participants or passively as a topic of discussion. Enterprises can no longer escape the need to monitor and analyse social media outlets such as Facebook, Twitter, Pinterest, news sites, blogs, forums, video sites and microblogs. To successfully embrace social media as the ‘new normal’, enterprises need to develop a social media analytics capability.

Social media analytics is the process of accessing data generated on social media such as ideas, sentiments and customer feedback. This information can then be analysed and fed into the decision-making process across all business activity, including campaign orchestration, product development, recruitment, customer advocacy and engagement processes, sales input and much more.

IBM's Social Media Maturity Model offers best practice for organisations' social media analytics capabilities. This white paper outlines the Social Media Maturity Model and provides a framework, known as the Analytics Quotient, against which you can measure the maturity of your organisation's social analytics policies and procedures.

Introduction

Following the development of the internet in the 1990s, we saw a second stage of innovation that began in the mid-2000s. We believe that this second stage is different because social networking and communities, rather than new technologies, began driving the global growth of the network. Social networks are reshaping how consumers purchase products, how they interact with each other and, increasingly, how they lead their lives.

Today, the reality is that customers increasingly own the conversation about products and services – and enterprises need to adjust. We have entered a period where peer or expert influence is far more important to customers making a purchase than the advice of a retailer or a manufacturer. In fact, vendor input now accounts for just 18 percent of the factors influencing the consumer's purchase decision.¹

Businesses often confuse their own desire for customer intimacy with consumers' motivations for engaging. They need to realise that most consumers do not engage with companies via social media to feel connected. It turns out that customers are far more pragmatic when engaging in social media and expect experiences that deliver tangible value in return for their time, attention, endorsement and data.²

Enterprises must adjust to this change quickly or risk falling behind. So how can enterprises navigate this new environment? How can they generate brand affinity if customers say they are put off by obvious marketing tactics? What does it mean to cultivate a community and maintain loyalty in these turbulent circumstances? And, if peers and experts are so critical to customer opinions, how can we locate these influencers and productively engage them?

1. IBM Institute for Business Value, [Capitalising on the Smarter Consumer](#), February 2011.
 2. IBM Institute for Business Value, [From social media to Social CRM: What customer want. The first in a two-part series](#), February 2011.

How mature is your organisation's ability to analyse social media?

'Social analytics maturity' is a measure of a company's progress as it moves from accepting the presence of social media as a marketing channel, to continuously leveraging social media to improve all facets of its business.

This white paper introduces IBM's new Social Analytics Maturity Model, which organisations can use to measure how well their social media strategies are working. It then outlines how you can improve your social analytics maturity level by implementing the suggestions outlined in IBM's Analytics Quotient.

IBM measures social media analytics activity in three layers, which we refer to as the 'maturity journey':

- **Social monitoring (listening):** Listening in on social media for mentions of items of interest such as brand names, campaigns, product feedback and competitive elements.
- **Social analysis (thinking):** Analysing the data captured during the monitoring process.
- **Social engagement (doing/acting):** Choosing actions based on social media data analysis such as input into internal processes or market engagement.

The Social Analytics Maturity Model

IBM has helped organisations around the world develop integrated social analytics for many years. Over that time, we found enterprises typically go through two 'waves' of progress on their social media analytics maturity journey.

Wave 1: Laying the foundation

Organisations in this first wave range from those that are taking the first steps in using social media, through to those that are actively monitoring and responding to online activity.

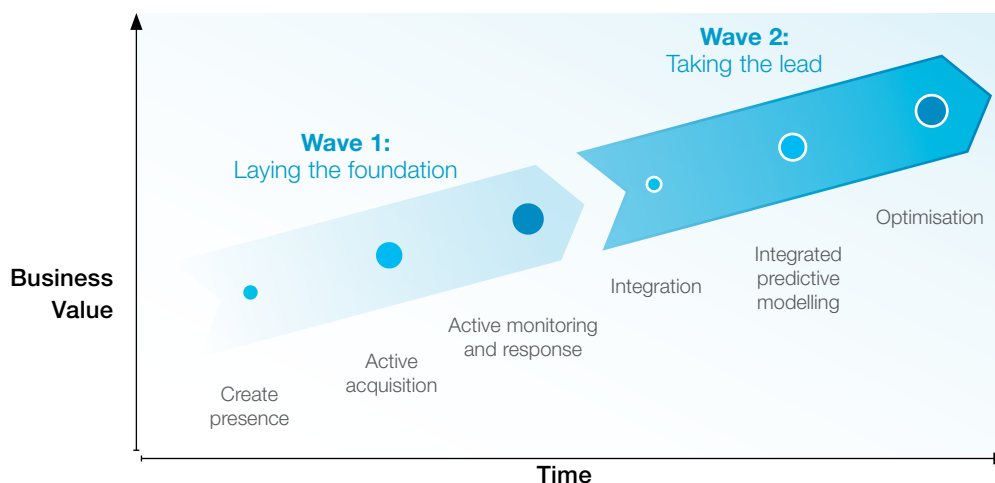
Businesses typically start riding this wave after allocating budget to creating a social media presence. At this stage, minor incidents that generate negative feedback can prompt product marketing and brand management teams to oppose further development.

However, once an organisation has shrugged off its early fears, it starts to embrace social media. Its focus shifts to actively acquiring fans and followers and it will often engage consultants to help grow its popularity.

Wave 2: Taking the lead

This is the next wave, where a social media presence becomes integrated into an organisation's business processes. All information acquired through social media is captured in the organisation's systems and aggregated with other data for management decision-making. In this case, the social media information is invaluable to the organisation's understanding of how the broader community perceives it.

Figure 1: The Social Analytics Maturity Model



Social Analytics Maturity Model: A detailed framework

As enterprises move through the various stages of the Social Analytics Maturity Model, three steps in the maturity journey remain constant:

- social monitoring (listening)
- social analysis (thinking)
- social engagement (doing/acting).

Table 1 outlines activities that typify each stage of maturity in an organisation’s social media analytics capability.

Table 1: Social Analytics Maturity Model framework

	Tactical monitoring and responses	Integrated engagement	Predictive insights	Optimisation
Monitoring (Active listening)	<ul style="list-style-type: none"> • Basic filtering with keywords • Anecdotal business insights • Campaign-centric focus • Streaming content 	<ul style="list-style-type: none"> • Analytics-assisted filters – ranking and prioritisation • Quantitative business insights aligned to business strategy • Rules-based event generation • Mix of both social and limited 'traditional' data 	<ul style="list-style-type: none"> • Model-driven filters – scoring and prediction • Forecasted business insights aligned to agile business strategy • Extensive mix of social and 'traditional' datasets (internal/external) 	<ul style="list-style-type: none"> • Optimisation-driven filters for ranking, classification, prioritisation and routing • Adaptive business strategy driven by optimisation engine • Deeply and seamlessly embedded into business applications and processes
Analytics (Thinking)	<ul style="list-style-type: none"> • Categorisation (#s, %..) • Minimal integration of social profiles • Limited datasets, narrow window of historical data • Ad-hoc, passive 	<ul style="list-style-type: none"> • Text Mining (sentiment, network analysis) • Micro-segmentation with rich social profiles • Geo-spatial/platform analysis • Cross analysis with non social data • Basic view of individual entities 	<ul style="list-style-type: none"> • Rich temporal analytics of content, people and community interactions • Predictive modelling with full integration of 'traditional' datasets • Robust entity propensity models 	<ul style="list-style-type: none"> • Social influencer optimisation • Domain process optimisation
Engagement (Doing)	<ul style="list-style-type: none"> • Tactical responses as opposed to leading • Limited social perspective, one-size-fits-all broadcast messages 	<ul style="list-style-type: none"> • Automated engagement • Personalised engagement via social profiles • Segment-specific broadcast messaging • Integrated with traditional business process workflows • Multi channel, conversation-specific engagement 	<ul style="list-style-type: none"> • Recommendation-driven engagement strategy, measured by desired business outcomes • Direct entity engagement based on propensity models 	<ul style="list-style-type: none"> • Business outcome optimisation • Marginal return-on-investment optimisation • Targeted crowd sourcing

Tactical monitoring and response

Active monitoring and response is the last step in the first wave of the Social Analytics Maturity Model. It involves laying down the foundation for tactical, campaign-centric planning with basic filtering of keywords and streamlined content.

At this stage, IT may have strung together some quick wins to placate the sceptics but are keen to move faster. However, they may be held up by limited datasets, a lack of historical data, and ad-hoc, siloed analytics capabilities.

Integrated engagement

Integrated engagement is the first major step of moving into the second wave of the Social Analytics Maturity Model. The biggest differentiator in this stage is moving away from all data remaining in third-party Software-as-a-Service (SaaS) applications to bring the data into your organisation for richer, more targeted analytics – typically with the longer-term vision of automation.

The execution of the integration step in itself would be managed by the IT department in conjunction with the business users. IT needs to redesign their existing data asset structure (such as data models, metadata, master data management strategies and customer records) to allow for this new influx of raw or, more typically, post-analysis customer information.

Predictive insights

At the predictive insights stage, the organisation's social media presence is integrated into business processes. All information acquired through social media is captured and aggregated with other data for effective decision-making.

Optimisation

Optimisation is the final step in the second wave of the Social Analytics Maturity Model. This stage sees the complete integration of social media into business applications and processes. The organisation can derive invaluable input, such as a clear understanding of how the broader community perceives it.

Using the Analytics Quotient to measure your social media analytics capability

Once you have analysed where your organisation sits within the Social Analytics Maturity Model framework, you can apply IBM's Analytic Quotient (see Figure 3) to determine how you can improve your business and outperform your competitors.

The IBM Analytics Quotient (AQ) measures how ready an organisation is to apply insight to its strategy, processes and tactics; how quickly it can reallocate resources and reorient employees to make better decisions; and how effectively the organisation can act based on how well management knows the company's past performance, current results and future possibilities.

The Social Analytics Maturity Model aligns to the AQ model. Organisations that have embraced social media analytics as a fundamental part of decision-making processes will have a higher AQ score (see Figure 2). The higher your social analytics AQ score, the more likely your organisation is to achieve better business outcomes.

You can take the AQ quiz online at: ibm.com/software/analytics/aq/.

Figure 2: IBM Analytics Quotient

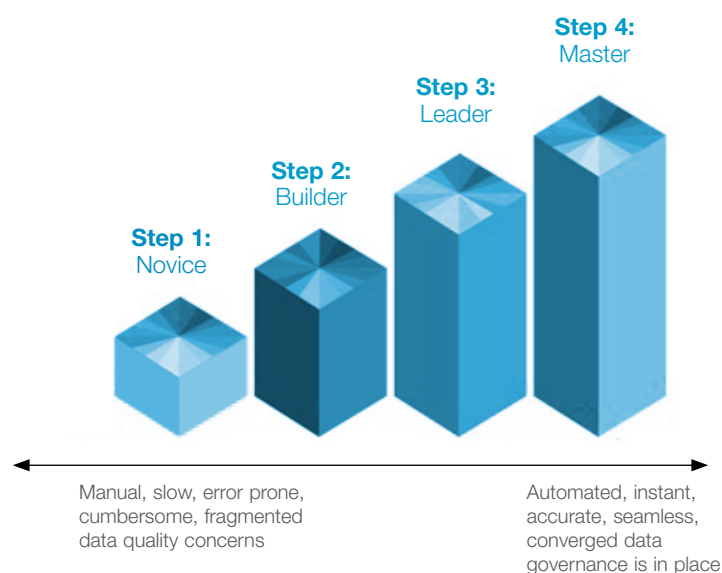
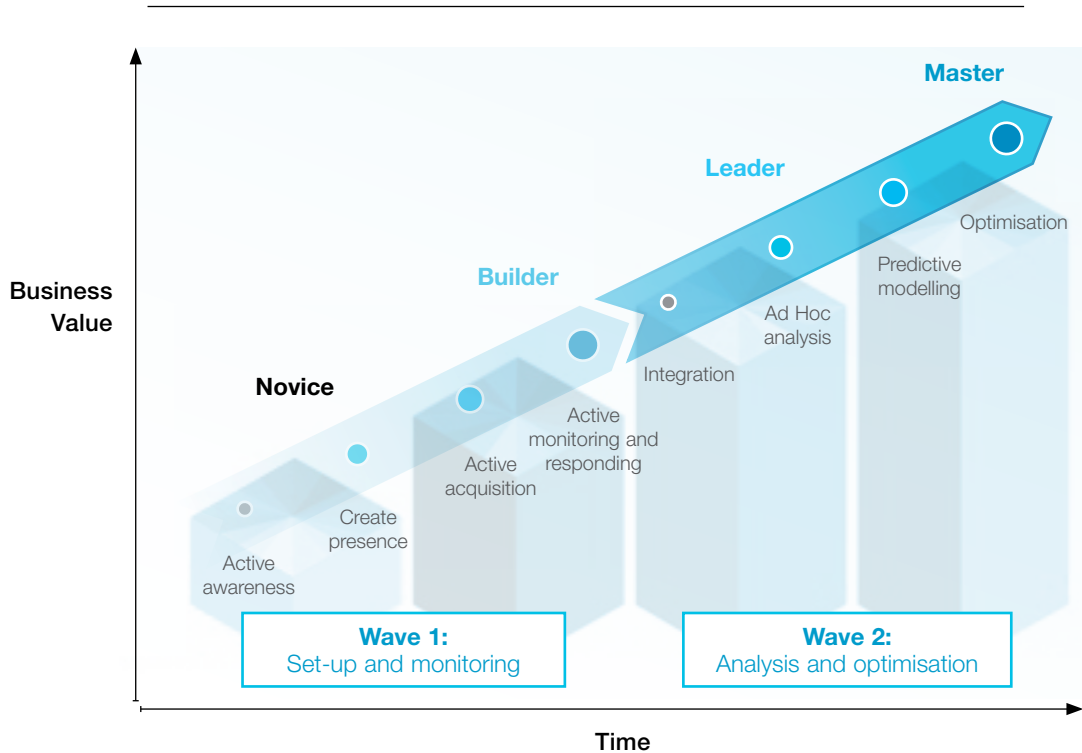


Figure 3: Social Analytics Maturity Model mapped against the Analytics Quotient



The Novice

In the social analytics world, at the first level individuals or teams analyse their own social data, typically using spreadsheets or basic query tools. There is only a limited historical view into past information.

At this stage, an organisation's focus is on building a social presence, with monitoring being the main objective. As challenging as the 'Novice' stage is to operate within, the good news is that it's also the easiest one to get out of. Every organisation begins its social analytics journey at this stage.

The Builder

Organisations that reach the 'Builder' stage are making their first foray into a collaborative social analytics environment – albeit mostly within a single department. This is typically the marketing function. Teams are moving beyond setting up presences and looking at basic metrics, such as the number of fans or followers they have, to active listening and responding.

The Leader

The first thing that typifies a 'Leader' organisation is the fact that social analytics has gone beyond an external view of social data, to deep integration with internal organisational data. These organisations are typified by C-level social accountability, with defined operational and financial metrics across more than one department. Leader organisations combine social data with data from various systems to achieve a cohesive view of insights and opportunities.

They have formalised a centre of excellence with roles and responsibilities, a shared service environment, standard technologies and processes, and a strong community of stakeholders who regularly evaluate and revise strategies and priorities.

The Master

Organisations that have reached a 'Master' level of social analytics have social media ingrained in their strategy. Master organisations can set top-down goals and allocate resources based on strategic priorities and real-time insight into shifting online social dynamics.

Everyone – regardless of their role – knows the objectives and how they can collaborate across the organisation to achieve them using social media. This can be by using social media as an active channel to market or to provide support, or using it as a measuring rod for all decisions. Either way, various teams know how social media can be used and how it affects the organisation.

Decision-makers have the information they need at their fingertips, whether they are in the boardroom evaluating strategic moves based on social analytics-based recommendations or in customer-facing roles making sales offers based on automated feedback systems. At this stage, analytics-driven decisions are no longer the exception, but the rule.

Table 2 applies the Social Analytics Maturity Model against the AQ.

Table 2: Aligning the Social Analytics Maturity Model to the AQ framework

	The Novice	The Builder	The Leader	The Master
People	<p>People driving change at this stage are the visionaries who often form a select group in an organisation. They display a genuine passion for social analytics.</p> <p>Personal initiatives drive the learning curve – social analytics is probably not a core part of their job description.</p> <p>There is an occasional and isolated focus on social media insights, typically within current job functions, and with limited support from management in the form of resources and time.</p>	<p>As the organisation matures, new role(s) are created that focus on social monitoring, analysis and engagement. These could be internal head counts or staffing from external sources.</p> <p>There is an explicit management focus on social media analytics, including some limited performance measurement of social engagement.</p> <p>Organisations in which executives see the importance of social media will mature more quickly than their industry peers.</p>	<p>Integration of social KPIs in leading functional responsibilities. KPIs lead to formal training and mentoring for people to accept and use insights from social media analytics.</p> <p>Job descriptions include capabilities around monitoring, analysis and engagement.</p> <p>Senior management encourages and rewards social media eminence and skill-set through annual review process and formal rewards/recognition.</p>	<p>People in Master organisations have fine-tuned their skills. They use social media analytics to drive their own activities, as well those in their sphere of influence, to actively improve and innovate the business.</p> <p>Organisations have employees with industry-leading eminence due to comprehensive social media training.</p>
Process	<p>Marketing teams start to discuss structured processes for social media analytics. There is no alignment to top-down strategies.</p> <p>Managers initiate budget conversations around the inclusion of social media strategy in business plans.</p> <p>Organisations start building a presence on social media.</p>	<p>Initial KPIs are put in place, typically around stand-alone counts such as the number of followers or fans.</p> <p>External consultants or internal headcounts are introduced to own and develop social media strategies.</p>	<p>By this stage, social media is considered a major channel in an integrated marketing strategy. Social media analytics as the backbone to most business functions.</p> <p>Leaders set top-down goals and analytics drives social media engagement strategies.</p> <p>A feedback loop provides continuous process improvement.</p>	<p>Organisations allocate resources based on strategic priorities and real-time insight into the shifting dynamics of social media.</p> <p>Master organisations are clear on their social media objectives and how staff can achieve them.</p> <p>Social media analytics are a key input into the organisation's continuous improvement processes.</p>
Platform	<p>Novice organisations use ad hoc and disparate technology platforms. At this stage, staff conducting social media analytics do so with manual processes.</p>	<p>Builder organisations have a coordinated set of social media analytics tools, which are organised by business unit.</p> <p>Depending on the size of the organisation, platforms at this stage may be cloud-based, but have no integration into internal data systems.</p>	<p>Leaders use a flexible, 'pluggable' framework to analyse social media, which delivers the right information to the right individual in the right context. Analytics tools are embraced by the organisation and are used to develop influence, eminence and thought leadership.</p> <p>The organisation uses predictive analytics to align social media data with traditional business data and metrics.</p>	<p>Social media analytics is woven into the fabric of all decision-making processes.</p> <p>Masters can immediately identify and engage in only the most beneficial social media-related ventures.</p> <p>Dedicated social media staff integrate and automate social media tools to make it easier for staff to use.</p>
Policy	<p>Novices establish reactive and unclear social media policies. Staff do not understand or fully adopt social media policies.</p>	<p>Social media engagement policies are technology- and medium-neutral and are adequately embedded across business units.</p> <p>Public relations involvement increases. PR staff develop a clear employee social media policy.</p>	<p>Leaders have a functional social media policy to protect the organisation. Policies are clear around marketing, public relations and employee use.</p>	<p>Agile social media policy allows staff to engage in social activity as part of their everyday activities to innovate and improve business.</p> <p>Management uses pattern identification analytics to continuously improve social media policy.</p>

Conclusion

Every tweet, shopping cart purchase, blog post or angry video rant is a mine of valuable data. To glean insights from social media data, organisations must capture, manage, store and analyse only the most relevant information.

Organisations are coming to terms with how to access and analyse relevant social media data. As they move through the stages of social media analytics maturity, they become more adept at predicting market movements and are increasingly agile in their response. In the coming decade, social media analytics maturity will be a core competitive differentiator.

Next steps

Regardless of where you are in your social analytics maturity journey, we recommend following these steps:

1. Take stock of where you are in the social analytics journey and identify where your organisation is positioned in the Social Analytics Maturity Model.
2. Use the Analytics Quotient to measure and identify next steps you can take to develop your organisation's social media analytics capabilities.
3. Form a social analytics competency group that includes members from all areas of the business including marketing, product development, human resources, IT and data analysis managers.

How IBM can help

IBM Business Analytics

IBM Business Analytics software delivers complete, consistent and accurate information that decision-makers trust to improve business performance. As a comprehensive portfolio of business intelligence, advanced analytics, financial performance and strategy management, and analytic applications, these tools give you clear, immediate and actionable insights into current performance and the ability to predict future outcomes.

Combined with rich industry solutions, proven practices and professional services, organisations of every size can drive the highest IT productivity and deliver better results.

IBM Social Media Analytics

IBM Social Media Analytics is the industry's most robust enterprise-class social media analytics application. It helps organisations listen to customers, identify trends and content authors, and identify and act on issues before they escalate.

IBM Social Media Analytics enables you to:

- **Grow your business:** Understand customer needs and target new offers and products to grow revenue.
- **Enhance your organisation's reputation:** Evaluate your corporate reputation and make evidence-based messaging decisions.
- **Improve your customer experience:** Respond more quickly with accurate, timely and relevant insight into customer requests, to ensure a consistent brand experience across all channels.

Marketing in the world of social media

With the advent of social media, the persuasive power of word of mouth has merged with the speed and ubiquity of the internet. News of a great product can spread like wildfire. And news about a bad product – or a bad experience with a customer service representative – can spread just as quickly. Consumers are now holding organisations to account for their brand promises and sharing their experiences with friends, co-workers and the public at large.

IBM Social Media Analytics helps companies use social media to gain insight into those consumer opinions and to spot trends related to products and brands. An analytic application with unmatched scalability, IBM Social Media Analytics helps you learn what consumers are hearing and saying about your company – from sentiment to affinity to the impact of social media on an organisation's demand.

IBM Social Media Analytics enables marketing professionals to transform their customer relationships by actively incorporating insights gained from social media into the underlying go-to-market strategy of their organisation. It helps you be more agile, precise and responsive to market demands, guiding social media marketing spend and optimising customer relationships, advocacy and ultimately loyalty.

For more information

Mark Heid

Program Director, IBM Social Analytics

P: +1 919 696 0963

twitter.com/mheid

Dev Mookerjee

Senior Consultant, IBM Business Analytics

P: +61 2 9397 8585

twitter.com/mookerjee

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