

# The Digital Sentiment Index (DSI) – Capturing Your Brand in the Digital World

Do you want to know what people post online about your service or brand? Probably you do, because it represents what people think and it will influence other people's opinions. As a consequence, it will affect consumers' buying decisions. Just think about yourself. Don't you search for product or service evaluations on the Internet, reading reviews and other blog posts? User-generated content represents a wealth of behavioral data and analyzing this data generates important insights. Common measures such as numbers of online posts, links, LinkedIn members, followers on Twitter, fans on Facebook and others have advantages and disadvantages. But, up until now, many firms lack a structured approach to capture the opinions people express digital. Answering the question about how to integrate the content across multiple platforms to devel-

op a consistent view of "consumer chatter" is top priority to evaluate the success of firms' (social) marketing programs. It shows how technology and data intelligence creates value for firms.

Against this background, we have developed the Digital Sentiment Index (DSI). DSI is a metric that captures the sentiment about firm X relative to competition expressed in the most relevant and public chatter on the Internet, in one single number. DSI ranges from -100 (very negative chatter) to +100 (very positive chatter). It is a joint effort from academia and practice, is designed to provide actionable insights for decision making, is actively deployed by 100+ brands in Germany, USA, UK, France, Netherlands, Finland and Sweden, and drives firm performance. Thereby, DSI mimics customer behavior in the digital world. Information is collected like con-

sumers do, combining browsing, reviews, shops, social networks and search. Collected information will be weighted, and the overall score is calculated based on customer decision making.

How does DSI work? An example of DSI illustrates that Brand X has a DSI of 0.4 (vs. 5.8 and 19.2 for competition). This is a drop of 7.8 compared to the last quarter due to increased negative discussions on important domains. Figure 1 visualizes that 54% of all posts are about Brand X, Brand X has only a share of 32% on the most important domains. In addition, 71% of the chatter is negative, which has increased over time. These provide the main reasons for Brand X's DSI relative to competition.

How can firms react? DSI should be seen as a mirror that illustrates ways for improvements by, for example, topics, sentiment about topics, or source of chatter. Use this information to make, for example, decisions regarding your service, create a platform to engage with selected ambassadors, or try to claim an important topic ahead of competition.

These activities will influence consumers' opinion either directly or via chatter by others and affect buying decisions. In addition, firms are able to evaluate their activities via changes in DSI and use the new insights to further improve.

*DSI was initiated together with Sonja Gensler (University of Münster) and Joep Arts (Oxyme B.V.).*



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"Marketing research needs to solve real business problems. The E-Finance Lab offered a great opportunity to work together with businesses in order to share ideas, define important problems, exchange data and insights, and – most importantly – have impact. A combination quite unique worldwide."

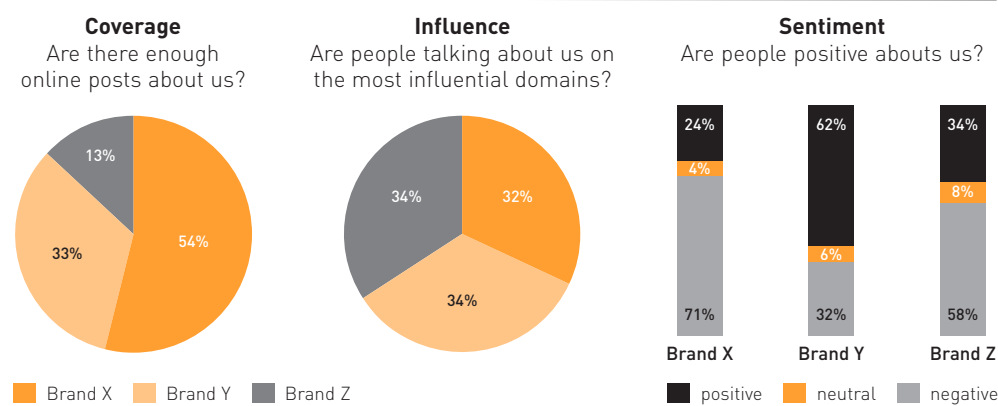


Figure 1: DSI – Hypothetical Example