Does the company presence on social media platforms still strengthen the brand image?

Anna Miotk, PhD
Contents

• Social media and social platforms
• Popularity of social media platforms
• Importance of social media platforms for marketing
• Challenges connected with social media platforms: information and advertisement quality
• Can we change this?
Social media as…

- A medium – focus on function
- A platform – focus on business model; also a publisher
Social media definition

- websites and applications that enable users to create and share content or to participate in social networking (Oxford Dictionary).
- forms of electronic communication (such as websites for social networking and microblogging) through which users create online communities to share information, ideas, personal messages, and other content (such as videos) (Merriam Webster)
Easy publishing and sharing news
The platform as business model

- Definition: A platform is a business model that creates value by facilitating exchanges between two or more interdependent groups, usually consumers and producers. In order to make these exchanges happen, platforms harness and create large, scalable networks of users and resources that can be accessed on demand.

https://www.applicoinc.com/blog/what-is-a-platform-business-model/
Platform as a publisher

• Social media platforms are also publishers
  – They define themselves as platforms and they do not want to take responsibility for the content published by users
  – But the business model
    • Is dual product market: they offer the content (created by the audience or organizations) to audience and the audience to advertisers
    • The most of their income (over 90%) comes from advertising - what is typical for a publisher (Kreft)
"The Effects of the Rise of Radio, Television and Internet News to the Community Newspaper Industry in Baguio City: The Case of the Baguio Midland Courier (1947-2010)"
The users’ data is the currency

Overview of social media users

**Overview of Social Media Use**

- **Number of Social Media Users:** 4.62 billion
- **Quarter-on-Quarter Change in Social Media Users:** +1.7% (+77 million)
- **Year-on-Year Change in Social Media Users:** +10.1% (+424 million)
- **Average Daily Time Spent Using Social Media:** 2h 27m
- **Average Number of Social Platforms Used Each Month:** 7.5

**Social Media Users vs. Total Population**
- 58.4%

**Social Media Users vs. Population Age 13+**
- 74.8%

**Social Media Users vs. Total Internet Users**
- 93.4%

**Female Social Media Users vs. Total Social Media Users**
- 46.1%

**Male Social Media Users vs. Total Social Media Users**
- 53.9%

**Sources:** Various data sources including social media platforms and research findings.
Internet users worldwide

**Jan 2022**

**Essential Digital Headlines**

**Overview of the adoption and use of connected devices and services**

- **Total Population**: 7.91 billion
- **Unique Mobile Phone Users**: 5.31 billion (67.1% vs. population)
- **Internet Users**: 4.95 billion (62.5% vs. population)
- **Active Social Media Users**: 4.62 billion (58.4% vs. population)

**Urbanisation**: 57.0%
Social media platforms - globally
COVID-19 – Growing interest in online activities

JUL 2020

COVID-19: INCREASE IN ONLINE AND DIGITAL ACTIVITIES
PERCENTAGE OF INTERNET USERS AGED 16 TO 64 IN SELECT COUNTRIES WHO REPORT SPENDING MORE TIME ON EACH ACTIVITY DUE TO COVID-19

- Watching more shows & films on streaming services: 54%
- Spending longer using social media: 43%
- Spending longer on messenger services: 42%
- Listening to more music streaming services: 37%
- Spending more time on mobile apps: 36%
- Spending more time playing computer or video games: 35%
- Creating and uploading videos: 16%
- Listening to more podcasts: 15%

The world’s most popular platforms
# The most popular social media - Poland

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<th>Media channel</th>
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But...there is always a „but”
Social media users can publish everything they want

- Poor quality content
- No information verification
- Limited content moderation by platforms
- Disinformation, malinformation and fake news
- Hate speech
Algorythmic gatekeeping

- Growing number of users = growing number of data on social media platforms
- Users is not able to consume each piece of information
- A need to sort it quickly and present information interesting to a particular user > filtering algorithms
- Algorithms as gatekeepers on social media platforms
Who wins the situation?

• Algorythmic logic – rules used by the creators of algorithm to filter information
  – E.g. Facebook algorithm – important content has lots of comments, is shared most often, is relative new and interesting to our friends

• Which news are shared the most? Causing anger or compassion

• Those who understand the algorythmic logic the best – win the game
  – Influencers
  – But also fake news or disinformation campaigns creators

• Platforms do not fight with this phenomenon – the most important is to retain user on the platform, no matter, how
Role of social media platforms for marketing

• The possibility to stay in direct contact with the consumers
  – But if you hire a social media agency, is the contact still indirect?
• The possibility to target consumers precisely
  – Is it really used? 49% of consumers in U.S. say every second ad is not targeted properly (parcelLab, 2022)
Programmatic advertising

- The automated model of advertisement selling/buying
- Based on IT solutions and internet users’ data
- Used by social media platforms, Google, portals and other internet companies to offer placements to their clients
- Becoming more and more popular on the internet

Programmatic advertising chain

Source: https://nanzvision.co/all-about-programmatic-marketing/
Benefits of programmatic advertising

• Automatisation of complex tasks (buying and offering space)
• Cost effectiveness
  – a company offering placements can sell them by best possible prices
• Better precision in audience targeting
• Simplifying the process of buying advertisements
Disadvantages of programmatic advertising

• Long chain of intermediaries – possibility of showing advertisements in different than bought places or hiding the margins (ad frauds)
• Inaccuracy of algorithms choosing context for advertisements (e.g. advertisement of product for children placed among erotic movies)
• Presence of poor quality content on social media platforms (disinformation, hate speech, etc.) decreasing the brand safety
How big is the scale of advertising frauds? (1)

- **$68 billion**: Expected worldwide ad spend lost to fraud this year. *(Juniper Research)*
- **$23 billion**: Expected U.S. ad spend lost to fraud this year. *(Juniper Research)*
- **$100 million**: Amount per day U.S. companies are expected to be losing to advertising fraud in 2024, an increase of 125% since 2018. *(TrafficGuard)*
- **38%**: Amount of web traffic that is automated/bots. *(Imperva)*
- **24%**: Amount of web traffic that bots used for fraud and theft. *(Imperva)*
- **14%**: Average clicks from fake sources in each paid search campaign. *(ClickCease)*
- **$1**: Amount lost to fraud out of every $3 spent by advertisers. *(Interceptd)*
How big is the scale of advertising frauds? (2)

- **$5**: Amount a botnet owner is charging per 1000 clicks. (ClickCease)
- **73%**: Number of U.S. businesses saying ad fraud is a problem for them. (Netacea)
- **4%**: Revenue lost by those businesses to ad fraud each year. (Netacea)
- **$100 or less**: Price of renting a cheap botnet. (Threatpost)
- **11%**: Share of global ad traffic that’s invalid or fraudulent. (Statista)
- **25%-40%**: Estimated expected fraud rate for ad campaigns. (Anura)
- **36%**: Amount of fraudulent/invalid display ad clicks. (PPC Protect)
Why advertising frauds exists?

- Advertisers want to spend their budgets and are not interested in detailed reports.
- Companies offering advertising space are interested in spending the whole budget of their clients.
Advertisers say no: YouTube boycott in February 2019

Advertisers Boycott YouTube After Pedophiles Swarm Comments on Videos of Children

By Osaka Watanabe and Sana Maheshwari
Feb. 20, 2019

SAN FRANCISCO — Nestlé, Epic Games and other major brands said on Wednesday that they had stopped buying advertisements on YouTube after their ads appeared on children’s videos where pedophiles had infiltrated the comment sections.

The companies acted after a YouTube user posted a video this week to point out this behavior. For the most part, the videos targeted by pedophiles did not violate YouTube’s rules and were innocent enough — young girls doing gymnastics, playing Twister or stretching — but the videos became overrun with suggestive remarks directed at the children.
Facebook boycott – July 2020

- Major advertisers on Facebook reduced their spending by millions of dollars in July, but not enough to significantly damage the platform’s revenue

https://www.nytimes.com/2020/08/01/business/media/facebook-boycott.html
Lush turns its back on social media platforms

And taking a fresh approach to social media with a new global Anti-Social Media policy

- Lush turns its back on Facebook, Instagram, TikTok and Snapchat
- Until they take action to provide a safer environment for users
- Lush have finally had enough, in light of Facebook whistleblower
- All Lush brand, retail and people accounts, around the world will be closing
- Promises to invest in new ways to connect and build better communication channels elsewhere.

From 26th November 2021, the global Lush brand will be turning its back on Instagram, Facebook, TikTok and Snapchat, until the platforms take action to provide a safer environment for users. This policy is rolling out across all the 48 countries where Lush operates.

In the same way that evidence against climate change was ignored and belittled for decades, concerns about the serious effects of social media are going largely ignored now. Lush is taking matters into its own hands and addressing the issues now, not waiting around until others believe in the problem before changing its own behaviour.

Can the boycotts change anything?

• The main source of income for platforms are mainly SMBs, boycotts engage bigger brands
• What else can be done?
  – Governmental regulations
    • Pressure on platforms regarding moderation, algorithms transparency and quality of advertising
  – Consumers – information literacy development
  – Advertisers – education on brand safety and quality of advertising
  – Industry – joint initiatives limiting ad frauds (as IAB ads.txt)
Summary

• Social media platforms changed media landscape offering
  – possibility to easily state their views and opinions for audiences
  – possibility to access strictly defined audience for advertisers

• Some of the developments or business foundings caused additional problems with the quality of content and the advertisement – what raises doubts if platforms are still good marketing channel

• Without organized effort present situation will be difficult to change
Dziękuję za uwagę

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WWW.WDIB.UW.EDU.PL
Sources

- https://www.wirtualnemedia.pl/artykul/co-druga-cyfrowa-reklama-zle-stargetowana