

# Brandwatch Report/ **Retail Report:**

An analysis of retail brands through  
the lens of social media/ 2015



Brandwatch



# Brandwatch Report

## Retail Report/ 2015

### Why read this?

Retail businesses, exceptionally vulnerable to shifts in public preferences, face the important challenge of nurturing strong online communities. Acknowledging the benefit that an effective online strategy has on businesses, the following report examines the performance, capabilities and social media applications of leading retailers.

***“ The possibilities for effectively engaging consumers are limited only by imagination, and each advance in new technology brings excitement and anticipation of a brighter future for the retail industry. ”***

Mark Larson  
KPMG US and Global Sector Leader, Retail

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# Retail Report

## A Primer on the Retail Industry

**Today's consumers are greatly empowered. Technology has propagated a vast amount of information as well as the means to easily access it. Through online websites, reviews, blogs and social platforms, savvy consumers can derive an informed perception of any product, business or idea well before they commit to it.**

For brands, maintaining a holistic awareness of the online landscape and being properly equipped to react against or capitalize on shifting opinions is paramount. This is perhaps truest for the retail industry, where social favor toward a brand's identity can have dramatic effects on a business' success.

Indeed, 71% of leading retail executives cite social media as having a significant impact on their business<sup>1</sup>. For brands operating in such a competitive market, gaining significant social capital can directly contribute to increases in revenue. As such, having the tools to track, understand and foster a strong online community is highly valuable.

The following report examines the social media performance within the retail industry, outlining many specific successes, shortcomings and use-cases. The aim is for retail brands to gain insight on their own performance as well as on some of the ways social listening can promote their businesses' operations.

# Retail Report

## Facebook Channel Insights/ Overview

**Examining the activity of leading retail businesses' Facebook channels<sup>2</sup> reveals an industry that performs remarkably well at generating conversations and interest among its relatively active social community.**

ONE WEEK OF LEADING RETAILERS' FACEBOOK CHANNELS



In one week, the 60 retail brands garnered 904,793 content likes and 98,488 comments following only 663 brand posts.

Indeed, the volume of conversation generated from only 663 brand posts reveals that many consumers are passionate about these retail brands and are genuinely affected by the brand's online voice.

***" Giving customers control over the conversation and readily encouraging, engaging with and rewarding the sharing of consumer-generated content will help build a loyal brand following. This will also provide retailers and brands with a better understanding of their core shopper base from which more tailored experiences can be developed. "***

Clare Nutter  
Associate Analyst at Planet Retail

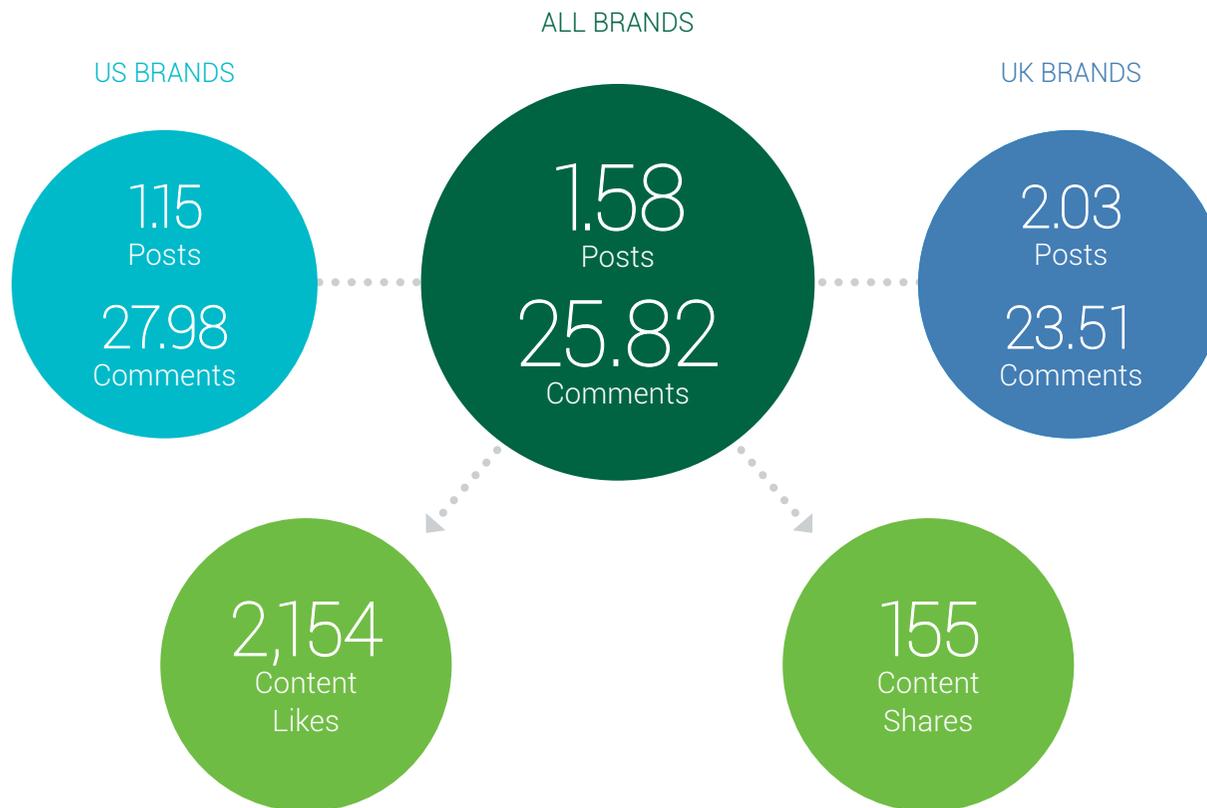
<sup>2</sup> US brands selected based on the National Retail Federation's 2014 Top 100 Retailers list

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## Facebook Channel Insights/ Retailer Communication

AN AVERAGE DAY FOR LEADING RETAILERS FACEBOOK CHANNEL



On a typical day, these retailers publish an average of 1.58 posts and 25.82 comments. In turn, they receive an average of 2,154 likes and 155 shares per day.

Interestingly, while UK brands post more content to their Facebook wall, US brands comment more often. Still, in general these leading retailers experience a strong response to their Facebook content.

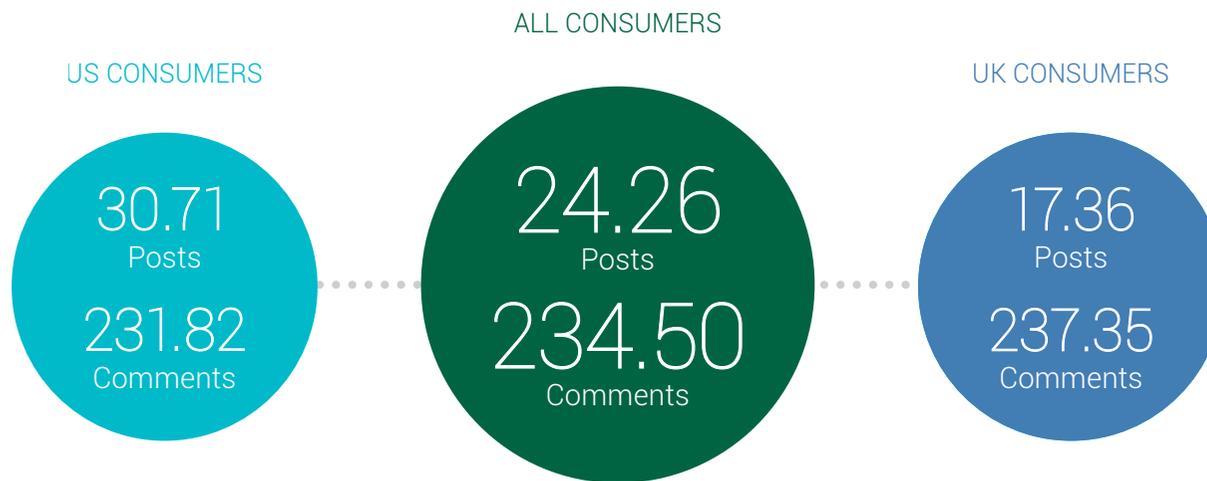
One successful engagement technique that many retail brands are not capitalizing on is the check-in feature on Facebook. Of the 60 brands examined, only 26 allow users to check-in to their stores on Facebook. Those 26 brands each receive an average of 6,493 check-ins per day.

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## Facebook Channel Insights/ Consumer Communication

AN AVERAGE DAY FOR LEADING RETAILERS' FACEBOOK FOLLOWERS



These results suggest that brands are not adequately listening and responding to their audience.

Consumers post over 15 times more than brands do and have over 9 times as many comments. That means that around 89% of consumers' comments are left unanswered.

***" If your customers are in a particular space then it makes perfect sense to be there too, and build relationships with them in a way that no other channel can. Because if you don't build those relationships with them - someone else will. "***

Charlotte Bleasdale  
Social Media Manager at JD Williams

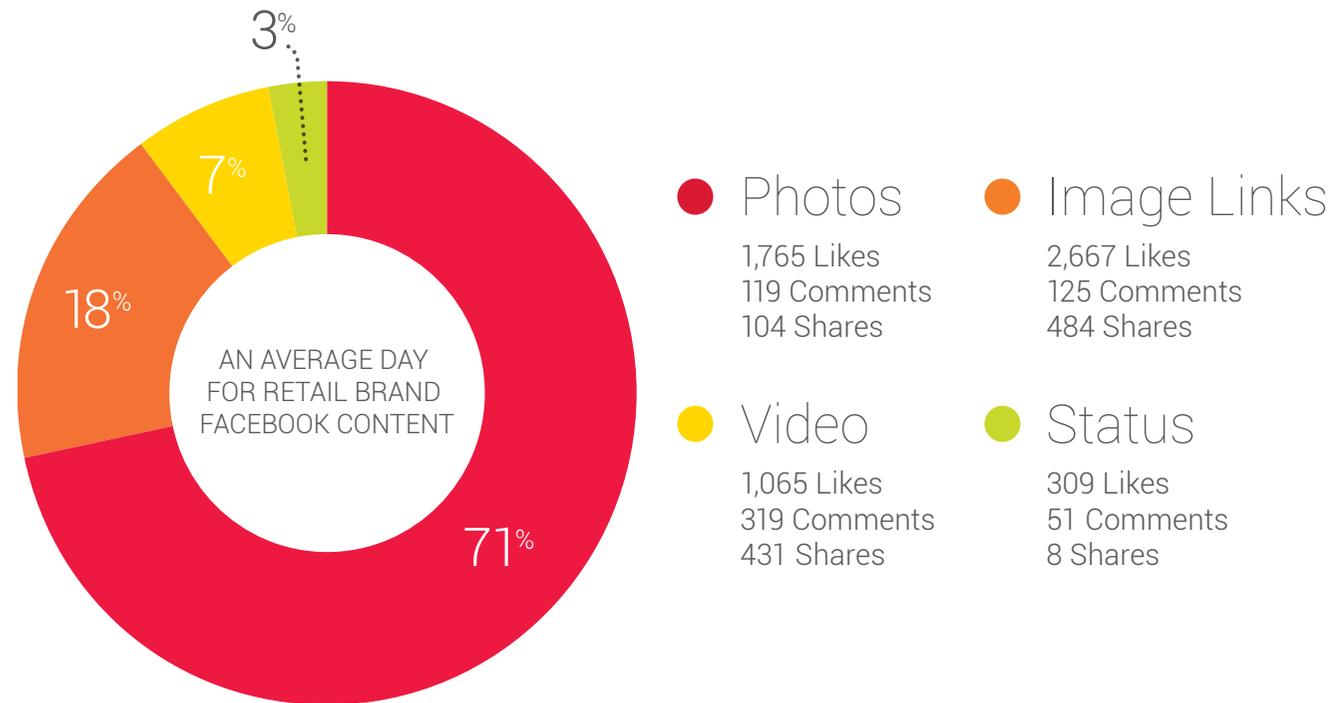
On average, the 60 leading retailers analyzed receive 24.26 posts and 234.50 comments from their followers each day.

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## Facebook Channel Insights/ The Retailer's Voice

**While the majority of retailer posts are photos, on average, image links actually perform better.**



Similarly, videos garner more shares than photos and considerably more comments than any other type of post. Brands can interpret this to mean that while videos generate more conversation on their Facebook page content, linked images are the most successful at spreading sharable information.

Status updates are unsurprisingly the least effective way of generating conversation. Brands, identifying the specific types of content that resonate with their audience, can promote their online presence by tailoring their content based on its performance.

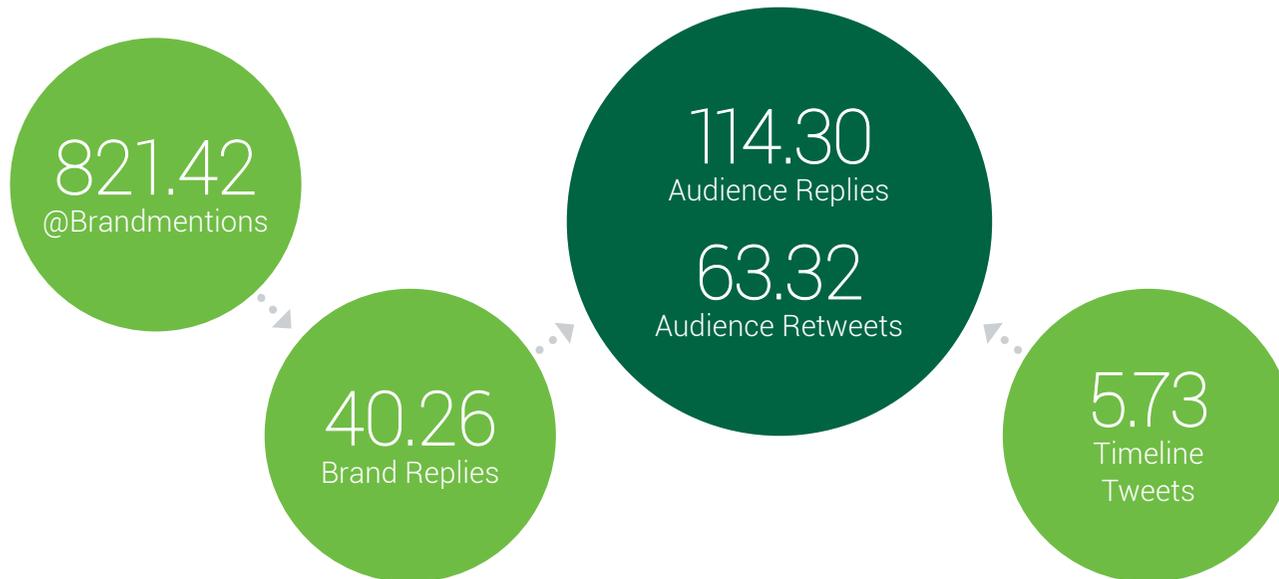
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## Twitter Channel Insights/ Overview

**The activity of these retailers' Twitter channels are again indicative of the strong social influence that large retail brands have online.**

AN AVERAGE DAY FOR RETAIL BRANDS' TWITTER CHANNELS



On a typical day these retail brands receive 821.42 direct mentions. Brands publish a daily average of 40.26 replies and 5.73 timeline tweets. Of their published content, their audience typically replies 114.30 times and retweets 63.32 times per day.

These brands are successfully drawing a high volume of conversation, with some leading brands attracting upwards of 11,000 @Brandmentions per day. Even a well staffed community management team may struggle categorizing, triaging and appropriately responding to that level of conversation.

However, a response rate of 4.9% indicates that many of these brands are not adequately equipped to handle the incoming chatter.

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# Retail Report

## Twitter Channel Insights/ The Retailer's Voice

**The success of a retailer's post is not only dependent on the content but also on the time and day it's published.**

	Audience @Brand	Avg. Post per Brand	RT per Brand Post	Replies per Brand Post
Monday	56470	5.57	11.09	21.86
Tuesday	62029	6.66	11.44	18.75
Wednesday	61322	6.19	17.49	21.91
Thursday	58191	6.67	10.34	19.71
Friday	52706	5.90	9.92	19.22
Saturday	54422	4.31	8.53	22.75
Sunday	40549	4.88	8.04	15.99

● BEST DAY ● WORST DAY

Unsurprisingly, the majority of brand -consumer social interactions occur throughout the working week. Inbound **@mentions** are highest on Tuesdays, tapering off throughout the week and bottoming out on Sunday. Similarly, the average number of posts<sup>3</sup> are greatest on Thursday and lowest on Saturday and Sunday.

However, the current research suggests that Wednesday is actually the highest performing day in terms of both retweets and replies per brand post. A socially intelligent brand will be conscious of how different times affect the performance of posts among their target audience.

<sup>3</sup> Twitter posts do not include replies.

# Retail Report

## Twitter Experiment/ Synopsis

**To evaluate the effectiveness of retail brands' Twitter customer service teams, Brandwatch measured how retail brands react to different types of tweets online.**



First, researchers identified 67 Twitter handles from leading retail businesses. Tweets were designed to test brands' responses to two types of **@mentions**

Additionally, brands' responses to online complaints<sup>4</sup> that did not directly **@mention** a brand were evaluated

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The findings shed light on the ability of these leading retail brands' social customer service teams to identify, prioritize and adequately respond to incoming tweets.

***" Be where your core customers are most and remember to not just post on social media, but also to respond. Customers are quick to post on social media when they need customer care, so be sure to react to it and follow up right away. Don't neglect social media or your customers will in turn neglect you. "***

Nicole Leinback-Reyhle  
Founder & Publisher at Retail Minded

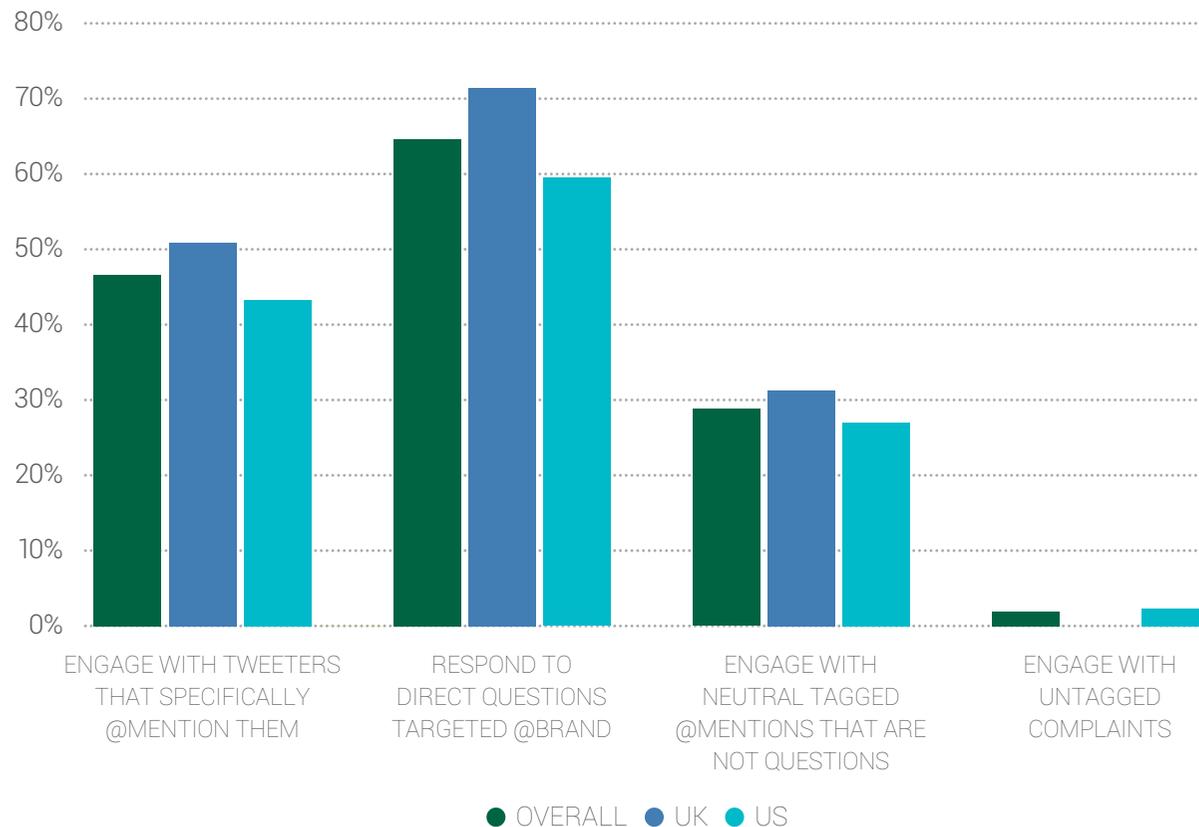
<sup>4</sup> For ethical reasons, we did not tweet negative comments toward any retail brands in this experiment.

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## Twitter Experiment/ Experiment

**Brands neglect a considerable portion of the online chatter directed at them.**

LIKELIHOOD OF RESPONSE BY BRANDS TO COMMENTS ON TWITTER



Overall, retail brands only responded to 46.6% of the tweets with direct **@mentions**. Unsurprisingly, brands are far more likely to respond to Direct Queries (64.6%) than Neutral Mentions (28.8%). However, brands only engaged with untagged complaints 1.9% of the time, a large majority of the brands neglecting these conversations altogether. Also, UK brands had a higher response rate in all categories except untagged complaints.

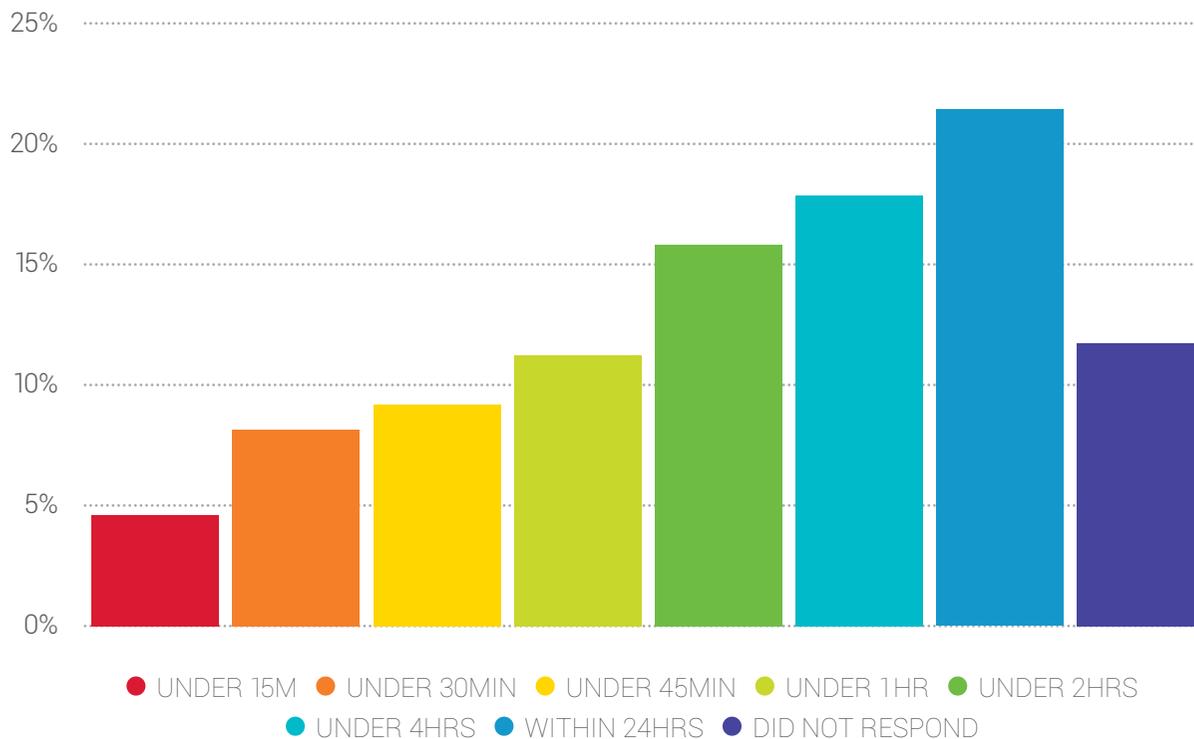
These results definitely indicate that even leading retail businesses are missing opportunities to engage and build support amongst their online communities.

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## Twitter Experiment/ Results

**The leading retail brands examined respond to direct questions in an average of 157 minutes.**

BRAND'S TIME TO RESPOND TO @DIRECT QUESTIONS ON TWITTER



Only 11.2% of brands responded within an hour, with Best Buy, Nordstrom, Ocado, Macy's and Sears all replying within four minutes. Of those that did respond, 31% did so under a personal name while the remaining 69% responded as a brand. Furthermore, 52.4% of the brands handled the issue via Twitter while the remaining 47.6% replied with a link to more information, a direct message request or a phone number.

For a social platform that demands immediacy, it's clear that brands still have room to improve both the speed and quality of their responses to direct questions on Twitter.

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## IKEA Case Study/ Goal & Challenge

### Goal:

With 365 stores across 45 countries, IKEA is one of the most recognizable retail brands in the world. Catering to millions of unique consumers, IKEA understands the value of offering a consistent yet appropriately tailored experiences to each customer. For their Digital Development team, establishing a capable system that promotes a unified and socially intelligent online strategy is crucial.

### Challenge:

As is common among large, global enterprises, while many areas of the business understood the value of social, the strategies and level of investment across markets and departments was inconsistent. Fostering support and momentum around new technologies can be difficult for businesses that successfully developed under traditional techniques.

Furthermore, IKEA's data was often siloed by divisions, meaning that valuable insights and techniques uncovered by one team may have never reached another. IKEA needed systems that would encourage a broader cultural shift toward internal sharing and social intelligence.



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## IKEA Case Study/ Solution

### Solution:

IKEA developed the Listening Hub using Brandwatch Analytics and Vizia. By employing a highly customizable listening platform and social media command center, IKEA is able to intelligently detect, understand and distribute actionable insights throughout the organization.

Tracking conversations around IKEA's customer service, they identified that two online complaint curating websites, Customer Service Scoreboard and UmVox, were driving a large proportion of negative chatter and sentiment. Furthermore, by filtering conversations by location and website, IKEA discovered that Americans were far more likely to complain on Facebook while their UK counterparts took to forums like Yelp and O2.

The Listening Hub ensures that the 15 stakeholders, working across 5 continents, are all able to understand what consumers are saying about their brand in an easily digestible way. For IKEA, that means a more informed digital strategy.



***“ The Listening Hub provides stakeholders real insights into life at home for customers who are talking about IKEA online. ”***

Hans Gartner

Digital Development at Inter IKEA Systems B.V, Delft, The Netherlands

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## Argos Case Study/ Goal & Challenge

### Goal:

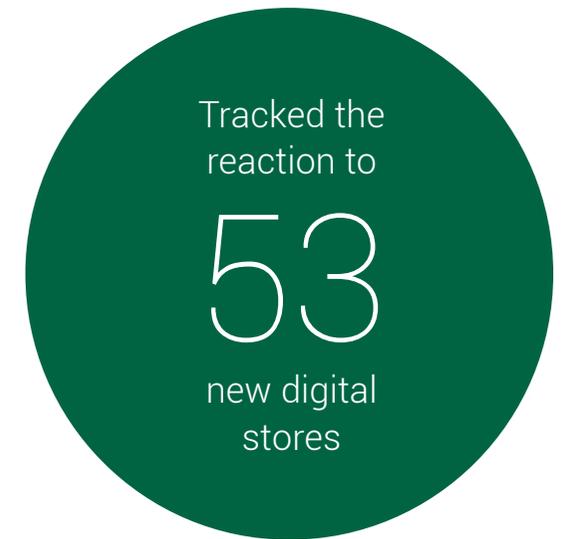
With a network of over 758 stores, 43,000 products and around 123 million customers per year, Argos is one of the UK's leading online retailers. Advocates for the digital-first approach, they planned opening 53 new digital stores across the UK.

As a retailer with over 40 years of business, Argos acknowledged that their consumers had certain expectations when entering their stores. For them, understanding how consumers were reacting to the new storefronts was an imperative.

### Challenge:

Recognizing the ubiquity of social media, Argos knew that reactions to their new stores would be played out on social media. The leading challenge would be in gaining a complete picture of that response.

To get robust social data needed a way to pinpoint all relevant conversation. Furthermore, Argos required some strategic method for making sense of all the online feedback.





# Retail Report

## Social Media Use-Cases

### Implementing the Right Technology

#### Campaign Measurement

- Track the volume, sentiment, topics and keywords surrounding any campaign

#### Community Management

- Understand and nurture an online community

#### Competitor Benchmarking

- Follow and compare the online performance of competitor brands online

#### Customer Service

- Track, categorize, triage and appropriately respond to massive volumes of inbound complaints and issues

#### Influencer Marketing

- Identify and build relationships with influencers in specific social realms

#### Lead Generation

- Discover potential customers through broad network searches

#### Market Research

- Parse apart specific conversations to answer market questions

#### PR Tracking

- Measure the performance of a brand's PR efforts

#### Product Development

- Use a massive audience to uncover and test potential product ideas

#### Reputation & Crisis Management

- Immediately alert the associated teams when specific online conversations spike

For a full list of social media monitoring use-cases, visit [brandwatch.com/uses](http://brandwatch.com/uses)

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# Brandwatch Report

## Retail Report/ 2015

## Thank you

We hope this report provides your business with some helpful insights on the capabilities and considerations surrounding the retail industry. Please get in touch if you have any questions on how retail brands are using social media analytics or how social listening can benefit your business

## About Brandwatch

Brandwatch is one of the world's leading social media listening and analytics technology platforms. Gathering millions of online conversations every day and providing users with the tools to analyze them, Brandwatch empowers brands and agencies to make smarter, data-driven business decisions.

The company grew over **100% year-on-year** in 2013, has won awards for its technology and renowned corporate culture, and regularly wins accolades for its impressive growth. The Brandwatch platform is used by over 1000 brands and agencies, including Whole Foods, Verizon, Whirlpool, Pepsico, British Airways, Papa John's, and Dell.

**Brandwatch. Now You Know.**

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