

GfK

FROM ACADEMIC RESEARCH TO PRACTICAL USE

MARKETING

INTELLIGENCE

REVIEW

# THE CONNECTED CONSUMER



Augmented Consumers  
Word-of-Mouth  
Product Seeding  
Social TV  
Mobile Advertising  
Social Network Analysis  
Big Data  
Brand Communication





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# Editorial



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We recently celebrated the iPhone's 10th birthday. It was only a decade ago that we saw Steve Jobs present Apple's first mobile phone. The first iPhone was unable to record videos, it had to be connected to a computer to be configured, it didn't have much memory, it was small and (by today's standards) very slow. In just 10 short years, however, things have changed dramatically. In 2008, the concept of mobile apps was introduced by Apple with the app store. Siri entered the scene in 2011. Google is adding one digital service after the next and Amazon is rolling out Alexa at a rapid pace. This year we've seen the launch of the iPhone 8 and iPhone X and almost 5 billion people globally are connected via smartphones. As much as mobile has transformed how we connect, so has social media. Over 2 billion people actively use Facebook and more than a billion use Whatsapp. And this mobile and social phenomenon is not limited to the young and conventionally tech savvy – almost everyone these days is "always on" and constantly connected.

These developments have left marketers in a constant state of exhaustion. They are confronted with huge amounts of data that they need to collect, interpret and translate into meaningful and actionable insights. They have to build real-time digital marketing capabilities because brands can only remain relevant if they connect with consumers at the right time, in the right place, with the right message, and in the right moment. And the journey is far from being over.

In this issue, our various contributions deal with many of the contemporary opportunities and challenges faced by marketing professionals. In a world where the connected consumer is the new normal, there are many interesting (albeit complex) questions to be addressed. If you want to learn more about current developments, you'll be inspired by the articles in this issue that provide new ways of thinking about word-of-mouth marketing, influencers, social TV, networks, mobile advertising and data analytics. I hope you enjoy reading this issue.

Yours,  
Andrew Stephen

*Editor*

A handwritten signature in black ink that reads "Andrew". The script is fluid and cursive, with a large initial 'A'.

Oxford, July 2017



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# Executive Summaries

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## Here Comes the Hyper-Connected Augmented Consumer

*Andrew T. Stephen*

Consumers have become “always on” and constantly connected. Search costs have plummeted, individuals’ abilities to digitally express themselves and their opinions have increased, and the opportunities for superior business and market intelligence for companies have skyrocketed. This has given rise to more, richer, and new sources of consumer data that marketers can leverage, and has fueled the data-driven insights revolution in marketing.

But there is more to come very soon. In marketing, we are quickly moving from the age of the connected consumer to the age of the augmented consumer. New technologies like wearable devices, smart sensors, consumer IoT devices, smart homes, and, critically, artificial intelligence ecosystems will not only connect, but will substantially and meaningfully augment the consumer in terms of their thoughts and behaviors. The biggest challenge for marketers will lie in how they approach marketing to this new type of consumer, particularly personal artificial intelligence ecosystems. This means marketing to algorithms, instead of people, and that is very different to how most marketing work is currently done.

## The Medium Shapes the Message: The Surprising Negative Spin of Close Friends’ Word-of-mouth

*David Dubois*

Many social media handbooks recommend targeting customers’ close connections and encouraging consumers to spread the word about their products and services among friends. But according to the findings of this research this strategy might not be the most effective way to build positive momentum. In fact, it might just do the opposite.

The feelings of closeness that WOM senders experience toward their recipients determine what they share. Being close instills the desire to protect a recipient from having a bad experience. Therefore, communicating negative information, which highlights potential negative outcomes or attributes of a product, becomes more likely to be shared among close friends. In relations with loose acquaintances the motive to impress is more prevalent. Therefore, communicating positive information, which is more likely to shed a positive light on the WOM sender, is more likely to be shared in such instances.

To encourage positive WOM for seeding campaigns, marketers should select the right platform and monitor closeness. Further, by framing the context of the campaign in the right way, they can also insure more positive WOM for a brand.





## Product Seeding: Word-of-Mouth Effects For and Beyond the Focal Product

*Yakov Bart*

In a classic seeded WOM marketing campaign, a company sends product samples to a selected group of influencers and encourages them to share the product information and their own opinions with other consumers. Positive effects include more WOM for the focal product in the target segment, but also in additional segments. But there are additional spillover effects on the brand and the product category level and they are negative. More conversations about the focal product reduced the “off-topic” conversations about other brands in the same category as well as other products of the same brand. These negative brand and category spillover effects are stronger when the focal product is of a more functional nature.

Marketers tend to consider only positive spillovers to be beneficial for a company, but negative spillovers should not be immediately classified as “bad news”. There are upsides to this effect that managers can use in their favor.

## Social TV: How Social Media Activity Interacts With TV Advertising

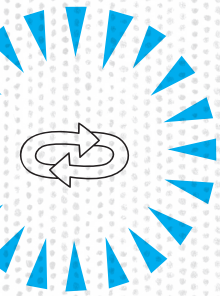
*Beth L. Fossen and David A. Schweidel*

Social TV is the simultaneous consumption of television alongside social media chatter about the programming. This topic is highly relevant for marketers. Usually it is considered as a bad thing for TV advertisers. While there can be distraction from the ads, marketers can also benefit from positive effects. Consumers’ multiscreen activities can be used to attract more viewers, to leverage TV campaigns and to increase sales. This chatter creates free exposure for the brand online, extends the reach of television ad campaigns to the online space, and offers real-time feedback to advertisers on how their ads are being received.

To take advantage of social TV, marketers need to develop a social media and ad design strategy for TV shows. Not every “social show” is good for them. Many programs receive a high volume of program-related chatter at the expense of advertiser-related word-of-mouth, but some programs generate high levels of online conversation that can also benefit their advertisers. Marketers are well served to identify those programs that are conducive to advertiser-related chatter. Also, specific ad designs can generate further buzz.







## Increasing the Effectiveness of Mobile Advertising by Using Contextual Information

*Michelle Andrews*

To avoid overtargeting consumers or targeting them at the wrong moment, mobile ads need to be relevant. Geographically, consumers have been shown to be more responsive to promotional offers from shops that were located close to them. For the lead time of promotions, the insights are similar: The closer in time, the better the response.

When considering the interplay of time and space, though, the picture becomes more complex. Recipients need enough time to respond given their distance from the promoted venue, but too much time may reduce response rates. It appears that people do not plan too far in advance for events such as movie watching or using small-screen devices such as smartphones. Another context that can affect people's response to mobile ads is that of the environment – what is going on around them. In a study of mobile promotions during subway rides, mobile campaigns turned out to be more effective on more crowded trains.

Even if this finding cannot be generalized to all forms of crowded environments, it clearly shows that context matters. Understanding its impact can help marketers become better gatekeepers by delivering the right mobile ad to the right person at the right time at the right place in the right context.

## Seeding on Moving Ground: How Understanding Network Instability Can Improve Message Dissemination

*Lev Muchnik and Jacob Goldenberg*

Most analyses of the social structure of a network implicitly assume that the relationships in the network are relatively stable. We present evidence that this is not the case. The focal network of this study grew in bursts rather than monotonously over time, and the bursts were highly localized. Links were added and deleted in nearby localities and not randomly dispersed throughout the network. Also, changes in structure led to simultaneous changes in the self-stated interests of its members.

For SNA marketing applications the findings suggest interesting improvements. Local bursts around a seed can change the structure of the network dramatically and therefore a marketer's influence and their chances of success. Therefore, network measurements should be carried out more frequently and closer to the actual implementation of a seeding campaign. To detect these abrupt, dramatic local changes marketers also use a finer resolution. Further, recommendation algorithms that simultaneously account for changes in network structure and content should be applied.

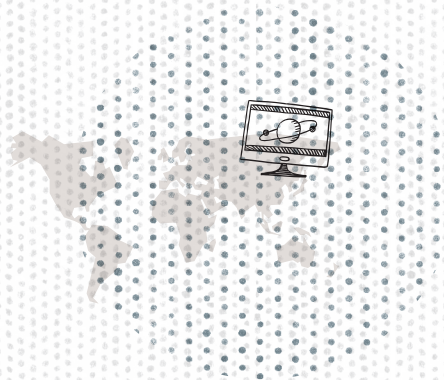




## Recreating Intimacy With Connected Consumers

*Interview*

In the good old days, shop managers knew their customers personally and were able to tailor offerings to their needs and desires. But how can we create meaningful moments for connected consumers in global markets? Yasmeen Ahmad explains how in digital times data fill in. Smart algorithms help generate insights and enable real time action to provide the right product and service to the right customer at the right time. Companies that don't want to be left behind a digital elite need to remain close to their customers across multiple digital touchpoints. Being capable of reading, interpreting and acting upon consumers' traces is a prerequisite.



## Brand Communication in a Digitalized World

*Robert Kecskes*

The way in which we communicate is changing radically. In the analog world, promotional communication was consumed rather passively. In today's digital age, consumers have become more active. The younger consumer generation in particular – referred to as iBrains – are increasingly spreading their own product experiences across digital channels into the virtual world. Stimulus-response communication still has its place, but must be supplemented with interactive offers that enable dialogue with consumers. Diverse communication channels must be utilized – analog as well as digital – in order to reach the young target groups.

As consumers tend to be "always on", they use different communication channels simultaneously, leading to continuous partial attention. Therefore, not only are new channels necessary but the entire communication style and design need to be adapted. It is not enough to simply make contact. Instead of thinking about shortening the message, creativity should be put into creatively combining the different building blocks of communication.





# Here Comes the Hyper-Connected Augmented Consumer

*Andrew T. Stephen*

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KEYWORDS

*Connected Consumer, Augmented  
Consumer, AI, Analytics, Real-time*

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**Yesterday and Today: The Age of the Connected Consumer** ///

It is well established that consumers are connected more than they ever have been. This has happened in large part due to the popularity of social media, as well as the proliferation of smartphones. For example, according to a report released by the social media software company Hootsuite and the social media marketing agency We Are Social, as of January 2017, there are about 2.8 billion active social media users and 4.9 billion mobile users in the world. These are large numbers, of course, and they have grown rapidly over the last decade. As a result of the digital connectivity afforded to people around the world, consumers have become what I refer to as “always on and constantly connected.” In other words, we live in an age of connectivity where consumers can access vast amounts of information and communicate with others across massive distances whenever and wherever they like. Search costs have plummeted, individuals’ abilities to digitally express themselves and their opinions have increased, and the opportunities for superior business and market intelligence for companies have skyrocketed.

**Opportunities for greater market intelligence** ///

This last change is perhaps the most profound for the marketing profession and in this issue you find a selection of recent top research in this area. Marketers enjoy having access to more and richer data due to the rise of the connected, always-on consumer. This is fueling better customer insights and the infusion of data into all facets of marketing and brand management. Social media and word-of-mouth (WOM) are among the most relevant fields in this respect. On page 18 David Dubois analyses what motivates consumers to either



{ Box 1 }

## L'ORÉAL PARIS: MAKEUP GENIUS – HOW CONSUMERS AND COMPANIES CAN BENEFIT FROM NEW DIGITAL TOUCHPOINTS

In May 2014, L'Oréal Paris launched a mobile beauty app for their flagship brand. The app, called Makeup Genius, was designed to revolutionize how consumers shop for beauty products like mascara and lipstick. Instead of having to purchase an item in order to try it on, L'Oréal wanted to allow consumers to virtually trial their products using a mobile app. The solution, which was developed by working with Hollywood-grade digital visual effects specialists, was an augmented reality app. This was a transformation of the mass-market beauty shopping experience. Consumers could try products on, create new looks by combining products and colors and share their virtual looks on social media. In some countries, they could even purchase the products directly in the app without having to visit a mass retailer.

This was a big success. In the first year, when the app was only available in the United States, France, and China, it was downloaded approximately 5.9 million times. After two years, with the app available throughout much of the world, it had been downloaded about 16.3 million times and the average

user tried on 18 different products. A newer version of the app is available today. It continues to be a popular digital touchpoint for L'Oréal Paris and the brand sees it as an important digital platform for connecting and interacting with consumers.

What this all means for marketers at L'Oréal Paris is that they now have a new source of consumer insight. By leveraging the always-on, constantly connected nature of consumers, L'Oréal has unlocked a new source of consumer data. Every time a consumer virtually tests a product in Makeup Genius or creates a look by combining several products, L'Oréal potentially learns something new about consumer interest in their products. Likewise, whenever a consumer shares a photo of their look through the app – or makes a purchase – they are getting a signal about consumer interest in and sentiment towards their products that they would not otherwise know about. This intelligence can feed into all sorts of decision making, including product development, supply chain and operations, digital advertising, and more.

Further details: Stephen, Andrew T. and Gillian Brooks (2017), L'Oréal Paris: Makeup Genius App Saïd Business School Case Study.



share positive or negative WOM with friends and acquaintances and comes up with interesting marketing implications. Yakov Bart (pp. 24) investigates how product seeding not only affects the focal product but the whole category and competing brands, an effect that savvy marketers can leverage to their advantage. Another interesting phenomenon we cover is Social TV. While consumer multiscreen activity tends to be considered as a threat to TV and especially TV advertising, Beth Fossen and David Schweidel (pp. 30) show that TV can indeed benefit from the buzz during their shows. The greater availability of connected consumer data of course

has also enabled newer forms of digital marketing, such as precision targeting and real-time, programmatic advertising that shows personalized ads to consumers at, hopefully, the right moments in terms of place, time and intention. In this context, Michelle Andrews (pp. 36) presents her findings on the effectiveness of mobile advertising in different contexts and highlights the importance of considering environmental factors to improve the relevance and hence effectiveness of mobile ads. Network analysis is the topic covered by Lev Muchnik and Jacob Goldenberg (pp. 42), who demonstrate that networks evolve differently than often assumed



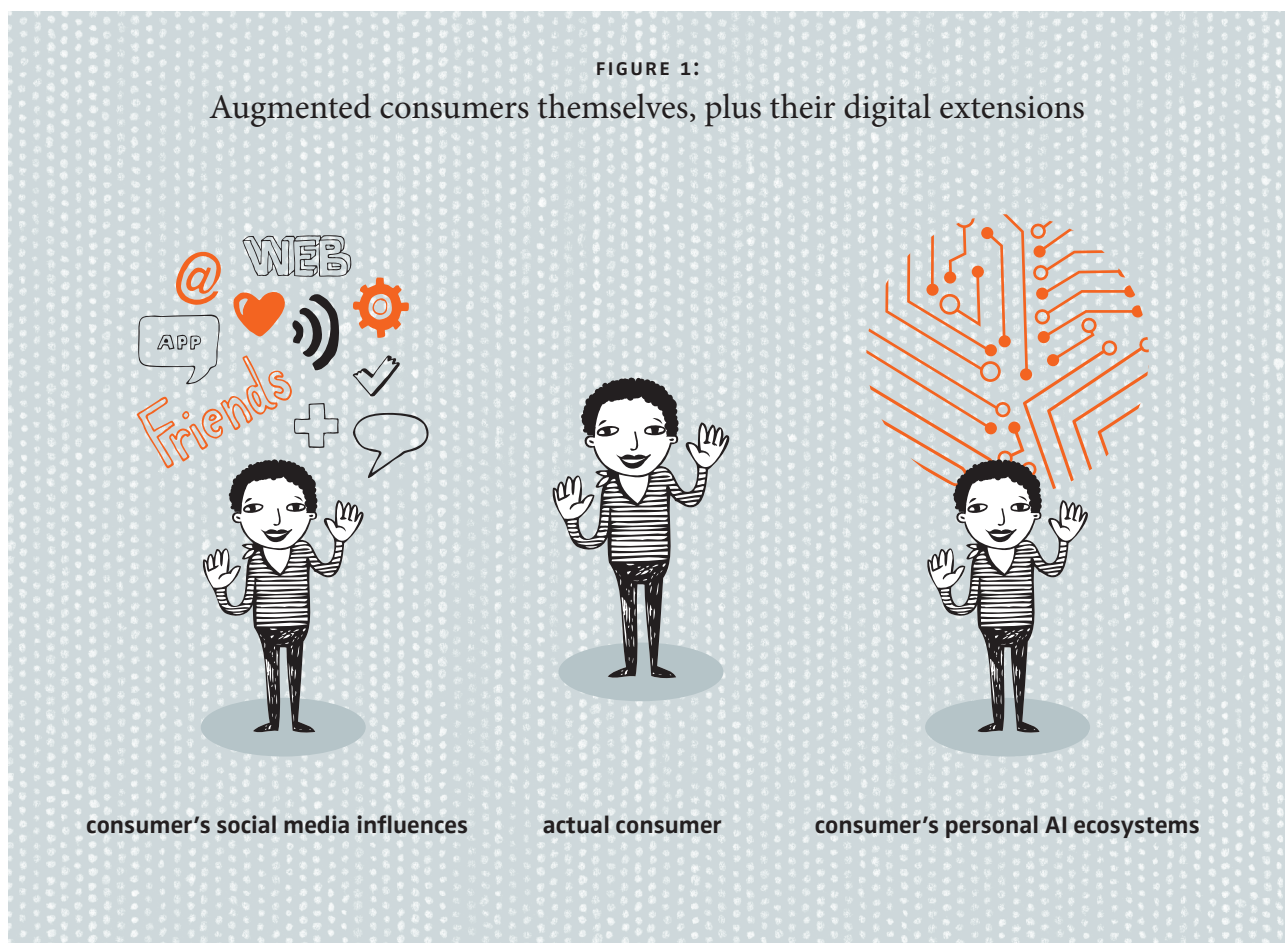
and come up with straightforward recommendations for improved social network analysis marketing. Finally, Robert Kecskes from GfK (pp. 54) discusses how being “always on” changes brand communication.

The age of the connected consumer, in which we now live, has given marketers new types of data due to the ability for new digital touchpoints to be inserted into consumer buying journeys. An example of this comes from L’Oréal (see Box 1).

This new age has been marked by the proliferation of digital touchpoints in consumers’ purchase journeys. It has been facilitated by the always-on, constantly connected nature of the modern consumer who is a non-stop user of social media and their smartphone. This has given rise to more, richer, and

new sources of consumer data that marketers can leverage, and has fueled the data-driven insights revolution in marketing. As a consequence, analytics companies like Teradata are working with big retailers to build advanced, real-time analytics engines that facilitate more efficient marketing. In our interview (pp. 48), Yasmeen Ahmad, Think Big Analytics Director at Teradata, illustrates the challenges and opportunities that lie in the data originating from consumers’ 24/7 online presence.

**Tomorrow: Moving Into the Age of the Augmented Consumer** /// So what comes next? In the age of the connected consumer (yesterday and today), consumers are digitally connected to other people, to digital services and platforms. But the journey isn’t over yet. In the age of the augmented



{Box 2}

## GOOD MORNING, AUGMENTED CONSUMER!

It is 6 a.m. The alarm on your iPhone goes off. Time to start another day. Before leaping out of bed, you check your favorite social media apps – Facebook, Instagram, Twitter. You get the overnight news just from your feeds. You then probably see that many (too many!) emails have arrived during the night, so you take a look at those and quickly identify the ones that will need attention immediately versus those that can wait. You get up, and start getting ready for the day. You ask Siri (or Alexa, if you prefer) to turn up the heat because it is a bit chilly this morning. While you're at it, you ask her to brew some coffee and make some toast so that it is ready in time for when you've gotten out of the shower. At that point, she reminds you that you have an early meeting at the office and that traffic is bad so you'll have to leave in 30 minutes. "Okay, thanks Siri," you say, "Stop making the coffee and toast, and place my usual order at Starbucks for pickup in 45 minutes from now." Quickly, you shower and get dressed and head out the door into your car. "Thanks Siri," you think to yourself upon getting in and feeling the warmth of the seats and steering wheel, a result of Siri pre-emptively turning on the car's heating system 10 minutes earlier. Off you drive, heading to work – but first Starbucks – listening to a Spotify playlist that was curated for you just this morning, with some of your favorite motivational songs that the system knows you love and will need because today's schedule is jam-packed with important meetings.



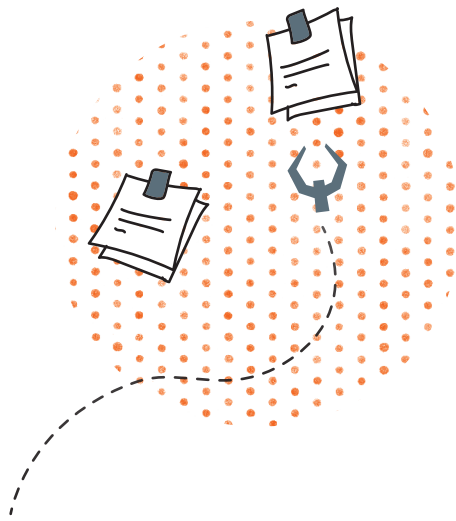
consumer (tomorrow), we will still be connected to people, services and platforms, but we will also be connected to smart devices and sensors. Box 2 illustrates what a typical morning routine might look like in a world full of wearable devices, smart sensors, consumer IoT devices, smart homes, and, critically, artificial intelligence ecosystems (AIE). This is the future. It is not a distant future that is 10 or 20 years away, though. This is the future of the next few years and, in some cases, it is already here. In marketing, we are quickly moving from the age of the connected consumer to the age of the augmented consumer. These new technologies will not only connect, but also substantially and meaningfully augment the consumer in terms of their thoughts and behaviors.

If we think of this coming age, what we ultimately see is a consumer who is completely augmented by other intelligent entities. They will be hyper-connected in the sense that they are not only tethered to smartphones and social media but also to sensors, wearables and other smart IoT devices. All of these connections will produce streams of data that personal artificial intelligence ecosystems (AIEs) will use, in real-time, to guide consumer behavior. Thus, in the near future marketers will have to think about consumers who are an amalgamation of a number of entities, each of which has some influence on behavior: the actual consumers, or persons themselves, the consumers' social media influences, including friends and family, as well as "influencers" that they follow and pay attention to and the consumer's personal artificial intelligence ecosystems (see Figure 1).

**Artificial intelligence ecosystems as advisers and butlers** /// The AIEs will have voice-based interfaces like Siri and Alexa, or interfaces as with the more familiar mobile apps and web-based platforms. They are ecosystems in the true sense of the word – systems of systems – because they link various AI systems into a seamless, integrated user experience. I foresee two broad types of AIEs: prescriptive and delegational (see Figure 2).

First, there will be **prescriptive AIEs** that try to help consumers make better decisions through "prescriptions" or recommendations. For example, Apple and Google can already scan your calendar and suggest when the best time to leave for an appointment will be, given traffic conditions and your preferences for modes of transport (e.g., mass transit, driving, walking). We'll continue to see prescriptive AIEs offer these kinds of seemingly helpful services to consumers.





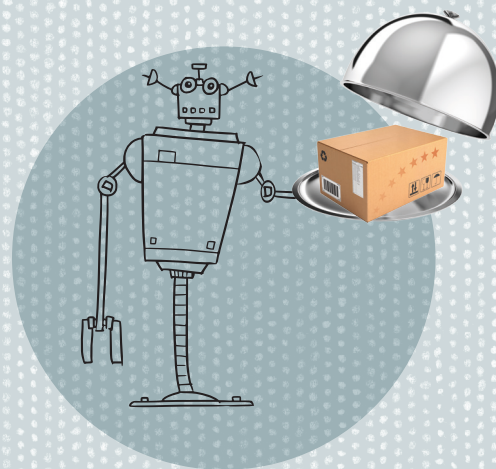
Second, we will soon see the rise of **delegational AIEs**. These will go beyond offering consumers advice, recommendations or suggestions. Instead, they will go ahead and act on their recommendations so as to automate various decisions, workflows, and facets of consumers' lives. This will be based on combining consumer data on their stated preferences, learned or inferred preferences, and prior behaviors with other kinds of data that capture conditions in the external

environment. A simple example comes from the morning routine vignette in Box 2. Instead of having to manually turn on the car's heating system before leaving, a delegational AIE knew to pre-emptively heat up the car without its owner having to intervene. It took consumer data, like the typical time of leaving, the calendar for the day and prior use of car heating and combined it with environmental data such as outside temperature and traffic conditions. Another example

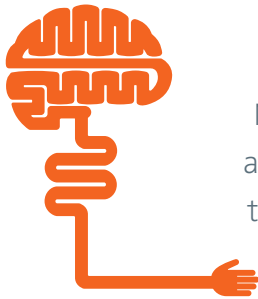
**FIGURE 2:**  
Prescriptive and delegational augmented consumers' AI ecosystems



**AI ADVICE**



**AI SERVICE**



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New technologies will not only connect, but also substantially and meaningfully augment the consumer in terms of their thoughts and behaviors.

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might be automated shopping services, something that we might expect to see from a company like Amazon in the not-too-distant future. They might combine data on a consumer's past purchases, their shopping habits and price sensitivities, their brand preferences and their bank information with external data on product pricing and promotions. As a result, a delegational AIE for shopping could easily know when a consumer is likely to want (and able to afford) a certain product and will just buy it.

Thus, when we think about the future that is upon us, the trend of consumer connectivity is not going to slow down. It will accelerate into hyper-connectivity as we see more opportunities for connection between consumers and other entities – particularly AIEs – that will automate a lot of consumer decision making and behaviors. Consumer-facing intelligent systems are going to be extremely important in this space, similar to how marketing automation (and artificial intelligence) has become popular among digital marketing professionals in the last year or two.

### Marketing challenges in a hyper-connected world

/// The hyper-connected, augmented consumer will be a combination of the self and an extended self. The digital extensions encompass the social influences that have been a hallmark of the current age of the connected consumer, plus the new AIEs that will become the hallmark of the age of the augmented consumer. Extended consumers pose new challenges.

> **Marketing to algorithms instead of people** /// The biggest challenge for marketers will lie in how they approach marketing to this new type of consumer. Particularly to the personal AIEs. Marketers will be forced to think about how they communicate and engage with not only the consumers themselves but also their personal AIEs. This means

marketing to algorithms, instead of people, and that is very different to how most marketing work is currently done. As I recently said in my monthly column for Forbes CMO, one of the aspects that will become important for the future of work in the marketing profession will be the need to understand and build marketing programs targeted at algorithms and intelligent software systems.

> **“Upskilling” the marketing workforce** /// Many of the world's largest marketing-driven companies have started to realize this development, but it is early days. At the moment, preparing to face this challenge involves equipping your marketing workforce with new, digital-focused skills. So-called “upskilling” is now a strategic imperative and companies such as the digital skills learning pioneer General Assembly and forward-thinking universities and business schools are helping big companies forge ahead in this regard. But the concept of marketing to AIEs is a very new idea, and something that upskilling and digital marketing education programs are yet to embrace. Getting ready for this, however, is a strategic imperative.

> **Handling AI resistance and differences in adoption speed** /// Another critical challenge marketers will need to address early on in the age of the augmented consumer is consumer resistance to the use of AIEs. As with any new technology, consumers will adopt it at varying rates, with the classical “early-adopters” enthusiastically jumping in at the start, and others joining over time. A factor that will regulate the speed with which we will enter into the age of the augmented consumer will be consumer trust in personal AIEs. Relying on algorithms to make decisions probably does not come naturally to many people, and relinquishing control will be hard for many. The technology



companies leading the change in AI – Amazon, Facebook and Google – have a collective vested interest in rolling this out as quickly as possible, and they will likely succeed at this. However, consumers may resist and marketers will have to grapple with this. Consumers will, however, eventually learn to trust and rely on their augmented AI helpers. The challenge for marketers, though, lies in deciding when and how to embrace this new type of consumer. Do you jump in early so that you can experiment and learn a lot? Or do you sit on the sidelines and wait it out? Additionally, when marketers do start to embrace the age of the augmented consumer, they will need to ensure that the experiences they create and the approaches they take are responsible and lead to improvements in satisfaction.

**Get ready for the real science fiction!** /// We have been living in the age of the connected consumer now for some time. It has been an exciting time for consumers and marketers alike, as new technologies have transformed and enhanced our lives in meaningful ways. Advances in artificial intelligence and machine learning, coupled with the proliferation of smart connected devices and sensors within the consumer IoT space are combined with the growing embrace of data-driven, analytics-focused approaches to marketing. This all means that the time is upon us where we will shift into a new age. The age of the augmented consumer takes us to a science-fiction world where consumers are part human, part machine. The future is intriguing and presents new challenges and imperatives for the marketing profession. We are heading into this quickly, and marketers should get ready now before the train has picked up too much pace to still hop on.

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We are heading into this quickly,  
and marketers should get ready now  
before the train has picked up too much  
pace to still hop on.

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# The Medium Shapes the Message: The Surprising Negative Spin of Close Friends' Word-of-Mouth

*David Dubois*

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KEYWORDS

*Word-of-Mouth, WOM,  
Friends, Social Media, Buzz*

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## **Relying on friends and peers rather than experts**

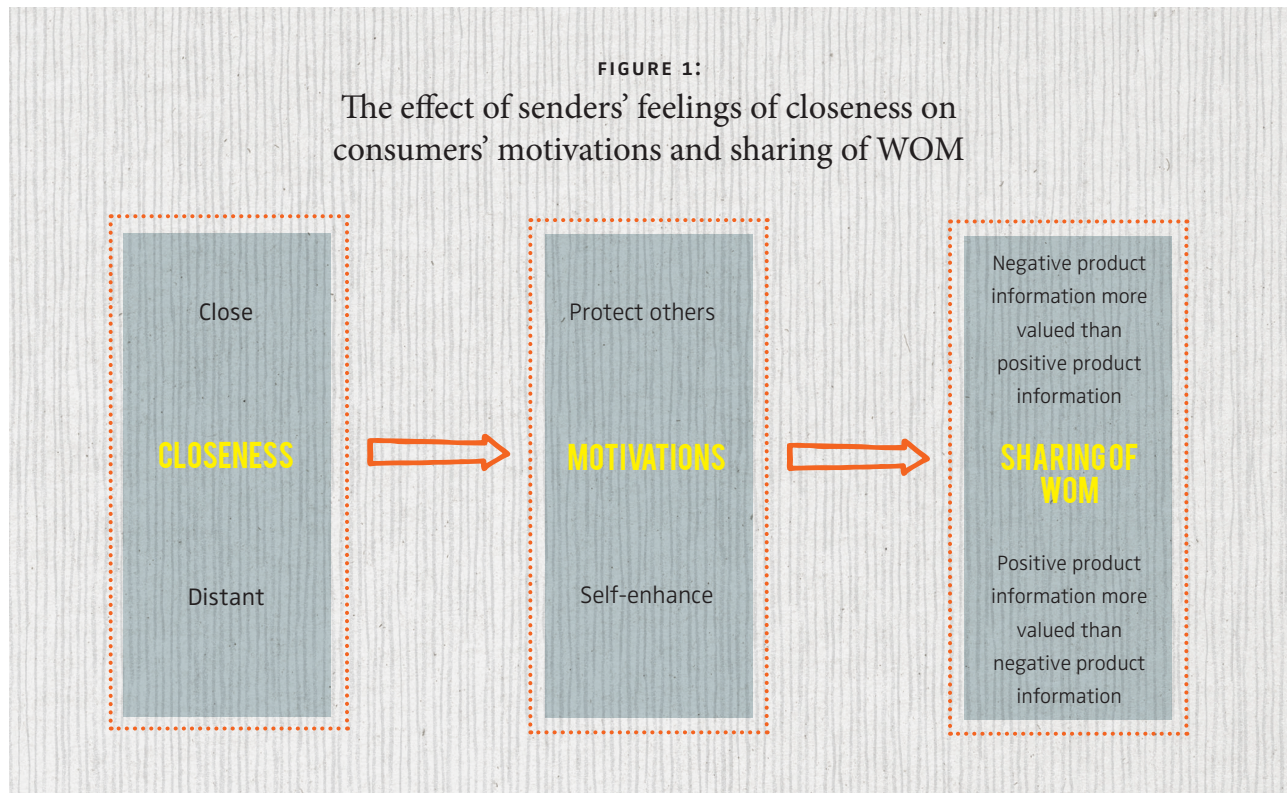
/// Consumers increasingly rely on their digital social networks – friends, colleagues and mere acquaintances – to make decisions about which products or services to buy or which candidate to vote for. They no longer trust traditional forms of advertising such as television or mass media and are placing increasing trust in the experience of other people, often readily available online. Consumers seem to trust and rely on word-of-mouth (WOM) or buzz in this manner even when they don't know the posters personally or when these individuals share their experience anonymously, as is often the case with, for example, online travel agencies such as Booking.com.

## **The WOM effect is substantial** ///

On average, a 7 % increase in favorable WOM messages can increase a company's revenues by as much as 1 %. Similarly, a recent study in the hotel industry conducted in Europe showed that an increase of 10 points of a hotel's e-reputation score on TripAdvisor translated into a 10 % increase in bookings at that hotel. Conversely, an increase of 1,000 word-of-mouth complaints can cost the airline industry an accumulated loss of as much as \$8.1 billion over 20 months. Therefore, being able to successfully spread positive, and limit negative, word-of-mouth about one's products and services has become an essential skill.

Many social media handbooks recommend targeting customers' close connections and encouraging consumers to spread the word about their products and services among friends. This perspective assumes that one's friends are disposed to speak favorably about products and services. But is this always the case? Not really!





**The closeness shapes the message** /// It turns out that it matters how close WOM senders feel towards WOM recipients. This, in turn, influences the extent to which they push more positive or more negative information. The feelings of closeness that WOM senders experience toward their recipients determine what they share. On the one hand, feeling close to a recipient instills the need to protect the recipient. The WOM sender wants to avoid the recipient having a bad experience. Therefore, communicating negative information, which highlights potential negative outcomes or attributes of a product, becomes valued and thus more likely to be shared among close friends.

On the other hand, feeling distant from a recipient instills the need to self-enhance and impress. Communicating positive information, which is more likely to be appreciated and to shed a positive light on the WOM sender, becomes valued and thus more likely to be shared among mere acquaintances (see Figure 1). In one study, we asked people to share a message on LinkedIn to a person of their choice. We also counted the number of overlapping connections a sender had with each

message recipient. Confirming our intuition, the greater the overlap between a WOM sender and a WOM recipient, the more negative people tended to be in their message.

**The platform effect: LinkedIn versus Facebook** ///

A similar effect can be observed across different platforms: For instance, people tend to use Facebook more to foster and

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The feelings of closeness that WOM  
senders experience toward their recipients  
determine what they share.  
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maintain personal connections, while they use LinkedIn for professional connections. Without consumers being aware of it, the platform itself changes the very reason why they share. Sharing with someone on Facebook can increase feelings of proximity compared to sharing with the same person on the more professional and less personal platform LinkedIn – at least for specific consumer segments. In another study, we asked millennials to send a short note featuring the pros and cons of a camera with an acquaintance on Facebook and on LinkedIn. Looking at what they wrote in their reviews revealed that millennials included more cons than pros when sharing on Facebook but more pros than cons on LinkedIn – confirming that the medium shapes the message.

#### When is this distortion more likely to take place?

/// This happens when people talk about new and exciting products, it turns out. Talking about a new product can give

consumers the opportunity to build their image because the new features or attributes of that product can make them look more smart and in the know. At the same time, talking about a new product can give consumers good grounds to warn others because new products are typically seen as more risky. A third study confirmed this theory. We had a group of people share news about a new product or a well-established product on Facebook and on LinkedIn. And indeed, spreading news about a new product yielded both more positive chatter with LinkedIn connections but more negative chatter with Facebook friends. However, these differences disappeared when people talked about the well-established product. Highlighting the product's novelty had amplified the effects of relationship strength, and this prompted participants to share more positive information with distant connections but more negative information with those close to them (see Figure 2).

{Box 1}

### WHICH FACTORS FAVOR POSITIVE WOM?

To explore the nature of WOM, my colleagues Andrea Bonezzi from NYU Stern and Matteo De Angelis from LUISS Business School and I conducted a series of studies investigating when and why consumers share positive or negative product or service information.

In a wide range of contexts, including restaurants, cameras and hotels, consumers actually focused more on either the pros or the cons of an option, depending on the platform they used and on whether they were communicating with friends or mere acquaintances. Also, the type of product made a difference. News on new products is spread differently than on well-established products.

The different focus in the message stems from different motives the WOM senders pursue – mostly unconsciously: While they want to protect close friends from unpleasant experiences, their prior objective vis-à-vis loose acquaintances is making a good and savvy impression. Consequently, positive information tends to spread more easily across weakly tied connections, while negative word-of-mouth tends to spread among close ties, which makes them potentially dangerous to build on for marketing executives.



THINK ABOUT IT





**FIGURE 2:**  
The effect of closeness is stronger for innovative products

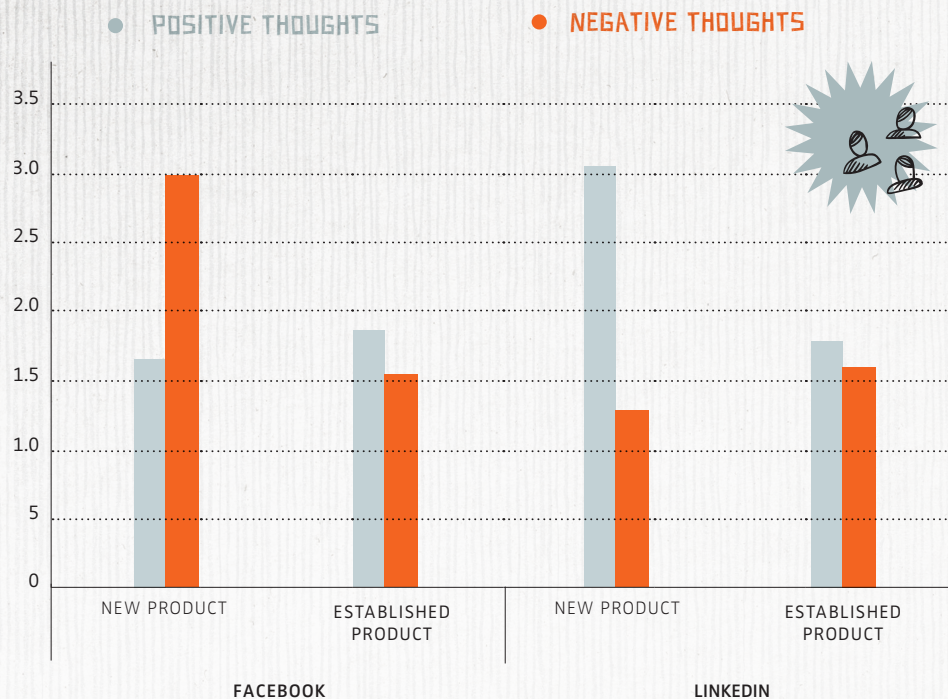


Figure adapted from Dubois et al. 2016

**How to encourage positive buzz** /// The insights of our research imply several recommendations for marketers in charge of designing their brands' social media or WOM campaigns.

> **Monitor the closeness of community members** /// Social media platforms and channel formats, like messengers, social networks, blogs, etc. can help managers assess the extent to which their community is tightly connected. A lot of information and metrics are instantly available. A pic-

ture, the number of overlapping connections with someone or a shared event can be very relevant to estimate consumers' closeness and, as a result, what these consumers are likely to share online.

> **Select the right platform for WOM campaigns** /// Overall, the type of platform on which the organization shares the information seems instrumental in shaping WOM propagation. LinkedIn or other platforms that typically focus on looser connections may be a better bet for starting a

campaign as self-enhancement motives tend to be higher. Looking at the size of an audience can also be helpful. In small communities, consumers are likely to feel more intimate, and therefore the risk that they will share more negative information about a product is higher.

- > **Frame the communication context to favor positive WOM** /// Digital managers should also pay attention to how they encourage consumers to produce content about their products and services. At a time when more than 80 % of reviews on Amazon are incentivized, a savvy marketer might decide to encourage the sharing of positive word-of-mouth messages by adjusting the context of their communication. This could mean displaying a photo of a potential recipient to highlight dissimilarities between the sender and the recipient and hence reducing a feeling of closeness.
- > **Close friends might not be a digital marketer's best bet** /// Finally, our research speaks to the potential dangers of advising a company to leverage customers' friends to spread ideas or products. This might not be the most effective way to build positive momentum; in fact, in some contexts, it might just do the opposite.

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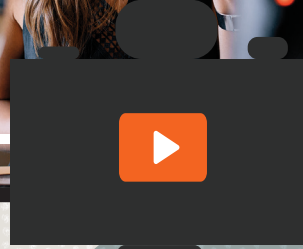
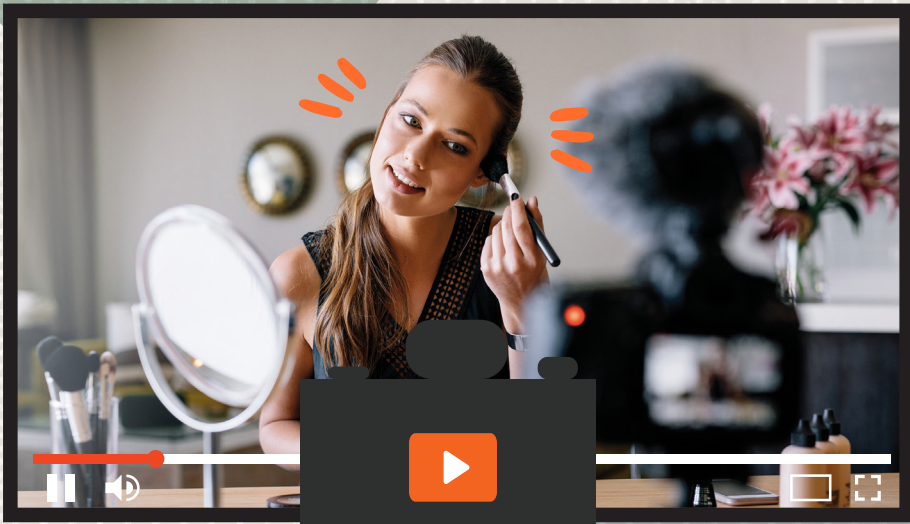
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# Product Seeding: Word-of-Mouth Effects For and Beyond the Focal Product

*Yakov Bart*

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KEYWORDS

*WOM, Word-of-Mouth,  
Seeded Marketing Campaigns, Social Media,  
Spillover Effects, Viral Marketing*

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**Seeded word-of-mouth (WOM) marketing campaigns are very popular** ///

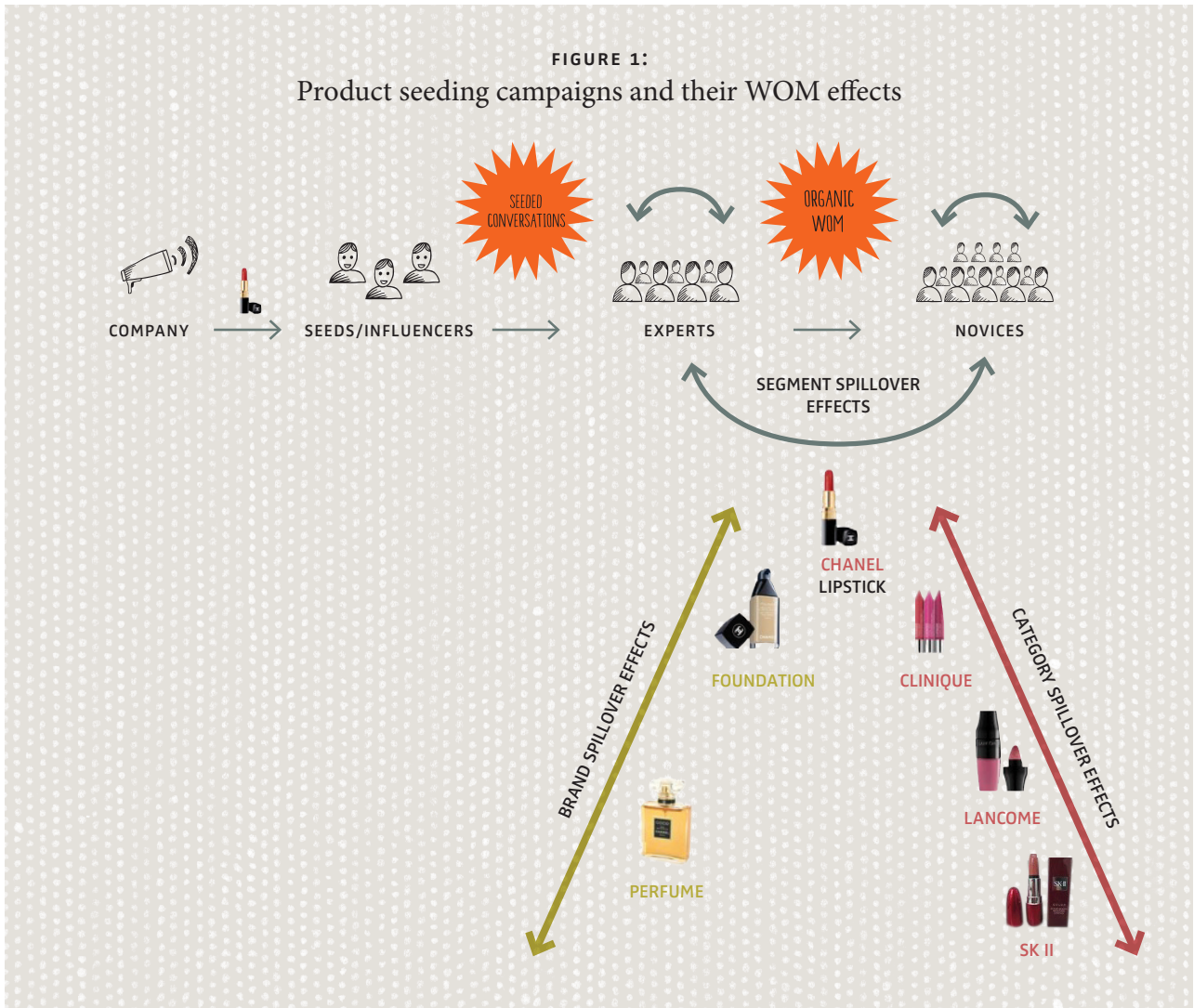
Marketers know that consumers are much more likely to trust their peers over traditional advertising when it comes to purchasing decisions. Therefore, the idea of using product samples to promote new offerings is increasingly common. In the most recent industry survey by the American Marketing Association and the Word-of-Mouth Marketing Association, over 70 % of marketers said they have used or plan to use consumers to disseminate product-related content.

In a classic seeded WOM marketing campaign, a company sends product samples to a selected group of consumers, typically referred to as seeds, and encourages them to try the product and share the product information and their own opinions with other consumers. Seeds typically spread product-related information in the form of posts in online forums, on social media websites or as reviews on retail websites – and lots of these transmissions can be tracked by brands through online and social media monitoring.

**Obvious and less obvious effects of seeded WOM campaigns** ///

Usually companies concentrate on measuring diffusion of information about the product that has been seeded, the focal product. For example, if a campaign consisted of the Chanel brand sending new lipstick samples to seeds, then the marketing managers would typically focus on monitoring online communities related to cosmetics and collect data on how this campaign affected consumer conversations about this new Chanel lipstick only.





In our research, we demonstrate that such a narrow focus would be a mistake. Consumer conversations on products related to but different from a focal product are also likely to get affected. In other words, seeding a product can result in various spillovers. For example, seeding Chanel lipstick may lead to more or fewer conversations about other Chanel products or about lipsticks marketed by other brands. Moreover, WOM about a focal product among consumers in one segment could affect product-related or brand-related conversations among consumers in other segments. For example,

while Chanel is likely to choose seeds that are expert cosmetics users, WOM generated by consumers in this segment may also affect how much folks talk about it in other consumer segments, such as more novice cosmetics users (see Figure 1). In our study (Box 1) we identified several effects:

**Effect of seeding on focal product WOM** /// As expected, seeds started spreading WOM through discussing their experiences with a new product, and, in doing so, this raised interest from other consumers. These consumers started sharing

and generating new WOM about the focal product as well. The impact of seeding on focal products' WOM both among experts and novices was positive and statistically significant: In both groups, conversations and posts about the seeded products increased. This mechanism is fundamental for the success of any seeding campaign and has long been established by past studies.

**Segment spillovers** /// We found that the effect of seeding on WOM about the focal product is amplified through positive segment spillovers from organic WOM in both segments: Nonseed focal product WOM among experts positively affects

nonseed focal product WOM among novices and vice versa. At the brand and category levels, segment spillovers were also present, albeit in a one-sided manner: Brand-related organic WOM among novices positively affects organic WOM among experts, and category-related organic WOM among experts positively affects organic WOM among novices.

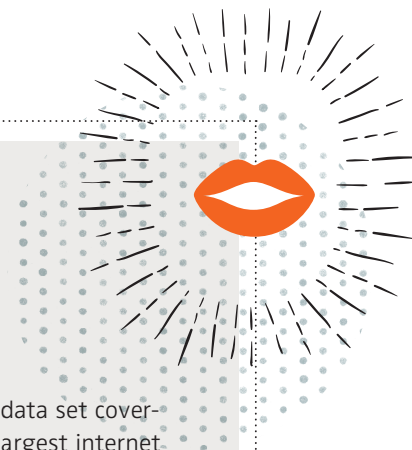
**Brand and category spillovers** /// More surprisingly, we found that WOM from product seeding campaigns triggered negative spillover effects across brands and categories. In other words, more conversations about the focal product reduced the "off-topic" conversations about other brands in

{Box 1}

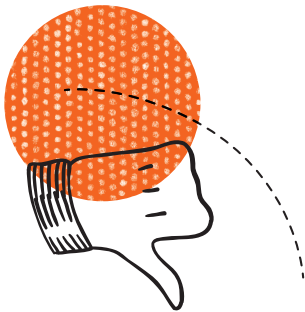
## STUDYING WOM SPILLOVER EFFECTS OF SEEDING COSMETIC PRODUCTS

In order to empirically estimate the WOM spillover effects, we have collected a unique data set covering product-related discussion forums for cosmetics products from Naver, one of the largest internet portal sites in South Korea. We chose this field setting because of the large size of the South Korean cosmetics industry (about \$1 billion in sales) and because it is common for cosmetics companies to use product seeding campaigns for promoting new products. Also, in this industry consumers often engage in online conversations about their experiences and new products that come in frequently, and there are many brands with products across multiple categories. Finally, Naver's cosmetics forums are divided into a members-only forum for expert users and an open forum primarily populated by relatively novice users.

In our data collection, we've obtained a list of all products that were promoted in seeding campaigns run by cosmetics companies between February 2008 and November 2011. The sample included 390 products by 192 different cosmetics brands across 11 cosmetics product categories, (such as lipstick, toner and nail polish). We collected all posts mentioning these promoted (focal) products in both expert and novice forums and then collected all posts in expert and novice forums that mention these focal products' brands or categories within the same time period. To identify spillover effects, we estimated a 16-equation multivariate model.



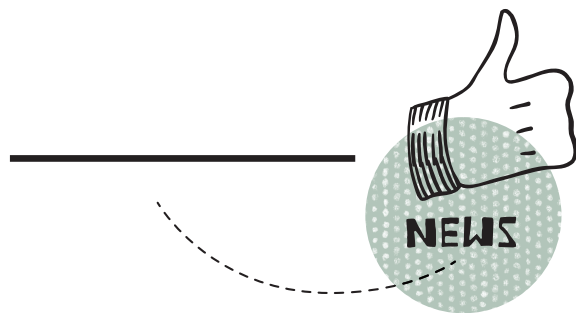




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Marketers tend to consider only positive spillovers to be beneficial for a company, but negative spillovers should not be immediately classified as “bad news.”

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the same category as well as other products of the same brand. For example, the more seeds talked about the focal Chanel lipstick, the less non-seeds talked about Chanel products in other categories and the less they talked about other lipsticks offered by competitors.

The negative spillovers are interesting because spillover effects in the advertising literature are primarily positive. Despite it being highly likely that exposure to a focal product triggers brand- and category-level thoughts, such cues do not seem to materialize as additional nonseed WOM about

brand- or category-level topics. We believe that this happens because, in response to getting exposed to information about a focal product, consumers may focus on very specific aspects of the focal product, such as particular product-specific attributes or functionalities. In line with construal level theory and past studies on cognitive processing, such adoption of a concrete and narrow perspective in consumers' minds may be suppressing more abstract brand- and category-level thoughts that might have otherwise occurred.

This pattern can likely be ascribed to the following reasons. First, as companies tend to encourage seeds to describe their experiences with a new focal product in as much detail as possible, the seeds may talk more about specific product functionalities and features rather than about overall desirability. Second, seeds are typically expected to describe the usual sequence of obtaining a focal product sample, unwrapping it, inspecting it, trying it and examining whether the product worked as intended. In doing so, it is also more likely that they will adopt a narrower perspective.

**Product type and spillover effects** /// Our understanding of the psychological mechanism behind the negative brand and category effects has allowed us to predict for which products these effects would be stronger or weaker. Specifically, the effects should be stronger when it is easier for seeds to describe their product experiences in a functional sense. Products of a more functional nature, such as face cream or mascara, are relatively easier for seeds to describe in more concrete and narrow terms that focus on attributes, functionality and performance. It would be much harder to describe primarily hedonic products (such as perfume) in such way. Consequently, marketers should expect that negative brand and category spillover effects will be stronger when the focal product is of a more functional nature. Our empirical results support these arguments.

**The positive aspects of negative spillovers** /// Marketers tend to consider only positive spillovers to be beneficial for a company, but negative spillovers should not be immediately classified as “bad news.” There are upsides to this effect that managers can use in their favor.

- > **Negative spillovers help concentrate attention on one specific product** /// Companies may value the ability of product seeding campaigns to help nonseed consumers focus on the focal product and reduce buzz about their other products. For example, when introducing a new product, this could help focus as much attention as possible on that new product. Alternatively, product managers may be concerned about “competing” against other product managers in the same brand for WOM when running a product seeding campaign – the negative brand spillover effects suggest that this is unlikely to be the case, particularly for novice consumers.
  
- > **Negative spillovers reduce attention on lower-quality products** /// It may also be helpful when there is substantial variation in product quality or desirability across products under the same brand. With reduced buzz about less-valued products through negative spillovers, a company can mitigate the danger that negative brand associations will contaminate WOM and consumers’ perceptions about a focal product.
  
- > **Negative spillovers can help distract attention from a competitor’s product** /// Perhaps most importantly, the presence of negative category spillovers opens possibilities for strategic product seeding against the competition. It suggests that companies could benefit from product seeding – not only through the positive effect on WOM for the own focal product but also through the negative effect on WOM for competitors’ products in the same category. In other words, this implies that managers could strategically deploy product seeding to reduce an impact of a competitor’s WOM campaign. Moreover, negative category spillovers may benefit companies eager to increase their market share.

All in all, we hope that these findings will help companies better understand the full range of consequences of product seeding strategies and use them to profitably leverage both positive and negative spillovers across segments, brands and categories.

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# Social TV: How Social Media Activity Interacts With TV Advertising

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KEYWORDS

*Social Media, Social TV,  
WOM, TV Advertising*

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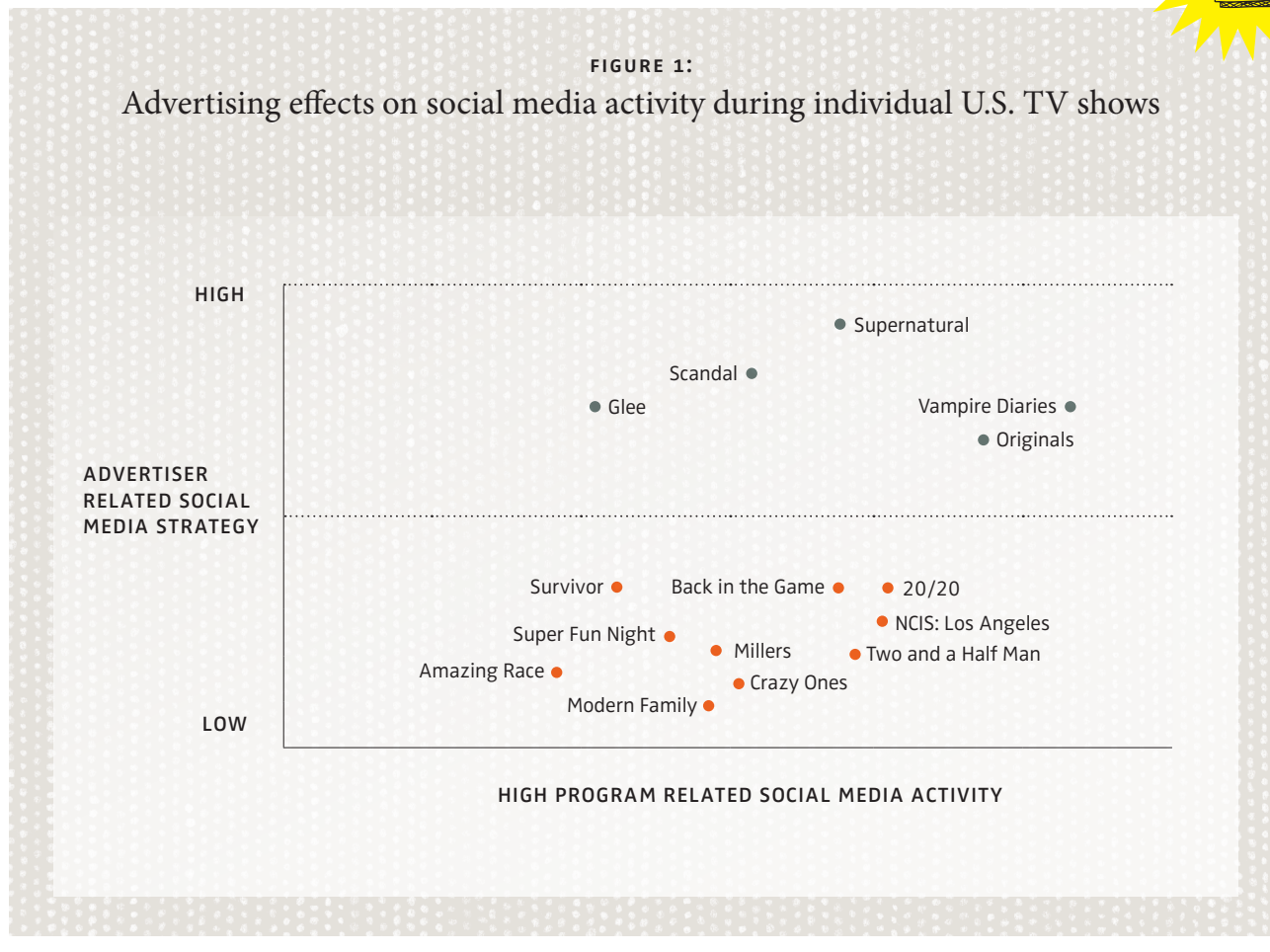
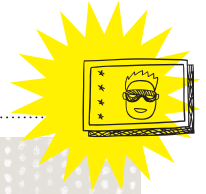
## **Social TV – watching TV while engaging in social media**

/// Television viewers are increasingly engaging in media multitasking while watching programming. One prevalent multiscreen activity is “social TV” – the simultaneous consumption of television alongside social media chatter about the programming. While online interactions with television programming can result in a more engaged and attentive audience, social TV activities may also distract media multitaskers from advertisements. Programs for which there is a high volume of online chatter – so called “social shows” – have been found to have larger audiences and are more likely to be viewed live rather than recorded and viewed at a later time. But, beyond delivering more eyeballs for advertisers, can marketers take advantage of this phenomenon?

## **Social TV – ad distraction or ad boost?**

/// To determine whether advertising in television programs that experience a high volume of social activity is good or bad for advertisers, we looked at the volume of program-related social media activity and the volume of advertiser-related social media activity both separately and as they affect each other. One could make the case that if viewers are talking about the program on social media platforms, then they are highly engaged with the show. If they're invested in the program, that high level of engagement may benefit advertisers. But, it's also possible that being invested in the program comes at the expense of advertisers. If there was a cliffhanger going into a commercial break and the viewing audience takes to Twitter to discuss the sudden plot twist, are they paying attention to the advertisements that are airing?





**Not every social show is good for advertisers** /// Our analysis of more than 9000 advertisement instances for a total of 254 brands across 15 product categories that aired in 84 prime-time programs revealed that advertisements do contribute to more online word-of-mouth (WOM) in general. Online mentions for both the advertised brands and programs increased following advertisements. This finding shows that social TV activity can be beneficial for brands and shows alike. Perhaps surprisingly, though, the biggest gains in advertiser-related social media activity did not necessarily occur when advertisements appeared in programs that generated a lot of chatter. For example, in Figure 1, the programs that fall in the lower section of the figure saw higher than expected

online program WOM after ads, but online WOM for brands that advertised in these programs was less than expected. The vast majority of the programs in our analysis fell into this category. Online conversations about these programs, which carry over into the commercial break, may interfere with advertisers' messages when it comes to viewers' engaging in advertiser-related word-of-mouth. Some examples of such programs include ABC's *Modern Family*, CBS's *NCIS: Los Angeles*, CBS's *Two and a Half Men* and ABC's *20/20*.

We also found a few incidents of win-win programs. For those programs that fell in the upper part of Figure 1, both the advertised brand and the program saw more online WOM

than expected following advertisements. Some examples of such programs include CW's *Supernatural* and ABC's *Scandal*.

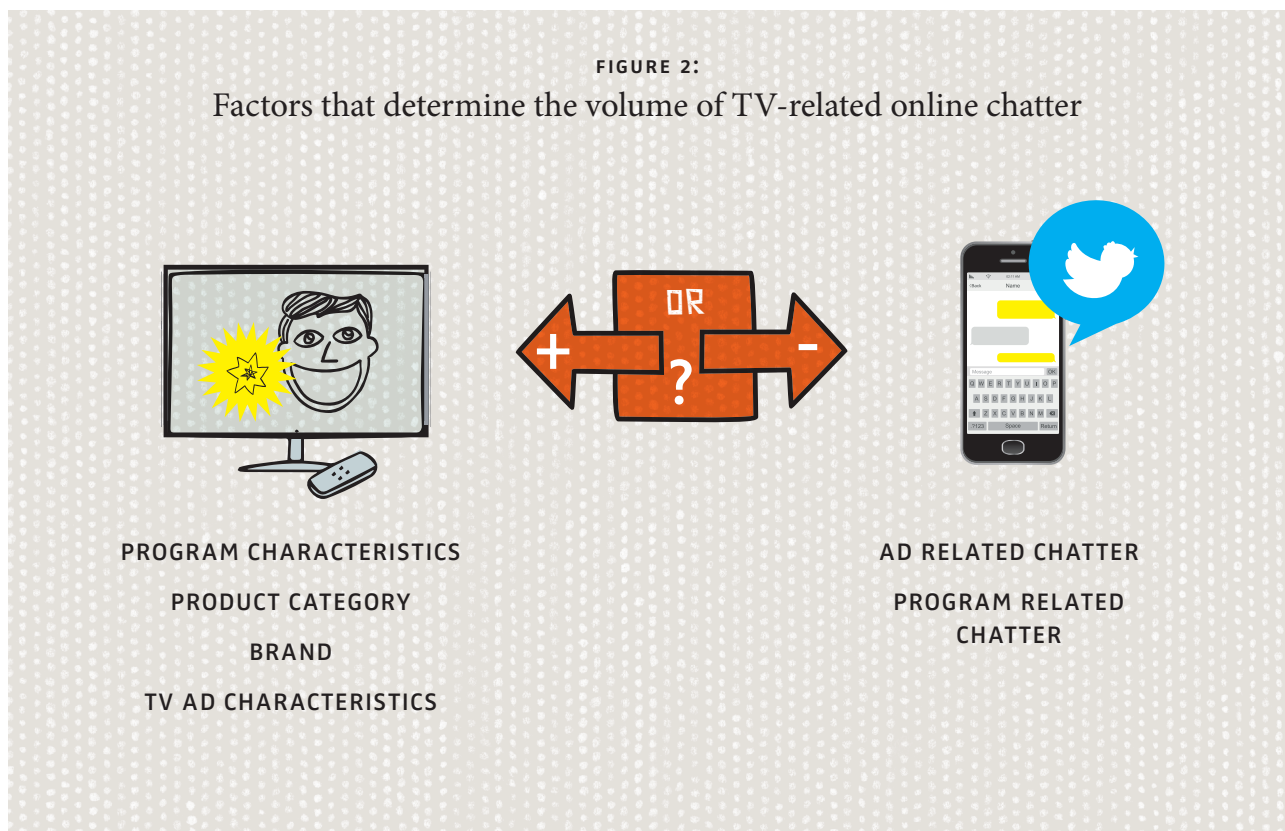
**Ad and product characteristics determine volume**

/// We also found factors that either encourage or discourage viewers' social TV activity that are relevant for television networks as well as advertisers. Figure 2 shows the relevant factors.

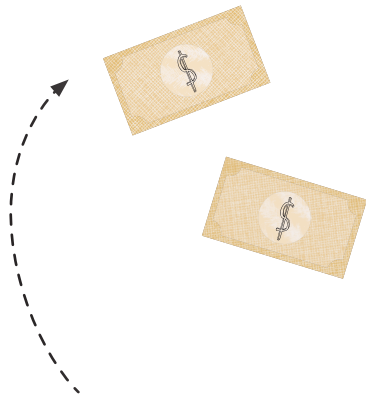
Advertiser-related social media activity varied based on the category of product advertised. Movie ads triggered the highest increases in online brand WOM. Next to movie advertisements, ads for phones, computers, notebooks and tablets spur the most online brand chatter while apparel, nonprofit or PSA, and dental care ads generate the least online brand chatter. Further, ad characteristics affected social TV activity. We found more online brand chatter for longer ads. While run-

ning longer ads introduces additional costs for advertisers, we also saw that including a hashtag in an ad, a relatively costless change to ad design, increased brand chatter for the advertised brand. Hashtags were particularly effective if they appeared in the first ad of a commercial break, increasing online brand WOM by about 3 %. Also, including a celebrity in an ad who was also in the program increased online brand chatter following the ad by 112 %, one of the largest effects in our results. This is an interesting insight because according to our data, advertisers are not utilizing this strategy, with less than 1 % of ads containing a celebrity from the program cast.

**Volume – OK, but what about sales?** /// So, according to our findings, should marketers avoid advertising in programs with high program-related social media activity? No, this would be a premature conclusion. In an additional study, we investigated the impact of television advertising



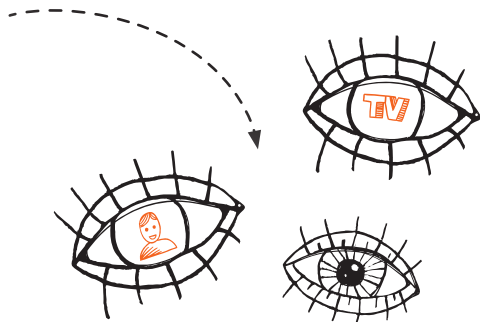




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Consumers' multiscreen activities can be used to attract more viewers, to leverage TV campaigns and to increase sales.

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and program-related social media activity on website traffic and online sales at the websites of advertised retailers. While we found that program-related online chatter before a television advertisement airs resulted in a decrease in traffic to the retailers' websites, it had a positive impact on online sales. The positive impact on online purchases outweighed the negative effect on online traffic, resulting in an overall net positive effect on online sales. Ad characteristics showed to be relevant in this study as well. In particular, advertisements with a funny mood performed best, while active, informational and sexy advertisements resulted in decreases in subsequent purchases on the retailers' websites. Also, advertisements that mentioned price had a positive impact on subsequent online purchases.

### How marketers can make use of social media activity to enhance the effects of TV advertisement ///

Marketers should clearly care about social TV. Consumers' multiscreen activities can be used to attract more viewers, to leverage TV campaigns and to increase sales. This chatter creates free exposure for the brand online, extends the reach of television ad campaigns to the online space, and offers real-time feedback to advertisers on how their ads are being received. To get the most out of social media for TV advertising, consider the following recommendations:

- > **Develop a social media strategy for TV shows** /// For television networks and content owners, it is important to have a social media strategy that spurs social TV activity for television programs. Encouraging program-related chatter can increase the total audience size and the fraction of the audience engaged in live viewing. Also, programs with high social TV activity are attractive to advertisers interested in increasing online sales.
- > **Identify the best programs** /// Advertisers need to be aware that not every "social show" is good for them. Program-related social media activity in general isn't a sufficient proxy for the word-of-mouth activity that advertisers can expect. Many programs receive a high volume of program-related chatter at the expense of advertiser-related word-of-mouth, but some programs generate high levels of online conversations that can also benefit their advertisers. Reaching a television audience with advertisements is only part of the game. If advertisers are seeking to reach an even larger audience through social media activity stemming from their television advertisements, they would be well served to identify those programs that are conducive to advertiser-related chatter.
- > **Adapt media planning and ad design strategies** /// According to our findings, ads airing early in the break seem to get less attentions because online program WOM increases typically following the first ad. This is relevant to media buying strategies as the first ad slot in a commercial break is considered to be the most coveted ad position by advertisers. However, advertisers can increase online WOM for their brand's ads that follow the first ad slot by incorporating calls to action, specifically a hashtag or web

address, into the ad design. Further, advertisers interested in online brand engagement may want to consider the cast of the targeted programs. Including a celebrity who is also in the show in which the ad airs seems to increase online brand WOM substantially. Longer ads are another driver of WOM, and including prizes encourages online sales.

the audience and can aid advertisers. As product placement efforts become more popular, efforts to encourage social TV activity may benefit from increased collaboration between advertisers and programs.

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Encouraging social TV is one means by which programs can engage the audience and can aid advertisers.

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With the share of the marketing budget spent on digital marketing activities growing while the share spent on television shrinks, the death knell for television advertising has sounded many times. The rise of ad-avoidance technologies, including DVR and video-on-demand services, has made it easier for consumers to skip marketing messages. Encouraging social TV is one means by which programs can engage

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# Increasing the Effectiveness of Mobile Advertising by Using Contextual Information

*Michelle Andrews*

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KEYWORDS

*Mobile Advertising, Mobile Targeting,  
Geofencing, Real-Time Marketing*

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THE AUTHOR

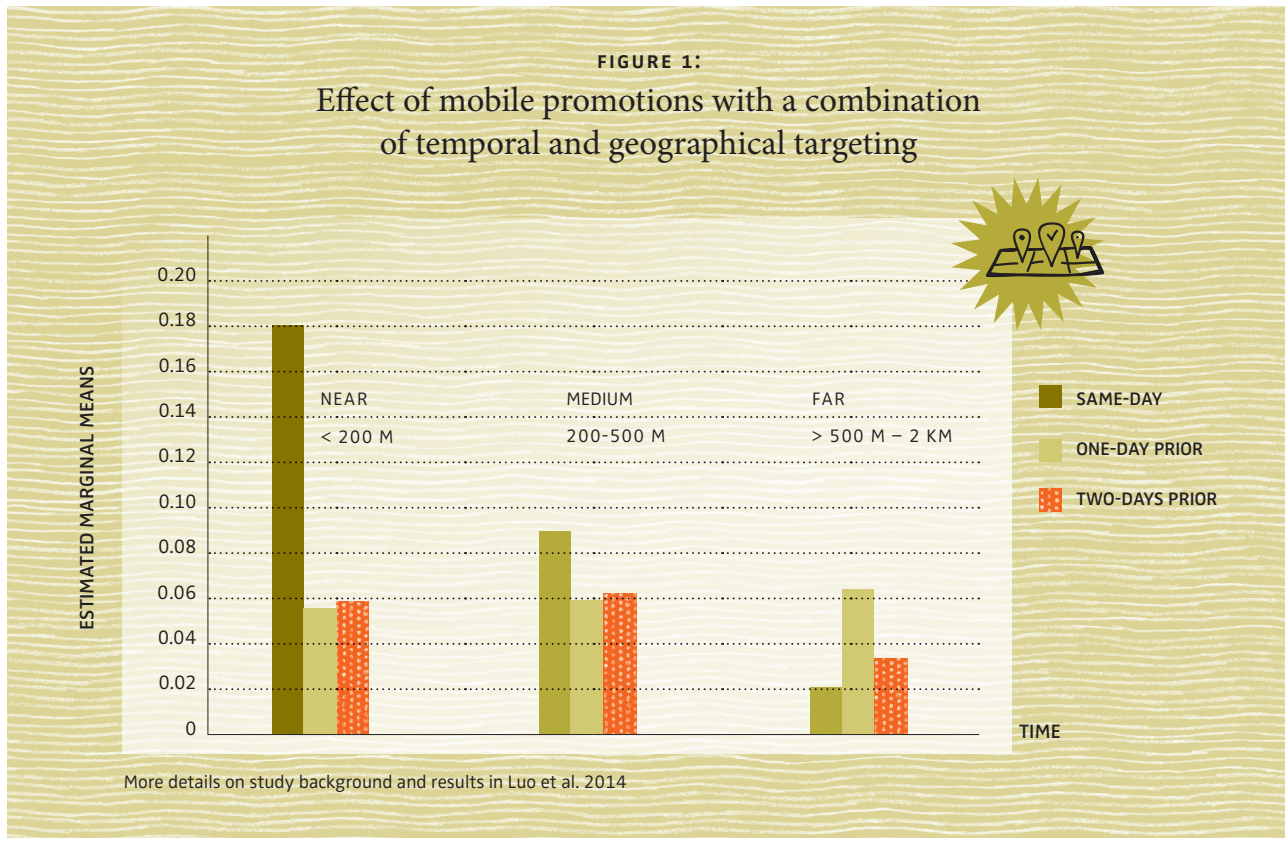
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**The pros and cons of reaching consumers anytime and anywhere** ///

Approximately 3 billion consumers worldwide own smartphones, and the number is growing fast. It's no surprise, then, that marketers are using these unprecedented opportunities to connect directly with so many people. In fact, marketers have been experimenting with different forms of mobile advertising for some years now. For instance, geofenced mobile ads are promotions sent to people who physically breach the virtual perimeter of a store and are intended to convince those nearby to come in and shop. For greater targeting precision within large stores, many venues are adopting beacon technology to deliver in-store promotions that feature maps to the promoted item for shopping ease. More recently, marketers have taken the geospatial capabilities of mobile phones a step further by launching geoconquest ads that are targeted to people detected to be near a competitor's store in order to lure them to the focal store. Yet, the catch is that as more marketers jump on the mobile bandwagon, they run the risk of alienating potential consumers by overtargeting them or targeting them at the wrong moment. This downside of the mobile medium for marketer-consumer communications has led researchers to begin investigating the contexts under which consumers may be more responsive to mobile ads.





### Context matters: Time, space and environment

**Distance.** Geographically, consumers have been shown to be more responsive to promotional offers from shops or events that were located close to them. Typical geofenced promotions therefore tend to have small radii in order to be relevant to consumers.

**Time.** For the lead time of promotions, previous insights are similar: The closer in time, the better the response. Temporal targeting on the same day with less promotional lead time is thus considered to be an effective strategy in generating mobile sales.

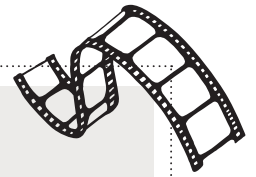
**Distance + Time.** When considering the interplay of time and space, though, the picture becomes more complex. How do radius and the timing of mobile promotions interact? To find out, my colleagues and I recently cooperated with a movie theater. While same-day mobile promotions worked very well for the closest recipients, the effect for more remote people

was surprising (see Box 1 and Figure 1). The findings confirm that mobile promotions are time-sensitive: Recipients need enough time to respond to them given their distance from the promoted venue (if the promotion is for on-site consumption), but too much time may reduce response rates. It appears that people do not plan too far in advance for events such as movie watching or with small-screen devices such as smartphones.

**Environment.** Another context that can affect people's response to mobile ads is that of the environment – what is going on around people. In our study of mobile promotions during subway rides, we found mobile campaigns to be more effective on more crowded trains (see Box 2 and Figure 2). Marketers should note that this finding may not hold for other situations in which people experience crowdedness. This is because in our experiment, the crowd was likely composed of strangers and there likely wasn't much else to do to occupy commuters' attention.

{Box 1}

## OPTIMIZING MOBILE ADS TO INCREASE THEATER ATTENDANCE DURING SLOW TIMES



**The problem:** Our movie theater was experiencing a capacity problem typical of theaters, in which attendance varied depending on the time of day – during slow times such as early Saturday afternoons, movies were often shown to relatively empty theater seats. To fill the seats, the movie theater wondered whether sending geofenced promotions for half-priced tickets to nearby passersby shortly before the movie would help them capitalize on this missed opportunity. But what is the right clearance zone, or radius at which to set the geofence? A small radius means mobile ads would only be sent to people detected to be near the movie theater. For people within a small geofence, their proximity to the movie theater would provide them ample time to respond to the mobile promotion and arrive at the theater in time to watch the movie. For people within a larger geofence, though, their distance from the theater would demand more time to respond to the promotion and arrive at the theater in time for the movie.

**The experiment:** To investigate this time-distance trade-off, my colleagues and I ran a field experiment in which over 12,000 people detected to be within three increasingly larger clearance zones were randomly selected to be sent a mobile promotion for a movie showing at 4 p.m. on a Saturday. We set a small geofence at 200 meters from the movie theater, a medium geofence at between 200 and 500 meters from the movie theater and a large geofence at between 500 meters and 2 kilometers from the movie theater. We sent promotions over three days: on the same day, one day beforehand and two days beforehand. All people targeted in our study only received one promotion – either on a Thursday, Friday or Saturday at 2 p.m. – and at only one distance from the theater – at either a near, medium or far distance – which depended on where they were detected to be when they received the mobile promotion.

**The results:** It turns out, for people within close proximity to the movie theater, mobile promotions with little lead time were most effective. In other words, the more lead time people located close to the movie theater had, the less likely they were to redeem the promotion. Persuading last-minute decisions to watch a movie seemed to be the best mobile ad strategy in that case. For people farthest from the movie theater, we expected the opposite: The more lead time they had, the more likely they would be to respond to the mobile promotion due to the greater amount of planning and travel time they were given. However, this did not appear to be the case. Rather, for people located farthest from the movie theater, those who received the mobile promotion with one day's notice were more likely to respond to the promotion compared with those who received it on the same day or with two days' notice (Figure 1).





{ Box 2 }

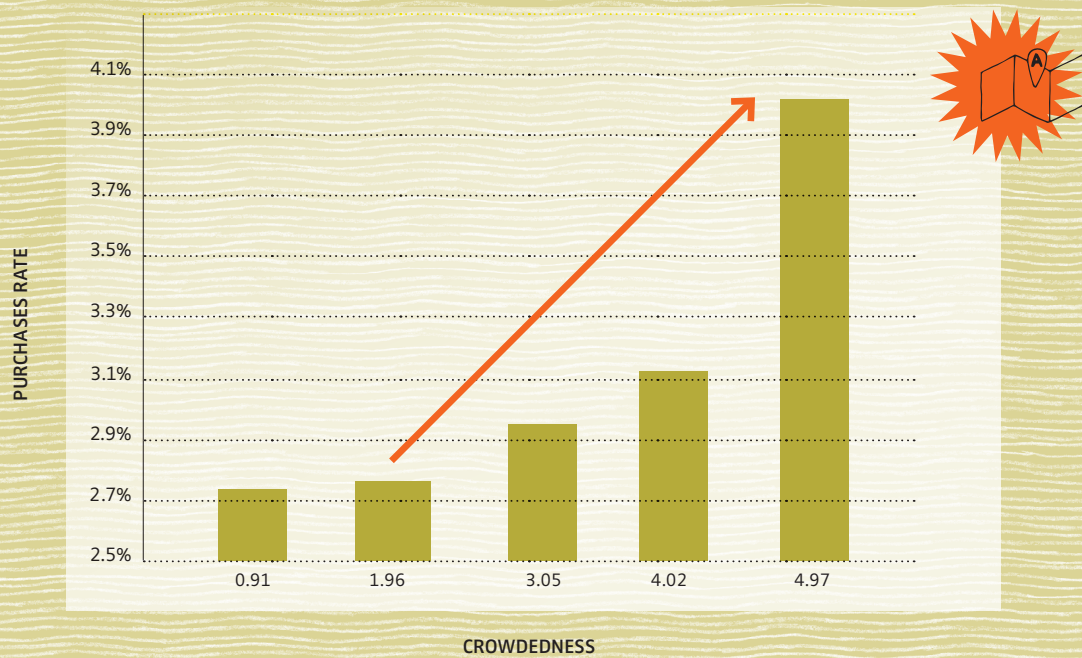
## HOW THE CROWDEDNESS ON A SUBWAY RIDE INFLUENCES THE IMPACT OF MOBILE ADS

The contextual question we asked in this study was whether the crowdedness of someone's environment can influence their likelihood of responding to a mobile ad. To answer this question, my colleagues and I sent mobile promotions to over 10,000 commuters in a cellular-enabled subway system of a large Asian city over the course of several days. We found that the more crowded the subway, the more likely commuters were to respond to the mobile ad, even when controlling for a host of potential influencers such as the time of day and day of week. When crowdedness doubled

from 1.96 passengers/m<sup>2</sup> to 4.02 passengers/m<sup>2</sup>, the likelihood of mobile purchases increased by 16.0 %, and when crowdedness spiked even more to 4.97 passengers/m<sup>2</sup> it jumped by 46.9 % (see Figure 2). On average, commuters in crowded subway trains were about twice as likely to respond by making a purchase vis-à-vis those in uncrowded trains. It's possible that during a crowded subway ride, commuters virtually get away from their physical surroundings by mentally escaping into the personal space of their mobile phones, which in turn may make them more receptive to mobile ads.

FIGURE 2:

### Crowdedness and purchase rates of a promoted telecommunication service



More details on study background and results in Andrews et al. 2016

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Mobile promotions are time-sensitive: Recipients need enough time to respond to them given their distance from the promoted venue, but too much time may reduce response rates.

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In other instances of crowding, such as at a crowded sporting event or in a crowded restaurant, people's attention tends to be occupied by the game or their friends. They may therefore be more resistant to mobile ads received in other types of crowded environments.

**Understand context for better results** /// When it comes to mobile advertising, perhaps the most important key is that context matters. Understanding where potential recipients of mobile messages are, who they are with, what is going on around them and how much time they would need to consider a mobile promotion represent critical questions that each add a layer of complexity to the mobile advertising formula. But, their answers can help marketers become better gatekeepers by delivering the right mobile ad to the right person at the right time at the right place in the right context. Difficult as it may be, accomplishing that task may help keep consumers interested in mobile promotions and produce loyal consumers for mobile marketers.

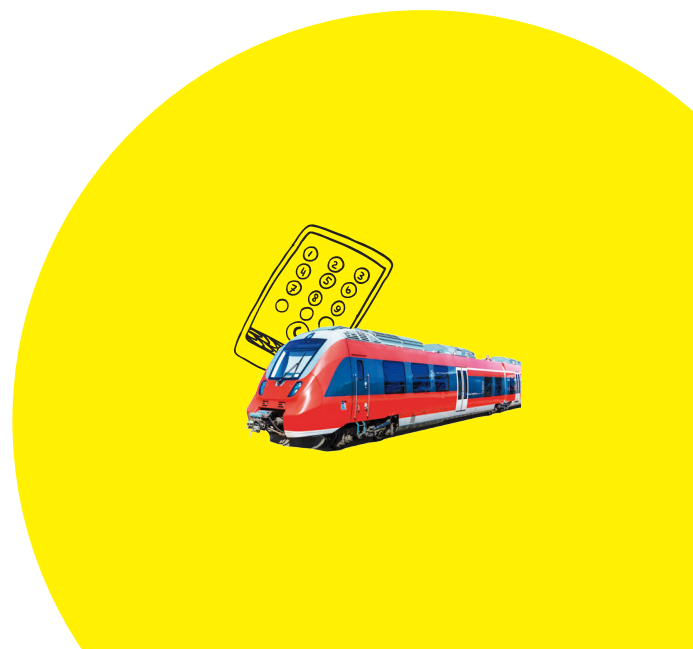
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# Seeding on Moving Ground: How Understanding Network Instability Can Improve Message Dissemination

*Lev Muchnik and Jacob Goldenberg*

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KEYWORDS

*Social Network Analysis,  
Network Dynamics,  
Seeding Campaigns,  
Influencer Marketing*

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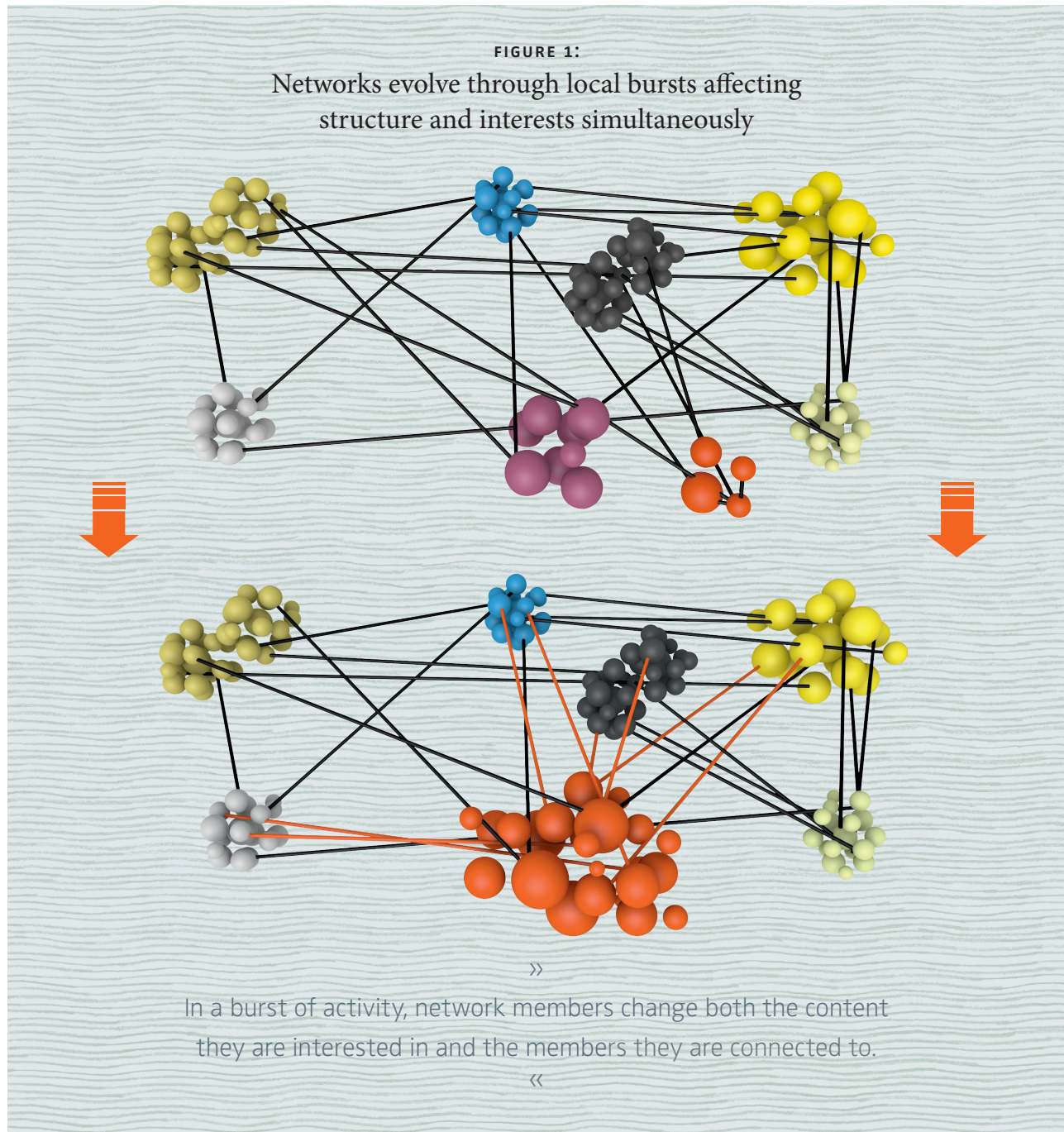
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## **The practice of using social networks to spread information** ///

Companies increasingly leverage online social networks to spread their messages. A common practice is to seed information cascades by approaching a predefined set of influencers. In many cases these special individuals are identified by their position in the network – often some kind of centrality – and the structure of their network neighborhood. That information is usually extracted from past measurements, under implicit assumption that the network is stable and past observations are plausible proxies for the current structure. But, as we explain below, it is not as simple as it may appear.

Although networks are pivotal in the dissemination of content between individuals, our understanding of the relationship between the individuals and how content and structure change over time is still limited. It's virtually impossible to predict how specific changes in the network structure reflect on the network processes such as information cascades or changes in consumer behavior. We also lack understanding of how the information spreading through the network affects its structure. Some of the assumptions that underlie current search and recommender systems have not been tested sufficiently.



**Common assumptions about networks should be questioned** ///

*Steadiness and continuous evolution?* Most analyses of the social structure of a network implicitly assume that the relationships in the network are relatively stable. This assumption follows directly from theories of network evolution that posit that networks grow monotonously, with links added

sporadically around the network. One of the main forces that drive network evolution is assumed to be the network itself. For instance, people that have many common friends tend to develop ties with much higher probability than the ones that don't. We are used to viewing network growth as occurring at a regular, monotonous pace and do not expect networks to change radically over time. While monotonous-like patterns



of network evolution seem reasonable, there is little empirical evidence to support that assumption.

**Stable clusters?** Another trait that is assumed in a strong way, perhaps implicitly, is the stability of similarity between connected individuals, or homophily in academic terms. This similarity is one of several principles that are typically invoked to explain network evolution. It implies that people tend to connect to people who resemble them: the “birds of the feather flock together” principle. New links are likely to be formed when individuals share some common traits. As a result of this principle in action, a network typically contains clusters made up of similar people, and peer influence can drive connected people to become more similar.

**How similar is similar?** Another critical issue of many network studies is how they measure similarity. Most studies compile a very limited set of parameters such as age, gender, political affiliation, community membership, etc. into some similarity measure. These are easy to measure, but, even if taken together, these variables represent an unusually small number of aspects of human existence and a very superficial and mostly context-independent view of what makes people similar or different. We are not sure whether these are even the features that have the greatest impact in motivating people to connect to others. They are simply the information that is most easily collected. Nonetheless, we have been generalizing from such limited sets of traits to determine that two individuals are similar in a way that is meaning-

{ Box 1 }

## CHECKING THE ASSUMPTIONS OF WIDELY USED SEARCH AND RECOMMENDER SYSTEMS

In our research we addressed some of these assumptions and methodological concerns. Specifically, we tracked how links are added and deleted in a specific network over time, and we measure similarity among network members on added and deleted links, using self-reported interests – a new more sensitive, comprehensive and context-dependent measure of similarity. We also explored the connection between changes in similarity and changes in network structure over time. The data we collected represents the evolution over one year of LiveJournal (LJ), a social network of nearly 10 million individuals. It is based on a popular online blog platform where members publish posts on a wide range of issues. Each LJ user maintains an individual set of “friendship” relation-

ships and a list of bookmarked blogs. Friends have access to privately published content and receive an automatically generated personalized news feed. Employing a sequence of snapshots over the period of about one year, we measured the similarity of interests among LJ members by using members’ own profiles, which typically contain up to 20 areas of interests. We used members’ friendship lists to track changes in the ties among network members. We also drilled down to a finer resolution by tracking the evolution of a sample of this network (83 snapshots of 359 random users along with their friends and friends of their friends) and monitoring their status twice per day.



ful for network evolution. Further, previous studies typically make no connection between two important parameters of network evolution: the interrelation of similarity effects and structural evolution.

### **New insights on social network traits** ///

**Networks grow in bursts** /// The evolution of the LJ network challenges the common assumptions about network growth in two respects: The network grew in bursts rather than monotonously over time, and these bursts were highly localized; that is, links were added and deleted in nearby localities and are not randomly dispersed throughout the network.

**Bursts favor local clusters** /// These bursts produce neighborhoods that become more densely linked within themselves. Densification is accompanied by increasing isolation of the active area from the remainder of the network. In other words, bursts and localization of new link creation in social networks lead to formation of well-pronounced clusters within the network.

### **Changes in ties lead to simultaneous changes in interests**

/// Even more surprisingly, we found that the local bursts of changes in the ties between network members coincide with a local increase in similarity among members of the target network section. People report changes in their interests and almost simultaneously alter their network ties. Figure 1 illustrates the local changes: In a burst of activity, network members change both the content (color) they are interested in and the members they are connected to. The rest of the network remains relatively unaffected. Another way of saying this is that the network selection and influence processes occur almost simultaneously with an elevation of the cluster-building of similar individuals.

In our opinion, the simplest and most straightforward explanation for this pattern of close co-evolution is that it is driven by strong feedback between content and structure. The two seemingly unrelated network processes turned out to be strongly coupled, and this coupling can lead to complex, still unstudied processes that govern the evolution of online social networks.

### **How to improve social network analysis marketing**

/// Our findings suggest several easily implemented improvements in SNA marketing applications currently in use.

#### > **Update knowledge on networks of interest more frequently**

/// Managers typically measure and analyze what they define as a network of interest at a single point in time and may use this information several months or years later to design seeding or recommendation systems. If the network keeps on changing in unpredictable ways and not all parts of the network are affected equally, the network analysis that marketers use for seeding has a shorter shelf life than marketers believe. Local bursts around the seed can change the structure of the network dramatically and therefore a marketer's influence and his chances of success. Network measurements should be carried out more frequently and closer to the actual implementation of a seeding campaign.

#### > **Use a finer granulation for analysis** ///

/// Another popular application of network analysis in marketing is monitoring of network chatter to find evidence of negative feedback, complaints, etc.

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Network analysis has a shorter shelf life than marketers believe.

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Network measurements should be carried out more frequently and closer to the actual implementation of a seeding campaign.

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Typically, specific sections of a network are selected for monitoring, with the belief that it matters little when or where this sample is taken as long as it is statistically representative of the entire population. According to our study the interests and ties among networks may change significantly from the time of the initial analysis to the actual marketing implementation in some parts of the network, while other parts of the network are unaffected. To detect these abrupt, dramatic local changes marketers should not only conduct network analysis more frequently but also use a finer resolution. If they are able to identify local bursts of change and to identify which communities in the market have been affected by such local changes, they are able to adapt their strategies accordingly. Therefore, measurements should not only be conducted more frequently but also in a more fine-grained manner that uses more comprehensive and relevant measures of connectedness.

- > **Use the right measures for similarity** /// Common similarity measures, like age, gender, political affiliation and community membership, might be too superficial to actually predict connectedness. Using any available self-reported interests can deliver a new more sensitive, comprehensive and context-dependent measure of similarity and may represent a better basis for identifying the best influencers in a network.

Overall, our findings point to an opportunity to greatly improve prediction and recommendation algorithms. Armed with an understanding that changes in network structure and content can be relatively sudden and are limited to local areas of the network, we can develop methods to identify the areas affected by the change. There, methods simultaneously accounting for the network structure and content can be used to quantify the change and understand its practical implications.

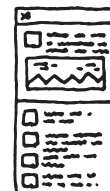
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#### ABOUT TERADATA

Teradata empowers companies to achieve high-impact business outcomes. With a portfolio of business analytics solutions, architecture consulting, and industry-leading big data and analytics technology, Teradata unleashes the potential of great companies.

Teradata employs more than 10,000 employees in 43 countries worldwide and has its corporate headquarters in Dayton, Ohio. Its revenues in 2016 amounted to \$2.3 billion from about 1,400 customers located in 77 different countries.

[www.teradata.com](http://www.teradata.com)



#### THE INTERVIEWER

Professor Andrew Stephen conducted the interview in June 2017



#### ABOUT YASMEEN AHMAD

Yasmeen is a strategic business leader in the area of data and analytics consulting, named one of the top 50 leaders and influencers for driving commercial value from data in 2017 by Information Age, and Data Scientist of the Year 2017 by Computing magazine.

In her current role as Director at Think Big Analytics in Central Europe, UK&I and Russia, Yasmeen has responsibility for Think Big's industry and business consulting, for data science and for data-and-solution engineering teams. They focus on delivering business outcomes to their large global customer base and on exploring the biggest data and analytics. In addition to this, the teams play a key advisory role with customers, providing guidance on their various data and analytics strategies.

Yasmeen holds a PhD in Data Management, Mining and Visualization, carried out at the Wellcome Trust Centre for Gene Regulation & Expression. Her work has been published in several international journals and was recognized by the Sir Tim Hunt Prize for Cell Biology. Yasmeen has written regularly for Forbes and is a speaker at international conferences and events.





# Recreating Intimacy With Connected Consumers

*GfK MIR Interview with Yasmeen Ahmad,  
Think Big Analytics Director at Teradata in London, UK*



In the good old days shop managers knew their customers personally and were able to tailor offerings to their needs and desires. But how can we create meaningful moments for connected consumers in global markets? Yasmeen Ahmad explains how, in digital times, data fill in. Smart algorithms help generate insights and enable real time action to provide the right product and service to the right customer at the right time. Companies that don't want to be left behind a digital elite need to remain close to their customers across multiple digital touchpoints. Being capable of reading, interpreting and acting upon consumers' traces is a prerequisite.

**MIR:** Yasmeen, you work for Teradata, which is one of the largest enterprise software companies in the world, and you support some of the largest companies in Europe and around the world. Based on what you're seeing, what are the biggest challenges that marketers are facing right now?

**YASMEEN AHMAD:** Marketers today are being challenged by the quickly evolving changes driven by digitalization. Today, digitalization has created more channels, providing additional opportunities for customers and businesses to interact. It has also increased the availability of existing and new data-driven products and services. Digitalization has placed power into the hands of the customer. Traditional businesses are faced with customer relationships breaking down as expectations change.

**MIR:** You mention shifting expectations on the customer side. What impact do they have on companies and their ways of doing business?

**YASMEEN AHMAD:** Products and services are now a commodity: Any competitor business in an industry can replicate a product or service within six months of launch. This makes the customer experience even more crucial, as it drives loyalty. As marketers try to keep up with the pace of change, they are moving away from pushing the product to creating meaningful moments. In local economies, this was previously simple to do, as the branch manager or store assistant had in-depth knowledge of their customers and communities. However, as we have moved into global data economies, marketers must use data to try to recreate customer intimacy.



**MIR:** This notion of using global data to recreate a sense of customer intimacy is an interesting idea. To get to know their customers, marketers need to become more aware of the data generated by being “always on.” What are some of the key challenges in creating an intimate customer relationship with digital customers?

**YASMEEN AHMAD:** Broad segment-based targeting is recognized today as a crude approach to pushing possibly relevant product- and service-related messaging. People are inundated with irrelevant offers to the point that marketing has little to no value. Increasing the relevancy and potential success of marketing touchpoints requires marketers to anticipate and respond to customer needs. To do this, marketers are increasingly relying on analytical models that can predict customer behaviors through intentions captured in their interactions. Capitalizing on granular datasets, such as clickstream and social media, requires access to advanced analytical techniques and tools. Collecting interactions from page visits, clicks, hovers and form entries on a website and translating this into actionable customer insight is a major hurdle to overcome.

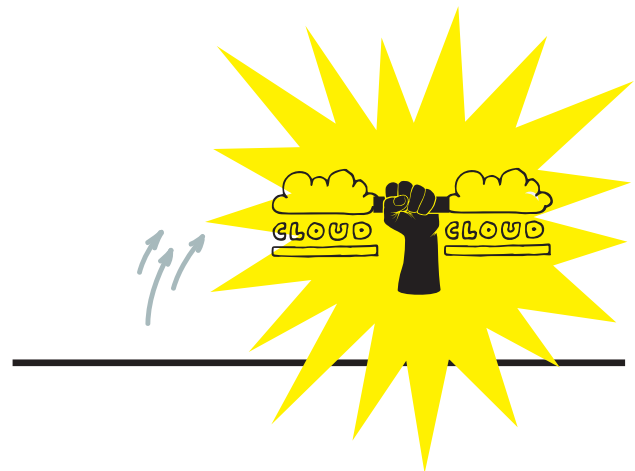
**MIR:** How can companies get actionable insights from so many different datasets?

**YASMEEN AHMAD:** Having a holistic view of the customer is essential to being able to monitor, manage and optimize the customer experience. To enable a seamless, joined-up experience across channels, marketers are required to map customer journeys by integrating data. The ability to bring this data together and link a customer’s transactions and interactions is key to decoding a customer’s journey and experience. Many businesses are still struggling with being truly customer centric because they have data spread across silos, both internal and external to the organization. Business silos working in isolation are only able to solve narrow business questions. For a wider impact, marketing teams must work collaboratively across the enterprise to integrate channel, product, customer and marketing data. This is not a trivial task as the customer’s data ecosystems become more complex with various technologies both on premise and in the cloud.

**MIR:** You mentioned the different teams and various technologies that need to work hand in hand. Two more challenges to master?

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Digitalization has placed power into  
the hands of the customer.

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**YASMEEN AHMAD:** Indeed. Businesses must invest in building data and analytics teams that are able to wrangle and prepare data, analyze datasets, visualize outputs and communicate results to business users while working in tandem to iterate findings. As the number of analysts, data scientists and data engineers grow, businesses must also consider how to structure teams and how to keep their skillsets refreshed. As new tools and technologies continue to evolve, training for teams will be imperative to unlocking the full potential of this capability.

**MIR:** With respect to technology, speed seems to be an increasing challenge. Everything is happening in “real time”. How can companies build real-time capabilities?

**YASMEEN AHMAD:** To ensure that a customer receives the right message at the right time, marketing companies must adopt new technologies. Marketers need the ability to do fast data capture that tracks customers on their website and mobile platforms while consuming content, registering online, starting applications and more. Tracking this activity in real time allows recognition of the right time to connect with a customer and interrupt their journey with a relevant, timely message. Identifying and deploying real-time capabilities is a challenge due to the many point solutions on the market today. Integrating these solutions into an existing complex environment takes much coordination, time and effort.

**MIR:** Do you see much variation in these challenges by industry?

**YASMEEN AHMAD:** Marketing challenges have traditionally impacted on different industries in a variety of ways. Industries such as financial services have been able to tackle some of the challenges more quickly and effectively due to their strong relationship with customers. They have long had the ability to track customer transactions through their bank accounts and online activity through online banking tools. Due to regulations, this data has been collected for many years and provides a rich source to be analyzed. Other industries, such as retail, have had to start their data collection journey and get to know the many customers they have interacted with on a frequent, sometimes daily, basis. This provides certain industries with an advantage in terms of maturing their data and analytic capabilities faster than others.

**MIR:** How about differences by geography – or is this a global thing?

**YASMEEN AHMAD:** The biggest gap today in maturity is neither industry specific nor regional: The digital elites act globally and have created a league of their own. The pace and rate of change driven by these companies is unprecedented, and they have been able to successfully unseat some of the biggest well-known global brands. We see these digital elites not only using data and analytics but also monetizing to create new business models across industries: travel (Uber), hotels (Airbnb), content providers (Facebook) – and the list goes on. These companies embody a culture of innovation and creativity. They are not hindered by legacy systems in a way that traditional companies are. The adoption and penetration of new tools, technologies and techniques are faster due to the staff they hire, contributing to a young workforce that is hungry to learn and adapt.

**MIR:** Are there lessons to be learned in some industries that can be applied to others?

**YASMEEN AHMAD:** Absolutely. In every industry there are key areas of specialization that other industries can benefit from. For example, telecommunications companies are experts in network analytics to detect households and relationships between family and friends using call detail records. Retailers have created sophisticated market-basket analytic techniques to find interesting associations between products, overlaid

with price and promotional changes. Manufacturing companies excel in optimizing supply chains. Each industry has areas of specialism that are core to the industry and have been developed as a capability over many years. Businesses can look to other industries for lessons to be learned and techniques to be adopted to accelerate business data and analytic maturity.

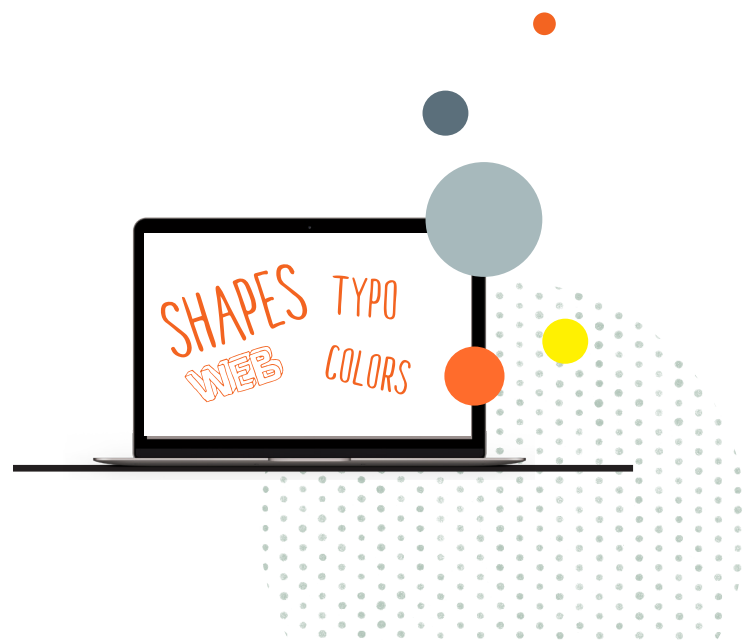
**MIR:** So far we've talked a lot about the scientific, data-driven side of marketing to connected consumers. Will the marketing managers of the future all have to be data scientists?

**YASMEEN AHMAD:** Analyzing data on its own creates insight but does not create value: It is the implementation of insights and actions that do. Analytical and data science teams may help marketers to discover new insights. This also requires that traditional marketing teams build a level of data literacy to enable the translation of insights into actions. Data savviness is essential across enterprises, otherwise data and analytical efforts are left behind closed doors.

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Analytics can help us deconstruct every aspect of a web page, including the shapes, colors, layout, font and more to generate the most appealing interface that increases response rates.

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**MIR:** How about the other side of marketing that is more “the art” than the science? What will be the role of the creatives?

**YASMEEN AHMAD:** Traditional marketing often focuses on creating buyer personas, identifying the characteristics of the target customer audience. This is often based on intuition and research rather than true science. These personas translate to customer segments for broad-based marketing campaigns. However, science can play a pivotal role to move marketers from broad-based campaigns to targeted messages for specific individuals. Today, we have the science that can detect behaviors, identify hidden needs, profile channel preferences and guide marketers to engage a specific customer at a specific time in a meaningful interaction. Yet, it is still the creative aesthetic, memorable design and carefully thought-out copywriting that connect with customers. Science can help us optimize budgets to engage customers to increase loyalty and drive high value behaviors.

**MIR:** How can marketers blend the science of analytics-based, data-driven decision making with the art of branding, creative communications and strategy?

**YASMEEN AHMAD:** As we deploy campaigns and creative to customers, it is art that allows us to tweak the content and improve it over time. However, science also plays a role here. Traditional A/B testing can now be scaled to unparalleled levels. Analytics can help us deconstruct every aspect of a web page, including the shapes, colors, layout, font and more to generate the most appealing interface that increases interaction and the call-to-action response rates. Marketers are increasingly understanding of the fact that activities must be driven through a blend of art and science. Creativity can lead to a perfect narrative and imagery, but it is the data that can forecast demand, driving sales leads, opportunities and, ultimately, value.

**MIR:** What does the future hold in the field of marketing and customer analytics? We already are seeing advanced machine learning approaches being used, so what’s next? More artificial intelligence? Something else?

**YASMEEN AHMAD:** The hype around Artificial Intelligence (AI), deep learning, machine learning and other analytical techniques has reached a peak in 2017. Marketing and customer analytics have used AI and machine learning techniques in the past, but the error rates and accuracy of models were not always perfect. As digitalization and big data have increased

the detail of data and volumes available, machine learning and AI approaches have vastly improved in accuracy and precision. Relying today on algorithms is not only acceptable but can lead to superior performance compared to human decision making.

**MIR:** Will the hype around these techniques and tools continue? How far can this go?

**YASMEEN AHMAD:** We will see continued uptake of these techniques as businesses gain the skills and toolsets to access AI and machine learning. This uptake will become essential as businesses try to keep up-to-date with data, streaming in real time. Not only will we see the prevalence of these techniques increase, but they will open the doors to automation across the enterprise. As we begin to take interest in predicting more behaviors, needs and characteristics of customers per time of day, we will require tens of models per customer running frequently to track and update customer profile information and allow a relevant dialogue with customers. We already see this prevalently in ad-based targeting agencies that deliver real-time ads to customers in fewer than 15 milliseconds after tracking online behavior that is used to target personalized ads.

**MIR:** Who will be capable of handling these analyses and models?

**YASMEEN AHMAD:** To enable this scale of automation we will see the rise of automated model factories that can monitor, manage and update models without analyst intervention. These self-adapting models will support billions of interactions taking place. In addition, these automated model factories will allow marketing teams to have challenger models in play that are continuously A/B testing various approaches.

**MIR:** We started by considering some of the big challenges marketers are facing in the age of the connected consumer. Let’s end by thinking about the biggest opportunities for marketers in the coming years.

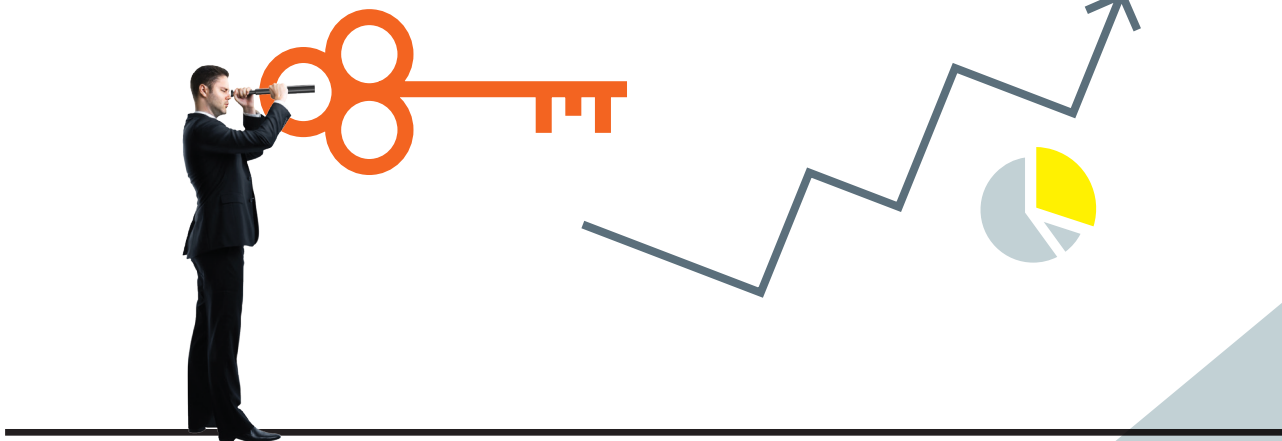
**YASMEEN AHMAD:** Marketers have a tremendous opportunity to become much more relevant in customer journeys, rather than disruptive or intrusive. By delivering messages, offers and services in a timely, relevant fashion, marketers can move from a push to a pull model where customers are invited to engage as they are presented with relevant content that resonates with a need. With the advancement in granular



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Businesses can look to other industries for lessons to be learned and techniques to be adopted to accelerate business data and analytic maturity.

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data collection, analytical techniques such as AI and machine learning, as well as real-time interaction capabilities, marketers will have the perfect scenario to reach the right person with a personal message at the right time. Using data at scale, businesses can bring back the customer intimacy that has been lost as we have grown into global economies.

**MIR:** These are mostly the benefits for the connected consumers. What's in it for the companies?

**YASMEEN AHMAD:** Marketers have constantly struggled to identify the effectiveness of their marketing budget spend. Year-on-year, marketing teams find themselves increasing spend on SEO, display retargeting, referral sites and a myriad of other marketing channels, campaigns and content. As marketing content interacts with a customer on a journey, each touchpoint has a potential influence on a customer, driving them towards a positive outcome. Sophisticated data analysis will support an understanding of which content has the greatest return on investment across a diverse range of customer touchpoints. Also, companies will have better opportunities to monetize data to create new products and services to compete and differentiate against the market.

**MIR:** Any final advice?

**YASMEEN AHMAD:** Businesses must embrace and invest to build up their capabilities in this area so as not to be left behind by the digital elites. To be successful in the age of connected consumers and global digital markets, marketers need to be focused on customer experience and loyalty, which can only be understood and nurtured through a data and analytics strategy that drives decision making across the entire enterprise.

**MIR:** Yasmeen, thank you for these fascinating insights. Clearly there's a lot of advanced work happening on the data and analytics side of customer management, and it is exciting to hear your vision of the future of marketing.

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# Brand Communication in a Digitalized World

*Robert Kecskes*

KEYWORDS

*Connected Consumer, iBrains,  
Dialog, Communication,  
Continuous partial attention*

THE AUTHOR

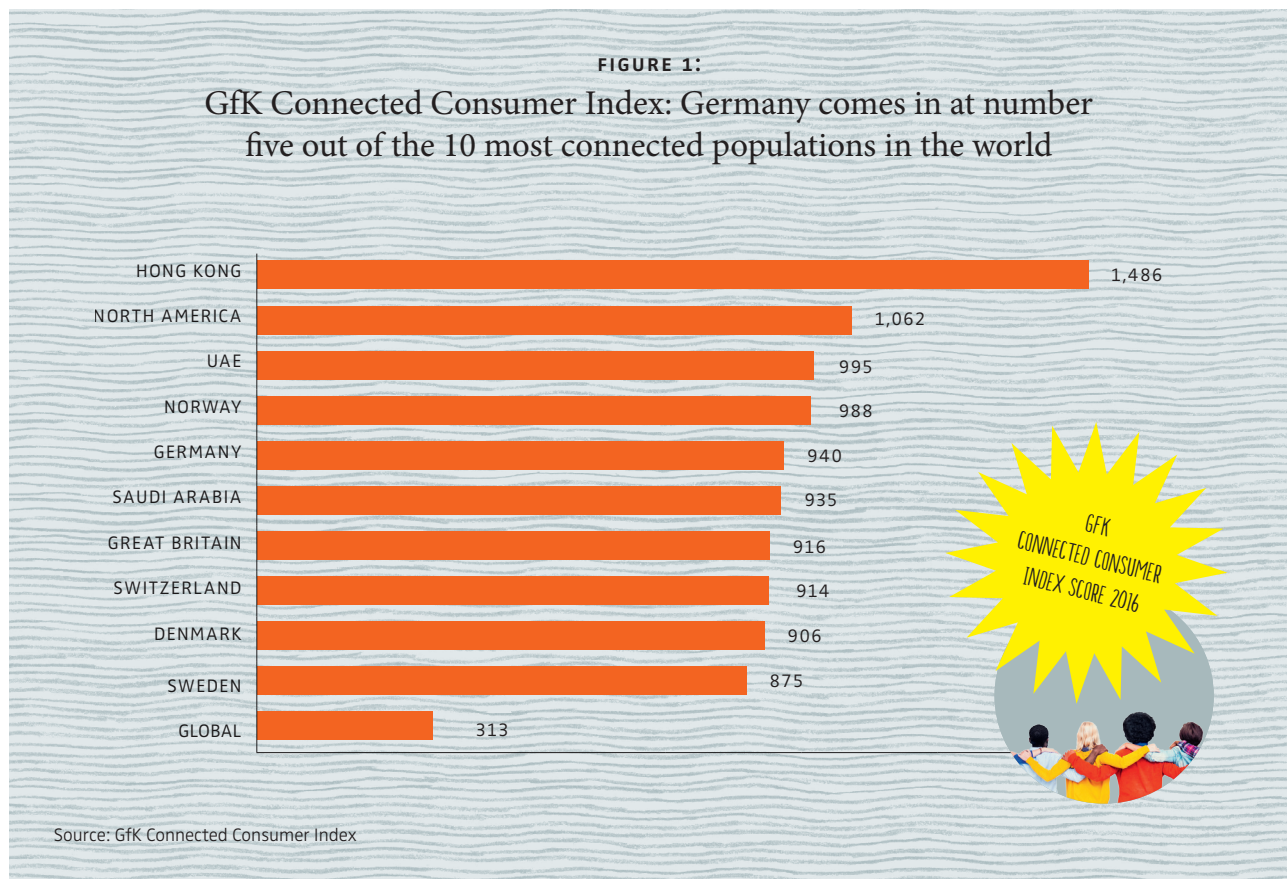
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**Digital connectivity in all areas of life** /// New digital developments enable us to be ever more connected – with ourselves through so-called wearables, with others through all forms of social media, and with products and services through smart homes, for example. The GfK Connected Consumer Index provides a measure of the degree in which we are increasingly connected. The index shows the extent to which being connected has evolved over time and also enables a cross-sectional comparison of different regions. The connected consumer in Germany, a country that is often said to be technically conservative, is well-connected compared with many other countries (Figure 1). In many regions of the world, the “connected consumer” is now the new normal consumer.

The extremely rapid mass adaptation of smartphones and smart LCD/LED TVs has long been the driving force behind this trend (Figure 2). More recently, though, wearables and the smart home have also been driving this trend. Given this, we can expect fundamental changes in the social relationships among connected consumers and in the way in which they communicate, and I will explain three major points: The change from “lean back” to “move around”, the adaptation of edited dialog, and continuous partial attention. First, however, a word on iBrains.

**iBrains: The real and the virtual world are merging in everyday life** /// 360-degree digital connectivity is especially prevalent among the young generation. Of course, today, older generations are also connected, however – and this is the key difference – older generations have not grown up with smart, digital connectivity as digital connection devices didn’t exist in their youth. Of vital significance for this young generation – we refer to them as iBrains – is their





socialization during a time of accelerated digitalization. The formative stage of this generation is influenced by the merging of the real and the virtual world. iBrains have already had the digitally connected world as children and young people with them in their pockets. The older generations can certainly be just as highly digitally connected, however they have been socialized without the everyday digital devices. For this reason, all users of smart technologies are formally identified as “connected consumers”; however, the communication revolution associated with digital connectivity is occurring in the iBrains generation.

In contrast to analog communication channels such as traditional TV, radio or traditional print media, digital media is designed to be interactive. Previously, during the days of analog media, you had to do extensive research; today, you can simply enter a term in a search engine or comparison site and you receive an almost overwhelming amount of information. The challenge today primarily lies in being able to select relevant and trustworthy information and no longer in being able to simply obtain any information at all.

### From “lean back” to “move around”: The way in which we communicate is changing radically

/// Connected consumers are not only looking for information, but are sharing their experiences and opinions with each other. The evaluations of other customers, buyers and users are now of great importance to those searching and deciding whether or not to use or purchase a product. For many consumers, this is the most important source of information before they make their own purchase.

The way in which we communicate is changing radically through digital connectivity. In the analog world, promotional communication had only a “lean back character”. The advertisers attempt to plan their media across traditional channels in such a way that the predefined target groups are quantitatively reached as precisely as possible across the booked channels. Wasting resources is to be explicitly avoided. The potential buyers/customers are presented with the product information across the chosen TV stations and print media in order to influence consumer purchasing behavior.

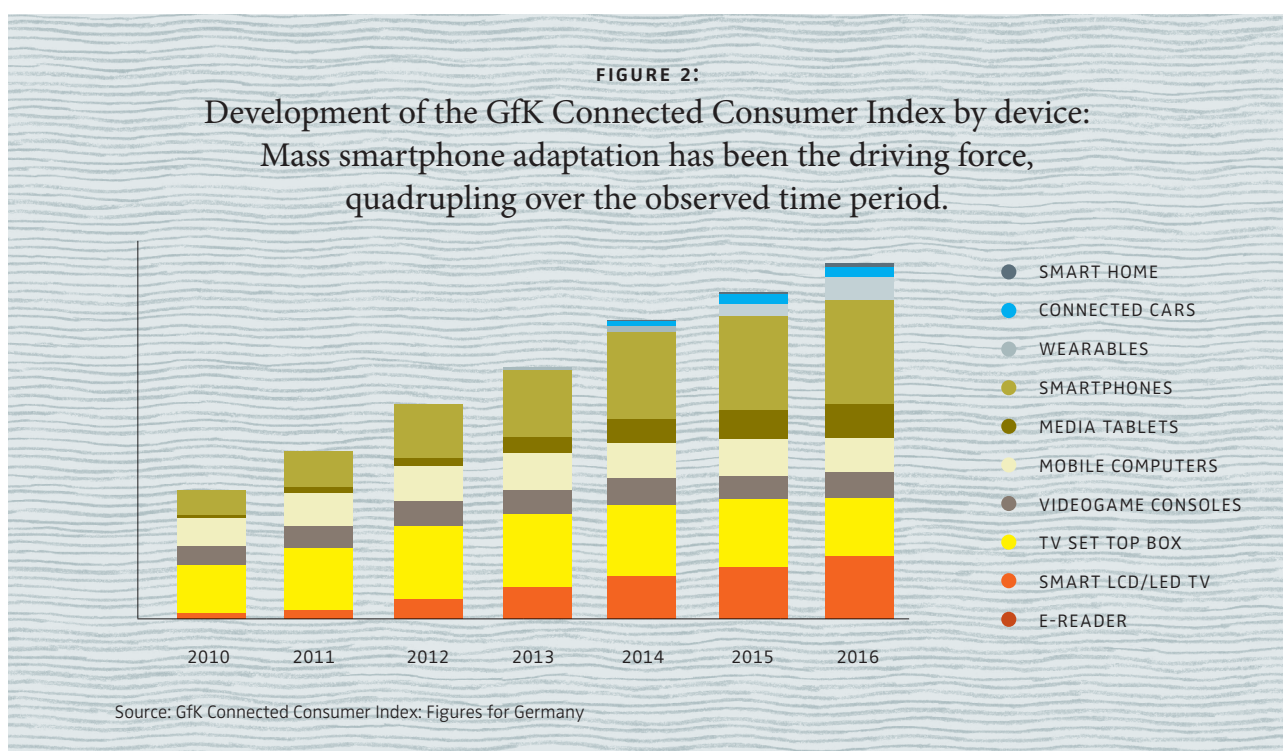
In today’s digital age, this type of stimulus-response communication still has its place, however it must be supple-

mented with interactive offers that consider consumers to be participants who share their own information about their experiences with services and products. The participants no longer just share their experiences via word-of-mouth in their direct circle of friends and acquaintances, but they are increasingly spreading this information across digital channels into the virtual world. From the perspective of media planning, sharing experiences in this way does not lead to wasted resources, but only to additional quantitative reach. However, this could very quickly become highly costly if the experiences shared are negative.

The most extreme form of negative digital communication is what we call a “shitstorm” in Germany. This involves a sudden outburst of extremely painful communication that usually dies out again over time. Quiet, prolonged, negative visual stories that show up on highly frequented websites such as “one out of five stars” or “thumbs down” etc., are underestimated. We call this type of active reporting on experiences or entire stories “move around communication”. Consumers become prosumers: proactive consumers who report their experiences, share their knowledge and perceptions and thereby prompt the provider of services or products to revise their offerings. A completely new scope of activity has emerged in the iBrains generation – being an influencer. According to the results of the 2015/16 GfK Consumer Life

Study, almost a third of iBrains see a trend towards “we are all influencers” and they want to be part of it. For some young people, acting as an influencer is now not only a calling, but a career. And many of them are the stars of their generation. The desire to become a professional and successful influencer is most certainly prevalent among the iBrains generation.

**From spontaneous to edited dialog** /// As “move around communication” becomes more prevalent, dialog also becomes more important. This brings to light a second, relatively abrupt change in the way the young generation communicates. The young generation doesn’t consider the telephone functionality on the smartphone to be useless; however, making a telephone call with a “smart mobile phone” has, without a doubt, lost importance as chatting on a messenger service is preferred. The iBrain generation’s style of communication is changing radically: The direct, spontaneous dialog is losing, while the written (short) text and edited verbal messages are winning. “Chatting” gives iBrains the opportunity to edit the message before the chat is posted. This makes it easier to create a picture of oneself that represents the “desired self” and not the supposed “actual self”. This also applies to voice messages. With this in mind, many cases of dialog are no longer about a rapid sequence of spontaneous actions and reactions, but rather edited actions and reactions.



**Continuous partial attention and a shorter attention span** /// For 75 % of iBrains, belonging to interest groups is very important, whereas – also according to the GfK Consumer Life Study in Germany – this is only important to 43 % of the overall population. However, the majority of iBrains who belong to a community do so in a virtual environment. A consequence of belonging to multiple virtual communities is the “always on phenomena”. Media research often uses pictures of people watching television while at the same time engaged with their tablet on their lap. Everyone has also seen the pictures of people who are at concerts while simultaneously attempting to take pictures of the stage. From these phenomena, media planners have come to the conclusion that all communication channels must be utilized – analog as well as digital – in order to reach the target groups. Unfortunately, in doing so, the significance of “reaching the customer” is often minimized to “making contact with the customer”, which means maximizing reach. However, the

actual consequence of simultaneously using different communication channels is ignored – the continuous partial attention. The adaptation of continuous partial attention is the third consequence of the expansion of digitalization.

“You can do several things at once, but only if they are easy and undemanding,” writes Nobel Prize-winner Daniel Kahneman. When different communication channels are used at the same time, the awareness for the content presented in each channel is transient and superficial. The attention span becomes shorter if you are constantly switching between the various stimuli. With regard to communication, this means that it is not enough to simply make contact; communicators must enhance the qualitative presence of their messages to be able to “get through” to their audience.

**The heuristic PFA approach to successful communication in a digitalized world** /// Instead of thinking about shortening the message, creativity should be put into the relationship between the three building blocks of communication with the young generations. The three building blocks are Priming, Framing, Acting. (Box 1)

Stimulating dialog always involves the form of narration. Mere facts such as “20 % discount today” help to create short-term uplifts, however they do not stick to the brand in the long term. Rather, the point is to take the connected consumer seriously as a partner in dialog and not just as mere consumers. By constantly creating a dialog through a digital spider web of interaction, the young generation will perceive this as a partnership. Only then will a brand become a companion of the iBrain generation.

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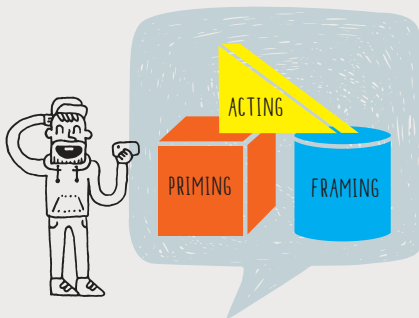
{Box 1}

## THE THREE BUILDING BLOCKS FOR SUCCESSFUL COMMUNICATION WITH IBRAINS

**Priming** relates to the “What”. You need to decide what content should be prepared, what needs should be addressed and what opportunities should be prioritized.

**Framing** relates to the “Where”. You need to analyze the context within which the content has to be framed.

**Acting** refers to the “How” – what form of narrative in which medium can be chosen and how the various channels can be linked together using dialog.



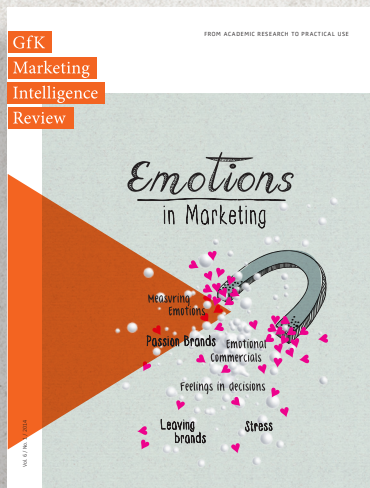
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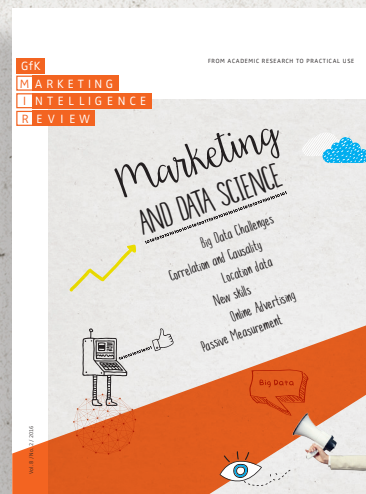
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Professor Andrew Stephen is the Associate Dean of Research and L'Oréal Professor of Marketing at the Saïd Business School at the University of Oxford. Andrew is one of the world's leading academic marketing experts, with a particular emphasis on issues that lie at the intersection of marketing and technology, such as how, when and why marketers should use new digital media channels. His research over the last decade has made significant contributions to our understanding of social media marketing and consumer behavior in digital markets. He was recently ranked as one of the top 25 marketing professors in the world by the American Marketing Association, and first in the UK. He was also named as one of the world's top 40 business school professors under 40 by Poets and Quants in 2015. At Oxford, in addition to overseeing the School's research activities as an Associate Dean, he is the head of the marketing faculty, director of the Oxford Strategic Marketing Programme in the School's executive education portfolio, and the founding director of the Oxford Future of Marketing Initiative, which is a collaborative network of academic–industry partnerships aimed at shaping the future of the marketing discipline through rigorous research and practical thought leadership. Andrew's research is published in all premier journals in marketing and has garnered many accolades, including the Marketing Science Institute's Alden G. Clayton award and the American Marketing Association's John A. Howard award and Donald R. Lehmann award. Recently, an article he published in the *Journal of Marketing* won the Shelby D. Hunt/Harold H. Maynard Award for the best contribution to marketing thought in 2016. He is also a regular media commentator and has appeared in the *Financial Times*, *Harvard Business Review* and the *Wall Street Journal*, and blogs for *Forbes.com*'s CMO Network each month.

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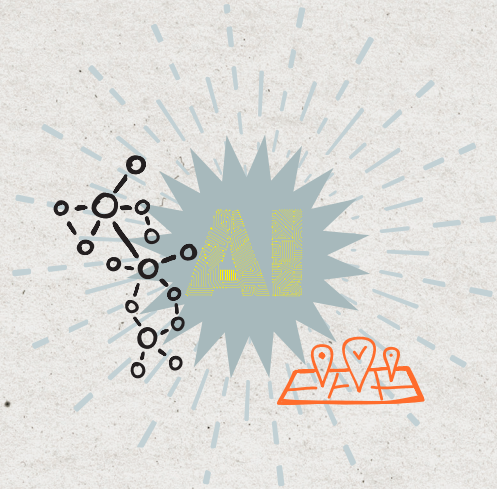
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