

Engaging Shoppers Effectively With



It's more than posting store circulars and coupons.

By John Karolefski

Social media has evolved into the world's most popular pastime. It has changed the way consumers present themselves to others and how they communicate with each other. It has also given grocery retailers a powerful way to engage their shoppers.

According to experts, savvy retailers consider social media to be an extension of the in-store experience and a vehicle for shopper opinions.

"It's not only a necessary component of their communication strategy, but an opportunity for differentiation and competitive advantage. Show your customers that you're listening and meet them where they are," advises Eric Hausman, retail practice chair and partner with Spong, a Minneapolis-based consultancy.

Lynn Lang, of Capgemini, says grocery is about people doing business with people. Social media is the new enabler of that on a larger scale.

"Social media gives grocers a big opportunity to revitalize their methods for customer acquisition, stimulation and engagement by identifying not only valuable customers, but advocates, influencers and communities of interest — for

example, the soccer-mom demographic — across the entire brand engagement journey," says the consumer products, retail and distribution leader at the Paris-based worldwide consultancy.

Lang adds that if grocers use social media properly, they may be able to understand the broader context of consumer buying behavior beyond price optimization. "For example, by gathering valuable customer preference information in a convenient and unobtrusive way, grocers can appeal to customers across broader variables such as well-being, managing the home and other drivers of consumer purchasing behavior," she explains.

A Better Experience

That is helpful information to gather, but grocers need to deploy social media correctly. Posting a store circular or an assortment of coupons on a grocer's website isn't taking advantage of the potential of social media. Bob Phibbs, CEO of The Retail Doctor, in Coxsackie, N.Y., tells grocers to devote time to understand social media and to post creative content to develop a dialogue with customers. Matt Krebsbach, director of global public and analyst relations for Austin, Texas-based Bazaarvoice, agrees,

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noting a “growing appetite for peer-validated content to inform the consumer grocery shopping experience.”

Research by his firm found that 45 percent of visits to food and beverage product pages show users interacting with reviews. Also, grocery stores are demonstrating one of the highest usage levels of in-store online mobile access of any industry, with 30 percent to 35 percent of food and beverage product page views being accessed from a mobile device.

Food and beverage retailers experience a 73 percent lift in conversion rate for visitors who used consumer-generated content, versus those who didn't.

“The upshot is that the ubiquity of social media and other consumer-generated content has helped to level the playing field between retailers and con-



sumers,” Krebsbach observes. “Both sides benefit from the transparency afforded by the availability of genuine, unbiased consumer opinions. Consumers gain more information to make a confident purchase, which helps retailers increase conversion.”

Hearing opinions and accumulating insights are

certainly important, but at the center of grocery's social media is food. In August 2012, the Nielsen Global Survey of Digital's Influence on Grocery Shopping found that more than 61 percent of respondents said the internet was their primary resource when conducting research related to household grocery shopping. Therefore, grocers' website and social media outreach should be in the mix.

According to surveys done by the Coca-Cola Retailing Research Council of North America, shoppers go online to talk about events in their lives — especially recipes, meals and shopping (the council's research study can be downloaded free at www.cccrrc.org).

Michael Sansolo, research director of the council, notes that some grocers have succeeded in social media mainly on Facebook, but also via Twitter, Pinterest and Instagram.

"However, our surveys found that consumers are underwhelmed with the results," he says. "Many likened supermarket pages on Facebook and other sites to online circulars, filled with specials and coupons. Such marketing is always important, but social media opens up the possibility of telling the story of your company and laying out your point of differentiation. Build relationships and community rather than just list prices, is what shoppers seem to want."

Emotional Connections

Which grocers are succeeding at social media? What are their objectives?

Publix Super Markets began its social media program in 2009 because the Lakeland, Fla.-based chain wanted to engage with every customer, according to Maria Brous, director of media and community relations.

"They are talking about us every day — whether it's about the in-store experience, a person they connected with in the grocery store, the products we are carrying or not carrying. It's about issues and compliments that we are missing if we are not out there and engaged socially," she said in a presentation at FMI Connect in Chicago last June.

Phibbs, at The Retail Doctor, points out that Schenectady, N.Y.-based Price Chopper Supermarkets has a robust Facebook presence, with lots of pictures of contest winners and how-to videos; he also compliments Cincinnati-based Kroger for doing a good job with hashtags like #foodhack and by featuring its employees, not just great recipes. Additionally, Williamsville, N.Y.-based Tops Markets LLC recently showed its employees volunteering for a cleanup and special

display in its original store in Buffalo.

"Grocers are highly sophisticated when it comes to offering personalized and targeted marketing for their clients," says Capgemini's Lang. "Within that level of sophistication, they have the ability to drill down into their analytics and insights, create targeted lists of customers to go after, assess conversion rates and even look at offers from vendors to apply to personalization for customers. With social media, however, grocers are taking those insights one step further and integrating customer sentiment. They are leveraging social media as a continuation of the brand strategy by using it to develop an emotional connection between the consumer and the brand."

Getting Started

Not every grocery retailer is operating at that level of sophistication. For those new to social media, how should they get started?

Sansolo, of the Coca-Cola Retailing Research Council of North America, recommends thinking about the content to be posted and how to keep it fresh and relevant. In other words, don't just set up a Facebook page with a picture of the store.

"Consider who will be in charge of your company's social media outreach and don't simply add this onto some existing job," he advises. "Successful social media interaction requires listening to comments as well as posting them. Make sure you have a clear strategy for how to handle everything from raves to complaints, and share the policy within your company. You need to know who is empowered to speak and who is not."

Phibbs suggests using Facebook to build "a tribe of followers" and using Twitter to post an urgent tweet, say at 5 p.m., such as "We have fresh out-of-the-oven baguettes. Stop by on the way home for quick dinner ideas." He tells grocers to ask local farmers to make two-minute videos on a smartphone as they pick the produce that will be stocked in the store that day and send the clip for a series

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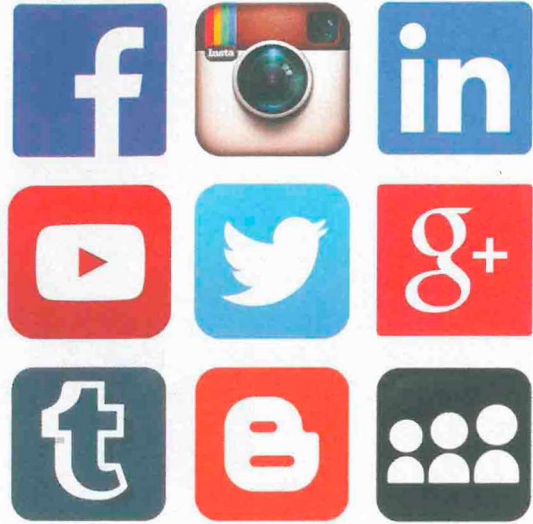


that could be called “Know Your Farmer.”

By conditioning consumers to expect reviews on the product page and feel compelled to use those reviews when making a purchase decision, companies like Bazaarvoice aim to transform consumer shopping behavior and define the way retailers should engage with their consumers online. Those reviews signal transparency, significantly increase natural search rankings, and reduce barriers to purchase and product trial. The vast majority of retailers across various industries have recognized the importance of providing reviews as an integral part of the consumer decision journey. But given that many CPG products are perceived as low-consideration purchases, the grocery industry has been slow to follow suit, according to Krebsbach.

For grocery retailers just getting started with social media, he recommends the following actions:

- Develop communities on the key industry-relevant social channels.
- Use those channels to encourage authentic conversations about your brand and products, and be part of those conversations.



- Support product ratings and reviews on the company's website.

“By bringing the conversation to all the places your consumers are and ensuring those conversations include useful information,” he concludes, “grocers are positioning themselves to not only be a trusted consumer partner, but the go-to resource throughout the entire consumer decision journey.” **PG**