Using Social Intelligence for a Sharper Vision of Your Brand and Category

By **Inga Havemann**

Category dynamics are in constant motion. New entrants come in, established brands rise and fall and rise again, while the borders around categories are constantly expanding and blurring. For example, large hotel chains are being threatened by Airbnb, traditional beers are competing with tequila-flavored beers, and "athleisure" wear – casual clothing that is suitable for both exercise and everyday wear – is the new fashion.

Marketers need to understand their category's dynamics to optimally position themselves and compete effectively. To do this, they must get the consumer's perspective – because consumers, not industries, are defining today's markets. As researchers, we use market structure analysis and brand associations as strategic tools to help marketers understand their markets and tackle brand and product positioning challenges. These are powerful tools and are becoming even stronger by integrating social intelligence and text mining.

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Leveraging Social Intelligence to Build Market Structure Maps

Market structure maps that mirror the consumer's perspective have traditionally relied exclusively on survey research. However, social media intelligence enables us to quickly, efficiently, and accurately identify consumers' mental associations relevant to brands. Co-mentioning of brands (i.e., brands being mentioned in online conversations near to each other) can be used to create a distance matrix which feeds into structural mapping by incorporating how consumers talk about brands and how they make choices. This analysis of social data helps us to derive a market structure from the consumer´s perspective. Moreover, social data not only allows a static analysis of the market but also a dynamic reflection that captures how consumers' category and brand perceptions change with new product launches, competitive activity, and unforeseen events.

Case Study: Volkswagen Emissions Scandal

Negative events can erupt – often quite suddenly – that impact how consumers view the brand, competitive brands, and how the category is defined. When these crises arise, marketers need to quickly assess how the event impacts consumers' perceptions of their brand and competitive brands within the category, sub-categories and sometimes even adjacent categories. In these situations, looking at the market structure of the category before and after the event is key to understanding the "damage." Social intelligence, with its rapid set-up time and ability to look at different brands over different time periods, is the ideal solution.

Let's look at the case of Volkswagen. In September 2015, Volkswagen was tangled in an emissions scandal after EPA Testing found emissions much lower during standard testing than during on-road performance. Volkswagen eventually admitted that 11 million of its vehicles were equipped with software used to cheat on emissions tests. This resulted in a backlash across media platforms.

To test the impact of the scandal on the Volkswagen brand, it would be necessary to obtain consumer perceptions before the scandal occurred and afterward. Unfortunately, applying traditional survey approaches would not deliver a reliable evaluation before the scandal occurred because it would be based on consumer recall. Social intelligence, on the other hand, would allow us to tap into different time periods (past and present) and collect consumer mentions (including brand perceptions) during those time periods. To learn more about the value of social intelligence, we conducted a social intelligence-inspired market structure study of the auto market for two periods: the period before the Volkswagen emissions scandal occurred and the period immediately after the scandal occurred.

Specifically, we gathered data by scraping more than 875,000 relevant comments for 15 brands from over 65,000 web sources in the US. We used advanced text analytics to extract themes, associations, emotions and, importantly, brand co-mentions. We used the co-mentions to build a market structure map before the Volkswagen crisis occurred and to build a market structure map after the crisis occurred.

The maps that were formed showed how consumers viewed the auto market. Specifically, the market was segmented in terms of US brands, European brands and Japanese brands. However, after the crisis occurred, there was a slight shift as Volkswagen became more aligned with (lower equity) US brands (co-mentioned more with Buick and Chrysler) and lost some connection to European brands.

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Market Structure before Crisis
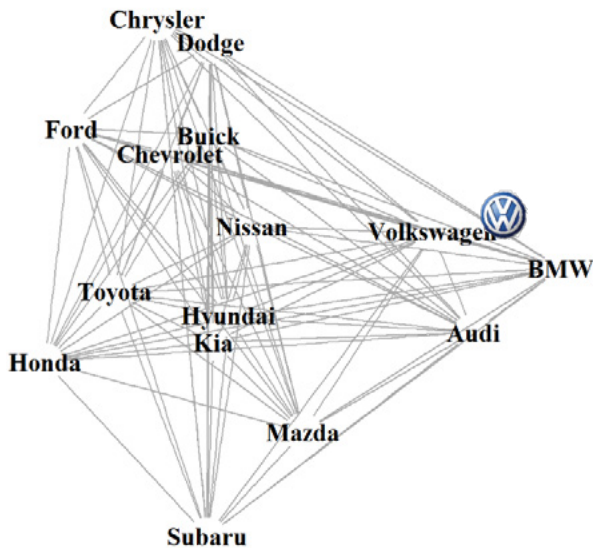
Market Structure after Crisis
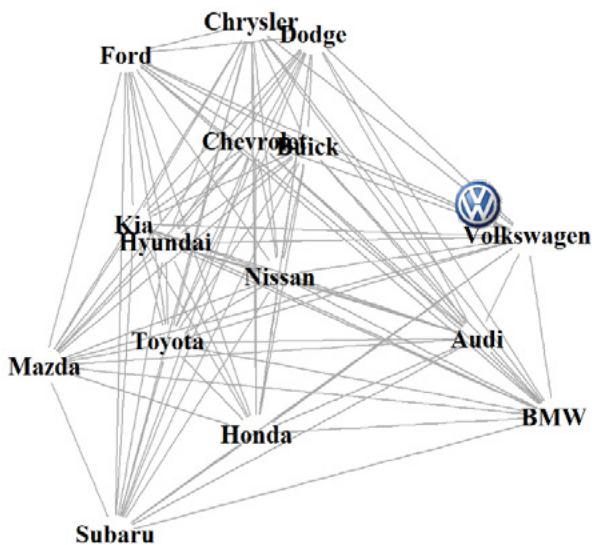
Our social intelligence also indicated that there was a spike in Volkswagen mentions and negative sentiment after the crisis, but frequency of mentions returned to normal levels relatively quickly. Based on the social intelligence, the impact on Volkswagen's position was minor. This was likely driven by Volkswagen's strong reputation as well as the rebates offered by the company after the crisis to deflect declining sales.

Social Intelligence: Fast, Flexible and Fit for Purpose

Social intelligence is giving marketers unprecedented access to consumers' organic, unfiltered, and unsolicited feelings and opinions. This is especially valuable for gaining insights into how consumers perceive brands, navigate categories and make choices. Using social intelligence is an ideal means for developing market structures in particular, and has clear advantages over relying solely on traditional survey approaches:

✓ *On-demand:* Social intelligence can be done anytime and anywhere.

✓ *Broad scope:* Up to 60 brands can be examined at a time.

✓ *Fully flexible:* Social intelligence lets you zoom in or zoom out of a market or competitive set.

✓ *Time period analysis:* You have the ability to understand trends or the impact of specific events.

Based on the Volkswagen study, we can see how integrating social intelligence with a well-proven market structure framework is changing the game for how we uncover consumer brand perceptions and evaluate brand positioning.

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