Business Intelligence

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What is Social Analytics?

Social analytics relates to the concept of observing individual trends during a specific period of time. The fast adoption of mobile technology and the increasing use of social media have provided businesses with the ability to capture huge amounts of data from different sources in the social media space and develop insightful analytics on the interactions of customers with brands, products and services as well as identifying customer sentiments, preference and trends in the markets.

With only small amounts of pertinent customer data sitting in traditional systems like CRM and inherited issues associated to the lack of a true single customer view, companies are struggling to meet the needs of an increasing individualist consumer population. Realising the power and potential of utilising social data, more and more businesses are starting to monitor social media networks such as Facebook or Twitter in order to support internal data and gain the competitive advantage of having a comprehensive view of trends and performance of their respective geography, customers and product segments.

Uniqueness of China's Social Media Landscape

China is considered to have the world's most active internet usage and social media active population. Roughly half of China's 513 million internet users regularly visit social networking sites and all of these social networks are owned domestically.[1] The major social media platforms in China are all operated by Chinese companies. Key players include Sina Weibo, Renren, Wechat and Qzone.

China's passion for social media society has contributed to the uniqueness of China's social platform compared with the rest of the world. This also leads to an interesting observation of the extent of impact and influence some of the major social media platforms have. For example, Sina Weibo acts as the top platform and the platform itself acts as a driver for consumer activity with its unique capabilities and leadership roles in the Chinese social media space.

Research also shows that China internet users heavily rely on information on social network sites and that social media has a great influence on

purchase decision. Given China users are relatively sceptical of information from companies, they rely heavily on information share across the social media platform as people share reviews and other information freely on such platforms. A high correlation is seen between revenue of a business and its popularity in the social media platform as Chinese buying decisions are heavily dependent on word of mouth.

Different social media networks target different audiences or user groups. For example, users of Sina Weibo generally belong to a higher income bracket. In addition, given the exponential growth of social media users, China is shifting towards a partnership between social media and ecommerce to introduce a single platform, resulting in limitless opportunities for individual enterprises.

[1] Number of internet users in China reaches 513m in 2011, 18 January 2012, http://www.wantchinatimes.com/news-subclass-cnt.aspx?id=20120118000079&cid=1102

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Social Analytic Application
Building innovative ways to improve business performance

Social analytics has become widely applied in multiple industries. Thanks to the rise of social media, companies now find it easier to identify potential opportunities and to monitor existing client's preferences via multiple effective and cost efficient communication channels, i.e., websites, mobiles, social media and blogs.

A number of key social analytic applications cover areas such as brand reputation management, marketing communications, sales and customer relationship management.

Below are examples of how social analytics can add value to businesses across a wide range of industries:

- **Banking:** Identification of riskier borrowers by monitoring additional non-financial information such as social media information with information regarding ratings and reviews of the borrower's businesses

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- **Insurance:** Drive better customer data acquisition and use social analytics to enrich customer profiles. This allows insurers to drive higher customer engagement rates and increase penetration through cross-selling and up-selling

- **Retail and Manufacturing:** Tracking of customer preference and interests via external communication channels to understand market insights and trends

While the use of social analytics helps enterprises to gain perceptions of customers' sentiments and interests, they can also be used to re-engage customers and proactively take actions to extend a customer's lifetime.

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Key Challenges

Successfully designing and implementing relevant social analytics tools allows a business to integrate day to day operations with traditional business process to develop a comprehensive view of data.

Some of the key challenges include:

- **Understanding:** With so many applications, companies often see social analytics as theoretical concept rather than a practical application

- **Internal barriers:** Most organisations are still struggling with internal data barriers and the inability to achieve a true single customer view.

- **Perceived cost:** Social analytics is often associated with large volumes of data and therefore large infrastructure requirements

- **Implementation:** Once harvested, complexity to develop predictive and analytical models is a key issue

Businesses that are considering moving into predictive modeling using social analytics should ensure they have a clear objective and strategy, as well as the right tools and necessary skill set

- **Potential privacy issues:** This is an area organisations must ensure they are always wary of as regulators view it with growing interest. Organisations should exercise care when collecting and using data.

Typically for any businesses that are considering moving into predictive modeling using social analytics should ensure that they have a clear objective and strategy, as well as the right tools and necessary skill set. This involves setting clear goals in order to ensure relevant data is identified and monitored. This can be challenging given the ocean of data available in the social media network. However, with the right solution implemented, this will allow businesses to widen the breadth and depth of enterprise information and also assist an enterprise to build a richer picture of their business.

Outlook

What does the future of social media network look like?

There seems to be a growing trend of organisations planning to move towards investment in social analytics with the intention to monitor, collect and analyse media network data in the next few years. The key is to take advantage of the unique opportunities by tapping into the right resources of the social media network in order to stay ahead and capture the full value for future businesses.

Social analytics is a developing business, yet it has the potential to open the doors to a whole new world of data usage and predictive modeling based on the ever-growing social media space.

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