



Q1 2016 Agency Insight Survey

Instagram Surpasses Twitter in
Agency Campaigns as Facebook
Continues to Dominate Peers

Strata's media buying software handles \$50 billion in advertising annually, approximately 25% of US advertising spending. We surveyed our media buying clients to get an idea of trends and challenges they may be facing. This sample is from agencies of varying sizes across the country.

Survey: Instagram Surpasses Twitter in Agency Campaigns as Facebook Continues to Dominate Peers

—Programmatic Also Captures More Campaign Dollars with Improved Trust in Automated Buying—

CHICAGO, IL (June 9, 2016) – Instagram is now being utilized more than Twitter in social media advertising campaigns, according to the most recent Advertising Agency Survey by STRATA, a Comcast Platform Services company. While Facebook and YouTube maintain their top positions (96% and 67% of agencies plan on advertising on those sites), 63% plan to use Instagram while 56% are planning to use Twitter, which fell to fourth place. This marks the first time the photo-sharing program has gained more agency attention than Twitter in the survey. Instagram's rise in the STRATA Survey has been consistently strong, jumping 86% from last year while Twitter has fallen 4% in the same time. Social spend is on the rise overall with 17% of agencies saying they will allocate up to a quarter of their budgets on social, a 76% increase from last quarter. Social media also moved into the top spot for digital spend at 77% of agencies, a 28% increase over last quarter to overtake display (73%).

The first quarter survey found that digital spend is increasingly being executed through programmatic exchanges. Thirty-seven percent trust programmatic to execute digital orders, a 22% increase from last quarter. Overall, more dollars are flowing to programmatic buying as agency trust in programmatic improves for digital and non-digital buying. Twenty-one percent of agencies plan on conducting 20-40% of ad spend



programmatically, a 50% increase from last quarter, while another 41% plan on executing between 10% and 20% of ad buys programmatically. Thirty percent of agencies say they are not planning on making buys programmatically, the lowest percentage of agencies seen in the history of the STRATA Agency Survey.

Advertisers are also more confident in the ROI of online video ad purchases as almost half (49%) are fairly confident in its value, while another 10% are “very” confident. Just over a third of agencies are still unsure if they are getting a good ROI on online video ads. Targeting has also improved as more than half (56%) of agencies say their online video ads reach their intended targets most of the time. Streaming video and audio both continue to garner more agency interest. Video sites like Hulu and YouTube are also seeing major demand as 71% of agencies are more interested in advertising on those platforms than they were a year ago, while only 3% say they are not as interested as they were last year, the lowest amount ever in the STRATA Survey. On the audio side, over half (53%) of agencies are more interested in streaming radio like Pandora and iHeartRadio than they were last year, a 15% increase over 1Q15.

“Digital publishers keep on getting better at providing more advertising opportunities to ad buyers. Within digital, the fastest growth we’re seeing is in social media. In particular, it’s interesting to chart Instagram’s growth in agency interest. It’s no surprise that the social media ad space is getting more competitive as advertisers are given more options,” said J.D. Miller, director at STRATA. “However, along with social’s rise, video – both local and streaming – continues to dominate. Overall, agencies are getting a better handle on their media mix and are creating exciting campaigns with these various tools.”



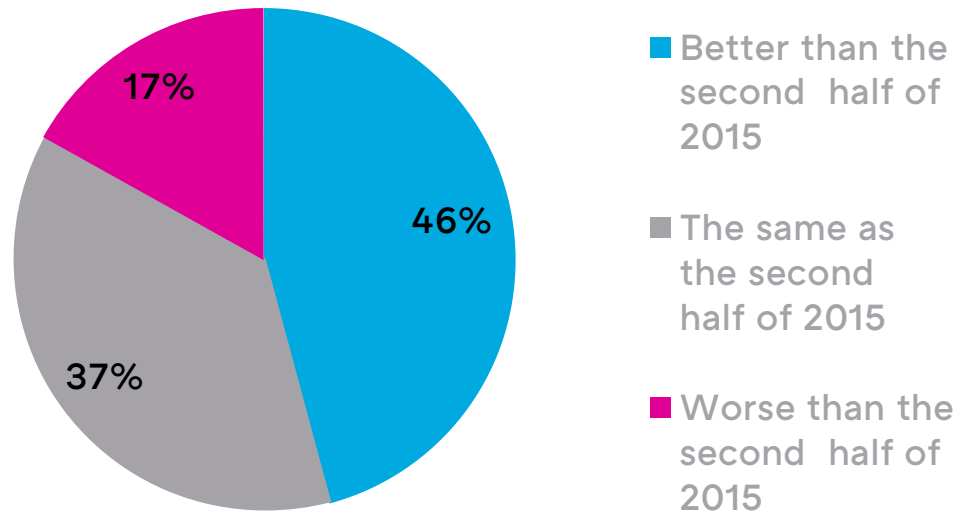
Comparing all advertising mediums, TV is the top choice for agencies as 48% say they are more focused on spot TV/cable than any other medium, a 16% increase from a year ago. Spot TV saw a 19% increase in agency focus from a year ago, while cable TV saw a 24% increase.

The advertising economy looks strong as 49% more agencies project an increase in business in the second quarter over the same period last year, and 46% project their growth in the first half of the year to be better than the last half of 2015. Forty-two percent plan to hire staff this year, while attracting new clients remains the top challenge for agencies (30%), followed by media mix (25%) and client spend (18%).

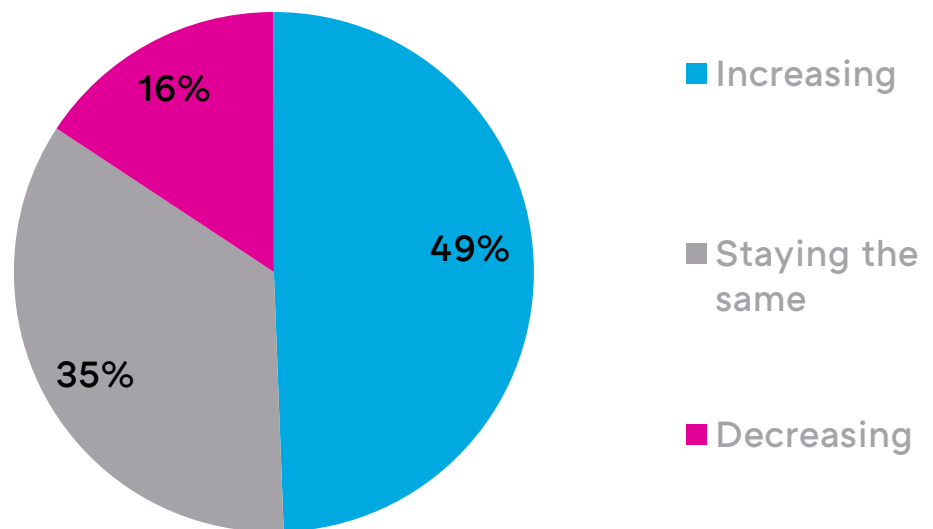


Survey Results

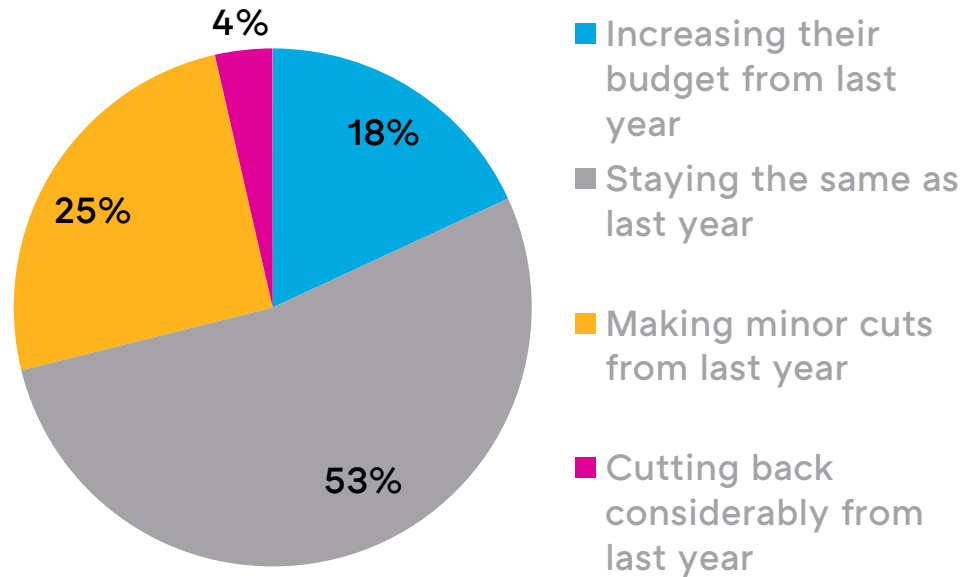
What do you project your growth to be in the first half of 2016?



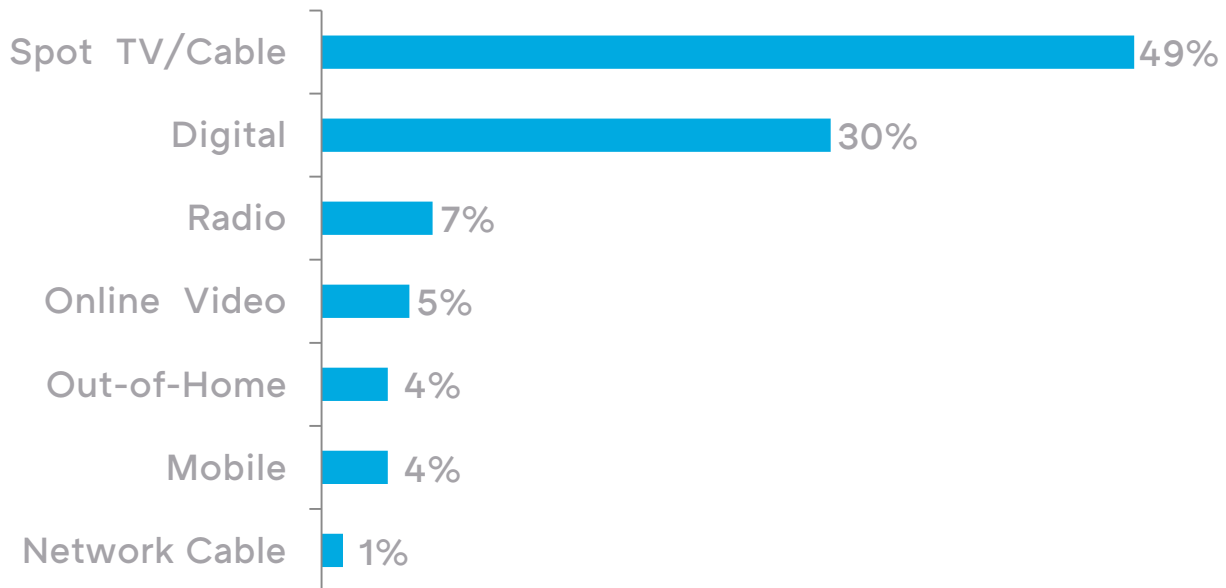
Did you see your business increasing or decreasing in the first quarter of 2016 over the same time last year?



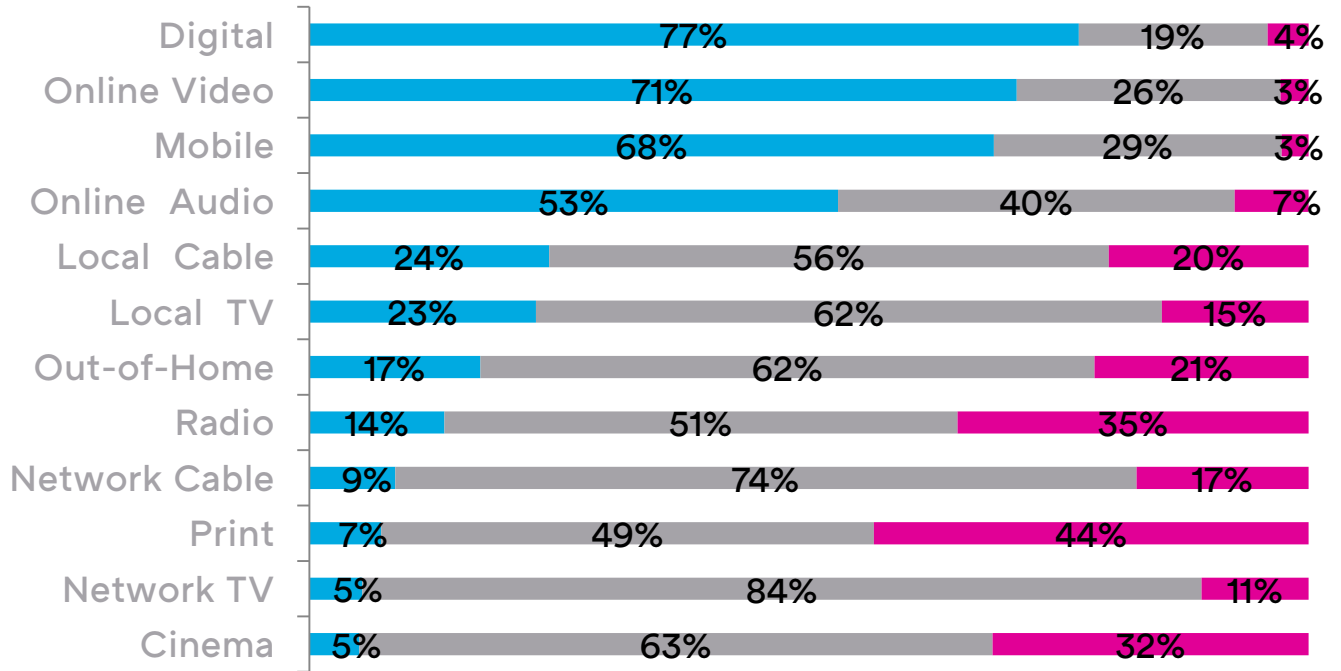
On average, how do you see your customers approaching their Marketing/Advertising planning this year?



Right now, my customers are most interested in advertising on/in... (one answer only)

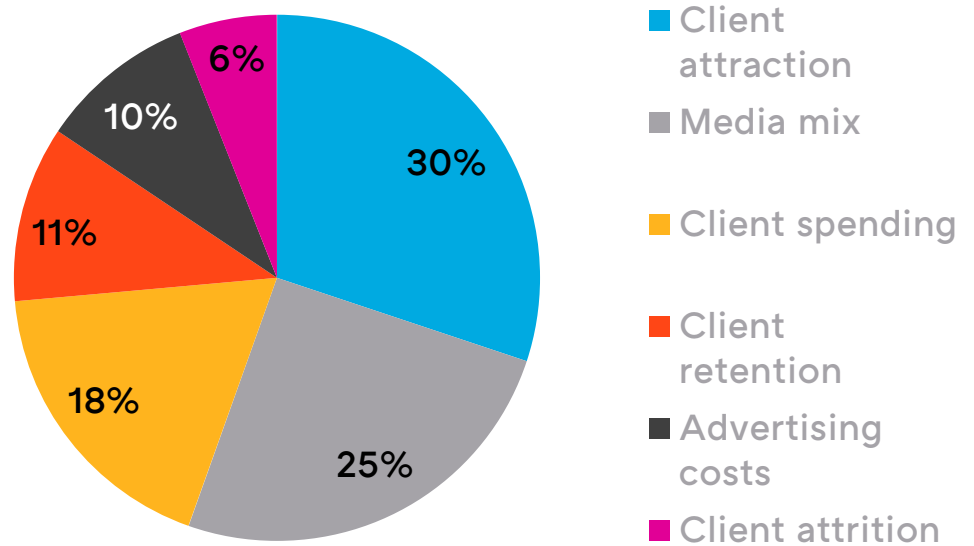


Please rate your clients' general interest in advertising on the following media types: (choose one for each)

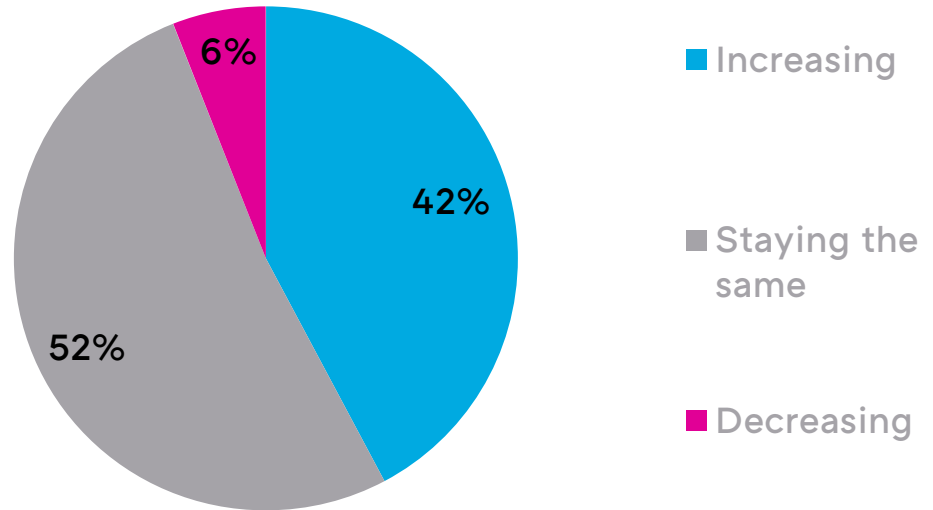


■ More than last year ■ Same as last year ■ Less than last year

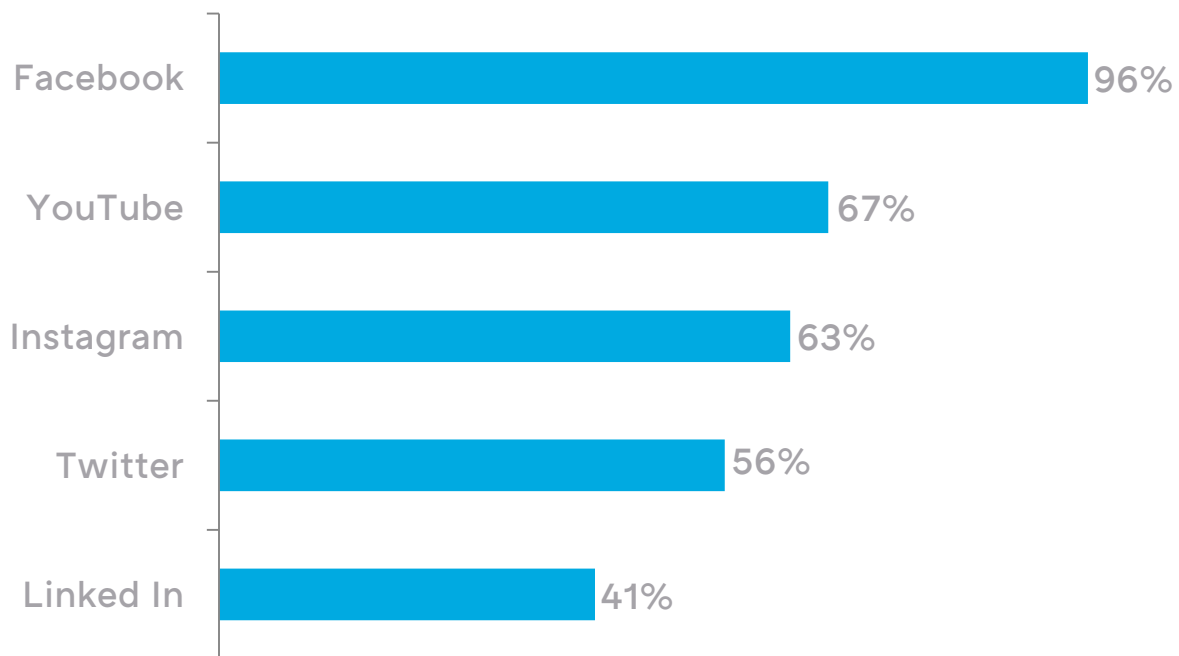
What is your biggest challenge in 2016?



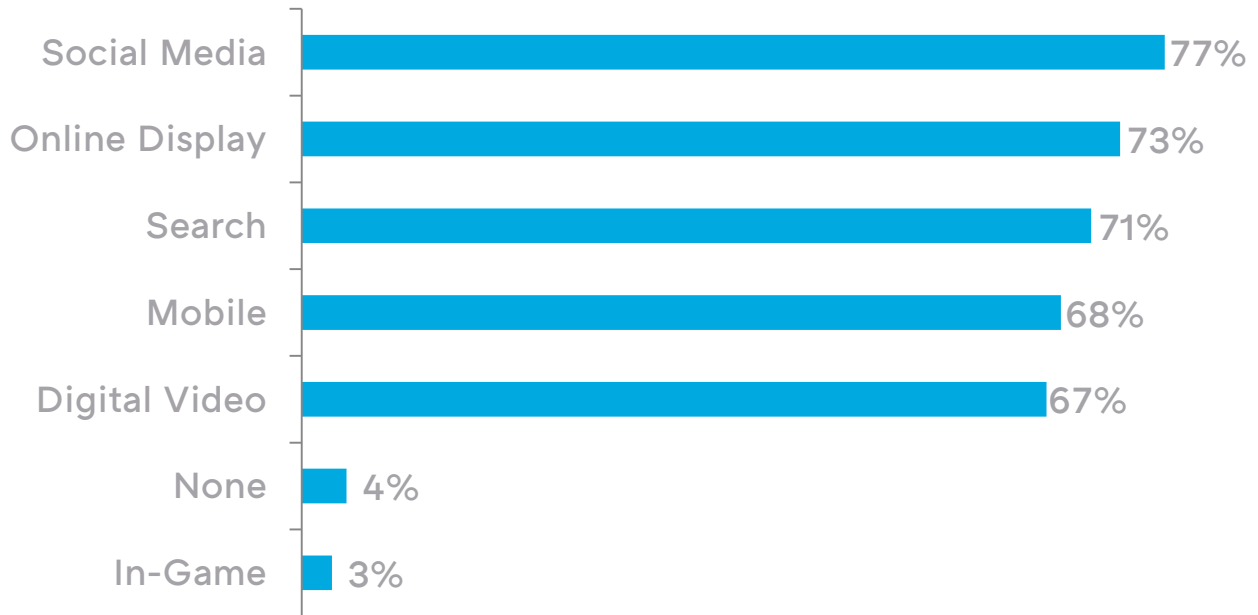
What are your staffing plans for 2016?



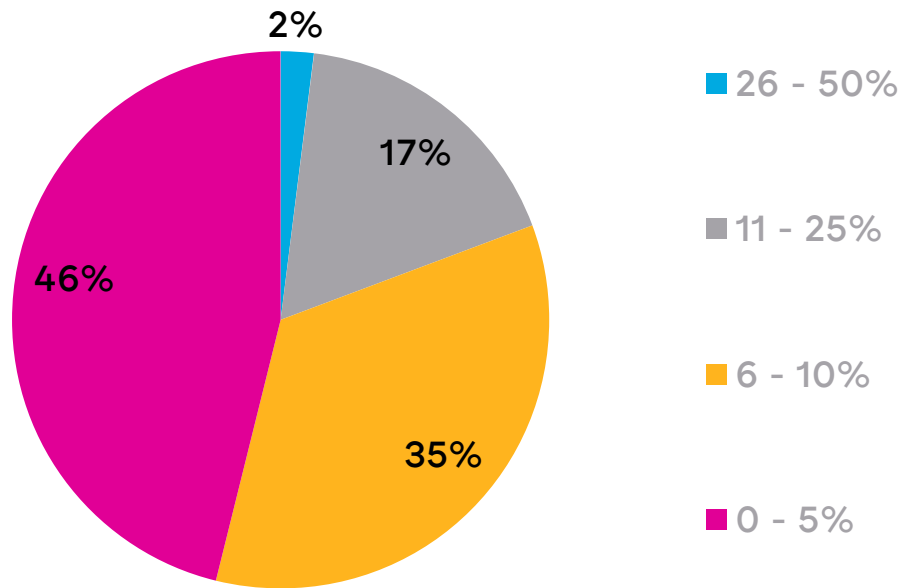
Which Social Media are you most likely to use in your client campaigns? (choose all that apply)



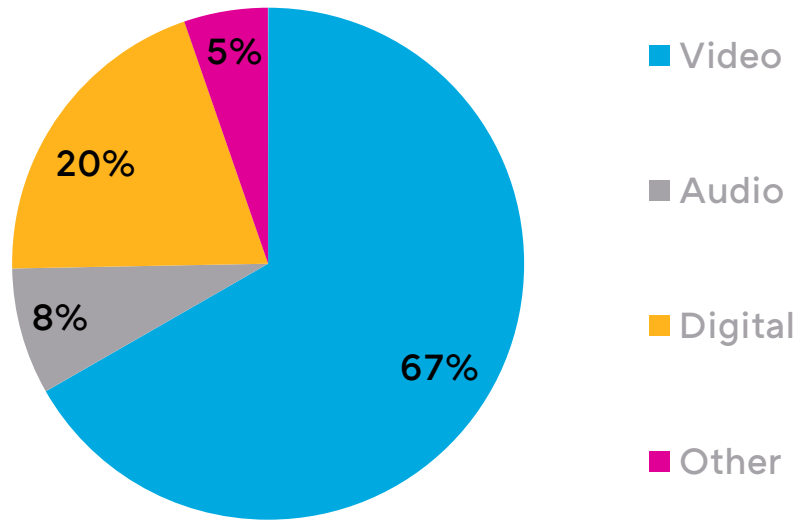
Where do you focus your Digital spend? (choose all that apply)



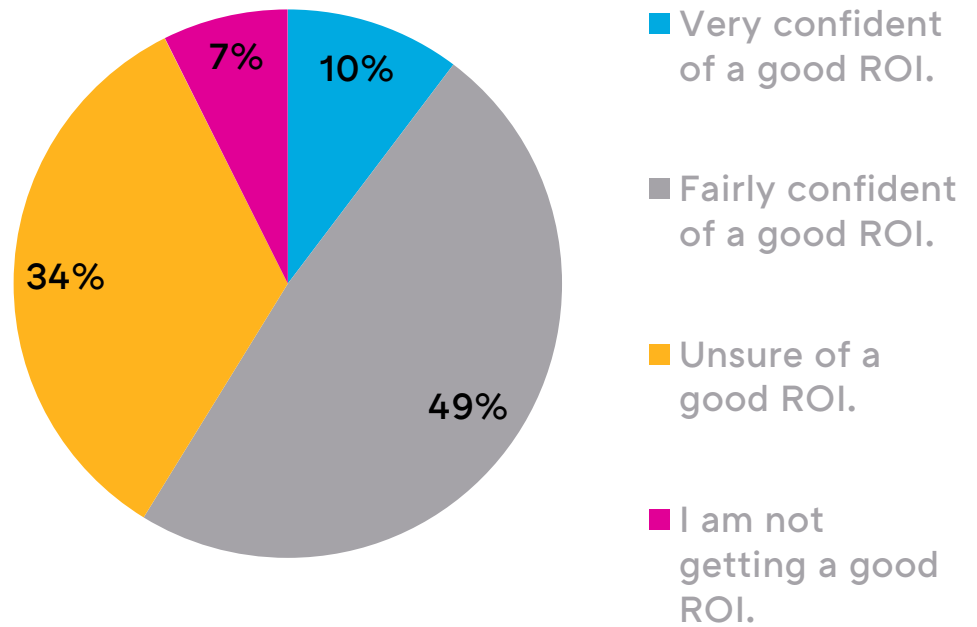
What percent of overall advertising budgets are your clients allocating to paid Social Media?



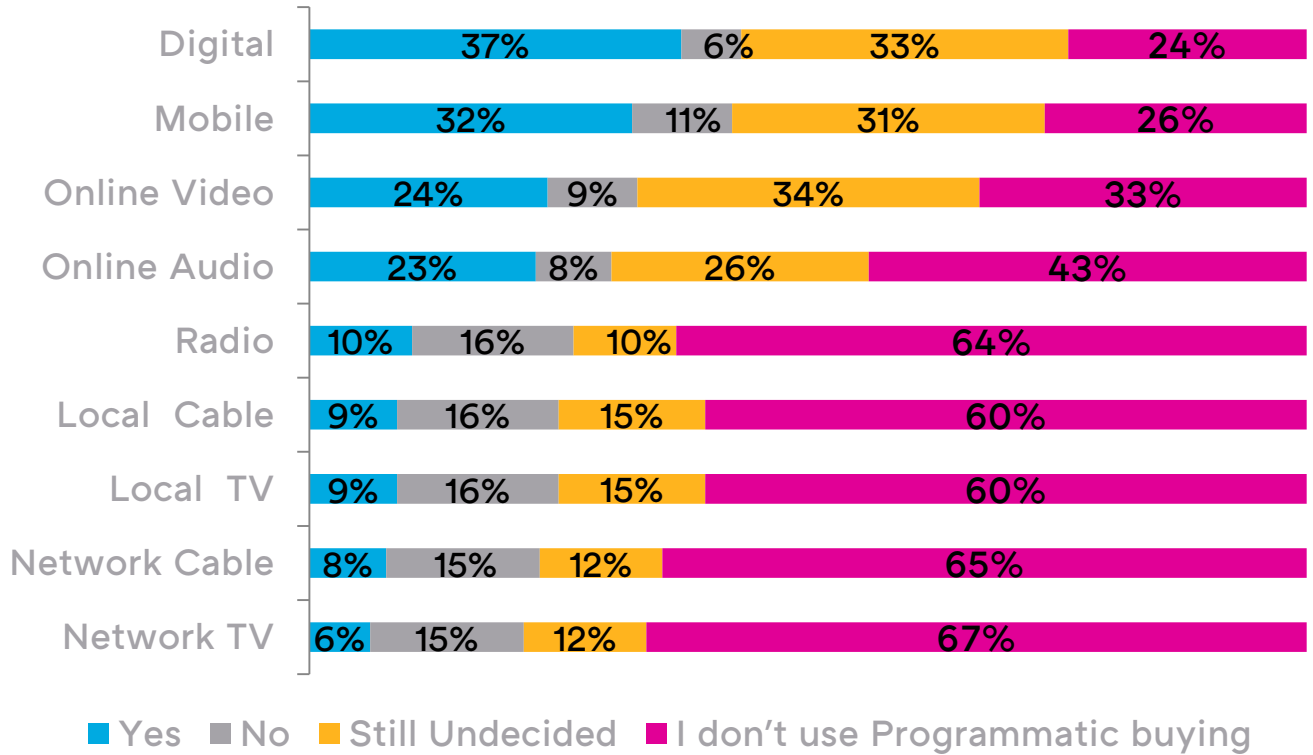
Our clients' main emphasis for campaigns is:



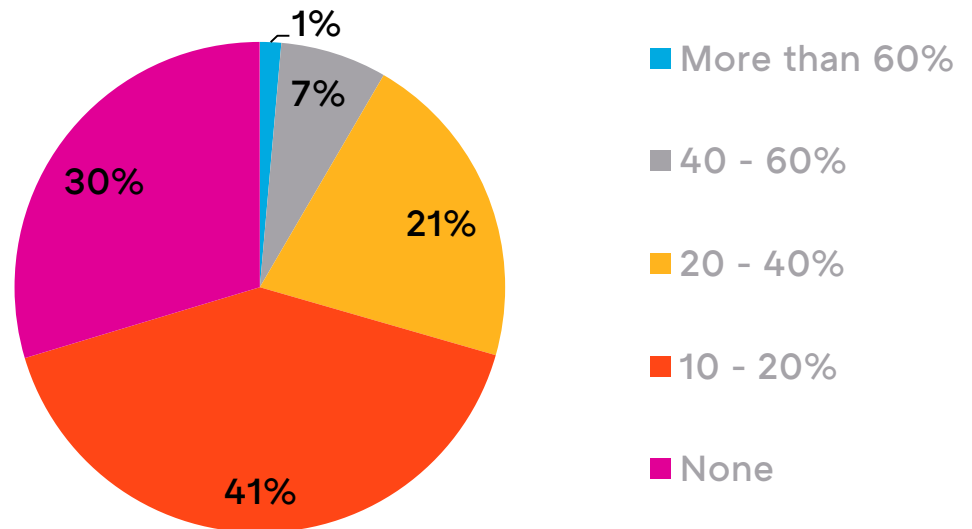
Which best describes your ROI on recent online video ad purchases?



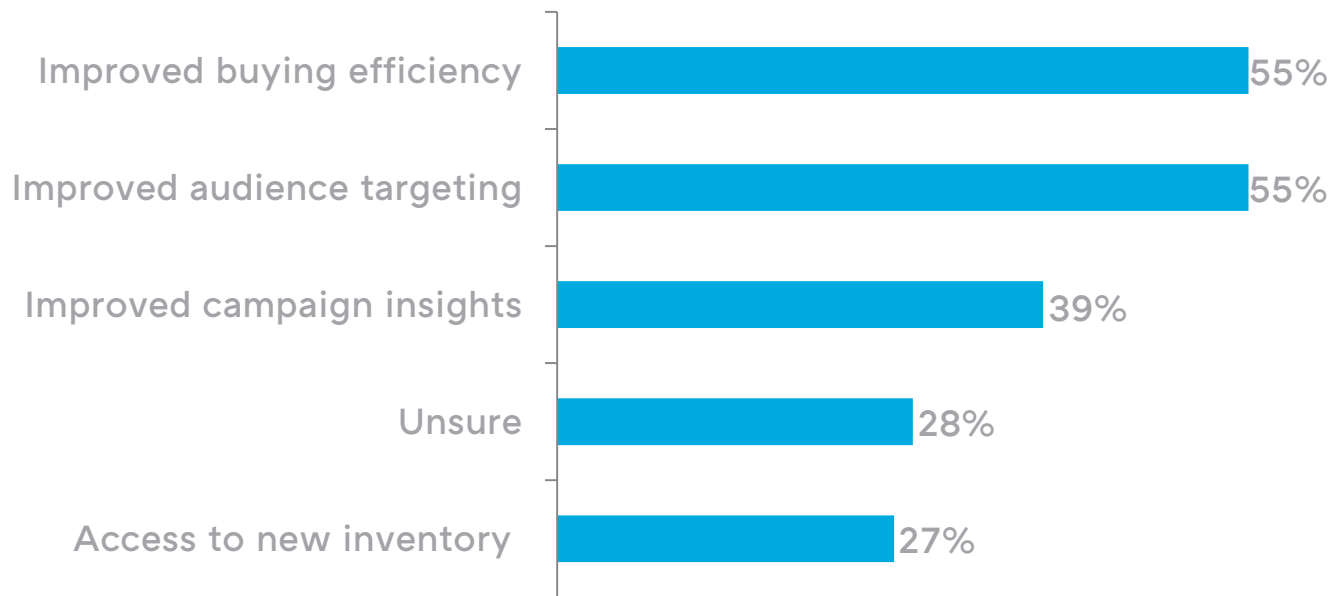
Do you trust Programmatic buying to properly or accurately execute your ad orders in the following advertising media? (choose one for each)



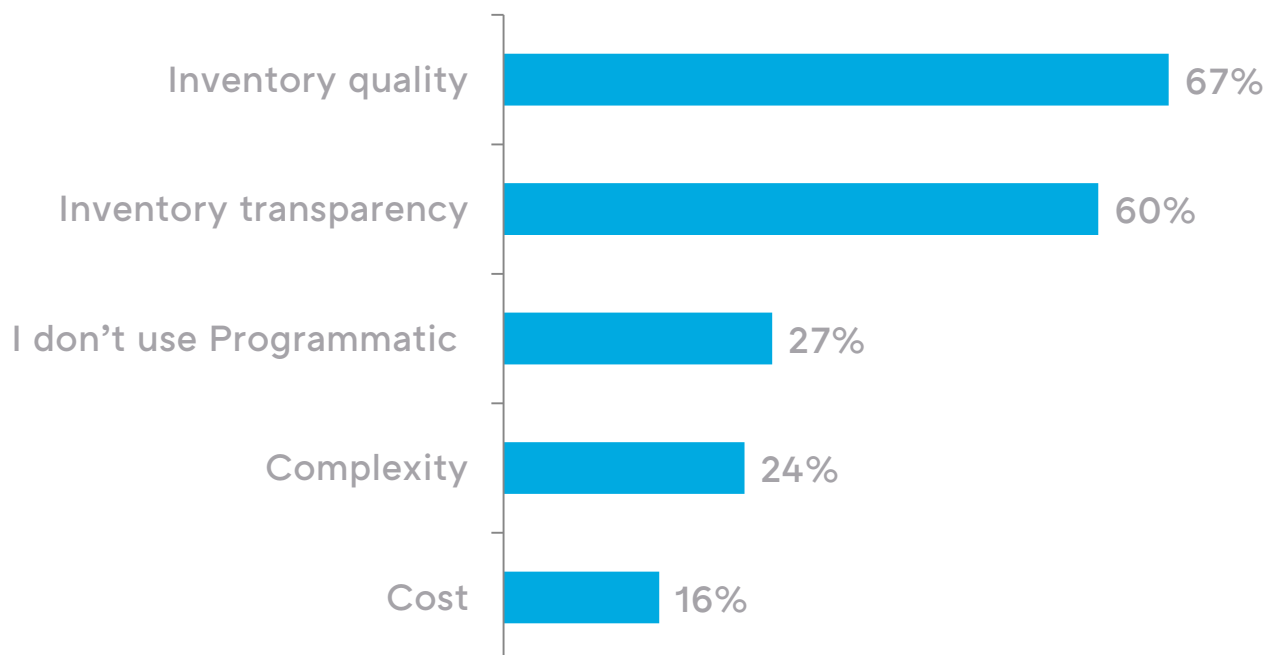
What percentage of your business do you intend to carry out with Programmatic buying?



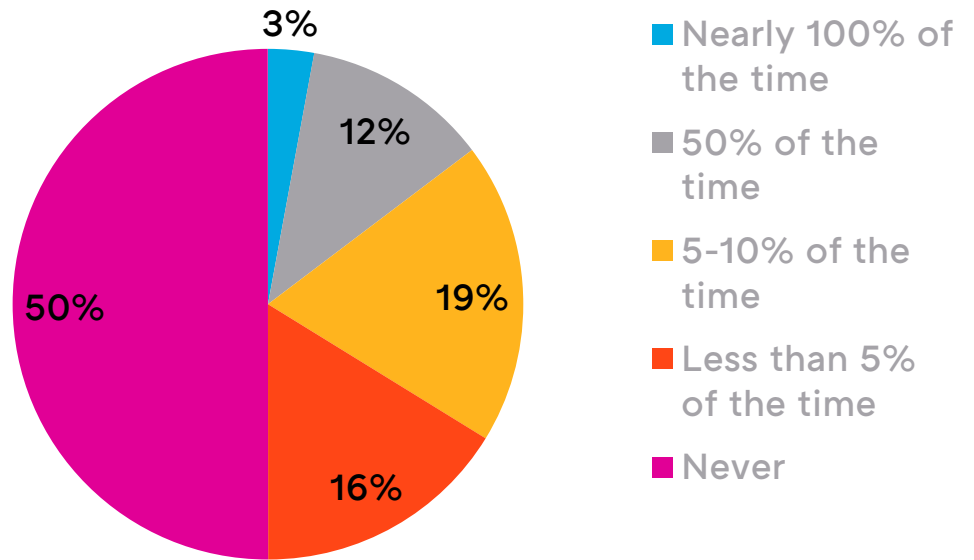
What do you see as the potential benefit of Programmatic buying? (choose all that apply)



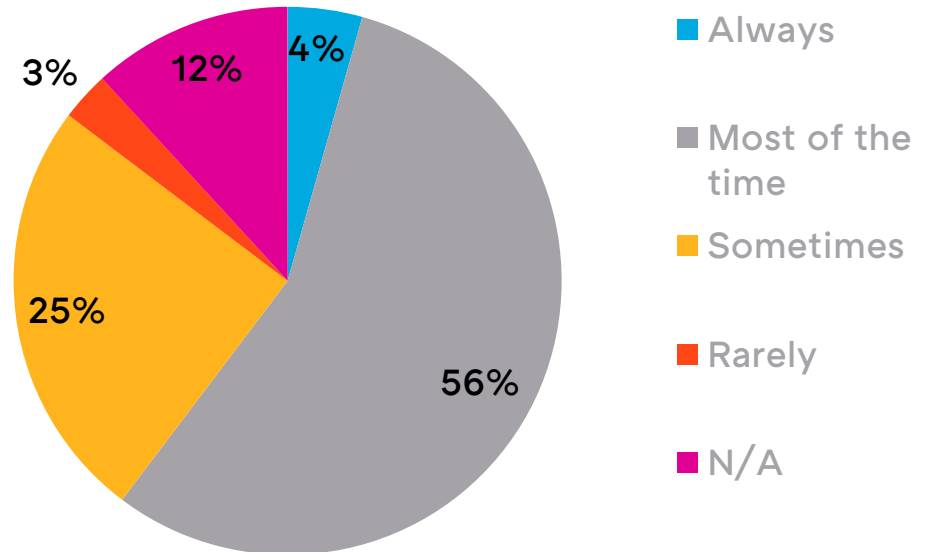
What are your greatest fears associated with programmatic buying? (choose all that apply)



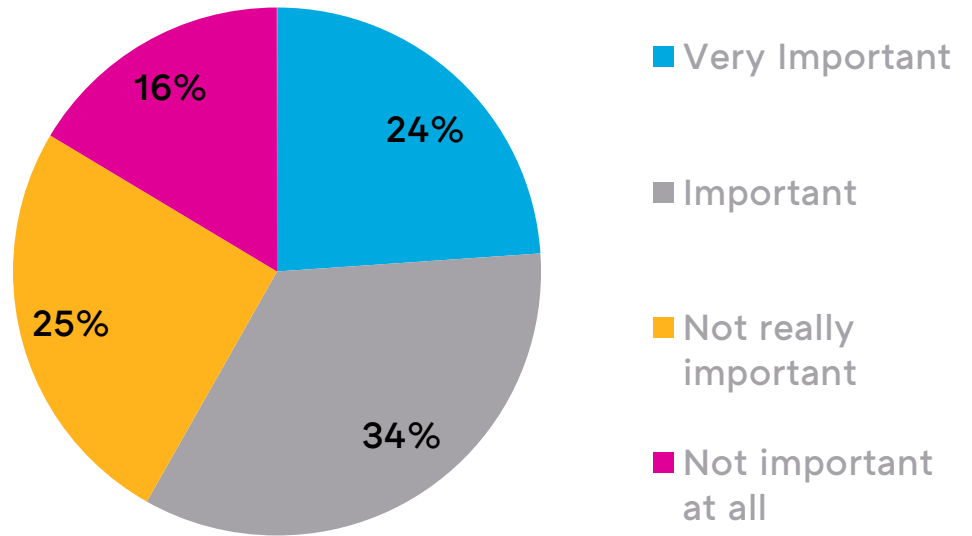
How often do you use Social Media ad exchanges when purchasing Social Media ads?



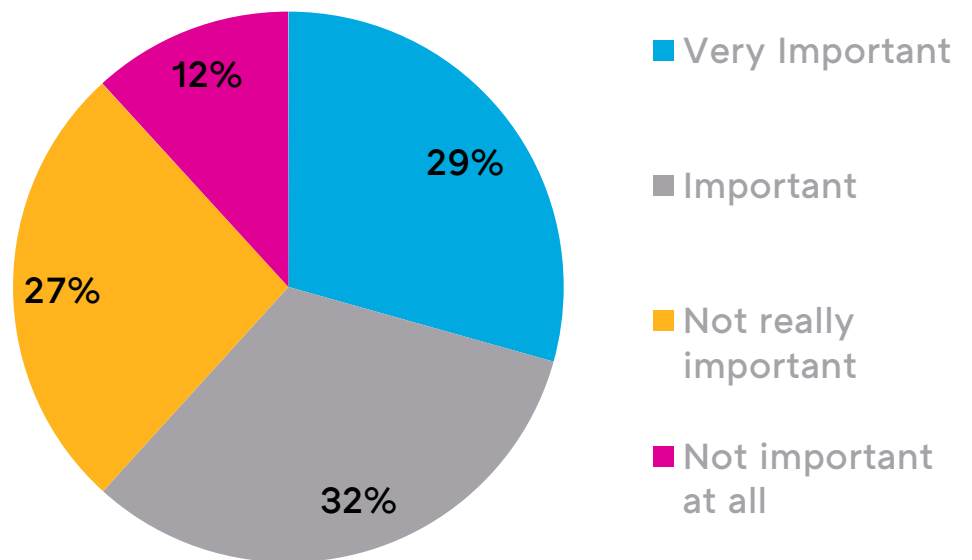
Do online videos ads you place reach their intended audience?



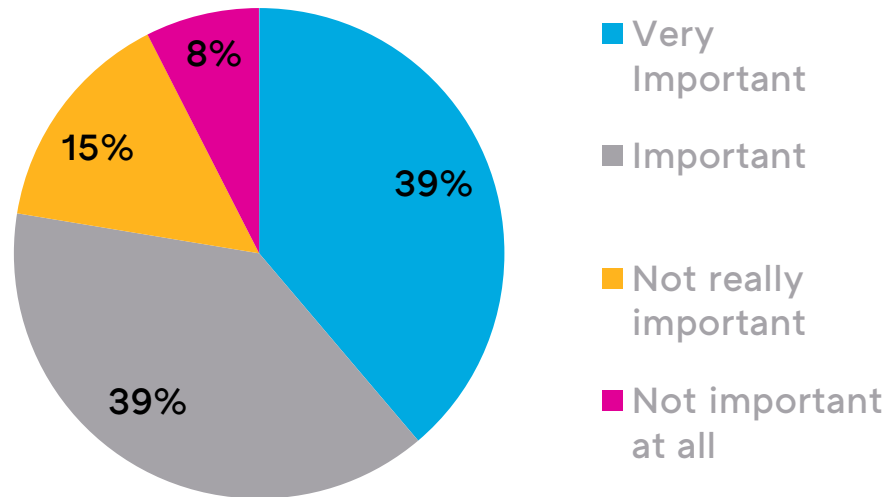
How important is it to access video aggregators/ad networks for additional reach with your online video buy?



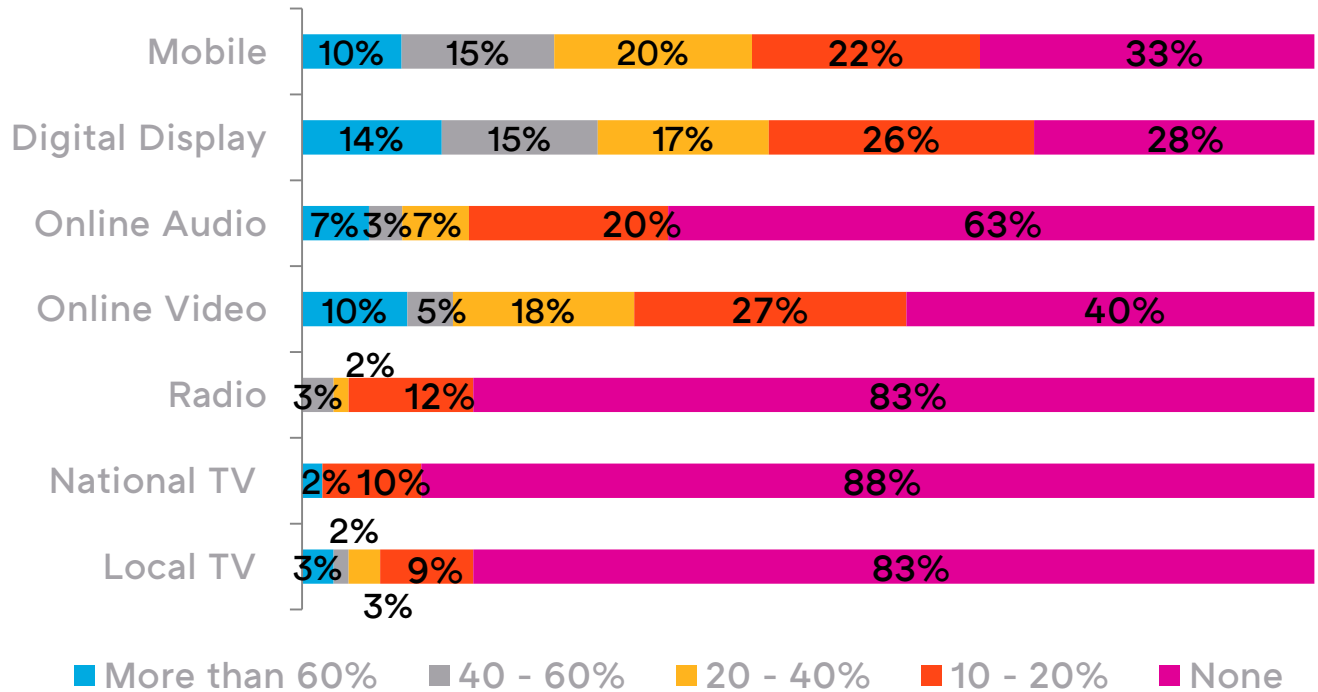
How important is extending your video buy into premium online video from cable/broadcast networks?



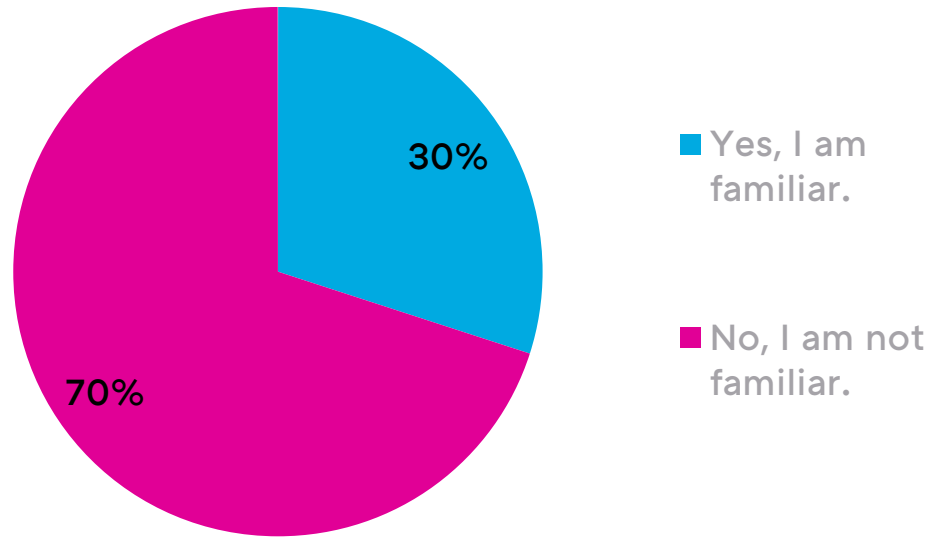
How important is it to access online video sites (YouTube, AOL, Twitch)?



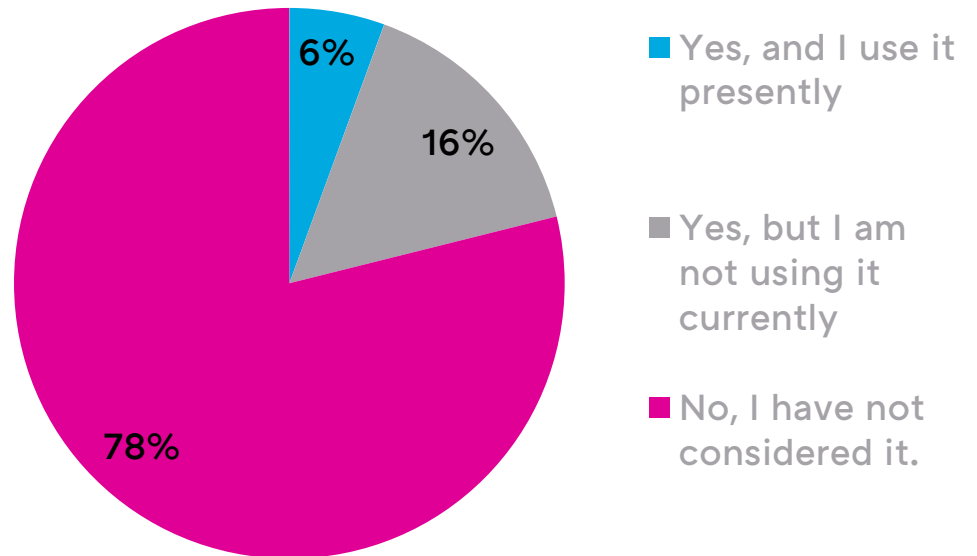
What percentage of your Programmatic ad spend will you allocate to each of the following media types? (choose one for each)



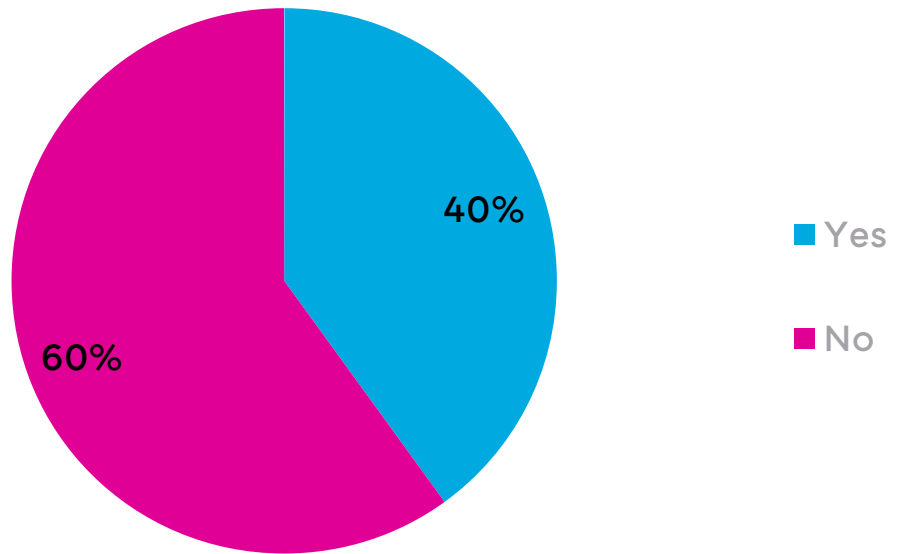
Are you familiar with Automated Guaranteed? (Sometimes called Programmatic Guaranteed, Programmatic Guaranteed media, Programmatic Reserved)?



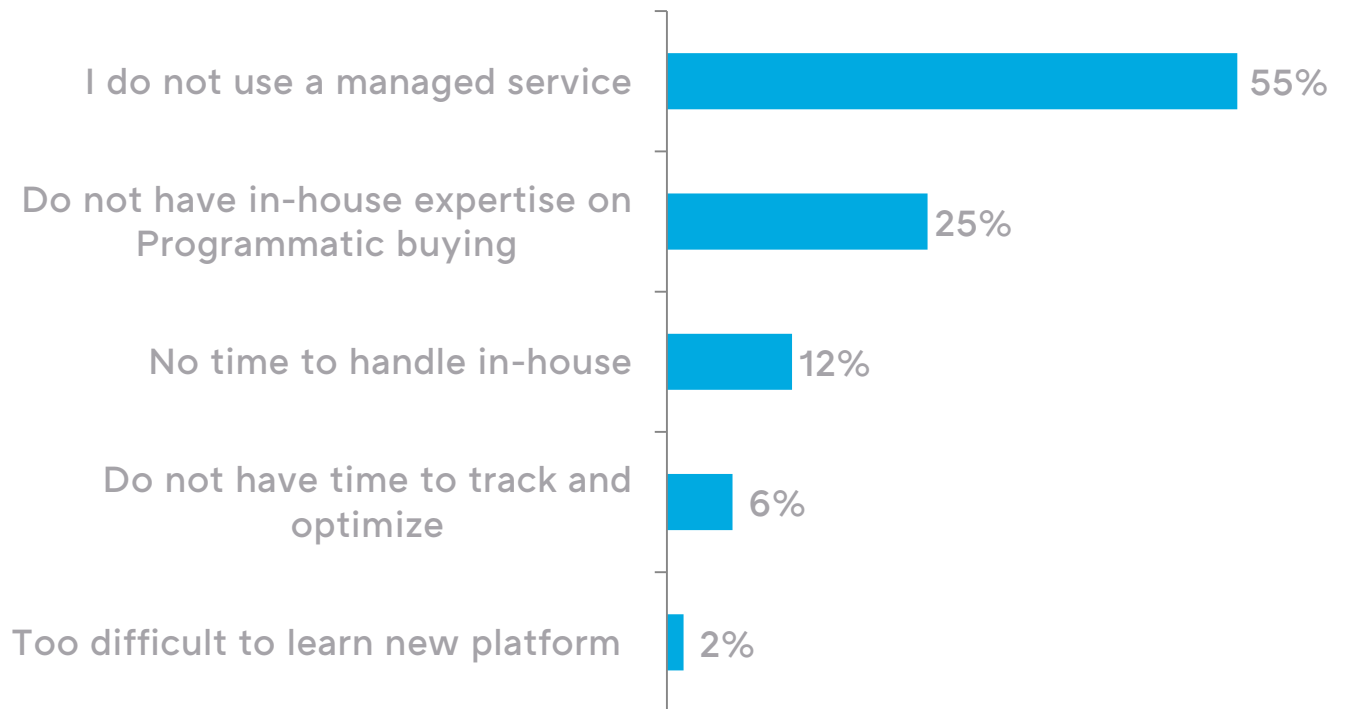
Have you considered using Automated Guaranteed for your Programmatic purchases?



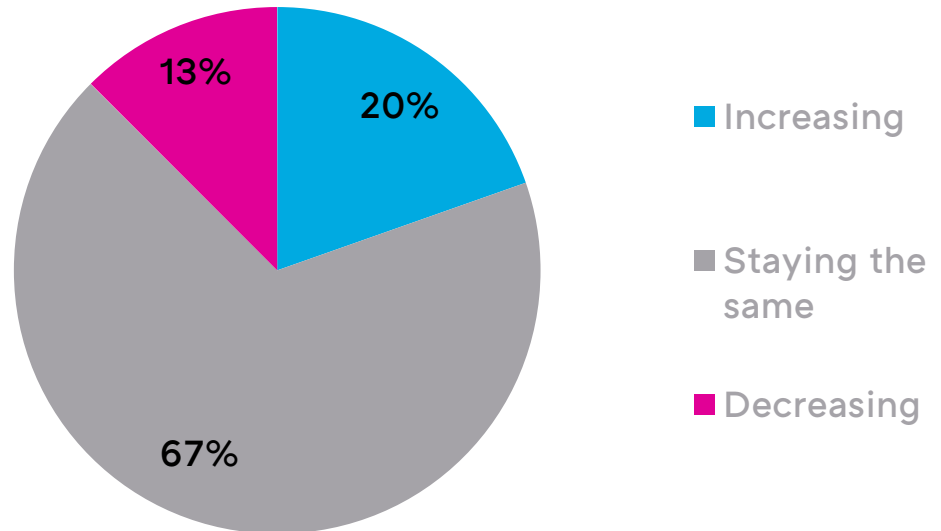
Do you use a managed service to handle Programmatic buys?



What is your main reason for outsourcing your Programmatic buys through a managed service?



Is your managed service budget:



If there were easy tools, would you want your buyers to decrease managed service buys and execute in-house?

