

Social media demands brands change their ways



By [Steve Cragg](#)

9 Dec 2011

People - your customers and mine - are using the tools provided by social media to great effect in their purchase decision-making process. While consumers have always shared their opinions on products and services, digital amplifies their ability to communicate these to their peers, and not only friends and family, but also to friends of friends of friends.

News and views travel fast these days, and consumers are rating the advice they receive from people they trust (or whom their friends trust) very highly.

If you don't embrace, you're toast

Many marketers would say this spells nothing but a communications nightmare, but here's a tip: *social media isn't going away*. It's going to grow exponentially, thanks to the rise in adoption of smartphones and tablets; it's going to get noisier and more opinionated; and, if you can't embrace the opportunities and address the challenges it brings about, well, you're toast.

Forrester Research estimates that online and web-influenced offline sales are already accounting for 42% of total retail sales in the US (Forrester Research: US Online Retail Forecast, 2009-2014). That will grow to 53% of total retail sales by 2014. That equates to US\$1.409 trillion in web influenced offline sales - in the US alone!

Here in South Africa, research by World Wide Worx shows that online retail sales hit R2.028 billion in 2010, with 40% growth predicted for this year. Last year, 3.6 million South Africans had been online for five years or more, meaning they are well-adapted to and comfortable with digital, a number that will increase to 6.8 million by 2015. That is more than 10% of the population comfortable with using the digital tools such as social media available to them.

The Mobility 2011 research project, also by World Wide Worx, shows that 39% of urban South Africans and 27% of rural users are now browsing the Internet on their phones, meaning at least six million South Africans now have Internet access on their phones.

Numbers prove market is there

Don't say the market isn't there yet; the numbers prove it is - and the longer people are online, the greater their comfort levels with the digital tools available to them. Their ability to influence and be influenced through digital channels is clearly set to becoming an important factor in the local market, irrespective of whether it translates into or online or offline sales.

Digital has become an undeniable part of the consumers' path to purchase. Globally, research indicates that especially in LSM 8-10, consumers are watching less TV, while increasingly tuning into their social networks, and the same holds true for SA, if with a slight lag on developed markets. Consumers are also more sceptical of paid-for messaging and prefer doing digging around on their own before committing to a new product purchase.

It's one of the reasons my own organisation has opted to embrace the power of social media in our sector (FMCG), when we launched a peer-review community site. The site (Hometesterclub.com) builds a community of interest that offers uncensored reviews and ratings, allowing members to access independent information from their peers on new products.

You read correctly. I did indeed write, "uncensored reviews and ratings." You see, social media reflects an openness that many brands still shy away from but that consumers increasingly demand, and I firmly believe you do yourself no favours by not dealing with it. Now. While consumers are still somewhat forgiving.

So should you

If major FMCG brands realise and embrace this truth, so should you.

Controlling every element of your brand communication is a marketer's dream that died in the mid-'90s. Stop hankering after it and start experimenting with ways to deal with the new business reality of always-on, savvy, smart, vocal and socially adept consumers, who happen to do much of their purchasing research online and listen to their friends, rather than believing what we desperately want them to believe.

Remember, too, that consumers are more likely to be expressive about negative brand or product experiences than they are about positive ones. It's important for you to initiate discussion online and help facilitate consumer feedback that is also positive.

In the end, a balance between positive and negative feedback is a win if measured against the alternative (negative feedback only, and having consumers only have those available to them when they research products).

The customers are back in charge. Deal with it.

ABOUT STEVE CRAGG

Steve Cragg is CEO of the Buchanan Group Africa, India & Middle East, Turkey and Brazil, which recently developed and launched HomeTesterClub.com in South Africa, India and Australia. After first working in the Australian office, Cragg returned to SA and set up the African office. Prior experience includes roles as marketing manager at Unilever SA and ad agency executive for Singleton Ogilvy in Australia. Contact Steve on tel +27 (0)21 424 2310 or email steve.cragg@buchanangroup.com

- [2013 trends] Game on for retailers going mobile - 15 Jan 2013
- Social media demands brands change their ways - 9 Dec 2011

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>