Gwynneth Shipley

CS + BC

Professor D. Dunning

3/9/18

Twitter Case Study

Summary

Twitter was initially founded in 2005 as an internal platform for sharing short "status updates" with friends within podcasting directory company Odeo and, as it grew and was made public, quickly became popular due to significant blog mentions and awards. Twitter attempted to gain users by anticipating their needs in creating ways for them to stay in constant, organized contact with other users in real-time, as well as celebrities, businesses, and government officials.

Twitter monetized in a number of ways. First, by partnering with companies to promote their brand and film and television to promote their content. Second, with data licensing by selling consumer data to authorized resellers to gauge consumer interest. The data that Twitter collected, including past site visits, location data, purchasing history and in-site interaction, was constantly used for more effective communication and marketing personalization for multiple outlets.

Analysis

A major problem that has plagued Twitter from the very beginning is a lack of vision and direction. Under the umbrella of this larger problem, there are many issues that stem from lack of real intention and clarity. They began with the simple intention of keeping people who wanted

to stay connected, connected to one another at any time. This notion seems straightforward enough, but the pace at which Twitter gained initial popularity potentially stifled their ability to craft a vision and direction for their brand and the services they provided, and would eventually provide in the future.

One could argue that the simplicity of Twitter's beginnings allowed for a blank slate or open road with endless possibilities of communication and connectivity. This, however, is a flawed business model. From the beginning, Twitter has been constantly evolving and attempting to meet users needs, sometimes with negative results. While many companies and platforms evolve over time as they gain greater understanding of their users, they often begin with more solid ideas of what they want to accomplish by the time their users numbers hit $1.2 million.

David Aaker quotes Starbucks executive Howard Schultz saying, "Customers must recognize that you stand for something." What does Twitter stand for? If, as Aaker says, people often treat brands as if they are people, what is Twitter's "personality"? It is unclear what their core values are or what their brand vision is other than keeping people connected in 140 characters or less. Because of its swift beginning and rise, Twitter did not take the time to form an idea of what it really wanted to be, instead opting to focus on new algorithms to anticipate users needs and generate more traffic and profit.

This lack of vision could also potentially partially account for what Harvard Business Review's Umair Haque says is "abuse." Because of the security hiding behind a computer screen provides, users feel more comfortable being negative and even aggressive in their online interactions. Unlike Facebook, the anonymity provided by Twitter allows for much more intensely abusive behavior from users. When users feel unsafe, unprotected, harassed, or

mistreated in a certain avenue of communication, they will naturally begin to shy away. Haque says, "The business of most businesses is interaction."

This concept, relating directly to the invention and rise of social media, is relatively new to our culture, but we heavily rely on it for information, communication, and even personal validation. If it makes users feel bad, why would they continue to enthusiastically participate? Aaker suggests brands "go beyond functional benefits" to offer things like emotional benefits and, in reference to abuse, social benefits. If the potential benefits of using Twitter outweigh the potential deficits emotionally and socially, users will find other ways to communicate.

Because of Twitter's accessibility and real-time communication, it is constantly in motion. On top of its speedy rise, it was always moving. This momentum could account for its inability to craft a service that users would feel loyalty to and safe within. Facebook, while adopting some of Twitter's innovations, initially offered more services that fit users needs and the lack of anonymity provided a certain perceived level of safety. Twitter eventually, in an effort to keep up with other social media platforms, decided it wanted to be able to provide all services. Users can now listen to songs via Soundcloud without leaving their twitter feed as well as watch YouTube videos and begin to read articles.

While these advances are helpful for Twitter, they are nothing new. In its current state, Twitter does not effectively offer anything anything that cannot be found or consumed anywhere else. In Aaker's words, Twitter is a brand lacking substantial "must haves." In the beginning of the platform, they certainly did. The idea of constant, real-time communication was fresh and innovative. The addition of geo-tagging was groundbreaking. Twitter has made no recent significant advances to set them apart from other popular social media platforms.

Twitter's momentum could also account for Twitter's methods of monetization and how they have had potentially negative results with certain users. The ability for users to interact with

entities perceived as larger than themselves, like businesses, celebrities and government officials, proved successful for Twitter, and often said larger entities. Profiting by giving those entities the ability to pay for promoted tweets, trends and accounts also generated positive results for the companies, but it is worth noting that many Twitter users generally hate advertising in any form. The *SF Gate* reported that a, "Harris Poll conducted on behalf of Lithium [Technologies], found that 74 percent of 16- to 39-year-olds object to being singled out by brands in their social media feeds. Of those, 56 percent have cut back on or quit using social media sites due to advertisements in their news feeds." Pew Research reported that "Some 36% of online adults ages 18-29 are on [Twitter]." Those statistics make unwanted advertising a major factor in Twitter losing active users. While its attempts at "enhanced advertising" aim to "deliver better ads for users, not more ads," the larger issue is that many users are turned off by ads all together.

Twitter's lack of focus and clarity in creating a specific brand vision and mission account for low user loyalty. This combined with the provided level of anonymity allowing for negativity, aggression and abuse, an inability to render competitors irrelevant, as well as a high priority placed on monetary gain from ad revenue with little regard to users feelings is consistently causing active users to leave Twitter.

Recommendations

Twitter could benefit from a massive rebranding or a clear definition of what they stand for. Who is the face of Twitter? Do they support free speech and equal rights? Specifically with the current social, cultural and political climate, Twitter could really benefit from showing the world who they are through, as Aaker suggests, environmental or social programs like foundations or initiatives for change. Social media platforms tend to remain neutral in those

arenas, but right now Twitter could benefit from some positive media attention and gain popularity by supporting causes important to them, making it clear to the public what their worldview is.

In reference to the abuse discussed by Haque, Twitter could also benefit from "higher quality interactions" that users would place more importance on. There is plenty of activism on Twitter, but it often gets drowned out by negativity and advertisements, providing users with arguably low quality content and interaction potential. The initial recommendation of becoming more socially active could also help the negativity and abuse rampant on Twitter that causes users to feel threatened and unprotected. This would provide social benefits previously lacking from the Twitter platform and overall brand identity. Knowing Twitter is there for you and cares about your wellbeing could really be a selling point for users that would otherwise abandon the platform.

Focusing time, energy and revenue on innovations within the platform, or even one single innovation to set them apart from the rest, would bring Twitter back to relevance and stop users from straying. One simple addition to the platform that users could not find anywhere else is what Twitter needs now. Once they have really examined their past missteps, a significant amount of energy should be reserved for new ideas that could give users something they've never seen before or never even knew they needed.

The final issue is one of the most difficult to diagnose. So much revenue comes from ad sales, and not just for Twitter. Most platforms and publishers rely heavily on ad sales to stay afloat. It is a vicious cycle when the avenues used to create revenue are causing users to flee in droves. Twitter could benefit by focusing more on integrated, native ads.

Implications

Some of these recommendations could prove useful to Twitter, but some could do just the opposite. While taking a political, cultural, social, or environmental stance can do wonders for the trust and loyalty users have for a brand, it can also alienate many more. This leads to the abuse issue and Twitter making it clear what is important to them, which should be the user. *Vanity Fair* reported that in 2016, "Twitter formed a Trust and Safety Council composed of researchers, technologists, and safety groups to help weigh in on free speech issues on the platform." Despite the hard work of this team, they seem to be unable to stop the onslaught of internet bullying perpetuated by aggressive individuals and groups, and even POTUS himself. A tech executive was quoted as saying it is "like trying to put out a fire in a house...Once you do that, four more fires pop up in its place." It unfortunately seems like Twitter may be fighting a losing battle.

Sources

"Millennials really hate advertising, study finds - here's why"

https://www.sfgate.com/business/article/Millennials-really-hate-advertising-study-finds-7393642.
php

"Demographics of Social Media Update"

http://www.pewinternet.org/2016/11/11/social-media-update-2016/

"'Just an Ass-Backward Tech Company': How Twitter Lost the Internet War"

https://www.vanityfair.com/news/2018/02/how-twitter-lost-the-internet-war