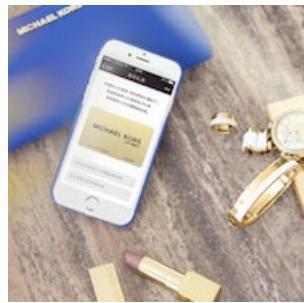


RESEARCH

Instagram proper channel for interaction, Facebook for reach: L2

December 24, 2015



Michael Kors WeChat platform

By FORREST CARDAMENIS

Media advertising spend increased 43 percent on videos and nearly as much on social media, far outpacing all other channels, according to a new report by L2.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

Spend on search, the third biggest year-on-year grower, was a comparatively minor 12.7 percent. The shift indicates the enormous influence of social media and related materials in determining consumer behavior and the willingness of brands to adjust to what recently seemed like a strange new terrain.

"The media landscape, specifically spending, is shifting," said Claude de Jocas, Intelligence Group director at L2. "Video and social media are growing at an enormous clip worldwide, whereas traditional channels continue to be either flat or in decline, with print as the perennial whipping boy. Even search and display are starting to level off."

"[Social Platforms Intelligence Report 2015](#)" looks at the spending of 442 brands across numerous sectors to reveal data that will help make better social media investments.

Active socializing

Among the most significant changes in the social media landscape is the rise of Instagram. The platform now accounts for 35 percent of social media interactions, second only to YouTube's 59 percent. Facebook has a mere 6 percent and Twitter accounts for a minuscule half-a-percent.

In terms of usage and therefore impressions, potentially Facebook leads the pack, with some individual days crossing the threshold of one billion users. Given Facebook's recent shift to a pay-to-play platform that makes extensive use of paid promotions, the potential reach is enormous.

Brands must be sure to look beyond the standard United States-based platforms. While WeChat ranks only ninth among social platforms by usage, it has become a social commerce platform of a caliber that Facebook has tried, but so far, only failed to do.



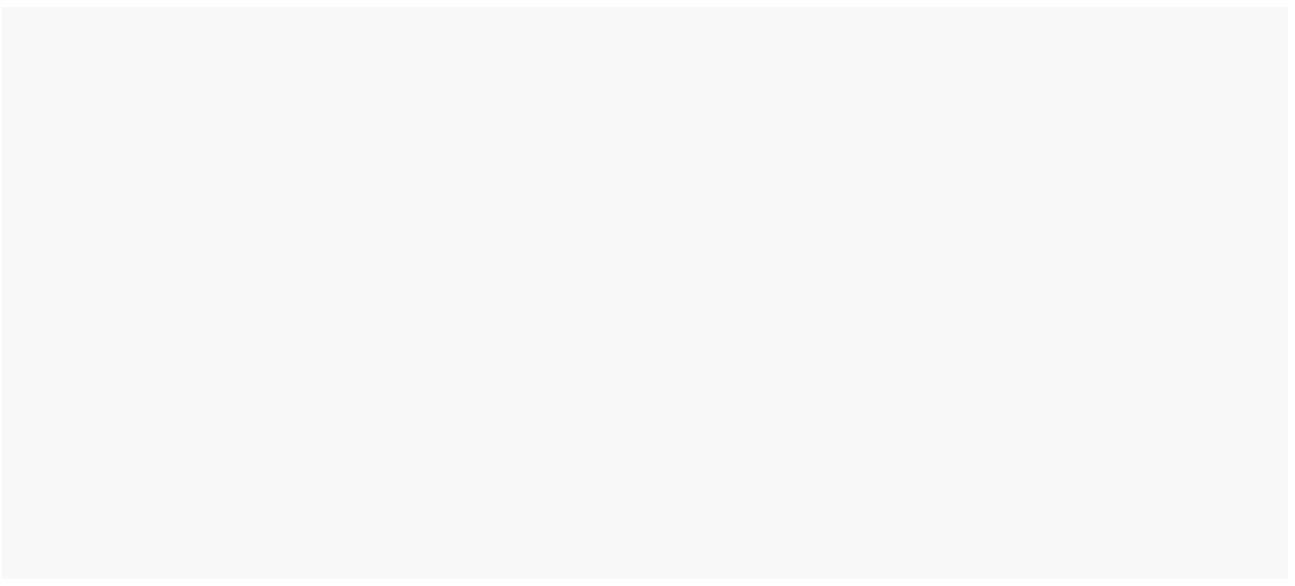
Estee Lauder Facebook promotion

Half of brands included in the study are on WeChat, but given the success and prominence of the mobile application, it represents an opportunity for brands with business aspirations in China who are not yet on the app. One-sixth of the audience accesses the platform an astonishing 50+ times per day. It has also become a hub for product reviews, promotes ecommerce enabled brand accounts and is optimized for transactions.

With Facebook, measurements of reach have subsumed the importance of interaction through comments or shares. Interaction has dropped and brands are posting less frequently, but posts are getting more likes and more impressions as videos and posts are promoted through paid advertisement. Accordingly, media dollars in Facebook have jumped.

Instagram, on the other hand, is a platform for more frequent posting and organic reach, supplemented by shares rather than ad spend. Unlike Facebook, Instagram still puts every post into a follower's news feed, meaning saturating the feed has obvious rewards with regards to visibility. Furthermore, posting more frequently has not curtailed engagement; consumers' activity suggests they are not fatigued but rather delighted to see brands they follow posting more often.

Facebook has also emerged as a hub for videos. On Facebook, a view is registered after only 3 seconds, or 10 seconds if promoted. On YouTube, viewers must make it through an ad and 30 seconds of the video for a view to be registered, thereby resulting in comparatively tame numbers.



The vintage-inspired Champion FC Blouson pc: @leonardotaiwo #Belstaff

A photo posted by Belstaff (@belstaff) on Dec 18, 2015 at 10:07am PST

Despite the increase in ad spend for videos, insufficient funds is still the second biggest detraction from video marketing, with 41 percent identifying it as an obstacle. Only creating compelling content, at 46 percent, was seen as a larger obstacle. Other issues cited include the difficulty of attributing a return on investment, a lack of resources and the absence of a proven strategy.

Among new platforms, brands have taken to Snapchat. The platform's value jumped from 3 billion to 19 billion in just 19 months and is dominated by consumers aged 18-24. Thirty-seven percent fall within that age range, and an additional 23 percent are between 25 and 34.

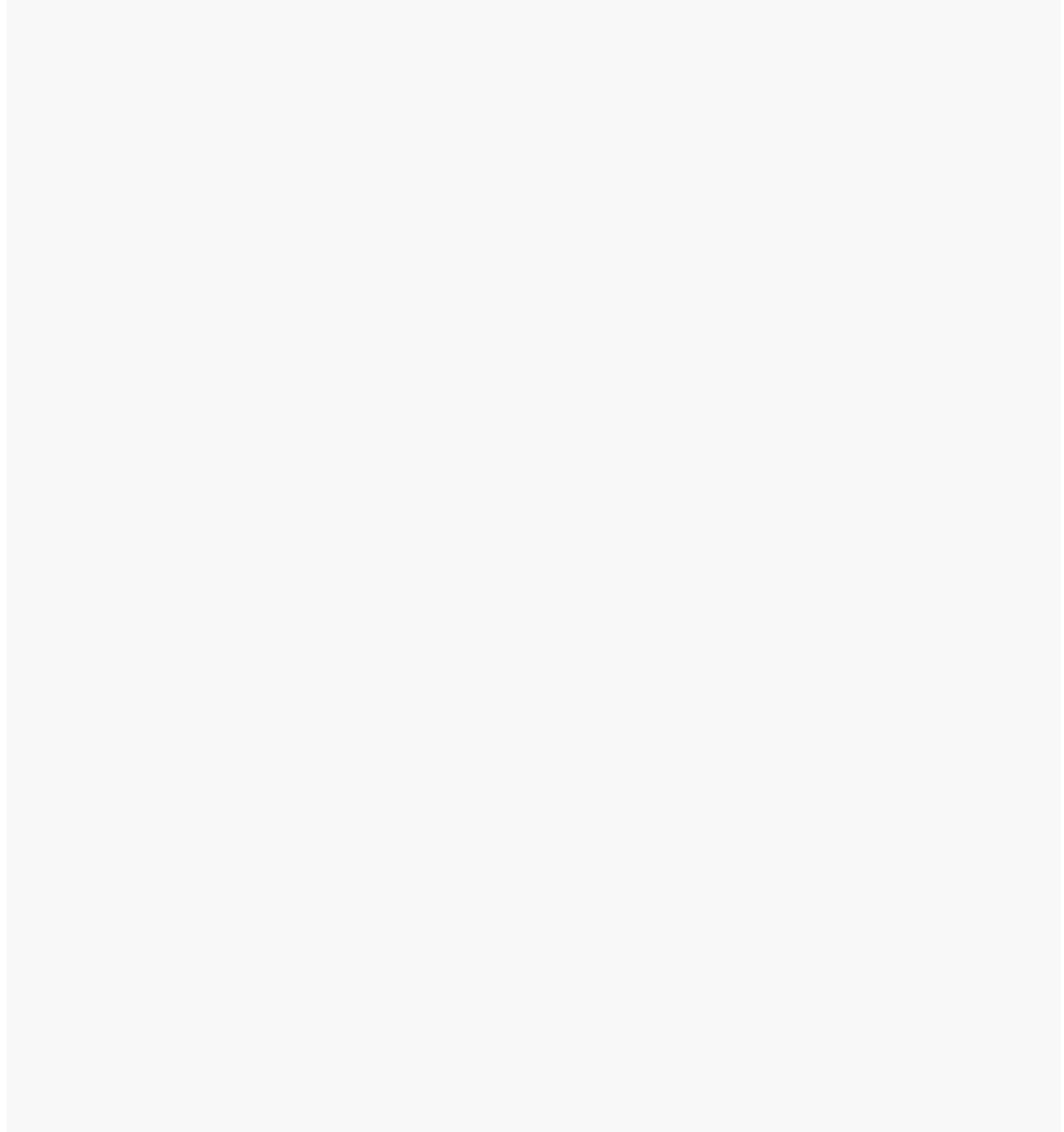
Each platform is discussed in fuller detail in the report. Also included are Twitter, Pinterest, Merrkat and Periscope, Youku, Sina Weibo, Messaging, Kakaotalk/Story and Line, as well as "Flash of Genius" sections detailing platform-specific initiatives by Valentino and Burberry, among others.

Going viral

Although videos and social media continue to grow both among brands and consumers, organic reach is not sufficient for getting a message out there. Essentially, marketers must realize that a "viral video" is a myth and paid support is necessary for a video's success. Brands with YouTube channels boasting above-average view counts use TrueView In-Stream to attract 85 percent of views and that average YouTube channels source more than half through advertising.

According to a recent report by L2, video bloggers in the beauty space generate more than 700 million views on YouTube per month, showing the value of filmed content.

These influencers now have more clout with younger consumers than most mainstream celebrities due to the authentic and approachable format video blogging allows, making collaborative partnerships with revered video bloggers worthwhile for beauty marketers. The L2 "Intelligence Report: Video 2015" also found that posts from popular video bloggers achieve two times the number of views as the monthly circulations of top magazines targeting the same demographic ([see story](#)).



A photo posted by Marc Jacobs (@marcjacobs) on Dec 18, 2015 at 10:07am PST

Although luxury consumers are usually not in their 20s or early 30s, it is still important for luxury brands to reach those consumers. The proliferation of advertising means that whoever can first cultivate desire and establish a relationship stands to be the first and largest beneficiary of the young consumers who do accrue wealth and become luxury consumers.

Social media has opened the world up for millennials and for the first time has allowed luxury brands to directly interact with tomorrow's affluent consumers.

During Luxury Interactive 2015's panel "Millennial Marketing Tapping Into the Social-Obsessed Segment" on Oct. 15, executives from brands not typically associated with the millennial consumer discussed the importance of reaching out to this demographic while they are young to establish a connection and cement a bond that will mature as they age. Social media has emerged as the driving force behind these connections as various platforms allow the creativity and personalities of millennial consumers to flourish as they share and embrace their interests and passions ([see story](#)).

"Social platforms have recognized the risk of becoming disintermediated middlemen between content creators and

consumers," Ms. de Jocas said. "Platforms have made a preemptive strike, getting into the content game with products including Facebook's Instant Article, Twitter's Moments and Snapchat's Discovery.

"These products have prioritized partnerships with traditional editorial houses, further crowding out overtly promotional brand ads in social streams," she said. "Brands will be forced to develop premium social content strategies or risk irrelevance in newsfeed algorithms."

Final Take

Forrest Cardamenis, editorial assistant on Luxury Daily, New York

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.