

Friending The Social Consumer

June 15, 2010

BUSINESS

So, what exactly is LinkedIn good for?

By Erica Allen - Monday, May 30, 2011 - 2 Comments

It may not be worth \$8 billion, but the social network has potential

Debunking Six Social Media Myths

Using social media to market your business is a good idea. Just don't plan on getting your whiz-kid nephew to do it for free

By B.L. Ochsman

*An effective online presence is essential*

Many industry specialists, newspapers, and trade magazines are touting online social media as an imperative inclusion in every organisation's marketing plan. There is a great deal of useful and misleading information about social media and its application for marketing purposes. This Clarity Paper is intended to make it easier for business leaders to understand why an online presence is essential for marketing success. It also outlines The Studio Group's philosophy of implementing a strategic online presence as a crucial component of a much broader marketing strategy.

The Studio Group (tSG) has been researching how small and medium enterprises (SMEs) implement their online presence. In the majority of cases, websites and social media pages are poorly considered and badly implemented. Little thought is given to the significant strategic advantage an online presence can provide.

From what we have encountered, it appears many company owners decide it's time to get a Facebook page, or a Twitter account, or a website, and find the least expensive way to do it. Currently, up to 25% of consumers and business decision-makers are using the Internet to research suppliers and products prior to purchasing (Internet Retailer, 2010). And the number is growing. This means an ill-conceived online presence will inevitably cause damage to your brand, your reputation, and your sales.

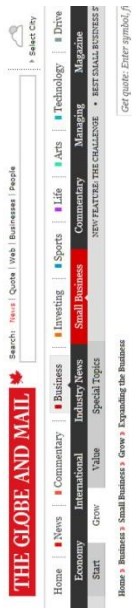
**Consumers are promiscuous in their brand relationships. They connect with myriad brands – through new media channels beyond the manufacturer's and the retailer's control or even knowledge – and evaluate a shifting array of them – David C. Edelman, McKinsey & Company**

Incredibly, there are still many businesses without any online presence. Regardless of the industry, the target audience, or the product offering, every organisation must have an online presence, and a website is the barest minimum. While social media provides snack-sized pieces of information, websites remain the best medium to provide a full meal of detailed information.

Unfortunately, many organisations have failed to realise that the Internet has democratised marketing; it has deconstructed the one-way marketing megaphone and replaced it with millions of chattering voices. It has complicated the marketing process and made branding more important than ever before.

Let us explain why.

*The message: An online presence is essential to marketing*



## Social media: why the hype?

So, why all the talk about social media? There are many reasons. But an online presence is more than just social media. An online presence is everything that exists online about your company, whether it emanates from you or not. In other words, you don't always have control over your online presence.

### The Internet treats censorship as a malfunction and routes around it. - John Perry Barlow, Essayist

Social media certainly does *not* give you control over what is being said about your organisation and your products. In fact, it makes it even harder to control. And it's fairly common knowledge that a person's perception is their reality, so any negative chatter online about your company might alter how your target market feels about you.

Social media does provide many benefits, though:

- It is less expensive than some forms of traditional media, and provides more effective, on-going measurement;
- It makes it easier to reach out and to network to build brand awareness, encourage enquiries, and build trust among prospective customers;
- It can be a vehicle for highly targeted, cost-effective marketing communications;
- It reaches virtually all demographic groups, including Baby Boomers;
- It is useful for gaining an unscientific understanding of how people feel about you, your products, your services, your latest marketing campaign, etc. without engaging in a full-blown research program;
  - It allows you to interact with your audience in a two-way conversation, so you can gain feedback about various aspects of your business, for example, new products/service ideas, competitors' offerings, proposed improvements, etc;
  - You can develop a group of advocates who will help you increase your online presence and increase your market share.

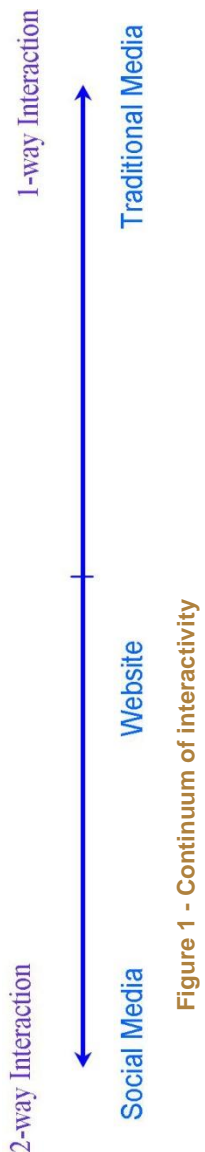


Figure 1 - Continuum of interactivity

A website, by comparison, is a little more unidirectional in its interaction, but can still allow for two-way conversations. Although websites have many functions and will achieve many goals, they tend to do it in a

passive way. People with an interest in your company must find your website. They usually will do that using a search engine like Bing, Yahoo, or Google. Once they get to your website, it should provide access to concise information about your organisation, its products and services. Your website can be a shop, a brochure, an information gatherer, a provider of contact details, and a place to learn about your company and what it does, your products and what they do, your services and the benefits they provide.

Traditional media, that is, advertising in newspapers, on TV or radio, or on billboards, is a purely one-way broadcast of marketing messages. There is no opportunity for conversation, for feedback, or interaction with the audience. Essentially, you are just shouting at anyone who happens to be within earshot, so to speak.

All these forms of media are most effective when they work together. They should all point to one another, or reference each other. They each have their own distinctive function in a company's marketing strategy, but they also reinforce each other, delivering the same message in different ways, sometimes to different audiences.

But perhaps the main reason for the hype over social media is the ability to nurture word-of-mouth promotion. As we said at the start, the Internet has democratised marketing. Everyone is now able to broadcast their thoughts and opinions. Social media makes it easier to advise friends and family members of which movies to avoid, which restaurants have the best service, and how an insurance company rates when making a claim.

People listen to family friends because they trust them. They know the preferences of their family members and how they overlap or differ from their own. They know when friends are embellishing and how to make allowances for that. Most of all, they trust that their friends and family will tell them the truth.

So, social media provides the opportunity to encourage sharing of *truthful* information about your company. That means any information you publish had better be truthful. What you do had better be in line with what you said you would do.

**Twitter is no more than a sound bite. Facebook can be an article. The website is for in-depth detail. They all need to signpost each other – Fergus Boyd, Virgin Atlantic in Harvard Business Review (Spenner, 2010)**

### Consumers' likelihood of sharing negative product experiences with an online audience

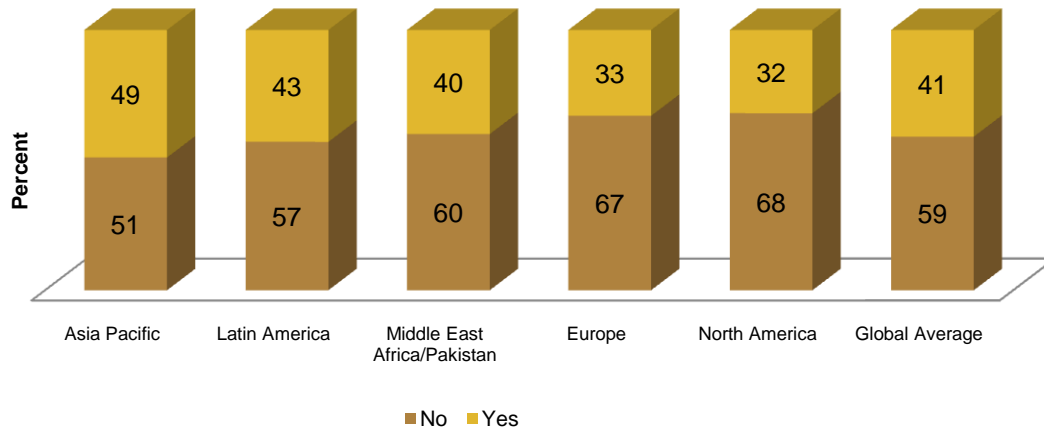


Figure 2 - North Americans are more likely to share a negative product/brand experience online (Nielsen, 2010)

Just like a telephone, an effective social media works best when there's someone at the other end to answer a call. Involvement in social media means you are constantly engaged in two-way conversations. Depending on the industry you are in, and the size of your organisation, you might have several people actively monitoring and responding to questions and comments.

### Trusted Sources for Product Information

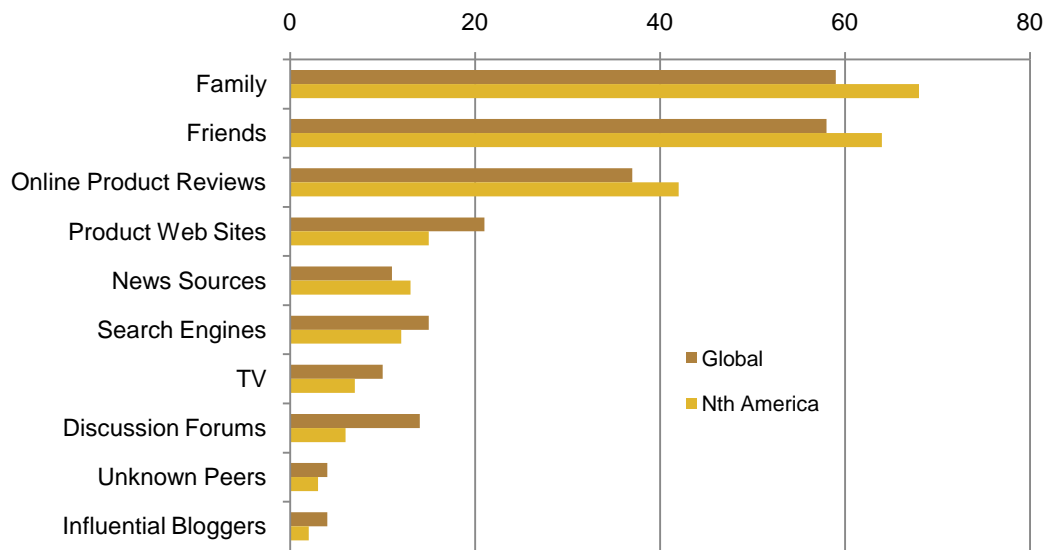


Figure 3 – What family and friends say about your company is trusted more than anything you say about it (Nielsen, 2010)

But how, then, do you ensure they are all saying the right things? How do you make sure that they are representing your company in the way you want it presented?

Before we answer that, let's take a look at how consumers and decision-makers are using online information to make a purchase decision.

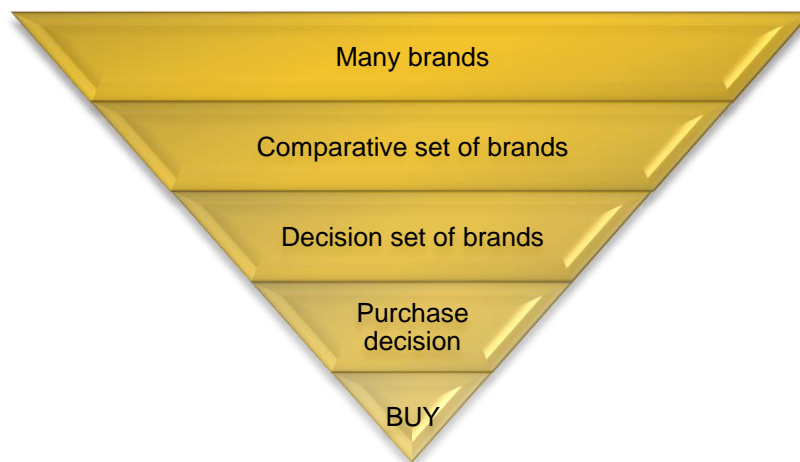
*The message: Consumers trust what their friends and family have to say about your company and social media facilitates that, but social media has many other benefits, too*

## The Loyalty Loop

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Until recently, purchase decisions were described as occurring in a linear, funnel-like manner. The model was:

1. Consumers would consider a large number of brands or suppliers as prospective solutions to their needs.
2. They would visit a showroom and/or speak with sales representatives.
3. They would then narrow their choices;
4. make a decision;
5. then buy the product or service that best met their needs.



**Figure 4 - The obsolete decision funnel**

Sophisticated branding and the Internet have made that basic funnel model obsolete. These days, consumers will consider your products and services and then evaluate them against your competitors' using online information. If you aren't online, or if your online presence is inadequate, your products and services will be eliminated from the process, and they will not make it into the decision set.

If consumers have a positive experience of your brand, products, and services, they will tell the world using online forums and social media. You should be aware of the good things and the bad things they are saying,

because they will seriously affect the decision-making process and evaluations of many other people.

**Brand experiences do not occur only after consumption; they occur whenever there is a direct or indirect interaction with the brand (Brakus, Schmitt, & Zarantonello, 2009)**



**Figure 5 - The Loyalty Loop (Edelman, 2010)**

Those of your customers who had a positive experience of your brand and products will probably want to bond with your brand. They could want it to be a part of their lives. Making it possible for them to interact with your brand fosters and nurtures their loyalty, and prevents them from considering other brands' products and services.

Those of your customers who might have had a negative experience *might* give you a chance to rectify the situation. Or they might go directly to the Internet and tell the world how unsatisfied they are and why. Regardless of how they choose to react, you will need to know about the situation if you want the opportunity to correct it. A public berating should receive a public response, especially if you want to dampen any impact the negative comments might have on your existing and prospective customers.

The Loyalty Loop model identifies how your online presence can influence and impact a purchaser's buying decision at every stage of the decision process. Less obviously, it shows how important it is to measure at every stage what is being said about you and how you are being perceived.

Now, consider this: how many of your existing and prospective clients have mobile devices with web access? More specifically, how many are using those mobile devices to access your competitors' information and online reviews while in your store or on their way to meet with you to discuss your proposed solution for them? The short answer is, most of them.

But, what would happen if you reversed the scenario? What would happen, say, if you could reach those mobile device users while they are standing in your competitor's store, or about to meet your competitor's sales team?

*How could you benefit from influencing a consumer's purchase decision right at the moment they are about to make a purchase?*

As we stated earlier, an ill-conceived or poorly executed online presence can hinder purchase decision-making and the brand bonding process. So what does an effective online presence look like? What do you need to do make it work?

*The message: Consumers make purchasing decisions differently now, and they make extensive use of online information to make the best possible decision, even while standing in the store*

## *Branding sets the parameters*

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Parallel to the rise of social media has been a proliferation in specialists in brand creation. There's good reason for it. Branding, if done correctly, sets the parameters for all your marketing endeavours.

Branding is more than just a logo and a slogan. It is one-part science to one-part creativity. A company's brand must reflect its reality, instil instantaneous understanding, and convey its promise for the consumer. A brand is comprised of dimensions, vision, mission, and a promise. It has a personality and references a culturally significant archetype. A brand is an experience.

As a personality for the company, the brand will 'speak' with a tone. All marketing communications and endeavours should be aligned with the brand through that tone.

For example, in a television commercial for a Dodge Ram pickup you will hear words like 'unstoppable', 'eternal', and 'longest mile'. The voice over will use a gravelly male voice to reflect the brand's personality which is contextually based in ruggedness.

An ad for a Lincoln, a luxury brand of exclusivity and sophistication, will use words and phrases like 'haven't seen', 'no other car in the world', 'technology', and 'smarter'. The voice over will sound confident, mature, and intelligent.

Both ads capture the essence of their respective brands. Every element of each ad maintains and supports the tone of the brand's personality. They offer a promise to consumers that the brand will present them, the consumers, to the world in the way they see themselves.

But what would happen if, after seeing the Dodge ad, a visitor to the company's website saw the words 'pretty', 'gentle', and 'quietly'? Or if the person interested in a Lincoln found someone on Facebook describing the brand's products as having the same features as Saturn's or Kia's vehicles? Not only would they be confused by the lack of consistency, but they would start to reassess their purchasing decision and re-evaluate their relationship with the brand. The consumer would no longer see him- or herself reflected in the brand's personality and lose connection with it.

In other words, all online messaging must have consistency. If the company has a small number of representatives conversing online with prospective customers, there is potential for inconsistency in messaging and tone. But a strong brand will prevent inconsistency, because the strong brand will define how the messaging should sound, look, and feel

at every stage of the Loyalty Loop purchasing decision process. Branding provides the parameters for all marketing endeavours.

*The message: A strong brand is vital to ensuring consistency in marketing communications*



## *Webcentric is the strategic solution*

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To be successful, you have to be getting your words seen, your voice heard. You have to be out there to be found.

From a strategic point of view, from a practical point of view, any way you look at it, you have to be on the web.

In some form.

But that doesn't mean scraping together a cheap web presence, or firing up (and then forgetting about) a Facebook page. *A 'that-will-do' solution is not a solution. It's self-sabotage.* An online presence is not a plug-in patch-job, it is a strategic consideration.

You must approach your online presence with the same strategic thinking, the same thoughtful research and planning as you approach your traditional marketing.

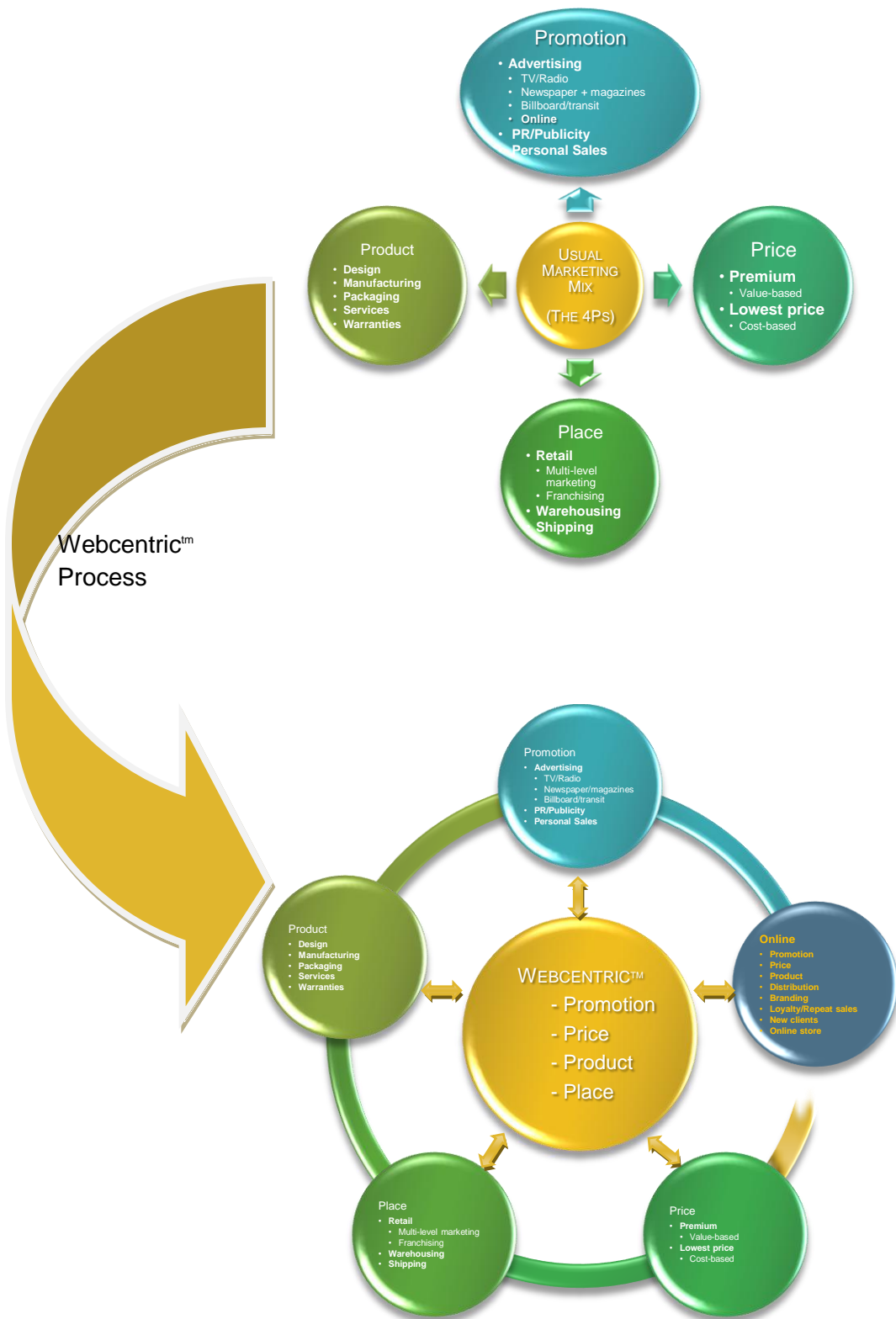
We call this approach Webcentric™. It's more than a philosophy. It's a way of doing things.

Being Webcentric™ does not mean you must stop your existing marketing efforts. But it does mean that you need to consider the strategic implications of your online presence. You need to consider how it relates to your branding, your products and services, your company objectives. How will it grow with your company? What resources will be needed?

tSG's Webcentric™ systematically assesses your competitors' online presence so you can learn from them and position yourself online in much the same way you position yourself in traditional media. Webcentric™ works within the paradigm of your branding, complements your traditional marketing, and amplifies your messaging. It meshes with your current marketing strategy and engages with its strengths while offsetting its weaknesses.

By bringing your online presence out from under the banner of 'advertising and promotion', and making it a strategic tool, you will be able to create an online store that will sell for you at all hours of everyday, without the need for additional sales staff or a new branch. You will be able to reach out to new market segments, and learn about their expectations and wants. And be considered as a possible supplier when you might otherwise have been eliminated from contention.

*The message: Webcentric™ is a strategic solution that complements your existing marketing strategy, amplifies your marketing messaging, and reinforces the brand experience*



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