

IBM Smarter Business and Technology Series

Lotusphere and InformationOnDemand Come to You

Get Social. Do Business. Gain Insight. Optimize Results.

March 3, 2011

Social Analytics

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Once upon a time ... far far away ...

In April 23rd 1985, The Coca-Cola Company introduced a new Cola@

"MARKETING BLUNDER OF THE CENTURY,"



"CALLS FLOODED IN TO 800-GET-COKE PHONE LINE"

By June 1985, The Coca-Cola Company was getting
1,500 calls a day on its consumer hotline,
compared with **400 a day**

"return of "old" Coca-Cola was made in July 1985"

Heritage

The Chronicle of Coca-Cola

▶ **Coke Lore**

Coca-Cola Stories

Collectors Columns

Collectors Club

The World of Coca-Cola

Recipes

Test Your Coke IQ

Heritage Timeline

Email Alerts

Coke Lore

The Real Story of New Coke

To hear some tell it, April 23, 1985, was a day that will live in marketing infamy.

That's the day The Coca-Cola Company took arguably the biggest risk in consumer goods history, announcing that it was changing the formula for the world's most popular soft drink, and spawning consumer angst the likes of which no business has ever seen.

The Coca-Cola Company introduced reformulated Coca-Cola®, often referred to as "new Coke®," marking the first formula change in 99 years. The company didn't set out to create the firestorm of consumer protest that ensued; instead, The Coca-Cola Company intended to re-energize its Coca-Cola brand and the cola category in its largest market, the United States.



That firestorm ended with the return of the original formula, now called Coca-Cola classic®, a few months later. The return of original formula Coca-Cola on July 11, 1985, put the cap on 79 days that revolutionized the soft-drink industry, transformed The Coca-Cola Company and stands today as testimony to the power of taking intelligent risks, even when they don't quite work as intended.

"We set out to change the dynamics of sugar colas in the United States, and we did exactly that -- albeit not in the way we had planned," then chairman and chief executive officer Roberto Goizueta said in 1995 at a special employee event honoring the 10-year anniversary of "new Coke."

"But the most significant result of 'new Coke' -- by far," Mr. Goizueta said, "was that it sent an incredibly powerful signal ... a signal that we really were ready to do whatever was necessary to build value for the owners of our business."

The story of "new Coke" is widely recalled, but the context is often forgotten. In 1985, The Coca-Cola Company's share lead over its chief competitor, in its flagship market, with its flagship product, had been



Select a story from the archive by using the drop-down menu:

SELECT A STORY

GO



Fast forward to 2009 ...



It took about **2 seconds** for the very market it was trying to tap into - information-savvy kids - to flood the blogosphere and the worlds of Twitter, Facebook and YouTube with a single message: **the name stank**

"It took 5 days from launch to withdrawal"



Social Media Influence

770

million people worldwide visited a social networking site.



Source: comScore, Social Networking Phenomenon

Stat Watch: 500 Billion

That's the number of impressions that consumers share with others online about products and services annually, say **Josh Bernoff** and **Ted Schadler**, Forrester Research analysts and the authors of *Empowered*. More than 60% of those impressions are shared on Facebook, and 16% of users generate 80% of messages and posts about products and services.



78%

of consumers trust peer recommendations

Source: August 25, 2009, "The Broad Reach Of Social Technologies" Forrester Research





For CEOs – It's About Greater Customer Intimacy

88%

of CEOs will focus on getting closer to their customers in next 5 years

82%

of CEOs want to better understand customer needs

85%

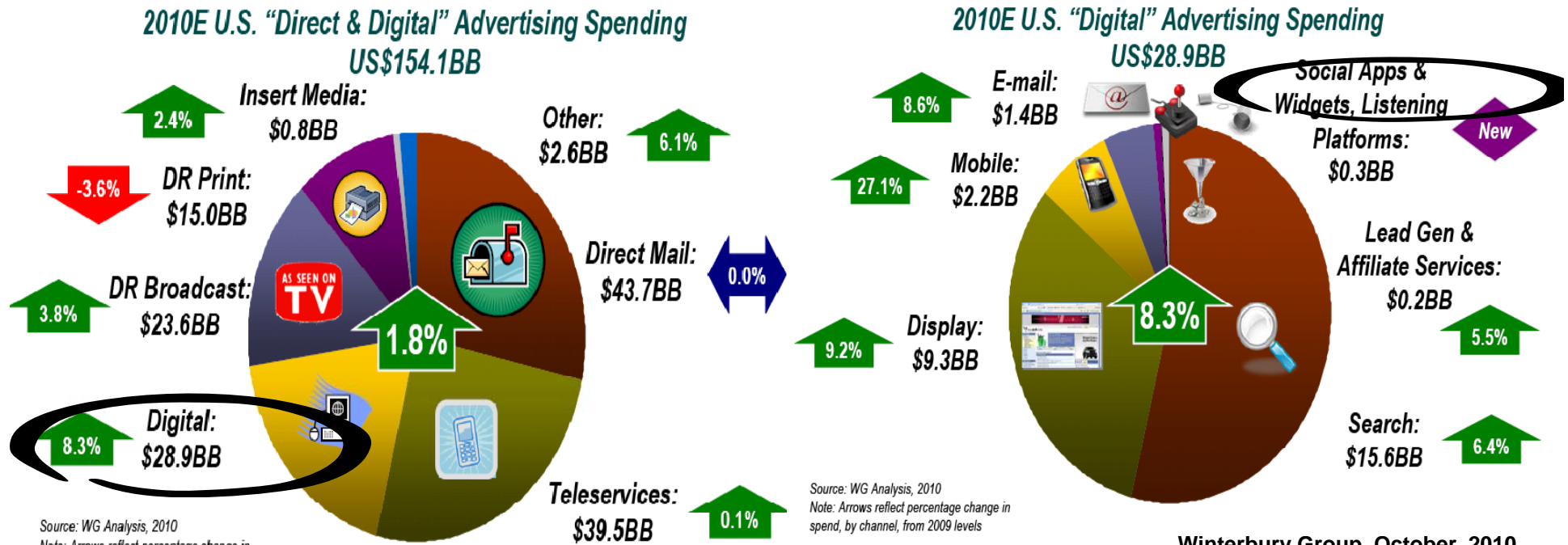
of CEOs require more visibility into their businesses

Businesses are focused on understanding their customers to drive more/greater business value with their marketing spend

Source: 2010 IBM CEO Study



Justifying and Measuring Digital Marketing



Winterbury Group, October, 2010

30% + consumer media spending is through digital channels

Standardization of digital metrics is fueling wider adoption

Suppliers (agencies) continue embracing digital capabilities to get in front of their customers



IBM Cognos Consumer Insight

The most scalable and robust social media analytic application available that enables organizations to:

Grow Your Business



Understand your customer needs to **target new offers and products** more cost-effectively through different **social media channels**

Enhance Your Reputation



Evaluate your corporate reputation and make **evidence-based messaging** decisions that **target the right stakeholders** at the right time

Improve your customer care



Respond more quickly with accurate, timely and relevant insight into **customer requests** to ensure a **consistent experience** across all channels

Creating Relationships. Building Advocacy. Improving Loyalty

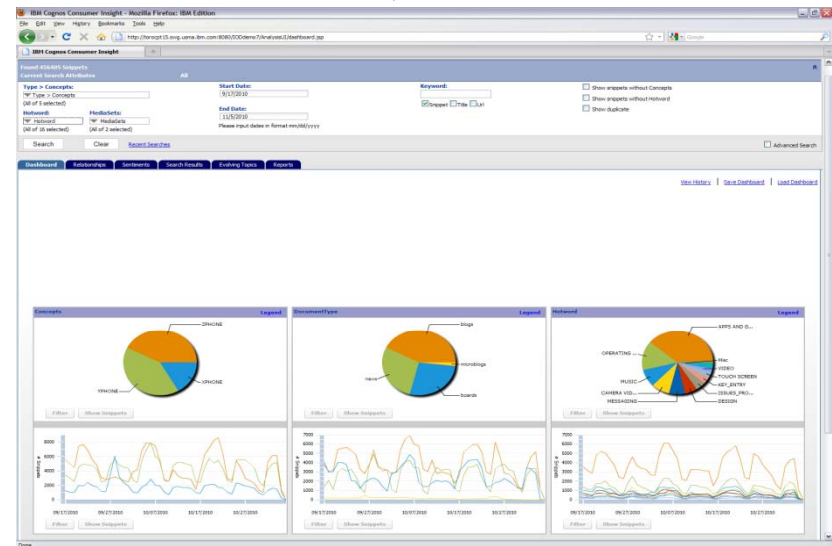


Comprehensive Analytics –

Analyze billions of blog posts and hundreds of thousands of forums and discussion groups on publicly available websites “on the fly” to measure the effectiveness of your social media campaigns and the sentiment of consumer opinions of your brand and company

- Keyword Search
- Dimensional Navigation
- Drill Through to Content

Highly Scalable, Easy to configure, Flexible search



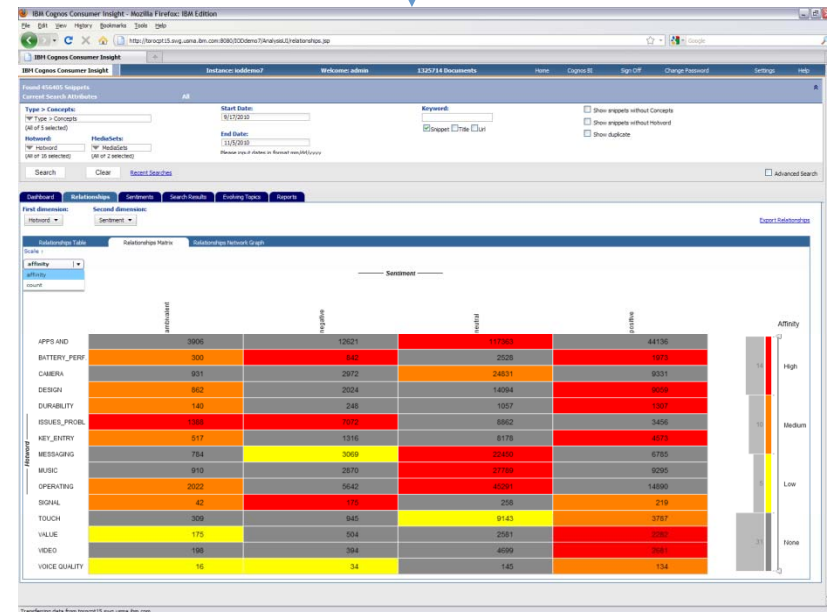


Affinity Relationships –

Understand the relationship between different areas of analysis and view the snippets that are associated with their intersection to gauge impact and identify future messages among key audiences

- Relationship Tables
- Relationship Matrix
- Relationship Graph

Gain insight, Anticipate new opportunities, Evaluate campaign messaging



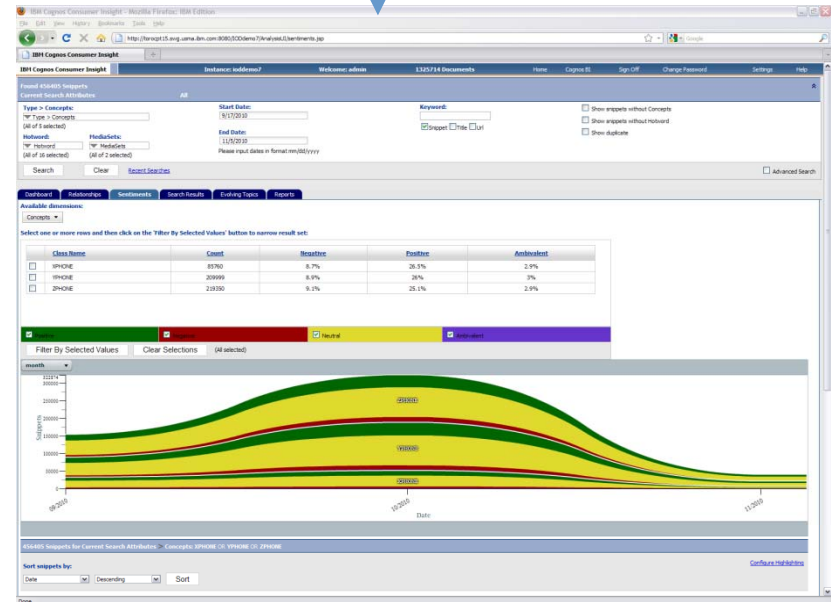


Sentiment –

Analyze sentiment and filter by concepts, hot words and media sets – among others.
Complete comparative analysis by comparing positive, negative, neutral, or ambivalent sentiment

- Dimensional Analysis
- Filtering

Make evidence-based decisions, Identify and target new channels, Determine the campaign effectiveness





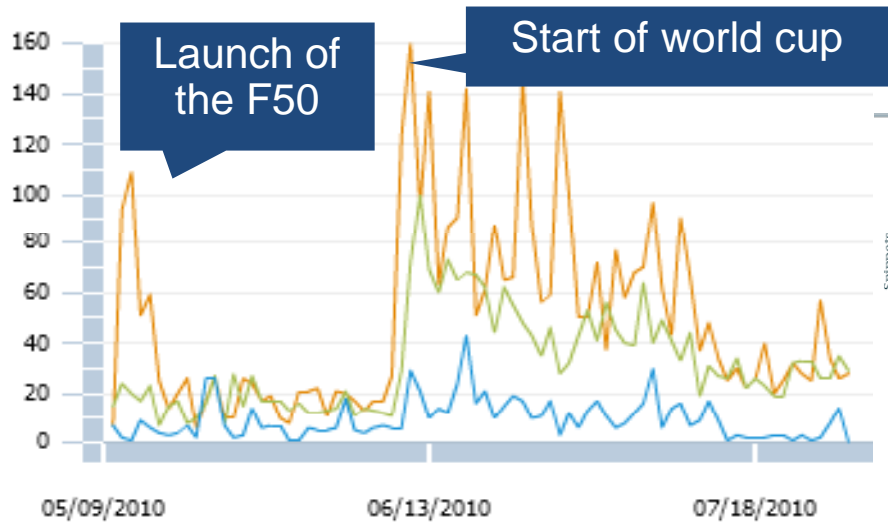
Case Study – Adidas 2010 World Cup

Is Lionel Messi associated with the F50?

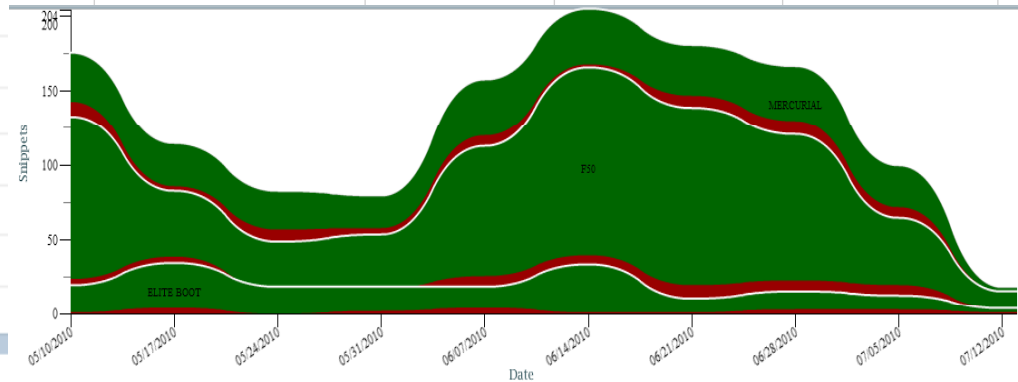
How does the F50 stack up against the competition?

Are these messages getting picked up?

- Track the launch of the adidas **F50adizero**, the lightest football boot ever
- Track the effectiveness of sponsored athletes for adidas
- Understand and react to emerging themes around the World Cup



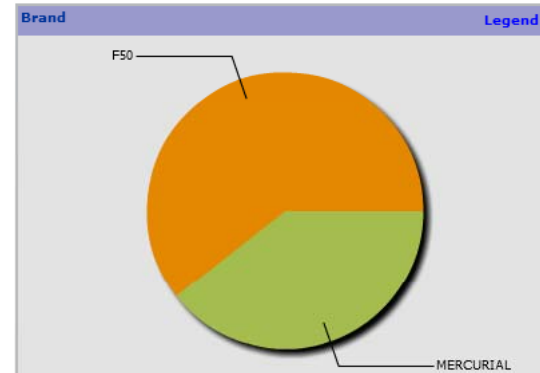
<u>Class Name</u>	<u>Count</u>	<u>Negative</u>	<u>Positive</u>
ELITE BOOT	711	2.8%	22.5%
F50	3534	1.5%	19.7%
MERCURIAL	2185	3.1%	12.7%





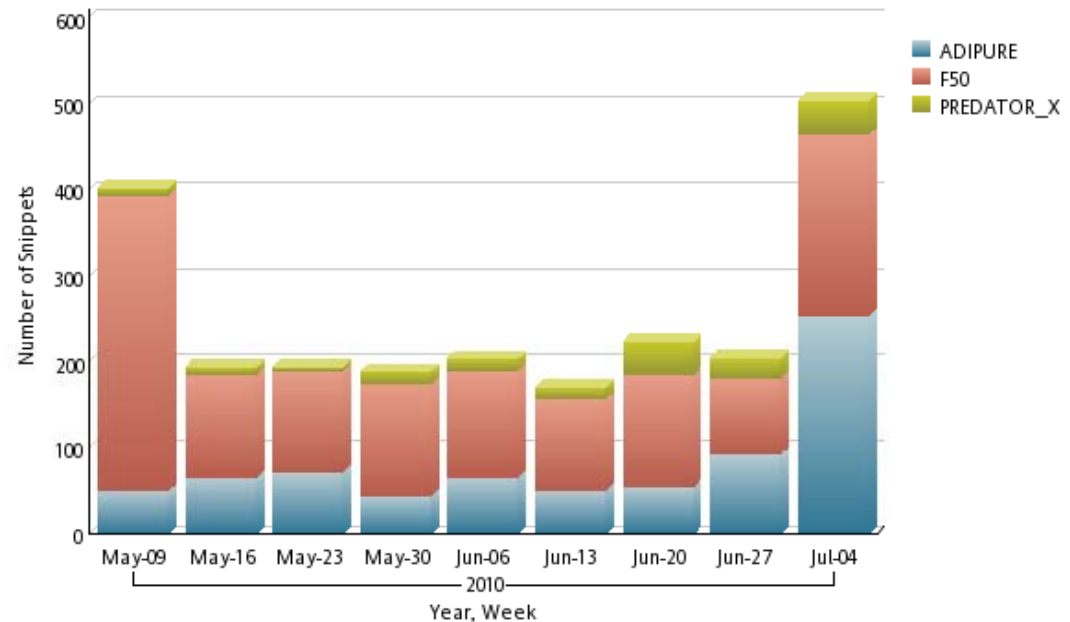
Communication reach: F50 leads the way...

...against the competition



...against other adidas products

Absolute ADIDAS SOCCER FTW Exposure over Time





The message has been picked up...

Hotword	Brand		
	ADIPURE	F50	MERCURIAL
LIGHTWEIGHT	9	338	74
WORLD'S LIGH...		116	
CHAMELEON		68	4
FAST		68	18
THE SPARK		21	
EVERY TEAM N...		21	
165G		24	2
LIGHT SPEED		10	
GRAPHIC		8	
THE		5	
THE BLAZE		5	
TOP SCORING ...	1	6	
DAYS OF FAST		2	
THE QUEST		1	
FAST FOOTBALL		1	
ON THE PITCH	3	9	3
IMPOSSIBLE I...		2	1

„Lightweight“ 6 times more mentioned in the context of the F50, compared to the previously lightest boot

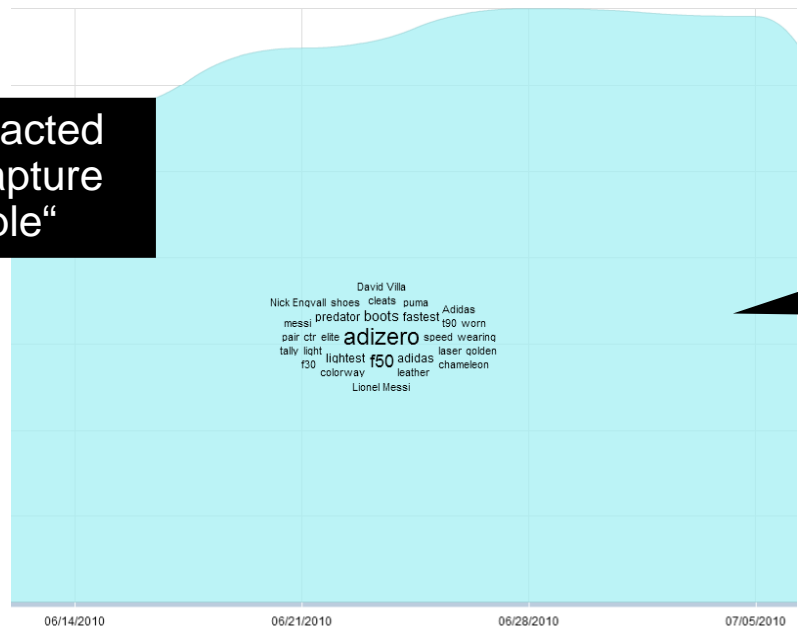


...and Lionel Messi as well

People that co-occur with the F50 most significantly

	ADIPURE	F50	MERCURIAL
Lionel Messi		241	12
David Villa	2	203	6
Messi		92	3
Villa		23	
Steven Pienaar		21	
Lukas Podolski		25	2
Johan Vonlan...		17	
De Rossi	1	19	
Samir Nasri		15	
Shunsuke Nak...		14	

Automatically extracted from content to capture „emerging people“



„Lionel Messi“ appearing in the „emerging topic“ around the F50 adizero



How it works ...





Social Networks

(With number of members in each)

Facebook (500m)

MySpace (130m)

Orkut (100m)

Last.fm (30m)

Twitter (106m)

Plaxo (15m)

Friendster (90m)

Geni (15m)

LinkedIn (75m)

Bebo (117m)

Classmates.com (50m)

Badoo (69m)

Flixster (63m)

Habbo (162m)

hi5 (80m)

Cyworld (24m)

Flickr (32m)

MyLife.com (51m)

Vkontakte (81.5m)

Netlog (42m)

Odnoklassniki (37m)

Mixi (24m)

Tagged.com (70m)

Windows Live Spaces (120m)

Qzone (200m)

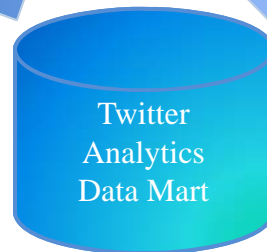


Twitter – Why its important to you and me

- Launched 15th July 2006. *There was no Twitter 4 years ago*
- Today has more than 106 million users
- More than 90 million tweets per day
- Open searchable API
- **Real time, Searchable, Market feedback. An unprecedented access to market pulse.**



From Tweets to Intelligence *IBM Business Analytics*



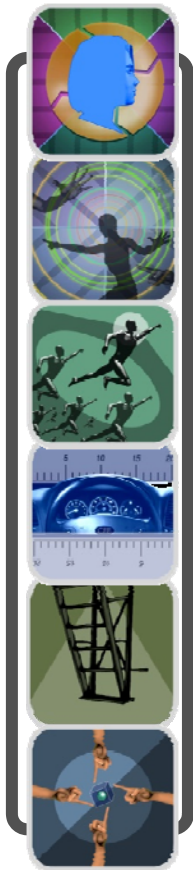


Demonstration ...





Social Analytics



- Create Relationships

- Build Advocacy

- Improve Loyalty

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