B2B TECH TRENDS

THE VALUE OF DATA AND CONNECTIVITY





INTRODUCTION

The very landscape of technology in business is changing, with organisations of all sizes beginning to understand the value that can be derived from data and a connected workforce.

This year and beyond, the presence of a robust IT and data strategy will play a more central role in supporting businesses' goals, bringing with it increased scrutiny from the business leaders whose views matter most.

Offering and delivering the right solution has never been more critical. We present six trends helping to shape this transformation.



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1) 4G – KEEPING UP WITH THE COMPETITION

2013 has been branded 'the year of 4G adoption' – 4G being the fourth-generation mobile internet infrastructure. With a rising trend in businesses adopting mobile working strategies, it is clear that consumers and businesses alike will be looking to explore the benefits that this latest technology brings to the market. But while these benefits are seemingly compelling, adopting 4G represents a significant financial investment for businesses, with increased tariff and data consumption charges which are likely to be scrutinized heavily by any Finance Director.

4G's consumer-centric contribution

The consumer applications of 4G spread far and wide. Users armed with these high-speed mobile internet connections are capable of using complex web services (such as Skype and live video streaming) which previously relied on fixed connections. This, together with the increasing amount of personal information being stored remotely (in the cloud), is helping to further integrate these services into our daily lives.

4G also offers significant benefits for businesses which are dependent on consumer sales or interaction. From Facebook to eBay, consumer-facing businesses can reap the rewards of consumers interacting more frequently and faster with their services. Facebook will see its mobile revenue stream expand through an increase in the number of mobile ad impressions delivered, while eBay will benefit from better connection reliability that, until now, has been a major barrier for consumers making purchases on the move.

So while the rewards that 4G offers both consumers and businesses are evident, the implications for businesses that provide 4G connectivity to its employees is less clear.

So what is the value in creating a 4G workforce?

With the lack of a ubiquitous global Wi-Fi infrastructure and 3G networks increasingly under strain, the idea of employees being constantly connected via a 'super-fast' mobile internet connection is an attractive proposition to both small and enterprise businesses alike. Previously, slow and unreliable mobile internet connections restricted employees to basic tasks such as sending and receiving emails and other low-data consumption tasks. The introduction of 4G now facilitates the usage of complex office productivity tools, file sharing, video conferencing and other heavy data-orientated tasks on the move. Businesses who empower their employees with 4G are able to establish fully-operational offices almost anywhere, thereby increasing the agility and responsiveness of these mobile workforces.

Productivity / continuous workflow

4G businesses can boost productivity through being able to access and use core enterprise applications via their mobile devices. This in short, means the job can be done faster. A recent research study conducted globally amongst businesses found that when one US construction firm began transmitting vast amounts of data through secure mobile applications, the length of completion times was reduced by 30% per day, saving the business thousands of dollars on a weekly basis. Examples such as this can serve as strong ammunition when discussing how the increase in mobile productivity can quickly offset the additional cost. However, the impact 4G has on firms' fortunes will vary and will depend on the nature of communication within that business. Businesses such as Photographers and Surveyors with a need to share large files remotely are likely to experience the greatest benefit.

Real-time data access

This new technology will also facilitate a fundamental change in the way in which a mobile workforce behaves. Typically, workers access documents while away from the office through files stored in their inbox and other 'stagnant' file repositories rather than accessing it at source. However, with 4G, employees are more able and thus more likely, to access documents at the source through secure channels such as virtual private networks (VPNs) and cloud



technologies. This change in behavior will have intrinsic benefits for businesses, from tighter version control to ensuring that their mobile employees have the most up to date data when with prospective clients.

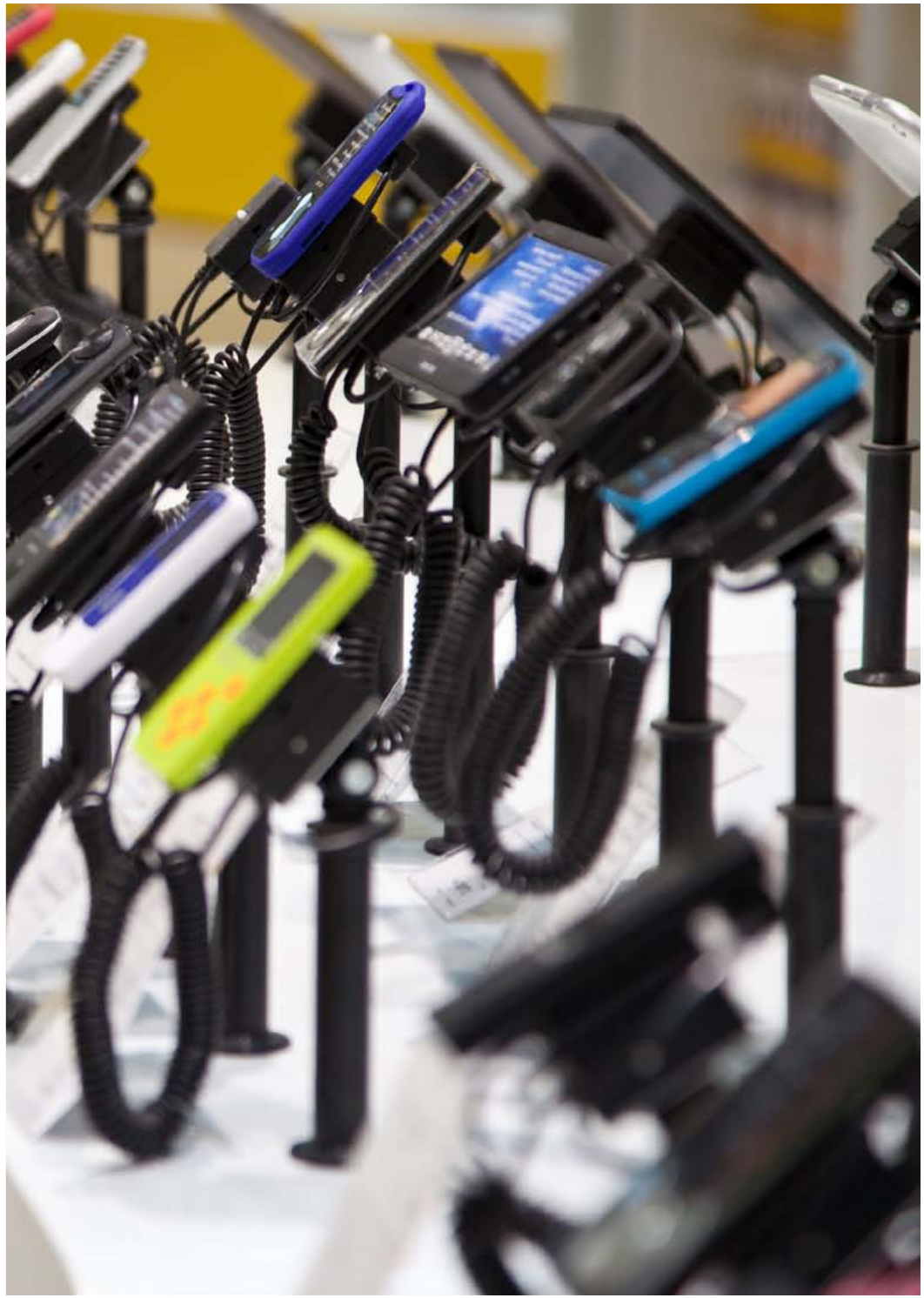
Staying competitive

Businesses not equipping their workforce with 4G run the risk of losing competitive advantage as competitors productivity levels soar. This poses a bigger problem for businesses located outside of 4G coverage and favours those located within concentrated urbanized markets. Competing on a global scale is increasingly important and, without the ability to adopt 4G, businesses are vulnerable against more efficient overseas competitors.

At the end of 2012, 4G networks were deployed in 59 countries, clearly outlining the growing appetite for the new technology. The news that the Chinese government is prioritizing its investments in 4G is a strong indication of the high regard this technology is held in rapidly developing markets.

Can businesses run the risk of being left behind?

4G is quickly becoming commonplace as are expectations of flexible and mobile workforces, therefore those not adopting the new technology will be, or at least perceived to be, at a disadvantage and lagging behind. With traditional office-based workforces becoming a thing of the past, as well increased productivity by domestic and foreign competitors, businesses may find themselves having to adopt in order to compete. However, even keeping up with the crowd might not be enough for businesses to differentiate themselves with the constant and relentless evolution of mobile technologies; as is evident in South Korea where businesses are surging on and will soon have access to 5G technologies.







2) BIG DATA – ONLY FOR BIG BUSINESS?

Big Data – it's getting bigger

Approximately 90% of all electronic data that has ever existed has been created in the last two years. In a literary context, that would equate to more than 110 million books having been written in the same period – the equivalent of 90% of all books that have ever been written.

Businesses are generating and holding rapidly growing volumes of data, and from a wider range of sources than ever before. As technology is increasingly leveraged to support business growth (either through customer interactions or process management), the associated data is collected and stored, creating 'Big Data'. Organizations are becoming increasingly aware of the potential value which can be extracted from this information (termed 'Data Equity'), to help give greater insight to the mechanics of key business functions.

That said, 'Big Data' in itself is not news. In fact, the terminology and associated definitions have been in circulation for almost a decade. Presently, myriad Big Data solutions are offered by the industry's major players (Hadoop, IBM et al), and it is a sector which, according to many analysts, will be worth more than US$40 billion globally in five years' time. While there are some limitations in sectors whose data is protected (through security or privacy restrictions), there are Big Data solutions available to suit the vast majority of industries.

Big Data = big organization?

One common factor among the majority of Big Data offerings is their clear targeting towards larger, more corporate organizations. With their greater ability to absorb implementation costs and more disparate data sources to draw from, these businesses were the early adopters of such solutions. Originally, processes within business were typically more extensive, and they enjoyed far larger numbers of customers (with the associated benefit of more mature customer databases).

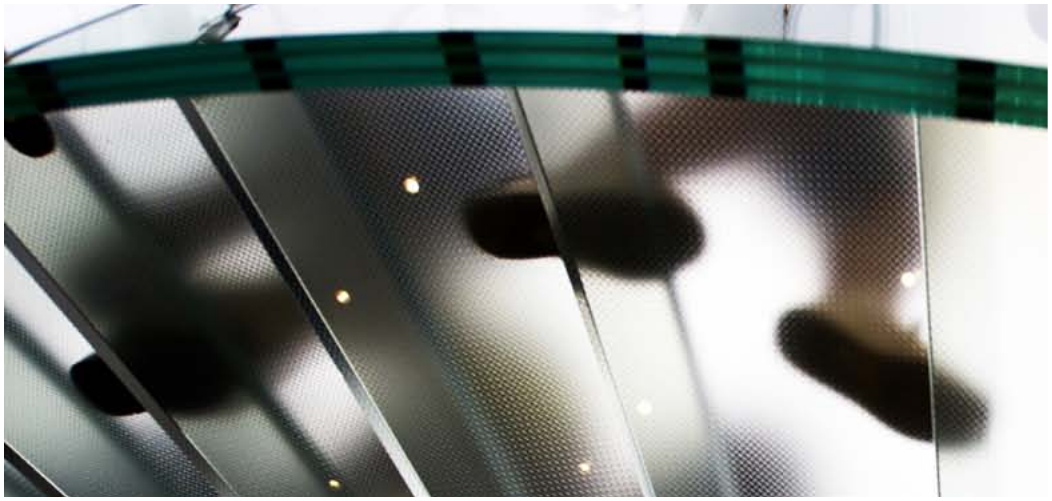
The larger enterprise and corporate entities were also much more likely to be employing Chief Information Officers (CIOs) and Chief Technology Officers (CTOs), who were able to translate the tech jargon associated with Big Data into benefits for their business, to help the 'sell' at Chief Executive Officer (CEO) level. Indeed, it is likely that Big Data (or 'using our data to create value') will be on the mind of CEOs in larger-sized businesses.

Times have moved on, but one gets the sense that Big Data providers haven't necessarily followed in sync where small to medium-sized enterprises (SMEs) are concerned. The declining cost and resulting proliferation of technology mean that it's not only the larger businesses which are now able to amass 'Big' volumes of data, and thus have a need for solutions to extract value from this data. SMEs quite often have technology solutions in place to help support customer transaction and process management.

Big Data – big opportunity?

SMEs represent a sizeable and growing proportion of the global business landscape. Census data suggests that there were more than 6 million SMEs in the US in 2008. Whereas in India, an economy whose heritage lies in large-scale industry, there is a reliance on SMEs to deliver almost a quarter (22%) of its gross domestic product (GDP).

As the number of these businesses grows, and competition in the sector intensifies, the natural challenge will come in the form of competing with the 'big boys' at Enterprise level and above. SMEs don't naturally have the same scale to drive economies, nor do they have the scope to grow customer bases, as larger organizations do – a factor which has traditionally dissuaded many SMEs from going after the big fish. However, Big Data (and Data Analytics) solutions present genuine opportunities for SMEs to utilize data which they collect and own to help level the playing field. However, at present there are few genuinely SME-tailored solutions in the marketplace.





Opportunities for SME Big Data solutions:

1. Customer behavioral data can help planning and development.

- Analyzing business to business (B2B) customer purchasing data to understand patterns and allow the business to both plan for, and react to these in real time (e.g. automatic stock ordering to match monthly purchasing cycles).
- Using business to customer (B2C) website behavioral data to deliver real-time interceptions/engagement (e.g. alternate or complementary products/offers) to help improve conversion rates.

2. Process/production data can support flexibility and drive business efficiencies.

- Tracking and monitoring production processes and suppliers in real time can allow businesses to adjust their process priorities to maximize efficient use of resource and materials (e.g. managing supplier production chains to co-ordinate component deliveries and avoid storage costs).

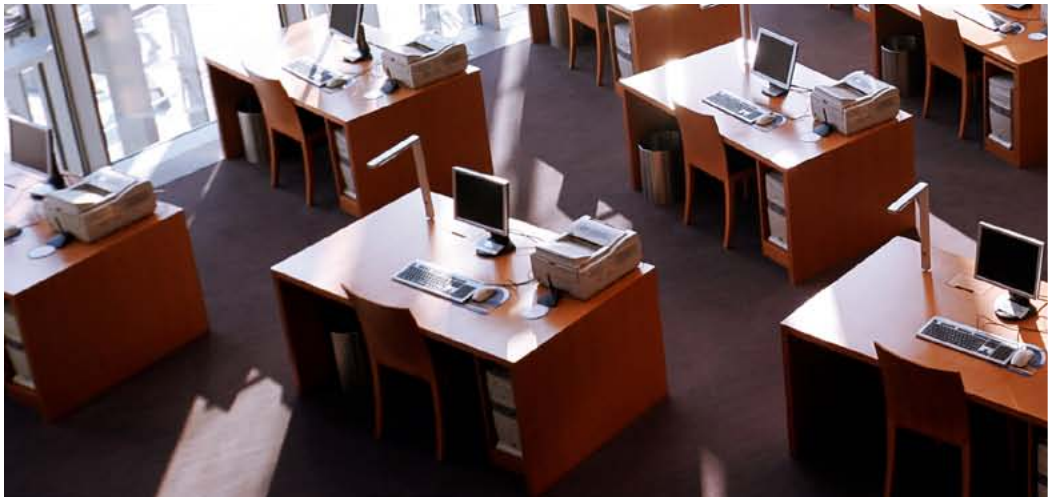
Big Data – a big headache for SMEs?

There are two main barriers for SMEs in adopting Big Data solutions:

1. Jargon. This is an industry which thrives on the creation of buzzwords, with every vendor doing their best to own terminology which relates to its product offerings. However, there are fewer high-level technical professionals (CIO/CTO) in the SME sector. As such, much of the terminology in the Big Data industry adds little, other than layers of confusion and contradiction, to the picture. It is hard for SMEs to understand what Big Data means to them, and where it may fit into their business.
2. Price. As the majority of Big Data solutions tend to be offered by companies which are better known for dealing with larger organizations, there is a perception among SMEs that the cost of implementing these programs would be prohibitive. The small number of specialist SME-tailored solutions creates a hurdle for potential customers to overcome.

3 Big rules for providers

1. Speak in plain English. Not all SMEs are tech-savvy or have dedicated technology or data specialists. At this level, many business functions may be involved in the decision-making process, and not all have the time to drill down through the technical jargon.
2. Demonstrate value. Give solid examples of how Big Data solutions can be used. The audience isn't always going to be technical, and will often be more focused on output rather than implementation. The need to offset the acquisition cost with the value derived from the output is a key hurdle.
3. Focus on solutions. Scale down offerings so that the initial cost is less prohibitive and the strain on the existing network infrastructure is managed. Target smaller processes within the SME business model, and provide 'solutions' rather than 'products'.





3) BYOD - THE CONSUMERIZATION OF IT

After the initial shock, many employers responded to the disruption caused by 'consumerization' of the IT workplace by embracing the 'Bring Your Own Device' trend. However, some remain undecided about BYOD; whether to allow it, or which policies to put in place to manage it effectively. It remains a significant challenge and one that needs pondering. Before continuing down this path, now may be a good time to review the preliminary results, and consider that BYOD may not, in fact, be 'the' answer to consumerization in the workplace.

Once exposed to low-cost, cutting-edge technology, employees naturally want to use it at work. If officially denied, some use it surreptitiously, meaning that businesses can lose visibility and control of their corporate data. For many companies, embracing consumerization of Enterprise IT often means considering BYOD. And indeed, the policy has its share of success: businesses which have taken the plunge report that employees are happier, more productive, more collaborative (enabled by data in the cloud in particular) and more flexible in their working patterns (employees able and more prepared to work anytime and anywhere). They also seem more creative and willing to solve problems themselves.

With such positive outcomes, it is unsurprising that BYOD looks attractive to business managers. However, implementing such a policy can be a headache, in some cases outweighing the benefits. Some companies have sacrificed various controls to make it work (mostly small businesses), others have decided to put a stop to the experiment, as neither IT managers nor employees were fully satisfied with the situation.

IT managers have long been aware of the risks and costs associated with BYOD. This includes time and resources for policy development, supporting new devices and operating systems (O.S.), implementing software solutions and processes to manage BYOD, training IT staff to keep up with consumer technology and last, but not least, navigating the security risks. But for some employees, the sudden freedom gradually gave way to a rude awakening. Until it was implemented, many did not realize the implications of using their personal devices for work. In many ways it was a step back from both a personal, and a work device.

In theory, end users expect to be able to use their phone for work in the same way that they do in their personal life. In practice, IT departments are likely to block access or control some of the phones' features in order to accept it into a BYOD scheme. Additionally, employees continue to expect a 'business client' experience with their IT department. But with a personal device, it is up to the user to read the manual, contact customer support, and discover that there is no 24 hour replacement scheme if the phone gets lost or damaged. Disgruntled employees would soon complain to the IT department that they are not getting the support they need.

Beyond the IT management and user problems, BYOD fails to address other key needs and employees' expectations. There is a growing feeling of entitlement on the part of employees that they should be equipped with mobile devices used for work (laptops, smartphones and even tablets). However solid the business case, one should not overlook the human factor: provisioning mobile devices shows that the company cares, trusts, and invests in its employees. Especially for more junior staff, this is the proof that your work is valuable enough to them that 'they' are willing to pay for your smartphone. With a BYOD policy, this disappears. It is no more suitable when trying to roll out mobile technology to skeptical employees. On top of the reticence to be always available, there is now the feeling that a good user experience only comes to those willing to bring their own devices.

Finally, BYOD ignores the fact that we are increasingly a society of service. Being highly specialized individuals, we are likely to externalize some of our responsibilities. At work, we believe that our time is better spent on actual work rather than liaising with the network operator and insurance company to report a stolen device. If the idea is to take advantage of consumer technology,





allow a mix of devices, applications, and services that will maximize productivity without compromising guidelines, then why does it have to be BYOD?

Essentially, BYOD has been promoted by three factors:

- Consumerization
- User frustration with devices procured by work
- Desire to carry only one device

BYOD has been successful in addressing these factors. Employees do not want to carry several devices. They want one device, and they want to decide what device to use. Understandably, very few companies can afford to give up on security, and employees are not ready to relinquish control of their personal devices. So, what is the next stage in the evolution of consumerization in the Enterprise world?

First, because companies want to remain in control, and employees should probably not have to pay for their work devices, organizations will have to continue providing smartphones and other technologies. The benefits of BYOD: collaboration, flexibility, and everything that is enabled by technology has more to do with device penetration and increased device usage than BYOD itself. The learning from consumerization and the success of BYOD is that benefits come to those who let employees choose the device they want and, if not any device, at least to choose from a comprehensive list. This should help avoid employee frustrations. Secondly, because a device is a perk, and employees will use work devices for personal reasons, organizations should strongly consider allowing unrestricted personal usage of work devices.

IT would still need to work on supporting several O.S., but things are already heading this way with the new Mobile Device Management solutions being developed. Organizations need to show some level of flexibility and take advantage of the technology that is out there. Additionally, the economy on device provisioning is not one that companies can afford or should worry too much about. With a tendency towards unlimited plans, unlimited personal use of work devices seems a small price to pay to adapt to new working patterns, minimize device management efforts and be back in control.

Though a valuable alternative, Choose Your Own Device is certainly not a miracle solution. The subject of work data versus private data, and the privacy of personal communications on work devices are some of the challenges that would need to be addressed. CYOD appears to be a more practical and realistic way to introduce consumer tech, comparatively easing the burden on IT management while taking into account employees' needs and expectations. Looking for optimal solutions to manage both personal and work on one device has been a constant topic for GfK technology consumer and B2B research in the past few years. In the near future, it may be good to keep an eye on Research In Motion's (RIM's) and Samsung's latest attempts to tackle the subject: The new BlackBerry® Balance™ and S4 Knox technologies are designed to separate and secure work and personal information on devices so that users can stay connected to both elements seamlessly.

Eventually, we may envision a world that does not focus so much on devices, once our IT applications have moved to the cloud. In the meantime, a blind push for BYOD may not be recommendable. With a more proactive approach to enterprise mobility, companies and the workforce could both benefit from the latest technology, without the need for BYOD.





4) DATA CENTERS – SUPPORTING THE CLOUD

Cloud computing has made utility computing a reality, bringing many advantages and cost reductions for businesses. Just as the National Grid allows businesses to access electricity at the flick of a switch, rather than needing to own, man and run their own generators, cloud computing can allow similar economies of scale to be applied to IT infrastructure through scalability and high availability of resources. Moving servers off site and thereby reducing the workplace carbon footprint and associated taxes has also been a major driver in demand for external data centers.

The cloud is, however, not floating in the atmosphere or in an unseen cyber dimension. It tends to be found in purpose-built bricks and mortar or, more likely, concrete and steel data centers down here on earth. With an estimated US$128 billion spent on data centers worldwide in 2012, data center provision is big business in itself[1].

1 http://www.datacentres.com/link.php?dcpage=http://www.zdnet.com/apac-to-lead-global-datacenter-spend-7000000766/

Quality matters

There are four recognized tiers of data centers, based on the published standards of The Uptime Institute, an independent global authority on data centers[2]. These run from Tier I, where there is no redundancy to protect the data center from external shock and downtime, to Tier IV where there is full redundancy, allowing processing and cooling to continue running immediately during an outage. Tiers III and IV are generally reserved for usage by financial institutions and governments and are able to command premium prices as a result.

Location, location, location

Data centers require two main elements: energy and connectivity.

Energy consumption is a huge area of cost for data centers as processors produce a lot of heat and need to be cooled to run smoothly.

2 http://uptimeinstitute.com/TierCertification/

This high-energy requirement encourages data center providers to look for locations that can guarantee energy supply by being near a main hub, but can balance that with the costs of the location.

Historically, many data centers have been built near commercial centers – perhaps Chief Executive Officers (CEOs) had a feeling that they would need to visit these facilities on a frequent basis? Currently, in the UK, the number of data centers in London outnumbers those in Manchester in a ratio of 20:1, despite the fact that energy is less readily available and more expensive in the capital.

Further to this, green taxes on energy units are pushing the need to innovate on cooling methods. Thus, data centers built just five years ago are already looking out of date. Some multinationals are relying on Mother Nature, opting to develop sites within the Arctic Circle.

Some have opted for the milder, but still cool air of the outskirts of Dublin, which has the advantage of not only fewer polar bears, but is positioned on the cable with the highest capacity data transfer connecting Europe and North America.

Connectivity is almost so obvious a requirement that it is easy to overlook. While advances in processor power and memory size have been huge over the past few years, wide area networks (WAN) still face challenges that can put the brakes on 'on demand'.

The challenges such as latency, bandwidth and quality of lines can only be dealt with by better investment from governments and private investors in digital infrastructure. To date, this remains patchy, and faces budget cuts[3].

To summarize, prime locations for data centers are dictated by proximity to high-speed cables, to ensure good quality connectivity as well as low energy costs or favorable climates for cooling.

3 http://www.guardian.co.uk/technology/2013/feb/11/broadband-budget-cut-rural-connection-billion-euro





When things don't run smoothly

Outages, such as the one caused by Hurricane Sandy, demonstrated the cloud's vulnerability to external shock. And such are the requirements of the data center (outlined above), that even if the location of the data center itself is considered safe, it is still vulnerable to energy and internet cable disruption.

As a result, cloud storage now requires a backup cloud location to spread the risk. In the UK, an outage experienced by a major high street bank, NatWest, has led to an increase in demand for data centers of 50% throughout the banking sector. Banks are already spending to meet an expected sector requirement of a main data center, a backup and an additional disaster recovery location.

Regulation

While the cloud is often described as being infinite and everywhere, private consumer or client data held by businesses is subject to local legislation and regulation.

The European Union has very strong rules concerning the personal data of its citizens. This has to be taken into account when making choices on where to locate data centers. Locating them outside the EU requires data security structures equal to those of the EU. Differing legislation on state access to private data is also a concern, and one that blocks many companies from storing customer data in the United States.

Looking forward

When looking closer at what underlies the cloud, it might not look as soft and fluffy as countless bloggers and evangelists claim. However, with greater usage of the cloud, the demand for data centers is likely to grow exponentially.

In the future, consumers' increasing data security awareness may also add to the pressure to prove that any use of public or hybrid cloud services involves a trustworthy partner.

As choice increases, understanding what constitutes a quality data center will become all the more important.





5) HYBRID CLOUD – A CLOUDBURST OR A SILVER

We are set to see the growing implementation of cloud technologies into modern enterprises, driven by financial motivations as well as by the need for greater elasticity in IT systems and infrastructure. A key and fundamental benefit of cloud computing is its flexibility and scalability; the hybrid cloud (when multiple cloud infrastructures, both private and public, are used by applications and services in a seamless solution) could be the optimum way to make use of cloud technology. The hybrid cloud is not necessarily a new concept but previous technical and business barriers have prevented it from being used as a wide-scale solution. However, the coming years could see a widening acceptance of this form of cloud computing.

One way that the hybrid cloud can be used is through cloudbursting, which can be seen as a prime example of the cost-efficiency, elasticity and scalability that cloud computing encompasses, appealing to large enterprises and small and medium businesses (SMBs) alike.

Cloudbursting can have both negative and positive connotations. In the negative sense, it is when the capacity of a cloud computing environment is exceeded due to a spike in demand; private cloud servers become swamped and applications 'burst' into a public cloud. In a positive sense, cloud bursting is "the dynamic deployment of a software application that runs on internal organizational computing resources to a public cloud to address a spike in demand"[1].

Cloudbursting: sunshine through the cloud

For businesses which experience reasonably constant and regular usage, purchasing additional physical computing capacity would be the most effective solution to their IT needs. However, particularly for SMBs, they may not require a continually high capacity computing environment if their IT workload fluctuates[2].

1 Geva Perry's Cloud Computing Terminology, August 2008
2 FIT TO BURST: A practitioner's Guide to Cloudbursting, www.rackspace.co.uk

Therefore, cloudbursting could be highly beneficial, as using public cloud capacity in response to private servers coming under strain due to spikes in traffic (e.g. increased website usage) means that companies only pay for the extra capacity they use; if you like, a pay-as-you go computing model. SMBs are particularly well placed to benefit from cloudbursting. It is significantly cheaper to 'rent' additional capacity for short periods of time, if the extra capacity is not always necessary (so servers are not needed to run all day every day), as well as not needing to pay the significant up-front cost involved if extra capacity was purchased[3].

The most cost-effective way of using the hybrid cloud is planning the deployment of cloudbursting for foreseen peaks in demand or planned outages - for example, for retailers during the Christmas shopping period or during quarterly tax filings. A hybrid cloud solution can help support cost-effective procedures to minimize the disruption caused by these spikes. However, planning is essential to ensure a seamless end-user experience, as there are important considerations to take into account before fully committing to a cloudbursting solution.

3 FIT TO BURST: A practitioner's Guide to Cloudbursting, www.rackspace.co.uk

Considering cloudbursting: how to avoid the rain

Either when used for planned peaks in usage, or due to unforeseen fluctuation in demand, cloudbursting could have security and regulatory compliance implications for businesses. Sensitive and personal data could be put at risk by bursting into a public cloud which may not necessarily offer the compliance requirements needed to hold such data; for example, the legal framework for handling customer payment data.

Risks to regulatory and license compliance will inevitably affect a business's cloud strategy. Increasingly data centers are being situated in multiple geographic locations to offset risks of outages; companies must be aware of the potential security and





regulatory compliance issues if their cloud service provider sits within a different region to that from which their data originated[4].

Other considerations to be taken into account when employing such a solution include the significant timescales involved when moving data. When demand spikes and creates slower response times, resolution time is critical in minimizing the negative impact on end users - an example being increased traffic to a ticket website when event tickets are released, resulting in the website crashing and pages reloading slowly. However, this could be offset with careful implementation of cloudbursting.

Interoperability with existing systems needs to be tested to avoid incompatibility with public cloud servers, as configuration may be required to ensure a seamless transfer of data. Additionally, contingency plans should be put in place to counterbalance any outages that could occur during a cloudburst into a public cloud, which could potentially result in application and data loss[5].

The silver lining

Increasing business demand for secure and scalable cloud environments could lead to a wide-scale adoption of integrated hybrid cloud solutions in the near future. This will be of particular relevance to smaller organizations which must balance the need for flexible infrastructure with cost-effectiveness (e.g. small online retailers during peak buying periods, or as a disaster recovery option).

Undeniably, there are obstacles to overcome, but with proper planning the challenges of the hybrid cloud can be overcome by effectively implementing a multi-cloud strategy and by maximizing the efficiency of computing resources.

To ensure a seamless hybrid computing solution, enterprises need to be aware of the following areas of preparation:

1. Relevant software has been installed and both private and public hybrid environments are compatible and configured.
2. Integration of new capacity needs to be flexible so that the impact is not felt by end -users.
3. Any new/modified data needs to be moved safely back to core infrastructure once the demand for extra capacity has dropped.

Larger enterprises have previously used cloud computing as a cost-saving strategy for offloading non-mission-critical workloads, or those exempt from compliance regulation. However, the growing maturity of the hybrid cloud could be set to change this. We are seeing a maturing cloud computing model, cloud service providers are embracing the benefits of cloudbursting and are starting to offer combined cloud hosting solutions which have the elasticity of cloudbursting while, at the same time, having a defined network security policy vital for enterprises needing a secure and compatible computing solution.

4 Morain, J (2011) Cloud Bursting: Understanding Compliance Risks, Cloud computing 365.

5 ibid





6) SOCIAL SEARCH - A TWO WAY STREET

We hardly need tell you that the web is becoming an increasingly noisy place. Developing a compelling web presence to make your customers come back to you repeatedly is one thing: ensuring that prospective customers can find you in the first place is quite another. As a way of cutting through the confusion and getting the message out, search engine optimization (SEO) has become an important tool, which is why it now features in most marketing plans.

In the US and in most of Europe, Google's dominance of the search market has made SEO a straightforward affair up until now - crack the Google algorithm and you're set. However, all that can be thrown into question if a different provider makes a large body of data easily searchable. That's why Facebook's sortie into a more ambitious search offering should make marketers pause for thought.

The Graph Search function – announced in January – aims to redefine the rules for internet search. Users will be able to enter much more specific information – 'restaurants in the West End liked by my friends', perhaps – and will receive results that draw on the information shared by their friend network.

A two-way street?

This has a number of implications for business. Likes and check-ins, as building blocks of the new search algorithm, will become a much more valuable currency than they have been so far. Businesses will therefore need to focus their marketing spend so as to achieve a more interactive relationship with customers, rather than just broadcasting messages to them. They will also need to devote increased resources to keeping their social media content fresh and relevant, to retain those precious likes.

Perhaps most intriguingly, this turns the process of large-scale, targeted data search into a two-way street. Traditional SEO is ultimately a one-way process of helping people to find you. The rise of social media brought with it, at least, the obligation on the part of companies to engage in dialog with a subset of their customers. But social search, in addition, is rich in possibilities that could help forward-thinking companies to renew the ways in which they interact with their customers and, for that matter, their competitors.

It brings a new dimension to competitor intelligence: finding potential targets for marketing could be greatly simplified by identifying individuals who have endorsed your competitors, and then marketing to them. What's more, your competitors have as much to gain as you do from ensuring that customers share data – data which then proves equally valuable for those trying to engage existing customers and to those trying to identify new ones. The result will be a greatly increased amount of sentiment data which is freely available for mining.

When the data just isn't there...

As things stand, of course, social search is a long way from maturity. It relies entirely on the data that social network users are willing to put in. That creates a challenge for low-engagement categories, or those about which consumers don't typically share information. It's unlikely you could find much information to help identify, say, potential targets for energy providers simply by searching Facebook data.

The challenge in these cases is to use analytical techniques to find proxy measures that allow you to predict what such a prospective customer might look like. Low engagement is not necessarily a bar to using social search data if you are able to demonstrate that a certain age of consumer in a certain postcode area, with a particular taste in music, is statistically more likely to consider switching their energy provider.

Getting out the consumer vote

Micro-targeting is a feature of political campaigns and has been for some time, with its sophistication improving with each electoral cycle. One methodology which is growing in popularity is creating proxy measures using consumer data to identify likely voter behavior. Historically,





voting intention could be worked out probabilistically based on broad factors such as income, age, gender and so on. Now, researchers are looking at how purchase patterns relate to voting intention. In isolation, these are blunt tools, but as the data set grows richer so does the ability to understand likely voter behavior.

The goal isn't just to be able to identify those individuals likely to vote. Political campaigns have long been able to make good guesses about who is likely to come to the polls and roughly how they will vote. Micro-targeting is about finding people who might vote for your candidate but are less likely to turn up at the polls. Many credit the sophistication of Barack Obama's 'Get out the Vote' campaign as one of the key reasons he was able to secure a second term as President.

The challenge for marketers is to adapt these techniques to expand and broaden their customer base. A company may, through market research or other methods, have identified promoters of its products or services among its customer base. It can then look at its database to identify similar types of customer who are also likely to promote the company. These customers are then known to be suitable targets for marketing activity.

The same holds true in social search. It is easy to harvest opinions and sentiment. Finding a few promoters gives clues as to where and who the other promoters might be. And with Facebook's vast reach, a customer base for nearly everyone is in there somewhere.

The macro and the micro

For the marketer getting to grips with these new possibilities, this presents a paradox. In their bid to keep a step ahead of competitors, companies will need to divert marketing budgets to engagement with social search. By developing increasingly efficient algorithms that will help them predict consumer behavior, they can identify prospective customers and potential marketing targets within their existing customer base. But in order to first persuade customers to share the necessary data, they will have to redouble their efforts to engage them on a personal level. Finding that balance between the macro and the micro-level promises to be one of the key challenges of this new age of search.

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