



Reddit: Ad Platform

Improving Activation | Austin Liao



Problem Statement:

Many businesses successfully signed up to Reddit's self-service Ad Platform, but never "activate" (i.e. follow through and create a campaign).

Devise a multi-pronged proposal to improve activation.



Exploration: Current Activation Mechanisms

Onboarding

Streamlined user experience that make it easy to create campaigns.



Reddit has a 3-step "Simple Create" process

Education

Conveying how the user can utilize and benefit from the platform.



Reddit has a Help Center, [Redditforbusiness.com](https://www.reddit.com/r/Redditforbusiness)

Incentives

Discounts, promotions, or free credits offered to first-time users



Reddit offers \$100 in free credit

***Boxes signify topics of interest**



Exploration: Pain Points & Opportunities

Primary Research

Discussions on r/redditforbusiness often center around how advertisers can effectively **appeal** to the **platform's culture**, **deal** with the **hostility of Redditors**, and **target niche communities**

(i.e. <http://bitly.ws/BbLX>, <http://bitly.ws/BbNB>).

Secondary research

"Redditors demand **honesty**, **authenticity**, and **dislike being pandered** to by usual corporate-talk...the platform has a reputation of being difficult to crack amongst advertisers"

- Business Marketing Analyst @
Reddit

Competitive Analysis

Reddit's **onboarding experience** and **incentives** are better than its competitors (LinkedIn, Meta), but worse than Google which uses web-scraping to **personalize** and **automate** the process.



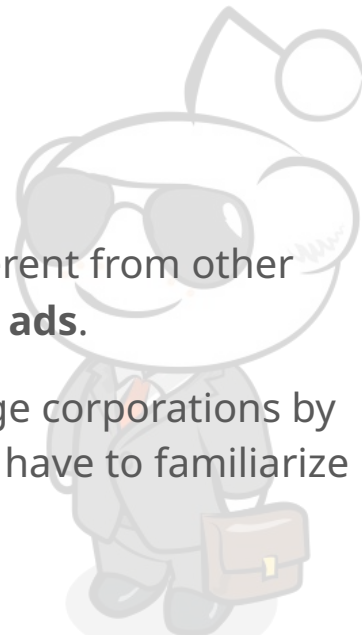
Hypothesis

Findings: Reddit's **unique culture** and **discussion-based format** is different from other social platforms and thus requires advertisers to develop **Reddit-friendly ads**.

Currently, Reddit's in-house agency KarmaLab solves this problem for large corporations by crafting custom campaigns, but **SMBs don't have a similar solution** and have to familiarize themselves with the platform on their own.

Hypothesis: SMBs* sign up for Reddit's ad platform, but don't activate after they learn about the **steep learning curve** of creating Reddit-friendly ads, and identifying suitable subreddits/interest groups.

***Key Assumption:** SMBs are the primary users of self-service ad platform.



Feature Proposal: Candidates & Prioritization



Auto-Targeting

Scrape the brand's (provided) website to auto-populate targeted Interests & Communities

Pros

Automates intensive process of finding niche communities

Strengthens Reddit's competitive advantage: community/interest targeting

Cons

Resource-intensive development



Audience at a Glance

Insights on the cultural behaviors of their target audience (trending media, topics, lingo)

Pros

Educates SMBs so they can create Reddit-friendly ads easier

Fits well in tandem with Auto-Targeting

Cons

Resource-intensive development



New Ad Mediums

Reddit-native ad mediums such as promoted AMAs and polls.

Pros

More interactive & fits platform's discussion-based format

SMBs may not have visual media on-hand

Cons

Improves ad quality, but questionable impact on activation



Feature Proposal: Mockup

Auto-Targeting and **Audience at a Glance** will be prioritized since they simplify the process of:

- Identifying of suitable communities & interest groups
- Creating Reddit-friendly ads

Mockup*: <http://bitly.ws/Bftn>

*Comments on the bottom left corner of each slide to provide context, must be logged into Figma account and press C to view

Where should users go when they click on your ad?

Destination Url *

<https://pythiaclothing.c>

Choose your Audience

We've suggested some suitable communities for your brand based on your website

Interests

Fashion Trends X Men's Fashion X

Women's fashion X

Interests & communities are ranked by a combination of: Relevance to your brand/product, Interactivity between the audience and other ads, and frequency of these audience ad interactions. Visit the Help Center to learn more.

Unsuitable Suitable

Communities

streetwear X malefashionadvice X fashionporn X

femalefashionadvice X Search for more communities

announcements 200000000 subscribers

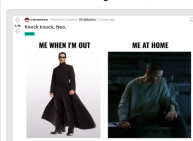
askreddit 40000000 subscribers

gaming 36000000 subscribers

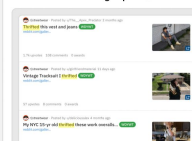
Your Audience at a Glance

Redditors love brands that understand their communities, so keep these in mind when creating your ads!

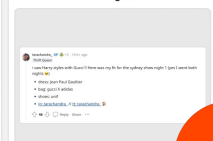
Trending media



Trending topics



Lingo



Risks and Tradeoffs

Development Cost

New AI capabilities are needed to retrieve, interpret, and recommend information (web-scraping, suggesting interests & communities, Audience at a Glance)

Limited Value-Add

Value-add may be less than development & maintenance cost for Audience at a Glance, as advertisers can just do their own exploring of subreddits

Alternatives

Alternatives such as integrating Help Desk, tutorials, and copywriting advice into the Ad Platform may be cheaper and just as effective



Success Metrics

North Star

Activation-to-signup ratio

Measures the percentage of signed up users who activated at least one campaign.

$$\frac{\text{\# of Activated Users}}{\text{\# of Total Signed Up Users}}$$

Secondary

Time-to-activation

Measures average time it takes for a signed up user to activate their first campaign.

$$\text{Avg}(\text{\# of hrs from sign-up to activation})$$



Other Ideas!

1. Segmented targeting to unregistered users
 - a. Target unregistered users who use Reddit as a search tool to answer specific questions; eliminates need for “Reddit-friendly” ads
2. Integrate help desk/creative advice into platform
 - a. Integrated tutorials for how to use the platform & ad creation best practices
3. Small business badge
 - a. Displayed by ads ran by SMBs; appeals to Redditors (support small businesses) and drives away hate directed towards larger corporations
4. “Influencer Marketing”
 - a. Marketplace for brands to hire high-profile Redditors (very knowledgeable/experienced in specific communities) for ad-creation consulting or outsourcing
5. Reddit-ify
 - a. Copywriting tool: transform ad copy into a Reddit-friendly headline

