

SOFTWARE AND TECHNOLOGY

Social media advertising growing at 20pc per year: report

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Image courtesy of Lancme

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Much has been said about the precipitous decline of the newspaper industry, but perhaps nothing indicates a more grave state than the projection that social media will take over the medium in advertising spend in four years.

The findings come as a part of a study undertaken by Publicis Media property Zenith, and the trajectory outlined will be of use to marketers and media buyers interested in the future of both platforms. The findings on newspapers should not be taken as an omen, however: since the presidential election, the public's desire for fact-based journalism may prove a boon for a sector sorely in need of one.

"Shifts in advertising spending from newspapers to other channels is not a new phenomenon; it has been occurring for years with a devastating effect not just on the newspaper industry, but on society as a whole," said Michael Becker, managing partner at [mCordis](#). "The newspaper industry did not react fast enough to the rise of the digital; they should have adjusted their business models accordingly.

"As a consequence, newspapers have had to find ways to cut costs, at all costs; not only have we seen a decline in the print newspaper, we've seen an increase in digital pay walls, a decline in investments into in-depth journalism and fact-based news, and an increase in fake news and echo-chambers. It is hard for people to get a balanced perspective today, it takes a lot of extra effort to find one's truth."

Social spend

According to the report, social media advertising spend is increasing at an astounding 20 percent a year. As even the most entrenched marketers are increasingly left with no other choice but to take the platform seriously, shrewd campaigns that take advantage of the unique accidents of social media abound.

For example, Bud Light recently ported their popular promotion surrounding the Super Bowl to social media, crafting a socially-powered hidden treasure hunt reminiscent of Road Dahl's Willy Wonka and the Chocolate Factory ([see story](#)).

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"A good adage to follow in marketing is follow the audience," Mr. Becker said. "Marketers, to succeed, must go where their audience is, and increasingly a brand marketer's audience is found in one or more social media environments.

"More and more individuals are using social media, not just to interact with their friends, but to discover news, explore products and be entertained. According to a recent Pew Research Center and the Knight Foundation as many as 62% of U.S. adults access news through social media, so it is no surprise that astute brand marketers are shifting their spending to social media."

Outlook

According to Zenith's study, 2019 will be the year to watch: that will be when, if spending continues to track according to current trends, the social platform will almost reach newspapers in terms of spending \$50.2 billion on the former against \$50.7 billion still in newspapers.

Zenith's findings come on the heels of a report confirming the power of social media as a starting and ending point for brands, which found that 50 percent of millennial and Generation Z shoppers use social media while they shop ([see story](#)).

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"Comparing the effectiveness of social media advertising to newspaper advertising is not a simple exercise; both channels can be extremely effective and or ineffective due to variables like costs, reach, potential engagement and measurement," Mr. Becker said. "It is important for marketers to realize that all advertising is going through a necessary metamorphosis.

"As marketers evolve from marketing to the segment or persona to marketing to the individual in a connected world, the rules and social norms are changing. Advertising will always have its place in marketing, but how marketers create value for people, not from them, on the individual's terms will significantly change the future for all forms of marketing, not just advertising."

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