# The New Marketing Radar: Social Listening in Action

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| KEYWORDS | ABSTRACT |
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| *Social Listening, potential buyers, trends, customization, Marketing* | Consumers, before making buying decisions today, are interested in knowing what are existing consumers saying about the brand and the products. This interaction between existing consumers and potential buyers has added a new dimension to how marketers interact with their target audience. Social listening is a powerful research tool capable of generating actionable insights in time to seize opportunities and customize the product as per customers' requirements. While both the technology and the idea for social listening have been a buzz everywhere, most brands are still trying to probe what consumers are saying about them in real time. Social listening allows a brand to modify its marketing content based on customers' needs and requirement. This Paper will analyze how Social Listening is emerging as a new Marketing radar. |

## 1. INTRODUCTION

In 2003, a controversy developed over the presence of trans fats in Oreo cookies. As part of its rapid response systems, Kraft Foods (the maker of Oreo) monitored the public sentiment expressed through blogs and decided to cut trans fats from its snack products (Terdiman 2006). In 2008, The Land of Nod, a division of Crate and Barrel that sells children's furniture, began monitoring comments posted on its ratings and review pages and using that information to inform its product and service improvement decisions (Stribling 2008). Overall, an increasing number of Fortune 500 companies, government agencies, and political campaigns have been turning to social media in an effort to gauge public opinion. As a result, an entire cottage industry of social media listening platforms and software has emerged (HoferShall 2010).

However, the ability of social media to accurately inform decision makers depends on how the comments posted online are measured. Various studies have used data sources from Twitter (e.g., Rui, Whinston, and Winkler 2009; Toubia and Stephen 2013), discussion forums and message boards (e.g., Godes and Mayzlin 2004; Kozinets 2002), and product review websites (e.g., Moe and Trusov 2011; Tirunillai and Tellis 2012), each at the exclusion of other types of social media venues. Even in studies that collect data from multiple websites, the research scope is still limited to a single venue format, such as ratings and review websites (Tirunillai and Tellis 2012). Although these studies have all advanced understanding of social media as a valuable data source for both insights and forecasts, such research has not considered that the venues from which data are collected may systematically differ, which in turn may lead to systematic differences in the comments posted to (and the metrics derived from) each venue. In contrast, many marketers in practice employ listening platforms that collect comments posted across multiple social media venues. In some cases, they aggregate the data to construct simple averages. In other cases, they report venue specific metrics

## 2. REVIEW OF LITERATURE

Research in social media marketing has grown rapidly in recent years. Several researchers have examined consumers' posting behaviors (Berger and Milkman 2012; Moe and Schweidel 2012; Schlosser 2005; Toubia and Stephen 2013), and others have examined the role of social networks (Goldenberg, Oestreicher-Singer, and Reichman 2012; Katona, Zubcsek, and Sarvary 2011; Mayzlin and Yoganarasimhan 2012; Watts and Dodd 2007) and social influence (Aral and Walker 2012; Trusov, Bodapati, and Bucklin 2010). Research has also investigated the link between social media and various performance

measures, such as sales (Chevalier and Mayzlin 2006; Moe and Trusov 2011), television viewership (Godes and Mayzlin 2009), return on investment (Hoffman and Fodor 2010), and stock prices (Bollen, Mao, and Zeng 2011; Tirunillai and Tellis 2012).

Consumers can post opinions in a variety of social media venues. The formats of these venues are replete with structural differences that can affect consumers' social media posting behaviors (e.g., for a review of various social media venue formats and their associated metrics, see Hoffman and Fodor 2010). For example, some venues, such as Twitter and many product ratings and review platforms, limit the length of posts, while blogs and discussion forums allow more depth of expression. Given the constraints on the length of posts, some venue formats (e.g., microblogs) encourage people to post extreme opinions so that they can convey their perspective in a limited number of characters, while other, lengthier venue formats (e.g., blogs) allow people to present richer and more nuanced opinions. At the same time, venue formats also differ in the degree to which they facilitate social interaction. Social networks such as Facebook are designed to maximize social exchanges. In contrast, ratings and review sites are designed for unidirectional communications from the poster to the reader. As a result, posters may be more subject to varying amounts of social dynamics, which can encourage more negative comments over time (Moe and Schweidel 2012).

There are no researches that directly investigates the effects of these venue characteristics on posting behavior, though research has considered how users' motivations vary across venue formats. For example, Toubia and Stephen (2013) find that Twitter users are driven mostly by image-related motivations rather than intrinsic motivations, but they note that the findings may be specific to Twitter. Hsu and Lin (2008) find that bloggers are driven mostly by intrinsic motivations but also by image-related motivations (e.g., the desire to manage one's reputation.

From the perspective of a marketing researcher, this means that what one hears (in terms of the expressed sentiment and the focal topic of the comment) is related to where one listens. This is consistent with Smith, Fischer, and Yongjian (2012), who find that brand-related sentiment varies across YouTube, Twitter, and Facebook. Thus, if one's goal is to construct a measure of brand sentiment from social media data, then one must account for the venue from which the data are collected.

Internet marketing has had an immense impact in the recent years. Most prominently in UK, where internet advertising spent has overtaken popular mass media like print and television. According to a report by Price Waterhouse Coopers, as reported by Fox News (2010), online advertising accounted for 24.3% of total spend on advertising in the UK by June 2010; Increasingly consumers are trusting online information. According to TNS (2008), a global market research company, online news is the most trusted source in the UK second only to recommendations from friends. The TNS poll indicates that 40% of the surveyed respondents highly trust online news.

Many companies including multinationals have suffered for not having paid heed to what customers were saying online as can be observed from the following: British Petroleum took a hit on its reputation thanks to the self-replicating negative word of mouth. The damage control needs to be done on all fronts be it traditional or social media. By the very nature of Social media, the message spreads like wildfire with each disgruntled stakeholder adding more fuel to the fire. The 'Economic times' observes that one in every four adult users of twitter is expressing discontent with companies on their twitter account. The customer base of twitter in India is 2 million (as of July 2010) and expanding every year. Similarly, Apple i phone saw its company's value depreciate by US $ 9.9 billion due to quality issues of its4G series magnified by the social media

**Objective**

-To analyse how Social Listening is emerging as a new Marketing radar.

**Impact of Social Listening**

While both the technology and the idea for social listening have been around for a while, most brands are still trying to figure out what consumers are saying about them in real time. Two thirds of online Americans use social media and nearly half of them post updates to social media sites. These people seek the advice of their peers on everything from travel arrangements to groceries, which means a negative perception can kill a brand in its infancy. Conversely, a positive social "buzz" may help sales skyrocket. Social listening, because of its immediacy and the fact that it taps a global audience, is a powerful research tool capable of generating actionable insights in time to seize opportunities. Traditional marketing tools such as surveys, focus groups and stratified random sampling are slow, reach only small segments of the audience and may focus on things of importance to the company but not to consumers. In direct contrast, the spontaneous flood of opinions on social sites, when coupled with more structured traditional approaches, provides decision makers with valuable insights into the current trends, wants and desires of the online group.

Companies that "listen" to the constant chatter on social media sites attain priceless insight into what consumers really like or dislike about a particular product—theirs and their competitors'. This early insight gives them time to adjust development and marketing strategies before feeling the impact in declining sales. Recent negative buzz about the pricing of a new, first-on the- market drug generated just such a scenario when a rival company recognized the social media stir and swooped in with its own version while the original manufacturer was still adjusting to the loss in sales. Because of the vision gained

through monitoring social media channels, they attained the lion's share of the unhappy customers as well as the revenue. Forrester Research estimates that companies will spend $1.6 billion on social brand tracking by 2014, enabling new means of quickly ascertaining the tone of what is being said about you, how much interest is being generated about your company and products and what image that conversation is building in the minds of potential customers.

Counting "likes" on Facebook or followers on Twitter does not indicate what those people will buy or when. The rapidly evolving science of social listening entails more than monitoring social media channels to hear what customers are saying about you. It requires interpretation to understand what they are doing about their perceptions and an active social media strategy that engages consumers at the same time it provides for intervention when conversations take a negative tone.

Companies today have a superb opportunity to listen to and interact with these consumers, using what Empower Research calls the new marketing trifecta: mobile devices, email and social media. In addition to the near-universal use of email, 92% of U.S. households have a mobile device and 75% of internet-connected households use social media.

## 3. DISCUSSION

Social listening can be used either as a precursor to traditional research, to augment it or as an alternative to it. With so much to gain from well-constructed social listening efforts, CXOs should take the time to quantify their goals and if necessary, enlist a knowledgeable partner to assist in maximizing their efforts. To be most useful, social listening requires 24/7 monitoring and response and a refined execution strategy. The scope may be confined to resources and knowledge but companies can jumpstart their efforts through partnership with a third party that is both experienced in setting up and monitoring social media platforms, analyzing content and quantifying the input and that has the staff required to respond to customers in their own language, wherever they are. The partner's capabilities should include human-enabled filtering, multi-language analysis, access to closed communities not accessible to the usual social aggregation tools, source agnostic data aggregation and 100% accuracy in analysis of tone, context and content.

Social media network sites allow individuals to create public or semi-public profiles within a system, to identify other individuals that they share a connection with and to view information about their connections within the system (Boyd & Ellison 2008). These profiles provide advertisers with a vast amount of useful information. Social media users also generate content, engage in peer-to-peer conversations, collaborate, and share, tag, edit, or create information (McAfee et. al. 2011). Consumers may also use social media to help them make decisions about purchases because they rely on recommendations from friends (The Economist 2009).

## 4. LIMITATION & SCOPE FOR FURTHER RESEARCH

This article in general emphasizes how social listening is emerging as a new marketing radar. Implication of Social Listening on a particular sector is not undertaken. Therefore, specific research can be undertaken with respect to importance and implication of social listening on a particular sector.

## 5. CONCLUSION

In today's competitive world, businesses must watch for trends, because how the online audience reacts to a trend will shape how and what they will buy from the business and the competition. There will be a need to identify influencers— those users who have most clout and sway online opinion, the business must engage these people, whether they are journalists, academics, analysts, shoppers or moms and try to engage and develop a relationship with them. One leading baby care company analyzed chatter in Gen-Y mom communities that not only identified eight distinct "mom" segments, but led to a new campaign that generated 12% growth. A global beverage leader achieved 30% higher engagement in the targeted segment by identifying top online communities of interest and understanding customer behavior there.

The journey toward full engagement with customers via social media is progressive. Most companies begin by monitoring social networks and then craft a strategy that incorporates the best of "old" and "new" marketing techniques until they arrive at an operational structure that works best for them and their particular customer base. Engaging a third party expert can help to speed this process and drive faster business returns.

Social Listening will enable companies to have a competitive edge over the competitors. Thus it will be a point of differentiation for companies. Companies who adapt this will be able to manage the Stakeholders in a proactive way. The Stakeholders not only include the customers but it also include the Shareholders, Suppliers, Distributors, Employees, Customers, Public etc. This in turn will increase the Customer Engagement and will in turn generate online conversation. Today any organization be it small or big considers this as an important phenomenon and plays a lot of importance on this.

In the end, social listening will allow a company to manage customers proactively, in real time, changing the game by anticipating issues and desires and providing fast resolutions. The tools already exist for keeping up with today's proactive consumers; companies must now seize the opportunity to hear what they have to say in ways that lead directly to market

advantage. With more than 75% of online households participating in social media, it is time for modern companies to start listening.

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