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Wall Street Firms are Turning to Social Media Analytics, Focusing on Five Specific Approaches to Mine Data, According to TABB Research

New Report Examines Different Areas of Specialization, Including 14 Social Media Analytics Firms, and the Emergence of New Users and Use Cases

NEW YORK & LONDON, September 24, 2015 – Social media analytics' adoption has moved beyond an embryonic stage where primary users have been hedge funds and quant firms. Increased adoption by long-only and fundamental asset managers has focused on five specific approaches to mining data and a push for better integration into workflows as the playing field continues to expand. However, according to new [TABB Group research](#), it's not a question of if, but how quickly it will be adopted by a wider range of firms.

TABB's new report, "[Social Alpha 2.0: Sifting through a Sea of Signals](#)," examines the different types of social media analytics firms and the emergence of new users and use cases. It also includes 14 social media analytics start-ups within the financial markets vertical: Alphamatician, Contix, Eagle Alpha, Heckyl, HedgeChatter, iSentium, Knowsis, Market Proffit, MarketPsych, PsychSignal, Social Alpha, Social Market Analytics, TheySay and TickerTags.

Specialized areas of social analysis are currently focused on financial chatter, influential people, event detection, trend identification and sentiment analysis. "But in the next year," says research analyst [Valerie Bogard](#), who wrote the report, "we expect the definition of social analysis will expand, adding new metrics and data sets." According to Bogard, who co-authored "[Social Alpha: Channeling the Chatter](#)" in 2013, several of the analytics firms are developing technologies to detect abusive practices and monitor deceptive messages within social media as well as seeking partnerships with large data providers and technology companies to boost adoption.

One of the most significant progressions for social data is its transition beyond being just a trader's tool. Over the last couple of years, social data captured the interest and imagination of research analysts, portfolio managers and compliance desks, and has been transformed from a basic buy/sell signal to a full component of the research process and another way to manage risk. Whether it's supporting a qualitative or quantitative research approach, social media analysis is best used as one component among many.

"Despite the recent growth spurt, mining social media for financial purposes is still very much in the early stages," Bogard says, "but use cases will continue to explode and five years from now, trading firms and funds will find it absolutely necessary to be knee deep in some form of social data."

The [18-page, 8-exhibit report](#) is available for [download](#) by TABB Group [Research Alliance US Equities clients](#) and qualified media. For more information or to purchase the report, write to info@tabbgroup.com.

About TABB Group

With offices in New York and London, [TABB Group](http://www.tabbgroup.com) is the international research and consulting firm focused exclusively on capital markets, based on the interview-based, “first-person knowledge” research methodology developed by Larry Tabb. For more information, visit www.tabbgroup.com.

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