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IT'S AN AGE OF LIMITLESS INFORMATION – HARNESS IT TO GROW YOUR BUSINESS

NAIL THAT LIVE TELEVISION INTERVIEW BEFORE IT GOES VIRAL

CAN YOU AFFORD NOT TO BE A SOCIAL MEDIA CEO?

MELVIN GOH
LAMBORGHINI BOSS TALKS ABOUT LIFE IN THE FAST LANE AND HIS NEW VENTURE INTO LUXE LIFESTYLE OFFERINGS
Inundated with too much information? Social media analytics expert Suchitra Dutta shows that it can be harnessed to boost your company’s bottom line.
In 2012, Forbes ran a powerful article that illustrated all too clearly how social media and big data are paving the way forward for businesses. The article centred on how Target figured out a teen was pregnant even before her father did.

It illuminated how businesses like the American retailer are able to data-mine bits and pieces of seemingly unrelated information about customers’ behaviour and generate specific profiles of them, to the extent of appending a pregnancy score to a customer who might have been loading up on prenatal vitamins way before she announces her condition.

The teen in the article had apparently been given a high enough score to have had Target mail vouchers for baby-related products to her home address, much to the shock of her father.

The intersection of social media and big data, which refers to the exponential growth and availability of information, while exciting for data junkies and potentially very beneficial to businesses, can be frightening for consumers.

Naturally, not all businesses are as advanced as Target in terms of their usage of big data. The trend, however, is headed in that direction. To small businesses or non-tech businesses, the way forward can be mind-boggling.

“Clearly, technology is evolving in different directions,” says Soumitra Dutta, dean of Samuel Curtis Johnson Graduate School of Management at Cornell University, who is also the co-author of several books on innovation, business and technology, including his latest Ask, Measure & Learn: Using Social Media Analytics to Understand and Influence Customer Behavior. A significant trend Dutta notes is that amid an environment where technology is progressing at an exponential rate and mobile devices are becoming increasingly affordable, businesses are simply not up to speed.

“For the first time in recent history, organisations are falling behind both the technology curve and the consumer-adoption curve. For example, most customers today are using mobile phones or social-media systems, but most organisations have not integrated social media, or made their businesses mobile-friendly.”

Citing another example, he says: “Most of us still use e-mail for work. It is the default mode of communication among employees or with customers, but if you ask what the leading platform for communication is today, it’s social media.”

So the race is on. “Every company is trying to narrow the gap in specific ways. And every company is doing it in a different manner.”

Dutta shares key ways in which companies can extract business value from social media and big data.

**LEARNING**

“As a company, you might want to learn what customers think of your products, or the key issues that people have on their minds. Social media gives you a chance to learn about trends,” Dutta says.

“If you are a company that has just launched a product that people are talking about in online forums, you can use these platforms to learn what people like or don’t like. And, if you incorporate the feedback into the development of your product, you can come up with a better design.”

But there is good data and bad data. "There might be 100 people commenting, but social media and big data can actually track who is saying what
and how people are reacting to it,” says Dutta. The number of retweets on Twitter shows the level of influence of that comment. Some people’s words carry more weight than others, so they are deemed to be more influential in cyberspace.

This has had ripple effects in the pharmaceutical industry. “Companies are trying to understand who the influencers are in medical discussion forums.

“Previously, they would sell medicine by sending their agents to medical doctors. Now that they can identify the important ones, they can focus more attention on them as they are the ones who help form medical habits.”

ENGAGING

“Open innovation is the way of the future,” Dutta emphasises. “You don’t have all the good ideas; you don’t have all the good people in your company. So it only makes sense to open up and integrate your ideas with those of people around the world.

“Businesses who don’t open up will be limited. They will still have a future, but they will be underperforming. If the goal is to be a leader and high performer, you should optimise and maximise the options around you.”

Take Netflix, an American company that offers online media streaming on demand. A couple of years ago, it offered a US$1 million ($1.25 million) prize to anyone who can improve the company’s algorithm for recommending movies to viewers. The system devised by its internal doctorate holders and scientists had achieved a certain success rate in predictions, but it had hit a plateau. “To define a movie mathematically is not easy,” Dutta recounts. “So, groups from around the world came together to come up with solutions to the problem.”

Although Netflix didn’t entirely adopt the solutions of the winning team, the fact remains that the company sought to innovate openly.

A similar scenario played out at gold-mining company Goldcorp from Canada. “It was running out of gold, so it did something radical. It put all its proprietary geological data online and asked, ‘Can anyone help us find more gold?’”

That opened a floodgate of ideas. “Retired geologists from other companies all around the world looked at the data and came up with solutions. And the company increased its gold findings by 500 per cent.”

BRANDING

Several years ago, the former CEO of Blendtec, a maker of home and professional blenders in the US, started making videos of himself blending objects that included golf balls and iPads. “That became a viral phenomenon that increased the sales of the company,” Dutta notes. The branding campaign, through the videos posted on social media website Youtube, claimed that Blendtec has the world’s strongest blenders. In no time, the former CEO attracted a huge number of fans and this resulted in a tremendous boost to the company’s sales.

“So he’s found a way to be funny and humorous. Even small businesses can gain access and get the word out much more easily,” Dutta adds.

“Earlier, if you wanted to buy television time, it’s expensive. If you wanted to buy space in a newspaper, again it was expensive. If you wanted access to a wide audience range, you had to pay a lot of money. Social media gives access to an enormous global platform, especially for small businesses.” The key, Dutta says, is content. “Your content has to be good enough to attract people. Greater access to information puts a higher focus on quality.”