

Nielsen, McKinsey chase social media

Neil Shoebridge

The rapid spread of online social media and resultant search by companies for ways to use it to talk with consumers have prompted research business The Nielsen Company and management consultancy McKinsey & Company to launch their NM Incite joint venture here.

Australia is the 25th market in which NM Incite has established an office since it was launched in the United States in June last year. The local business will be run by Nielsen Australia executive Stuart Pike.

NM Incite's global chief executive, Dave Hudson, said the business was now working for more than 200 clients worldwide, tracking what consumers were saying about them via social media websites such as Facebook and Twitter, giving companies advice on how to use social media and setting up metrics to measure the return on social media marketing campaigns.

"We did expect growth when we set up the joint venture, and we got rapid growth," he said. "On day one, 125 clients reached out to us."

NM Incite includes BuzzMetrics, a social media "listening" company Nielsen bought in 2007.

"The social media listening space is pretty crowded, with lots of

players offering very similar products.

"We saw an opportunity to apply insights and advice to the data being collected through BuzzMetrics. Social media was increasingly important at a C-suite level. That isn't an area Nielsen has traditionally played in, but McKinsey has, so we started talking about doing something together."

Nielsen is the largest shareholder in NM Incite, which is the first joint venture in which McKinsey has participated. Mr Hudson said he could not reveal the equity split.

Advice and measurement metrics were the key things companies wanted from NM Incite.

Facebook has 10.4 million users in Australia and 22 per cent of the time Australians spend online is devoted to social media.

"Social media is the fastest growing media in history and has created a fundamental shift in how people share information and opinions on brands and products," Mr Hudson said.

"But a lot of companies find it messy and confusing. They know they should be part of it, but don't know how to get full value out of it. Many are reluctant to use social media because they can't figure out how to measure the return from investing in it."