

Thinking differently about Pinterest

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Abstract Since launching in 2009, Pinterest has been one of the fastest-growing digital platforms. Users love its visual layout, curated boards and intuitive mobile app. The potential for marketing is great, as people frequently use it to discover new projects and products. But only 27 per cent of Pinterest users claim to follow any brand on the platform, and most marketers are unsure of their approach. As Pinterest expands globally and launches its paid (Promoted Pins) model, the author discusses how to win on the platform.

KEYWORDS: Pinterest, Pinterest research, content marketing, digital marketing, Pinterest marketing, content strategy, Pinterest for business

INTRODUCTION

Since launching in 2009, Pinterest has been one of the fastest-growing digital platforms. Users love its visual layout, curated boards and intuitive mobile app. The potential for marketing is great, as people frequently use it to discover new projects and products. But only 27 per cent of Pinterest users claim to follow any brand on the platform, and most marketers are unsure of their approach. Winning on Pinterest requires a different approach.

Ahalogy's team has led marketing activity on Pinterest for the past two years and has met with hundreds of brand and agency managers who are struggling to succeed on the platform. A common refrain in corporate meeting rooms is, 'I personally love to use Pinterest, but I can't

figure it out as a marketer'. As Pinterest begins to expand globally and launches its paid (Promoted Pins) model, it is a good time to reconsider who is using Pinterest and how to win on the platform.

PINTEREST USERS: A PRIME PROSPECT FOR MARKETERS

In early 2014, a number of Fortune 200 consumer product companies approached Ahalogy to help them understand the profile of the Pinterest user. In a world of limited (and shrinking) marketing budgets, they needed to know how best to allocate their media dollars to meet the opportunity presented by Pinterest. In the absence of recent and relevant research on this audience, Ahalogy commissioned a study of its own.

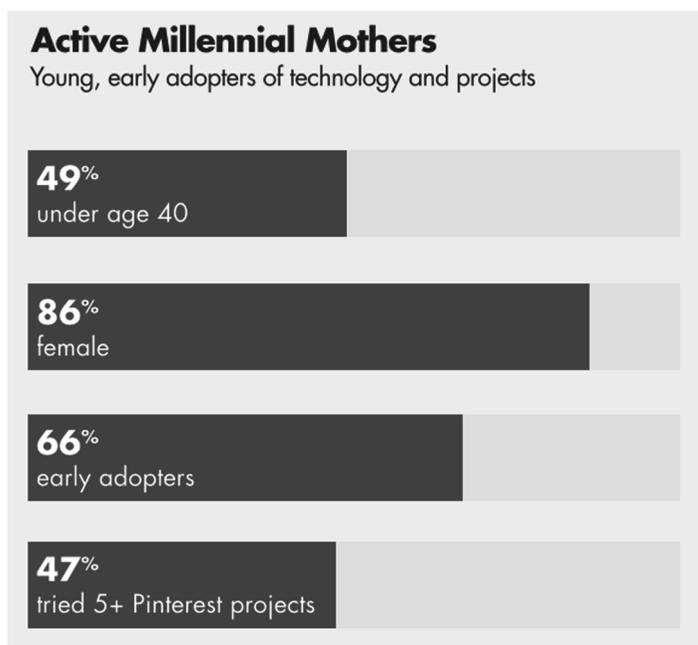


Figure 1: Pinterest user profile

This research was conducted in partnership with AcuPOLL Precision Research, Inc., a leading marketing and innovation research firm that has worked with many of the leading brand marketers and has conducted online quantitative and in-person research in 35 countries. The Ahalogy 2014 Pinterest Media Consumption Study surveyed 1,300 males and females aged 15+ across the USA between 26th February and 11th March, 2014. Of the 1,300 people surveyed, 500 were active Pinterest users, meaning that they use Pinterest at least once a month. The sample surveyed was nationally representative for age, education and income, as well as regionally diverse.

The survey found that the Pinterest user base is large, skews younger and has higher incomes. Slightly more than 22 per cent of the US population uses Pinterest as least once a month. Active Pinterest users skew younger than non-users, which is not surprising as younger people tend to be more digitally savvy. Forty-nine per

cent of active Pinterest users are under the age of 40 (see Figure 1), compared with 34 per cent of non-users. They have 9 per cent higher income than non-users.

Active users are on Pinterest a lot — and they are happy about it. Fifty-three per cent of them log in to the platform on both weekdays and weekends and spend an average of 26 minutes per visit on the site. Additionally, 77 per cent of them are ‘very satisfied’ with their Pinterest experience and 80 per cent are ‘likely to recommend’ the platform to a friend.

Active Pinterest users are people who are constantly trying new things and buying new products. Sixty-six per cent of them consider themselves ‘early adopters’, or the first among their friends to try new products. These are the people who are forming new habits and choosing new brands.

They are also significantly more likely than non-users to try out new food and cocktail recipes, hair care, makeup and skincare products, fashion trends, exercise



Figure 2: Pinterest user media habits

regimens, baby care products and children's products/toys. In general, they are more likely than non-users to try something new in *any* category. Furthermore, virtually all (98 per cent of) Pinterest users have tried something new after seeing it on the platform.

Additionally, almost one-half of active users (47 per cent) have tried more than five Pinterest-inspired projects. The food and drink category is one of the most popular on Pinterest and 68 per cent of active users have tried a new recipe after seeing something on the site.

Active Pinterest users are early adopters and heavy media consumers. They read twice as many types of magazines on a regular basis compared with non-users (4 versus 2.4 different types, respectively), and on average are members of three or four other social media sites. However, they

also indicate that they are starting to shift away from watching television and reading print material while opting to use Pinterest instead. Active Pinterest users spend two to three fewer hours each week watching television than non-users.

Pinterest is also beginning to replace traditional search engines for a lot of active users. Thirty-nine per cent of active users indicate that they choose Pinterest over traditional search engines such as Google (see Figure 2). They are increasingly turning to Pinterest because of its strength in key categories (like food, fashion and décor), its visual layout, and the ability to browse through user-organised boards. Obviously, Google is still dominant in this area, but it is clear that Pinterest has become less of a social network and more of an optimised visual search engine.

By now, most marketers have got their brands onto the platform and are adding 'pinning' to the list of chores handled by their social media team. However, the followers are not flowing in, and hardly anyone sees what they are pinning. Usually the key issue seems to be that marketers are applying tactics from other media to this new space. At this point, it is time to hit the reset button and lay out what Pinterest is and what it is not.

WHAT PINTEREST IS NOT

To reset marketers' minds, Pinterest should not be described as a social network, lumped into the next generation of platforms along with Tumblr and Instagram. Because of this label, too many marketers approach Pinterest with the same process they use for Facebook and Twitter. They dutifully share the same daily update to all of these social accounts.

In reality, Pinterest is more of a content discovery platform that happens to have some social elements. While on the platform, Pinterest users are actively looking for useful, inspirational ideas. They 'follow' accounts that are consistently curating the best content. Most people get started by following a few friends, then branch into new groups based on specific interests and boards. There is very little conversation and follower counts are more of a by-product than a claim to fame.

On the other hand, Pinterest is not a new product catalogue. Retailers typically hope that they can pin thousands of product images to the platform and watch a flood of traffic roll in. This rarely works. Pinterest users want the lighter sell — for example, ideas on how to completely redecorate a kitchen, rather than a collage of blenders against white backgrounds.

Pinterest is not about coupons, promotions and contests. Many marketers apply these tactics because they tend to work on Facebook. 'Pin to win' contests

are plentiful but almost always result in a few hundred re-pins at most. Any followers a brand collects with contests or promotions usually have few followers of their own, which limits the ability to take advantage in future marketing. What is worse, both Pinterest¹ and the Federal Trade Commission² have recently come out against contests as they are typically artificial and undisclosed ways to drive meagre results.

Pinterest does not follow the typical social media playbook. This is actually a good thing for marketers at a time when Twitter growth is slowing and Facebook reach is plummeting. The difference in Pinterest actually makes it a much more promising platform for marketers.

WHAT PINTEREST IS

Pinterest is much more of a search platform than a social media platform. When people open the Facebook app, they are in the mindset of seeing what their friends are up to. As such, any brand marketing feels like an uninvited guest at the party. When people choose to open Pinterest, however, they are in a planning mindset and actively looking for ideas and inspiration. Ultimately, this is much more likely to lead down the path to a purchase.

There are two types of search activity on Pinterest. First, there is a lean-forward, Google-like search using specific keywords to find something. Pinterest itself claims that this type of search accounts for 40 per cent of user activity. Like Google, this could lead to users to a specific product purchase. In a recent study of Pinterest user habits, 39 per cent of active Pinterest users claim to be choosing this platform over Google. They appreciate Pinterest's visual search, critical mass of relevant content, and layer of human-created curation paired with a constantly improving algorithm.

The second type of Pinterest search is what might be called 'serendipitous discovery'. This is a casual, browsing of one's feed or the Pinterest categories, much like flipping through a magazine. Users are in a planning mode, and higher in the purchase funnel. Users let their unconscious mind wander over dozens of images, and when something interesting and relevant at the time flows past, their conscious attention falls upon it and a re-pin or content click-through may follow.

While unlikely to lead to an immediate purchase, this is an opportunity to be top of mind and secure virtual shelf space on a board that will be used later. For example, a user may see a Christmas cookie idea in mid-October and pin it to a board that she will return to a few weeks before the holiday.

The analogy to flipping through a magazine is quite appropriate for Pinterest. In fact, one might argue that the reason the platform is so popular is because it is simply the digital equivalent of a habit that people have had for decades. Many people read magazines with topics related to their specific interests. When they see an interesting recipe, home décor tip or yoga pose, they rip the article out of the magazine and store it in a folder. Once in a while, they even rip advertisements out of the magazine. Replace 'ripping' with 'pinning', 'folders' with 'boards' and 'magazines' with 'the entire web', and you have a fairly accurate description of Pinterest and its users' habits.

Like magazines, people tend to pin useful articles and blog posts. There is almost no 'user-generated content' on Pinterest. It is simply not the place to post photos of your child's party or summer holiday. While one could certainly do that, the chances are that very few people would see it. After all, the vast majority of pins in one's Pinterest feed are content that has been re-pinned from some other source.

Unpopular content fades quickly, but winning pins spread virally and bounce virtually around accounts over days and weeks. Ahalogy's research on well over 2 billion pins proves that Pinterest content follows the Pareto principle: about 18 per cent of the total pins on Pinterest generate 80 per cent of the re-pins and clicks to websites. In some content categories this is even more extreme; for example, 10 per cent of fitness content and 6 per cent of beauty content drive 80 per cent of Pinterest interactions.

The Pareto principle holds for Pinterest because winning content benefits from a viral effect. The word 'viral' has been over-promised and under-delivered in social media marketing, but the re-pin feature of Pinterest has made it a reality. With other social media, sharing to one's followers is a specific decision and incremental action. You read an update on Facebook and then consciously decide to hit the like button so that your friends might see it. On Pinterest, you see a post and pin (or re-pin) it in order to save it for later reference, but this act automatically shares the pin for your followers to see.

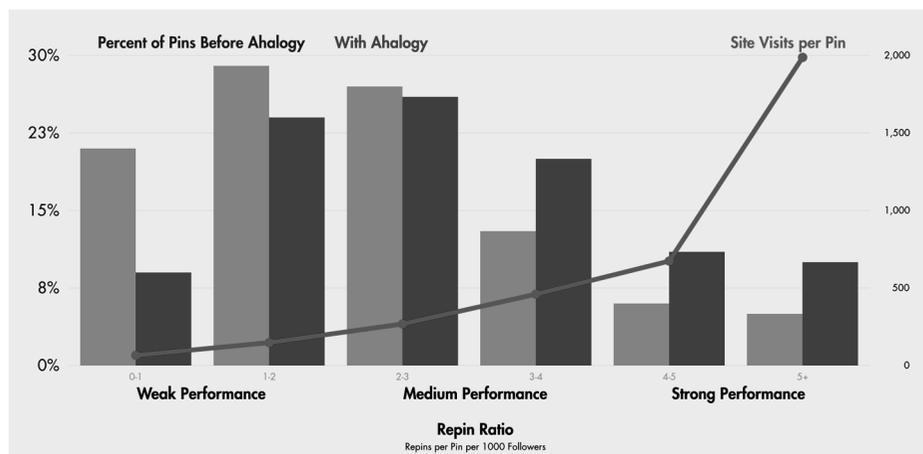
The key metric for marketers to track and optimise for is the re-pin ratio, which Ahalogy defines as re-pins per pin, per 1,000 followers. At a re-pin ratio of around 4.0 or higher, an increasing number of people will see and re-pin a given piece of content.

To illustrate this point, Table 1 presents data for two pins from a brand with 10,000 followers, based on the assumption that each of the brand's followers has 300 of their own followers (and so on). As Table 1 illustrates, a piece of content with a high re-pin ratio leads to increasing Pinterest engagement, while one with a low re-pin ratio fizzles out after a few layers.

The right content, optimised for Pinterest, can result in a massive

Table 1: The impact of Pinterest re-pins

Followers	Re-pin ratio	First level Re-pins/pins	Second level Followers	Second level Re-pins/pins	Third level Followers
10,000	1.0	10	3,000	3	900
10,000	5.0	50	15,000	75	22,500

**Figure 3:** Re-pin ratio and performance

improvement in results. Figure 3 shows how a shift in the re-pin ratio of one Ahalogy client improved six-fold within just a few weeks of optimisation work.

Pinterest is also exceedingly mobile. Pinterest reports that 75 per cent of its use is through mobile channels: smartphones and, to a lesser extent, tablets. The Pinterest app is responsible for about 95 per cent of that activity. Interestingly, the Pinterest user study found that 28 per cent of Pinterest users (and 53 per cent of daily users) report having pulled up the Pinterest app in-store to guide purchase decisions (see Figure 4). Qualitatively, users report that they use Pinterest as a universal shopping list. They look up ingredients to recipes when in the grocery store, and shop for clothing that they pinned to boards weeks ago. While many retailers fear that mobile devices are encouraging

‘showrooming’, Pinterest just might be helping to close the sale for retailers.

HOW MARKETERS CAN WIN ON PINTEREST

Clearly, Pinterest has come upon the digital marketing scene with both great opportunities and challenges. To be successful on the platform, brand managers must clearly prioritise the effort with investment of time and money. This must be a choice that fits into the existing marketing strategy of the business. Experience suggests Pinterest to be a high priority for three general strategies.

First, Pinterest is usually a must for retailers, whether they rely on bricks, clicks or both. While Pinterest may be far behind the billions of users on Facebook, its members actively use the platform to discover and pin products to buy later.

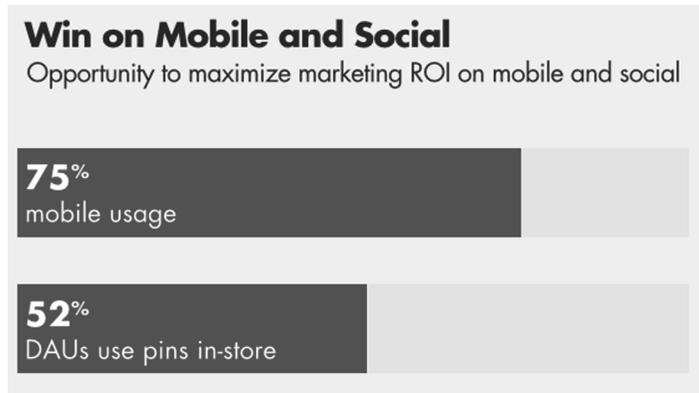


Figure 4: Pinterest mobile and in-store use

Online, too many e-commerce sites include a dog's breakfast of social sharing icons, assuming that each is equal to the other. Instead, retailers must prioritise the Pinterest user and Pin It button, as this shopper is much easier to convert to a sale.

Pinterest is also adding new features to embrace e-commerce. For example, its retail Rich Pins will send an e-mail alert anyone who has pinned a product when its price has dropped by at least 10 per cent. This is turning Pinterest into a powerful customer relationship management platform.

In-store, retailers can do much more to connect the dots to the Pinterest user. Nordstrom has led the way with displays that highlight what people are pinning most. This is a simple way to attract attention and harness the wisdom of crowds. Physical stores should also work to bring Pinterest users into the shop; for example, by taking advantage of mobile channels and offering in-store discount codes.

Secondly, any business that invests in content marketing may discover that Pinterest can help solve a large challenge: attracting a critical mass of visitors to the content. One might consider Pinterest to be a 'media channel for content

marketing' as it is founded on the discovery of ideas, inspiration and projects. Like Google, Pinterest is becoming the starting point for such discovery and driving a significant amount of incremental traffic.

However, Pinterest works best in the content categories that see the largest re-pin and click activity. These top categories are food, fashion, fitness, beauty, décor, crafts, travel, weddings, babies and children. If your business operates in these categories, or can stretch into them with useful content, Pinterest can be a powerful way to attract attention at scale.

Finally, Pinterest may be a strategic priority for any business that is looking to connect with customers at points of market entry. Points of market entry occur whenever a customer is changing habits or actively selecting a new product or service. For example, when a couple gets married and moves in together, they must 'merge' their choices of consumer product brands. Or, when a woman is expecting a child, she will spend thousands of dollars in baby furniture, clothing and nappies.

As one might expect, these life stages are powerful opportunities for marketers, and Pinterest is often the first place where users begin to make product decisions. When a woman begins planning her

wedding, prepares for a new baby, or collects vacation ideas, she often starts by creating one or more boards on Pinterest. Brands that can offer the right ideas at this special time have a right to win when and where people are making choices that drive enormous lifetime value.

While obvious brands to win here play in categories such as baby products, wedding planning, home furnishings and travel, there is also potential for less obvious brands. Take an insurance company, for example. While pins of insurance rates and features would likely fall flat on Pinterest, these moments of life change — buying a house, getting married, and having a baby — are all times when people are in need of life or home insurance. Therefore, an insurance company could win by sharing useful content — say home remodelling ideas or child safety tips — that earn engagement and help Pinterest users notice the brand when they are on the platform and deep into planning mode.

WHAT NEXT FOR PINTEREST AND BUSINESS?

At the time of writing, Pinterest announced that it was beginning a beta test of its first paid advertising opportunity,

called Promoted Pins. An initial handful of brands, such as Kraft, Nestlé and Target, are paying Pinterest for the opportunity to appear on Pinterest in areas such as category pages and ‘recommended for you’ results. The pricing, placement and performance of these initial test pins are closely-guarded secrets, but represent a large step forward in making the platform a viable, scale opportunity for brand marketing.

While it is still early, brands that target female heads of household and have a right to play in the key Pinterest categories should invest the effort to learn about the platform’s potential. Pinterest is not a simple platform to master, but it represents what could be the first digital platform with scale opportunity since Google Search. Nevertheless, brands would be wise to follow what they have already learned in search: create or sponsor great content that adds value to customers’ lives.

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