

# Current use of social media for marketing – a few examples

MARK 360

Week 2

# This week's classes

- Current use of social media for marketing
  - a few examples
    - Facebook
    - Twitter
    - Pinterest
    - Snapchat

# **FACEBOOK - OVERVIEW**

# Facebook

- 13 years old (founded 2004) – became a public company in 2012
- At the end of 2016:
  - **Revenue** - Revenue for the full year 2016 was \$27,638 billion, an increase of 54% year-over-year.
  - **Net income** - Net income for the full year 2015 was \$3.69 billion.
  - **Monthly active users (MAUs)** - MAUs were 1.86 billion as of December 31, 2016, an increase of 17% year-over-year.
  - Over 3 million businesses advertise on Facebook



# So, what is a marketer to do?

- Marketers use Facebook for owned, earned, and paid media because....
- “Familiarity breeds acceptance.” Vaynerchuck
- “Hard to dismiss a platform as skewing too young, or too experimental, or too trendy, when your niece, your brother, your seventy-two-year-old dad...are on it”  
Vaynerchuck

# The Newsfeed Algorithm

“When the algorithm was explained to one subject, she compared the revelation to the moment when Neo discovers the artificiality of The Matrix”

University of Illinois Urbana-Champaign researcher Karrie Karahalios

The Algorithm scene from the movie “The Social Network”  
-it’s now a lot more complex than that ....

# Newsfeed Algorithm Basics

## 6. NFO: News Feed Optimization

EdgeRank

$$\sum_{\text{edges } e} u_e w_e d_e$$

$u$  - affinity score between viewing user and edge creator

$w$  - weight for this edge type (create, comment, like, tag, etc.)

$d$  - time decay factor based on how long ago the edge was created

Facebook News Feed Algorithm first presented at the 2010 f8 conference

- $\sum$  - The sum of each individual edge. An edge is a story that can show up in your News Feed - a status update, comment, Like, tag, etc.
- $u$  - The affinity score. The factor that weighs how close you are with the person doing the posting. If you frequently interact with the person posting, have several mutual friends, or are related, Facebook is more likely to give that content a higher weight.
- $w$  - The weight for this edge. Not all actions are considered equal. For example, a friend creating a status update would carry more weight than someone simply liking a status update.
- $d$  - The time decay factor. As a posts gets older, it's more likely that it has already been seen or that it is no longer as relevant. Facebook remedies both of these problems by taking the age of the post into consideration.

# Main Edgerank updates

- Aug. 23, 2013: Facebook Enforces Quality
- Dec. 2, 2013: Facebook Breaking News given more prominence (plus addition of Related Article section)
- Jan. 21, 2014: The Importance of Text Updates recognized
- Feb. 24, 2014: Tagging for Additional Reach – impact of one Page tagging another
- Aug. 25, 2014: The Fall of Click-Bait – Facebook starts to penalize spam
- Sept. 18, 2014: Taking Advantage of Trends – moving trending topics higher in the feed
- Nov. 14, 2014: Penalizing Promotional Posts – huge loss of organic reach (they annoy users and make brands pay instead)



# Example given by Facebook of a “Promotional Post” that would be penalized



**Tiger Therapy**

2 seconds ago

Be sure to watch the #1 rated show about the feelings of big cats every Wednesday night at 8 pm. You'll never guess what Gary, Sonya, and Dr. Stripes are up to tonight!

Be sure to also buy our Season 1 DVD set from our Tiger TV store!

Makes a great gift! - <http://bit.ly/1w8vdPY>



Watch what Gary gets up to tonight at 8 pm only on TTV. It's tough being a tiger.

Like · Comment · Share



# Edgerank changes aimed at reducing spam

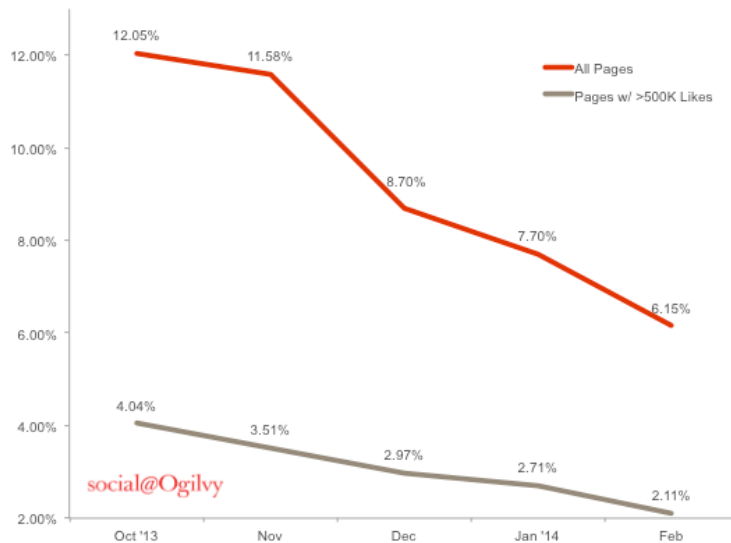
- Aimed at reducing spam
  - “Likebaiting” - asking “News Feed readers to like, comment, or share the post in order to get additional distribution beyond what the post would normally receive” is now being targeted
  - Frequently circulated content (ie. Reposting of memes etc)
  - Spammy links (deceptively phrased)
  - Facebook is encouraging authentic conversation and relationship building not begging or bribing fans
- Aimed at balancing posts from friends and posts from Pages in newsfeed
  - Further reduction in organic reach for brands and other publishers

# Facebook Zero?

- With the potentially massive amount of content streaming into a users Newsfeed, it is almost impossible to get and keep attention without paying for it - organic reach approaches zero.

# The Edgerank algorithm tweaked to reduce organic reach

Average Organic Reach of Content Published on Brand Facebook Pages



Analysis of 100+ Facebook Brand Pages around the world with more than 48 million total fans conducted by Social@Ogilvy in February 2014. Please see our report, "Facebook Zero" at <http://social.ogilvy.com> for details.

- Analysis of more than 100 brand pages - organic reach was around 6 percent, a decline of 49 percent from October 2013
- For large pages with more than 500,000 Likes, organic reach hit 2 percent in February 2014
- “Organic reach of the content brands publish in Facebook is destined to hit zero. It’s only a matter of time.”
- Marketers being pushed to paid media

# Facebook marketing products

- Facebook for business
- Build a page, not a personal account
  - Some best practices in maximizing referrals and driving activity on FB Pages (from FB itself)
- Facebook advertising products
- Newsfeed Ads / Sponsored Posts
- Boosted posts – Friends, friends of friends plus audience targeting
- Promoted Posts – uses the FB Ads Manager for additional targeting and bidding options

# Facebook metrics

- Earned media – engagement metrics (we will look in a bit more detail at these later on)
- Facebook business products for measuring success with Pages and their advertising products
  - Page Insights
  - Ads Manager
  - Conversion tracking

# **TWITTER - OVERVIEW**

# What makes twitter unique?

- “Twitter stands in a class apart from other social media because of the open invitation it gives us to talk to the world at large.

On Facebook .....you’re stuck outside until that person decides to let you in....Everyone else is off limits”

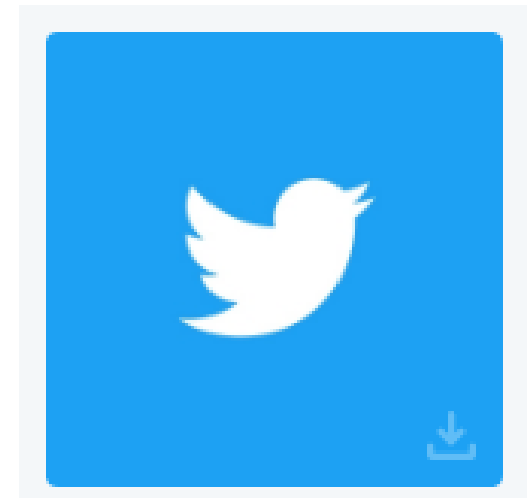
– Gary Vaynerchuck

- Twitter is a completely open, non-reciprocal network
- Almost everything is PUBLIC



# Twitter background

- User base 319 million MAU
- Demographic very similar to Instagram
- 2016 revenue US\$2.5 billion
- Very important and influential for news and sports
  - Donald Trump
  - Superbowl etc
- Problems with revenue growth and user growth



# Twitter is a distinctive real-time platform

- A tweet can be no more than 140 characters.
- A tweet can include a hyperlink (usually shortened), images, gifs, or video (no longer be included in the character limit)
- Tweets are PUBLIC by default and practice. ANYONE can view all of your tweets by going to your profile or by using Search
- In 2016 the default timeline began to “show the best tweets first” – in other words it uses an algorithm
  - Importantly (and unlike Facebook) this can be turned off

# Direct messages

- DMs are private messages (individual or group), viewable only by the sender and the receiver
- You can send DMs by default *only* to users who follow you
- BUT you can opt-in to allow anyone to DM you (useful for customer service)
- The 140 character limit does NOT apply to DMs

# Lists and Twitter chats

- Twitter lists
  - Lists are used to slice and dice your twitter stream to focus on what is most important to you
  - You can add twitter accounts to your lists even if you don't follow them
  - [Using Twitter Lists](#)
- Twitter chats
  - Really useful for increasing your exposure and building a professional network
  - Real-time discussion using a hashtag so you can follow the conversations
  - Very wide range of topics
  - [Schedule of twitter chats](#)

# Owned, earned, and paid media on Twitter

- Owned – an organization's own twitter account or accounts
- Earned – follows, retweets, favourites, lists, mentions
- Paid – Twitter for Business: Advertising
  - Promoted accounts
  - Promoted tweets
  - Promoted trends

# Twitter cards: other in-stream paid media (some card types are free)

## Embrace Twitter Cards

Twitter Cards not only provide a way to **stand out in the feed** but also pave the way for a **more commercial approach** to content delivery.

The image displays three distinct Twitter Card types, each with a title above it:

- Product Card:** A card for ModCloth.com featuring a t-shirt. The text includes "Pushen the Limit Tee in DJ" and a link "mod.com/16pU754". It shows a price of \$27.99 and a 5-star rating.
- Lead Gen Card:** A card for "The Barista Bar" promoting a coffee club. It includes a tweet from Bryan Sine and a "Join the club!" button. A note states: "Bryan's info is already filled in. He only has to click the button to sign up."
- App Download Card:** A card for the ESPN SportsCenter app. It features a tweet from Jayson Stark and a "Download on the App Store" button. The app is described as "FREE" and "3.5/5.0 stars - 1,662 ratings".

# **PINTEREST - OVERVIEW**

# What is distinctive about Pinterest?

- VERY visual
- Very fast growth rate since launch in 2010
- Very effective for actually selling stuff...via direct click through to product
- Some worries about copyright issues because of image placement on third-party website without permission





# Pinterest Demographics

- With 150 million Pinterest users
- 67% of Pinners are under the age of 40, a 27% jump from last year.
- 54 percent of women aged 34 to 55 are on the site, and 35 percent of them have household incomes of over \$100,000.
- Male users have grown 120 percent in 2016.

# Think creativity...

- “Unless you sell a product that no woman in a million years would want for herself or any person in her life – and that’s a pretty limited list of products – or your legal department is dragging its feet, you’re a dope if your brand is not on Pinterest”

– Gary Vaynerchuck

# It's all about understanding the psychology of the user

- Creative
- Aspirational
- Somewhat playful
- A bit like an instant gratification magazine
- Users 79% more likely to purchase something via Pinterest than via Facebook
- Pinterest produces 4 times the revenue-per-click of Twitter

# What is Pinterest?

- A curation tool – a place to create online collections – primarily images and video
- Pins are “visual bookmarks” that link back to the site they originated on – a **referral** for a brand
- People can add pins directly from websites or apps via a “Pin-It” button
- Users create collections of “Pins” into “Boards”
- Any pin can be “re-pinned”
- Home feed – pins from people you follow appear there

# Business accounts

- Identify yourself as a business
  - Verification available (adds to consumer confidence)
- Create a range of boards with different themes related to your business (people follow individual boards according to their interest)
- Naming of boards is important (so they can be found via search). Keep the name length to 20 characters or fewer (so it doesn't get cut off). Be clever and creative
- “Secret” boards available – create a collection before you publish

# Earned and paid media

- Interaction and engagement
  - Likes
  - Follows
  - Re-Pins
  - Comments
- Pinterest for Business
- Promoted Pins available for UK, Canadian and US business accounts

# What's important

- High quality content – especially photographs
- Good descriptions (used for search too)/ aspirational messaging
- Encourage a sense of authentic community – not overbearing selling. Think long term
- Make sure the link goes somewhere useful. Every photo should have a relevant hyperlink

# Some examples of good use of Pinterest

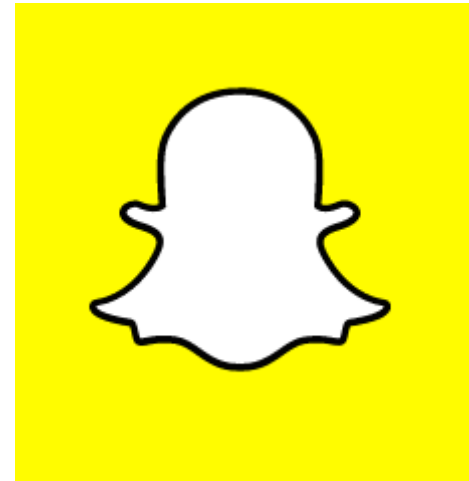
- Whole Foods Market – food and aspirational kitchens
- NHL – note use of hashtags
- Four Seasons Hotels



# **SNAPCHAT - OVERVIEW**

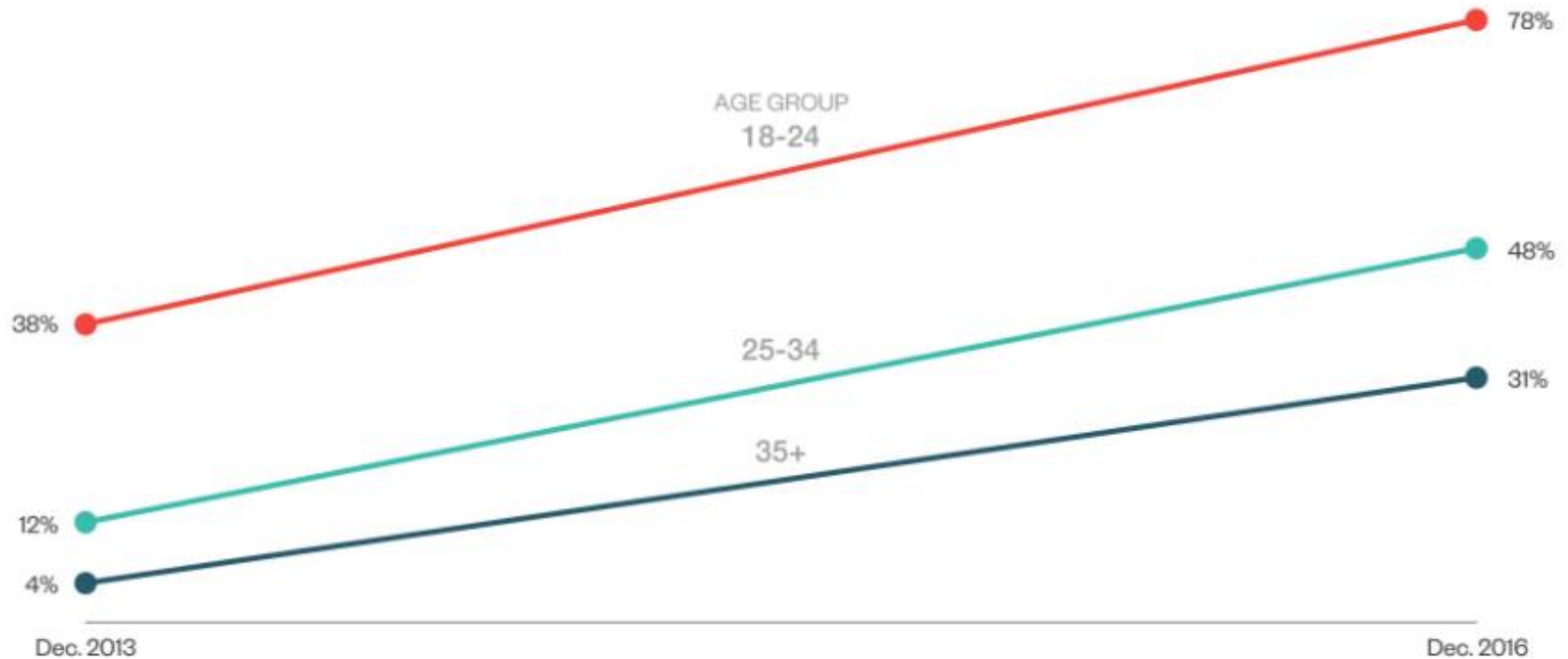
# Snapchat background

- Launched in September 2011
- September 2016 – Rebrands parent company to Snap Inc and launches first hardware product Spectacles
- 2017 – IPO



# Snapchat growth

Snapchat is nearly ubiquitous among adults 24 and younger, with 74 percent of American smartphone users in that age group using the app. It's also gaining ground with older people.

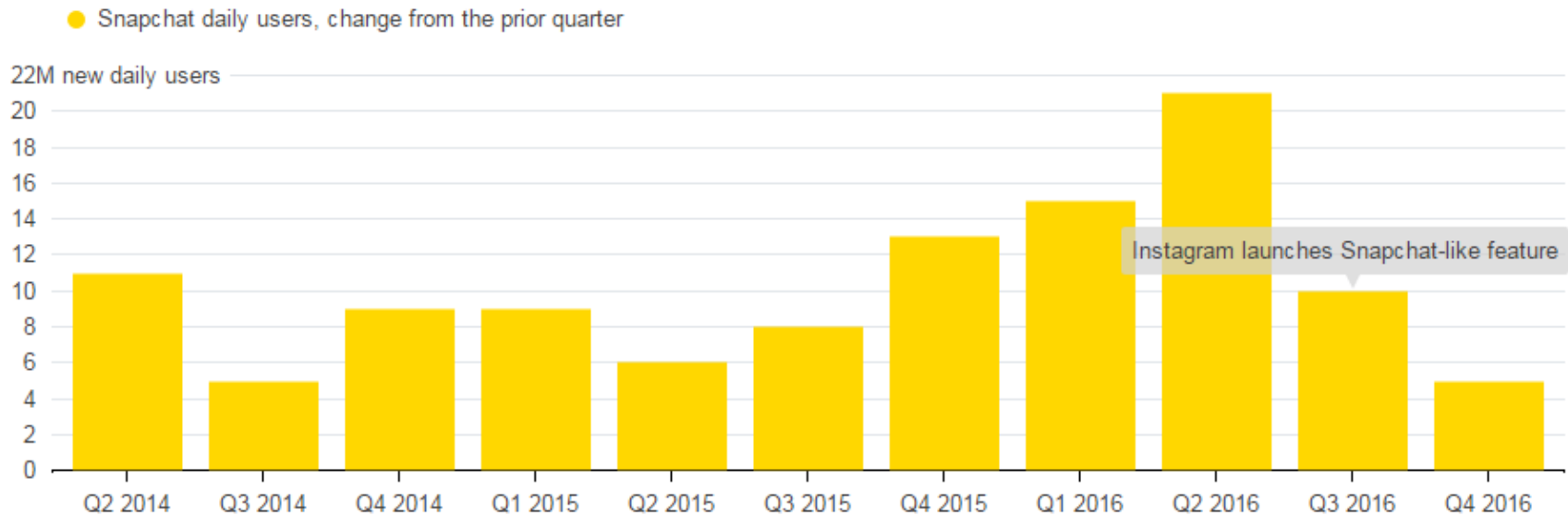


Source: comScore

Bloomberg Gadfly

<https://www.bloomberg.com/gadfly/articles/2017-02-27/snapchat-ipo-offers-investors-reasons-to-fear-or-cheer>

# Main problem – very easy to copy (if you are Facebook/Instagram)

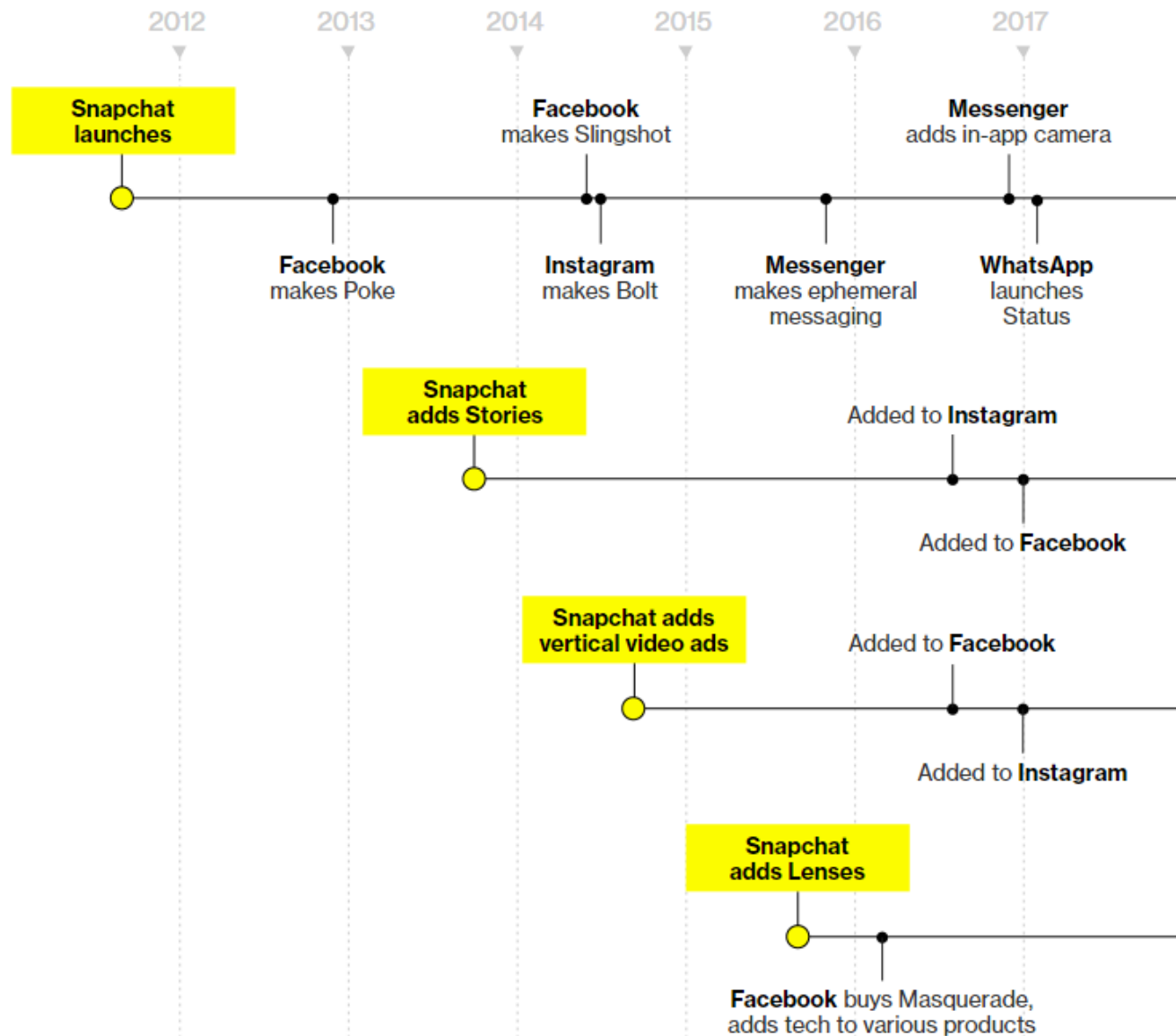


Source: Snapchat

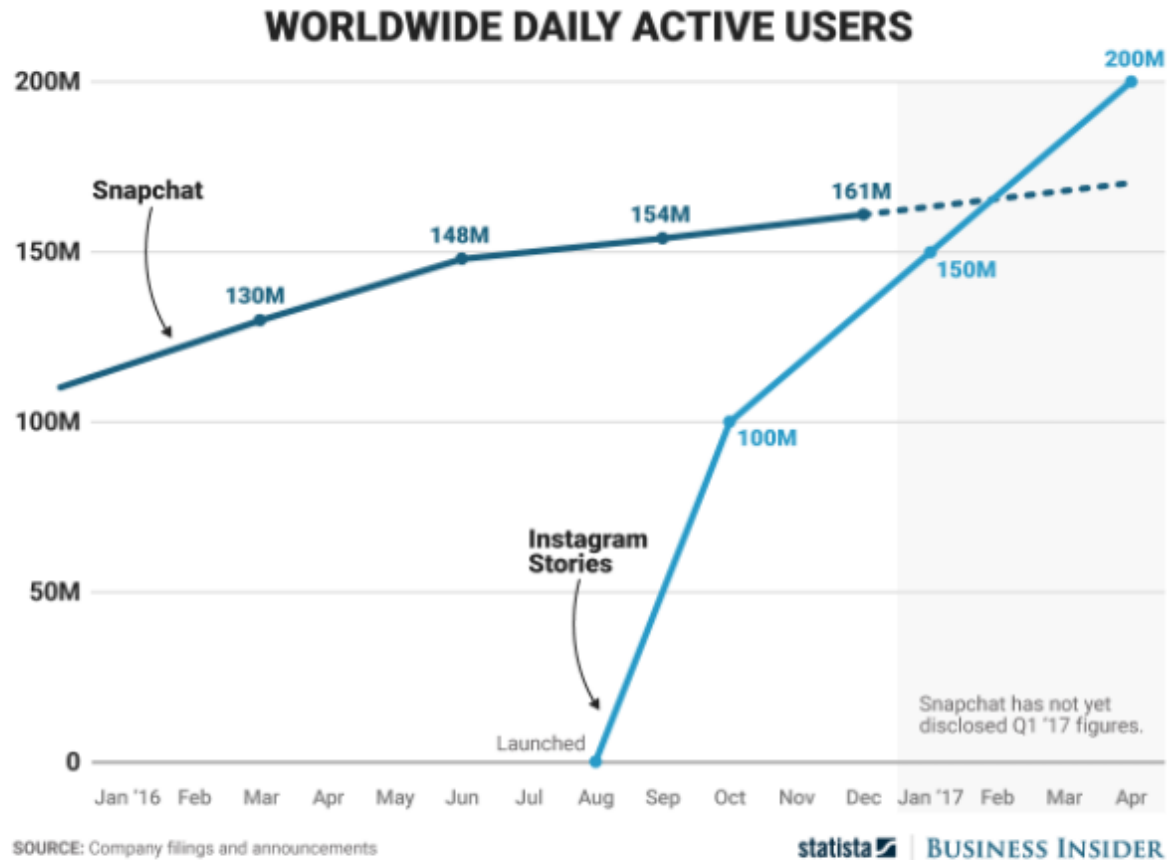
Note: Figures reflect Snapchat's calculation of the daily average across each quarter reported.

<https://www.bloomberg.com/gadfly/articles/2017-02-27/snapchat-ipo-offers-investors-reasons-to-fear-or-cheer>

# Facebook clones Snapchat



# Instagram Stories versus Snapchat



Mike Nudelman/Business Insider/Statista

# Paid media on Snapchat

- Sponsored Geofilters
- Snap Ads
- Sponsored Lenses
  
- Notice the use by big brands

