



Perspectives

A monthly look at what's happening in
the ever-changing digital world

RTC Relationship Marketing

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From the Editor

Season's Greetings! Welcome to the last issue of *Perspectives* for 2010. We will be back next year with new themes, layouts, writers and content, but until then I hope you enjoy this holiday-themed edition.

While most of the entries discuss advances in digital technology relating to gift-getting, -giving and, um, re-gifting, I encourage you to check out Sara Weiner's article *Safe Travels: Social Media Mistakes to Avoid Over the Holidays* on page 4, which includes helpful suggestions on safe digital behavior over the holidays.

As always, we encourage your feedback. Contribute to the conversation online, where versions of *Perspectives* are available for comment on our website's Sparkblog and on SlideShare, or send me an email letting me know what you think. If you are interested in a custom briefing on any topic in this edition, RTCRM is here for you—just contact your Project Manager or Account Manager. If you aren't a current RTCRM client and would like a custom briefing, contact me and we'll talk. If you are looking for the latest in digital trends with a healthy dose of attitude, visit *Treffpunkt*—the RTCRM Digital Integration and Innovations team blog—at <http://rtctreffpunkt.blogspot.com/>.

Thanks for your support this year. See you in 2011.

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The RTCRM *Perspectives* contributors introduce themselves in 140 characters or fewer...

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Black Friday and Twitter – What Worked

Kara Reinsel, Digital Integration & Innovation

Summary: According to comScore, \$648 million was spent online on November 26, 2010, aka Black Friday. In addition to using traditional channels such as TV and print to broadcast their sales, major retailers leveraged Twitter to promote limited-time offers, special online-only or in-store deals, and to share photos of customers enjoying in-store events. As more companies explore ways to exploit the revenue potential of Twitter, retailers' use of Twitter on Black Friday offers valuable examples of what can work.

Key Information

In order to understand how retailers use Twitter this holiday shopping season, it's important to keep a few things in mind. According to various estimates, there are 10–15 million active Twitter users,¹ half of all cell phones are expected to be Web-enabled by the end of 2011,² and nearly 51% of active Twitter users follow some companies, brands or products.³ This means that more mainstream customers are using Twitter as a way to track favorite stores activities and sales offerings. Major retailers are embracing the opportunity – according to a shop.org e-holiday survey, 21% of retailers planned to use Twitter to promote Black Friday deals.

The quick-burst nature of Twitter naturally lends itself to discount-driven, limited-time events such as Black Friday. Best Buy, Target, Walmart, Home Depot and Sears offered a mixture of tweets to drive customers online or to their brick-and-mortar stores. For instance, Best Buy (@bestbuy_deals) tweeted “Save \$1,000 on this LG washer + dryer pair: <http://bbyurl.us/tgg>. Limited time only, in store only!” This tweet maximizes the one-time-only opportunity to receive a deep discount on an expensive product and drive users directly to the product page at www.bestbuy.com, where it can be purchased. Other retailers such as Walmart included words like “Black Friday Offer” and “Black Friday In-Store!”⁴ in their tweets to alert Twitter followers to special deals.

In order to promote Black Friday deals, retailers capitalized on their established presence on Twitter and promoted their Twitter accounts before and during the holiday. One week before Black Friday, Target sponsored Twitter's Promoted Trend using the hashtag #blackfriday to give users the chance to win a \$25 gift card. Walmart's @walmartspecials page announced several Black Friday deals prior to November 26. Black Friday hashtags such as #blackfriday consolidated deals from multiple retailers, helping to build awareness of a retailer's sales and push more traffic to their sites.

Implications and Action Items

A set of best practices is beginning to emerge for retailers who want to use Twitter to drive revenue, not just on special days like Black Friday, but year-round:

- **Update, update, update** – The most active retailers posted 49 (Walmart) to 70 (Best Buy) tweets on Black Friday. The frequency of updates encouraged users to follow and regularly check these retailers for the latest deals and limited-time offers.
- **Dedicate staff** – In order to manage the volume of tweets to be posted and monitored on a day such as Black Friday, have a dedicated team working to identify, prepare and post the tweets that are ideally suited for a one-day sales event. Given the revenue potential, a retailer's Twitter page is not something to be left to an intern to manage.
- **Push deals** – Twitter is ideally situated to promote the deep discounts, special deals and one-time offers that are synonymous with Black Friday.
- **Promote your Twitter page** – Consider purchasing Twitter's Promoted Trend, seeding announcements of special deals on your Twitter page, and including links to deal-related Twitter handles in all marketing communications.

¹ ComputerWorld.com, “Twitter Has 75M Users, Most Asleep at the Mouse.” January 26, 2010

² NielsenWire, “Android Soars, but iPhone Still Most Desirable as Smartphones Grab 25% of U.S. Mobile Market.” August 2, 2010

³ Edison Research, *Twitter Usage in America 2010*. April 29, 2010

⁴ ClickZ, “How Top Retailers Used Twitter on Black Friday.” November 30, 2010

Safe Travels: Social Media Mistakes to Avoid Over the Holidays

Sara Weiner, **Digital Integration and Innovation**

Summary: Updating your status has become a routine method of letting your friends and family know the play-by-play moments in your daily life. But over-sharing can lead to inadvertent self-sabotage; posting your travel whereabouts can leave you vulnerable to theft—not to mention annoy people who had less enjoyable holidays. When traveling during the holidays it's best to leave your status vague and take care when using location-based applications.

Key Information

Social networks and applications that allow users to post their location and activities have grown in popularity and usage. Foursquare, which lets users constantly broadcast their whereabouts as part of a game, has over 2 million users.⁵ Facebook sees 60 million status updates daily.⁶ Twitter, with similar stats, allows not only minute-by-minute posts but will tell followers your location. While interesting, status updating and location tracking have reached a level of danger; when users post things such as “Going on a cruise! See you in 2 weeks!”, anyone a user has ever connected with on their social network has the ability to see their post; often friends of a friend have access to it as well. Unfortunately, not everyone you connect with on a social network is ethical and moral, and a house left empty for two weeks is a prime target for crime.

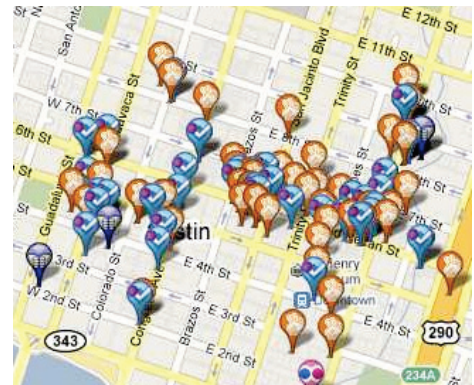
Robberies as a result of Facebook, Twitter and Foursquare⁷ activity have been reported numerous times. With all the open access to one's personal whereabouts, it's up to the user to be savvy about protecting their public information. This includes ensuring that posts, status updates and location apps do not over-share specifics.

Implications and Action Items

When you travel you probably set automatic lights or have a neighbor pick up your mail so that lurking criminals don't target your empty house. But in the era of open-access technology, these efforts are negated by status updates and location-based apps. Just checked in to Amsterdam Hotel? You're clearly not at home, and your automatic lights and helpful neighbors quickly become nullified.

To keep your home and property safe in 2011 and beyond, try “updating” your social network habits to include travel best practices:

- **Refrain from posting** anything about vacation and extended time away.
- **Don't mention shopping sprees** such as “shopping for jewelry,” which only incents criminals to rob you later.
- **Check privacy settings** to ensure that only the people you trust can see your status updates, posts and locations.
- **Consider turning off** location tracking if you use Twitter, and not checking in at places when you're traveling.
- **Befriend and follow** only people you know and trust; consider having separate accounts or settings for acquaintances, colleagues and people you have only met in passing.



⁵ <http://tiny.cc/0h65y>

⁶ <http://tiny.cc/x4fi2>

⁷ <http://tiny.cc/kromb>

Mobile Gift Cards

Michelle Fares, **Digital Integration and Innovation**

Summary: Gift cards are considered one of the banes of the holiday season due to the perceived inconvenient and impersonal user experience; however, their versatility ensures that they will always be a popular gift choice. The recipient can purchase anything they want with their card from that particular retailer. This year, retailers are using digital technology to create mobile gift cards, and allowing the recipients to personalize their cards and keep track of them on their cell phones.

Key Information

Every holiday season, shoppers reexperience their love-hate relationship with gift cards. In some ways, they are the perfect present: They allow the recipient to choose whatever item they want in the correct size, color or model. However, gift cards do carry a negative connotation. They are considered an impersonal choice, with little time or effort required on the giver's part. They are also easy to lose track of; in 2009, consumers lost \$5.8 billion on unused gift cards.⁸ In many ways, giving and receiving gift cards can be a flawed user experience that is inconvenient, impersonal and difficult to control. But retailers are attempting to change this with a slew of personalized mobile gift card options that translate the physical experience of receiving a gift card into a digital experience where, in many cases, a physical card is not even involved.

American Eagle Outfitters (AE) is a retail store with a consumer base made up mostly of teens and young adults. For the 2010 holiday season, AE debuted its mobile gifting program. Users can purchase gift cards either on the American Eagle website or on the company's official Facebook page. The company will then send a text and a backup e-mail to the recipient with a brief message, the gift card number and a PIN. If a user purchases a gift card through the Facebook page, they can grant permission for a Facebook app called wGiftCard, which lets the user designate the Facebook friend that their gift card is going to, include a picture with the gift, and post a notification on that friend's wall.

Target has developed a gift card program for smart phones where users can interact with a card on their phone in various ways. By logging in to Target's mobile website, gift givers can purchase a gift card and send it electronically to the recipient. Once the recipient receives the card, they can present their phone to be scanned at any Target store when they are making a purchase. The site also allows recipients to keep track of the balance of their gift cards and share a card that they have received with someone else. If the recipient receives a plastic gift card instead of a digital one, they can input the card number into their phone and get the same functionality. These cards can be purchased by visiting Target's gift card site⁹ on a Web-enabled phone.



Implications and Action Items

The transition of gift cards from physical, impersonal objects to digital and personalized gifts can serve as an example for companies that strive to offer their customers enhanced personalization.

- **Find** ways to personalize a digital experience with photos or messages.
- **Take into account** non-traditional shopping portals, such as Facebook, for making purchases and sending them to recipients.
- **Consider** the problems with a physical experience, and use digital mediums to eliminate them. Target's system allows recipients to use their phones to pay for purchases on the gift card, and also keep track of the card's balance. This does away with the hassle of keeping track of a card's location and value.
- **Watch** the mobile technology space for new developments in mobile purchasing across demographics.

⁸ <http://tiny.cc/3hrr3>

⁹ <http://tiny.cc/zqliw>

The Smartphone: A Holiday Shopper's Crutch

Greg Bulmash, **Digital Integration and Innovation**

Summary: Smartphone ownership is quickly becoming the norm for American consumers. The devices can efficiently accommodate thousands of personal needs, one of which is to assist in and augment the traditional shopping experience. The 2010 holiday season has arrived, and retailers and shoppers alike are beginning to crack the surface in terms of utilizing smartphone capabilities to their advantages. A few of these capabilities include Quick Response (QR) codes, mobile check-in apps and price comparison apps.

Key Information

Thanksgiving has come and gone, and retailers are salivating for the next few weeks as holiday shoppers spend money on gifts for their loved ones. For decades, Black Friday has brought about hype and mania at brick-and-mortar shops. For those consumers who would prefer to avoid the 3:00 A.M. alarm-clock settings and crowd surfing associated with Black Friday, Internet retailers offer enticing sales on Cyber Monday. While both are a means of acquiring holiday gifts, each one offers a completely different shopping experience—one is traditional and the other is digital. With the significant spike in smartphone ownership, however, we are beginning to see these two experiences merge.



Currently, 35% of mobile phone users in the U.S. own a smartphone, and Nielsen estimates that penetration will increase to 50% by Holiday 2011.¹⁰ Of the population that uses smartphones as a shopping tool, adults ages 24-44 make up two-thirds.¹¹ These gadgets can enhance a consumer's holiday shopping efforts by easing stress and making the experience increasingly interactive and personal. Here are just a few examples:

- **Quick Response (QR) Codes** are essentially bar codes made up of squiggly lines and shapes. In retail, they tend to appear on in-store displays and product packaging. Any smartphone owner can download a QR reader app and then use the device's camera to snap a photo of the QR code. The phone can then bring the consumer directly to promotional materials such as a website, coupons, price comparisons and product descriptions. Best Buy uses this technology to help shoppers organize wish lists.
- **Mobile Check-in Apps** are location-based tools that allow users to notify friends of their current whereabouts and vice versa. The most notable facilitators of these services include Foursquare and Facebook Places. Shoppers who check in the most at certain stores are rewarded with purchasing benefits such as discounts and the competitive pride of outdoing fellow shoppers.
- **Price Comparison Apps** relieve holiday shoppers of the pressure to save money and the time crunch associated with seeking better deals on the same product across multiple retailers. One particular example, RedLaser, allows users to scan the product label with their phone, which then brings up a listing of all the nearby retailers and their respective prices for the same product.

Implications and Action Items

Retailers are still finding ways to implement smartphone-compatible technologies into the shopping experience. Many applications are in the early-adaptor phase, and there is still work to be done in finding unique and relevant ways to reach target consumers. Regardless, two facts are inevitable: 1) both the popularity and technological capabilities of smartphones are increasing at a swift rate, and 2) a combination of in-person and digital shopping is an opportunity to engage customers while they are occupied with the traditional point-of-sale. It is not a matter of whether most retailers will begin embracing smartphones as a consumer tool, but how and when.

For marketers, there are a few strategies to leverage in order to engage in-store shoppers via mobile devices:

- **Emphasize** apps as an efficient means of access, but not as a replacement for in-person assistance.
- **Entice** customers to act with smartphones with the result being personalized recommendations and rewards.
- **Facilitate** a 360° brand presence with the portable digital experience consistent to the in-store experience.
- **Keep an eye on** the competition and offer benefits accordingly.

¹⁰ GigaOM, "1 in 2 Americans Will Have a Smartphone by Christmas 2011." March 2010. <http://tiny.cc/izufk>. [Accessed 12/3/2010]

¹¹ Chicago Tribune, "Mobile Shopping Clicks with Consumers, Retailers." November 2010. <http://tiny.cc/qdopr> [Accessed 12/3/2010]

Digital Marketing Lessons from My Holiday Shopping

Carlen Lea Lesser, Digital Integration and Innovation

Summary: The holiday shopping season offers more than discounts and deals. Smart marketers can find more than bargains from online shopping this time of year: They can find lessons for all industries to take forward into the year to come. Innovative retail websites Etsy and Foodzie provide lessons about engagement, user experience and smart digital marketing.

Key Information

I do most of my holiday shopping online, which really isn't surprising given my line of work. Two of my favorite online shopping destinations have provided me with some great digital marketing lessons to take into the new year. Both are small retail sites focused on handmade and artisanal goods. Neither has multi-million-dollar advertising budgets, so they've clearly focused on creating unique experiences that motivate brand advocates.



Etsy (www.etsy.com) is an online marketplace for all things handmade and vintage. On Etsy you can buy everything from cookies to terrariums – and everything in between. Since the very beginning, Etsy has worked to make both shoppers and sellers feel like they are part of a community. Etsy has created ways to make shopping both fun and easy. Not only can you shop by category and keyword, but also by color, location and by stores that have had a recent sale. Etsy has also invented ways to keep shoppers and sellers engaged, particularly through its curated lists feature called “Treasury.” By creating a Treasury, an Etsy fan can show off his or her favorite things from around the site. People create unique themes then add items under that theme to create a visually beautiful collection. The big reward is that your Treasury may be featured on the homepage. That has helped Etsy create an army of brand advocates who promote not only individual sellers, but also Etsy as a whole.

Foodzie (www.foodzie.com) provides access to artisanal and micro-food producers from all around the United States. While Etsy is the place for both professionals and hobbyists to sell their work, Foodzie sells professionally produced products only. However, Foodzie is working to be a relevant part of people's everyday life by building an emotional connection between the producer and the purchaser. One of the innovative experiments Foodzie is offering for the holidays this year is a “tasting box.” The tasting box provides subscribers with samples from five or six of the Foodzie vendors, introducing them to items from the Foodzie collection. In each “tasting box” they provide a postcard with details on ordering more of the samples. Foodzie even allows people to win a free tasting box with each order – which makes it a natural gift to pass along. The tasting box, available as a one-time purchase or an ongoing monthly subscription, is a unique way to surprise and delight customers every month and it brings Foodzie into people's minds on a regular basis.

Implications and Action Items

Etsy and Foodzie have taken what could be a commodity experience and turned it into something unique and special. Both have clearly focused on understanding their customers and providing experiences that reflect that knowledge. Etsy has made online shopping fun again by allowing for self-expression, which creates brand advocates. Foodzie has aggregated artisanal food manufacturers and given food lovers a way to build an emotional connection with them. It also provide a unique way to discover new things, through its tasting boxes.

- **Customer-centricity:** Know your customers and find ways to connect their wants and desires to your business goals.
- **Discovery:** While robust search features are important, providing alternative ways to discover content can engage customers and site visitors.
- **Gaming:** Leverage game theory in your online strategy. Rewards do not have to be monetary and can serve both the brand and customer.
- **Experience:** Create an experience worth returning to. Etsy and Foodzie provide real reasons to engage with the brand on a regular basis.

New Online Solutions for Unwanted Holiday Gifts

Rebecca Johnson, **Digital Integration and Innovation**

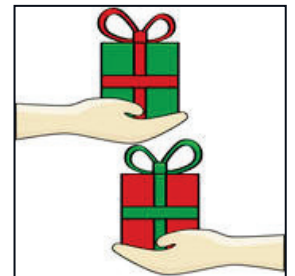
Summary: It is the season of office parties, family gatherings, religious celebrations, reflections, thanks and New Year anticipation. It's also the season for gift giving, which inherently means it's the season of receiving unwanted and unneeded presents. In the past, three choices existed for dealing with these gifts: 1) battle long lines to exchange the present, 2) develop a strategic re-gifting plan or 3) relegate the present to the back of the closet for eternity. Fortunately, the Internet allows other options for these unwanted presents in addition to re-gifting, exchanging and abandoning. These solutions are user-friendly, charitable and utilitarian.

Key Information

Every holiday season, U.S. consumers spend billions of dollars in retail and online stores. During the 2009 holiday season (November and December), Americans spent a combined total of around \$482 billion on in-store and online purchases. The National Retail Foundation (NRF) and Forrester Research are predicting that a total \$499 billion¹² will be spent this year.

While a good portion of these presents are needed or well liked, there will always be gifts that are the wrong size or color, duplicate an item already owned or are just not to the recipient's liking. This basic fact has led to the common practice of exchanging and/or returning gifts, with 59% of U.S. consumers including a gift receipt with their presents. In tandem, according to recent polls,¹³ the act of "re-gifting" unessential items to those who do need them has also become a generally accepted holiday practice.

Historically, re-gifting was often frowned upon as an ungrateful or cheap action, but with the economic downturn, repacking completely usable gifts and giving them to someone who will use them is now considered frugal and environmentally friendly. Nowhere is the concept of re-gifting more explicitly touted than on regiftable.com, a website that gives specific re-gifting tips, advice, ideas and rules, and invites re-gifters to share their stories.



Implications and Action Items

This shift in mentality and behavior, combined with the ever-more-widespread usage of the Internet, creates demand for easy, online solutions for unwanted gifts and creates an opportunity for retailers and non-profits to make programs that meet this consumer need. If a business or organization offers a re-gifting solution, it should be well versed in the various existing solutions and offer a program that meets both the philanthropic and monetary needs of its consumer base, some of which are already being met in the programs mentioned below.

- **Swap it.** Websites like toyswap.com, switchplanet.com and swap.com let users list the items they want to trade and receive in direct exchange. Once two users agree on a swap, the site provides the necessary shipping addresses. Most of these sites charge a small, nominal fee for facilitating the swap.
- **Donate it.** While dropping off unwanted items at the Salvation Army and Goodwill has become standard practice, thegivingeffect.com lets donors choose from a wide range of recipient charities and lets the donors see the direct impact of their donations through one-to-one communications with their selected charity. The approach mobilizes people to donate items in a way that is more social and connected.
- **Transform it.** While at first glance that homemade sweater or misshapen pair of socks may be the most useless (and ugliest) present ever, they may simply be like an ugly duckling waiting to be turned into a beautiful swan. There are plenty of blogs and websites, such as craftster.org and re-nest.com, that offer innovative ideas and step-by-step video tutorials on how to turn outdated styles or eyesores into a new favorite item.
- **Give it a new home.** One man or woman's trash is another man or woman's treasure, and with sites like freecycle.org, a grassroots and entirely nonprofit site, and craigslist.org, users can post unwanted gifts to give away to local neighbors. The idea is to limit the disposal of perfectly good stuff in landfills by finding new homes and owners for them.

¹² The 2009 and 2010 holiday sales figures are derived from reports by both the NRF and Forrester Research (<http://tiny.cc/b7neo> and <http://tiny.cc/gow0o>)

¹³ Reuters, "Check Out Line: What goes around comes around." <http://tiny.cc/z8m5f> See also: Regiftable.com, "2007 Regifting Survey Findings." <http://tiny.cc/utadr>

About RTCRM

RTC Relationship Marketing (RTCRM) is a full-service direct marketing and relationship marketing agency based in Washington, D.C., in the heart of Georgetown, with an additional office in New York. RTCRM boasts more than 40 years' worth of innovative, targeted solutions that grow its clients' brands and help them forge lasting, valuable relationships with their customers. What distinguishes RTCRM is its unique ability to analyze data and research on both a rational and emotional level. RTCRM's clients include major brands in the telecom, technology, pharmaceutical and other business sectors, such as AARP, BlackRock, Eli Lilly and Novo Nordisk.

To learn more about RTCRM, please visit www.rtcrm.com or follow the Twitter feed @rtcrm.

About the Interactive Strategy Team

The RTCRM Interactive Strategy team is tasked with keeping track and making sense of the ever-changing digital world. It's our job to understand the nuances of how and why different types of people use technology and what that tells us about them. More importantly, it's our job to help our clients apply this knowledge to better communicate with their customers. We help clients translate business goals into marketing campaigns that build relationships with customers. In the 21st century, understanding how and why someone uses technology is as important as understanding where they live, what gender they are, and how old they are. That's where we come in. From ensuring that technographics are considered in the research phase, to tactical plans that align digital, print and broadcast tactics, we work with clients and internal partners to make sure it all works.

It's not about what's cool. It's about what's smart.

Treffpunkt, Interactive Strategy Team Blog: <http://rtctreffpunkt.blogspot.com/>