

Which Retailers are Winning in Social Media, and Why They Win

Retailers were some of the first companies to dip their toes in the social pool, inviting customers to share reviews and ratings on their websites. As the number of social tools has exploded, consumers expect more, and now desire connections with brands and retailers on many platforms. Companies with excellent social media strategies are retaining customers, generating new ones and driving incremental revenue.

Until now, there has been no good list of which retailers are best-in-class in social media. Further, there has been no understanding of how they earned this distinction. L.E.K. Consulting surveyed 2,000 U.S. consumers to find out who these social media “chefs” are and understand the recipes they use to become the best.

The companies that consumers rate highest on social media engagement are shown in Figure 1. Target was consumers’ top choice for best social media presence, rating highest with 8.5% of the sample. Surprisingly, L.E.K.’s data also show that traditional retailers like Target and Walmart are competing well with online companies like Amazon and eBay.

Why are these companies the best? Our findings reveal that winning brands share certain defining characteristics:

1. User Content: First and most important, winners amass large amounts of user content (reviews, comments, pictures, etc.).

Which Retailers are Winning in Social Media, and Why They Win was written by **Dan Schechter**, a Vice President and Head of L.E.K.’s global Media, Entertainment & Technology Practice; and **Alan Lewis**, a Vice President at L.E.K. Please contact us at strategy@lek.com for additional information.

Figure 1

Retailers at the Head of the Class in Social Media
*Can you give an example of a **retail company** that you believe has the best social media presence?*

Company	Percent of Total Mentions
Target	8.5%
Amazon	8.0%
Walmart	5.4%
Best Buy	4.0%
Macy’s	4.0%
Express	3.2%
Kohl’s	2.6%
Old Navy	2.5%
Apple	1.7%
Gap	1.7%
eBay	1.1%
Nordstrom	1.1%
Overstock.com	1.0%

Source: L.E.K. Analysis

2. Exclusive Deals: Second, winning retailers provide exclusive deals to their followers through social channels.

3. Fast Response: Third, winners are adept at quickly responding to user comments and needs.

In Figure 2, we reveal the data behind these findings for top retailers, which shows how winners score highly across these three key criteria.

Figure 2
Success Strategies for Best Retailers in Social Media

Company	Percent of Total Mentions	Quick response to customer posts and feedback (% of mentions)	Great user reviews/ feedback tools through social media (% of mentions)	Great videos, games, contests or fresh daily content (% of mentions)	Exclusive deals offered to followers on social media (% of mentions)	Great LinkedIn profile (% of mentions)	Great blogs by employees (% of mentions)	Great Twitter tweets (% of mentions)
Target	8.5%	37%	51%	16%	47%	13%	12%	18%
Amazon	8.0%	58%	60%	22%	42%	13%	12%	15%
Walmart	5.4%	34%	45%	28%	47%	21%	26%	25%
Best Buy	4.0%	46%	62%	33%	51%	18%	15%	26%
Macy's	4.0%	41%	49%	15%	49%	15%	21%	21%
Express	3.2%	35%	58%	26%	74%	6%	13%	26%
Kohl's	2.6%	20%	32%	8%	56%	8%	20%	12%
Old Navy	2.5%	33%	54%	29%	79%	21%	–	25%
Apple	1.7%	29%	59%	12%	41%	24%	29%	24%
Gap	1.7%	41%	47%	18%	65%	6%	18%	6%
eBay	1.1%	91%	55%	27%	36%	18%	18%	27%
Nordstrom	1.1%	45%	55%	27%	45%	18%	18%	27%
Overstock.com	1.0%	60%	60%	20%	70%	10%	10%	30%

Source: L.E.K. Analysis

Let the Customer's Voice Be Heard – and Respond to It

Retailers that provide easy-to-use feedback tools are winners in the social landscape. More importantly, consumers also look for quick responses to their posts and feedback. Sixty percent of respondents said Amazon's customer review system, which recognizes and praises top contributors, helped make it a best-in-class retailer. Fifty-one percent of users said Target, which asks followers to "like" posts or share experiences like their best Halloween costumes, also stood out for its feedback tools. Kohl's also features rapid responses to customer questions and requests via social channels, often within an hour.

Exclusive Deals Keep Consumers Engaged

Consistently providing special offers to fans and followers is a must for brands who want to stand out as social media leaders. This strategy has worked particularly well for apparel retailers,

including Express, Old Navy, and Gap, whose deal offerings are their main differentiating factor. More than 40% of survey respondents also said exclusive deals help top-three retailers Target, Amazon and Walmart stand out with their social presences.

The companies we highlight are setting the standard for social media use in consumers' eyes. Other retailers should look to these companies for a "playbook" and emulate some of their strategies. However, while many elements will fit into any retailer's playbook, each company should take an in-depth look at what is working in their particular industry segment to determine the social strategy that works best for them.

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For further information contact:**Boston**

28 State Street
16th Floor
Boston, MA 02109
Telephone: 617.951.9500
Facsimile: 617.951.9392

Chicago

One North Wacker Drive
39th Floor
Chicago, IL 60606
Telephone: 312.913.6400
Facsimile: 312.782.4583

Los Angeles

1100 Glendon Avenue
21st Floor
Los Angeles, CA 90024
Telephone: 310.209.9800
Facsimile: 310.209.9125

New York

650 Fifth Avenue
25th Floor
New York, NY 10019
Telephone: 212.582.2499
Facsimile: 212.582.8505

San Francisco

100 Pine Street
Suite 2000
San Francisco, CA 94111
Telephone: 415.676.5500
Facsimile: 415.627.9071

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