

Social Networks

Enabling the Market of Me

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Introduction

The use of social networking sites such as Facebook has grown dramatically over the last three years. As of March 2010, Facebook had over 400 million members¹, and Nielsen reports that the average American Facebook user spends 14 minutes a day on the site², dwarfing others like Google and Amazon. Facebook has essentially become its own Internet, where people communicate, watch videos, share photos and play games. Most interestingly, all of the members have rich personas attached to the site. They visit as themselves, not as a credit card number or esoteric username. The combination of rich personal details and frequent activity has the potential to create exciting new opportunities, but businesses are still in the early days of figuring out how to leverage Facebook and similar social channels.

On the “traditional” Web—the Web of retail storefronts and brand sites—marketers are still struggling to create “markets of one”: highly personalized experiences that serve the specific

needs and behaviors of each individual visitor. This vision is still difficult to achieve, in large part because websites still do not have direct access to the needs and off-site behaviors of the visitor. Web analytics and visitor profiling have enabled a limited level of personalization, but the available data for each visitor is often limited to the demographics associated with an IP address or search terms. Today’s “market of someone” does not distinguish an actual visitor; it only knows coarse statistical data related to that visitor.

In this paper, we will explore some of the ways in which information derived from social networks can be used to go beyond basic advertising, and show how rich social networking information can be used to create a “market of Me,” an experience that knows more about who I am and what I need in order to serve me better.

¹ <http://www.facebook.com/press/info.php?statistics>
² http://blog.nielsen.com/nielsenwire/online_mobile/facebook-users-average-7-hrs-a-month-in-january-as-digital-universe-expands

Social networks as advertising platforms

With 400 million users spending a considerable portion of their online time onsite, social networks would appear to be a marketer's dream. The sites themselves attract millions of views per day and each viewer, being a member of the site, has a higher degree of personal data associated with him or her than a typical visitor to Google or other vendor sites. Facebook exploits this information by letting advertisers choose targets based on gender, political views and education level.

Despite this level of personalization, many advertisers are less than satisfied with the results of these campaigns. There might be several reasons for this, but one should examine the intentions of the average Facebook visitor. When people visit Facebook, they do so to interact with friends, see what is new and consume content that was created or curated by their network. In short, they are socializing, not consuming in the traditional sense. An advertisement on a Facebook page is as welcome as a billboard at a dinner party.

So, advertising on the social networks themselves can be of limited value. However, that does not mean that social networking sites are of limited value to advertisers and retailers. One of the most important characteristics of social networks is that they serve as a centralized identity management service for their users. For example, because of its role as a social enabler, Facebook profile information is generally accurate. Our accounts on Facebook contain a wealth of data about us, whereas an online merchant's account contains only a credit card number, address and buying history. Social networks have leveraged this information for years, but recently, networks like Facebook have started to make that data available to other sites if

the member allows. This is a major change, as members now have the ability to transfer their personal data to a site where they are in fact behaving as customers.

Beyond display advertising: Connecting to "Me"

In December 2008, Facebook released Facebook Connect, a mechanism that websites can use to allow visitors to login using their Facebook credentials. For Facebook, this development is a win because it extends its influence beyond facebook.com. For users, it can be seen as a way to eliminate the hassle of inputting the same information time and again. For retailers and brand sites, this represents a significant opportunity to harvest detailed customer data. Because Facebook shares a user's entire profile with any site that the user has chosen to connect with, the available data is very rich, ranging from personal attributes to hobbies to the visitor's entire network of friends and acquaintances. To put this into perspective, consider the "detailed" visitor data typically available from website analytics tools. This data provides the visitor's Internet service provider, the city and several properties of the Internet browser. Using information such as location, the website can often derive attributes such as average income or degree of sophistication, but these attributes are very approximate. There are wealthy technology gurus and poor teenagers both using Mac OS X in New York City. Buying behavior, navigation and inbound search terms all help to further define the user, but the majority of the data is contextual rather than personal. Based on this information, the site knows where the visitor is coming from, but not who he or she is.

Compare this to what Facebook knows about many of its members: age, gender, marital status, hobbies and more. The entire range of data also includes the visitor's list of friends (and many of their attributes), all of their photos and videos. This tells us much more about the visitor, through both explicit and implicit information. This degree of information, combined with inbound search terms and previous site history, gives us a much better view of the visitor's intentions.

The completeness of this data is somewhat surprising. A sample of Facebook profiles of all the friends of 24 people within Accenture was studied. The 24 people yielded 4,341 friends and of these people:

- 70 percent listed their gender.
- 70 percent listed their educational history.
- 60 percent listed their age.
- 50 percent listed their relationship status.
- 50 percent listed their work history.
- 30 percent listed their political affiliation.
- 30 percent listed their interests, favorite TV programs and music.

This is a limited sample and does not include the fact that the users named "John" who did not list a gender can safely be assumed to be male, or that users younger than 18 likely do not have a professional work history or are likely to be unmarried. In other words, the data set, viewed analytically, could potentially yield even more information about any given user.



The statistics on the previous page show that social networks are becoming storehouses of rich personal data. However, there is another important phenomenon to consider: the fact that social networks are becoming storehouses of rich personal media. Currently, millions of photos are shared on Facebook every day, making it a larger photosharing site than most dedicated sites, such as Flickr. Increasingly, users also upload video and other forms of media. In an informal study, it was found that the 4,341 users have a total of over 500,000 shared photos. Access to this media opens new doors to marketers looking to give their customers highly personalized experiences.

For some classes of products and services, this has the potential to create highly engaging experiences that help to build deeper personal connections with the product. For instance, when

a gamer logs into some games through Facebook Connect, online advertising can tap into photos and data from the gamer's profile and weave them into the game animation. The effect is that the user is a key part of the description of the game, which has a very chilling and memorable effect. This is analogous to product placement, where the product is woven into an experience that the viewer is interested in, in order to interest the viewer in the product. This ability to place the viewers themselves into the experience could be called "personal placement." If done correctly, this creates a deep personal attachment to the product, increasing the likelihood of a purchase.

A visitor who logs into a site using social network credentials brings with him a full dossier of personal information that was not previously available to the website. The quality of this

information brings the website several steps closer to achieving the vision of a "market of Me." However, it is not enough to simply say that richer profile data fulfills that vision. There is much more to "Me" than personal data.

Connecting to my connections

A person is defined, in part, by who he knows and associates with. The "market of Me" must take that into account—something it can do if it can use the data available from a visitor's social network profile. In addition to personal attributes, the profile contains a list of friends and a list of groups that each person belongs to. These represent social links that can be used to learn more about the visitor and to serve him better.

A first-order connection is between friends. Once a website has access to a visitor's social-networking profile, it gains information about a visitor's friends. That information can be used to make inferences about the visitor. For example, a first-time visitor might be a complete mystery to the site in terms of buying habits, but the site can use the buying patterns of the visitor's friends to begin inferring behavior. This is shown in Figure 1. Also, a "friend" can represent a highly valued or trusted connection. This relationship can be exploited to show trusted reviews and ratings to the visitor, thereby relying on relationships to increase interest and awareness of a given product.

A second-order connection is between the visitor and his groups. In some cases, the title of the group may be enough to understand the social affinities of the visitor. In other cases, the site may need to collect information about each visitor, relate that information to the visitor's groups, and begin to profile the group over time, as shown in Figure 2. Later in this paper, we will show some examples of how one could use group affinities to better engage the customer.

Figure 1. Mapping behaviors between friends

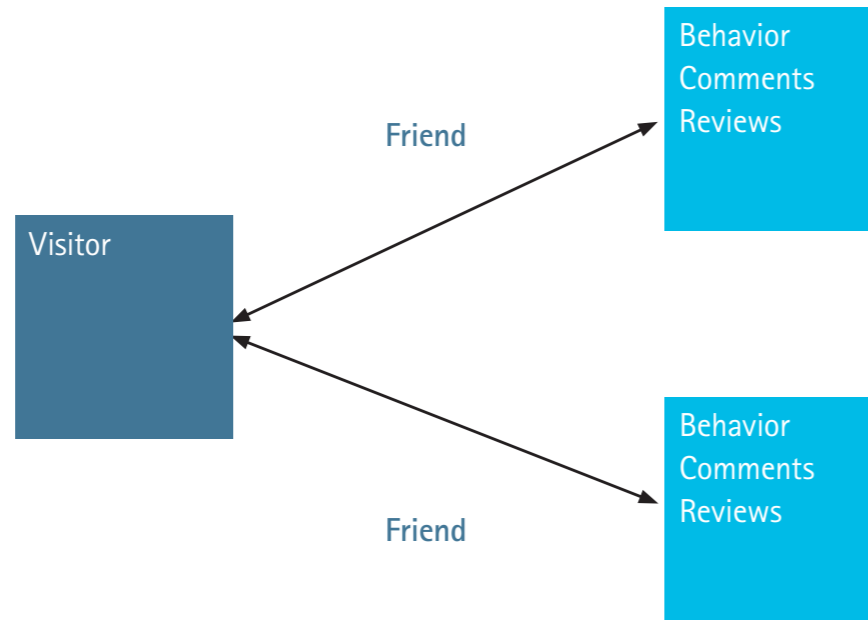
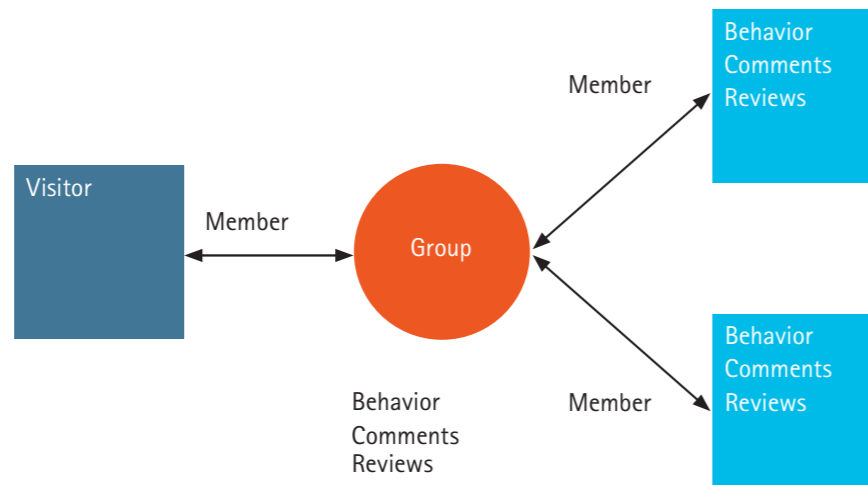


Figure 2. Mapping behaviors between group members



Each of these classes of connections represents an approach to learning more about the user. In addition to analysis and profiling, these connections can be used to create more valuable experiences for the user. The exact form of these experiences will be highly dependent on the site, and we will demonstrate some examples later in the paper.

These connections represent conduits through which people communicate, share status and influence each other's behavior. Influence is perhaps the most interesting aspect for marketers, and is worth examining separately.

Connecting to my influence

Traditional forms of online marketing focus on the ability for a banner ad or other online advertising to draw the user to the site. In other words, this approach relies on the influence exerted by various mechanisms rather than people. This is largely due to the fact that click-throughs are easy to capture, measure and analyze in a way that casual conversations are not. That began to change with the advent of Web 2.0. New forms of social media gave rise to a number of methods for measuring the influence of "buzz." Marketers were now in a position to try to understand and direct the influence of the crowd, but person-to-person influence was difficult to capture.

The development and growth of social networks then opened up new possibilities for marketers. These networks give users an easy way to share product reviews and other media with their friends in a more casual way than via e-mail or other communication channels. They also provide a mechanism for viral effects, as information shared with one group of friends could spread when they share it with their friends. Analyzing the spread of these shared messages could provide a better understanding of the likelihood of a product inspiring a person to share it with friends, the reach of that share, the rate of conversion from share to visit, and finally the rate of conversion from visit to buy.

By looking at the way individuals respond to information, marketers can develop campaigns that target individuals and also ultimately aim to increase the buying behaviors of a larger population.

On a product level, this type of analysis can help marketers understand how new products and marketing messages are spread through the digital space. We express this in three Ss: Speed, Size and Spread, as defined below.

- Speed: How quickly does the message or product information spread to a population of people?
- Size: How many people have seen or shared the message?
- Spread: How diverse is the group of people that has seen the message? For instance, a message that is seen by 200 men might be less beneficial than a message seen by 100 men and 100 women. The spread metric reports this kind of information.

On a personal level, such information allows marketers to understand the influence of individuals or groups. By looking at the way individuals respond to information, marketers can develop campaigns that target individuals and also ultimately aim to increase the

buying behaviors of a larger population. By looking at influence trends through a given group, the marketers can learn how to cater to self-identified clusters of customers.

Visitors entering a site using their social networking credentials share a great deal about themselves, their network and their ability to influence that network. Each of these aspects, when used separately or in combination, provide marketers with new options for both engaging and understanding their customers. We will explore four prototypes that Accenture is building to demonstrate the potential benefits in using social network data outside of the social networking site. It is worth noting that users of Facebook personal data should only use it in compliance with all applicable laws and should consult their legal counsel for guidance should they have questions.

Example 1: Rich profiling and site optimization

One of the advantages of rich profiling data is the ability it gives to optimize a site for a specific visitor. This approach enables the site to display a better choice from its catalog of products, promotions and messages for the visitor, in order to drive sales. Today, this can be done by means of search terms, sparse demographic data or by analyzing previous visits. The first two methods do not provide much insight into the actual user. The third method can be quite effective (for instance, for vendors like Amazon), but it does not work well for low-volume sites or infrequent visits. As previously stated, social networking data provides an excellent starting point for customer profiling and site optimization.

Imagine the following simple scenario. Visitors to a retailer's website are presented with a front page that presents a diverse set of products, ranging from laptops to kitchen appliances, in hopes of appealing to a random visitor's tastes. This is, in part, because the retailer has no good way of asking visitors about their gender, their income status, or their current context. If visitors were able to log in with their social networking information, the retailer could gain access to this information and create advertising according to certain tastes. Say the visitor is a graduate student at a prestigious school. He is also older than other graduate students and married. His work history includes time spent in a number of large businesses, from which we can infer that this is a professional person who has returned to school to get a higher degree. Based on this, the site shows him a laptop, but one that is more

expensive and more powerful than one that would be offered to a typical graduate student.

Another scenario might relate to a visitor for whom we have less detailed information. We know that he is married, and employed by a large services company. We also know that he lives in a relatively affluent area. However, we do not know his age: Is he a new hire or a seasoned professional? In this case the retailer can rely on his affiliations. In addition to his professional affiliation, he may be a member of an alumni group whose members all fall within a narrow age range, leading us to infer his age. Based on all of these factors, the retailer might choose to show him kitchen upgrades, based on the assumption that he has a relatively high income and familial obligations.

Of course, these examples are only meant to illustrate the point that one can gather rich data and inferences simply by accessing the visitor's social networking profile. In many cases, a site optimization engine would have this data, plus inbound search terms, allowing even greater personalization. Finally, one should not forget the advantages of very basic information. For instance, many sites require some form of age verification. If the user is the right age, this step is tedious and feels unnecessary. For the younger user, this step is easily bypassed with false data. The ability to simply read the age from the social networking profile creates a better experience for the target audience, and a more difficult experience for the others. This is just one example of low-hanging fruit easily plucked when social data can be accessed.

Example 2: Personal placement

Figure 3 shows personal placement and the role it can play in selling products as well as the overall effect it can have on the visitor's experience. A visitor to a product site is presented with photos of TVs, cell phones and other devices. When applicable, the site gathers photos and video from the visitor's social profile and overlays the media on the screen on the device.

The effect of this is to create a deeper sense of personal attachment to the product. This approach is not limited to enhancing products with screens. For instance, marketing for phone plans with your "circle of friends" could use pictures of real friends, and images of home furnishings could include subtle family portraits in the background of the scene. Marketing for MP3 players and related products could include only the album covers of the bands listed in your favorite music. With more advanced image searching and face recognition, one can imagine the ability to see sunglasses as they would look on the visitor.

Finally, one can imagine personal placement approaches that do not directly involve the product. Figure 4 shows a screenshot of a video generated by an Internet humor site. This video was generated automatically, based on a person's name. It is a two-minute video of a fictitious newscast which describes the public suddenly backing an unknown candidate for president. This does not rely on a direct overlay of media and product, but does have the personal placement effect. A well-crafted viral video that uses this approach would likely be more popular than a general video, unless the gimmick became overused.

Figure 3. Overlaying personal media on products



Source: Accenture

Figure 4. Automatically generated prank video, using a visitor's name



Source: Accenture

Figure 5. Ordering reviews based on social relationships



Source: Accenture

These are just a few examples of personal placement. The specifics of any given implementation are highly dependent on the product and the desired marketing message. However, integrating the user into the message will tend to create a deeper sense of attachment and awareness and thus drive higher sales.

Example 3: Group influence optimization

It can be easy to underestimate the value of social instruments such as reviews and recommendations. A recent article estimates that Amazon reaps some \$2.7 billion worth of annual revenue thanks to the power of its "Was this review helpful to you?" feature.³ The reason for this is simple. Amazon's customers often rely on reviews to help with their purchasing decisions. When a page can only fit a

small number of reviews, it's important to ensure that the customers see the best reviews. By relying on the customers themselves to rate reviews, Amazon created a simple yet effective method for elevating helpful reviews to the first page. A simple yes/no question has a big financial benefit.

However, if we begin with the assumption that we have richer personal data, we might begin to extend this idea by asking "To whom was it helpful?" or "Do I trust the people who trusted these reviews?" or simply "Do I trust the reviewers themselves?" In a world where everyone has a different identifier for each site, that last question becomes very difficult to answer.

Even in a case where the reviewers have identities, the chances of a given product being reviewed by a friend are relatively low. Social data tries to solve these problems by giving everyone a consistent identity and by maintaining groups and networks between those people, which represent some form of trust. Figure 5 shows one example of this. The figure depicts a set of reviews that can be ordered to show reviews by the visitor's friends, people of the same demographic categories as the visitor, or members of his or her professional or social networks.

3. User Interface Engineering, "The Magic Behind Amazon's 2.7 Billion Dollar Question," by Jared M. Spool, March 17, 2009



The assumption is that the visitor has different levels of trust in each of these groups. For instance, senior citizens might want to know what other people in their age group thought. Business professionals might not care what other people in a given age group think, but might trust business colleagues.

A final sorting mechanism was offered, "popular people." For some products and some target audiences, this might be a very interesting metric, as people try to select products that will make them "popular" in some way. Popularity itself could be measured in several different ways, ranging from the number of friends, to the number of photos tagged with the person's name, to deeper measures of influence and connectivity.

Example 4: Personal influence tracking

The previous examples show how social information is useful outside of the social networking site. However, many of the ways that users influence each other's buying decisions are through the social networking site itself, in the form of messages, comments and shared links. In this last example, we will look at the value of tracking the linkages from the vendor site to the networking site and back again.

Today, if a user reads information about a forthcoming concert on a site, he or she can share that information with friends via e-mail—but this contact happens outside of the

site. The site does not register the act of sharing. Even those sites, such as YouTube, that support the sharing of media lack visibility of the rest of the sharing cycle. If person A shares a video on YouTube, and person B clicks on it, YouTube does not see that B has been influenced by A.

While sites like Facebook make it very difficult to get full visibility into how information is shared, Accenture has designed technical approaches to record when someone has shared an item, when that link is followed, and when a third person re-shares a shared link with friends. This will allow us to analyze the sharing

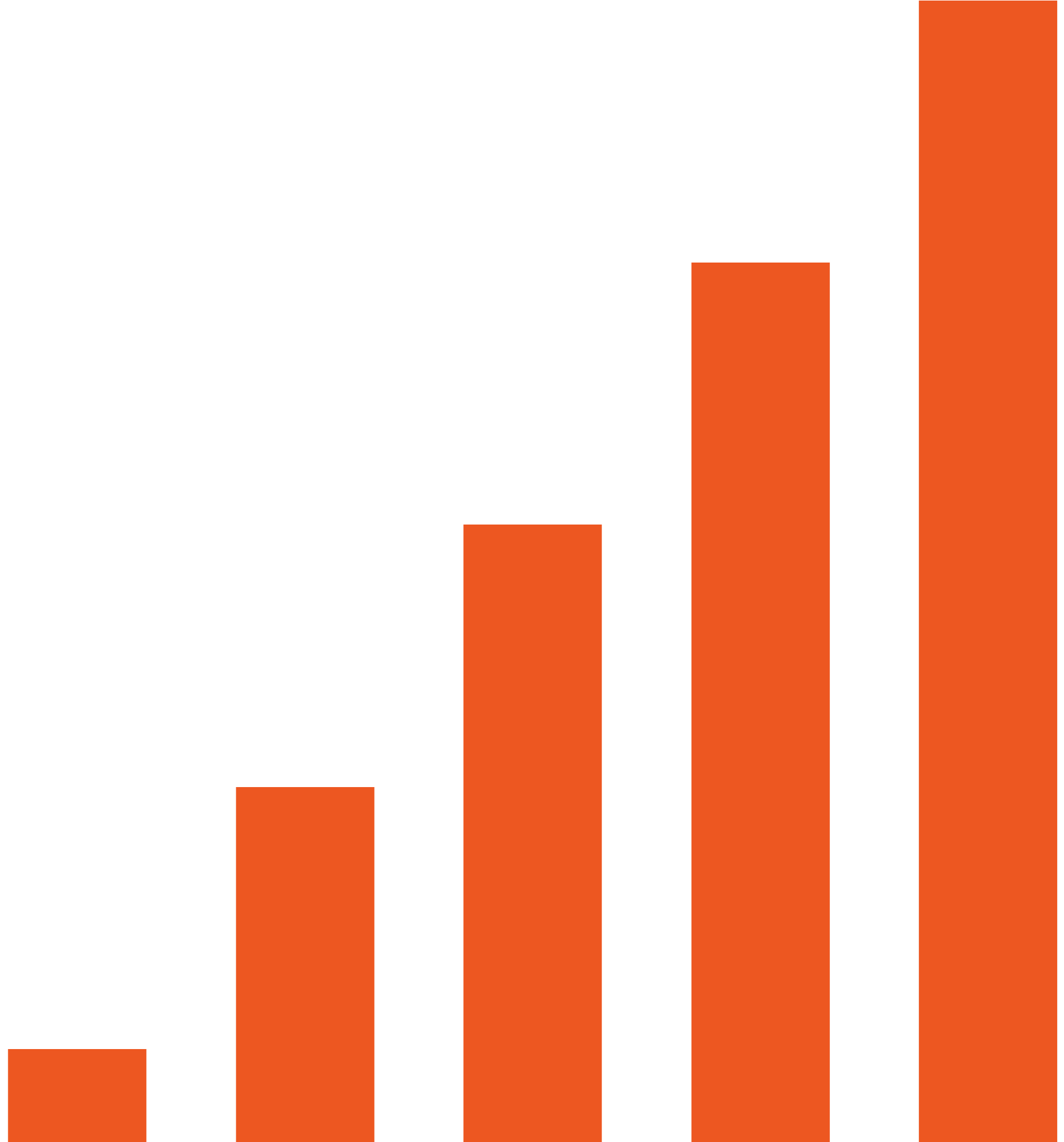
behavior of a given user, the influence that he or she has on others, and the speed, size, and spread of a shared message. By applying this to a greater number of items, beyond videos and news clippings, we will be able craft site presentation and promotions based on the likelihood of a given user spreading the product to the best set of potential buyers. Historically, the focus has been on content personalization for a given

customer. This new form of analysis opens the door for content personalization to optimize outcomes across a given population, relying on the influence of individuals to propagate a message or product.

Summary

This paper represents a perspective on the value of social networks and their data, as they relate to marketing and customer experience—and thus the role they can play in helping companies reach for high performance through better customer service and relationship management. Similar observations and examples could be cited for the role of this data in e-government, enterprise collaboration or other areas. While there are many avenues left to explore, the main point of these examples is to show how marketers can shift the focus from the social networks to the data that they provide. When one has access to

this rich, new set of data, the ability to target the individual needs of a particular visitor grows considerably. When one has access to My data, My media, My connections, and My influence, one can truly create a "market of Me," where the market is customized to my needs and enhanced by my actions.



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To find out more, please contact:

Kelly Dempski
kelly.l.dempski@accenture.com

Alex Naressi
alexandre.naressi@accenture.com

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