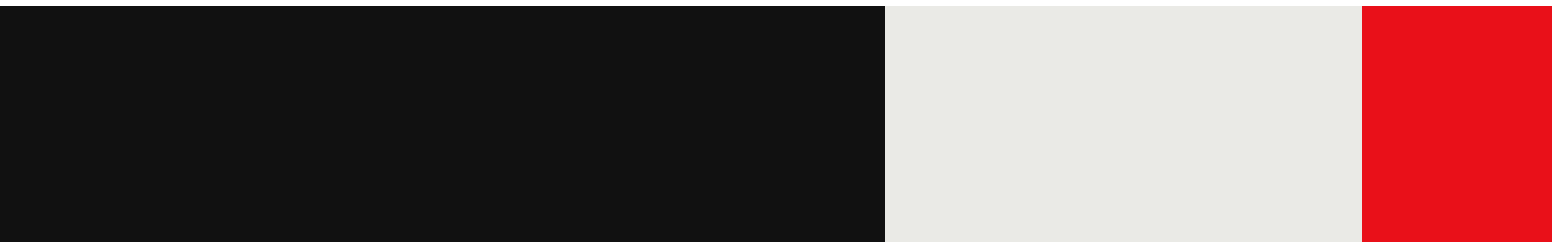# The Daily: Lessons from the DTC/commerce world, more Twitter layoffs, and how Pinterest is getting on

Audio

On today's episode, we discuss how UGC can build trust, how measurement and marketing drive product strategy and being authentic to the channel you're marketing on. "In Other News," we talk about what Twitter's new round of layoffs mean for the social platform and how Pinterest has been getting on as of late. Tune in to the discussion with our analyst Jasmine Enberg and Jon Oberlander, CEO at Ampush / EVP Social at Tinuiti.

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Tinuiti is the largest independent performance marketing firm across Streaming TV and the Triopoly of Google, Meta, Amazon, with over 1,200 employees and $3 billion in digital media under management. Tinuiti has industry-leading expertise in search, social, Amazon and marketplaces, addressable TV and mobile apps, Lifecycle Marketing, and more.

Episode Transcript:

marcus johnson:

Hey gang, it's Tuesday, February 28th. Listeners, welcome to the Behind the Numbers Daily, an eMarketer podcast made possible by Tinuiti. I'm Marcus. And today's fact is about where bagels came from.

So two theories here. The first, so in the 14th century, Germans migrated east to Poland where the economy flourished. "They brought their pretzels with them, the thick bread of the German variety, not the American kind that comes in plastic bags," writes Ari Weinzweig of The Atlantic. The doughy treats common in German monasteries evolved into a circular role with a hole in the middle known as an obwarzanek. The bagels emerged as a feast day bread. They later exploded in popularity when Queen Jadwiga, the first female monarch of the Kingdom of Poland, gave up rich breads and pastries in favor of eating obwarzanek for Lent.

However, another somewhat more favored story goes, a baker in Vienna, Austria accidentally invented the bagel in the late 17th century. He made it as a tribute to the King of Poland Jan Sobieski III who led forces to save Austria from Turkish invaders. The baker, aware of the King's love of horses, shaped the yeast dough into a circle and called it a beugel, which is Austrian for stirrup.

I've pronounced none of those words correctly. So for speakers of the languages in which those words come from, I'm so sorry.

Anyway, today's real topic. In today's episode, we'll first listen into a conversation between our very own Principal Social Media Analyst, Jasmine Enberg and Jon Oberlander, CEO at Ampush, and the EVP of Social at Tinuiti, as they discuss lessons from the D2C commerce

world in the lead. Then for In Other News, we'll discuss what Twitter's new round of layoffs mean and how Pinterest is getting on.

jasmine enberg:

So Jon, it's great to have you today.

job oberlander:

Thank you, Jasmine. Happy to be here.

jasmine enberg:

Our topic today of course is lessons for legacy retailers from D2C brands, but I wanted to start our conversation today by level setting and talking a little bit more broadly about the e-commerce world.

So Jon, there's obviously a lot of reasons why people ultimately choose to buy a certain brand or a certain product online, but what would you say is the number one biggest driver of e-commerce?

job oberlander:

Big question. I think the trend we've observed and Ampush, the company I ran, historically partnered heavily with the digitally native brands, with the disruptors or upstarts, and those companies, the successful playbook was start taking advantage of Facebook ads or Instagram ads or other ways of simultaneously creating your brand and driving sales and then building an audience, finding repeat purchasers, and over time as they needed other vectors for growth, moving into retail or wholesale, Amazon, all the other avenues. And that sort of grew to a certain piece of the market and nobody stayed purely digital above a certain size. They found consumers want different ways to shop, purchase, explore, build trust with a brand.

And then you've got legacy retailers who maybe weren't paying so much attention to e-commerce and then, accelerated by the pandemic, went, "Oh my goodness, this needs to be part of our strategy. Maybe we were thinking about it was growing gradually. Maybe we put someone in charge of it, we wanted to be ahead of time. Maybe we were ignoring it because things were so successful selling via stores," but it all sort of converged.

And so now e-commerce needs to be a critical part of anyone's strategy. It's going to be a growing way consumers shop. It's still evolving very quickly. And what I think drives it from a consumer perspective on the e-commerce front, the broader trend is that things are product-driven. Brand still matters, but often it comes from product-first because of the sheer breadth of options consumers have. It's just so much easier to find 10 different ways to buy a bathing suit or a pair of sunglasses or a mattress. Whereas in the past, maybe you had a few brands that spent a lot of money to create their name and awareness, and then that's where consumers started. And so highlighting the value props of a product, communicating that in a compelling way, and then building trust as consumers, whatever their excitement around a product that was fulfilled and then they keep exploring and going deeper, that's the general trend we're seeing is that brand matters, but often it starts with product and there's not as much of a hurdle to someone making their first purchase, even if it's a new branch for them.

jasmine enberg:

So how do you do that then? How do you build that trust? How do you create those repeat customers?

job oberlander:

Yeah, I think a lot of what we do focuses on customer acquisition and it's often new customer acquisition. And the question there is typically some combination of why do I buy now if I'm familiar with this brand? And then if I'm less familiar, why do I choose to try option A instead of option B? So we've put a lot of energy into the what and the how, what is the product in as tangible way as that can be communicated digitally.

So for example, if you're talking about selling bathing suits to women, we've worked with a company called Andie Swim for many years. That's a growing, digitally native brand. Why is this a better option than what I've thought about before? How well is this going to fit? How else is this going to fit me, given my certain preferences like my body? What purpose this is serving to get over that hump of buying?

And then once that happens, it's kind of the things you'd expect. It's like what's never going to change? Speed of delivery, quality of the product, consistency with what was sort of the vision that was created for a consumer prior to purchase, support on any sort of challenges, exchanges, differences from that expectation, and then nurturing that consumer and telling them, let's say they bought that and there's some positive signal, they didn't return it, they're

looking to make another purchase, curating for them and reducing friction on, well, what else might you want to buy? We already know something about you. We know you bought that and you liked it, so what's the best way to share what should be next? And that's where a lot of our energy goes.

jasmine enberg:

And so thinking about communicating that message, one thing that digitally native or a D2C brands have really been at the forefront of is user-generated content or user generated creative. What's the lesson here for legacy brands? How can they use user-generated content to build a social media presence, for example, that resonates with consumers?

job oberlander:

There's this crazy shift from what I grew up where everything was marketed on television and it was like celebrities, models. There was a certain type of look that a person was going to display a product in an ad, and it was highly polished, curated, tight story, that whole cycle. The Michael Jordan like, oh, you're not actually selling this product. You're selling a vision of grandeur, excitement, a different lifestyle associated with it.

And in many ways, that is kind of inverted to where consumers want to trust that people are proud to be themselves, they're okay that they might not be Michael Jordan currently or a Kardashian or whoever today's equivalent are, and so they're really just thinking, are there people like me? Does this product work? Is this going to be great? Is this going to serve my purpose?

And so if you think about creative, which is a big bridge from that question and what brands want to do, to driving purchases, driving revenue, you're trying to answer that trust question in a way that is as relatable as possible. And so whether it's true user-generated content, which has a lot of merit and often works in creative on channels like Facebook, Instagram, TikTok, or whether it's just creative styled that way because all the ads are labeled as ads and everyone's aware this is a game of deliberate marketing. We're saying, "No, let me find a person who will speak authentically to their experience, will highlight the pros, even better if in a way that's not subversive to the purchase and acknowledge the cases where this might not be a fit and a different product is better." And that that's the thing.

And so if someone is not doing that, if they're too wed to using the type of creative that has been effective for so long on television or some of these other channels, or if they haven't

evolved to this new model of consumer trust, it's just not going to perform on these channels. It's not going to feature the product in the right way, it's going to leave a gap of trust.

And by the way, you can connect what you do in those ads to the next thing when someone experiences when they land on site. You can choose your product shots and your features and everything throughout the entire purchase journey to consistently reinforce that trust and the brand knows, hey, no, we're selling to real people, and we designed our product as such.

jasmine enberg:

So trust here is key. And it's so fascinating because I've been watching this trend within the influencer marketing landscape right now, which is about de-influencing and it's so spot on with what you're talking about because it's this idea of not only recommending products for people to buy, but also helping them decide what not to buy. So being able to build that trust in both ways, both positively and for lack of a better word, negatively towards a product, seems like it's kind of moving in that direction, no?

job oberlander:

100%. On the ad side, a lot of that shows up in the targeting and the messaging. If someone's already purchased, they should be in a different bucket than someone who's totally new to the brand. You can get certain signals about people's level of comfort. And then if you're running an e-commerce site, you can create video that, again, reinforces, you can show your... Again, I could use swimsuit or sunglasses, you can show it on people with different face sizes or body types, different genders, and you can check all those boxes and you can help people say, "Yeah, this seems like it'll work based on X, Y and Z," or, "This doesn't." And in the case where it doesn't, you could help them solve that need somewhere else in your catalog.

And a big thing we will do is help build that curation in a way that should engender trust. So ask consumers more questions. Rather than guessing, no, ask them, "Hey, what shape is your face or what other products work well for you?" Or sizing, "Do you have a long torso? Do you have a short torso?" And then narrow down a catalog, if you have a big catalog or highlight of product, "Based on X number of data points, this should work." When that stuff's not on someone's site, and we do a lot of work not just on the ads in market side, but also on the consumer buying journey, you're not going to convert consumers as well. They're just going to be like, "Well, I'm left in a place with ambiguity. I don't know if this is going to work. I don't

want to deal with shipping and returning, so let me find something I have higher confidence in."

And so as much as brands can do to help make that easy, it's going to be beneficial to their growth and they'll find the right kind of consumer. Even on the brand side, you don't really need someone to buy one thing, get frustrated, increase return rates. That's not actually a win.

jasmine enberg:

Right. So you brought up the different channels earlier, talking a little bit about the transformation from TV advertising and moving on to some of the newer channels on social media, for example. One pain point that I still hear very often from brands is adapting their creative and their marketing strategies for all of the different channels that they use, whether that's TikTok or YouTube or Facebook or TV.

What is some of the advice that you can give to guide brands as they're making these marketing and creative decisions across channels?

job oberlander:

Yeah. The way we think about that problem is that it's a game that is totally measurable. So first, measure everything you can and use the things you've learned from your existing customer base. What do people buy? What are different personas that people buy? What frequency do they buy it? And also, use what other companies that are successful on these channels are doing as inspiration.

So first, just come with a beginner's mind and say, "I can measure everything. I have a bunch of information. Let me start with smart hypotheses." That's number one.

Number two, plan to experiment and presume that whatever your hypotheses are, some will be true, some will be very far off, and many will be somewhere in between, and build a cycle of test and iterate that allows you to say, "Okay, I have a hypothesis that my hero product is going to be this baiting suit because it's been the most popular." And then if you try that and what you actually see is it does drive a lot of sales, but many people are clicking off to cross-shop other things that you know have in the quarter of your PDP or that potentially you recommend, then be willing to throw that away and say, "Hey, I have this inventory today. I came in with some premise, but actually, I'm getting a very strong signal that this other product may be a potential hero or maybe for these channels, works more effectively."

And build your creative strategy and your marketing strategy from that data and basically be willing to say, "I need to be native. I need to build a type of creative that fits with the channel I'm on," and fits in with the activity consumers are doing when they're spending time on TikTok, when they're engaging with a certain type of content, Pinterest or whether they're on Instagram, accepting the fact that one out of every five things they're going to encounter is an ad. It's not something quite as curated. And even go one level deeper and say, "Am I building this with an eye of someone receiving it on Instagram Reels where it's going to be vertical video and they're moving quickly, or do I anticipate them encountering this on Instagram feed? Is it more of a catalog offering?"

And just get to that level of granularity because absent that, you're not going to win the game with the algorithm of these platforms as if there's a virtuous cycle to your creative getting more clicks and then more of those clicks taking actions on site that consumers want because that's how the platforms make their money. And so you kind of have to play their game and accept it as a separate premise and then again, build your strategies from the data you have.

jasmine enberg:

So it sounds like being nimble, being flexible and adaptable are part of the key to doing this successfully now?

job oberlander:

Yeah. I think the companies that are most successful here have a good product, have clarity around what job that product is doing for a consumer, what purpose it's serving, and then have flexibility around the periphery of that to let consumer energy reshape part of that premise.

So you might think your customer... There's a lot of these beauty companies, let's use as an example. You might think your customer is either a beauty junkie or is a nascent beauty consumer, needs more curation, but then part of the people who engage with your brand may come from a different bucket and whether you're Glossier or Ipsy, who I think historically have covered different parts of that spectrum, you want to be able to serve those customers also and not sort of push back against the signal they're giving you. So if there's certain Glossier customers that always buy one thing but want a little more curation or want more experimentation or want you to do more recommending, okay, if that's valuable, and that's a

signal you're getting, build out some module or some strategy for digital and for e-commerce that supports that.

The beauty of e-commerce is you can get so much data so quickly based on put something in market, how many people click when they land onto your site? Do they buy? Do they cross-shop? Literally where does their mouse go on the screen? You can use that information to help shape product strategy and be much less sort of dictating to the consumer versus being flexible around the signal you're getting back.

jasmine enberg:

I love that. I mean, it sounds like it's about letting the customer be the guide.

job oberlander:

Yeah, it's like clear value prop or strong ideas, but held very lightly. Those are the most successful leaders of digitally native brands or marketing leaders we've seen, and I've seen more and more legacy brands hiring a digitally savvy CMO or even just building that into their team. Maybe there's a head of growth or a head of e-commerce that has a different profile and, again, is willing to evolve the brand to this environment.

jasmine enberg:

Great. Well, thank you so much, Jon. I could talk about this topic all day, but this has been a very fascinating, interesting conversation, so we really appreciate you being here.

job oberlander:

Great, Jasmine. Well, thank you for having me. Happy to come back to this whenever the case may be.

marcus johnson:

Well, that's it for The Lead. It is time now for the second half of the show and today, Jasmine is going to be sticking around to help me out with the second half. Jasmine, thanks for being around for a few more seconds.

jasmine enberg:

Of course.

marcus johnson:

Today, In Other News, Twitter just went through another round of layoffs and how's Pinterest getting on?

Speaker 1:

Power back, one.

marcus johnson:

Story one. Twitter just laid off around 200 employees, including someone who helped establish the new feature that charges for verification. According to the information, Nick Visser of HuffPost explains that the layoffs amounted to about 10% of Twitter's remaining 2,000 employees. The New York Times reported Twitter had about 7,500 workers when Elon Musk bought the company just four months ago. So from 7,500 down to 2,000, and now even less than that with these 200 folks being let go.

Among those let go were the founder of the newsletter tool Review, which Twitter bought in 2021, the boss of Twitter Payments, and about two-thirds of the company's monetization team. But Jasmine, your take on this new news is what?

jasmine enberg:

So instead of going into why this is happening, I think we're all pretty well-versed on Twitter's revenue troubles right now. There's really two things that I'm interested in and one is what is the overall game plan here, if there is one? I mean, you brought up that fact that Esther Crawford was let go, who of course was the Head of Twitter Blue, and that makes me wonder if Musk is second-guessing his stance on subscriptions.

And the second question I have is where are all these employees going to go? Reddit, for one, has started courting some of these Twitter employees, which makes sense given that it's one of the platforms that we think will benefit most from the Twitter user decline.

marcus johnson:

Yeah. Whether they're going to go to more established companies or already established companies or whether they're going to start their own. I'd be nervous about sending these guys off into the world who know the ins and outs of social media and how it works and starting their own platforms.

jasmine enberg:

And I think you would be fair to. I think we're going to see a lot of new platforms really start to be established this year.

marcus johnson:

Yeah, competition is coming. Our Director of Briefings, Jeremy Goldman, was noting an Indian social media platform Koo, K-O-O, was downloaded by 2 million Brazilians in the first few days of launching a Portuguese language version of the app. By November, they had over 13 million Android users in Brazil who had downloaded the app according to analytics company Bytes. That's about a third of Brazil's Twitter users. So not just US competition, but competition in other countries as well.

Finally, Jasmine, yeah, it's still bad for all things advertising in terms of Twitter. There was article by Karlene Lukovitz of MediaPost saying that over 600 of Twitter's 1,000, so 60% of its top 1,000 advertisers, are still MIA. Ad revenue is also down 60%. She was citing Pathmatics, some numbers by SensorTower.

Story two. "Pinterest's Q4 revenues missed analyst expectations, and the company gave a weak forecast for the current quarter," writes Jeremy Goldman again. The platform made nearly $900 million in revenue. That's up 4% year-on-year in Q4. The number of global monthly active users, MAUs, was also up 4% year-on-year reaching 450 million.

Jasmine, what's going on with Pinterest?

jasmine enberg:

So Marcus, I love that you picked a Pinterest news for the second one because I've been thinking a lot more about the platform recently.

I think Pinterest managed to avoid a lot of the crazy news cycle last year. We didn't hear too much from them, and now I feel like it's been intentionally inserting itself into it. So Pinterest, of course, has always positioned itself as a positive social media platform. It's been at the forefront of combating misinformation and promoting mental health, but it's gotten so much louder recently, and I don't know if you saw, but CEO Bill Reddy was on Good Morning America recently comparing social media to big tobacco and criticizing the use of AI.

marcus johnson:

Oh, dear. Wow.

jasmine enberg:

And I think the timing for this makes sense and it also makes sense for Pinterest to try to put some distance between it and troubles at the other social platforms, but it's still an open question whether that's going to translate into revenue growth for them.

marcus johnson:

Yes, or more user growth.

jasmine enberg:

Yep.

marcus johnson:

So I mentioned the MAUs, so they're up 4% year-on-year to 450 million. But Pinterest in the US, we expect 86 million Americans to use Pinterest this year, but it's growing at less than 1%, just around 0.5%, to be more specific. However, the number of social network users in America, of all of the social network users, nearly 40% will have Pinterest in their arsenal.

By contrast, Instagram has over 130 million users to Pinterest's 86, and is growing faster as well. They will reach nearly 60% of social network users in the US using Instagram versus 40% for Pinterest.

That's all we have time for. Thank you Jasmine, for hanging out today.

jasmine enberg:

Thanks for having me.

marcus johnson:

Of course. And thank you to Jon who joined us in the first half of the show from Tinuiti. Thank you to Victoria who edits the show, James, who copy edits it, Stuart who runs the team, and everyone else listening in to the Behind the Numbers Daily, an eMarketer podcast made possible by Tinuiti.

Tune in tomorrow to hang out with Sara Lebow as she hosts the Reimagining Retail show, speaking to analysts Sky Canaves and Suzy Davidkhanian, talking all about what the current

customer journey looks.