Numbers, Please

The Downside of Digital Word of Mouth And the Pursuit of Media Quality

How Social Sharing Is Disrupting Digital Advertising Models and Metrics

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INTRODUCTION

When the mobile Internet was still in its early growth phase, around 2012, social-networking usage shifted quickly in its direction. What followed was an unprecedented boom in viral content that shook the digital world.

Social media became so powerful a medium for spreading content and ideas that it was inevitable there eventually would be attempts to exploit it. Within a very short time, the environment became riddled with various forms of "digital pollution"—from spam to fraud and "fake news"— the prevalence of which has been accelerated and exacerbated by the rise of programmatic advertising.

The digital-media environment has evolved so quickly that the metrics infrastructure has been challenged to keep pace. Digital word of mouth, in the form of the rapid sharing of content via social and mobile channels, both has democratized content and has created a system of incentives that has commoditized the ecosystem. The short-term chase for bigger audience metrics and greater impression volume has led to significant challenges for media economics.

Metrics have been a part of the problem but also promise to be part of the solution. The fundamental metrics of media planning and campaign measurement—impressions, reach, frequency, and demographics—need not go away. The difference now is that these metrics need a higher level of validation to ensure that the inventory being bought is clean, legitimate, and appearing in environments conducive to effective advertising.

THE RISE OF DIGITAL WORD OF MOUTH

There is no more powerful way of communicating information, including marketing messages, than from person to person. Word-of-mouth communication plays on the value of trust to persuade how others think, feel, and act. We know this from history, long before "social media" entered the public lexicon. Remember the 1982 Fabergé Organics Shampoo spot that made Heather Locklear the face of peer-to-peer advertising? "She liked her shampoo so much, she told two friends, who told two friends, who told two more friends, 'and so on and so on and so on'" (Precourt, 2014, p. 124).

Marketers in the early 2000s became further enamored with the potential of word of mouth when popular books—like Malcolm Gladwell's (2000) *The Tipping Point* and Ed Keller and Jon Berry's (2003) *The Influentials*—entered the public discourse. By the middle of the first decade, as the Internet began to mature as a communication medium with the emergence of social networks, the need to reconsider the original model of how word of mouth works became clear. With the average person no longer limited to influencing only those in his or her immediate circle of friends and family through person-to-person interactions, the Internet suddenly was enabling influence at scale. People could make (or solicit) recommendations instantly to the hundreds of people in their networks.

No longer did the truly powerful ideas or products require a long and sustained grassroots effort to gain critical mass and enter the public consciousness. The density of communication and velocity with which ideas could spread on social networks meant that if something resonated with the public, it could gain mass exposure very quickly.

Social sharing was thought of as a panacea for both users and marketers, with the promise that the most powerful ideas and marketing messages had

a path to maximum exposure. The Internet had an even greater potential to democratize ideas and break through traditional distribution barriers. This meant brands had to get comfortable ceding some control over their message, but also that they could find new and creative ways to reach and engage their customers.

On a commercial level, Dollar Shave Club broke through with a highly effective viral video advertisement that helped an unknown brand reach millions of men tired of paying too much for razors.[1] At a more societal level, there was the potential for spreading positive messages for important causes, such as the Ice Bucket Challenge for building awareness of amyotrophic lateral sclerosis (ALS), otherwise known as Lou Gehrig's disease. (The Ice Bucket Challenge eventually led to the discovery of a gene tied to the disease.[2]) Social media also helped engage more citizens in the political process, by encouraging voting and providing improved means of participation and grassroots organizing.

Grappling with Metrics:
The Primacy of Audience Scale
By the end of this century's first decade—as digital media time-shifted to mobile—users were spending more time in front of their screens than ever before. As social-media platforms referred significant traffic to a variety of publishers, digital audiences consistently climbed. The top 1,000 digital media properties' average U.S. monthly audience rose to 16.8 million in December 2016 from 12.3 million in December 2013, a gain of 37 percent in just three years.

This growth was generated exclusively by mobile audiences, which increased 127 percent during that time period (comScore, 2016a; See Figure 1).

Publishers gained the added benefit of audience scale, a positive development that typically would translate into improved business prospects. Larger scale means an improved ability to reach target audiences and be included in advertisers' media plans. Yet publishers often had difficulty effectively monetizing their mobile inventory and could not take full advantage of this increased scale. Their predicament suggested that the sometimes-singular pursuit of audience scale was shortsighted.

Although top-line metrics of scale more easily could be achieved, metrics demonstrating the depth of engagement and quality of the media environment often were overlooked. Dmitry Shishkin, digital development editor of BBC World Service Group, in 2015 said that with mobile "you might get random traffic spikes, but you won't get engagement. We must figure out how to monetize minutes of engagement, not just eyeballs."[3]

Another prominent publishing executive elaborated on this point. Evan Williams, who cofounded Twitter and later launched the blogging platform Medium, questioned the industry's overreliance on "monthly active users" in response to a headline about Instagram surpassing Twitter on that metric. Reducing every digital-publisher conversation to a single metric of audience scale fails to acknowledge the many other factors that make an audience unique. "[Twitter is a] realtime information network where everything in the world that happens occurs on Twitter—important stuff breaks on Twitter

and world leaders have conversations on Twitter," Williams wrote in one of his blog posts. "If that's happening, I frankly don't [care] if Instagram has more people looking at pretty pictures."[4]

At Medium, Williams advocated use of a "total time reading" metric to capture the overall engagement of his audience base rather than relying solely on metrics of audience scale. But in January 2017, Williams announced that Medium was retooling its business in search of a new monetization model not dependent on advertisements.[5] It seems that audience scale remains essential for advertising-driven business models, but Williams also makes a good argument that it may not be sufficient.

"Fake News" and Misaligned Incentives
The problems of identifying the right metrics further were compounded by corruptive practices in digital media. Indeed, the viral content boom created a powerful way for those seeking to take advantage of the platform in potentially damaging ways. Suddenly, the promise of digital word of mouth at scale also was attracting various forms of digital pollution that made the environment less attractive and harder for marketers to navigate.

Case in point: Donald J. Trump's surprising march to victory in the 2016 U.S. presidential election. In the wake of this shocking result, which belied the many polls predicting a comfortable victory for Hillary Clinton, many placed blame at the feet of various media channels (See "What Survey Researchers Can Learn from the 2016 U.S. Pre-Election Polls," page 182).

[1] J. P. Pullen, "How a Dollar Shave Club's Ad Went Viral," October 13, 20102. Retrieved March 24, 2017, from Entrepreneur.com: https://www.entrepreneur.com/article/224282.
[2] K. Rogers, "The 'Ice Bucket Challenge' Helped Scientists Discover a New Gene Tied to A.L.S," The New York Times, July 27, 2016. Retrieved March 24, 2017, from https://www.nytimes.com/2016/07/28/health/the-ice-bucket-challenge-helped-scientists-discover-a-new-gene-tied-to-als.html.

[3] J. Davies, "Publishers Share Their Biggest Headaches in Monetizing Mobile," October 6, 2015. Retrieved March 24, 2017, from Digiday.com: http://digiday.com/uk/publishers-monetizing-mobile-headaches/.

[4] E. Williams, "A Mile Wide, an Inch Deep," January 5, 2015. Retrieved March 24, 2017, from Medium: https://medium.com/@ev/a-mile-wide-an-inch-deep-48f36e48d4cb#.esbb9tb5a.
[5] M. Gajanan, "Medium Announced Major Layoffs," January 4, 2017. Retrieved March 24, 2017, from Fortune.com: http://fortune.com/2017/01/04/medium-layoff-announcment-ev-williams/.
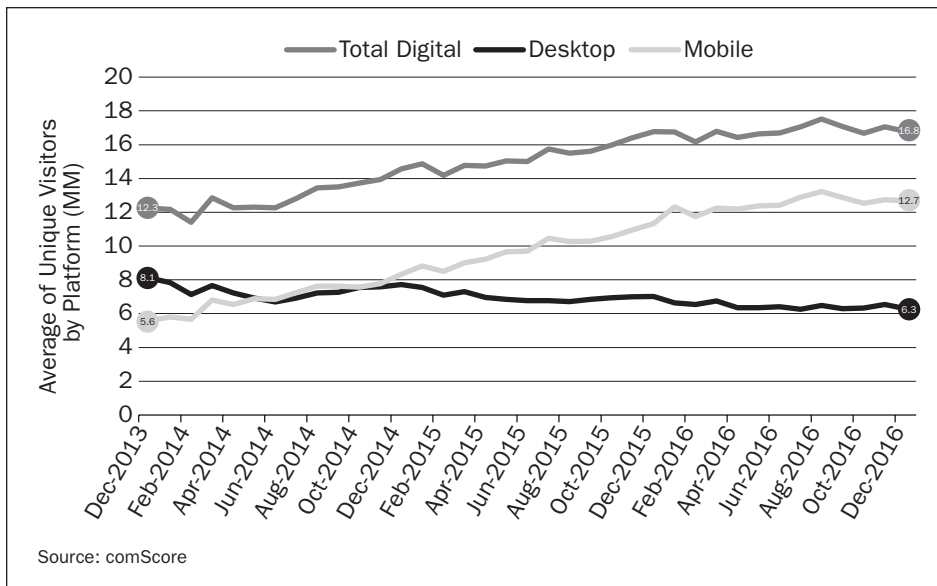
Figure 1 Top 1,000 Properties: Average Monthly Audience (MM)

There was criticism of which stories were and were not covered by certain media outlets, the attention given to particular stories, and, most notable, the role that "fake news" might have played in influencing the electorate.

A BuzzFeed analysis suggested that in the lead-up to the general election, the total number of engagements on social media for fake news stories surpassed the number of mainstream news stories during the period of August through Election Day.[6] Some purveyors of fake news—such as a network of teenagers in Macedonia—were motivated primarily by economics, realizing that exploiting social-media users' willingness to believe and share fake news stories that reinforced their ideological bent was a lucrative business.[7] Fake news was an easy way to generate clicks, which generated advertising impressions, which generated revenue. Increasingly wary of fake news, brands have taken a stronger stand about being placed alongside this and other objectionable content, with greater attention being placed on blacklisting sites known to be peddling these types of content.[8]

Programmatic Pressure And the Problem with Bots

Although many pollutants of the digital-media ecosystem were inevitable, one could argue that their prevalence was exacerbated by the rise of programmatic advertising. Automated trading platforms, through the promise of improved efficiency in reaching the right audiences, have become important new gatekeepers in how digital media are bought and sold. When the impressions on advertising exchanges get packaged and sold like pork bellies, the quality of the inventory and media environment tends to take a back seat.

In this environment, the incentive changes for content producers. Instead of investing in building a brand through high-quality content that attracts loyal readership, cobbling together cheap websites promoting sensationalist headlines that easily can generate clicks becomes an easier path to generating advertising-impression volume.

In many cases, that takes the form of clickbait designed to find its way into people's social-media feeds and generate quick eyeballs. In more extreme cases, this clickbait comes in the form of fake news. In yet more extreme cases, there are websites built purely for the purpose of generating fake impressions through bot traffic, siphoning off advertising dollars along the way.

In December 2016, digital-advertising security company WhiteOps publicized the existence of "Methbot," a bot network with roots in Russia that was generating fake impressions on a massive scale.[9]

comScore research corroborated that, although this particular bot network was a large one, it was not especially unique in its magnitude—representing just 0.86 percent of global invalid traffic observed by comScore on December 19, the day before the threat was made public by WhiteOps. Threats of this nature will continue to persist as long as they are able to exploit a digital-advertising ecosystem that lacks transparency—allowing for rampant inflation of fake advertising impressions that go undetected—because verification services were not used.

[6] C. Silverman, "This Analysis Shows How Viral Fake Election News Stories Outperformed Real News on Facebook," November 16, 2016. Retrieved March 24, 2017, from Buzz-Feed News: https://www.buzzfeed.com/craigsilverman/viral-fake-election-news-outperformed-real-news-on-facebook?utm_term=.ho65OVOxG#.rmEE0x0nl.

[7] A. Smith and V. Banic, "Fake News: How a Partying Macedonian Teen Earns Thousands Publishing Lies," December 9, 2016. Retrieved March 24, 2017, from NBC News: http://www.nbcnews.com/news/world/fake-news-how-partying-macedonian-teen-earns-thousands-publishing-lies-n692451.

[8] J. Nicas, "Fake News Sites Inadvertently Funded by Big Brands," The Wall Street Journal, December 8, 2016. Retrieved March 24, 2017, from http://www.wsj.com/articles/fake-news-sites-inadvertently-funded-by-big-brands-1481193004.

[9] J. Marshall, "Russian Hackers Stole Millions from Video Advertisers, Ad Fraud Company Says," The Wall Street Journal, December 21, 2016. Retrieved March 24, 2017, from http://www.wsj.com/articles/russian-hackers-stole-millions-from-video-advertisers-ad-fraud-company-says-1482272717.
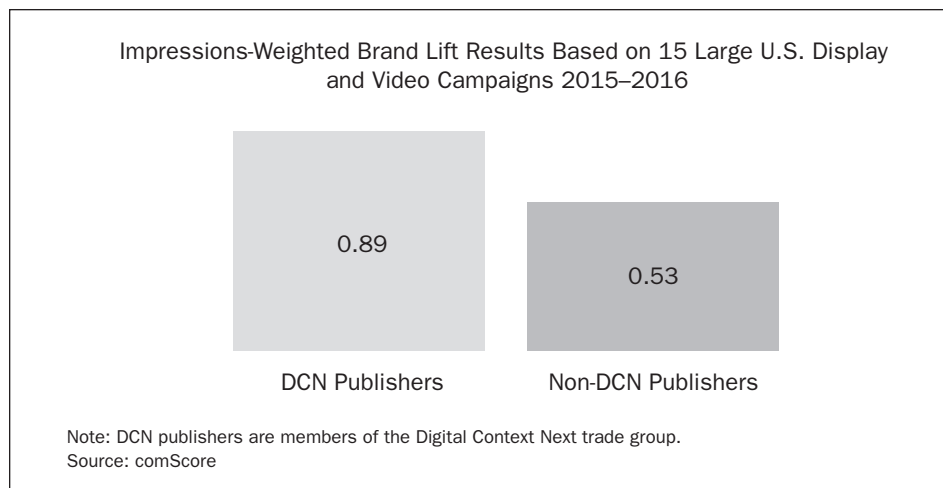
Impressions-Weighted Brand Lift Results Based on 15 Large U.S. Display and Video Campaigns 2015–2016

0.89 — DCN Publishers

0.53 — Non-DCN Publishers

Note: DCN publishers are members of the Digital Context Next trade group.
Source: comScore

Figure 2 Average Brand Lift of Premium versus Nonpremium Publishers

A RETURN TO MEDIA QUALITY

Digital media stakeholders increasingly are standing up for quality:

- Facebook and Google both have said they would take action to remove fake news from their newsfeeds and search results.[10]
- Publishers such as *Slate* and *The New Yorker* stopped hosting "around the web" advertisements on their websites.[11]
- *The Economist* has begun selling advertisements on the basis of attention metrics, such as time in view.[12]
- As of late March 2017, more than 1,500 advertisers, including 3M, Allstate, Avis, Bed Bath and Beyond, Charles Schwab, Kellogg's, and Nestlé, had stated publicly they would be pulling their advertisements from the alt-right-leaning Breitbart News site and other sites they deem inconsistent with their brand values.[13,14]
- Media investment firm GroupM in 2015 demanded that its publishing partners get TAG certified in order to get included on their media buys.[15] TAG is the Trustworthy Accountability Group, which in February that year announced its antipiracy program. Its goal is to help prevent the placement of advertisements on websites that facilitate distribution of pirated content or the illegal dissemination of counterfeit goods. As of May 2016, more than 30 leading digital-advertising companies and agencies had agreed to participate in TAG's antifraud initiative.[16]

In July 2016, comScore conducted research highlighting the value of quality advertising environments. The advertising effectiveness study examined the value of premium media environments, which were defined as member companies of the Digital Content Next trade group. It showed that premium publishers delivered 67 percent higher branding lift than nonpremium publishers (comScore, 2016b; See Figure 2).

Some of this difference could be explained by higher viewability rates (50 percent versus 45 percent) and lower incidence of invalid traffic (2.2 percent versus 3.5 percent) on those publisher sites. The halo effect of the premium, well-lit, contextually relevant environment, however, was the more significant cause of improved advertising effectiveness.[17] Research that helps isolate the value of the environment—beyond its ability to deliver an impression against a certain type of audience—can better inform media buyers about the inventory that most likely will work for them. What is more, the use of supplementary metrics of engagement—whether time in view, interaction rates, completion rates, or a variety of other metrics—also gives the media buyer better information to use to allocate media spend.

[10] N. Wingfield, M. Isaac, and K. Benner, "Google and Facebook Take Aim at Fake News Sites," The New York Times, November 14, 2016. Retrieved March 24, 2017, from https://www.nytimes.com/2016/11/15/technology/google-will-ban-websites-that-host-fake-news-from-using-its-ad-service.html.

[11] S. Maheshwari and J. Herrman, "Publishers Are Rethinking Those 'Around the Web' Ads," The New York Times, October 30, 2016. Retrieved March 24, 2017, from https://www.nytimes.com/2016/10/31/business/media/publishers-rethink-outbrain-taboola-ads.html.

[12] J. Davies, "How The Economist Plans to Grow Attention-Based Ad Sales," February 4, 2016. Retrieved March 24, 2017, from Didigday.com: https://digiday.com/uk/economist-plans-scale-time-based-ad-sales/.

[13] T. M. Andrews, "Kellogg's, Citing 'Values,' Joins Growing List of Companies That Pledged to Stop Advertising in Breitbart News," The Washington Post, October 30, 2016. Retrieved March 24, 2017, from https://www.washingtonpost.com/news/morning-mix/wp/2016/11/30/kellogg-citing-values-joins-growing-list-of-companies-that-pledged-to-stop-advertising-in-breitbart-news/?utm_term=.3836269e1e4f.

[14] Sleeping Giants, "Sleeping Giants Confirmed List Updated 3.17.17," Retrieved March 24, 2017, from Sleeping Giants Twitter page: https://docs.google.com/spreadsheets/d/1i9o8CR_kjJ6mBd44k6CRZEhlXuZqq-XCCOoj-e8RJ7Q/edit#gid=0.

[15] T. Peterson, "Group M Wages War on Piracy Sites with Anti-Fraud Group TAG, Demands Publishers Join," September 23, 2015. Retrieved March 24, 2017, from AdvertisingAge: http://adage.com/article/digital/groupm-wages-war-piracy-sites-anti-fraud-group-tag/300510/.

[16] "Group M Proudly Supports TAG's Launch Anti-Fraud Certification Program," Group M press release, May 23, 2016. Retrieved March 26, 2017, from https://www.groupm.com/news/groupm-proudly-supports-tags-launch-anti-fraud-certification-program.

[17] M. Swant, "Ads on Premium Publisher Sites Are 3 Times More Effective at Boosting Brand Favorability," Adweek, July 14, 2016. Retrieved March 24, 2017, from http://www.adweek.com/news/technology/ads-premium-publishers-sites-are-3-times-more-effective-boosting-brand-favorability-172509.

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CONCLUSION

With the promise of improved metrics, marketers can be assured that a cleaner, more transparent environment and improved economics are within reach. Traditional metrics of media planning and campaign measurement—impressions, reach, frequency, and demographic—remain the pillars of the media buying and selling ecosystem. A higher level of validation of these metrics should ensure that the inventory being bought is pollutant free, legitimate, and appearing in effective advertising spaces.

The layers of validation needed include

- the measurement of viewable impressions;
- sophisticated detection and removal of invalid traffic;
- brand-safety protections (using both black lists and white lists).

These protocols ensure that advertisements can reach actual human eyeballs within an environment that does not tarnish the brand.

Measurement also can go a step further to improve what is known about media quality as it pertains to advertising, however:

- Is the advertisement in view and reaching humans?
- Is it in a contextually relevant environment?
- Does it appear adjacent to a brand that delivers a halo effect?
- Is it reaching an engaged and relevant audience?

Metrics addressing media quality and audience attention are available and should be used to supplement standard media-planning variables.

Finally, achieving a more hospitable advertising environment for both buyer and seller demands that each player is willing to play a role in defending against challenges:

- Advertisers and agencies must avoid shopping only for bargain-basement CPMs (*i.e.*, cost per thousand), because these impressions often come from the worst-offending sites as far as trafficking in fake news, low-quality content, or wholesale bot fraud.
- Publishers must resist the urge to chase audience scale through clickbait or third-party traffic buying that perpetuates the deterioration of digital advertisement buying.
- Programmatic exchanges can build in more safeguards and filters to surface quality inventory that produces not only reach and impressions but engagement and attention. **JAR**

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