

Consumer Beware – Of What Your Friends Think!

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Tomorrow, consumers will be combining shopping with social media. In fact, they're already doing it now, using Facebook and twitter from the comfort of their own homes to ask their friends what to buy. Soon, consumers will be just as comfortable networking from their iphones while in the middle of a shopping spree. New technology drives new behavioural patterns.

Yesterday's received wisdom on how consumers choose one product over another is simplistic, based on the assumption that they behave in a rational manner. Today we know that this paradigm tends to relate only to the process of purchasing mid-range, humdrum items (think printer toner!). Consumers feel more than they think, and will make their

decisions accordingly. When the new Jaguar XF came out, I immediately coveted it (zero rational behaviour there) even though I knew I already loved it that evening I spent hours trawling the web for more information: my emotions had started to give way to reason, and I needed to post-rationalise my initially strong affective response.

The social risk of consumption

Of course, almost everything on the average shopping list is going to cost a lot less than a Jaguar XF; when someone considers buying a handbag, mobile phone or clothes, it's often not just the price tag (be it too cheap or too expensive) that stops them from buying – far more important is what their friends will think of their purchase. Consumer behaviour theory refers to this as 'perceived risk'. In the affluent Western world, financial risk is secondary to the (psycho-) social risks such as: "my friends may think I look so last year", "Will they think I'm green enough?", "I won't be respected". This is particularly true for the buyer when there is something at stake and it explains why consumer behaviour tends towards minimising the risk of unfavourable evaluation by their peers. With the advent of social media, they can do this more easily than ever before.

Social Media

There are several online facilities that will assist consumers – in real time – with their decision making. Type "should I buy" into Facebook search and twitter search and you'll find hundreds of people asking and answering that question. Hunch.com helps you make decisions and gets smarter the more you use it. As they themselves put it: "in ten questions or less, Hunch will offer you a useful solution to your problem, concern or dilemma across hundreds of topics." Another, pollpigeon.com, allows you to create a poll to obtain people's views on what laptop, dress or rhinestone glove to buy. All of these services are set up in seconds and easily accessed from your BlackBerry, Google android phone or other web-enabled mobile devices. Imagine this scenario. A young woman goes handbag shopping. She casts her eye over the bewitching display. Should it be a La Perla, a Longchamps, or something else? She takes a photo of the chosen bag with her iPhone and, via twitPic, posts it onto her twitter feed to be picked up by her fellow fashionistas, and then carries on browsing in the store. Five minutes later, she gets the feedback she needs: "Love it";

“Gorgeous. Buy it!”; “don’t buy it! I hear they use Indian kids to do the tanning of the leather”. In a trice, she has gone from admiring a handbag to knowing that she shouldn’t buy it, because the company may be using child labour. What better way for a young shopper to minimize the associated social risks?

This behaviour poses a challenge to the retailer. A poor-quality snap of a beautiful product or an untrue product story could result in negative online buzz, despite the fact that the person photographing it is actually in the store looking at it, and loving it. But retailers, be warned: any business that tries to seize all control of the information that customers share with their network online will fail. Instead, it is important to seek to understand this natural evolution of behaviour and support it.

The retailers’ response

Developing responses to this is crucial – and the only limit as to how, should be our imagination. Customers can be helped to share thoughts and feelings with their friends online: today an increasing number of mobile devices have built-in barcode(1d)- or QR-code(2d)-recognition software, capable of holding simple data such as an internet address. The next generation of mobile phones will have built-in RFID-chip readers, and the generation after that will have super sophisticated photo-recognition software installed. This software will be able to recognise any object, and link it with matching data from the web. All customers have to do is activate their cameras which, in an instant, will recognise the code and respond accordingly.

Last december Google announced their Google favorite Places program whereby Google mailed QR code window stickers to something like 190,000 local retailers. All of these QR codes are tied to Google’s local search feature and allows the retailer to include coupons and special offers to users who scan the codes (Google can track the use of these codes and charge accordingly just like they do with adwords). Next step is that these codes become product specific, which has been acknowledged by the company “Big in Japan”, who has made the mobile app “shopsavvy” that links a product barcode with a wealth of online opportunities.

In the case of the handbag scenario described above, the store could have added a QR-code to the price tag; the code could hold a shortened URL that would take the customer directly to twitter.com, where the entry field would have been pre-filled with a link to the product page for that particular bag, or perhaps a link to a web page containing a review or background story on the product. This way, the company could achieve a degree of control and be assured that the photograph viewed online would be top quality, and the product story would be correct. In addition, friends who click on the link on twitter would even have the opportunity to purchase the product online, there and then.

The technology for this is ready, and the shift in behaviour has already advanced; especially in Japan, where similar concepts have existed for a while. Nowadays it is rare to find a product, poster or magazine in Japan without a QR code, according to Packaging news, UK.

Today QR codes are used by record companies in ads. The consumer snaps the code, and is brought to a website where he or she can listen to samples of the artist's music, there and then via the mobile device. Japanese Jagariko snack food's QR-codes link to free downloads of ringtones. You find them on Disney posters, outdoor advertising, McDonalds cups and paper bags (nutritional info), t-shirt tags have them, and so do magazines; integrating off-line with on-line.

Now retailers in the rest of the world need to get ahead of the curve – before the curve gets ahead of them. In the future, an even tighter merge between off -line shopping and on-line social media will be inevitable.

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Example of someone who, from the dressing room, has posted a pic of a dress, asking for her friends' evaluation. Click [here](#).

Source on quote on google's move. Click [here](#) or [here](#).

Click [here](#) for examples from Japan.

Click [here](#) for packaging news UK.

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