

## Barcelona Treball

Summary of sector trends: Trade  
November 2012

# Trade positioning through ICT applications and social networks

The trade sector is experiencing a revolution on promotion strategies and relationship with consumers. In the future, much of the trading strategies will be focused on better online positioning, mobile marketing and higher engagement of existing customers and capturing of new ones by means of social networks and web 2.0.

The emergence of specific trade ICT applications (online sales websites, virtual outlets or geolocation mobile applications) and the increased use of social networks open up new ways of understanding businesses, commercializing products and promoting marketing campaigns. Electronic commerce (or e-commerce) is an increasingly consolidated reality that is transforming thoroughly the sector's traditional operating mode. Moreover, the gap between online and offline commerce (e.g. shopping street) is getting thinner and more permeable.

This transformation of the sector occurs at least at three levels:

- **Supply: new formats and products sales channels are developed**, and the "multichannel" sale has been consolidated: a product can be sold and publicized simultaneously on more than one channel (retail store, website, mobile application, etc.).
- **Demand: the way in which consumers buy products changes**. In the e-commerce world, a new multidevice consumer/customer (mobile, PC and tablet) has consolidated that can be connected 24 hours a day and makes supply be more accessible.
- **The relationship and links between businesses (brands) and customers over the Internet has intensified** (in time and quality). Social networks have facilitated the existence of "conversations" in which brands have the opportunity to connect with an increasingly demanding audience that is willing to be heard. Internet is a progressively more social environment and trade promotion strategies will have to consider this fact.

In this online and highly competitive context, trade companies must develop new strategies to improve its visibility and publicize their products. These strategies must make use ICT applications and social networks in a smart way, to define the innovative strategies on positioning and marketing online the best fit in each case.

Some of the following are positioning and promotion tools available for businesses:

- **SEO** (Search Engine Optimization) **strategies** to improve online outlets positioning (web pages) in major search engines (Google, Yahoo, etc.).
- **Marketing and online positioning campaigns** via social networks (Facebook, Twitter, LinkedIn, etc.). These networks are a new communication channel suitable for customer support, for experiences and content sharing, and for on line promotions. Social networks provide, as well, segmented access to customers<sup>1</sup>; i.e., targeting different audiences through different contents.
- **Mobile and geolocation applications to promote e-commerce and mobile marketing**. Mobile applications allow consumers to follow them throughout the buying process, which facilitates a greater interaction. Furthermore, geolocation tools allow for locating users and providing information on stores (bargains, coupons, discounts, etc.).

<sup>1</sup> "Engagement" (or emotional link) is the most commonly used concept to define the type of link to be established with customers through social networks. They are a suitable channel to ask questions and listen to customers.

## Impact on the sector

Technological applications and social networks have created a new scenario for the trade sector. Electronic commerce is merely consolidated: during the first half of 2012 it had a turnover of €2,452.6 million, which represents an increase of 19.3%. Furthermore, according to the National Statistics Institute (INE)<sup>2</sup>, people who use Internet to purchase goods and services rose from 13% to 22.3% in 2007-2012 period. Those figure rose from 21% to 33% among consumers aged 25 to 34 years.

Simultaneously, mobile applications are emerging as new channels for sales and business promotion. Currently, in Spain there are 44 million mobile users, of which 9 million have Internet access.

Thus, according to the **IV Mobile Marketing Report (2012)**<sup>3</sup>:

- 59% of Spanish Internet users own a smartphone (10% in 2009), and 77% of access the Internet through this device at least once a day.
- Access to Internet directly through a mobile application rose from 36% in 2010 to 41% in 2011.
- **4% of Spanish population uses the mobile to make some daily purchase, 7% uses the device at least once a week for this purpose, and 19% at least once a month.**

These data indicate that the increasing penetration of smartphones in the citizens' daily lives will have significant effects on trade.

Similarly, social networking and online marketing are becoming key factors for SMEs and trade businesses positioning. Thus, taking into account the 2011 data contained in the Observatory on the use of social networks in Spanish SMEs<sup>4</sup>, **49.8% of SMEs already use social networks for business purposes, 44% in the trade sector.**

The composition of the commercial structure in the trade sector, mostly based on SMEs, is one of the reasons explaining the lower uptake of social networking in the trade sector as a commercial tool in comparison to other sectors.

Catalonia and Spain have a large number of SMEs in the trade sector that have few resources (often non-economic, but of knowledge) to implement and use new communication and marketing tools. They are, though, a clear opportunity for the sector.

**The use of social networks in trade business is oriented towards products' promotion, improving channels designed for dissemination and communication with customers, and, to a lesser extent, increasing market knowledge.**

Firms, in general, and companies in the trade sector, in particular, use social networks to report on news or events in the customers' interest. They are also used to implement advertising strategies focused on explaining the company's actions and promoting their products.

Facebook is one of the social networks that are most frequently used in the trade sector. Foursquare, which is placed in the second position, is especially useful for this sector because it is based on a geolocation system that helps the consumer know the location of a store on the map<sup>5</sup>.

**Mobile devices are becoming a potential sales channel in trade.**

**The use of social networks as a communication channel is increasing among Spanish trade SMEs: almost 4.5 out of 10 stores use them. However, they show a lower penetration when compared to other sectors**

<sup>2</sup> Survey on the use of ICT equipment in households 2012.

<sup>3</sup> Report prepared by IAB Spain, jointly conducted with The Cocktail Analysis, and counting on the support of the City of Madrid.

<sup>4</sup> Study prepared by the Banesto Foundation in collaboration with the Ministry of Industry, Tourism and Trade. October 2011.

<sup>5</sup> Other mobile applications like Yelp use

## Impact on professional profiles

Trade professionals, especially in the field of business management, should develop new technical skills and knowledge related to the use of technological applications and social networks to promote their business and products.

New professional profiles, such as community manager, will have a significant role in supporting trade professionals in the definition of market positioning strategies.

**Trade professionals, and especially those in the field of business management**, must be informed about technological innovations affecting the sector.

The use of ICT applications and social networks affect the skills corresponding to the profiles of **coordinators and store responsible**, since they will have know how these technological tools can improve their own businesses. Thus, it will become increasingly important for these professionals to answer questions such as:

- Which mobile application fits better to my shop?
- How to reach to and inform my current and potential customers more effectively?
- Which social network is the best to my business and how do I have to use it?
- Which content may be interesting to my clients? How can I catch their attention and engagement?
- Which mobile marketing strategy suits better to my business?

Therefore, although many of the professional profiles related to the creation of technological applications for trade and the use of social networks fits within the **Telecommunications and ICT or the Communication sector**, the use of ICT and social media for commercial promotion purposes will require the **acquisition of new skills in the trade sector profiles**.

Thus, knowledge of online marketing and development of skills related to change adaptation and flexibility will be essential in the field of business management.

As for the skills of professional profiles with lower qualifications, **those in the field of the Point of Sale** in the trade sector should be prepared to develop tasks linked to the use of social networks by customers.

For example, knowing how to manage part of the relationship with customers through the network: answering questions to customers, taking care of the evaluations received (reputation) or running specific promotions to achieve customer engagement.

On the other hand, the development of social networks has generated new jobs in the communication sector, and, specifically, in the management of virtual communities, and profiles such as the **community manager**.

This professional profile may develop their business in trade sector, in which they need specific skills related to:

- Managing communities of followers of a store or brand.
- Developing customer engagement and capturing campaigns: contests, promotions, raffles, etc.
- Revitalizing user participation in social networks to learn to "listen to what they say" and identifying their needs.
- Developing content (videos, articles, etc.) related to the business.

Similarly, the proliferation of business strategies in online trade may create **new jobs such as the developer of mobile applications specific for the trade sector**. Although this occupation is more linked to the multimedia field, requires professionals with expertise in trade to identify needs and implement the most appropriate solutions for every business.

**More information about the industry is available on the Barcelona Treball website**

[Market >Industries > Trade](#)

This section of the website contains a report on the industry covering aspects on employment issues, where you will be able to take a look at occupational fiches for various job profiles and learn the main resources needed to find a job in the industry.

Co-financed by: