

CASE STUDY: J.D. Power and Associates

J.D. Power Realizes Promise of Social Media Analysis to Deliver Insights and Profit



From mascara to soup and juice to cars, market research firm understands the consumer voice and applies it to strategies for over 200 brands



EXECUTIVE SUMMARY

The Need for a Social Media Analysis Capability

In the area of social media research and analysis, J.D. Power and Associates (JDPA) is a visionary. The company was one of the first to see the value of mining social media data for game-changing insights and to build an internal capability to discover those insights. The company also recognized that delivering insights quickly maximizes their value, and that, for JDPA itself, the “Social Media Intelligence” service offering had to be cost-effective and profitable if it was going to be an integral part of their company’s portfolio.

To meet those goals, the company decided to move from its proprietary platform for social media analysis to a leading third-party platform. That platform now enables JDPA to analyze terabytes of social media data in real time and deliver insights to more than 200 of its Fortune 500 clients, who use them to modify or validate strategies for product development, innovation, marketing creative and corporate communications. In addition, the platform has reduced the cost of providing the service by 80 percent, so that it now meets the essential requirement of being a profit center. It has in fact become a multi-million-dollar business for the company.

CHALLENGES

Providing Quality Insights Quickly and Cost-Effectively

To do the work of gathering and analyzing data from online social media, JDPA originally developed a proprietary platform, but found it was more cost-effective to partner with a best-in-class application than to continue building their own, particularly as technology in the space evolves so fast. Another drawback of the original platform: It was based on technology that didn’t address specific market research use cases demanded by customers.

“For competitive positioning reasons, it was essential that we continue to offer a leading-edge social media research capability that delivers deep, actionable insights to clients without a three-day lag time,” says David Howlett, Senior Director of Consumer Insights and Strategy, J.D. Powers and Associates. “The challenge was to find the best way to do that.”

Another challenge was to meet financial goals for the service established by senior management. The new solution had to make it possible to deliver the value clients were looking for quickly *and* turn a profit for JDPA in the process.

Actionable Results for JDPA's Clients—Delivering Game-Changing Insights

After evaluating a range of technologies, JDPA selected the NetBase platform for social media analysis and insight to be the foundation for its service. With the new platform in place, JDPA is delivering insights in a range of social media research projects for its enterprise clients and their world-class brands. For competitive reasons, many clients have policies that prevent disclosing specifics of the projects, but insights from JDPA are already driving business initiatives and results in the areas of:



Point-Of-Purchase Merchandising Strategy: A Juicy Reward

For an international CPG company, JDPA discovered that a specific age demographic saw one of the company's beverages as a reward for a workout or a task accomplished. That insight led the company to strategically place its product in health clubs by the exit as an after-workout treat and in convenience stores with small fridges located at the point-of-purchase for consumers who stop to buy a drink product as a reward.



Product Development and Innovation: Giving Women a Magic Wand

A major cosmetics manufacturer learned through social media research that women often mix and match their favorite mascara applicators from competing brands with the tube of their own product. Women often sought advice online on mascara preferences, as well as wand preferences, but traditionally, mascara is packaged with a single applicator wand included. This led the cosmetics company to introduce a line of custom applicators to mix and match with mascara products, thereby giving women a choice of what works best for them.



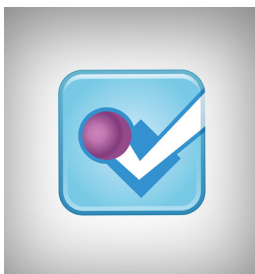
Brand and Corporate Positioning and Messaging: Offering a Word of Advice

A food company had done an in-depth brand positioning exercise and had settled on a new theme for its advertising. Asked to confirm that the theme would work across age groups, JDPA analyzed the social media conversation and found that it did not have positive associations with all ages. The company used that insight to re-examine its messaging and find a new theme that worked for a wider audience.



Feedback on Product Launches: Correlating Car Buzz with Buying

A major automotive manufacturer monitors all facets of their new car launches using social media analysis. They can then benchmark their launches against competitors' launches, not only measuring the volume and sentiment of social media posts, but also integrating JDPA's proprietary automotive sales data to benchmark the effectiveness of the launch in social media and identifying relationships between social media metrics and automotive sales metrics.



Identifying New Marketing Channels: Foursquare Coupons Boost Sales

A major retailer learned that over half the tweets about the brand were foursquare check-ins. The retailer had no idea their customers were so active on foursquare and launched a couponing campaign via foursquare, opening up a whole new marketing channel for the retailer.

Substantial Results for J.D. Power and Associates—Meeting Client Needs, Improving ROI

JDPA has met the overarching goals for its Social Media Intelligence service by implementing the NetBase platform, which has enabled the company to:

- **Deliver deeper, more valuable insights** than it could before—insights clients are using to reach key business goals.
- **Provide the service to more than 200 of its Fortune 500 clients** in the first year.
- **Access social media data in real-time**, eliminating the three-day lag inherent in the previous technology.
- **Save 80 percent in expenses** year over year for delivering the service, making it a profit center for the company.
- **Research prospective clients ahead of time** and arrive for sales meetings with extensive knowledge and understanding of consumer perceptions about the prospect company and its brands.

“The NetBase solution has enabled us to quickly deliver very specific, often surprising insights to our clients that have had an immediate, positive impact on their business,” says Howlett. “It has proven to be a great foundation for our Social Media Intelligence service, saving JDPA millions of dollars in software development and maintenance costs, and putting our social media service in the black.”

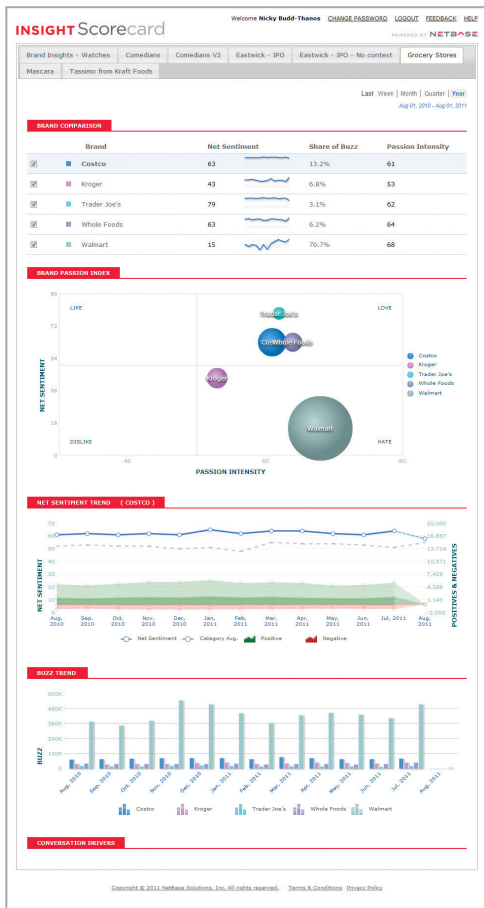
About the Solution—NetBase Social Media Insight & Analysis

To serve as the foundation for its Social Media Intelligence service, JDPA adopted two leading products from NetBase Solutions:

- **NetBase Insight Workbench**, a desktop discovery tool that lets market research analysts instantly extract consumer perceptions, emotions and behaviors toward brands and topics from terabytes of social media commentary—without spending hundreds of hours on manual coding.

Two screenshots from NetBase Insight Workbench, the desktop discovery tool that J.D. Power uses to analyze social media and find insights for 200 of its clients. This version contains special enhancements made specifically for J.D. Power.

- **NetBase Insight Scorecard**, a dashboard that delivers a visual snapshot of three key social metrics: share of buzz, net sentiment and passion intensity, along with a comparison of key conversations about five brands in a category.



“We chose NetBase because of the depth of insights it allows us to glean from social media data,” says Howlett. “The NetBase approach was in line with a true marketing research approach of trying to understand consumers as opposed to simply monitoring the conversation and measuring volume or sentiment, as some other tools do. NetBase reads and understands Web postings, so it lets us analyze dimensions that are important to market researchers, such as attitudes and behaviors.”

Another key benefit of the NetBase technology is that its natural language processing engine delivers highly accurate results that help reduce lag time from three days to real-time for content analysis.

Howlett adds that NetBase worked closely with JDPA to build and integrate capabilities that enhance the richness of the platform and accommodate JDPA’s unique needs. In addition, JDPA layers on its own analysis to the output from the NetBase solutions to deliver insights to clients about specific use cases in such areas as new product development and innovation, tracking marketing effectiveness, product messaging and positioning, and better understanding the customer.

A sample scorecard from the NetBase Insight Scorecard tool, which is used at the beginning of a social media analysis project to create a quick snapshot of the competitive landscape and highlight key conversation drivers.

ABOUT J.D. POWER AND ASSOCIATES

J.D. Power and Associates is a global marketing information services company operating in key business sectors across a variety of industries, providing customer satisfaction research, market research, automotive forecasting, social media research, and performance improvement programs. Established in 1968, the company has been listening to consumers and business customers; analyzing their opinions and perceptions; and refining research techniques and study methodologies to offer some of the most advanced product quality, customer satisfaction, and tracking research available today. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually. J.D. Power and Associates is a business unit of the McGraw-Hill Companies.

ABOUT NETBASE

NetBase Social Media Insight & Analysis helps marketing teams make smarter business decisions faster. We deliver tools and scorecards that give market researchers and brand managers a reliable way to understand online brand equity, analyze and compare consumer passion, and generate deep insights that answer their “why” questions. Serving hundreds of corporate customers, our products were developed in partnership with five of the top 10 CPG companies, including Coca-Cola and Kraft, and are used by five of the top 10 market research firms, including J. D. Power and Associates and GfK. Based in the heart of Silicon Valley, NetBase is a privately held company. For more information, visit: www.netbase.com.

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