

Social networks' place in making the sale

Facebook stores have yet to convince shoppers as a transactional channel, but social networks shouldn't be written off – they can still be a central part of the sales process, finds Lucy Fisher

At first glance, retailers that have tried to sell on social media in the last couple of years have had their fingers burned – Gap, GameStore, Oasis and JC Penney are just a few high-profile brands to have opened and then closed Facebook stores.

Done wrong, it can come across like a salesman approaching a group of friends in the pub. However, even if Facebook has yet to prove successful at hosting retailer transactions, done right social media can be used to drive sales.

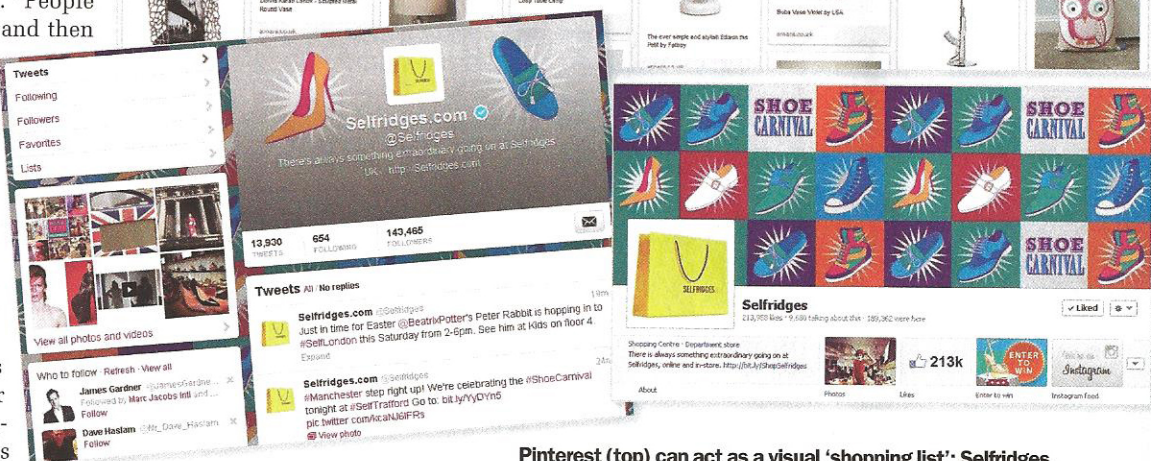
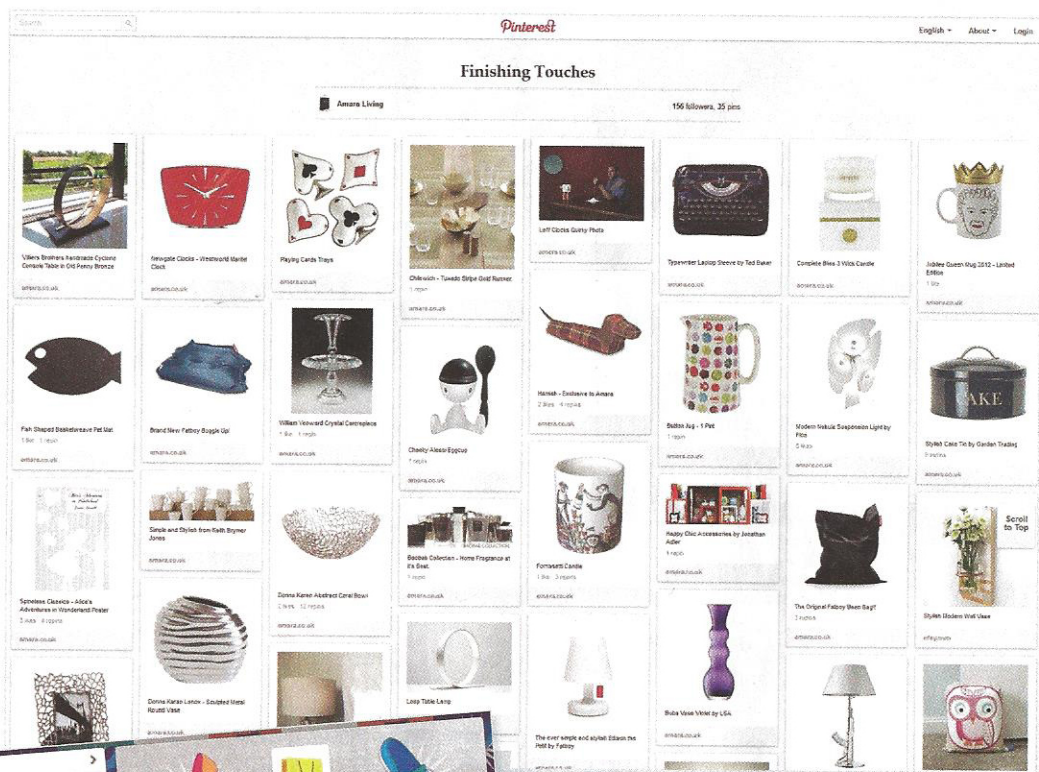
As Jonathan Hudson, social and media lead at Shop Direct, says: "It's about the right mechanisms. It's not about having your whole offer on a Facebook store."

Drew Burdon, head of strategy at digital advertising agency R/GA London, which works with brands including Nike, points out that the fate of many Facebook stores reflects a "normal pattern" of digital innovation. "People jump on board, many fail and then slowly people start finding their feet," he says.

For Burdon, the key lies in keeping any marketing and sales talk relevant to the social context. "I can envisage deploying my wedding gift list via Facebook," he says. "It would be a natural context and that makes sense to me."

He says artists such as Lady Gaga and Justin Bieber can successfully sell merchandise on social channels because of the connection they have with their fans. Burdon cites design retailer Fab.com as an example of an ecommerce company that also focuses on producing shareable content.

Andrew Curran, chairman of luxury homewares retailer Amara, agrees that Fab.com is one of the few retailers successfully selling via social media. However, he believes that social selling is not suited to his own brand, which has



Pinterest (top) can act as a visual 'shopping list'; Selfridges uses Twitter and Facebook to extend its store experience

SHOPPING VIA SOCIAL MEDIA

Research by GMI, exclusive to Retail Week, shows what people who shop on social media buy and the most important factors that drive decisions

41%
purchase
entertainment

29%
purchase
fashion

47%
use social media for
recommendations

44%
use social media to be
inspired by images

25%
have purchased
via mobile

higher price points. "We're not a discounter so we don't use social for special offers," he explains, although he says Amara has had some success in advertising to friends of its fans on Facebook. "It doubled our fanbase in 10 weeks," he says.

Curran notes that Pinterest, which allows users to 'pin' images from across the web on online noticeboards, stands out in social media because of its focus on visuals, which is particularly useful for fashion brands.

Neil Major, strategy director of social media agency Yomago, agrees Pinterest is of particular relevance to retailers because it lends itself to potential purchases. He says: "What people are doing on Pinterest is so similar to shopping – they are 'pinning' a collection of things that they want or admire."

A place to save?

At present, and as Curran's comments suggest, sales activity on social media is often focused on offers or discounts. At Debenhams, it is about offering exclusive content and offers as incentives to be part of a community. A spokesman for the retailer says its customers are using social channels to interact with brands rather than for purchasing, but that this may change as consumer trust in technology strengthens.

Mobile is helping to do this – many social media platforms generate high levels of engagement via mobile, making it a natural medium for marketing.

The ability to target people on the move using social networks is an opportunity that has not yet been realised, according to Major. It's less a case of sales via social being inappropriate, more that retailers haven't yet figured out how to monetise the medium.

But while sales might be indirectly generated on a social network, Major maintains it might not make sense to invest resources in making it possible to actually transact on them. For the retailer, there is no real benefit to keeping the transaction on the social site when its own ecommerce platform is only a click away.

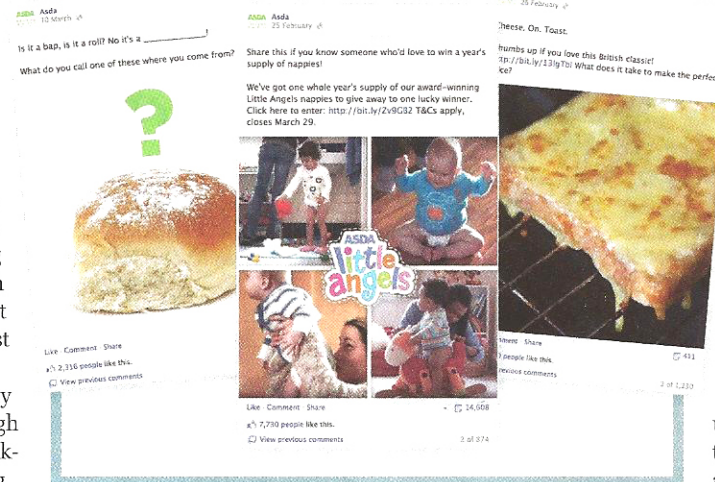
ASDA'S APPROACH TO SOCIAL MEDIA

Asda head of social media Dominic Burch says: "Most people don't want to be sold at in a social channel. If you can engage someone, you get the opportunity to amplify goodwill and that can lead to sales. You can put the idea of chocolate spread into somebody's mind, for instance. It's about keeping a connection with customers throughout the week.

"When people click a link on a post, we can send them to our website. But groceries are all about basket shopping so you're not just going to buy one jar of spread. It's about talking about products during the week and amplifying existing marketing."

"MOST PEOPLE DON'T WANT TO BE SOLD AT IN A SOCIAL CHANNEL"

Dominic Burch, Asda



Asda uses Facebook to connect with and inspire shoppers

"There is very little benefit and a lot of cost attached to recreating your entire store in two locations and directing traffic to two places," says Major. The question of whether social can drive sales is different to the question of whether the ultimate transaction needs to take place there. "Social retail is coming soon, but the answer is not a Facebook store," Major adds.

Of course, the type of marketing that will work best on social networks depends on who and where your customers are and the industry you operate in. Facebook has initiated a specific approach for retail businesses this year

in recognition of the need for a more case-by-case approach.

Gavin Sathianathan, the social media giant's outgoing head of retail, who is moving to Tesco, admits: "We're not thinking about the transaction taking place on Facebook right now. If you receive an offer in your news feed, the purchase may happen later."

He says social networks will eventually become transactional platforms but that brands at present are working on developing their tone of voice and their approach with consumers.

And it is important that retailers don't neglect their own sites to go social, warns Hudson, who says his focus right now is to use networks to drive sales of particular items or for discounts. He says a 'Facebook offers' trial that Shop Direct ran earlier this year to

recruit new customers with an incentive worked well, but Facebook needs to be used wisely. "It's important to build that community feeling on the brand sites themselves. We're looking at rewards for reviews, rewards for sharing and gamification of the shopping journey. You can have social elements on your own ecommerce platform."

A timely experience

Danny Donovan, managing director of retail at marketing agency MediaCom, says that his client Selfridges uses Twitter and Facebook to extend the in-store experience, particularly around events such as a recent 'Shoe Carnival'. Rather than social media being used as a hub for sales, such channels are used to highlight campaigns or offers and to lead consumers to the stores or the Selfridges site.

However, Donovan says that the real-time element of social networks and particularly Twitter could lead to direct sales benefits. Dell, another client of MediaCom, is running real-time and exclusive offers on Twitter, which means the technology company can react quickly to whatever people are interested in at that moment.

"People don't go on Twitter to see what happened three days ago," Donovan says, adding that retailers must put themselves in the position of the consumer and ask themselves whether there is any benefit to social media being used as the platform for the transaction – this is often forgotten in the excitement of multichannel possibilities.

Social networks might never be a straightforward sales channel, but it would be hasty to write them out of the sales process altogether – used wisely, they can form a part of it.