

Market Intelligence and Social Media

by Scott Rossborough

A transformation in the way businesses and customers interact and learn.

Perhaps the hottest topic in marketing today is social media, and it is spreading like wildfire. At last count, Facebook has acquired more than 200 million global users simply by providing a fast, free and novel way for individuals to share all kinds of personal information with one another. LinkedIn is the tool of choice for business professionals, and Twitter has grown so fast that it has morphed into a verb, as did “Google” a few years ago.

Many companies are wondering what to make of the rapid growth of social media, and especially its increasing impact on business. As evidence, Microsoft has just announced that Outlook 2010, due in early 2010, will automatically display personal information from social networking sites for people in Outlook’s address book.

Most companies are unsure how to respond. Some companies such as Proctor & Gamble, Dell and Best Buy are spending tidy sums on non-traditional resources that enable consumers to Tweet, Buzz and Digg away at will with each company, with some positive results. But most are still trying to separate the hype and buzz from the substance, and understand how technology and social media can help them grow.

We thought it would be helpful to consider the possible benefits that social media might have in one key area of great interest to all businesses that are committed to growth.... that of acquiring Market Intelligence, or a data-driven understanding of customer wants and needs and market trends that enable informed decisions about business.

A sea change in knowledge acquisition.

Market Intelligence is all about obtaining and distilling relevant, timely and accurate information which aids problem solving, highlights opportunities and ultimately adds value to a business. It is a combination of science and art that takes into account the attitudes, opinions, motivations, perceptions and behaviors of individuals and groups of people within the context of their economic, social and political standing and beliefs. The ultimate goal of Market Intelligence is to hear and understand the real “Voice of the Customer.”



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Historically, the collection of Market Intelligence required people to sort through a variety of credible secondary information sources and syndicated studies. Smart intelligence seekers also utilized primary research, comprising surveying and discussions with customer, prospects and other important constituencies. These activities often required lots of time and were completed only at great expense.

Today, much Market Intelligence is readily and easily available online, often at no cost. Google has revolutionized the way companies collect secondary research. And social media tools (e.g., blogs, panels, company-sponsored communities, etc.) are beginning to impact the collection of primary information directly from customers and prospects. Google and many of the best social media tools have both sped up the process and driven down the cost of acquiring market information.

The acquired knowledge can be misleading.

Listening to the “Voice of the Customer” is an important way to collect accurate feedback about many aspects of your business, but it can be dangerous for companies to rely exclusively on social media tools.

- *Customers and others who take the time to opine via social media are self-selected. Companies are well intentioned when they encourage customers to reveal whatever is on their mind - it seems so democratic, and ultimately reflective of the “truth.” But the self-selection of social media produces a biased truth. This “Voice of the Customer” is comprised only of squeaky wheels - those who for whatever reason are sending comments online.*
- *Unstructured feedback via social media can be misleading. Open-ended comments can be challenging to interpret and prioritize, and issues can take on a life of their own, the cacophony fueled by the squeaky wheels. Companies should take care to listen and respond to this very vocal minority, but overall it is the 80% - 90% of individuals who comprise the busy, less reactive and less squeaky majority of customers and prospects that sustain a brand.*

Still a need to gather the whole story.

At Trinity we believe that the best Market Intelligence comes from a variety of sources. Social media is an important new learning and communications tool, and can serve as an early warning of emerging concerns both among the squeaky wheels and the larger community of customers and prospects. But valid and actionable Market Intelligence that will be used to systematically build a brand, product or service must include data gathered from other sources as well.