



The Momentum Effect

The Value of Social Networking To
Marketers – A New Model

Rex Briggs, CEO, Marketing Evolution

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A Journey into Social Networking Client Summit

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Over 70% of the value of SN came from the Momentum Effect

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1. What is *value...*

- ...for brands?

And, how do social networks generate value for brands?

- ...for consumers?

2. What are the right model/metrics to summarize and manage *value creation*?

3. What are the secrets to unlock the *value created* from the Momentum Effect.

What is Value for a Brand?

- Sales
 - Awareness
 - Positive Brand Perceptions
 - Purchase Intent
 - Loyalty
 - Advocacy



Old vs. New Model of Brand Value Creation

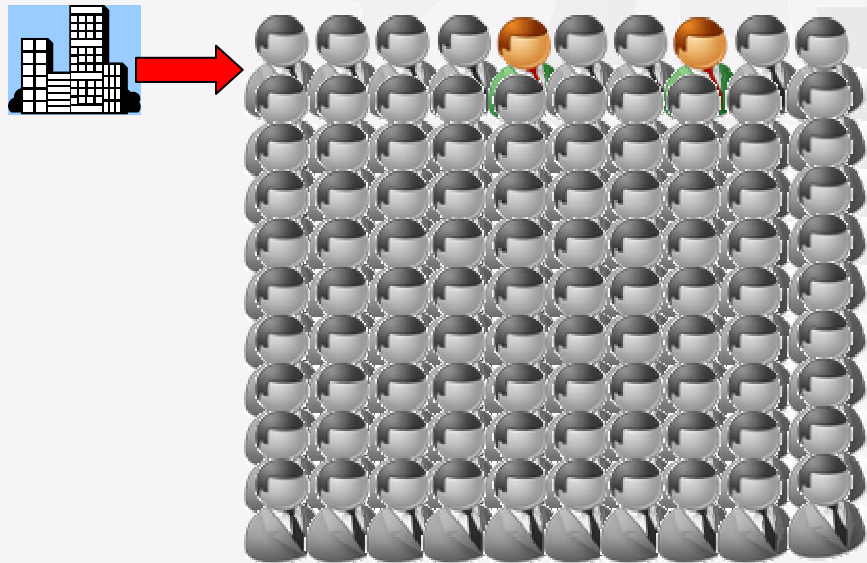
Old vs. New Model of Value Creation

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Old model:

B2C

1000 impression = \$10
\$10 CPM = \$0.50 CPI



New model:

C2C

Each interaction is an impression

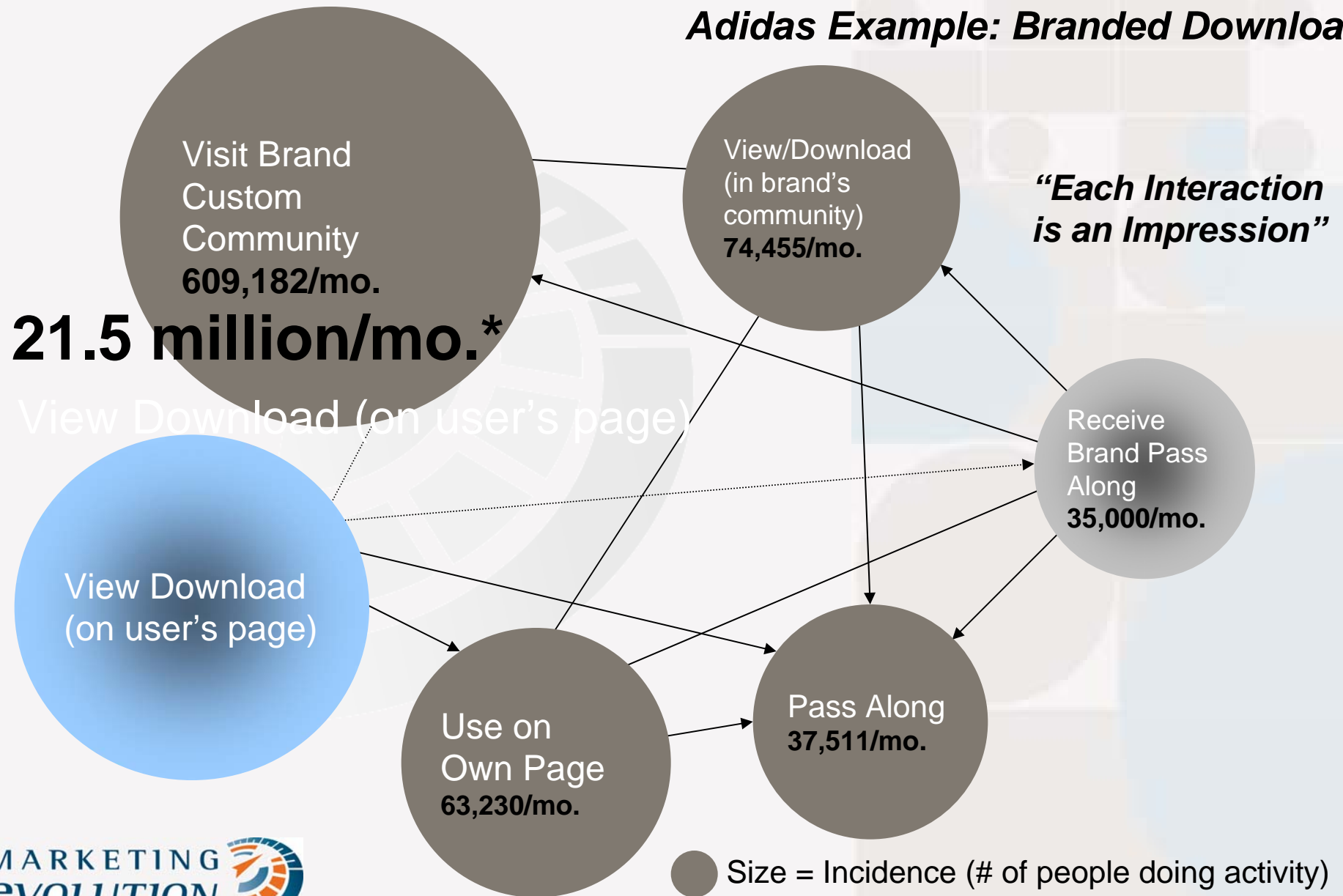


C2C & The Momentum Effect

C2C & The Momentum Effect


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Adidas Example: Branded Download



Give Them a Reason to Talk About It

Rex's Profile – before adidas



"47% of the advertising campaigns we studied didn't work. Find out what you can do to guarantee yours does."

Male
38 years old
EL DORADO HILLS, CALIFORNIA
United States

Last Login:
4/3/2007

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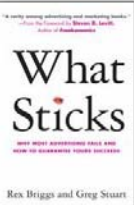
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Rex's Blurbs

About me:
Rex Briggs is the founder and CEO of Marketing Evolution, a marketing research consulting firm with office in New York and California, and with clients in more than 20 countries around the world. Marketing Evolution helps clients measure their marketing to improve effectiveness of their advertising and increase ROI—in other words, to get more for their money.

See below for information on his newly published book.



What Sticks
What Sticks is the one book that explains exactly how marketing and advertising works today! Based on new insights from analysis of over \$1 billion worth of advertising.

Decades ago it was ok to believe, as retail magnate John Wannamaker did, that "Half the money I spend on advertising is wasted; the trouble is, I don't know which half."

However, today the stakes are much higher as marketing thought-leaders Rex Briggs and Greg Stuart estimate that \$112 billion in advertising spending in the U.S. alone is wasted, which is cutting deeply into company profits.

Based on proprietary research against \$1 billion in advertising spending, What Sticks uncovers bold new insights from the largest-ever global marketing research project amongst 30 Fortune 200 companies, including: Procter & Gamble, Johnson & Johnson, Kraft, McDonalds, Unilever, Ford and others. This is a comprehensive and solutions-oriented book that outlines how any marketer, at any level, can guarantee their advertising succeeds.

Marketers cannot ignore the findings or the solutions revealed in What Sticks. Written in a conversational, easy-to-read style, you will learn:

Book Information

Publisher: Kaplan Business
(September 1, 2006)
Hardcover: 304 pages
Language: English
ISBN: 1419543132
\$25.00

MySpace URL:
<http://www.myspace.com/rexbriggs>


Rex's Interests

Books: What Sticks by Rex Briggs


Rex's Details


Status:	Married
Here for:	Networking
Hometown:	El Dorado Hills, CA
Ethnicity:	White / Caucasian
Zodiac Sign:	Virgo
Children:	Proud parent
Education:	College graduate
Occupation:	CEO - Marketing Evolution

Rex's Profile – after adidas



MySpace





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2. What are the right metrics to manage *value creation?*

B2C + C2C =
Value Creation

Old vs. New Model of Value Creation

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Old model:

B2C

Ad Impact



B2C-Driven Custom
Community View

New model:

+ C2C

C2C-Driven Custom
Community View



Momentum Effect

Headline Finding

Over 70% of the value of SN came from the Momentum Effect

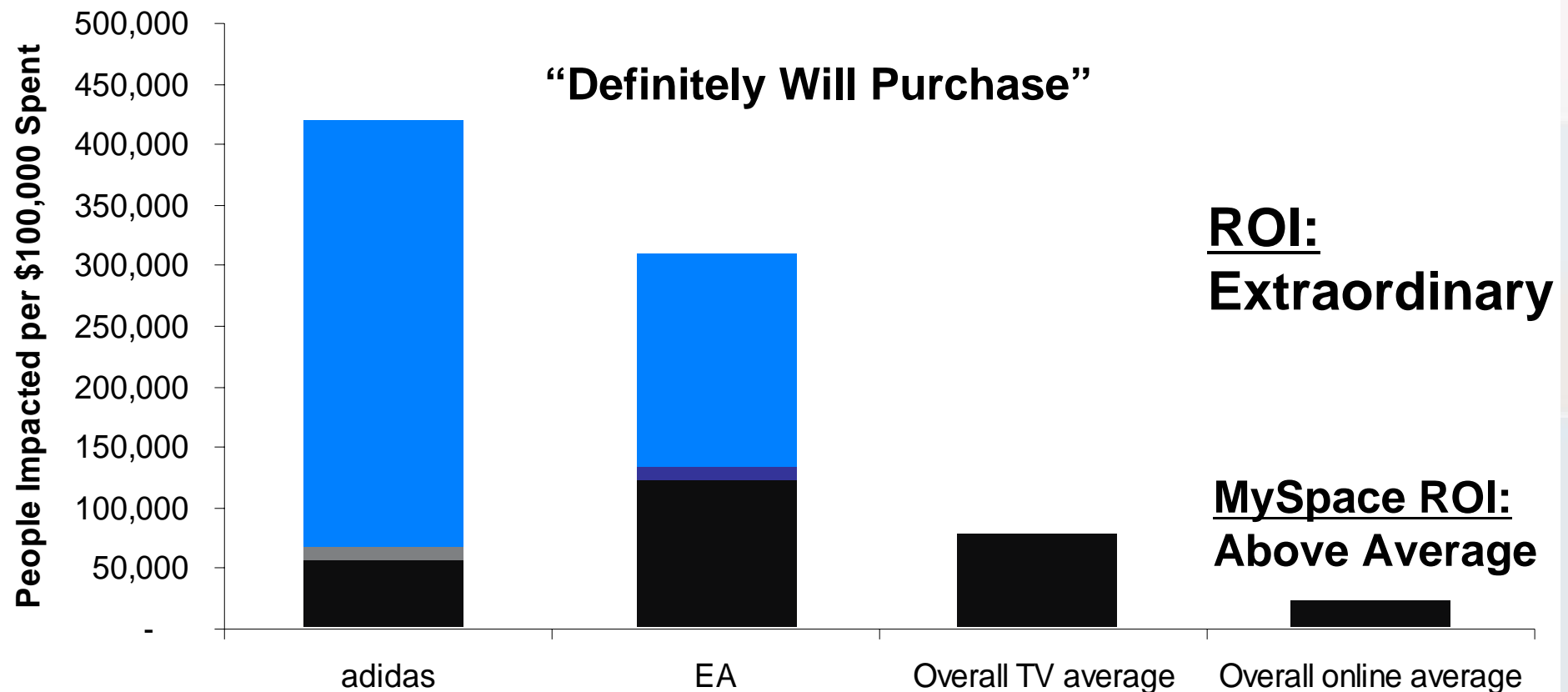
Marketing Evolution Analysis Framework

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B2C Value Creation	<u>Advertising exposure</u> Analysis: (Pre/Post)
	<u>Site Profile</u> exposure caused by advertising/ featured link Analysis: (Pre/Post) Exposed/Control
C2C Value Creation	<u>Site Profile</u> exposure caused by pass along from another consumer Analysis: (Pre/Post) Exposed/Control
	<u>Momentum Effect</u> - WOM exposure to brand in MySpace Analysis: MySpace user compared to non-MySpace user over the same time period, controlling for demographic differences.

Value Created by SN Outpaces the Average for TV and Online

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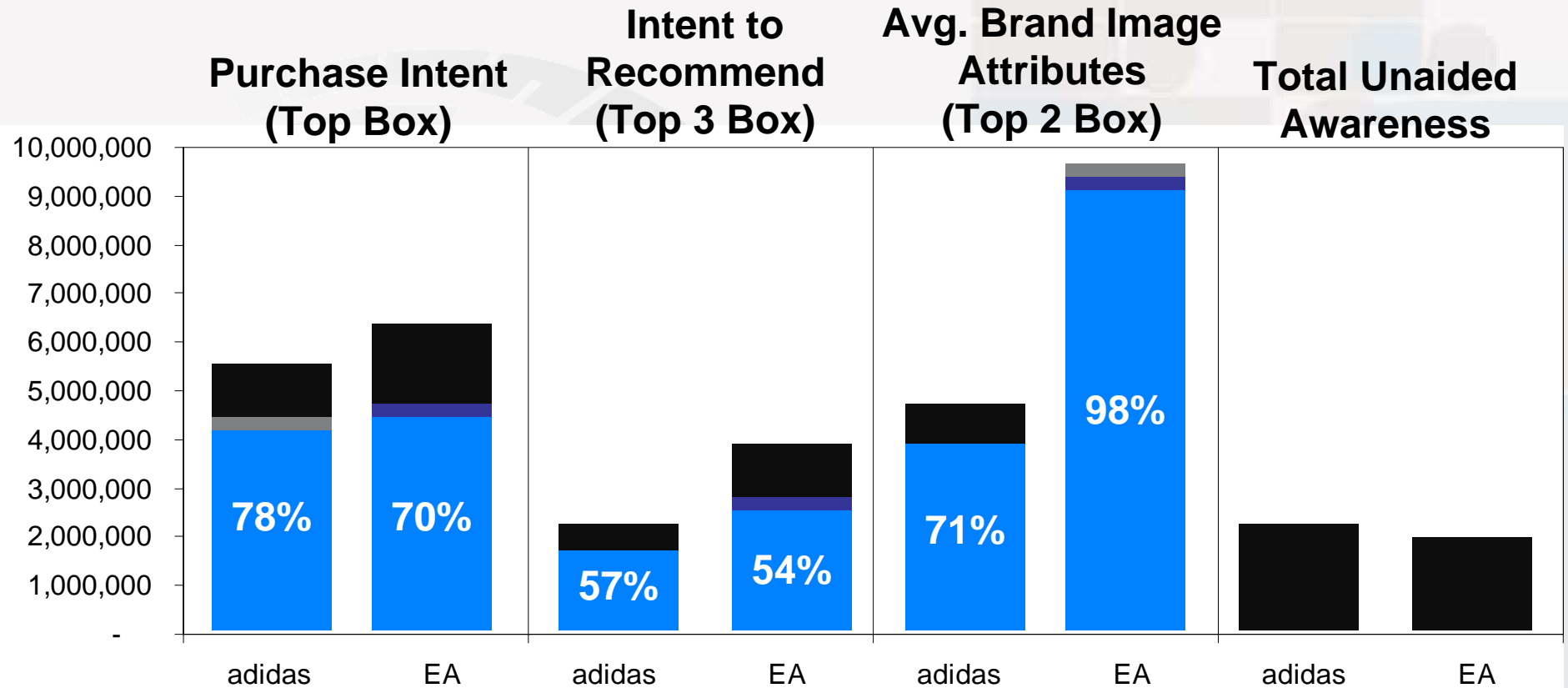
**MARKETING
evolution**
SAME BUDGET, BETTER RESULTS

- Momentum Effect
- B2C Profile View
- C2C Profile View
- Advertising Effect

Source: Marketing Evolution, April 2007
People Influenced per \$100k

Momentum Effect is Over Half of Value Creation*

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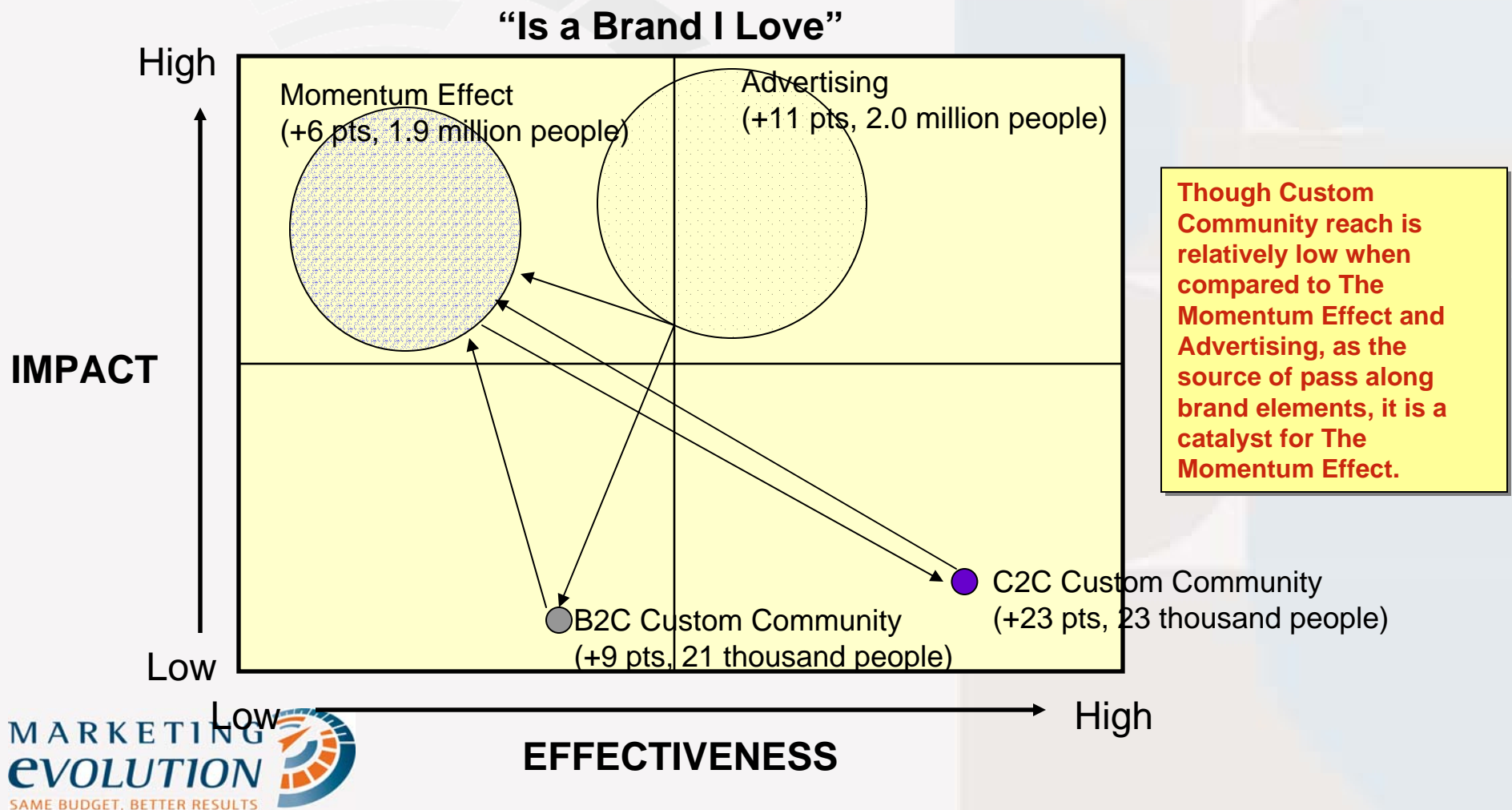


- Momentum Effect
- B2C Profile View
- C2C Profile View
- Advertising Effect

Source: Marketing Evolution, April 2007
Total Number of Incremental People Influenced By MySpace

*Exception is awareness. Advertising drives awareness

Advertising, Custom Community & Momentum Effect Are Interconnected



Unlocking the Momentum Effect



Secret 1: Your Brand is a Persona



Secret 2: Give Them a Reason to Talk About It

CHOOSE YOUR SIDE

ARE YOU PREDATOR?
PREDATOR FRIENDS: 175

MEXICO FUTBOL ON MYSPACE

ARE YOU F50?
F50 FRIENDS: 11886

ANDRÉS GUARDADO

See the new Mexico Futbol MySpace page, and catch the team on their 2007 US tour.
Visit myspace.com/mexicofutbol >
A Spanish language site.

adidas
Official Outfitter
Federación Mexicana de Fútbol Association

Secret 3: Give the Consumer a Chance to Realize Their Dream/Fantasy



Secret 3: Give the Consumer a Chance to Realize Their Dream/Fantasy

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Never Heard Of It *Finger on the Trigger*



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SAME BUDGET, BETTER RESULTS

The Guns Gordons and Lemonade





Implications: Rethink the Media Mix

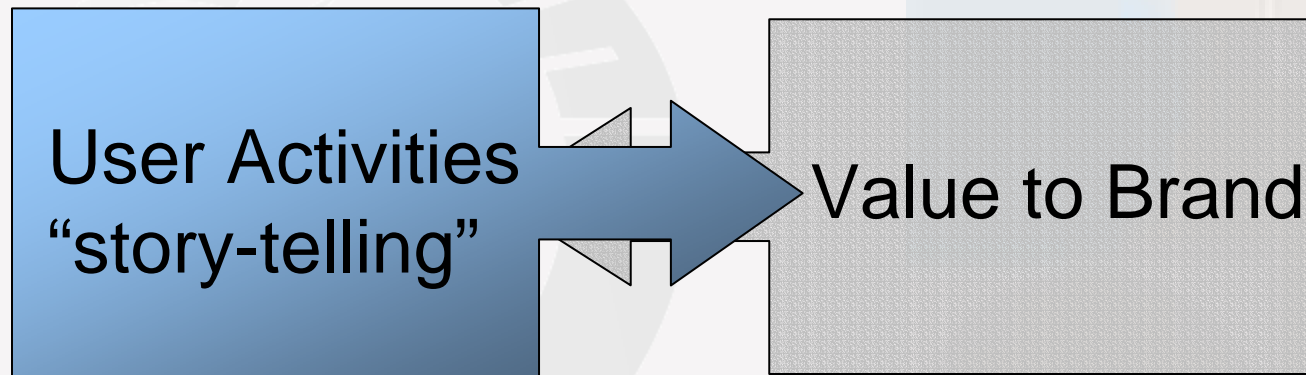
The Momentum Mix

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Entry points to custom community



Central Theme: Engagement



How Do You Quantify The Value & ROI?

**What are the right metrics to
manage value creation?**

Not the number of friends

- Instead: $B2C + C2C = \text{Value Creation}$

- B2C

- Ad Impact
- Custom Community Impact

- C2C

- Custom Community Impact
- Momentum Effect

1. Focus on the Momentum Effect
2. Unlock the secrets of the Momentum Effect
3. Measure and optimize ROI and integration with offline strategies

Review / Q&A

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