Social Intelligence Report
Adobe Digital Index | Q2 2015
Key Insights

Paid Social
• Cost per click (CPC) rates for Facebook are flat YoY while impressions fell by half and click through rates doubled
• 51% of those surveyed preferred Facebook Ads to those served by YouTube (17%) as providing “genuine interest”

Organic Social
• Recent algorithm changes have led to declining interaction rates in all industries as marketers adjust
• Interaction with links on Facebook continues to grow, but other post types are slow to respond to recent algorithm changes

Owned Social
• Smartphones lead the way with referred revenue growth
• All industries are seeing an increase in social referred traffic
• Mobile traffic continuing to shift from search to social
Social media gets more marketing savvy

Social buzz, ads, and content can all be used as a way to reach and connect with individual consumers. Facebook continues to dominate the social realm, but each social site has a unique audience and benefit that can lead to more loyal fans, brand awareness, and eventual revenue.

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CONSUMER SURVEY
Social Media Site Usage

The pervasive use of social media (93% visit a site at least once a week) and the dominance of Facebook (78% visit regularly) should surprise no one.

Within the social media realm there are use-specific platforms as well as overlap creating the need to plan accordingly.

The Findings

- Consumers regularly visit 2.7 sites a week
- Access varies by site and device
  - Smartphone oriented sites: Snapchat, Instagram, Twitter
  - Desktop oriented sites: LinkedIn, YouTube, Google+
  - Approx. equal usage: Facebook, Pinterest
- Facebook and YouTube lead the sites used for product recommendations

![SOCIAL MEDIA SITE ACCESS BY DEVICE (Q2 2014 - Q2 2015)](image)

Source: Survey
PAID SOCIAL

Facebook Ad CPCs and CTRs

The focus Facebook put on matching consumer interests with advertising messages has led to better experiences for consumers and better numbers for marketers.

The Findings

- Global Cost per click (CPC) rates are flat year over year; US saw a 6% increase YoY
- Click through rate (CTR) is up 2x year over year with evidence of much higher rates for individual brands
PAID SOCIAL

Facebook Paid Ad Clicks & Impressions Growth

Improved targeting and better ad selection has resulted in less clutter while maintaining engagement.

Facebook appears to have been rewarded for being innovative and taking risks.

The Findings
- Impressions, or ads served, has dropped by half since last year (-47%)
- Total clicks are up 12% YoY
PAID SOCIAL

Facebook and Google comparison: Click thru rates

Facebook's radical approach produced very different metrics compared to Google's more incremental approach to display advertising.

The Findings

- Facebook CTR doubled YoY
- Google display network (YouTube and other outlets) is up 24%

- Adobe Survey:
  - U.S. consumers judge Facebook better than YouTube for serving ads of genuine interest (51% vs. 17%, respectively)
  - Regular Facebook users more likely to believe that personalization is helpful.
    - "I don't think ads should be personalized": 25% among regular users vs. 43% non or occasional users.

GLOBAL DISPLAY AD CTR GROWTH
(Q2 2014 - Q2 2015)

Source: Adobe Media Optimizer
EMERGING SOCIAL

Streaming Video Apps

Live streaming apps continue to grow within the social sphere providing global access to live events.

In a battle of the platforms, Periscope knocks out Meerkat in the first round.

The Findings:

• Periscope has doubled its average daily mention count since adding Android availability in late May.
• Mentions of Periscope and Meerkat increased by 3x the average during the Mayweather v Pacquiao fight.
• Total Periscope traffic over 6 million since launch on March 26\(^1\), nearly 3 times more than Meerkat

SOCIAL STREAMING BUZZ MEERKAT VS PERISCOPE
(Q1 2015 - Q2 2015)

Source: Adobe Social
Marketers are still adapting to algorithm changes made by Facebook in 2014 and early 2015.

The Findings:

- Interaction rates decreased YoY in major industries.
- Retail remains the industry with the highest interaction rates followed by travel.
ORGANIC SOCIAL

Social Interaction Rate by Type

Link posts are still benefiting the most from algorithm changes Facebook made in August.

The Findings:

• Links again increased in YoY interaction rates, up 20%.
• Image and video post interaction rates are down year over year

Source: Adobe Social
Everyone appears to be seeing a rise in socially referred visits, even the traditionally conservative finance sector.

Social referred visits are up by at least 30% YoY across all industries.

The Findings:
- Travel saw the largest increase YoY + 67%
- Retail sites see a 62% increase in social referred traffic during the holidays
- Finance sites are up 32% YoY
OWNED SOCIAL

Share of Visits Referred from Social

As we become mobile first, website visits are shifting to either search or social as the source.

The Findings:
- Social smartphone traffic is up 118% YoY
- Search smartphone traffic is up 21% YoY
- Social smartphone visits are 3x social desktop visits in Q2 '15

ADOBE DIGITAL INDEX | The Social Intelligence Report – Q2 2015
Smartphones are leading the growth in revenue referrals from social media outlets. The introduction of larger screen sizes helps with monetizing visitors.

The Findings

- Smartphone social referred revenue is up 169% YoY
- Tablet social referred revenue is up 36% YoY

Source: Adobe Analytics
The ability for social networks to generate revenue and ROI changed since last year.

The Findings:

- Facebook remains the strongest but saw a YoY decrease of 17% from $1.09 to $0.91
- Pinterest also saw a YoY decrease of 25%
- Twitter's 63% gain was enough to move the highly fluid site to second place ($0.40 to $0.65)
- Reddit remains small, but revenue per visit did grow 80% YoY
Good content strategies are required to leverage social media. Media & Entertainment, with its ever changing content, is the sector with by far the largest amount of traffic coming from Facebook.

The Findings:
- Share went from 5.2% in Q2 '14 to 8.2% in Q2 '15, up 58% YoY
- Real Estate and Retail also show increases.
SOCIAL IMPACT

Social Reaction to Corporate Event

In early July Reddit laid off a popular community manager and moderators temporarily closed some popular areas of the site in protest.

The community took up the issue.

- Social mentions increased 3x its daily average immediately after the event
- 58% of the social buzz related to sadness with another 23% expressing surprise

The CEO resigned one week later.
Methodology

Based on consumer data for 5,000+ brand sites during 2014 and 2015.

- +500 billion Facebook post impressions
- +525 billion Google and Yahoo! Bing ad impressions
- +8 million social streaming app mentions

Composed of aggregated and anonymous data from visits to websites in multiple industries and segments.


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Read our blog: adobe.ly/digitalindex
Follow us: @adobeindex and @adobeprimetime
Ask a question or make a suggestion: digindex@adobe.com
### Facebook

<table>
<thead>
<tr>
<th>Referrer</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTR</td>
<td>100%</td>
<td>152%</td>
<td>173%</td>
<td>192%</td>
<td>199%</td>
</tr>
<tr>
<td>CPC</td>
<td>100%</td>
<td>96%</td>
<td>111%</td>
<td>92%</td>
<td>100%</td>
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<tr>
<td>Clicks</td>
<td>100%</td>
<td>100%</td>
<td>99%</td>
<td>112%</td>
<td>112%</td>
</tr>
<tr>
<td>Impressions</td>
<td>100%</td>
<td>59%</td>
<td>49%</td>
<td>50%</td>
<td>53%</td>
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</table>

### Revenue Per Visit by Referrer

<table>
<thead>
<tr>
<th>Referrer</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>$1.09</td>
<td>$1.08</td>
<td>$1.20</td>
<td>$0.86</td>
<td>$0.91</td>
</tr>
<tr>
<td>Twitter</td>
<td>$0.40</td>
<td>$0.44</td>
<td>$0.53</td>
<td>$0.53</td>
<td>$0.65</td>
</tr>
<tr>
<td>Pinterest</td>
<td>$0.40</td>
<td>$0.61</td>
<td>$0.73</td>
<td>$0.44</td>
<td>$0.51</td>
</tr>
<tr>
<td>Reddit</td>
<td>$0.19</td>
<td>$0.22</td>
<td>$0.37</td>
<td>$0.33</td>
<td>$0.34</td>
</tr>
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</table>

### Google Display

<table>
<thead>
<tr>
<th>Referrer</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTR</td>
<td>100%</td>
<td>102%</td>
<td>113%</td>
<td>117%</td>
<td>124%</td>
</tr>
</tbody>
</table>

### Share of Facebook Referred Visits

<table>
<thead>
<tr>
<th>Media &amp; Entertainment</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Media &amp; Entertainment</td>
<td>5.2%</td>
<td>5.2%</td>
<td>6.7%</td>
<td>7.2%</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Real Estate</th>
<th>Q2 2014</th>
<th>Q3 2014</th>
<th>Q4 2014</th>
<th>Q1 2015</th>
<th>Q2 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>0.4%</td>
<td>0.5%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

### Referral Traffic Source

<table>
<thead>
<tr>
<th>Referrer</th>
<th>SEARCH</th>
<th>SOCIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smartphone</td>
<td>Q2 2014</td>
<td>Q3 2014</td>
</tr>
<tr>
<td>Smartphone</td>
<td>19.1%</td>
<td>23.1%</td>
</tr>
<tr>
<td>Desktop</td>
<td>25.5%</td>
<td>26.1%</td>
</tr>
</tbody>
</table>
Click-through rate (CTR): Clicks divided by impressions.
Cost per click (CPC): Cost divided by clicks.
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 visit (RPV): Site revenue divided by visits.
Social engagement: The volume of comments, likes, shares and other interactions with a brand post.
Social sentiment: Ranking social mentions from 1 (negative) to 10 (positive) in order to track the effectiveness of social marketing efforts.