STARING AT THE SUN

IDENTIFYING, UNDERSTANDING AND INFLUENCING SOCIAL MEDIA USERS

RESEARCH BRIEF

The Leading Edge of Consumer Insight

By Doug Rozen
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From the social graph to communication networks to rewarding new levels of loyalty, social media is data gold.

You need more than just a Facebook page. You need a social loyalty strategy.
Summary and Table of Contents

At the end of 2011 in the United States, Aimia conducted a combination of primary and secondary research to develop a unique framework for marketers to identify, measure the activity of and build relationships with customers who interact with brands via social media channels. This white paper is the result of that research, which represents the inaugural edition of an ongoing Aimia focus on the intersection of social media marketing and loyalty management.

In developing this report, Aimia created an overarching usage framework to better understand how, where and why consumers engage with social media. Our research goals:

> To understand how to deliver the right message to the right consumer through social media for the best response;
> To better understand the up-front expectations social media users;
> And to understand how to focus marketing investment on the right social media tactics.

To develop our usage framework, Aimia conducted a series of weeklong ethnographic research panels, and then substantiated our findings with Forrester, Mintel and GfK Mediamark Research & Intelligence. We used this combination of primary and secondary research to create six social media usage personas based on behavior. Finally, we developed specific audience profiles to illustrate how best to engage each of these discrete segments through social media marketing.

In this white paper, you'll learn about:

> The current landscape of social media measurement;
> Aimia's proprietary social media segmentation framework;
> The differences between types of social media participation via our six social media “personas”;
> Actionable approaches to building relationships with addressable social media segments;
> And implications of this research for marketers.

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Introduction

Every child is taught not to stare directly at the sun. But every day, companies stare directly into the massive celestial orb that is social media marketing. And when you spend precious marketing dollars attempting to build customer relationships and loyalty through social media channels, you might as well be staring at the sun—because it's that easy to get blinded.

The statistics on social media usage beggar the imagination. There are more than 845 million active Facebook users worldwide. Every week, LinkedIn gains a million new users, and Twitter publishes nearly two and half billion new tweets. Every day, consumers view an average of 3 billion YouTube videos. Looking at the sheer momentum and critical mass of social media activity, we can be forgiven for wanting to purchase a piece of this consumer activity with our marketing dollars.

But targeting those dollars in a way that delivers return on investment is easier said than done. For all the heat and light generated from this virtual star, harnessing this energy remains an ongoing challenge for marketers. Critical mass does not equal engagement. Consumers “like” brands on Facebook, follow them on Twitter, and forward brand-generated YouTube videos, which makes it easy to mistake all of this activity for marketing success. But if you look past the dazzling brightness, then the need for a more concrete, measurable and actionable set of social media activity metrics becomes apparent. How often do your customers “like” a brand? How deep is their loyalty for those brands? How often does that “like” translate into purchases, transactions and profitable behavior?

The days of being blinded by social media activity are over. Marketers require a more sophisticated approach that leverages the tools of loyalty management to identify, understand and influence customer behavior through social media channels. The traditional approach to social media measurement—racing to rack up the most “likes,” followers, and recommendations, and then proudly displaying your scorecard like a prized pelt—is no longer adequate. It has now become imperative to understand the meaning behind the numbers. Are your thousands of Facebook “likes” driven by brand engagement and loyalty, or by one-off promotions? Are you defining success by customer activity, or by customer engagement?

To become an effective marketing strategy, social media marketing must first become part of an effective customer strategy. The key is leveraging loyalty management tools to build greater customer understanding through data that delivers actionable insights. The problem is that, because we find it difficult to understand the motivations behind our customers’ social media activity, engaging them consistently is a continual challenge. Today, effective social media marketers must leverage a segmentation approach to identify, understand and influence customers through these channels. Social media has enjoyed an exciting adolescence; it’s now time to grow up.
1 in every 7 minutes spent online is at Facebook.  

3,000,000 FourSquare Check-Ins per day.  

2,380,000,000 Tweets every week.  

40% of all Social Media users access from their mobile device.

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1 In every 7 Minutes — ComScore, It’s a Social World: Top 10 Need-to-Knows About Social Networking and Where It’s Headed, Dec. 2011

2 3,000,000 Foursquare Checkins — www.technolog.msnbc.msn.com/technology/technology/foursquare-seeing-3-million-check-ins-daily-121720

3 2,380,000,000 Tweets Per Week (based on 340,000,000 tweets a day x 7 - milestone announced March 21, 2012) — http://blog.twitter.com/2012/03/twitter-turns-six.html, March 12, 2011

4 40% of all Media Users — Nielsen, Social Media Report: Spending Time, Money and Going Mobile, Sept. 2011
Solar Flares: Evolving Social Media Metrics

Social media measurement is in the midst of a dramatic and volatile evolution. The problem is that no single customer engagement channel can currently deliver a complete picture of customer behavior through the data. Facebook knows who your friends are, but not what you buy. Google knows what you’re interested in, but not what you’ve done. Foursquare knows where you are, but not what you like. And so on. Connecting these “data dots” has become the preeminent challenge for marketers—a challenge that makes social media measurement a critical obstacle to success.

No one understands this need better than the social media companies themselves, and they’re moving rapidly to address critical measurement gaps. Facebook, for example, has evolved its reporting and measurement tools to better inform brand interactions; in 2011, the company debuted Facebook Page Insights to address this need. As Facebook Advertising Communications Manager Elisabeth Diana told Mashable, “one of the purposes behind Facebook Page Insights is to provide ways to understand how to reach and acquire new customers.” The company is also developing new metrics to provide businesses with not only information about how consumers interact with your brand page, but also to provide a glimpse into how users connect with page content through other Facebook activity.

One problem is that it’s often difficult to correlate “likes” with brand activity—a brand page with millions of “likes”, for example, may generate little actual sharing activity on Facebook. To address this issue, Facebook recently added another metric to Page Insights called “People Talking About This.” This reporting tool tracks activities that typically appear in a user’s newsfeed, such as likes, wall posts, comments, shares, questions answered, event RSVPs, page mentions, photo tagging and location check-ins. The metric allows a brand to understand which page posts are the most compelling and interactive to its fans.

Twitter has also dramatically ramped up their engagement tools. A December 2011 platform redesign resulted in a number of potentially useful new marketing tools: Four new tabs, including an evolution of the “Activity” tab called “Connect” that includes your tweets, @mentions, new follows and new list adds; new Brand Pages with customizable header images, free featured tweets and new tools for followers; and new Discover tools that focus on multimedia content and more robust hashtag usage.

Social media engagement and measurement is also evolving far beyond Facebook and Twitter, throughout the social mediaverse. Brands can now avail themselves of Google+ pages, LinkedIn pages and Groups, YouTube Channels and more. New social media players such as Pinterest will continue to alter the landscape, and third-party suppliers will continue to innovate with new tools and platforms designed to facilitate measurement and understanding.

Likes, retweets and video forwards are fine as far as they go, but how much of this activity translates into profitable behavior? The first step in answering these questions is to understand how different groups of consumers interact with social media at a macro level, and how marketers can leverage these different behavioral segments to build relationships. Aimia’s Social Media Segmentation helps marketers take this first step.
Blinded by the Light

A 2011 IBM CMO study revealed that social media engagement is a top-three priority for US CMOs. But the survey also revealed that their top priority was enhancing customer loyalty—most CMOs consider social media as a tool to build loyalty, rather than as an end in itself. The critical challenge for marketers will be to link social media data points to the customer loyalty lifecycle.

Enhance customer loyalty/advocacy 67%
Design experiences for tablet/mobile apps 57%
Use social media as a key engagement channel 56%
Use integrated software suites to manage customers 56%
Monitor the brand via social media 51%
Measure ROI of digital technologies 47%
Analyze online/offline transactions 45%
Develop social interaction governance/policies 37%
Monetize social media 29%
Gain comprehensive visibility of supply chain 24%

IBM CMO Study 2011
Identifying, understanding and influencing social media users

The total universe of social media users has raced past critical mass much faster than even the most aggressive analyst could have predicted. The case for segmenting social media users hinges on the size, scope and behavior of this consumer audience. Without segmentation that helps us understand the difference between active and passive audience behavior, our ability to effectively leverage social media won’t advance much beyond our ability to leverage mass media. The result of this understanding: A more sophisticated engagement strategy that considers how different groups of consumers use social media differently.

In order to understand how best to engage consumers through social media channels, you must first understand both the motivations behind social media participation and the degree to which certain types of participation create discomfort for particular consumer segments. Despite some of the more strident statements from industry executives about consumer willingness to part with personal information, social media users are concerned about privacy. Aimia’s own research on Millennial consumer behavior (“Born This Way: The US Millennial Loyalty Survey,” October 2011) revealed that Generation Y consumers, who are ostensibly less concerned about data privacy than older consumers, nonetheless share broad consumer concerns about the security and control of personal data. Our segmentation therefore is constructed on a framework of behavior based on the two primary emotional drivers of social media participation:

> **Control:** Consumer desire for control over their personal information correlates to the amount of information they’re willing to share, the number of connections they make, the brands with which they engage and the reputation they build online. Control equals exposure: The more control a consumer perceives over their social media activity, the more likely they are to engage with a wider variety of social media networks.

> **Trust:** Social media activity is driven by the level of trust consumers have in their ability to navigate social media, how much they trust their friends and networks with their personal information, and how much trust they place in the social networks themselves. The degree of trust correlates with consumers’ willingness to share information about themselves through social media. Trust equals participation: The more trust a consumer places in social media networks and their connections, the more likely they are to actively participate.
We plotted the Control and Trust emotional drivers to create our Social Media Usage Framework, which you can see illustrated below. The X-axis represents the consumer’s level of social media exposure, which correlates to the Control driver. The Y-axis represents consumer participation in social media, which correlates to the Trust driver. Combining these axes creates a map that reveals four Control—Trust behavioral quadrants:

> **Passive, Single Network Users**

(upper-left quadrant): Users with low perceived control but high trust. They comfortably navigate the wider social media universe, actively control the dialogue and freely share personal details. Within this group a small pocket of super users emerge who participate by creating multi-media content (e.g. video blogs) and share across multiple social networks.

> **Active, Single Network Users**

(lower-left quadrant): Users with low levels of trust and little perceived control. These users reluctantly join a social network because they don’t want to feel left out of the conversation, and protect themselves by proactively limiting their involvement.

> **Active, Multi Network Users**

(lower-right quadrant): Users who generally don’t trust social media networks, but who perceive enough control to consume information through these networks daily while rarely, if ever, sharing personal information.

> **Passive, Multi-Network Users**

(upper-right quadrant): Users with high perceived levels of control and trust, who comfortably navigate the wider social media universe, actively control the dialogue and freely share personal details. Within this group a small pocket of super users emerge who participate by creating multi-media content (e.g. video blogs) and share across multiple social networks.

> In addition, the research considered **Non-Users**, comprised of people who had never used a social network at all and past users who had not logged on within the last 30 days. For this group, social media lacks utility in their personal or professional lives.

So what should marketers take away from this matrix approach to social media behavior? Successful social media engagement requires the active provision of trust and control mechanism for consumers to leverage in their social media experiences. The more users trust that their personal information is both secure and firmly within their control, the more likely they are to migrate to the upper-right quadrant of behavior and increase brand engagement. To foster this engagement, brands should develop a segmented approach designed to cater to consumers within these behavioral quadrants. A one-size-fits-all approach to social media won’t shine a light on customer behavior—but it may get you burned.
With our social media usage framework in place, we undertook a combination of primary and secondary research to identify six social media “personas” defined by our two behavioral variables of Trust and Control. Our six proprietary personas reveal an essential truth about social media participation: That a one-size-fits-all approach to social media spending will result in a poor use of your marketing dollars.

When building our social media personas, we constructed our survey to be representative of the entire US adult population ages 18 and older. We also defined “participation” as a consumer engaging with one or more social networks within the last 30 days. Our research reveals that US consumers fall into six primary segments of social media behavior:

**No Shows**

- **No Shows**: Although social media usage is up substantially among the general US population, 41 percent of the total population has not logged on to a social network in the last 30 days. Most likely a 65-plus male, a typical No Show exhibits low degrees of Trust, and has no interest in broadcasting his activities or interests to anyone.

**Newcomers**

- **Newcomers**: At 15 percent of the US adult population, Newcomers are typical passive users of a single social media network. A passive user may reluctantly join Facebook, for example, in order not to feel “left behind.” Newcomers primarily use social media to enhance their offline relationships.

**Onlookers**

- **Onlookers**: At 16 percent of the adult US population, Onlookers may lurk on several social media networks, but post infrequently. They rely on social media primarily to keep up on the online lives of others within their social networks, but are reluctant to share details about themselves. Onlookers want complete control of their online information.

**Cliquers**

- **Cliquers**: Making up six percent of the adult US population, Cliquers are active, single-network users who congregate primarily on Facebook. They’re most likely to be women, and most of their online sharing includes photos, status updates and comments. Within their small network of close friends and family, they’re active and influential.

**Mix-n-Minglers**

- **Mix-n-Minglers**: The largest group of social media users at 19 percent of the US population, Mix-n-Minglers participate actively on multiple social networking platforms. Mix-n-Minglers like to follow brands in order to receive offers and keep up with the latest news. They also understand the importance of data privacy. Within their network of friends, they’re influential—and they meet many of these friends online.

**Sparks**

- **Sparks**: Sparks represent only three percent of the US adult population, but are the most active and deeply engaged users of social media. Sparks use social media tools as a means of self-expression—and they self-express in a variety of creative and engaging ways. While Sparks are still concerned about online privacy, they work to control the online conversation. Sparks typically boast the most open social networks amongst the six personas. They engage with brands frequently, and will serve as enthusiastic ambassadors for their favorites.
Sun Spots:

Our six social media personas represent the entire spectrum of US social media usage, from complete inactives to highly active and engaged users. Their varying desires for trust and control reveal that a single, monolithic approach to engagement and loyalty through social media channels will result in missed opportunities to build relationships with your best customers.
AGE: 65
INCOME: $30K
EDUCATION: High School Graduate
HOUSEHOLD: Lives Alone

“What’s the point of social media? I don’t need to know what you ate for breakfast!”
"I use social media to keep in touch with current friends and to reconnect with old ones."
“I use social media to reconnect with people and typically observe others. I share almost nothing.”
I use Facebook to post about my day. I like to post pictures, and I love to comment on my friends’ pictures and videos.
“I use social media to interact with family and friends — including new friends I’ve met online.”
“Social media enables me to meet with my regular friends and meet new ones. It increased my confidence and allows me to enjoy my life.”
Building Relationships Through Social Media

The differences among our six social media personas are as deep as they are wide. Differences in demographics, lifestyle, attitudes, behavior and loyalty make building relationships with them a challenging notion for the most sophisticated marketers. Rather than spend precious marketing dollars to blanket social media with generic content and offers, consider targeting social media spend at the intersection of customer spend, preferred channel and relevant offer. Let your best customers tell you where, when and how they’d like to interact with you.

To that end, consider the following strategies to help guide you in marketing to that social media user segment most representative of your customer base:

**No Shows**

> **No-Shows:** To reach this curmudgeonly group, you’ll need to rely on a mix of communication channels that includes email, website, direct mail and mobile. If a large majority of your customers don’t participate in social media, you should minimize your investment in these networks.

**Newcomers**

> **Newcomers:** Newcomers won’t flock to your social channels without a compelling reason. Try explicitly rewarding them for participation with compelling acquisition offers, or link your social media marketing to your company’s Corporate Social Responsibility (CSR) efforts to entice participation.

**Onlookers**

> **Onlookers:** Onlookers seek out content they can’t get anywhere else. To pique their interest, seed your social media channels with behind-the-scenes footage, interviews with key company personnel or celebrity spokespersons, and exclusive photo and video content. Stick to a regular content schedule to give them a reason to keep coming back.

**Cliquers**

> **Cliquers:** This group of users loves to share photos and videos, so developing viral content is a necessity to build activity with this group. To keep Cliquers engaged, cultivate a strong Facebook presence with frequent photo contests and video uploading opportunities that result in lots of likes, shares and comments.

**Mix-n-Minglers**

> **Mix-n-Minglers:** Because of their presence on a variety of networks and their eagerness to interact with brands, Mix-n-Minglers often get overwhelmed with marketing “noise.” To pierce through the din, you’ll need to develop a diverse social media strategy with a focus on relevance and value. Providing options for social sharing and social sign-on is critical to identifying and building relationships with this group.

** Sparks**

> **Sparks:** To identify and build relationships with Sparks, combine social media monitoring with a review of your brand’s most active social media followers. Engage this elite segment with premium access to your brand, and invite them to co-create content with you. For example, you might host a brainstorming session with prominent bloggers to help shape future social media campaigns or product launches.
Viewing the Eclipse

Consumers engage in social media networks and access communication channels based on their needs as individuals. Aimia’s social media personas can help you determine when, where and how to reach these broad groups based on their actual and potential value to the brand.
Here Comes the Sun

Despite the overwhelming brilliance of the social media star to marketers who are often blinded by the opportunity to connect with valuable customers, a reality check is in order. Our research reveals that only 28 percent of the total US population actively participates in social media. These consumers—the ones who post, upload, write reviews, share photos, and upload videos—comprise our “active” social media personas of Cliquers, Mix-N-Minglers and Sparks. Everyone else either “leans back,” consuming social media content without sharing—or they don’t participate at all.

Not surprisingly, younger social media users are more likely to actively engage in social media. Aimia’s own proprietary research confirms this; our 2011 survey of Millennial consumers ages 19-29 in Canada, the United Kingdom, and the United States (“Born This Way: The US Millennial Loyalty Survey,” available on Aimia.com) reveals that Millennials are far more likely to be active across social media networks such as Facebook and Twitter.

There are, however, a few important demographic distinctions to note. Consumers in our Cliquers persona (single network, active users) are more likely to skew older, between the ages of 44 and 54. In addition, our research reveals a direct correlation between active social media usage and higher household income. Social media marketing isn’t just for Generation Y—affluent Baby Boomers are also eminently reachable through social media.

Social media segmentation has potentially dramatic implications for marketers. First, it reveals the importance of targeting social media spend by consumer behavior, rather than by Silicon Valley buzz. Second, the segmentation places the importance of social media followers and fans in the proper context—for a customer that likes or follows your brand is not necessarily a loyal, profitable customer. Third, it demonstrates the importance of using social media as a dialog channel rather than as just another broadcast channel.

To begin to apply social media personas and segmentation in your own marketing efforts, consider the following best practices:

> **Extend the loyalty lifecycle.** The old model of building customer loyalty post-transaction is giving way to a model that incorporates relationship marketing, rewards and dialog throughout the purchase cycle, from awareness to advocacy and from pre-purchase to post-purchase interactions. Social media provides an invaluable set of tools to build relationships both before and after the core transaction.

> **Connect the data dots.** Look for ways to connect customer interactions with your social media channels to other data sources that provide insight into customer behavior. Can you connect social media data to transactional data? To your reward program data? To your website clickstream data? Connecting these “data dots” will become critically important to developing a complete view of your customer relationships.

> **Deliver value and relevance.** Combine social media marketing with your customer analytics to ensure that every communication, offer and dialog opportunity is perceived by your customers as valuable, relevant to the relationship and worth their time. Leverage social media as a tool to build relationships that increase trust and facilitate the flow of information.

It’s hard not to be dazzled by social media: It’s sexy, it generates tremendous media buzz, and traditional agencies push social media services as high-margin revenue. But it’s not enough for marketers to apply traditional media approaches to this highly personal communication channel.

By understanding that consumers interact with social media based on the drivers of trust and control, you can place social media in its proper role: As a tool that helps build long-term customer relationships based on deep consumer insight. Our behavior-based social media personas are a valuable tool to help you begin your journey to profitable loyalty management. You don’t need to get burned by staring at the sun—you just need to harness its power as an endlessly renewable source of energy.

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About the Authors

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Doug Rozen is responsible for leading Communications, Design and Emerging Technology capabilities, including the creative, digital, media, mobile, social and consumer research offerings for Aimia. His vision and know-how has helped position Aimia as the recognized global leader in loyalty management with clients like Chase, AT&T, General Motors, Hallmark, Delta, P&G, Amtrak, Coca-Cola, JetBlue and Ford. Prior to Aimia, Doug was the Senior Partner, Managing Director at JWT — one the world’s largest advertising agencies. There, he established digital@jwt in 1998, and combined JWT’s digital/direct offerings into connect@jwt in 2003, which ultimately lead to RMG Connect.

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Mona leads the Social Loyalty practice for Aimia in the US, where she builds strategies that drive engagement and advocacy through a powerful combination of emerging media, traditional media and loyalty marketing expertise. From start-ups to large corporations, her work has propelled companies in the financial services, retail, technology, consumer goods and hospitality industries. Prior to joining Aimia, Mona served as Vice President of Advertising Services at Marketing Architects, where she partnered with clients to drive consumer response from emerging media, online, TV and radio. Mona also created customer engagement and loyalty strategies at BI/Digital Marketing.

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Tom leads research and customer insights for Aimia in the US. An expert interviewer and moderator, Tom has designed, implemented and analyzed a variety of qualitative and quantitative market research and exploratory studies around the globe. His broad range of cross-industry experience about how companies collect, store and analyze information helps Aimia’s clients make better decisions, improve processes and strengthen customer relationships. Prior to joining Aimia, Tom worked for MarketResponse International, a boutique market research firm; Nielsen Marketing Research, where he worked with major consumer packaged goods firms; and Accenture, where he was a member of the Customer Insight Center of Excellence for Accenture’s Customer Relationship Management team.

About Aimia
We are a global leader in loyalty management. Our unique capabilities include proven expertise in building proprietary loyalty strategies, launching and managing coalition loyalty programs, creating value through loyalty analytics and driving innovation in the emerging digital and mobile spaces. We build and run loyalty programs for ourselves and for some of the world’s best brands. Customer data is at the heart of everything we do. We are Aimia. We inspire customer loyalty.
SAMPLE OUR BRAIN FOOD.

If you found this helping of leading-edge content both nutritious and delicious, sample some of these tasty dishes from our full menu of loyalty thought leadership at Aimia.com:

BORN THIS WAY: The Millennial Loyalty Survey
By Rick Ferguson, Vice President Knowledge Development

The results of Aimia’s 2011 consumer research in Canada, the UK, and the US reveals surprising insights into the behavior of Generation Y and their relationship to technology, data privacy, brand loyalty and reward programs.

THE NEW DATA VALUES: Securing Customer Data as a Renewable Resource
By David Johnston, President and CEO, EMEA, and Jeremy Henderson-Ross, Legal Director and General Counsel, EMEA

David and Jeremy review the landscape of consumer data privacy, including the government and regulatory environment in Canada, Europe and the United States, and provide a template for brands to publicly proclaim a set of Data Values that keep the sanctity and security of consumer data at the center of their marketing efforts.

JOINING THE DATARATI: How Customer Data Will Redefine Loyalty Management
By Rupert Duchesne, Group Chief Executive

In this Insights white paper, Aimia’s Group Chief Executive outlines his vision of the future of loyalty management, with a focus on extending the Loyalty Cycle, connecting the data dots and delivering value and relevance through our marketing efforts. It’s a big-picture vision that keeps the needs of the customer squarely in focus.