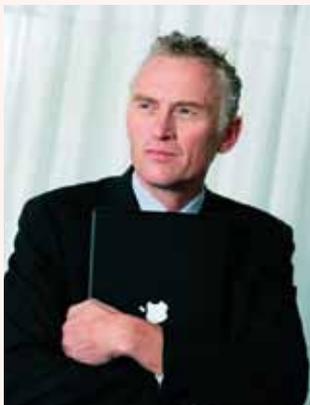


# WHAT'S THAT BUZZ?

Cor Molenaar, Professor of eMarketing at RSM, and Michel Schaeffer, bol.com's marketing director, explain how the social media revolution requires that traditional business and marketing models be revamped to cater for the demands of an online consumer-centric marketplace.

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► **Cor Molenaar**

Professor of eMarketing at RSM and author of the best-selling book *Shopping 3.0*.

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**T**he Facebook and Twitter generation was born out of a love and need to interact, and an ever-increasing desire to tell, listen, discover, opine and discuss. With the proliferation of mobile devices and wireless technologies, it is now possible to do all of this from anywhere, at any time.

Sociologically, the demographics of age, gender, social class, culture and geography that once linked us together as a group are becoming less relevant, instead being replaced by commonality of interests, tastes, needs, opinions and affiliations, explains Prof. Molenaar, author of several books on eMarketing. "This reflects a desire to be looked upon, first and foremost, as individuals, while also belonging to a group of like-minded people."

A new type of knowledgeable customer and demand-driven market is the result, says Molenaar, where the customer – not the supplier or product – takes centre stage, and where the supplier no longer controls sales channels, but merely monitors them.

According to Molenaar, buying behaviour is also changing. Customers now research a product online and then decide on a retailer and sales channel, based on such criteria as price and convenience.

This new market demands new marketing strategies – and companies are rapidly complying. "Customer groups based on shared values are now being targeted," says Molenaar, "and businesses are increasingly deploying social media to spread their marketing message. They do this in the expectation that

readers – potential viral-marketing agents, in fact – will share the good word with their like-minded peers, who it is hoped will find it more acceptable and trustworthy than if it came directly from a company."

A case in point is bol.com, which last year came first, for the second time, on the list of the top-100 brands in the Netherlands actively involved in social media – and for good reason.

The company, the Netherlands' fastest growing online retailer for media products – with three million loyal customers and revenues of €318 million in 2010 – not only has a presence in all major social media networks and blogs in the country, but has many more customers and 'fans' engaged its marketing activities than its competitors, reports Michel Schaeffer, bol.com's marketing director, a recent recipient of the Direct Marketing Man of the Year Award and a graduate of RSM's full-time Bedrijfswetenschappen programme (1993).

"There is a noticeable shift in the marketing focus away from the product and the 'four Ps' (product, price, place and promotion) and towards the customer. Crucially, customers are now being addressed as individuals with their own needs, and marketing is being creatively tailored to meet their requirements," he says. Customers are also getting involved in more and more business processes and activities.

## Innovative and creative

Social media marketing is getting creative, comments Molenaar. For example, Groupon, an online-coupon company, offers daily deals to registered consumers at large discounts, provided the offer attracts a minimum number of buyers. Customers then use email and social media to spread the news to family and friends in the hope that they will participate in the deal and ensure this minimum number is met. Thanks to such attractive offers, participating businesses increase their exposure and sales, for which they pay Groupon a



► **Michel Schaeffer**

Marketing Director of bol.com and graduate of RSM's Bedrijfswetenschappen programme, 1993.



commission. It is what might be called a win-win-win proposition.

Bol.com offers something similar with its 'Daily Deal' promotion, says Schaeffer. Even more innovative is its online 'Steal the Show' competition (<http://www.bol.com/nl/m/muziek/mini-music-steeldeshow/index.html>), which it launched together with recording companies and artists. "We actively engage our younger fans and customers," he says. "What's amazing is that the artists themselves use social networking to interact with contestants and attract traffic to our site."

And with social media evolving so quickly, bol.com is working hard to keep up with new demands. "We are implementing the Facebook 'I Like' function on our website," enthuses Schaeffer. "The idea is to increase brand and product exposure on the social networking site, and stimulate curiosity."

### Ear to the ground

Of course, social media also brings challenges: most notably, that it is now

the customer who is in control, not the retailer, Molenaar observes. In response to this, businesses involved in social media marketing need to continually monitor what is being said about them, and react

“Businesses are increasingly deploying social media to spread their marketing messages.

Professor Cor Molenaar.

immediately to accentuate the positive and play down the negative, or face the risk that "things could really get out of hand and cause immense damage to their brand," he warns.

Bol.com is ahead of the curve in that respect. "We use sophisticated software to monitor all major blogs and social networks, such as Twitter, for any mention of our company," says Schaeffer. "Equally important, we react immediately to any negative posts with apologies and offers

of help, and to positive ones with a note of thanks or encouragement."

The company also monitors and analyses responses and resulting purchases online, which can indicate how successful a marketing campaign has been by its number of respondents and sales, he says.

According to Molenaar, online market monitoring and research can also be used to discover market trends, identify new target groups and generate sales. "Take online retailer Amazon, they analyse recent navigational and transactional data to make product recommendations to their customers," he says. "In my personal experience they have been spot on in their recommendations of books I should purchase."

Of course, we have not yet seen the back of this eMarketing revolution. With the advance in technology, consumers now have a choice of several platforms

– PC, laptop, tablet or smart phone – to connect to the internet, run applications and access their 'cloud' data, says Molenaar. This means more location-based services for customers on the move. And with companies like GroupMe slipping into the mainstream, which offer group text-messaging and calling to every phone, we can expect even more social interaction – as well as ever more creative initiatives from savvy social media marketers. ■