

12. ADVERTISING REVOLUTION: MEDIA SIGNALS ARE REWRITING THE RULES OF THE GAME

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The paper deals with the evolution of advertising in the digital age and the role played by the popular TikTok platform and media signals in increasing the effectiveness of advertising campaigns. Three key signals have been studied - situation, visibility, and interaction - and their impact on attracting attention and connecting with audiences. The research shows that TikTok has a large and engaged audience, and the intelligent use of media signals leads to a significant increase in the effectiveness of promotion.

The world of advertising is vast, and marketers must develop new methods and strategies for promotion daily [1]. Major corporations spend millions annually on successful product promotion. According to The World Counts, an estimated 674 billion U.S. dollars were spent on advertising worldwide in 2020, and this number continues to rise [1].

Nowadays, advertisements have become ubiquitous on our phones. According to Business of Apps, the average person now spends 145 minutes daily on their smartphone, with the average user spending over 70 minutes a day on TikTok alone as indicated in Figure 1 [2].

Daily time in TikTok

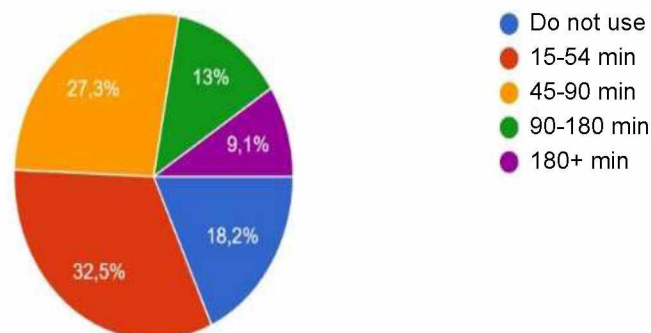


Figure 1 – Daily time in TikTok

All over the world, TikTok is one of the most popular producer of highly engaging content. The main feature of TikTok is its endless feed, where users can simply scroll without the need to actively search for content. Thanks to innovative machine learning algorithms, TikTok can determine people's interests based on just a few viewed videos. Like any other social network, TikTok has a specific age group of users, as seen in Figure 2, which is the 18-21 age group.

Age group

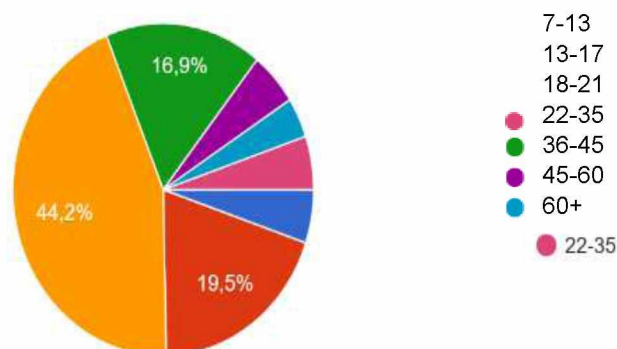


Figure 2 – Age group in Tiktok

Having such a large, diverse, and engaged audience on TikTok provides opportunities to establish connections between brands and their target audience. In June 2020, TikTok launched an advertising platform called TikTok Ads, which allows advertisers to place ads on the platform and track their performance through analytical reports. Research by Justin Parker states: "The average price for a TikTok ad campaign today is \$500, and the cost per thousand impressions is only \$10" [3].

Experts from IAS's (Integral Ad Science) agree that capturing attention is crucial for a successful advertising campaign. Attention can be achieved through a combination of different media signals, which, when used together, enhance the campaign's effectiveness [4]. There are three key signals: situation, visibility, and interaction.

The situation signal, which involves displaying contextual advertising, plays a significant role in the effectiveness of advertising. Studies by IAS's have shown that contextual advertising increases its effectiveness by 233 percent, while simply increasing ad density leads to losses [4]. TikTok's sophisticated algorithms understand user preferences based on their watched videos, duration of views, reactions, and potential interactions, allowing the platform to tailor ads to suit individual preferences.

Visibility signals are also important, indicating that consumers should see the product and focus their attention on it. In TikTok, 5 out of 7 types of ads occupy the entire screen, such as adverts from bloggers or brand takeover ads. These types of ads not only promote the brand but also allow for audience interaction and increase consumer attention. Visibility is not only about browsing opportunities, but also about the duration of time an advert is watched. The ideal viewing time for an ad is currently 3-10 seconds, considering the decreased average human attention span. TikTok's ad durations, including ads, are often within this range, with some ads lasting just a couple of seconds.

Interaction with ads significantly influences their effectiveness, with TikTok employing various types of ads for active user interaction, such as Branded Effects and Branded Hashtag Challenge. Branded Effects involve TikTok's filters and masks, allowing brands to create their own filters. Branded Hashtag Challenge, on the other hand, requires user participation in challenges.

What type of adverts have you encountered more often?

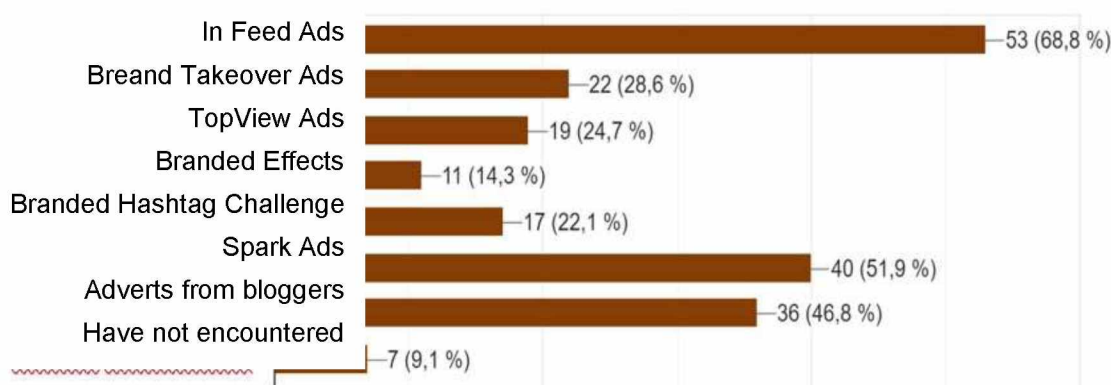


Figure 3 – Prevalence of different types of advertising in TikTok

Significant influence of media signals on consumers and their effectiveness is evident from Figure 3. In-Feed Ads, which combine visibility and interaction, are the most popular type of ad. Branded Effects and Branded Hashtag Challenge show lower reach due to their intense interaction signal. Spark Ads and influencer ads rank second in terms of effectiveness. Therefore, to create successful advertising, all three attention signals need to be considered, with visibility having a stronger impact on the audience than interaction and situation signals, and the interaction signal should not be excessive.

References:

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