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Skai marketer survey

The Cross-Channel Impact:
Social Advertising's Effect on
Search and Amazon

Executive Brief

There is little question in the advertising industry about the value of cross-channel marketing.

In almost every survey conducted on this topic, marketers repeatedly say that advertising which is both integrated and coordinated has the potential to be much more effective and powerful than an approach with individual channels operating in silos.

Paid search, paid social, and Amazon advertising are three of the most important modern marketing channels, primarily due to their tremendous reach. With many consumers exposed to at least two if not all three of these channels on a regular basis, it's important for marketers to know how they might impact one another.

This impact can be hard to fully quantify. Still, most marketers would agree that using a combination of advertising messages, ad formats, and channels are more effective than seeing the same ad on the same channel over and over again.

In March 2019, Skai partnered with Digiday to survey 512 marketers to better understand their perspectives on the cross-channel impact of paid search, paid social, and Amazon advertising.

This paper—the first of three on cross-channel advertising—examines how marketers view the impact of paid social advertising on paid search and Amazon advertising, and conversely, how these two channels impact paid social.

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Introduction

Today, the majority of adult internet users across the globe use social media. It has become a worldwide phenomenon in just a little over a decade with the average person spending over two hours per day engaging with social networks.

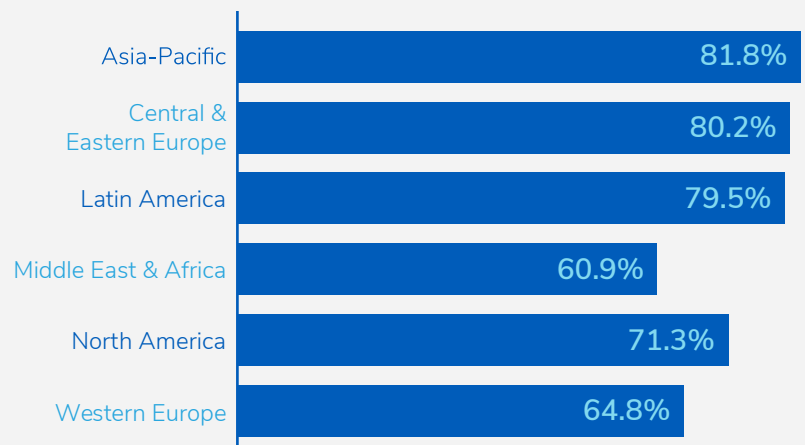
Alongside the growth of social media, social advertising has grown to be a mammoth advertising channel. In a recent Hootsuite report, 73% of companies worldwide plan to use paid social ads in 2019.

One of the main benefits of paid social is its rich audience targeting. Social publishers are able to match brand advertising with consumers using numerous data points based on each person's provided information (age, gender, ethnicity, relationship status, identified interests, etc.) as well as tracked behavior on the network (what they like, what they engage with, what brands they follow, etc.).

Social publishers also offer diverse, visually dynamic ad formats which advertisers can creatively use to drive interaction, engagement, and clicks. In fact, 40% of today's social advertising budgets are spent on video ads.

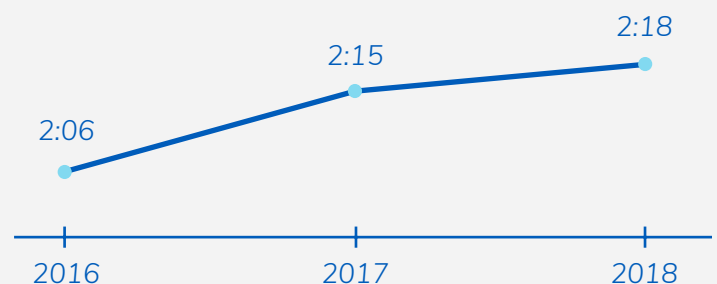
Social Network Users, by Region

2019, % of internet users



Average Time Spent with Social Media Among Internet Users Worldwide

hrs:mins



Note: n=916,685 ages 16-64

Source: GlobalWebIndex as cited in company blog, Nov 8, 2018

Social complements Search and Amazon advertising

Ads displayed via paid search and Amazon advertising are triggered based on users' search queries. The ability to deliver incredibly timely and highly relevant messaging has been a strength for these two channels, but it's also a bit of a limitation if an advertiser wants to get in front of the right audience without that explicit action. Enter paid social.

The potential interplay that paid social can offer to paid search and Amazon advertising is its ability to push ads to a targeted audience rather than waiting for a user query to deliver a keyword-based ad. And that can be anywhere in the funnel—as high up as the initial discovery touchpoint or down at the bottom driving conversions via retargeting.

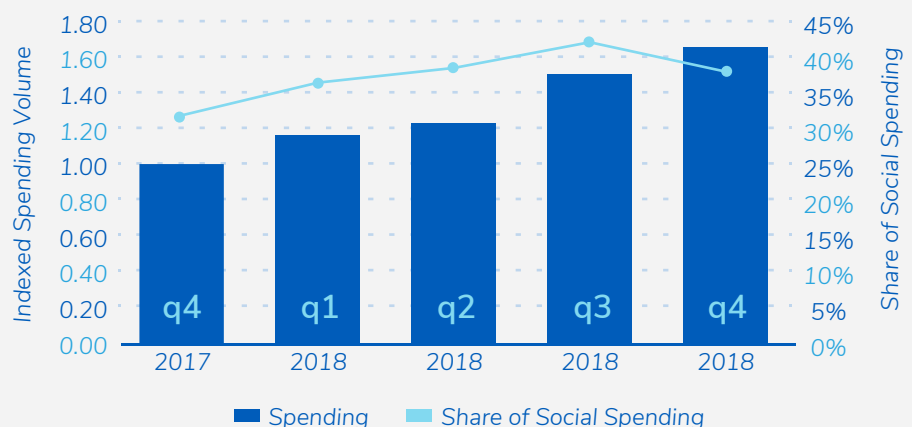
Thus, paid social is a very good complement to paid search and Amazon advertising because *it can serve to activate demand in specific audiences and help to nudge prospects towards a search for a brand, a product or even a message.*

“Cross-channel marketing enables brands to reach customers with consistent messaging at the right time and across multiple touchpoints and at different steps of the customer journey,” says Gwen Blécon, Senior Global Digital Media Manager at Kaspersky Lab. “Brands who have enabled a cross-channel marketing approach *usually see an increase in user engagement as well as brand loyalty and satisfaction.*”

Ultimately, marketers would love to strategically use the power of paid social to kick off purchase journeys, stimulate them, or drive them home with almost-surgical precision—supplementing engagement where other channels are unable to reach. However, the desire for cross-channel advertising nirvana well exceeds the marketer's current ability to execute.

The reality today is that marketers feel strongly that paid social has a strong impact on other channels, but it's been more of a loosely understood benefit of social advertising rather than something concrete and fully measurable.

Social Video Growth



Key Survey Takeaways

Marketers overwhelmingly believe that higher spending on paid social leads to increased performance on paid search and Amazon advertising

Marketers were asked about the impact of increased paid social spending on other channels. Those who believe it results in better paid search performance outpace those who believe it causes a performance decline by **five to one**—and **four times** as many believe that more paid social spending increases Amazon advertising performance versus causing performance to decline.

The biggest obstacle to great cross-channel advertising is ineffective cross-channel measurement

Marketers are continuing to execute cross-channel campaigns because they believe it's the right thing to do, but only 13% feel that their marketing organization is **excellent** at it. Digital marketing relies on data-driven decision making, so until cross-channel marketing can be properly measured, marketers will continue to be cautious in their approach to cross-channel campaigns. This is a hurdle that must be overcome for cross-channel marketing to flourish.

Marketers still just “don’t know” how to fully quantify cross-channel impact

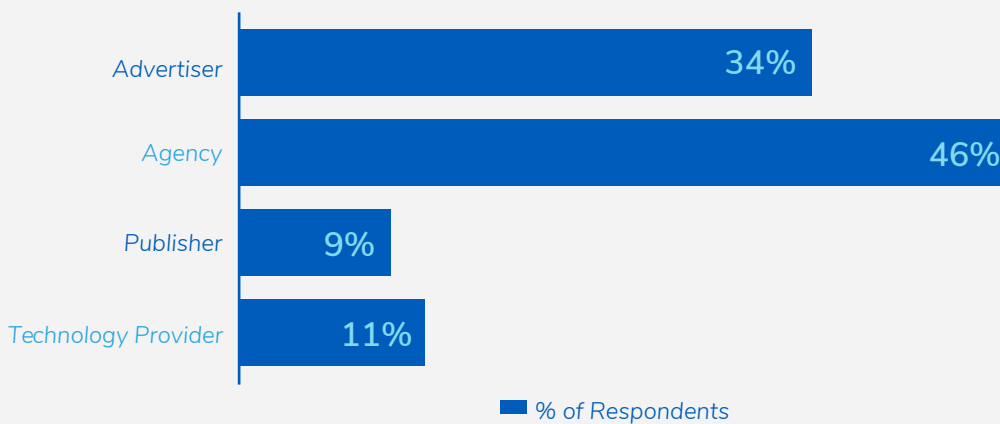
In question after question of this survey, **I don't know** was chosen a significant number of times. This is very telling, especially given how anxious marketers are with regards to unlocking the power of cross-channel advertising. They are still somewhat in the dark when it comes to understanding this interplay.



Survey Respondents

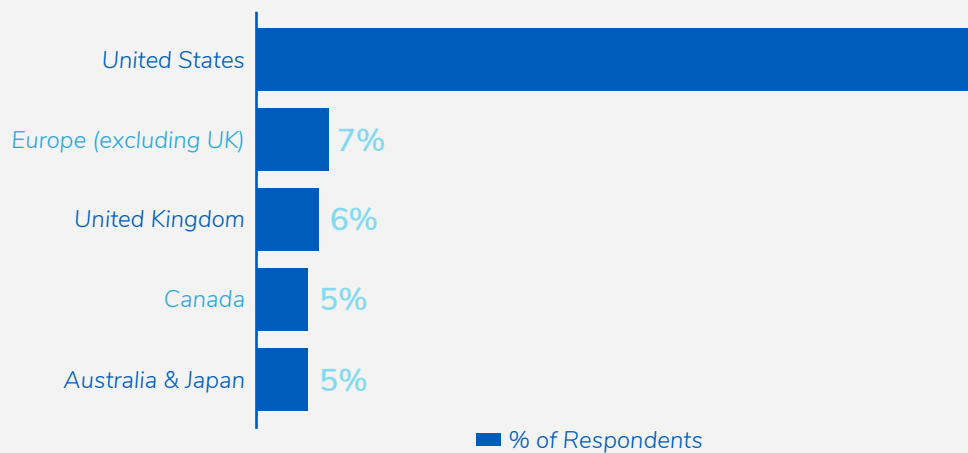
The majority of marketers responding to this survey were US-based directors and managers at brands and agencies representing a variety of industry verticals.

Marketer Type

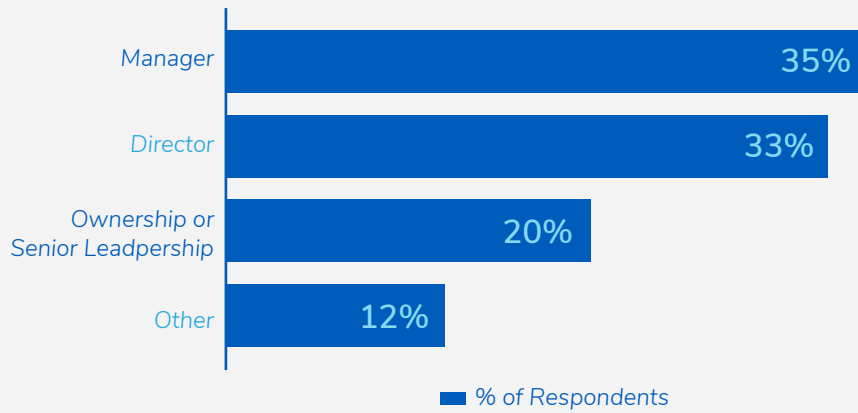


Note: Respondents who self-identified as publishers & technology providers were not asked practitioner-focused questions (parts 2, 3, and 4 in the Cross-Channel Survey Results section of this research)

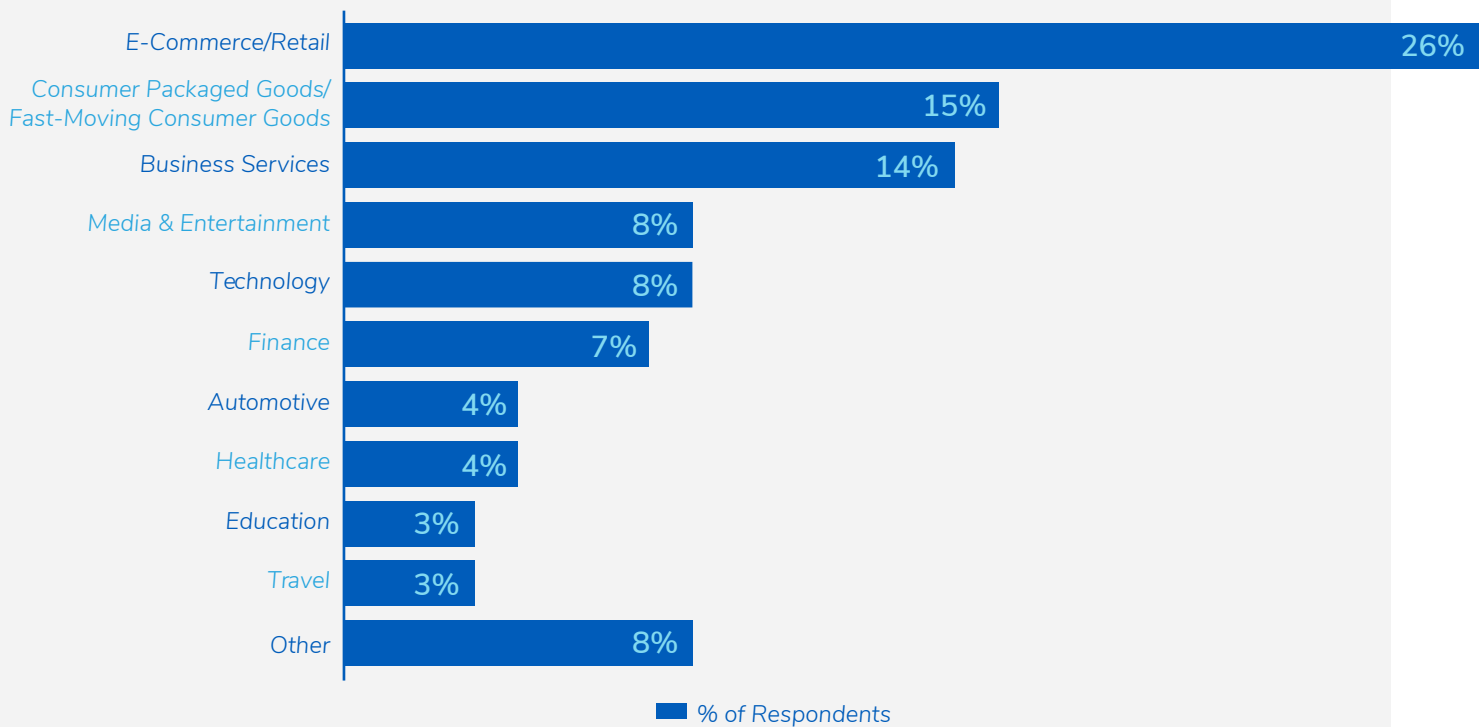
Location



Role In The Organization



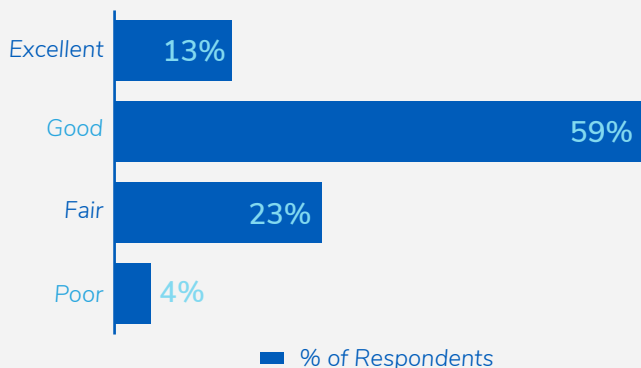
Industry Vertical



Cross-Channel Survey Results

Part 1 - Marketer attitude to cross-channel

How would you rate your company's effectiveness at cross-channel marketing?



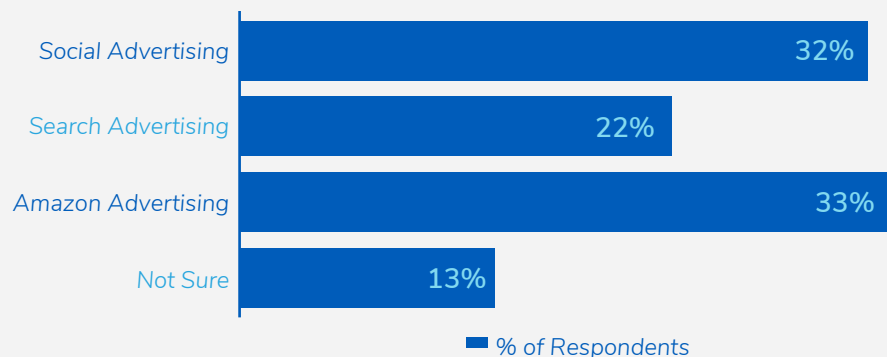
While 6 out of 10 marketers rated their company as **good** with regard to cross-channel marketing effectiveness, those identifying their organizations as **excellent** numbered only slightly more than 1 in 10 (13%). Even with so much emphasis in digital advertising on the benefits of cross-channel marketing, the majority of marketers recognize that they have not mastered it, which is very telling.

One-third of marketers surveyed feel that social advertising is the most difficult to connect to other channels. Paid social is a bit unique because of the emphasis placed on

consumer privacy with regards to social media usage. After all, social media users share intimate details of their lives with their friends, family, and connections so social publishers are under more scrutiny—and have put more controls in place compared to other channels—when it comes to the data that can be extracted from their networks.

It's worth noting, however, that all three channels received significant votes as being difficult to connect to other channels (22% listed paid search and 33% listed Amazon advertising). Clearly, the problem with cross-channel connectivity isn't due to the complexities of a single channel. Rather, something larger is at work. In essence, marketers find channel integration to be a cumbersome concept overall.

Which of the following marketing channels poses the most difficulty when it comes to building connectivity to other channels?

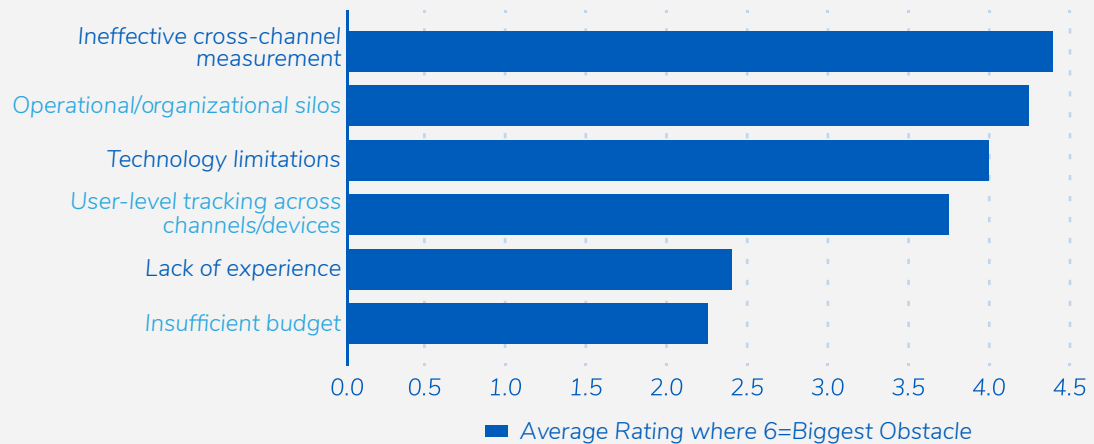


In terms of what's standing in the way of effective cross-channel digital advertising, it wasn't surprising that **ineffective cross-channel measurement** was the number one obstacle for the greatest number of respondents in the survey. Measurement is the data-driven feedback that marketers rely on to understand how well their efforts are working, and throughout the years it has been repeatedly identified as a problem area. Without great cross-channel measurement, it's difficult to understand how to manage channels together to maximize the business impact.

Marketers tend to feel pretty good about intra-channel measurement—such as using paid search metrics to measure and optimize paid search programs—but what has been much harder to understand is how channels work together to influence consumers and convert on business goals.

When the measurement gap is combined with the next top-listed obstacle, **operational/organizational silos**, the true challenge of cross-channel digital advertising is even clearer. So, not only is the right measurement still problematic but the business foundation for proper cross-channel management is a barrier too.

Which of the following do you consider the biggest obstacles to effectively managing cross-channel digital advertising?



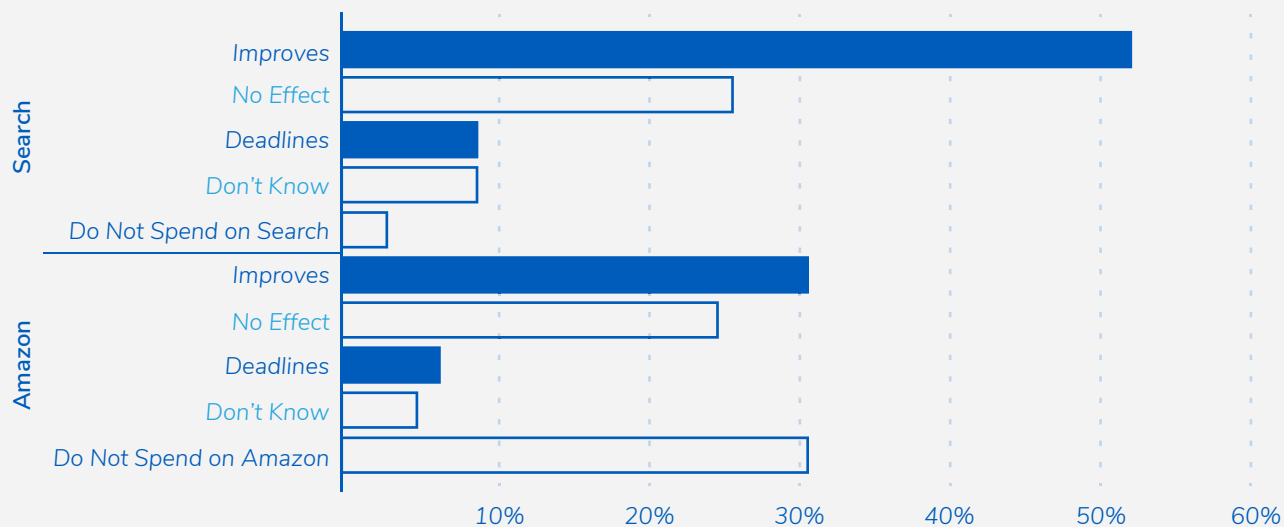
“I think most brands recognize the positive value of cross-channel marketing but the challenge lies in its implementation from an organizational and technological point of view,” says Blécon. “Marketing leaders need to educate teams on the value of cross-channel marketing and demonstrate how such a new approach would benefit the entire organization as well as individuals.”

Without the right guidance for data-driven decision making (measurement) or the proper approach (org structure) to overcome these issues, cross-channel digital marketing risks being stuck as good and not excellent for the near future.

Part 2 - What do social advertisers think?

The following subset of questions was only asked to survey respondents who indicated that they spend a significant amount of their work week within the paid social realm:

When you spend more on SOCIAL advertising, what generally happens with the performance (based on your organization's primary KPIs) of your SEARCH and AMAZON advertising?



The number of social marketers that believe spending more budget on paid social increases the performance of paid search was **five times greater** than those who said that performance declines. When it comes to the impact of paid social spend on Amazon advertising, four times as many social marketers believe it increases performance versus those that say performance drops.

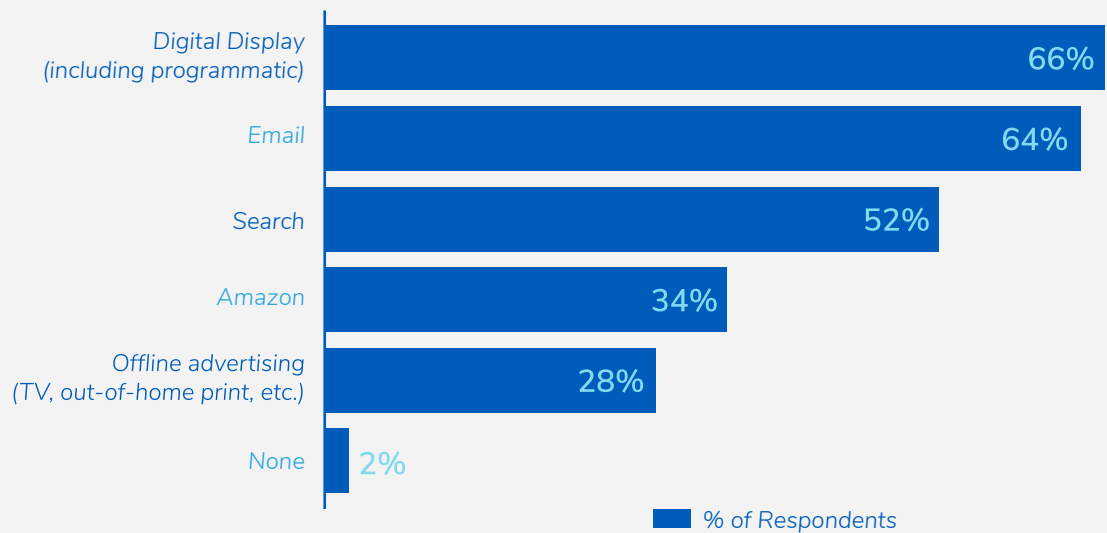
That is an incredibly strong case for the power of cross-channel marketing. After all, social advertising—on its own—has proven to be a very valuable channel with great marketing ROI. If it can also increase the performance of paid search and Amazon advertising, then it makes the channel that much more valuable. And the marketers we talked to clearly think that it does.

Social advertising definitely seems to be an integrated part of an overarching marketing strategy. Two-thirds of marketers reported that they coordinate their digital display and email with their social campaigns, and more than half of marketers said that they coordinate social with their search advertising.

One could argue that aligned messaging and start dates are not enough to harness the full power of cross-channel advertising, but the fact that an overwhelming majority of marketers are at least taking steps to work in an integrated fashion is indicative of an interest in channel coordination. The challenge will be in navigating the path to deeper coordination and accurate attribution.

With which of the following advertising channels do you typically coordinate the launch of major paid social campaigns?

(For instance, with which channels do you align creative executions, messaging and/or start dates?)



Part 3 - Search and Amazon marketers weigh in

The following subset of questions were only asked of survey respondents who indicated that they spend a significant amount of their work week managing paid search (for the search advertising-related questions) or Amazon advertising (for the Amazon-related questions).

When you spend more on SEARCH advertising, what generally happens with the performance (based on your organization's primary KPIs) of your SOCIAL advertising?

By a margin of three to one, search advertisers believe that an increased investment in paid search improves social advertising performance versus causing a performance decline.

With which of the following advertising channels do you typically coordinate the launch of major paid search campaigns? (For instance, with which channels do you align creative executions, messaging and/or start dates?)

57% of paid search practitioners responded that they coordinate their campaigns with paid social campaigns.

With which of the following advertising channels do you typically coordinate the launch of major Amazon advertising campaigns? (For instance, with which channels do you align creative executions, messaging and/or start dates?)

40.6% of Amazon advertising practitioners reported that they coordinate their campaigns with paid social advertising campaigns.

Part 4 - True cross-channel impact is still an unknown

In many cases throughout the survey, marketers chose the *I don't know* option, which signifies a knowledge gap with cross-channel advertising.

Which of the following marketing channels poses the most difficulty when it comes to building connectivity to other channels?

12.6% replied *I don't know*

When you spend more on SOCIAL advertising, what generally happens with the performance (based on your organization's primary KPIs) of your SEARCH advertising?

9.4% replied *I don't know*

When you spend more on SEARCH advertising, what generally happens with your spending on SOCIAL advertising?

12.2% replied *I don't know*

When you spend more on SEARCH advertising, what generally happens with the performance (based on your organization's primary KPIs) of your SOCIAL advertising?

18.8% replied *I don't know*

When you spend more on AMAZON advertising, what generally happens with the performance (based on your organization's primary KPIs) of your SOCIAL advertising?

9.4% replied *I don't know*

Conclusion

Marketers know that there is synergy when multiple channels collide with consumers and that is clearly reflected in the answers to this survey.

Paid social is one of the fastest-growing segments of advertising because it fulfills a vital role in the media plan: it offers vast reach, powerful audience targeting, and facilitates creative storytelling with its variety of ad formats (including video). All of this means that the overlap with other channels covers a lot of territory that needs to be explored.

Measurement and organizational silos continue to be the chief obstacles that are keeping marketers from fully embarking on this exploration. And even though some marketers still aren't sure how to articulate the actual value of cross-channel advertising, the majority of the marketers surveyed for this research reported that they coordinate large social campaigns across channels and feel that performance increases (rather than decreases) on paid search and Amazon advertising when paid social investment increases.

In the next paper in this series, we will examine marketer sentiment around paid search and its interplay with paid social and Amazon advertising.

Survey Methodology

The research in this analysis is based on a survey of 512 digital marketers conducted from March 4th - 11th, 2019 from a population of Digiday readers and Skai clients. All answers were anonymous. Some channel-specific questions were only asked of respondents who stated that they spend at least 10% of their time with that channel.

About Skai

Skai is the leading marketing activation and intelligence platform for brands looking to drive growth by engaging customers across digital touchpoints. Skai offers the only marketing solution that combines augmented analytics for actionable consumer and market insights with campaign orchestration and marketing measurement for success on Google, Facebook, Microsoft, Amazon, Walmart, Apple Search Ads, Pinterest, Snapchat, Instagram, Verizon Media, Instacart, Target, Yandex, Yahoo Japan, and Baidu. Skai's machine learning algorithms leverage market signals and internal data, enabling brands and agencies to predict trends and keep pace with customers. skai has seven international locations and is backed by Sequoia Capital, Arts Alliance, Tenaya Capital, and Bain Capital Ventures.