

Leveraging on social media for new business potential

Q: How can SMEs get the most out of social media?

A: Over the last few years, social media has attracted unprecedented levels of traffic and interaction. And the evidence is overwhelming – social media has today assumed a key role in business. Just in the last couple of years, the number of “social media analytics” start-ups has skyrocketed and obviously major analytics vendors too have released products in this space.

Last but not least, several open-source platforms now offer decent social media analytics packages or libraries. SMEs are best positioned to take advantage of social media because there is a plethora of venues online for establishing social presence nearly free of charge. Some popular platforms provide APIs (Application Programming Interface) for data extraction and there are many open source tools and packages for data analysis.

Despite advancements in social media analytics, social media monitoring can still present a number of challenges, as outlined below:

Choosing the right channels to tune into

Do you know where your customers online are and where they will be months from now, a year from now? Do you know where your competitors are and where their customers are? While Facebook and Twitter are popular social networking sites, there are still many, many online venues such as forums and blogs where your customers could be advocating or damaging your brand. Having social profiles is not enough.



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Engage SMU profs

You must target the right channels – those that matter to your business and where you can have meaningful and productive conversations with your customers. Additionally, the “right” channels to tune into today may cease to be appropriate some months down the road. Continually monitoring where your customers are and where they move to is important.

Conversation versus Interruption

Some businesses still use “billboard” (big-o gigantic billboards on highways) or “commercial” (TV commercials during shows) style marketing on social networking sites. While social networking sites are great places for such purpose (especially for custom ads), one of the best ways businesses can fully leverage social networking sites is to engage in conversations not interruptions. Talk to your customers as

you would at your local branch office over a cup of coffee. This conversation you have with your customers on social networking sites can be a highly efficient one because of three main reasons.

First, this virtual online branch office does not have a closing time. In this persistent online space, your customers can talk to you at their time and in their space of convenience and vice versa. Second, the digital traces of your customers’ likes, dislikes, social relationships and interactions, purchasing history, product reviews and the like around the clock can be pre-analysed (and pretty darn fast too) so that by the time you have your customers over a cup of coffee (virtually speaking), you have your conversation tailored exactly towards their needs. Lastly, you can leverage “social networks” built into these platforms as viral marketing channels.

Big Data Challenges

There are just so many conversations online today. And this is largely fuelled by the recent mobile boom – what used to be from behind the computer screen is now happening literally anywhere, anytime from behind the mobile screen – as customers walk to MRT stations, ride on rush hour buses, or wait for meals to be served.

As more and more people go online, mobile and social, businesses are facing the challenge of having to sift through vast amounts of social media data. While there can be critical benefits to using social media analytics as a “real-time” indicator of where to look, under-

standing some of the challenges and careful planning are needed. From data crawling to data cleaning to extracting actionable insights, businesses need IT infrastructure, domain knowledge, and analytics tools, which can be costly. Especially in the case of multi-channel social media analytics, meshing of user data, both structured and unstructured, across multiple platforms plus incorporating it into corporate data (such as CRM data) can be non-trivial.

Additionally, there is that challenge of separating consumer “signal” from noise, which can be anything but consumer “intentions” such as reactions to brands, products, advertisements, news, etc. Furthermore, mining social and contextual factors, which can precede or follow consumer “reactions”, is important as it can potentially explain why consumers reacted in a certain way.

Lastly, predictive analytics (using the insights from past events for predicting potential future events) is an emerging practice in social media analytics. While retrospective analysis

looks in the past and can answer such questions as – Who are big spenders? Who are socially influential? – prospective, “predictive” analysis can help answer such questions as, of the hundreds of thousands of potential customers, who should you reach out to first with a set amount of budget for your social media campaign? Who are most likely to respond positively to your campaign and how much?

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