



# The State of Social Advertising

Q4 2016



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# Introduction

Social media continues to transform how brands approach their marketing initiatives while commanding an increasing share of online dollars at a time when [digital budgets are overtaking television for the first time](#).

To assess social advertising growth in Q4, we aggregated \$150+ million in media spend for 900+ brands managed through the 4C Social Ads product on Facebook, Instagram, Twitter, LinkedIn, and Pinterest. For Q4, we saw an overall 43% lift quarter-over-quarter (QoQ) and 65% lift year-over-year (YoY) in paid media spend. Clearly, the state of social advertising is very strong.

In the final 3 months of 2016, Facebook released a number of new features including [updated metrics and reporting](#), [dynamic ads for mobile app installs](#), [Creative Hub](#), and [Live 360](#).

**65% LIFT**  
IN PAID MEDIA SPEND  
YoY IN Q4 2016

**74% GROWTH**  
YoY ON FACEBOOK IN Q4 2016

Facebook spend grew 52% QoQ and 74% YoY in Q4 on the 4C Social Ads platform. Categories that grew the most on Facebook include Home and Garden as well as Government, up 503% QoQ and 190% QoQ respectively.

In December, [Instagram grew its community to more than 600 million Instagrammers](#), 100 million who have joined within the previous 6 months. Helping to fuel Instagram's growth were new features including [Instagram Stories on Explore](#), [Boomerang](#), [Mentions](#), [Links](#) and [Stickers](#) on Instagram Stories, [Saved Posts](#), and [new safety and control features](#).

Instagram Q4 ad spend grew on 4C by 57% QoQ and 138% YoY. Top growth categories on Instagram included Home and Garden, up 403% QoQ, and Services, up 264% QoQ.

**138% GROWTH**  
YoY ON INSTAGRAM IN Q4 2016

In the last quarter, Twitter expanded its video features including [live video within the Twitter feed](#) and [live 360 video](#) as well as [HD support for Periscope](#). Twitter also [released Moments to all mobile users](#), introduced new conversation features, and delivered emoji search capabilities.

24% GROWTH

YoY ON TWITTER IN Q4 2016

Q4 ad spend growth via 4C on Twitter was up 24% QoQ and 13% YoY. Categories with the highest growth in Twitter ad spend include Services and Apparel and Footwear, up 300% QoQ and 94% QoQ respectively.

130% GROWTH

YoY ON LINKEDIN IN Q4 2016

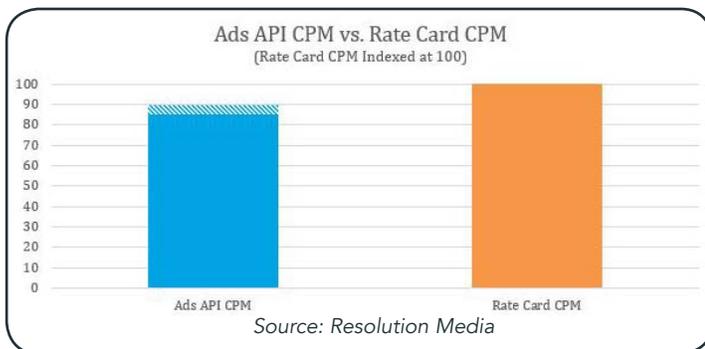
LinkedIn finished out a significant year by closing its acquisition by Microsoft and launching personalized conversation starters. Through 4C, LinkedIn achieved triple-digit YoY growth increasing Q4 ad spend 130% YoY and 50% QoQ.

Closing out 2016, Pinterest grew to over 150 million monthly Pinners and introduced the new Pinterest Marketing Program. Many new features for Pinterest advertisers were launched in the final quarter of 2016 including targeting enhancements, showcases, Promoted App Pins and One-tap Promoted Pins, new Promoted Video capabilities, Promoted Pins in Canada and Promoted Video in the UK.

109% GROWTH

YoY ON PINTEREST IN Q4 2016

Pinterest joined LinkedIn and Instagram with triple-digit growth YoY on our platform. Q4 Pinterest ad spend grew 109% YoY and 33% QoQ. The fastest growing categories on Pinterest include Consumer Packaged Goods, which achieved 70% growth QoQ, and Retail, which increased 63% QoQ.



Also in Q4 we began running the first Snap Ads through our platform. Early results have been promising as shared by our client, Resolution Media, showing price efficiencies when running campaigns through 4C.

The rapid growth across these leading platforms is indicative of the accelerating pace of marketing and the influence social advertising has on the overall velocity of media.

The 4th quarter was also a big one for 4C as we were named #1 in customer satisfaction for social advertising software in the G2 Crowd Winter 2017 Social Advertising Report.

To provide perspective on the current landscape and actions brands can take to capitalize on the state of social advertising, we spoke with our clients who are on the forefront of social media and marketing. We also asked 4C's industry-leading account team to offer insights for maximizing value from social advertising.

# Trends

Social platforms are driving the pace of innovation in media. The following are some of the biggest emerging trends identified by several of our partners that are operating on the forefront of social advertising.

## GETTING CHANNELS IN SEQUENCE

Marketers have been aligning messages to the purchase funnel for a long time, although until recently they've been using blunt tools requiring broad messages be delivered to inexact targets. Capabilities like retargeting on social media are enabling brands to be more precise by driving a specific person to the next stage of the purchase journey through personalized messages.

Marketers are increasingly looking to adopt systems that will enable orchestrated messaging across channels. Solutions that enable brands to get in front of multi-screening consumers are key. "Multi-screening allows brands and advertisers the ability to reach customers in different places with their messaging," explains Sadie Daryan, Sr. Social Media Manager at eBay.

"It also opens the opportunity for robust retargeting of campaign messaging and sequencing of content type from the top of the funnel to the bottom."

Platforms will need to respond to the importance of measurement and tracking with so many screens playing an important role. Great tracking can lead to audiences being shared across platforms and a more understandable consumer journey.

**FIDESS FERRER**

**MEDIA DIRECTOR AT PERFORMICS**

As a part of sequencing messages, multi-touch attribution solutions will be important for providing deeper insight into the impact

of each screen. Kelly Davis, Director of Display Media at Booyah Advertising advises, "Expect to see more advertisers look to find a multi-touch attribution system that enables them to evaluate how their entire marketing program affects the ultimate conversion activity. It's highly likely that consumers are multi-tasking and advertisers need to be in front of that user regardless of the screen."

Social media is set to play an important part in multi-screen marketing due to its ability to connect people across channels. 4C recently brought social audience segments to TV for a [major film studio's TV campaign](#) without compromising personally identifiable information.

Multi-screening consumer behavior continues to prove the importance of integrating Social and TV. This will play a role in developing audiences for programmatic TV buys.

**IAN KOOPERMAN**  
**MANAGER, SOCIAL MEDIA**  
**AT RISE INTERACTIVE**

Social will have an important role in the success of addressable and automated TV advertising, as well. We are seeing the rise of affinity targeting as our chief product officer Anupam Gupta shared in a [Beet.tv video on Huffington Post](#).

## HONING IN ON AUDIENCES

For a long time, demographics have been proxies for the audiences marketers actually want to target. Compared to other methods, [demographic targeting has been rated as the least effective method](#).



4C Insights  
Affinity Graph™

Social advertising has solved the challenges of demographic targeting and enabled marketers to reach precise audiences at scale through various targeting options including interest-based, lookalike, CRM matching, and the 4C Insights Affinity Graph™. These types of targeting are paramount to advertising success and are being adopted by emerging platforms like Snapchat.

“Resolution is excited about the new targeting abilities that Snapchat has rolled out with the Ads API. Previously, advertisers were unable to buy ads based on targeting criteria more elaborate than demographic, gender, device and geography – now advertisers can leverage a wide variety of interest and lifestyle targets to help our clients reach the users most likely to be interested in their products and services,” explains Ben Hovaness, Group Director, Head of Social at Resolution Media

Audience-based buying has a longer-lasting impact, enabling advertisers to increase loyalty and engagement with their product or service. It is especially evident in apps.

But targeting the right audiences isn’t enough. Creative must be customized for that audience which is the reason why brands like eBay invest in content.

“Each social platform attracts different niche audiences and has different formats – messaging versus commerce versus text/visual,” says Sadie Daryan, Sr. Social Media Manager at eBay. “We’re big believers that the content must be uniquely catered to each platform in order to resonate. That’s why eBay has invested in partnerships with various content partners.”

Not only are advertisers increasingly using social to drive downloads, but audience segmentation and deep linking allow for continued usage and engagement with apps, in order to prevent the likelihood of the app only being used once.

**JANEL LARAVIE**  
CEO AT CHACKA MARKETING

## SOCIALIZING VIDEO

Digital video advertising has been on the rise and it's no secret marketers are expecting for it to be the breakout form of content in 2017, especially on social platforms. **Social video alone is expected to grow 140% next year**

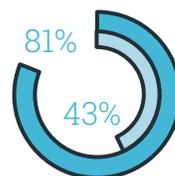
Facebook, Instagram, Twitter, Pinterest, and Snapchat have all launched new ways for people to engage with video content providing marketers many options for telling their brand stories. The advantage of video ads is the higher consumer response it elicits than standard, static ads due to a more stimulating environment.

Video ads are transforming where social media fits within the spectrum of mass reach and emotional relevance — historically the domain of television — and broadening the campaign objectives that can be accomplished through social throughout the purchase funnel.

“New buying objectives allow advertisers to utilize video for a number of different objectives, which had previously been much more of a branding experience,” states Kelly Davis, Director of Display Media at Booyah Advertising.

Throughout 2017, marketers will be focused on moving video beyond a passive advertising medium by making video interactive and utilizing it for lower funnel initiatives. As Sadie Daryan, Sr. Social Media Manager at eBay describes, “Video will continue to evolve and become more dynamic, personalized and shoppable.”

We all know that video is the new king of content, and there are a handful of brands out there doing it really well, but more brands need to invest in this format because users who consume video are far more engaged and receptive to content.



### 81% OF CONSUMERS

interact with brands on social, 43% have done so through watching branded video



### 79% AGREE

that video is the easiest way to get to know a brand online



### 67% WATCH MORE VIDEO

on social networks than they did a year ago



### VIDEO IS THE MOST

**PREFERRED** form of branded content on social platforms



The average consumer now watches **49 MINUTES OF SOCIAL VIDEO EVERY DAY**

Source: Brightcove – The Science of Social Video: Turning Views into Value

**SADIE DARYAN**

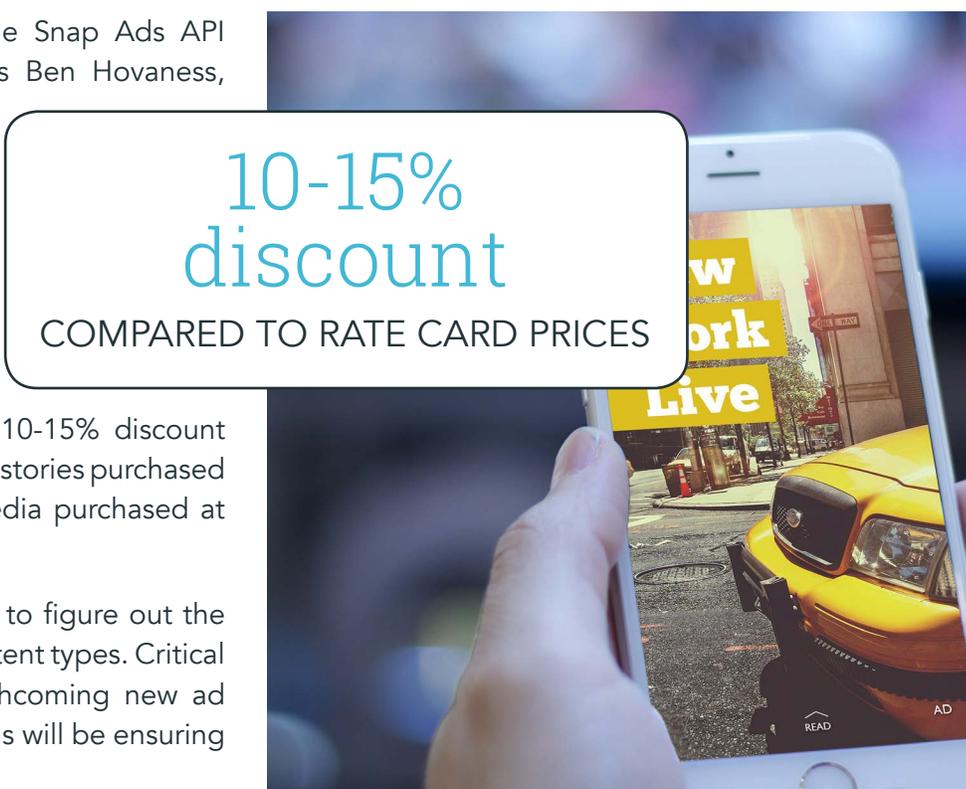
**SR SOCIAL MEDIA MANAGER AT EBAY**

## IGNITING SNAPCHAT

One of the most anticipated launches for social advertisers was the [Snap Ads API](#) which delivers immersive full screen vertical video for more brands. The platform enables automatic buying of ads and new targeting capabilities including email matching, interest-based targeting, and lookalike audiences. 4C will also offer its advanced features including bulk editing, smart groups, and auto-optimization.

Brands who got a first-look at the Snap Ads API are achieving excellent results. As Ben Hovaness, Group Director, Head of Social and Resolution Media explains, “In the first 2 months since the Snapchat launch, Resolution has seen promising early results. Apples-to-apples comparisons of CPMs — same demographic targeting parameters and spend volumes — indicate a consistent 10-15% discount imparted to Snap Ads between user stories purchased at auction relative to the same media purchased at rate card prices.”

Brands should experiment in 2017 to figure out the optimal usage of the many new content types. Critical to success for Snap Ads and forthcoming new ad formats across other social platforms will be ensuring content matches the context.



Advertisers will need to create content specifically for Snapchat as the user experience is unlike any other social platform out there. The attention span is short and users respond better when they are being directly spoken to and offered unique content or experiences they can't get anywhere else.

**KELLY DAVIS**

**DIRECTOR OF DISPLAY MEDIA AT BOOYAH ADVERTISING**

## SOCIAL GETS SEARCHING

Search and social have historically remained distinctive channels. The power of social is that it provides personalized recommendations and amplification. As such, marketers are looking to take advantage of the power of search within the social context to deliver more effective advertising.



“We believe that Facebook and Pinterest will unveil search advertising capabilities to capitalize on the massive amount of search volume that takes place on the platform,” explains Kelly Davis, Director of Display Media at Booyah Advertising.

Pinterest as a discovery platform for intent-focused consumers is poised to take advantage of search traffic early on. New targeting capabilities and ad types will enable Pinterest to drive shoppers through the funnel more rapidly.

“Pinterest is the social platform most closely aligned with search. It is keyword search driven and highly indicative of searchers in the research phase of the buying funnel,” explains Janel Laravie, CEO at Chacka Marketing. “With an average consideration cycle of 2 months on Pinterest, marketers must go into Promoted Pins knowing the consideration cycle is much longer than other platforms, but they can bring a paid search mindset to campaign planning. Plus, shopping ads are coming and that will expedite the buying cycle.”

Search and social also pair well with television as we found when Resolution Media used 4C TV Synced Ads to deliver Google AdWords in conjunction with its broadcast commercials and used our Spot Sync solution to trigger Twitter ads during the NBA Finals. These campaigns were highlighted in November during our [session at Social Media Week Chicago](#).

## LIBERATING METRICS

Brands are becoming more ambitious desiring deeper insights and seeking cross-screen measurement solutions. Today's most comprehensive analytics solutions measure the full media impact so brands can iterate to improve future performance.



The real innovation lies within understanding the power of the platform — and being able to present branding messaging in a meaningful way, drive customers to your site, capture information from them, and then retarget them later with relevant content. For eBay, that can be at the middle of the funnel at the category level or showing them an item they were viewing, but didn't buy.

**SADIE DARYAN**

**SR. SOCIAL MEDIA MANAGER AT EBAY**

Brands are increasingly turning to trusted 3rd party platforms to provide insights outside of the walled gardens and thus decrease reliance on publisher-reported metrics.

By capturing the correct data points, marketers can understand what's driving consumers to purchase and what's not. These insights help a marketer to optimize the consumer journey and enable them to deliver the right message, to the right person, in the right place, at the right time.

Facebook has put a focus on expanding its measurement capabilities, looking to connect online activity to offline sales. The investment in measurement solutions like the Offline API solution and Estimate Store Visits reporting will help close the loop between ad exposure, store visit, and ultimately a purchase no matter where that purchase occurs, providing a true attribution solution.

New solutions linking online and offline consumer behavior are continuing to become integral as marketers build cohesive cross-channel marketing that drives consumers to purchase.

**KELLY DAVIS**

**DIRECTOR OF DISPLAY MEDIA  
AT BOOYAH ADVERTISING**

# Best Practices

Social media advancements have introduced new ways for brands to connect with consumers. We tapped our expert account team to share what recommendations they have for clients looking get the most from their social ads.

## ACTIVATE ON AUDIENCES

Social advertising has put targeting at the forefront of marketing initiatives. It's enabled brands to go beyond basic demographic criteria and deliver ads to audiences based on interests and behaviors. Utilizing audience-based buying is important for avoiding advertising waste.

"Uncovering new audience opportunities for prospecting campaigns is increasingly important," explains Hannah Smith, Sales Director, Agency, at 4C. "Targeting competitors simply won't cut the mustard anymore. Try to steer clear of what you *think* your brand advocates and your competitors' advocates are interested in; rather, utilize 3rd party data sources to identify an audience that will truly drive efficiencies."



Audience-based buying doesn't need to be difficult. The 4C Insights Affinity Graph™ exposes custom audiences that fit for your brand and can be immediately applied as targeting criteria.

4C Affinities are also effective across channels. [A movie studio drove a 3.6x engagement lift](#) by using the 4C Insights Affinity Graph™ for its TV planning.

Performance enhancing features like 4C Affinities and 4C Audiences are an easy win for advertisers. Reaching the right audience is becoming increasingly difficult, and more expensive. Utilizing our built-in, value-add, targeting options can help brands reach their core audience in a new way, as well as reaching a broader audience that is still relevant.

**ALICIA ANTONIOLLI**  
SENIOR CLIENT MANAGER AT 4C

**BE TIMELY**

An important cohort to reaching the right person is reaching them in the right moment. Applying the correct timing criteria through tools like day-parting can be as important as identifying the right target audience.

“Day-parting is very underutilized. Some native publishers don’t provide a day-parting solution at all, and if they do it’s pretty limited. While we frequently put a huge impetus on applying custom audiences, which is important, day-parting is the way for a brand to step back and look at when they are most relevant, not just to whom.”

**KATE BEARD**

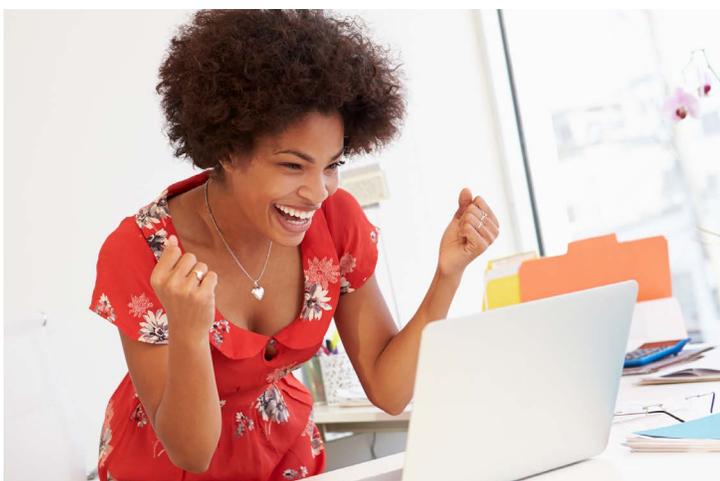
**DIRECTOR AGENCY PARTNERSHIPS AT 4C**

**DRIVE ACTION**

As marketing becomes increasingly data-driven, brands are focusing on how their initiatives affect results. In social advertising, this manifests by creating ads that drive consumers to action.

“Keep an eye on brands shifting from awareness to action,” suggests Alicia Antonioli, Senior Client Manager at 4C. “It can be anything from reaching a website to purchasing a product, but it’s moving in the way of action. We’re going to see more of this, and it will require agencies and marketers to re-examine their approach to all forms of paid media.”

Deliver action-oriented campaigns by having tightly aligned objectives, copy, and calls to action and modifying or stopping the ads with low performance.



“Make sure your ad copy/call to action match your campaign objective. If you’re looking to drive website traffic, make sure your content will inspire click-throughs.” recommends Hannah Smith, Sales Director, Agency, at 4C. “Create ad variations with different ad copies, images and CTAs. Once you identify the ads that perform the best, you can turn off the rest or modify them to match the top performing ads.”



## SEQUENCE ACROSS SCREENS

Purchase journeys now span multiple channels putting pressure on marketers to orchestrate messages across screens. With 87% of consumers using secondary devices while watching TV, synchronizing social ads with TV content is an excellent way to sequence messaging and make TV ads actionable.

Multi-screening behavior gives marketers the perfect opportunity to expand the reach of TV ads. Using social media, brands can make their TV ads 'clickable'.

**HANNAH SMITH**  
SALES DIRECTOR, AGENCY  
AT 4C

Sequencing messaging across screens doesn't have to be drastic. "4C provides quick solutions like TV Synced Ads to get you to a multi-screen approach without flipping your strategy on its head," explains Kate Beard, Director Agency Partnerships at 4C. "We can align you with a brand's TV content with a few clicks. Brands can take this to another level with customized content and a fully integrated strategy and find even larger successes. But the first step to multi-screen is realizing it doesn't have to be scary."

## GET EARLY LEARNING



New platforms and ad types can be difficult to navigate initially and many marketers would rather wait until others have tested the water. However, this approach will put your brand at a disadvantage since the early stages are when most of the learning takes place. This means diving into new opportunities such as Snap Ads as early as possible.

While testing new platforms, paying attention to KPIs continues to be important. “Always keep an eye on click-through and engagement rates,” says Alicia. “It’s a no-brainer that you want to make sure your message is as relevant as possible to those you are targeting, but sometimes creative can fall short. Cut the fat and iterate on top performers. Additionally, install the conversion pixel so you can track conversion events in 4C and use as an optimization point!”

“Snapchat will be a solid contender for social budgets in 2017. Get in there fast to learn what works for you before the market is crowded and insights are slower to glean. Create content specifically for your Snapchat audience, and keep it simple.”

**ALICIA ANTONIOLLI**  
SENIOR CLIENT MANAGER AT 4C



## About 4C

4C is a global leader in data science and media technology with solutions for multi-screen convergence. Brands, agencies, and media owners rely on the 4C Insights Affinity Graph™ to identify their most valuable audiences and improve effectiveness across channels. With nearly \$1 billion in annualized media spend running through its software-as-a-service platform, 4C offers activation on Facebook, Twitter, LinkedIn, Pinterest, Instagram and Snapchat as well as TV Synced Ads across display, search, social and video. The company also provides advertising and content analytics leveraging its Teletrax television monitoring network which detects over 400 million TV asset airings on an annual basis. Founded in 2011 and based in Chicago, 4C has staff in 14 worldwide locations across the United States, United Kingdom, the Netherlands, France, Hong Kong, India and Singapore. Visit [www.4Cinsights.com](http://www.4Cinsights.com) for more information.