

WhitePaper

# Holiday Brief

*The Framework for Retail,  
eCommerce and Marketing  
Success in the 2011 Holiday Season*

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*The Framework for Retail, eCommerce and Marketing Success  
in the 2011 Holiday Season*

## **Understand Social Commerce and It's Evolution**

**As we approach the 2011 holiday season much has been said about the impact of social media on the use of the Web, and it can't be overstated. Consumers are now able to rely on a broader network of friends and acquaintances to access information that helps them make more informed decisions on a daily basis – from how they spend their time and money to getting information on products, politics news and more.**

Marketing, eCommerce and retail professionals within companies need to unite and work as a team to understand how this impacts their go to market strategies. Consumers own the social conversation, and if disparate groups within your company try to engage in disconnected social conversations from the eCommerce, retail and marketing vantage point, your consumers will see right through you. While distinctly unique in this way, social commerce should be seen as another sales and marketing channel through which you can extend your brand and drive revenue.

This social commerce blue print is a brief providing you a high-level framework of how your internal teams should approach social commerce. Core to this is the understanding that your organization must make social commerce an integrated channel of your business and it must operate from a consolidated social commerce platform giving each group the tools to meet their individual needs while ensuring you have a common view of the customer and their social network.

## **Evolution of Social Commerce**

The initial explosion of social commerce was seen through companies like LivingSocial, Groupon, Woot and Gilt Groupe. They leveraged new retail models and the viral nature of social media to drive explosive growth. The next phase saw brands and retailers tapping into their own customer networks with limited functionality social widget experiments. These disparate point solutions quickly created a limited social experience that was not easily supported by the organization's back office processes.

In 2011, companies are now realizing they need to take a comprehensive approach that supports retail, eCommerce and marketing professionals within the organization. And while they are moving away from the limited social widgets, they are realizing it doesn't require a complete and expensive eCommerce replatform, rather the extension of their existing systems through social commerce platforms.

*Among users of social media sites such as facebook and twitter over 60% say they will use these suites to get gift ideas, find deals and browse products.<sup>1</sup>*

*1. Deloitte Holiday Survey*

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## The Three Pillars of Social Commerce

Build a social commerce strategy comprised of these components to make sure your social commerce initiatives achieve the following:

### Support key marketing, eCommerce and retail goals in a unified manner

A social commerce strategy built on a variety of social widgets will not give you the tools to enable the functional roles of your company to leverage the social Web in a consistent and comprehensive manner. You will end up with a fragmented view of your customer, disconnected programs and offers, and partial analytics and analysis leading to poor business decisions.

### Provide the ability to deploy social merchandising and marketing programs in an intelligent way

- Social programs and promotions should be wherever your customer network exists, whether it be within Facebook or Twitter, on promotional deal sites or in retail locations. Your eCommerce, marketing and retail professionals should operate off a platform that allows them to present the customer a cohesive experience and one that fits into their social conversation, wherever it might exist.
- Social metrics that allow you to optimize your customer network and stay relevant to your customer networks.
- Social commerce is fundamentally a two way conversation that impacts the awareness and purchase decisions of your customers and their network of friends. Without the ability to measure and analyze the network impacts of your programs, you are essentially only seeing one side of the conversation. Make sure you have tools that give you the ability to recognize, engage, incent and reward your customers in an intelligent way.

*83% of shoppers are likely to become repeat buyers when they discovered a product or deal from a friend.*



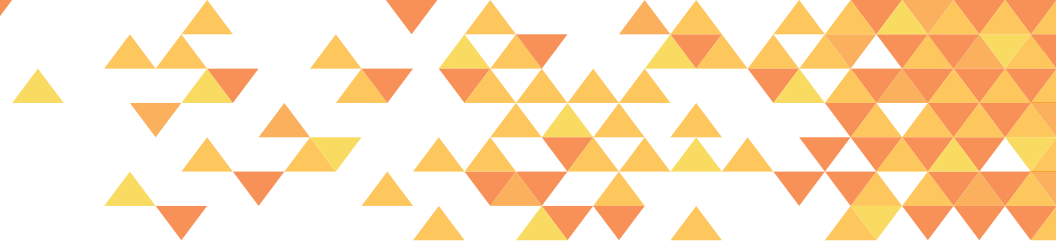
## Optimizing Your Customer Network

The ability to conduct a transaction within a social network is a good first step in leveraging the power of social networks. It moves a company's products or services to the social conversation by delivering immediate shopping opportunities within the social network experience. But it's only a first step as it does little to harness the power of social media to drive leads generation, purchase consideration and new sales.

Unlike old-school online retailing, which waits for the moment of purchase decision or explicit demand and then tries to shout louder than the competitors; social marketing actively engages higher up the awareness -> consideration -> purchase process to create a future customer before (and during) the explicit buy decision. Although social promotion and marketing strategies are new, time-tested real world common sense marketing concepts from traditional face-to-face marketing still apply as social media enables organic, traditionally offline purchase consideration processes to occur online.

The days of dropping a web site on the Internet with a shopping cart and a "buy this" strategy hoping customers will find you using Google search are fading away; this method just doesn't represent the current state of consumer web usage nor the future of online retail.

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This is where Web 2.0 “Social Commerce” comes in. It allows a business to join in on the social conversation with consumers. This “social network optimization” strategy engages customers with your company and brand in a personal way. Activation includes sharing information, creating incentives for purchasing or driving marketing behavior, influencing opinion, and possibly engaging the public through games or contests. The goal is to become part of the social network – to move from “faceless brand” status to “friend” status in your customers’ social network

trust hierarchy. And, ultimately, to use that new influence to get your “friended” customers to market your product for you – through word of mouth. This social network optimization will become more important than search engine optimization in the next few years.

It becomes clear that just putting shopping cart functionality into a social site and focusing on the transaction does not fully leverage a retailer’s or brand’s customer relationships. Focus on the conversation and the transaction will come.

## Conclusion

As the holidays come up, it has become imperative that you include social commerce into your 2011 strategies. Keep these few ideas in mind as you make your plans:

- Avoid limiting widgets and expensive replatform initiatives, look to a social commerce platform that will support retail, eCommerce and marketing professionals in a unified manner
- Build a strategy that gives you social merchandising, promotion and analytic capabilities
- Focus on the activation of your network to extend your brand, impact purchase consideration and drive revenue – engage in the conversation in a relevant way

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## About ShopIgniter

ShopIgniter helps leading brands and retailers activate their social network to extend their reach and generate revenue through social commerce efforts.

ShopIgniter Social Commerce Software includes a Social Promotion Engine™ to power shareable coupons, referral and loyalty incentives, private and time-based sales, and group promotions in Facebook and Twitter; a fully transactional Facebook Store with instream purchasing;

all of which are powered by an enterprise class, cloud-based sCommerce platform that can be integrated with existing eCommerce systems.