

# Social Media and Retail | Advantage 2 Retail



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## **How To Do It Right**

About the Author and Introduction



James Dion, an internationally known Retail Speaker and Author, sensitive to cultural and global issues, offers insight on how social media allows retailers to engage with their customers and which social media channels best meet their needs.

If you use Google to search “social media” you will see more than three hundred and seventy million web sites that have some relationship to the term. It definitely is a hot topic and everyone appears to want to talk about it and do it in one way or another. The key is to understand exactly what social media is, what it does for your business and how do it right. More specifically, these are some of the questions that need to be answered: What is social media and as a retailer what do I need to be aware of? Do I need a social media strategy? What will social media do for my business? What should I be careful of when using social media? Can I afford to ignore social media?

In this article, we will attempt to answer these and other related questions and help you understand this relatively new opportunity to connect with your customers and to gain new ones.

## **WHAT IS SOCIAL MEDIA?**

In Wikipedia, Andreas Kaplan and Michael Haenlein define social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the

creation and exchange of user-generated content. Social media is media for social interaction as a superset beyond social communication. Enabled by ubiquitously accessible and scalable communication techniques, social media has substantially changed the way organizations, communities, and individuals communicate.”

The most important part of this definition is the word “exchange”. At its very core, social media differs from traditional media insofar as it is a dialogue, a two-way communication between consumers and companies and sometimes, it can even become a three to a thousand or more way-communication when many consumers get involved in the same conversation. Traditional media is often top down and one-way even though it may speak to many consumers with media as radio and TV, or to individual consumers with direct mail. In traditional media, companies and brands control the message, the content, the timing, the look and feel, and everything about the message can be carefully constructed and controlled. It is very much a ‘monologue’ model while social media is a ‘dialogue’ model.

Social media is more akin to the Wild West as control is almost completely lost once you give others the ability to publically respond, forward, link and post. And this ability is the very dangerous part of social media for many companies; once you begin a public dialogue with your customers (and in some cases x-customers and potential customers) you lose much of the control of that conversation. This is not to say that you lose all control. You do clearly manage your side of the conversation and how you perform with that task will define your success or failure with social media.

## **WHERE DO YOU BEGIN?**

Since social media is such a public and transparent form of communication by a company with its customers and vice versa – with all the good and bad that can come with it, it is critical that you do not rush into social media by just establishing a page on a social media site and think that it will live on its own.

It begins with a strategy and vision of what you expect to gain from a social media presence and then choosing which of the social media channels meet your needs.

Powerful social media channels including facebook, Twitter, YouTube, Google+ and LinkedIn are presenting retailers with new ways to engage with customers and potential new employees and extend their brands. But, for example, is Twitter, Google+, or facebook right for your business or do they reach the wrong customer segment? Or, how can you leverage YouTube and tap into viral marketing (and is this even a real possibility for your company/store)? What functions do you need on your facebook page? What internal resources are you prepared to devote to this media and will you take the budget from your existing media spend or carve out a new source of funds? These are but a few of the questions that should begin the process of building your social media strategy.

Start with a clear, written social media vision that includes your corporate objectives, how it is going to enhance and protect your brand and how you will judge success. Begin with asking the questions: What are we trying to achieve? Acquire new customers? Deepen relationships with existing ones? Cross-sell?

Build brand recognition? The answer to these questions will influence everything you do, from creating facebook pages, launching customer groups and determining methods of engagement. These objectives should also be measurable. For example, you should be able to measure how many new customers will be acquired and how will you determine who is new and if it can be attributed to your social media campaign. Every objective has to have a defined measure of success or you will risk deploying scarce resources without justifiable reasons to do so.

## **THE BIG 5: FACEBOOK, GOOGLE+, TWITTER, YOUTUBE AND LINKEDIN**

**Facebook**  
Let's look at the strengths of each of the top social medial channels and see how they should be best deployed. Facebook is clearly the 800-pound gorilla (Now the 850 pound!) and likely should be your main hub for customer communication. It is a powerful tool for exposing your brand/store and linking from other relevant sites as well as driving traffic to your posts and messages. It is not very good, however, at driving traffic to your web site. Some companies are even starting to wonder if it makes sense to have both (the answer is obviously "yes" as they have completely different goals but they should not be duplicates of each other but rather complementary). Facebook offers the ability to send updates to people who like your site as well as the ability to talk about what is on your page. Although you can sell on your facebook page, it is highly advised that you do not do this as facebook can change their rules at anytime and unlike your own web page, new facebook rules could have a profound effect on your sales. It is better to link from facebook back to your own site and shopping cart. It should also be noted that over 350 million facebook users are now using a mobile application to access their facebook accounts, proving how ubiquitous mobile is becoming.

Facebook also gives you the ability to change your landing page – what someone sees when they arrive on your page – from the typical wall page to whatever you want someone to see when they arrive.

For example, Victoria's Secret (who has over 17 million likes) had a great Valentine's Day fun game where you could create your own "Kiss & Tell" story by dragging and dropping words onto a story line and then post it to facebook. The page also offers to you the choice to visit the main site to Shop Valentine's Day, or gives you the option of finding a store and also to share this fun little application on your facebook page or even tweet about it. This is a great example of using facebook to engage your customer in some fun while at the same time giving them the tools and encouragement to make a purchase. Victoria's Secret also takes advantage of many other features of facebook such as videos, photos, spotlight of new product, events, polls and company information.

There appears to be a leveling off of the explosive growth of facebook and even some defections by groups of customers lately as some liken facebook to 'reliving high school all over again' and not in a good way.

One of the major issues that retailers have to contend with in using Facebook is that they need someone to monitor it almost 24/7 if not at least six to seven days a week from 7am to 10pm. Unless you are doing this you may find that there are comments that should be replied to that go unanswered for some time and

other facebook members may begin to pile on and when you do get to reply to the complaint or problem, it may be too late. So, facebook requires a significant investment in monitoring to insure that the dialogue with your customers is maintained properly.

## Google+

Google+ has recently launched and although it has nowhere near the number of users that facebook has (62 million vs. 850 million), it still has the potential over the next five years to become a major player in the social media space. Google+ is organized more tightly around what are called 'circles' which are groups whom the user interacts with on a frequent basis. You can have as many groups as you wish and share information selectively with different groups. This is more useful than facebook where once you friend someone they can have access to most of your information. With Google+ you can firewall your personal life within a circle and your business life within another.

As Google+ is in its infancy there are not as many applications available at this time and it appears that it is not catching on with retailers as fast as facebook has. Google, however, has very deep pockets and as they are blocked from spidering facebook, they have to find a way to break facebook's lock on social media.

## Twitter



Twitter has almost half (385 million) the number of accounts that Facebook has but lists only about a third of these accounts as active 'tweeters', and the rest just passive followers.

Twitter is being used by many retailers in two ways, one, to get messages about new products, sales and even technical support to users and two, to listen to cares, concerns and complaints from customers. There is no question that Twitter should be a component of every retailer's social media strategy. Its value is not only in getting information out to people quickly, such as flash sales, promotions, changes in your business and anything else that you feel that your customers would be interested in also in doing so in a very brief, almost unobtrusive way.

Target is a great example of a retailer who uses Twitter to monitor problems and issues that their customers may be having and they are responding almost in real time 24/7 and providing solutions before the issues get out of hand. Twitter is a great way to monitor what people may be saying about your brand/store. A good site for real time Twitter monitoring is monitter.com where you can follow key words in a tweet and track what is being said about those key words in real time. There are also third party services that will monitor in real time for you and send you an email or text when you are mentioned in a tweet.

## YouTube



YouTube has well over 800 million users (YouTube does not require membership to use the service as the other social media sites, so discrete users is not an easy number to verify). YouTube, which is owned by Google, is mainly being used by retailers to disseminate product knowledge both for staff and for customers with how-to videos. It is easy to establish your own store/brand “channel” and store your how-to videos, commercials and just about anything video that you want to share with customers.

The retailer who does this best is Best Buy. Their YouTube channel is a great example of a well branded and executed YouTube strategy. Based on the amount of views that they have received on some of their how-to videos, they likely save a large amount of money on product support and even reduce returns on products as they teach the customer how to use the product properly. This is a very smart use of YouTube that achieves both objectives of brand exposure and reduction in operating expenses by lowering support and return costs.

### **LinkedIn**

LinkedIn is a great networking site with more active users than Twitter (135+ Million). Most retailers are using LinkedIn for connecting with potential employees rather than as a consumer focused social media channel. It is being actively used by the majority of retailers for recruiting and as a way for employees to network. It is not a consumer-focused community.

### **AN UP AND COMING SITE: PINTEREST**



Social media space Pinterest is growing at an extremely swift pace. The site has recently been named one of the top 10 sites for social networking and forums by Hitwise (a division of Experian that measures website traffic by collecting data directly from ISP networks).

The site lets users pin items that are interesting to them and it has seen a steady growth of traffic and mentions in social media blogs. The site began at the end of 2009 and was named among the 50 best websites of 2011 by Time Magazine. Users can create themed image boards and can add items to their own board found online using the “Pin It” button. The Pins that users share show up on a Pin Feed on the home page. The pins can be divided into discussion, pictures, videos and even gifts that are sectioned into price ranges from \$1 to more than \$500. Pinterest is worth a look and may become even larger in the next year.

### **WHAT WILL SOCIAL MEDIA DO FOR ME**

Ultimately, every retailer will have some interaction with social media, either having their own facebook and Google+ page as well as a Twitter account and a YouTube channel. Even if you choose to not be part of this media, you will be. Your customers will talk about you, rate you and your products and say good and bad things about you. The choice you have is, do you want to be part of that dialogue or do you want it to go on with no opportunity to correct misstatements or help customers who are having troubles?

## THE FUTURE

Social media is here to stay; it is the 2012 version of the water cooler conversations of the past or as a negative, 'like reliving high school all over again' but these conversations take place amongst a magnitude larger audience than in the past. Consumers today are relying more on each other and value the opinions of friends and family (and sometimes even strangers) over the messages that they are receiving from businesses. Social media, aided with mobile technology, is now a part of many consumers' daily lives. Smart retailers recognize this and are putting strategies and tactics into place to be a part of that conversation.

Remember, success in social media is 80% strategy and 20% tactics. Also, remember the old saying 'You only get one chance to make a first impression'? Well, this your chance. So, plan for it very carefully (right people, right time, right resources devoted to it) just like they do at Nokia where they "work with dedicated online care experts. Going into social media as a company is a long term commitment, not a short term campaign...At Nokia, it's our ambition to make 'social' part of everyone's job. It's not merely a marketing activity."

And have fun doing it. Pretty soon it will be like at Zappos where they "don't even speak about social media. We are a service company, it's just what we do, we want to help people in all possible touch points."

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Like it or not, social media will impact our business. The decision to engage (or not) with your customers is up to you. But if you want to get a clearer insight on how your customers feel about your products or services and what they like, you must start paying attention and improve your social skills.

Social media is a thousand times better than a suggestion box. Contrary to a note placed in box, which contains a powerful message for improvement that may or may not be read, shared or acted upon, social media empowers your customers to share their (positive or negative) thoughts to the world at viral velocity. As a retailer, you cannot afford to disregard what is being said about you. It's a matter of protecting your brand, your reputation, your customers' satisfaction and your sales. Social media is an information goldmine that can help you fine-tune your tactics (for example: improve customer service or product assortment) or make the necessary changes that can increase your sales.

In this day and age, engaging with your customers has become very important and it can no longer be neglected. A2R consultants can help you determine the right social media strategy and focus on the channels that best meet your needs.

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