

The rise of the mass-niche market

Data is the black gold of the 21st century claims high-profile consultant Alan Moore. And the data created by people's online social interactions reveals much about their buying behavior. We find out more about the science of social marketing intelligence

It is just five years since Facebook was founded in February 2004. Illustrating the extraordinary explosion in online social networking, Facebook today claims more than 140 million active users sharing more than 15 million pieces of content each month, including web links, news stories, blog posts, notes and photos.

Facebook and the multitude of other online communities are contributing to the staggering mass of data being produced online. With a compound annual growth rate of almost 60%, the digital universe is growing faster and is projected to be nearly 1.8 zettabytes in 2011 (*IDC: The Expanding Digital Universe – 2008*)

“People precede technology. Technology is a human creation and succeeds or not to the extent to which it meets fundamental human needs. People have an innate need to communicate and cooperate. Are we today offering services that meet this need?”

Alan Moore, founding Director of SMLXL

The millions of social interactions that happen every day provide a rich source of information about people's behavior and interests.

“We see a whole new area of what I describe as mass-niche communities of interest,” says Alan Moore, communication consultant and author. “Businesses can no longer think about the market simply as a mass market. They have to move from what I would describe as disruptive marketing, to a world of engagement and thinking about the customer experience first.”

More powerful than advertising

According to Moore, the opportunity for communications service providers (CSP) is to enable “fantastic propositions” that will work across the whole of society. “CSPs can help brands and people find each other when they need each other the most. They can deliver the most appropriate audience for the most appropriate message, going beyond traditional mass-market advertising,” he says.

Moore points to innovative and successful examples of services that have exploited the mass-niche market opportunity. These include Flirtomatic in the UK, a cross-platform service where people can flirt with each other, and Girlswalker in Japan, a mobile fashion portal and magazine that brings together fashion brands with fashion-conscious young consumers.

“CSPs have a vital role to play in the mobile society by helping to stimulate the ecosystem for delivering goods and services. They can be the facilitators that allow all this to happen. Yet they need to share revenue to thrive. If they continue with the old walled garden models they will become irrelevant,” says Moore. “You have to identify the true needs of customers and think about the experience that you want to create for them and re-engineer backwards from that to decide what technology and business models are needed to make it work.”

Using data in day-to-day marketing

Achieving this takes an analysis and understanding of the mass of social networking data and deploying it for marketing purposes. Social marketing intelligence is a new discipline that extrapolates valuable information from social network interactions and combines them with other forms of data to enable companies to launch new products and services into the market place at greater speed and at significantly lower cost.

Moore argues that “people need brands and brands need people, it’s just that in today’s world we can help those brands and those people to find each other, when they need each other the most”. Social marketing intelligence has the potential to greatly improve the customer experience by transcending mass-market advertising and providing specific information about products and services. “This is a really interesting space where the whole relationship between customer and vendor will change,” says Moore.

“Mobile operators have the raw asset of data. Social marketing intelligence refines this data, providing an insight into personal behavior and how people relate to each other within a social network context, although this information is anonymous. So it’s not quite as big brother as some may fear. And there already exists strict laws in place within the EU on data protection. CSPs need to use this data on a day-to-day basis to decide how to market. They can identify the most connecting and the most connected people within specific social networks.

These are the people that carry great influence within the community – 71% of all purchase decisions are influenced by personal advocacy.

“The future for CSPs is not about bundling SMS and data packages. They need real understanding of the deep insights that social networking intelligence can bring and how they can be applied to a whole array of services and products,” Moore concludes.

Who is Alan Moore?



Alan Moore

Alan Moore is the originator of the concept of Engagement Marketing and Communications, which he used as the basis of his book *Communities Dominate Brands*.

The concept of engagement marketing also forms the basis of his consultancy SMLXL. This advises businesses and organizations on how to better engage

with their customers, audiences and social networks and so create brands that have a real meaning to the people they are addressing.

Alan also teaches a Mobile Social Networking course at the Oxford University for Further Education.