

Social Media – How companies are learning to listen to their consumers

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Hochschule Bremen, School of international Business (SiB)
Dr. Andrea Weierich, 19th May 2011

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accenture

High performance. Delivered.



The customer ... is hard to know ...

When did you last participate in market research?

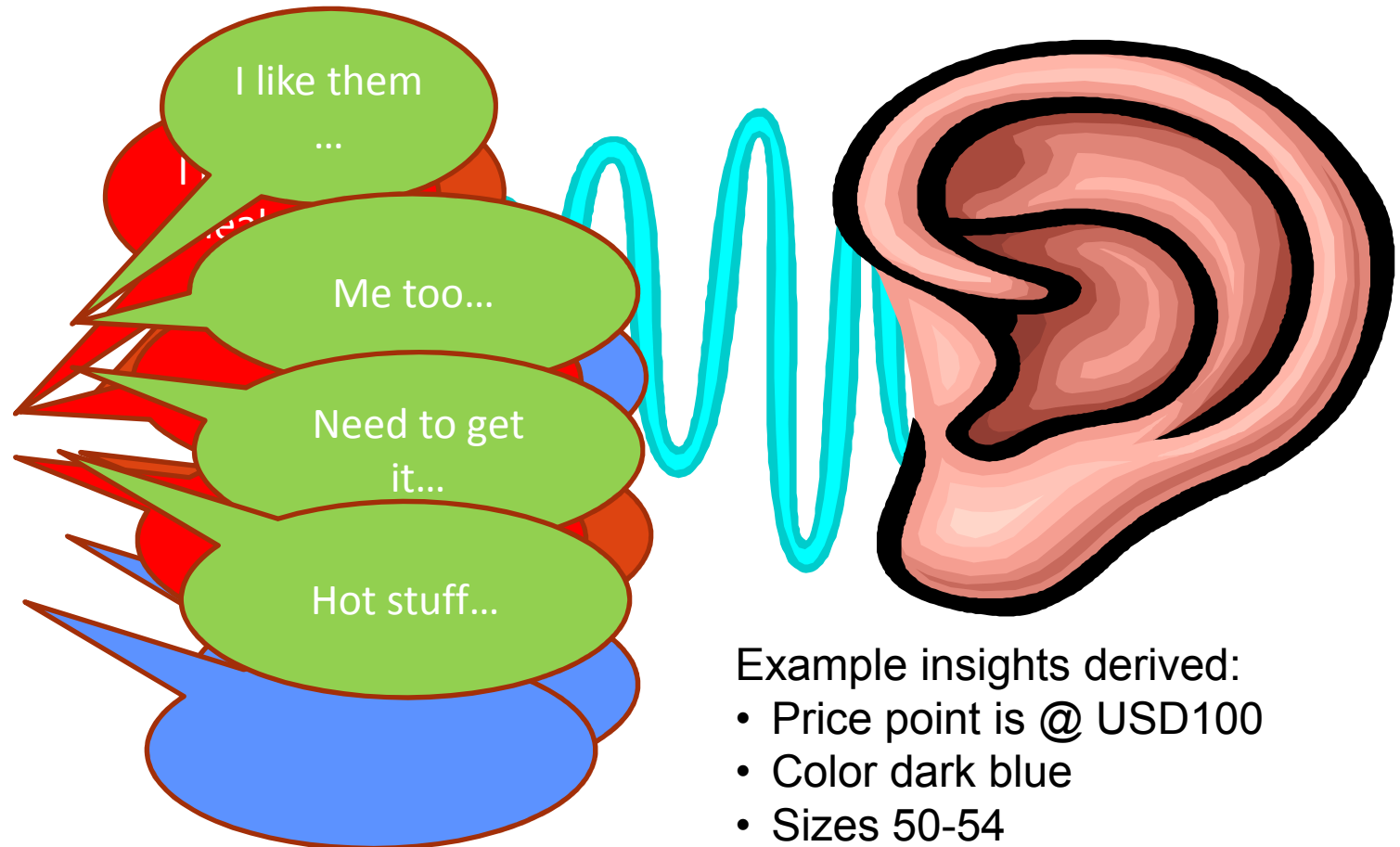
- Telephone surveys
- Online surveys
- In-person surveys and interviews
- Customer focus groups
- Field interviews
- Discussions with call center representatives
- Observation (at home / at use place /usability lab)

***... and then the famous quote of
Jeff Bezo, Amazon: „A brand is
what people say about you,
when you are NOT in the room“***

Today, some companies listen to what consumer express on social media ...

10 million Facebook friends of the company

YouTUBE
Company
commercial
video



Example insights derived:

- Price point is @ USD100
- Color dark blue
- Sizes 50-54
- Current stock levels too low

What is new in social media? A base for relationship?

Social media use **highly accessible and scalable Web publishing** techniques.

Amazon
...
Daily
Del
Dig
Fa
...
Flic
Frien
GetSatisf

Peer-to-peer commentary about a company ...

Google
...
Linke
Mysp
Plaxo
slides
mble

More emotional expression of opinion, attitude, values...

Twitter
Ustrea
...
Wikiped
dPres
...
ner
Tube

Large volumes of unstructured input about what is important to people

They can create **social dialogues** and enable people to chose to become **content producers**.

Virtual communities attract many people around the world – 13 break the 100 million user barrier

in millions

	Country	Active user accounts	Date	Main geography
1.	Skype	663	March	2010 Global
2.	Tencent QQ	636	November	2010 China, Asia
3.	Facebook	600+	January	2011 Global
4.	Qzone	480	March	2011 China, Asia
5.	Windows Live Messenger	330+	June	2009 Global
6.	Habbo	203	February	2011 Teenagers globally
7.	Twitter	200	January	2011 Global
8.	Gmail	176.5	December	2009 Global
9.	Vkontakte	135+	February	2011 Russia
10.	Orkut	120+	August	2010 Brazil, India
11.	Bebo	117	July	2010 Europe, Australia
12.	Badoo	113+	April	2011 Latin America, Spain, Italy, France
13.	Sina Weibo	100+	February	2011 China

Source: http://en.wikipedia.org/wiki/Online_communities_with_more_than_100_million_users (April 2011)

Reach and speed an unprecedented levels ...

www.famecount.com

in millions

April 2011 **Facebook Fans** **Twitter Followers** **YouTube Views**

Lady Gaga	31.3	9.1	1.3
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Justin Bieber	24.3	8.5	1.5
---------------	------	-----	-----

Eminem	32.3	3.7	1.1
--------	------	-----	-----

Rihanna	29.7	4.3	1.1
---------	------	-----	-----

Shakira	25.2	5.1	0.8
---------	------	-----	-----

Kate Perry	21.9	6.5	0.2
------------	------	-----	-----

Barack Obama	18.9	7.2	0.2
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Nivea
100

Source: www.famecount.com (April 2011)

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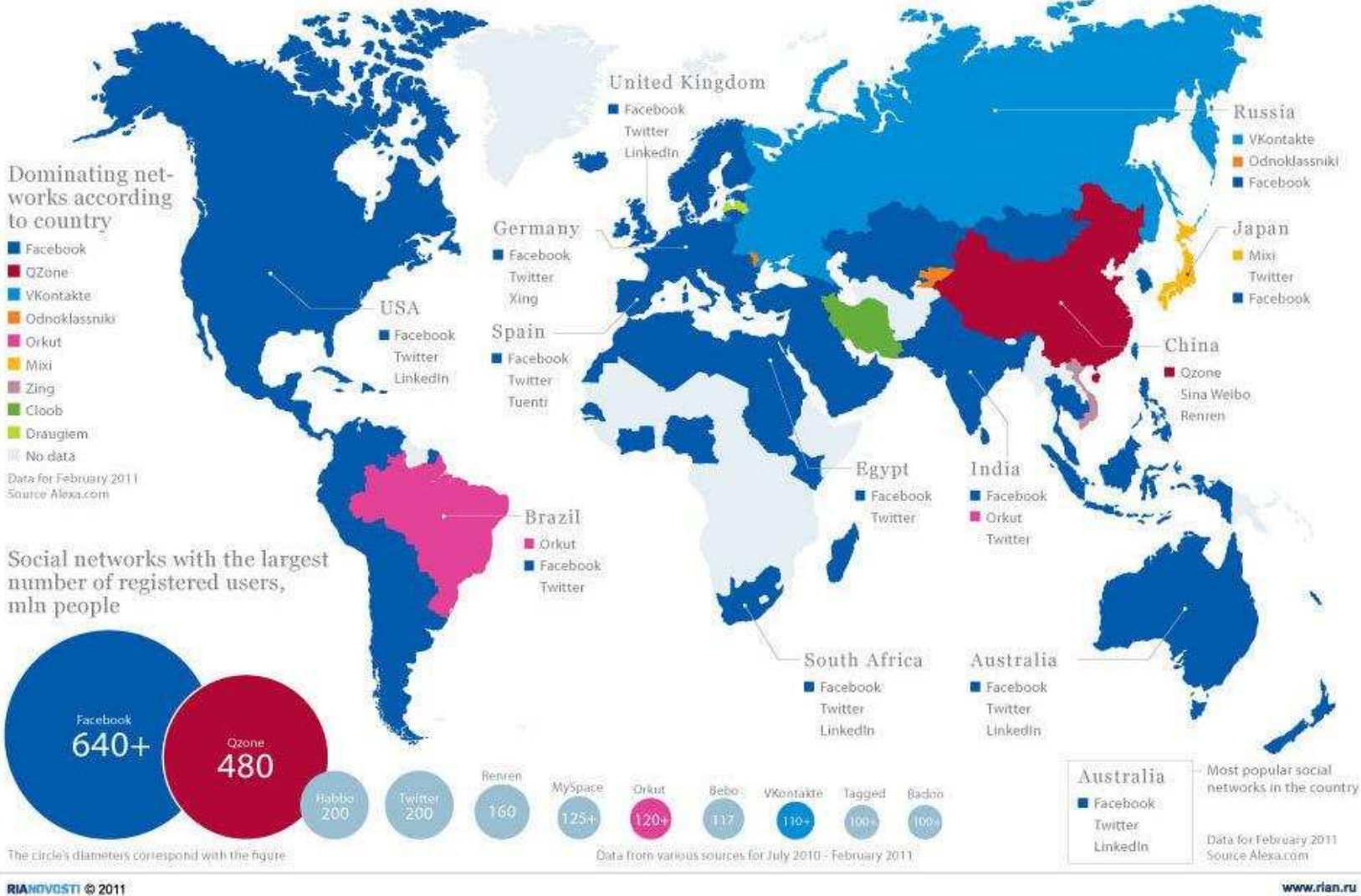
... unprecedented levels of reach and speed ... also for brands ...

		Facebook Fans (million)	Twitter Followers (thousands)	You Tube Views (million)
1	Coca-Cola	25.3	256	19.2
2	Starbucks	20.9	1,410	6.3
3	Red Bull	17.4	206	141.5
4	Oreo	18.3	9	1.7
5	Skittles	16.0	11	1.9
6	PlayStation	12.5	784	42.0
7	Victoria's Secret	12.5	93	23.2
8	Windows Live Messenger	11.8	4	
9	Monster Energy	9.6	30	9.2
10	adidas Originals	8.8	73	14.8

Source: www.famecount.com (April 2011)

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The world map of social networks



Source: The Russian News & Information Agency RIA Novosti <http://en.rian.ru/infographics/20110228/162792394.html> (April 2011)

Facebook top 10 countries – You can reach up to 20 to 50% of a countries population

Facebook Statistics 6 months growth prior to April 2011

#	Country	Users	Growth	Penetration
1.	United States	155.231.120	12.140.980 +8.48%	50.04%
2.	Indonesia	36.358.100	6.513.860 +21.83%	14.96%
3.	United Kingdom	29.894.820	1.925.460 +6.88%	47.95%
4.	Turkey	28.209.920	580.900 +21.97%	36.26%
5.	India	24.853.220	9.676.980 +63.76%	2.12%
6.	Mexico	23.650.640	6.857.980 +40.84%	21.03%
7.	Philippines	23.169.300	5.226.960 +29.13%	23.19%
8.	France	21.887.780	2.210.140 +11.23%	33.79%
9.	Italy	19.171.180	183.740 +10.60%	33.00%
10.	Germany	18.198.720	5.516.740 +43.50%	22.12%

Source: <http://www.socialbakers.com/facebook-statistics/?interval=last-6-months#chart-intervals> (April 2011)

Forrester's Social Technographics Profile – not everybody creates content – most people watch



Source: Forrester Research's Consumer Technographics data.
Part of Forrester's [Groundswell](#) content.
Copyright 2009 Forrester Research



Source: http://www.forrester.com/empowered/tool_consumer.html (April 2011)
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Social networks move (advertising) money to digital

- 2010 was the first year where adidas spent more money on digital marketing channels than traditional media ^{*)}
- Comscore report Q1 2010 found a positive correlation between the amount of time spent on Facebook and the amount of money spent online
- Recent PhD thesis finds a positive correlation between stock prize of brand companies and the number of Facebook friends

Source: ^{*)} company statements, press , e.g. <http://www.handelsblatt.com/unternehmen/industrie/adidas-setzt-auf-youtube-statt-sportschau/3647824.html>

And users spend up to seven hours a months on these social sites...

Time in a month (April 2009)

Country	Unique Audience (000)	Time per Person (hh:mm:ss)
United States	142,052	6:09:13
Japan	46,558	2:50:21
Brazil	31,345	4:33:10
United Kingdom	29,129	6:07:54
Germany	28,057	4:11:45
France	26,786	4:04:39
Spain	19,456	5:30:55
Italy	18,256	6:00:07
Australia	9,895	6:52:28
Switzerland	2,451	3:54:34

Source: The Nielsen Company

Source: <http://www.brandkraft.de/?p=1098> (April 2011)

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What does this mean for companies?



From yelling to...



... learning to listen

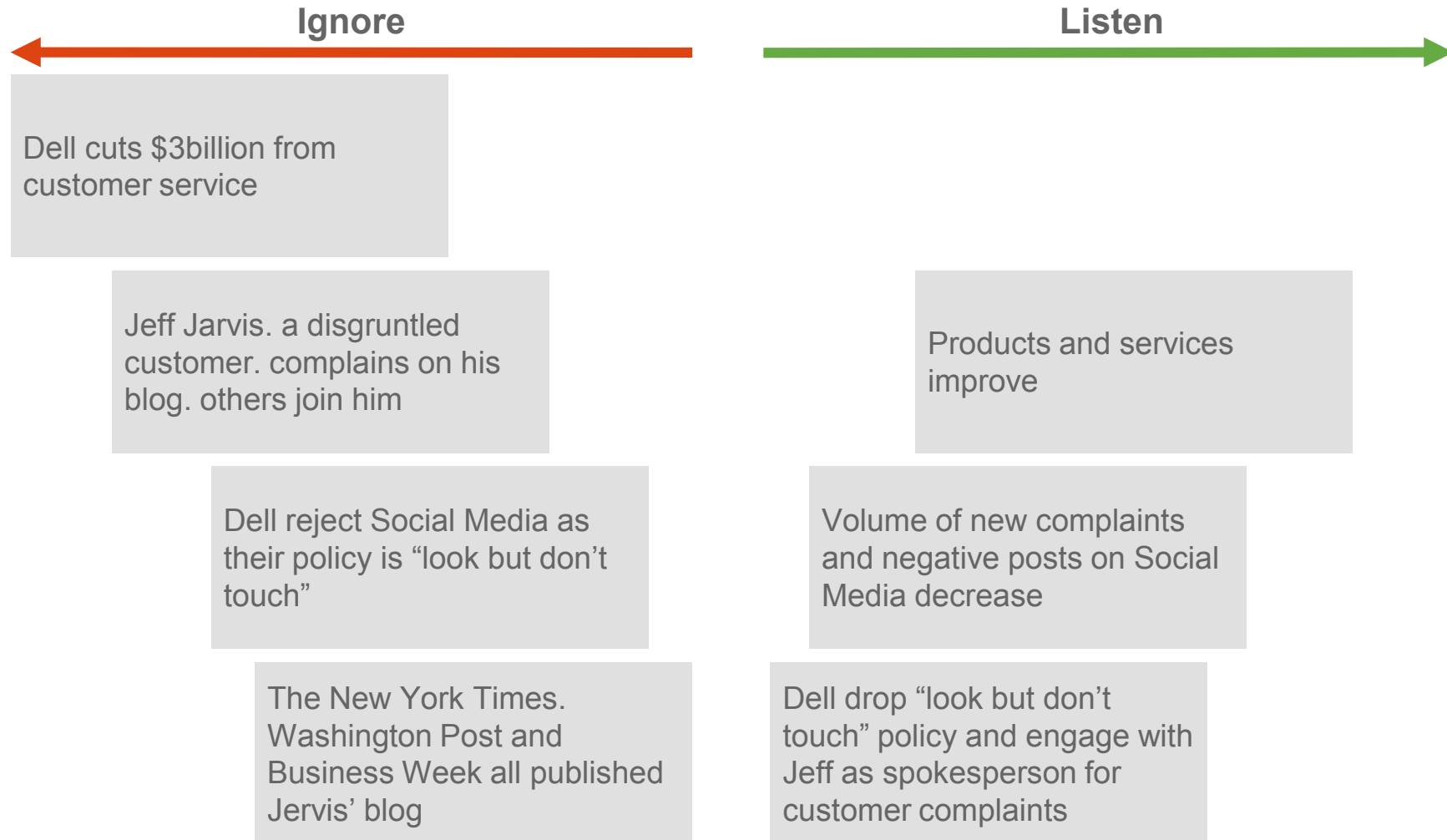
1. Are there enough people for us on social media?
2. Are these people representative of my target group?
3. And what do they talk about where about our company and products?

Listening is a tough skill and needs a lot of practice ... rules of good listening – reapplied to companies ...

1. Select carefully where you listen
2. Record in a organized way to be ready to analyze
3. Filter out distractions and noise: concentrate on what is being expressed
4. Sort out eccentric participants – and understand their impact
5. Listen "between the words" for attitude: tone, level of conviction
6. Concentrate on what is being expressed rather on what to respond
7. Summarize what was expressed and derive what its impact is or may become.

Case study Dell: Ignoring social media is not an option

...



Case study: Domino's Pizza – taking the challenges of social media **repeatedly**

Situation

Harsh criticisms and negative feedback from customers about the quality of its pizza.

Picking on photo shooting of food

... check out for yourself the third challenge ...

Response

Running a social micro-site (www.pizzaturnaround.com) to engage customers on the reinvention of their pizza recipe.

„What you see is what you get“ – asking customers to send photos of pizzas as they are delivered

...

Case study: Best Buy (consumer electronics retailer) Award winning customer service on Twitter



Twelpforce Best Buy ✓

@twelpforce Anywhere you need us

*A collective force of Best Buy technology pros offering
tech advice in Tweet form. Search www.bbyfeed.com to
find your own answers...*

<http://www.BBYFEED.com>

Best Buy put customer service on Twitter: Twelpforce of empowered and technology-oriented workforce volunteers sourced from Best Buy's corporate offices, stores and Geek Squad. As of October 2010 Twelpforce had answered over 36,000 questions from consumers.

- Reinforce service focus – a real people to real people conversation
- Reinforce reputation as a leading-edge technology retailer
- Improve internal communication between employees – non-stop training
- Source of information to adjust advertising

Case study: Hansgrohe (bathroom and sanitation) Integrate feed-back to improve products

- Hansgrohe has no direct sale
- October 2010 opened a fan site in Facebook
- First step: Analysis on where and what about consumers are talking about Hansgrohe products in the Web
- Second step: Direct communication with consumers
 - How to use a product
 - How to clean a product
 - Pass on complaints on certain parts to R&D
 - Answer questions on where products are produced
- How: Team of own people & marketing agency (24 by 7)

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[The Hansgrohe Group](#)

[Trade fairs and events](#)

[Contact](#)

[Press](#)

[Careers](#)

[Social media](#)

Social media

Stay in touch with Hansgrohe online

Whether Facebook, Twitter, YouTube or Flickr – the world of social media is exciting, diverse and opens up new communication channels. This includes for Hansgrohe, which is why we are providing a list of all the social networks and online platforms on which you can keep in touch with us. Come back for another look soon – the list is being continually expanded.



Facebook

With some 500 million users, Facebook is currently the largest online social network and offers Hansgrohe AG new opportunities to contact and communicate with existing and prospective customers and partners.

Become a fan of [Hansgrohe](#) and our designer brand [Axor](#) on Facebook and regularly receive interesting updates on our latest products, activities and events, as well as on topics relating to water, design, architecture and sustainability. Of course, you can also comment on all of our reports or share them with your Facebook friends. We look forward to your visit and your opinion!

[Hansgrohe on Facebook](#)

[Axor on Facebook](#)



Twitter

Follow Hansgrohe AG on [Twitter](#) (www.twitter.com/hansgrohe_PR) and find out as soon as we report any news about our company, our Hansgrohe and Axor brands or the topics of water, design and sustainability.

Twitter is a short message service that companies and individuals can use to publish contributions online. If you are registered on Twitter, you can follow other users and subscribe to their contributions ("Tweets"). Of course, you too can also tweet and share anything you like with your followers. Tweets can contain up to 140 characters.

[> To the Hansgrohe AG Twitter channel](#)

Case study: Uniqlo

Convert consumer to brand advocates

Uniqlo launched an innovative promotion prior to the re-launch of its U.K. e-commerce site on September 9, 2010.

"Lucky Counter" was a web page for users to choose from 10 pieces they would like to see discounted on Uniqlo's website prior to re-launch—the more tweets an item received the lower its price for consumers.

Goals achieved:

- maintain a connection with customers while the website was temporarily closed for its e-commerce migration
- make the Uniqlo brand one of Twitter's top trending topics for the UK during the life of the promotion

Uniqlo UK twitter results

YOUR TWEETS!

RICE WILL BE AVAILABLE AT 9:00 AM on 9 SEPTEMBER.



Source: <http://www.uniqlo.com/uk/luckycounter/> (April 2011)

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Case Study: Amazon (customer identification) Integration of Facebook account

Connect Amazon and Facebook Close X



Improve your Amazon shopping experience by tapping into your Facebook network.

- Discover Amazon recommendations for movies, music, and more based on your Facebook profile.
- See upcoming birthdays and find your Facebook friends' Amazon Wish Lists more easily.
- Get gift suggestions for your friends based on their Facebook profiles.
- Explore your friends' profiles and see who has similar interests.

Your personal Amazon data will not be shared with Facebook.

- Amazon *will not* share Your Account information with Facebook.
- Amazon *will not* share your purchase history with Facebook.
- Amazon *will not* attempt to contact your Facebook friends.

[f Connect with Facebook](#)

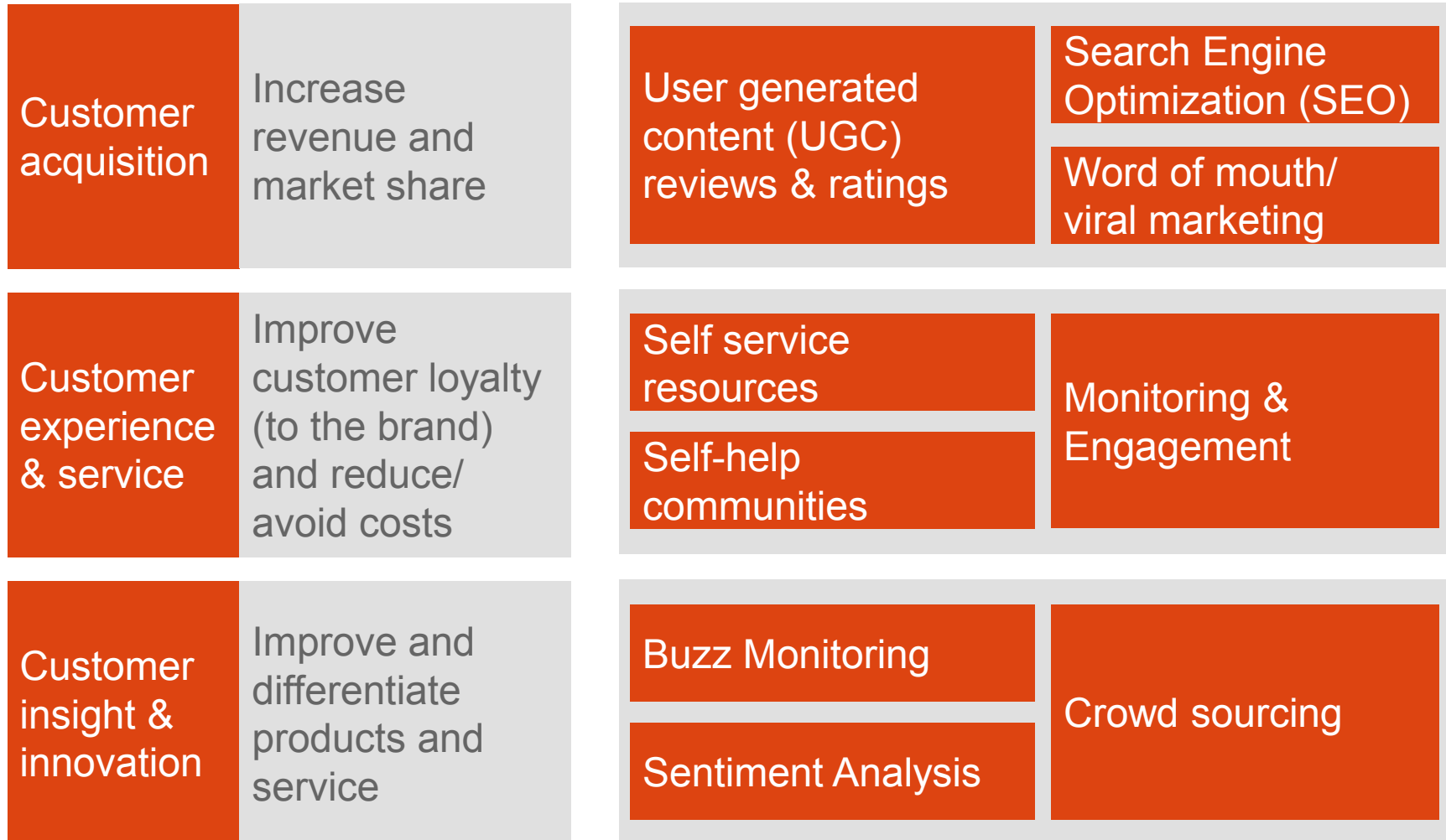
(You will be asked to approve this connection)

- Users can link their Facebook account to their Amazon account
- Customer receive information on what gifts their Facebook friends might like

f Tap into Your Facebook Network **BETA**



Social media is demanding and requires companies to be clear on objectives and then processes & tools



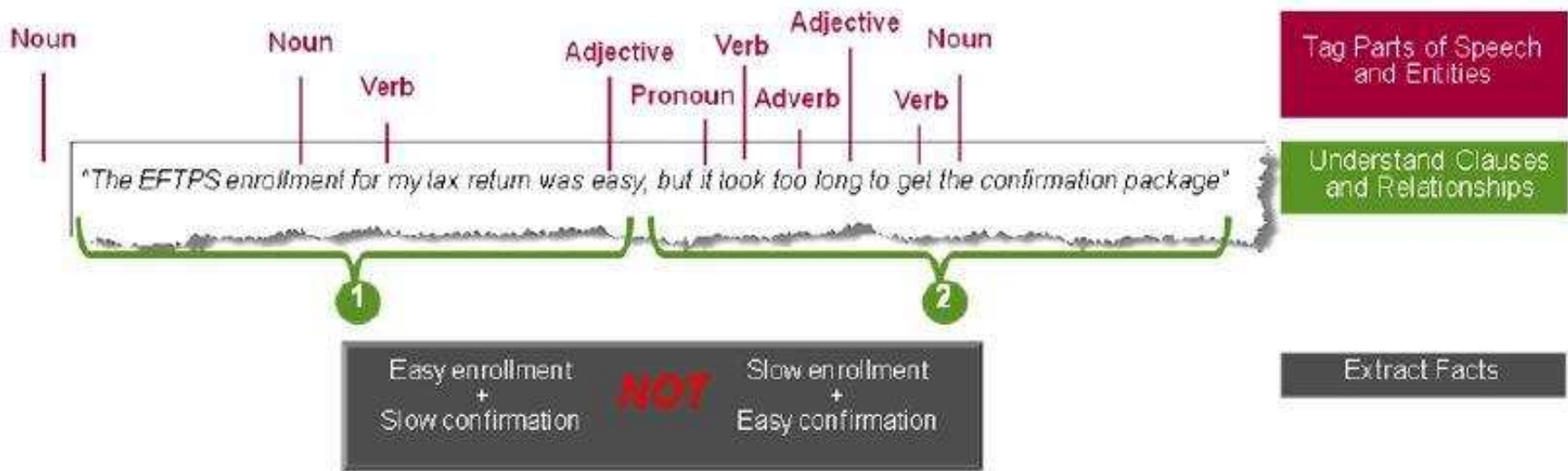
Source: Accenture

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Technology advances to filter data garbage for gold: Voice of the Customer Analytics (VoC)

- Text mining analytics leveraging natural language processing: extract **sentiments**
- Predictive analytics leveraging text mining categorization and sentiment output:
 - Draw conclusions based on what a person is writing
 - style and choice of words (example: customer propensity to churn)
 - Predictions on **feelings** and then **behavior**.

Natural language processing: understand topics and sentiments



Using advanced linguistics to understand topics and sentiment

"The EFTPS enrollment for my tax return was easy ."	but it took too long to get the confirmation package"	Category Sentiment = Positive for "enrollment" = Negative for "timeliness"
"The EFTPS enrollment for my tax return was easy ."	"I had to return the product to the store."	"Return" = Neutral for IRS = Negative for Retail

Source: Accenture

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Consumers do have a powerful influence on „green products“ via social media

- 93% of CEOs believe that **sustainability** issues will be critical to the **future success of their business**.
- 72% of CEOs cite “**brand, trust and reputation**” as one of the top three factors driving them to take action on sustainability issues.
- 58% of CEOs identify **consumers** as the most **important stakeholder** group that will impact the way they manage societal expectations.
- 88% of CEOs believe that they should be **integrating sustainability through their supply chain**.

As Tensie Whelan, Executive Director of the Rainforest Alliance: “Social media is exciting. It enables a more **nuanced conversation about sustainability...**”

... a fundamental shift away from viewing brand as a logo ... to a more ... **critical appreciation of the values a company stands for** — and how those values are integrated into core business operations.

User in front of a Virtual Wall mirroring physical to the digital world – face-to-face meets digital!



Sofie checked in at her favourite cloths store with her mobile.

Hi Sofie. ready to broadcast your choice to your friends? Use our video mirror ... Lucy can show you how, if you need assistance...

Thank you, for your attention.
What are your questions?

