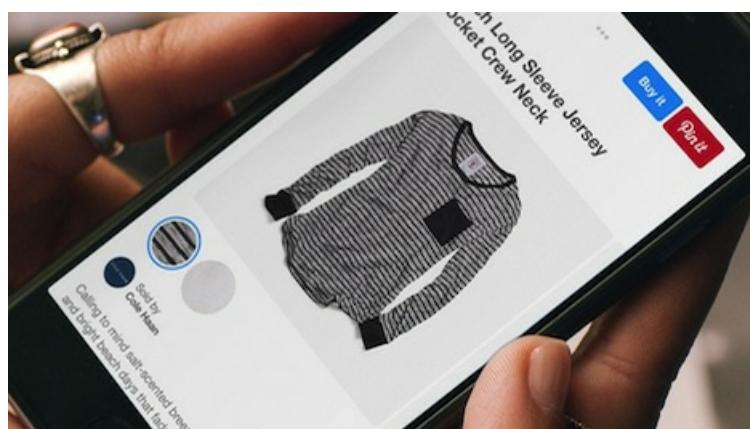


MARKETING

## Social spend, paid search grow as mobile purchasing becomes commonplace

September 10, 2018



*Social media is influencing purchasing decisions*

By BRIELLE JAEKEL

As paid social investment continues to grow up to 40 percent year-over-year, luxury audiences are more likely to be reached on LinkedIn as the networking platform beefs up its advertising capabilities.

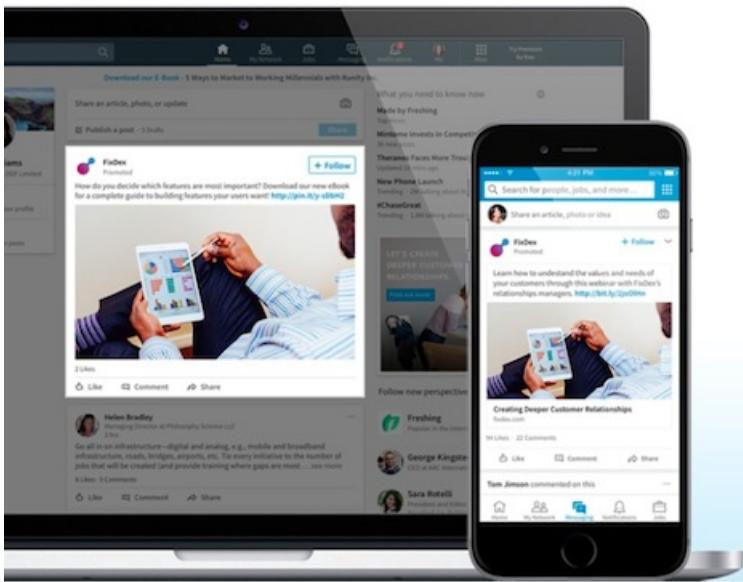
Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 [Save \\$246 ▶](#)

LinkedIn is proving to foster a highly engaged audience for the B2B and luxury crowd, causing it to see the most significant spend increase of paid social platforms. In terms of paid search, Google continues to dominate but Bing has seen an increase in market share, according to new reports from iProspect.

"Conversion rate is significantly up 37 percent year-over-year and investment in conversion-objective campaigns is up 60 percent year-over-year as advertisers continue to see the value of direct response-focused campaigns on Facebook, Inc.," said Drew Stoga, associate director of paid social at [iProspect](#). "As paid social continues to prove that it can sustain strong, efficient performance for advertisers in a wide variety of verticals, investment in the channel continues to increase up 40 percent year-over-year."

### Search and social

The business networking application, LinkedIn, has seen 245 percent growth year-over-year in receiving spend increase due to strong user engagement. Lead generation and carousel ads are a few ways the app will continue to advance its capability for advertisers.



*Advertising on LinkedIn. Image credit: LinkedIn*

Mobile investment is another area that is paying off for advertisers, and spend is continuing to expand steadily. Finally, these advertisers are starting to see more conversions as capability and sophistication grow in tandem with consumers' comfort with purchasing on the smaller device.

Facebook's CPM is continuing to increase, despite backlash over privacy and publishers' suppressed content, rising 47 percent year-over-year.

Lead generation is the most popular form of advertising on Facebook, followed by app installs and event responses. iProspect's paid social client total within the second quarter of this year has grown 40 percent year-over-year and 21 percent quarter-over-quarter, and the company expects a larger increase in the upcoming half of the year.



*Graph on CPM by Tactic. Image credit: iProspect*

While Pinterest has jumped 17 percent year-over-year, it is down 11 percent quarter-over-quarter.

As mobile continues to grow with social spend, it is also now dominating paid search, taking up 49 percent of its overall share and 57 percent of traffic.

This is a jump up from 43 percent of overall share for last year's second quarter.

#### Additional insight

While the fashion industry has embraced social influencers and messaging commerce, a recent campaign from French label Chlo demonstrated just how much potential these strategies have for luxury marketers.

WeChat is China's most-influential social platform today, with consumers completing almost every type of daily task on the mobile application. According to Fashionbi's "Key Opinion Leaders in Fashion Industry Report," WeChat also has immense potential as selling vehicle for brands, citing Chlo as a prime example after the Richemont-owned brand sold all 85 of a limited-edition handbag through an influencer campaign hosted on the app ([see story](#)).

Over the next five years, mobile will contribute 69 percent of the projected \$19 billion in revenue that comes from paid search advertising.

While the overall share of advertising revenue from search will decrease, it will remain the biggest driver of digital advertising, according Forrester's "Search Marketing Forecast, 2017 to 2022" report. This presents an opportunity for

luxury brands to capitalize on mobile advertising and the unique capabilities afforded by the channel ([see story](#)).

"Advertisers are being more strategic than ever with how they are investing in search," said Caitlin Portrie, associate director, of paid search at iProspect. "They are opting into new audiences, industry specific ad units and utilizing automation to find the right users at the right time.

"Mobile investment is starting to pay off," she said. "We've seen mobile traffic and spend grow steadily each quarter but we're finally starting to see mobile conversions increase as consumers get more comfortable transacting on their smartphones."

---

© 2020 Napean LLC. All rights reserved.

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