



Social Media Monitoring Market in CIS countries

State, Trends & Size of the Market in 2011



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The Social Media Monitoring (SMM) market in CIS countries is still in its infancy. Monitoring is actively used by brands and agencies, with new monitoring tools arising continually.

What are the state and trends of Social Media Monitoring market?



Andrei Kamarouski
Research & Analytics Director, smm3

“This report will help companies to be guided in the market of social media monitoring, planning and setting objectives for monitoring.

We hope that this report will contribute to the further development of the monitoring market and SMM industry as a whole, and provide information base for joint determination of the key areas of market development based on the input and contribution of all key market players (SMM vendors, companies and agencies)”.

Report Summary

Market player`s contribution

This report would not be possible without generous contribution from SMM market experts (representatives from monitoring technology vendors and agencies), who are interested in advancing research and innovations in this area. We are grateful to all participants for the given support.

We are thankful to YouScan Company and its CEO Alexei Orap for their support and assistance in conducting the study. We also want to express our gratitude to all survey participants for their input and cooperation.

We invite representatives from agencies that offer social media monitoring services to participate in online expert interviews. The survey results will be highlighted in the future reports. In particular, we look forward to receiving input from those who work with companies from the service industries, telecommunication, automotive, banking, and consumer electronics industry sectors.

Disclosure

smm3™ is a strategic partner of some vendors of monitoring and provides consulting and research services in the area of monitoring and research in social media.

Are you ready to share expert opinion?

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Objective

General objective - to examine the state (size and structure of consumers) and development trends (key areas) in social media monitoring market in Russia and Ukraine (CIS).

Privately - bring together key customer segments to estimate the size of the SMM market and analyze general features of monitoring.

Data Sources

The study was conducted as an open online poll with 192 respondents which completely filled the questionnaires. Total response rate was 56.4 %. Although the analysis was performed not on the basis of representative sample, it provides enough reliable estimations of the market as a whole (we managed to reach the sample).

Methodology

Respondents were asked to answer 17 questions, 6 of which are aimed at consumer segmentation of the market (brand / agency, title, department, industry, monitoring experience), and the remaining 11 questions to clarify the specific characteristics of behavior during the poll. A special attention was given to the understanding of outsourcing practices in monitoring.

Methodology

Report Structure

Part I “Market Segmentation” was performed based on the structure of the Study sample and provides the overall profile of market segments.

Part II “State & Trends of the Market” talks about the respondents’ experience in monitoring and gives an estimate of the market size based on the companies’ and agencies’ monthly budgets.

Part III “Monitoring Value” shows distribution of monitoring by the companies/agencies’ departments and key problems and issues facing them when making decisions about SM monitoring.

Part IV “Outsourcing in monitoring” shows which tasks are outsourced or to be outsourced in monitoring.

Part V “Monitoring technology” analyzes key metrics, regularity and other features of monitoring.

Conclusion scopes

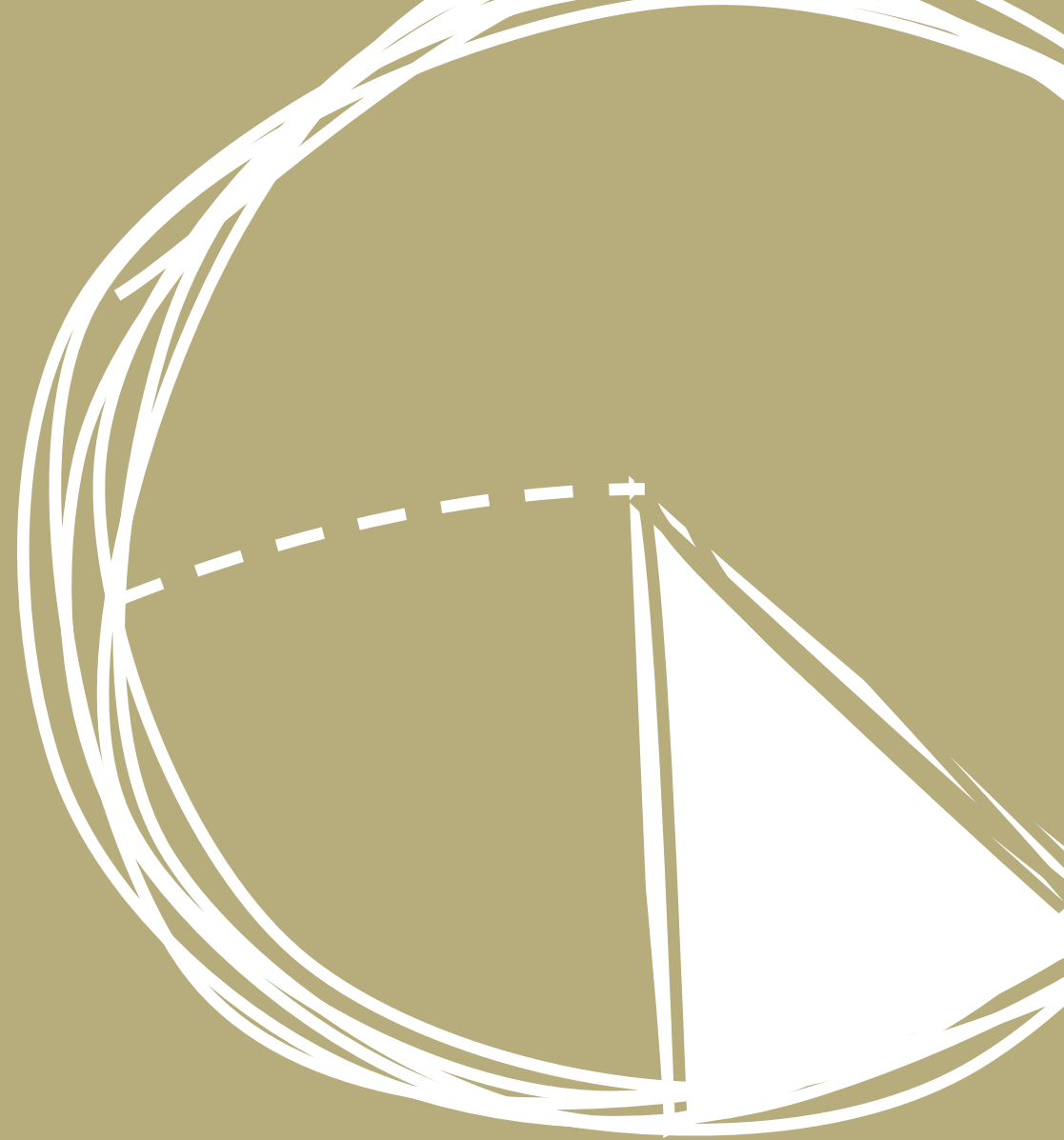
Monitoring vendors can use the study findings to understand key challenges and issues facing SMM customers and to verify and modify their strategic plans to further improve their products and services and their marketing efforts.

Agencies can optimize their marketing and pricing policies for monitoring and also define at what extent the given area can be taken as a strategic direction for the company’s development.

Companies can identify their own pro and con arguments for and against introduction of SMM and make better decision when selecting and hiring SMM vendors or agencies for monitoring.



Part I
Size and market segmentation



Approximately 1/4 of the respondents are **engaged in monitoring themselves** (it's not only employees of monitoring vendors; see the proportion of representatives of vendors below on page 7).

1/2 of respondents are **project managers in charge of monitoring**.

Exactly 1/4 of respondents **know monitoring from within, although do not use or manage monitoring** at the moment.

7% of respondents neither have knowledge, skills, nor **are connected with monitoring**. These respondents are excluded from the further analysis.

The remaining 93 % of respondents represent reliable data source.

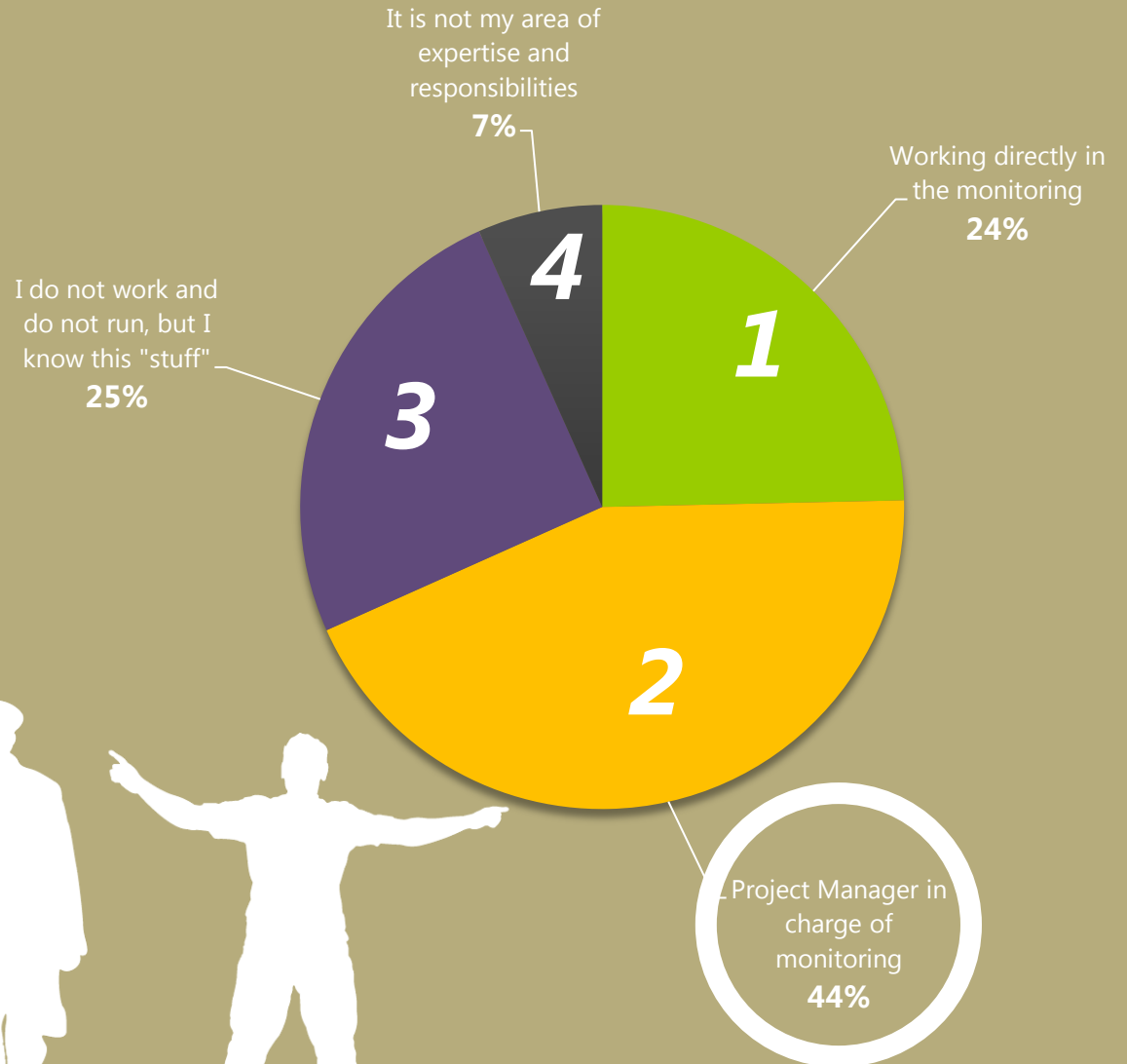
Segmentation by the form of participation

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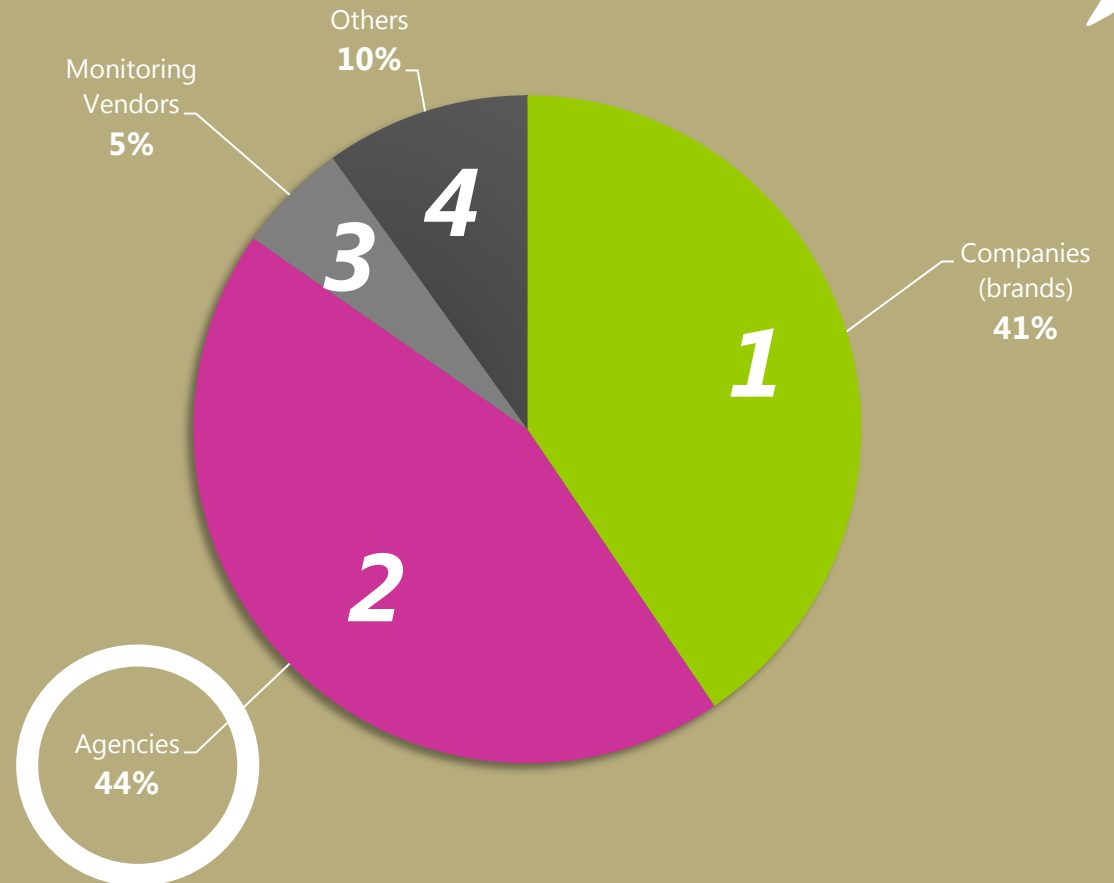
We asked:
"In what way you are related to monitoring of social media?"

Segmentation by company type



We asked:
"In what type of company do you work?"

- 1 **Companies represent 41%** of the sample, i.e. about half of respondents.
- 2 About 45% of respondents **represent agencies.**
- 3 **Representatives of SMM vendors** represent only 5% of the sample (i.e. there is no «professional warp» of data).
- 4 Among **10% of other respondents**, the considerable part can be placed under agency's segment (see the cloud of options).



Segmentation by departments



We asked:
"In what department of the company you work?"

1 Marketing and PR are key departments represented in the sample.

Only 11% of respondents represent **2** Sales and Customer Support departments.

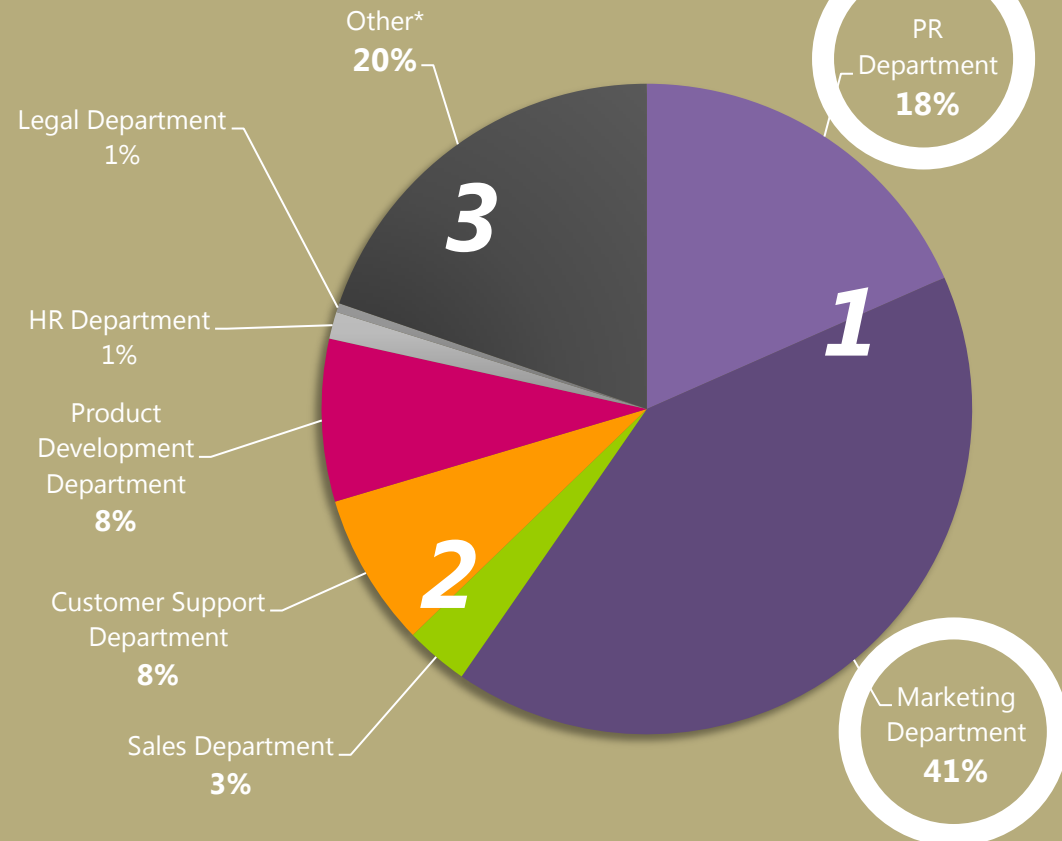
Among 20% of "Other" departments are **3** departments for Analysis/Research and Strategic Planning.

Monitoring is primarily used by Marketing and PR.

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Segmentation by position



We asked:
"Indicate your position in the company / department?"

Almost 45% of respondents **are Heads of the company/department**

36% of respondents represent **management level** (projects, companies, communities, etc.).

Analysts of 12% of respondents are separately allocated.

Within category "Other" (8%) are mainly **specialists** – the lowest level of employees.

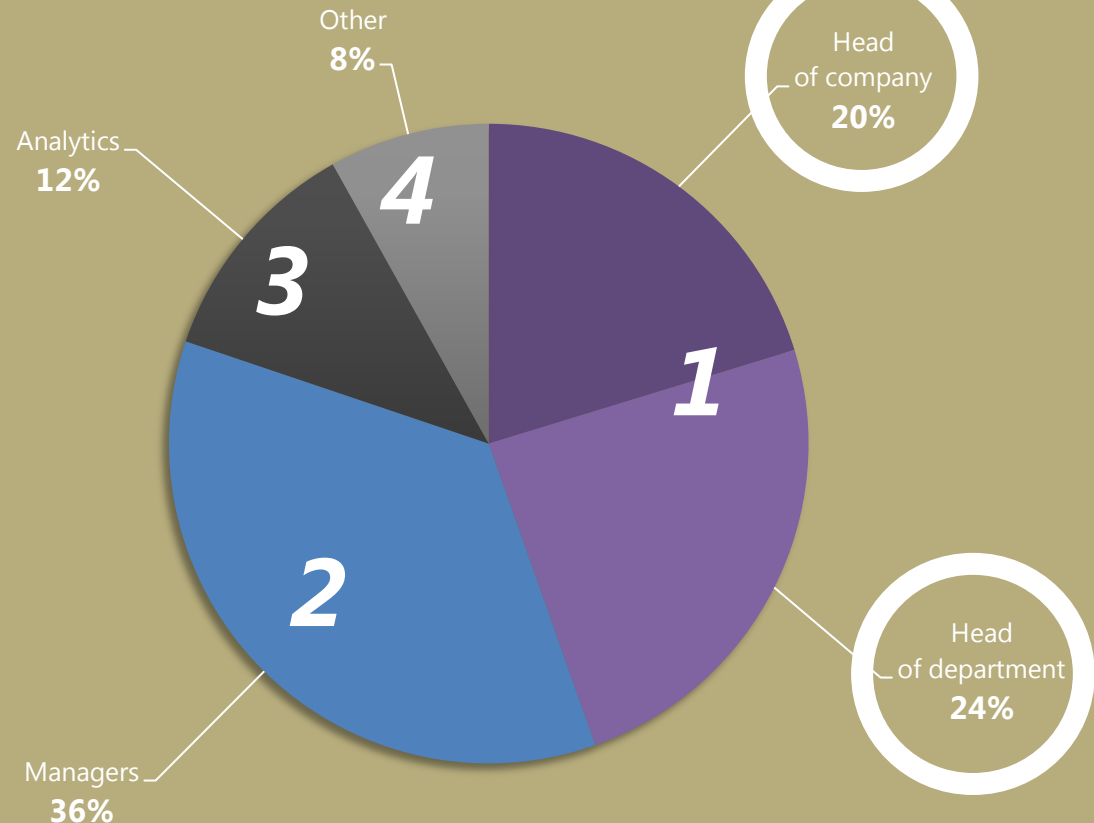
Monitoring is administered primarily by the departmental heads.

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Segmentation by industry



We asked:
"Specify the industry / ies
in which your company
operates?"
With the ability to select
a few industries.

Service sector is a clear leader in using social media monitoring (26%).

Enterprise players are represented by **banks and telecoms** – 10% and 9% respectively.

13% of respondents are from **FMCG** sector.

Category "Others" represents 19% and includes mainly **Internet companies** – marketing, e-commerce, media.

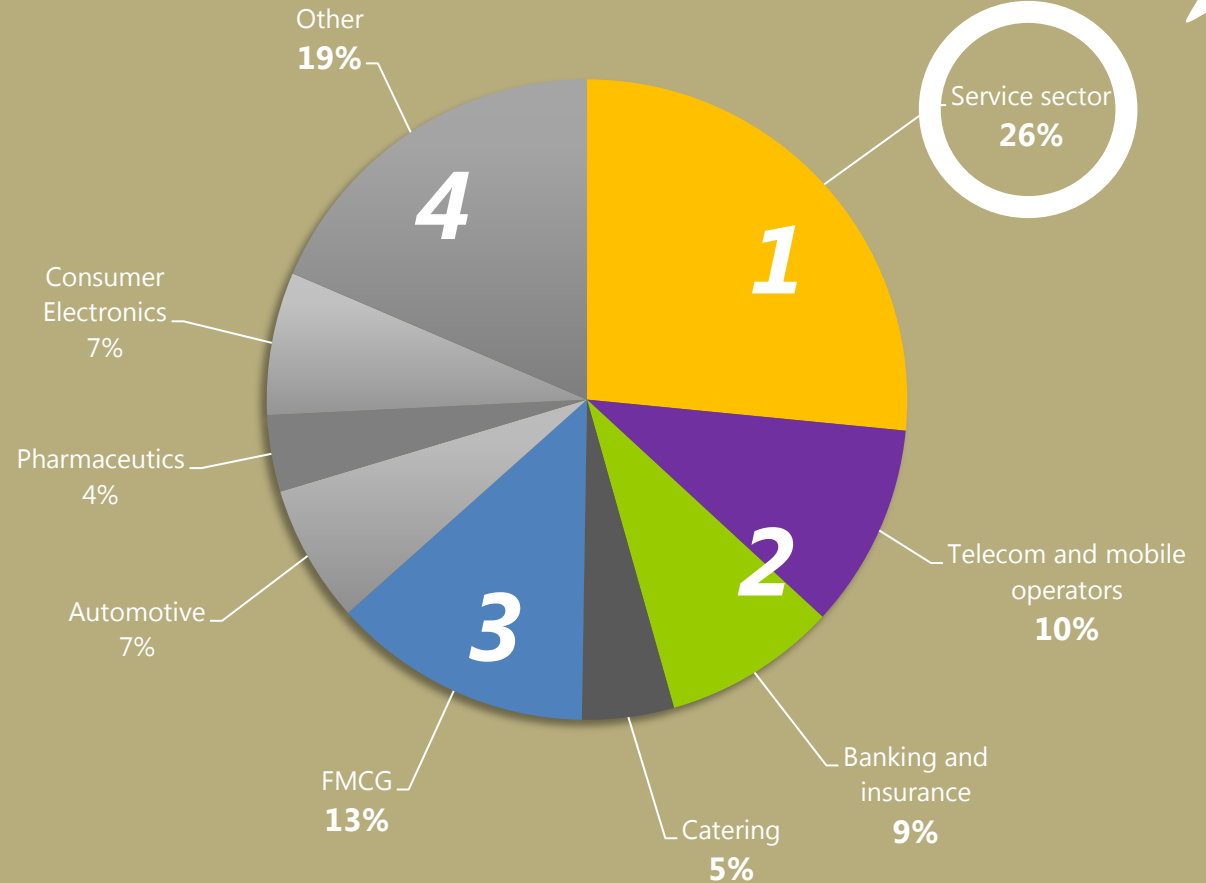
Social Media Monitoring is interesting to those with the presence in Social Media.

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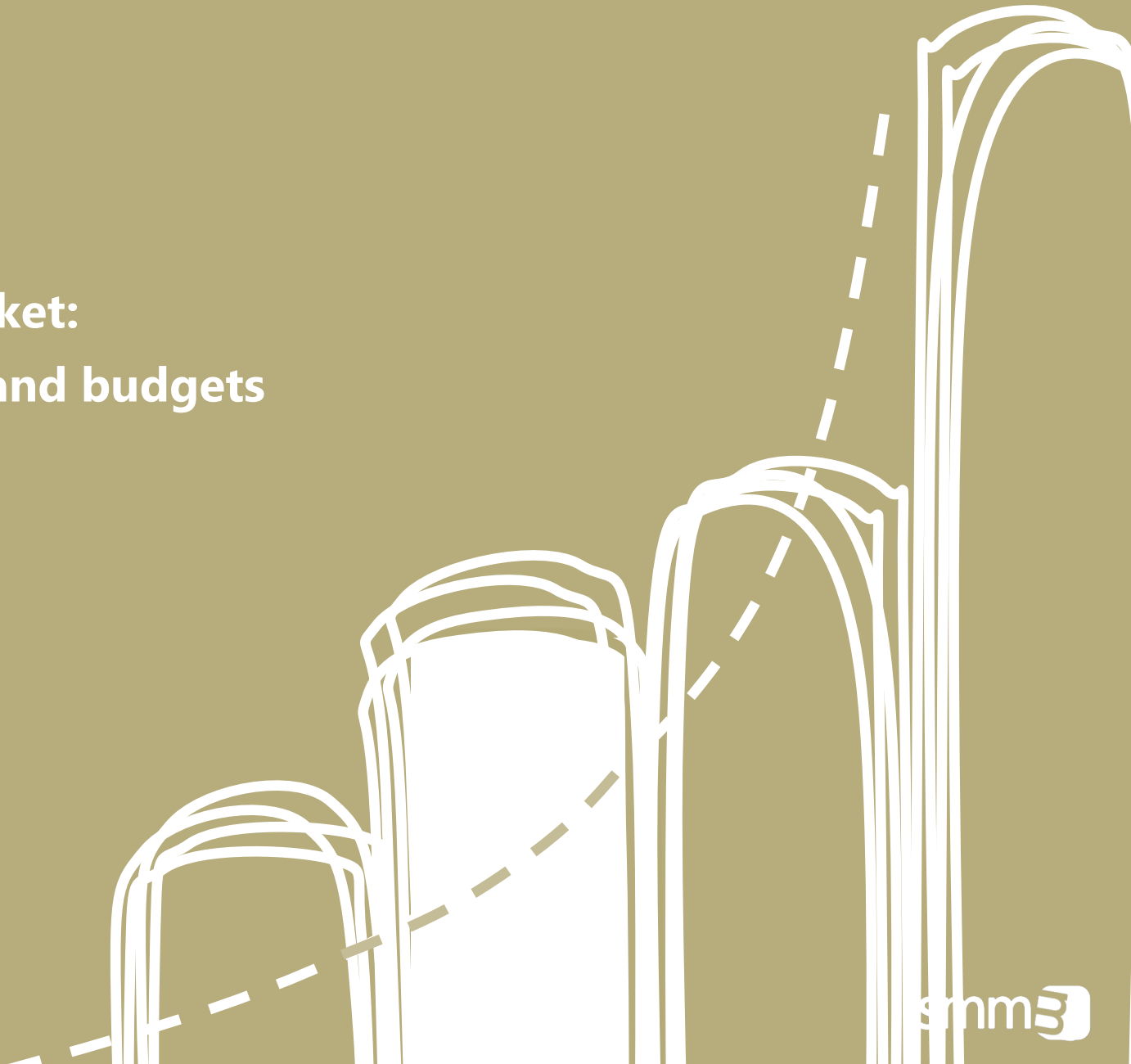
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Service sector
26%

Part II

State & trends of the market:
years in monitoring, size and budgets



The market is very young – more than 80% of respondents have been engaged in monitoring for **less than 2 years**, and 50% - **less than 1 year**.

Share of «advanced» companies in the market is 11.4% - their experience is **2-5 years**.

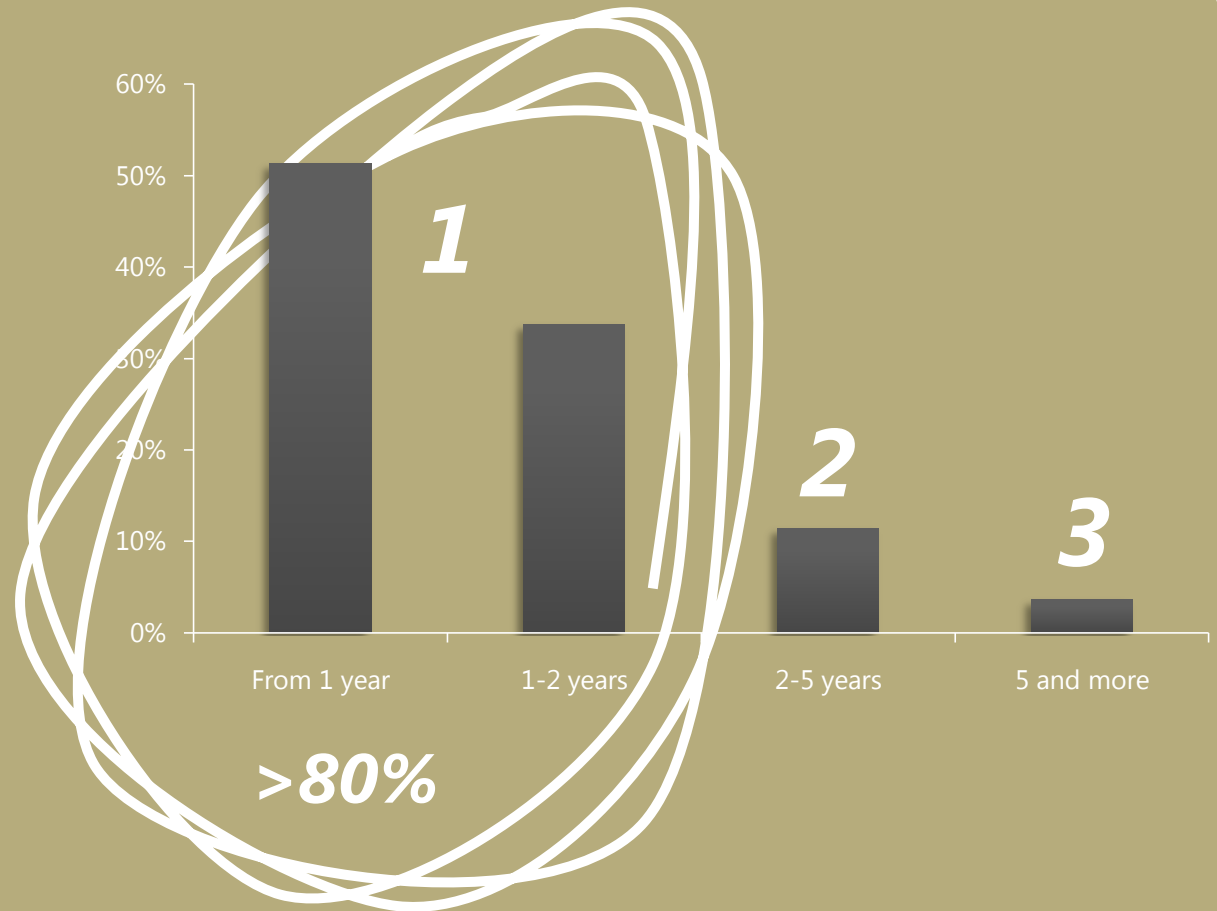
3.6% of respondents are «old players» in the market with **more than 5 years of monitoring experience**

Social media monitoring market has experienced significant growth in the last 2-3 years, with a highest growth in the last (2011) year.

Based on the views of the Theory of innovation distribution, this corresponds to the arrival phase of the majority market players - following early adapters. Although we have no information on the potential volume of "all" market, you can expect that 2012 will be the year of growth, and perhaps the market saturation.

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Years in monitoring: the age of the market



We asked:
"For how long is your
company monitoring social
media?"

The **minimum budget** is typical for most of the respondents – 42% spend only up to **\$100 per month**.

The **mainstream customers** are 1/4 of the market – their costs range **from \$100 to \$500 per month**.

The **share of heavy clients** is quite substantial – more than 20% of respondents spend **more than \$1,000 USD per month**.

This chart shows the cost of monitoring. In this survey, we did not investigate the **cost structure of monitoring (e.g., analysts wages, subscription to a monitoring system, queries, etc.)**, however, the additional research may be performed in the future.

The monitoring costs are used as a base for estimating the average size of the market segments (see below).

Company's spending on monitoring, USD/month

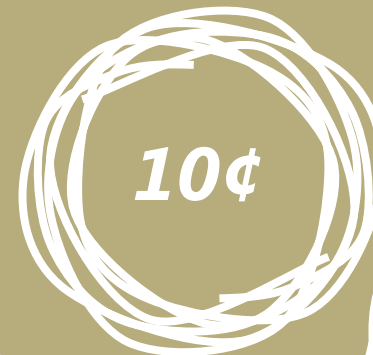
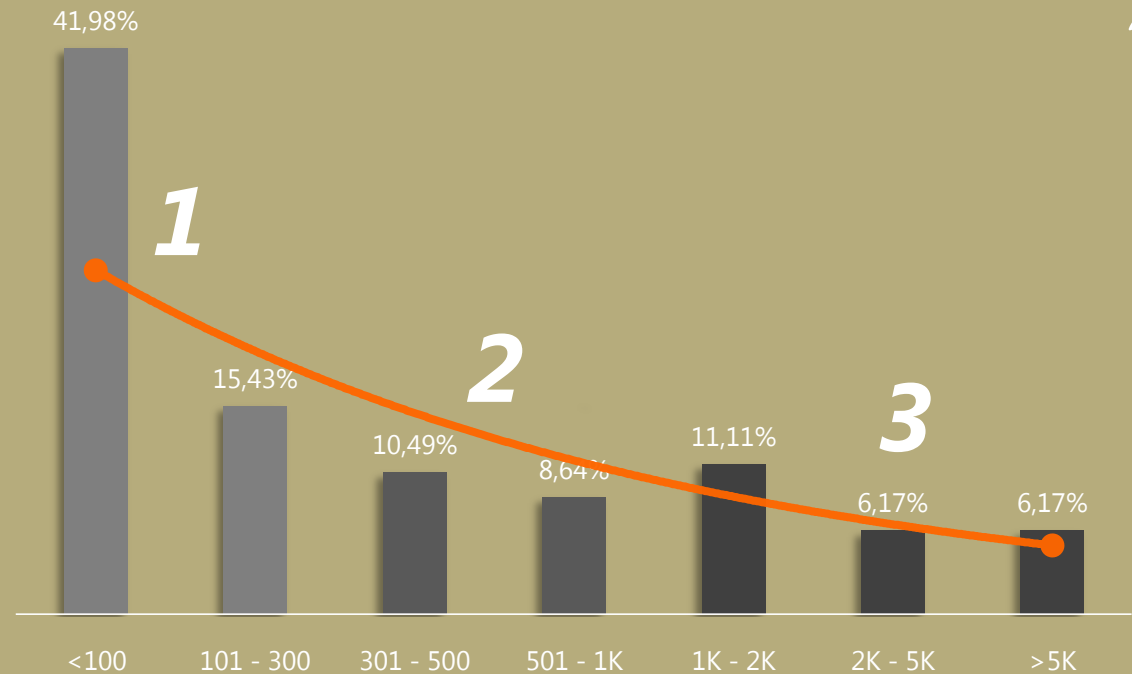


We asked:
"What is the average budget for monitoring in your company?"

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Light consumers (up to \$300) – the most numerous, but less volume of the segment (no more than 5-7%).

Average consumers (with spending of \$100 - \$500 per month) are 1/3 of the market (25-30%).

Share of the **premium segment** (costs from \$1,000) is the most significant – 65%-70% of the market.

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Consumers have been grouped based on the average monthly spending into three key segments:

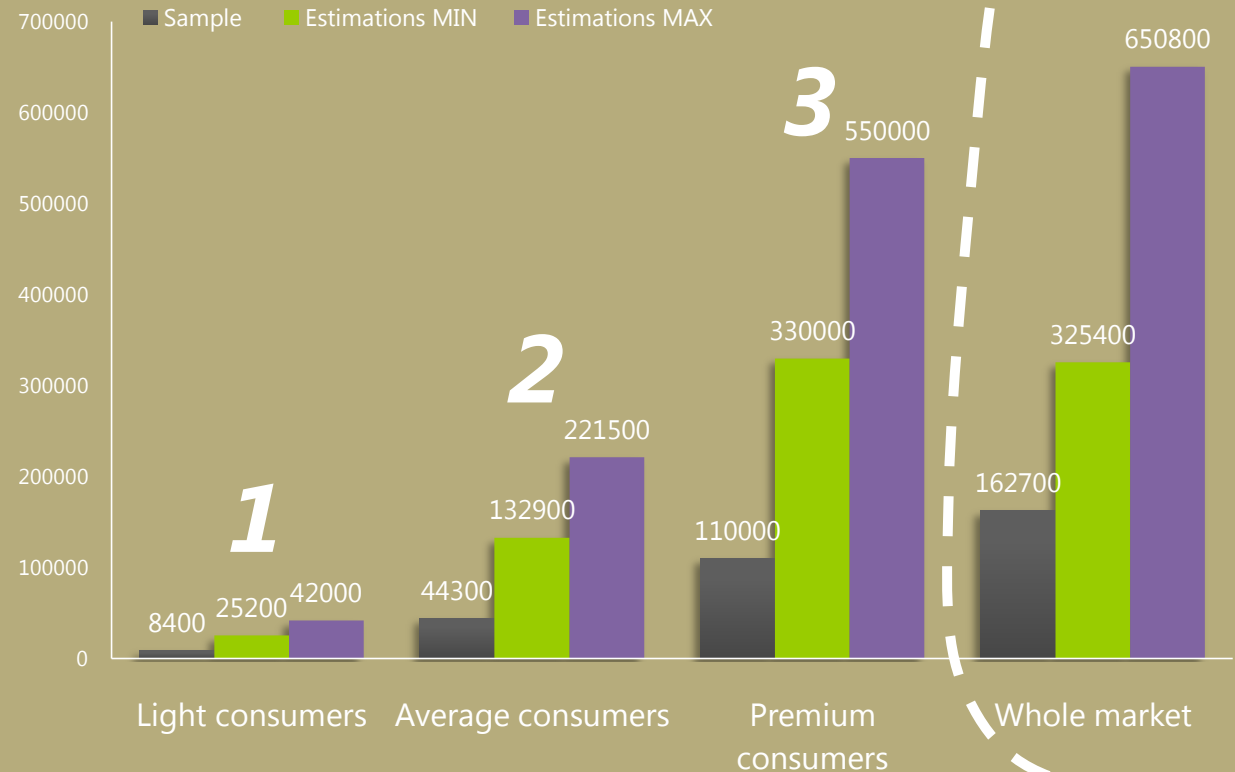
1. **LIGHT CONSUMERS (<\$300)**
2. **AVERAGE CONSUMERS (<\$1000)**
3. **PREMIUM CONSUMERS (from \$1000)**

The sample represents every second / fourth consumer of monitoring.

Evaluation of the average market size, USD/month



We asked:
"What is the average budget for monitoring in your company?"



NOTE

To calculate the monthly market size for the sample, we multiplied the number of respondents in each segment by their average budget (for example, the budget up to \$ 100 is reported by 68 respondents, so we have 68 * \$ 50 = \$ 3400). For the minimum and maximum values, the values of a sample were increased by 200 % and 400 % accordingly.

Thus, we believe that in our sample came every second / fourth consumer of monitoring.

Part III

**Value of monitoring:
participants, objectives, difficulties**



Department`s participation in monitoring



We asked:
"What company departments are involved in monitoring?"
With the ability to select a few industries.

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Marketing and PR – the same key departments participate in the monitoring with the most of the respondents coming from these two departments.

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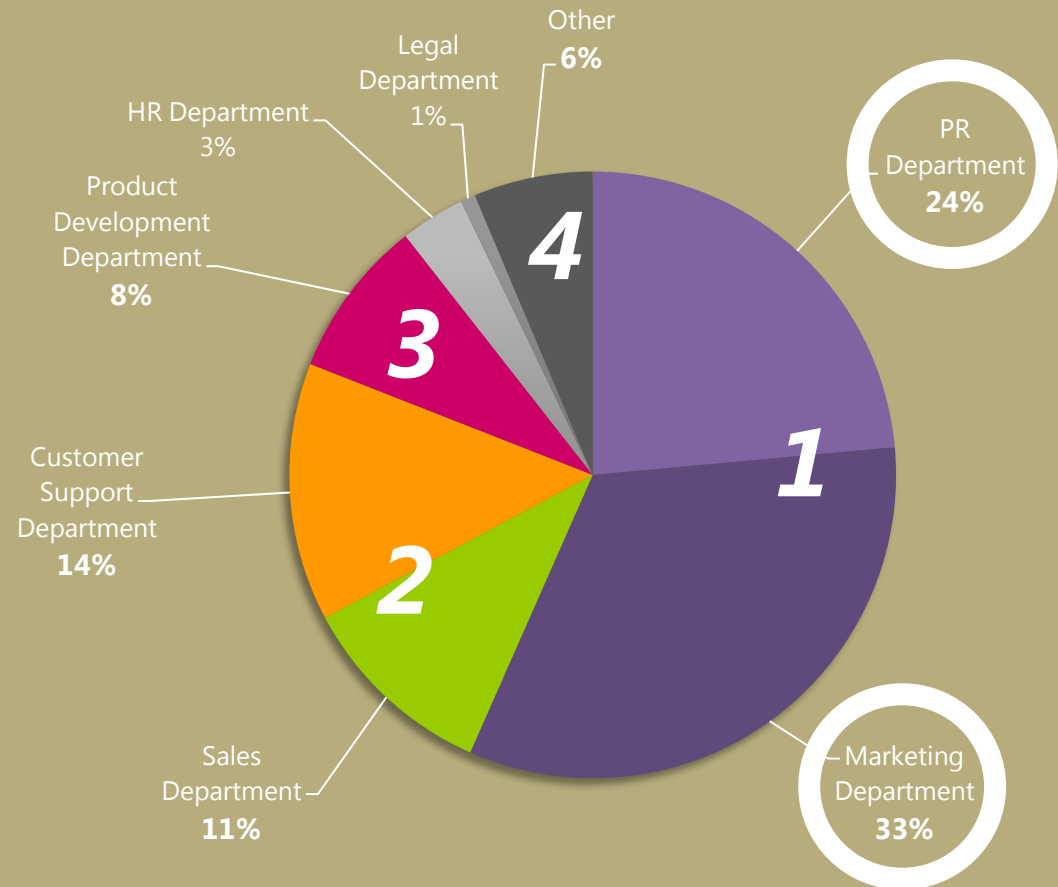
Customer Support departments rank 2nd, with a 14% share, followed by **Sales departments** (11%).

3

The share of the **Product Development departments** is comparable to the share of Sales departments – i.e. 8% of respondents use monitoring to search for ideas and suggestions to support their product/service development.

4

In category "**Other**", only 6% of respondents indicated involvement of **all departments** in monitoring (3 respondents).



Objectives of monitoring



We asked:
"What is the purpose of monitoring for your company?"
With the ability to select a few industries.

Reputational Monitoring is the leading application of monitoring in the market (30%).

Managing Negative responses holds 2nd place (22%).

The share of monitoring allocated for **customer support** (17%) and **sales** (11%).

It should be noted that 13% belong to **innovative monitoring** and 5% to **HR-monitoring**.

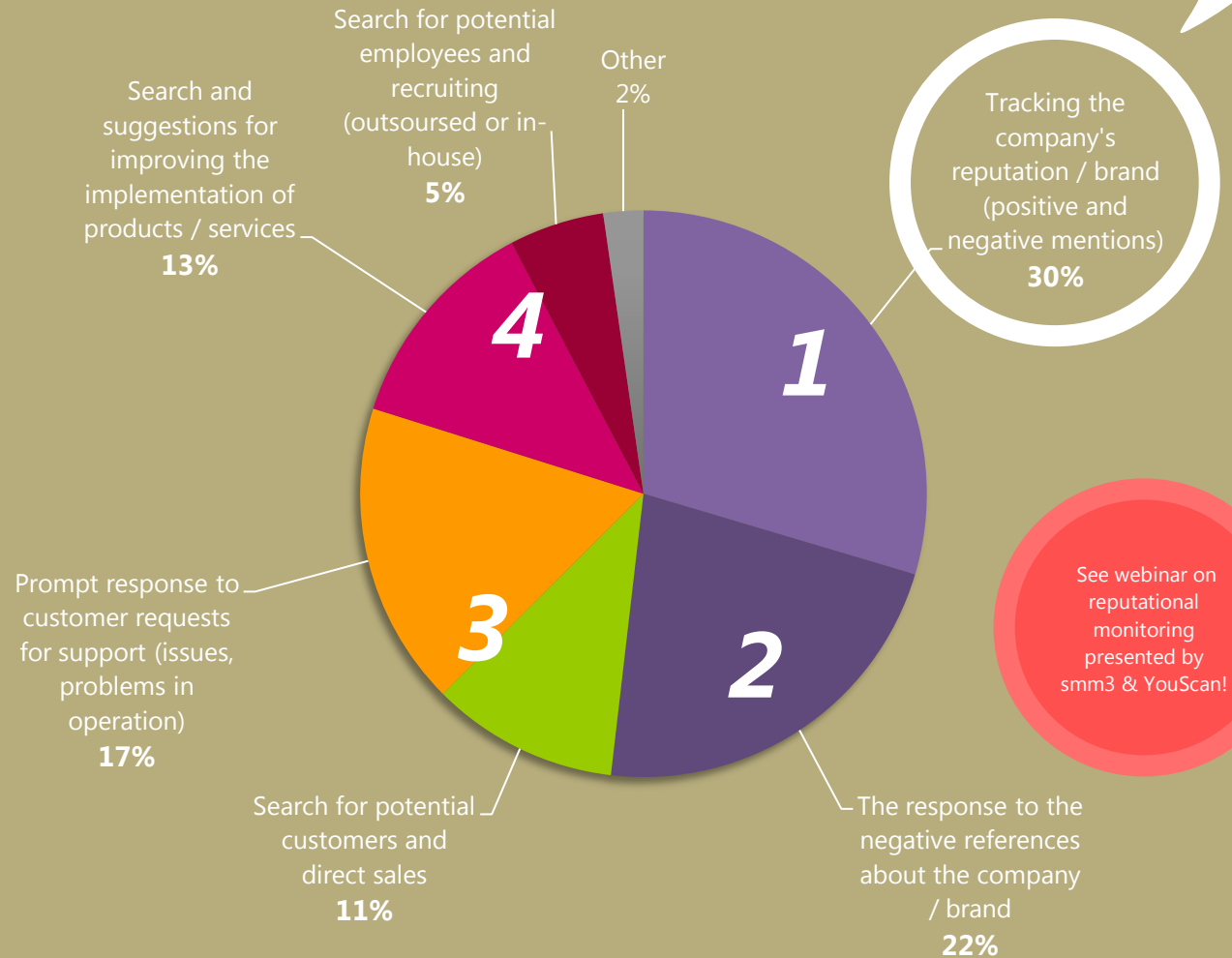
The distribution is consistent with the monitoring formats and it provides a breakdown of departments involved in monitoring, i.e., supervising monitoring, the marketing department often uses the reputation and performance monitoring with the negative outlook.

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Tracking the company's reputation / brand (positive and negative mentions) 30%

See webinar on reputational monitoring presented by smm3 & YouScan!

Difficulties in monitoring



We asked:
"What is the most difficult in monitoring?"

With the ability to select a few industries.

Tagging technique and noise reduction as closely related problems caused the greatest difficulty.



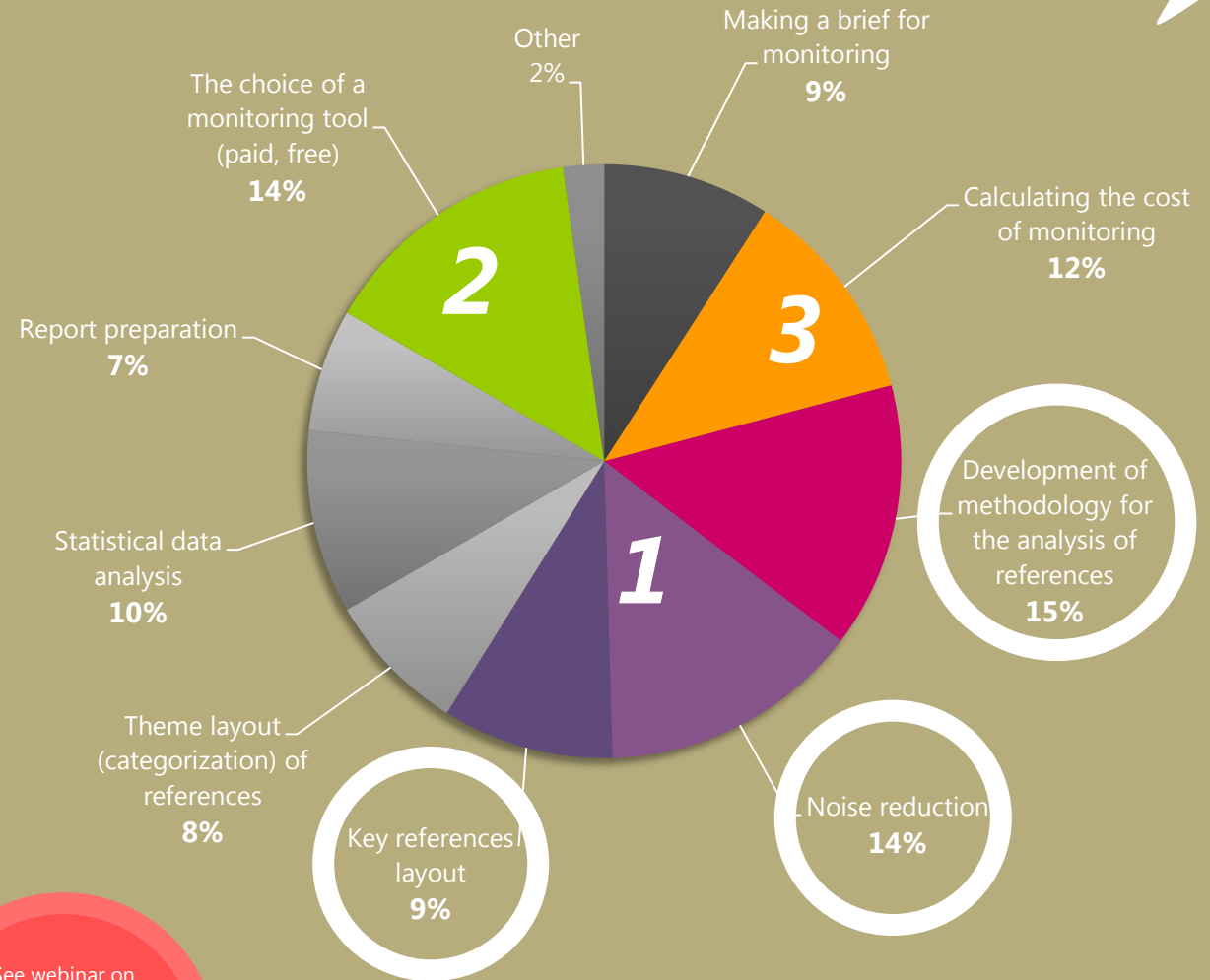
Selecting monitoring tool was mentioned by 14% of respondents, indicating a deficiency of reliable expertise in this area.



12% of respondents indicated difficulties in **calculating the cost of monitoring**.



Key difficulties in emerging markets are associated with the selection and development of monitoring tools and technologies: from the calculation of its value to engine optimization (to an automatic noise reduction) and tagging of messages.



See webinar on calculating the cost of monitoring presented by smm3 and YouScan!

Part IV
Outsourcing of monitoring:
volumes and directions

Outsourcing of monitoring



We asked:
"Who makes monitoring for the company?"

The majority of respondents do **in-house social media monitoring** (74%).

Partial outsourcing was pursued by 17% of respondents.

Full outsourcing was pursued by only 9% of respondents.

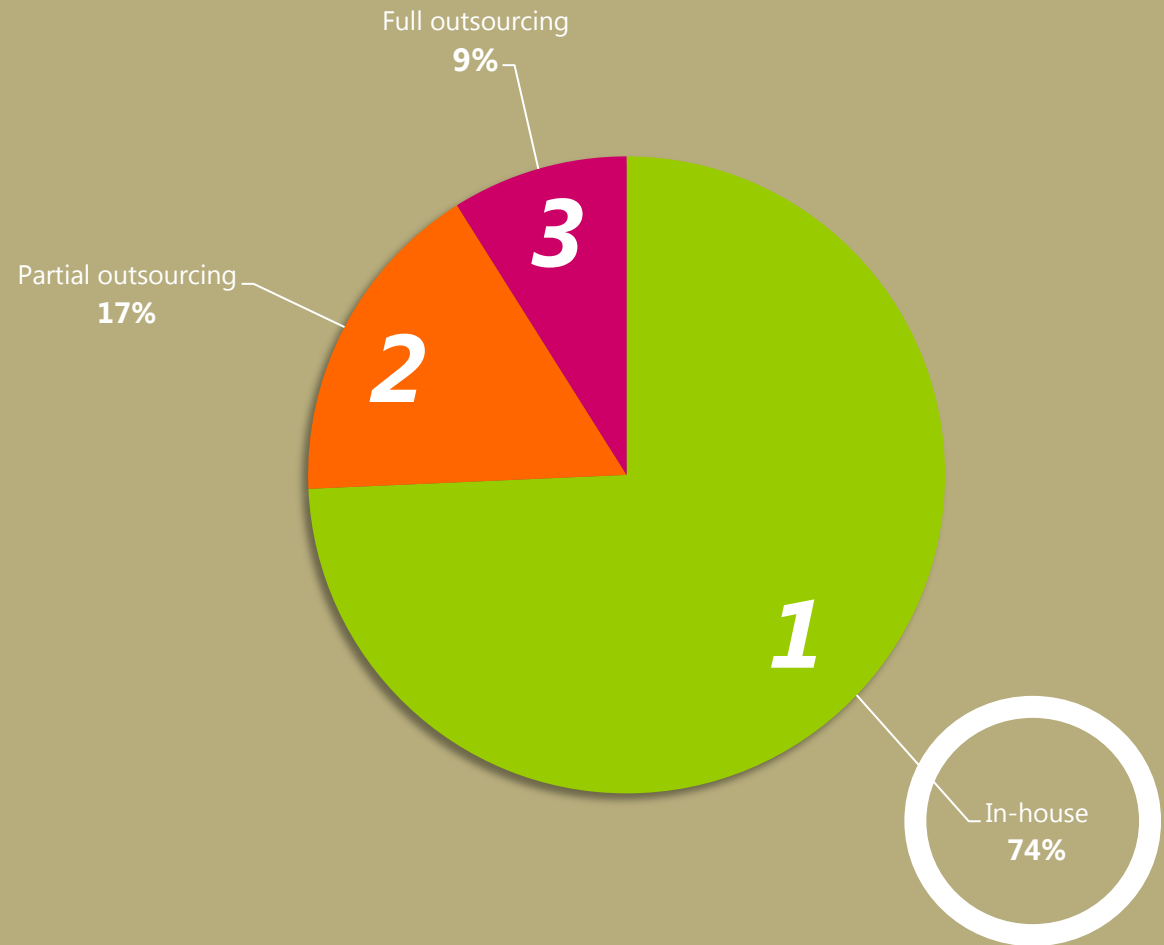
Who is more likely inclined to outsource social media monitoring (fully or partially)? Which facets of social media monitoring are typically outsourced?

For answers, see the following reports in this series.

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Outsourced works



We asked:
"What are the monitoring components can be given to outsourcing?"

Very small number of respondents outsourced "a strategic" facets of SMM process: more specifically, only 5% of respondents outsourced preparation of brief for monitoring and only 8% outsourced cost calculation.

«Working» components of SMM process were more likely to be outsourced – from setting up metrics to report preparation.

The labor-intensive task such as noise reduction is especially suitable for outsourcing – 16% of respondents currently outsource this task.

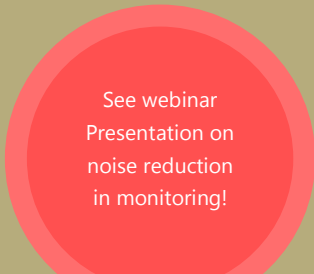
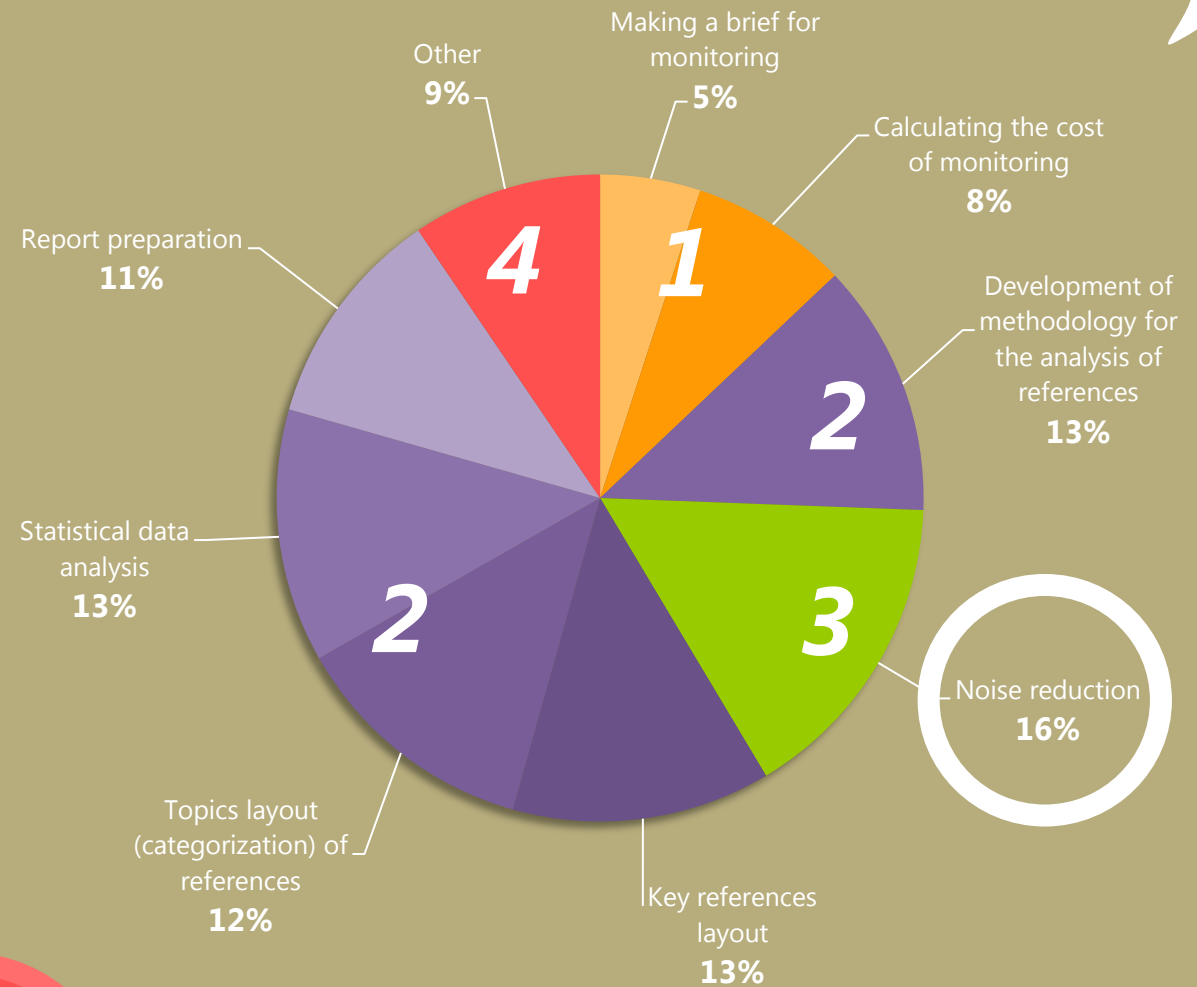
Within the category "Other", respondents mostly specified that **no SMM objectives should be outsourced to external providers.**

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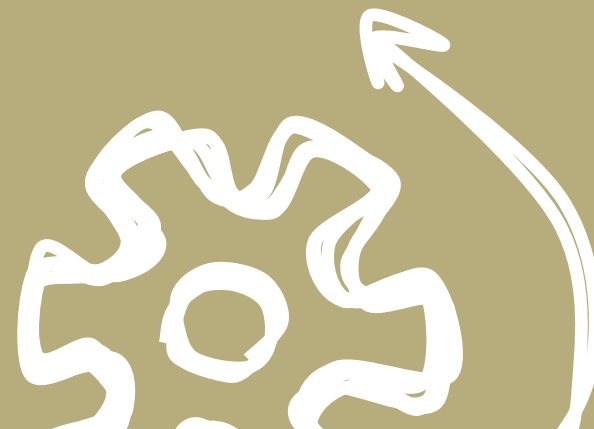
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See webinar
Presentation on
noise reduction
in monitoring!

Part V

Technology of monitoring: metrics, data and tools



Key Social Media Monitoring (SMM) Metrics



We asked:
"What indicators interest you the most?"

With the ability to select a few options.

Key SMM metrics – **Volume and Tonality** were given the most importance (40% of respondents).

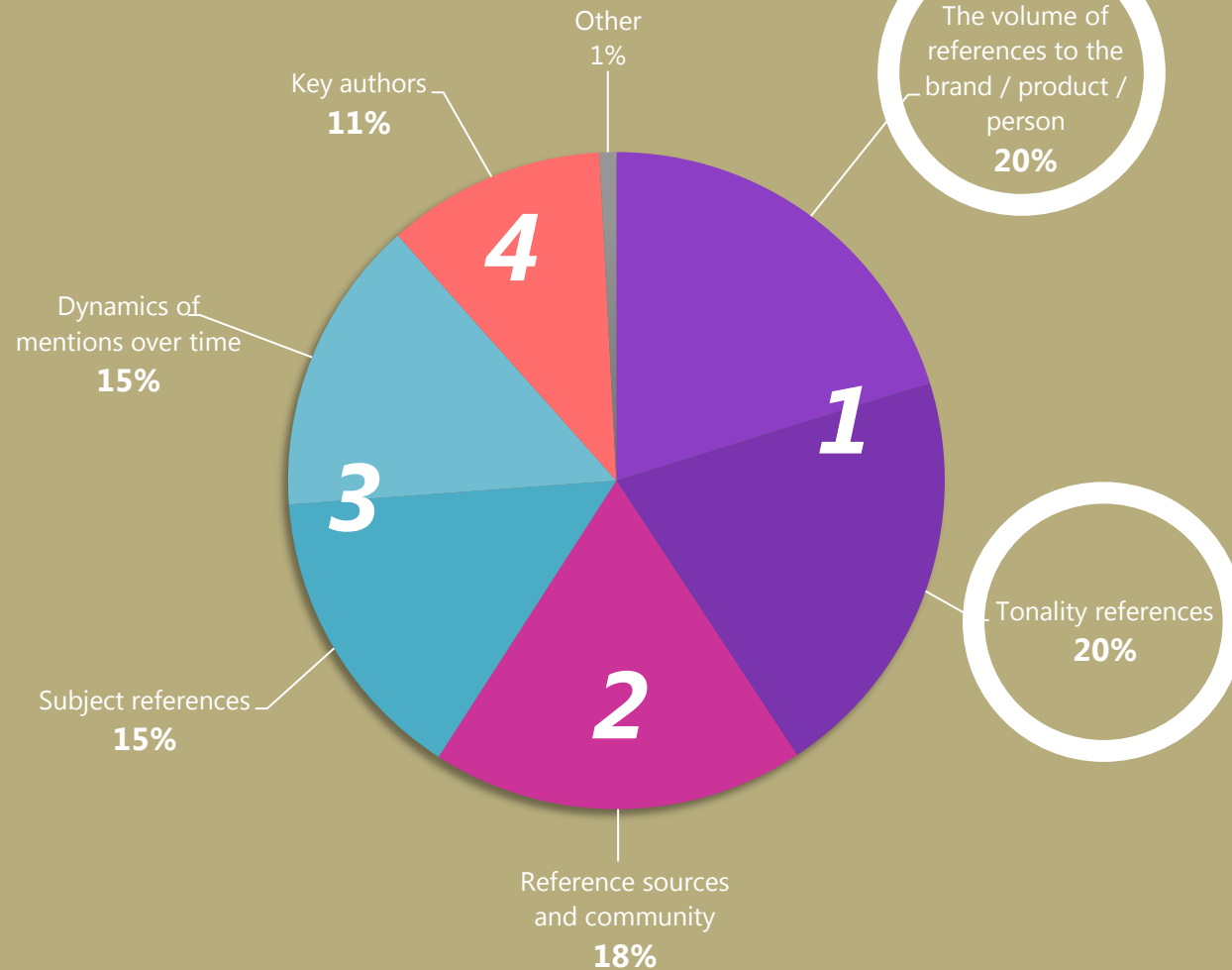
Reference sources and community – was cited by 18% of respondents

Subject references and trend analysis (dynamics of mentions over time) have given the same weight (**15% each**)

Key authors/opinion leaders analysis was given less interest (11%).

Considering the popularity of Reputation Monitoring, selection of common social media metrics for the analysis of brands/products is logical. With the further development and adoption of SMM tools and services, it is reasonable to expect that consumers will give more attention to thematic analysis of references and identification of opinion leaders.

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The vast majority of monitoring consumers **respond to all references** in social media (79%).

15% of respondents only respond to **negative opinions**, while **1% to positive comments**.

Only 6% of respondents **do not engage** based on the monitoring.

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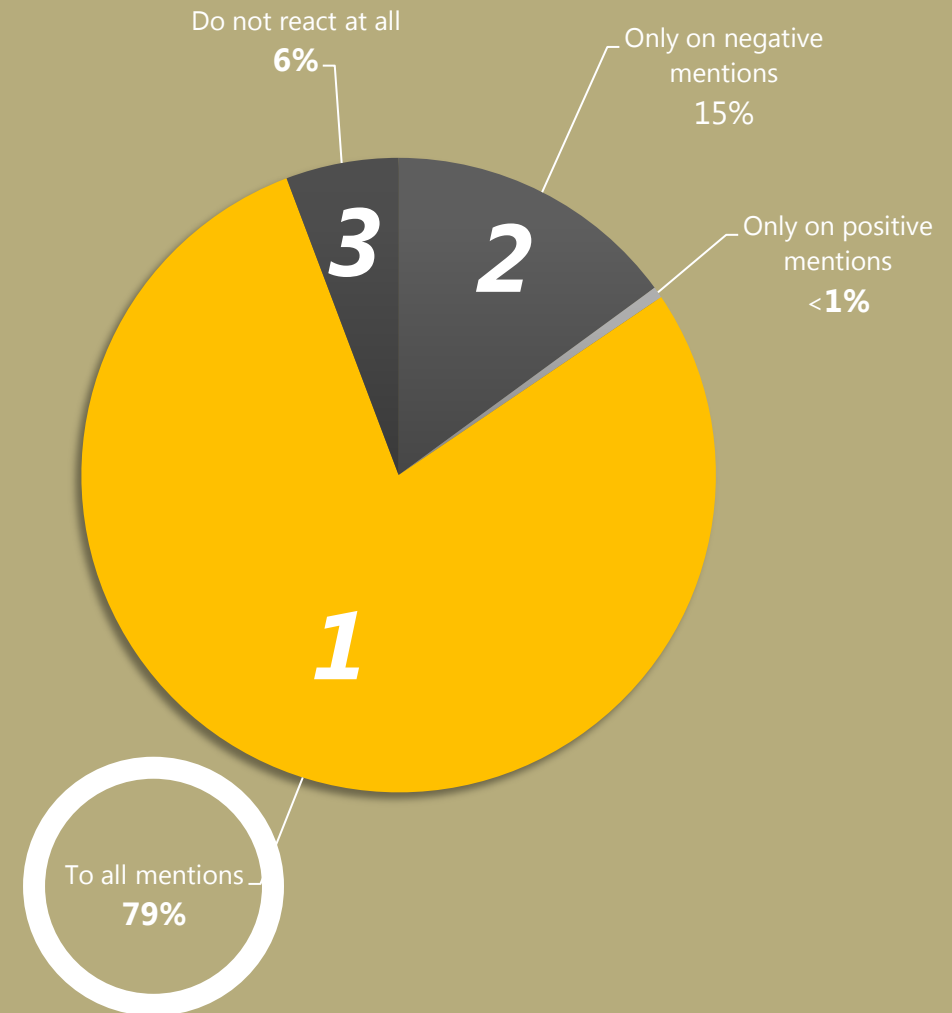
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High level of reaction “to all mentions” among our sample is probably due to the high proportion of “light” users who can afford to respond to all references in contrast to the high premium (larger) brands.

Engagement: Responding on the basis of monitoring



We asked:
"To what mentions in social media do you respond?"



Continual monitoring prevails: **daily monitoring** and **weekly monitoring** are practiced by 70% of respondents.

Monthly monitoring was also common practice (22% of respondents).

Monitoring on a **quarterly/annual base** was practiced by 8% of respondents.

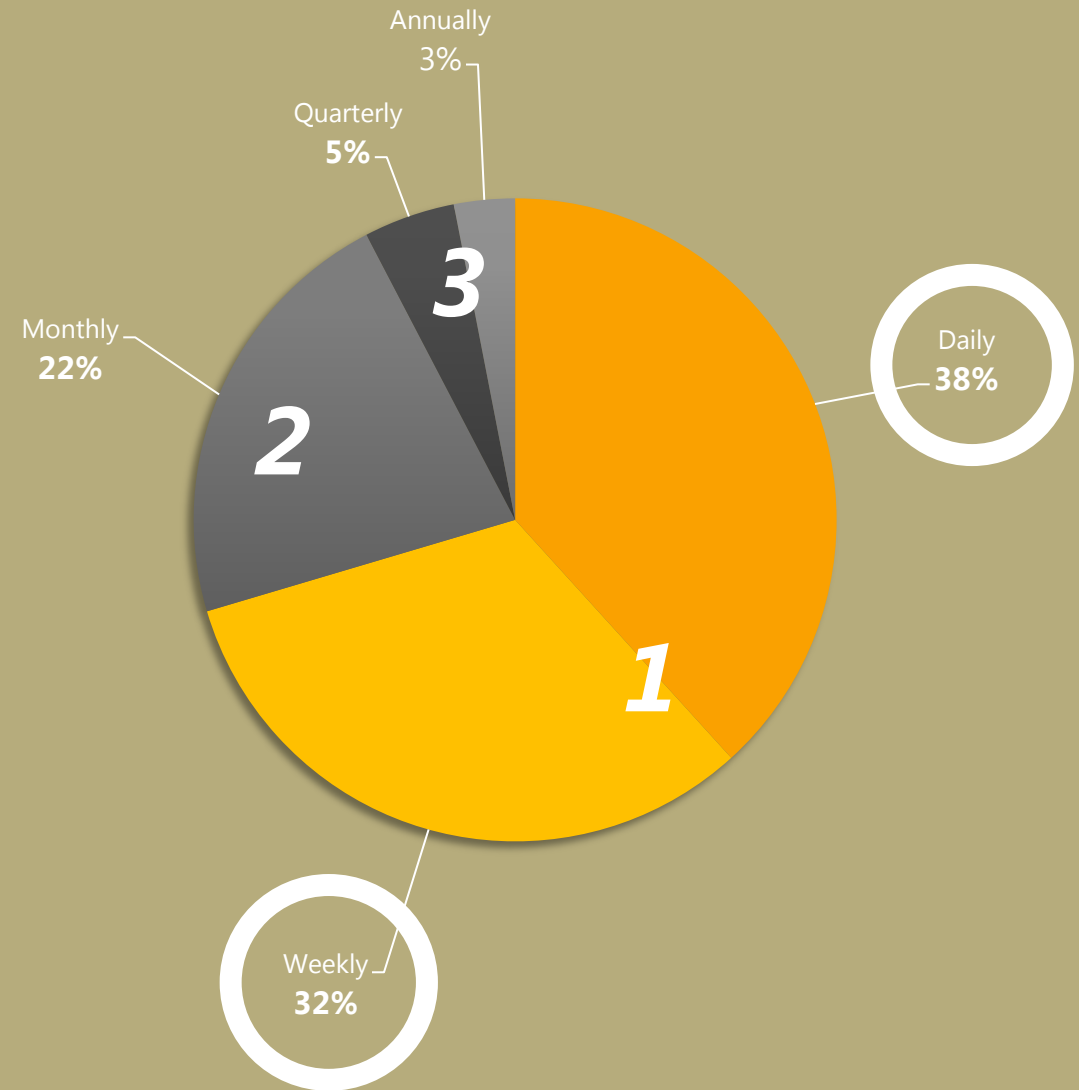
Considering the distribution of monitoring tasks (see page 11) and responding to all the references, a high usage of daily monitoring is quite natural.

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Consistency of monitoring



We asked:
"With what consistency you carry out monitoring?"

Social Media Monitoring Data and Analysis have been primarily used in support of **Strategic Planning and Content-Management (1 – 33%)** and gaining **Customer Insights (2 – 33%)**, which includes “Key Issue Analysis for Customers” and “Customer Satisfaction Analysis”.

13% of respondents use SMM data to measure **the effectiveness of their SM campaigns**, while 12% use it for identifying opinion leaders and brand advocates

Only 9% of respondents use SMM data and analysis for **Media Planning**.

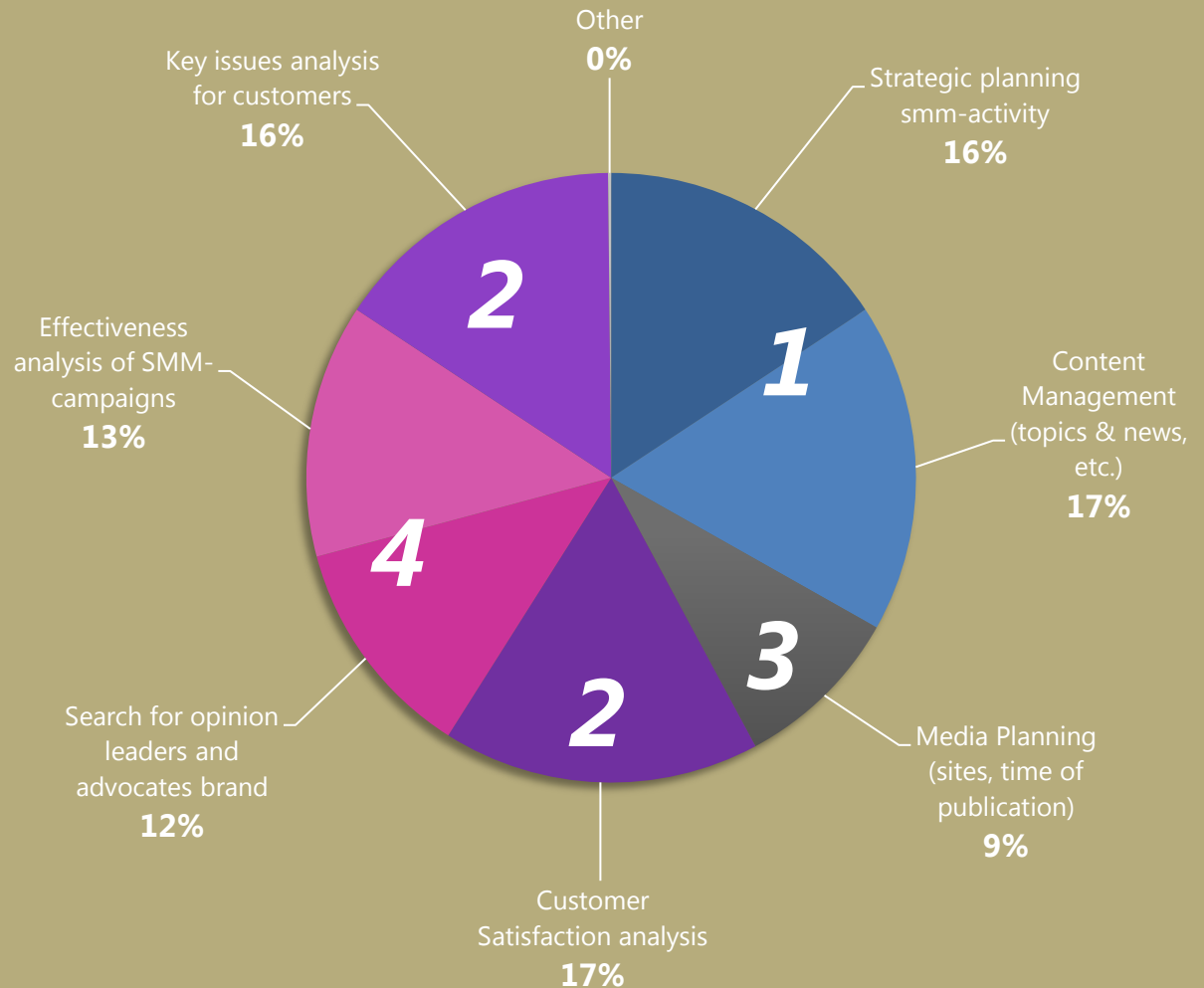
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Usage of monitoring data



We asked:
"How they use monitoring data?"

Monitoring Tools: Automation



We asked:
"Do you use automatic monitoring tools?"

Almost half of respondents (42%) use automated SMM.

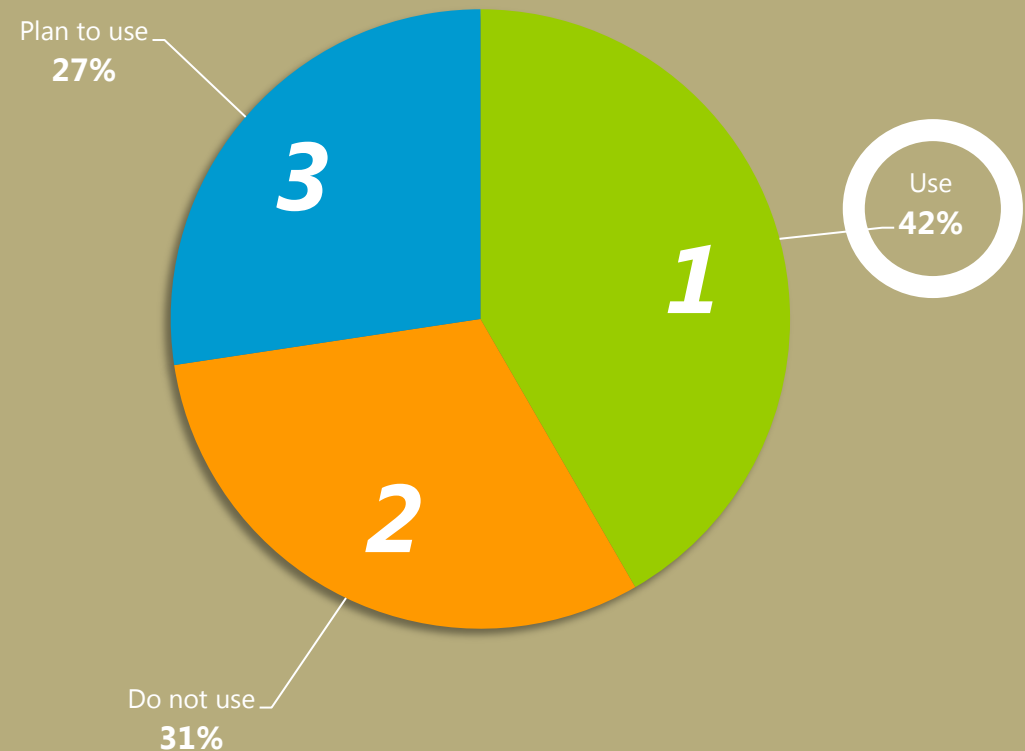
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More than half of respondents (58%) **"do not use" or "plan to use" automatic monitoring tools** (segment of potential market growth)

2

with 27% of respondents planning to switch to automated monitoring tools (potential customers to monitoring vendors).

3



Based on the current data, we can only assume that the use of manual / semi-automated monitoring (e.g., monitoring based on Yandex, Blog Search) is more common for brands (case studies with a low mentions).

The more detailed understanding of why respondents still do not use automatic monitoring requires additional research and exploration.

Expert`s opinion





Aleksey Orap
CEO, YouScan



YouScan – Social Media
Monitoring
www.youscan.ru

«To listen to your customers, understand their needs and interests, by using monitoring tools is one of the basic elements of social media marketing.»

In Russia and Ukraine monitoring practices (as well as the entire SMM) are just beginning to emerge. This is confirmed by the study: the majority of respondents started to engage in monitoring in the last two years. Although many Marketing and PR departments already actively do monitoring of SM, the Support and Sales departments still need to assess monitoring capabilities for its activities. The degree of automation in monitoring SM is still significantly low and there are no clear business rules concerning how to engage with the potential customers/opinion leaders and when to respond to comments, etc.

Nevertheless, we are looking ahead with a big optimism as the SMM market actively develops. In the last and a half year, there were many examples of successful introduction and automation of SMM by both large and small companies. We, as a leading SMM provider in CIS market, strive to promote SMM market development in the Region, by offering *Educational Webinars on Monitoring* in collaboration with our partners from *smm3*, by publishing various research on SM monitoring topics, by providing a free trial subscription to new users to acquaint themselves with our monitoring system based to their specific needs, as well as actively responding to the needs of users by continuously developing new features and system capabilities».

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Key Monitoring market segments are equally represented by both **companies** (41 %), and **agencies** (44 %).

Key industry trends are mostly B2C (**Service Industry, FMCG, Automotive, Banking** and **Telecom industry**).

2

The market is still in its infancy (1-2 years) and it is in active development process.

The monthly average volume of the market is between US \$**300 - \$650** with about 80 % generated by the premium customer segment (starting \$1,000/month and more).

3

Key departments of monitoring: **PR and Marketing departments**, which consequently define key monitoring objectives: **monitoring of reputation** (30%), **managing negative mentions** (22%), **its regularity, as well as tracking metrics** (volume, tonality, sources)

Conclusions

4

Key challenges in the market are noise reduction (14%), tagging (15%) and the selection of a monitoring tool (14%). These challenged tasks are widely outsourced.

5

Data is mainly used for **strategic planning** and **content management**, as well as for the **analysis of customer satisfaction and issues**.



Afterwords

“Social Media Monitoring today for most companies is still a continuation of the classic media monitoring. The owners of this process traditionally continue to be departments of communications (PR, Marketing). Together with this historical continuity, the social media monitoring inherited basic media metrics, and mainly communication tasks.

In B2C communications of "before the social media period" the media played the role of intermediary, transmitting information to a wide audience. However, with the advent of social media, consumers themselves have become an important source of information for companies, creating and sharing the personal user experience and diverse opinions that are emotionally affecting all kinds of business processes - from marketing to development department and HR. Social media has opened a C2B channel, which has been for a long time the privilege of certain departments of the company.

Thus, today, the metrics in social media monitoring should not be limited to the ones of traditional media, and the results of monitoring must be shared and used by many others, if not by all, company departments. This new approach to the collected data will impact the configuration of monitoring, its regularity and determine the methodology of analysis.



Kiryl Shafarenka
Managing Director, smm3

We hope that this study will demonstrate how and for what purposes companies nowadays monitor social media and what adjustments need to be done to make the social media monitoring not just a tool to control media KPI, but to get to work on a wider range of business processes within the company”.



Contact details

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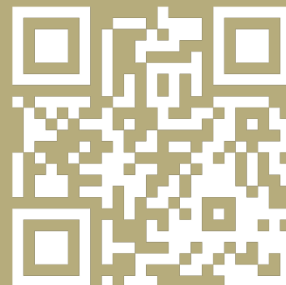
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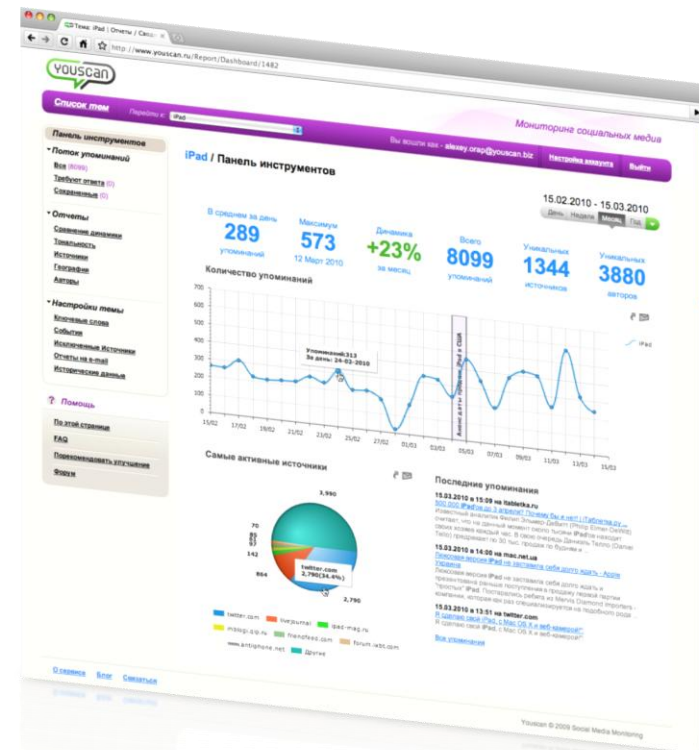
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subscribe to
regular reports
by smm3.



Social Media Monitoring Dashboard

Leading tool for social media monitoring in Russian-speaking internet:

- Trusted by major B2C brands, including P&G, Nikon, Mail.ru Group, as well as international agencies in Russia – GfK, Mindshare, Weber Shandvick (PRP).
- Covers Russian-speaking blogs, forums, Twitter, Facebook, VKontakte, YouTube
- Convenient analytical interface
- Linguistic analysis specifically tailored for Russian language
- Multiple reports & data export options
- Teamwork functionality for social media teams



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