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# NewsBud

**G R O W I N G   Y O U R   B U S I N E S S   T O G E T H E R**

**FIVE GREAT USES OF SOCIAL MEDIA AT RETAIL**

The buzz surrounding social media is palpable, but most retailers are struggling to figure out how much of it generates actual value and how much is just a fad. Beyond the basics -- set up a Facebook page, listen for your brand on Twitter, etc. -- there is confusion about how much effort retailers should make with social media, and a lack of understanding about why that effort is worthwhile.

To answer the "Why" question first: Social media represents one way -- not the only way, but one way -- to differentiate the customer's shopping experience, which takes place around the clock and is distinct from the buying experience. Customers are interacting with retail brands at all times and in many different places -- on the iPhone at the dinner table, on the computer at work, watching ads on television. Social media attempts to touch shoppers at many of those points.

The data bears out that this is worth doing. Recent research from Forrester Research revealed that one out of five adults ages 18 to 24 spend a fifth of their online time at social media sites; when you look at ages 25 to 34 that percentage drops to one tenth, which is still significant. Among the total population, a third said they visit social networking sites at least one per month.

Here, then, are five real-world examples of retailers that are using social media in intelligent and creative ways, and creating customer ambassadors in the process.

Bloomingdale's uses Twitter to deliver old-school customer service

We all can remember anecdotal stories about how great customer service was in the old days -- the retailer who knew your

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grandmother by name and always had her order ready, or took back a return with no questions asked. Smart use of social tools like Twitter empowers retailers to deliver that kind of one-on-one service today, in a way that scales much better.

Beth is dismayed that a dress she has ordered isn't in her hands yet, so she tweets about it. Bloomingdale's notices this, and proactively jumps in, asking for her order number in an effort to help. Beth replies with good news that the dress arrived, and the retailer wraps up the dialogue with a kind word. That's an incredible, memorable customer experience that will foster word-of-mouth, all at no cost to the retailer other than a little bit of time and effort.

Staples Tweet Team uses multiple agents

Office supply retailer Staples has built a "Tweet Team," five customer service agents that patrol the Twitterverse, push out promotional offers, answer customer questions and more. To minimize confusion, and to create personality, each of the Tweeters uses a dedicated tag at the end of their posts to indicate who is talking.

MySears, MyKmart leverage shopper opinions to build content

Online reviews are a great way to generate search engine friendly content for e-commerce sites. Getting users to write reviews can be tricky (link to previous story), but Sears and Kmart have hit upon a successful formula with their interactive sites MySears.com and MyKmart.com. The sites launched in March 2009, and so far have more than 400,000 registered users.

And online reviews are increasingly important for e-tailers: According to Forrester, 64 percent of online buyers find user reviews important when making a purchase, and 47 percent of online users overall say that information provided by other consumers is more important to them than information provided by marketers.

Best Buy "crowd-sources" with IdeaX

Best Buy is one of the more innovative retailers when it comes to social media -- witness [Twelpforce](#) -- and they're pushing the envelope even further with IdeaX, a proprietary social platform that asks shoppers to suggest ideas for the retailer, then allows other shoppers to vote those ideas up or down.

IdeaX points to one of the most important points to be made when talking social media, and that is the need to be genuine. During one recent visit, one of the popular ideas on the site was to "stop ripping people off with computer 'optimizations.'" Here is a branded Best Buy web property, containing text that alleges the company is ripping people off. But removing such content will immediately brand a company as hypocritical in the eyes of the community, and frankly, if you don't have the stomach for negative feedback, you probably need to reassess your tolerance for social media entirely.

Target builds a youthful world on Facebook

Target recently built an environment on Facebook dedicated to its "Reality Check" program, which markets products needed and wanted by college students. The area is segmented into different regions, one of which contains webisodes of a humorous show, another contains ads for Red Bull drinks and compact refrigerators, while another offers up a quiz. Prominent in the environment is the call to action to sign up for email alerts.

The message is clear and inviting: Target wants people to have fun inside its social media presence, not just look at products. That's an approach that will bring people back time after time, and again, it will foster positive word of mouth.

*Source: RetailCustomerExperience.com*

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## **5 PREDICTIONS FOR SMALL BUSINESS IN 2011**

### **1. Increased Spending on Websites**

Small businesses are predicted to increase online marketing spending, with websites taking the front seat, according to a recent survey. The survey found that 54% of respondents indicated that their businesses currently have websites. Unfortunately, most of those websites contain nothing more than general information, and less than half of them incorporate

customer service features.

The importance of being easily findable on the Internet has still not been fully recognized by small businesses, but increasingly, smart entrepreneurs are taking notice. Next year will be marked with increased spending on website development, lifting small business sites from their current iterations as online brochures to more prominent positions as useful resources for customers.

Those making valuable upgrades to their online presences will increase functionalities revolving around e-commerce, reservation systems, corporate blogs and social media integration. Furthermore, we may see increased attention on better web design.

## **2. Smartphone Revolution**

A whopping 49% of small business owners use smartphones, outpacing the rest of America in smartphone adoption, according to a recent Forrester study.

As more small business owners are exposed to smartphones on a daily basis, it's inevitable that they will begin to innovate with mobile technologies. In 2010, business owners were tweeting on the go, using location-based services and investing in mobile advertising.

In 2011, the smartphone revolution will continue to ensue, with ever increasing smartphone adoption. Mobile devices will continue to change the way that companies of all sizes do business. With most business needs at the tips of their fingers, small business owners will experience more flexibility than ever before.

## **3. Social Shopping and E-Commerce Advancements**

While a number of small businesses benefited from social shopping in 2010, others were left wondering if group buying was really worth the risk.

Regardless, it's evident that e-commerce is a huge advantage for small businesses taking part in it. Offering their products online, businesses have widened their customer bases beyond their local markets.

While only 30% of small business websites currently incorporate e-commerce abilities, the increased buzz around online and social shopping will probably push more small business owners to experiment with the medium in 2011.

## **4. More Focused Social Media Efforts**

This year was a time of social media experimentation for many small business owners. Testing many social media services in the past year, small businesses are becoming more knowledgeable about which platforms their customers use most and how their companies can benefit from staying connected on each platform.

It isn't uncommon to visit a small business's website to find a mass of social icons pointing to less-than-utilized profiles all across the web. It seems that anxious entrepreneurs have spread themselves thin in the social media realm this year, trying out every platform that got buzzed up.

The simple truth is that not every platform is right for every business -- it's all about where your customers are.

Having answered quite a few social media questions from small business owners this year, I have a feeling that next year is really going to be about paring down to the essentials based on proven successes and strong metrics.

## **5. Increased Adoption of Cloud Computing**

Earlier this year, a group of Internet and tech experts and social analysts predicted that Internet users will "live mostly in the cloud" by 2020. While I don't have the expertise to analyze that prediction, I can point to the fact that I and many of my friends and co-workers already do live and work mostly from web-based and mobile apps, relying less on software installed on our desktops.

Cloud services have already simplified many processes for businesses. Google Apps and Google Docs, for example, make

hosting and collaborating on spreadsheets, presentations, forms and word processors much simpler. Box.net and 37signals supports a full line of business tools for project management, CRM, internal communications and group chat.

In 2011, businesses will be increasingly exposed to cloud services as tech companies introduce more and more products geared toward moving our digital lives into the cloud.

*Source: Yahoo News*

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## CONSUMER SURVEY'S

Canadians want more out of their credit cards; reward programs key influencer

A new survey by Chase Canada finds that earning reward points is second only to convenience when it comes to the primary reason Canadians use credit cards. In other findings:

- Consumers take a longer term approach when it comes to redeeming points: An equal percentage (32%) redeem points annually or less often than that; one in five have never redeemed their rewards points.
- Close to one-half of consumers seek out opportunities, such as online promotions or special bonus point days, to earn additional rewards points.

Canadians say yes to social media

By year's end, eMarketer estimates that about 15.1 million Canadians will have visited social networking sites at least monthly, up from 13.6 million in 2009. Penetration will rise from 59% of the Internet audience this year to 68% by 2014, when 18.4 million people in Canada will be socializing online at least once a month.

In related news, a U.S. study released on Tuesday by Knowledge Networks and the Center for Media Research concludes that marketers may consider social media as more than a listening tool, the reasons being that:

- 15% of social media users are more inclined to buy brands that advertise in social media;
- social media site ads also drive brand exploration, with 25% more inclined to find out more about brands that advertise on social media sites.

*Source: CMA*

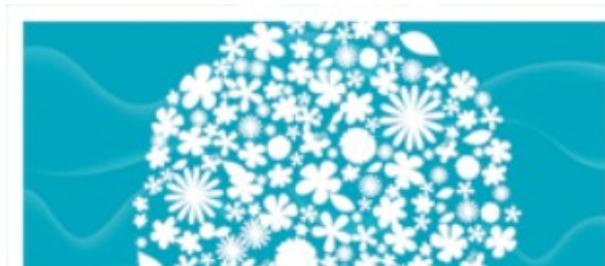
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is providing florists the opportunity to examine their business model and explore new ways to profit from today's evolving market. The first annual Canadian Florist Business Forum also lets florists network with fellow florists, wholesalers, suppliers, and more. To be held Jan. 12, 2011, the forum will focus on the business side of a successful floral operation. This is not another design show, but an attempt to challenge the way we serve our customer base.

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