

It's Time To Separate “Social” From “Media”

Why Marketers Must Hand Social Ad Budgets To Media Buyers

by Nate Elliott and Richard Joyce

August 6, 2015

Why Read This Report

Paid advertising now accounts for 83% of marketers' social spending — and most companies hand their social ad budgets to social marketers. But they'd be wiser to let their media buyers handle the social ad budget instead. This report details why media teams generate better results from social ads than social teams do, and shows marketers the best way to divvy up their social ad budgets.

Key Takeaways

Paid Ads Dominate The Social Landscape

Remember when Facebook promised to introduce a whole new type of marketing based on brands developing their own social graph? No more. Organic social reach has evaporated, and paid advertising is the only guaranteed way to reach people on social networks. That's why more than 80% of marketers' social spending goes toward simply buying ads on social sites.

Facebook Ads Outperform Other Social Ads

Facebook attracts more advertisers and more spending than other social sites, and marketers say Facebook ads work better than ads on LinkedIn, Twitter, and YouTube. Pinterest and Instagram will have to work hard to improve ad performance and attract advertisers.

Media Teams, Not Social Teams, Should Control Social Ad Budgets

Media buyers are more comfortable than social teams with the ad models social sites sell and are also more likely to find good vendor support for their efforts. The result: Media teams spend social ad dollars more wisely. If you want social ads to succeed, you must put this budget in the hands of your media buyers.

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Forrester surveyed 184 avid social marketers for this research.

Related Research Documents

[The Forrester Wave™: Social Advertising Platforms, Q4 2013](#)

[Integrate Social Into Your Marketing RaDaR](#)

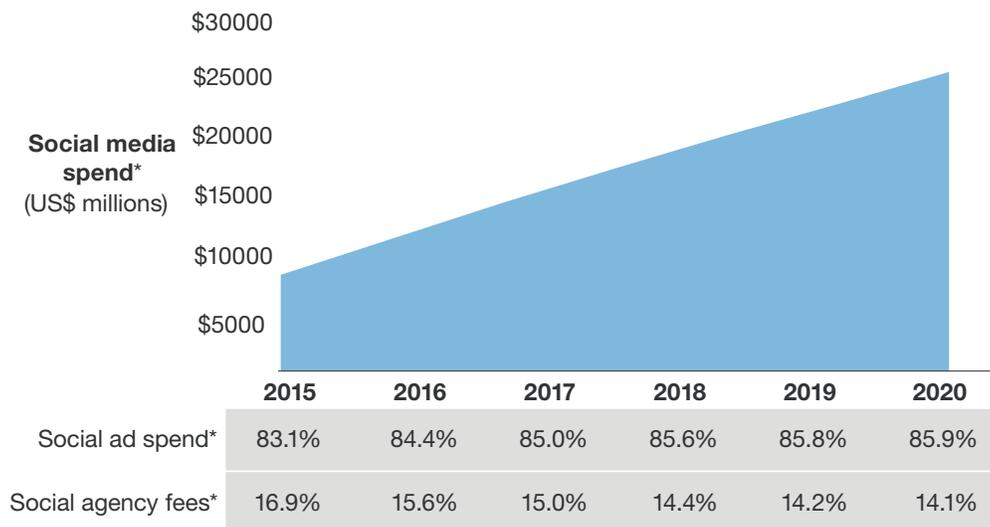
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Social Marketing Is Dead; Long Live Social Advertising

Social media was once heralded as the end of paid advertising — but more than 80% of marketers' 2015 social budgets will be dedicated to simply buying ads on social sites (see Figure 1).¹ How did paid advertising become the dominant form of social marketing?

- › **Organic social marketing stopped working.** If you can't get a message to your audience, you can't very well market to them. But top brands' Facebook posts reached just 2% of their fans in 2014 — and that number will only decrease further in 2015.² Organic reach on Twitter is likely just as low.³
- › **Social ad inventory exploded — and it's cheap.** Social sites attract a lot of users and generate a lot of usage minutes; that means they can run a lot of ads. Facebook alone delivers as many as one-third of all display impressions online.⁴ And social ads cost significantly less than other types of online display ads.⁵
- › **Marketers boosted social ad budgets to meet this new reality.** More than two-thirds of avid social marketers say they've increased their social ad budget in 2015, often by a significant amount (see Figure 2). Just 10% say their 2015 budget is lower than 2014.

FIGURE 1 More Than 80% Of Marketers' 2015 Social Budgets Will Go To Simply Buying Ads

Note: All numbers rounded down.

*Note: Excluding technology spending on social marketing.

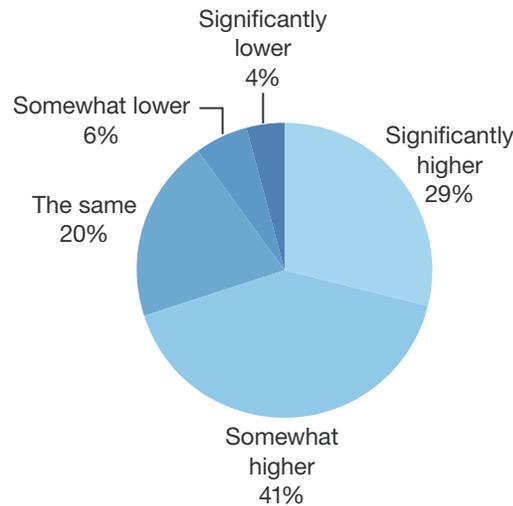
Source: Forrester Research Social Media Forecast, 2015 To 2020 (US)

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FIGURE 2 More Than Two-Thirds Of Avid Social Marketers Will Increase Social Ad Budgets In 2015

"Thinking only about your PAID social media budget (e.g., the money you spend to buy paid ads on social networks, or to promote your posts on social networks) how does your 2015 budget compare to your 2014 budget?"



Base: 123 avid social marketers who have planned their 2015 paid social media budget

Source: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey

Facebook Remains The Social Ad Leader

It's little surprise that the largest social site still attracts the largest number of advertisers, while other social sites trail behind:

- › **Facebook attracts more advertisers than its competitors and delivers better results.** More than 80% of avid social marketers pay to put their messages in front of Facebook's audience (see Figure 3). And 78% of them say Facebook ads and promoted posts deliver value (see Figure 4).
- › **Twitter lags in both advertisers and performance.** Twitter remains marketers' second-favorite social site: More than 60% of avid social marketers advertise there. But just two-thirds of those marketers say promoted tweets offer them real business value.
- › **YouTube and LinkedIn offer similar performance to Twitter.** One-half of avid social marketers advertise on YouTube, while less than one-third dedicate ad budget to LinkedIn. But while these sites can't claim the same number of advertisers as Twitter, marketers say ads on these sites offer just as much value as ads on Twitter.

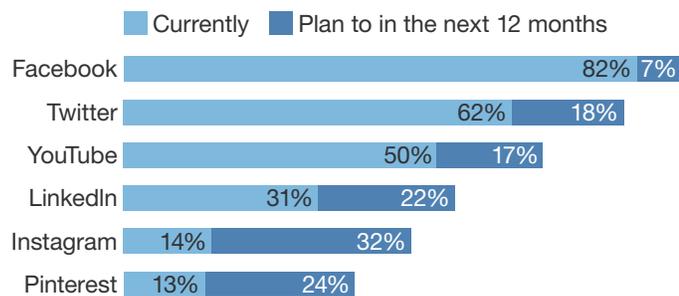
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- › **Instagram and Pinterest have work to do.** Just 13% of avid social marketers have bought Pinterest ads since they became generally available in January 2015, and only 14% of avid social marketers say they're part of the Instagram ads limited release. Anecdotally, marketers report Instagram must up its game if it's going to offer as much value as other social ad sellers.⁶

FIGURE 3 Facebook Attracts More Advertisers Than Other Social Sites

"My company pays for ads or promoted posts on this social site."



Base: 173 avid social marketers

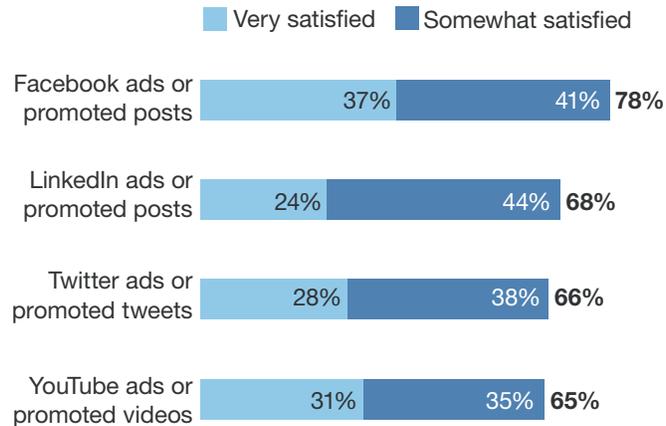
Source: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey

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FIGURE 4 Facebook Ads Outperform Other Social Ads

"How satisfied are you with the business value your company has achieved by using each of the following marketing channels and tactics?"
(Responses on a scale of 1 [very dissatisfied] to 5 [very satisfied])



Base: 54 to 137 avid social marketers

Source: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey

Media Teams Generate Better Results Than Social Teams

Brands can't agree on who should spend their social ad dollars. A small majority puts their social ad budgets in the hands of a social team — but more than a quarter let media buyers handle the social ad budget (see Figure 5).

Forrester believes media teams, not social teams, should control social ad budgets. Why?

- › **Social ads aren't social; they're just ads.** Social networks' ads sales pitches no longer promise relationships or engagement; instead social sites have embraced programmatic promises like remarketing, behavioral targeting, and low cost-per-acquisition. That's why the most successful Facebook advertisers, like top-100 commerce site Choxi, say they now hand their social ad budget to the same team that manages their display and paid search ads.⁷
- › **Media teams know where to go for expert help.** Not only are media buying teams more experienced than social teams at handling social ad seller's platforms and offerings, but crucially they're also more likely to seek expert assistance and technology. In fact, 80% of social teams who control social ad budgets try to manage those programs in-house (see Figure 6). But when media teams are in charge of social ad budgets, 70% of them rely on the greater expertise of their external partners.

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- › **The result: Media teams spend social ad dollars more wisely.** Both social and media teams generate value from Facebook ads — but the brands themselves admit that media teams find more success with other types of social ads. In fact, marketers that hand their social ad budgets to media teams are significantly more likely to succeed on both Twitter and YouTube (see Figure 7).

FIGURE 5 Brands Can't Agree On Who Should Spend Social Ad Dollars



Base: 137 avid social marketers who buy paid social ads

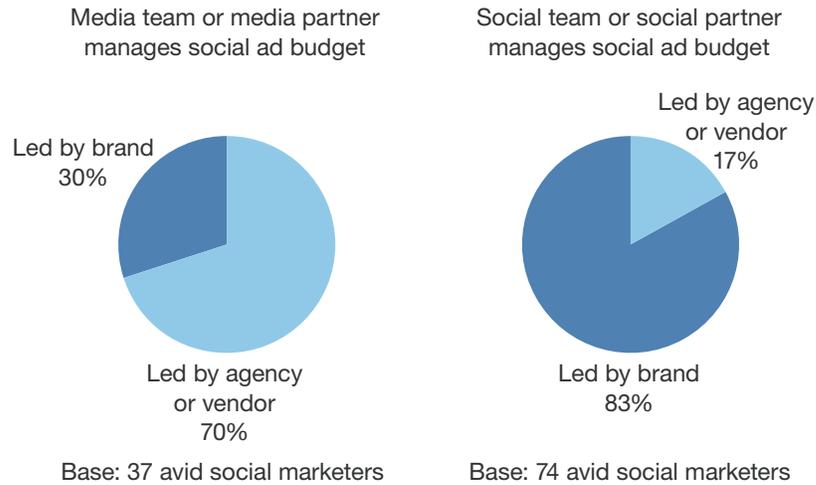
Source: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey

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FIGURE 6 Media Teams, Unlike Social Teams, Know Where To Go For Expert Help

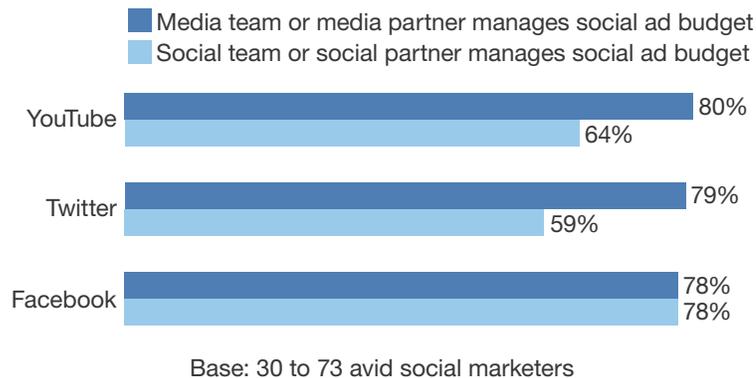
"Which of the following groups manages your paid social advertising budget?"



Source: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey

FIGURE 7 Media Teams Spend Social Ad Budgets More Effectively

"How satisfied are you with the business value your company has achieved by using paid ads or promoted posts on the following websites?"
 (4 or 5 on a scale of 1 [very dissatisfied] to 5 [very satisfied])



Source: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey

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Recommendations

Give Your Social Ad Budget To Your Media Team

We know social marketers worked for years to justify ad budgets — and we know that in most organizations, the social team now controls the social purse strings. But if you want social to succeed, you must take that money away from your social team and give it to your media buyers instead.

- › **Mix social ad dollars into your digital media budget.** Marketers can no longer afford to isolate pieces of their media buying in swim lanes.⁸ Media buying is quickly becoming channel-agnostic and dependent on technology to allocate budget effectively across audiences in real time. Keeping social ads budget with social teams creates inconsistency across audiences and fails to leverage real-time channel optimization technology. In fact, even Facebook Vice President of Global Marketing Solutions Carolyn Everson agrees that Facebook shouldn't have its own line item in your budget; instead, it should be expected to earn its keep every day, just like every other media property.
- › **Hold back just a bit of social ad budget for your social team.** As you hand control of your social ad budget to the media team, make sure to let the social team save a few pennies for a rainy day. The fact is, every now and then your relationship marketing team will need to get a message out to your Facebook fans or Twitter followers — and organic reach won't get the job done. Forrester recommends you hold onto around 5% of your social ad budget for just this purpose.

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Supplemental Material

Survey Methodology

Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey was fielded to 118 social marketers who are client references of social relationship vendors participating in this Forrester Wave. These vendors typically recommend their most active clients, and our survey data shows that these reference clients are significantly more likely to use any given social network than other leading brands. We call this group of client references "avid social marketers." Forrester fielded the survey during Q1 2015. Exact sample sizes are provided in this report on a question-by-question basis. This data is not guaranteed to be representative of the population, and, unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where users are today and where the industry is headed.

Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey was fielded to 62 social marketers who are client references of social depth platform vendors participating in this Forrester Wave. These vendors typically recommend their most active clients, and our survey data shows that these reference clients are significantly more likely to use any given social network than other leading brands. We call this group of client references "avid social marketers." Forrester fielded the survey during Q1 2015. Exact sample sizes are provided in this report on a question-by-question basis. This data is not guaranteed to be representative of the population, and, unless otherwise noted, statistical data is intended to be used for descriptive and not inferential purposes. While nonrandom, the survey is still a valuable tool for understanding where users are today and where the industry is headed.

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As part of the forecast modeling, Forrester develops comprehensive historical and base-year market size estimates based on a variety of sources, including public financial documents, executive interviews, Forrester's proprietary primary consumer and executive research, and analysis of the Internet traffic database.

All of Forrester's forecasts are designed by a dedicated team of forecasting analysts who build the models, conduct extensive industry research, and manage the process of formally building consensus among Forrester's analysts. Forecast analysts have backgrounds in investment banking, management consulting, and market research, where they developed extensive experience with industry and company forecasting.

Endnotes

- ¹ In 2007, Mark Zuckerberg himself marched up to Madison Avenue and promised a "once every hundred years" change to how media and marketing worked, and the death of mass media advertising. Source: Erick Schonfeld, "Liveblogging Facebook Advertising Announcement (Social Ads + Beacon + Insights)," TechCrunch, November 6, 2007 (<http://techcrunch.com/2007/11/06/liveblogging-facebook-advertising-announcement/>).
- ² Ogilvy reported that in February 2014, brand pages with more than 500,000 fans reached just 2.11% of those fans with each organic post. And in November 2014, Facebook warned brands that organic promotional posts would "see a significant decrease in distribution" in 2015. Source: Marshall Manson, "Facebook Zero: Considering Life After the Demise of Organic Reach," Social@Ogilvy, March 6, 2014 (<http://social.ogilvy.com/facebook-zero-considering-life-after-the-demise-of-organic-reach/>) and "News Feed FYI: Reducing Overly Promotional Page Posts in News Feed," Facebook press release, November 14, 2014 (<http://newsroom.fb.com/news/2014/11/news-feed-fyi-reducing-overly-promotional-page-posts-in-news-feed/>).
- ³ Multiple industry sources have confirmed that brands' organic reach on Twitter is in the low single digits. See the "[Social Relationship Strategies That Work](#)" Forrester report.
- ⁴ We'll be honest: It's hard to find recent data on what percentage of online display ad impressions are delivered by Facebook. But historical data indicates that by the end of 2013, Facebook was responsible for well over 30% of all online display ads. How did we work that out? ComScore reported in early 2011 that Facebook was delivering 3.8 billion ad impressions per day — and that was just in the US. Facebook reports that the number of ads it delivered grew 42% during 2011, another 32% during 2012, and another 39% so far in 2013. Based on this rate of growth, we estimate that Facebook now delivers nearly 10 billion ads per day in the US. And with half of Facebook's revenues coming from outside the US — and its ad rates higher in the US than elsewhere — we expect that by the end of 2013, Facebook was delivering approximately 20 billion ads per day worldwide. Source: "U.S. Online Display Advertising Market Delivers 1.1 Trillion Impressions In Q1 2011," comScore press release, May 4, 2011 (http://www.comscore.com/Insights/Press_Releases/2011/5/U.S._Online_Display_Advertising_Market_Delivers_1.1_Trillion_Impressions_in_Q1_2011); Tim Peterson, "Facebook Served 39 Percent More Ad Impressions in Q1," Adweek, May 1, 2013 (<http://www.adweek.com/news/technology/facebook-served-39-percent-more-ad-impressions-q1-149081>); and "Annual Reports," Facebook (<http://investor.fb.com/annuals.cfm>).
- ⁵ Facebook's CPMs are on the rise. But still, social ad management platform Nanigans reported that midway through 2014, advertisers were paying Facebook \$1.95 per thousand. By comparison, Forrester has estimated the average online banner ad CPM in 2014 was \$3.31. Source: Allison Schiff, "Facebook Ad Prices And Performance Climbed in Q2," Ad Exchanger, July 8, 2014 (<http://adexchanger.com/social-media/facebook-making-bank-on-digital-ads/>) and Forrester Research Online Display Advertising Forecast, 2014 To 2019 (US), Q3 2014 Update.

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- ⁶ Only 12 of the 23 avid social marketers in our survey who've bought ads on Instagram said they were either somewhat or very satisfied. Pinterest seems to be faring a bit better: Twelve of the 19 avid social marketers in our survey who've used Pinterest ads said they were either somewhat or very satisfied. Sources: Forrester's Q1 2015 Global Social Relationship Platform Wave™ Online Survey and Forrester's Q1 2015 Global Social Depth Platform Wave™ Online Survey.
- ⁷ Facebook itself is so impressed with Choxi's Facebook ad performance that it encouraged Forrester to speak with the retailer for this report. Industry tracker Internet Retailer has named Choxi #66 on its list of largest e-retailers, and called it "one of the fastest growing retailers" on that list. Source: Matt Lindner, "Web Retainer NoMoreRack rebrands as Choxi," Internet Retailer, April 27, 2015 (<https://www.internetretailer.com/2015/04/27/web-retailer-nomorerack-rebrands-choxi>).
- ⁸ "Getting to a place where measurement is accurate and tied to ROI is usually hard. Unfortunately, most marketers still struggle to reach a level of measurement maturity that will help them deliver on changing consumer expectations. They largely still measure individual channels in siloed swim lanes rather than evaluating consumers' actual — albeit sometimes circuitous — paths to conversion and using that information to drive digital media buying and other marketing efforts." See the "[Measurement Is A Digital Media Buyer's Best Friend](#)" Forrester report.

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