



We Share Our Knowledge

Article no. 1

Social Networks in Fashion Retailer

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1. Background

Synergy is proud to declare its success with social network. Synergy is concluding the process of mapping its database for a leading fashion retailer in Israel. The analysis is performed using an innovative new technology, which enables an automatic detection of social networks and identification of opinion leaders based on the client's data. This analysis generates comprehensive data about tens of thousands of customers' inter-connections, and clearly demonstrates the resounding influence of opinion leaders on Internet usage frequency, as well as type and quantity of items bought. Findings also prove opinion leaders influence consumer loyalty.

Based on the findings of this analysis, a campaign targeted towards opinion leaders will be launched within the next few weeks. Synergy experts predict a massive shockwave reaction to this campaign.

2. Food for Thought

Take two minutes to recall purchases you've made in the last month. Perhaps school-gear, a vacation reservation, clothes, shoes, a meeting for coffee, cell-phone calls, grocery shopping or stock investments.

Why did you choose a specific store? A specific garment? A specific trust fund over another? (Think before you keep reading)

In 70% of the cases, our shopping decisions are influenced by friends, family members, colleagues, neighbors, etc. being showered with commercials, solicitation mail, and all other forms of marketing efforts cascaded on us by retailers and marketers. The final purchase decision is actually made based on a recommendation of a financially proficient friend, an expert wholesale shopping neighbor, or a simple glance at the cell phone during a meeting.

3. Social Networks and Opinion Leaders

The term "Social Network" might be associated with the internet, where many users connect with online friends, thus creating social networks and virtual communities, such as with LinkID or MySpace. But this phenomenon is not limited to the internet. A social network can be any group of people who are inter-connected: family ties, social ties, etc. Network members can influence each other passively (Show). This is a visible effect like with fashion matters. They can also influence each other actively (tell) via conversation, such as in financial matters.

The social network includes opinion leaders who influence other network members on different matters. Research conducted in this field proves that opinion leaders constitute 7%-20% of the population.

Additionally, a prominent theory in this field claims that there are 6 degrees of separation between any two people in the world. In our tiny country, this statistic is closer to 3 degrees of separation. This statistic illustrates how easily one person can contact another using only social or professional connections. Ultimately, we are all members in one social network or another.

4. Insights

Each one of us is a member of a number of social networks, where we are subject to the influence of opinion leaders on different matters. When deciding on a purchase, we are most likely to base our decision on opinion leaders in our social network. Moreover, many customers take the word of their knowledgeable peers over that of an organization or a network. Therefore, it is paramount to focus marketing efforts on those knowledgeable opinion leaders. They, in turn, will bring their friends on board and become spokespeople of the organization, effectively informing their community of its products and services. Equally, a negative review by an opinion leader will surely cause network members to discard the organization (peer pressure). It is important to note,

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however, that opinion leaders are not necessarily the first to purchase. Usually, it's the other way around.

5. A Technological Breakthrough

To date, identifying opinion leaders was done by personally referring to individuals who were found to fit the description. There are companies who offer services to identify such assumed leaders and engages them in WOM (Word Of Mouth) campaigns. One such company is Buzzagent (US), who recruited over 300,000 "agents" in different fields.

If we could know with almost a 100% certainty, out of our most prominent customers, who is friends with whom, and who influences whom and how...

If out of the data of customer shopping activity we could locate the opinion leaders...

If we could cultivate those leaders and turn them into spokespeople for our products....

We would have a new brand of customer relation management: a much more influential and durable relationship! This way, the organization will essentially reach all those potential and existing customers who are not influenced or exposed to traditional marketing methods.

Until today, there were no technological means of mapping social networks and automatically identifying opinion leaders within a vast public.

The gospel is – now there is a way! A unique, innovative, exceptional method, already successfully tested by Synergy.

It is important to note that this new method does not comprise of viral marketing campaigns, where the target audience is unpredictable and message distribution depends mostly on the media, exposure, and value propositions offered. This new method allows for direct referral specifically to opinion leaders, based on validated information about their status and ability to cause a shockwave. A Shockwave is the result of a campaign targeted at opinion leaders, and is manifested by feedback from customers who were not referred to originally (unlike with usual campaigns, where we expect feedback only from those customers referred to).

6. Where and How to Use?

Sectors in which social networks can be located are not restricted to the cellular or finance industries. Surprisingly, social networks can also be found with the fashion, credit card, insurance, fast food, travel and airline industries. Such social links can be converted by the organization to commercial and financial success.

For this purpose, the method mentioned above can be used in many different ways, and in all marketing realms, such as:

- Enrolling new customers
- Enhancing shopping basket
- Creating customer loyalty
- Re-enrolling customers
- Etcetera, etcetera...

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About Synergy

Synergy is an international consulting company, specializing in Analytical CRM solutions.

Synergy offers marketing oriented business ventures, formed by a team of leading local and international industry experts.

Synergy aims to provide its customers with the ability of acquiring commercial advantages by informative analysis of their customers' shopping data.

Synergy has vast experience in working with leading commercial organizations, both locally and internationally, and its clientele includes foremost industry leaders in the communications, financial and retail fields.

For more information, visit our website at: www.il-synergy.com, or email us at: info@il-synergy.com.

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