

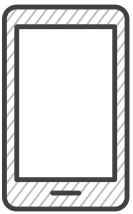


SOCIAL ANALYTICS INTELLIGENCE:

# FROM PASSIVE MEASUREMENT TO ACTIVE ENGAGEMENT

Today's retailers and brands must be active on social media because that's where shoppers are spending significant amounts of time. But it's not enough to just have a Facebook page and a Twitter account, or even to simply monitor likes, shares and retweets.

Increasingly, it takes interactive activities such as contests, quizzes and polls, gamification and user-generated content. This *Retail TouchPoints* special report will reveal four proactive social media strategies, showing how they boost sales and raise brand profiles for companies as diverse as **Starbucks**, **Casper**, **Frito-Lay** and **Forever 21**. Success stories and key strategies include:



### STARBUCKS

Incorporate mobile at every step



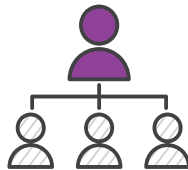
### CASPER

Emphasize customers' shared experiences



### FOREVER 21

Simplify purchasing processes via social media



### FRITO-LAY

Draw on consumers' own creativity

## Social Media Facts And Figures

Social media's reach is undeniable. According to *Social Selling*, a March 2016 report from Fung Global Retail & Technology:

- Of the world's 7.4 billion inhabitants, **46%** are Internet users;
- Approximately **two-thirds** of this group are active social media users;
- In the U.S., approximately **87%** of the nation's 323 million inhabitants are Internet users;
- **68%** of this group are active social media users; and
- The U.S. features more than **340 million mobile connections**, of which nearly half are active users of mobile social media.

Social media soaks up an increasing amount of people's time, according to a [GlobalWebIndex](#) survey of 50,000 Internet users around the world:

- **109 minutes per day:** Average time adults spent on social media sites in 2015;
- **9% increase:** Boost in average time adults spent on social media sites in 2015 (up from 100 minutes per day in 2014);
- **92% of adult Internet users** have at least one social media account; and **78% are active** on at least one account; and
- **3.5 social networks:** Average accessed by active social media participants.

In addition to spending increasing amounts of time there, consumers are influenced by what they see on social networks. However, while nearly half (45%) of global digital shoppers said reading reviews, comments and feedback influenced their online buying decisions, only 16% said they purchased products directly via a social media channel, according to the recent *Total Retail 2016: They Say They Want a Revolution* survey by [PwC](#). (See chart).

### SOCIAL MEDIA ACTIVITIES INFLUENCING ONLINE SHOPPING BEHAVIOR

(percent online shoppers worldwide)



Source: PwC, *Total Retail 2016: They Say They Want a Revolution*

## What Are The Best Ways To Measure Social Media Success?

When it comes to actually leveraging social media to improve business metrics such as sales, customer acquisition/retention, profitability or brand awareness, it's still a "good news/bad news" situation for many retailers. The jury is still out on [the value of "buy" buttons](#), and many retailers are frustrated by the challenge of monetizing their customers' social media activity.

In addition, because social networks are growing so quickly and their relative popularity shifts so rapidly, it's often difficult to gauge precisely how they influence customer behavior.


Certainly, there are insights to be gleaned from the passive measurement of likes, shares and retweets. Retailers can also use social media activity to fuel predictive analytics, identifying product trends and making more targeted recommendations to individual customers.

"The ability to apply measurements to social media interactions is both a 'win' and a 'lose' for retailers," said Gene Bornac, VP at Boston Retail Partners, in an interview with *Retail TouchPoints*. "The 'win' is that there are metrics for basic

engagement. More and more analysts can link these across multiple social media sites to see that this customer is engaging with us across four or five venues, and we can map their behavior together.

"The 'lose' is that, as with a lot of marketing efforts, they are not able to directly tie interaction and engagement on social networks with revenue generation," Bornac added. "Cutting-edge retailers know that the customer has an expectation that a brand will engage with them on multiple fronts, but for their part retailers can't get a really strong read on whether engagement actually equals revenue."

Retailers are making some progress in linking social media analytics with other forms of business intelligence.

**"The analytics guys are getting better and better at multi-channel attribution, ** and more sophisticated in understanding that customers are on four to five different devices and platforms before they visit an e-Commerce site, or walk into the store," said Nathaniel Fry, Retail Managing Director at Accenture, adding that "social platforms are wide open" in terms of sharing analytical data about users.

**"THE ABILITY to apply measurements to social media interactions is both a 'win' and a 'lose' for retailers."**

- GENE BORNAC

## Basic Social Media Metrics

For retailers just beginning to get a handle on measuring the impact of their social media activity, digital marketing analyst [Avinash Kaushik](#), author of the Occam's Razor blog, recommends four basic metrics:

### CONVERSION RATE

**Conversation Rate (CoR)** is a ratio of comments per post (or video or tweet or pin etc.) to overall Followers (or Page Likes). *Is what you are saying interesting enough to spark the most social of all things: a conversation?*

### APPLAUSE RATE

**Applause Rate (ApR)** is the ratio of favorites (or post likes or +1s or hearts etc.) per post to overall Followers (or Page Likes). *Do I think the content you've posted is interesting, even if I won't bless it with my stamp and forward it on?*

### AMPLIFICATION RATE

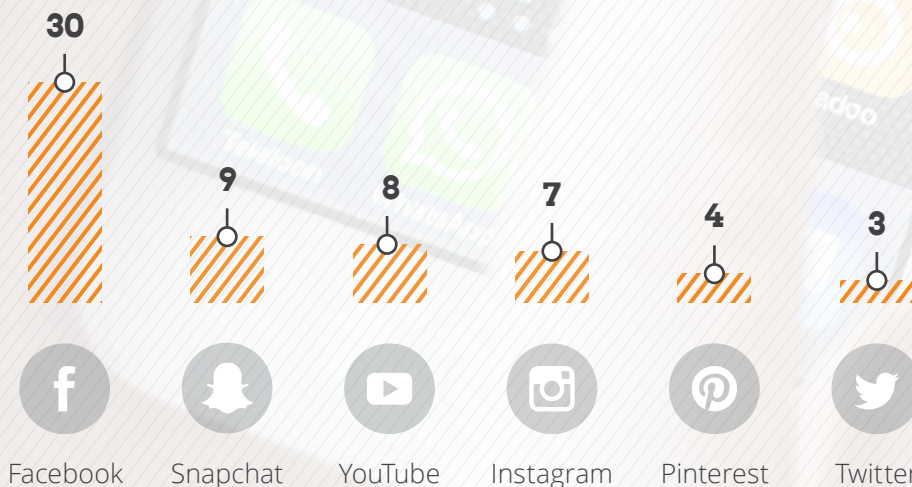
**Amplification Rate (AmR)** is the ratio of shares (or retweets or repins etc.) per post to overall Followers (or Page Likes). *Is what you are saying so incredible and of value that I'll stamp my brand on it and forward it to everyone I know?*

### ECONOMIC VALUE

**Economic Value (EcV)** is the value of short- and long-term revenue and cost savings. *Do we make any money from being on Social Networks?*

## MOBILE USER ENGAGEMENT WITH SOCIAL MEDIA

Mobile minutes per MAU spent with the following social media platforms per day



MAU=Monthly Active User  
United States; Q4 2015

Source: comScore, Morgan Stanley Research



## User-Generated Content – The Power of Unscripted Moments

User-generated content is considered to be a powerful source of marketing ammo for brands, in large part because of what these images achieve – brand affinity, engagement and even boosts in on-site awareness metrics like time spent browsing and page views. The kicker: There's a whole lot of this content. According to video editing app Magisto, iOS and Android owners take an average of 150 new photos per month, or about five photos a day.

There are many reasons why UGC is so effective, but in the end, it's about the ability to capture an unscripted moment. It's about creativity, authenticity and perspective. It's about relaying a personal experience that conveys a lifestyle – even if the photo is taken by a representative of a brand.

Whether you're a global retailer or a local business, you too can harness lifestyle content to bolster your brand message, to connect with your customers, and to celebrate some of your most influential fans. Rally the masses by incorporating some of these actionable ideas into your own UGC strategy.

### 1. AUDIT EXISTING FAN PHOTOS.

Before you approach your CMO and propose an elaborate UGC strategy, do your homework. What type of content are your customers sharing organically? Perform some simple searches on Instagram **by location and hashtag** to see what fans are sharing.

### 2. ADD SIGNAGE IN YOUR STORES.

In addition to social and digital calls to action, consider how you can engage your customers at one of the most valuable points of the customer journey: in your physical stores. If you're in the entertainment industry, why not add messaging around your venues or atop the tickets themselves? If you're a retailer, you might display hashtags near the register, outside of dressing rooms, or near a photo-friendly installation. Saks Fifth Avenue, for instance, placed **#SaksStyle** decals throughout the women's ready-to-wear and contemporary departments in all 39 of their stores to promote a Fashion Week campaign.

**IF YOU'RE A RETAILER, you might display hashtags near the register, outside of dressing rooms, or near a photo-friendly installation.**

### 3. POSITION UGC AS SOCIAL CURRENCY.

Consumers love incentives – from coupons to buy-one-get-one deals – and UGC can be a great way to incentivize your customers to participate with your brand. Small offers such as discounts, free samples or the chance to do something unique and unexpected that relates to your brand can be used to drive participation. Marc Jacobs, for instance, has twice opened pop-up locations in which the only form of currency accepted were social engagements, including UGC. In a matter of days, the label **collected thousands of Instagram images** from loyalists engaging with branded goods.

### 4. DESIGN A CONTEST.

One of the amazing things about UGC is that, frequently, the behavior is organic. That's the beauty of UGC. It represents the brand without bias, and that's why it feels so authentic. One way to encourage this behavior is to analyze the kinds of images that are already surfacing about your brand, and to then launch a targeted contest that aligns with, and builds on, those preferences. Design Within Reach did just that with their **Champagne Chair Contest**, delivering one million impressions throughout their campaign as well as a 238% lift in engagement with images from the contest.

### 5. FEATURE YOUR CUSTOMERS' PHOTOS ON YOUR WEBSITE.

By incorporating fan-sourced photos into the ecommerce experience, brands are helping shoppers to draw connections between images and products, while simultaneously celebrating some of their most engaged fans and attracting new UGC too. Since integrating UGC onto their website using Curalate's **Fanreel** solution, cosmetic retailer Sigma Beauty has seen nearly a **4x lift in on-site engagement**. Today, the brand receives some 16K photo submissions per month.

When it comes to UGC, it's not just a question of who or what – it's also how you harness and use it. One of the biggest misconceptions is that UGC can only benefit social teams and digital platforms. That's simply not the case. In reality, UGC can be a creative, cost-effective and rewarding way to enhance a variety of channels: your homepage, your product pages, your digital ads, emails, blogs, microsites and so on. Your next move is to share what you've learned here, and to **take action**.

**UGC REPRESENTS the brand without bias, and that's why it feels so authentic.**

## Four Examples Of Successful Proactive Engagement

Gamification and other interactive tools have the ability to take retailers' analytical (and engagement) capabilities to higher levels.

Retailers that may be hesitant should be aware that they don't need to leap directly into a complex campaign.

**"Gamification can be as simple as showing a progress bar or noting when someone moves from silver to gold status 🐦 in a rewards program,"** said Bornac. "It doesn't have to be as complicated as a multi-stage scavenger hunt. In fact, customers don't always know there's a game going on, but they react to these inputs very well. Retailers that are plugged into this know that in all their communications with customers, there should be some element of reward to the conversation."

As an example Bornac cited **Nike's** program that allows customers to use the graphics-oriented Instagram network as a tool to customize sneakers. "It doesn't have to be complicated, but it does have to elicit a response."

Following are examples of four successful proactive programs leveraging social media:



### 1. STARBUCKS INCORPORATES MOBILE

As with anything else in retail today, the mobile component is critical. To drive digital sales of its ground coffee products, [Starbucks](#) invited Twitter users to take a quiz designed to discover which coffee flavor is best suited to their tastes, and then to click through to a mobile-optimized shopping site to purchase a bag.

The retailer is using Promoted Tweets with a link to its three-question Coffee Finder quiz. First, users are asked which flavor entices them the most, with options including savory, fruity, toasted or caramelized. Next, they are asked about preferred sensations (crisp, smooth or lingering). The final question probes how intense drinkers like their coffee, ranging from subtle and soft through medium and balanced up through intense and robust.

Test-takers are then brought to the shopping section of Starbucks' mobile site where their individual results are displayed. They can read about the suggested flavor and its place of origin before pressing the "Shop Online" button at the bottom of the description.

## Social Media Self-Assessment Survey

1. **Does your brand have a social media presence on at least two of the following networks? (Facebook; Twitter; Instagram; YouTube; Tumblr; other)**

- Yes
- No social media presence

*See page 11 to score your social media performance.*





## 2. CASPER EMPHASIZES SHARED EXPERIENCES

Online-only bedding retailer [Casper](#) focused on the shared experience of dealing with hangovers from too many holiday parties, asking its New York City-area customers to share party photos via social media using the @casper tag and the #holidayhangoverhelper hashtag. Winners were alerted with a tweet or Instagram comment, from which Casper determined their delivery address. Winners then received 50 hangover-reducing Black Seed Bagel egg sandwiches, orange juices and coffees delivered fresh the next morning.

The retailer also solicited pictures and videos of customers unboxing their new mattresses. To accommodate New York City's narrow hallways and numerous walk-up apartments, Casper compresses its mattresses into 41" x 21" x 20" boxes. Some of the unboxing videos have received up to 70,000 views on YouTube. Casper was honored with a *Retail TouchPoints 2015 Customer Engagement Award* for its programs.



## 3. FOREVER 21 SIMPLIFIES SOCIAL PURCHASING

[Forever 21](#) has 5.4 million followers on Instagram and receives as many as 100,000 engagements with any given image it posts, making it one of the most popular apparel brands on the network. The retailer leveraged the only active link on Instagram (i.e. the link in a user or brand's profile) to turn its photo feed into a gallery of shoppable products using the Like2Buy tool from Curalate. Because the tool works retroactively, Forever 21 was able to link existing Instagram images to product URLs, immediately driving traffic to its mobile site.

In the first two weeks after implementing the solution, Forever 21 generated:

- 47,600 visits to the gallery;
- 38,000+ outbound clicks from Like2Buy to their web site; and
- An 80% click-through rate.

During this period, Forever 21's Instagram audience became more engaged with the brand. Mobile visitors referred from Instagram averaged **19% more page views** and **24% more time on-site** than the brand's average mobile user.

## 2. Do you monitor user activity on your social media accounts?

- Yes
- No

## 3. Do you deploy analytics tools/ applications to gain insights from your customers' social media activities?

- Yes, currently do (or are planning to do so within next 6 months)
- No

*See page 11 to score your social media performance.*



#### 4. FRITO-LAY CALLS ON CONSUMERS' CREATIVITY

Frito-Lay has conducted its "Do Us A Flavor" contest annually since 2012, asking consumers to submit location-inspired flavor ideas for its Lay's potato chips. The winning flavor is put into production, with the winner pocketing \$1 million or 1% of the product's net sales for a given period, whichever is higher. (Hailey Green was the 2015 winner, for Southern Biscuits and Gravy).

Use of social media (along with other promotional channels) helps the brand generate "a tremendous number of submissions," said Jerry Sheldon, Analyst for IHL Group. "This accomplished a number of things for them. It showed that this brand cared about these people as individuals but also promoted their sense of community by sparking people's creative juices — and it also gave Lay's a new product.

"By taking a multi-pronged approach to their advertising and promotion, Lay's was able to engage not just with people who liked their product, but even with people who didn't already have an affinity," said Sheldon in an interview with *Retail TouchPoints*. "They brought up brand awareness and also linked themselves with innovation in people's minds."

#### Engagement: Yes. Selling: Maybe.

Contests and other forms of gamification also keep direct selling at arm's length over social networks. That makes sense given the nature of these networks and how consumers interact on them. Industry experts recommend that retailers keep their expectations modest when it comes to generating direct sales via tools such as "buy" buttons.

"Social networks need to be understood within the context of the customer journey," said Accenture's Fry in an interview with *Retail TouchPoints*. "We all know that customers are highly influenced by what their friends say, so the social platform is very good for the 'research' portion of a purchase." The actual purchase may take place several steps later, on a completely different platform or device.

Retailers that use social networks to create a sense of community with consumers need to tread extra carefully. "People like the community influence, and it's powerful," said Sheldon. However, when it moves into a sales relationship, "it's almost like the change when a friend of yours gets into multi-level marketing. The friendship was a safe place for both of you, until your friend tried to sell you something. That's kind of how I view social media and sales; you're mixing purposes."

#### 4. Do you deploy proactive campaigns (games, quizzes, soliciting user-generated content) via your social media presence?

Yes

No


#### 5. If you deploy proactive campaigns, do you measure their impact on your key business metrics?

Yes

No

See page 11 to score your social media performance.

In contrast, engaging with customers to, for example, reinforce a brand image, puts far less pressure on social media users. Such actions also meet the primary goal of proactive actions — eliciting a response.

“For a long time, retailers had felt that the only way to engage with customers was to provide the lowest price, or by running periodic sales,” said Bornac. “Now they’re seeing that they can create loyalty by getting customers engaged so that they feel there’s something in it for them. Engagement reaches back to basic social interactions, like sitting around the fire and talking about your day. **Whether it’s using gamification, conversations or soliciting user feedback, it feels primal, and customers enjoy the conversation.**” 

In short, retailers should adjust their expectations around turning social media into the next blockbuster sales channel. However, as a vehicle for building community, channeling excitement about a product, service, or cause, tapping customers’ own creativity or simply “gamifying” key portions of the customer journey, social networks offer a uniquely valuable set of tools — as well as a rapidly growing audience of consumers.

**SOCIAL NETWORKS need to be understood within the context of the customer journey.**

## How to score your interactive poll results:

Award yourself 2 points for every “Yes” answer.

0–4

### ANTI-SOCIAL

You are missing out on marketing and customer engagement opportunities by minimizing your social media activities and analyses.

5–7

### MODERATELY SOCIAL

You are raising your brand’s profile via social media but are not taking advantage of these networks’ full capabilities.

8–10

### BEAUTIFUL SOCIAL BUTTERFLY

You are leveraging social media’s powerful reach to engage with your customers and deepen your understanding of them.

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