

The rise of social media in retail

As the web has evolved, so has shopping. At first the internet was static with only the few experts create content but now anyone can imprint themselves on the web. It's a living, social thing. The social web means people have a voice and they increasingly want to speak to and share with their peers. This interactivity means web retail brands can no longer ignore their customers and need to start engaging with people discussing their brand.

Social networks give retail brands the opportunity to form a relationship with millions of customers and also speak to them individually. And as more people shop and spend money online – [online retail sales increased by 14% last year to more than £50bn according to Kelkoo](#) – retail brands need to get their online social strategy right. Retail has certainly reacted to the social age and almost every brand has some form of presence on social media whether it's a Facebook page, a Twitter handle or a Pinterest board. Brands maybe drawing millions upon millions of people to their Facebook page, but just because people are 'liking' or 'retweeting' doesn't mean they're buying. And that is surely the end goal of brands developing and maintaining a social media presence. A social strategy needs to lead to increased desire for products and then drive sales.

Social communities are the perfect place for brands to connect with their audience as it taps into a psychological urge for people to talk and share with people who have similar passions. A recent [social commerce](#) study by JWT Intelligence highlighted the effect social is having on shopping. It found that over 40% of men and over a third of women are more likely to purchase something if a friend has recommended it on a social network. However, a survey by [Ad Age](#) found that only 17% of marketing executives believe generating sales leads and pushing a social commerce strategy with Facebook advertising is important. This shows the majority of brands do not see the potential of social commerce. As well as this a number of retail brands have found it's not that simple to build an audience on social networks and expect them to turn into avid shoppers. [GAP and JC Penny](#) are just two retailers who have active Facebook communities and so opened a Facebook store to cash in on their audience engagement. But both found F-commerce wasn't that easy and shuttered their stores shortly after opening. One reason F-commerce isn't taking off could be a lack of trust – the social commerce study found three quarters of people think Facebook isn't secure enough to make purchases on.

Social can be used to create a community, generate engagement and drive sales. Social commerce does exist. However, people need the right social environment to engage with a brand and then be encouraged to buy its products. Cosmetic retailer Sephora, owned by Louis Vuitton Moët Hennessy, has created its own interactive shopping social space launching its online [Beauty talk](#) community. It has brought its customers together and encouraged them to discuss their passion – beauty. Sephora found that by creating a community and by opening itself to its customers it was flooded with people dying to talk to each other. Not only is [Sephora](#) facilitating this discussion – putting themselves at the heart of the community – but Beauty talk is making their customers buy more. A Beauty talk community user spends two-and-a-half times more than the average Sephora customer. While the most active community users – or 'superfans' – who post the most content and are highly engaged spends ten times more. This

shows that social communities can pay. Sephora has created a social community where they do not push their products at their customers but instead customer discussions lead to them recommending products to each other.

Social opens up communications between a business and its customer base. The benefit of opening up a direct line of communication is that people start to feel part of the business. If people feel part of something they're more likely to spend money and also help the business out. Social media allows people to voice their opinions and people like to shout when they're unhappy but also when they have suggestions. By listening to customers, businesses can modify their offerings and products in order to meet their customers' desire which will mean they're more likely to sell. It can also create an entirely new revenue stream if the suggestions lead to an innovative new product or service. [Giffgaff](#) is one business which crowdsources new ideas from their community of customers to shape their offerings. With upwards of 9,000 ideas over the past few years, the community has seen over 270 ideas implemented to help improve its mobile service – and an additional 100 community-generated ideas are in development.

As the social web has developed it has become a muddled environment as more social networks spring up. As well as forums and comment sections there's established networks like Facebook, Twitter and LinkedIn but also upstarts such as Pinterest, Path, Instagram or Viddy. This messy ecosystem causes retailers issues as time and money needs to be invested in different social networks. But instead of just looking at networks which have a large user base they should consider building their own branded community to gather all their passionate fans together. The technology is here, social is well established and so is e-commerce, but we are just beginning to see the two fuse together and retailers start to develop successful social e-commerce strategies. But one thing is certain, social commerce is here and retailers need to incorporate it into their business now.

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