

A Market Overview Report

Leveraging Social Identity: Know and Engage Customers Better to Build More Valuable Relationships

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Includes input from 46 ecosystem contributors

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Executive Summary

Modern marketers face an increasingly necessary yet difficult task to deliver contextually relevant messages and experiences to prospects and customers. This is challenging in part because search, social media, and mobile devices have empowered consumers and fragmented the customer journey. Consumers complete more of the decision process before interacting with the brand and increasingly expect relevant experiences when they do. Meanwhile most marketers have limited context about who their prospects and customers are and what they care about.

This report explains how insights can be gleaned from social media to: 1) Identify and better understand prospects and customers throughout the customer lifecycle, and 2) Deliver targeted, personalized messages and experiences to them across channels. It discusses why this data can inform marketers beyond the transactional history most rely on today and the increased value it can provide the business. Finally, this report explains how to collect and integrate relevant social data, as well as how to address challenges, including privacy.

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Leveraging Social Identity: Know and Engage Customers More Effectively to Build More Valuable Relationships

Modern Marketing Requires Deep Customer Understanding to Drive Meaningful Engagement

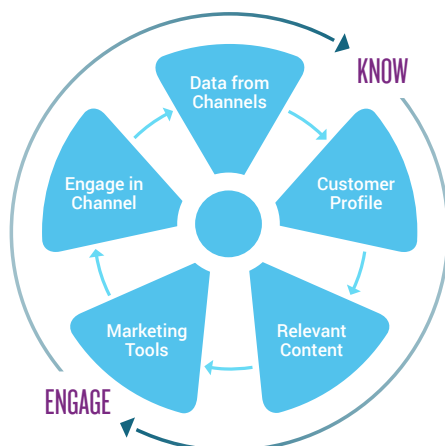
The customer journey has become incredibly fragmented, moving across various channels and devices. Search and social media have given consumers unprecedented access to information and peers, making them less dependent on brand messaging. Several studies have found customers are completing more of the purchase decision before approaching a seller.¹ And when consumers do engage with brands, they increasingly expect consistent, personal experiences across all channels.

These changes in consumer behavior mean it has never been more necessary — yet also so complex — for brands to target and personalize their messaging rather than “spray and pray.” In order to provide relevant messaging and experiences, marketers need to understand who customers are, what they need, and when they need it. This process can be distilled to a cycle where marketers aim to “know” prospects and customers in order to then “engage” them more effectively, and then continue to learn and optimize (see Figure 1).

Social Identity

The information about an individual available in social media, including profile data and ongoing social activity.

Figure 1 The Modern Marketing Process Is an Ongoing Cycle



Source: Altimeter Group

With the proliferation of customer data in CRM systems, eCommerce, web analytics, loyalty programs, and other databases, enterprises have troves of information about their customers. The trouble is, companies often understand customers in the context of their transactions, but rarely as individuals. One study found that 80% of consumer-facing companies don't understand their customers beyond basic demographics and purchase history.² With only limited context at different customer touchpoints and in different departments, most brands today are unable to deliver consistent, personal experiences, limiting the value of their customer relationships. Figure 2 shows key differences between traditional and modern marketing in the context of “knowing” and “engaging” prospects and customers.

The Need for Social Context

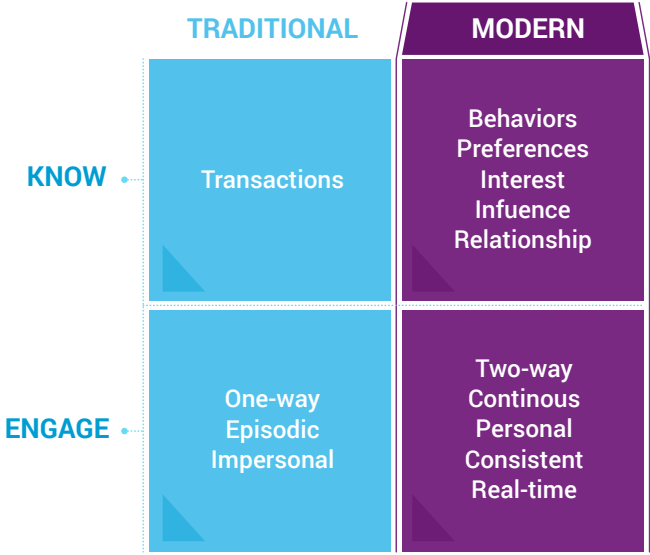
Social media has played a major role in empowering consumers and compounding the complexity of today's customer journey for brands.^{3,4} Yet social media is also imbued with customer insights unavailable from other channels. Suresh Vittal, VP of Product Marketing & Strategy at Adobe, says, “Social

yields sentiment, preference, and influence in ways that no other data source can.” Social profiles contain demographics, age, geography, affinity, and more, while ongoing social signals can provide insight into a customer's real-time context, influence, and needs.

Although marketing has typically led social business efforts, departments throughout the organization are getting involved to build relationships with customers in different ways. As they do so, they require additional insight to increase efficiency. For example:

- Sales and customer service are tapping social media in order to find new leads, convert leads faster, and resolve service issues more effectively. However, most do so today without a clear idea of who they are engaging with.
- Advertisers are wasting money if they don't use readily available social data. Bill Piwonka, former CMO of Janrain, says, “A friend of mine gets Christian Mingle ads even though he's Jewish and married. That shouldn't happen. His religion and marital status are available on Facebook.”
- Loyalty programs have lots of historical data but lack additional context. These groups can

Figure 2 Traditional vs. Modern Marketing: Acting on Information



Source: Altimeter Group

use social media to learn more about loyal customers' interests, to reward them, or to activate them as advocates. Companies can also find new customers with attributes similar to loyal, valuable ones.

Social Identity: An Evolution in Social CRM

For the purposes of this report, we define Social Identity as:

The information about an individual available in social media, including profile data and ongoing social activity.

Altimeter has found 13 departments regularly involved in social business today.⁵ The proliferation of social data being created by multiple departments exacerbates the existing problem that many organizations have of distributed enterprise customer data. While traditional CRM provides companies with a valuable repository of customer information, Social CRM tools have generally not. For example, we found several companies that were manually matching attributes like Twitter handles to customer loyalty status and keeping track of top customers in spreadsheets.

There is hope, however. A variety of technology vendors have recently been helping brands collect various aspects of Social Identity, providing contextual insight about prospects and customers. Vendors big and small, including Oracle, IBM, Salesforce, Shoutlet, VinTank, HelloWorld, NextPrinciples, and many others, are helping companies leverage social insight in significantly different ways for a variety of purposes. In a way this can be seen as an evolution of Social CRM — not just engaging audiences, but understanding who they are.

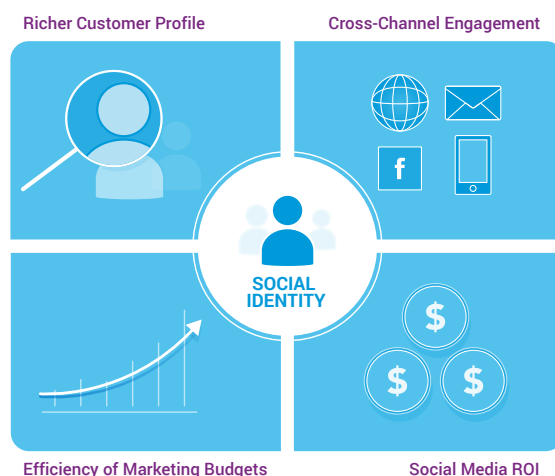
The Value of Social Identity

"Targeting users is basically the currency in data right now," Pandora's Director of Product Management, Jack Krawczyk, said in a recent interview. "Companies like Pandora and Facebook know users' names and can track their media consumption or stated preferences across computers, tablets, and phones, and have an advantage over companies relying on web-browsing cookies."⁶

Brands have the ability to access many of those same data points and learn about individual preferences and context beyond transactions. This insight provides the basis for the primary value of Social Identity: to target and personalize messages and experiences. The benefits of personalization have been well documented, and we found the benefits related to Social Identity included measurable increases in email open rates, subscription rates, clickthroughs, and downloads, as well as decreases in unsubscribe rates.⁷ At a high level, we found that brands can benefit in several related ways (see Figure 3).

First, organizations can use Social Identity to enrich existing customer profiles. And, to the extent that customer profiles can be consolidated and enriched, Social Identity can improve the effectiveness of customer engagement across channels. For example, if a brand can associate a Twitter user who asks about a new product with a loyalty member who has made a large purchase in the past, they could automatically segment that customer as a higher value lead for repurchase. That ability to better target means that at a time when marketers spend more on technology every year, Social Identity can increase the efficiency of those investments.

Figure 3 Social Identity Provides Multiple Benefits



Source: Altimeter Group

Finally, while the value of social media is typically difficult to measure beyond engagement metrics like Fans, Followers, Comments, and Likes, other marketing channels have metrics more directly associated with ROI (e.g., open rates, CTR, downloads, and subscriptions).⁸ The fact that Social Identity increases the efficiency of cross-channel marketing via better targeting and personalization provides a new way to understand and value social media activities and investments.

Social Identity is so valuable that ExactTarget's SVP Bryan Wade says, "A number of marketers are now shifting to look at the social profile as the centerpiece of the customer profile." Below are a few examples of how some marketers are creating value with Social identity:

- NFL.com is using social sign-on to collect social profile data, which is used to personalize the site experience and send highly personalized emails. For example, knowing that a user's birthday is approaching, NFL.com will send an email offer for a personalized jersey from the user's favorite team with his last name on the back.
- Interscope Records has seen email open rates increase from 7% (untargeted, "batch and blast") to upwards of 67% by sending customers information relevant to the artists they care about, based on their Social Identity.
- Bombfell, a monthly clothing subscription for men that launched in 2011, created its own CRM system in-house that centers on Social Identity. The company uses a variety of Social Identity data points to personalize the physical products the company sends to its customers. Bombfell has a return rate below the e-commerce average and a churn rate below 2%.

It's About Relationships, Not Campaigns

Ultimately, Social Identity can help brands move beyond campaigns to create and maintain stronger customer relationships. Instead of focusing on transactions, companies can focus on customers whose interests and needs evolve over time. It's as much a mindset change as a technology shift.

Companies like Dell are focused on maintaining a relationship outside of the active purchase cycle. The company uses social sign-on for its discussion forums to provide ongoing support and community. As a result, Dell learns more about the people who visit and what they care about, building better relationships and staying relevant.

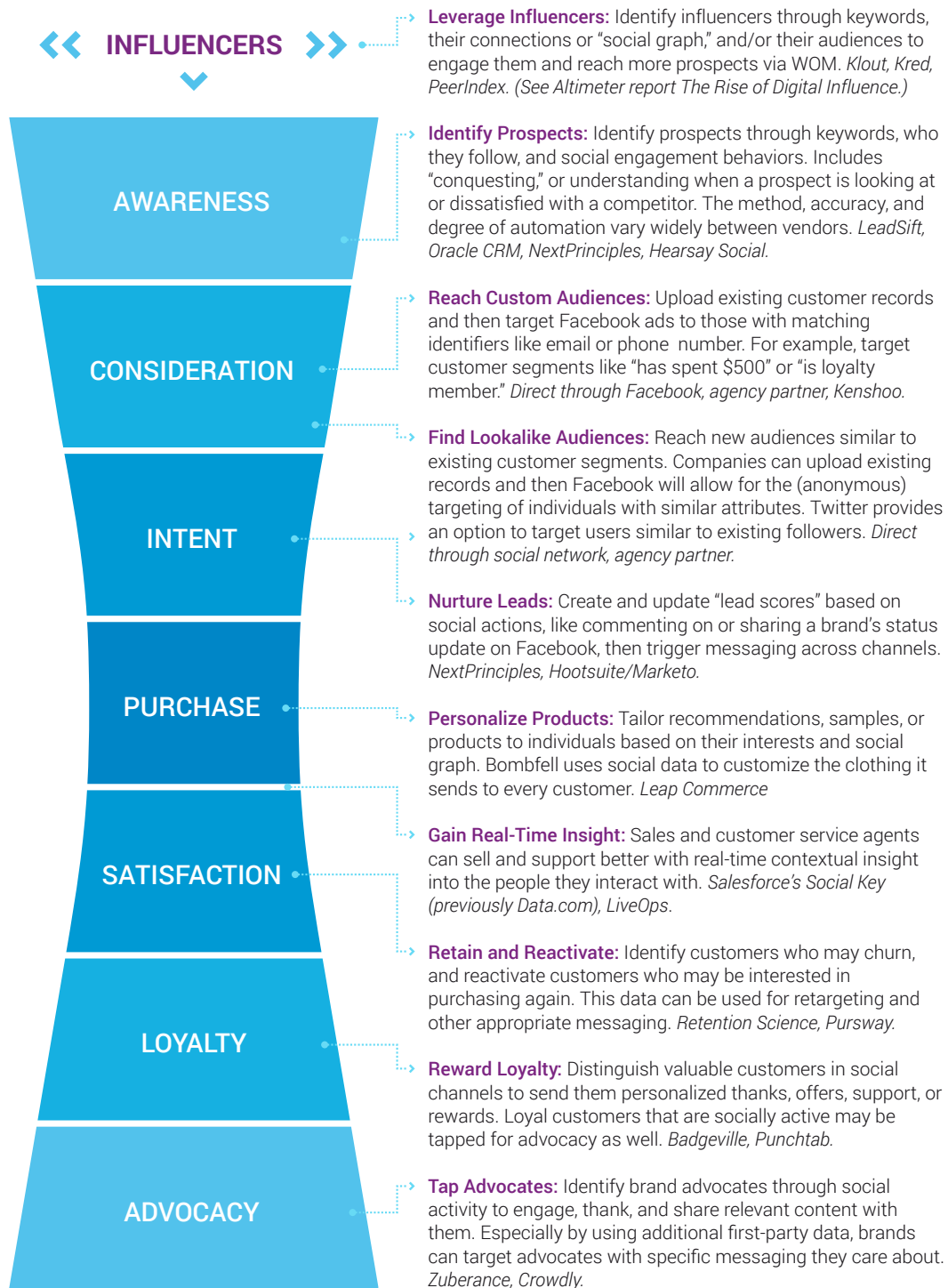
Similarly, Cox Media Group is focused on improving the overall customer experience, rather than building campaigns. The company is working to incorporate Social Identity to personalize the Website experience, making sure users don't see the same articles again and that they do see the ones most related to their interests.

How Social Identity Can Be Used Throughout the Customer Lifecycle

As discussed above, Social Identity is fundamentally about knowing customers better in order to engage them more effectively. From Awareness to Loyalty, there are many opportunities to gain and leverage better customer insight throughout the customer lifecycle. (Even outside of marketing, vendors like Identified and Connect6 are using Social Identity to help recruiters identify and contact broader sets of relevant candidates.)

Now let's look at how you can use Social Identity to enhance relationship with prospects and customers throughout that lifecycle, as well as some of the vendors that can help (see Figure 4).

Figure 4 Social Identity Use Cases Throughout the Customer Lifecycle



Source: Altimeter Group

Case Study: Interscope Records Uses Social Identity to Increase Email Open Rates 957%.

Background: A Global Company

Interscope Records is one of 10 business units that belong to Universal Music Group, the largest music corporation in the world. Interscope's current artists include Lady Gaga, U2, Eminem, Sting, and many other household names. In addition to websites, it has accounts on up to 10 social networks for each of its artist properties, including Instagram, SoundCloud, Tumblr, Facebook, and Twitter.

Opportunity: Greater Customer Insight

Interscope Records has collected data about customer behaviors and interests for years. But as customer engagement moved beyond "owned" properties of web and email to social media, the company saw an opportunity to gain greater insights about customers' interests. And while most companies operate social media as a silo, Lee Hammond, Interscope Record's VP of digital, says that reduces its potential value because "there's no cross-pollination of data." Instead, Interscope uses the social data to enhance existing customer profiles and improve the effectiveness of its existing customer engagement, like email, through better targeting and relevance.

Solution: Collecting the Data

Interscope starts by capturing social profile data through social sign-on. Not only does this allow them to glean self-identified demographic and interest data from fans, but also to associate social handles with email addresses. Once the company identifies relevant social handles, they can see certain types of activity. If a fan on Twitter follows or mentions an artist, they can see and capture it. They can get insight into fan activities, including likes or comments on artist posts on Facebook or listens on Spotify.

Technology: Technology Partners Enable Social Identity

Interscope has hundreds, possibly thousands, of artist sites. It realized that if it had used out-of-the-box Facebook Connect, they would have no enterprise view of fans' social activity. This was a driving factor for them in deciding to work with Janrain to implement social sign-on. The company provides a federation of Facebook and Twitter login data, which makes data mining across different properties possible and gives UMG a single view of the social customer. To encourage users to share their social handles across various social networks and promote further engagement, Interscope also employs various forms of gamification.

Once the organization had permission to access social profile data, it worked with another technology vendor, Appreciation Engine, to track ongoing social signals, which include data such as Likes, Follows, Mentions, Listens, Comments, and Retweets. From there, those social signals are synced to another database (in this case, to ExactTarget, but it could be another marketing automation, CRM, or email database). Different "social scores" are then assigned to different social signals, making it easier to segment users by their interest and levels of activity.

Results: Greater Relevance Drives Higher Email Open Rate

Today, Interscope can target and personalize emails to a much greater degree by using the Social Identity data it has collected. As a benchmark, one of its non-targeted, "batch and blast" email had an open rate of 7%. When Interscope released the soundtrack for the Great Gatsby, it targeted emails based on social scores related to specific artists, as well as the movie — and the open rates went up to 67%. Now, when Interscope publishes specific content-types (e.g., concert dates, album releases, merchandise, videos, etc.), the company can trigger highly targeted emails to the most relevant audiences.

As customer engagement moved beyond "owned" properties of web and email to social media, the company saw an opportunity to gain greater insights about customers' interests.

Capturing and Integrating Social Identity and Related Challenges

Now that we've examined how Social Identity can be valuable, let's take a deeper dive into the best practices of how to do this. First off, there is no single, standard process that will satisfy all companies. But in all cases, organizations should focus on two steps: 1) Capture Social Identity data and 2) Integrate Social Identity with enterprise records.

Start by Capturing Social Identity

Several brands today try to identify and track customers they engage with on social channels so that they can recognize them if they come back or appear in another channel. As mentioned earlier, this is almost always a manual process today, whether in a spreadsheet or even in most Social Relationship Platforms. Marketers have four primary methods to capture Social Identity (see Figure 5).

1. **Direct association.** Companies can associate existing email addresses with social accounts. However, by going this route, companies forego customer opt-in and must be aware of how that data can be used in the context of customer privacy, as well as social network policies.

Figure 5 Four Methods to Capture Social Identity Data

Method	Description	Relevant Vendors	Ease of Collection
1. Direct Association	a. Search publicly available social profiles with existing email contacts.	Manual searches on social platforms	<div>EASY</div> <div></div> <div>DIFFICULT</div>
	b. Pay to match existing customer records matched to social profiles.	FullContact	
2. Social Profiles	a. Use contests, sweepstakes, games, or forms for customers to connect their social profile to their email or customer ID.	HelloWorld, Wishpond, NorthSocial	
	b. Leverage Social sign-on from providers like Facebook, Twitter, LinkedIn, and Google+.	Janrain, Gigya	
3. Social Signals	a. Track social actions (e.g., Like, comment, RT, share) that are relatively structured and mostly binary.	Appreciation Engine, Shoutlet	
	b. Conduct unstructured text analysis of social activity: keywords + sentiment.	Clarabridge, Attensity	
4. Inference	Analysis of social activity to determine information such as who a person is, what they do, what they believe in, who they influence, and how best to engage with them.	IBM, Vintank, Pursway	

Source: Altimeter Group

- a. **Social sign-on.** The initial value of social sign-on, or social log-in, was removing friction from the registration and log-in process. Today the primary value is in providing permission-based access to consumer social profiles. During the social sign-on process, brands can also request additional information if they want. For example, during Purina's registration process it asks whether you own a dog or cat and whether the animal's preferred food is wet or dry. Several social technology vendors, like Janrain, Gigya, and Shoutlet, are positioning themselves to provide a unified view of the customer by aggregating data from throughout the company.⁹
 - b. **Promotions, contests, etc.** Many early social vendors, like Buddy Media and Wildfire (acquired by Salesforce and Google, respectively), got their start by providing sweepstakes and other engaging social experiences for brands. Many brands have used these tools to grow the counts of their fans and followers. Like social sign-on, this is a way to gain permission-based access to social profiles, as well as collect additional customer details (see Figure 6).
3. **Social signals.** It's also possible to gain real-time insights about individuals through their ongoing social activity. Social signals can be broken into two categories: social actions and keyword identification.
 - a. **Social actions (relatively structured).** These are the standard activities baked into social networks, such as Like, Follow, Mention, Retweet, Listen, Share, View, etc. Which activities can be tracked depends on the social accounts you have access to (e.g., you can only track Likes if you have Facebook access); the more social accounts, the more activities you can track. Although these signals are structured, they can vary significantly. For example, a single user might "Like" two pages or 2,000. Some Social Relationship vendors, like Shoutlet, have been layering data like this onto social profiles and combining it with existing first-party consumer profile data to provide a more complete view of the customer. Another new vendor, Appreciation Engine, helps brands collect and append this data to social profiles by working with social sign-on vendors like Janrain and Gigya.
 - b. **Keyword identification (unstructured).** Also referred to as "entity extraction," this is keyword-based text analysis and often entails additional context-like sentiment. While keywords being used in a post, like "Hotel" or "Taxes," are relatively easy to track with social listening (depending on the scope of data being analyzed), understanding

Figure 6 American Airlines Collects Facebook Profile Information; Associates it with Loyalty Program

The figure consists of three screenshots from a Facebook interface for the American Airlines AAdvantage Passport Challenge.

Screenshot 1 (Left): A promotional banner for the "AADVANTAGE PASSPORT CHALLENGE". It features the text "Play, share and fly to earn big!" and "Fill your American Airlines AAdvantage® passport and earn over 10,000 bonus miles!". There is a "Start now" button and a "Liked" status indicator.

Screenshot 2 (Middle): A modal dialog box titled "AADVANTAGE PASSPORT CHALLENGE". It states: "AADVANTAGE PASSPORT CHALLENGE will receive the following info: your public profile, friend list, email address and likes." Below this, it says "This does not let the app post to Facebook." and has "Cancel" and "Okay" buttons.

Screenshot 3 (Right): A registration form titled "AAdvantage number". It asks the user to "Enter your American Airlines AAdvantage® number and name as they appear in your account. We need both to post your AAdvantage® bonus miles from this promotion to your account." Below this, it says "Bonus miles earned from this promotion will be posted to your account after the promotion ends." The form has input fields for "AAdvantage number", "First name", and "Last name", and a "Submit" button.

additional context is not as easy. Sentiment is notoriously difficult to get right, even with learning algorithms.¹⁰

Social listening vendors have been doing this on an aggregate level for years, and most Social Relationship vendors support manual tagging of individuals. But, until recently, few solutions could automatically update or highlight individual social records based on the content of their posts or tweets. One newer solution comes from Hearsay Social, which has a product called Social Signals. The feature helps Financial Services agents by surfacing the most relevant, timely personal life events posted by their connections, including updates related to getting engaged, buying a home, and having a baby.¹¹

4. **Inference.** Some vendors are now inferring A) who an individual is and what he cares about, and B) a connection between his Social Identity and an existing customer record.

- a. **Infer social attributes.** These technologies are using text and data analysis on available social media streams from Twitter, Facebook, Instagram, LinkedIn, and others, to try to infer what we care about. During Super Bowl XLVII, Facebook competed with Twitter to be a conversation hub around the game and tried to involve a broader audience by inferring users' interests in specific teams — even without explicit signals. If Facebook inferred that you were a fan of the Broncos, based on other signals it picked up, it would target you with content from and about the Broncos.¹²

Vendors are doing the same thing, taking a person's last few hundred posts and breaking them down to define who a person is, what they do, what they believe in, and the best approach to engage with them. An article about what IBM is doing gives an example:

Let's say that you tweet that you've gotten a job offer to move to San Francisco. Using [this technology], your bank would analyze

*your Twitter feed and not only tailor services it could offer you ahead of the move — for example, helping you move your account to another branch, or offering you a loan for a new house — but also judge your psychological profile based upon the tone of your messages about the move, giving advice to your bank's representatives about the best way to contact you.*¹³

Israeli vendor Pursway is doing something similar, using public social signals like employment history, alumni lists, and event attendance, as well as connections between existing customers and sales data, to identify high-propensity prospects and those customers with the most buying influence over others. Their customers have measured lifts in user acquisition and share of wallet, as well as an ability to reduce churn. Sony Card Marketing & Services (part of Sony Corporation of America) has seen a 300% increase in conversions in prospecting campaigns.

- b. **Infer association with existing records.** In addition to inferring profile attributes, brands are interested to connect social profiles to existing customer records. As Jason Breed, global leader of social business at IBM says, "The industry has had a hard time putting together that John Smith in CRM is also @dog_lover_99 on Twitter." It's possible to make what they call a "probabilistic inference" that a customer in an existing database is in fact the same as on Twitter.

VinTank, a social CRM vendor for the wine, food, and hospitality industries, calls this "profile stitching." IBM calls it "customer identity resolution: taking what's known about someone from a CRM database, their email, Twitter, Facebook, mobile number, etc., and packaging it together." If a Twitter user who lists his name as "John Smith," works for GE, and lives in Minnesota tweets at a company with an existing customer record with those same data points, that might be enough to infer that this is the same person and combine the records.

Integrating Social Identity Increases the Value of Enterprise Data

Although Social Identity can be valuable on its own, it is more so when joined with existing customer records. For example, Kim Matlock, Senior Director of Digital Marketing and CRM at Hard Rock, is working on linking social activity with a guest that makes a physical purchase or hotel check-in. Then she could understand more about what they care about, reward behaviors, and offer personalized promotions.

Matlock says that customers expect them to know about their history with Hard Rock, even though that customer journey often extends decades. She says that, “We want every experience to be special for each guest. Having more information about their preferences helps us give exceptional experiences that rock.” Today Hard Rock is working on that with its Hard Rock Rewards loyalty program, but like others, Matlock wishes she could connect interests and behaviors from social media with existing records to have a better view of those individuals. Making that connection remains a challenge for most brands today.

A related challenge for most enterprises is that customer data resides in many different databases, obstructing customer centricity. A report by Acxiom and Digiday found 76% of companies have challenges working and integrating across multiple databases.¹⁴ That’s not entirely surprising, since collecting and

consolidating customer data, as well as the mechanics for engagement, can require hundreds of integrations.

The trouble, as Dell’s Director of Global One-to-One Marketing Hayden Mugford points out, is that, “Each platform is different, so it’s difficult to get a consolidated view.” Dell is working to connect IDs across platforms, with the aspiration of establishing a consolidated view of customer relationships. The goal for One-to-One Marketing is “to provide a targeted experience, coordinated across vehicles and channels and responsive to implicit and explicit behavior.” Today that degree of integration and coordination remains aspirational for even the most forward-thinking companies.

Altimeter found that only 10% of Digital Marketers say that sales CRM or customer service databases are very integrated with social business efforts.¹⁵ A common refrain in interviews we conducted was, “It’s still early days.” For brands that plan to use Social Identity, there are three approaches to integrate Social Identity with your enterprise data (see Figure 7).

For now, most brands have no integration with enterprise customer records. Some are finding value with social-only context — and doing so in the short-term is a reasonable goal — but most brands require further integration to achieve greater value. Many already use Social Relationship tools, like Hootsuite, Sprinklr, and Spredfast, and many of those vendors have APIs that allow for appending to or bi-directional syncing with

Figure 7 Three Methods to Integrate Social Identity

Social Identity Integration	1. Standalone Silo	2. Sync or Append	3. Combine in Social Tool
Description	Use “as is,” without context of other data sources	Add social data to existing database(s), such as Email Marketing, Marketing Automation, CRM, etc.	View an integrated customer profile.
Pro	Simple to manage; can provide audience insight that can be useful for finding trends or social influencers.	Allows data to be used in broader context and across channels.	Able to handle dynamic data, consolidate multiple data sources in real-time.
Con	Until connected with existing customer data, this adds another data silo with limited cross-channel usefulness.	Many existing databases don’t have the right fields or flexibility to store social data. Difficult to do beyond basic data points.	Not actionable at large scale.

Source: Altimeter Group

existing databases like Salesforce or Marketo. Despite APIs, however, discrepancies in field names and types can be significant barriers to integration.

Few social vendors want to become a new data warehouse, but some, like social sign-on vendors, are making a clear data play. Janrain has built a "customer profile layer," i.e., a place to view a consolidated customer identity from multiple data sources. Gigya recently introduced a "Customer Insights" product that provides insights based on social sign-on and behavioral data from Gigya's social plugins, and integrates with other customer data sources. In both cases, marketers can segment the data and sync or append it to various marketing or CRM databases, depending on each vendors integration capabilities. Because of the wide variety in capabilities across social vendors, part of any RFP should be to ask about integration options.

Challenges to Using Social Identity: Privacy, Organization, and Content

While capturing and integrating Social Identity can be daunting in itself, there are a few other challenges that marketers should be aware of and address as part of this effort.

Privacy Requirements Must Be Adhered to — And they Are Not Always Clear

Whenever talking about customer identity and the collection of Personally Identifying Information (PII), privacy must be considered. Each social network has different privacy policies, and companies have their own customer privacy obligations to fulfill (especially in regulated industries). The Head of Global Digital Marketing at one of the largest credit card companies says:

The idea of a social sign-on and matching who you are across social networks and email ... the promise of that is great as a CRM vehicle that becomes like the golden record. But for highly regulated industries, even in cases where it's legal, it's not worth compromising the relationship with your customers by collecting personal information about them in that way.

Privacy is such a sensitive topic that, even though this company is not doing anything involving Social Identity, the legal team said the quote would have to be anonymous.

Another example is Hard Rock, which has a loyalty program of well over a million members. The member agreement says that their information will not be shared with a third party. If Hard Rock were to use a tool like Facebook's Lookalike Audiences, they would have to upload some or all of that list to Facebook. Although Facebook says this process is anonymous and they don't access that data, would that be considered "sharing?" It's not clear where that line is, and Hard Rock has opted to exercise caution and refrain from using that option.

Ultimately, privacy is about relationships, permission, and trust. Part of the process in gathering customer data is not just answering, "Could you?" but "Should you?" In one highly publicized case, Target was able to identify that a teenage girl was pregnant and target her with advertisements even before her father knew.¹⁶ From a purely practical standpoint, that was valuable data because new parents are retailers' most coveted customer segment. Yet had the question, "Should we?" been asked instead of just "Could we?" Target might not have leaped over the creepy line and upset customers. Marketers need to set expectations and establish trust with customers in accordance with the level of customer data they want to use.

Organizational Hurdles Can Be Bigger Than Technical Ones

With so many different departments involved in social business today, organizational questions are often a greater challenge than technical ones. Do you have the right roles in place? Has governance, workflow, and accountability been established between those roles? Who "owns" the customer — both the relationship and the data? Vendors recognize the challenge of addressing these questions too: Spredfast's CMO Jim Rudden says, "There's a technical hurdle to doing this, but that's generally pretty small compared with the organizational hurdle."

Two organizational issues marketers should be aware of are:

- **Have the right roles and relationships in place.** Make sure you have the community managers, social strategists, digital managers, content strategists, analysts, and any others who need to be involved identified and aligned with your overall approach to Social Identity. Establish governance and workflow between those teams with clear authority and accountability on who does what. For more on roles and governance, see Altimeter reports *The Evolution of Social Business* and *Social Business Readiness: How Advanced Companies Prepare Internally*.¹⁷
- **Establish who “owns the customer.”** The answer typically varies throughout the customer lifecycle and by data set. It has to be clear who is responsible for data collection, who has access to it, and how the data can be used. Equal clarity needs to be established for who actually engages with the customer and the process for doing so. For more information, see the Altimeter report *Social Data Intelligence*.¹⁸

Content Is a Common Challenge, Even With Outstanding Customer Data

While Social Identity provides opportunities to deliver personalized experiences, it also creates the challenge of determining what content each person should see and then how to produce and manage it. For each distinct segment or persona a company has, it only capitalizes on it to the extent that experiences for those groups or individuals can be tailored to them. There are many vendors approaching this challenge to help “feed the beast” that is hungry for content (see the Altimeter report *Content Marketing Software Landscape*).¹⁹ Vendors like ThisMoment can work with brands’ customer data to determine “what’s next on the content playlist,” whether it’s on the brand website or in an iFrame.

Conclusion

Social Identity can be used to deliver targeted, personalized messages and experiences across channels. This increased relevance throughout the customer lifecycle can drive meaningful business results and help inform customer relationships beyond just historical transactions. Brands should evaluate which Social Identity elements can provide the most value and then weigh the investment against potential gains. Data collection and integration are processes, not one-time procedures, and investment can be made to varying degrees. Brands should act now, though, as Social Identity provides a competitive edge that will ultimately become a standard element of customer identity.

Endnotes

¹ One such study is *The End of Solution Sales*. Customer Executive Board. July 2012. <http://www.executiveboard.com/exbd/sales-service/the-end-of-solution-sales/index.page>

² *Customer Lifecycle Engagement: Imperatives for Midsize to Large Companies*. Yesmail and Gleanster, <http://www.yesmail.com/company/news/yesmail-and-gleanster-study-80-percent-brands-dont-know-their-customers>

³ "71% of consumers are more likely to make a purchase based on social media referrals." See: *From Social to Sale*. Vision Critical. June 2013. <http://www.visioncritical.com/sites/default/files/pdf/whitepaper-social-to-sale.pdf>

⁴ "Social networks influence nearly 50% of all IT decision makers." See: *IT Purchasing Goes Social*. LinkedIn. August 2012. http://www.iab.net/media/file/IT_Purchasing_Goes_Social-Best_Practices_Final.pdf

⁵ Li, Charlene and Brian Solis. *The Evolution of Social Business*. Altimeter Group, March 2013. <http://www.altimetergroup.com/research/reports/evolution-social-business>

⁶ "Pandora Thinks It Knows if You Are a Republican." *Wall Street Journal*, February 2014. <http://online.wsj.com/news/articles/SB10001424052702304315004579381393567130078>

⁷ See the article *Know Your Customers Wherever They Are*, which found that "Personalization can deliver five to eight times the ROI on marketing spend and lift sales 10% or more." <http://blogs.hbr.org/2012/10/know-your-customers-whenever-t/>

⁸ See the Altimeter report by Susan Etlinger, *The Social Media ROI Cookbook* for more details. <http://www.altimetergroup.com/research/reports/the-social-media-roi-cookbook>

⁹ Social vendors have had to deal with big, unstructured data from the beginning, so they've addressed some of the challenges facing data integrators from the outset. These vendors aim to provide a customer profile data layer, which can provide a consolidated customer view, as well as append appropriate customer data points to other databases as necessary. However, none of the vendors we've talked to want to become a replacement for an enterprise data warehouse.

¹⁰ For further details of sentiment analysis, see the Altimeter report by Susan Etlinger: *Social Data Intelligence: Integrating Social and Enterprise Data for Competitive Advantage*. <http://www.altimetergroup.com/research/reports/social-data-intelligence>

¹¹ For example Social Signals can highlight when a Liberty Mutual agent's Facebook connections announce they got married or had a baby — from there, it's up to the agent to take appropriate action.

¹² "Here's How Facebook Rewards Celebrities Who Post About the Super Bowl." *re/code*. January 2014. <http://recode.net/2014/01/31/heres-how-facebook-rewards-celebrities-who-post-about-the-super-bowl/>

¹³ "IBM's Next Big Thing: Psychic Twitter Bots." *Fast Company*. March 2014. <http://www.fastcodesign.com/3025738/ibms-next-big-thing-psychic-twitter-bots>

¹⁴ *The 2012 Acxiom and Digiday 'State of the Industry' report*. Acxiom and Digiday. <http://www.acxiom.com/resources/customer-centricity-paradox/>

¹⁵ From Altimeter Group's Survey of Digital Marketers, Q1 2014 (n=41).

¹⁶ "How Companies Learn Your Secrets." *The New York Times*. February 2012. <http://www.nytimes.com/2012/02/19/magazine/shopping-habits.html>

¹⁷ All Altimeter reports are available under creative commons, here: <http://www.altimetergroup.com/research/reports>

¹⁸ Etlinger, Susan, *Social Data Intelligence: Integrating Social and Enterprise Data for Competitive Advantage*. <http://www.altimetergroup.com/research/reports/social-data-intelligence>

¹⁹ Altimeter analyst Rebecca Lieb has written extensively about content in several reports, as well as a book, *Content Marketing*. See her latest report: *The Content Marketing Software Landscape: Marketer Needs & Vendor Solutions*. May 13, 2013. <http://www.altimetergroup.com/research/reports/content-marketing-software-landscape>

Methodology

This report includes input from end users and vendors who were interviewed by or briefed Altimeter Group for the purposes of this research. Input into this document does not represent a complete endorsement of the report by the individuals or the companies listed below.

Brands (11)

Bombfell, Bernie Yoo, CEO

Cox Media Group, Heather Blythe, Analytics & Insights Manager

Cox Media Group, Mathilde Piard, Social Media Manager

Dell, Hayden Mugford, Director, Global 1x1 Marketing

Hard Rock, Kim Matlock, Senior Director of Digital Marketing and CRM

Hard Rock, Sebastian Quinn, Digital Marketing Manager

Home Depot, Mike Hibbison, VP Marketing and Social Media

Interscope Records/Universal Music Group, Lee Hammond, VP Digital

Kraft Foods, Dana Shank, Sr. Manager of CRM

Liberty Mutual, Khrista Trerotola, Associate Program Manager, Consumer Marketing

Universal Music Group, Angela Sanchez, VP Direct Marketing

Vendors (35)

Adobe	LiveFyre
Ansira	LiveOps
Appreciation Engine	Madison Logic
Conversocial	Marketo
Crowdly	NextPrinciples
Epsilon	nGame
Falcon Social	Offerpop
FullContact	Oracle
Gigya	Pursway
Gravity	Retention Science
HearSay Social	Salesforce
HelloWorld (formerly ePrize)	Shoutlet
IBM	SocialWhirled
Identified	Spredfast
IgnitionOne	Sprinklr
Janrain	StrongView
Kentico	VinTank
Leap Commerce	

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Charlene Li (@charleneli) is Founder of Altimeter Group and author of the *New York Times* bestseller, *Open Leadership*. She is also the co-author of the critically acclaimed bestselling book, *Groundswell*, which was named one of the best business books in 2008. She is one of the foremost experts on social media and technologies and a consultant and independent thought leader on leadership, strategies, social technology, interactive media, and marketing.

Altimeter is a research and consulting firm that helps companies understand and act on technology disruption. We give business leaders the insight and confidence to help their companies thrive in the face of disruption. In addition to publishing research, Altimeter Group analysts speak and provide strategy consulting on trends in leadership, digital transformation, social business, data disruption and content marketing strategy.

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- Social Identity Roadmap. After a discovery/audit process, a strategic roadmap specific to your organization to incorporate Social Identity over the next three years.
- Social Identity Advisory, Webinars, or Speeches. Hourly advisory services and internal/external presentations on Social Identity.

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