

THE STATE OF PAID SOCIAL



2019



WHO IS HANAPIN MARKETING?



Hanapin is a digital marketing agency that focuses on paid advertising for complex businesses (multiple brands, regions, products and/or service lines). Through matchless results, unlimited innovation, sensible strategies, unique partnerships, proactive management and flexible service models, we grow businesses 251% faster in their first 12 months after hiring us.

Focusing on the success of our clients over the past 15 years has made us an Inc 5000 company. Since 2014, we've consecutively won Best Place to Work awards from Inc, Ad Age, and the State of Indiana over the last 7 years, and have grown 10x over the past 5 years.

We produce the popular industry blog, PPC Hero, and connect advertisers, agencies, and platforms at the world's largest PPC event, Hero Conf.

PPC HERO



ABOUT THE REPORT

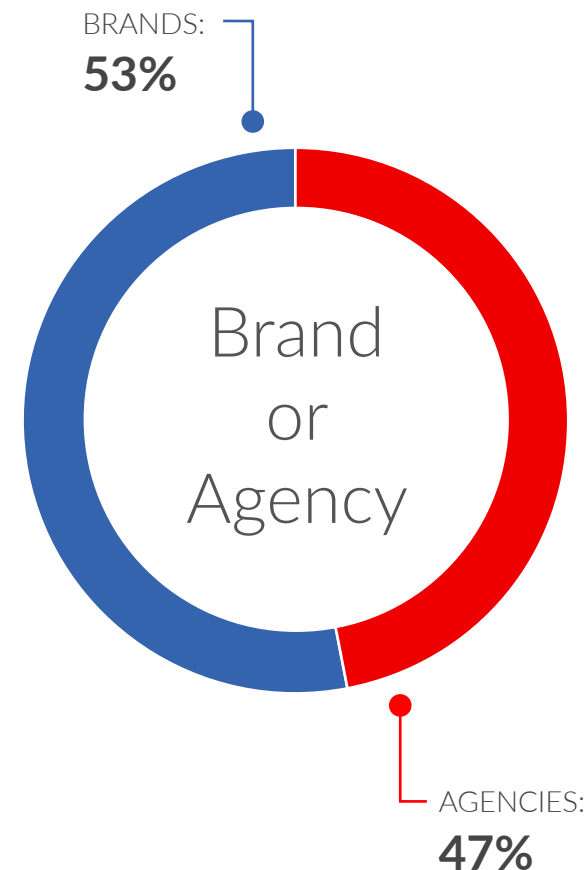
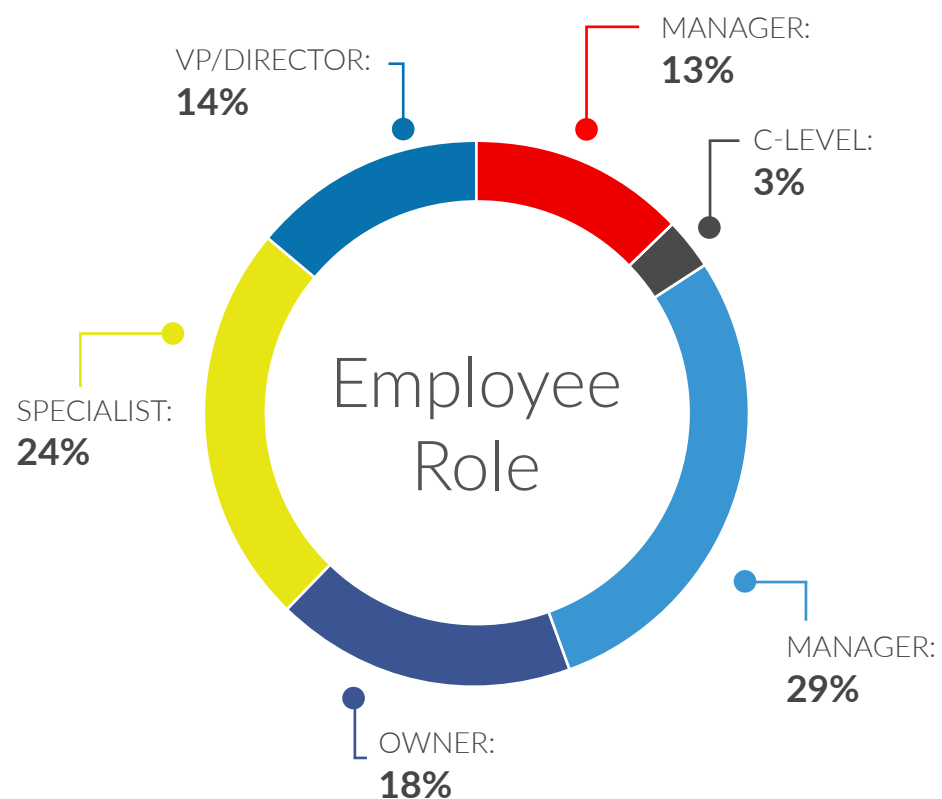


97%

**OF MARKETERS ARE
INVESTING IN SOCIAL
ADVERTISING, UP 10%
FROM LAST YEAR.**

- **New platforms such as Quora and Reddit** are securing themselves to be a part of the social race; they are releasing ad formats and optimization levers left and right.
- **Facebook spend is still #1**, but 26% of marketers plan to spend less in the channel in the coming year. Could YouTube and Instagram overthrow the social king?
- **Video ads and short-form story ads** are proving to be majorly successful in Instagram and YouTube, propelling them forward as some of the most effective social advertising platforms.

STUDY BREAKDOWN



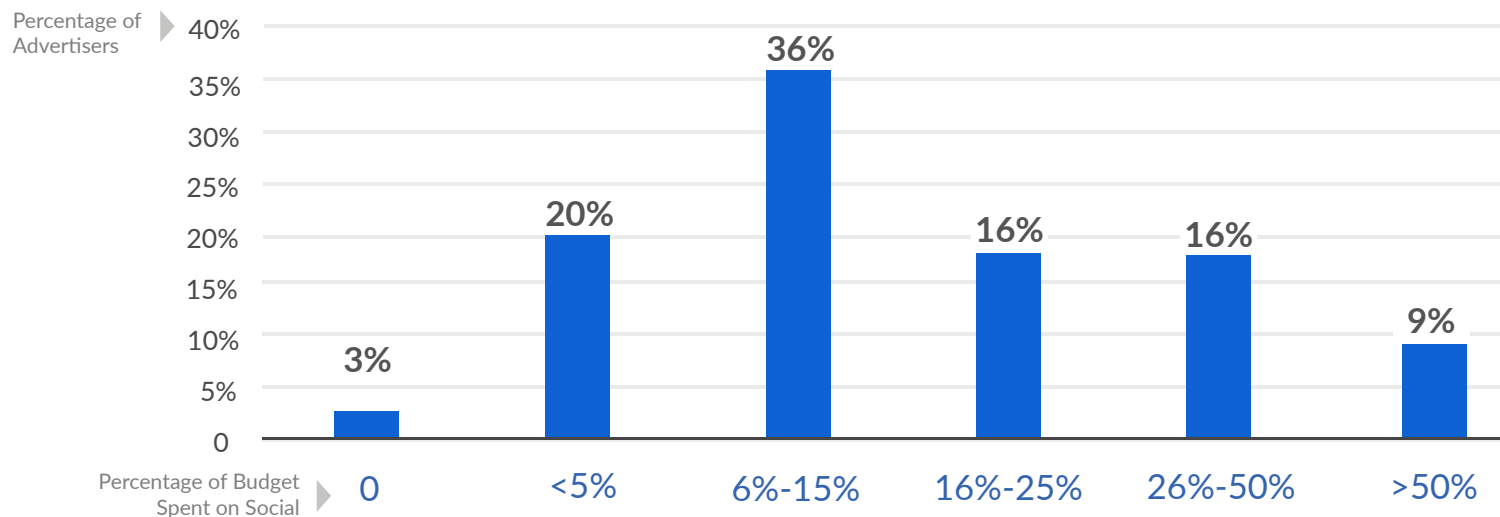
14 Different Verticals Represented

Retail | SaaS | Technology | Business Services | Finance | Travel and Tourism | Education | Health Care
Real Estate | Manufacturing | Insurance | Publishing | Consumer Services | Wellness and Fitness

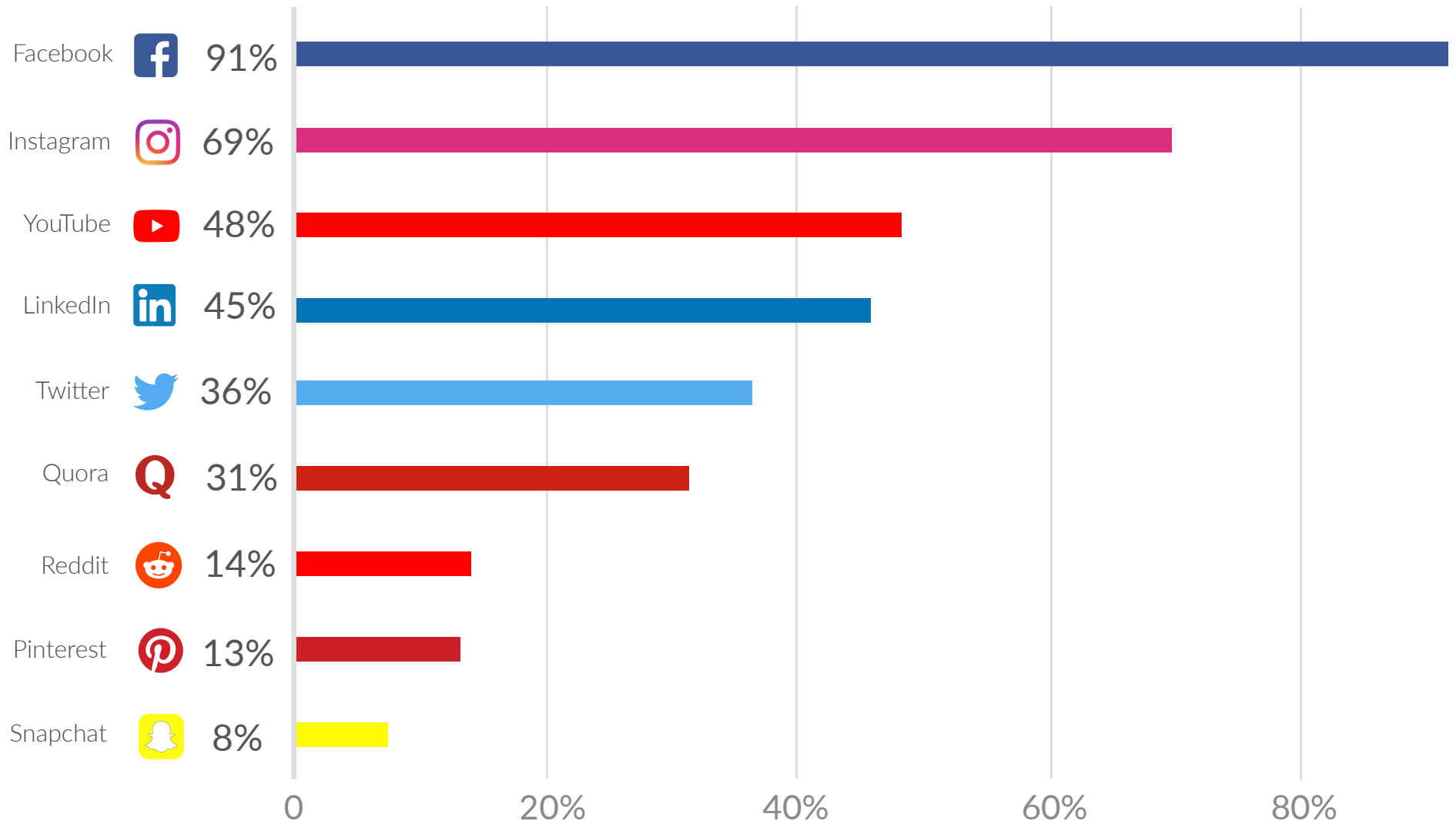
BUDGETING: HOW MUCH ARE MARKETERS SPENDING IN SOCIAL?

- **97% of all marketers are currently spending in social advertising, up 10% from last year.**
- Those who are spending more than half of their budget on social went up 3% in the last year.
- Marketers are most likely turning to social as CPCs in search continue to climb YoY. Since they can get more for their ad dollars in social, it makes sense for budget to be increasing.
- Additionally, those investing in YouTube, Instagram, and Quora are all up YoY as new targeting options and ad formats have been introduced.

Percentage of Budget Marketers are Spending in Social



BUDGETING: WHAT SOCIAL PLATFORMS ARE MARKETERS CURRENTLY INVESTING IN?



BUDGETING: WHAT SOCIAL PLATFORMS ARE MARKETERS CURRENTLY INVESTING IN?

 91%

 69%

 48%

 45%

 36%

 31%

 14%

 13%

 8%

◀ Previous page shows the full graph of which social platforms marketers are currently investing their budget.

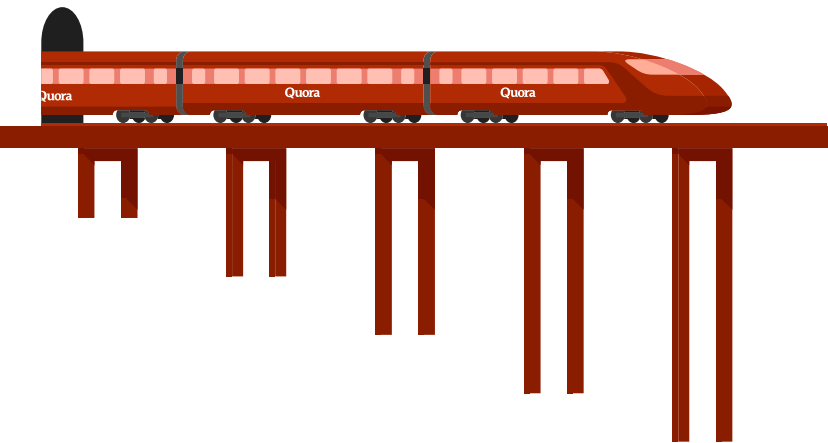
Even after some issues with Facebook's privacy, of those who reported to be investing in social, 3% more marketers (91%) are currently investing in Facebook YoY, making it consistently the most popular paid social platform.

Instagram still seems to be on a steady gain of popularity, with **20% more marketers** saying they are investing in the platform.

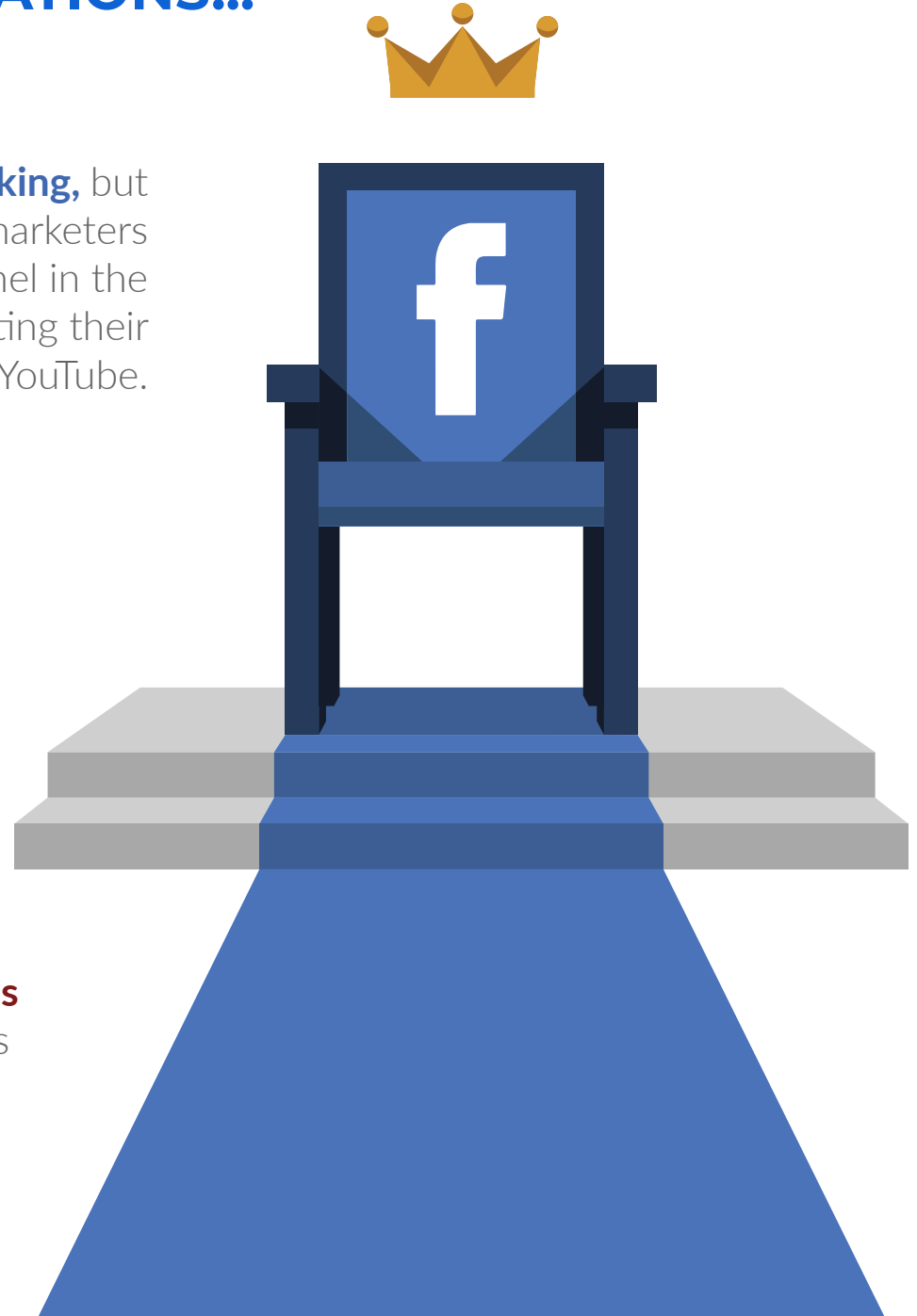
Last year, more marketers reported to be advertising in LinkedIn than YouTube, but 38% planned to spend more in YouTube in 2019. This proved to be true, as YouTube has since inched ahead. With 48% of marketers investing in YouTube this year amongst a more competitive video advertising space, we believe video continues to thrive and perform well for brands.

BUDGETING: SOME INTERESTING OBSERVATIONS...

Facebook seems to still reign as king, but might be on the decline? 26% of marketers plan to spend less in the channel in the next year, and appear to be investing their advertising dollars in Instagram and YouTube.



The number of marketers investing in Quora has grown nearly 4x since last year. The platform has rolled out 5 betas just in the last 8 months, and shows no sign of slowing down.

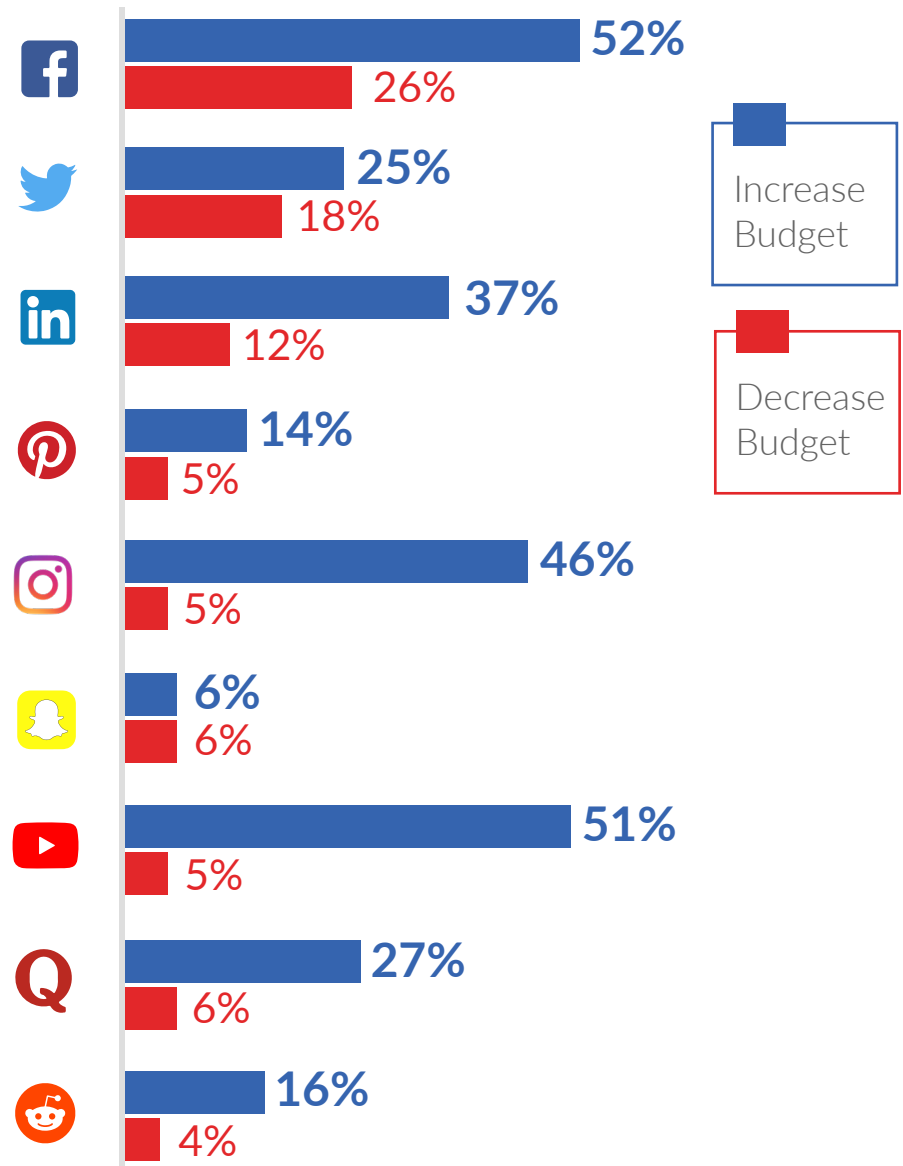


BUDGETING: HOW WILL MARKETERS CHANGE THEIR BUDGETS IN THE NEXT 12 MONTHS?

51% of marketers are planning to spend more in YouTube next year. With Google's recent moves to make the platform more direct response-focused, we can predict that those will increase adoption even further. For example, lead form ads in YouTube now allow you to generate leads from videos just like Facebook does.

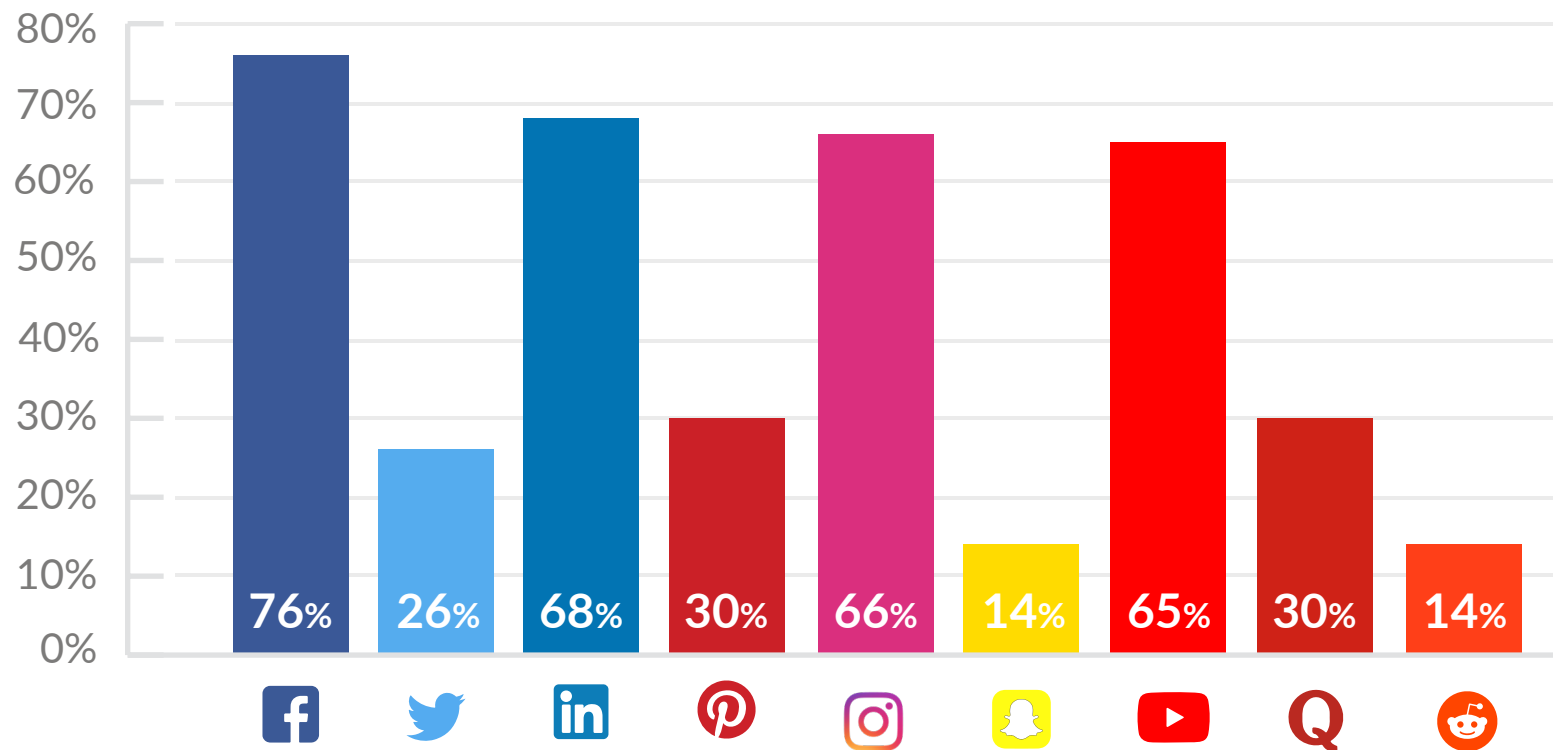
Also, look at that number on Quora - certainly an up-and-coming channel that you may want to consider. Last year only 9% of marketers planned to up their spend in Quora, but this year that number has tripled!

A bit surprising, but the percentage of advertisers increasing spend in Twitter has increased as well, from 18% to 25%. However, we also see 18% of brands planning to spend less in the platform.



WHAT SOCIAL PLATFORMS WILL AGENCIES PITCH TO THEIR CLIENTS IN THE NEXT 12 MONTHS?

It is clear which platforms agencies are finding to be worthy of pitching to their clients (Facebook, LinkedIn, Instagram, and YouTube) and those that aren't performing well enough (Twitter, Pinterest, Snapchat, Quora and Reddit). We should note though, that **almost double the amount of agencies reported that they would pitch Quora** to their clients. It used to be a bit more spread out, but this year's report is proving which channels are the front-runners of the social advertising industry.



WHICH SOCIAL PLATFORMS WORK FOR WHICH DEVICES?

MOST SUCCESSFUL ON DESKTOP



42%

(up from 32% last year)



22%

(down from 29% last year)



18%

MOST SUCCESSFUL ON MOBILE



76%

(up from 68% last year)



76%

(up from 63% last year)



60%



40%

(up from 30% last year)



16%

(up from 13% last year)



14%



FACEBOOK

52% of marketers plan to increase their spend in Facebook, which is lower than what we've seen in the past. Additionally, 26% report that they're lowering their Facebook budget for the next year. One thing we do know is that 30% of marketers plan to decrease their spend because of Facebook's scandals and privacy issues.

Last year, carousel ads were a popular format to use. But now, marketers are finding more success in video ads, lead ad forms, and dynamic product ads over carousel ads. Video appears to be working wonders for marketers everywhere. This may also be related to a shift in consumer expectations. Video is becoming more and more common organically on social platforms, beginning with Instagram videos and Facebook Live, and growing through Stories, Snaps, TikTok and Marco Polo. We are becoming conditioned to favor video as a means of communication and it is unsurprising that social media consumption would reflect that behavior.

MOST EFFECTIVE FEATURES

Single Image Ads
Video Ads

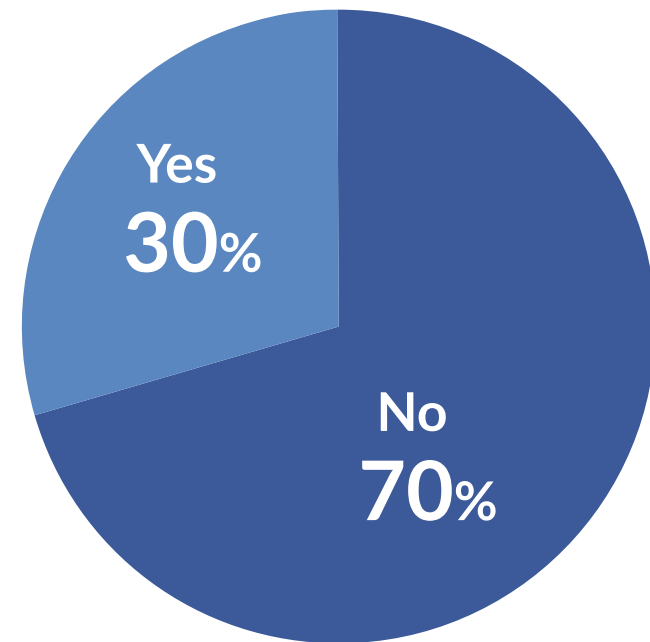
MOST SUCCESSFUL DEVICE

Mobile

PERCENT NOT ADVERTISING

8%

Have you decreased ad spend in Facebook because of its scandals and privacy issues?

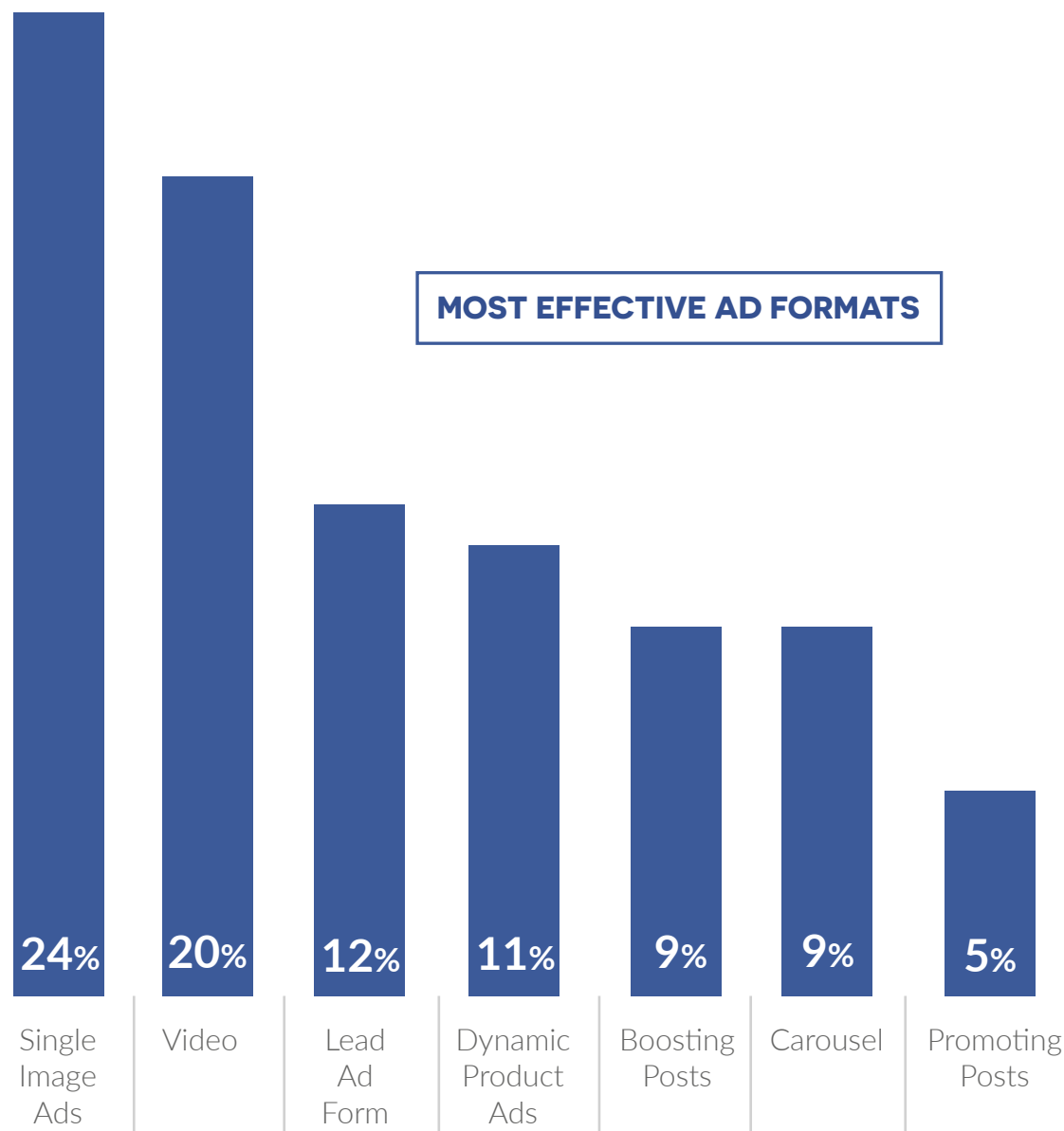




FACEBOOK (CONT.)

[According to Forbes](#), Standard Media Index's CEO James Fennessy stated, "Facebook's growth from national marketers is slowing, indicating that major brands are concerned with recent events there and are focusing on brand-safe environments." You may contribute the lower interest in Facebook Ads to their privacy scandal, but over 70% of marketers reported in this survey that they did not decrease ad spend in the platform due to the issues.

It may be, as also suggested by Forbes, that marketers are using their budget in faster-growing, less competitive areas of advertising, such as Amazon or Instagram. However, it doesn't mean that Facebook is dead. [According to Hootsuite](#), Facebook's revenue per user has doubled since 2015.



1% OR LESS RESPONDED WITH: GIF | App Installs | Slideshow



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By  hanapin marketing

Training for Digital Marketing Heroes

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*A constantly growing hub of educational videos,
including multiple paid social lessons.*



INSTAGRAM

Facebook reps have continued to push advertisers toward Automatic Placements (or at least, 4+ placements/ad set), which most frequently includes at least one or two Instagram placements. The ability to customize ads for Instagram has been developing for quite a while but, until recently, only permitted alternate imagery or video. Now, advertisers can edit the ad text for Instagram and Audience Network placements, including stories, making it much easier to craft an ad that looks great and adapts well to various potential placements.

In last year's report, we predicted that Story Ads would be the next big thing on Instagram. Sure enough, they have officially become more effective than Carousel Ads and might even surpass Video Ads come next year, according to our survey results. It's not a huge surprise, as users today are loving the short form video style and ads fit right in as native content. With the right creative and an approachable strategy, Story Ads could be the way to go.

Retailers everywhere can look forward to future opportunities, as **Instagram is currently beta testing an in-app checkout**, which will allow influencers to tag the products they feature or wear. What a way to increase reach and improve user experience! Removing obstacles from purchase is always a plus. Instagram has been growing very quickly, and offering opportunities for advertisers of every vertical to find success.

MOST EFFECTIVE FEATURE

Photo Ads

MOST SUCCESSFUL DEVICE

Mobile

NEW FEATURES TO WATCH

In-app Checkout
Product Tagging
Asset Customization
(Including ad text)

PERCENT NOT ADVERTISING

29%

MOST EFFECTIVE AD FORMATS

29% Photo Ads

Video Ads

17%

Stories Ads

16%

Carousel Ads

8%



50% of brands plan to spend more in YouTube in 2019 - which is on track with the rise of video. One of the most attractive parts about YouTube Ads is that most of the ad formats are low risk, high reward. A skipped ad can still boost engagement, and there are a lot of ad formats to help you measure the right goals.

Like other video ad platforms, the key to YouTube is hooking your audience with engaging and relevant content. You have 6 seconds to determine whether someone will continue to watch your ad. Showcase your product and how it works. You don't have to just capture the value of your product in a single image. [According to Hootsuite](#), 80% of shoppers watch YouTube videos to research products before purchasing.

While you can easily just show your product and what it does, storytelling is the new hook. Tell a story - feature a customer with your product, how it has impacted someone, or the potential impacts your product could have. Allow the viewer to put themselves in that video and imagine themselves using your product. Like flying to a magical destination using your airline or walking through the streets of your university. The more your ad tells a story, the more likely a viewer is to recall your brand and consider you when it comes time to purchase.

MOST EFFECTIVE FEATURE

Pre-roll (skippable) Video Ads

MOST SUCCESSFUL DEVICE

Mobile

NEW FEATURES TO WATCH

YouTube for Action
Ad Sequencing

PERCENT NOT ADVERTISING

47%

MOST EFFECTIVE AD FORMATS

29% Pre-roll (Skippable)
Video Ads

Display Ads **10%**

Non-skippable Video Ads **7%**

Bumper Ads **3%**

Overlay Ads **3%**

1% OR LESS RESPONDED WITH:

Skippable Video Ads | Sponsored Cards



LINKEDIN

73% of agencies reported that their clients are investing in the platform, up 20% from last year. LinkedIn has increasingly been improving their ad formats and targeting options to broaden the opportunities, so it's no wonder more and more people are hopping on the platform.

In March and April of this year, LinkedIn announced some great new features for targeting and lead gen: Interest Targeting, Lookalike Audiences, and an increase in fields on lead gen forms. With these new features, marketers can easily narrow down audiences and find better performance from their ads. Lead Gen forms are a win-win for the advertiser and the user, as their information is automatically filled in. And now with more fields, you can discover even more about your potential prospects.

LinkedIn also seems to be focusing more on advertiser experience this year than in years past. They revamped the LinkedIn Campaign Manager, which (although it was met with frustration and resistance from some users) more closely mirrors the old Facebook Ads Manager and adds a level of familiarity for new users. LinkedIn has also been providing numerous educational opportunities, in the form of webinars and help sheets/blog posts, that shine a light on new features and encourage wider adoption. As LinkedIn pays more attention to the needs and priorities of their advertisers, the ad platform offerings are becoming more appealing to both agencies and brands in consideration.

MOST EFFECTIVE FEATURE

Sponsored Posts

MOST SUCCESSFUL DEVICE

Desktop

NEW FEATURES TO WATCH

Extended Lead Gen Forms
Lookalike Audiences
Audience Templates

PERCENT NOT ADVERTISING

Brands: 55% Agencies: 27%

MOST EFFECTIVE AD FORMATS

29% Sponsored Posts

Lead Gen Ads **19%**

Sponsored InMail Ads **5%**

Text Ads **4%**

1% RESPONDED WITH: Dynamic Ads



Advertisers investing in Twitter have gone up just slightly from last year's 32% - 34% are now investing in the platform. By the look of their new features, it is clear Twitter is redesigning their platform with purpose. [According to AdEspresso](#), "...they're specifically making changes to reduce some of the noise, generate real interaction, and hopefully drastically improve the user experience."

It does reflect in that the number of marketers reported to invest in Twitter Ads has slightly increased in the last year. AdEspresso also pointed out, "Many brands are still seeing a great deal of value in Twitter advertising, and as more brands flock to other channels and abandon Twitter, the lower the competition will be."

However, the increase in Twitter investment could be a result of more and more marketers simply increasing the number of their paid social platforms generally and diversifying their investment. That is, it may not be that Twitter is more appealing than Pinterest or Quora or LinkedIn, but rather that advertisers are looking to spread their ad dollars across a wider variety of social platforms to mitigate the risk of a sudden deterioration from a giant like Facebook. It's a smart strategy, but also means that CPCs and competition among some of the notoriously "smaller" players may begin to increase in the coming years. As always, marketers who adopt earlier on will have the advantage of cheaper inventory before the boom really hits.

MOST EFFECTIVE FEATURES

Website Cards
Single Image Tweets + GIFs

MOST SUCCESSFUL DEVICE

Mobile

NEW FEATURES TO WATCH

Stories-like Camera

PERCENT NOT ADVERTISING

66%

MOST EFFECTIVE AD FORMATS

10% Image Website Card

10% Single Image Tweets+GIFs

Promoted Video 7%

Plain Text Tweet 5%

1% OR LESS RESPONDED WITH:

Image App Card (App Installs)
Video App Card
Conversational Ads
Multi-image Tweets



88% of advertisers are not currently advertising on Pinterest compared to 91% in 2018. Pinterest continues to grow, and user engagement is skyrocketing as the platform listens to its users and is constantly improving. Especially if you're in the ecommerce business, Pinterest is a great platform to visually represent your content and stand out among your competitors.

Advertisers can also rejoice since Pinterest continues to enhance the interface for ads to make your life easier, enabling targeting options that rival the competing platforms (Facebook, Instagram, Twitter, etc).

This is probably why 30% of agencies plan to pitch Pinterest to their clients in the next year. With little competition, a native landscape, and easy user interface, the channel can bring in serious results, especially for ecommerce brands.

MOST EFFECTIVE FEATURE

Promoted Pins

MOST SUCCESSFUL DEVICE

Mobile

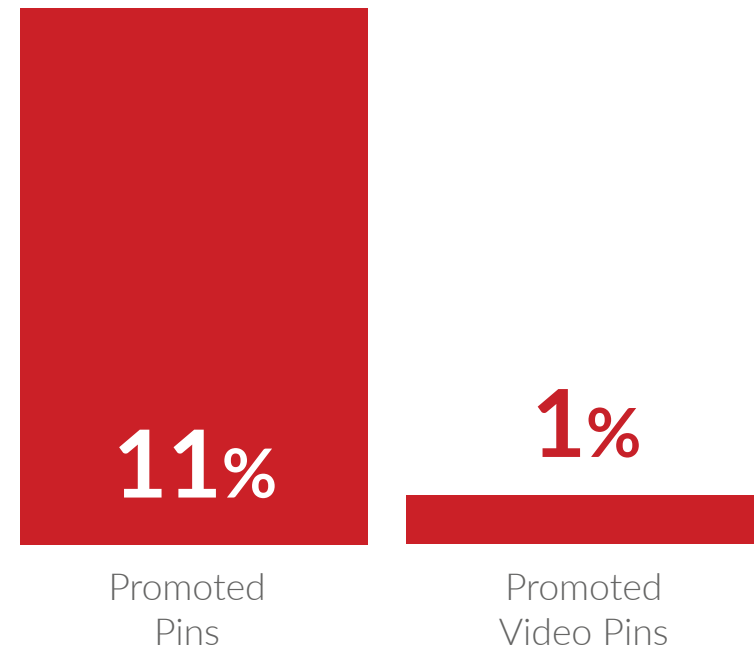
NEW FEATURE TO WATCH

Shopping Feed

PERCENT NOT ADVERTISING

88%

MOST EFFECTIVE AD FORMATS





5% of agencies reported that their clients advertise on Quora, and 31% of brands reported to invest in the platform. Just last year, only 6% of marketers reported to be advertising on Quora. Quora was predicted in last year's report to be an up and coming platform for advertising, and it sure has proven itself. We saw a huge lift in marketers investing in the channel since last year, and Quora continues to come out with new features and optimizations that keep drawing marketers in.

For example, now you can add up to ten custom conversions once you have the base Quora pixel installed, instead of being limited to the generic conversion event. Additionally, you can now target specific keywords, which opens doors for niche verticals and industries that might be having trouble finding topics with regular traffic. Not bad for a new guy, right?

The new [Quora QuickStart](#) program is also designed to help advertisers get started with the platform. Advertisers can get help from a Quora account manager during their first 45 days on the platform, who will provide advice about potential optimization and growth opportunities. They also have a library of resources for targeting options and strategies for different types of business. The company is doing a great job to reduce friction for advertisers considering expansion into Quora Ads.

No doubt we will see more great things coming from this platform in the coming year. Jump on the wagon now, while competition and costs are low.

MOST EFFECTIVE FEATURE

Text Ads & Image Ads

MOST SUCCESSFUL DEVICE

Desktop

NEW FEATURE TO WATCH

Keyword Targeting
Custom Conversions
GTM Integration

PERCENT NOT ADVERTISING

65%

MOST EFFECTIVE AD FORMATS

16% Text Ads

14% Image Ads

Promoted Answers **7%**



Reddit is another newcomer to the advertiser space, but like Quora, may be one you need to invest in now before it gets overcrowded. The best part of this platform is that Reddit users (an audience of 330 million monthly active users) are a highly passionate and engaged group who value authenticity and can be influential across the digital world. In terms of average use and engagement, the platform places above Twitter, LinkedIn, Snapchat, and Pinterest. While current ad formats are limited to Promoted Posts, you can still use those posts to [target your audience](#), [tell your story](#), and [measure success](#).

In February, Reddit launched CPC ads in addition to CPM and CPV. The new ad type comes with [four campaign objectives: reach, video views, traffic, and conversions](#). This new feature allows marketers to better attribute their ad spend to appropriate KPIs. [According to ImpactBnd](#), “The company also announced plans to roll out several additional offerings that include enhancements to ad targeting, reporting, and campaign management tools.” We plan to see more ad developments coming from Reddit in the coming year so stay tuned for those!

MOST EFFECTIVE FEATURE

Promoted Posts (18% Responded)

MOST SUCCESSFUL DEVICE

Desktop & Mobile

NEW FEATURE TO WATCH

CPC Ads

PERCENT NOT ADVERTISING

82%



14% OF BRANDS AND 6% OF AGENCIES REPORTED THAT THEIR CLIENTS ARE ADVERTISING ON REDDIT



SNAPCHAT

For a while, marketers may have pronounced Snapchat dead. But as our survey results show, the number of advertisers investing in the channel actually slightly increased since last year. Additionally, only 6% of marketers plan to spend less in Snapchat for next year. So is the platform dead? No, but there is a very specific approach you must take.

Firstly, know that the Snapchat audience is young: 71% of its users are under 24 and 45% are in the ages of 18-24. So if your target audience falls in this bracket, the channel may be worth advertising on. If not, you will probably have more success elsewhere.

If you're going to advertise on Snapchat, you have to have compelling creative. Give your audience a reason to follow you and latch onto your brand. This doesn't mean duplicating content from Instagram or Facebook stories, or salesy-looking product photos. Give your followers an exclusive experience. Since Snapchat is such a personal platform, show the behind-the-scenes of your brand. Allow them to connect with you beyond your products.

You can even create an interactive experience with AR lenses, which are basically Snap filters that your audience can interact with. Get creative - as your competitors flock to other channels you may stand out in Snapchat.

MOST EFFECTIVE FEATURE

Snap Ads

MOST SUCCESSFUL DEVICE

Mobile

NEW FEATURE TO WATCH

Collection Ads

PERCENT NOT ADVERTISING

82%

MOST EFFECTIVE AD FORMATS

8% Snap Ads

Story Ads **2%**

Filters **1%**

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CONTENT CREATION A BIG CHALLENGE FOR MARKETERS

While there could be a number of obstacles preventing marketers from succeeding in the social realm, **41% of marketers reported that content creation is the main challenge holding them back - that number has nearly doubled since last year's report.** When we asked what marketers wished they were better at - no surprise - the overwhelming majority answered “content creation”.

Budget came in as a major obstacle as well, with time right behind it. People in the marketing industry are busy bees - this came to be no surprise. Leadership buy-in also increased 3% since last year's report.

41% Content Creation

Budget **21%**

Time **19%**

Buy-in from Leadership **12%**

Lack of Knowledge **3%**

Staffing **3%**

Approval Language **1%**

THE NEXT BIG THING IN SOCIAL

Social marketers are STILL saying Video Ads will dominate the social space.

Last year, we reported that marketers predicted video to be the next big thing in social for 2018-2019. They were right, and it doesn't seem to be changing for the coming year. As video ads become more targeting optimized, marketers improve their creative, and creative gets easier and easier to create, it will be increasingly important to be innovative and authentic with your video. Show your audience what they've never seen before. Tell the story of your brand, and pull them in.



SUMMARY

YOUR COMPETITORS ARE CONTINUING TO INCREASE THEIR SOCIAL BUDGET.

While YouTube, Instagram, and Facebook are proving to bring advertisers much success with their innovative ad formats, don't be afraid to try out the new platforms (Reddit and Quora). You could be the trailblazer for your industry, and build a loyal following and brand recognition before your competitors even realize what they're missing.



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Learn more about how social strategies could be beneficial to you by checking out these case studies:



How We Decreased Average Cost Per Lead by 75% for a Data Security Company Using Facebook Lead Ads



How Readers.com Increased eCommerce Pinterest Revenue by 1042%



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