

Keeping Pace With Next-Generation Social Media

By Alicia Fiorletta, Associate Editor

Online and mobile commerce are delivering a growing percentage of retail sales. In tandem, digital communication channels, especially social media, are playing a larger role in shoppers' product research and purchase consideration processes.



Shopping is an innately social behavior.

Until recently, most consumers sought peer approval via face-to-face communication and visited brick-and-mortar stores with friends and family to verify potential purchases.

But today, shoppers instantly can connect with friends, family and even fellow brand fans, to garner feedback and receive detailed insights on potential purchases. Tapping into popular social networks such as Facebook and Twitter, consumers spend a substantial portion of their online time participating in social media communications, according to Nielsen research.

During July 2012, U.S. consumers spent 121 billion minutes on social networks, a 37% increase over July 2011, according to the [2012 Social Media Report](#) from Nielsen. "Social media has fundamentally changed the consumer decision journey," the Nielsen report stated. "Consumer decisions and behaviors are increasingly driven by the opinions, tastes and preferences of an exponentially larger, global pool of friends, peers and influencers."

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-Nielsen,
2012 Social Media Report

The Rise Of Pinterest And Instagram

In a recent study, Facebook was cited as the most-visited social network, with 51% of people logging on to the site at least once a month during Q1 2013. The report, from GlobalWebIndex, a digital research company, was titled: [Stream Social: Quarterly Social Platforms Update](#). Google+ (26%), YouTube (25%) and Twitter (22%) followed behind in total global penetration.

However, image-focused sites such as Pinterest and Instagram are starting to capture consumers' eyes and attention. U.S. desktop users spent approximately 1.3 billion minutes on Pinterest in 2012, according to the Nielsen social report. In addition, consumers spent 721 million minutes on the mobile web site, and 120 million minutes on the Pinterest app.

Since the inception of Pinterest in 2010, it has garnered 48.7 million users worldwide, according to comScore. In addition, comScore reported that the social network received 53 million unique visitors in March 2013, nearly double the rate of March 2012, as noted in a [Forbes article](#).

Instagram, which also entered the social media universe in 2010, is experiencing similar explosive growth: 40 million photos are published to Instagram daily, receiving 8,500 likes and 1,000 comments per second, according to the [company web site](#). Nearly 100 million active users are visiting the social network on a monthly basis.

Consumers are responding strongly to Pinterest and Instagram because these social networks are more focused on inspiration and discovery than Facebook and Twitter, according to Adam Pressman, Principal in the A.T. Kearney retail practice.

"We've learned that customers are using Pinterest and Instagram in a manner that is significantly different than how they're using Facebook and Twitter," Pressman said in an interview with Retail TouchPoints. "Consumers are actually seeking something and want to discover new products and ideas through these sites." Pinterest and Instagram focus more on peer-to-peer interactions and lifestyle

content, versus static brand and product information, according to Apu Gupta, CEO of Curalate, a social media analytics company that focuses on Pinterest and Instagram.

"These visual social networks are so impactful because they mostly consist of things," Gupta said. "With Pinterest, a retailer can see that people are pinning a specific handbag, for example, which shows they really are responding to the brand and products."

Image-Focused Social Networks Present New Engagement Opportunities

New business opportunities around Pinterest and Instagram focus on the ability to put a brand at the center of consumer interactions and photos being published, according to Joel Alden, who is a Partner in the A.T. Kearney retail practice.

"Pinterest and Instagram present a tremendous opportunity that hasn't been leveraged before," Alden said. "Since these new social networks are more product-focused, retailers have the chance to put their product and brand at the center of consumer discussions and interactions."

There also is a significant commerce opportunity for retailers using Pinterest because it presents the clearest link between social media and an e-Commerce site, according to Gupta. He added that this seamless path to purchase is the key reason why Pinterest will become more popular among retailers in the coming year.

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"Brands have a tremendous opportunity to harness the discovery element of Pinterest," Gupta said. "All they have to do is anchor a link to an image, and if consumers click that image, they become a warm lead. Once consumers are on the e-Commerce site, there is a greater chance that they will be motivated to browse more extensively."

Pinterest shoppers spend significantly more per checkout versus non-Pinterest users, averaging between \$140 to \$180 per order.

-RichRelevance

In fact, among the leading social sites, Pinterest shoppers spend significantly more per checkout versus non-Pinterest users, averaging between \$140 to \$180 per order, according to [research from RichRelevance](#). The site is far more profitable versus Facebook and Twitter, which garner \$80 and \$60 in orders, respectively.

[C. Wonder](#) uses Pinterest to share new products and outfit recommendations, as well as more lifestyle-focused images. For a recent Mother's Day contest, C. Wonder turned to Pinterest to drive customer social engagement and shares. To participate in the pin-to-win contest, consumers simply selected a monogram letter of their choosing, submitted their email address, and pinned personalized products touting their monogram on the site.

"The beauty of the program was that it was super simple," said Michael Chao, Director of Social and Mobile Engagement for C. Wonder. "It didn't require participants to create a unique pin board, it was personalized, and it was fun. We saw hundreds of images out on Pinterest that highlighted our monogram products, a key part of the product portfolio. In addition, we saw brand impressions in the hundreds of thousands."

Instagram, however, is more effective as a vehicle to drive advocacy and engagement. The site benefits brands by allowing them to provide consumers with a "behind-the-scenes" look at day-to-day operations, VIP events and other happenings. The social network also is being used as a new channel to hold contests and giveaways, as well as gather user-generated content.

Johnny Cupcakes, a clothing and accessories retailer for men, women and children, taps Instagram to encourage fans and followers to interact directly with the brand. As part of a recent web site design, Johnny Cupcakes opened the opportunity for customers to become product models, according to Lucas Dunn, Business Director of Johnny Cupcakes.

“Through Instagram, customers can post photos of themselves wearing a Johnny Cupcakes product with that product’s pertaining hash tag,” Dunn said in a recent interview with Retail TouchPoints. “Their photo then immediately appears on the product page.”

As a growing company, Johnny Cupcakes sees Instagram and other social networks as “portals into the Johnny Cupcakes brand, its people and its owner, Johnny Earle,” Dunn explained. “The content of these channels isn’t overly structured or defined, but rather tends to focus on the personality behind the brand.”

Harnessing The Power Of The Crowd

Retailers also can drive consumer-to-consumer conversations and overall engagement by embracing crowdsourcing and community tools. With social crowdsourcing, retailers can identify brand fans and advocates, and in turn, leverage these consumers to help fellow shoppers make decisions and drive purchases.



For example, Sephora partnered with **Lithium**, a provider of social community solutions, to create a digital focus group within the e-Commerce site. Called **“Beauty Talk.”** this digital outlet allows consumers to connect with each other, ask questions and offer advice, according to Katy Keim, CMO of Lithium.

"Retailers can really benefit from tapping into the power of the crowd," Keim said. "There is a great amount of overall expertise and value that can be generated in social communities. And since these consumers already are on the e-Commerce site, they're only seconds away from spending."

Overall, "Beauty Talk" community members spend approximately 33 hours per month connecting through the digital group, Keim explained. In addition, these consumers spend 2.5 times more money on products than non-community members.

Social media significantly is disrupting how retailers connect with consumers, Keim explained. Rather than pushing consumers to purchase, social is enabling merchants to pull customers in to engage. "Organizations are painfully aware that they need to change the dynamic, but it requires a real behavioral mind shift."

Leading Retailers Implement Cutting-Edge Social Strategies

Consumers are leveraging social media to discover and validate potential purchases. In fact, they are beginning to rely more on digital feedback from friends, family and influencers, and less on brand-generated messages, according to Forrester Research.

Up to 70% of U.S. consumers trust brand and product recommendations from friends and family, noted the Forrester Research report, titled: [How To Build Your Brand With Branded Content](#). Conversely, only 15% of respondents said they trust posts that brands create and share on their social networking accounts.

Best-in-class retailers are keeping pace with these trends by initiating and encouraging conversations across new and emerging social networks. For example, C. Wonder, The Grommet and Pet360, all are leveraging sites such as Instagram, Pinterest and Vine, and implementing social crowdsourcing tools to:

- Create thriving communities;
- Turn their brands into lifestyles; and
- Participate in one-to-one social conversations.

These retailers are seeing business benefits from placing social media at the center of customer engagement strategies. As a result, they are developing long-term initiatives and strategies that strengthen their influence across new social media sites and trends.

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-Forrester Research

Social Media “Deeply Embedded” Into C. Wonder Culture

For **C. Wonder**, social media is a core component of the entire organization and overall brand marketing strategy. Launched in 2011, C. Wonder harnesses social networks to help customers “connect with us in deep and personal ways,” according to Chao.

“Social media is not only a way for us to amplify brand awareness, but also create delightful customer experiences, improve product design and marketing, and build excitement for new store launches,” Chao said. “The opportunities are limitless because social media is deeply embedded into our company culture.”

A key goal for the C. Wonder team is helping women celebrate design, discovery and surprises, Chao explained. Social media helps the retailer ensure great experiences at scale, as well as drive efficient brand exposure.

Currently, C. Wonder focuses on Facebook, Twitter, Pinterest, Instagram and Google+ to execute campaigns and contests. Each site, Chao stated, serves a “unique but complementary purpose as part of the total social ecosystem.”

However, all social initiatives integrate, in some way, with other channels, including the e-Commerce site and even brick-and-mortar locations. "Social media does not operate in a silo, nor is it considered as an afterthought," Chao noted. "Social has a seat at the planning table and is embedded across all of the things we do."

For instance, C. Wonder presented a Valentine's Day campaign in which boxes of candy were given away in stores. To encourage social shares and generate user-generated content, the retailer ran a contest in which consumers took an Instagram photo of their candy boxes and posted them with a specific hash tag. All entrants were eligible to win a \$500 C. Wonder gift card.

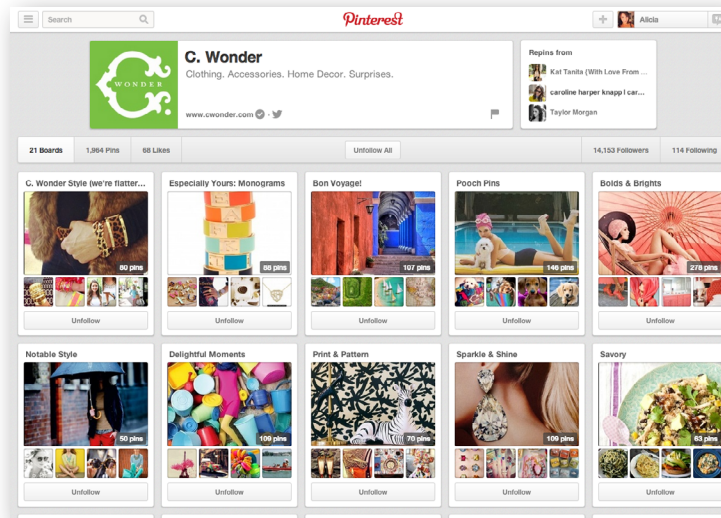
"We saw hundreds of images submitted for this campaign," Chao explained. "It was a simple task for participants to complete, and it gave them flexibility to really take the photo in whatever creative direction they wanted to. And for us, we saw branded candy box impressions across thousands of Instagram feeds."

A variety of measurement and analytics tools are used to quantify the success of social efforts. For Facebook and Twitter, C. Wonder leverages a combination of [Facebook Insights](#), [Sprout Social](#) and [Google Analytics](#). [Curalate](#) helps the retailer collect detailed analytics on Pinterest and Instagram, and allows the retailer to measure the total reach of image-based content. All data points accumulated across social networks are integrated into custom weekly reports and discussed in company meetings.

Because the social media universe is in a state of ongoing change, C. Wonder is focused on researching and testing new social networks and sites. For example, the retailer is experimenting with [Vine](#), a video app created by Twitter.

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In addition, the social team is testing strategies on **Trendabl**, an app designed to help consumers and brands share fashion trends and inspirations.

“We always are keeping an eye on high-potential, brand appropriate platforms as they arise,”

Chao said. “We explore new social sites and selectively integrate them into our social strategy. Vine provides an interesting format that we can use in our storytelling. We also see unique opportunities in Trendabl, which is bridging that gap between an ‘Instagram-esque’ platform and commerce.”

As C. Wonder refines and optimizes social strategies, the retailer will continue to invest in the platforms that help grow social communities and also drive engagement among current customers and loyal brand fans.

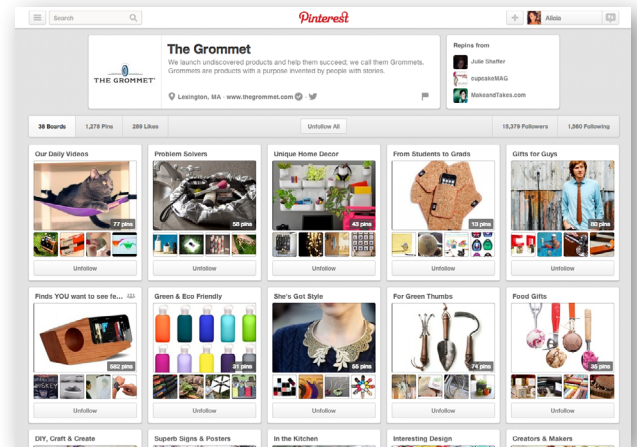
“We will always be testing new ways to interact with our communities because we want to continue to be innovators in the types of social campaigns and programs we implement,” Chao said. “It’s through these campaigns and programs where we or retailers can drive really organic spikes in engagement and follower growth.”

The Grommet Increases Engagement And Sales With Pinterest

Consumers visit the **The Grommet** to discover new products and connect with independent merchants. This focus on discovery and interpersonal interaction makes social media a “natural extension” for the eTailer, according to Tori Tait, Senior Community Manager for The Grommet.

“Our target audiences are both creators and consumers,” Tait said. “Through social media, we can connect and build relationships with both of these groups. We use social media as a natural extension of what we are doing on our site.”

Tait told Retail TouchPoints that while Facebook, Twitter and YouTube all play a role in helping The Grommet drive awareness and engagement, Pinterest is proven to be the most valuable. In fact, both product creators and consumers turn to The Grommet Pinterest page to share products with the community, and comment on images.



“Each time we launch new products, they get nearly immediate amplification because people are pinning them on their individual Pinterest accounts,” Tait explained. By observing pinning behavior, The Grommet can learn “so much,” she added, such as what images are most impactful and/or sharable, as well as how consumers decide to organize and share products.

“For example, seeing a consumer pin a product that we label a ‘kitchen gadget’ onto a Pinterest board labeled ‘Great Gifts,’ is pretty meaningful,” Tait said. “This information may encourage us to re-think how we categorize products, or even how we market that specific item.”

The Grommet also has seen success with Pinterest promotions. The eTailer recently implemented the Curalate promotional tool for a “spring fever” themed contest. During the two-week promotion, The Grommet asked people to select a product from a gallery that they believed would help them tackle their spring cleaning lists. All participants were eligible to win a \$200 gift card. Throughout the campaign, more than 4,000 product images were pinned on The Grommet Pinterest site. Those images encouraged an additional 555 re-pins and 136,000 impressions.

"In terms of referral traffic and sales, Pinterest does not disappoint," Tait reported. "In fact, we are seeing results from Pinterest that are neck-in-neck with those coming from Facebook. Until recently, Facebook always was the leading platform for our business."

Key to this success, Tait noted, is the ability to share photos as well as comment on specific image threads. "I think brands often see Pinterest as a one-way communication vehicle," she said. "However, I think the site offers great potential for organizations to build relationships with consumers, and discuss specific images."

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-Tori Tait, The Grommet

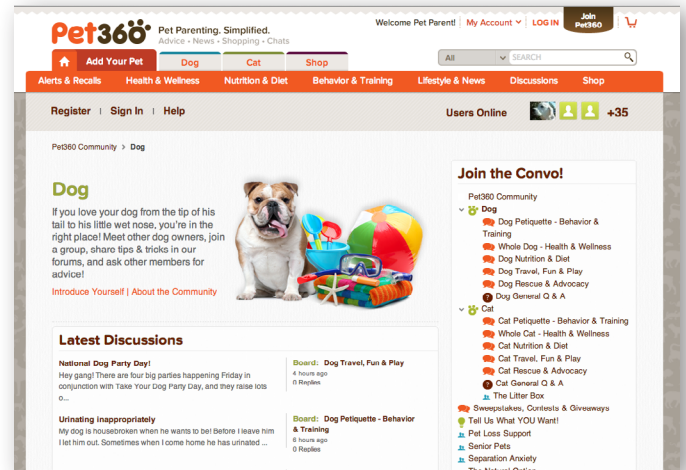
Pet360 Embraces Social Crowdsourcing

Pet360 is striving to be considered the go-to source for consumers' pet needs. As a result, the eTailer has focused on providing a hub of branded content and resources to educate consumers, as well as an outlet for "pet parents" to communicate with each other, share advice and ask questions.

Pet 360 has transformed the e-Commerce site into an educational outlet "that addresses pet parenting in a holistic way," said Rose Hamilton, EVP and CMO of Pet360. "We wanted to create a new strategy focused on community experiences, content resources, expert insights, and products that are personalized to consumers' unique needs."

To create this community-focused environment, Pet360 partnered with **Lithium**, a provider of social community solutions. Using Lithium technology and tools, the eTailer has created **a forum** that features discussions covering pet health, care and parenting. In addition, the forum provides customers with an outlet to publish photos, access company blog posts, enter contests and query peers.

Providing this variety of content and communication tools helps Pet360 create a stronger bond with consumers, Hamilton explained. The community area also helps formulate relationships between consumers, which creates a stronger and more personal social experience.



Using Lithium, Pet360 can “spot active participants really engaged in our community then communicate with these consumers on a one-to-one basis,” Hamilton explained. This ongoing dialogue, she stated, helps team members identify which content and resources are most effective for consumers.

Additionally, Pet360 measures site traffic as well as visitor engagement behaviors such as the overall number and types of pages being visited. “We’re constantly analyzing the customer journey,” Hamilton stated, “which helps us understand how to spend our time and resources.”

Success stories and strategies provided by C. Wonder, The Grommet and Pet360 confirm the variety of ways retailers can connect and engage with consumers on social networks. In addition, these examples showcase the variety of tools and solutions currently available and designed to help organizations achieve social success.

Social Gifting Helps Retailers Boost Sales And Integrate Channels

More consumers are using social media to research brands, redeem offers and validate potential purchases. In response, retailers working to integrate social engagement and interactions with other marketing strategies — especially via mobile.

By 2015, companies will generate 50% of all web sales from mobile and social channels, according to predictions from Gartner.

The growth in social engagement has brought social gifting to the forefront as a new way for retailers to acquire customers and create seamless brand experiences across channels.



Social gifting allows consumers to send both free and fee-based digital gift cards to friends via social media, email and even text messages. Digital gift cards are stored on the receiver's mobile device for future redemption in-store or online.

Applications such as Boomerang, Facebook Gifts, Jifti, Treater and Wrapp were created to make digital gift card sending and redemption easier for consumers, while helping retailers increase sales via online, mobile and in-store.

These applications and other social gifting developments have helped turn the once manual gift card exchange process into a highly social and mobile experience, according to Leon Perera, CEO of Spire Research and Consulting, a market research and analysis company.

"Consumer expectations are continually rising, driving retailers to provide multichannel buying experiences," Perera said in an interview with Retail TouchPoints. "Social gifting helps support this goal by ensuring shoppers have a seamless experience through all available shopping channels."

Social gifting also encourages collaboration among social connections, Perera added. For example, some apps allow friends and family to pool their money then send a shared gift card to recipients.

Retail industry experts predict that the immediacy of peer-to-peer gift giving will bring social gifting into the mainstream within the next year. As a result, social gifting would grab a larger piece of the gift card market.

"The concept of gifting through social channels really has resonated with consumers," said Zach Smith, CEO of **Boomerang**. "This comes as no surprise, though, given that Americans consume \$100 billion in gift cards every year. Social gifting provides retailers with a unique opportunity to gain brand exposure and acquire new customers. Since gifting is inherently social and highly compatible with mobility, it makes sense that businesses and consumers alike are diving into the space."

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Blending Online And Brick-And-Mortar Experiences

As omnichannel retailing continues to evolve, social gifting helps address a common pain point among many retailers: creating a seamless and consistent brand experience. Because digital gift cards purchased and shared via social gifting apps can be used both online and in-store, consumers have more options and flexibility in making their purchases across channels.

For example, Simon Malls **is partnering with Jifiti** to help cement the connection between brick-and-mortar stores and consumers' mobile devices. Featuring a barcode scanner, the Jifiti app allows consumers to scan products then add them to digital wish lists. Family and friends can access the wish lists and purchase specific items online. Once a gift is purchased, Jifiti users receive an in-app notification as well as a gift card number they use to obtain the in-store item.

To make the digital gifting experience even more compelling, retailers can work with business partners to "add incentives, free gifts and complementary items to attract more users to leverage the applications and send gifts," according to Perera.

For example, Sephora frequently implements social media marketing campaigns focused on the retailer's presence on Wrapp. By offering an incentive, such as a free \$10 Sephora gift card, the retailer encourages consumers to download the Wrapp mobile application, which can boost more sales across channels.

“Since gifting is inherently social and highly compatible with mobility, it makes sense that businesses and consumers alike are diving into the space.”

-Zach Smith, Boomerang

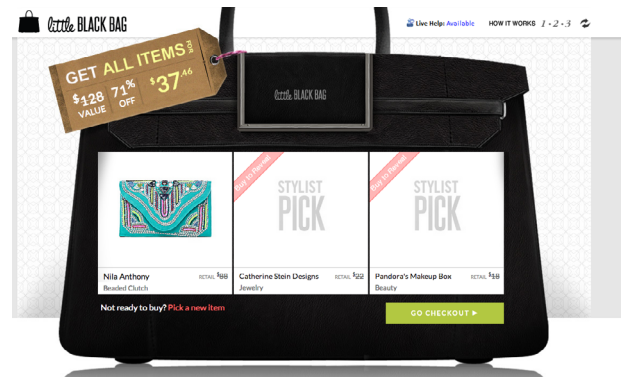
“Sephora has a great following on Facebook, so the company really wanted to energize these fans and get them engaged,” explained Aaron Forth, COO of [Wrapp](#). “By promoting Wrapp as a seamless way to receive and redeem gift cards. Not only does this help Sephora acquire customers, it also helps our company gain more users as consumers discover the other retailers offering free and paid gift cards on Wrapp.”



In another case, Puma, the shoe manufacturer and retailer, partnered with Boomerang to drive customer awareness and acquisition via blogs or other news outlets. For example, [Greatist.com](#), a fitness, health and lifestyle blog, [promoted an ad for a digital Puma coupon on the web site](#). This initiative was mutually beneficial for Puma and Greatist.com: It helped drive sales for Puma, and gave Greatist.com additional ad revenue.

Social Gifting Helps Little Black Bag Drive Brand Awareness

While many retailers are utilizing social gifting apps to acquire customers and drive incremental sales, some are turning to these solutions to help generate brand awareness.



Little Black Bag is a social commerce and gamification eTailer that creates personalized showrooms for consumers based on their style preferences. Featuring designer merchandise at a discount, the site allows consumers to create their “little black bags” by selecting an item that gets added to the bag along with two free products chosen by “site curators.”

Once bags are created, consumers have the option of swapping items with fellow consumers over the next seven days, creating a fun and “gamified” shopping experience, according to Jeff Biesman, SVP of Marketing at Little Black Bag.

“In essence, Little Black Bag is a trading platform that allows shoppers to swap items with other consumers directly on the site,” Biesman said in an interview with Retail TouchPoints. “Our customers are very dedicated to the brand because it’s fun and gives them a great deal on designer merchandise. It’s very rare that a retailer can appeal to both the emotional and rational side of consumers at the same time.”

To drive awareness and engagement across social networks, Little Black Bag has turned to Wrapp, which Biesman considers to be a “very powerful platform to help us expose offers.”

However, Biesman added that the entire Wrapp experience is “only partially about the offer. Most beneficial is the ability to attract new customers to Little Black Bag, and connect to their social accounts. We have instant access to their friends’

birthdays and anniversaries, can directly communicate with these consumers, then encourage consumers to send the free gift cards we offer.”

Consumers who visit Little Black Bag to redeem Wrapp gift cards “are sticking around,” Biesman said. Many are new customers who are “engaging in the Little Black Bag experience, trading items and completing purchases.”

Since establishing the partnership with Wrapp in March 2013, Little Black Bag has seen an increase in brand impressions, and an improvement in overall customer acquisition and retention.

Social Gifting And The New Engagement Opportunity

An increasing number of retailers are testing social gifting applications and solutions to determine the impact on customer awareness, acquisition and retention. As more implementations take place, merchants will recognize the overall engagement value and opportunity of social gifting, according to Shaul Weisband, Co-Founder and CMO for [Jifti](#).

“Gifting is very emotional and thoughtful,” Weisband said in an interview with Retail TouchPoints. “The key benefit of social gifting is the ability to share that experience with others — whether by involving them in the process itself through group gifting, or making them aware of the gifting experience by sharing messages or gifts through social networks.”

By making the gift giving, sharing and redemption process easier and highly integrated across communication and commerce channels, retailers can turn potential customers into long-term brand fan and impact bottom line results.

“The ROI of social gifting is measurable, starting from the offer price of the gift, the selling price, total amount purchased at redemption, the gift app or platform being used, and the conversion rate of gift cards,” Perera said. “The process also allows data collection, not only on sales but across the entire chain of clicking behavior.”

For example, retailers can capture a variety of detailed consumer data that can help them design more effective and relevant promotions and marketing campaigns. In addition, “consumer gifting applications can provide aggregate data on the types of users who are giving and receiving retailers’ gifts,” Smith said. “Furthermore, gifting provides an opportunity for retailers to capture rich Facebook data as consumers leverage that network to share gifts. This information can help marketers dramatically improve their understanding of individual users as well as their overall ability to deliver highly segmented messaging.”



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