

Leveraging social media to drive retail sales and enhance customer experience

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Abstract

Shopping is an inherently social activity. Social networks and other social media tools provide retailers a powerful mechanism to engage customers, drive sales and build customer loyalty far more effectively than what was done in the brick and mortar world. By adding social media capabilities to their online presence such as ratings, reviews, recommendations, blogs, photo galleries and forums, retailers are transforming their online presence into online destinations with vibrant communities.

Social media, encompassing both a marketing channel and a marketing tool, should be treated as a mission critical marketing channel and afforded the same attention to planning, execution, iteration and measurement. This article looks at the following three considerations for social media.

- Social media driving revenue – What revenue is practically driven by Social media
- Customer Experience – How it enhances the Customer Experience
- Tracking and using Social media measurement tools – What should be tracked and what tools are available to assist in execution

Introduction

The economy continues to squeeze consumers, and they are responding by pulling back their discretionary spending, and in-store visits. As retailers struggle to navigate their businesses among a tightening economy, now more than ever, they need to learn how to improve the customer experience. By leveraging the power of social media, the insights which can be generated from it and the real time connect it can provide, retailers can exceed customer expectations.

Social networks are here to stay. They exist to enable communities of trust that leverage each other's experience and expertise to achieve better things in life be it career, self growth, relationships etc. These networks by encouraging human interaction effectively generate enormous amount of information about these interactions that can be harnessed to gain a competitive edge and increase sales through personalized offerings to customers.

Retail enterprises constantly mine customer data from past sales and other interaction with their stores. The key is combining such enterprise information sources with the insights from social relationships to build "market intelligence" that represents what customers are thinking and doing today.

Social media drives revenue and Customer experience

On the internet, the place where money is made is the place where users congregate. In the early days of the internet it was the bulletin boards and the early slivers of commerce was around shareware and other software. Then came the age of the search engines which was the natural starting point of most online users and so the world of SEO and online ads became popular. The next natural migration of the internet population is on to the social media networks given the amount of attention and traffic that social media websites command. Clearly there is a need to leverage the next congregation and find out best ways and means to leverage social media

Social media was often mentioned as a discovery agent in the recent past, that is, being akin to search as a vehicle to get visitors to a site to consume content/sales messaging, social media has expanded from being the vehicle to being a destination as well. Instead of taking a visitor on a journey to another site, social media has been leveraged as both the vehicle and a destination to help increase total conversions.

The four examples of Social media driving revenue that are applicable for all businesses are :

- Brand Marketing – If people know the brand, and they know the value provided, companies get the sell.
- Traffic – Traffic allows businesses to drive revenue. Page views and unique visitors still matter for banner or other advertising opportunities.
- Brand Loyalty – Organizations spend a lot of time and money on loyalty ranging from discounts to membership to those special offers but the best way to keep a customer happy is to do a good job, Social media let it be known immediately. Best examples are Best Buy or Comcast on twitter.
- Product Improvement – Revision to products or R&D coming from social media is great, but even better is the ability to show added value or leverage the need for added services. Not every product improvement actually needs to happen to the product. Product improvements can come in the form of better documentation, bundling existing products or services, or better refining value props.

Bridging the gap to empower sales through social media

Social media allows businesses to tap into the steady source of users that are registered through popular online communities. By reaching out to users through these web communities, companies can then create a rapport with the average consumer. Businesses can understand what their target audience is and how to fulfill their needs.

Leveraging social media to drive retail sales and enhance customer experience

Provide updates

Popular social media sites that are usually targeted include Digg, StumbleUpon, Del.icio.us, Face book, Twitter and many more. These sites give businesses the opportunity to keep in touch with the world and familiarize users with their brand name. Providing updates about various products, and latest advancements of a company, help create a constant connect with customers. These updates can lead interested and curious users back to the company digital presence to engage in deeper conversations and eventually conversion.

Businesses can discover new target audiences that they hadn't previously considered through this method of marketing. From analyzing the type of users who showed interest in their company, they can then alter their marketing techniques to effectively increase sales. Being linked to online communities will give businesses and their websites a steady flow of traffic that converts easily.

Interact

Companies interacting through online communities will maximize their number of back links which will help their SEO campaigns. The popularity of a brand name or company on a web community all depends on how much they can provide to their loyal consumers. The more you give, the more you will get in return. For example, a company promoting special offers, discounts, imagery, video and gaming entertainment, will be more popular than companies that merely register and provide a paragraph of information. The idea is not to be as focused on selling and to be more interested on putting your customer at ease. By providing entertainment and information for your customer this will add a personal appeal to your brand name and they will be satisfied knowing that you're not just trying to sell your product.

Get Feedback

One of the important steps to driving sales through social media is to build a collection of rich, structured feedback relevant to your customers. Enable customers to contribute their experiences with your brand and products, and reward them for their contributions.

It is observed that while promotions are always a great way to drive reviews and traffic, a simple "thank you" can turn a one-time reviewer into an influencer. Recognize your top reviewers individually and on your site to keep them contributing and encourage new reviewers.

Build Trust

Once the relevant feedback, place it where your customers will be influenced by it. Input and opinions from people like them help consumers cut and find what they're looking for. Including ratings and reviews on product pages allows customers to read about products in their own language, building trust in your offering and encouraging customers to buy.

David Tice, Vice President and Group Account Director for Knowledge Networks, drew an important conclusion from the social media study. "Social media users do not have a strong association between these sites and purchase decisions," Tice said. "They see them as being more about personal connections – so finding ways to embrace that powerful function is key."

Five key metrics to track

As with any marketing or sales strategy, using Social media to enhance the purchase process must be monitored to ensure that the organization goals are met. These metrics may take time to yield returns but they are worth tracking.

Traffic and/or revenue

As with any Web site addition, measure the number of visitors. Once the social media initiative has reached a critical mass of content, utilize other forms of marketing to help extend its reach. Where appropriate, track sales back to blog entries or no. of subscriptions in a social media initiative. Remember, customers may use blogs or comments in the pre- or post-purchase phases, and more complex methods of assessing their sales impact maybe required.

Internal expenses

As with any marketing program, track the associated costs. Since social media initiatives may be an addition to one or more employees' workload, determining costs may be as simple as having a separate cost or a whole cost centre associated with it.

Customer input

Monitor comments as well as input from other customer touch points to determine how consumers feel about your products and your services. Circulate these comments internally to show customer engagement and give management a better understanding of customers' perspective and identify opportunities to enhance customer experience.

Search rankings

Track search rankings for important keywords covered in your social media initiatives. It may take time for the search rankings to build up so constant monitoring is the key.

Branding

Use surveys to monitor consumer perception of brand and company across a variety of brand-related metrics before and after the start of the initiatives to calculate change in mind share.

Conclusion

Social Media initiatives provide significant value to many stakeholders across sales and marketing throughout the sales cycle. If designed with the convergence of sales and marketing processes in mind, they institutionalize a collaborative and repeatable workflow to drive sales productivity - automating prospecting, accelerating sales cycles resulting in more closed deals and sales revenue. And they help retail enterprises listen to their customers and interact effectively across multiple channels, through all the touch points more effectively, thus delivering superior customer experience.

About the Authors

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