

# Voice of the Customer

## Listening and learning to improve conversations—and results

**H**ow important is listening to and engaging customers? The answer starts with fully grasping the influence that your customers' opinions are having on other consumers' decisions to buy or not buy from your company.

By now, countless surveys and studies have confirmed the power of consumer word of mouth (WOM)—the comments, recommendations, reviews and ratings of friends and family, and other consumers and influencers. Of course, the impact of peer-to-peer sharing in social media and other channels varies by age, demographics and other factors. "But a brand is no longer what we tell the consumer it is—it's what consumers tell each other it is," notes Lisa Pearson, CMO, Bazaarvoice.

Obviously, brands need to hear what consumers are saying in order to respond appropriately, turn customer service issues into loyalty-enhancing opportunities, spur more conversation and sharing to drive awareness, purchase consideration and, ultimately, sales.

But many brands still use social channels as part of a traditional push-based, siloed approach, says Pearson. "The challenge is to leverage social as part of a truly bi-directional, real-time, multichannel communication process."

Further, whether expressed as a positive suggestion or a complaint, customers' comments and reviews should be recognized as invaluable insights for product improvement and development, says Andy Sernovitz, CEO of GasPedal, author of "Word of Mouth Marketing: How Smart Companies Get People Talking," and a founder of the Word of Mouth Marketing Association (WOMMA).



Many companies, he says, will spend \$10,000 on a 12-person focus panel that lasts for a few hours for product R&D or marketing purposes. "But they may fail to recognize the greater value of leveraging the more detailed, voluntary, free insights that can be gleaned from thousands or millions of people just by listening to what they're saying in social media and online.

"Listening should be half about identifying sales and product development opportunities, and half about addressing customer service," Sernovitz continues. "Companies need to do these in sync. If there's a problem, you need to resolve it as quickly as possible. If customers have good things to say, you want to engage them and encourage them to converse with you and other consumers. But it's critical to understand that these overlap. Often, a brand's biggest fans are the first to complain, because they're trying to provide useful feedback and ideas about how to improve or expand on something they love."

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## PACK IT IN VIDEOS AND REVIEWS BOOST ENGAGEMENT AND CONVERSION FOR EBAGS

Videos integrated throughout the path-to-purchase are increasing conversions for online bag and accessory site eBags.com.

The gains are particularly dramatic for the site's eBags private label brand, says Peter Cobb, cofounder and executive vice president of eBags. Videos for the private label products have been played over one million times since Sept. 2012, and achieve 21% higher conversion rates and 5% higher dollar-per-play than non-private label brand videos, making eBags.com's house brand the best-selling brand on the site. eBags has been working with Liveclicker VideoCommerce on its web video initiatives since March 2008, and saw the value early on, with double-digit conversion increases in the first full year of using the platform.

Cobb, who was previously with Samsonite, said eBags was created essentially as a drop-shipping site. Brands would send samples of products in their warehouse to eBags, which would then photograph the product at various angles. Orders are shipped directly from the manufacturer.

The site offers 55,000 different bags from 550 brands. In addition to the photos, ratings and reviews were incorporated early on. Over 21.5 million bags have been sold, and there are 2.9 million reviews on the site. "We believe we have lower return rates because there are fewer surprises for customers," says Cobb.

Early on, eBags knew it wanted to take its site to the next level, and started integrating video. The site



Videos and reviews help eBags generate a higher average order.

where he walks viewers through the design of the bag and things like luggage height, positioning of the handles and other features.

The site created the eBags house brand to help differentiate itself, and the brand currently accounts for 24% of unit sales and 17% of dollar sales. Bernard Majeau, director of product development for the brand, is featured in many of the videos,

Because he is so passionate about the brand, which is very travel oriented, Majeau's videos often end up running longer than what experts suggest viewers will watch.

For example, the video "Tools for the Art of Packing," which provides organization tips for travel and is relevant to a wide audience, is naturally at the top of the sales funnel. It has been viewed by more than



eBags' video star Bernard Majeau

500,000 people, and has been shared over 1,000 times. Even though it's longer than most such videos at three minutes, 30% of viewers are still watching more than halfway through.

"For those who are interested, the videos go a long way," Cobb says. "They may even be better than an in-store experience."

The private label videos go a long way toward swaying consumer interest. "If you read the testimonials, one out of three people say they watched the video and it sold them on the product," he notes, adding that every time a customer testimonial includes a thumbs down, it is forwarded for review so the team can review it and see what could be done better next time.

The ROI of the videos is judged on several fronts, including clicks and the revenue generated by those viewers, as well as number of dollars generated per play.

"There's no question that when somebody looks at a video, there's better conversion and better average order," says Cobb. "It gets them further into the funnel." About two weeks after a purchase, customers receive an email follow-up. Since reviews likely helped influenced the customer's purchase decision, eBags asks them to offer their own review to help future buyers. "We've had debates with brands that didn't want to see negative comments but we leave those up," says Cobb. "If there's an issue with a product, that's a return waiting to happen and we want customers to know if there's a potential issue. For example, is the cell phone pocket too small? Manufacturers end up loving it—after all, if they sell 1,000 bags to Macy's, they never get this kind of feedback." —Beth Negus Viveiros

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That's why listening and response strategies need to be shared and coordinated between marketing and customer service, and possibly other departments as well, Sernovitz notes. In fact, he says, the biggest challenge isn't determining methods or strategies for listening to customers and gathering data, but resolving who owns the data and the insights yielded and how those will be used. "Integrating the insights and strategy across the company is the core issue."

Here are some best practices to get the most out of your customer conversations.

## **DEVELOP A PLAN BASED ON YOUR CUSTOMER BASE'S MEDIA HABITS AND PURCHASE JOURNEY.**

Posting content, monitoring conversations and responding to customer input on your own website and social media assets are essential—but that's the tip of the iceberg. "There is no single channel that works best," says Pearson. "The most successful brands today are listening and connecting with consumers online and offline via their own websites, on social networks, on retailer sites and in store aisles via mobile and displays. The key is to be present in all the places where consumers interact with your brand along the path to purchase."

## **LISTENING AND RESPONSE STRATEGIES SHOULD BE COORDINATED BETWEEN MARKETING AND CUSTOMER SERVICE.**

Online, determining which channels to track can be daunting, given the scope of possibilities, but brands can focus their efforts by understanding their target audiences' media consumption habits, says Al Cadena, senior account director at interactive digital marketing agency Beeby Clark + Meyler. For instance, millennials are particularly active on social and mobile, and are particularly heavy consumers of video, he notes. They're also three times more likely than boomers to turn to social media to find opinions about products to buy.

While Cadena agrees that it's important to monitor and engage within all media and channels important to the target audience, he adds that vigilance and consistency are also critical. This means most companies need to prioritize. "Tend to your own channels first—those are the people who have the closest connection with your brand, and you have a responsibility to be attentive and responsive to your fans and followers," he advises.

The channels and strategy for an engagement plan or campaign should reflect your objectives, and where those fall within the traditional marketing funnel (ranging from raising awareness to purchase consideration, direct sales and brand loyalty), says Peter Storck, senior vice president of research and analytics at events/experience-driven social marketing platform House Party and a WOMMA board member. Storck, not surprisingly, is a strong proponent of making offline channels part of the listening and outreach strategy—and he's not alone. As he points out, research and monitoring of both offline and online WOM channels by the Keller Fay Group has consistently shown that about 90% of WOM occurs offline, and that most of it is face-to-face—even among millennials.

Further, KFG's research shows that the mix of offline and online WOM varies by product category, and that consumers tend to talk differently offline. For instance, they may feel more comfortable being more frank or detailed offline (a tendency also observed in online channels not owned by the brand being discussed, according to Cadena).

## **FIND THE TOOLS AND SOLUTIONS THAT MEET YOUR CURRENT NEEDS AND BUDGET.**

"There are many good listening platforms, ranging from high-end solutions with dedicated social tools to free social media platforms," and it may be fine to start with relatively simple ones, says Sernovitz.

Cadena agrees—noting, for instance, that smaller or new brands might even start by using the free Google Alerts program. "But what works for one brand's needs and budget may not work for another brand, so you, or your agency, need to research all of the tools and software options" and stay informed about evolving options and technology, he adds.

"Choosing the right strategies and tools among all of the social networks and monitoring tools is the basis of your ability to listen to, take insight from, and build the meaningful, value-rich relationships with your customers," says Pearson.

## **DELIVER VALUE THROUGH CONTENT, PHYSICAL REWARDS OR PRODUCT EXPERIENCES.**

All experts stress the importance of brands providing value to the consumer in order to engage and build those relationships. Online, offering content that has informational or entertainment value (content marketing) has become the most common approach, but in the offline world, product samples and creative

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## NASA'S GIANT STEP INTO SOCIAL MEDIA



Rodney Mason

*NASA is a widely followed star of the social media universe. But even with that fame, it recognizes it has to continue to grow and evolve its social media to improve awareness and engagement.*

*NASA is now building social colonies right here on earth. Their efforts and discoveries using this radical new approach could change the*

*way businesses use social media, and marketers can start taking advantage of it today.*

*Parago's Rodney Mason experienced one of NASA's new "social discoveries" firsthand, and came away with some exciting key learnings about the possibilities of social marketing. Here's his take on how NASA is listening and engaging advocates via social.*

Just as you may feel your business is charged with the impossible everyday, NASA is too, as the preeminent government agency famous for doing the impossible through advanced methods of problem solving.

In 1958 the newly formed agency quickly began satellite and human space flight missions. Ten years after formation it sent astronauts to the surface of the moon and returned them home safely. Their customers, (the citizens of the USA and quite frankly, everyone in the world,) were enamored by their work and the dollars flowed in to continue their progress.

Today the general public is much less fascinated by NASA's efforts, particularly since it receives less coverage from a celebrity-focused press. No matter how amazing or significant their discoveries might be, fewer people care. This translates to a struggle to secure funding for projects big and small.

To solve this problem, NASA is focusing on conquering the social sphere. Its mission is to significantly grow its audience to include not just fans of space, but a much broader network that actually benefits from its work, to ultimately drive greater awareness, support and funding of its programs.

### LAUNCHING SOCIAL INFLUENCE

Earlier this year, I attended the launch of OCO-2, NASA's first spacecraft dedicated to studying atmospheric carbon dioxide, the leading human-produced greenhouse gas driving changes in our climate. NASA turned this event into a "social discovery" in an effort to "colonize" social media in a compelling, in-person manner.

I was lucky to be selected among a group of social media influencers invited to attend the discovery.

NASA's Chief Administrator, Astronaut, Major General Charles Bolden Jr., told us it is imperative that the agency conquers new frontiers through social media, just as they have done and need to continue to do in space. He implored us to share our passion and understanding of the importance of what NASA is doing with the OCO-2 project and other missions with the people we reach socially.

As you can imagine, having a discussion in-person, with the head of NASA, by the launch pad and with the engineers and scientists leading the project live on NASATV, the day of a rocket launch was quite the impressive experience. And one that certainly left me with the desire to post about NASA with fervor via my social media sites. Other attendees did the same.

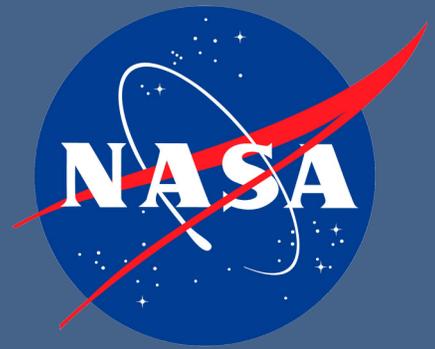
The post-event results speak to the power of NASA's social colonization at work: the associated #OCO2 hashtag was a top trending phrase in the social sphere; Major General Bolden shared that through social events like this, they are already reaching millions more who would have never heard about the program and social engagement is up significantly, which has already led to more funding for future programs and more media coverage of the launch.

Engaging social media influencers for an in-person event that you can then promote to your social networks is a tactic that could work for marketers in a variety of industries. Here's how you can replicate this strategy:

**1. Create an event your best customers would find valuable and attend. Every business has a unique value.** Stretch your imagination and consider what you could do to blow the minds of your best customers by bringing them together in-person for something they couldn't experience in their everyday lives.

**2. Require application for attendance and limit the number of attendees.** Make your customers earn the experience by investing their time to apply. As part of the application, have them identify what new audiences they will share their experience with and how they are reached. Generate demand—stress this is an unprecedented experience that only a few who apply can attend.

**3. Identify applicants who can bring you new customers.** Comb through the applicants to identify a diverse mix of attendees that can optimize your social reach. At the NASA event I attended, there were close to 40 of us with significant and engaged



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swag—or some kind of product experience or input into product development or marketing that makes consumers feel special—can also be highly effective, says Storck.

Pearson stresses the value of incorporating multiple content types into the marketing mix, to satisfy both the right and left sides of the brain. In particular, consumer-generated photos, videos and social posts complement text-based reviews, and integrating visual content from social networks on product pages can result in a 25% to 40% increase in engagement and a 3% to 6% lift in conversion, she reports. She also points out that consumers now expect to receive and have access to brand content everywhere, including on their mobile phones while shopping in stores.

Others point out that in planning content strategies, it helps to understand the distinctive attributes of various social networks. Facebook has by far the largest reach, while Twitter is useful for publishers and brands that can release fresh content on a more or less daily basis. YouTube has become increasingly important and powerful as video consumption has exploded, and Pinterest and Instagram can prove very useful for sharing visual content.

## IDENTIFY THE RIGHT INFLUENCERS AND ADVOCATES.

Cadena says that influencers should have a persona and a history of generating content that match those of the brand's customer and prospect base, as well as a large social reach and a proactive and responsive fan base. They should also have a willingness to work with the brand and be enthusiastic about endorsing it (ideally, they will have a history of organically advocating for the brand, or at least not endorsing competitive brands). They should also show a record of conscientiousness about engaging with and responding to followers, and a commitment to being transparent about their influencer relationships with brands.



He stresses that all influencers who are paid or have been provided samples need to disclose that both for legal and credibility reasons. In the end, it's up to the brand to make sure that that happens consistently.

"The voice of the customer only has value when it's authentic—brands have a responsibility to help

ensure that the content they capture and share or display is genuine, unbiased and transparent," says Pearson. "Consumers today are far more informed, aware, connected and empowered—they will hold brands accountable for anything that diminishes trust."

She also notes that research shows that millennials are actually slightly more apt to trust likeminded or experienced consumers over people they know, when it comes to product recommendations or advice.

Storck reports that research shows that employing advocacy, as opposed to influencer, marketing can generate more impact. He defines advocates as ordinary people who likely have about average numbers of social media friends and followers, but are opinionated and influential within their social communities, and are genuine, passionate users and fans of the brands they recommend. "Advocates tend to have more credibility than influencers, who have huge reach, but may be viewed more as hired guns," he says.

## LEVERAGE REVIEWS AND RATINGS TO THE MAX.

Research confirms that consumers are increasingly wary of ecommerce sites that don't offer customer reviews or ratings, and may simply forgo buying from such sites, says Pearson. Refraining from posting reviews because of fear of the effects of negative ones is a "remarkably naive attitude," she says. "These conversations are happening whether or not a brand gives customers 'permission' to have them."

Moreover, along with deft handling of complaints in customer service channels, reviews represent a major opportunity to positively affect consumer sentiment and purchase intent.

For instance, Bazaarvoice research found that when consumers saw a brand's response to a negative review, their overall opinion of the product and their intent to purchase more than doubled compared to when they saw a negative review without a brand response. Research also found that seeing a brand's response to a review made consumers think the brand "really cares about consumers" (41%), "has great customer service" (35%), is "a trustworthy brand" (22%), or provides "products [that] are high quality" (14%).

"At first, everyone's afraid of the negative reviews," adds Sernovitz. "But legitimate complaints have to be addressed in any case, and reviews are a particularly rich source of insights for improving or extending a brand."

Plus, he says, "Every large company has far more happy customers than unhappy ones. If it didn't, it wouldn't be in business. There's far more positive feedback out there than negative. So if a company is actually seeing more negative than positive reviews,

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social followings. The group was made up of authors, teachers, reality TV stars, bloggers, social media consultants, photographers, journalists, non-profit directors, college students and more. I was chosen as a CMO with a wide social media. My content is primarily focused on marketing and technology. But as a hobby, I created a social, self-publishing newspaper that covers NASA and space news that I sometimes promote via my marketing and social platforms.

**4. Communicate with attendees as a group before, during and after the event.** Establish social platform groups to communicate with all attendees together. Assign and use hashtags so information can be shared and readily accessed. This will also drive group engagement and interaction before, during and after the event. At the event I attended, one hashtag was used: #NASASocial. They asked that we use it in

all of our social posts. This allowed us all, and anyone searching the hashtag on various social platforms, to find and repurpose content easily.

**5. Encourage the group to get to know each other.** Using a shared social platform that all invitees can view, encourage them to share who they are and why they are participating. Push them to communicate and work together prior to and after the event and contribute regularly to the platform, by posting news and previews.

**6. Provide easy-to-disperse, customized content.** Have content available for the team to repurpose. NASA provided links with key information and content to easily disperse through existing social media platforms, including pictures, video, and website source links that were very user friendly.

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that says to me that they're not doing enough to encourage the satisfied customers and fans to submit or post reviews."

There are many tactics for encouraging reviews, but one of the most effective, he says, is simply asking the question—requesting a review or feedback at every touch point with the customer, including on a brand's social media sites and websites, when a consumer has just placed an order, whenever the brand is talking to a consumer in live or digital channels, and when customers receive their orders.

## MEASURE WHAT MATTERS.

There are really only four performance indicators that truly matter—reach, engagement, brand perception lift, and sales lift—and the last two are the ones that should get the most focus, says Storck. "After all, brand and sales lifts are what marketers exist for."

One of the biggest and most common mistakes that brands make in monitoring consumer WOM is "measuring a million different types of performance and engagement metrics, and losing the forest for the trees," he emphasizes. —*K.M. Pellegrino*

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