

Impacts of Big Data on Brand Management

The approach to strategically manage brands has changed significantly in the last five years as online consumer transactions, social media interactions and platform usage have increased – comScore reports that retail e-commerce spending for November 2012 amounted to more than \$20 billion, up 14% above the corresponding figures a year before^[1] and 1.5 billion users are members of social communities globally, with 80% of them regularly interacting with social networks.^[2] This large increase in customer interactions and touch points has created enormous amounts of data – creating new challenges for firms trying to maintain, change, create or manage their brands. Li and Bernoff (2000) in their book *Groundswell* warn firms that the increased connectivity and speed at which information is disseminated has added enormous complexity to managing brands in the Internet and social media era. Understanding this phenomenon or movement is the first step to designing a strategy and ongoing process to manage the customer “conversations”.

With greater amounts of interactions and transactions, the data generated has increased exponentially. Through the aggregation and analysis of the data, firms now can obtain key behavioral intelligence about their customers through multiple physical touch points like smartphones or mobile devices, automobile on-board computers, and point of sale (POS) systems, and through online channels like retail platforms and social networks. The term big data refers to the volume, velocity and variety of data that puts it beyond the scope of the traditional enterprise data analysis tools. “As of 2012, about 2.5 exabytes [one billion gigabytes] of data are created each day, and that number is doubling every 40 months or so...this gives companies an opportunity to work with many petabytes [one quadrillion bytes] of data in a single data set...”^[3] Firms need to be able to access and effectively analyze this data in order to manage their brands. In this growing space, a firm must not only be able to successfully assess its brand against corporate and business objectives, but must also be able to design and implement the correct campaigns and initiatives that produce measurable value and results. This paper seeks to discuss, analyze and recommend a beginning framework for brand management in the new age of big data.

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Background and Overview

“Brands are long-term assets. If managed properly, a brand can live for decades or centuries...Harvard, Moët & Chandon, and Pepsi were created in 1636, 1743, and 1898, respectively. All of these brands continue to be vibrant and valuable today.”^[4] And, according to Aaker (1991) the assets which make up a brand’s equity, can be a primary source of competitive advantage and future earnings for a firm. ^[5] Regardless of the product or service, channels, media and platforms, firms must continue to develop a cohesive brand strategy. Marketing executives must persist in developing competitive advantage by evolving the methods to plan and implement strategy and sometimes by igniting structural changes in the industry.

The challenges faced by brand managers in the past are still challenges today: addressing the needs of the customer in a market occupied by domestic and foreign competitors, understanding the impact of government and structural changes in a global market, introducing new products and services, forecasting cultural and social changes, managing newly created channels of communication as well as expiring the old ones, managing to the expectations of shareholders, and of course understanding and leveraging technological change. Whether creating a new brand from an old one, or positioning a brand higher than the competitors, firms will need to be able to access all key current and future customer touch points to draw useful inferences of the data (intelligence) and formulate a strategy.

“...it’s wrong to think we’re entering a world in which traditional marketing activities, and brands themselves, will become irrelevant. In fact, the opposite is true. Social media make it more urgent than ever that companies get the basics right, developing and reliably delivering on a compelling brand promise.”^[6]

Customers have more purchase options and more ways to obtain information about products and services than ever before. The traditional approach had been to communicate the firm’s message to a mass audience through television, radio, and print advertising. Now, that message can be distributed in new channels and interactive mediums, but this carries the risk that the message may sometimes get garbled or even mutilated. Remember the telephone game: one person hears a phrase then repeats the phrase to the person next to him or her, then that person does the same and so on and so forth. Sometimes, the original message has changed, sometimes not. As customers seek peer guidance in purchase decisions, the brand message can be lost across a broader network of people and content sources.

As the firm’s marketing focus has moved to analyzing and understanding customer behaviors and values (less focused on product attribute awareness and differentiation), or as Xavier puts it, “customizing [the] relationship with individual customers” ^[7], these firms are discovering new mediums in which to mine useful interaction and transaction data. Social networks provide “powerful new ways to explore consumers’ lives and opinions.”^[8] Marketing spend already indicates that firms see value in increasing the focus and analysis of this new media – social/interactive marketing comprised 12% of companies’ 2009 marketing spending, and it is estimated to be 21% in 2014.^[9] All of this social data, aggregated and analyzed, enables firms to potentially identify trends about product usage, customer brand perspectives and frames of reference.

“...the funnel concept fails to capture all the touch points and key buying factors resulting from the explosion of product choices and digital channels...a more sophisticated approach is required to help marketers navigate this environment, which is less linear and more complicated than the funnel suggests.” ^[10]

Big Data and Social Media

Here are some estimates of just how big social media “big data” is:

- In 2012, Google received approximately 1.2 trillion^[11] search queries in 146 languages
- Total worldwide emails sent per day is expected to be 154.6 billion^[12] in 2013
- Average Number of Tweets Sent Per Day is 400 million^[13]
- Facebook users share more than 684,000 bits of content^[14] a day
- 72 hours^[15] of video are uploaded to YouTube every minute

“Only 3% of potentially useful data is tagged, and even less is analyzed.”^[16] Collection of the vast amount of data generated by social media is only one challenge that marketers face today. By and large, social media is unstructured data, meaning there is no taxonomy established to organize it – no tagging structure or classification system. And, data gathered from human interactions contains within it the attributes of human speech – localized and colloquial, for example. This makes the analysis of the data difficult. However, firms like IBM and Oracle (and a plethora of other monitoring tool vendors including Salesforce, Cafyne and Adobe) have already begun to realize the significance of providing tools and processes to support marketers in their efforts to mine and analyze this data. Additionally, big data leading practices have begun to provide more clarity in creating a viable structure and system for this type of unstructured data. “The key to fostering the growth of this beautiful friendship of social media and big data is understanding how to make each work individually – one to generate the right data and the other to process and analyze the data.”^[17]

All social media platforms today collect user data – directly through user profile creations during setup but also passively through user interactions and transactions within the platform. Firms use this data to improve user experience, but also analyze the data that tracks user actions on and off the platform – status updates, likes/dislikes, cookie tracking, photo posting etc. The firm’s challenge is to know what to do with the data once it is collected. Specifically, brand managers would like to be able to anticipate trends and future consumer interactions with their products.

“Sentiment analysis, knowledge mining, aggregating conversations into trends, these are all possible when you know what you’re looking for...”^[18] With the advent of the new availability of large quantities of data, predictive analytics will seek to offer up some insights and ways to anticipate future consumer behavior.

An Assessment Framework

Measuring brand equity is more art than science. One can equate it to the financial accounting measure of “Goodwill”. It is a real asset for firms – one which needs to be cultivated and protected. Not long ago firms were able to carefully control brand messaging to customers, but that has changed. In recent times, the tools available to inspect and influence a firm’s brand in the context of digital media have evolved, and many firms find that their existing toolset is inadequate to keep up with the demands emerging in a digital world. In this section, we will explore how firms could reengineer their brand management processes – employing a strategic approach that integrates market messaging, campaigns, CRM tools, marketing automation tools and employee-participated social media.

To start, firms need to assess their current marketing capabilities and match those against current and future business and marketing objectives. What we have found in our analysis indicates that change will occur in how a firm approaches and strategically brands its products, and in how it is able to successfully capture, categorize and analyze data from multiple channels and platforms integrated with their existing systems. The last step for the firm will be to implement a process architecture that will integrate these two efforts to provide valuable and actionable market and brand intelligence.

Today’s marketing systems are limited to analytics based on email and web interactions. The social media interactions are mostly mechanisms to announce and build a following of marketing messages without the ability to analyze the social interactions and then assign them a sentiment or perception score. Manual monitoring of networks is limited by channel, geography and language among other constraints. To truly be able to decipher the market sentiment towards a product or a brand, marketers would benefit from tools that provide automated reports of online conversations about their services.

“Although marketers agree that they need to drive higher customer engagement and revenues with social marketing, only 47% of them actually measure what they do and invest in what matters. The majority of social marketers (66%) are still spending time and effort to grow social fans and followers or create and publish content, while only 39% are thinking about how to integrate social marketing with the rest of the organization.”^[19]

The following assessment framework associates firm capabilities with exhibited behavior ranging from lagging to leading practices in the industry today:

		Lagging Practices	Incremental Improvements	Leading Practice
Capabilities	Big Data Management – Transactional and Interactive			
	Data Collection	<ul style="list-style-type: none"> Historical sales transactions and customer survey data collection 	<ul style="list-style-type: none"> Web Analytics and email click through rates tracking 	<ul style="list-style-type: none"> All data relevant to technologies, brand, employees and influencers – integrated with customer data in traditional enterprise BI tools
	Data Analysis	<ul style="list-style-type: none"> Traditional BI reporting and Data Warehouse Management 	<ul style="list-style-type: none"> CRM data analysis with some forecasting abilities 	<ul style="list-style-type: none"> Sentiment and trend analysis for the brand and technology
	Social Media Monitoring	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Manual monitoring through social media platforms 	<ul style="list-style-type: none"> Defined social media channels monitored in automated tool. Alerts set for sentiments and volumes allowing quick intervention
	Social Media Interaction	<ul style="list-style-type: none"> Basic presence, announcement – Two to four platform presence 	<ul style="list-style-type: none"> Dedicated personnel to interact with users 	<ul style="list-style-type: none"> Managed social media placements as well as ability to react in near real time on social media channel “melt down”
	Brand and Marketing Management			
	Campaign Management	<ul style="list-style-type: none"> Fit and advertising with separate internal demand generation activities 	<ul style="list-style-type: none"> Integrated PR and demand generation activities with digital and traditional mediums 	<ul style="list-style-type: none"> Integrated with CRM and sentiment analysis systems to allow feedback loop based placement of digital content (with changing trends and sentiment)
	Marketing Management	<ul style="list-style-type: none"> Building product awareness and generating loyalty among current customers 	<ul style="list-style-type: none"> Building offers and traction with social media in addition to other digital media 	<ul style="list-style-type: none"> Analysis of touch points used to influence consumers from initial consideration to active evaluation to closure
	Online Management	<ul style="list-style-type: none"> Informational web presence with basic to intermediate site content management 	<ul style="list-style-type: none"> Custom landing pages and offers with social media integration 	<ul style="list-style-type: none"> Content-management systems and recommendations engines used to deliver related content for cross-sell and upsell based on customer demographics and social media analysis
	Customer focused Brand Analysis	<ul style="list-style-type: none"> Product attribute and traditional funnel marketing as well as mass messaging 	<ul style="list-style-type: none"> Customer survey analysis and channel messaging and localized marketing 	<ul style="list-style-type: none"> Integrated customer facing strategy- Customer driven marketing with tailored messaging via touch and decision point analysis

We believe that for any firm embarking on this change, they should ensure that they are able to:

- Create a social media presence to enable direct conversation with a new class of prospects and existing customers
- Review and monitor identified conversations and threads in technical forums, support groups and social networks
- Integrate the social and online conversations with existing CRM systems to provide sales with additional insight and marketing the ability to react to emerging trends

Tools such as Radian6's Dashboard and Engagement Console (acquired by Salesforce in 2011), Oracle's RightNow CX, SAS's Social Analytics, and IBM's Cognos Consumer Insight provide social media analytics that help users tie into their enterprise implementations of CRM and web analytics systems. Firms evaluating social media analytics tools should factor in these key areas before selecting a solution:

1. How deep can the system crawl the social media and online communities
2. How efficiently does the system provide results that match the companies employees, brands and technologies with few false positives and negatives
3. How deep is the language coverage for ensuring broader global analysis of the social media
4. How customizable are the reports from the system to provide the relevant reports
5. How easy is it to provide a single view of an entity in the context of the multiple channels in which it is referenced
6. How easy is it to integrate with the existing systems – HR, CRM, Marketing Automation and customer service system

Analytic software should help firms focus their efforts specifically in implementing and complying with corporate social media policies while meeting the requirements of marketing, sales and customer service social media analytics needs. Companies pursuing a social media strategy employing employee social media presence would do well to evaluate its capabilities for providing visibility to the sentiment and traction for employee led social interactions. Of even greater importance is the ability to get alerted to any interactions that turn negative posing a liability for the company and negatively affecting its brand and customer experience.

Conclusion

The pace at which technological change has occurred in the last five years has had an immediate and profound impact on today's marketing and brand managers. Aggressively leading the charge to formulate a new cohesive strategy and approach, one that is adapted to the increasing amounts of data available, will ensure that corporate marketing managers' brands thrive in this new era of new media.

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