MCNs, Advertisers and Social Media Platforms: Media Plan for "Fake View Volumes" on Weibo

COM5980 New Media Ecology

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1 Market Analysis

1.1 Background introduction

Recently, a WeChat article named "*A 'zombie stage play' directed by a new media giant: a video went viral overnight, but our traffic ended up as 0!*" was viewed over 100 thousand times and drew great attention in the public.

This article was written by a start-up team. In this article, the team claimed that to promote its product in social media platforms, they reached Hivemedia which is a leading Multi-Channel Network company in China and paid one million for a promoting campaign in Weibo. They chose a famous influencer who had 3.8 million followers in Weibo to release a video advertisement as a start. The video got 121 thousand views, hundreds of reviews and thousands of likes in 50 minutes. The reviews under this video were so real that the team was over satisfied with data. But surprisingly, no real traffic went into their shop and no order was made. The data performed even worse than before and the only 2 coupons sent out that night ended up being taken by the staff in Hivemedia. When they confronted Hivemedia with such results, Hivemedia claimed no conversion rate was guaranteed in the deal, so Hivemedia did nothing wrong legally. The team did a survey and found out that such fake traffic could be easily bought at 3500 RMB through another

channel. The start-up team wrote this article in WeChat under the anger to accuse Hivemedia of making fake traffic and data.

According to the report of 36kr.com, to obtain the approval of advertisers, MCN organizations often use fake traffic to make the indicators appear better, which has already become the unspoken rule of the industry. This event was an extreme case of the unspoken rule and revealed the problem in the profit-sharing model of Weibo advertising revenue to the public. It also triggered people's collective doubts about Weibo's credibility.

1.2 Situational analysis

With the booming self-media, everyone who wants to show themselves to the public can be a microcelebrity. therefore, if advertising companies want to sell products, there is more than one way to advertise rather than the traditional way that spends money on superstars to make an advertisement.

A new way for advertisers to sell commodities is via social media. A regular business model on online social media has its running process. The media provide a platform for key opinion leaders (KOL) or the institution that gathers a group of KOL named MCN. These KOLs output contents to attract targeted audiences and therefore get followers. The advertising company input certain commodity advertisement in KOL's content and earn profits from the audiences' attention. Therefore, the advertising company gets profits and the media platform will share the reward given by the ad company with KOL or MCN.

As we can see from the above benefit model, a healthy advertise business ecology should consist of three main individual traffic-business circles. The first one is the deal between the media and the KOL that media offer a platform for KOL/MCN. Second is the deal between an

advertiser and the KOL/MCN that the advertiser pays for the KOL/MCN as they sell the

advertiser to draw attention from KOL's followers. The last circle is between the advertiser and

the audiences that the audiences buy products and advertisers get earnings.

The KOL institution collaborates with the media, specifically, the media supports the MCN

and KOL by providing a virtual platform; as a reward, KOL shares the advertising fee with the

media.

MCN and KOL output contents via the media platform and generate brand awareness to

attract a group of audience. To make profits, KOL/MCN sells the audience's attention to the

advertisers. The advertisers collaborate with KOL/MCN by paying them certain advertising fees.

Meanwhile, the advertisers promote sales to the audiences and will get profits if the audiences buy

the products.

The three business circles above form an integrated media business model.
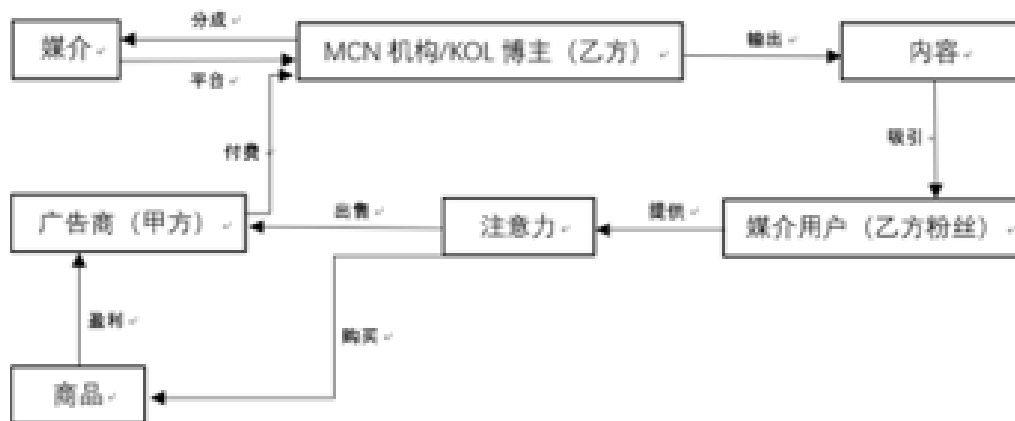
1.3 Current Business Model

However, the emergence of certain external businesses has changed the normal operation of

the profit ecosystem. Those external agencies specialized to provide fake traffic on social media.

Yes, you might say that this is a "blue ocean". But this "Blue ocean" is built at the detriment of

others, including the start-up team in the article. Nowadays, there are many Party B companies

based on vested interests to complete the cooperation task with Party A by purchasing "fake users", "fake clicks", and "fake comments". In some cases, the KOL themselves are even fake.

The fake user interactions such as "fake users", "fake clicks" and "fake comments" create "fake attention". The "fake attention" is created to satisfied Party A but it has no real meaning. The "fake attention" destroyed the traffic business between Party A and users in the normal profit ecology. This directly led to Party A's advertising expenses did not play its due effect. The products are unsalable, and the benefits of Party A don't outweigh the costs of advertising.
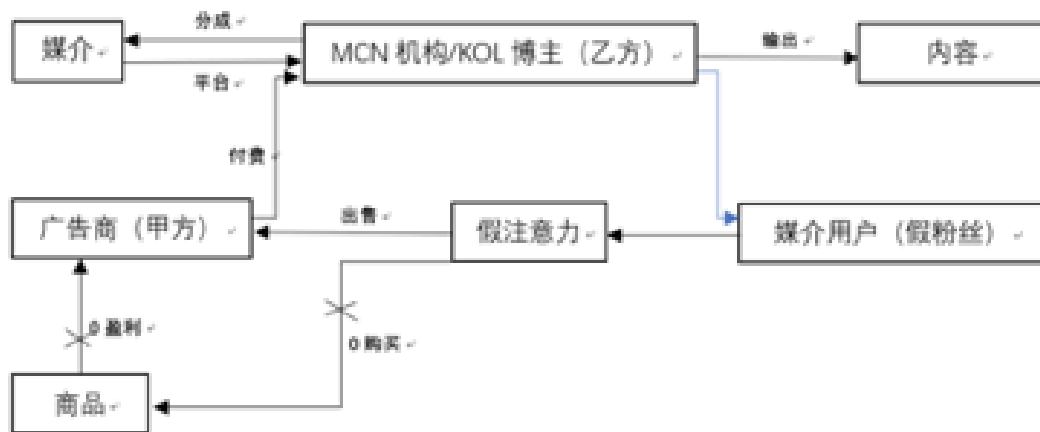
At this point, Party B and its external agencies work together and "directed" several brush data dramas. The bad influences not only in violation of Party A's rights and interests but also undermined the Weibo platform's normal advertising profit and ecology. What's even worse, this leads to a vicious cycle on Weibo.

1.4 Analysis of the demand side

1.4.1 Healthy eco-system

In this healthy eco-system, there should be three groups of supplier-consumer. Namely:

(1) Seller of fake views likes and comments- MCN(蜂群传媒)/ KOL (WeiboID:张雨晗 YuHan)(party B).

(2) MCN (Fengqun Media Company)/ KOL (Zhang YuHan)(party B)- the entrepreneur (party A), in this group, the entrepreneur paid the MCN for the advertising.

(3) Entrepreneur - followers of KOL, who are the potential consumers of the entrepreneur. If the conversion is successful, the fans would click the link provided by the KOL, landing on the product page and buy the product.

1.4.2 What benefits do each part of the consumer expects?

Consumers desire some kind of functional, expressive and emotional benefit with everything they buy or use. Though of course, it depends on the product.

(1) MCN(蜂群传媒)/ KOL

MCN/ KOL needs functional benefit: fake data for their advertising Weibo.

(2) The entrepreneur (Party A)

The entrepreneur needs functional benefits as well: traffic, impressions, clicks, and purchase from "real fans" of the KOL, which would turn into revenue in the end.

(3) Followers of KOL

In the healthy ecosystem, the fans of KOL should all be "real person", they should have expected functional benefit and emotional benefit from their purchase of the product--- a "technical product" helps women relieve menstrual pain.

1) Functional benefit: to relieve menstrual pain and become healthier.

2) Emotional benefits: an easier menstrual period leads to a happier life.

Besides, their trust in KOL counts. According to the Research Report on the Marketing Value of E-commerce of Kuaishou released in June this year, 32% of Kuaishou users would buy the products recommended by the anchors they follow since they trust in the anchor. It is the same

in this case.

However, in this case, the data were not "real", so there is no "need".

1.4.3 Why the entrepreneur chose Zhang Yuhan?

The majority of followers of Zhang's Weibo are young females who use social media (Weibo) frequently; besides, followers are willing to do online shopping, since Zhang often promotes products on her Weibo. The characteristics of Zhang's followers conform to that of the entrepreneur's target consumers.

In today's social media landscape, there are many "entry points" in which to engage the consumers. The entrepreneur, in this case, chose paid media--- KOL Zhang Yuhan for advertising.

In the WeChat article, he claimed that the Weibo for advertising posted by Zhang all have thousands of views, likes and positive comments, indicating Zhang has a positive image among her followers. These are essential factors for "network effect", since consumer-to-consumer interactions have increased, and consumers are more influenced through social media word-of-mouth. Positive comments from "real" fans about the product are valuable earned media.

1.5 Conclusion

The volume of views does not always connect with the sales amount. There are no regulations on this kind of contract: the MCNs only guarantee the number of views, not the gross merchandise volume. Companies that wish to promote sales by the recommendation of KOLs on social media platforms consider such contracts unreliable and are likely to stop cooperating with social media platforms and MCNs. These "fake" view volumes also hurt those KOLs generating content of high quality. Since there are more "convenient" ways to increase views, they may also spare efforts when cooperating with companies.

For social media platforms, if they wish to earn profits through cooperation, they must put effective measures into practice to rebuild the confidence of companies and KOLs. Regulations and evaluation systems should be taken into consideration.

2 The Market and Media Planning

2.1 Objective

There are mainly two objectives of the plan: dealing with the crisis in the public and make the advertising ecology on Weibo healthy and effective again.

2.2 Strategies

2.2.1　PR Response

a.　External PR: Media PR activities

b.　InternalPR: Introducing performance appraisal

2.2.2　Build "Weibo Advertising Management Center"

a.　Establish a reporting mechanism

b.　Establish an advertiser rating mechanism

c.　Intermediary mechanism for payment of advertising fees

d.　24-hour online dispute handling channel

2.2.3　Background technical supervision

a.　Optimization

b.　Real-time monitoring of data fraud behavior and the phenomenon of intensive traffic in a short period

c.　Prevent zombie number data, regularly clean up zombie numbers

2.3 Tactics

2.3.1 PR Response

In response to this incident, the rough strategies are what have shown above. But what is the specific implementation step? How to do it? What departments need to be involved? When is the best time node to make it public? Those are all the details that need to consider with. Though Weibo did have some reaction and response very soon, is it solve the problem?

On the 17th of October which was 3 days after the WeChat article was released, Weibo release its first announcement. In this announcement, Weibo firstly claimed that after their research, they found out the offer of the advertisement was 3070 RMB instead of the one million the start-up company claimed. Secondly, they paused the commercial advertisement function of the KOL and reached to the MCN organization behind her. The organization claimed that they charged for video production but there is a big gap between the amount and the description of the article. Thirdly, about the conflict of the fake traffic and order amount, Weibo would check and verify as soon as possible and have further action to the account based on facts and community management rules. At last, they announced the progress of managing the 'water army' and trash information.

And on the 19th of October, Weibo released a further announcement of the KOL event. First, according to the platform rule, they closed the account of the KOL and paused the advertisement release of the MCN organization to require it to standardize existing sales processes and services. Second, they apologized for the inaccurate delivery of the platform business rules to the advertisers. Thirdly, they explained the related rules of their platform. Additionally, they announced the Email account for the clients to report.

These actions give the "start-up team" a reasonable response and show the positive attitude of solving this problem. However, there are some actions are not exhaustive. Don't forget that the "fake traffic and data" situation is more than just happened at this event! It's about the micro-environment of the traffic in Weibo. The Weibo announcement mentioned that optimize processes and actively deal with complaints are things that they need to do. But how to do that exactly? How to make it more systematic. Besides, Weibo provided the Compliance Department's mailbox for customers to report the violations of MCN institutions. And However, the mailbox is not as public and transparent as it looks. Can every complaint be valued and handled? Diverse reporting emails are not conducive to organizing and public inquiries. Though it may be cumbersome to create a targeted reporting website, it will be more real-time and public than the mailbox.

To the MCN company:

We get broadcast from media recently that our KOLs are under the suspicion of using fake traffic to cheat the advertising companies and the audience. Now after an internal investigation, this news is confirmed to be the truth.

The company decides to take the solution below:

Stop for getting a new corporation with new advertise companies.

Stop KOL for further updating.

Make a talk with current partners, how many compensate they prefer depends on how heavy the fake traffic situation is, and persuade them not to end the relationship, and promise them about a further guarantee.

Find the origin of fake traffic, completely get out of the fake thing, and delete history data of fake thumbs up, comments, and view records.

Set a third party to supervise.

Set an online forum to welcome the public to leave their suggestions and tips for MCN company.

Related staff and managers no have to be scared; this problem should be attributed to the company's management mistake. What you all need to do is to corporate with company policy to solve this problem.
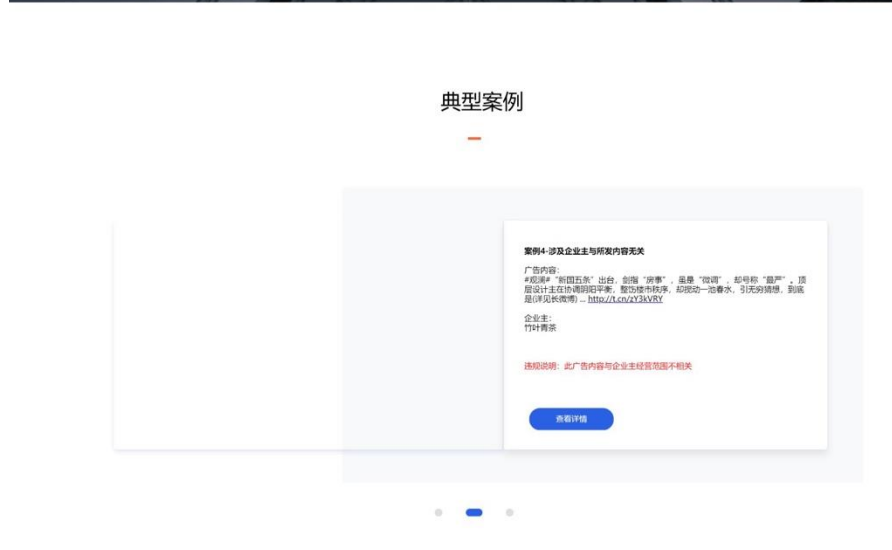
Weibo

Once the research results come out, Weibo should reach the mass media platforms which target the same users as Weibo such as 36kr, Toutiao, etc. And let them release the article to

enhance the positive image of Weibo. On the other hand, Weibo should also negotiate with some

media which has had released some negative and bias articles to delete the false information. In

this way, the negative influence of this event can be controlled.

At the same time, the company also needs to publish announcements. According to what

happened recently, publish the internal public relations announcement. Describing the situation of

the "fake traffic and data" that related to Weibo. Let employees be aware of the seriousness of the

problem, unify their attitudes toward such incidents, and inform the company of upcoming

initiatives. Moreover, rectify the work priorities of relevant departments (e.g. Customer Services)

and introduce this content into the key performance indicator as soon as possible. For example,

give appropriate rewards and penalties based on customer metrics (e.g. Customer Lifetime Value

(CLV) and Number of Customers).

2.3.1   Build "Weibo Advertising Management Center"

The first solution is to set up a well-operated system for appealing and reporting, including a

webpage, an application, and an official Weibo account. This would be a new platform especially

for managing advertising engaging MCNs and advertisers would be built, with a similar design to

Weibo's current advertising platform. The layout of the platform is shown as follows:

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➢ 创意中不得出现借其他知名网站促销活动而广告主网站上并未出现的活动或促销广告
➢ 不能含有微博竞争对手（腾讯微信）广告，禁止创意中涉及微信互动的行为，比如加微信、
扫微信参加活动等，仅仅提到微信联系方式的除外
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层设计主在协调弱平衡，整饬楼市秩序，却搅动一池春水，引无穷猜想，到底
是(详见长微博) ... http://t.cn/zY3kVRY

企业主：
竹叶青茶

违规说明：此广告内容与企业主经营范围不相关

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结果公示	@狸尾澄 投诉@Ffanb 人身攻击我	狸尾澄	Ffanb	1	2019-12-25
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📣 违规有奖活动
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结果公示	@狸尾澄 投诉@Ffanb 人身攻击我	狸尾澄	Ffanb	1	2019-12-25
结果公示	@香香姐xxj 投诉@这个头又光...	香香姐xxj	这个头又光又...	1	2019-12-25
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💬 内容抄袭
👥 僵尸粉
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状态	举报标题	举报人	被举报人	访问次数	举报时间
结果公示					
结果公示					
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To report, the advertisers are required to submit relevant information including the account reported, the reasons, supporting documents (for example, contracts) and relevant information of themselves (company name, contact number, etc.)

This platform would be operated by a professional team, of which members are not connected with the interests of MCNs or advertisers.

After receiving the report, the team will investigate and respond in seven working days. The investigation is mainly based on the evidence. Fact checks will be carried out with both the reporter and the one being reported. The result will be presented in a detailed report with solid evidence, which can be searched by all users. All complaints and reports will receive a feedback. If the situation is complicated, more time will be required for the investigation. If there is any question on the result, the one reporting and the one reported can submit more evidence to argue.

The second solution is to publish the result of reports on open platforms such as Weibo. Any reports should be presented in time to let all users know the result.

The third solution is to establish a ranking system for advertisement companies. Typically, the ad company register an account, every time the KOL post an advertisement, the company can do a ranking on its performance, the ranking criteria include the interactivity between followers, the quality of the contents, the truth of data, and the conversion ratio of payment. Total five ranks without additional scores later, and all the comments and ranking are open to the public.

The fourth solution is to establish an agency between the MCN/KOL and the advertising companies. Specifically, the ad company sends the money to the account of "Weibo advertisement management and payment center", not directly to MCN/KOL. MCN/KOL should accomplish the KPI that satisfied the companies' criteria, which is a promise of a certain quantity of sale. This virtual agency plays a role in supervision that can increase the pressure of MCN/KOL to guarantee a certain purchasing power, therefore, to guarantee the profits of advertising companies.

The fifth solution is to act like Taobao, which is to create an online virtual community to solve the conflicts between MCN/KOL and advertising companies. The community and conflict solver are set to be twenty-four hours online. It can offer an approach for pre-problem-solving to avoid the phenomena of cheating.

2.3.3 Backstage technical supervision

Optimize algorithm to monitor data fraud of KOL and MCN (Party B)：

Identification of dense traffic in a short time in Backstage. If there is a suspicious case, the Information publisher will be alerted. For example, a surge in views and likes of advertising Weibo of KOLs in a short time.

Detect zombie fans and prevent the manipulation of click farms.

Establish a set of standards to identify zombie fans:

Any original content posted in his account?

How many "likes" does he send out over a period?

"Likes" to whom? Is it all advertising Weibo? KOL?

Has the account bound with personal information?

Whether the account ID is a code randomly generated by the system?

Is there any mutual following in his account? (Since Weibo is a social platform, you must have followed your friends if your account is 'alive')

3　Conclusion

3.1 Advertising quality and content quality guarantee each other

3.1.1 Conclusion:

1. Only when the quality of advertising revenue is guaranteed, will more parties choose to place advertisements on the microblogging platform.

2. More advertising means that the blogger or MCN organization has sustained revenue, and with sustained revenue, the blogger can produce more high-quality content to maintain the number of fans on the platform. A sound advertising mechanism can ensure the continuous output of high-quality content and the benign operation of the platform ecology.

3.1.2 Suggestions:

Cheat mentality is not allowed, and deceiving party a will eventually hurt another party: since the quality of advertising revenue and content guarantee each other, the "cheat as much as you can" mentality should be abandoned in the microblog advertising business. As a platform, Weibo should maintain a zero-tolerance attitude towards any form of cheating, find and deal with together.

As KOL bloggers and MCN organizations that provide advertising services, they should abandon the mentality of falsification when facing customer demands and should not think that data fraud can be everything. In the process of daily operation, content needs to be done well step by step to improve user stickiness with fans, and efforts should be made to convert their resources into real purchasing power.

Also, as the operator, Weibo should adjust its regulatory attitude towards KOL bloggers and MCN institutions promptly. You can't wait until the scandal has been exposed on social media before you start working as a "fire brigade" to solve the problem. Changing from dealing with emergencies to regularly preventing platform ecological loopholes is the right way to solve practical problems and establish a long-term mechanism.

3.2 The cost and benefit of solving the problem and covering up the problem

3.2.1 Conclusion

1. Crisis management focuses on covering up problems;

2. To solve the problem, we need to have the determination to "cut one's wrists".

3.2.2 Suggestions:

After the incident that KOL bloggers and MCN agencies obtained benefits through traffic fraud was exposed on the microblogging platform, public relations forces of all parties collectively turned out to conduct crisis public relations on some key public opinion positions. Some articles published by WeChat public accounts and microblog big V were deleted soon after.

In the process of repairing the advertising revenue ecology of the microblogging platform, there are two main ways. This solution is designed to gain users' trust, with low cost, and can restore users' confidence in the product in a short time.

Through the way of crisis public relations, although it can create relatively considerable benefits, it is difficult to avoid future trouble. In the daily operation of the microblogging platform advertising business, similar problems will inevitably occur again. If the public keeps accumulating negative emotions about similar events, the company's product defects may be hard to return to.

The second way to deal with similar incidents is to establish a good intermediate mechanism and complaint mechanism. Through the institutionalized operation, it will have a deterrent effect on traffic fraud, and then achieve the goal of rectifying the advertising profit ecology of the Weibo platform.

However, a preference for a complete solution is more costly and may affect the vested interests of some groups, making it more difficult to implement.

In the long run, the benefits of solving problems will always outweigh the benefits of covering them up. Cleaning up the crux of the Weibo platform advertising revenue ecology is the key to ensure its long-term future, which will be sustainable.

3.3 Feint posture will only accumulate

3.3.1 Conclusion:

1. The snowball effect;

2. In the state of competition, the opponent will seize the loopholes.

3.3.2 Suggestions:

1. Strength is more important than an attitude;

2. To protect the ecology, we must first update the mechanism.

For violations, the strength of the rectification is more important than the attitude. If we simply deal with the subject involved, we don't dig deeply into its causes. Then the problems of the moment will snowball. When problems accumulate to the point where they have to be solved, the governance costs are far greater than when the problems first emerge.

Besides, competition in the Internet industry is fierce. If competitors take aim at this loophole in Weibo's advertising ecology and concentrate their superior resources to storm it, it is likely to cause a devastating blow.

Therefore, it is more important to control the profitability of microblog advertising than attitude. We can't pretend that we are governing, but we just want the crisis to fade from the public eye. To ensure the normal operation of an ecosystem, it is necessary to start with the update mechanism and increase the treatment according to the needs of the situation.

3.4 Limitations of rules

3.4.1 Conclusion:

1. Rules can only avoid extreme situations;

2. There is always a case for using rules;

3. The need for human intervention.

3.4.2 Suggestions:

1. A coherent mechanism;

2. Active human intervention.

Rules can only avoid extreme situations. Policy on the top and policy on the bottom are bound to reappear because there will always be those who seek to exploit the rules for illicit gain.

In this case, the need for human intervention appears very important. In the new media business environment, the third-party supervision system can only avoid extreme fraud, and may also allow the party to fabricate various reasons to refuse payment. In the case of extremely fast information transmission, the flow is not equal to the purchasing power, so there will be a "black swan event", which requires manual coordination.