

MOBILE

## How to allocate social media budgets as options grow

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*Social media advertising options proliferate*

By CHANTAL TODE

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Social media advertising is expected to grow 30 percent or more this year as measurability improves and as the number of important platforms and types of units widens, challenging marketers when it comes to deciding where to allocate spend.

Facebook still commands social media ad budgets for most marketers, but as Pinterest, Instagram and Snapchat prove their worth, they are grabbing a bigger share. The key for marketers is to look at social media holistically and determine which platforms and types of units best meet individual goals.

"Social advertising has come a long way in the last few years," said David Zelniker, product manager for **Kenshoo**. "Originally thought of only as a brand play, social publishers have been releasing more and more direct response focused ad units.

"As many social publishers now offer full funnel solutions, budgets will continue to increase," he said. "Some advertisers have used the increased efficacy of social advertising to combine their search, social and display efforts to have a wide portfolio of ad placements while others, specifically in the gaming and pure play app space, have used social on its own to drive growth for their business."

### A burgeoning ecosystem

Not too long ago, the advertising options on social media limited. With strong initial results, this is quickly changing, creating a virtuous cycle where spend is growing and services are increasing, attracting even bigger budgets.

A growing number of social media platforms offer comprehensive ad programs, growing scale and unique audiences or use cases.

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With 8 billion video views per day, Snapchat is gaining market share quickly and advertisers are taking notice ([see story](#)).

While Twitter's scale is limited, it is investing heavily in Periscope to take advantage of the trend for social video.

Pinterest, after 18 months of beta testing ads, recently opened advertising to all small and midsize companies.

Instagram continues to beef up its advertising offerings, benefitting from parent Facebook's experience and expertise.

## Testing the waters

Savvy marketers should be testing multiple platforms to see what works best for them.

"Advertisers should not feel the need to test the same initiatives at the same time across all social platforms," said Brad O'Brien, senior director of social and native at [3Q Digital](#). "Fine tune performance on Facebook, and then take those learnings onto other channels like Twitter.

"Typically, Twitter can produce results in the same ballpark as Facebook, but we find it to lack in scale," he said.

"Facebook will likely remain most advertiser's bulk of spend, but other platforms can be good supplementary ROI drivers. Be open to testing other platforms, but temper expectations, and let performance drive the investment you put into other platforms."

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## An overall strategy

Marketers should keep in mind the differences between platforms.

However, it is also important to have an overall social media strategy

"The thing to pay attention to is publishers shouldn't be thought about in silos," Kenshoo's Mr. Zelniker said. "Any strategy developed should take advantage of what each publisher does best.

"It is important to take a comprehensive approach and make sure whatever investments advertisers make are in support of one another as opposed to hurting efforts on other publishers or channels," he said.

With a variety of different ad units available, marketers need to have a clear understanding of their goals for every campaign.

For example, Carousel ads on Instagram and Facebook offering units that let consumers scroll through multiple frames for a storytelling ad experience ([see story](#)).

Facebook's Canvas platform makes it easy for marketers to create interactive mobile ads using video, images and call-to-action buttons ([see story](#)).

"Budgets are being shifted away from Facebook and other new channels on a case by case basis," said Shane Ragiel, social media marketing manager and social lead for Chacka Marketing.

"Similarly, budget changes from one ad unit within Facebook to another, like Lead Ads or Canvas Ads, are also occurring on a need and performance basis," he said.

"It is unfair to measure all social channels with the same expectations, as each has a variety of users who interact with ads differently. That being said, it is not unfair to ensure that a channel's ad unit offerings and user base aligns with an advertiser's needs."

## Shifting budgets

Marketers are betting on social media to acquire new customers, drive conversions and maintain retention and loyalty.

While each platform may perform differently for different brands, budgets overall are growing and are expected to continue to do so this year.

"It's really a mix at this point for where marketers are shifting budgets in the social space," 3Q Digital's Mr. O'Brien said. "Some have grown tired of poor results from Twitter and have shifted more dollars back into Facebook.

"Others in the B2C space have found success on Pinterest, and are moving dollars from Facebook to Pinterest," he said. "B2B advertisers are generally still frustrated with LinkedIn's high costs per click and lack of conversion tracking.

"While improvements to LinkedIn's ad platform are imminent, Facebook has simultaneously been adding products like Lead Ads which are attracting B2B advertisers."

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