

Travis Toth

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DTC 338 Case Study – Beats, #AboveTheNoise

Introduction

Initially established in 2006 by Andre Young and Jimmy Iovine, Beats by Dr. Dre or beats as they are colloquially known. The company's primary product lines include premium speakers, headphones, and earphones. Apple acquired Beats in July 2014. The duo pocketed \$2.6 billion cash, were awarded \$400 million in Apple stock and were given senior positions within Apple. It is rumored that the acquisition has little to do with speakers and more to do with Beats Music, a streaming service that was launched just over a year before Apple's acquisition.

The marketing mix for Beats is so large. They have to use multiple agencies to manage their presence. R/GA is a worldwide digital marketing agency that oversees large corporate clients. R/GA has handled Beats audio's marketing mix for many years, and it appears that they are still at the helm. Though, from time to time they will hire third-party agencies to manage a specific campaign or creative needs. The firms hired for the campaign we have completed this case study on was PMG as their media agency and AKQA as their creative agency. The popular media brand Ad Age has R/GA as their #3 A-list agency in 2017. PMG wins awards year after year at the Cannes Lions | Festival of Creativity. And the list of awards and accolades for AKQA is likely longer. The fact that Beats has three world-renowned media agencies managing their online presence says two things. One, they are willing to pull out all the stops to work with some of

the best agencies available. Two, they recognize the value that online media and digital advertising has to offer.

Campaign

The focus of this case study is the #AboveTheNoise campaign that Beats launched earlier this year, just a few weeks before the most anticipated boxing matchup of the past few decades.

This campaign is focused on promoting the “wireless studio” headphones, that the company sells retail for \$349.99 plus tax. This product is its premiere set of wireless headphones. The campaign utilizes high profile athletes and musicians who generally garner a lot of press. The main idea of the campaign and hashtag is that these high-profile individuals can be

#AboveTheNoise while using the carefully crafted noise-canceling headphones. In the still images featured in the campaign, there is a prominently featured athlete or musician wearing the promoted product. One of the coolest things about Beats is that they are customizable.

Each influencer has a customized pair in their preferred color combo with a few custom words printed across the headband. There are only a few influencers that the brand has chosen to use videos for, but they all follow the same plot. The featured influencer came from a place of little or no privilege and has now risen to a position that allows them to live a lifestyle that was never possible in their beginnings. They continue through the ad and end up putting on the promoted product near the end and doing so allows them to drown out the noises that surround them and thus a hashtag was born.

The media types utilized by this campaign vary vastly; they include professionally produced photographs, graphically enhanced images, professional video content, and user-generated

content (UGC). All video content is shared across all social channels, whereas the still image content and UGC is only shared across Facebook, Twitter, and Instagram. The root message of the captions remains relatively constant. The goal is to promote the premium headphone line by showing that when you wear or use them, you too, can be #AboveTheNoise. The message type (length and actual message) however, does vary from platform to platform. Differing captions is not expected when a brand cross posts the same visuals across their media channels but, it is a sure sign that those top of the line agencies is earning their keep.

The brand has elected to use very influential and high-profile influencers to promote their product. While this is a popular strategy for promoting products online and on social media. I have never seen an influencer team quite like this one. The Influencers that have been utilized up to this point have been Conor McGregor, Tom Brady, Odell Beckham Jr., Dj Snake, Anthony Joshua, Yasiel Puig, Kris Wu, James Harden, and Lebron James. The company has a ton to gain from using high profile influencers. For the actual cost of the headphones plus shipping; they are multiplied by the nine influencers who have appeared in the media that utilizes #AboveTheNoise. Beats has gained access to an influencer network of over 192.18 million organic followers. If you add in the companies reach, the number topples to 210.69 million across Facebook, YouTube, Instagram, and Twitter. Their potential organic reach is unbelievable. However, social networks have gotten smart about the way they structure their content algorithms, effectively limiting businesses organic reach to a fraction of their actual followers to the benefit of themselves, the platforms created monetized advertising systems. Allows companies and advertisers to pay to Paid ads puts content in front of more people. The

one single aspect that makes marketing on social media so attractive to advertisers is the ability to hyper-target an audience. You can target an audience based on demographics, interests, location, and behaviors. One thing that has stuck out to me about this campaign is the lack of UGC. Even the pictures of the influencers are edited and look like they were taken with a professional at the helm of the camera. I was honestly expecting a lot more UGC when first starting because beats users love the products and would vouch for them over any other product that exists. The only time that there was a lot of user usage of the hashtag was during and after the McGregor v. Mayweather fight, and they were generally used in a negative way against McGregor. There were thousands of occurrences on the day of the match, taunting, insulting, and objectifying "The Notorious." The branded content that the company has executed for this campaign is very high quality. The videos are professionally produced and edited. The photographs are extremely crisp and edited as well. The other thing that stuck out to was that there are all of these posts that utilize the #BeatsStudio3Wireless instead of #AboveTheNoise. What I have come to realize after studying this campaign for some time now is that the company is running the two campaigns side by side. Beats is likely targeting separate audiences with each campaign, or it is a version of a split testing method that the company is using. Split testing is effective because sometimes it can be hard to tell if an ad set has good traction or not. Sure there are the KPI's in the ad management platforms; however, split testing is something advertisers can do to measure the success of the content within the ad set. Normally you would take two pictures, we will call them picture "A" and picture "B," and we create two captions caption "a" and caption "b" we then create four separate ad sets "Aa," "Ab," "Ba," and "Bb." We run them at the same time to the same audiences and can tell rather

quickly which set users prefer and respond. The advertiser would then shut down the ad sets that are not delivering, and clone the ones that are. Regardless of the second campaign that highlights the same product utilizes even more professional athletes, and famous personas as well.

Social presence

The company is currently focusing on utilizing Facebook, Instagram, Twitter, and YouTube. We will go into detail based on each platform, and the way that beats has chosen to use each platform for this campaign. All of the same content is cross-posted on Facebook, Twitter, and Instagram. YouTube is a slightly different social channel as it supports video primarily.

First is Facebook; this platform yields the most substantial amount of followers at 8.96 million Facebook followers. However, with dangerously low organic reach on Facebook posts, without promoting each ad their actual organic reach would be much closer to the number of followers on their other channels. Their post frequency has shown a trend of 1.2 total posts per day. Daily posts create and maintain a high level of engagement and mentions or conversation about the brand and products. The only time they engage with fans is for customer support issues, where fans comment on their posts looking for support help. They quickly reply, apologize, and refer the fan to their customer support channels. They only utilize one hashtag and tag the influencer.

Instagram yields the company's second highest amount of followers at 4 million the company follows back only 715 accounts. The account has a total of 3,690 posts to date. There are a lot of garbage comments that take place on large profiles, so it is no surprise to see them very absent in the comment section of their posts. Hashtags are an integral part of posting on the platform. The company makes sure to use 2+ hashtags on most posts as well as tagging their influencer.

Twitter comes in third place as far as followers go for Beats. 1 million followers. They follow back 1,372 of those accounts. This platform is by far the most utilized when it comes to total posts. As of the time of the completion of this case study they had tweeted more than 26,000 times. The company posts 2+ times per day on Twitter which categorizes them as a very active account.

YouTube is the company's smallest following coming in at 550,000 subscribers. They have posted more than 300 videos. The most viewed video of theirs happens to be from the #AboveTheNoise campaign with 4.2 million views. It also cracked the top 10 on the YouTube ads leaderboard in August when the video was first released.

When it comes to content, their account managers utilize the same graphic across all three platforms. However, it has been observed that they have created a different copywriting formula depending on which platform they are posting to. This is not a foreign concept in social media copywriting, but it is an indicator that the company they have hired is operating with a

very high level of understanding of social media marketing concepts. This is something that puts them above potential competitors. Changing the caption not only caters to the character limitations of Twitter, the image-centric ideology of Instagram, and Facebook's viral long-form posts. This shows that they are observing, studying and customizing how they respond and interact with their fan bases, once again depending on which platform a fan has chosen to communicate with.

Analysis

There is a lot to consider when looking at the data sets from multiple Social platforms. The most active for Beats appeared to be twitter. During the period of data collection, 14 posts utilized #AboveTheNoise. One thing that is very interesting when looking at the data for all three platforms side by side, we discover that even though Beats posted more on twitter. The number of followers and overall engagement with the same content on Twitter was much lower. However, this alone is not enough to cast twitter out into interstellar space. Their Twitter has 992.2K followers, which to many is a very healthy twitter following. When comparing their nearly 1 million followers to the other two channels that the company utilizes, it seems minuscule. Instagram comes in with 3.9 million followers, while their Facebook page has 8.8 million followers. So Instagram has nearly four times as many followers and Facebook closing in on nine times as many as Twitter has. With that, we would expect the rate of engagement to be about four and nine times as much as we see on Twitter. Since there are many different ways to calculate rates of participation, for this example it has been estimated on a "per follower" basis. Facebook, nets the lowest engagement rate per follower coming in at

8.38%. Twitter comes in second with an engagement rate per follower of 14.49%. Instagram yielded the highest, 19.5% engagement per follower. All of these engagements suggest paid media as it is well above average engagements rates for all three media channels. Facebook and Twitter usually garner between 0.5% and 1.0% organically where Instagram has an average between 3%-6%. With tens of millions of impressions every 30 days on the #AboveTheNoise campaign, a growing influencer network that is willing to promote the product for them, and a fan base that is very engaged on their posts.

Strengths

There were several strengths for beats and the #AboveTheNoise campaign they used very high profile influencers to garner millions of impressions and engagements.

Weakness

I think the one glaring weakness is that essentially the only UGC that utilized the hashtag was in the form of tweets bashing Conor McGregor after his loss to Floyd Mayweather. Other than the night of the fight and the following days almost no users or fans utilized the hashtag. The only exception was if they were an official Beats account or an influencer, likely being paid or given products to promote the campaign.

Opportunities

Several opportunities are moving forward for Beats. I think they could generate more engagements by asking for UGC and then only posting or retweeting the very best of those. I think the side by side campaign could be a weakness because it honestly even threw me for a

loop at first when I saw it. I think they should utilize the same set of hashtags for each product style rather than dividing them into two sets of posts.

Threats

For me, the only danger is that with so many influencers of high social stature the product may seem a little inaccessible. Regular users are essentially seeing all of these high-profile athletes and musicians and other influencers use the headphone that comes in at nearly \$400 and to me, it seems like I am unsure if I need a set that expensive.

Conclude

To conclude this case study, I would like to reflect on the apparent goals of the campaign. From an outside perspective, the videos show people who grew up in less than favorable positions and have now risen to a place that has allowed them to overcome things like poverty and provide a life for themselves and families that were never believed to be possible. The beats studio wireless headphones help them to stay above the noise that accompanies at the top of each of their respective professions. We can't see the critical numbers inside the campaign like ad dollars spent, but we can assume that three world-class agencies are more than knowledgeable enough to manage a campaign of this magnitude. It is fascinating to see the engagement spikes depending on which influencer was being used. I have never heard of DJ Snake, but after the boxing match he quickly became the centerpiece of this campaign due to his personal story of the climb to his current status as a worldwide recognized music figure

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