

Images and videos
produce the highest
engagement rate.



The Social Intelligence Report

ADOBE DIGITAL INDEX | Q3 2013



Social media reaches far beyond likes and retweets.

Social marketing continues to transform the way brands connect with their audiences. Whether it's a sponsored link on Twitter, an inline ad with Facebook, or retail placement on Pinterest, new social trends enhance your ability to build customer relationships, brand loyalty, and business results.

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PAID SOCIAL

CPCs and CTRs

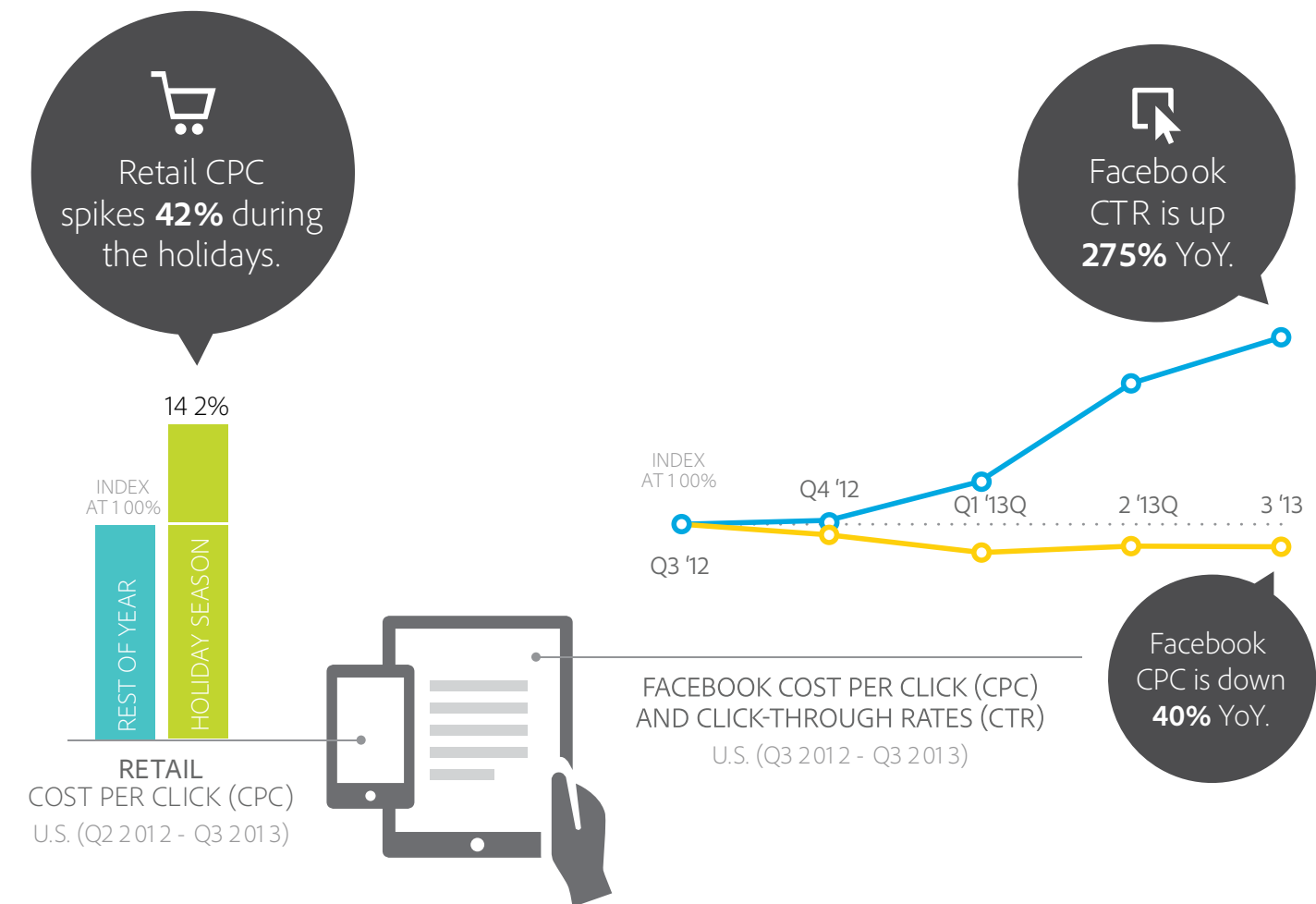
Declining costs per click (CPC) and rising click-through rates (CTR) make Facebook attractive for brand marketing, but retailers should expect to pay more during the holidays.

The findings:

- Facebook CPC is down 40% year-over-year.
- Facebook CTR is up 275% year-over-year.
- Retail CPC spikes 42% during the holidays.

The opportunity:

With lower CPC and higher CTRs, Facebook is becoming a more viable advertising medium. Analyze ROI on your Facebook ads to see if you can increase cost effectiveness using a cost-per-thousand (CPM) structure combined with consistent optimization, instead of using higher visibility, but more expensive CPC ads.



CPMs and ROI

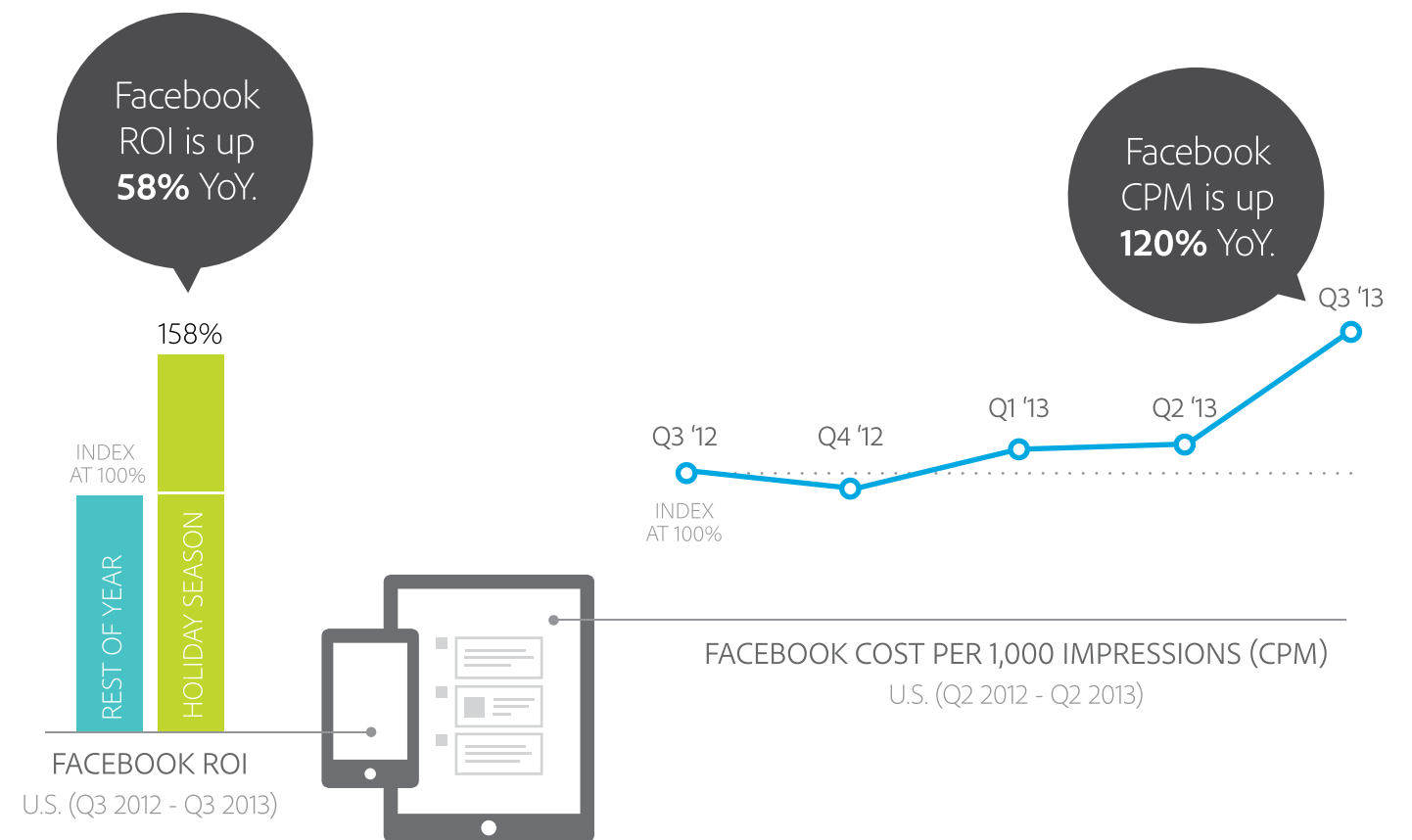
The rise in cost per thousand (CPM) rates on Facebook suggests an influx in demand for these ads. It may also indicate that brands are putting more effort into optimization. CPM growth is outpacing ROI showing an increased need for optimization to ensure profitability.

The findings:

- Facebook CPM up 120% year-over-year.
- Facebook ROI is up 58% year-over-year.

The opportunity:

With CPMs rising and CPCs dropping, you should look carefully at your campaign objectives and click-through rates to determine which method is best for you. To grow ROI even more, look for opportunities to test, target, and optimize your social content.



Click volume and impressions growth

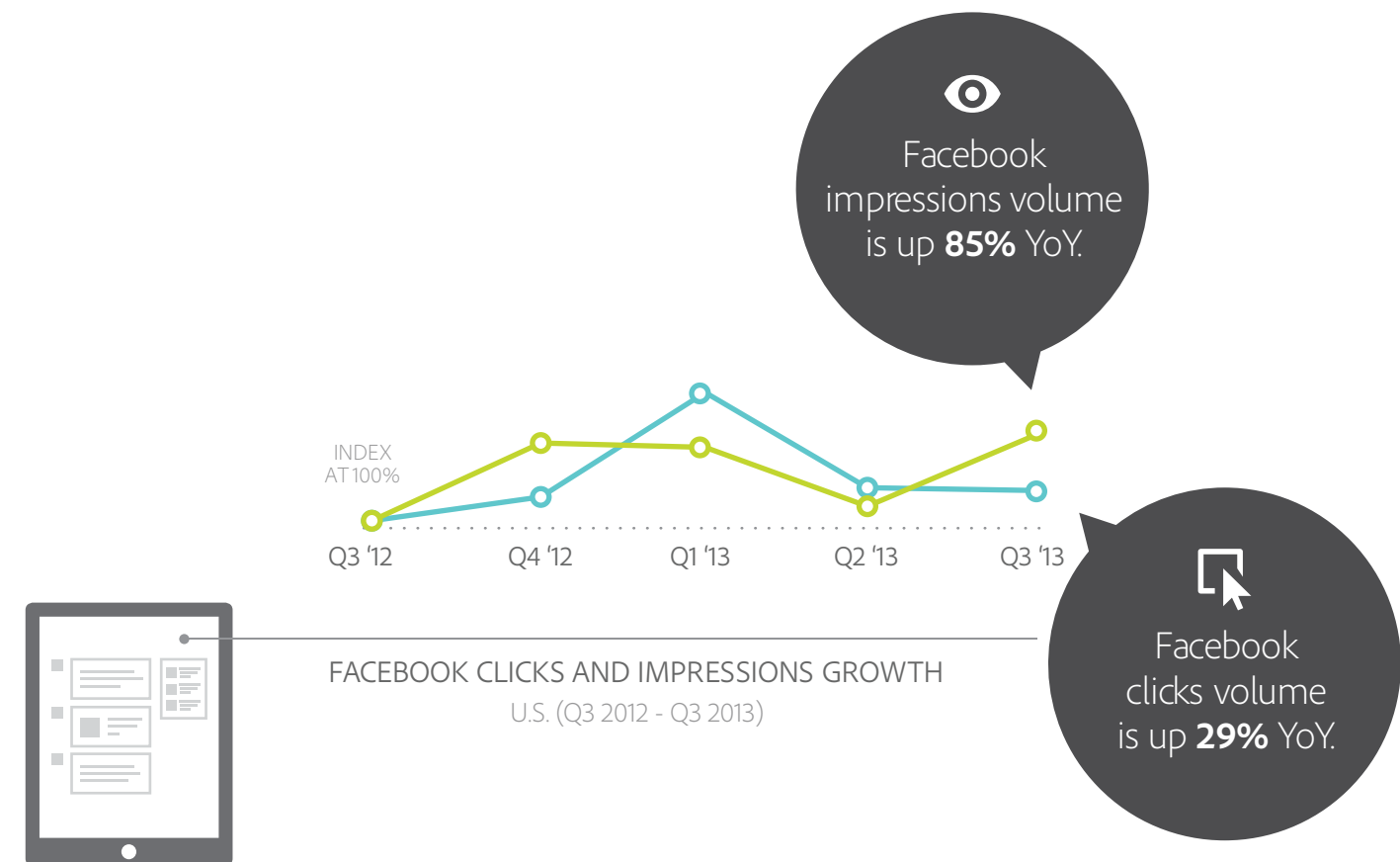
As brands continue to increase ad volume on Facebook, clicks and impressions are growing at a similar pace.

The findings:

- Facebook click volume is up 29% year-over-year.
- Facebook impressions volume up 85% year-over-year.

The opportunity:

With click volume and impressions growth closely aligned, and with click-through rates rising year-over-year, you may find opportunities for cheaper-than-advertised Facebook ads based on cost per thousand (CPM). For instance, if you bid high for 1,000 impressions but have a higher click-through rate, you may get a price that's a fraction of what you bid.



Social engagement growth and type

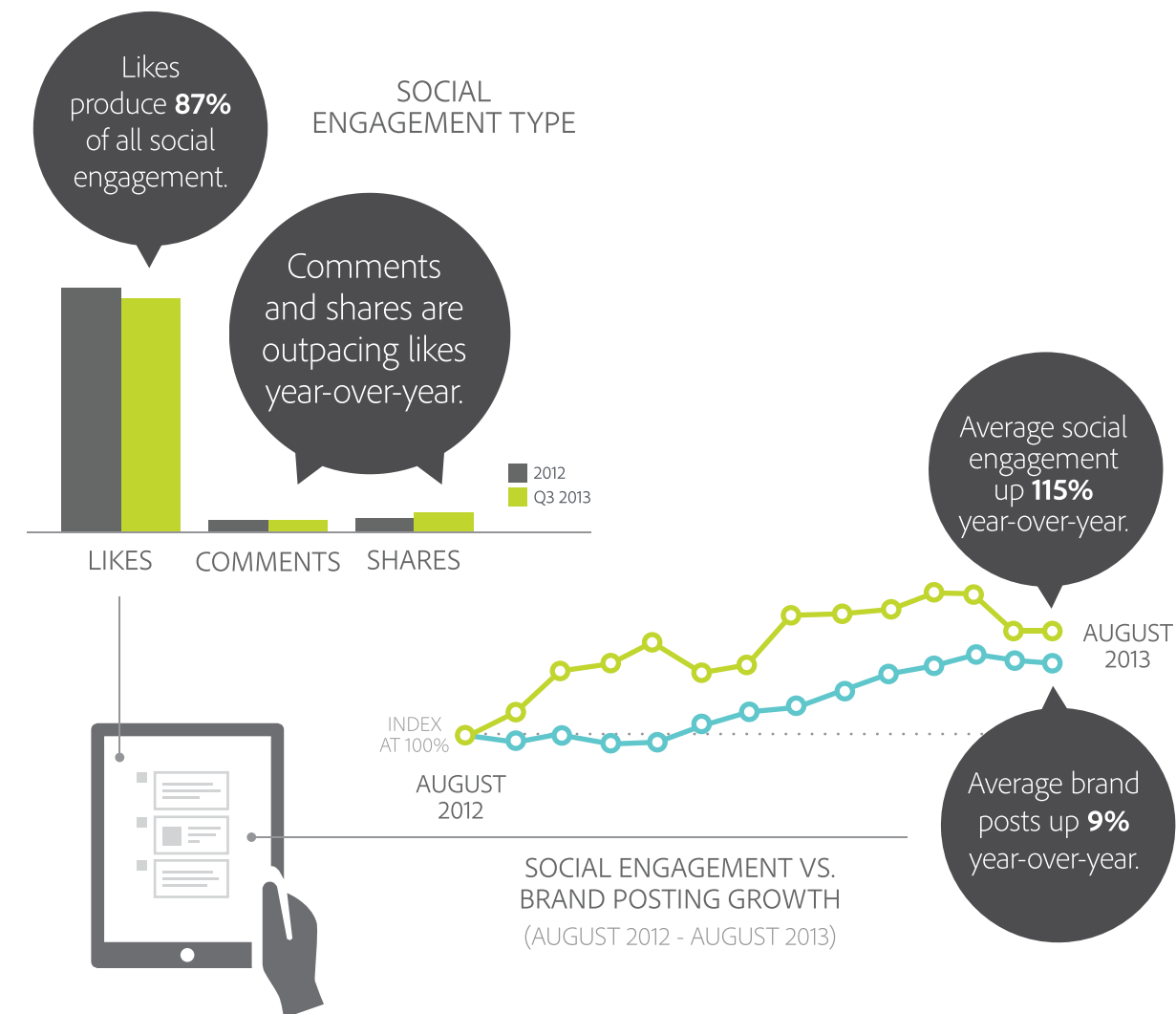
Brands are getting better at connecting with social audiences. Social engagement is growing markedly faster than brand postings, with the majority of engagement on Facebook coming through likes.

The findings:

- Likes produce 87% of all social engagement.
- Comments and shares are outpacing likes year-over-year.
- Social engagement is up 115% year-over-year and brand postings are up 9% year-over-year. Each brand post averages 945 likes, 88 shares, and 58 comments.

The opportunity:

With recent Facebook updates that limit the amount of brand posts a fan actually sees, it's no surprise that social engagement is outpacing brand posting growth. To increase the relevance of your brand posts, consider adding geo-targeted content.



Social engagement rate and post type

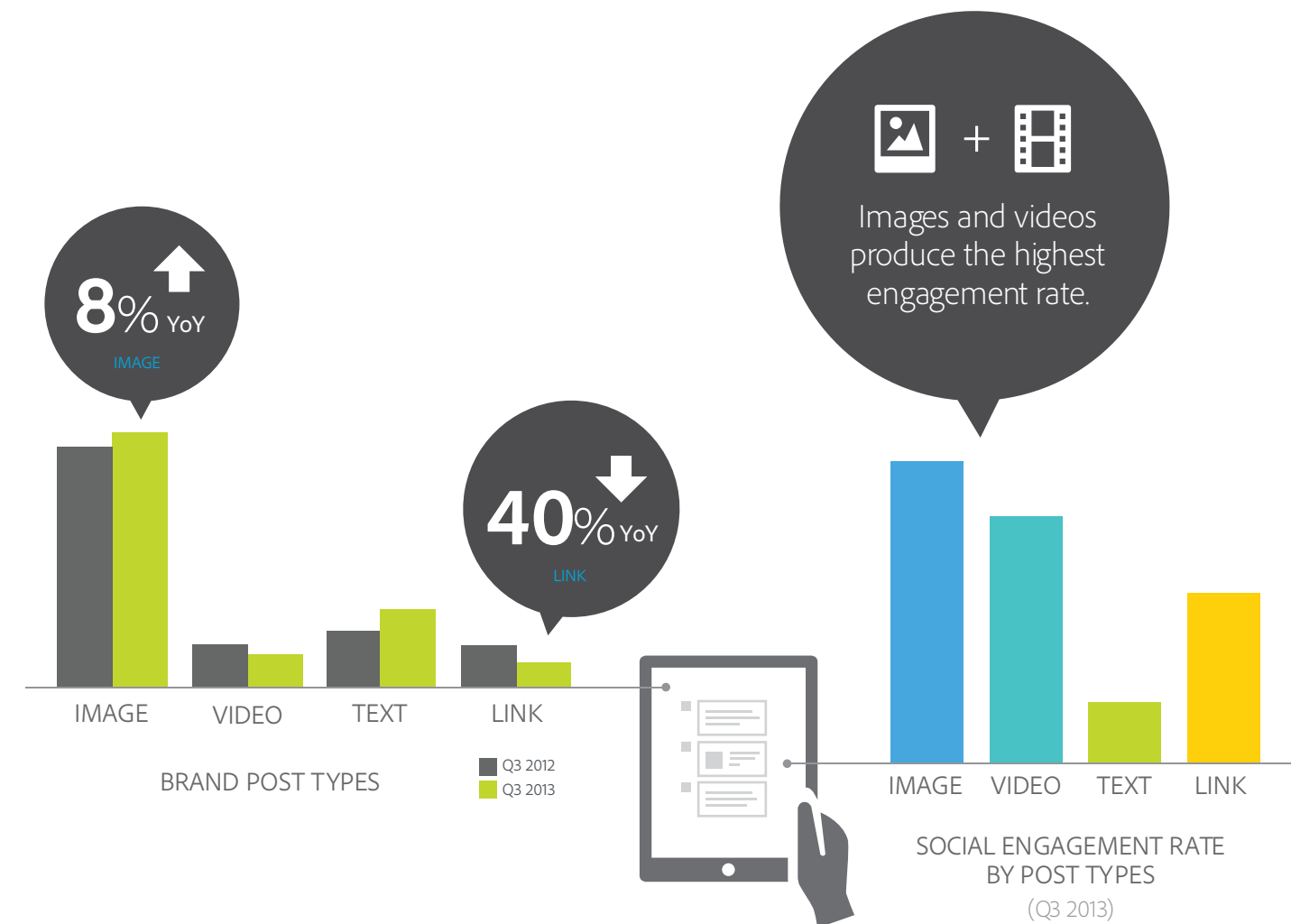
The majority of posts by brands contain an image, and these posts produce an engagement rate that's 600% higher than text-based posts.

The findings:

- Posts with images are up 8% and video is down 40% year-over-year.
- Posts with links are down 40% year-over-year.
- Images and videos produce the highest engagement rate.

The opportunity:

Videos produce a similar engagement rate as images, but they're being used much less frequently. By incorporating more video posts, you can differentiate your social marketing while also building engagement.



Geo-targeted posts

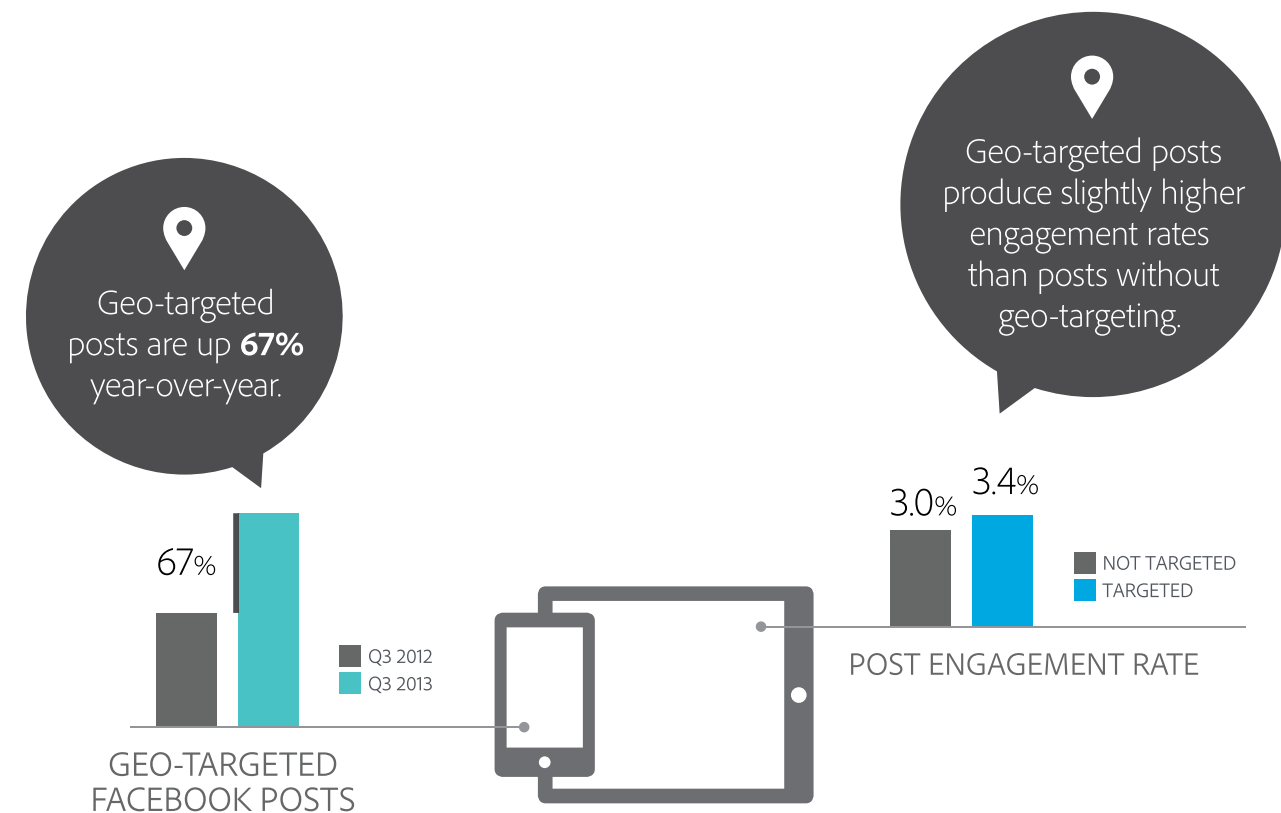
Geo-targeted ads and posts have increased as brands look to find ways to create more engaging content.

The findings:

- Geo-targeted posts are up 67% year-over-year.
- Geo-targeted posts produce slightly higher engagement rates than posts without geo-targeting.

The opportunity:

Monitor your mix of targeted vs. non-targeted posts. While non-targeted posts give you access to a broad range of consumers, targeted posts provide a better engagement rate and may be a more cost-effective solution.



Social sentiment by country

The U.K. has the most positive attitude in social media among English-speaking countries. This “social sentiment” is on the rise in the U.S. too.

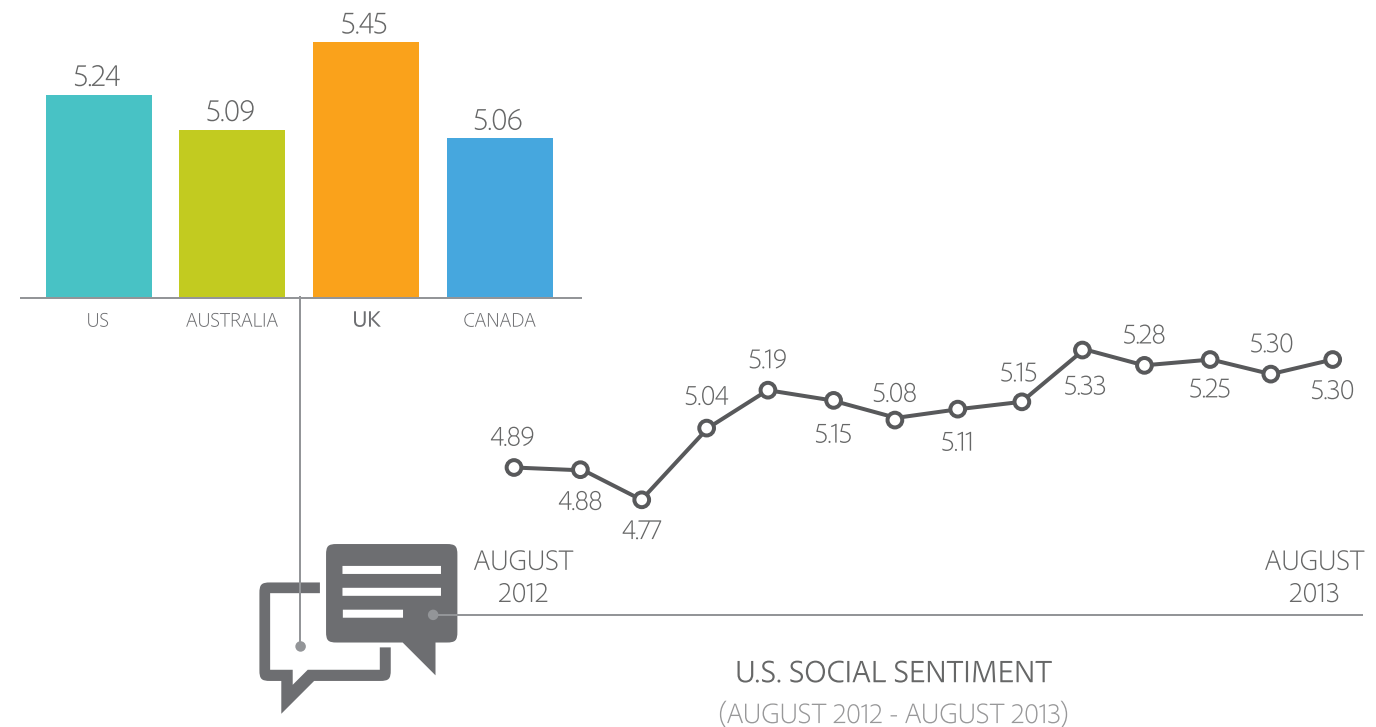
The findings:

- Social sentiment in the U.K. is almost 10% higher than in the U.S. and Australia.
- After a dip in Q4 of 2012, social sentiment in the U.S. is up 9% year-over-year.

The opportunity:

On a 1-10 scale, even a fraction of a difference in social sentiment can make an impact on your social marketing and business results. You can monitor sentiment by tracking the social buzz on your brand and brand-related terms throughout the year or during special events to see if consumer response is positive or negative.

AVERAGE SOCIAL SENTIMENT IN ENGLISH SPEAKING COUNTRIES (AUGUST 2012 - SEPTEMBER 2013)



EARNED SOCIAL

Social sentiment by industry and platform

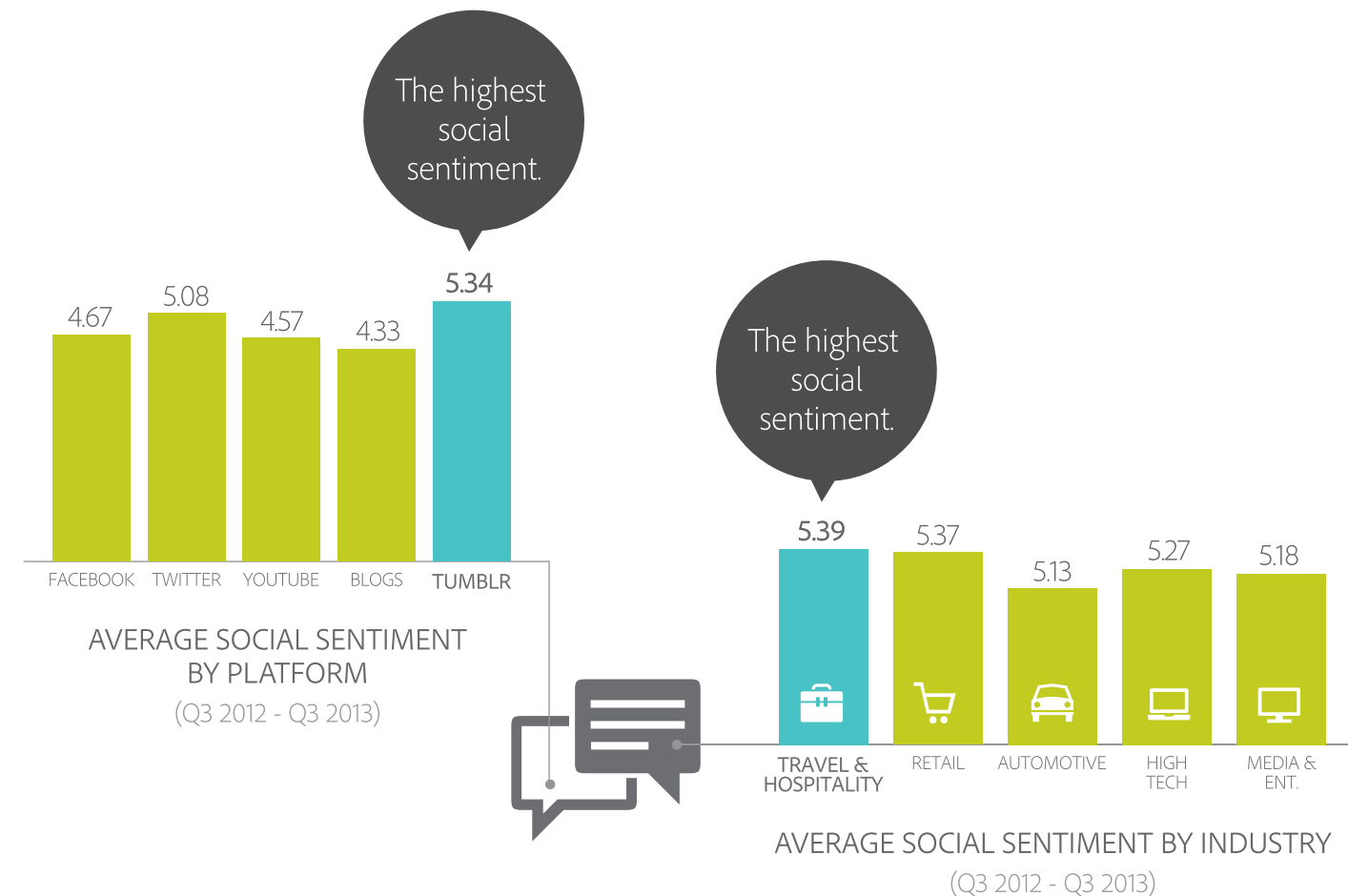
Travel and retail have the highest social sentiment rates, while the financial services industry lags behind.

The findings:

- Tumblr has the highest sentiment ranking of all social platforms.
- The travel and hospitality industry produces the highest sentiment, with a ranking of 5.38.

The opportunity:

To increase your social sentiment rates, look to the travel industry's best practices in customer service across all social platforms.



OWNED SOCIAL

First click vs. last click RPV

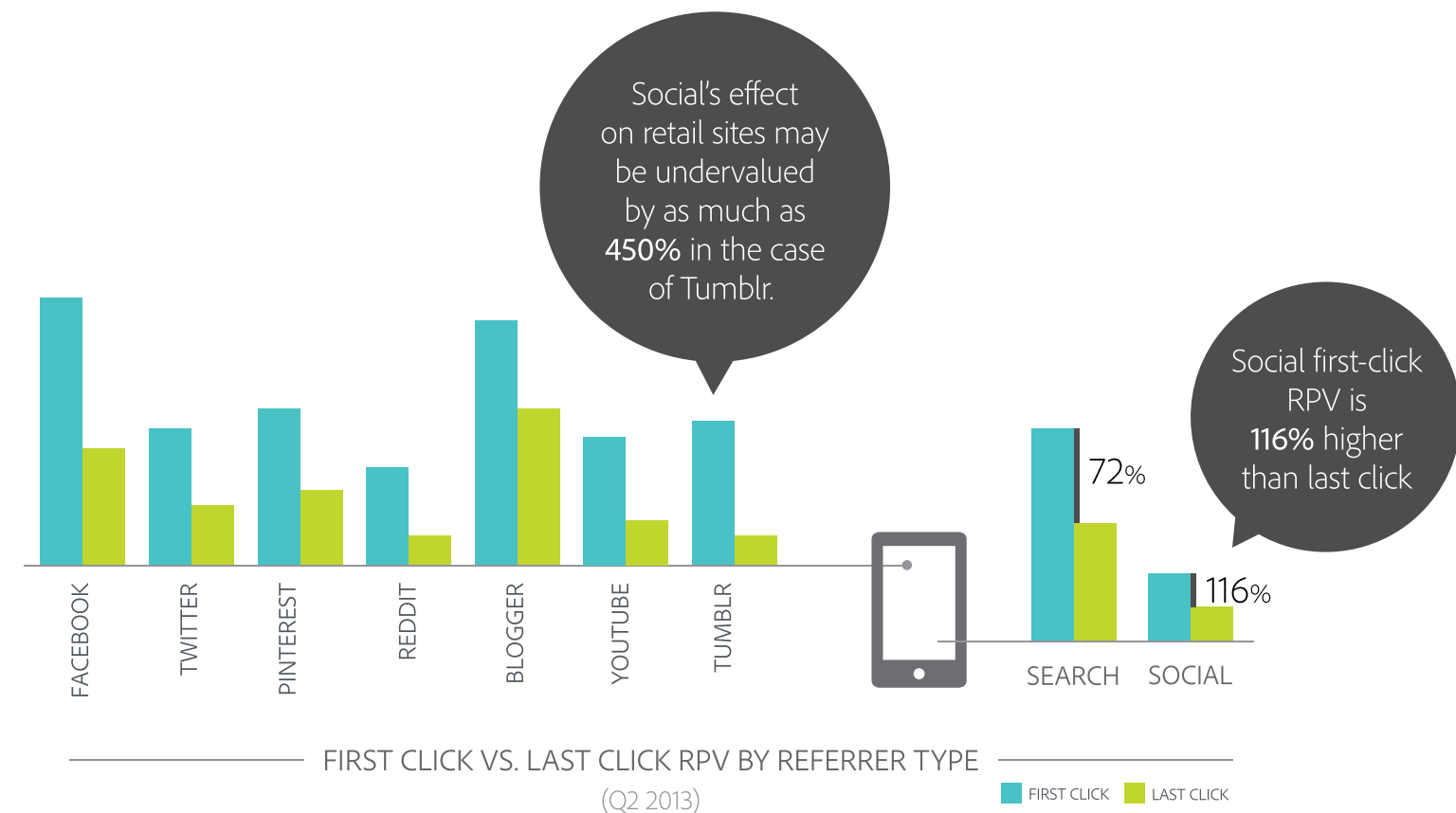
Attribution tracking may not be giving social credit where its due.

The findings:

- Social's effect on retail sites may be undervalued by as much as 450% in the case of Tumblr.
- Social first-click revenue per visitor (RPV) is 116% higher than last click.
- The revenue gap between search and social is 400% with last click and 325% with first click.

The opportunity:

As its RPV continues to increase, social is becoming a more essential component of the marketing mix. To make the most of this growing market, consider pilot campaigns within new social channels or increase spend in current social channels. Monitor spend and ROI closely so you can track performance and optimize for greater success.



Social RPV YoY increase

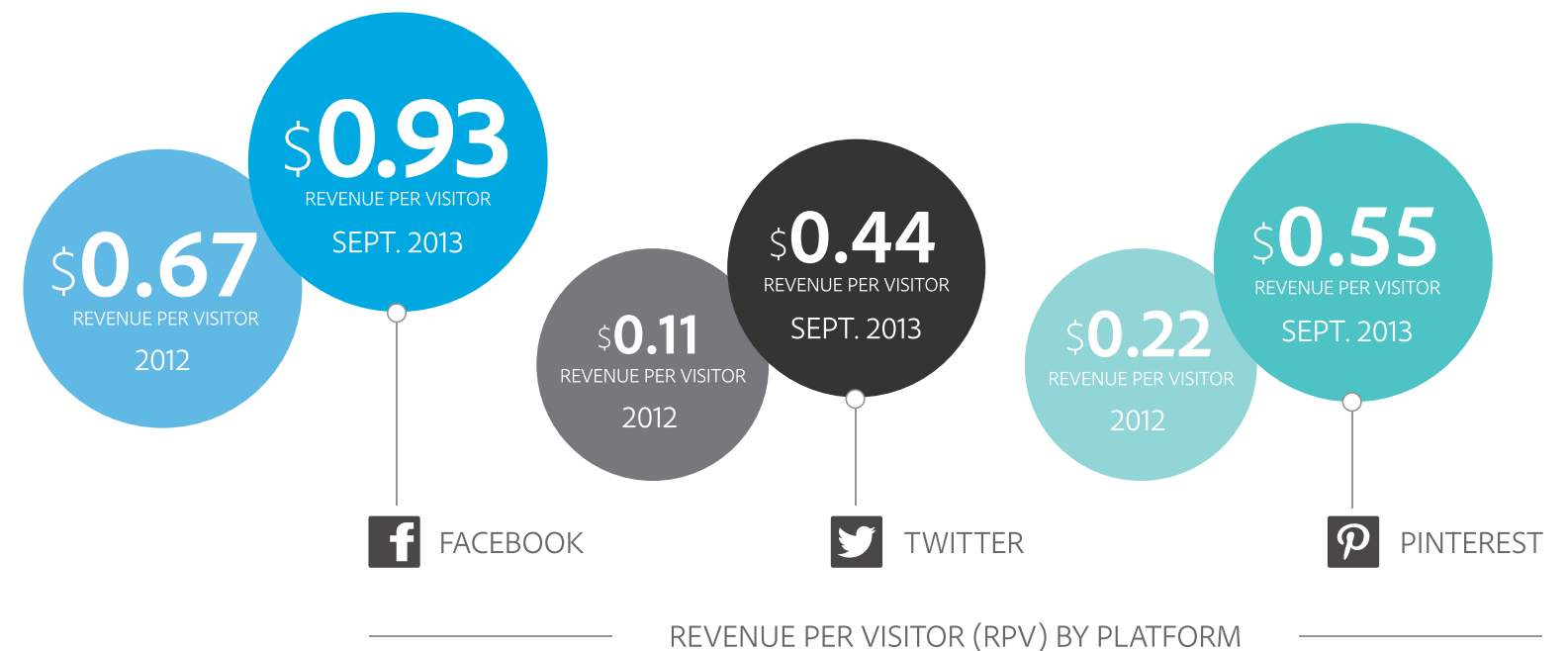
Revenue per visitor (RPV) in both first-click and last-click attribution models have increased year-over-year, illustrating an increase in value for social media marketing.

The findings:

- Facebook RPV is up 39% year-over-year.
- Pinterest RPV is up 150% year-over-year.
- Twitter RPV is up 300% year-over-year.

The opportunity:

As its RPV continues to increase, social is becoming a more essential component of the marketing mix. To make the most of this growing market, consider pilot campaigns within new social channels or increase spend in current social channels. Monitor spend and ROI closely so you can track performance and optimize for greater success.



OWNED SOCIAL

Share of social referred visits

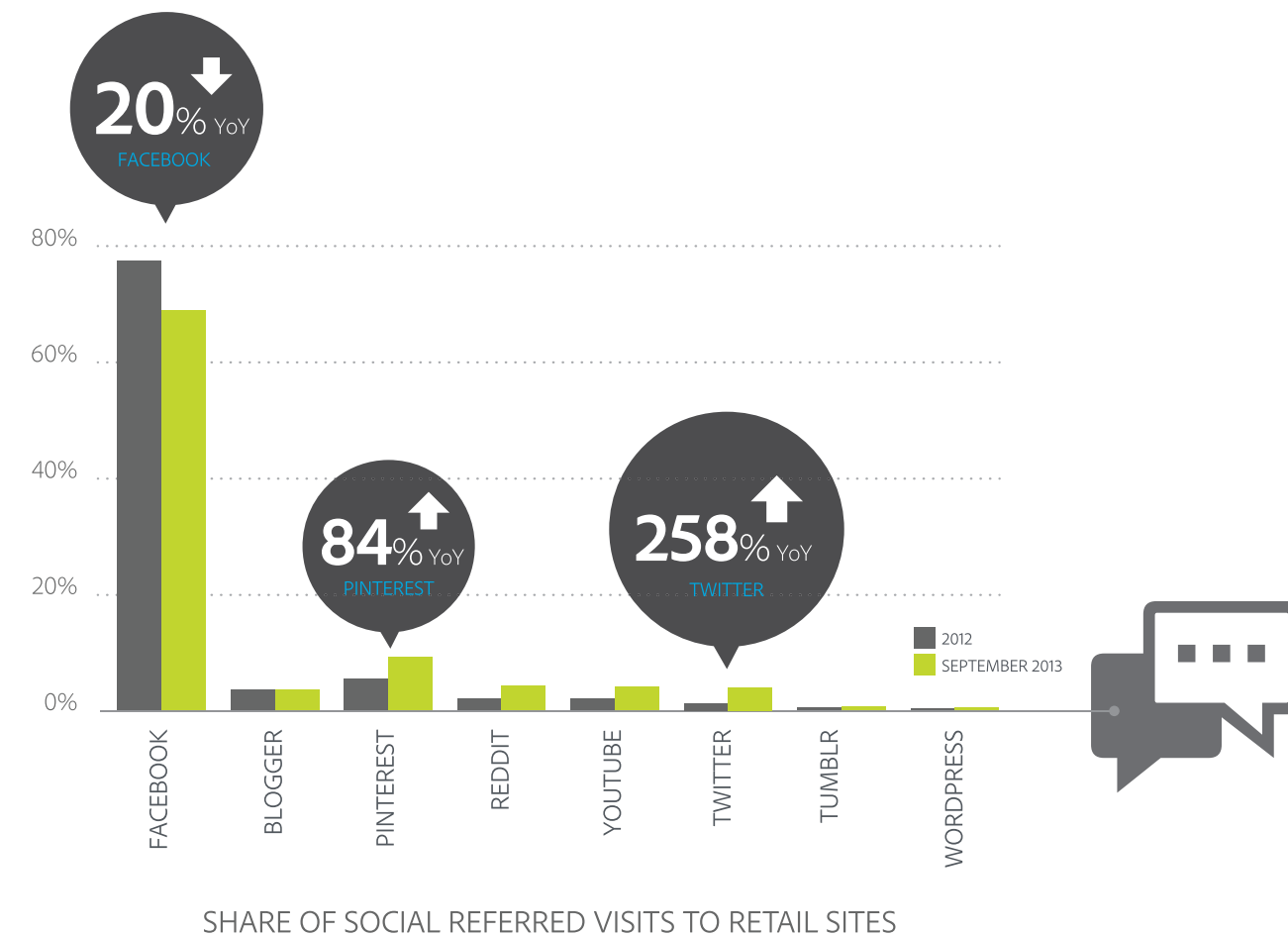
Facebook is still the leader of the social media pack, but the competition is slowly but surely closing the gap.

The findings:

- Facebook still dominates in percentage of visitors, but it's down 20% from 77% in 2012.
- Twitter is up 258% year-over-year.
- Pinterest is up 84% year-over-year.

The opportunity:

Twitter, YouTube, and Pinterest are continuing to gain share of visitors from Facebook. To stay one step ahead of this shift, look for opportunities to improve brand awareness across these growing platforms.



Glossary

- **Click-through rate (CTR):** Clicks created per impression.
- **Cost per click (CPC):** Cost per click on an ad.
- **Cost per thousand (CPM):** Cost per thousand impressions of an ad.
- **First-click attribution:** Purchase attributed to the first click the consumer makes toward purchasing an item.
- **Geo-targeting:** Posts targeting a specific region.
- **Last-click attribution:** Purchase attributed to the last click the consumer makes toward purchasing an item.
- **Return on investment (ROI):** Ratio of revenue to cost across industries for Facebook ads - not including retargeted ads.
- **Revenue per visitor (RPV):** Revenue made per visitor.
- **Social engagement:** The volume of comments, likes, and shares received through social media.
- **Social sentiment:** Ranking social mentions from 1 (negative) to 10 (positive) in order to track the effectiveness of social marketing efforts.

Methodology

This report is based on consumer data to brand sites during 2012 and 2013. It is comprised of aggregated and anonymous data from retail, media and entertainment, and travel websites. Ad data does not include retargeted ads on social networks.

Sample information includes:

- 131 billion Facebook ad impressions
- 400 million unique visitors to social sites
- 1.04 billion Facebook posts
- 4.3 billion Facebook comments, shares, and likes

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Appendix

Facebook Cost Per Click (CPC) and Click Through Rate (CTR)					
	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
CPC	100%	86%	68%	73%	73%
CTR	100%	101%	140%	250%	271%

Cost Per Thousand Impressions (CPM) by Platform					
	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Facebook	100%	85%	119%	125%	220%

Facebook Clicks and Impressions Growth (Global)					
	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013
Clicks	100%	123%	220%	128%	129%
Impressions	100%	171%	168%	116%	185%

Facebook ROI (U.S.)		
	Q3 2012	Q3 2013
ROI	100%	158%

U.S. Social Sentiment													
Aug 2012	Sept 2012	Oct 2012	Nov 2012	Dec 2012	Jan 2013	Feb 2013	Mar 2013	Apr 2013	May 2013	Jun 2013	Jul 2013	Aug 2013	Sept 2013
4.89	4.88	4.77	5.04	5.19	5.15	5.08	5.11	5.15	5.33	5.28	5.30	5.25	5.30

Geo Targeted vs. Not Geo Targeted Engagement Rate	
	Q2 2013
Targeted	3.0%
Not Targeted	3.4%

Social Engagement Type		
	% of Engagement per post	Average per post
Like	86.6%	945
Comments	5.3%	58
Shares	8.1%	88

Targeted Post vs. Not Targeted Post		
	Q3 2012	Q3 2013
Targeted	94%	90%
Not Targeted	6%	10%

Branded Facebook Post Type		
	Q2 2012	Q3 2013
Image	65%	70%
Link	12%	7%
Text	13%	17%
Video	10%	6%

Social Engagement Rate	
Image	4.3%
Link	2.0%
Text	0.7%
Video	3.5%

First Click vs. Last Click Attribution by Referrer (U.S. / Q2 2013)			
	First Click	Last Click	% Difference
Facebook	\$1.63	\$0.71	130%
Twitter	\$0.82	\$0.35	134%
Pinterest	\$0.94	\$0.45	109%
Reddit	\$0.59	\$0.16	269%
Blogger	\$1.49	\$0.94	59%
YouTube	\$0.77	\$0.25	208%
Tumblr	\$0.88	\$0.16	450%

Average Social Sentiment by English Speaking Countries	
	Average Sentiment (Q3 2012)
United States	5.24
Australia	5.09
United Kingdom	5.45
Canada	5.06

Average Social Sentiment by Industry	
	Average Sentiment (Q3 2013)
Travel & Hospitality	5.39
Retail	5.37
Automotive	5.13
Media & Entertainment	5.18
High Tech	5.27

Average Social Sentiment by Platform	
	Average Sentiment (Q3 2013)
Tumblr	5.34
Twitter	5.08
Facebook	4.67
YouTube	4.57
Blogs	4.33

Share of Social Referred Visits			
	2012	Q3 2013	% Increase
Facebook	77.1%	62.0%	-20%
Twitter	1.9%	6.8%	258%
Pinterest	8.3%	15.3%	84%
Reddit	2.7%	5.2%	93%
Blogger	4.7%	4.0%	-15%
YouTube	2.3%	5.3%	130%
Tumblr	0.8%	0.8%	-6%
WordPress	0.8%	0.6%	-26%

First Click vs. Last Click RVP by Referr Type			
	First Click	Last Click	% Difference
Search	\$3.59	\$2.08	72%
Social	\$1.11	\$0.52	116%

First Click Revenue per Visitor (Q1 2012 - Q2 2013)			
	Q1 2012	Q2 2013	% Difference
Facebook	\$1.28	\$1.63	27%
Twitter	\$0.52	\$0.82	58%
Pinterest	\$0.39	\$0.94	141%

Revenue per Visit			
	2012	Sept 2013	% Difference
Facebook	\$0.67	\$0.93	39%
Twitter	\$0.11	\$0.44	300%
Pinterest	\$0.22	\$0.55	150%