

Get a Social Life: Social Media Strategies for Small Retailers

by Dave Sutton, TopRight, LLC.

Just as small retailers are starting to reap the benefits from their e-commerce strategies and optimizing their online and offline marketing investments to drive traffic and in-store conversion, along comes another completely new and disruptive set of technologies: social media.

While many retail professionals may be tired of the hype surrounding social media, there is no denying that our industry is facing a game-changer. This is not to say that social media sites like Twitter, Facebook and YouTube have turned retail businesses completely upside down, but such sites are altering the rules of customer engagement enough where retailers who ignore these channels place their brand and customer loyalty at significant risk.





It's very clear that social media is not just a passing fad.

A survey by Nielsen Online showed that social networks and blogs are now the fourth most popular online activity, even more popular than personal email. And users are not just “tweeting” and blogging about their everyday lives; they are sharing details on their personal shopping and product experiences - often not very favorable ones - with the world. In a recent study conducted by the Society of New Communications Research (SNCR), 59 percent of respondents said they regularly use social media to “vent” about product and service frustrations - a pretty frightening finding when you consider that 72 percent of respondents also said they used social media to research a company’s reputation and ratings before making a purchase, and 74 percent choose to do business with companies based on the customer experience stories and ratings shared by others online.

Let's face it: the implications of social media for retailers today can be downright overwhelming.

So, if you're a small, specialty retailer struggling with understanding social media marketing and the potential impact on your business, where do you start? And if you've already started, how do you know you're getting optimal value from your investments in social media?

First of all, you need to develop a strategy that is right for your business. This is not as simple as creating a "Facebook fan page" or hiring a college kid to "tweet" about your store. Your social media strategy must identify specific trade-offs you will make in social marketing activities (hint: you need to be just as specific about what you won't be doing with social media). Successful social media strategies begin with understanding the conversations that your customers are already having across their social networks and then only targeting the relevant conversations for your business. You need to "segment" conversations and "target" the ones that will have highest potential impact on your business.



Social Media Is Not Replacing Your Traditional Marketing Efforts.

Secondly, you must challenge yourself to think about how social marketing activities “fit” with other value-adding activities going on in your business today. If the strength of your business is “one-of-a-kind products” or “anticipating customer needs” or “providing lowest prices” your social media activities need to fit with your positioning in the market and spotlight your strengths – not confuse your audience. And remember, social media is not replacing your traditional marketing efforts. It’s intended to enhance and augment things that you already know work pretty well for your business.

Thirdly, you need to define a budget that you are willing to commit to social media. If you’re already working with an agency, they may challenge you to look at social media as an entirely new marketing spend category - requiring you to find incremental budget to invest in your business. The conventional wisdom in the market is that social media represents an entirely new communication channel and should be treated as such. But be careful – sometimes the conventional wisdom isn’t so wise. It may be best to start with a very small test and just re-allocate within your existing budget. Or, you might take a co-operative marketing approach and work with one of your suppliers to tap into their social media programs. Whatever you decide to do, be prepared to stick with it. Social media requires a disciplined marketing investment approach – small amounts invested over time will pay dividends.



About The Author:

Dave Sutton is a leading authority today on how to plug strategic marketing techniques and enabling technology into the modern business to drive organic growth. He is the Managing Partner of TopRight Strategic Marketing – a firm he founded to help companies corner the markets where they choose to compete. Dave is also the co-author of Enterprise Marketing Management: The New Science of Marketing -- the groundbreaking book considered to be the definitive statement of a new business discipline designed to create sustained, profitable, organic growth. Dave's primary research efforts over the past few years have focused on helping companies to demystify social media and to leverage this important new marketing channel to generate real competitive advantages for their businesses.

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