# FORRESTER®



# Winning In A World Of Social Technologies

**Christine Overby** Vice President and Research Director Forrester Research

October 22, 2009

## **Consumers are still in hibernation**

In the past 3 months, which of the following actions have you taken to conserve finances?

Delayed making nonessential retail purchase

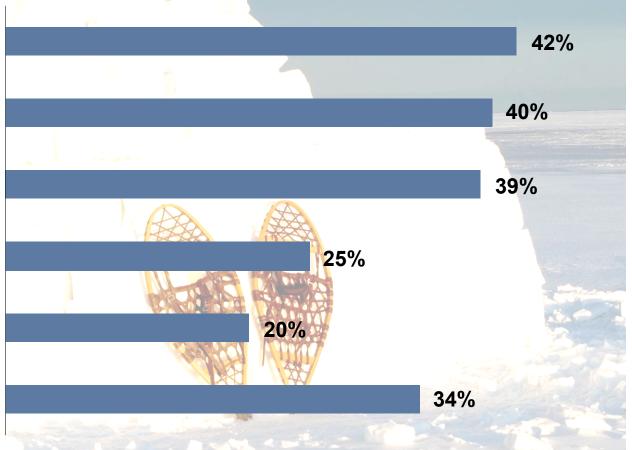
Bought more of cheaper label brands

Tried to control fixed monthly costs such as utilities

Trimmed back on leisure travel/vacation plans

Cut down on the fuel consumption of my car

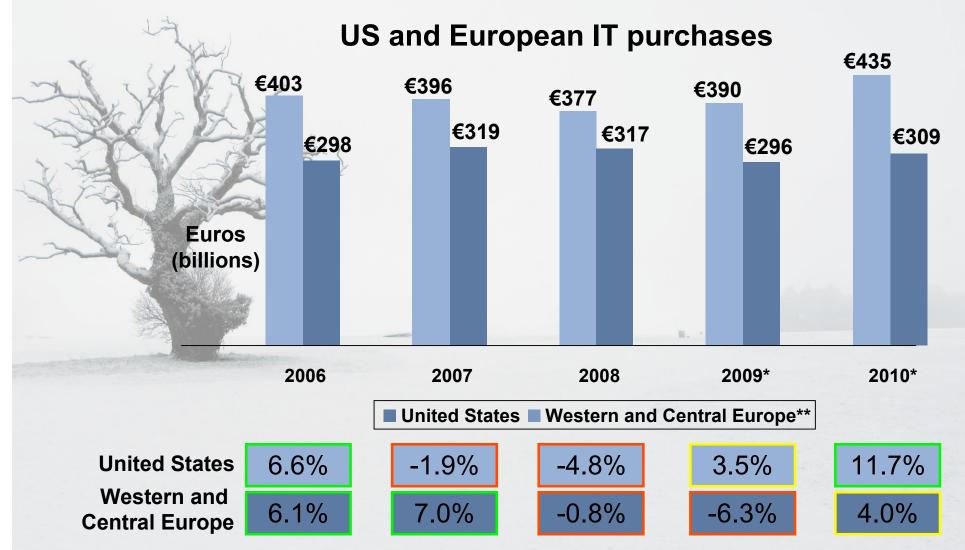
I have not taken any action to conserve finance



Base: EU8 adults (UK, France, Germany, Spain, Italy, Netherlands, Sweden, Poland)

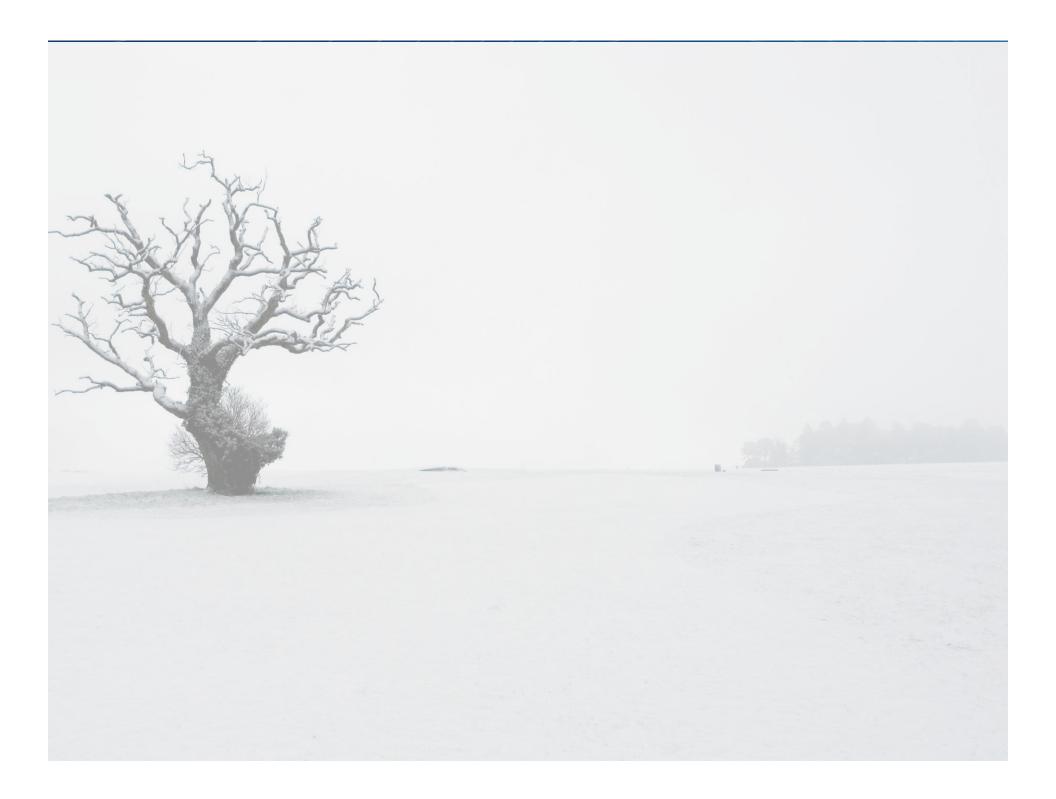
Source: European Technographics Benchmark Survey, June 2009

### So are B2B customers



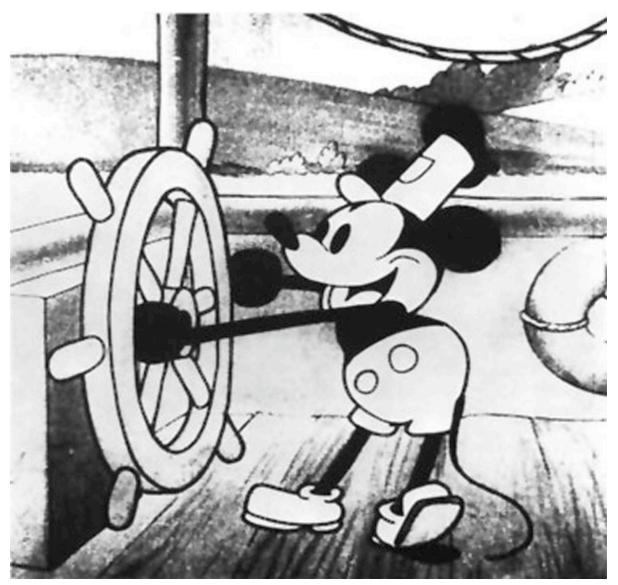
Source: Forrester Research \*Forrester forecast

\*\*Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Spain, Slovakia, Switzerland, Sweden, and the UK.

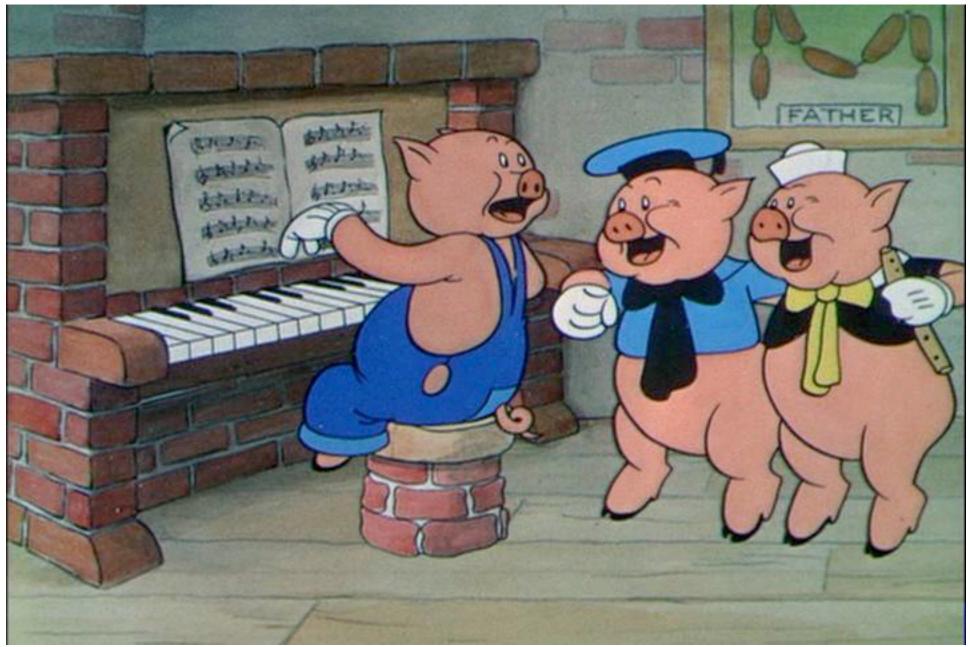




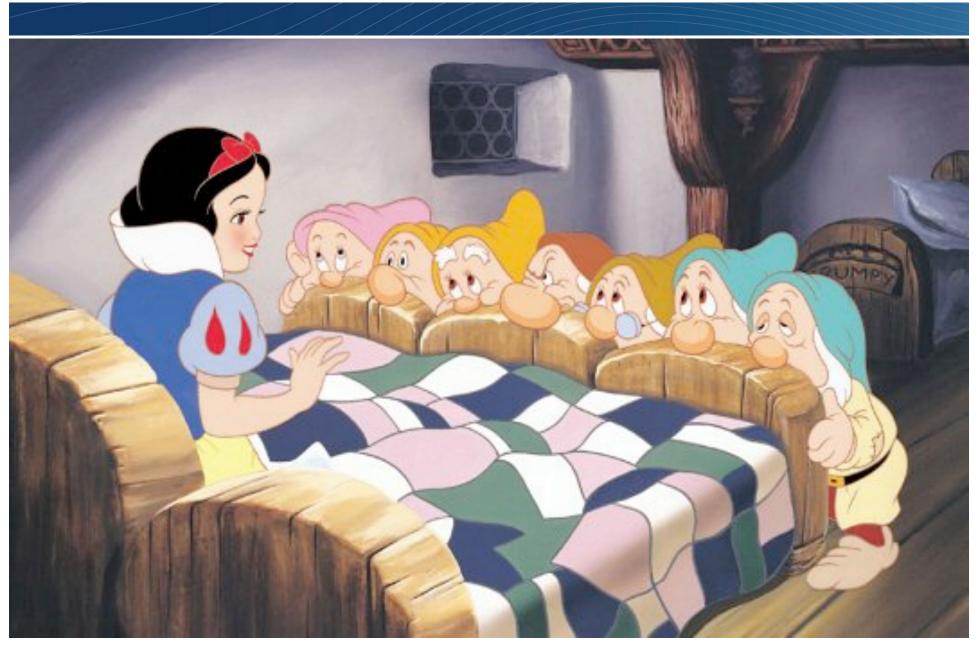


















Movies TV Games Music Live Events Travel Shop Mobile Characters For You My Page



Search Disney UK Go

## What made Disney successful?

- Vision
- Risk
- Empathy
- Technology
- ... And some great selling!



# Now is the time to do retail differently.

FORRESTER

## Agenda

- Why do consumers trust each other more than companies?
- How do social tools change the game for marketing and selling?
- What can you do to participate in the conversation?



## Agenda

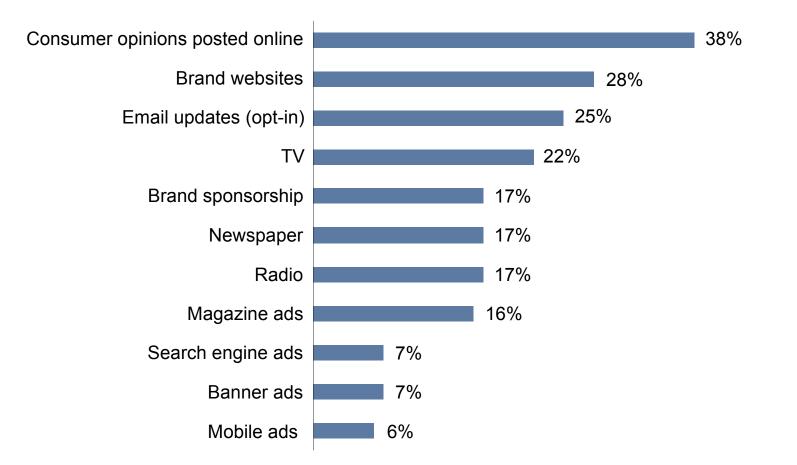
 Why do consumers trust each other more than companies?

- How do social tools change the game for marketing and selling?
- What can you do to participate in the conversation?



## Advertising is unpopular

#### To what extent do you trust each of the following types of advertising?



#### Base: EU7 adults (UK, France, Germany, Spain, Italy, Netherlands, Sweden)

<sup>15</sup> Entre Source: European Technographics Q3 2009 Media, Marketing, and Social Computing



## Word of Mouth reigns again



## Word of mouth is the most trusted source

How much do you trust these sources of information about products and services?

 Opinions of family/friends/colleagues

 Consumer reviews on retailer sites

 Information on manufacturer sites

 Review in newspapers, magazines, TV

 Consumer reviews on product review sites

 Information on a search engine

 Consumer reviews on manufacturers sites

 Information on a search engine

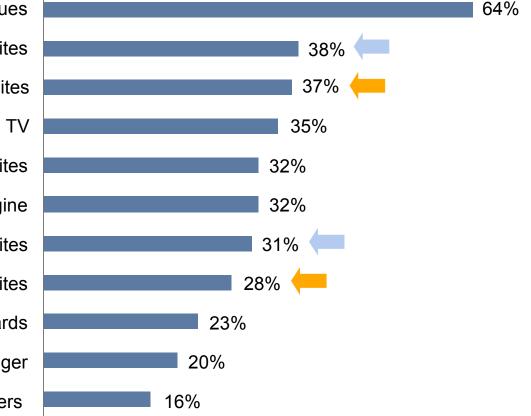
 Consumer reviews on manufacturers sites

 Information on retailers sites

 Discussion boards

 Review by a blogger

 Information in email newsletters



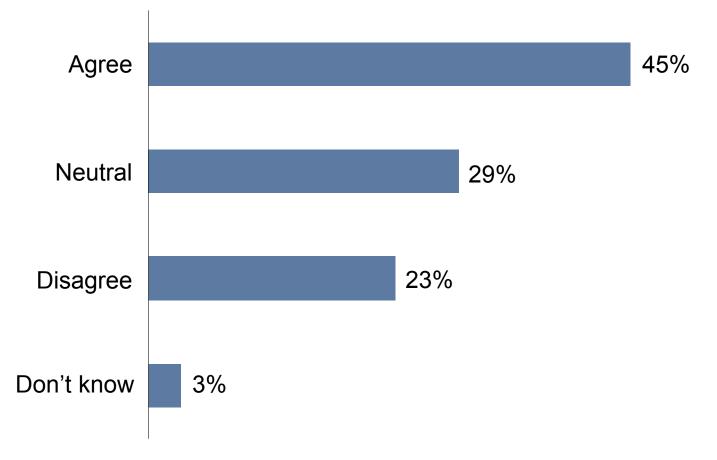
#### Base: EU7 adults (UK, France, Germany, Spain, Italy, Netherlands, Sweden)

<sup>17</sup> Entire Source: European Technographics Q3 2009 Media, Marketing, and Social Computing



## Word of mouth drives commerce

Consumer ratings and reviews help me decide whether or not to purchase a product/service



#### Base: EU7 adults (UK, France, Germany, Spain, Italy, Netherlands, Sweden)

<sup>18</sup> Entre Source: European Technographics Q3 2009 Media, Marketing, and Social Computing



## People are talking about you

Real	time results for debenhams 0.19 seconds	Similar Feed for this query
<b>₽</b> 8	K9_Kirsty: @melspooner 2 hours is double what I got at <b>Debenhams</b> . When do you leave for the beach? 2 minutes ago from <i>Tweetie</i> · <u>Reply</u> · <u>View Tweet</u> · <u>C</u> <u>Show Conversation</u>	Show tweets <b>written in</b> : English
obs co.uk	jobscouk: <b>Debenhams #</b> ukjobs Southampton - Sales Adviser Xmas - PT 25hrs - Southampton <u>http://bit.ly/DoRyx (expand)</u> 30 minutes ago from web · <u>Reply</u> · <u>View Tweet</u>	Trending topics: • <u>#MusicMonday</u> • #ruleofrelationships
My Voucher Codes .co.uk	vipdiscountclub: Latest newsletter! Pizza Hut BOGOF, House of Fraser 50% off, Strada 2for1, <b>Debenhams</b> 20% off, Freemans 20% off & more <u>http://ow.ly/tXwb</u> 44 minutes ago from <i>HootSuite</i> · <u>Reply</u> · <u>View Tweet</u>	Happy Columbus Day     Happy Thanksgiving     #ulesofrelationship     #MM
LOCAL STUFF	bournemoutharea: #ebay #Swanage! KB* <b>Debenhams</b> Blue/Green/Cream Floral Lined Curtains + <u>http://bit.ly/w1bXW</u> ( <u>expand</u> ) about 1 hour ago from <i>twitterfeed</i> · <u>Reply</u> · <u>View Tweet</u>	<ul> <li>Halloween</li> <li><u>#thisisit</u></li> <li>Paranormal Activity</li> <li>Justin Bieber</li> </ul>
<b>9</b>	discountcodes_: Up to 50% off selected Denby at <b>Debenhams</b> http://bit.ly/22R9Cf (expand) about 1 hour ago from <i>twitterfeed</i> · <u>Reply</u> · <u>View Tweet</u>	Nifty queries:

# 3 out of 5 online Europeans now participate in social media regularly



# 30% of Europeans are visiting social networks regularly



## Facebook has over 250 million members worldwide and if it was a country it would rank 4th in the world

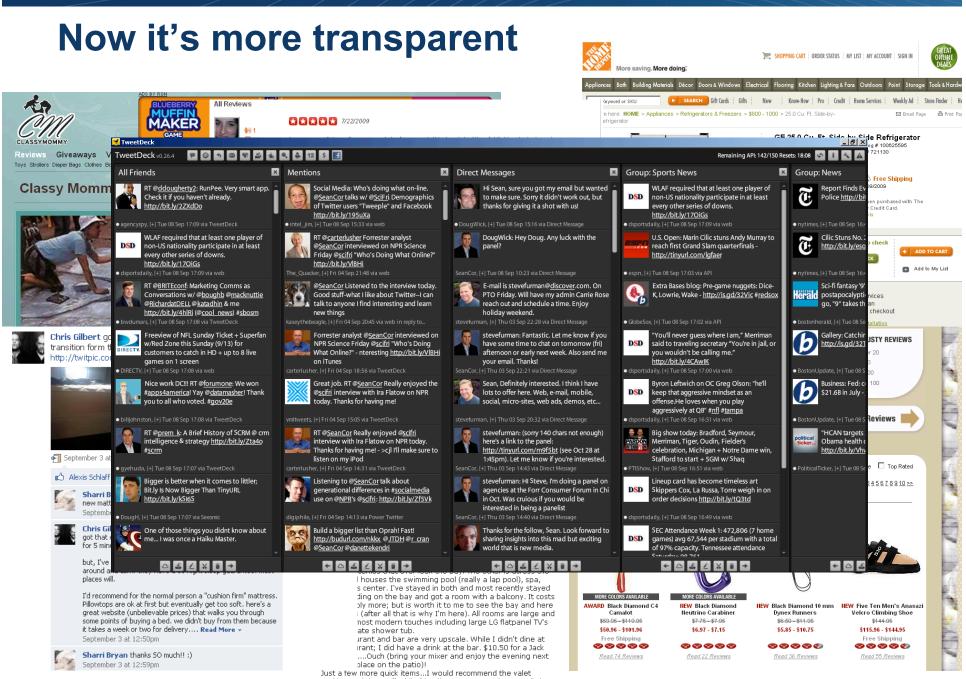
Sources: Facebook



## "In 2009 more data will be published by individuals than in all of history up through 2008"

- Andreas Weigend, former Chief Scientist, Amazon.com





parking and the staff while friendly are young and seem a little disingenuous. There were also many European guests.

## Agenda

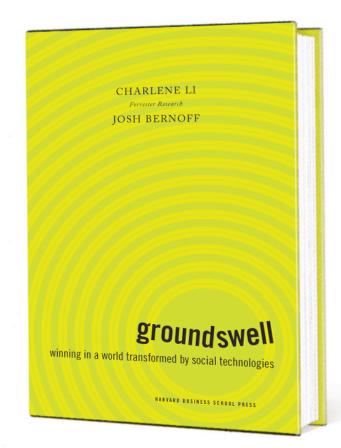
- Why do consumers trust each other more than companies?
- How do social tools change the game for marketing and selling?
- What can you do to participate in the conversation?



### **The Groundswell**

#### Groundswell

A social trend in which people use technologies to get the things they need from each other, rather than from traditional institutions like corporations





### **Post Methodology**

#### People

Assess your customers' social activities

#### **Objectives**

Decide what you want to accomplish

# S

### **Strategy**

Plan for how relationships with customers will change

#### **Technology**

Decide which social technologies to use



### **Post Methodology**

**People** 

Assess your customers' social activities

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## **The Social Technographics Ladder**

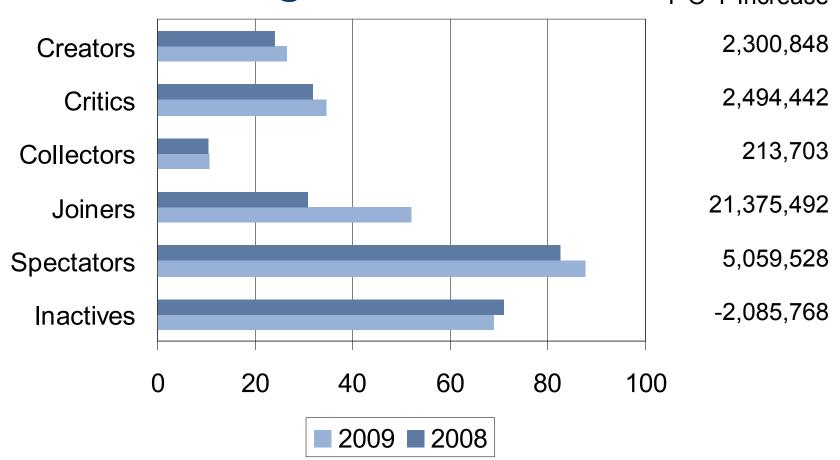
29

European online adults 15%	Creators	•	Publish a blog Publish your own Web pages Upload video you created Upload audio/music you created Write articles or stories and post them
20%	Critics	)	Post ratings/reviews of products/services Comment on someone else's blog Contribute to online forums Contribute to/edit articles in a wiki
6%	Collectors	۲	Use RSS feeds Add "tags" to Web pages or photos "Vote" for Web sites online
30%	Joiners	•	Maintain profile on a social networking site Visit social networking sites
50%	Spectators	)	Read blogs Watch video from other users Listen to podcasts Read online forums Read customer ratings/reviews
39%	Inactives	۲	None of the above
Entire contents © 2009 Forrester Research, Inc. All rights re	Groups	inclu	de people participating in at least

one of the activities monthly.



#### **European consumer participation** continues to grow Y-O-Y Increase



Base: European online consumers (millions)

Source: European Technographics® Benchmark Survey, Q2 2008, and

European Technographics® Benchmark Survey, Q2 2009 Entire contents © 2009 Forrester Research, Inc. All rights reserved.



## We expect to find Bertrand



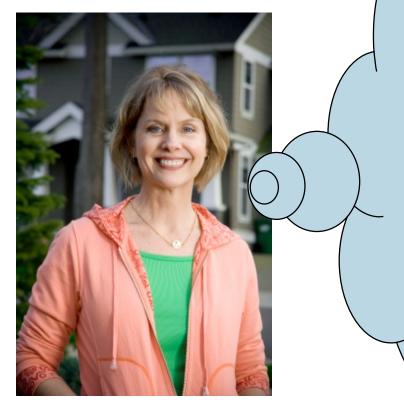
• I manage my entire life online, including finding my car, apartment and girlfriend!

• If a tech blogger really knows what they're talking about, I'll not only read their blog, I'll follow them on twitter.

• I am learning how to play poker from a new iPhone application.



## But don't forget Sarah



• I am on Facebook to keep in touch with my daughters.

• I would love an online forum where I can ask questions about investing in real estate near Savannah, but I haven't found one.

• I am a sucker for those funny cat videos my friends email me.



### **European Baby Boomers engage in online social** activities

Creators	2008	┌ All European ac	dults*			n <b>dex</b> ults = 10
Younger Boomers (ages 43 to 52)				<b>9</b> %	ό	60
Older Boomers (ages 53 to 63)				7%	6	47
Critics						
Younger Boomers (ages 43 to 52)				149	6	74
Older Boomers (ages 53 to 63)				9%	6	47
Collectors						
Younger Boomers (ages 43 to 52)				49	ó	67
Older Boomers (ages 53 to 63)				49	6	67
Joiners						
Younger Boomers (ages 43 to 52)				109	6	56
Older Boomers (ages 53 to 63)				79	6	39
Spectators						
Younger Boomers (ages 43 to 52)				419	6	82
Older Boomers (ages 53 to 63)				369	6	72
Inactives						
Younger Boomers (ages 43 to 52)				539	6	123
Older Boomers (ages 53 to 63)				59%	6	137

Base: 4,765 European online adults, ages 43 to 63 \*All European adults = 14,514 European online adults (excluding Poland)

Source: European Technographics® Benchmark Survey, Q2 2008

April 2009 "The Social Technographics® Profile Of European Baby Boomers"

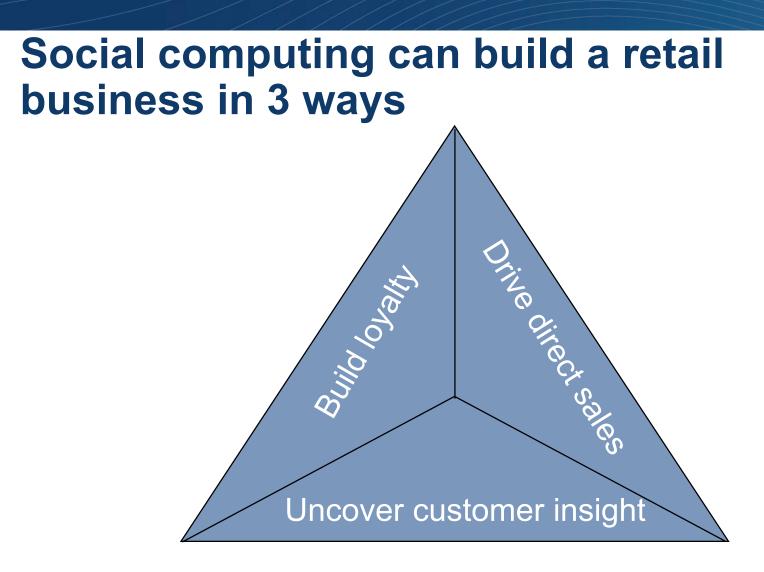


## See more on Forrester's Groundswell Blog

undswell - Microsoft Internet Explorer			
Edit View Favorites Tools Help			
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			Aujust Tooloo
groundswell			NEW Consumer and B2B Data
winning in a world transformed by social technologies			Profile your customers' online social behaviors
winning in a world transformed by social technologies			
Home The Book Consulting Calendar Blog	g Profile Tool Discussion Awards	Contact Us	
What's The Social Technographics Profile Of Your Customers?	Consumer Profile Tool (now with	2009 data)	
Companies often approach Social Computing as a list of technologies to be deployed as needed — a blog			
here, a community there $-$ to achieve a marketing	Age: Country: 25-34 UK	Gender:	
goal. But a more coherent approach is to start with your target audience and determine what kind of			
relationship you want to build with them, based on	Consumer Creators 24%	Index (All adults = 100) 160	
what they are ready for. You can use the tool on this		152	
page to get started.	Critics 32%	183	
Forrester's Social Technographics® classifies consumers into six overlapping levels of participation	Collectors 11%	59% 155	
(see short presentation). Based on our survey data we	Spectators	66% 132	
can see how participation varies among different	Inactives	46	
groups of consumers, globally. We also analyze the participation of people who buy technology.		Forrester	
	Source: Forrester Research's Consumer Technographics data		
Want to profile your customers? <u>Forrester Research's</u> <u>Consumer Technographics® data</u> covers hundreds of	Part of Forrester's Groundswell content.	FORRESTER	
brands and behaviors globally — customers of specific	Copyright 2009 Forrester Research		
retailers and car owners by brand, for example. Work	To embed this in your site, use the foll		-
	<pre><iframe <="" frameborder="0" height="360" pre=""></iframe></pre>	' width="510" scrolling="no"	
with us to profile your customer base, then develop a social technology strategy. For more information,	marginwidth="0" marginheight="0"	······ ·······························	

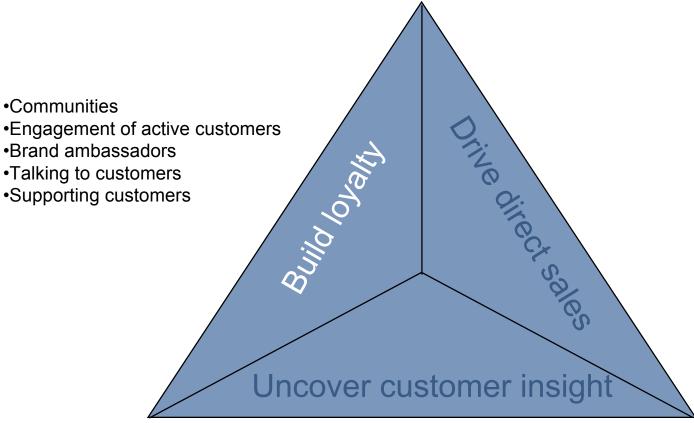




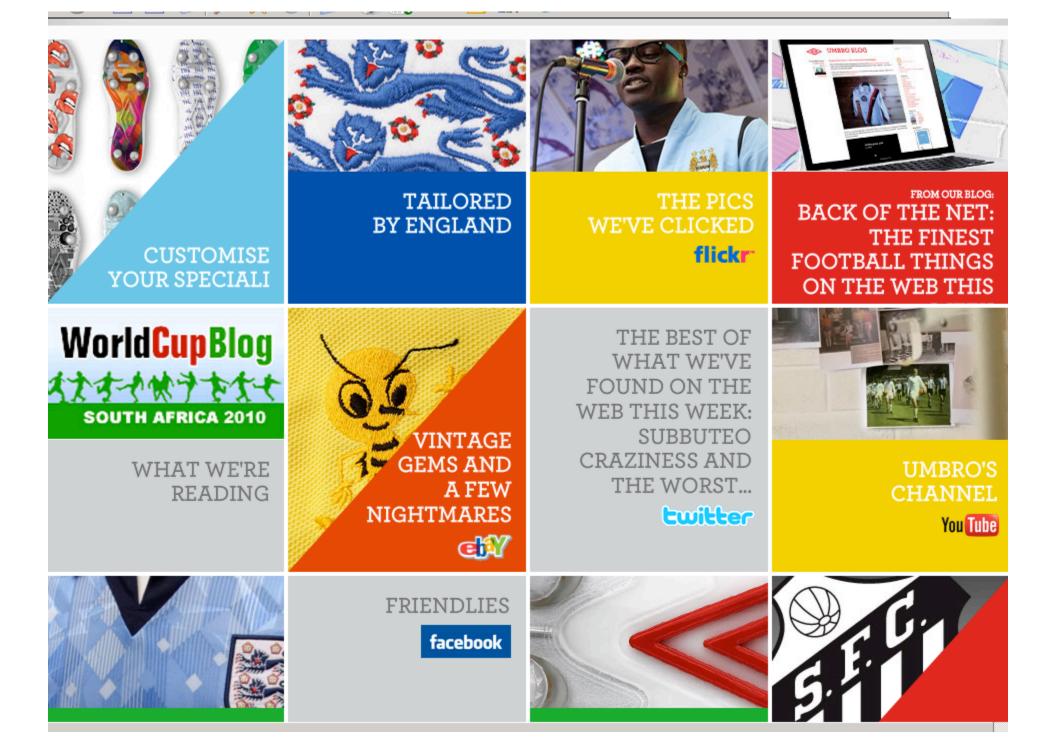


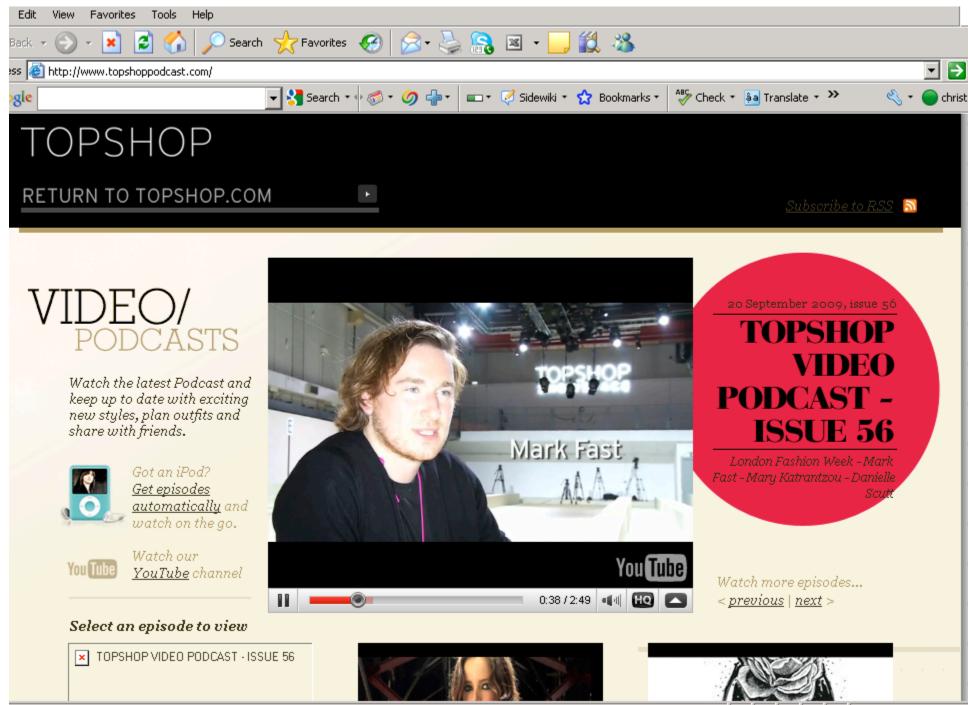


# Social computing can build a business in 3 ways









🙆 Internet

ne

### Cwitter phone Warehouse

## guyatcarphone





# Carphone Warehouse help tip: Thinking of buying from us, here's some useful links to help you in your decision.. http://bit.ly/1UqRZm

19 minutes ago from TweetDeck

RT @digitalfilipino: interesting Amazon.com cust story RT @Meikah Cust Serv Experience of the Week http://custserv.gbwatch.com...

about 3 hours ago from TweetDeck

### Debbie Weil on Mashable: 5 ways to write retweetable tweets..http://bit.ly/3bRjOX ..top RT tips

about 4 hours ago from TweetDeck

@StuartCarphone hmmm, nice play on words to start Friday off with.

about 4 hours ago from TweetDeck in reply to StuartCarphone

@urban75 hi I work for Carphone Warehouse. Sorry that you've not received good service from one of our stores. Anything we can do to help?

about 18 hours ago from TweetDeck in reply to urban75

@bymarkgale hi I wrk for Carphone Warehouse. Sorry to hear you've not had a good experience with us. Anything we can do to help?

shout 18 hours and from TweetDeck in renly to hymarkasle

Name guy stephens Location London, UK Web http://www.carpho... Bio Customer Knowledge Manager at The Carphone Warehouse trying to understand how social media can enhance the online help and support/customer service experience

1,257 1,230 following followers.

Tweets

2.151

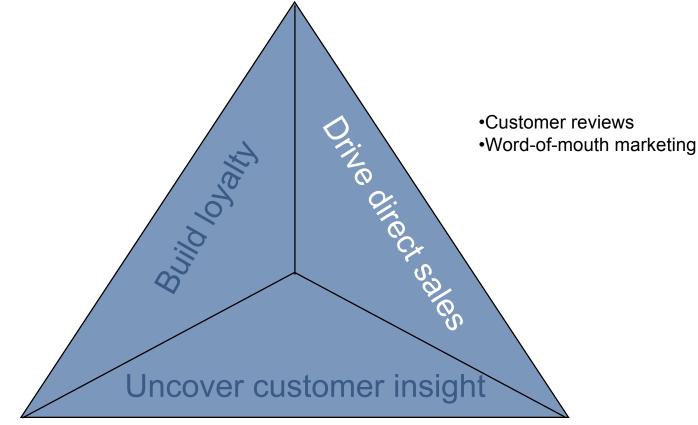
Favorites

### Actions.

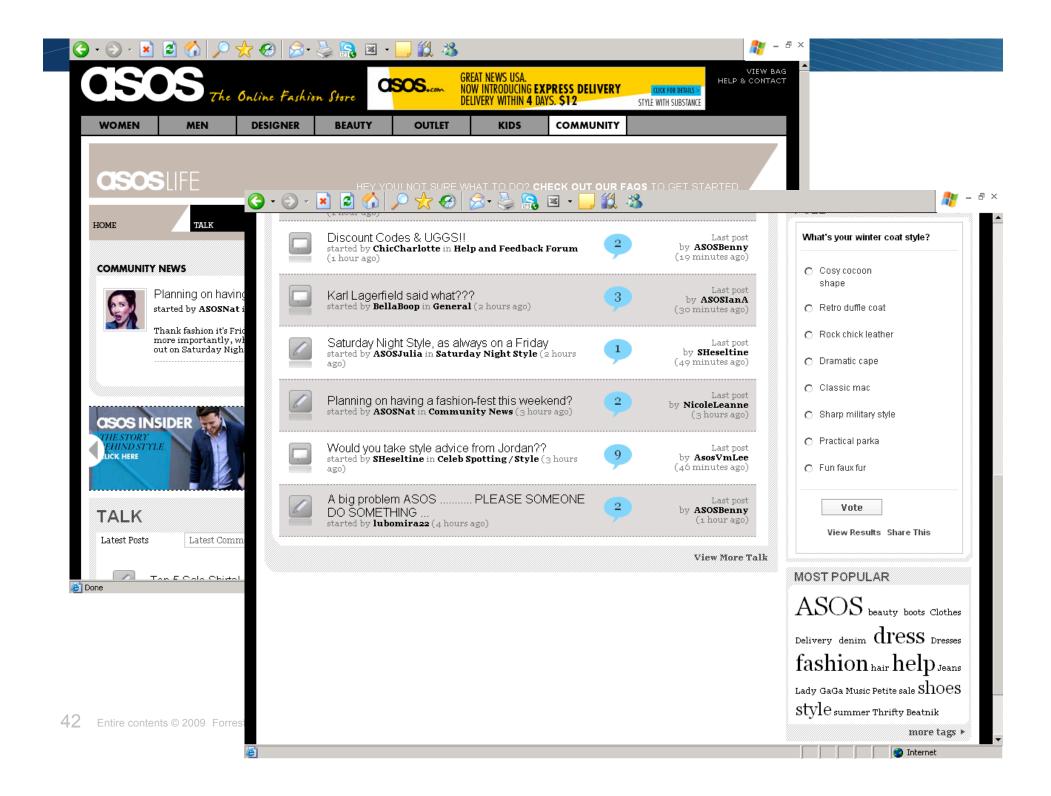
block guyatcarphone report guyatcarphone for spam



# Social computing can build a business in 3 ways









back to £30 & Under







MORE FROM

Women ▶ Sale ▶ £30 & Under ▶ ASOS Structured Skirt

£35.00 NOW £15.00

#### ASOS Structured Skirt

- Stretch structured mini skirt

- High slim waistband and high shine finish

- Pleated detail and structured design



SAVE FOR LATER

INFO & CARE	DELIVERY	FREE RETURNS					
<b>ABOUT ME</b> Main: 56% polyester, 41% cotton, 3% elastane Lining: 100% polyester Net: 100% polyester							
Size 10 length measures 13.75in (35cm) – centre back to hem							
LOOK AFTER ME 40 degree wash, do not bleach, do not tumble dry, cool iron, do not dry clean Wash as wool, wash with similar colours, cool iron on reverse							
Product Code: WWCSK805677							
EMAIL A FRIEND SI	hare/bookmark 📑 🗮 .	**					
TWEET THIS ╘							



COMPLETE THE LOOK



£25.00

£85.00





#### OTHER CUSTOMERS ALSO BOUGHT





£4.00

£11.75

## When it comes to reviews, we eat our own dog food

### Solid Gold WolfKing Bison Dry Dog Food



🗙 🗙 🗙 📩 🛛 4.7 🛛 read 30 reviews

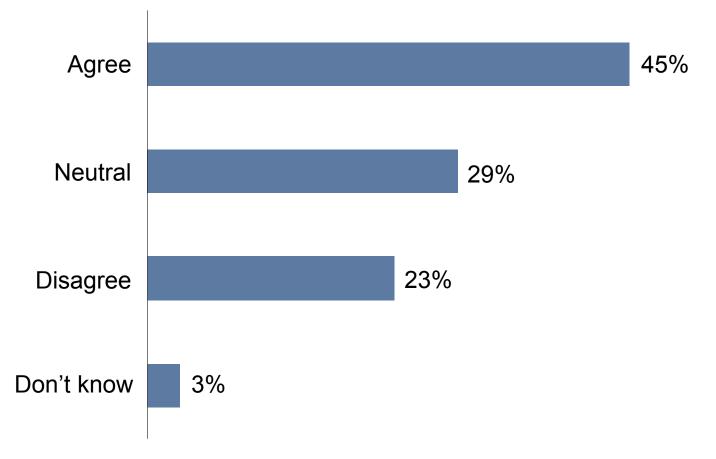
"German Shepard Loves It" – Toni the Tiger "Definitely the best I've come acros..." – EE-Pit Man "Great Stuff!!!" – Indiana Joe

USD10.39 from 1 store »



## Word of mouth drives commerce

Consumer ratings and reviews provide a heavily biased opinion of products/services

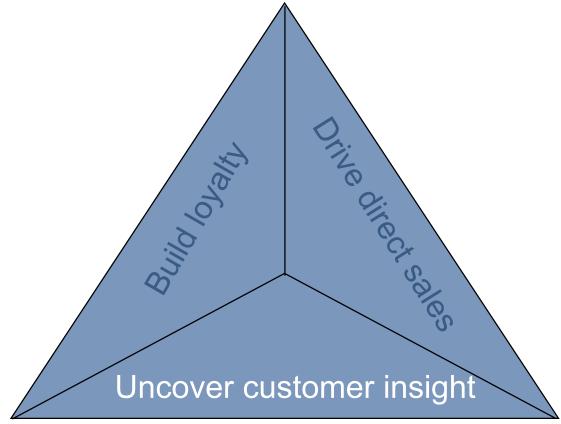


### Base: EU7 adults (UK, France, Germany, Spain, Italy, Netherlands, Sweden)

<sup>45</sup> Entire Source: European Technographics Q3 2009 Media, Marketing, and Social Computing



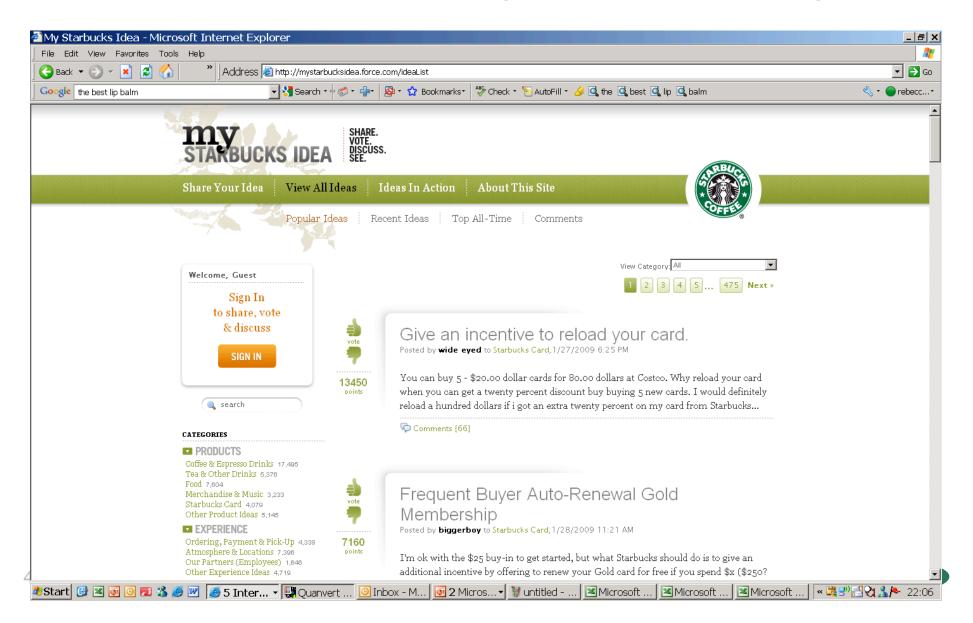
# Social computing can build a business in 3 ways



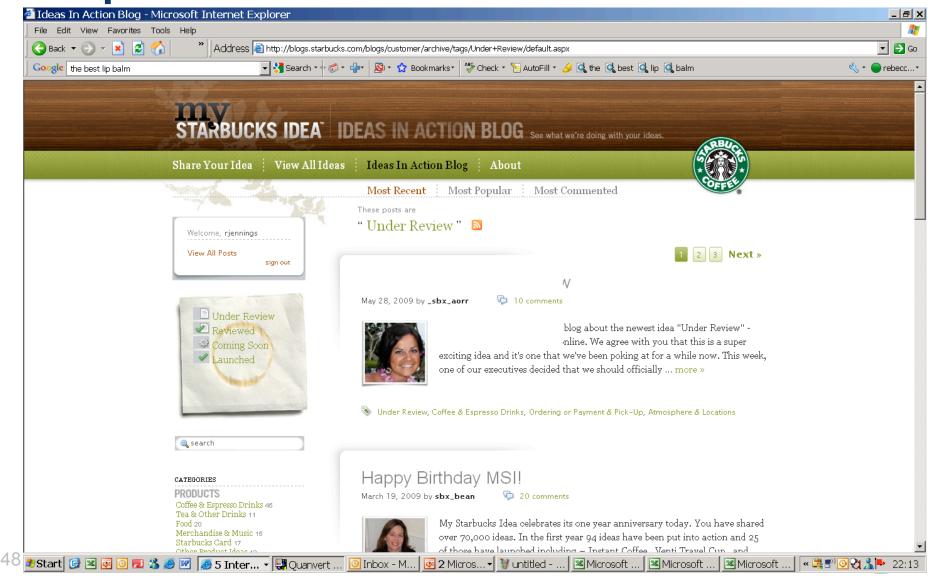
Product development effortsBrand monitoringCustomer reviews

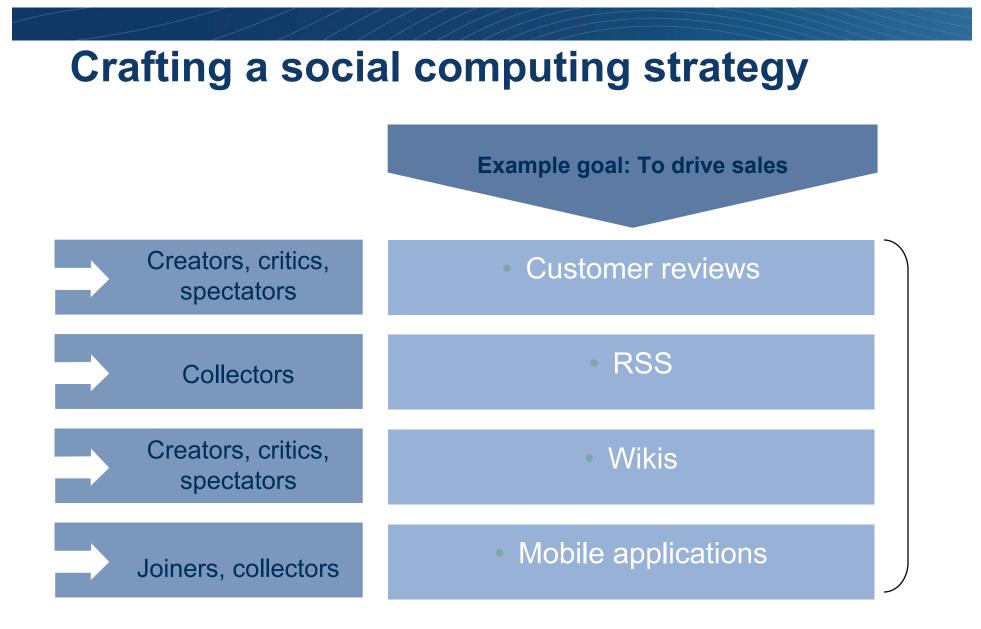


## Starbucks solicits ideas (65k+ posts so far)



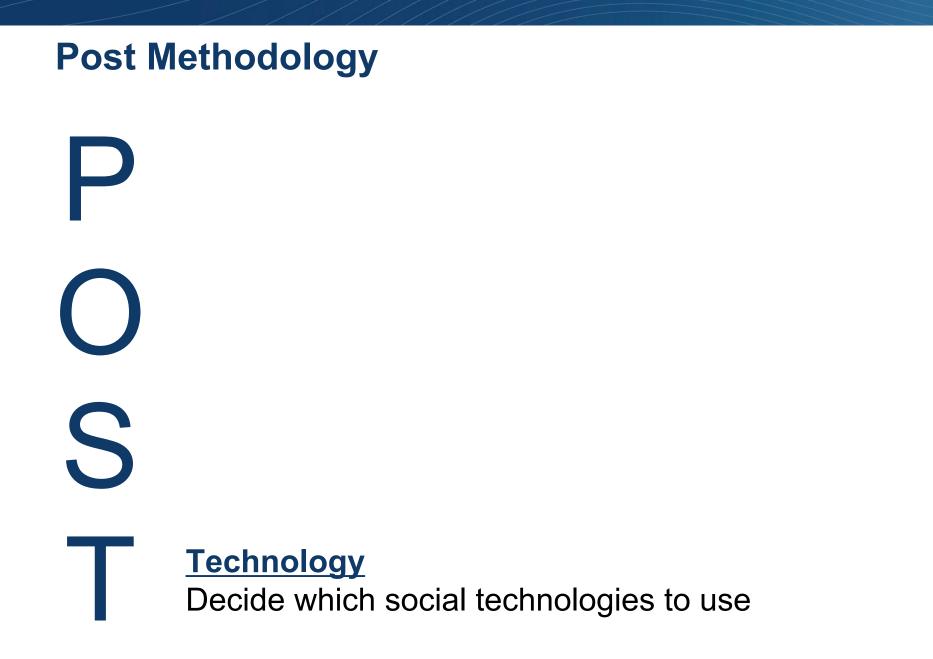
# And then posts on a "blog" to close the loop





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## **Different tools serve unique purposes**

	Driving direct sales	Building brand loyalty	Uncovering customer insight
Social networks		$\checkmark$	$\checkmark$
Blogs		$\checkmark$	$\checkmark$
User-review portals/CSEs	$\checkmark$		$\checkmark$
Peer-to-peer commerce	$\checkmark$	$\checkmark$	
Podcasts/video sites	$\checkmark$	$\checkmark$	$\checkmark$
RSS		$\checkmark$	
Wikis		$\checkmark$	
Tagging			$\checkmark$
Mobile applications		$\checkmark$	



# Different tools are engaged by different participants

	Spectators	Joiners	Collectors	Critics	Creators
Social networks	$\checkmark$	$\checkmark$		$\checkmark$	$\checkmark$
Blogs	$\checkmark$			$\checkmark$	
User-review portals/CSEs	$\checkmark$			$\checkmark$	$\checkmark$
Peer-to-peer commerce		$\checkmark$		$\checkmark$	$\checkmark$
Podcasts/video sites	$\checkmark$			$\checkmark$	$\checkmark$
RSS			$\checkmark$		
Wikis	$\checkmark$			$\checkmark$	
Tagging	$\checkmark$		$\checkmark$	$\checkmark$	
Mobile applications		$\checkmark$			



## Agenda

- Why do consumers trust each other more than companies?
- How do social tools change the game for marketing and selling?
- What can you do to participate in the conversation?



### **Guide the discussion**

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43 minutes ago

54

Driving Conversations Photo of the Day: 1959 Vauxhall PA Velox 16 hours ago

Driving Conversations Photo of the Day: Classic Red Chevy Wednesday at 12:31 pm

Driving Conversations Photo of the Day: Opel Manta A Tuesday at 11:47 am

Driving Conversations Photo of the Day: Opel Commodore GS/E



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#### OCTOBER 2009

12.10.2009 Vauxhall Commercial Vehicles Shows Its Strength At Interbuild 2009 12.10.2009 Winter Check & Top Up To Ensure Trouble Free Motoring 02.10.2009 Insignia is Europe's Favorite Car 02.10.2009 Vauxhall To Bid Farewell To British Touring Cars

### SEPTEMBER 2009

29.09.2009 New Opel Astra: The First Class Compact
24.09.2009 GM India and Reva Announce Electric Vehicle Partnership
21.09.2009 Opel Expands its European Solar Offensive
16.09.2009 Reader's Choice: Opel Insignia Sports Tourer Wins Best Design Award
15.09.2009 Opel at IAA: A world debut and a revolutionary concept

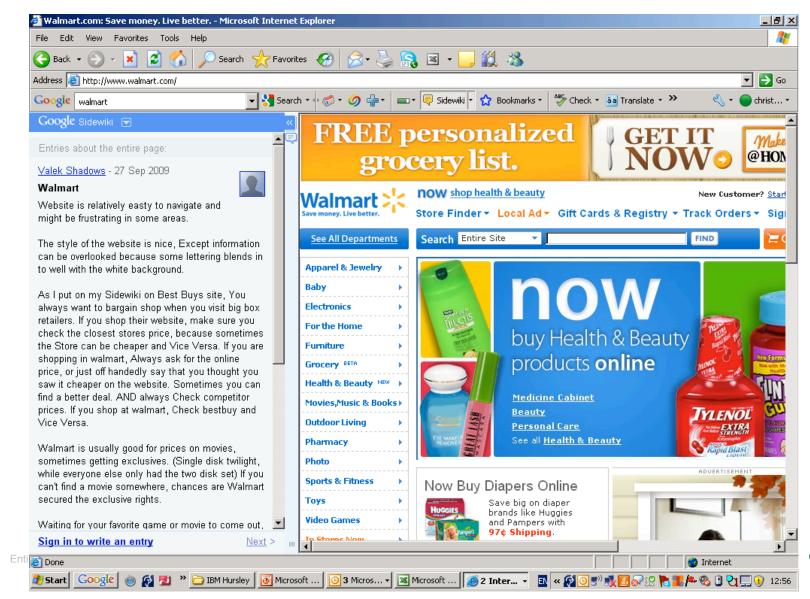
autoshows awards cadillad chevrolet concept cars corporate corvette design environment heritage hummer motorsports Opel people production saab technology vauxhall

#### LATEST COMMENTS

Jean-Charles Jacquemin about Countdown to production: Opel begins Ampera development car tests Thanks a lot Mr Marshall to have taken the time to answer me so precisely. With my best regards, and waiting for [...]

gmeurope about Countdown to production: Opel begins Ampera development car tests While the Volt and the Ampera share 'ER'

# New social innovations: Your best defense is to build your own social site features



55

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## **Evaluate metrics based on objectives**

- Listening >>> Value of insights generated, equivalent research costs, increased customer retention
- Talking >>> Share of voice, more leads, more trial, search rankings
- Energizing >>> More brand advocates, referrals (through tracking), reduced cost of sale
- Supporting >>> Reduced support costs, increased customer satisfaction
- Embracing >>> Products faster to market, better adoption of new products, fewer product failures





## Summary

 European consumers are more activity participating in social media

- 3 in 5 use social tools on a regular basis

- POST increases the success of your efforts
  - Key retail objectives are building loyalty, driving direct sales, and uncovering customer insight

 Remember: while you don't control the conversation, you can guide it!

## Thank you

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