

## Social media monitoring and analytics comes of age with Alterian's acquisition of market leader Techrigy

*Marketers now able to harness the power of the consumer's voice within social media as an integral part of their online and offline marketing strategy*

### Section 1 – About Techrigy

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#### What does Techrigy do?

Techrigy is a software technology company that has developed the leading social media monitoring tool, called SM2.

In the past 3 years Techrigy has developed a proprietary solution with 3 primary components to collect, store and understand social media content.

#### 1. **Collect**

Techrigy indexes the entire social media universe, across the globe and across all platforms. The depth and breadth of content Techrigy collect, every day, is truly staggering

#### 2. **Store**

Collected data is stored in Techrigy's Social Media Warehouse<sup>SM</sup>, created in October 2007, which now contains over 1.5 billion social media mentions, blogs, tweets, posts, images and conversations.

#### 3. **Understand**

The SM2 User Interface enables clients to visualize, analyze, communicate and share findings, turning content into actionable insight.

#### What is Social Media Monitoring (SMM)?

SMM allows marketers to track Web 2.0 discussions (such as Twitter, Facebook, YouTube and blogs), understand the tone of these conversations, identify individuals who influence discussions, and use the resulting insights to improve market research, positioning, and overall marketing strategy.

This kind of insight, upon analysis and evaluation can drive a number of activities:

- Listening / Monitoring
- Support Loyalty Programs
- Influencer identification
- Competitive analysis
- Market Research
- Customer support
- Engaging with customers online
- SEO and link building
- Reputation Management
- Augmenting mystery shopper programs

#### Why is SMM important?

There is a massive shift taking place in the marketplace. Monitoring capabilities have been available for many years, traditionally as a tool for maintaining brand compliance and protecting intellectual property such as trademarks. Initially, the rise of the internet represented another potential source of abuse due to widespread anonymity and potential for fraud and manipulation. But as the internet has developed past its infancy in the past several years, the internet has become not merely a source of information that requires management, but THE source of information that has eclipsed the offline world of communications.

Companies can be referenced online in a wide variety of media, with or without their knowledge or permission:

- Press Releases

- Competitor materials
- Blogs
- Social Networks
- Websites
- Professional reviews/analysis materials
- Consumer references
- Search Engines

The growth in user generated content, wide distribution of information, and permanence makes the internet a formidable source of information about brands. Companies no longer control the distribution and disposition of information about their company, brand and products. Consumers are quickly adopting new ways to communicate and interact with each other. Driven by the massive adoption in social media technology, platforms like Twitter, Facebook and Blogs place the “power” in the hands of the consumer to generate content, share and consume media regarding products and services. Consumers are recommending, reviewing, complaining, suggesting and sharing new ideas online within these social media platforms. Marketers need to be where the consumers are; listening and gathering feedback and ultimately participating and interacting with their target audiences.

It has become necessary for companies to track how these items are being referred to and portrayed. It has also become widely acknowledged that this type of information exchange is not necessarily a threat. It is highly valuable for companies to be aware of and to leverage these conversations and communications as a positive source of feedback and interaction with customers and prospects.

Failure to understand how a brand is perceived in today’s internet carries a number of unacceptable risks:

- Damage to a company’s brand
- Diminished (or lost) confidence among customers and prospects
- Diminished (or lost) confidence among business partners
- Stock devaluation (see recent United Airlines fiasco as proof point, [www.nytimes.com/2008/09/15/technology/15google.html](http://www.nytimes.com/2008/09/15/technology/15google.html))
- Revenue loss
- Lost intellectual capital and competitive edge
- Damaging news stories
- Increased regulatory scrutiny

Companies have always devoted major portions of their budgets to understanding, servicing and interacting with their target consumers. These budgets are now being shifted toward leveraging the social media space. Social media monitoring is an emerging technology category estimated by Forrester Research at \$50-60m annually with 12-15% (20% max) annual growth rate.

### **Is Techrigy a software focused company?**

Yes. Techrigy’s business model is based on developing and maintaining an industry leading SMM solution, which is software delivered as a service, through innovation and focusing client application feedback and product development.

### **How many customers does Techrigy have and who are their current major clients?**

In the last 6+ months Techrigy has onboarded over 100 clients; Public Relations firms, Search Engine Optimization firms, Interactive & direct marketing agencies, and top brands. Some examples are :

- PR agencies such as Edelman, Text 100, O’Malley Hansen Communications, Qorvis Communication, and Porter Novelli.
- Brands such as Roche, Intuit, Amgen, Chevron, Hanes, Saturn, and Radisson.

- Techrigy also has a limited version of its products provided free of charge, and branded as Freemium. Freemium SM2 users include: The Pentagon, Lucas Films, WebTrends, BearingPoint, Microsoft, Deloitte, and Motorola.

**Does Techrigy have clients outside the US?**

Yes, Techrigy's client base is global. There are clients in Australia and Europe, and a number in Turkey, Brazil and other parts of South America.

**What is Techrigy's history?**

Techrigy was founded in August 2005 in Rochester, NY by Jay Mari and Aaron Newman. Aaron is an experienced entrepreneur and the founder of Application Security, Inc ([www.appsecinc.com](http://www.appsecinc.com)).

Techrigy has built its business model around the concept of "democratizing" Social Media Monitoring with the goal of reaching the widest possible audience. To this end, Techrigy partners with PR agencies, market researchers, brand managers, and social media platforms to provide the social media monitoring and measurement data specifically required by these organizations.

The SM2 product was released in August 2008. The product features Professional and Free-of-Charge (termed "Freemium" and limited in length of use and functionality) editions. In the short period since the initial release Techrigy has added over 7,500 Freemium users and over 100 paying customers.

**What is Techrigy's ownership structure?**

Techrigy is a privately held, self funded company.

## Section 2 – Alterian’s Vision

### What is Alterian’s Vision for Marketing?

Alterian’s guiding principle is the concept of *Engagement*.

Based on the Integrated Marketing Platform, Alterian has created a process to give our customers the operational capability required to engage with their customers - the Customer Engagement Cycle:

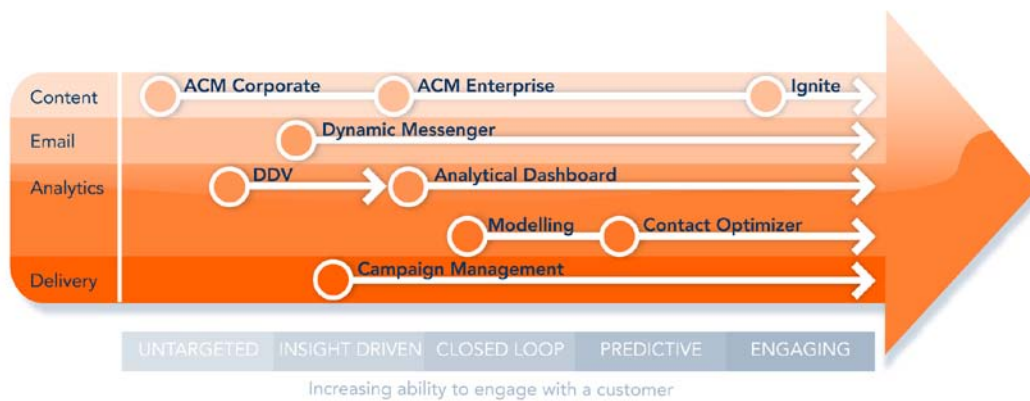
The Customer Engagement Cycle makes it practical and cost-effective for marketers to be able to scale their operations to drive individualized customer and prospect communications to millions of customers.

It is important to remember that the Customer Engagement Cycle is not singular in nature but multiple, each cycle learning from the last as the customer interacts through multiple channels, at all times of the day and night and with varying degrees of frequency throughout the life cycle of the customer.



Building an engagement cycle operational capability is a journey for marketers, and the agencies and marketing service providers with whom they work. The journey is one of physical integration – of different departments within marketing, and customer data held throughout the organisation. It is also a journey of process integration – ensuring the various, currently disparate, applications are integrated to power the Customer Engagement Cycle.

Engagement isn’t a giant leap, it’s a journey and Alterian helps marketers start that journey today by providing a series of integrated applications based on the Alterian Platform core product focuses of content, analytics and execution:



### **What is an Integrated Marketing Platform?**

The Integrated Marketing Platform goes by many names. Alterian prefers this term because the greatest benefit of such a technology investment is the practical ability for the marketing department to deliver relevant, integrated multi-channel communications to customers and prospects. However, it is also referred to as an EMP - Enterprise Marketing Platform (a term derived by Forrester Research) or an EMM - Enterprise Marketing Management suite (a term derived by Gartner).

Alterian believes that the key tenets of an integrated marketing platform are:

- Fit for purpose data infrastructure
- Architected for extensibility
- Flexible deployment model and user interfaces
- Integrated applications
- Analytics and process driven
- Multi-channel execution
- Supports transparency and accountability

### **Why is the Integrated Marketing Platform important?**

To minimize risks, keep costs under control and build incrementally on the journey to customer engagement, an integrated platform is not just advisable – it is imperative to manage the level of application and data integration required to move a customer along the customer engagement life cycle.

There must be a single data infrastructure so marketers can have proximity to their data, to be able to visualize and work with that information, applying the analytics to give them the insight they need, rather than wait for IT to periodically deliver files from disparate systems to synchronize. Alterian provides this platform for marketers enabling them to become analytically led and to integrate their marketing. This Platform also provides a future-proof investment as marketing technology matures and more of the processes of the marketing department are integrated.

## Section 3 – The Transaction

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### **Why is Alterian acquiring a SMM software company?**

Alterian's choice to enter the SMM market through acquisition supports our vision for Engagement marketing, changing the game and innovating in enterprise marketing technology by being the first enterprise marketing technology vendor to fully support comprehensive integration between online and offline marketing. This move also drives Alterian's brand in the interactive marketing space.

Additionally, we feel that this is a unique opportunity to enter a young technology market and assume a sustainable position of technical and thought leadership. Few companies in the existing Social Media Monitoring space have exhibited a strong vision for SMM technology and how it fits into the broader spectrum of marketing technology and processes.

By integrating the technologies of Alterian and Techrigy, we can capitalize on our first mover advantage to define the SMM market and drive its development as it comes of age in the context of the Integrated Marketing Platform.

Techrigy is a successful business with a high profile and strong reputation in its market sector. The addition of SMM (both content and online execution) technology to the current Alterian Integrated Marketing Platform also serves several purposes:

1. **Meets Current Demand:** Alterian has experienced significant demand from partners and clients to continue expansion in the online marketing domain. These capabilities inevitably require the understanding of social media.
2. **Complementary Solution:** All direct marketing activities are a combination of marrying targeting activities (analysis) to creative elements (content) to execution. They also require constant feedback and optimization. Social media is increasingly important as a platform that people use to provide feedback on their relationship with an organization and their reaction to marketing communications. This acquisition provides Alterian the ability to deliver a solution to our partners and customers that harnesses this feedback and makes it accessible to respond to and improve marketing activity delivered via the rest of the Alterian platform.
3. **Market Opportunity:** The addition of market leading SMM technology to Alterian's comprehensive Integrated Marketing Platform will create significant value for marketers and delivers a unique solution in the market. Combining the industry leading technologies of Alterian and Techrigy offers a tremendous opportunity to deliver an online marketing platform that delivers genuine differentiation in the market.
4. **Future Development:** The combination of Alterian and Techrigy, together with further investment, provides an ideal launch pad for comprehensive multi channel campaign and customer analytics.

### **How will the business be integrated into Alterian?**

The acquisition of Techrigy is a strategic growth move for the company, not one of consolidation. A critical success factor is that Alterian operates as one business with clarity and consistency of vision, and in order to achieve this always integrates acquired companies quickly. However, this is managed so as to retain and enhance the leadership status we have in each area of the market, and we will ensure this is the case with the integration of Techrigy.

### **Is this acquisition consistent with Alterian's core strategy?**

Alterian's goal as a company is to provide the most comprehensive integrated marketing platform available to support all phases and activities of the marketing lifecycle. As a complement to our existing capabilities in analytics, campaign management, web content management and email the expansion of our online execution capabilities it is crucial to effective marketing and it makes sense for marketers to employ a single platform to manage all of these elements. Social Media data is rapidly growing and needs to inform all marketing activity – Alterian are the first to provide this capability consistent with our approach to innovating for real benefit.



**Why did Alterian acquire Techrigy as opposed to another SMM vendor?**

Alterian evaluated a large number of companies, among them many SMM vendors and other types of technology suppliers, prior to acquiring Techrigy. Alterian was attracted to the complimentary overlay to our company with Techrigy's in the area of products, corporate culture, selling geographies, partner channels, and similar approach to innovation.

**Why did Techrigy choose to be acquired by Alterian?**

Joining Alterian is attractive to Techrigy. Techrigy's strength is its technology and reputation, and they see synergies in Alterian's sales & partner channels and integration with the Integrated Marketing Platform. The Techrigy team sees strong opportunities in the larger marketing technology sector and the merger of the two organizations provides strong differentiation for their SMM solutions.

**Will Alterian continue to support Techrigy's clients and partners?**

Yes, in a similar fashion to previous acquisitions all of which have been successfully completed by Alterian, it will continue to support current clients and partners as well as look within both customer bases for opportunities to add additional value.

**How does this acquisition help to differentiate the expanded group from its competitors?**

This expansion of Alterian's functional breadth allows the expanded company to offer an unmatched platform for managing all phases of the marketing process. No other company will be able to offer the same combination of content management, operational marketing, online interactive marketing, modeling, campaign management, analytics, reporting and data infrastructure from a single product set.

No other integrated marketing platform vendor can offer a strong SMM component today. The addition of SMM accelerates Alterian's progress into the online marketing sector and provides key foundational technology for building out these capabilities further.

**What opportunities does the acquisition offer existing Alterian and Techrigy Partners?**

Current and prospective partners, whether originating from Alterian or Techrigy, will benefit from the acquisition. We expect that the SM2 offering will appeal in particular to Alterian's agency and MSP partners, as well as our direct clients. For Techrigy partners and clients the acquisition offers access to an expanded set of products and services across the entire Integrated Marketing Platform.

**How will the enlarged Alterian group sell SMM products?**

Both Alterian and Techrigy have strong and compelling USPs in their target sectors. These will only be enhanced by the acquisition. In addition, as previously described, our enlarged group will now be able to offer clients and prospects an extended and relevant portfolio that will deliver additional USPs from the combined offering. This will help create significant and sustained differentiation.

## Section 4 – Techrigy Products

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### What products does Techrigy offer?

Techrigy's product is named SM2.

SM2 is a full featured Social Media Monitoring solution, including the following key functionality:

- **Real-Time Monitoring**  
SM2 searches an expansive collection of social media. Over 100 million blogs and social networks including Twitter, YouTube, Flickr and Wikipedia are all monitored. These media are indexed in real-time, and SM2 provides instant alerts if certain discussions are found.
- **Sentiment Analysis**  
Social media discussions are analyzed with SM2's sentiment analytics. Using natural-language processing and Bayesian analysis, SM2 discovers the sentiments around each discussion and aggregates these to provide a top-level view of social media.
- **Discussion Clustering**  
Helps marketers gain view of all discussions centering around their organization or brand. SM2's Discussion Clustering provides a graphical analysis and classification of all discussions occurring around their products. SM2 clusters similar conversations to allow a marketer to easily target each discussion thread.
- **Customized Reporting**  
SM2 can create custom analysis reports on the fly. These reports display recent discussions, as well as analysis and discussion trends that enable evaluation of marketing or public relations effectiveness. These reports can be automatically scheduled and delivered to anyone.
- **Workflow**  
SM2 has functionality to help users and teams manage actions for social media monitoring. Identify and annotate key conversations, assign responsibility to team members for follow-up, track and audit the status and disposition of work in progress.
- **Multi Language and Custom Dictionary Support**  
SM2 is currently available in English, Spanish, Dutch and German. Additionally, the system's dictionaries can be customized because languages are complex, evolving and many markets have specific semantics and terminology.
- **Branding**  
SM2 can be branded for an Agency or Company to give it a personalized feel to represent their organization.
- **Alerts**  
Alerts allow marketers to receive real-time notifications when certain keywords are detected in social media. Search results are also available for distribution via RSS feed.
- **Report Distribution**  
Reports can be extracted from SM2 in HTML, XML or TXT formats for distribution or use with other materials. Search results reports can also be scheduled for automated distribution via email.
- **API**  
The SM2 API is a web service designed to allow other software or service providers to interact with SM2 programmatically. This API is based on simple request queries formatted as URLs which returns results as XML.

### Is Techrigy's offering similar to other SMM solutions?

Techrigy is both a thought and technology leader in the SMM space.

At a functionality level, it offers all of the standard functionality that is typically expected of SMM solutions and competes very strongly with all leading SMM vendors.

SM2's key differentiators from competing products include:

- A real-time ever growing SMM data warehouse with over 2 years of historical social media conversation data
- SaaS delivery and infrastructure



- Multi Language Enabled
  - English, Dutch, German, Spanish
- User customizable dictionaries
- Workflow
- Report Library
- Sentiment Analysis
- Full Web Service API

**Will Alterian retain and sell all of Tegrigy's products?**

Yes. Alterian plans to retain and accelerate investment in SM2's software and infrastructure.

**What languages does SM2 support?**

SM2's user interface is in English but it currently supports English, Spanish, German and Dutch for sentiment analysis. SM2 sentiment analysis is engineered to accommodate more languages as demand dictates.

**Will Tegrigy's solution be integrated with the Alterian Integrated Marketing Platform?**

Yes, a key component to Alterian's value proposition is based on integration between components. More details will be available in the coming months.