



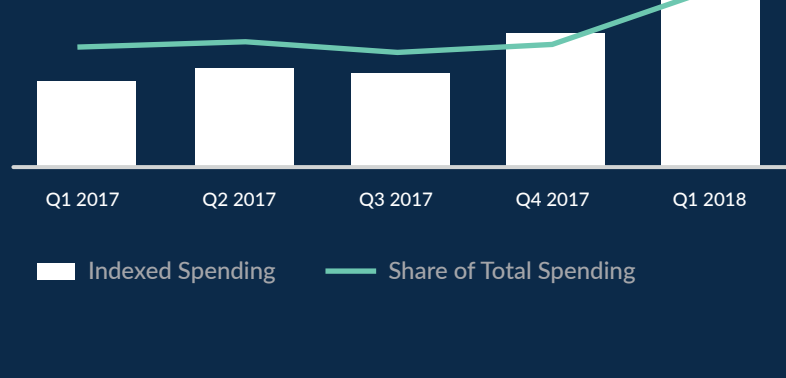
# Video and Instagram animate Q1 spending growth for social advertising

Total social ad spending shrugged off recent headlines, increasing 37% year-over-year (YOY), while paid search spending grew 11% on the strength of shopping ads, mobile ads, and mobile shopping ads.

## WHAT YOU NEED TO KNOW

### SOCIAL

#### Video Share and Growth



Social video ad spending increased sharply in Q1 as video-focused advertisers grew budgets faster than others.

### SOCIAL

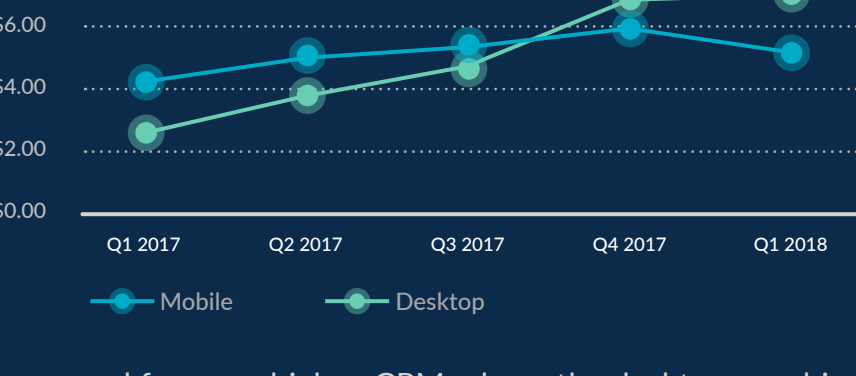
#### Instagram Growth



Instagram continues to grow faster than overall Social, with spending doubling YOY and clicks increasing by over 3X.

### SOCIAL

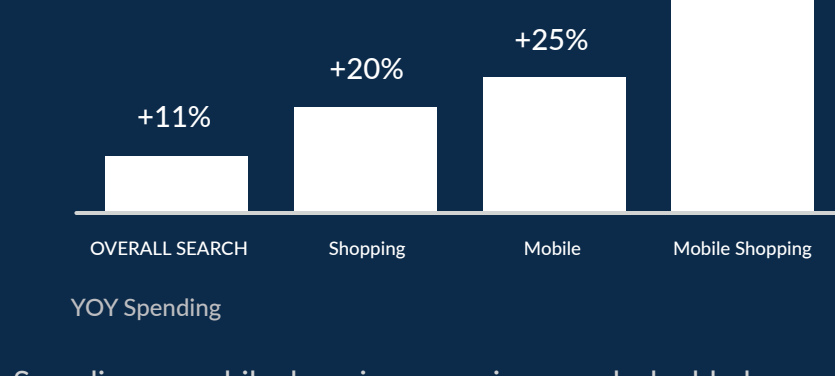
#### CPM by Device



Increased focus on higher-CPM ads on the desktop, combined with lower CPMs for mobile Dynamic Product Ads, have "flipped the script" on social impression pricing by device.

### SEARCH

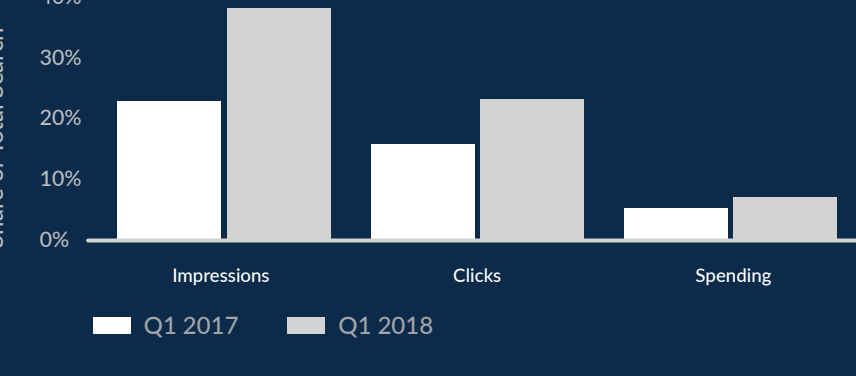
#### Spending Growth Drivers



Spending on mobile shopping campaigns nearly doubled compared to last year, which contributed to overall growth across the search channel.

### SEARCH

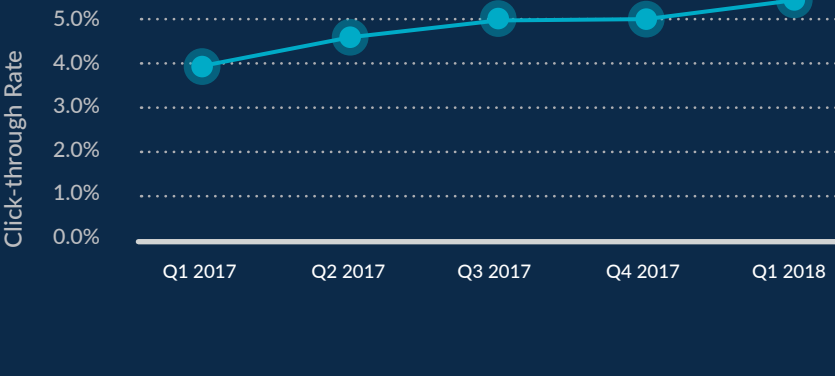
#### Mobile Shopping Share



Mobile Shopping Campaigns now make up nearly 40% of all search impressions across all verticals, with share of clicks and spending also growing.

### SEARCH

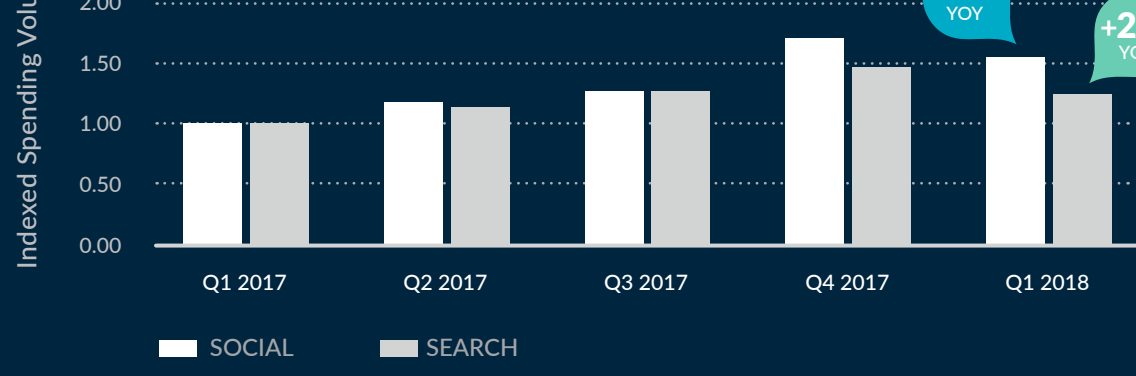
#### Mobile Keyword Engagement



Improved responsiveness of mobile landing pages may be the primary factor for increased mobile keyword click-through rates (CTR).

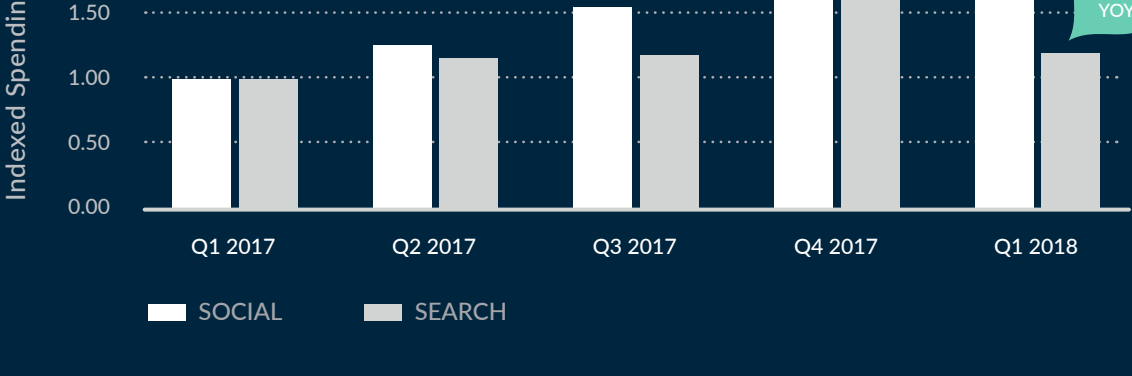
### MOBILE SPOTLIGHT

Mobile spending continues to outpace overall growth across channels, driving 78% of Social spending in Q1 and 44% of Search spending.



### PRODUCT AD SPOTLIGHT

Spending on product ads has retreated in Q1 for both Search and Social after peaking in the Q4 holiday season. Search shopping campaign growth is slowing down as comparisons to the previous year reflect similar available inventory levels.



## TRENDS & HIGHLIGHTS

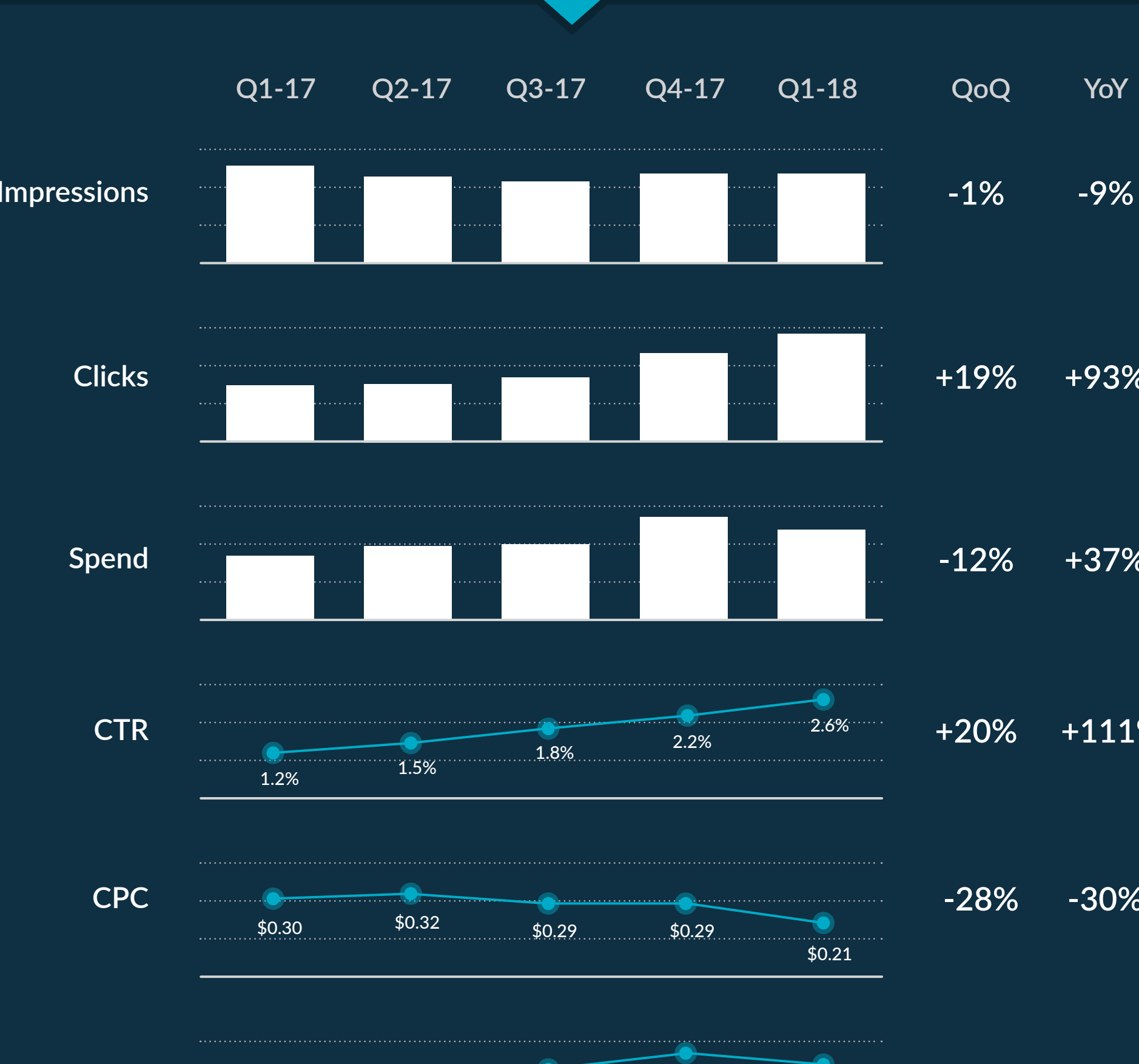
### SOCIAL

The elimination of low-priced, low-engagement desktop ad inventory has once again led to year-over-year drops in impression volume and increases in the pricing of those impressions.



If desktop right hand column ads are excluded, the cost per thousand impressions (CPM) for social advertising declined 15% quarter-over-quarter and only increased 13% year-over-year.

As more and more social advertisers adopt Carousel ads, with their multiple options for engagement, click volume and click-through rate will likely continue to rise faster than other measures.



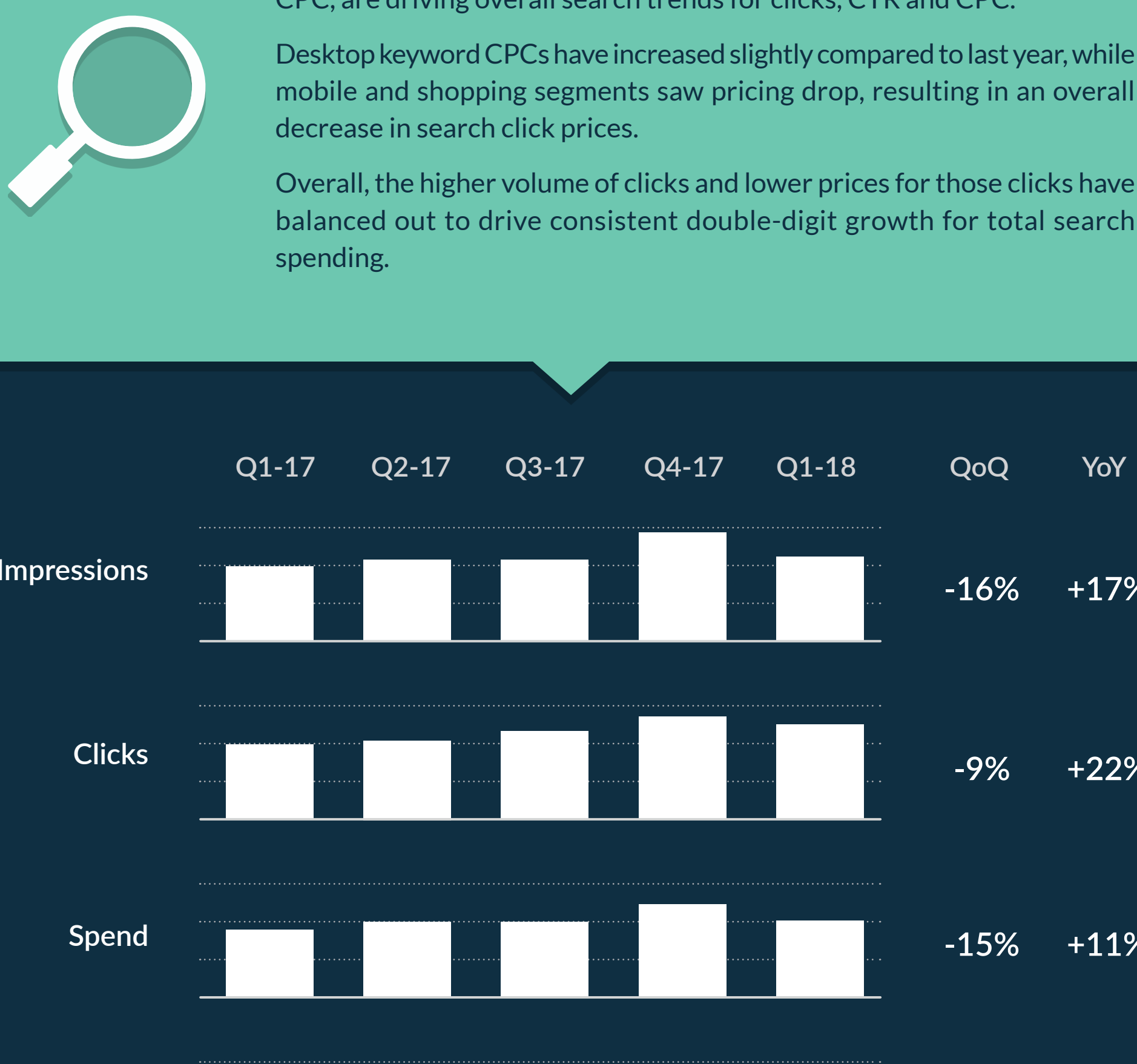
### SEARCH

Mobile shopping campaigns, with their higher click-through rates and lower CPC, are driving overall search trends for clicks, CTR and CPC.



Desktop keyword CPCs have increased slightly compared to last year, while mobile and shopping segments saw pricing drop, resulting in an overall decrease in search click prices.

Overall, the higher volume of clicks and lower prices for those clicks have balanced out to drive consistent double-digit growth for total search spending.



[Kenshoo.com/Digital-Marketing-Snapshot](https://www.kenshoo.com/Digital-Marketing-Snapshot)

### METHODOLOGY

Search and social results are based on Kenshoo advertisers with 15 consecutive quarters of performance data taken from a population of over 3,000 advertisers and agency accounts across 20 industries and over 60 countries, spanning Google, Bing, Baidu, Yandex, Yahoo!, Yahoo! Japan, Pinterest, Snapchat, Facebook, Instagram and the Facebook® Audience Network. Some outliers have been excluded. The resulting sample includes more than 500 billion impressions, 14 billion clicks and \$6.5 billion (USD) in advertiser spending.

For charts showing impressions, clicks and spending, volume metrics have been normalized to a factor of 1 based on the initial volume for the first quarter of data. Data points of subsequent quarters are based on a multiplier from the first quarter. For example, 1.6 means that volume is 60% greater than volume on the initial quarter measured.

Ad spending and CPC are measured using Ex-FX or "Constant Currency" adjustments, where results are based on native currency, and only translated to common currency after aggregation.

Note: There may be variation in numbers for past or future research published by Kenshoo as the rolling data set is dynamic for each

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