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The CMO's Guide to Big Data and Social Media

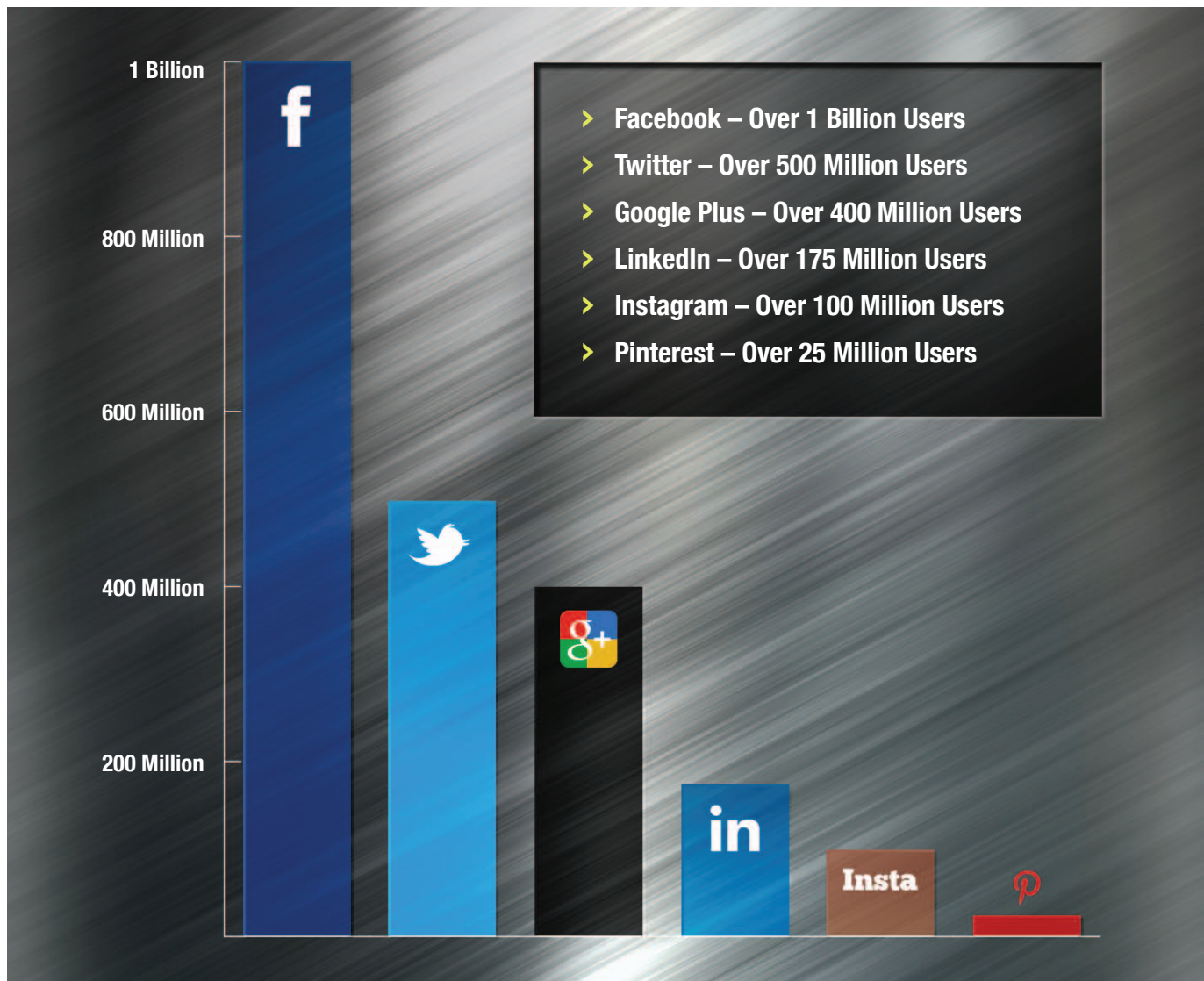# MAGIC LOGIX

The CMO's Guide to Big Data & Social Media

Big data and social media are hot topics in both business-to-business (B2B) and business-to-consumer (B2C) worlds. Businesses are rushing to figure out how they can monetize data while concurrently figuring out how to properly utilize social media marketing. Companies view these issues as two parallel problems, but fail to see how they intersect. The potential for companies to collect data and actionable business intelligence from social media is enormous. The smartest of these companies are already learning how to harness this potential in their respective industries. Any CMO that cares about branding and connecting with their target customer must use social media. CMO's that find a way to take action on social data and make it more useful will start to take large strides ahead of their competitors. This white paper helps get you started on that path.

Social Media Statistics

Big data refers to the collection of complex data sets that are difficult to process with traditional database management tools. This poses obvious challenges, including capture, storage, search and analysis. This data is humongous in size, ranging from terabytes to even petabytes and beyond. In order to combat this problem, a number of companies have developed software for quicker processing and analysis of data. For example, Actian's Vectorwise platform can process large data sets in record breaking amounts of time. This greatly aids in the breakdown of big data for analysis purposes.

Social Media Statistics

Each year, more and more people sign up for and adopt social media accounts. Currently, 56% of people in the United States have a social networking profile. These numbers are gargantuan in proportion. Let's take a look at some of the most popular networks and their current users:

> Facebook – Over 1 Billion Users
> Twitter – Over 500 Million Users
> Google Plus – Over 400 Million Users
> LinkedIn – Over 175 Million Users
> Instagram – Over 100 Million Users
> Pinterest – Over 25 Million Users

Social Media Statistics *Continued*

The growth rate of these networks has been astronomical. With increasing amounts of social media adoption and interaction also comes increasing amounts of data. It's not just personal data, either. Each social platform has specific actions. The likes, tweets and pins compound every second, resulting in an explosion of data.

Just How Much Time is Spent on Social Media?

Taking into account the large amount of time spent on social networks coupled with the large number of people who have social media accounts, it's important to consider how much time is spent on social media networks per month. The time spent on social media accounts is already a considerable amount, as social media accounts for 18% of the time spent online. For the largest social networks, the current monthly breakdown is as follows:

Network	Time
Facebook	6.75 Hours
Tumblr	1.5 Hours
Pinterest	1.5 Hours
Twitter	21 Minutes
LinkedIn	17 Minutes
Google Plus	3 Minutes

Hours: 1 2 3 4 5 6

How Does Big Data Factor Into All of This?

The data created from all of these networks has to be stored and categorized. From there, it can be mined and analyzed for both B2B AND B2C businesses. Take the 2012 Presidential election, for example. It was dubbed the first "Big Data Election," as a significant amount of social data was processed by both campaigns. Data science and social media helped both campaigns target and appeal to voters that were previously nothing more than an after-thought. In this instance, big data was able to provide information that would have been unavailable from exit polls and other more traditional data collection methods.

However, it's about more than simply collecting data. Social media and marketing campaigns, like elections, produce massive amounts of data that has to be mined for usable information. A speedy analytics database can bring CMO's and even Presidents the data they need quickly to make the best strategy decisions.

What Makes Social Data Different

Companies have been collecting and analyzing customer data for a long time. Yet customer data by itself doesn't paint the full picture and can lead to inaccurate customer insights. CMO's can use social data as a source of customer senti-ment, but more companies are also working with digital marketing companies to take advantage of social influence.

Bing believes that social media influences search results and lists these factors to determine author influence for Twitter:

- Ratio of followers to following
- Retweets
- Sharing
- Having good followers
- Following quality accounts
- Tweeting about relevant topics
- Authority & relevance of retweeters

Who is Integrating Big Data and Social Media?

A variety of companies have already started to integrate big data and social media. **T-mobile** is one such example. With over 33 million customer data records, blogs, and social media info, big data is a powerful and vital resource for customer retention. By conducting a real-time analysis of this data, they were able to cut customer defections in half in a quarter.

Developing and integrating a tool known as "GE Grid IQ Insight," **General Electric** is another large company that has been able to integrate big data and social media. Scheduled for release in 2013, this tool mines social media for any mentions of outages. This results in early notification, and since many posts are geotagged, it gives **GE** early information about problems. As a result, they will be able to respond to a crisis quicker, and obtain up to date information about power outages and customer problems.

Nestle has utilized big data and social media from a marketing capacity. Realizing that surveys, samplings, focus groups and traditional qualitative and quantitative research tactics can quickly become out of date, a 24/7 monitoring center was established. This enables **Nestle** to socially "listen" to conversations. Their staff is then able to engage customers in real-time status. As a result, **Nestle** has jumped ahead four spots to the #12 world's most reputable company, according to the Reputation Institute.

Best Practices for Integrating Big Data and Social Media

To successfully integrate social media, you have to look at which sources have the most value. Avoid any metric that could be considered confusing and make sure that your objectives are clearly stated. It's essential to have a clearly defined plan before you get started. As a result, it will be easier to measure your efforts.

1) Start by following the six steps of social media strategy. You must first define your social media goals before choosing tactics and looking at metrics.

2) Next, figure out which applications can benefit from the integration of social data. You don't necessarily have to spend a bunch of money investing in new technology to do so. Take a look at the data you are collecting and the goals you wish to achieve. If you adopt this structure and re-engineer your current technology, you will be able to jump headfirst into the data. From there you can process it, sort it and even use your current CRM and analytics software to properly utilize the data you've gathered from social media.

Six Steps of Social Media Strategy

START HERE → Business Mission

Organizational Goals

Departmental Goals

Social Media Goals

NOT HERE → Social Media Tactics

Social Media Metrics

3) Finally, look at the pros and cons of any connection problems that may arise. This can range from hand-coding software, modifying a traditional database management tool, looking into analytics software, or moving towards using new cloud-based or data analytics tools that were designed with the sole purpose of managing big data for social media.

Conclusion

With all the available information created by social media, you can utilize the data to properly segment your target audience. By analyzing and processing social media data, you can understand:

+ **Purchase behavior**

+ **Market trends**

+ **Influencers**

+ **What is being said about your brand**

+ **What is being said about your competition**

+ **Language used to describe your brand**

Therefore, monitoring and listening to the social sphere results in direct access to what the consumer has to say about your company or product. You are essentially viewing and listening to a realm of private and public conversations. This enables you to define who your target consumer is and what geographic areas to focus on in your campaigns.

As time passes on, the fusion of big data and social media proves to be a vital counterpart for any business. The combination of the two entities results in stronger information that helps trigger more efficient business actions while properly segmenting and focusing on your company's ideal client/customer base. A company that wants to be at the forefront of their industry should concern themselves with social media and proper data management. In doing so, they will be able to stay ahead of their competitors and establish their brand as a market leader. More than just buzz words or a passing trend, big data and social media are highly relevant areas of focus for any top CMO.

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