

The role of community and referrals in online retail success

"No longer do brands have to worry about one consumer telling another about bad service, but rather one disgruntled consumer telling hundreds of others through social media," says veteran marketer Chris Moerdyk about the new world of instant feedback between buyers.



But this nightmare scenario is just one side of the coin for retailers; the other is that good products, great service and a positive all-round experience are as easily and widely shared. And this 'word-of-mouth marketing' can be solid gold for sellers.

A 2020 study by UK market-research firm Kantar Media indicated that 93% of consumers trust the opinions of friends and family when purchasing products or services, while a recent report on American technology site Big Commerce looking at consumer behaviour in 2020 highlighted that almost a quarter of online shoppers (23%) are influenced by social media recommendations, while 42% find recommendations from friends and family influential – twice the number who cite advertisements as persuasive.

"Retail shops have the luxury of face-to-face meetings between their salesperson and the customer. Online we rely on what we present on our web page, perhaps a Google search and social media, so community and personal recommendations are a vital aspect in enhancing trust and credibility for our brand," says Dr Alek Nikolic, founder and director of online skincare company SkinMiles."

"For example," he continues, "when a customer gives us a great review on Facebook, other users can see that a real person has given positive feedback, and this reduces any concerns they may have in using our online service or making a purchase."

This 'instant marketing' becomes even more powerful when these opinions are shared within communities bound together by specific interests. Online auction site and marketplace, bidorbuy, where users, buyers and sellers transact with each other, is one example.

"The bidorbuy community is made up of buyers and sellers who share common interests, whether it's antiques, electronics or crafting," says the company's marketing manager, Anne-Marie Green.

"Our community is strongest in the types of products that have a subjective appeal that's not driven by branding or advertising – hard-to-find or unique products and collectibles such as stamps, militaria and antiques, items that people want rather than need, and that they're passionate and knowledgeable about. Purchasing decisions typically follow a period of research, and this naturally sparks conversations between people with common interests that may not be shared by the mainstream," she adds.

For sellers, "being a part of the bidorbuy community means having access to our category managers and being able to speak to someone behind the scenes who can help them grow on the bidorbuy platform," says Green. "Within our community, shared ideas and encouragement have been a vital factor in helping people to establish and grow their online businesses. We've heard some wonderful stories from people who began selling on bidorbuy as a side hustle, but were subsequently able to quit their day jobs and become full-time sellers."

Moerdyk says that it's vital for brands to be aware of and to interact with consumer communities, and to do so immediately. "The science of marketing has been turned on its head and the world of retail is moving online at high speed – all of which has been accelerated by the Covid-19 pandemic."

Indeed, World WideWorx reveals in its Online Retail in South Africa 2019 study that online retail is due to pass the 2018 R14bn mark as e-commerce goes mainstream.

For SkinMiles, this instant communication is vitally important, and stands in for the vital physical client/salesperson interaction. "Using social media creates engagement and an open communication channel with our clients, to show people that we are there to help them and to provide a point of contact, to give our customer a voice and for a way to communicate with them," says Nikolic.

"When we took social media seriously and had a clearcut understanding of what we wanted to achieve, we noticed a more than 50% increase in conversion year on year. We also noticed five times the amount of traffic to our site through social-media visitors."

In this highly interactive, real-time online environment, 'marketing is now more personal than ever before, with positive consumer referrals the foundation of best practice,' says Moerdyk.

Green agrees, "Activities like user interaction and word-of-mouth communication in social networks can influence people's shopping decisions."