

What to Watch Out for in Digital and Paid Social Media

Things you should know to get the most out of Facebook, Instagram, and TikTok

As it becomes increasingly imperative (and challenging) to reach, engage, and convert customers who have shorter and shorter attention spans, we are seeing clients anxiously diversifying their media portfolios.

Hype is escalating for new digital and paid social platforms. This all sparks a siren's song that entices advertisers to try anything, alongside and sometimes instead of more traditional avenues like TV, radio and OOH to reach and convert customers.

Brands are increasing their digital media spend as they have emerged from the budgetary cuts of the past year. Some are even going “all digital” and some, advertising for the first time, are seeing digital as a low-risk way to start out. However, without guardrails, “best practices,” or rules of the digital and paid social road, advertisers risk going into this uncharted territory somewhat blind.

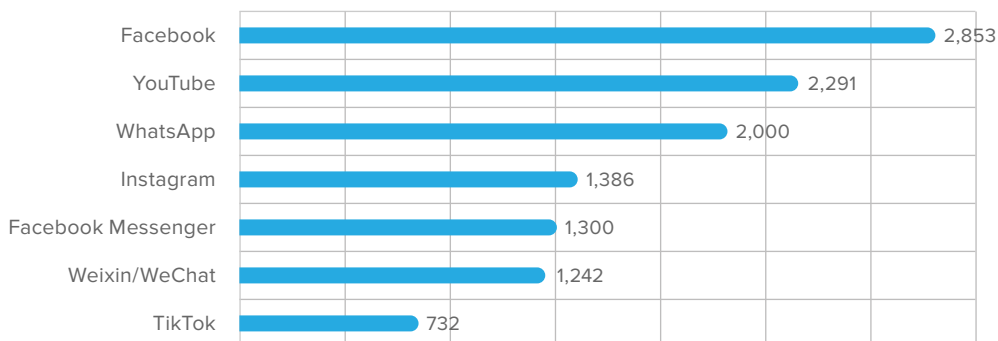
We thought it would be a good idea to share what we have learned about the most effective ways to achieve optimal ROAS and drive strategic growth while increasing investment in digital and paid social in your marketing mix.

First a little bit about the channels:

While many of the paid social channels are relatively new, (TikTok only burst on the scene in 2017) their massive adoption in a short time has enticed marketers to use them as viable paths to consumer engagement.

Most Popular Social Networks Worldwide

As of July 2021, ranked by number of active users worldwide (in millions)



Source: NetBase Quid

Charts like this one might not reveal the deeper significance of these channels, but it pays to give yourself a baseline of just who (and how many) they reach.

Our friends at Sprout Social have amassed a lot of data around the size of these various channels and we urge you to do a dip into their reporting (far more in-depth than we would attempt here). This can give you a genuine sense of reach of digital and paid social, both in terms of gross numbers and demographics like age and gender.

Our favorite quote? “TikTok’s 100+ million monthly active users prove that the platform is here to stay (hint: don’t let anyone tell you TikTok is a trend).”

These numbers hint at the potential for these channels to attempt reach. But planning your digital and paid social media strategy to deliver results will be more effective with some guideposts and cautionary considerations.

From our recent engagements with clients here are a few of the topline things you should know before increasing your digital spend:

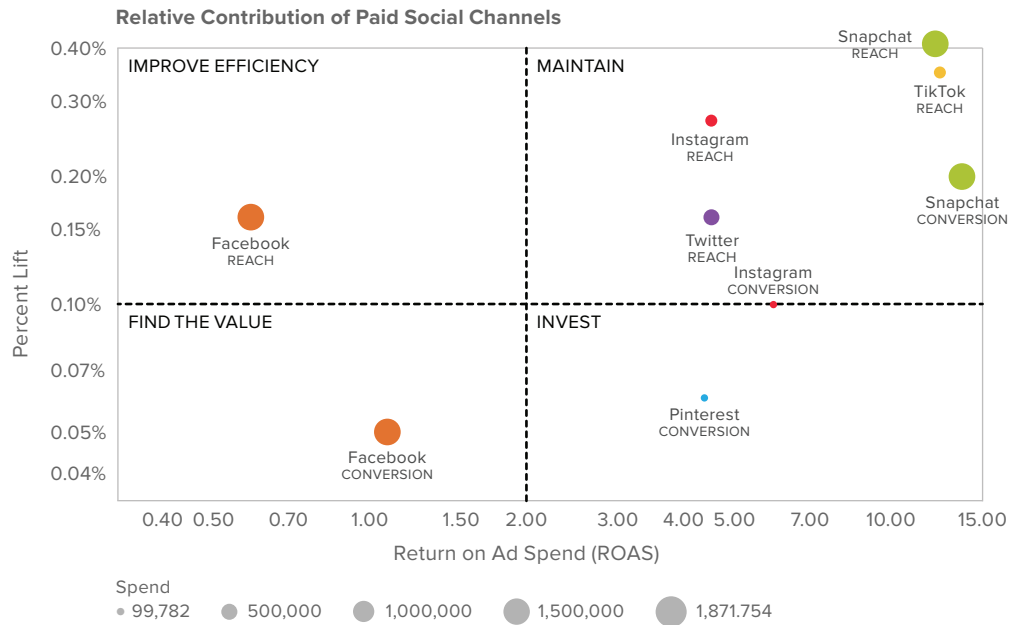
- 1** TikTok is showing surprisingly high ROAS – but the challenge is that TikTok is viral – it’s difficult to plan for it. For example, country singer Walker Hayes shouting out Applebee’s in his song “Fancy Like” that then became a TikTok viral sensation would have been really tough to predict! The performance spikes of TikTok tend to be high and very short-lived – representing a successful coordination of an event and a viral video. The challenge here is can you keep your ear to the ground, be smart and subtle about the tie-in to events, and to leverage your influencers.
- 2** Snapchat performs as well as TV media for a fraction of the cost. They have been a very good value compared to mainstream social media, even while costs are starting to edge up. And, unlike TikTok, they seem to be scalable. While Snapchat seems to be settling into its role as the media channel du jour for Gen-Z entering the marketplace, there are still questions as to what kind of messaging can you do on a platform that vanishes and is inherently one-to-one. Is it strictly for short-form, stimulus→ response advertising? Can we conceive of a Snapchat influencer?
- 3** Marketers have come to see Facebook (FB) as a required part of the digital mix, but the platform is not without its woes. The past few years have seen its user base trending older. The sweet spot for FB now appears to be for products like outdoor furniture, used cars, retirement plans, medical devices, real estate, etc. but it is coming up short on younger demos. FB

may be the TV of the modern era – half of it works, but you don't know which half. It may be more backstage than center-stage and we've even heard some marketers describe it as "wallpaper." So – we don't necessarily see clients walking away from FB, but they are not excited by its inability to drive short-term lift. FB is expensive, so you have to be very specific about how you use it and what to optimize. If FB is proving to be poor at conversions, it may have a role in supporting reach. And make sure you invest and measure FB and Instagram separately, which leads us to our next point...

- 4 Instagram (IG) is as effective as FB at half the typical cost. This presents a problem for FB (who owns them) and we think the FB sales teams would rather use IG behind the scenes to bring up the overall performance of the bundle than help the client separate them out, use them for different purposes, etc. From a measurement POV, we think it is important to track FB and IG separately. Often, they seem to be planned and delivered in lock step when IG is the stronger lower-funnel closer.
- 5 Some of our clients have been very successful with localized social media. Particularly where there is a geographic factor (say a regional concentration of retail or restaurant locations), optimizing paid social to reach a DMA or an even tighter geo target can significantly increase the ability to deliver higher return on spend. It can be done... you just need the right granular modeling to determine where, how, and how much.
- 6 Influencers across channels are effective and important. The range of influencers from the megastars to the micro-influencers is creating a new set of challenges in managing the message and the medium and in measuring response. Are the influencers attached to a special social media channel? Do they cross channels? Are there some channels where the code has yet to be cracked on how to influence (e.g., Snapchat)? Influencers have created a new set of ways to tie in PR, helping to bridge user-generated content to pushed content. While no one on social media wants to be "sold to," they will listen to influencers. As an industry we might need to think of new ways to measure influencers – more as an organic growth of a network – a diffusion process – rather than the old stimulus→ response model from linear TV.

If this all feels like your plan of attack needs to be a bit evolutionary, even experimental, that is the nature of a universe of digital channels that are developing and morphing before our eyes. That simply means you need agile and knowledgeable media modeling partners who understand the relative merits of these media investment opportunities. Together we can help you understand the impact of your investments, plan for smarter resource allocation, and then measure the results in a granular and actionable fashion for rapid adjustments that will deliver maximum return.

And it's best to show you the relative contributions of these new digital channels to each other, and not just against the return delivered by traditional media like TV, OOH, Radio and Print. We have developed granular ROAS visualization tools like the one below that that can do just that.



Note that we not only capture the media partner contribution but also focus in on the type of targeting we are doing (reach, conversion, and the many hybrids of the two).

Increasing the tools in your media arsenal is a great objective as you add media spending to your digital plan. All the paid social and digital opportunities can add value – you just need a model that allows you to understand which are working harder for you, and then activate them in a way that delivers maximum return on your investment.

Let i4i help you realize your marketing growth objectives with an optimized digital and social media strategy. Contact us today at info@in4ins.com.