

Takeaways

“Weak signals”—snippets of digital information often coming from social media—offer significant strategic value and insights.

However, these sources can be unfamiliar to senior management and therefore difficult for companies to spot.

There are, though, several principles that executives can follow to navigate this new terrain and tap the substantial power of weak signals.

price perception turned out to be an anomaly, but the outsize perception of the product’s quality was widely held. In response, the company has started funneling marketing resources to the product in hopes of building its market share by capitalizing on its quality and differentiating it further from the offerings of competitors.

Listening and mapping

As the manufacturer’s example implies, spotting weak signals is more likely when companies can marshal dispersed networks of people who have a deep understanding of the business and act as listening posts. One global beverage company is considering including social-media awareness in its hiring criteria for some managers, to build its network and free its management team from “well-rehearsed habits.”

Weak signals are everywhere, of course, so deciding when and where to keep the antennae out is critical. One such situation involves a product, market, or service that doesn’t yet exist—but could. Consider the case of a global advertising company that was investigating (for one of its clients) a US growth opportunity related to child care. Because no one was offering the proposed service, keyword searches on social media (and on the web more broadly) wouldn’t work. Instead, the company looked to

social-media platforms where it might find weak signals—finally discovering an online-content service that allows users to create and share individualized newspapers.

In the child-care arena, digital-content channels are often curated by mothers and fathers, who invite conversations about their experiences and concerns, as well as assemble relevant articles by experts or government sources. Analysts used semantic clues to follow hundreds of fine-grained conversations on these sites. The exercise produced a wealth of relevant information about the types of services available in individual markets, the specific levels of service that parents sought, the prices they were willing to pay, the child-care options companies already sponsored, the strength of local providers (potential competitors), and the people in various communities who might become ambassadors for a new service. This wasn’t a number-crunching exercise; instead, it took an anthropological view of local child care—a mosaic formed from shards of information found only on social media. In the end, the weak signals helped the company to define the parameters of a not-yet-existing service.

Spotting visual clues

It’s also useful to search for weak signals when customers start engaging with prod-

For starters, given the fluid nature of the insights that surface, it’s often useful to get senior leaders actively involved with the social-media sources that give rise to weak signals.

ucts or services in new, tech-enabled ways, often simply by sharing perceptions about a company's offerings and how they are using them. This can be hard for companies to relate to at first, as it's quite removed from the usual practice of finding data patterns, clustering, and eliminating statistical noise. Spotting weak signals in such circumstances requires managers and employees to have the time and space to surf blogs or seek inspiration through services such as Tumblr or Instagram.

As intangible as these techniques may sound, they can deliver tangible results. US retailer Nordstrom, for example, took an early interest in the possibilities of Pinterest, the digital-scrapbooking site where users "pin" images they like on virtual boards and share them with a larger community. Displayed on Pinterest, the

²Rachel Brown, "Nordstrom touts merchandise with Pinterest," *Women's Wear Daily*, July 2, 2013, wwd.com.

retailer's products generate significant interest: the company currently has more than four million followers on the site.

Spotting an opportunity to share this online engagement with in-store shoppers, the company recently started displaying popular Pinterest items in two of its Seattle-area stores. When early results were encouraging, Nordstrom began rolling out the test more broadly to capitalize on the site's appeal to customers as the "world's largest 'wish list,'" in the words of one executive.² The retailer continues to look for more ways to match other customer interactions on Pinterest with its products. Local salespeople already use an in-store app to match items popular on Pinterest with items in the retailer's inventory. As the "spotting" ability of companies in other industries matures, we expect visual tools such as Pinterest to be increasingly useful in detecting and capitalizing on weak signals.

Crossing functions

As the Nordstrom example demonstrates, listening for weak signals isn't enough—companies must channel what's been learned to the appropriate part of the organization so the findings can influence product development and other operational activities. Interestingly, TomTom, a company that offers products and services for navigation and traffic, found that the mechanism for spotting weak signals proved useful in enhancing its product-development process.

As part of normal operations, TomTom monitored social media closely, mining conversations to feed into performance



metrics for marketing and customer-service executives. The normal process changed after an attentive company analyst noted that users posting on a UK forum were focused on connectivity problems. Rather than let the tenuous comments get lost in the company's performance statistics, he channeled them to product-development teams. To resolve the issue, the teams worked directly—and in real time—with customers. That helped short-circuit an otherwise costly process, which would have required drivers using TomTom's offerings to check out connectivity issues in a number of locales. The broader payoff came in the form of new R&D and product-development processes: TomTom now taps directly into its driving community for ideas on design and product features, as well as to troubleshoot new offerings quickly.



At most companies, weak signals will be unfamiliar territory for senior management, so an up-front investment in leadership time will be needed to clarify the strategic, organizational, and resource implications of new initiatives. The new roles will require people who are comfortable navigating diverse, less corporate sources of information.

Regardless of where companies observe weak signals, the authority to act on them should reside as close to the front lines as possible. Weak signals are strategic enough to demand top-management attention. They are sufficiently important to the day-to-day work of customer-service, technical-development, and marketing teams to make anything other than deep organizational engagement unwise. ○