

Social media analytics



Social media is remaking the business marketing landscape in a very similar way that violent seismic events once remade hills into the Himalayas. The tectonic actions of Facebook, Twitter, and LinkedIn have heaved up mountains of unstructured data. From a business perspective, most of those terabytes are worthless. Hidden from view, however, are marketing riches that track customer life events. Visionary businesses are rushing to stake their claim. Enter analytics.

A mountain of marketing data

Companies have rushed to social media platforms to distribute sales and marketing content but how many use those same platforms to decide what to sell, to whom, and when? These platforms can now create new opportunities for companies to market goods and services based on their customers' major life events: weddings, graduations, births, deaths, relocations, career changes. Pivotal milestones are times when consumers not only make significant purchases but also reconsider existing buying preferences.

Businesses that can analyze unstructured data (data that doesn't land easily into a CRM system like when a customer buys a product) generated by social media will be able to detect such events and understand consumers' associated behaviors. These businesses will have a significant competitive edge.

To fathom the magnitude of social media data and the potential for business marketing, think about the collective tweets of more than 500 million registered Twitter users. Or consider that every day more than a billion people spend more than 10 billion minutes on Facebook. Embedded within that data are consumers' sentiments, preferences and behaviors.





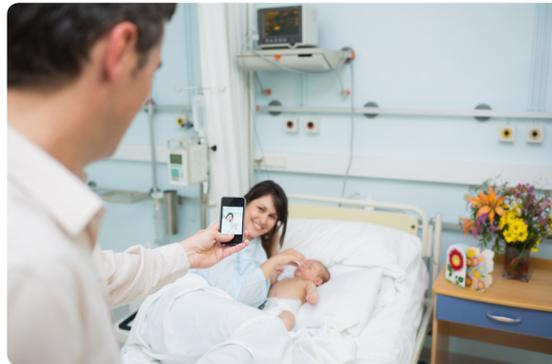
Mining and analyzing social media data is allowing businesses to understand markets in ways previously not possible.

For the first time, businesses have an opportunity to gain insights into individual buyers' habits at a level of granularity that previously didn't exist.

Analysts armed with sophisticated algorithms can help businesses mine, sift and analyze massive amounts of social media data to identify major events in consumers' lives in virtually any industry. The biggest competitive advantage will accrue to businesses that can discern marketing and sales opportunities identified from life events announced by consumers much more quickly than ever possible before pre-“social media”.

Life-event marketing

Advanced analytics is making it possible to identify those occurrences even before consumers announce those events to friends and family members (they have been trying to do this but social media gives them a much more reliable way).



Take major retailers, where the possibilities are easy to understand. The collection and analysis of vast volumes of customer data on social media channels by Target stores have led to valuable insights about customers' behavior. Women, for example, tend to buy certain baby products in

large quantities, often weeks before they sign up for the company's baby registry. Having cracked the buying habits that identify pregnant women, Target has learned to predict pregnancies well before customers give birth, in some cases before they announce to families and friends that they are pregnant.

Similarly, business intelligence derived from marrying the analysis of social media data with traditional, structured databases helped President Obama to win re-election. Analytics informed virtually every aspect of what was essentially a billion-dollar marketing campaign: fundraising, media buys and get-out-the-vote efforts.

Life events are highly beneficial to targeted marketing in the insurance space. Newly married couples change their spending patterns in significant ways from when they were single.



When a couple is buying a house, the homeowner's insurance follows close behind. When people have children, they tend to think about life insurance.

Analyzing unstructured social media to access this kind of information is tricky, but the rewards are worthwhile. In the past, companies had to rely on spending patterns in order to identify major events in their customers' lives. Today, insurers have the advantage of offering products timed to these events with much more convenient, not to mention timely access to this information – many times provided by the consumer him/herself.

The biggest advantage, the secret sauce, will occur when companies are able link structured "real customer information" to customers' unstructured social media data.

The right approach

Using social media data to pursue a life-events-marketing strategy requires a significant investment to tap into this mountain of data. But there are options. Organizations should determine whether to build an in-house program or rely on the expertise of experienced third party analytics outsourcing. A number of factors will go into making a make-or-buy determination.



Companies must decide whether to assemble their own in-house analyst teams.

Leveraging social media for the purpose of life-event marketing is a matter of collecting, mining, matching and scoring large volumes of unstructured data with structured data. Done well, the process involves more than brute manipulation of data.

Expertise counts.

Organizations must have the ability to ask the right questions to produce valuable market intelligence. Being able to apply the right methodology is also critical. Will the company be able to attract and retain the right talent?

Capacity is critical.

As new products and services are put out to market, or campaigns are mounted, the demand for resources will create peak demand periods.



About EXL

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Aside from issues of capacity and expertise, companies also must consider the potential impact of investing in activities that might be considered far-removed from their core competencies. Companies must ask about the likelihood that the pursuit of a new initiative by in-house staff will be a distraction.

In thinking through the make-or-buy decision, potential legal ramifications must be considered. In many cases, legal requirements have not caught up with social media or the ways that user-generated data can be used. In-house counsel may not have the expertise or bandwidth to keep current with the laws governing issues such as privacy or discovery. Since analytics providers provide a compliant service, they must be aware of any and all legal ramifications.

Remake the business marketing landscape and scale the social media mountain by making or buying analytics capability? Companies now have the opportunity to mine social media riches by tapping into a mother load of outsourcing expertise.

The EXL advantage

EXL's award-winning team of data scientists combines deep industry knowledge with big data and analytics skills, and expertise across multiple analytics technology platforms and tools. Our teams are involved in data asset development, developing reports and business intelligence, building predictive models and working with clients to operationalize the models and implement change.

