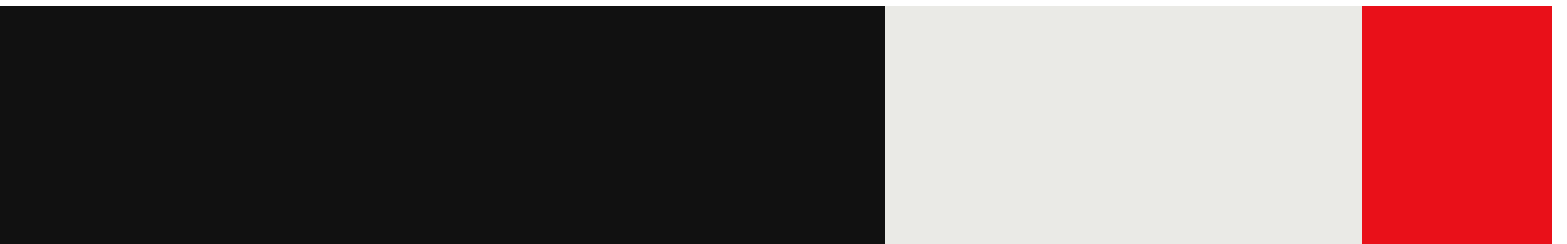


# The Daily: Why organic social is making a comeback, why the ad market still feels bleak, and more

Audio



On today's podcast episode, we discuss how organic social is having a resurgence, what brands are building communities around, and how brands are embracing ad-free features like the comments section and direct messaging. "In Other News," we talk why the ad market still feels so bleak and what X can do to turn the ship around. Tune in to the discussion with our director of Briefings Jeremy Goldman.

*Subscribe to the "Behind the Numbers" podcast on [Apple Podcasts](#), [Spotify](#), [Pandora](#), [Stitcher](#), [YouTube](#), Podbean or wherever you listen to podcasts. [Follow us on Instagram](#)*



## Episode Transcript:

Marcus Johnson (00:00):

B2B marketing teams rely on EMARKETER Media Solutions to elevate their thought leadership and build meaningful relationships through exclusive webinars, guides, infographics, and so much more. If you want to learn about our proven approach, head to [emarketer.com/advertise](https://emarketer.com/advertise).

Jeremy Goldman (00:19):

Brands are feeling like it's more and more important to get access to that first-party data and that's why brands are seeing there's a lot of utility in providing something that people really value, which is community, in exchange for something that they value, which is the ability to collect information about these people.

Marcus Johnson (00:42):

Hey gang, it's Tuesday, July 23rd. Jeremy and listeners, welcome to the Behind the Numbers Daily, an EMARKETER podcast. I'm Marcus. Today I'm joined by our Senior Director of Briefings, based in New York City. It's of course, Jeremy Goldman.

Jeremy Goldman (00:57):

Great to be with you, and happy birthday, Damien.

Marcus Johnson (01:00):

Hey, fella.

Jeremy Goldman (01:01):

Hey, that's my third kid. You're like-

Marcus Johnson (01:02):

Your son? Your son? Okay, yeah.

Jeremy Goldman (01:04):

Yeah, he turns-

Marcus Johnson (01:05):

I was like, who's that?

Jeremy Goldman (01:06):

He turns five today. He's a good kid, so shout-out. And he is a big fan of yours, Marcus, so I had to give a shout-out. He listens to this all the time.

Marcus Johnson (01:14):

That can't possibly be true.

Jeremy Goldman (01:15):

You have fams.

Marcus Johnson (01:15):

But happy birthday, Damien. I'm very popular with the kids, probably just Damien, to be honest. Happy birthday to him.

(01:23):

Today's facts before we start the show. "Japan declares victory in the war on floppy discs," notes Kelly Ung of the BBC. Still using floppy discs, Jeremy? It has taken until this year that Japan has finally said goodbye to them. The article explaining that up until last month, folks in Japan were still asked to submit documents to the government using the outdated storage devices with over 1,000 regulations requiring their use.

Jeremy Goldman (01:55):

Wow. Did they just recently phase out Beta Max?

Marcus Johnson (02:00):

No, they still use that. The discs created in the 1960s. And Sony, the last maker of the discs ended its production in 2011, so 13 years ago. I'm not that shocked by this because living in the States, I thought it was bad enough when you have to ask for a record of your MRI or x-ray in America, and they hand you a CD. I thought the person was kidding at first when it happened to me, he was not. He was very serious about my imaging being given to me on a compact disc.

Jeremy Goldman (02:35):

Somebody needs to keep the external CD-ROM manufacturers in business, you know?

Marcus Johnson (02:40):

I know. Thanks, American healthcare for that. Anyway, today's real topic, how organic social strategies are making a comeback.

(02:54):

In today's episode, first in the Lead, we'll cover organic social and then for another news, we'll discuss why the ad market feels bleak and whether X, formerly Twitter, can turn the ship around. Is there still time? We start, Jeremy, with the lead and we wanted to talk about organic social marketing for this episode. In large part because Minda Smiley, one of our colleagues who covers social for us, who's out at the minutes, has written this really wonderful research on organic social marketing. But Jeremy, let's start top line before we dig into some of the details here. What are the two main reasons that organic social marketing is having a resurgence?

Jeremy Goldman (03:38):

I think that there's a few different reasons here, but one of them is just it's really become harder and more expensive to reach consumers through ads, first off. I think that this is why you see Influencer and UGC doing quite well, is because it's not like a standard ad format, even if it is sometimes an ad.

(03:58):

So there's also a lot of data out there by the way, that a lot of social media users, especially younger ones, are less receptive to ads in general. So investments in brand building and the behaviors of Gen Z who are really adept at avoiding traditional ads. That's not just that they don't like them, but they're also sometimes good at circumventing them. That's really what's driving the resurgence with the organic social, and marketers are focusing on more on community building and organic engagement strategies that resonate better with this demo.

Marcus Johnson (04:32):

Yeah, yeah, and I thought this quote from Minda in the report encapsulates what you were just talking about brilliantly, when she talks about how good they are at avoiding ads, but that they still want to hear from brands, just on their own terms. And so they're investing in, as you mentioned, community building, other tactics as well, to engage with them when and how they want to. So, that's one element of this.

(04:55):

And then you mentioned that brand building piece, it does seem like the pendulum is swinging back towards brand marketing, increases in brand marketing. In 2022, twice as many marketers said they were increasing their performance budgets versus their brand ones. This



year they say increases in investment between performance and brand will be equal, according to work. So brand has caught up, in terms of the increases in investment according to this research. So that is definitely a piece of it.

(05:23):

You mentioned communities, investing in community building as a section of the report that Minda touches on. How are communities becoming a bigger part of the marketing playbook, as she puts it?

Jeremy Goldman (05:33):

Well, I think there are a number of different reasons, but first off, the platforms realize that this is something that people crave. So because of that, they are offering features that are going to increase the feeling of community online and have that be the place where people go to seek out some kind of connection. Like Instagram's close friends feature, like broadcast channels that are popping up on a number of different platforms.

(06:02):

I mean, the consumers are just really eager to join brand-led communities. If they're done well, many are willing to trade personal data to feel like they're part of these communities if that's the way in which they pay in, basically. So, and brands are feeling like it's more and more important to get access to that first-party data. And that's why brands are seeing there's a lot of utility in providing something that people really value, which is community, in exchange for something that they value, which is the ability to collect information about these people.

Marcus Johnson (06:35):

Yeah, and it does seem like consumers want to join brand-led communities because there was some research from a Salesforce survey last summer. About half of customers worldwide engaged with brands through online communities. And then the other part of this, I thought this was interesting, Jeremy, she cites McKinsey and Company, saying the big idea in 2020's marketing is community, marking a shift away from personalization. Saying brands may find more luck building a community around audiences who share a specific hobby or interest, instead of focusing on demographics or a broad reach. So that's one way that brands can start a community is think about what activity, what hobby, what interest brings people together and maybe start there.

Jeremy Goldman (07:20):

Yeah, and let's not of course make anybody think that personalization is going away or anything, right?

Marcus Johnson (07:25):

Right.

Jeremy Goldman (07:26):

These platforms are spending quite a lot to do a number of different things simultaneously, including increasing their personalization features as well as their community-driven features, which by the way, Facebook groups, that's another example of something that people called out to be one of the most vibrant sectors of Facebook for a while. But brands obviously are just realizing that yes, people need a greater sense of belonging and more and more people see that their identity is wrapped up with who they are online and not who they are offline. And that's definitely benefiting all these digital communities that are springing forward.

Marcus Johnson (08:04):

Yeah, one of the examples in the piece I thought was interesting, it was condiment brand, Sir Kensington's has an online community-

Jeremy Goldman (08:11):

They're awesome, by the way.

Marcus Johnson (08:12):

... called Taste Buds, as in friends, it's too good. Sir. Kensington's is yeah, they're quality mayonnaise. Where members couldn't... Is mayonnaise with fries okay?

Jeremy Goldman (08:26):

I knew you were going to... By the way, because-

Marcus Johnson (08:28):

Let's talk about it.

Jeremy Goldman (08:29):



Have we talked about it? I think that you and I are both-

Marcus Johnson (08:31):

I'm back in Europe.

Jeremy Goldman (08:32):

You and I are totally-

Marcus Johnson (08:33):

I feel like it is.

Jeremy Goldman (08:34):

... right about this, in that it is very okay.

Marcus Johnson (08:36):

Okay. Victoria, want to get in on this?

Victoria Grace (08:39):

I'm actually a fan. I wasn't always.

Marcus Johnson (08:41):

Yes, I knew you'd come around.

Victoria Grace (08:44):

Shout-out to Belgium for changing my mind.

Marcus Johnson (08:47):

Yes.

Jeremy Goldman (08:47):

Yep. Belgium, don't mess around.

Victoria Grace (08:49):

We're not trying to yuck anybody's yum on this podcast either. We support all flavors, tastes and preferences.

Jeremy Goldman (08:56):

Now if you say you want ranch on your fries, I don't know about that.

Victoria Grace (08:59):

Absolutely not, I do have standards.

Marcus Johnson (09:03):

Victoria is like, come one, come all, but not you people.

Jeremy Goldman (09:06):

I will do anything for love.

Marcus Johnson (09:07):

Not the ranch.

Jeremy Goldman (09:08):

But I won't do that

Marcus Johnson (09:10):

Meatloaf, great reference. So Sir Kensington's Taste Buds, a fantastic name, but they say it's a community, online community where members can chat and swap recipes, complete tasks to unlock free products, and provide input on products as well. So, a lot of different ways to engage with the audiences, with your customers once you have one of these set up.

(09:31):

Another part of this resurgence in organic social marketing Minda mentions is social search, and folks, I mean we've known this for a while, Jeremy, that people were searching for things in different places, but with the young people especially, it's fascinating. So folks, especially the young ones, are turning to social networks for search queries more and more. And according to GWI, gen Z has preferred to use social media versus search engines when looking at brands, ever since 2017. So it's only by a few points, it's not by a massive gap, but

still, the fact that they've been going to social media over search engines to look up things for the last seven years now is quite remarkable. So, what's one way the marketers can capitalize on this social search? I'd say movement, but it's already moved it seems.

Jeremy Goldman (10:20):

Yeah, well it's moved, it's going to continue to move. I mean, people are spending more and more time on social and if you're already on social and you start to think about a brand, maybe because of a post or maybe because they just pop into your head, of course you're going to naturally search on that platform since they've gotten better at it.

(10:36):

But going back to your question about how marketers can capitalize on this, they can make their content more discoverable by optimizing posts for search within platforms. So this includes hashtags, captions, keywords, and other tactics to ensure their posts appear in search engine results across the TikToks, Instagrams and YouTubes of the world. So if you think about it, you used to optimize content for all of the web and you're still really basically trying to figure out, like what each one of these platforms prioritizes from a search standpoint. And by the way, those things are subject to change, so make sure to follow EMARKETER wherever you are in order to... No, but seriously, they do change all the time and that's what's very interesting about this space, is that each platform will figure out it's advantageous to essentially upvote hashtags, but then after a certain point they're going to say that's less important than what's really important to some other factor.

Marcus Johnson (11:35):

Yeah. The final piece of this puzzle, this organic social resurgence puzzle is comments sections and direct messaging. Minda writes that brands are embracing ad-free features on social media like comments and DMs, pointing out that commenting is the most preferred social feature for American adults ahead of everything. It's most preferred. So ahead of private messaging, sharing, reactions, all of the stuff. Commenting is number one, in terms of what American adults are doing on social media. So Jeremy, what stands out to you when you think of the interesting ways that marketers are capitalizing, can capitalize on the comments section?

Jeremy Goldman (12:12):

Yeah, I thought that this was one of the parts of Minda's report that was most interesting to me, but yeah, so social marketers, they're crafting entire strategies around the comments section, including brands that are commenting on popular videos to get in front of a broader audience, in the same way that a lot of brands in the olden times, they would offer up comments on influencers, hosts, publicly and try to get in front of people that way.

(12:38):

The challenge is of course it requires a dedicated team to identify which videos to comment on and to craft and gauge in comments that are going to align with not just online culture, but also the brand's voice, like to find that perfect happy medium there. And brands are, from everything we've seen, they're seeing significant engagement and reach from these strategies and some comments are receiving tens of thousands of likes actually, and just really demonstrates the potential impact on brand visibility and follower growth without spending a whole lot of money to do so.

Marcus Johnson (13:15):

And we're talking about brands engaging with the customers, with folks in the comments section. What's going on there? What's going on in the comments section? Two things in particular. One, people are asking questions. So close to half of people, 45% of people under 40 had asked an influencer or a regular person where a product in their content is from via a comment, according to a recent survey from Why Pulse, Minda writes. And then the second thing she notes is that people are recommending things, so they're asking questions but they're also recommending things. Three and four, young 18 to 24 year olds said the comments section on social media posts had the best recommendations. So, that's another thing that people are using or discussing in the comments section.

(14:02):

Minda's full report is called Organic Social Strategies, That work, Pro Plus subscribers can head to [emarketer.com](https://emarketer.com) for the whole thing, including a number of takeaways for marketers, or you can click the link in the show notes, of course, where else. And thank you so much to Minda for writing this wonderful research. That's all we've got time for the Lead. Time for the fourth quarter of the show today in other news.

(14:24):

After months and months of consecutive growth, why does the US ad market still feel so bleak and X experiences a slowdown in user growth.

(14:38):

Story one, the US ad market has now grown for 14 consecutive months, 1-4, according to data from guideline. Previously standard media index, write our Sarah Libo, host of the Behind the Numbers Re-Imagining Retail show. It showed that the US ad market has grown 2% year-on-year in May. So that was the 14th consecutive month of growth, even though it was a bit lower from some of the previous months. But Jeremy, I think Sarah asks the question perfectly here. After 14 months of consecutive growth, why does the US ad market still feel so bleak?

Jeremy Goldman (15:13):

Yeah, I think that there are a number of different reasons for this. Part of it is that there are these ongoing storylines about what's going to happen with the economy, which is by a lot of measures, not the weakest it's ever been by far, but there's a bit of a malaise going on. But then I think on top of that, you also have these ongoing conversations about, like we all saw that quote that I think Sarah even referenced from Sam Altman, that 95% of what marketers use, agency strategists and creative professionals for today, will easily, nearly instantly and at almost no cost be handled by the AI. So whether or not we believe that to be true, we do think that there's certainly a lot of impact from people constantly seeing stories like this about what the heck is going to happen and is this whole market going away? It's very hard for that not to have a degree of impact.

Marcus Johnson (16:10):

It's odd because on the one hand, there's a lot of fuel for the advertising fire right now, right? There's the Euro Cup, Copa America, big soccer tournaments are just finished, we're getting ready to start the Olympics.

Jeremy Goldman (16:21):

Olympics, yeah.

Marcus Johnson (16:22):

In a week or so. We're in the midst of a US presidential election. So a lot of reasons for advertisers to spend money. However, I think it's just a fantastic quote from our Senior

Analyst, Evelyn Mitchell-Wolf, in this piece from Sarah saying, "There are too many existential crises happening at once. Privacy concerns, weakening ad tracking, gen AI taking ad jobs, and also affecting search along with TikTok." She says, "The industry knows winter is coming and is too busy preparing for assaults on multiple fronts to enjoy the summer whilst it's here," which I thought was a beautiful way of summing it up. I was speaking with our VP of Media Solutions and Strategy, Adrienne Skinner earlier, and she said the word that comes to mind wasn't necessarily the ad market feeling bleak, but uncertain, and the uncertainty is the word of the day, word of the month, year, whatever for her, which I thought was a really great point.

(17:15):

Story two. Jeremy, you wrote recently, separate story, that X has experienced a slowdown in user growth, as the platform reported 251 million worldwide daily active users in Q2, which would be a slight increase of less than 2% year-on-year. You note that this is in stark contrast to the significant growth rates observed in the year's proceeding Elon Musk's \$44 billion acquisition of the platform in October, 2022. For context, I went and looked at those growth rates, Jeremy. Twitter grew seven, or X, grew 7% in 2020, the main pandemic year, and then 42% in 2021, and then started struggling from 2022. But in your opinion, what's the primary thing that X can do at this point to try to turn this ship around?

Jeremy Goldman (18:02):

It's really difficult because even if you do everything flawlessly here, you're not operating in a vacuum. You have Meta throwing quite a bit at Threads, and then there's a lot of advertisers we've spoken to that have clamored for ads on Threads. Threads has obviously grown quite a bit this year, in part because it's only been around a bit, last 13 months or so now, and daily engagement on Threads is lower, but it's certainly grown a lot. And once Threads has ads on its platform and then they can presumably keep on investing in it because justified it's reason for existence, then if X does everything perfectly, I find it very difficult to say that, oh, it's going to start to go to have quite a bit of growth. They've obviously had a lot of controversial leadership and policies over the last year and a half, and that's certainly part of the story, but I think the truth of the matter is even without those sideshows, it would be in a very difficult competitive position.

Marcus Johnson (19:05):

Yeah, that's a great point. The numbers just not in its favor right now. You mention in the piece revenue, struggling might X's ad revenues have fallen 50% since Elon Musk bought the company nearly two years ago. Also during that time, we estimate that daily time spent on the platform is down 14%. That is all we have time for for this episode. Thank you so much, Jeremy, for hanging out with me today.

Jeremy Goldman (19:29):

Pleasure, as always.

Marcus Johnson (19:30):

Thank you to Minda for providing some excellent research that we got to talk about. Thank you to Victoria who edits the show. Stuart, who runs the team, and Sophie, who does our social media. And thanks to everyone for listening into the Behind the Numbers Daily, an EMARKETER podcast. We hope to hang out with you tomorrow, or at least Sarah Libo does. She'll be hosting the Reimagining Retail show, speaking all about Prime Day 2024, with analyst Zak Stambor and Sarah Marzano.