

# UNTANGLING THE SOCIAL WEB: INSIGHTS FOR USERS, BRANDS AND RETAILERS

PART 4 OF 5: THE VALUE OF SOCIAL NETWORKING FOR BRANDS AND RETAILERS

MARCH 2012



# INTRODUCTION

Social networking is no longer defined by arbitrary status updates posted by Millennials. It has incredible scope and power that demand attention from users, brands and retailers. It is the most popular online activity worldwide and has altered the way we connect, share and build relationships with people and communities around the globe.

Social networking sites currently reach 82% of the world's online population, representing 1.2 billion users.<sup>1</sup> It has given power to the masses, creating overnight sensations via YouTube® and altering shopping behaviors with foursquare®, and has even changed the presidential campaign process through the use of Twitter® and Facebook®.

The digital landscape has experienced tremendous growth, innovation and technological advancements over the past several years. Five years ago, email was predominately sent from a computer, the iPhone® was a brand-new product, “Twitter’ was a sound, the ‘cloud’ was in the sky [and] ‘4G’ was the name of a parking space.”<sup>2</sup> The online world is moving rapidly, and brands and retailers need to understand the social networking landscape, its users, how it impacts their role and presence in the market and how they can affect the space.

To bring greater clarity to social networking and how it pertains to the larger retail and grocery industry, the Coca-Cola Retailing Research Council (CCRRC) of North America has partnered with The Integer Group® to provide a five-part series on the current state of social networking:

- PART 1:** *Assessing the Social Networking Landscape*
- PART 2:** *Identifying the Allure of Social Networking: Traits, Behaviors and Motivators*
- PART 3:** *Social Networking Personas: A Look at Consumer and Shopper Mind-Sets*
- PART 4:** *The Value of Social Networking for Brands and Retailers*
- PART 5:** *The Effectiveness of Professional Social Networking*

Throughout this series, we aim to provide the entire retail community with the foundational knowledge to decode the complexities of the social web and seed inspiration for how companies can set a path for change.

**ABOUT PART 4:** OUTLINING THE VALUE OF SOCIAL NETWORKING ENGAGEMENT AND THE VARIOUS MEANS OF STRATEGICALLY INCORPORATING THE SOCIAL WEB INTO MARKETING PLANS.

**UP NEXT:**  
PART 5: *THE EFFECTIVENESS OF PROFESSIONAL SOCIAL NETWORKING*

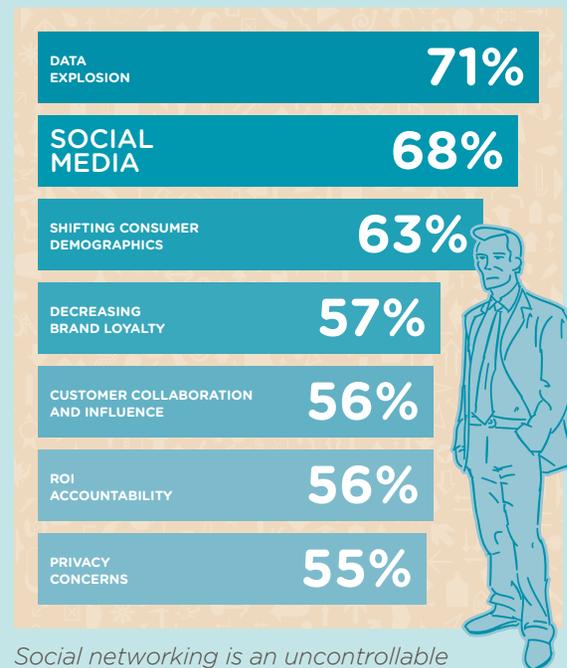
1. Comscore®. (2011). It's a Social World: Top 10 Need-to-Knows About Social Networking and Where It's Headed
2. Thomas Friedman. (2011, DECEMBER 7). Thomas Friedman on “How America Fell Behind.” Retrieved from <http://www.npr.org/2011/09/06/140214150/thomas-friedman-on-how-america-fell-behind>

# THE VALUE OF SOCIAL NETWORKING FOR BRANDS AND RETAILERS

Building business success in the social web starts with the basic values of customer service and communication that have long driven commerce. The big difference today is coming to grips with the speed and scope of social networking and the challenge to adapt quickly to this rapidly changing, technologically fueled world.

Incredibly, seven of ten Chief Marketing Officers say they feel “unprepared” for integrating social media into their organization’s marketing mix. The key dilemma seems to be, like many things in business, figuring out where to start. Rather than asking if it’s better to start with a Facebook page or a Twitter feed, marketers need to stick to what they know. The social web is full of tactics, but good marketers know that they need start with objectives. They need to consider where their company is positioned in the marketplace and decide what are they trying to accomplish. Then they can best determine how the social web can help.

## Areas of Marketing CMOs Feel Unprepared For<sup>3</sup>



*Social networking is an uncontrollable element of the marketing mix and many CMOs feel unprepared to manage it.*

Rather than asking if it's better to start with a Facebook page or a Twitter feed, marketers need to start with what they know. They need to start with objectives.

<sup>3</sup>. IBM®. (2011, OCTOBER). *From Stretched to Strengthened: Insights from The Global Chief Marketing Officer Study*

As we said in Part 1, the structure of the social web mirrors, in large part, the social scene we all knew in high school. Staying with that metaphor: If the social web is a high school, then brands have to learn how to fit in. Marketers need figure out who they are, who they want to be and who they want to be friends with. By definition, who a brand is and who they want to be are not the same thing. Different brands already have inherently different levels of engagement in this space. Some are prettier, taller, faster, smarter, kinder or more talented (better dancers) in their own way.

**THE FIRST STEP FOR ANY COMPANY IS TO DETERMINE ITS CURRENT ROLE:**

- Is it the nerd, lying low, not making a ruckus but keeping a close ear out to keep from being beaten up?
- OR**
- Does it have enough cred to step out into the landscape and throw a big party that people will come to?

Most brands or companies are somewhere in between. There may be a number of folks gossiping about them—some good, some bad—but they're mostly waiting for the brand to establish a place.

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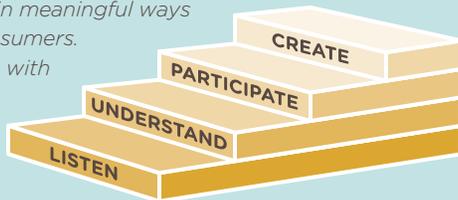
# MARKETERS' APPROACH TO THE SOCIAL WEB

To get a better grasp on the landscape, it is critical to understand the common-sense steps to approaching it.

Like anything else, the first stage is to **LISTEN**. Understand the conversation going on before trying to enter into it. Next, diagnose the problem or opportunity that the social sphere creates. This requires **UNDERSTANDING** how they are viewed most often. Then determine an approach to **PARTICIPATE** in terms of the conversations that are currently going on about users' relationships with the brand. How are those to be addressed in the social web as a brand in a meaningful way? Lastly, once this foundation has been established, comes the opportunity to **CREATE** original, ownable means to connect with shoppers as well as connect them to each other in the social web.

## Engagement Levels for Marketers in Social Media

*There is a hierarchy for how brands and retailers can engage in meaningful ways with consumers. It begins with listening.*



## Listen

Step one is for companies to listen to what's being said about their brand, their product, their chain or a specific location. A critical principle to understand is that shoppers talk primarily about *their own* experiences. As has been discussed, people use the social web to connect, and that is most often about personal experiences or opinions. They are far more likely to comment on an experience they have had at a particular store or with a particular brand and far less likely to wax poetic about a brand's position. However, this doesn't mean they don't want to hear from companies. For example, a recent study showed that 86% of Twitter complainers expected to hear back from the company, and 75% of those who did hear back were satisfied with the response.<sup>4</sup> Just 140 characters can go a long way.

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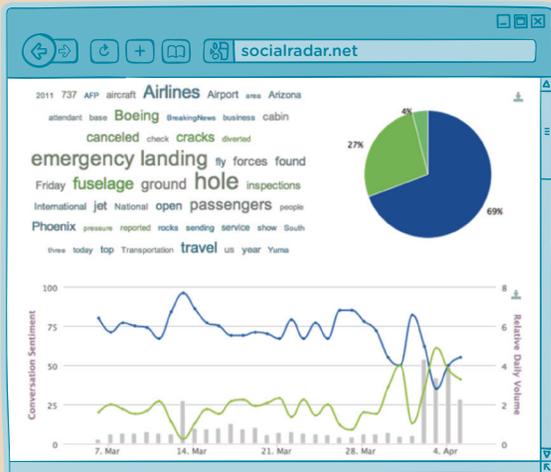
75%

of those who did hear back were satisfied with the response.<sup>4</sup>

<sup>4</sup>. Maritz Research and evolve24®. (2011, SEPTEMBER 27). *Twitter Study*

So, when *listening*, efforts should be focused on the different ways shoppers are interacting with the brand. What messages or channels are currently in the marketplace that shoppers may react to? How and where may they be sharing a particular promotional offer? Are reviews for an experience they had at a particular location or with a particular person?

### Measure Your Social Listening



*Social Radar is one tool that can be used to measure the social web.*

Source: socialradar.net

### 3 LENSES OF VALUE FOR LISTENING

- **SHOPPER:** Shoppers are speaking in hopes that someone (sometimes the marketer) is listening. By not listening, marketers are missing an opportunity to create real conversations.
- **BRAND:** Brands are spending a great deal of money on engaging consumers and creating an image; don't miss out on the opportunity to listen in on thousands of consumer conversations.
- **RETAILER:** While retailers think as chains, regions or districts, shoppers experience stores and employees on an individual basis; listening allows marketers to discover the gaps.

Listening can provide qualitative and quantitative insight about your shoppers.

## Understand

Once a listening plan has been established, companies can begin to understand their role in the social web. Ask yourself: Do you simply want to talk about the brand? Can or should you rebut? Are you an expert on something in users' eyes? More specifically, you need to understand who is talking about you. Are Sharers most likely to pass on their latest promotion to friends? For 82% of Sharers, this is their primary motivation for being on social networks.<sup>5</sup> Or, are Creators going to write about an experience they had with the brand/store? One of five Creators like to advise their networks of what's good and what's bad.

Companies already engaged in the social web should take a hard look at existing analytics. What is the profile of your Facebook fans? Who follows your tweets and who retweets or @messages them? Are users tagging their content on StumbleUpon® or other larger social bookmarking sites? If so, what is it that interests them? Do all users engaging with your company fall into the same segment? Or do they have different segments using different channels or sites to connect with them? If time and effort are spent on understanding these details (similar to how marketers do when planning what TV show or magazine to put their ads in) the same benefits can be reaped; right communication in the right place at the right time.<sup>5</sup>

82%

of Sharers are motivated to pass on the latest promotion or relevant information to friends on the social web.

<sup>5</sup>. Integer/iModerate. (2011, NOVEMBER 7). *Social Networking and Brand Engagement Research*

## Understand Who You Engage With



*Brands like Whole Foods can better understand who their shoppers are by using Twitter.*

Source: [twitter.com/wholefoods](https://twitter.com/wholefoods)

## 3 LENSES OF VALUE FOR UNDERSTANDING

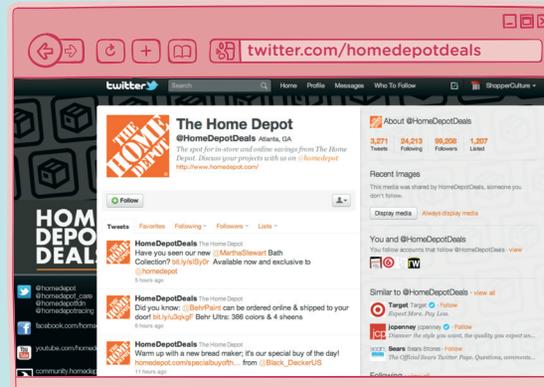
- **SHOPPER:** Through their behavior, shoppers will self-select how they want to be engaged. Empower shoppers to define their brand/retailer relationships.
- **BRAND:** As shoppers establish their relationship, brands need to react based on the level and type of engagement that shoppers want, while staying consistent with the persona they have created.
- **RETAILER:** Shoppers look to retailers as suppliers, curators and guides. Retailers shouldn't miss the opportunity to understand the role they play for their shoppers and in what categories.

## Participate

Once marketers understand their shoppers' use of the social web and how those shoppers view them as a part of the landscape, they can begin to engage successfully. For example, if a retailer plays heavily in price promotion to drive trips or create immediacy around large purchases, creating a Twitter feed of deals would be a first possible point of entry. After all, according to one study, 57% of U.S. Facebook users would become a fan of a brand to receive exclusive deals or offers.<sup>6</sup>

The Home Depot® created a Home Depot deals feed that focuses on connecting people to their local circular or announcing specific category deals like “20% off window treatments.” To date, this feed has just shy of 100,000 followers. Further, this Twitter account is kept separate from the regular Home Depot account, which talks more about corporate initiatives and engages shoppers with more of a branded voice.

### Give Users Something Useful



*The Home Depot deals feed on Twitter connects followers to local deals.*

Source: twitter.com/homedepotdeals

57%

of U.S. Facebook users would become a fan of a brand to receive exclusive deals or offers.<sup>7</sup>

6. Merkle. (2011). *View from the Digital Inbox 2011, Digital Marketing Insights From the Annual Consumer Attitudes and Usage Study*

7. Merkle. (2011). *View from the Digital Inbox 2011, Digital Marketing Insights From the Annual Consumer Attitudes and Usage Study*

However, price isn't the only way to participate. For some retailers and brands, it is about understanding and tapping in to a unique shopper connection via the social web. For example, Publix®, a respected and locally loved retailer, has just as many followers on Facebook for its sub sandwiches as it does for the store itself. The social web didn't create this sub-sandwich movement, but it provided a forum for loyalists to express and share their love of a particular product. These are the type of individualized marketer-specific opportunities that can be realized in the social web.

Further, Publix is now looking to integrate the two Facebook pages together, which demonstrates how a company can find a small shopper eccentricity and use it to build a stronger and broader relationship once the conversation has begun.

A final example in terms of participation comes in the form of consumer engagement with promotional tools like sweepstakes and contests. It's been shown that 38% of U.S. Facebook users became fans of a brand to be entered into a sweepstakes.<sup>7</sup> With a little engagement, a few questions, clicks or 'Likes,' marketers can offer consumers an experience that hopefully comes from a solid understanding of that consumer's desires.

### Tap Into a Loyal Sub Culture



*Publix was able to participate and engage with a loyal customer base knowing their true passion, subs.*

Source: facebook.com/publix

Price isn't the only way to participate. Provide a forum for loyalists to express and share their love of a particular product.

7. Merkle. (2011). *View from the Digital Inbox 2011, Digital Marketing Insights From the Annual Consumer Attitudes and Usage Study*

Midwestern regional chain Price Chopper®, for example, is taking advantage of the voracious appetite of the Missouri and Kansas shoppers for college sports with their Game On promotion. When shoppers click their favorite team and ‘Like’ a favorite matchup, they are entered for a chance to win tickets to that game. The activation is simple and shows an understanding of what their shoppers are passionate about, and they actually get some interesting data back as well.

### Interest Inspired Promotional Participation



*Price Chopper's Game On promotion taps into shoppers' interest in college sports.*

Source: facebook.com/mypricechopper

That last point is critical. Just because we are past the *Listen* phase doesn't mean that a company's listening activity is over. There should always be a feedback loop on any activity executed in the social web for continued learning and improvement.

### 3 LENSES OF VALUE FOR PARTICIPATING

- **SHOPPER:** Because shoppers select the terms of the relationship, they feel less intruded on by marketers in the social web and are therefore more open to engaging.
- **BRAND:** For brands, when a user 'Likes' or "follows" you, it is like getting an invitation to the party. Once there, it is up to brands to behave as users expected or hoped, because with one rude move, you're out of there.
- **RETAILER:** Out-of-store engagement can help drive shoppers in store and/or generate allegiances or preferences to certain locations and retailers.

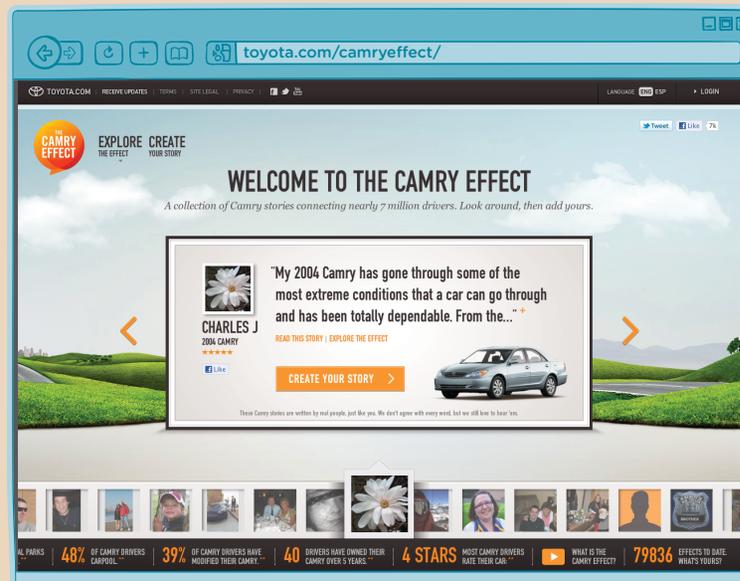
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## Create

The most mature level of marketers using the social web is creation. When a brand or retailer can create its very own space for its consumers or shoppers to come to and connect, it can create a real loyalty-building experience.

Toyota® Camry® counted on the loyalty built over the years to create a community of sharing. With 90% of all Camrys sold in the last 15 years still on the road today, Camry realized it had become a part of the fabric of many people's lives. So, with a strong TV presence driving the campaign, Toyota simply asked Camry owners to come to the Camry Effect and share their Camry stories. With topics like Road Trips, Memorable Moments and Customization, the site invites Camry owners to share their stories as well as read other people's. Further, they have taken all the data that the site has generated and created fun, infographic-style pop-up facts all around the site. One of the best parts about this consumer engagement is that users are participating without a prize or discount offer. They are simply doing it because they love the brand.

### Toyota's Camry Effect Creates Community



*Toyota created a space for brand loyalists and Camry lovers to share their stories with the Camry Effect.*

Source: [toyota.com/camryeffect/](http://toyota.com/camryeffect/)

While some engagement can be task-oriented like sharing and reading stories at the Camry Effect, other created social spaces can simply become free sharing environments for users to upload pictures, text comments, tweets and more. A truly interesting example of this comes from the UK's Asda.

8. Toyota. (2011, AUGUST 17). *The Camry Effect Facts/ Stats Disclaimer*. Retrieved from <http://www.toyota.com/camryeffect/pages/details.html>

Asda first created the Green Room as a forum for its employees to share and connect. After recently giving the site a facelift, Green Room Manager Steven Murgatroyd shared his hope of how this project can grow the store's brand and employee relations.

*"The Green Room is our colleague website, with a difference. That difference is that the website is available to anyone, whether you're an Asda colleague or not! I can already feel a few eyebrows raised and sharp intake of breath, and you're right to.*

*At Asda, we try to be as transparent as possible; the Green Room was created on this very premise. We hear amazing stories about our colleagues on a daily basis, whether that's a colleague saving the life of a baby in store, or someone having their head shaved for charity (I'm talking about a female colleague as well!). Asda colleagues always go above and beyond.*

*The Green Room gives us a chance to share these with other colleagues around the country, and inspire them to do the same."*<sup>9</sup>

## Asda's Green Room Creates a Virtual Employee Lounge



*Asda created a forum for its employees to share and connect. The twist is it's also available to anyone whether they're an Asda employee or not.*

Source: <http://greenroom.asda.com>

### 3 LENSES OF VALUE FOR CREATING

- **SHOPPER:** As people engage with your brand, they are proud to be able to share with other like-minded users and appreciate brands recognizing them by creating a space in which they are welcome.
- **BRAND:** For a brand to be able to build a space for their users to connect creates an entirely new level of relationship.
- **RETAILER:** For retailers, this provides a chance to extend and amplify the experience they offer in their store to connect with their shoppers in another way.

9. Rachel Miller. *Diary of an internal communicator*. Retrieved from <http://www.rachallen.com/?p=653>



# PROJECT METHODOLOGY

For this project, we used a combination of primary and secondary research to build a fact base to analyze the landscape of social networking as it pertains to its current state, how it affects both the shopper and consumer mind-set and its relation to physical and digital retailers.

We conducted a thorough review of secondary resources to build a knowledge base and guide our primary research. Secondary resources included subscription-based resources such as Iconoculture®, Experian® Simmons, Warc® and eMarketer, as well as publicly available information from industry associations, publications, studies, blogs and platform providers.

To fully understand this rapidly evolving space and its relation to consumers and shoppers, we leveraged a variety of primary research, including expert interviews, a quantitative consumer study and a qualitative shopper study.

## Expert Interviews

In addition to leveraging social media, digital and media experts within the Integer network, we conducted interviews with seven industry participants

to gather real-time insights regarding the project objectives. Participants included consultants, internal brand community managers and external digital strategists/agencies.

## Quantitative Consumer and Shopper Research

Integer, in conjunction with iModerate research technologies®, conducted a quantitative survey with 308 frequent social networkers and intercepted 40 respondents to participate in one-on-one live conversations via the iModerate proprietary instant-messenger platform to gain deeper insight regarding habits and practices online.

## Qualitative Shopper Research

Integer, in conjunction with Qualvu, completed a qualitative survey with 24 frequent social networkers. Participants answered several questions regarding their social networking usage and habits and provided video footage of their “shopping journeys” to illustrate their social media behaviors and motivations throughout (Pre-Tail®, Retail, Post-Tail®).

## About the Shopper Journey

We used the Integer Shopper Continuum® to frame the shopper journey and help us understand and articulate the role of communication and marketing actions during three distinct phases of shopping behavior: Pre-Tail®, Retail and Post-Tail®.

- **THE PRE-TAIL® PHASE** includes all the things people do when preparing to shop and select a retailer, including how they respond to all things brands or retailers do to influence behavior.
- **THE RETAIL PHASE** is all activities that take place in a real or virtual retail environment. This includes the behavior of the shopper and the actions of the retailer and brand on the shelves (real or virtual).
- **THE POST-TAIL® PHASE** encompasses what happens after purchase. It includes things retailers and brands can do to reinforce and celebrate the purchase and encourage shoppers to repeat their behavior again and again.

## About the Coca-Cola Retailing Research Council of North America

The Coca-Cola Retailing Research Council of North America ([www.cccrrc.org](http://www.cccrrc.org)) conducts studies on issues that help retailers respond to the changing marketplace. The unique value of these studies rests with the fact that retailers define the objective and the scope of each project and “own” the process through the release of the study and dissemination to the broader retail community.

## Members of the Coca-Cola Retailing Research Council of North America:

- David Ball, Ball's Food Stores Inc.
- Jonathan Berger, The Consumer Goods Forum
- Chris Coborn, Coborn's Inc.
- Mike Donnelly, The Kroger Co.
- Randy Edeker, Hy-Vee, Inc.
- Cathy Green Burns, Food Lion LLC
- Jerry Golub, Price Chopper Supermarkets
- Mark Irby, Publix Super Markets
- Jay Lawrence, MAL Enterprises, Inc.
- John Lucot, Giant Eagle, Inc.
- Tim Mason, Tesco U.S.
- Jason Potter, Sobeys
- Leslie Sarasin, Food Marketing Institute
- Carlos Smith, Bodega Latina Corporation
- Greg Sullivan, Walmart Stores, Inc.
- J.K. Symancyk, Meijer Inc.
- Todd Vasos, Dollar General Corporation
- Lauri Youngquist, Knowlan's Super Markets, Inc.

## About The Integer Group - @IntegerGroup

The Integer Group ([www.integer.com](http://www.integer.com)) is one of the world's largest retail, promotional and shopper marketing agencies and a key member of the TBWA\ Marketing Services portfolio. The Integer Group resides At the Intersection of Branding and Selling® and creates strategic marketing solutions for clients in categories that include beverage, packaged goods, telecommunications, fast food, home and shelter and power sports. Join Integer in a conversation on shopping culture and brand strategy at [www.shopperculture.com](http://www.shopperculture.com) or on Twitter @shopperculture.

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