

Online customer retention

- why social media matters to your brand

by Thom James

Everyone knows it's easier to retain customers than attract new ones. Part of this is effective ongoing communication with your existing customer base. Traditionally this has been done through newsletters, offers and loyalty programmes, where messages are firmly under the company's control.

But the onset of the social media phenomenon has provided people with a means of disseminating information that completely circumvents mainstream media and marketing channels. Social mediums such as blogs, discussion forums and social networking sites are playing a prominent role in shaping opinion and fomenting debate, meaning marketers need to reappraise the tried and tested channels, and engage with customers on their terms and in their space. If

you're not paying attention to what's being said about your brand online, you're at risk of losing customers.

People's perception of your brand identity can no longer be controlled exclusively through traditional mainstream channels, and marketers approaching social media with the mindset that it is just another marketing tool are in for a shock. There are several well-known examples (see Wal-Mart, Ferrit, Sony)

of companies taking a duplicitous approach by creating 'flogs' (fake blogs) or fake customer comments, and getting embarrassingly found out. The result is a loss of consumer faith – and a loss of customers.

Social media has the power to spread information far quicker than traditional media. Last year's scandal involving Ferrit's fake consumer comments found its way into the New York Times, thanks to the coverage Spare Room, one of the most prominent local blogs, gave it. To his credit, Ferrit's Head of Marketing Peter Wogan did post a response on Spare Room in an attempt to minimise the damage, but the perception remained that Ferrit had, in the words of one commenter on the blog, "used deception as a marketing tool". That's a tricky one to shake, as GlaxoSmithKline/Ribena will tell you, and as an online retailer, it would have done Ferrit no favours in the customer retention stakes.

This highlights the importance of transparency when communicating with consumers online. Joseph Jaffe of the Jaffe Juice blog says, "It boggles my mind how many mainstream marketers/agencies look at new marketing from the same one-dimensional, traditional, advertising-based and biased lens. When you think about it, it's no wonder that the inevitable outcome every time is fakeness instead of authenticity."

'Authenticity' is key here. Most social media networkers find the idea of 'their' turf being manipulated as a marketing channel an abhorrent

notion – hence the need to appear open, honest and authentic at all times. If you are going to counter a comment on a discussion forum, or start a blog, make sure people know from the outset where your interests lie. Customers will feel much more empathy and loyalty towards a brand that is prepared to put an identifiable spokesperson in the public domain who will talk openly and directly with consumers, and the best way to do that is through a blog.

The corporate blog is one of the most democratic and accessible means of starting a dialogue with your customers. You give your company a human face for people to engage with, someone who can address concerns, discuss bad experiences, and comment on customer feedback, while at the same time providing information on exciting product/brand developments. A blog encourages people to get involved with the brand by giving them an avenue to make their own comments heard and discussed. It's also a good way to uncover 'customer evangelists', people who are passionate about your brand, and who are prepared to conduct word of mouth marketing on your behalf. Ben McConnell and Jackie Huba's blog on the subject, customerevangelist.typepad.com, is well worth checking out.

Before launching a blog, you need to set clear guidelines on what you will write about, how often you will post and what you ultimately aim to achieve. Failure to set these parameters from the off means your blog can become aimless, and if it lacks focus, it will

quickly become irrelevant to readers. It's important to write in an engaging, personable style, and to not fall into the trap of regurgitating marketing spiel. Nothing will turn readers off faster than bland corporate-speak, so don't be afraid to be a little provocative from time to time. If you're prepared to publish in your own voice, to invite open debate and to allow consumers to use your blog as a mouthpiece, you should find your online credibility greatly enhanced, and customer loyalty to your brand strengthened.

As the media landscape continues to fragment and diversify, more and more of your consumers will be engaging with one another, and talking about you via social media. The conversation will go on with or without you, but if you're not part of it, you lose all control of the messages consumers receive about you online. A sound online reputation management strategy is therefore an invaluable addition to your existing customer retention programme.

bio

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Thom will be speaking at Search Engine Room NZ with Nicholas O'Flaherty, July 17. See www.searchengineroom.com.au for more.