



# Q1 2017 Agency Insight Survey

**Instagram Closes Gap with YouTube  
Among Advertisers as Twitter  
Continues to Fall**

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.

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## Strata Agency Survey: Instagram Closes Gap with YouTube Among Advertisers as Twitter Continues to Fall

*-- Huge growth in digital video interest along with social spend --*

CHICAGO (April 26, 2017) – Instagram continues its surge in generating advertiser interest while Facebook remains the dominant social platform, according to a first quarter survey of advertising agencies conducted by Strata, the leader in advertising software. The survey also found a continued multi-quarter decline in YouTube's lead over Instagram, bringing the two within one point of each other in advertiser interest as 54% of agencies report plans to use YouTube against 53% for Instagram. Facebook remains entrenched in first place as 95% of agencies are interested in that platform. Twitter, which historically held third place in agency interest until the second quarter of 2016, continues its slide with interest from 37% of agencies, finding itself just 10% above fifth-place LinkedIn.

The interest in these social platforms is reflected in agency spending, as well. Ninety-three percent of agencies are currently spending money on Facebook, with 53% planning to spend on YouTube, and 49% planning on Instagram. The current spend lagging behind agency interest could indicate increased spend in the coming quarters.

More than half of agencies now plan to spend more than 5% of their overall advertising budgets on social media, with 22% allocating between 11-25% of their budgets on social, compared to 18% in 4Q16. The increase in budget for paid social coincides with the



proliferation of live streaming tools, such as Facebook Live and Snapchat Live as 42% of agencies report that clients were interested in these innovations for their campaigns.

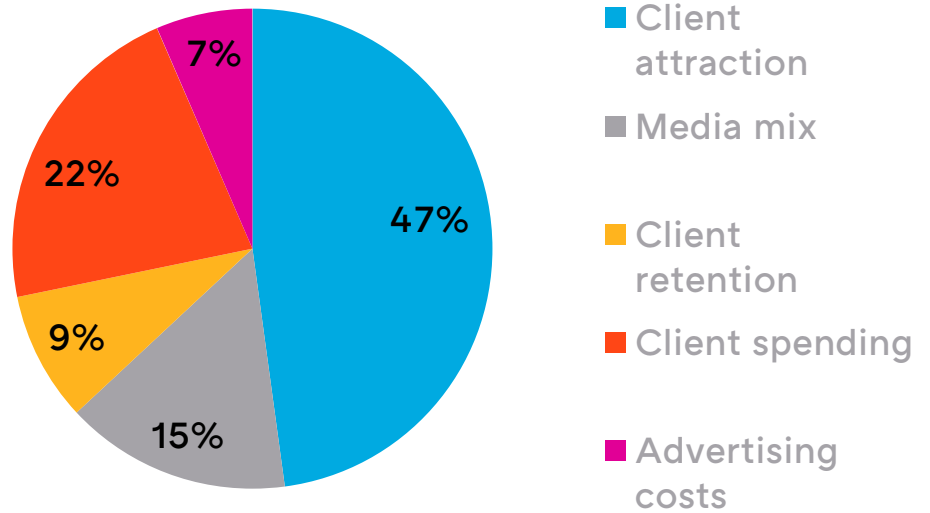
“Though Facebook has remained the dominant player in the social media space, the gradual shifts in focus to other platforms has been interesting to watch. There’s always been a premium on live, so it’s not surprising that agencies have an interest in exploring Facebook Live, Snapchat’s Spectacles, and Instagram’s Stories,” said Judd Rubin, senior vice president at Strata.

When agencies were asked which form of media they prioritized the most, 24% reported that digital video was their primary focus. Although that leaves digital video in second, behind local TV & cable at 36%, the interest in digital video has seen a 351% increase over the past year.

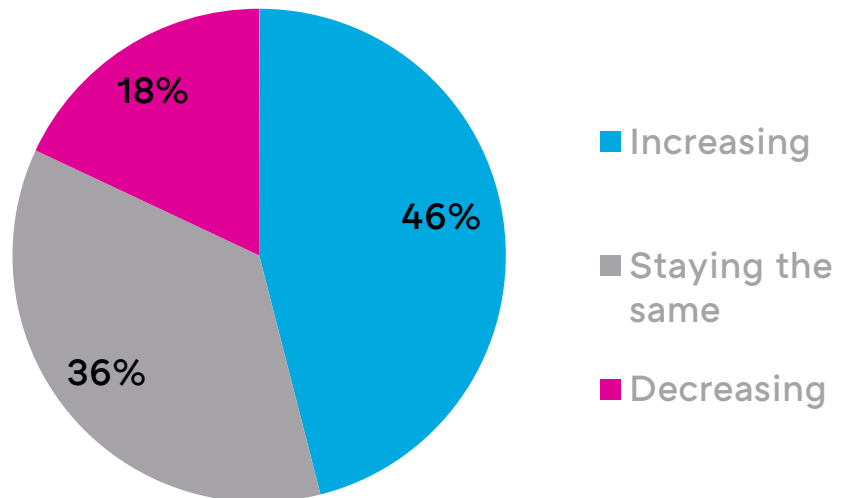
The rise in interest in digital video may be surprising in light of the fact that agencies appear split on the effectiveness of digital video. Twenty-five percent feel that it can be as effective as traditional TV, but 33% feel it isn’t, and 42% are unsure. When asked more broadly about perceived ROI from digital video, over 50% felt fairly over very confident that they were getting good value for their money. Forty-one percent noted they were unsure, and only 9% of agencies felt they were not getting a strong ROI.



What is your biggest challenge in 2017?

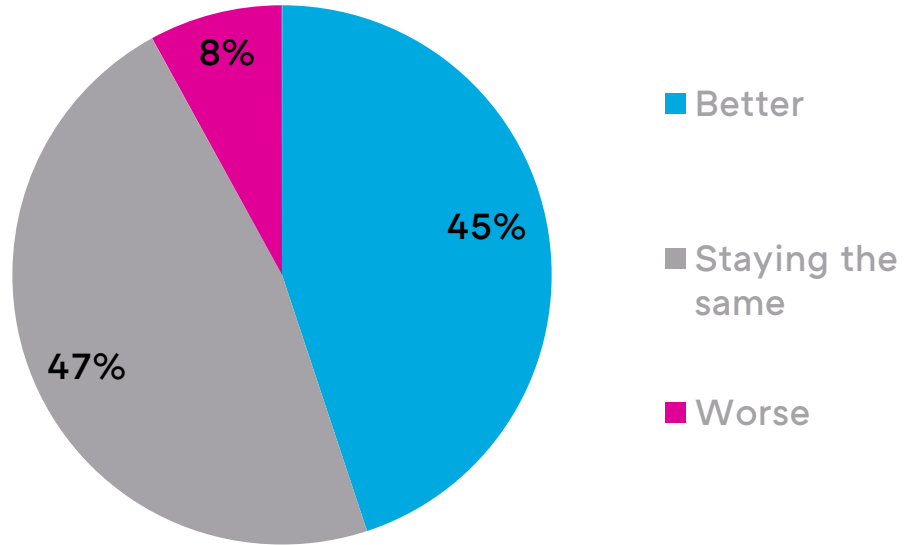


Did you see your business increasing or decreasing in the first quarter of 2017 compared to the same time last year?

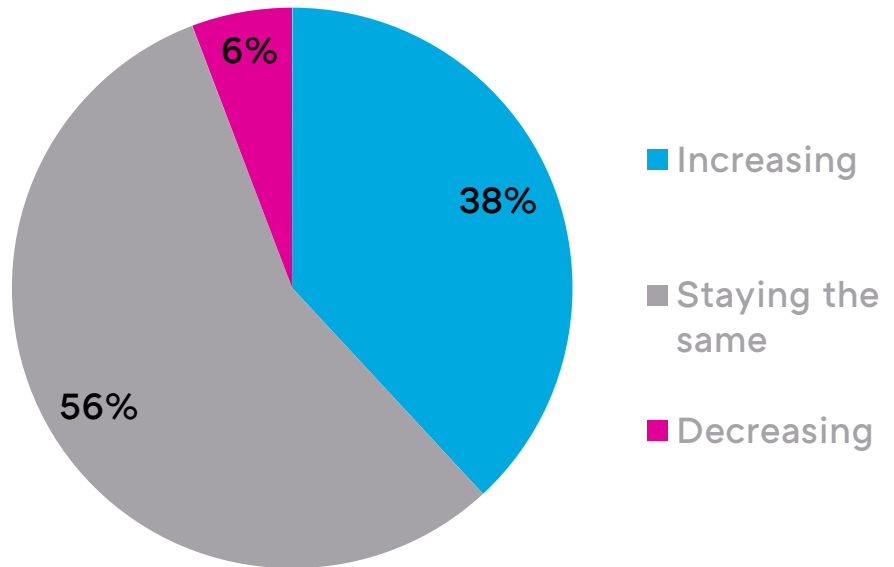


What do you project your growth to be in the second quarter of 2017?

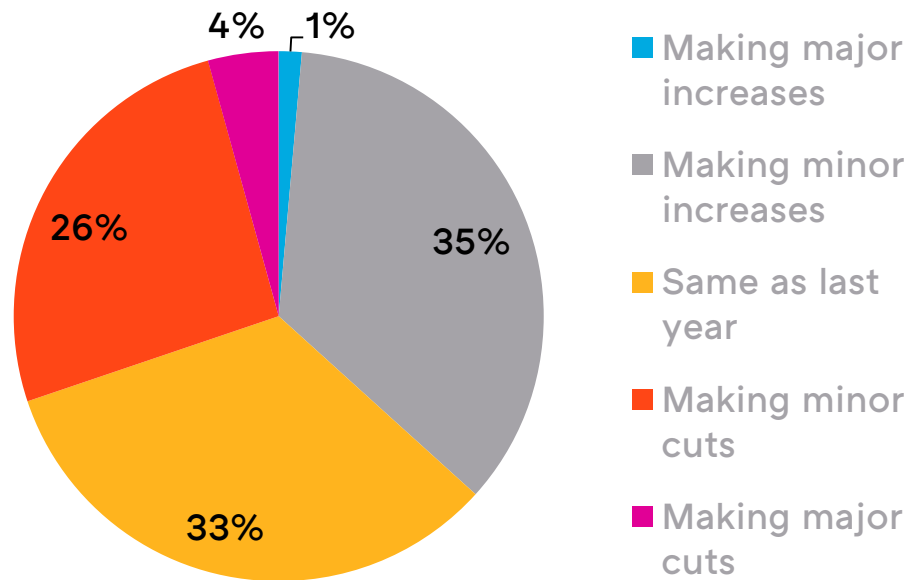




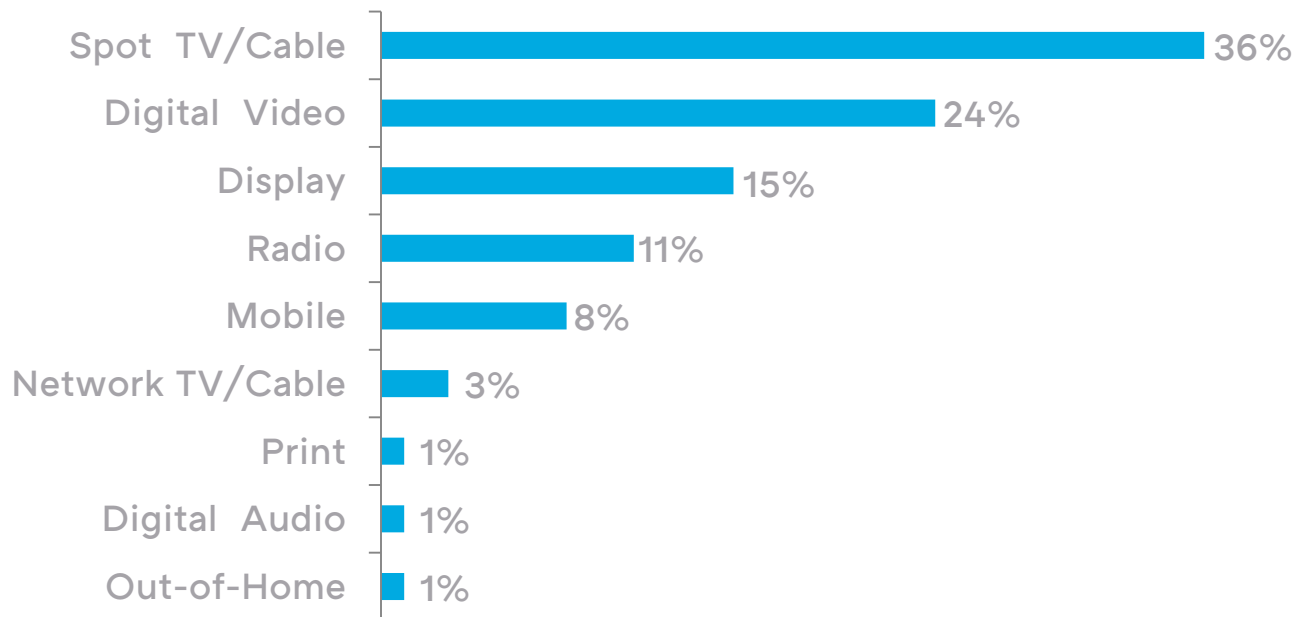
What are your staffing plans in the second quarter of 2017?



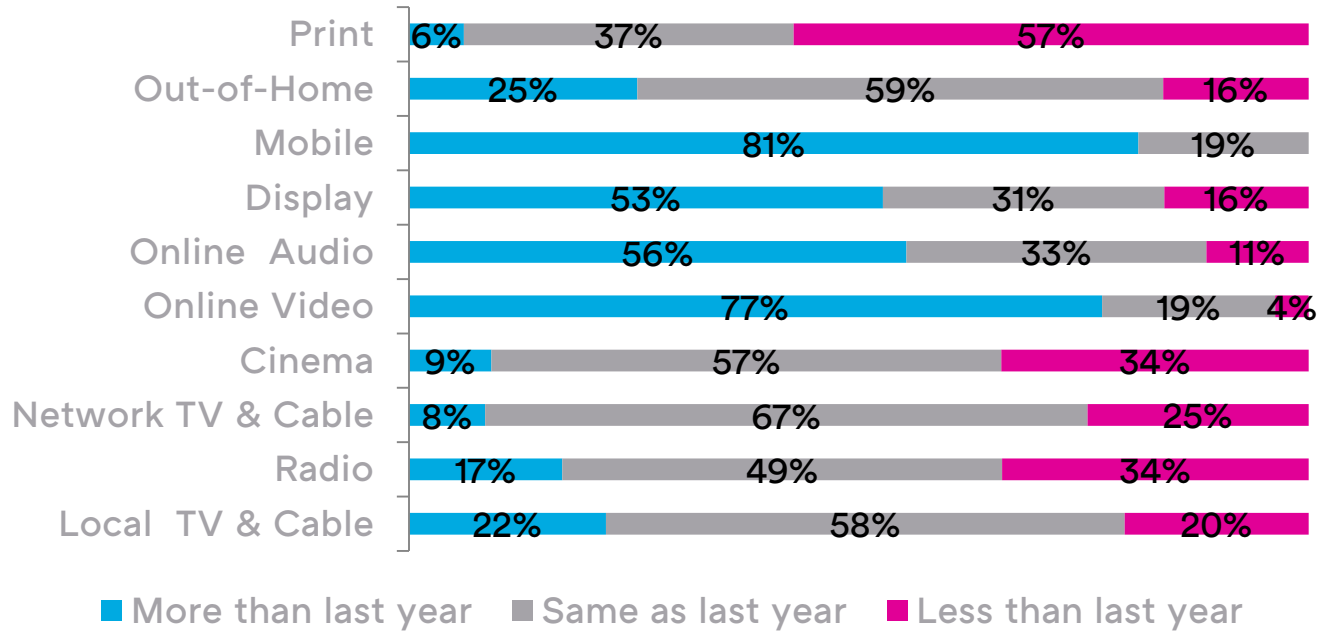
On average, how do you see your customers approaching their Marketing/Advertising planning in 2017?



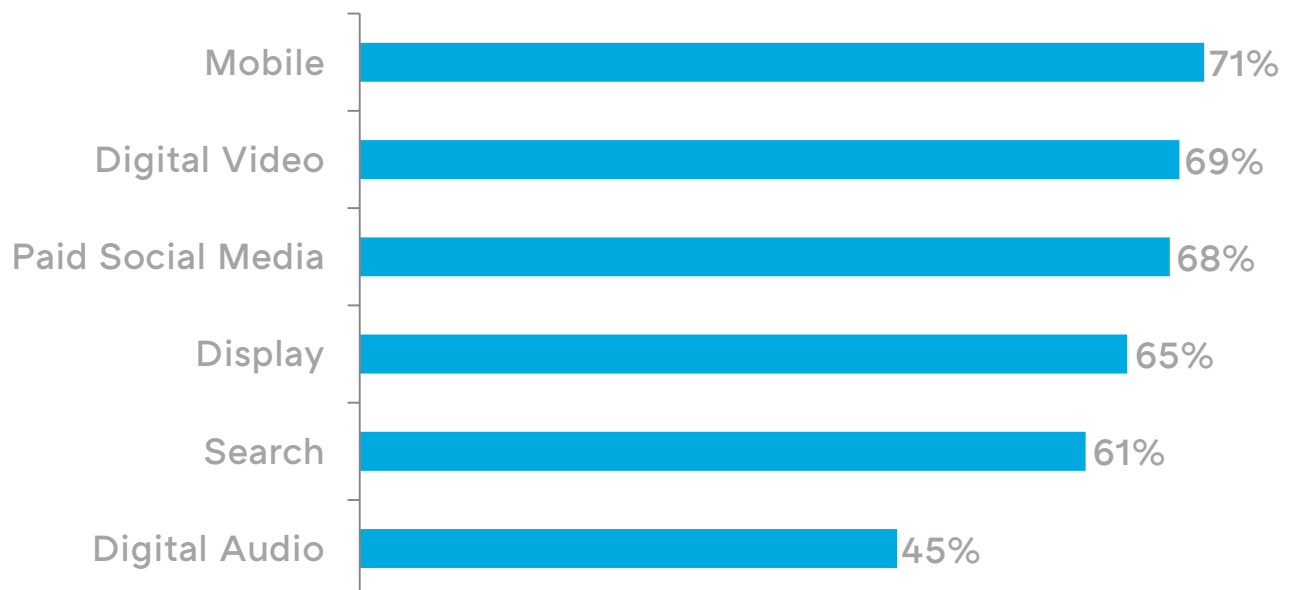
Right now, my customers are most interested in advertising on/in... (one answer only)



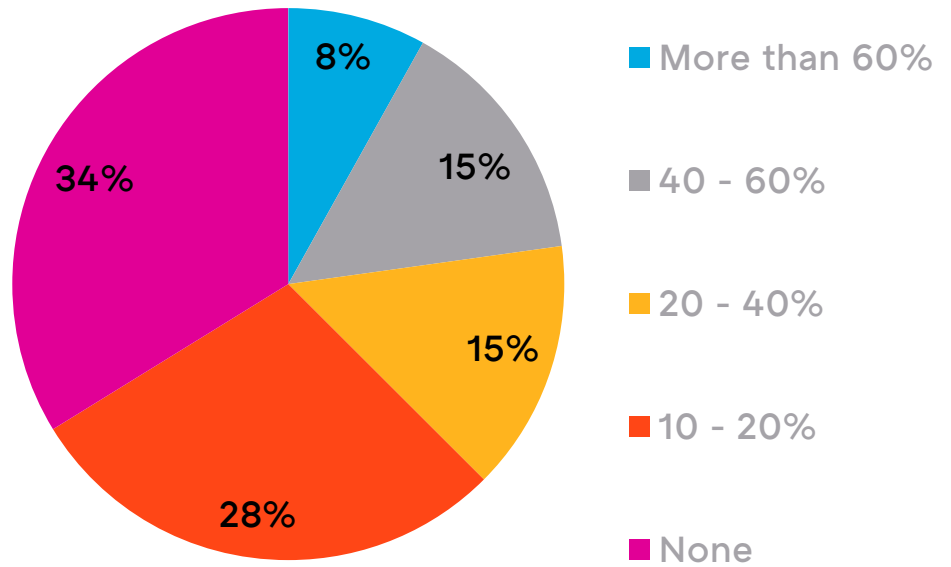
Please rate your clients' interest in advertising on the following media types when compared to the same time last year:



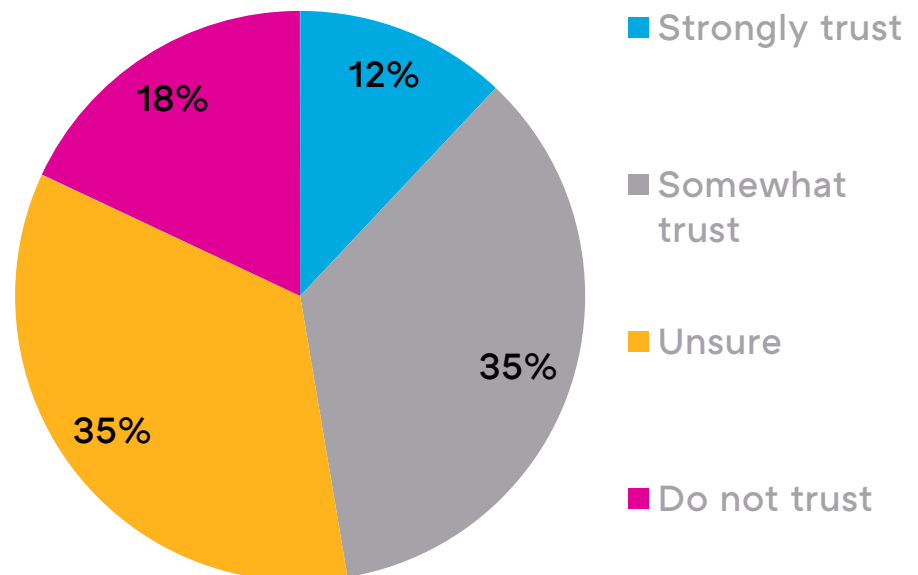
Where do you focus your Digital spend?  
(choose all that apply)



What percentage of your spend is Programmatic buying?

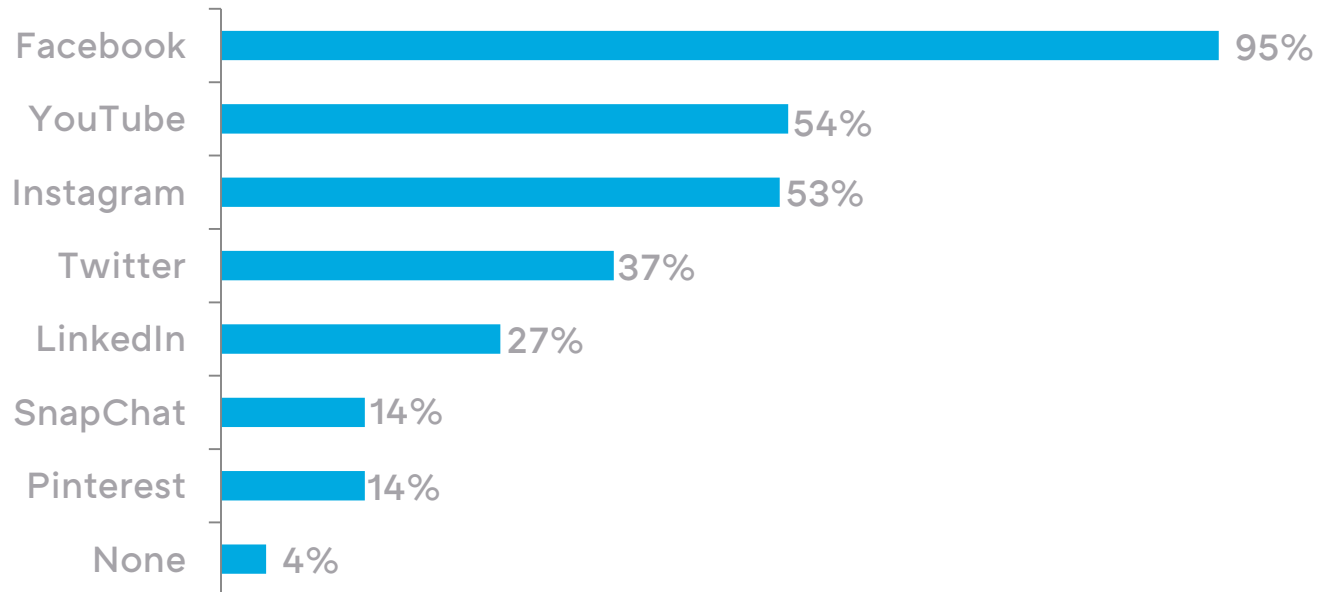


How much do you trust Programmatic buying to accurately reflect your ad orders?

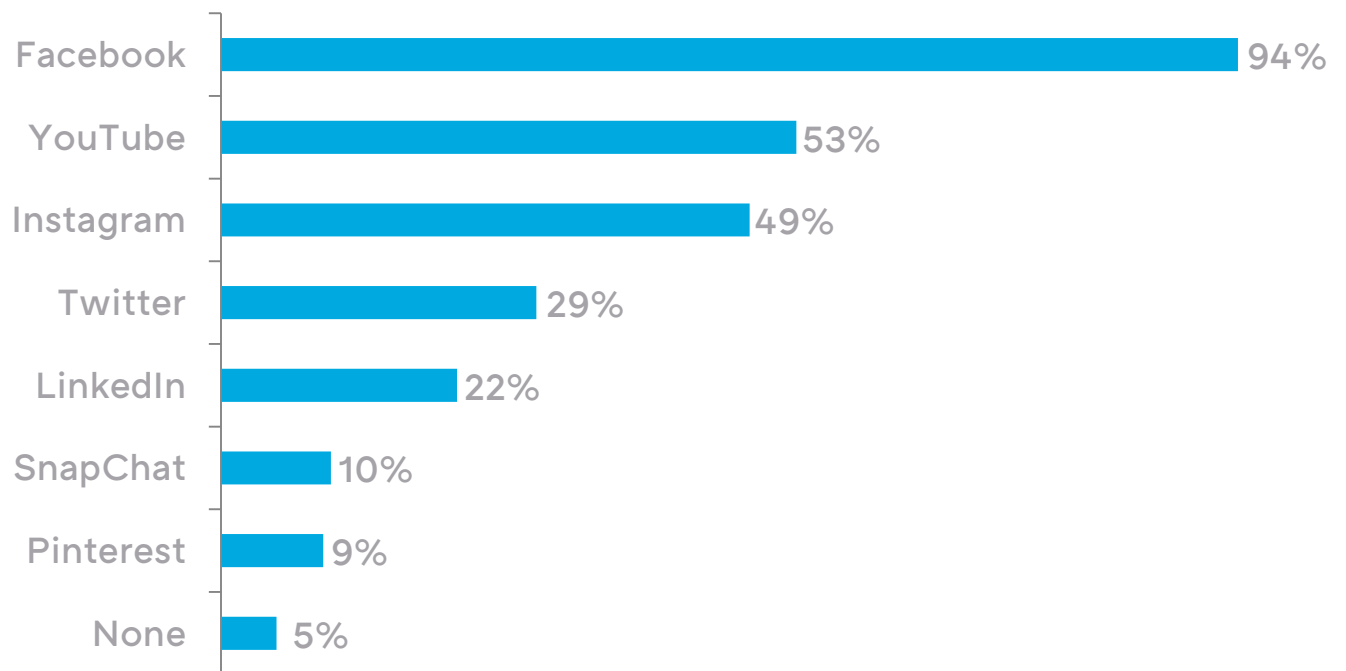




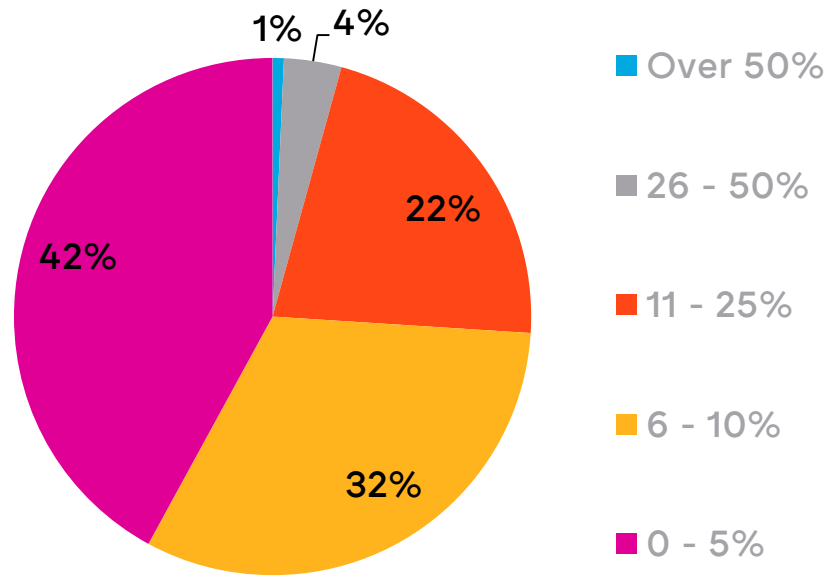
Which Social Media are you most likely to use in your client campaigns? (choose all that apply)



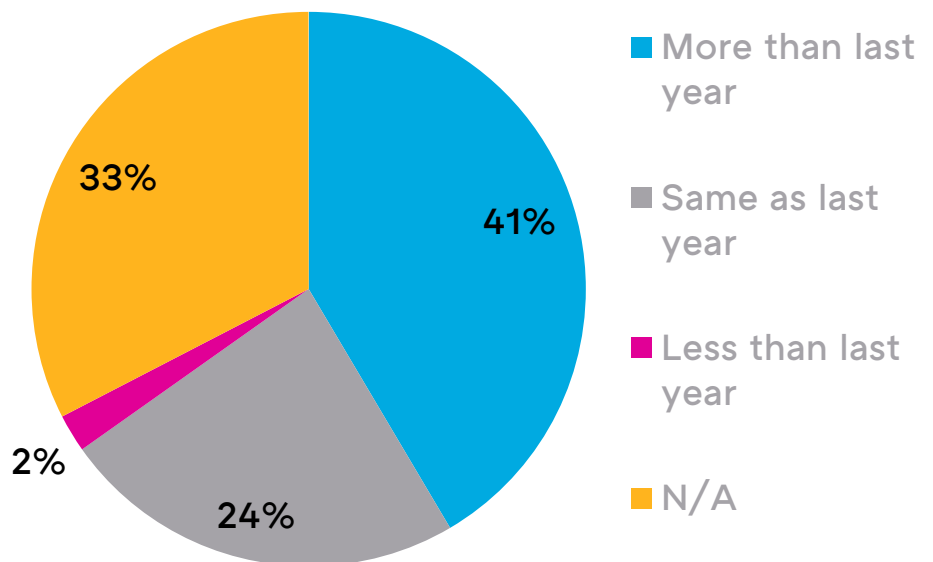
On which social platform are your clients SPENDING money? (choose all that apply)



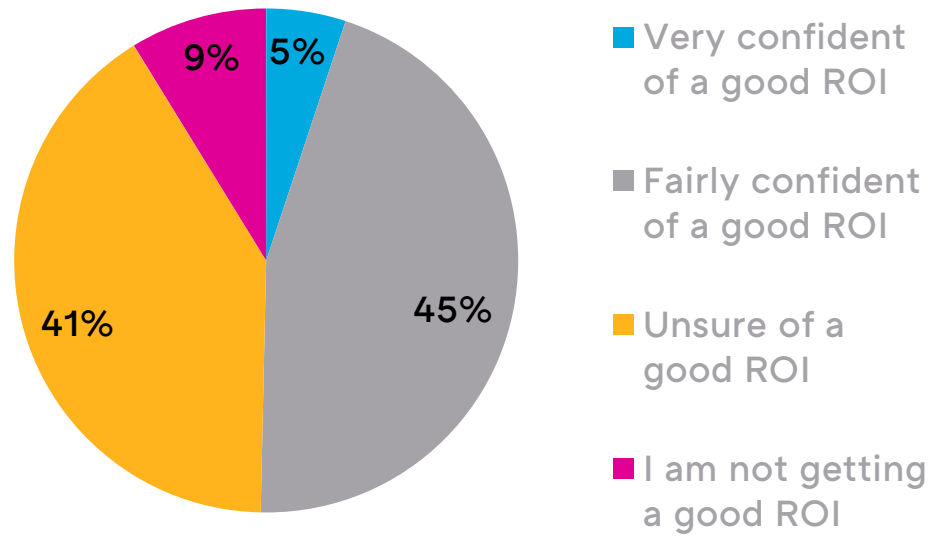
What percent of overall budgets go to paid Social Media?



Generally speaking, my client's interest in Live Streaming tools (ie. Facebook, Twitter etc.) for a current or upcoming campaign is...?



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



Are digital video ads as effective as traditional TV?

