

Treats for tweets—the value of the new 'social currency'

November 20 2014, by Niki Widdowson

Australian retailers will soon adopt 'social currency' campaigns to launch new products, penetrate new markets and create loyalty by enlisting your social market friends and followers to spread the word.

It's not new, but social currency is, well, rapidly gaining currency as a new way to pay or get discounts on goods, says retail expert Dr Gary Mortimer from QUT School of Advertising, Marketing and Public Relations.

"Australian online retailers will be missing out on the extraordinary power of word-of-mouth advertising via social media if they don't use this system in some form," Dr Mortimer said.

"Retailers have been using social currency campaigns over the past two years or so to gain sales, followers, and media coverage."

"US retailer Onepiece last month announced its customers could get discounts and pay for purchases based on their social currency - the store's 'ambassador system' calculates shoppers' outright social value from their Facebook, Instagram, Twitter and Tumblr accounts.

"Every 500 followers equates to a \$1 discount. Customers can also earn an additional \$20 of credit by sharing an image from the store.

"Marc Jacobs pop-up Daisy store also jumped on the social currency band wagon during New York's Fashion Week this year, letting

customers who tweeted #MJDaisyChain 'buy' samples of his perfumes.

"Kellogg's opened a pop-up shop in London in 2012 where shoppers could 'buy' their new snack bars by simply tweeting about the product to their friends and followers.

"An even more novel approach was taken by Danish chocolatier Anthon Berg who opened a pop-up shop, The Generous Store, in the centre of Copenhagen where customers purchased chocolates based on online promises of good deeds to be done for loved ones."

Dr Mortimer said word-of-mouth advertising was one of the most trusted forms of peer-to-peer communication and this new method of 'WOM' was ingenious.

"Most retailers give away samples of perfume or [new products](#) anyway but now they are receiving priceless 'free' advertising from their customers in return for them," he said.

"Whether it's a new pair of joggers, a restaurant or a resort, the opinions of our friends and family strongly influence our intentions to buy and the choices we make.

"Linking this to [social media](#) is an obvious way to add to a business's reach.

"I predict Australian retailers will soon start adopting such innovative campaigns to launch new products, enter new markets and create customer loyalty."

Provided by Queensland University of Technology

Citation: Treats for tweets—the value of the new 'social currency' (2014, November 20)
retrieved 27 April 2024 from <https://phys.org/news/2014-11-tweetsthe-social-currency.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.