

# Social media marketing shown to be most effective when it prompts consumers to start posting

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Social media is a critical marketing tool to help raise awareness when

firms launch new products. The platforms can help inform consumers about product characteristics and benefits relative to competitors' products.

New research from the University of Notre Dame analyzes data from the motion picture industry, which often relies on social media promotion, in an effort to understand how marketers could better promote other new products.

"The Ripple Effect of Firm-Generated Content on New Movie Releases," published in the *Journal of Marketing Research* from lead author Shijie Lu, the Howard J. and Geraldine F. Korth Associate Professor of Marketing at Notre Dame's Mendoza College of Business, analyzes 145,502 firm-generated and 5.9 million user-generated Twitter posts associated with 159 movies.

Lu and co-authors Isaac Dinner from Indeed and Rajdeep Grewal from the University of North Carolina at Chapel Hill find a positive and significant ripple effect of firm-generated content (FGC) on movie sales. FGC increases user-generated content (UGC), which then drives movie consumption.

The conventional belief has been that social media allows marketers to influence the purchase behavior of their followers directly. However, the team's findings show that the way FGC works in new product releases is indirectly—through the UGC or word of mouth spread by followers of firms' [social media accounts](#).

The team looked at Twitter posts about movies released by the top 20 U.S. studios between January 2014 and June 2015. The movies were associated with 486 unique Twitter handles, including 158 movie accounts, 310 actor and director accounts and 18 studio accounts. They conducted an econometric analysis to test the relationships between

FGC, UGC and box office sales.

"Interestingly, even when multiple social [media](#) accounts from the movie's actors, directors and studio are used to promote a new movie, the FGC from the main movie account is more effective than other firm-related accounts in driving sales," Lu said. "But the UGC resulting from that main [account](#) sells even more. So, FGC from celebrity actors and directors who are active on [social media](#) does not improve box office performances nearly as much as UGC from the fans."

Additionally, [firms](#)' regular posts with a movie-specific hashtag are more effective than replies, retweets and posts without the hashtag.

"This suggests that movie executives should focus on creating FGC that sparks conversations among followers when new movies are released," Lu said. "The 'Barbie' movie's recent retweet of a father who dressed in a Barbie costume when taking his daughter to watch the movie is a good example of getting followers to talk about the movie spontaneously."

Although the study focused on movies, Lu said the findings can be generalized to other products, including TV shows, games, music and books.

**More information:** Shijie Lu et al, The Ripple Effect of Firm-Generated Content on New Movie Releases, *Journal of Marketing Research* (2022). [DOI: 10.1177/00222437221143066](https://doi.org/10.1177/00222437221143066)

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