

# Return<sub>on</sub> Twitter

One of the great debates in social media is, “Where’s the ROI?” Some say ROI is irrelevant because social media is about being part of the conversation — and if you’re not part of the conversation, you are not part of the marketplace. Therefore, the argument goes, social media is a cost of entry, and not necessarily a profit center.

But others insist — and rightly so — that every dollar spent in marketing should be accountable for a tangible result. And, to many, the cool factor of Twitter and Facebook, while appealing, is anything but measurable.

## The ROI on social media is at retail.

A recent *Reveries.com* survey confirms this (see page 12). The survey’s respondents, regardless of whether they love or hate Facebook or Twitter, tend to see them truly as social — and not marketing — media.

While some are resigned to the idea that there must be ads to subsidize free services like Twitter and Facebook, others are openly hostile to the idea that any kind of marketing should interfere with their online party-time.

Such attitudes may be in the minority, but an aversion to commercial messaging has been part of the DNA of the internet from the beginning, and that is not likely to change soon. However, careful observers have long noted that the internet is not so much a marketing medium as it is a transactional medium.

The infamous inadequacies of banner ads versus the wild successes of Amazon, eBay and Google’s search ads, tell the story: The potential to mix digital media with the shopping experience is huge. However, it is also underdeveloped.

In other words, it may well be that social media’s ROI riddle can be solved at retail. The extent to which brands integrate services like Twitter and Facebook with their retail strategies is probably the best indicator of social media’s true ROI potential.

Zappos is a good model of how this can work because its online community so seamlessly integrates social media with retail transactions. Shoppers commune by exchanging advice and the level of customer service rivals that of the finest department store.

Of course, Zappos exists online only — for now. Just imagine the force multiplier if Zappos built a brick-and-mortar strategy based on its online success. That is completely within the realm of possibility and would no doubt serve as a model for how social media — the power of a community — can drive growth at retail.

At the moment, few brands — or retailers — are thinking this way. They lead great conversations on Twitter, Facebook and other sites. Sometimes they create fantastically creative promotions that make good use of the technology.

Too much of that activity begins and ends online, unfortunately, with no big payoff where it can really make a difference — where the cash register rings.

Dell is a notable exception, with its use of Twitter to inform its followers of special deals on used computer gear. They’ve generated millions of dollars in incremental sales as a result.

Target and Toys R Us have used Facebook to promote their Black Friday and Cyber Monday specials. Whole Foods responds to Twitter-follower questions and comments and offers giveaways.

On a local level, restaurants have done a particularly good job using Twitter, Facebook as well as smartphone apps to stay in touch with patrons and keep them engaged with news and special offers. In fact, a number of *Reveries.com* survey respondents

mentioned that restaurants, so far, are doing the best job with social media.

It would be easy to dismiss such successes as isolated, but smarter to view them as leading indicators. Clearly, at least some shoppers already view these media as part of their shopping excursions. So it's not a question of orchestrating a massive shift in shopping behavior; it's a relatively simple matter of connecting the dots.

#### THE SMARTPHONE LINCHPIN

The connecting point is plain to see: It's the mobile phone. Growing numbers of people—and not just young people—are using them both for social media and shopping. In fact, the *Reveries.com* survey found that 78.5 percent have used a mobile phone while shopping. Anyone who has made a recent trip to a grocery store cannot deny that mobile phones have changed the lives of shoppers.

The only thing more ubiquitous than shoppers unconsciously humming and moving their lips along with the Muzak soundtrack are the countless numbers of them chatting away on their mobile phones. “Do we need eggs?” “Did you mean Light, Low-Fat or Non-Fat?” “Apple Jacks or Froot Loops?”

However, beyond the old-school use of mobile phones as devices for talking when shopping, the potential for their usefulness as a tool to improve the shopping experience remains, as yet, unrealized.

Where are the downloaded coupons and loyalty cards that can be scanned right from my mobile phone? Where is the social media engagement that helps me choose the right HD widescreen to purchase? Where are the GPS-synched offers that motivate me to enter a store when I am in the neighborhood?

The answer is: They're coming. In fact, many of these applications are available and already in use to some extent, but consumer adoption is far from widespread. It's a good bet that once more shoppers have smartphones designed for use as shopping tools, mobile phones will become a linchpin of shopping behavior.

In the meantime, forward-thinking marketers are already developing technologies—both online and in-store—designed to capitalize on the powerful draw of social media in particular and digital media in general.

Flit.com aggregates retailer websites into a search engine, turning the online navigation experience into a virtual shopping mall. So, shoppers can shop by retailer, like they do in real life, instead of by product, which they do only on the web.

Chronodrive.com, in France, enables shoppers to place their grocery orders either online or via in-store kiosks, and then pick them up via drive-through. Alice.com helps shoppers make sure they never run out of household staples. This means keeping track of what people buy and sending them reminders when it's time to re-order.

On the social media side of things, Keds lets its customers design their own shoes online, and then makes some of the best designs available for sale both online and in-store. Designers are encouraged to promote their creations via Facebook and Twitter.

Avon is reinventing its famous “doorbell” distribution network with a digitized version for younger shoppers, in which Twitter and Facebook replace the traditional door-to-door approach.

Without a doubt, the opportunities are much larger than simply figuring out how to use these new channels to deliver coupons.

In fact, the digital-media challenge is compounded by the fact that consumers have been trained to purchase based on price. This will only accelerate with the advent of tools that enable real-time price comparisons between retailers. The struggle to maintain the value of a brand while enticing a price sensitive shopper will need to be skillfully managed to mitigate the impact of this real-time tool.

As the adoption of mobile applications and social media tools grows among consumers, the opportunity to reach and interact with a brand's desired target audience will be greater than ever before.

The ability to maneuver will be determined by the commitment to resources dedicated to managing the mobile and social spectrum.

Those brands that make an investment now will be poised to positively impact the shopper experience by providing greater incremental value through real-time responses and customized offers as well as shopping tools developed to provide easier transactions.

The ROI measurement of this investment will not only be sales at the moment of engagement, but also an increase in customer loyalty in the future. ■



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## Has Twitter changed your life as a shopper? How about Facebook? Mobile phones?

While Twitter, Facebook and mobile phones may be changing people's lives in many ways, their effect on the shopping experience remains relatively underdeveloped, according to the latest *Reveries.com* survey.

We started by asking how readers felt about Twitter and Facebook on a personal level, and found generally warmer sentiments toward Facebook than Twitter. While just 26 percent said they either loved (nine percent) or liked (17 percent) Twitter, 69 percent said they either loved (21 percent) or liked (48 percent) Facebook.

Although Twitter does have its fans, most readers either don't understand what Twitter is all about, or think it is a waste of time. With Facebook, however, most have a very clear idea of its purpose—to connect with family and friends.

As one reader commented: *"Facebook is like going to my neighborhood bar. I know just about everyone and I have a good time. Twitter is like going to the Minneapolis airport men's bathroom. I don't know anyone, and there's lots of unsavory activity going on."*

This outlook was reflected in frequency-of-use. Sixty percent of readers said they used Twitter either only rarely (25 percent) or never (35 percent). However, 68 percent said they used Facebook either daily (39 percent) or weekly (29 percent). Eight percent said they used it hourly.

When it comes to using either Twitter or Facebook while shopping, the reaction was unambiguous: A whopping 94 percent said they had never used Twitter while shopping and 95 percent said they had never used Facebook in a store.

So, by the slimmest of margins, more people said they had used Twitter than Facebook while shopping. Could it be that the relatively unsettled view of Twitter means it has more potential for development as a shopping tool? We all know that Facebook is for family and friends, but what about Twitter? Perhaps

# Cellular

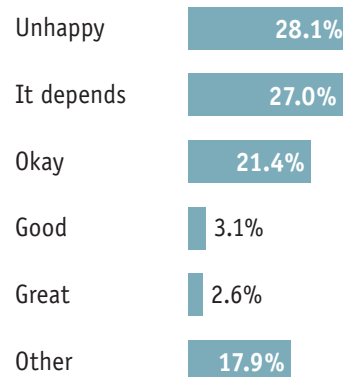
## Have you ever used Twitter while shopping?



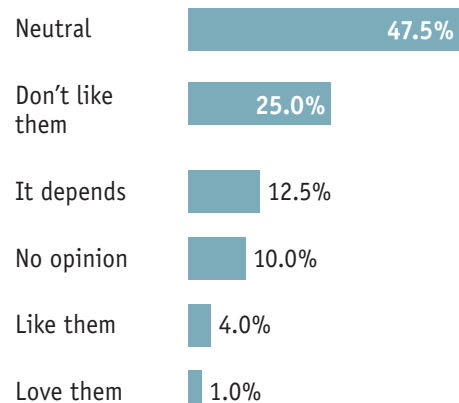
## Have you ever used Facebook while shopping?



## How would you feel about ads on Twitter?

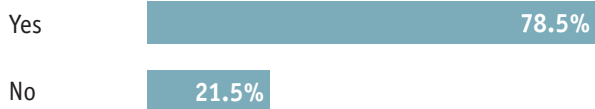


## How do you feel about ads on Facebook?

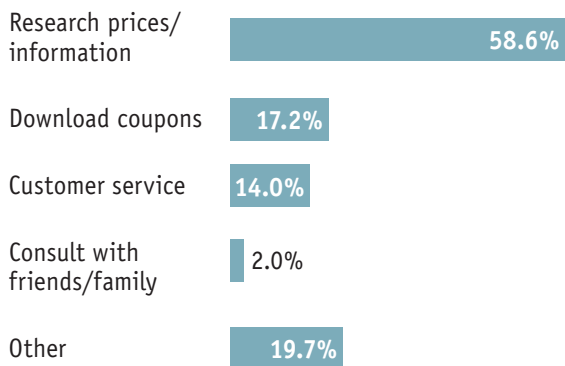


# Shopping

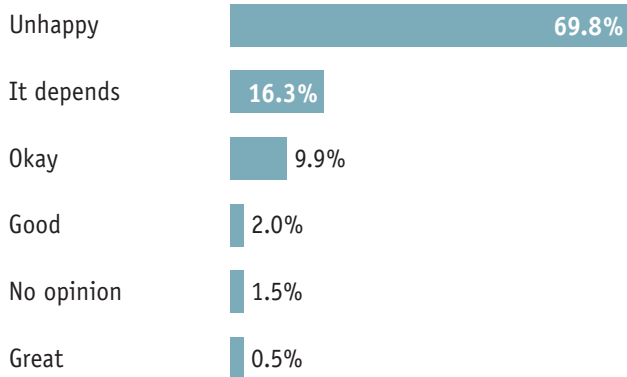
## Have you ever used a mobile phone while shopping?



## If yes, how have you used a mobile phone while shopping? (choose all that apply)



## How would you feel about ads on your mobile phone?



### RESPONDENT PROFILE

A total of 200 survey respondents included brand marketers (23%), consulting firms (21%) and agencies (18%). Twenty-seven percent worked in packaged goods firms, 9% in media/entertainment and 7% in retail. A majority were senior-level executives with 77% reporting more than ten years of experience in marketing.

shopper-marketing opportunities lurk within.

Opinions are split with respect to advertising on both Twitter and Facebook. On Twitter, 27 percent said they would feel either okay (21 percent), good (three percent) or great (three percent) about ads, while 28 percent said they would be unhappy and 27 percent said it would depend.

For Facebook, 48 percent said they were neutral about ads, with 25 percent saying they didn't like seeing ads and 13 percent saying it would depend. Ten percent said they had no opinion and five percent actually said they loved or liked seeing ads on Facebook.

The situation is far different with mobile phones with respect to both shopping and ads: Seventy-one percent said they owned a "smart" phone and 78 percent said they had used their phones while shopping.

In most cases (72 percent) readers said they used their phones to consult with family and friends—if only to double-check shopping lists. However, 59 percent said they had used phones to research prices/information, 17 percent to download coupons and 14 percent for customer service support.

When it came to ads on mobile phones, however, a resounding 70 percent said they would be unhappy about that, with a few readers noting they would be angry to pay for bandwidth used to deliver any ads.

Finally we asked, on an open-ended basis, which brands or retailers were doing the most to improve the shopping experience—and how—via Twitter, Facebook and mobile phones.

Various brands and retailers received mentions—Dell, Zappos, Starbucks, Target and Whole Foods, for instance. But nobody explained exactly how any of them were improving the shopping experience. Indeed, the overwhelming majority said they had no idea who is doing a good job at it.

This would seem to suggest plenty of upside opportunity, especially when one considers that many of us are already using Facebook and Twitter on our mobile phones. Why not while shopping? ■

*Survey results:*

[www.hubmagazine.com/survey/tweetail](http://www.hubmagazine.com/survey/tweetail)