THE RETURN ON A SHARE

Quantifying the Monetary Value of Social Sharing

ShareThis®

New Analysis Calculates Dollar Value and Influence of Sharing on Purchase Decisions; Shows Online Sharing is Nearly Equivalent to In-Person Recommendations.

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KEY TAKEAWAYS

1

Extremely positive online shares generate a 9.5 percent increase in purchase intent. Consequently, positive recommendations, including online shares, enable manufacturers and retailers to charge more. Conversely, bad recommendations lower purchase incidence by 11 percent.

2

This translates to an incremental increase in profit of $799 to $9,336 per vehicle in the automotive industry, $22 to $34 for a WIFI-only mini-tablet in consumer electronics, and $0.24 to $1.54 for a typical consumer packaged good sold in a supermarket.

3

Online and offline recommendations trump both brand and price in terms of the relative impact on consumer decision making.

4

The sharing of content through social media and email ("online sharing") consistently outperforms both consumer ratings and consumer reviews. And, surprisingly, online sharing carries essentially the same weight as in-person recommendations.

5

Marketers have the opportunity to create a virtuous circle: Audiences share content they find relevant. The insights that marketers glean from this behavior facilitate optimization that generates more earned media hence a large audience for the brand.

6

Reviews shared over social networks increase the value and desirability of products, whether store brands in a supermarket, a mini-tablet or a luxury automobile.

7

Not surprisingly, the monetary value of a recommendation and the influence it has on consumers closely related to the source, a continuum where professionals, close friends and family members have the greatest impact and strangers have the least.

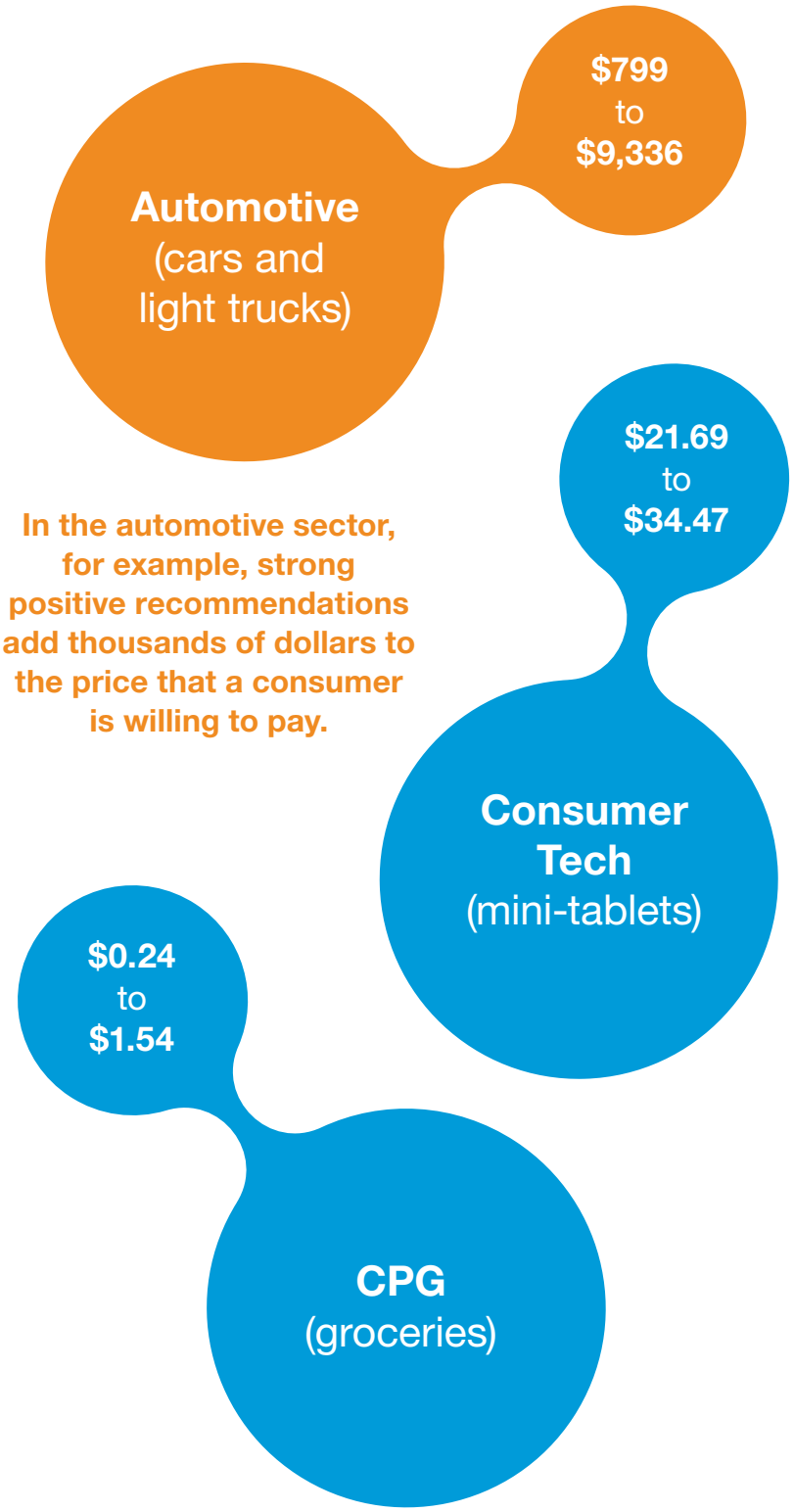
EXECUTIVE SUMMARY

Many estimates have been made about the combined impact of the Internet, e-commerce and social media on consumers' purchase decisions. Conventional wisdom holds that the opinions and recommendations of people in our social networks have significant and measurable impact on consumer behavior.

The Return on a Share study commissioned by ShareThis confirms the conventional wisdom, and calculates the monetary value of different forms of recommendations using scientific methodology.

The study, presented at the Return on Sharing Summit convened by ShareThis and the Paley Center for Media, shows clearly that recommendations trump brands and price when consumers make decisions, and that the most important aspect of a recommendation is its strength. Moreover, the study indicates the "cash value" of those recommendations to advertisers and marketers.

ADDED VALUE OF AN EXCELENT RECOMENDATION



In the automotive sector, for example, strong positive recommendations add thousands of dollars to the price that a consumer is willing to pay.

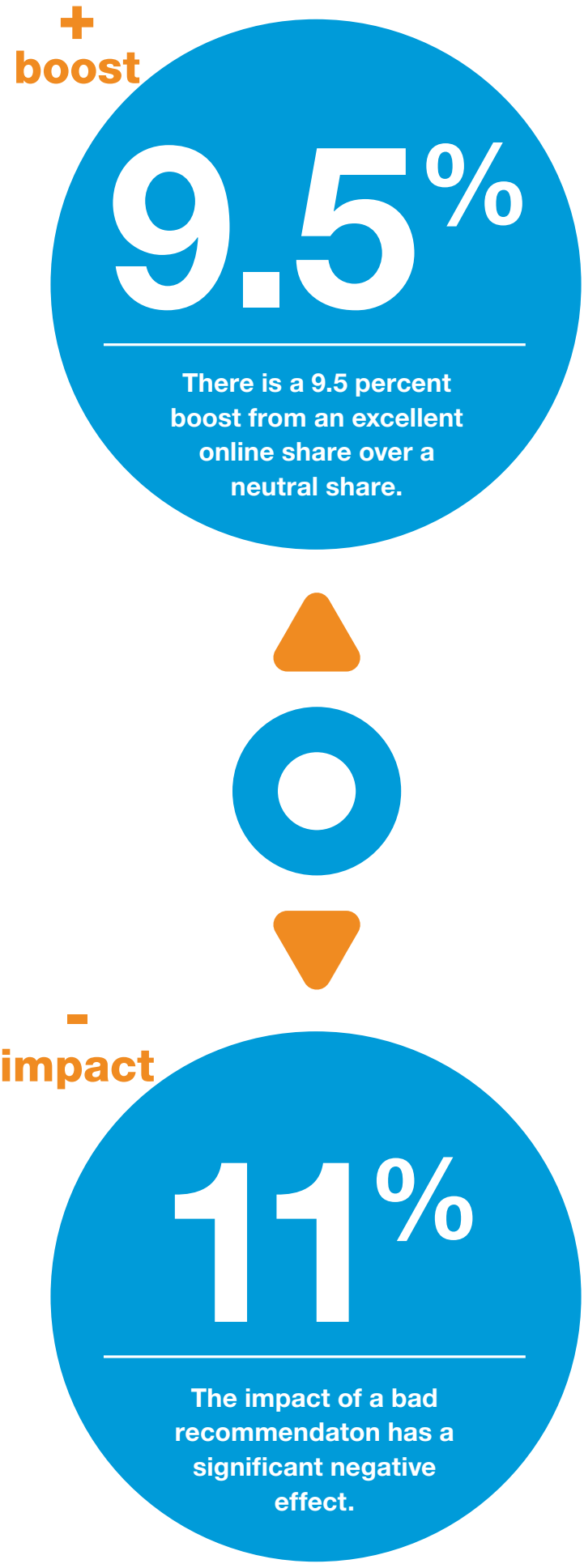
The overall value of an excellent online share is a 9.5 percent boost over a neutral share across the three product categories examined in the study.

The key takeaway is that excellent recommendations enable manufacturers and retailers to charge more for goods that are highly recommended. The study also found that an excellent recommendation or online share can enable higher-priced items to compete more effectively with similar or competitive items that are lower-priced. The impact of a bad recommendation has a negative effect and is even more pronounced: 11 percent. In terms of raw cash value, that translates to a loss of between $1,342 and $8,177 for a car or light truck, approximately $32.25 for a consumer technology product and between $0.48 and $1.34 for grocery items.

The Return on a Share study represents a crucial milestone in a long collective journey from gut-based to evidence-based decision making in the discipline of digital marketing. It's fair to say that every new science begins with a residual amount of superstition and progresses through experimentation to a higher state of quantifiable objectivity. Digital marketing is no exception to that general rule, and we are still at the beginning of the trek.

That said, the data collected and analyzed for this study indicates clearly that social sharing plays an influential role in the modern consumer economy, and moreover, that its impact can be measured.

The findings are crucial for advertisers, brands, agencies and publishers, as well as investors and technology providers. Anyone who depends on modern media to market goods or services will experience the impact materially.



TAXONOMY OF SHARING

"There's no question consumers are actively looking online for recommendations and content to help them decide what to buy. We've all known that social sharing is important, but it's been difficult to measure its impact on consumer spending -- until now. For the first time, this report offers a guide for brands to determine the value of social content, and make informed decisions about where and how they need to invest to engage their customers."

- Kurt Abrahamson,
CEO Sharethis

THE FIVE TYPES OF

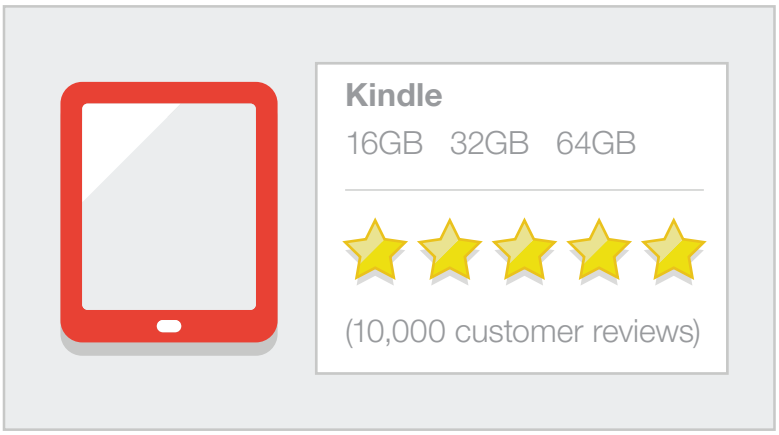
Since the analysis of social sharing is a relatively new science, it is important to define terms before venturing further. For the purpose of this study, there are five general types of recommendations:

1

Online Sharing:
Personal recommendations and opinions shared via email or social networking (Facebook, Twitter, Pinterest and LinkedIn) by friends, family members, acquaintances or strangers.

Consumer Ratings:
Ratings by strangers in online media generally with a five-star rating scale.

3



GENERAL RECOMMENDATIONS

2

Consumer Reviews:
Recommendations and opinions published in online media by strangers.

yelp

Review on **4/21/2014**

"This is the best hamburger in NYC. If you live in NYC you have to eat here."

In-Person Recommendations:
Personal recommendations and opinions shared face-to-face by friends, family members, acquaintances or strangers.

4

5

Professional Reviews:
Articles and product reviews published in traditional print and online media, written by professionals or experts.

2014 Land Rover Range Rover Evoque 9-Speed Automatic

Reviewed by Car and Driver, May 2014

Highs and Lows: Quick, Price

Specifications: 4WD, turbo

Rank in Segment: 1 out of 7

Consumer Story

DAVID WAS IN THE MARKET FOR A NEW TABLET TO USE AT HOME AND WORK.

He was tempted to buy an iPad, but was not 100 percent sure. After consulting several sites, including BestBuy, Amazon and CNET, he discovered that the Samsung Galaxy Note might better meet his needs.

IT RECEIVED BETTER REVIEWS, AND FRIENDS AND EXPERTS HAD NOTHING BUT GOOD THINGS TO SAY ABOUT THE DEVICE.

A trip to his local electronics shop to compare tablets confirmed his research, and David was so delighted with his Galaxy Note, he bought another one for his girlfriend as a gift.

INTERNET AD REVENUES IN THE U.S. ALONE TOTALED $42.8 BILLION IN 2013, SURPASSING BROADCAST TELEVISION ADVERTISING FOR THE FIRST TIME, ACCORDING TO THE INTERACTIVE ADVERTISING BUREAU (IAB) AND PwC US.[1]

[1] www.iab.net/about_the_iab/recent_press_release/press_release_archive/ppress_release/pr-041014

THE BUSINESS CASE FOR SHARING

The mystery surrounding the economic value of social sharing is not trivial. Indeed, the consequences of understanding the "math" of social sharing are enormous. Internet ad revenues in the U.S. alone totaled $42.8 billion in 2013, surpassing broadcast television advertising for the first time, according to the Interactive Advertising Bureau (IAB) and PwC US.

Wall Street and the business community have taken it on faith that shared recommendations are worth something, but there is no agreement about how to value a recommendation or an online share.

This study strips away the mystery and provides a practical framework for quantifying the monetary value of a share. Knowing that an excellent recommendation boosts the average value of a share by 9.5 percent over a neutral one, and that the impact of recommendations is highly consistent across mini-tablets and automotive – and even stronger among lower-priced grocery items – creates a powerful advantage for savvy marketers.

Digital advertising is growing steadily. In the consumer packaged goods (CPG) category, for example, investment in digital may soon overtake magazines as the second-largest form of advertising, exceeded only by television. Billions of dollars are in play, and advertisers expect measurable returns from their investments. Today, brands demand significantly higher levels of accuracy and insight from digital advertising and marketing platforms. Clients want to understand the implications of their brand messaging, social engagement, pricing and fulfillment strategies.

IT ALL STARTS WITH A SHARE...

MOMS ARE 3X MORE SOCIAL THAN THE GENERAL POPULATION.

MOBILE IS 2X AS SOCIAL AS DESKTOP.

USERS WHO SOCIALIZE FILM CONTENT ARE 6X MORE LIKELY TO PURCHASE MOVIE TICKETS.

84% OF THE SHARING LEADING UP TO THANKSGIVING IS DEALS, RECIPES AND COUPONS.

DETAILED FINDINGS

CONTEXT & BACKGROUND

The Return on a Share study, which surveyed more than 6,000 consumers, was developed by Beresford Research of Westport, Connecticut, and conducted in two phases during late 2013 and early 2014. It is the first study of its kind to apply scientific, statistical methodology to the problem of determining the actual monetary value of a social share, which we refer to as the "return on a share" (RoS).

PREVIOUS STUDIES

The New York Times

Previous surveys, including a 2011 study by The New York Times Customer Insight Group,[2] have shown that sharing serves as a form of "information management" for harried modern consumers. The NYTCIG study, "The Psychology of Sharing: Why Do People Share Online?" found that 73 percent of respondents said they "process information more deeply, thoroughly and thoughtfully when they share it" and 85 percent of respondents said "reading other people's responses helps them understand and process information and events."

crowdtap

A 2013 survey[3] by Crowdtap, a collaborative social marketing platform, showed that roughly 65 percent of 1,400 consumers polled used social media to find the "perfect holiday gift." Peer recommendations on social media also came in strong as both the leading driver of purchase and the key driver of gift discovery," according to Crowdtap.

nielsen

A Nielsen study conducted in 2012[4] showed that 92 percent of consumers "trust earned media, such as word-of-mouth and recommendations from friends and family, above all other forms of advertising—an increase of 18 percent since 2007 … Online consumer reviews are the second most trusted form of advertising with 70 percent of global consumers surveyed online indicating they trust this platform, an increase of 15 percent in four years."

2 www.nytmarketing.whsites.net/mediakit/pos
3 http://blog.crowdtap.it/2013/08/65-of-shoppers-use-social-media-to-find-perfect-gift/
4 http://www.nielsen.com/us/en/press-room/2012/nielsen-global-consumers-trust-in-earned-advertising-grows.html. Another Nielsen study released in March 2014 found that consumer rely on credible, third-party content more than either branded content or user reviews (http://www.businesswire.com/news/home/20140325005396/en/Nielsen-Consumers-Crave-Real-Content-Making-Purchase#.UzNLac7Bet8)

OUR STUDY

Our study makes the connection more strongly and demonstrates the monetary impact of sharing over a broader range of consumer products. The study also shows that recommendations clearly trump brand and pricing when purchase decisions are made, confirming the observations of Itamar Simonson and Emanuel Rosen in their seminal book *Absolute Value: What Really Influences Customers in the Age of (Nearly) Perfect Information.*[5]

In the book, the authors describe "a fundamental shift in consumer decision making." In the past, consumers made decisions "relative" to brand, pricing, advertising and their own previous experiences. "The new information environment around us allows consumers to predict much more accurately the experienced quality (or absolute value) of the products and services they consider getting," write the authors.

[5] http://www.harpercollins.com/books/Absolute-Value/?isbn=9780062215673

EVOLUTIONARY ROOTS OF SHARING

Sharing, in its social context, is a fundamentally altruistic activity that creates and strengthens bonds of trust between people. Sharing is the basis of social connectivity, the glue holding groups of people with similar needs and interests together.

Although the phrase "thank you for sharing" has become devalued by overuse, the act of sharing is still considered remarkably valuable. We intuitively value sharing because it represents more than the mere transfer of goods or information.

Sharing is intuitively perceived as a net positive action, and it evokes a positive emotional response. When we share something – whether it's a gift or a comment -- we are sharing an emotion, a sentiment, a judgment. We are essentially saying, "This is good, and that is bad. This is safe, and that is dangerous. This will make you feel better, and that will make you sick." We make recommendations, based on our body of knowledge and experience, and often we share with those who we believe will value the perspective.

On a gut level, we grasp the value of those recommendations, and we understand how they help us navigate from danger to safety, from greater risk to greater reward. However, despite our instinctive appreciation of sharing, the value of a "social share" has remained elusive -- until now.

Pinterest

Surpases email as the most social platform **3rd**

48% of all tablet sharing happens on Pinterest

Consumers share on Pinterest **3x** more often on mobile than desktop

FINDINGS SUPPORT INTRINSIC VALUE OF RECOMMENDATIONS

The Return on a Share study focused on three verticals: consumer packaged goods (supermarket products), automotive (cars and light trucks) and consumer technology (mini-tablets). Two in-depth studies were performed, one using trade-off analysis, and the other using traditional scale ratings. Both sets of studies, which surveyed 1,000 U.S. consumers for each vertical, yielded highly similar results, thereby validating the findings. As mentioned earlier, the studies showed that recommendations trump brand and price by substantial margins. The findings were consistent over the three verticals, reinforcing the idea that a shared recommendation translates into real economic value.

The findings also support the belief that, far from suffering from "information overload," consumers are quite adept at identifying and leveraging the quantity of information that is most relevant and potentially useful to them in a typical purchasing scenario. Figure 1, to the right, shows the influence of recommendations compared to brand and price:

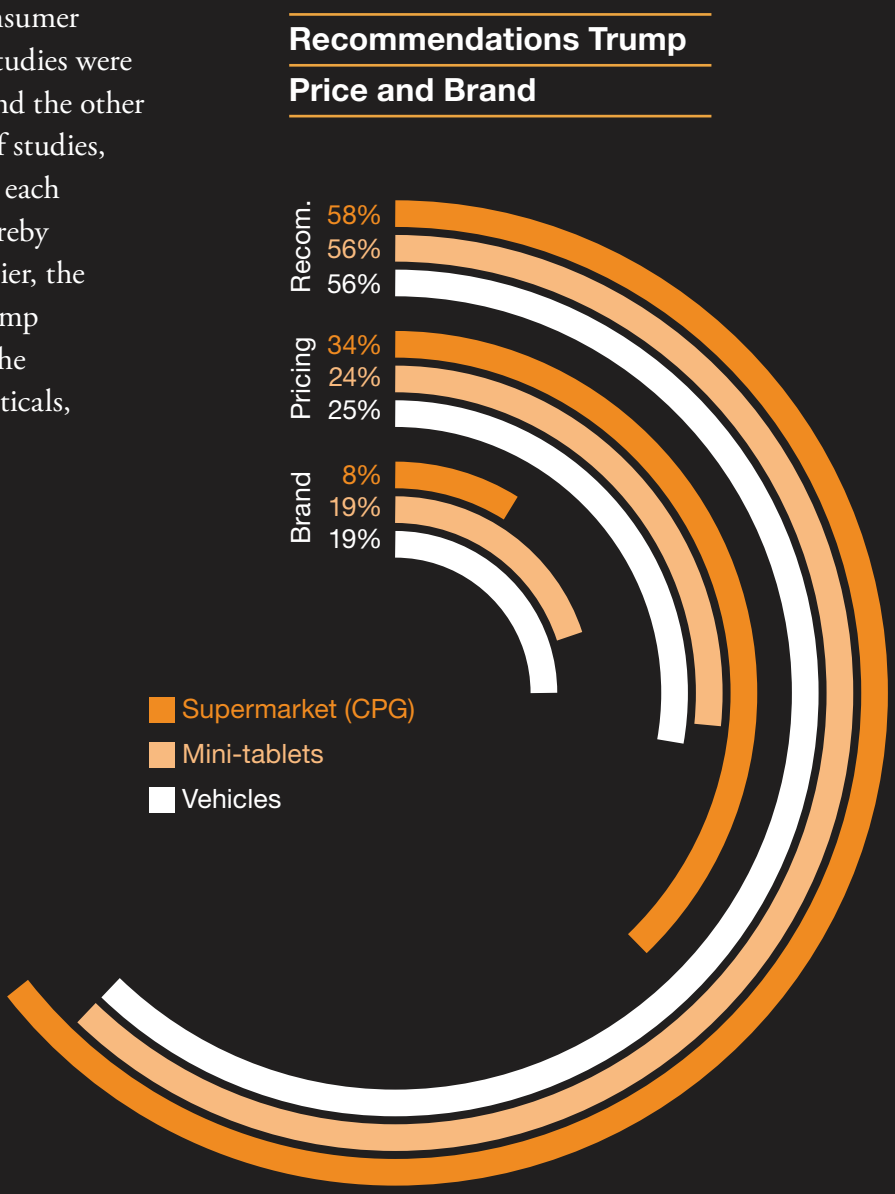


Figure 1. Relative Importance of Recommendation, Price and Brand

Strength of the Recommendation is Most Important

A recommendation, of course, is comprised of many components. We focused on the three most important components: the *strength* of the recommendation, *who* made the recommendation, and the *source* of the recommendation or share. Again, the results were surprisingly consistent across the three product areas: the strength of the recommendation (bad, moderate, good and excellent) is far more important than the source or even the familiarity of the person who made it. Figure 2 to the right shows the impact of recommendation strength on purchasing behaviors.

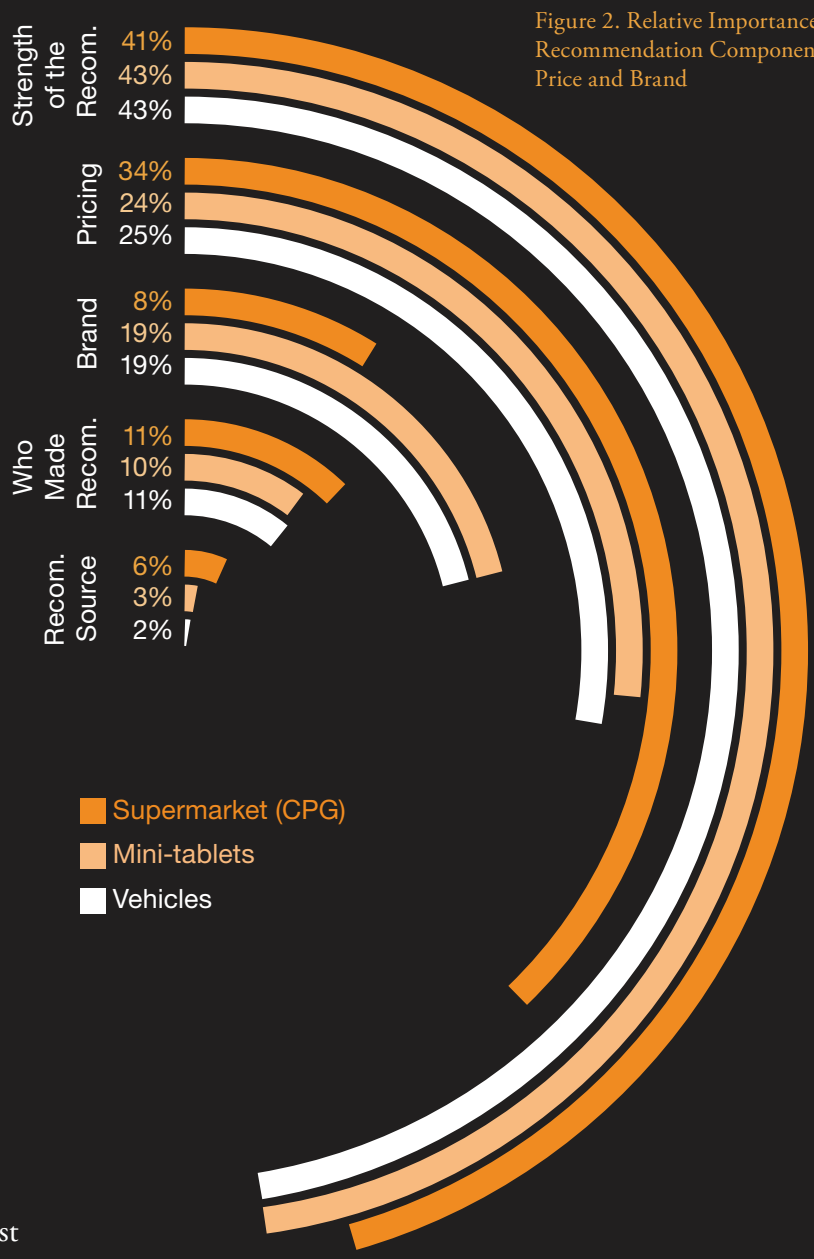


Figure 2. Relative Importance of Recommendation Components, Price and Brand

Across all three product categories, the most influential recommendations are in-person communications among our close friends and family members and, for tablets and vehicles, professional reviews, whether printed or online. With one exception in the supermarket study, we found that consumers consistently value recommendations from close friends and family members over acquaintances, and the recommendations of acquaintances over strangers – regardless of the medium. Online ratings and reviews from strangers, regardless of brands and pricing levels, are the least valuable to U.S. consumers as we consider which products to purchase.

Take recommendations for grocery items. We found that in-person recommendations for supermarket items from close friends or family members are valued nine percent higher than consumer reviews and ratings online from strangers, and that in-person recommendations from acquaintances are valued eight percent higher than consumer reviews and ratings.

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Online Sharing and In–person Recommendations Roughly Equivalent in Value

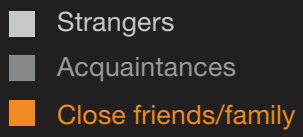


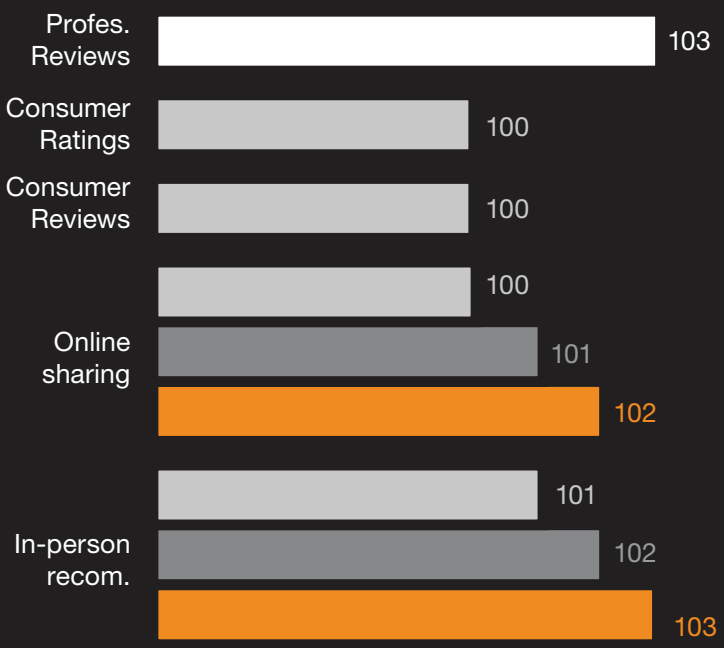
Figure 3: Relative Value of Supermarket Recommendation Sources by Sharers

Take recommendations for grocery items. We found that in-person recommendations for supermarket items from close friends or family members are valued nine percent higher than consumer reviews and ratings online from strangers, and that in-person recommendations from acquaintances are valued eight percent higher than consumer reviews and ratings.

Online sharing among close friends and family members follow in value, at seven percent higher than online ratings, as does online sharing among acquaintances (at six percent higher than online ratings). These findings are shown in Figure 3 below and are consistent across store, standard, quality and premium supermarket brands.

The purchase of a mini-tablet is considered more complicated than a grocery purchase but less complicated or important for most of us than a vehicle purchase. Not surprisingly, the values of the different recommendation types reflect this "middle ground." We found that professional reviews are the most highly valued among recommendations, but only three percent higher than the baseline online ratings. What is surprising, however, is that these findings are generally consistent across the four specified brands of mini-tablets.[6] Figure 4, above to the right, provides the details for each recommendation source.

[6] Apple's strong brand in this category generated slightly different results, since many consumers are brand loyal regardless of pricing or recommendation.



All Types of Recommendations are Close in Value for Mini-tablets

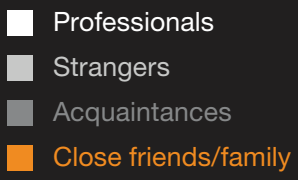


Figure 4: Relative Value of Mini-tablet Recommendation Sources by Sharers

With vehicles, a significantly more considered and deliberate purchase than supermarket items or tablet devices, the findings are nonetheless similar. While the differences between online ratings and in-person recommendations are not as dramatic as with supermarket products, we found, as expected, that professional reviews, whether printed in publications like Motor Trend or online at caranddriver.com, are most valued. Professional reviews are valued six percent more than online ratings, just ahead of in-person recommendations and online sharing from close friends and family members (both at five percent).

As with grocery items, we found that there is no meaningful difference in the ranking of these recommendations across discount brands (such as Kia), intermediate brands (such as Ford), premium brands (such as Audi) and luxury brands (such as Jaguar). These findings are detailed below in Figure 5.

Online Sharing and In–person Recommendations are Equivalent in Value for Automotive

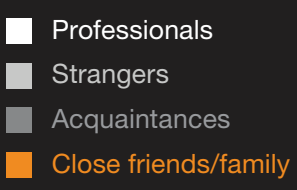
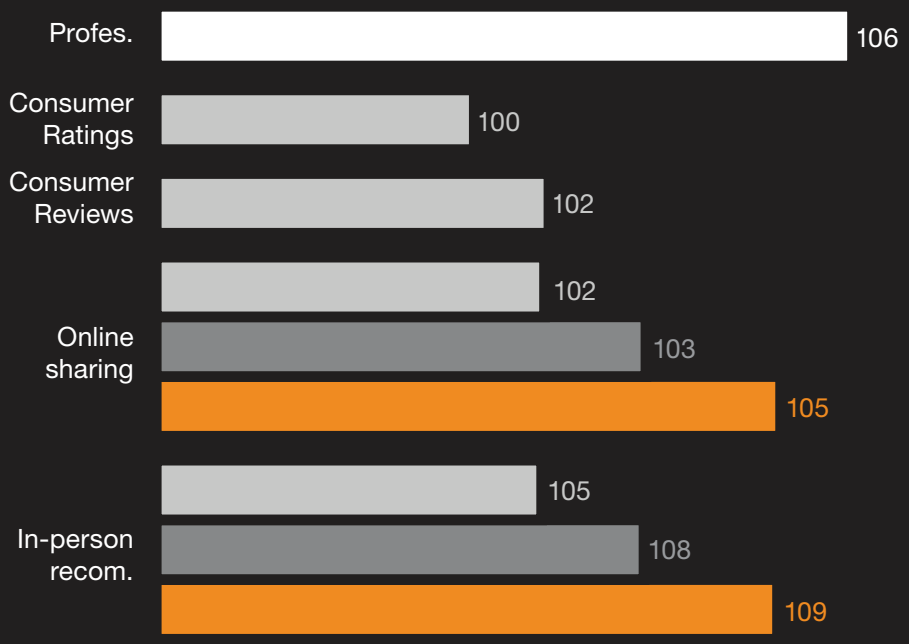


Figure 5: Relative Value of Automotive Recommendation Sources by Sharers



THE VALUE OF AN EXCELLENT RECOMMENDATION

Knowing how much more we, as consumers, value the opinions of professionals, close friends and family members, acquaintances and strangers is a start, but we wanted to answer the question, "What is a share worth?" To do so, we examined the recommendation strength and price levels carefully for each study. The study was structured so that bad recommendations are negative, moderate recommendations are neutral and good and excellent recommendations are increasing levels of positive. To determine a value for a particular recommendation type, the study compared the difference between a moderate (neutral) consumer online rating and an excellent recommendation.

Excellent Online Shares Provide a 9.5% Lift in Purchase Incidence

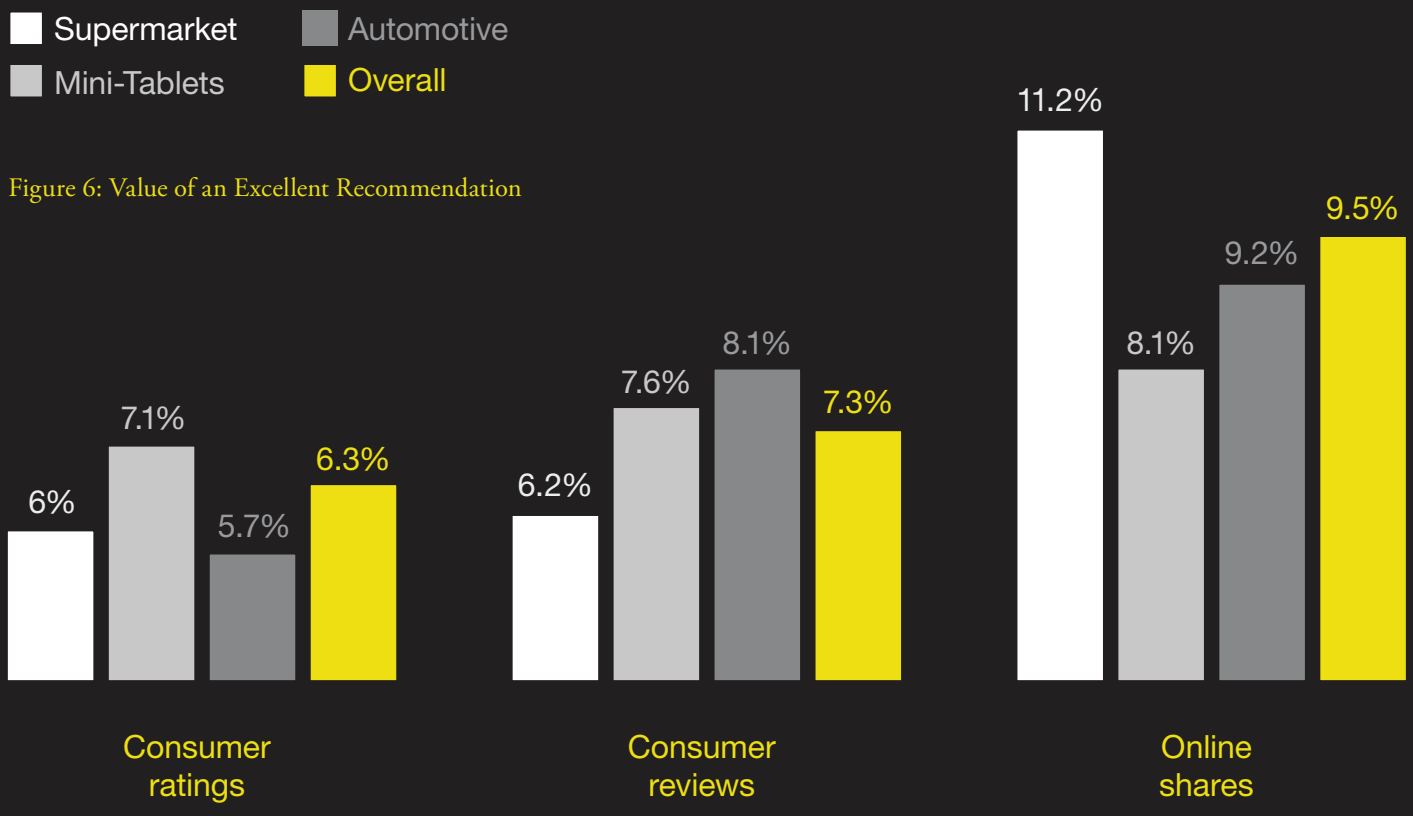


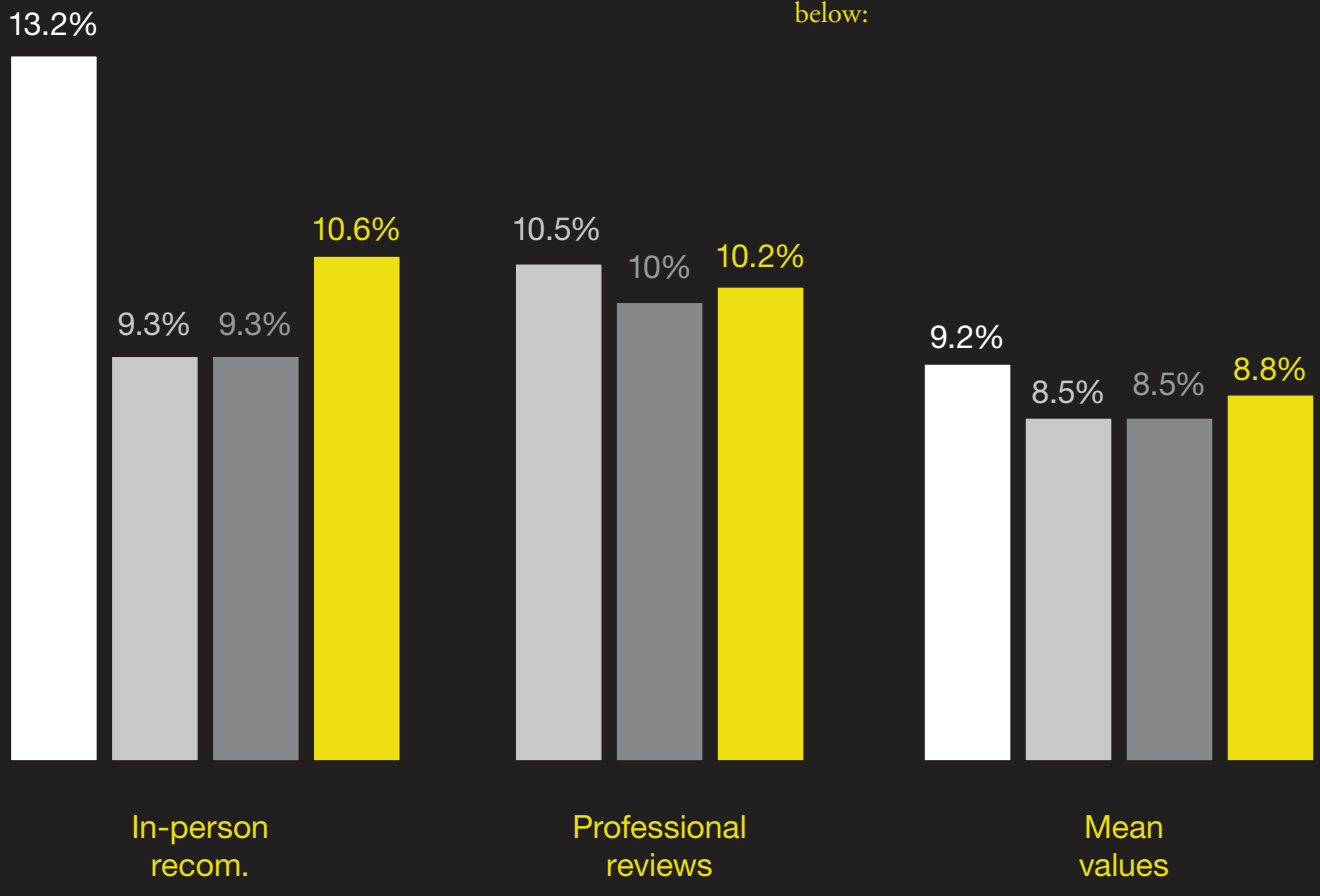
Figure 6: Value of an Excellent Recommendation

The data revealed that excellent recommendations or online shares from a close friend or family member for a comparably priced store brand grocery item are valued just as highly as grocery items priced five percent and 10 percent lower. The same trends were observed for standard, quality and premium brands where grocery items priced five percent higher were equally valued to comparably priced grocery items.

With mini-tablets, excellent professional recommendations, in-person recommendations and online shares all enabled mini-tablets priced at $359 to be equally as desirable as mini-tablets priced at $329, $309 and $229. With vehicles, excellent professional recommendations and online shares from close friends and family members produce high values for economy vehicles, equivalent in desirability to other economy vehicles priced five percent and 10 percent lower.

For standard and premium vehicle brands, excellent professional reviews and online shares from close friends and family members enable vehicles with a five percent higher price to be equally valuable to other standard and premium vehicles priced at lower levels. Among luxury brand vehicles, we found that excellent professional reviews, in-person recommendations and online shares enabled vehicles priced five percent and 10 percent higher to be equally as desirable as those priced at lower levels.

Across categories, we found that excellent recommendations and online shares increase the perceived value of products an average of 8.8 percent, from a high of 10.6 percent for in-person recommendations to a low of 6.3 percent for consumer ratings. The value of an online share is 9.5 percent across all three product categories. The average value of a recommendation for a supermarket product is 9.2 percent, and 8.5 percent for both mini-tablets and vehicles. The value of an excellent online share in the supermarket category is 11.2 percent, exceeded only by in-person recommendations (at 13.2 percent). See Figure 6 below:



An excellent recommendation for a grocery product is worth between $0.24 for a consumer rating or review for a discount brand and $1.54 for an in-person recommendation from a close friend or family member for a premium brand.

AN ONLINE SHARE IS VALUED AT BETWEEN $0.33 FOR A STORE BRAND RECOMMENDED BY A STRANGER AND $1.33 FOR A PREMIUM BRAND RECOMMENDED BY A CLOSE FRIEND OR FAMILY MEMBER.[7]

[7] Calculations made using Kelly Blue Book (www.kbb.com) to price a 2014 Kia Rio LX ($14,100), a 2014 Ford Taurus SE ($26,100), a 2014 Audi A6 ($42,200) and a 2014 Jaguar XK ($76,500).)

For mini-tablets an excellent online rating of a Samsung Galaxy is worth $21.69, while an excellent professional review for an Apple iPad or a Google Nexus is worth $33.32.

AN ONLINE SHARE FOR ANY OF THE FOUR MINI-TABLETS WE STUDIED IS WORTH BETWEEN $22.18 AND $28.33 DEPENDING ON THE DEVICE AND WHO SHARED IT.

AN EXCELLENT CONSUMER RATING FOR A KIA RIO LX IS WORTH $799, WHILE AN EXCELLENT PROFESSIONAL REVIEW OF A JAGUAR XK IS VALUED AT $9,336.

Online sharing is above the mean values: an excellent online share from a close friend or family member is worth $1,487 for a Kia Rio LX, and an excellent online share from that same friend or family member is worth $8,560 for a Jaguar XK.[8]

[8] Calculations made using $4 for a typical store brand grocery product, $6 for a typical standard brand, $8 for a typical quality brand and $10 for a typical premium item. The returns/values are expressed on a per-unit basis, and are not projected annual purchases.)

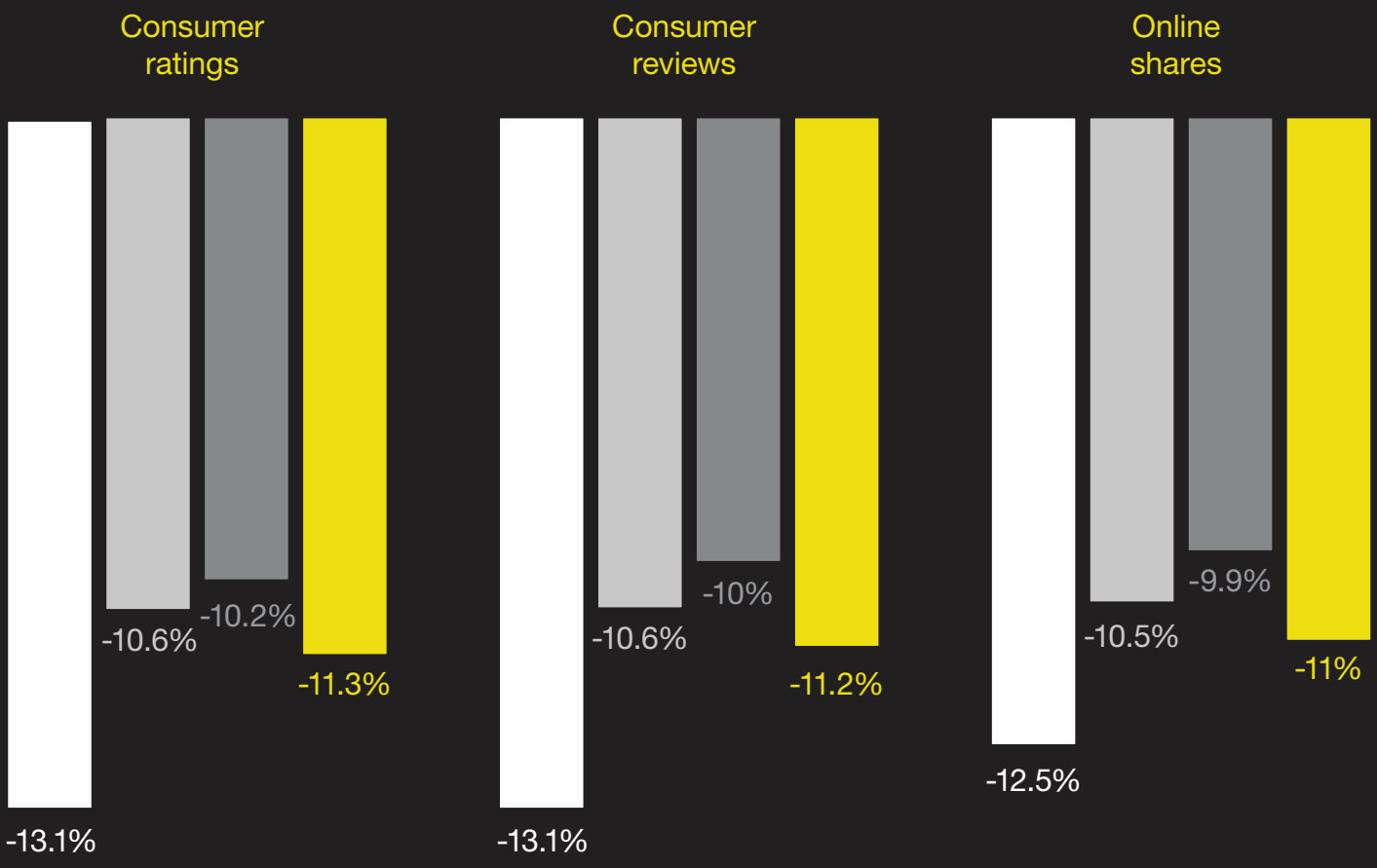
Consumer Story

Eric and his siblings grew up in a BMW family. They learned to drive in a BMW, and all bought BMWs as their first cars.

WHEN HE WAS IN THE MARKET FOR A NEW CAR, ERIC FIGURED HE WOULD GET A NICE, USED BMW SUV, BUT THEN HE SAW A TWEET FROM A GOOD FRIEND WITH A RAVE REVIEW ABOUT A NEW JEEP GRAND CHEROKEE.

Eric decided to check it out. After reading several positive reviews online from both professionals and regular consumers, and visiting his local dealer, he traded in his used BMW and drove home a brand new Jeep Grand Cherokee. Six months later, his two brothers and sister are all driving Jeep Grand Cherokees.

THAT'S FOUR NEW JEEP OWNERS AS A RESULT OF ONE EXCELLENT TWEET FROM A CLOSE FRIEND.



BAD RECOMMENDATIONS CAUSE MEASURABLE DAMAGE

Our detailed review of the value of various types of shares and recommendations across product categories and brand types confirmed our initial hypothesis that a bad recommendation in any medium would be harmful to any product or service. We set out to learn just how harmful negative reviews, ratings and recommendations would be in the marketplace. A bad online or offline recommendation causes an 11 percent drop in desirability.

As with positive recommendations and shares, we found the results remarkably consistent across brand types within each of the three product groups examined, but supermarket products are hurt more by bad reviews and recommendations than mini-tablets or vehicles. For supermarket brands, a negative consumer review or consumer rating reduces the desirability of the product by 13.1 percent. A bad online share reduces the desirability of a grocery product by 12.5 percent. A bad in-person recommendation reduces the desirability for that product by 12.9 percent.

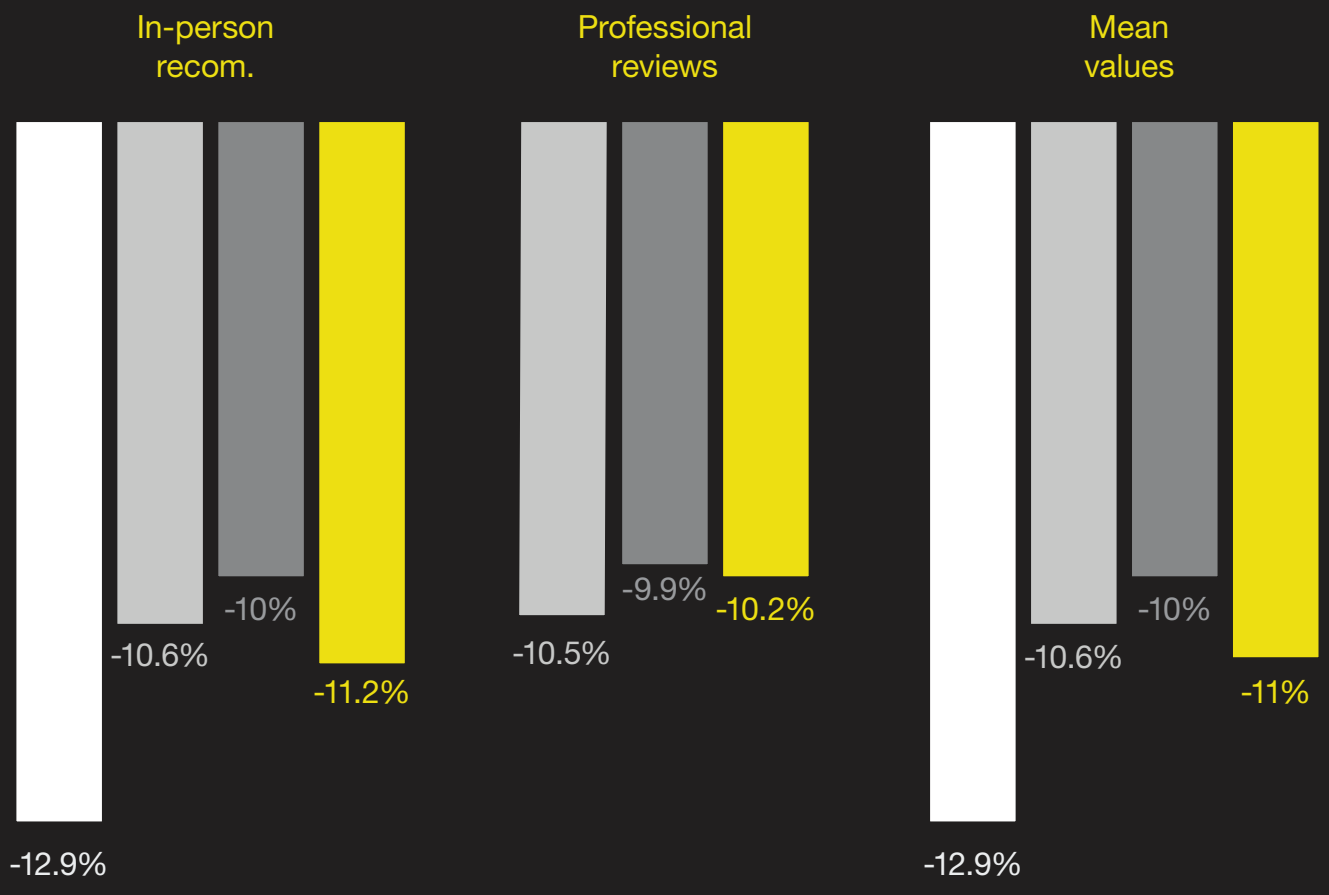


Figure 7: Damage from a Bad versus Good Recommendation

Bad Online Shares are the Least Damaging Across Categories Other than Professional Reviews

Supermarket Mini-Tablets Automotive Overall

For mini-tablets, the negative impact of a bad recommendation is 10.6 percent, with no significant difference across brands or recommendation sources. For example, a bad online share has a negative 10.5 percent impact, negative 10.4 percent if it comes from a close friend or family member and negative 10.6 percent if it comes from a stranger.

For vehicles, the negative impact of a bad recommendation is 10 percent overall, slightly higher for luxury brands but with no significant difference across recommendation sources. A bad online share has a negative 9.9 percent impact, negative 9.7 percent if it comes from a close friend or family member and negative 10 percent if it comes from a stranger.

These findings are consistent with the concept of negativity bias, which posits that unpleasant memories tend to be recalled more easily than pleasant memories. Psychologists have speculated that we are hardwired by evolution to remember negative events more strongly than positive events since negative events are often associated with danger. These negative returns are presented in Figure 7 above:

OPPORTUNITIES FOR MARKETERS

"We are seeing a fundamental shift in consumer purchasing behavior. The explosion of social content like recommendations is having a real impact in people's day-to-day lives, including what we buy and how much we are willing to pay. While we've known intrinsically that online engagement is important, being able to quantify the monetary value of online recommendations and sharing, as these findings do is incredibly important for brands."

- Lisa Weinstein
President, Global Digital,
Data and Analytics at Starcom
Media Vest Group

THE ECONOMIC CONSEQUENCES OF SOCIAL SHARING ARE VAST AND DEEP

Clearly, we are on the verge of a new era in marketing and savvy organizations are building sharing models into their marketing strategies.

The study's findings suggest the need for an updated marketing "playbook" and a revision of standard tactics. Socially shared comments have a measurable value, and should be treated as potential assets. Here are some steps marketers can take to compete successfully in this new environment:

INVEST IN SHARING

Shared content and reviews can drive significant value for brands. Marketers should invest advertising dollars to encourage more of this behavior. Messaging that drives sharing can then be optimized on how effectively it drives additional shares. As a guide for marketing budgets, the cost per share can be capped at the minimum added value of a share, as found in this study. Thus, for automotive, incentives to share can be valued at anywhere up to $753 to ensure that the cost of the promotion is less than the lift in revenue. For consumer tech, this number is $21.68 and for CPG it is $0.22.

VIEW CURRENT CUSTOMERS AS MARKETING PARTNERS

A recent ShareThis automotive study shows that car owners are the best advocates for the brand they own, and that they are 2.5 times more likely to share their endorsement than the general population. Marketers can boost advocacy by targeting existing customers, providing shareable content and encouraging them to share their experiences.

ADDRESS NEGATIVE REVIEWS OPENLY AND HONESTLY

This study clearly shows that bad reviews can reduce purchase intent by up to 11 percent. Social media platforms enable bad reviews to "go viral" in the public domain. It is extremely important to address any problems, encourage open dialogues, acknowledge mistakes and seek swift resolutions wherever possible.

ENABLE CUSTOMER EVANGELISM

Weave sharing into the DNA of your marketing campaigns. When creating marketing materials, consider the audiences' motivations to share, the context and channels and ensure that sharing tools are seamlessly embedded into the experience. Earned media is rapidly becoming a critical success factor and competitive differentiator.

USE PAID MEDIA TO TARGET AND CONVERT NEW CUSTOMERS

Acquiring new customers is usually the most expensive part of any marketing campaign. Social sharing can increase the propensity to buy, so it makes sense to incorporate social marketing tactics into traditional paid media strategies. Consumers are more receptive to targeted advertising when there is a strong social component and it is received in the right context.

MONITOR YOUR ONLINE PRESENCE THROUGH SHARING

It is imperative to continually monitor sharing activity around your brand to measure its overall health, and that of your competitors. Large changes in activity can provide an early indication of potential opportunities or issues to be addressed. Twitter-based monitoring tools are a good start, but only capture a small percentage of overall sharing (~15 percent). Look to other channels, such as Facebook, Pinterest and LinkedIn, for additional context.

USE SOCIAL INSIGHTS TO OPTIMIZE MEDIA

Social signals are more than just good indicators of the health of your brand -- they can be used to determine where and when to spend media dollars. Smart marketers will leverage insights gleaned from social analytics to optimize marketing spend.

USERS ARE 2.5% MORE LIKELY TO SHARE ABOUT A PARTICULAR AUTO BRAND IF THEY OWN ONE OF THE MODELS AND ARE 43% MORE INFLUENTIAL.

DELIVERING ADS TO USERS WHO SHARE ONLINE ABOUT CARS IS 6X MORE LIKELY TO LEAD TO AN ACTUAL SALE.

HISPANIC CONSUMERS ARE 5X AS LIKELY TO SHARE AS THE GENERAL POPULATION AND ARE 2X AS LIKELY TO PURCHASE THE PRODUCTS THEY SHARE ABOUT.

IMPLICATIONS FOR PUBLISHERS & DEVELOPERS

MAKE IT EASY FOR PEOPLE TO SHARE

If there is one overarching rule for the "sharing economy," it's this: Make it easy for people to share your content. The easier you make it to share, the more likely consumers will do so.

Sharing is the connective thread of the social web, and sharing online has become second nature to consumers. It has opened new markets for publishers and they need to embrace what's happening to their content once it moves off their sites. Here are recommended steps for publishers competing in the new sharing economy:

GET STARTED

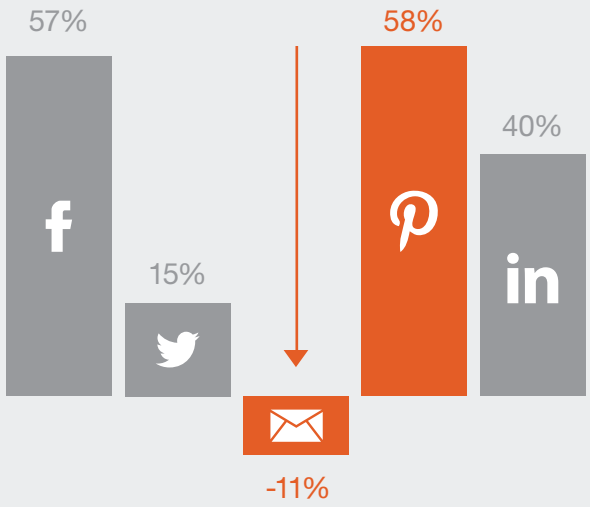
Sharing drives traffic and engagement. Buzzfeed recognizes this – as president and chief operating officer Jon Steinberg explained at a recent Paley Center Forum, "the editorial mission of Buzzfeed is to make content that people want to share." At the 2014 SXSW, Mashable's COO Michael Kriak told the audience that 50 percent of his site's traffic comes from social. The best publishers make it easy for readers to not just read, but engage with and share their content. As the social activity around content increases, it feeds a virtuous cycle of deeper insights that help editors create better, more social content in the future. Generate content that is attention worthy and, quite literally, remarkable.

REACH YOUR ENTIRE AUDIENCE

One of the biggest traps for publishers is focusing only on Facebook and Twitter, which typically represent about half of all social referrals. In 2013, sharing to Pinterest grew faster than sharing to Facebook. In a sign of how quickly social media has changed the digital landscape, consumers are now "pinning" articles, photos and recipes to share with their friends more often than they are emailing links. With 58 percent growth in 2013, Pinterest was the fastest growing sharing channel, followed by Facebook and LinkedIn.[9]

2013 SOCIAL CHANNEL GROWTH

Pinterest growth rate surpassed Facebook for the year with LinkedIn coming in third. Twitter registered very moderate growth while email experienced a significant decline.



COMMAND HIGHER CPMs

To stay ahead of the game, publishers need a comprehensive way to gather insights and to truly understand how their content performs across the entire social web. Greater insights into the social quality of content can help publishers advocate for higher CPMs and combat the commoditization of the digital ad space.

EMBRACE DEVELOPERS AND TURN DATA INTO ACTION

The fragmentation of media has made the publishing business incredibly complex. New devices and platforms alter or expand how consumers interact with content. Publishers may find it hard to develop these solutions on their own and must learn to work closely with developers. In mobile environments, where screens are much smaller, understanding and responding rapidly to audience preferences has become crucial. In addition, enabling the sharing of content is equally as important. The fastest way to engage developers and drive innovation is through open Application Programming Interfaces (APIs). Smart publishers will build their own API ecosystems to feed consumer demand for new consumption models.

[9] http://www.sharethis.com/blog/2014/01/16/pinterest-surpasses-email-sharing-online-beats-facebook-growth-2013/#sthash.vDN2eFtQ.dpbs)

Consumer Story

Lauren's two dogs wreak havoc on her hardwood floors. From shedding hair to leaving scratch marks, she needed a cleaning and polishing solution that would leave her dining room spotless and sparkling, without stripping away the finish.

AFTER HEARING SEVERAL PEOPLE TALK ABOUT THE BENEFITS OF A STEAM MOP, SHE DECIDED TO CHECK OUT THE REVIEWS ON AMAZON AND CONSUMERREPORTS.ORG

Lauren came across several reviews and articles, some shared by friends and others by strangers, complaining that steam mops can strip the protective sealant from wood floors and cause more problems. With the reviews in mind, and some well-timed Facebook advice from friends and family, Lauren invested in a high quality hand mop and decided to spend the additional money for cleaners designed specifically for wood floors.

THE REVIEWS AND RECOMMENDATIONS SAVED HER THE HEADACHE OF REFINISHING HER FLOORS...

and she no longer cringes at the sight of her dogs on her hardwood floors.

CONCLUSION

"It's more important than ever that brands figure out how to communicate with consumers in a way that is culturally significant or universally relevant. Right now, one of the most global of human behaviors is sharing. Sharing is affecting, connecting and redefining every element of the communications landscape; across community, content, currency and conversation; in ways that are rapidly changing the game for brands. Many of us know this intuitively, but with a study like this we can start to truly understand the economic impact for brands as well."

- Tim Schigel
Founder, ShareThis

LEVERAGING THE EARNED MEDIA OF SHARING

It is increasingly important for marketers to view consumers' social sharing as a form of earned media with intrinsic value. Social sharing can influence purchasing behaviors in real time, helping consumers "pull the trigger" and follow through on their impulse to buy. In the universe of e-commerce, this is no small matter; there are literally billions of dollars at stake.

Smart marketers will target influencers and "authentic voices," monitor levels of audience engagement, track social sharing carefully, and use the insights they gain to generate content that resonates with their audience. The benefits of their diligence will include reduced rates of abandonment, faster sales cycles and lower acquisition costs.

The sharing economy puts a high premium on knowing precisely where your audience's attention is focused. Delivering the right message at the right time – a key part of the brand activation process – requires knowing in granular detail where your audience is focusing its attention. Are they consuming your content through their TV, PC, laptop, tablet or mobile phone? Are they sharing your content on Facebook, Twitter, Reddit, LinkedIn, Pinterest, Tumblr or some new social platform that you've never heard of?

The complexity and dynamism of modern media is, of course, both an opportunity and challenge. The opportunity lies in the myriad of ways to reach your audience. The challenge is to develop and implement an extremely robust and carefully calibrated cross-channel marketing strategy.

LOOKING TOWARD A SHARING FUTURE

So far, we have been looking at "active sharing," in which someone takes the time to rate a product, write a recommendation or post a review. While active sharing is important, it represents only a fraction of the information generated by online and offline consumer activities. Real-time analytics are focused increasingly on mining actionable insights from data generated by sensors embedded in smart devices ranging from mobile phones to thermostats. In the same way that GE "listens" to signals sent from jet engines in flight, marketers will "listen" to consumer signals from a widening spectrum of sources, including wearable technologies such as personal fitness wristbands and household appliances such as smart refrigerators.

Future studies will examine the insights that can be gleaned when active sharing is combined with "ambient sharing" from those smart devices, which are rapidly becoming ubiquitous. At that point, the ability to analyze sharing behaviors effectively and convert results quickly into actionable business insights will become essential for organizations in competitive markets. It also seems logical to assume that new technologies, platforms and solutions will be required for handling the demands of marketing initiatives that are driven by data and insights generated by active and ambient forms of sharing.

It is entirely reasonable to envision a future in which marketing depends not only on social sharing, but also on our ability to understand the meaning of sharing behaviors. Our study is an important step toward realizing that vision of the future.

METHODOLOGY

Beresford Research fielded two studies in each of the three industries (consumer packaged goods, mini-tablets and automotive): one study used conjoint analysis and was fielded in December 2013; the other study used traditional rating (Likert) scales and was fielded in January 2014. Both studies had the objective of teasing out the value of a share in the context of recommendations in general, including offline recommendations. Respondents for each study were non-student adults (21 or older), who had either (a) purchased or leased an automobile or light truck in the past six months or planned to do so in the next few months, (b) purchased a mini-tablet device in the past six months or planned to do so in the next few months, or (c) been the primary shopper in their household and responsible for purchases made in the supermarket. Respondents were provided by Toluna North America (Wilton, CT).

The results from both set of studies, each of which used 1,000 U.S. consumers for each industry, 6,000 respondents in all, produced remarkably similar results that were also highly projectable (+/- 3.1 points).

In each product category, we tested four types (or "levels") of brands, four types of prices and four recommendation strengths. For the more considered product categories, mini-tablets and vehicles, we tested five types of recommendation sources, including professional reviewers and their printed and online reviews. The other adjustment we made to reflect reality as much as possible was to eliminate the two lower levels of price for the top brand in each category, and the two higher levels of price for the discount brand in the supermarket and the economy brand in the vehicle study.

With tablets, we tested WIFI-only mini-tablets to remove from consideration any mobile carrier's data plans that can complicate the purchase decision process. Unlike the other two product categories where we used brand classes, for this aspect of the study we identified specific brands: Apple's mini iPad, Samsung Galaxy, Dell Venue and Google Nexus. The other adjustment we made for this test was to use specific price points ($189, $229, $309, $329 and $359).

About the Author

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Yan Qu is Vice President of Data Science and Chief Scientist at ShareThis, where she leads the data science initiatives. She designed the Social Quality Index (SQI) - a unique metric for valuing the social activity that occurs around online content. SQI won the Adweek Project Isaac Award and has been adopted by major ad agencies for media planning purposes.

Previously, she headed the Advance Research team at AOL's Advertising.com unit, where she pioneered the "lookalike" and predictive modeling techniques for the company. She holds 15 patents in the areas of online advertising, predictive modeling, large-scale data analytics, social network structures social quality and text mining.

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MATTHEW WOLFROM

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Matthew Wolfrom leads brand strategy and industry engagement as Vice President of Marketing and Communications at ShareThis. He is responsible for building the ShareThis brand and educating the industry about how the company uses large-scale social data to deliver breakthrough insights, audience building and advertising solutions across mobile and desktop environments in a new age of consumer engagement.

For the past 20 years, Matthew has been working with breakthrough companies in the technology industry, ranging from software and networking to telecommunications and Internet advertising. Since the beginning of his career, he has had a passion for and an interest in the technologies and innovations that enable our connected world. Prior to joining ShareThis, Matthew advised Fortune 500 CEOs and brands on their communications strategies with agencies including Edelman and Cohn & Wolfe.

Matthew holds a B.A. in philosophy from Hamilton College.
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Beresford Research

Beresford Research helps companies seize market opportunities through thoughtful research based on innovative methodologies and rigorous execution. We create initiatives that are tightly aligned to our clients' strategic needs, and provide unique industry insights. Founded in 1991 as a marketing and consulting firm, Beresford Research brings a strategic focus to every project. We partner with our clients to provide creative, customized solutions that deliver unprecedented value without the overhead. Clients include Booz & Co., Novartis, Oxford Economics, PhoCusWright, The Week and Towers Watson.

For more information, please visit www.beresfordresearch.com.

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