

The Tension between Viral Communications and Traditional Advertising

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My Aim Today:

- Present two research papers
- Convince you there is a tension between the success of traditional marketing communications and their propagation on social media

The Reach and Persuasiveness of Viral Video Ads

Research Question

Is there a trade-off between ad virality and ad effectiveness?

Motivation: Earned vs. Paid Media

US Online Advertising Spending, by Format, 2008-2013 (millions)

	2008	2009	2010	2011	2012	2013
Search	\$10,691	\$12,285	\$13,880	\$15,552	\$17,686	\$19,530
Display ads	\$4,629	\$4,933	\$5,448	\$6,182	\$7,175	\$7,958
Video	\$587	\$850	\$1,250	\$1,850	\$3,000	\$4,600
Rich media	\$1,888	\$2,030	\$2,252	\$2,560	\$2,960	\$3,360
Classifieds	\$3,139	\$2,956	\$2,936	\$2,944	\$2,960	\$2,982
Lead generation	\$1,605	\$1,645	\$1,682	\$1,792	\$1,998	\$2,268
Sponsorships	\$590	\$514	\$542	\$576	\$629	\$672
E-mail	\$472	\$488	\$513	\$544	\$592	\$630
Total	\$23,600	\$25,700	\$28,500	\$32,000	\$37,000	\$42,000

Source: eMarketer, November 2008

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www.eMarketer.com

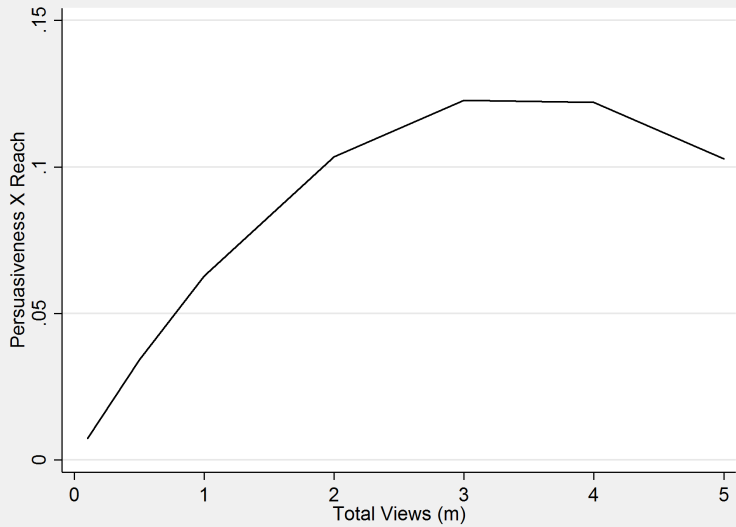
Source: eMarketer.com

Empirical Setting

- Study relationship between ad virality (organic reach) and ad effectiveness
 - Historical data on the 'virality' of 400 ad campaigns
 - Crowd-sourced measurement of ad persuasiveness
 - 25,000 surveys
 - Randomized exposure
 - Traditional ad effectiveness questions

Findings

- Relative ad persuasiveness drops on average by 10% for every one million views the ad had received
 - Endogenous ad characteristics lead to trade-off
- Taking into account the advantages of increased reach, this means that there was a decline in overall advertising effectiveness at 3-4 million views



Managers want to know whether there is any good news

- Marketers are used to facing trade-offs. Ad's can't do everything.
- More interested in whether there is any form of 'win-win'
- Yes. For ads that are visually appealing and funny
- Yes. If can get comments that mention product name
- No. Particularly bad for provocative ads

There are of course limitations

- Campaigns for 2010 for consumer products
- Forced exposure and representativeness of survey takers
- Do not study awareness; only established products
- Do not manipulate ad-design - given exogenously

Implications

- Viral transmission of video advertising gives attractive possibility of costless reach
- Strength of network effects is now endogenous to ad design
- This creates a tradeoff for managers: Maximizing network effects (and reach) or persuasiveness
- Suggests that the internet does not change 'richness verses reach' tradeoff - just alters the parameters
- Useful for understanding of Earned vs Paid debate in marketing communications

Should You Target Early Trend Propagators? Evidence from Twitter

Coauthors: Anja Lambrecht and Caroline Wiertz

Context

Twitter has been studied as laboratory of organic trend transmission. Not studied as advertising platform.

The screenshot displays the Twitter interface with a navigation bar at the top containing 'Home', 'Connect', 'Discover', and 'Me' icons, along with a search bar and utility icons. The main content area is divided into three vertical sections:

- Left Sidebar:**
 - A 'Compose new Tweet...' text input field.
 - 'Who to follow' section with three suggestions:
 - TfL Victoria line** (@victorialine), followed by Dan Kaszeta and others. Includes a 'Follow' button and a 'Promoted' badge.
 - norman smith** (@BBCNormanS), followed by Harriet Cass and others. Includes a 'Follow' button.
 - Alastair Murray** (@AJMurraymints), followed by St Martin's, London a... Includes a 'Follow' button.
 - 'Popular accounts' section with a 'Find friends' link.
 - 'United Kingdom Trends' section with a 'Change' link and a list of trending topics:
 - #AskGeorgeUnionJ
 - #AmericansvsBritish
 - #UTCoinsNow
 - #pewdsdoeseverything
 - #CBB
 - Big Brovaz
 - Debbie Harry
 - England
 - Stokes and Ballance
 - Phil Evertly
- Main Feed:**
 - A tweet from an account with a blue verified badge: 'giving up smoking' theguardian.com/comments/free/...'. Includes a 'View summary' link.
 - A promoted tweet from **Twitter UK&I SME** (@TwitterUK_SME) dated 1 Jan. Text: 'Use Twitter Ads to promote your January sales. Connect with new and existing customers. ads.twitter.com/start-now?ref=...'. Includes a 'Promoted by Twitter UK&I SME' badge, a 'Followed by Vicky Beeching' note, and a 'View photo' link.
 - A tweet from **BBC Radio 4** (@BBCRadio4) dated 6m. Text: 'As more of us binge on Breaking Bad box sets & stream shows via our laptops, @BBCFrontRow asks what this means for TV'. Includes a 'View summary' link.
 - A tweet from **HootSuite** (@hootsuite) dated 24m. Text: 'Do you know how social selling works? You may want to find out: ow.ly/s2BF4'. Includes an 'Expand' link.
 - A tweet from **BBC News (UK)** (@BBCNews) dated 27m. Text: 'Police are investigating the "unusual circumstances" of the birth of a baby at a sports retail warehouse'. Includes a 'View summary' link.
 - A tweet from **James Mountford** (@j_mountford) dated 6 Nov. Text: '@State_Slave: pic.twitter.com/CUpn58Zcbc" excellent idea, we need more transparency, couldn't be more evident then -D'. Includes a 'Retweeted by Sharon Avraham' note.

Figure : Screenshot of Twitter Trends and Promoted Tweets

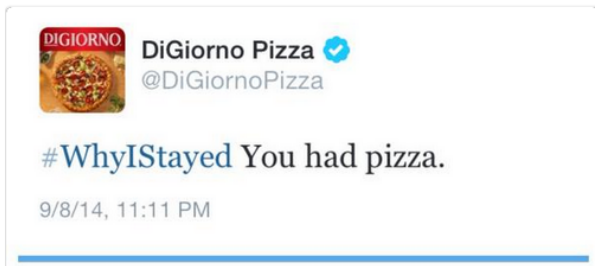


Figure : Firms try and target ephemeral trends on Twitter




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Research Question

Twitter (remarkably and perhaps uniquely as a social media platform) allows us to identify trendsetters. Can we use marketing communications to seed a marketing communications message with trendsetters?

The NYT is doing something smart by using Twitter trends to target ads

by Mathew Ingram FEB. 19, 2013 - 1:13 PM EDT

5 Comments    +1 

A  

SUMMARY: *The head of the research lab at the New York Times says the newspaper has launched an advertising product called Sparking Stories that allows advertisers to insert ads into specific content that is trending on Twitter.*

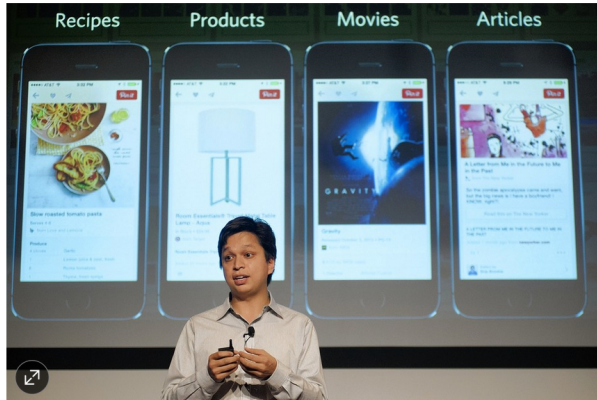
 [tweet this](#)



Figure : Not our idea

Paid 'Influencers' Undercut Ads on Pinterest

Social Network Plans to Roll Out New Ad Products, Targeting Options This Year



Pinterest sells "Promoted Pins," but some brands choose "Pinfluencers." Above, CEO Ben Silbermann. PHOTO: AGENCE FRANCE-PRESSE/GETTY IMAGES

Figure : Not our idea

Method

- Two Field Tests (Think Test - Not Experiment)
 - Charity
 - Fashion Firm
- Compare engagement across people who adopt a trend early and those who adopt it late

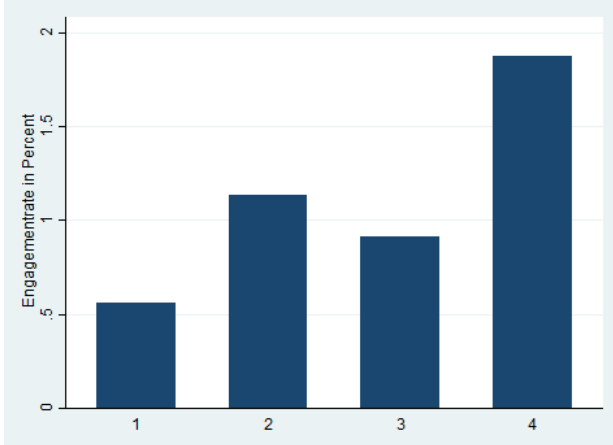


Figure : Engagement rate by day after trend peaked, Study 1

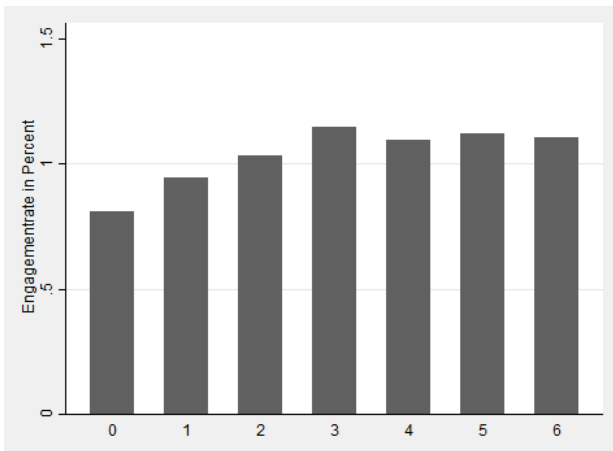


Figure : Engagementrate by Day After Trend Peaked, Study 2

Results

- Early trend propagators are less likely to engage with a message than individuals who propagate the same trend later on
- Only engage if message is less commercial and product category is highly related to the trend.

Differences in Trendsetters

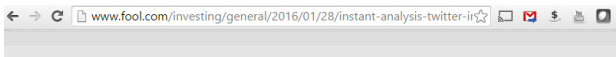
- How different are trendsetters?
- Could this difference provide an alternative explanation
- Answer - there are a lot of them and they don't look that different

Limitations

- Not an experiment in usual sense
- Twitter Black Box
- Just two products

Punchline

- Early trend propagators are less likely to engage with a message than individuals who propagate same trend later on
- Only engage if message is less commercial and product category is highly related to the trend.
- Suggests that ability to use social media to identify trendsetters to whom firms can then target advertising is not easy
- Future of Twitter (and others) as advertising platforms



Instant Analysis: Twitter Inc. Gives Select Users an Ad- Free Experience

Why is Twitter removing ads on VIP accounts but displaying them to "regular" users?



Leo Sun (TMFSunLion)
Jan 28, 2016 at 3:45PM

To Conclude

- General message from both papers about tension between traditional aims of advertising and virality