How to Gain Actionable Insights from Social Media

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Companies are spending time and money creating their social media presences. They're becoming content publishers, developing skills in community management, and creating new channels between the "outside" world of customers and the "internal" product management and marketing functions. This growing shift is accelerating. Management is now expecting social media channels to provide awareness of emerging trends, positive or negative, which will impact the company. Marketers want to take the data and analytics customers and fans generate in the social channels and use that to create insights that improve business operations, sales, and return on investment.

"Publishing online doesn't always get you engagement," said Peter Friedman, CEO and Founder of LiveWorld. "Many tools that manage content publishing across channels also distance marketers from their customers. Marketers need engagement tools that help manage insights, coupled with engagement so they can learn about the customers, and people-centric tools are key to turn these engagements into actionable insights."

Translating the raw data and intelligence into insights is critical to company success today, and it can improve profits and reduce costs. As noted in "Leading on the Edge of Chaos," "Money spent on preventing churn is better spent, than that which is invested in acquisition. Especially when one realizes that reducing the customer defection rate by 5% can increase profitability by 25% to 125%. Or that a 2% increase in customer retention has the same effect as decreasing costs by 10%." Building engaged fans in communities can increase their loyalty, improve their brand awareness, and increase their likelihood of purchase.

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> **Peter Friedman**
> *LiveWorld CEO*

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[1] Murphy, Emmett C. and Mark A. Murphy. Leading on the Edge of Chaos. Prentice Hall Press, 2002.
[2] Ibid.
[3] https://www.stephencovey.com/7habits/7habits-habit2.php

Business Objectives Come First

Author Stephen Covey famously encouraged people wishing to be "highly effective" to "begin with the end in mind." Effective marketers need to do the same. What are the key business objectives – not the objectives for social media, or for marketing, but the main company goals? Much of the current thinking in social media metrics and customer analysis revolves around what customers are thinking now, and what they're talking about in lots of places online. These things are very important, but they leave a potential to drown in a sea of data – information so vast that we can't analyze it or hope to glean useful insights. We should never ignore customers who are talking about us, but we can focus on those conversations that will lead us to actionable insights that we can affect.

"It is important to start with the business objectives, and decide how do we connect those to social media," said Friedman. "Start with the decisions that will be impacted by the insight work. What business decisions do you want to impact? Target listening and insights to help you learn things that will assist you with the decisions, instead of simply finding out stuff we don't know."

The best way to create a great listening and insights program is to prioritize business decisions related to sales, products, customer service, markets, and other key areas. Then, spend time doing a conversational analysis of what your customers are talking about. Technology can help with this analysis, but most keyword and sentiment tools can only get you 80% of the way there. Adding in human-powered analysis of the conversation to derive meaning and map out customer needs is a critical step.

Here's an example: If you find out a particular Facebook post has 2600 interactions, you might think it is engaging users. But if you find that 1300 of those interactions are negative, and people are hiding the post or quitting your page, suddenly the popularity of this message is less clear. What if you find there are also 1000 interactions that are off-topic? If people are using this post to discuss something else – perhaps a product flaw, a protest, or a discussion on your company's service – that's a whole other insight. Facebook's "Insights" tool will only get you so far, and will not provide data about conversational sentiment, which is what you really need to understand customer thinking. Having access to that information can help drive business strategy, and further tailor content publishing and interactions going forward.

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There's also a lot to be learned from keeping your posts focused on what customers want to hear. LiveWorld Business Analyst Dorice Piraino said, "We've learned from watching many brands across different sites, that they need to publish an even content mix of social, product, and brand. We use tools to look at content, we tag it, and we notice if it goes off the balance. When the company has too many product posts, and acts less social, we get more negative feedback. Social media is social – you can't jam product down the customer's throats."

We've seen the challenge of simply looking at data with technology and reporting tools and trying to find the value. We put our toes into an ocean of data and quickly start to drown. Instead, think about taking one business objective, and developing a targeted strategy for the data to go after. Figure out how metrics and conversational analysis will help you get information on customers' needs. Work to more clearly understand the conversation, and what customers are thinking, feeling, sharing and expressing. Only then can you figure out what to do about it.

For companies that do business in multiple locations, having multiple social media presences can present scattered data with unclear customer needs. A company that franchises their stores has a unique challenge to understand customer needs and sentiment around their product at a store, city, region, and national level. For example, a LiveWorld client ran a test to match competitor's prices, but only in certain

stores in specific areas of the country. They listened to see if price matching affected business. LiveWorld Director of Creative, Social Strategy and Content Programming Mark Williams reported, "For any brand that's franchised, we can break down sentiment and conversation at a regional level, down to the city level. We can look at regional interest for a brand or even drill down to store level. We were able to specifically recommend products and trends to our clients based on regional analysis."

"Furthermore, conversational analysis enables us to regionalize and localize the programs and get accurate reporting on it. The client used this analysis to plan for the launch of the program in markets that were the most valuable to the business. For example a brand can listen to see if more people were talking about one team vs another for a sports competition, and make recommendations that tie with the more talked about team's logo clothing."

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> *Creative, Social Strategy*

An Insight Strategy – Learn, Test, Iterate

For the last 50 plus years, marketers have looked at demographics, psychographics, behavioral models, and more, as a proxy for what people actually say and think. Social media puts that missing data in front of marketers at leveragable scale. "There's a huge value in the conversation, in what customers are telling you, what they say to each other, and even what they don't say or talk about," said Friedman. "With metrics, you can spend more time, and more money, getting more and more data, but not improve the value greatly. If you set up the business decisions and the strategy in advance, and start listening specifically for customers talking about the things you're measuring and looking to change, you can use the data to make decisions and move the ball forward."

Companies need an "insight strategy." This can include the audience we want to reach, the content, and how that audience will find the content in a targeted and practical way.

Steps to Insights

Decide on the business objectives we want to achieve, related to customers and products.

Decide what insights we need – and figure which customers will tell us more.

Find the audience we want to reach to test our assumptions and the platforms they frequent

Create content that they want to see – if we are not sure, test content and improve.

Look at volume metrics, do analysis of trends, then find sentiment cluster conversations and figure out what people are actually talking about by topic, region, or trend.

Use the metrics and the topics to create insights that drive internal change to products, marketing materials, and more.

Test assumptions, create new products, create new content, and measure reactions.
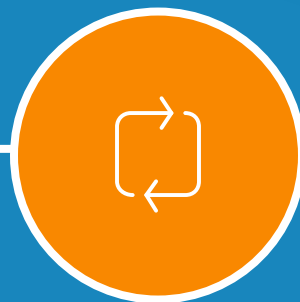
Repeat

Once you've got your business objectives and decisions, you can then target audiences and content that is relevant to affecting those decisions. In a branded social venue such as a Facebook page or Twitter stream, you might plan content that stimulates conversations to set context for the insight you are targeting. Then the analytics are used to study the targeted content.

Use the conversational analysis to see what content resonates, and how it affects customers. Look for actions you can take based on this feedback – changing products, services, marketing language, and

more. And then convert these ideas to actions, and test again.

By beginning at the end – with your business objectives and the specific targeted insights, you can create content and get your customers talking about the particular products, topics and subjects about which you need to learn. You can organize your content programming to create a context in which customers give you the insights you need. Then you must listen with the right tools to help you learn what customers think and how they act, not just from a volume sense, but from actual conversations.

Using Sentiment to Improve Relationships and Generate Additional Insights

Understanding what kind of content, what elements of messages, and which images resonate with the end customers requires more than a simple analysis of the content with the most social interactions. Customers, groups and business detractors can use your social media presences to send a clear message about something they don't like. Being able to quickly understand this is happening and take action can save a company time, money, and reputation.

According to LiveWorld Business Analyst Dorice Piraino, "Human social media agents can find sarcasm, can understand the context of a larger discussion thread, and are aware of topical issues. If we find something that's off-topic and negative, it is potentially a hot topic in your community – something to watch for. If it is on-topic and negative, there's a customer service issue. When there are more than 3% of posts that are 'hot topics,' that's considered a hot topic period – and we've seen that amount go up to as much as 15% of the conversation. Most brands don't want that much potentially negative interaction." On the other hand, on-topic, positive items can mean the content is

resonating and the company should do more posts and sharing in that area.

Since LiveWorld works with so many brands, the company has insights into larger trends that affect the entire marketplace. On average, 75% of users communicate with a brand once, and then drop off. If a client has 23-25% of their audience still talking with them one year out, they're quite successful at engaging their community. In retail, you'll see 2 to 3 interactions with the brand per customer. Pharmaceutical sites have

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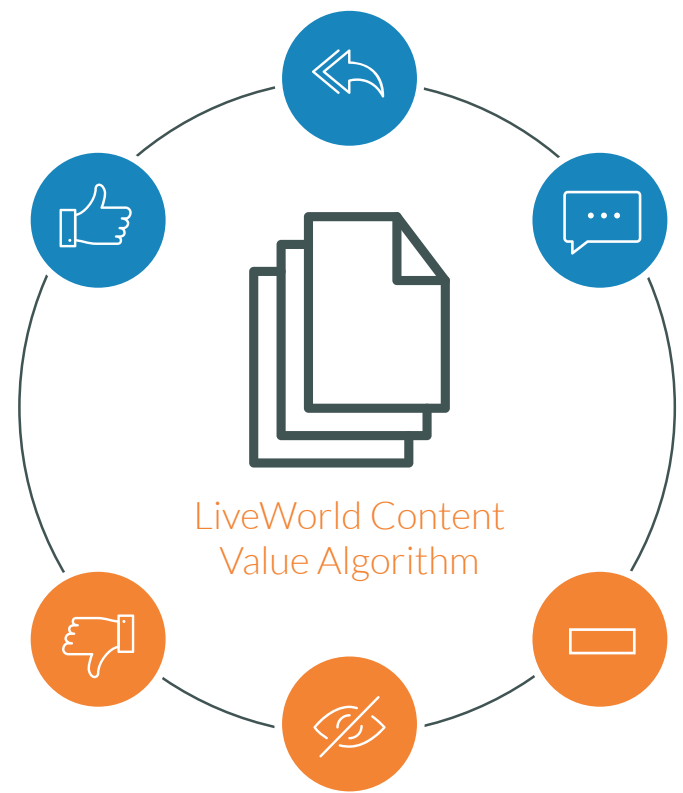
Dorice Piraino
LiveWorld Business Analyst

1.2 interactions per customer. This provides a guideline for increasing audience participation, without, for example, paying for fans who will drop off immediately. One LiveWorld client had 89% of their customers communicating once and dropping off. The analysis team was able to make specific recommendations to improve the community and increase interactions. The LiveWorld analysis team has also investigated individual elements of content on Facebook with a scoring algorithm to see whether that content is providing a positive effect. Called the "content value" algorithm, the program adds 2 points for a like, 20 for a share, and 5 per comment, but then removes 250 points for page unlikes, 2 when a post is hidden, 20 if it is reported as spam, and so on. It can provide a story better than looking at the individual statistics separately. Said Mark Williams, "Facebook gives you a lot of different metrics. It will tell you about negative actions, what they were, whether someone said, 'Don't show me this again.'"

LiveWorld Content Value Algorithm

Likewise, there's different value to going to a photo album and clicking through all the pictures versus liking and sharing some of the photos. When we match this up with data and look at on-versus-off topic posts, and check the scale differences between positive, negative, and neutral posts, we gain very specific insights. We're also looking at a 4th metric besides positive, negative and neutral. The metric could be considered, 'I like you as a brand but didn't like what you did in this post.' The sheet also offers metrics like engagement success and ripple effect metrics to determine the success of the content at engaging fans, as well as the number of additional fans they brought into the discussion.

Stop Looking Everywhere

Many companies spend time trying to find influencers, and trying to find what people are saying about them everywhere online. They also have branded venues – the company's Facebook, Twitter, blog, managed community, and more. These places contain the greatest concentration of people paying most attention to your products and services. Look at these places with a special lens, from a deep insight point of view. In a pre-online world, you'd go to your most frequent shoppers first, and try to engage with them offline using surveys, focus groups and more. Online, we can engage with them, find frequent customers, and most importantly, understand how they compare to the broader "people who are not them" – the potential customers. Don't ignore the general social web, but use the data in conjunction with what your most engaged customers are telling you. They can help you to tune your whole social media program.

"Most people are doing this backwards," said Friedman. "Don't use data just to optimize engagement. Program your engagement strategy to support insights and tune your overall marketing. When you understand how customers receive your marketing and act on it, and you can tune your customer support, all in real time, this lets you modify your services, products and solutions for the market."

Conclusion

Companies are looking for new product opportunities and increases in sales. The data and content is all there in their social channels. By aligning business objectives in advance, and creating a context for customers to talk, companies can gain the insights they need to take action.

We've learned that seeing the quantitative data and being able to draw qualitative conclusions that lead to actionable steps is both powerful and helpful in improving brand engagement. Brands must enable conversation that leads customers to action, and that customer conversation should in turn lead the brand back to action on the insights they've learned. Social media has given companies a unique opportunity to hear the customer's voice. We have the ability to learn not just what we think they want to hear and talk about, but what they actually care about, and we can improve our service, products and offerings based on their words and their actions. It is a unique time in the marketing world, when we can interact with large groups at scale, with a human face and human beings doing the interactions. The opportunity is unprecedented.

> Don't drown in the data – take the time, now, to really get in touch with customers and learn what they want to know, hear, and buy.

About the Author

Howard Greenstein is a marketing technology strategist and President of the Harbrooke Group, which specializes in helping companies communicate with their customers using the latest web technologies. He is a writer, speaker, and explainer in many subject areas. Greenstein also teaches a digital strategy graduate class at the Heyman Center for Philanthropy and Fundraising at NYU. He is currently a contributing editor for Inc. Magazine, (**http://www.inc.com/author/howard-greenstein**). He co-founded and sat on the Board of Directors of Social Media Club (**http://socialmediaclub.org**) and is president of the NYC Chapter. Howard earned a B.S. from Cornell University, and a MPS from NYU's world-renowned Interactive Telecommunications Program (ITP).

About LiveWorld

Through services and software, LiveWorld empowers the largest companies in the world to deliver social customer experiences that deepen relationships between brands and customers. Our marketing, customer service, and insights solutions enable companies to maximize the potential of social media and online communities. LiveWorld services include strategy, campaign management, content moderation, customer engagement, social media analytics, and customer service. For over 19 years, LiveWorld has delivered services and software for moderation, engagement, customer service, and insight, enabling brands to manage social media and online community programs at scale. LiveWorld clients include the #1 brands in consumer packaged goods, retail, pharmaceutical, financial, and travel services. LiveWorld is headquartered in San Jose, California, with offices in New York City and Austin.

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