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## Cold Stone Heats Up in Social Media

**The ice cream chain will allow consumers to send tangible gifts to friends via Facebook**

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- Elena Malykhina, Brandweek



Cold Stone Creamery is the latest brand to embrace social media applications on Facebook. Starting this week, the ice cream chain will allow consumers to send tangible gifts to friends via the social network.

Using the [e-gift app](#), developed by e-commerce firm First Data Corp., consumers can select one or more friends to send gifts to, either by adding them from Facebook or entering their e-mail address. Unlike virtual gifts on Facebook, however, the Cold Stone app sends a code for a physical product that can be redeemed at any of the chain's 1,300 locations.

Cold Stone's vp of marketing Suzanne Schutz said franchisee profitability is the main focus for this program, as well as increasing store traffic and transactions by 3 percent this summer. "We know that the market is really big right now for virtual gifts. People will pay for a picture, but it's a great thing to give people a tangible gift," she said. "We have 600,000 Cold Stone lovers on Facebook and it's a way to reach those active fans and drive them to our stores."

Initially, Cold Stone is offering five gifts, which could be expanded to more, depending on the program's success, said Schutz. The gifts cost between \$5 and \$7.

Cold Stone joins a [long list of other brands](#) that are using Facebook to reach potential customers. Among them is Coca-Cola, Best Buy, Starbucks and Microsoft, to name a few. When it comes to gift-giving specifically, virtual goods in the U.S. are estimated to be a \$1.6 billion market this year, according to Inside Network, a research firm that specializes in social media.

Justin Smith, Inside Network's founder, said that while brands are still new to using social media to drive retail sales, consumers are willing to pay for compelling interactive experiences. "Brands have an opportunity to benefit from Facebook users' engagement with social apps by sponsoring the content that users want to buy and share," Smith said. "Of course, the trick is always to do so in a way that is congruent with the context of the application."