



# Social Media Effectiveness Report

Is consumer confidence in social media eroding thanks to Facebook's  
woes?

OCTOBER 2018



This is our fifth report on the commercial effectiveness of investing in social media marketing and, despite the PR, the research continues to raise questions that confound the rush to spend in social. The last report was published just before the Cambridge Analytical scandal and this one comes in the wake of a major data breach affecting Facebook users.

The challenge in measuring the commercial effectiveness of investments in to social media marketing remain valid and whilst very specific work we have done has shown that social media marketing can demonstrate a positive ROI in specific circumstances, in many cases investment in social media market continues to be a triumph of hope over hard evidence of commercial return.

Whilst more and more research demonstrates the success of brand building through social media, there remains a lack of clarity regarding the commercial outcome from the investment.

This month's report also goes on to analyse the Cambridge Analytica/Facebook news story and the knock-on effects of this on social media marketing for brands. Following the revelations, two-thirds of Brits were recorded as being either somewhat or extremely worried about the misuse of their personal data online. This sense of unease has created challenges for brands in preserving their own image within platforms and explains why some have chosen to leave social media all together.

Here are some other key points from some of the studies covered in this report:

- 77% of all marketers say their organisation uses a form of social media marketing
- 64% of marketers are focussed on providing a consistent customer experience across all channels
- In the past seven years, digital advertising effectiveness on mobile has dropped and is now level with that of desktop
- 5% of Facebook users in Britain are reported to have already left Facebook and 6% are intending to do so
- 52% of marketers stated a decline in their organic Facebook reach when compared to the previous year
- 34% of Generation Z say that they have left or deleted their social media account entirely

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**This sense of unease has created challenges for brands in preserving their own image**

### 2.1 Social Media marketing seen as a must-have investment

In May 2018, Salesforce published their fourth annual [State of Marketing](#) research and presented some interesting statistics. They report that 77% of all marketers say their organisation uses a form of social media marketing. The report goes on to show that all brands were planning to increase their social media spend in the following twelve months, with self-defined high performers 2.8 times more likely to increase their spend than the self-defined under performers. Despite this commitment to continue and increase investment into social, the report also finds that there is still a distinct lack of evidence linking social spend and sales revenue.

### 2.2 Should brand building be the focus?

A recent set of [research](#) conducted by Kantar Millward Brown and Saïd Business School at the University of Oxford found that most Facebook and Instagram campaigns run by 110 brands they analysed demonstrated a positive outcome in terms of 'brand saliency, associations and motivations for consumers'.<sup>1</sup> It was also noted that some campaigns had a negative impact but very few had a response of indifference from consumers. The range of difference between campaigns cited in the report also stands out - up to 35 percentage points between the most and least effective campaigns.

The research delved deeper in the reasons behind this difference in campaign effectiveness and quickly eliminated a number of factors including the format type, number of ad units, industry and geography. This led to a focus on examining the brand's behaviour through a series of natural language processing that classified brands as being more personable, emotional or functional. The conclusion found that brands appearing as more personable, emotional and less functional had a positive correlation with brand awareness. However, it was also noted that no correlation was found between more human brands and brand association/motivation (i.e. intent to buy).

<sup>1</sup> Prof Andrew Stephen quoted in PR Week



### 2.3 Is mobile still the saviour it once promised to be?

The joint Kantar Millward Brown and Saïd Business School [report](#) also analysed the effect of device type on brand metrics as a result of digital advertising. In order to achieve this, they analysed Kantar's database of just under 9000 campaigns that have been run around the world over the past seven years and analysed them in terms of brand lift effectiveness.

The results found that over this period desktop effectiveness remained fairly constant and recorded lifts between 2% and 4%. Mobile on the other hand tells a different story. Seven years ago, the average lift on mobile was recorded at just over 8%, placing it around 4 percentage points higher than desktop. By year 3, mobile had reached a high of just under 15% compared with just under 2% for desktop – a difference of over 13 percentage points. In year 7 however, desktop and mobile had converged, not as a result of desktop's effectiveness increasing but rather due to the rapid decrease in performance of mobile.

This is worth noting for marketers who are focussed on heavy-loading mobile social ads over desktop. This discovery, combined with our research that suggests mobile has a lower average order value across all channels comparative to desktop, should encourage marketers to seriously think about their investment into paid social and the device type they are focussing on.



Since our last report, the news around social media and data has been largely centred on the Cambridge Analytica/Facebook story that broke in early 2018. By mid 2018, the initial breaking story had developed into a global issue whereby up to 87 million people had experienced their personal data being extracted and manipulated by a third party for a combination of commercial and political gain. This story continues to rumble on and will no doubt lead to additional revelations down further down the line. But what has been the early impact of this story on the effectiveness of social media for brands?

## Generation Z fight backs

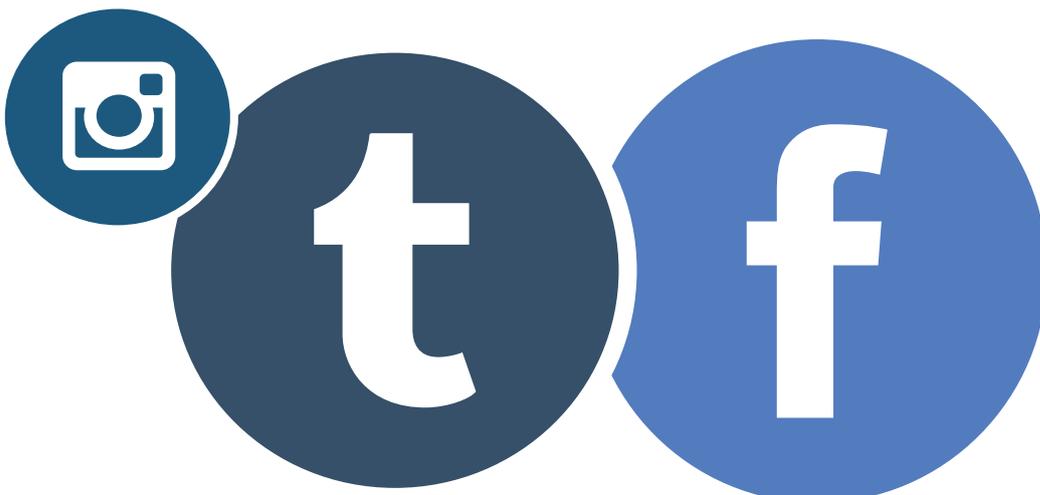
Following the revelations of this data misuse many users have chosen to remove themselves from Facebook in order to protect their personal data from exploitation. A survey by [Syzygy and Attest](#) in April found that 93% of Brits were aware of the Cambridge Analytica scandal with 5% reported to have already left Facebook and 6% intending to. Whilst these percentages may seem small, 5% of Facebook's UK user base equates to over 2 million users lost<sup>2</sup> - a large reduction and if it accelerates (potentially as a result of the latest data breach) this could be a significant challenge to their business model. Furthermore, two-thirds of Brits were recorded as being either somewhat or extremely worried about the misuse of their personal data online.

An article in [Econsultancy](#) outlining a report by Origin builds on this loss of users and focuses on the shift by consumers aged 18 to 24 away from social media. The study reports that 58% of these social natives in the US were seeking relief from social media with a staggering 34% saying that they had left or deleted their account entirely. Despite 91% of Gen Z being active on at least one platform, this generation also understand the problems with using social media and 72% feel that fellow Gen Z members are too distracted by social media. This attitude and a somewhat growing scepticism towards social media from those natives is a challenge that brands must face and work hard to overcome.

These findings coincide with a report by [Social Media Examiner](#) in May 2018 that analysed the results from just under 6000 marketers and found that only 49% of marketers considered their Facebook marketing effective and over half (52%) stated a decline in their organic Facebook reach when compared to the previous year. However, despite this decrease, 62% still plan on increasing their organic activity in the next year. A series of benefits of social media marketing were also reported as having decreased when compared to 2017, namely the number of generated leads and business partnerships formed.

These reports suggest that a combination of decreasing user numbers and declines in social reach will present a challenge for Facebook and others whose business model is based on growing user numbers and monetising their activity. A decrease in numbers of both users and potentially advertisers will be worrying the Facebook leadership.

<sup>2</sup> <https://www.statista.com/statistics/268136/top-15-countries-based-on-number-of-facebook-users/>

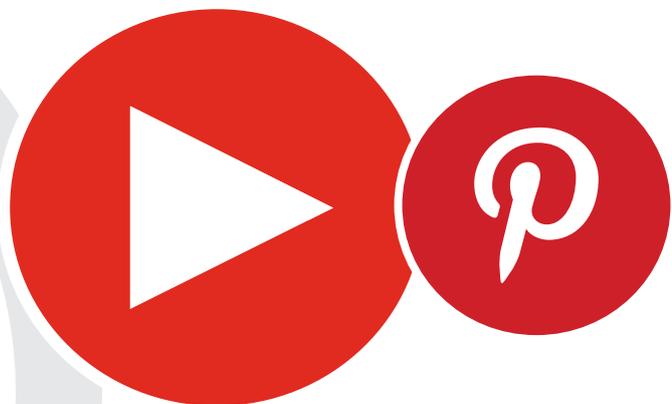
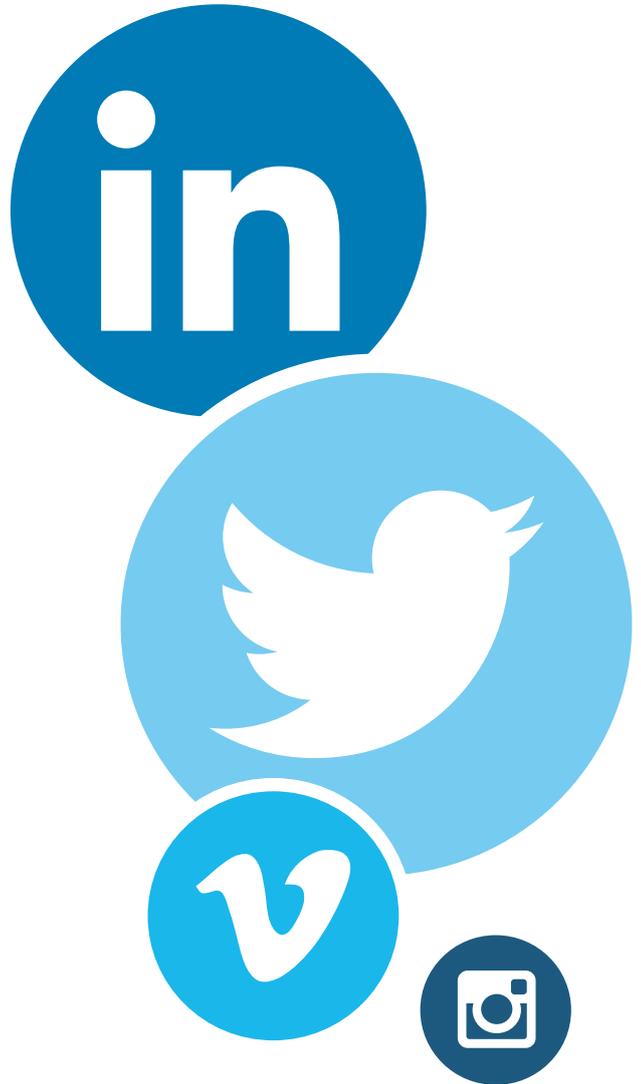


## The big brand exit

Following the Cambridge Analytica/Facebook data scandal, a number of brands have actively removed themselves from Facebook. From Sonos and Mozilla temporarily pulling all advertising to brands such as Tesla and SpaceX removing their accounts all together. Celebrities, themselves brand owners, like Will Ferrell, Jim Carey and Cher have also ditched the platform.

One such brand to make headline was UK national pub chain JD Wetherspoon, who in April 2018 announced it was to immediately close its Twitter, Facebook and Instagram profiles and instead encourage customers to visit their website directly for the latest news, offers and upcoming events..

As previous form has shown, Wetherspoons boss Tim Martin is never afraid to put his head above the parapet making controversial claims and decisions but is there a real business case for this media-grabbing decision? In defence of his decision, Martin explained that he was concerned his pub managers and staff were 'being side-tracked from...serving customers'. As Mark Ritson in [Marketing Week](#) has analysed, in the first four months of 2018 the Wetherspoon's twitter account averaged six retweets and four likes per tweet.



## 6 Overall Conclusion

*It is clear that brands have had a challenging few months when it comes to social media both in terms of driving revenue and in ensuring the protection of image and reputation. The effectiveness of revenue continues to be difficult to measure but there does appear to be a growing acceptance that there is a role to play in brand building and consideration through social.*

*So, what are the insights from the last few months' research worth noting and the actions worth considering?*

### Insights

- Social media is still seen as a must-have investment
- The challenges of measuring the effectiveness of social channels remain although there is a growing consensus that building a brand can be aided by social media marketing
- As it is placed further under the spotlight, the security of social channels is being interrogated and consumers have growing doubts about its ethics
- The Cambridge Analytica/Facebook story will continue to develop and the resulting effects are difficult to predict but brands will need to be aware of their response

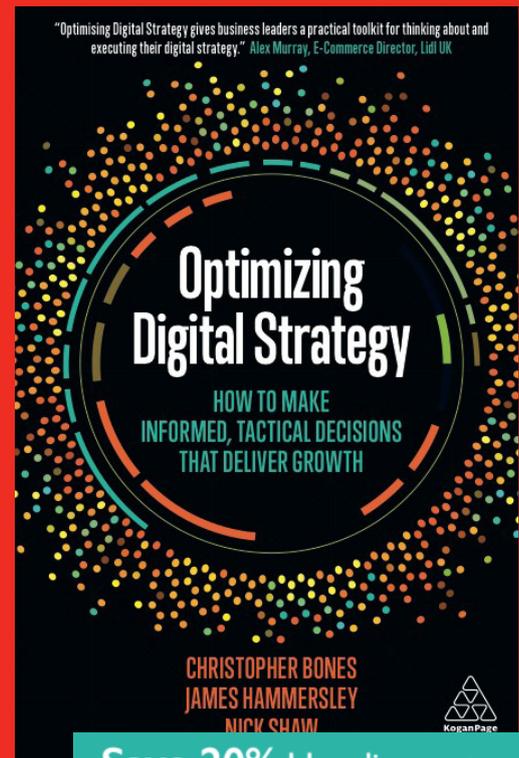
### Actions

- If you are investing significant sums in social to drive either 'consideration' or 'conversion' then demand to know what the focus is, be clear on the measures and look at the outcomes in comparison to other choices. Just because consumers are there doesn't mean they want you there too. Remember - almost half of Brits (40%) choose to 'actively ignore' brands on social media.<sup>3</sup>
- Make sure that you are convinced that your purpose of being on social media is worthwhile. Make decisions around your social media presence focus on what works for your business rather than simply doing what you think you should be.
- Understand where your content is being posted and shared – make sure the money being spent in your name is funding appropriate content that reflects your brand image. Ensure those advertising on social media on your behalf are held accountable to the content they are sharing and the messages associated with this. It is your brand at stake.

<sup>3</sup> <https://www.marketingweek.com/2016/09/28/almost-half-of-british-consumers-choose-to-ignore-brands-on-social-media/>



## About The Report



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*Good Growth work for clients who realise that what they are doing just isn't working for them anymore. They know they have to engage with or initiate changes that can re-ignite their organisations to move forward and grow. That's why they come to us.*

*This report is the result of a review of all key research available at the time of writing. The identification of key themes and analysis of the available data is undertaken by the research team at Good Growth Ltd.*

**To find out how Good Growth can make your business grow, contact Hamish Bones on +44 20 7183 0964 or email [hb@goodgrowth.co.uk](mailto:hb@goodgrowth.co.uk)**



## Praise for Optimizing Digital Strategy: Released Monday 3rd December

“A practical handbook to running an online business – this is a must-read for the online practitioner through to executive. Clear models, simplified language, with plenty of examples across sectors, makes this an invaluable asset – it sits permanently my desk! Importantly, it offers good insights and perspective on leadership and organisational challenges as business develops as well as practical advice.”

***Ann Steer - Chief Customer Officer, N Brown plc***

“Optimising Digital Strategy gives business leaders a practical toolkit for thinking about and executing their digital strategy. The Good Growth team have condensed years of research and experience into a genuinely useful handbook.”

***Alex Murray - E-Commerce Director, Lidl UK***

“Every retail leader should read this book! What Chris, James and Nick have written will help today’s leaders navigate the maze of the digital world. They remove the mask of mystery to help understand where a business should focus its energy, people and capital.”

***Daren Topp - Chairman of Retail Executives and an experienced Retail CEO***

“Chris, James and Nick successfully challenge the perception that more and more technology is the always answer. Instead they delve deeper into the importance of the organisation in driving growth. Optimizing Digital Strategy’s analysis of the ethics that underpin a company’s business model should make all those responsible for digital channels take note.”

***Anna Rawling - Managing Director, Product & Portfolio Strategy, The Economist***

“The globalised networked nature of the ‘Fourth Revolution’ means that no organisation can opt out of its impact. ‘Optimizing Digital Strategy’ is therefore a must read for all leaders trying to make sense of the decisions they need to make to transform their organisations. This book is a practical step-by-step guide on how to oversee the successful execution of these decisions and given that so much technology transformation ends in failure anything that helps lift the fog is a rare jewel.”

***Baroness Margaret McDonagh - Chair and Co-Founder of The Pipeline - Executive Leadership Designed for Women***

“An essential read for any executive seeking to leverage the opportunities and mitigate the risks posed by digital transformation. This is a book that lays out a clear road map for how organizations can deliver on their digital strategies recognizing that “customer experience” has become the primary basis for sustainable growth in today’s hyper-competitive marketplace.”

***Professor Michael Hartmann - Executive Director, EMBA in Digital Transformation, McMaster University***

“An informative and insightful book, which should be read by all Directors and Business Leaders. The distinction between good and best practice in this fast-moving area is a point well made. The case studies add a richness and amplify the content.”

***Helen Pitcher OBE - Chairman Advanced Boardroom Excellence, President INSEAD Directors Network, Chairman pladis, Chairman KidsOut.***

“This is a compelling guide to the creation and execution of business growth strategy in a high rate of change digital age, rather than about digital strategy in a purist/technical sense. It brings a system thinking approach to bear and rightly draws out the criticality of active and accountable business leadership, culture, ethics and above all the need for ruthless customer, consumer and market place centricity.”

***Stuart Fletcher - previous Global CEO Bupa and President International, Diageo plc***

“The book is a great resource for any marketer, whether a relative novice or highly experienced, in having an effective digital strategy at the heart of your business’ growth engine. The book is nicely chunked into relevant chapters so you can dip in and out, focusing just on the topics pertinent to the latest knotty conundrum you’re grappling with. It gives direction on how to frame the issue, practical examples of success and failure, and lists of what to ensure you think about on your path to success. Everyone should have a copy in their favourites.”

***Andraea Dawson-Shepherd - Senior leader, global consumer goods, Coty, Carlsberg, Reckitt Benckiser, Cadbury Schweppes***