



Don't Spoil Your Widget Campaign

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Widgets reflect the evolving digital media landscape and these tiny applications enable marketers to break through the clutter. But only the smart widget marketers will survive.

Don't let their size fool you. These tiny, web-enabled applications are changing the way we consume content, and in a very big way.

The earliest form of widgets dates back to the early 1980s, with the introduction of Apple's Mac OS with Desk Accessories. These were simple desktop applications that ran in their own windows -- calculator, calendar, clock, notepad and games, to name a few. In the mid-1990s, My Yahoo introduced customizable start pages with web-enabled news, weather, sports scores, and other content delivered to its members from across the Yahoo network.

Fast forward to the 21st century, web-enabled applications known as widgets (or gadgets, if you prefer the Google term; applications if you prefer the Facebook term) now live on the desktop, in customizable start pages such as My Yahoo and iGoogle, and they are thriving within social networking sites such as Facebook and MySpace. Widgets are also gaining traction on mobile devices, but it is within their online environment that they are making the greatest impact.

As many marketers know, the media environment has become increasingly fragmented, yet full of opportunity; TV ratings are far lower on average, yet flat in aggregate. Consumers are taking control of their media consumption, and in the process becoming increasingly savvy and more advertising averse. On the flip side, this has opened a window of opportunity for advertisers and agencies to develop innovative technologies and techniques to align with this change in media consumption. The primary change is that consumers are much more involved with their media consumption -- to the point that they are not so much consuming their experience, but rather programming it. In this digital world, we must learn to be less intrusive, to abide by the consumer's rules and operate on their own terms if we want to succeed. Widgets represent one small, yet powerful opportunity marketers are employing to do just that. How so? Here are some key points to consider about widgets and their marketing potential:

- **Pull vs. push:** Unlike other marketing tactics, widgets represent pull vs. push. By downloading or embedding your widgets, the user has chosen to engage with your widget or brand on their own terms.
- **Earn the real estate:** Widgets can easily be added, but also easily removed. In order to stay in a user's environment, a widget must justify itself by providing something of value - either it must be really fun or really useful. While these are ultimately subjective, and adoption/retention is impossible to predict, users don't want purely promotional widgets that don't give them something back in return.
- **Frequency:** It's not just the quality of content that counts, but also the frequency of updates. Don't let widgets get stale. Essentially, anything that can be found on the internet can be "widgetized." But be careful to follow point No. 2. If you build it, they won't necessarily come or even stay.

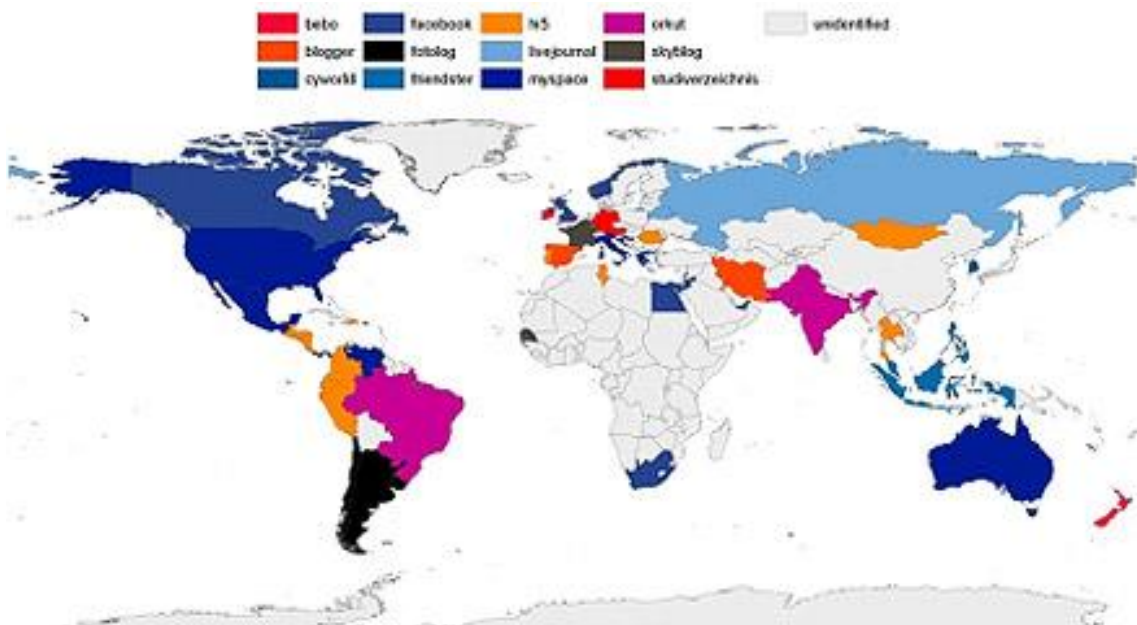
So what's the big deal?

Recent data from comScore Widget Metrix shows that widgets have a 67 percent reach or audience potential worldwide. What brand marketer wouldn't want to tap into such an influential distribution network? But reach is not the only thing that makes these little applications so appealing. Their very nature makes them extremely viral. With the click of a button, widgets are embedded into homepages, blogs and social networking profile pages where they are distributed further amongst a user's network of friends. But just how big are these environments? Below are just a few stats from recent comScore data to give you an idea of the potential for these tiny applications:

- Personalized homepages such as iGoogle, My Yahoo and MSN homepages reach a combined 38 percent of the total worldwide audience, with 306 million monthly unique visitors.
- Blogs have a 49 percent reach worldwide, attracting 396 million monthly unique visitors, or 48 percent of the total internet audience.
- Social networks have a 63 percent reach worldwide, attracting 516 million monthly unique visitors, or 63 percent of the total internet audience.

Geographically, if we break down the 63 percent worldwide reach of social networks, it looks a little more like this:

Top Social Networks by Geographic Area





Worldwide "Reach"

Blogger: 20%	Facebook: 12%	Friendster: 3.6%	Bebo: 2.6%	CyWorld: 1.7%
MySpace: 13.1%	Hi5: 3.9%	Orkut: 3.1%	Fotolog: 2%	Livejournal: 1.5%

No single widget will completely penetrate any of these ecosystems, but given their ability to be rolled out across platforms for little incremental investment, the potential is large.

What's in it for marketers?

Building an audience, brand awareness, direct response -- there are all reasons why marketers are developing widgets. But how should they get started?

The first step is to figure out how widgets fit into your marketing objectives and how they can help you reach your goals. What are you trying to accomplish? Drive people to your website? Download an artist's latest single? Attend a movie premiere? Make an online purchase?

Once you have figured out what the end result will be, you should partner with a developer to "widgetize" your best-suited content for syndication. This can be done in-house, it can be handled by your advertising or media agency, or it can be developed by a third-party widget specialist. Most developers will provide their own syndication platforms to distribute, track and measure the widget, and many developers may also have their own content partners they work with. So it is not absolutely necessary to come to the table with your own content. There are several widget developers to partner with. Clearspring and Gigya are two developers that have received a lot of press over the last few months as they carve out their niche in the widget marketplace. Let's take a deeper look at the two:

Clearspring is a provider of widget creation, distribution, tracking and monetization services, used by some of the world's largest media companies, advertisers and widget developers. It makes it easy for widget creators to get their widgets into social networks, start pages and blogs. The company has developed widgets for brands such as National Geographic, NBA.com, NBC Universal, Time and Maxim.com. Below is a look at the embedded functionality of a Clearspring widget, which enables cross-platform proliferation from the same widget entry point:





Gigya is another developer carving out a niche in the widget space. The company touts a full-service widget advertising model covering the design, development, hosting, distribution, viral promotion and tracking of branded widgets (think: rich media advertisements as widgets). Below is a look at Gigya's Wildfire platform -- again, the focus is on enabling attachment in a variety of ways:



Content distribution vs. sponsorship

We know that content is key. As mentioned previously, marketers with their own content for distribution (i.e., video, games, RSS, music, etc.) might find it best to work directly with developers. But for those without, there are several piggy-back like opportunities available through developers and content providers to utilize already existing (and successful) widgets. RockYou! and Slide are two examples of developers in the space that have allowed marketers to brand-wrap or sponsor some of the most popular widgets in the social networking space.

Take Slide, for example. Slide is the ninth largest global internet company from an audience cume basis, representing 17 percent+ of global internet users, according to comScore. Its distribution network reaches across 200+ countries, and it is the No. 1 application publisher on Facebook, with more than 87MM widget installations across Facebook alone -- 63 percent of all Facebook users have installed a Slide application. Slide has the capability to accept non-traditional units or skins that are third-party ad served.

Below is a look at how DreamWorks (among other marketers) is integrating its brands with Superpoke, Top Friends and Fun Wall -- three of Slide's top applications:



So how do we measure a widget's effectiveness?

One of the greatest challenges faced by marketers surrounds widget audience measurement. While there is not a whole lot that isn't measureable within the widget itself, tracking it across the internet poses a challenge due to the fact that audience measurement tends to take place at the publisher or widget-serving platform level.

For example, comScore developed Widget Metrix back in June of 2007, to track the usage of widgets across the web. Widget Metrix currently provides data on Flash and JavaScript widgets only, but the service is further limited in that it only provides data at the publisher (widget-maker) level. It cannot tell where the widget is served from and tracks only by domain and widget name. For this reason, back-end tracking and analytics data become ever important.

Widget developers and content providers tend to have their own platforms and tracking capabilities that allow them to report on all traditional traffic metrics -- unique visitors, views, time spent, clicks, mouse-overs, etc. But many can also integrate with third-party ad servers as well as rich media vendors (the aforementioned Clearspring recently announced an exclusive partnership with Pointroll in December 2007).

As for 3PAS, DoubleClick announced its Widget Ads platform in March 2008. This platform is supported within the core DART for Advertisers (DFA) ad-serving platform. Widget ads served through this platform are created with a customizable sharing component (their partner in this is Gigya) configured to allow for easy integration across various social networking sites in hopes of generating virality. Atlas claims to have similar capabilities, though this does not seem to be something it is currently pushing as strongly as DoubleClick.



We see both pros and cons with the DoubleClick Widget Ad platform. In favor of rich media ad serving is the ability to track impressions, clicks, conversion attribution and other rich media metrics media agencies rely on that make for more efficient reporting and analysis. On the down side, it may encourage advertisers to "widgetize" ads that may not be well-suited for the social networking environment, and this can have a negative impact on the brand. A widget should provide something of value to the user; it should embody some aspect that would make a user want to add the widget to their profile page, blog, or customizable start page and share with their network of friends. If your rich media ad embodies these characteristics, you may have something, but if not, it is not likely to take on a viral effect.

A further challenge is that the metrics used for traditional digital display advertising are not necessarily appropriate. Impressions and page views are secondary to usage, interaction (actions and time spent), total embeds active at a certain time, average "lifespan," and transmission to others. Current metric offerings do not adequately address these key measures. To complicate further, just as with AJAX site environments, even impression definition is up for debate. It could well be that metrics similar to video metrics should come into play here. More work is needed by the industry to codify the needs and standardize on some key metrics.

If you build it, will they come?

Not necessarily. There are several best practices to remember with widgets:

- Is my widget straightforward and simple to use? Answer: it should be.
- Is it useful? Ask yourself: What sort of value does my widget provide to the user? There must be a reason a user would want to grab the widget and share it.
- If not useful, is it actually fun and/or interesting? A user is going to see your widget daily, so you want to keep them engaged with your brand or product on a daily basis as well. Be honest with yourself if you want to have realistic expectations of success.
- Is it live? Since the user may be seeing it daily, if not hourly, how often can content be refreshed? Again, be honest with yourself on how often content can reasonably be updated. If the answer is monthly, then you probably shouldn't make a widget. Don't create a widget and let it die immediately.
- Is it time-sensitive? Will the widget be useful, interesting, or relevant a week from now, a month? One of the greatest things about widgets is their long lifespan. Use this to your advantage (if you can). Plan for the lifespan -- this is necessary in order to "keep it live."
- Be careful not to "widgetize" banner ads. Just as you would not repurpose a 15- or 30-second television spot for the internet (for the most part), it is important to be cognizant of why you are building a widget and who you are building it for. What is so interesting and engaging about a banner ad that would make me want to post it to my Facebook page? If you can answer that, then maybe you have something here.
- Tag the widget if you can to allow for third-party ad server integration and monetization that is straightforward



Conclusion

Today's fragmented media environment has allowed consumers to take control of their media consumption, and marketers have taken notice, and they are fighting back, albeit discreetly, with widgets.

Widgets are a reflection of, and are continuing to shape, the evolving digital media landscape. While there is a lot to plan for and consider when evaluating a widget strategy, when executed properly, these tiny applications provide marketers with the opportunity to break through the clutter on an exclusive invite-only basis.

Once inside the front door (or on the profile, start page, or blog), widgets afford these brands a plethora of opportunity to remain in this highly coveted space. But only the smart widget marketers will survive.



About the Author

David L. Smith, CEO of Mediasmith, is an internationally known expert in the areas of new media application, media strategy, media planning and metrics, and has a number of awards to his name including an Effie and an ad:tech Individual Achievement award. Trained in the major agency media department environment, he has been in the independent media service field since 1978 when he founded Mediasmith. Smith is a pioneer in the application of computers in media, deployment of interactive advertising and media metrics. His experience ranges from participating in the creation and early usage of the first generation of advertising technology (housekeeping systems, data sources) to the current issues facing the use of metrics in the digital marketplace. He has been at the forefront of new metrics applications, with major involvement on the AAAAs, ARF, OPA and IAB national committees working to establish and refine standards in metrics, business practices and financial issues for interactive advertising. Smith has also contributed his knowledge through articles and interviews in an extensive range of media over the past two decades. He is a regular speaker at Industry events including iMedia, @d:tech, OMMA and others and writes regularly for a number of industry publications and Web sites including iMediaConnection and MediaPost. His advisory board involvement includes OPA, IAB, comScore/Media Metrix, AdEx and a number of start-up private companies. A University of Washington graduate, Smith is married with a seventeen-year-old son; plays guitar; and is a gourmet Chinese cook. You'll find him at the office early most mornings unless he is traveling with his family.

Elizabeth joined Mediasmith in 2006 as New Business Account Executive, working alongside the Director of New Business Development to achieve marketing goals and expand the agency's practice in emerging technologies. As Media Analyst, her client experience includes National Geographic Channel. Elizabeth has a B.S. Degree in Business Administration from San Francisco State University.

About Mediasmith

Mediasmith is a recognized leader in digital media planning and buying. We specialize in the integration of traditional and digital media, search, emerging technologies. We architect plans across all media, in all markets, in virtually all product categories utilizing the right combination of media options to help our clients grow in the increasingly fractured media environment; from planning and buying, to tracking, optimization, and reporting of ROI on all media efforts. Mediasmith remains dedicated to the evolution and standardization of digital media practices. As committed innovators, we test the latest in metrics and analytics, providing solutions that enable us to act as a catalyst for our clients' media innovations.