Social Media: DEAL OR NO DEAL?
New Insights Into Digital Ad Effectiveness

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The evolution of digital advertising

- Mature
- Always changing
- New formats, channels, and consumer behaviours
- Innovation and uncertainty
- What’s working, and why?
What we did

01
Analysis of Kantar Millward Brown MarketNorms data

02
Analysis of Kantar Millward Brown Facebook/ Instagram Norms
MarketNorms analysis

- 7 years of desktop and mobile display tests
- 8,811 campaigns globally
- 20 categories globally
  - Top three are CPG (40%), Auto (12%), Financial Services (11%)
- Multiple formats including rich media, video etc
How effectiveness is measured

• KPIs measured include awareness, favourability, purchase intent

• Exposed vs. control methodology
Desktop: impact on brand over time

Mean desktop

Source: Kantar Millward Brown MarketNorms Database Q2 2017
Mobile: impact on brand over time

Mean desktop and mobile

Source: Kantar Millward Brown MarketNorms Database Q2 2017
So, what’s going on with mobile?

- Mobile display has reached a level of maturity with desktop display
- Both mobile and desktop display ads are equally effective for brands
- These lifts appear to be fairly predictable and dependable
- But this isn’t the only story in mobile advertising...
New Insights Into Social Ad Effectiveness
What we did

• Kantar Millward Brown Facebook and Instagram mobile polls (Oct 2015 – May 2017)

• 49% Facebook only, 48% Facebook + Instagram, 3% Instagram only

• 235 unique campaigns

• 110 different brands

• Global but mainly US, UK, Canada
### Countries and regions

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>North America</td>
<td>58%</td>
</tr>
<tr>
<td>South America</td>
<td>3%</td>
</tr>
<tr>
<td>Africa</td>
<td>3%</td>
</tr>
<tr>
<td>Europe</td>
<td>9%</td>
</tr>
<tr>
<td>Asia</td>
<td>13%</td>
</tr>
<tr>
<td>Aus</td>
<td>17%</td>
</tr>
</tbody>
</table>

Others include: Brazil, Hong Kong, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Africa

Source: Kantar Millward Brown study of 235 Facebook and Instagram campaigns October 2015-May 2017
Categories

- PERSONAL CARE: 31%
- FOOD: 17%
- AUTO: 17%
- FINANCIAL SERVICES: 10%
- MEDIA & ENTERTAINMENT: 7%
- ALL OTHERS: 18%

Source: Kantar Millward Brown study of 235 Facebook and Instagram campaigns October 2015-May 2017
Formats

79% INCLUDING VIDEO

21% NOT INCLUDING VIDEO

Source: Kantar Millward Brown study of 235 Facebook and Instagram campaigns October 2015-May 2017
How effectiveness is measured

• Control versus exposed methodology conducted by Kantar Millward Brown

• For each campaign, Facebook randomises users into an exposed (saw the ad) or control (didn’t see the ad) group

• Respondents are recruited within 48 hours and answers are collated for the different brand KPIs*

Deltas are calculated as follows:

- Delta = P(Hit)Exposed – P(Hit)Control

- Statistical significance of delta based on a test for differences in proportions (z-test)

*Facebook surveys users in the exposed group between 4 and 48 hours after the first ad exposure, and from 48 hours after the start of the study for the control group
Brand KPIs

- Aided Brand Awareness
- Ad Awareness - 2 days
- Message Association
- Brand Favourability
- Intent
- Affinity
- Meets Needs
- Uniqueness
- Dynamic
How the KPIs have been grouped for analysis

**SALIENCY**
- Ad Awareness
- Ad Awareness - 2Days
- Aided Brand Awareness
- Aided Product Awareness

**ASSOCIATIONS**
- Message Association
- Sponsorship Association
- Dynamic (trends)

**MOTIVATION**
- Affinity
- Brand Favourability
- Consideration Intent
- Purchase Intent
- Recommend Intent
- Visit Intent
- Meets Needs
- Uniqueness
Most campaigns have a positive impact on KPIs

Of those deltas that are negative, 93% not significant from 0

Of those deltas that are positive, 47% are significant from 0

Source: Kantar Millward Brown study of 235 Facebook and Instagram campaigns October 2015-May 2017
More significant impact on upper funnel metrics

<table>
<thead>
<tr>
<th>METRIC TYPE</th>
<th>MEAN</th>
<th>STDEV</th>
<th>MIN</th>
<th>MAX</th>
<th>NUMBER OF CAMPAIGNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saliency</td>
<td>5%</td>
<td>6%</td>
<td>-5%</td>
<td>30%</td>
<td>229</td>
</tr>
<tr>
<td>Associations</td>
<td>4%</td>
<td>5%</td>
<td>-4%</td>
<td>22%</td>
<td>104</td>
</tr>
<tr>
<td>Motivation</td>
<td>2%</td>
<td>3%</td>
<td>-7%</td>
<td>15%</td>
<td>255</td>
</tr>
</tbody>
</table>

Source: Kantar Millward Brown study of 235 Facebook and Instagram campaigns October 2015 - May 2017
### GOOD NEWS
- Sizeable number with significant positive lift
- Extremely few campaigns with significant negative lift

### HOWEVER...
- Too noisy to see an effect if present
- Or, just very weak effectiveness

### DRIVERS OF IMPACT
Are there factors that can help explain these differences, i.e., what drives higher brand lift on these metrics?
No obvious factor driving campaign performance

• We know some details about each campaign, including
  – Type of format – video or no video
  – Number of distinct ad units used
  – Number of creative types used
  – Industry/category
  – Geographic region
  – Ads on Facebook only vs. on Facebook and Instagram

• None of these factors significantly explain differences in deltas

• So, what could play a role?
  – Brand Characteristics, creative build and design, etc?
Hypothesis: Some brands have adapted better than others

• Brand characteristics or “brand personality” could make a difference

• Our thinking is that brands that behave in a “human” manner tend to be a better fit on Facebook/Instagram

• Context matters in advertising, and this might also hold true for ads in social news feeds
  – Are there brands that are better suited to the social news feed context?
How we tested this hypothesis

• We took a machine learning approach to enable us to classify brands as more or less “human”

• How brands “talk” about themselves can be used to infer how “human” they are and how they have adapted to social media

• We did natural language processing on text from brands’ owned media on Facebook (i.e., their brand posts)
“Personality” classifications

• We classified each brand on three “personality” characteristics:
  – Personable: human language (more = more human)
  – Emotional: affecting language (more = more human)
  – Functional: cognitive/functional language (less = more human)
## Results: Correlational effects on brand lift

<table>
<thead>
<tr>
<th>Saliency</th>
<th>Associations</th>
<th>Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>More Social</td>
<td>↑</td>
<td>No direct effects, but likely to see increases through increased saliency</td>
</tr>
<tr>
<td>More Affect</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Less Cognitive</td>
<td>↑</td>
<td></td>
</tr>
</tbody>
</table>

Note: Effects are statistically significant at the 5% level
What does this all mean?

• Overall, the news is positive for digital ad effectiveness, even for mature forms such as desktop and mobile display

• Social media, and in this case specifically Facebook and Instagram are effective at driving brand impact

• But there is variation in campaign performance across KPIs
  – Few truly negative campaign outcomes
  – But average lifts are not huge
Importance of adapting for social media

• Brands that are more “human” are a more congruent fit for the social news feed environment

• Those brands that have adapted well to this environment tend to also see a significant impact on upper funnel metrics e.g. Saliency
Key takeaways - what does this mean for the industry?

1. Digital is important for long term brand building as well as sales
2. Desktop isn't dead!
3. Things don't stay shiny and new forever
4. Be more human
5. Digital works best as part of the media mix
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