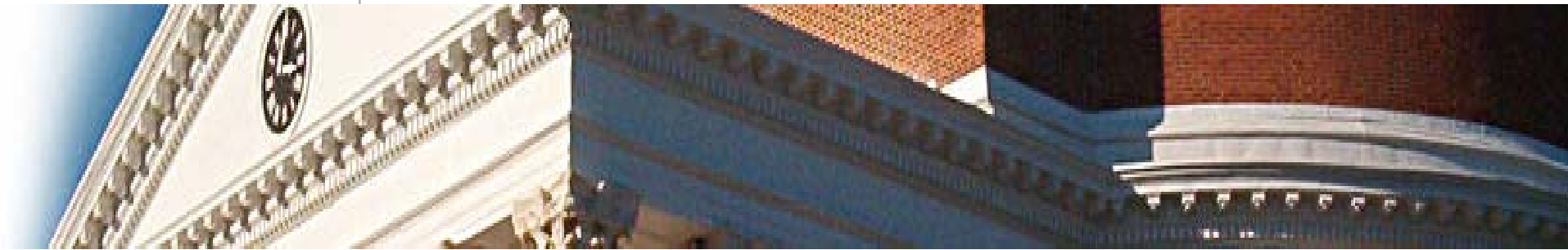


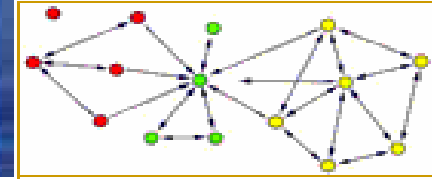
Community Analytics Case Study: The Power of Human Networks

July 2006



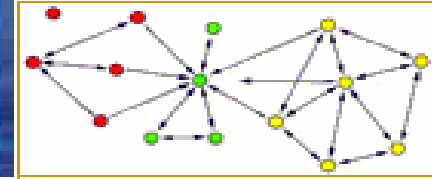
The **NETWORK ROUNDTABLE** *at the* **UNIVERSITY OF VIRGINIA**

Agenda

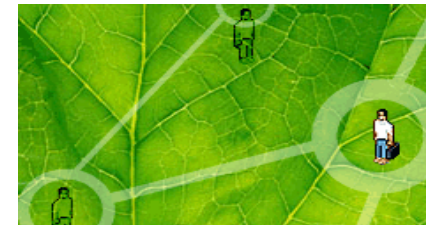


- About Community Analytics
- Why Influence Networks Matter
- Methodology
- Critical Success Factors
- Case Studies
 - Animal Health Networks
 - Alumni Networks
 - Technology Networks

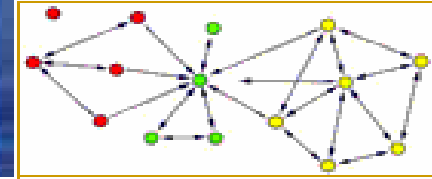
About Community Analytics



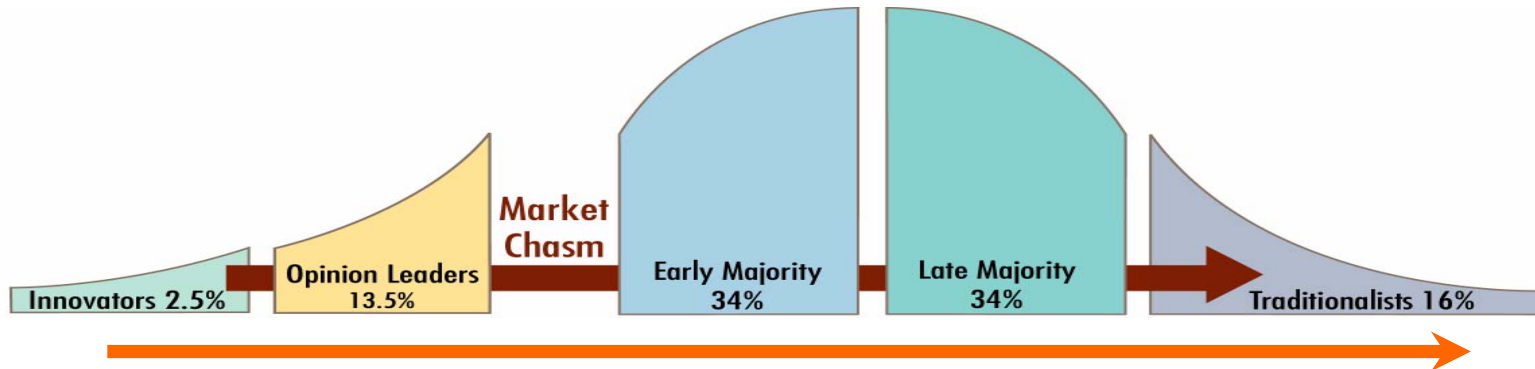
- **Community Analytics** is a data solutions company that uncovers and analyzes the personal networks individuals rely upon to make decisions.
- Headquartered in Baltimore, Maryland, Community Analytics presents a new approach to the art and science of market research and information sharing.
 - This first generation market research firm talks to *your* customers and *your* competitor's customers to determine who influences their purchasing decisions.
 - Research findings and strategic plans are derived from human interactions across cities, countries and industries.
 - Advanced statistical algorithms and powerful technology integrates the organic nature of word-of-mouth interactions with your organization's current infrastructure.
- Community Analytics strives to provide customers with valuable information that is the key to a more efficient marketing strategy, better market penetration and improved sales overall by *targeting the right people with the right message*.



Influence Networks Identify Those People Most Likely to Impact the Actions of a Larger Group



The Innovation Adoption Curve



Decreasing Risk Tolerance

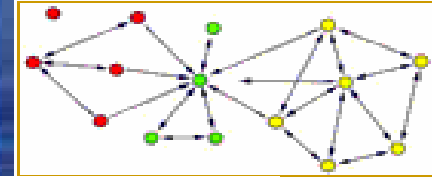
Adapted from Diffusion of Innovations, 5th ed, Everett Rogers

A critical component of a successful diffusion strategy is sequencing messaging, starting with the Opinion Leaders:

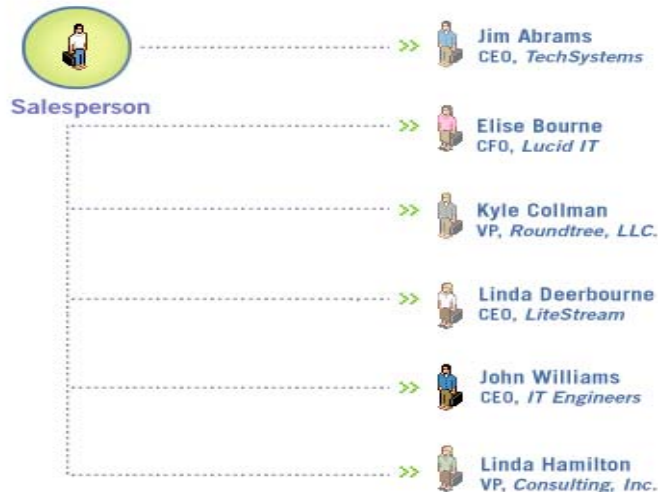
- Each population in the adoption curve has varying degrees of tolerance to risk.
- Each group removes enough risk for subsequent groups in the bell curve.
- Communities adopt products when *their* Opinion Leaders are advocates.
- It is important to know not only who the Opinion Leaders are, but also who they influence.
- Community Analytics research identifies the Opinion Leaders and the link between them and the early/late majority.
- This data allows companies to accurately focus resources.

Utilization of Influence Networks to redirect sales and marketing activities can significantly increase sales and market share.

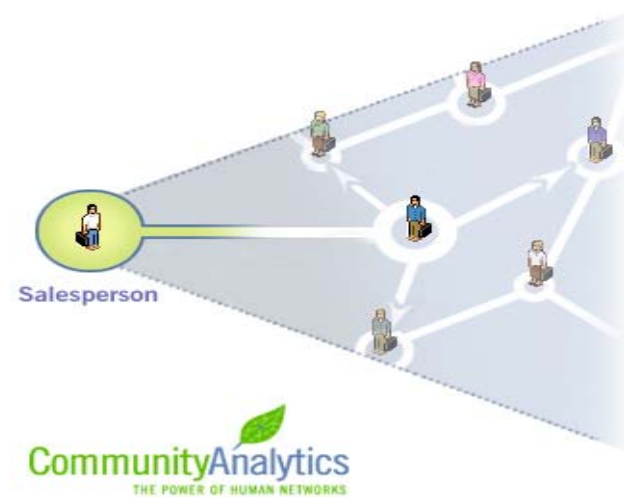
Network-based Selling Requires a Paradigm Shift to a Community Focus



Out With the Old List-based Selling



... In With the New Network-based Selling

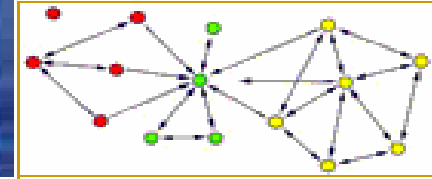


- Unrelated list of individuals
- Focus is on one-to-one interactions
- Targets the usual suspects
- Uniform message
- Information disseminated linearly
- Leaders targeted by chance
- Many resources required
- Efforts focus on generating agreement with the features and benefits of product/service



- Focuses on local communities of practice
- Targets most influential people who in turn deliver tailored messages to peers
- Information disseminated exponentially
- Positive experiences move through the uncovered relationships of trust, admiration and technical expertise within these communities
- Leaders leveraged to provide ongoing support

Influence Network Projects Rapidly Deliver Results



Week 1

- Review organizations' existing tracking tools to determine how/if network data should be integrated
 - Identify target population
 - Understand campaign objectives
-

Week 2

- Develop implementation strategy that details how the data will be used
 - Define ROI measures of success
 - Determine survey methodology (direct mail, phone, e-mail)
 - Develop survey scripts
-

Week 3

- Test survey with a small sample from the target list
 - Revise scripts based on testing
-

Week 4

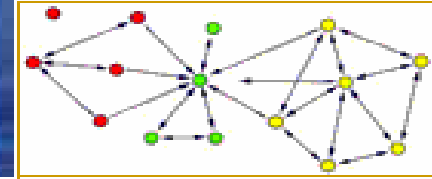
- Deploy full-scale survey
 - Work through details of implementation strategy to ensure necessary resources in place once results are available
-

Week 12

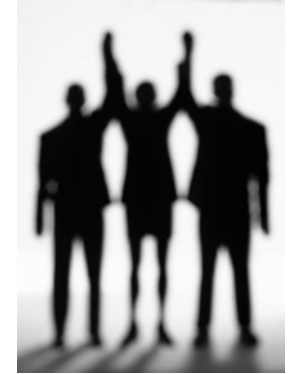
- Analyze and report results

In approximately 12 weeks, those people or groups most likely to influence decisions within specific communities are identified.

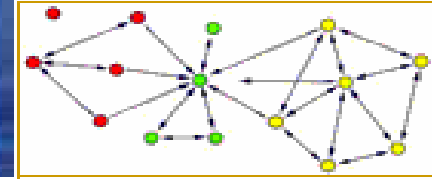
Critical Factors for a Successful Influence Network Project



- The project sponsor must have strategic responsibility within the company, and the authority to secure the resources necessary to fully support implementation.
- Key stakeholders (i.e. sales management, field reps, marketing, etc.) should be involved in project planning to ensure that data collected is actionable and presented in a format that can be utilized.
- The survey itself must be kept short—typically fewer than five questions.
- The implementation strategy should be outlined prior to conducting the survey.
- Measures of success should also be determined prior to surveying, when possible. Often these measures are qualitative, but there should be some consensus about what outcomes will indicate that the project has been a success.

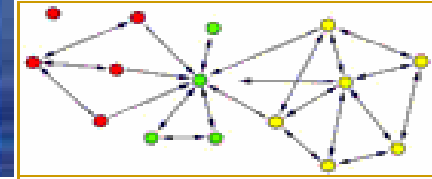


Case Study: Treatment of Canine Dental Disease Among the Veterinarian Community



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Case Study: Treatment of Canine Dental Disease Among the Veterinarian Community



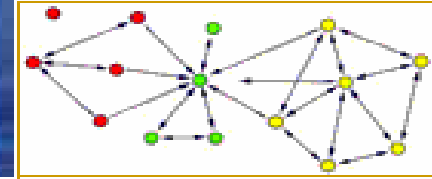
Objectives

- In 2006, Company A planned to launch a treatment to aid in the prevention of canine dental disease. By understanding the Influence Networks among veterinarians, Company A is able to optimize their sales and marketing strategy for the effective launch of this treatment.
- In addition to Influence Network data, the information will be used to:
 - Identify veterinarians who are more willing to try a new product in order to combat dental disease;
 - Assess the prevalence of dental treatments in respondent practices.

Methodology

- Survey respondents were contacted from a client-provided list of approximately 4,500 customers.
- 553 respondents participated in the five-minute study, yielding a 12.2% response rate with *no honoraria*. The respondents nominated a total of 3,692 vets.
- 90% of the surveys were completed via telephone and less than 10% of the surveys via fax.
- This data was analyzed to understand Influence Networks related to the treatment of canine dental disease, as well as trust and admiration among the veterinarian community in general.

Interestingly, the Vast Majority of Influencers and Opinion Leaders Weren't on Company A's Target List



Canine Dental Disease

	Total	Company A List	% Unlisted
Influencers	415	135	67.5%
Opinion Leaders	74	23	68.9%
Connectors	22	16	27.3%

Veterinary Excellence

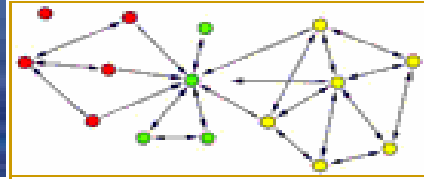
	Total	Company A List	% Unlisted
Influencers	810	190	76.5%
Opinion Leaders	112	43	61.6%
Connectors	36	30	16.7%

The project drastically improved the accuracy of Company A's sales data. As importantly, it provided a very targeted approach for future sales and marketing efforts.

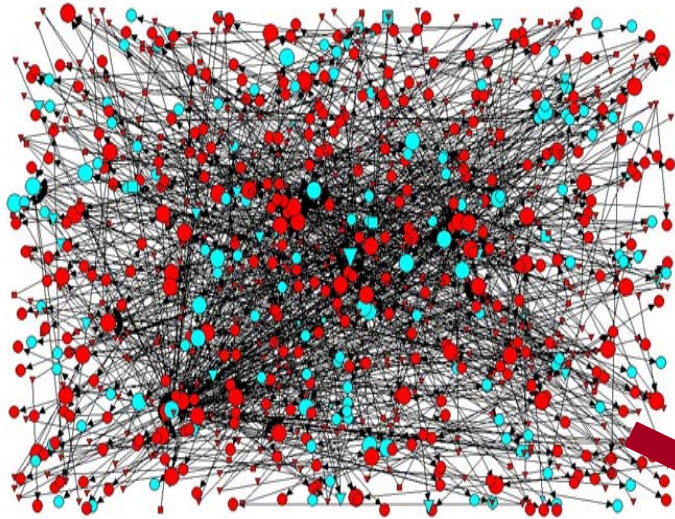
Definitions

- Opinion Leaders: individuals who are viewed as the most influential with regard to a particular topic or field. Opinion Leaders are determined by the number of nominations received, and are ranked based on the quality of nominations.
- Influencers: individuals who were nominated by one or more veterinarian(s).
- Connectors: control the greatest flow of information within the network – they make a point of interacting with other veterinarians to learn about new treatments and to share their own knowledge. Connectors are determined by the proportion of veterinarians they connect within the network.

The Analysis Identified Those Veterinarians Others Turn to for Advice Regarding Canine Dental Disease Treatment



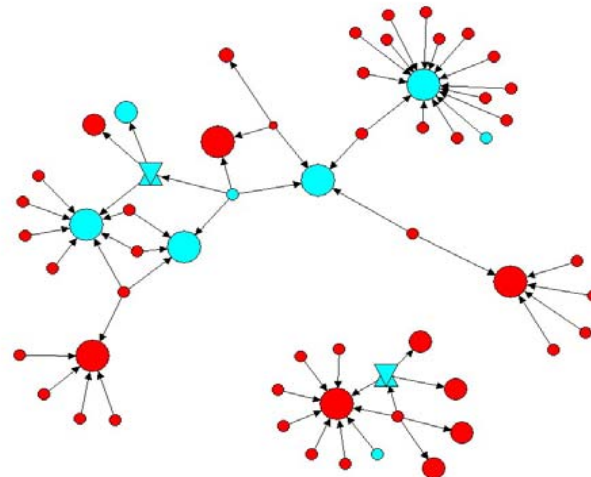
Entire Southeast Region Network



By peeling back the layers of the regional network, the relationships between veterinarians show a handful of highly influential people.

- There are eight Opinion Leaders, half of whom were not previously identified.
- There are six Influencers, five of whom were not previously identified.
- 44 people rely on the opinions of these 14 Opinion Leaders and Influencers.
- Targeting 14 instead of 58 people allows resources to be much more focused.

One Segment of Southeast Region Network







Legend

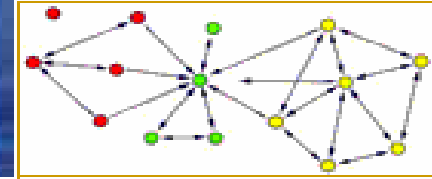
Color

-  • Company A List
-  • Leaders previously unknown

Shape & Size of Circle

-  • Opinion Leader
-  • Influencer
-  • Respondent
-  • Connector

Armed With This New Information, Company A is Modifying Their Approach to Sales and Marketing



The sales strategy is becoming much more focused on leveraging Opinion Leaders and Influencers.

- **Targeting**

- Developing strategy to reach identified Influencers and Opinion Leaders.
- Beginning to view customers (veterinarians) in the context of their networks (communities) of trust and advice-seeking.

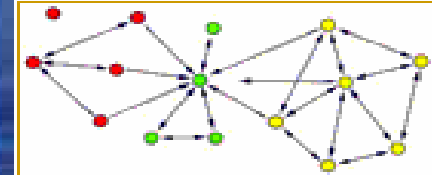
- **Leveraging Influence**

- Facilitating opportunities for Advocate Opinion Leaders to communicate with their communities about the treatment of canine dental disease.
- Looking to Advocate Opinion Leaders as advisors about the best ways to reach their communities.

- **Institutionalizing Territory Knowledge**

- Expanding the current knowledge of veterinarian relationships, which is incomplete and held informally by individual sales reps.
- Applying a business process to the collection of Influence Network data will allow for corporate ownership of this valuable information.

The Right People Will Now Receive the Right Messages



Marketing messages will have better focus and educational programs will have a bigger impact.

- **Messaging**

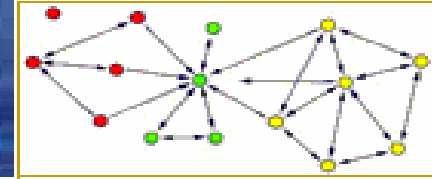
- Developing and delivering key messages more strategically based on Opinion Leader beliefs and approaches.
- Sequencing messages to the right veterinarians at the right time to drive critical stages in product adoption.

- **Educational Programs**

- Providing additional educational resources and samples to Opinion Leaders who are not yet advocates.
- Recruiting Opinion Leaders to serve as speakers at sponsored seminars provided for their communities.
- Developing community newsletters using Opinion Leaders as guest columnists.
- Providing message boards via Company A's website to facilitate community interaction.

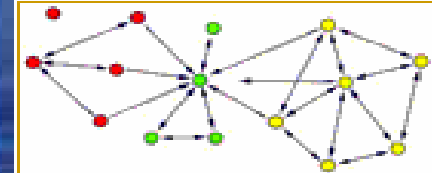
Company A and Opinion Leaders are forging a relationship to share feedback, experiences, and treatment benefits, which ultimately will result in improved animal care and streamlined processes.

Case Study: Alumni Networks



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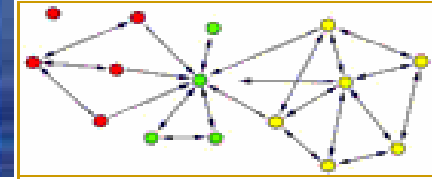
Using Influence Networks to Manage Alumni Changes the Game Entirely



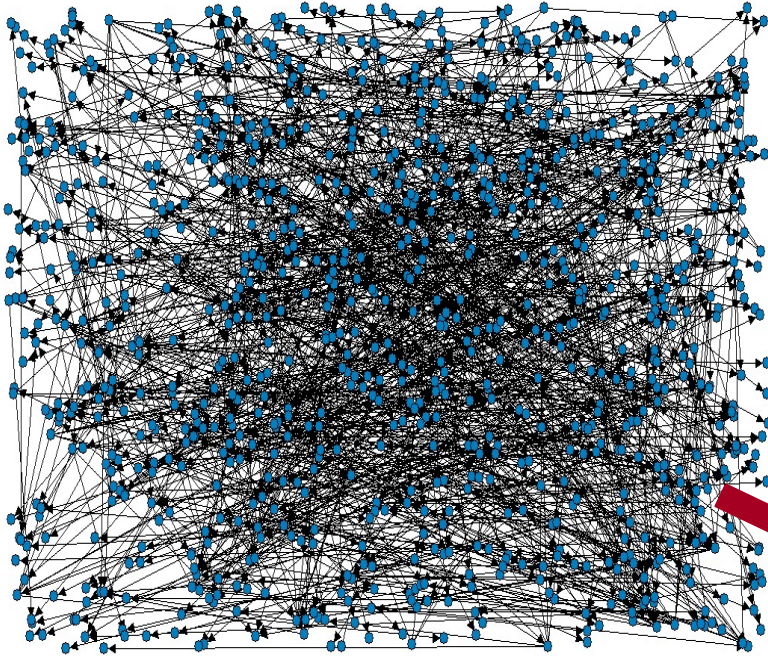
Old Method	New Method
Focus is on one-to-one interactions using a list of alumni names.	Focus shifts to communities of alumni, with existing relationships of trust and admiration.
Outreach efforts target the usual suspects – alumni who are currently active or who have ties to Alumni and Development staff.	Outreach efforts target the most influential 10% of alumni, as identified by the alumni community.
A uniform message is sent to all alumni.	Provide opportunities for the most influential 10% of the population to deliver tailored messages to their peers.
Spread of University support is linear.	Spread of University support is exponential.
Outreach initiatives rely upon University staff.	Outreach initiatives leverage Alumni Leaders, who naturally become University representatives.
Steering committees consist of University staff and engaged alumni, who may or may not be considered Alumni Leaders.	Alumni Leaders become an integral part of steering committees, ensuring community support.
Alumni involvement and support must be reactivated by the University each year.	Alumni involvement and support increases organically through self-sustaining alumni communities facilitated by the University.

The objective is to create a much closer and more productive relationship between alumni and the university without increasing resources allocated to alumni initiatives and fundraising.

A Snapshot of Alumni Leaders Identifies Five Key People From the Larger Network



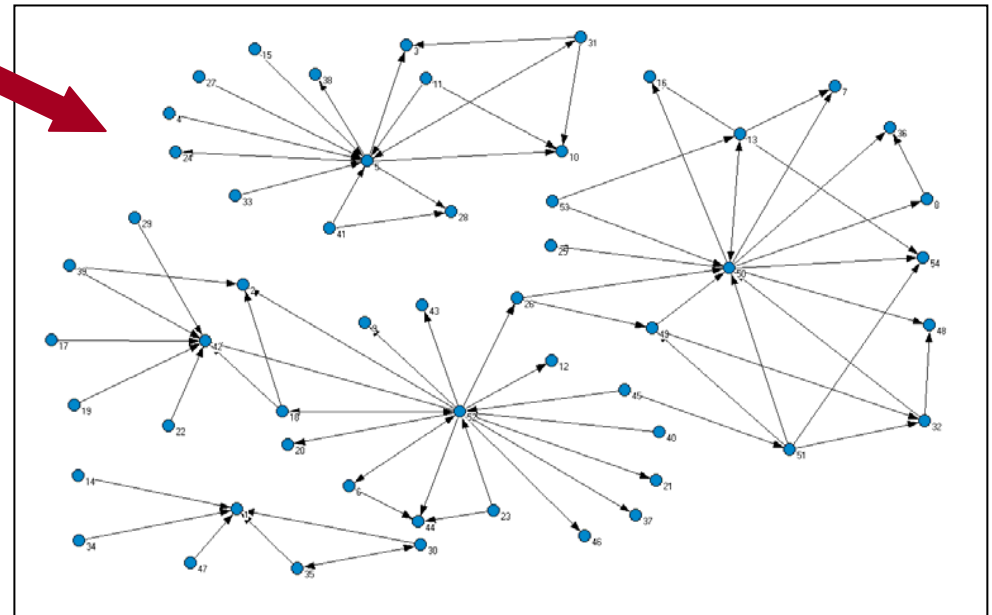
Entire Alumni Network



The Influence Network methodology filters the hundreds of alumni to ascertain the five natural leaders.

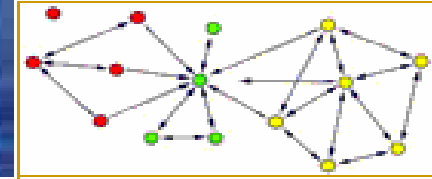
Alumni relationship data can easily integrate with existing alumni/development tracking software.

Snapshot of Sample Alumni Leaders



Note: The arrows between alum A and alum B indicate that alum A respects and admires alum B, and has an existing relationship with alum B.

The End Result is a Higher-Quality Relationship With Alumni



Targeting

- Identify the most influential alumni and quantify the value of their influence.
- Prioritize resource allocation based on an individual's level of influence.
- Create a strategy for leveraging the influence of Alumni Leaders to drive capital campaigns.
- Understand how to most effectively solicit potential large donors through their networks of trusted friends and fellow alumni.

Leveraging

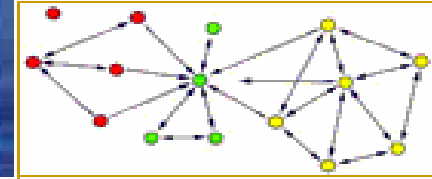
- Build advocacy with the right alumni.
- Use the relationships between individuals in the network to carry the support of the University throughout the alumni community.
- Help Alumni Leader donors tell their story through case studies, alumni message boards, development events, forums, and more.

Messaging

- Tailor marketing materials to Alumni Leaders.
- Facilitate the dissemination of information and positive experience from Alumni Leaders to their network members.
- Focus messaging on a leader's experience of benefit or acknowledgment of the importance of supporting the University's current initiatives and future growth.

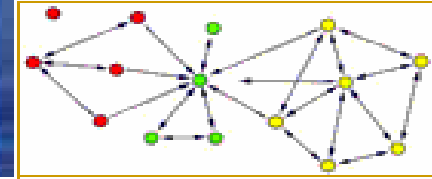
Implementing influence networks can strengthen the alumni community as a whole. In turn, this facilitates support for University initiatives through collaboration and a sense of ownership.

Case Study: Storage Networks



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Leading Technology Publisher Sponsored a Study to Identify the Key Technology Decision Makers



Objectives

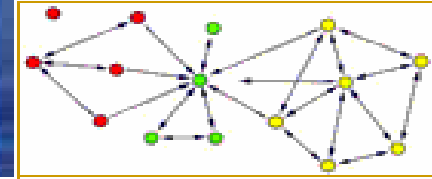
- Accurate identification of Opinion Leaders and Influencers to better understand the sales process for servers and storage devices.
- Integration of study results into the sales and marketing initiatives of one of the largest providers of servers and storage devices.
- Assessment of the Publisher's databases through the comparison of survey results to existing data, including the identification of missing opinion leaders.
- Creation of a robust database for use by Fortune 500 technology companies, who rely upon this data as the core of their targeting and marketing activities.

Methodology

- 6,977 targets in Dallas and 3,157 targets in Baltimore.
- 11.1% response rate in Dallas and 16.7% response rate in Baltimore.
- 775 completed surveys in Dallas and 528 completed targets in Baltimore.
- 4,700 nominations in Dallas and 3,013 nominations in Baltimore.
- **More than 80% of the identified Influencers and Opinion Leaders were not in the publisher's database.**

Networks	Network Members	Influencers	Opinion Leaders	Company Leaders
Dallas	Company: 1,680	Company: 907	199	174
	Individual: 3,617	Individual: 2,476		
Baltimore	Company: 870	Company: 477	157	115
	Individual: 1,361	Individual: 912		

Study Results Are Being Applied to Key Business Processes



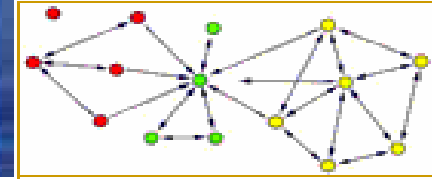
Actions Being Taken by Technology Publisher

- Improving database with accurate and current data—a critical update since database is used for all client marketing initiatives.
- Revamping approach to custom event offerings by targeting Influencers and Opinion Leaders. This is expected to result in better response rates using fewer resources.
- Inviting Opinion Leaders to author focused print and online content.
- Integrating with and nurturing technology communities by leveraging the relationships of trust and advice-seeking uncovered through this project.

Actions Being Taken by Technology Firm

- Realigning its sales force based on Company Leaders and identified Influencers within these companies.
- Optimizing under-performing territories.
- Enhancing product launches.
- Standardizing corporate database.

Leveraging relationships of trust and advice-seeking among technology professionals revealed through an Influencer Study leads to improved sales, product offerings and overall market presence.



- Influence Network studies are critical to optimizing sales and marketing strategies. Traditional market research and business intelligence cannot provide this advantage.
- Companies currently target based on industry rankings and purchasing power, which are often unrelated to influence.
- Historically, organizations have relied on the intuitive understanding of local sales representatives to uncover the relationships among their customers and prospects. However, problems arise from this approach:
 - The company does not control this data and therefore cannot integrate it into other parts of the organization (i.e. sales, marketing, customer service, new product development).
 - If a sales representative leaves, they take their knowledge of their relationships with them.
 - Intuitive understanding is often incomplete and incorrect.
- Influence Networks enable sales and marketing organizations to systematically recognize the power of relationships and to build business processes around them.