

2017 Ad Spend: Will Facebook metrics challenges impact spending?

An Advertiser Perceptions pulse study

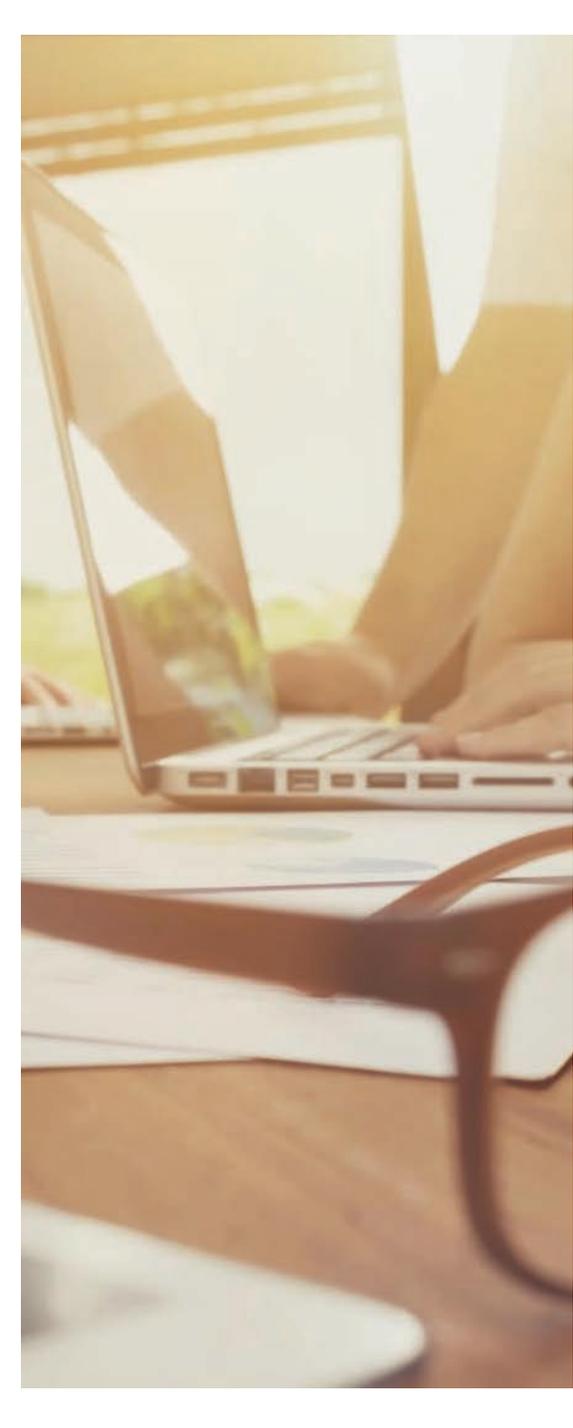


What Advertisers Think™

The More You Know

The Stronger Your Brand

The More Your Agency Will Grow



OVERVIEW

Advertiser Perceptions surveyed our panel of top spending brands to gauge advertiser concerns regarding the Facebook news about reporting, metrics and fraud.

Bottom line: Yes, advertisers will place greater scrutiny on Facebook, but we see no indication that spending will lessen. Instead, the dominance of Google and Facebook should become even stronger in 2017.

METHODOLOGY

- 309 interviews conducted online
- Fielded December 2016
- Sample: Marketer and agency contacts from the Advertiser Perceptions media decision maker database

QUALIFICATION

- Involved in media brand selection decisions for digital/mobile or TV advertising
- Plans to spend on national advertising in next 12 months

RESPONDENT PROFILE

- Agency 60%/Marketer 40%
- Title:
 - 44% VP and above
 - 38% Director/Supervisor
 - 18% Manager/Planner/Buyer

76% of advertisers likely will spend more with Google in 2017 48% likely will spend more with Facebook

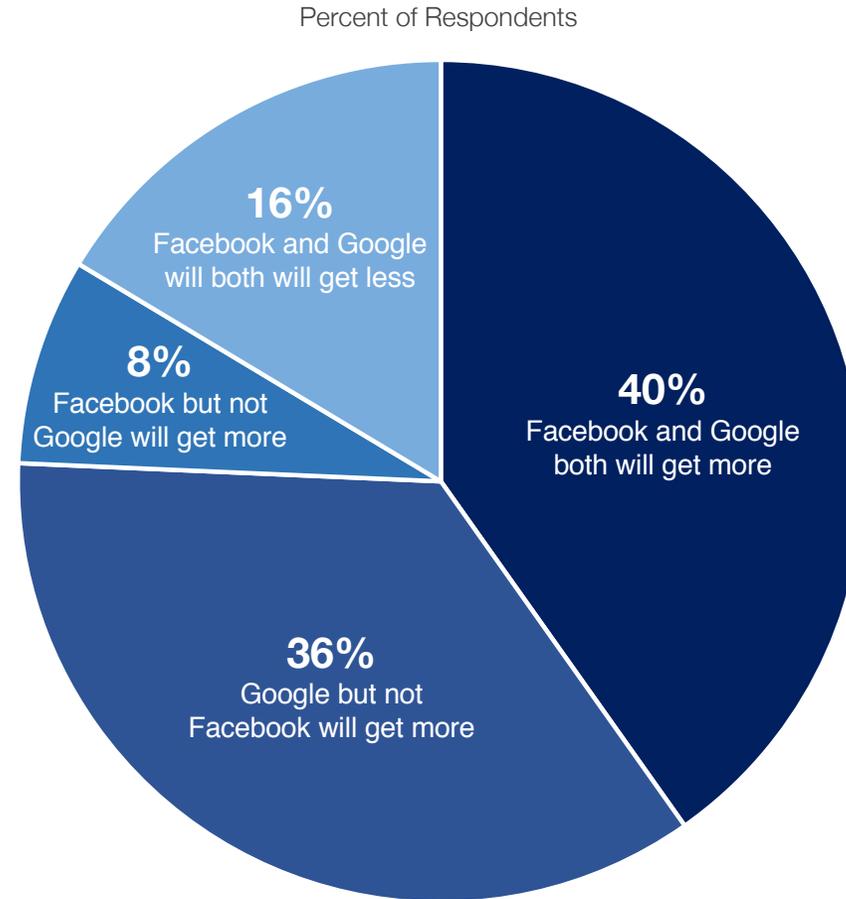
Let's look at the scorecard:

Spending with Facebook:

- 48% likely will increase
- 36% likely will not spend more (not necessarily spend less)
- 16% likely will spend less

Spending with Google:

- 76% likely will increase
- 24% may maintain or spend less

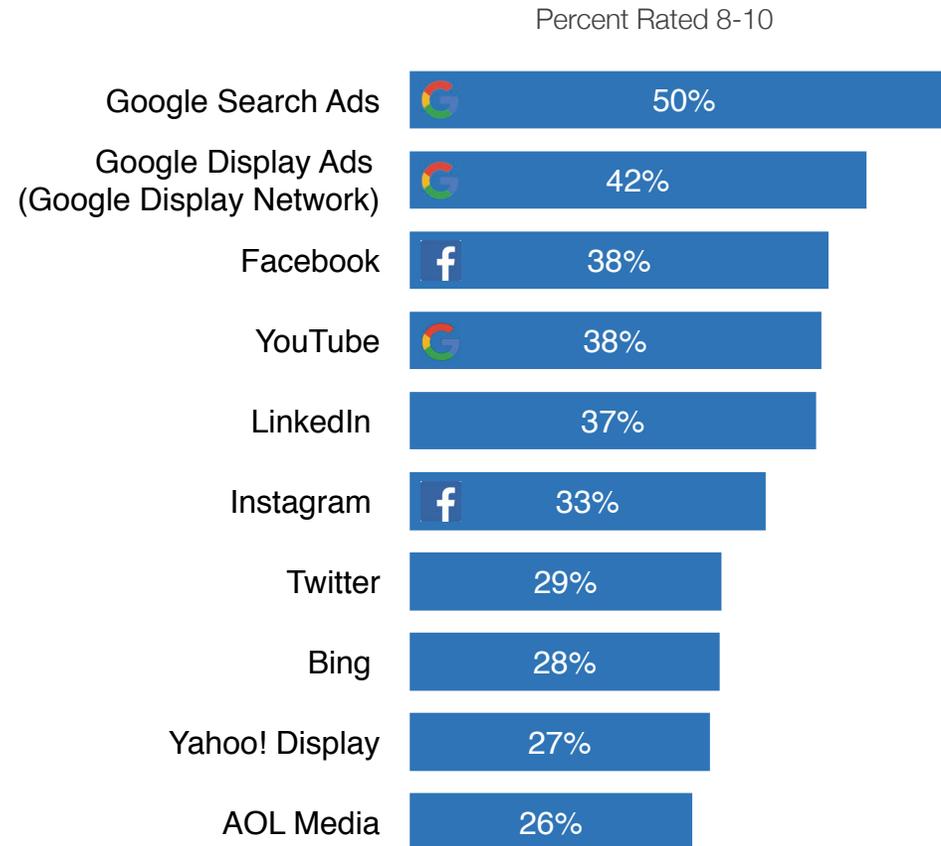


Q: In your crystal ball for 2017, what is likely or unlikely to happen?
Base: Involved in Digital/Mobile Advertising

Given concerns about bots, ad blocking, metrics, Google Search has high confidence Facebook is in good shape: in-line with YouTube

On a scale of 10, where 8-10 show high levels of confidence in the brand's platform...

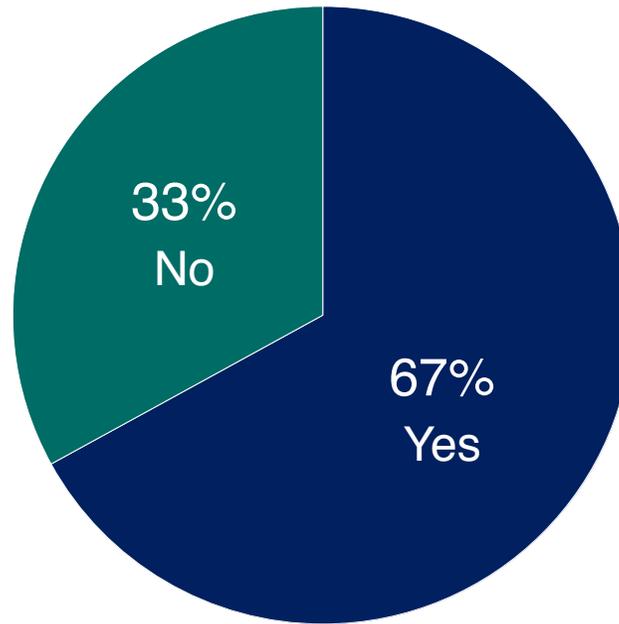
- Facebook is in good shape: in line with YouTube
- Google Search and its sibling Google Display lead the way



Q Given the issues surrounding digital audience delivery – bots, ad blocking, fraud and audience overestimating – how confident are you with the following platforms? (1 = Not At All Confident; 10 = Very Confident)
Base: Involved in Digital/Mobile Advertising

Will concerns over Facebook metrics issues cause advertisers to question their spend?

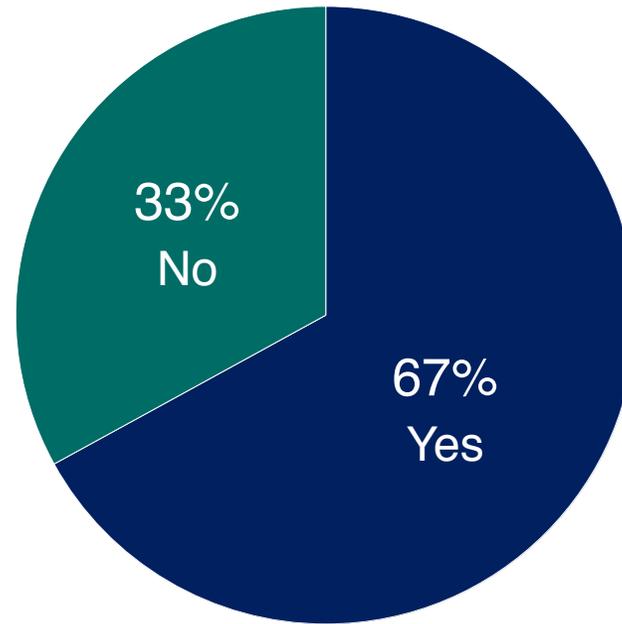
Two-thirds answer “Yes”



Percent of Respondents

Q: Over the last months, Facebook has revealed that they have discovered errors in their audience tracking metrics, which they are actively working to correct. Do these recent revelations make you question how much you're spending with Facebook? Base: Involved in Digital/Mobile Advertising and Current/Past Facebook Client

Will concerns over Facebook metrics issues cause advertisers to question their spend?



Percent of Respondents

“YES” What do you plan to do?

41% Independent audit of Facebook audience and ad delivery

40% Capping spending on the platform

37% Using news to negotiate lower rates

7% No change, business as usual

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Q: What will you be doing? Base: Question How Much Spending with Facebook

Will concerns over Facebook metrics issues cause advertisers to question their spend?

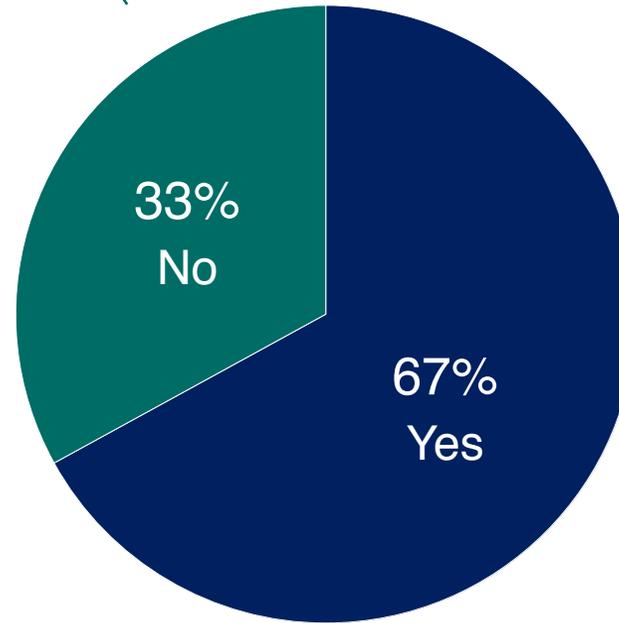
“NO” What are your reasons?

66% They're still the biggest social platform, so they're indispensable

33% If we're not actually paying for phantom audiences, it's of no concern to us

11% We already calculate overstatement into our projections in working with them

6% Other



Percent of Respondents

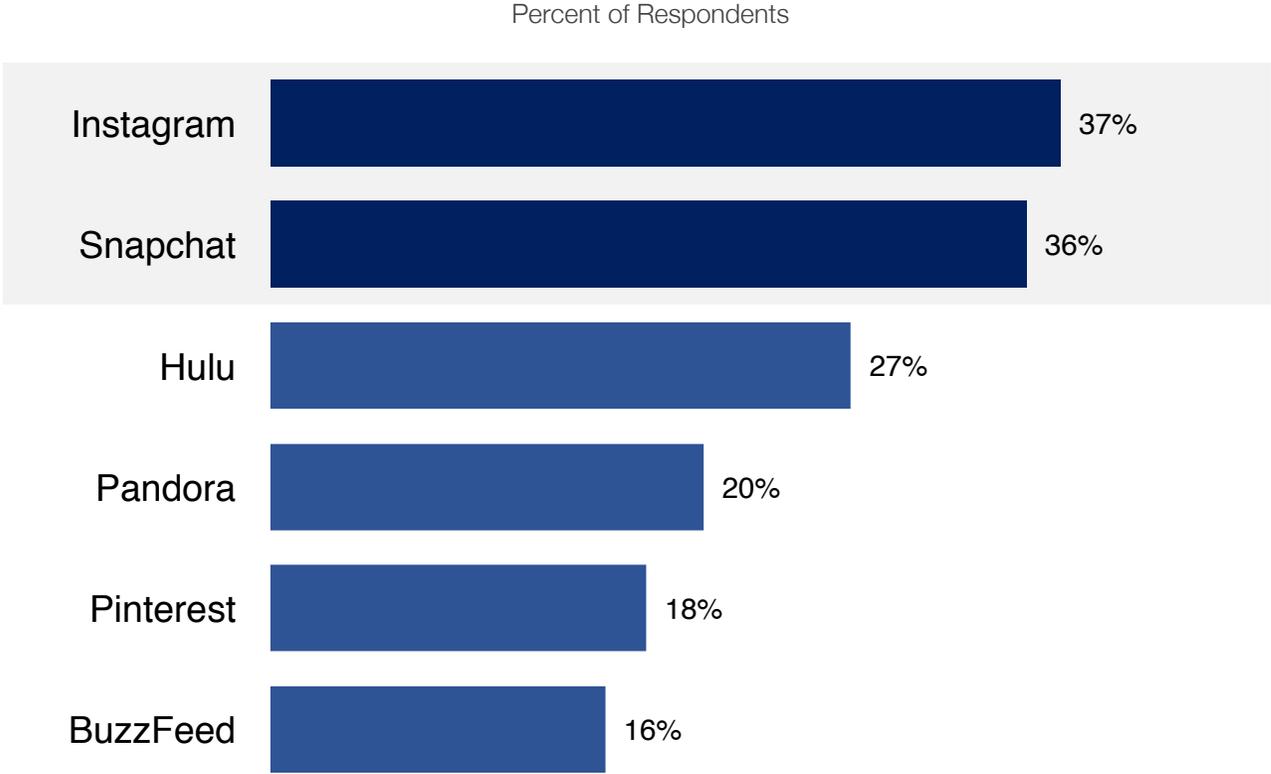
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Q: Why not? Base: Do Not Question How Much Spending with Facebook

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- Instagram, as part of the Facebook family, continues in our research to draw high advertiser enthusiasm.
- Snapchat has enormous advertiser support in all our surveys in the early stages of the stages of the brand



Q. Which of the following brands would you say have the most compelling case for significant ad investment or spending increase in 2017?
Base: Involved in Digital/Mobile Advertising

Contact:

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