

The Kenshoo Q3 2019 Quarterly Trends Report

Search, Social, and Ecommerce
Advertising Metrics and Insights



DIGITAL MARKETING 
QUARTERLY TRENDS REPORT

kenshoo
MEDIA RESEARCH

Contents

Introduction	2
A Note on Interpreting Industry Trend Data	2
Key Storylines from Q3 2019's Advertising Performance Data	3
Search Advertising Performance Q3 2019	3
Mobile Search	4
Shopping Campaigns	4
Marketer Insight.....	5
ICYMI: Q3 2019 Noteworthy News in Search Advertising.....	5
Average Position Metric Deprecated; Replaced by New Prominence Metrics	5
Google Sunsetting Accelerated Delivery for all Search and Shopping	6
Microsoft Also Depreciating the Accelerated Budget Strategy.....	7
Social Advertising Performance Q3 2019	8
Instagram	9
Social Video	10
Marketer Insight.....	11
ICYMI: Q3 2019 Noteworthy News in Social Advertising	11
Facebook Campaign Budget Optimization Ramps Up	11
Kenshoo Launches Local Social Solution	12
Facebook Continues Its Push Against Discrimination	12
Ecommerce Channel Advertising (ECA) Performance Q3 2019	13
Marketer Insight.....	13
ICYMI: Q3 2019 Noteworthy News in Ecommerce Channel Advertising	14
2019 Amazon Prime Day: The Biggest Ever	14
Amazon DSP Reporting is Now Supported by Kenshoo Ecommerce	14
Other Q3 2019 Advertising Trends.....	15
Cross-Channel Product Ads.....	15
Pinterest	16
ICYMI: Other Q3 2019 Advertising Noteworthy News.....	17
2019: Online Advertising Spend Eclipses Offline for the First Time	17
Google App Campaigns Unleashes New, Powerful Features.....	17
Summary	18
Methodology.....	18
About Kenshoo.....	18

INTRODUCTION

In Q3—especially for retailers—more than half of most marketing teams' focus is getting ready for the chaos of the upcoming holiday shopping season. So, in many ways, this quarter is the calm before the storm during which marketers put their media budgets on tried-and-true channels as they work diligently to prep for Q4.

While Q1 and Q2 are the testing grounds for new tactics that were earmarked to try out this year, poor performing channels and campaign elements have been weeded out by this time and the media mix is highly indicative of where marketers are most confident. So, Q3 is the quarter that generally reflects how the year has come together for a marketing organization, and thus, a good period to analyze for industry benchmarks.

This edition of the Kenshoo Quarterly Trends Report represents the analysis of over \$5.5 billion in annualized marketer spend and continues to be one of the most well-respected datasets by those who follow advertising performance closely. With over 500 billion impressions and 13 billion clicks analyzed, it includes many proprietary insights about what's happening in the digital advertising industry on a macro level.

In this report, learn quarter-over-quarter and year-over-year digital advertising campaign performance trends from Q3 2019, including:

- Ad spending velocity of the largest publishers in the world
- Key performance indicators across Search, Social, and Ecommerce advertising
- Insight into how marketers may interpret these market dynamics and how they may shift their plans to take advantage of new opportunities

The Kenshoo QTR dataset consists of advertiser activity over the previous 15 consecutive months consisting of more than:



500

billion impressions



13B

billion clicks



\$5.5B USD

billion dollars in advertiser spending

This dataset spans Kenshoo's publisher partners such as Google, Bing, Pinterest, Snapchat, Facebook, Instagram, and includes analyzed performance data taken from over **3,000** advertiser and agency accounts across **40 industry verticals** and over **150 countries**.

Q3 is the quarter that generally reflects how the year has come together for a marketing organization, and thus, a good period to analyze for industry benchmarks

A Note to Marketers on Interpreting Industry Trend Data

Even if trends indicate that a channel is moving in a certain direction with regards to budgets and other metrics, it does not mean your marketing portfolio has to follow or that your strategy is faulty if you aren't exactly aligned.

Your marketing organization may need a bit more Social than the average company to get the word out on your new product or you might be in a very competitive industry where Search is your chief priority to capture leads. You could have been just testing out Ecommerce Channel Advertising last year and fully funded those programs this year, so your year-over-year (YOY) spending increases are much higher compared to the field.

No matter what you're looking to get out of industry benchmark reports such as this one, the fact remains that you are doing the right thing by keeping on top of key trends and staying informed.

Good luck with Q4!

-The Kenshoo Marketing Team

Key storylines from Q3 2019's advertising performance data



Paid search has grown steadily over the last five quarters, with a solid 7% year-over-year spend increase in Q3. 54% of spending was on mobile devices which firmly plants SEM—digital marketing's largest channel—as a mobile-first experience.



Social advertising spend continued its upwards trajectory with a 32% year-over-year increase from Q3 2018. With CPMs staying relatively flat, social advertisers are still finding value with their investment in the channel and there still seems to be plenty of room to grow efficiently.



Ecommerce Channel Advertising was up big in Q3 with a 54% year-over-year increase in marketer spending. This channel is still relatively new and traces a path of strong growth that is comparable during the first few years of growth in paid search and social advertising.

Search Advertising Performance Q3 2019

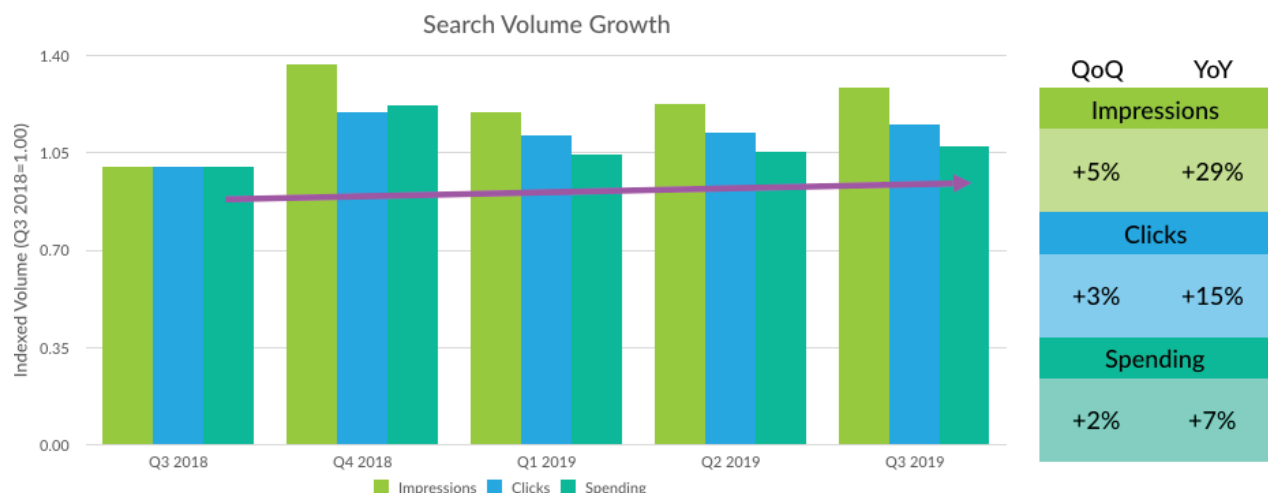
- Search spending grew 7% over the third quarter of last year
- The largest segment of search ads in Q3 were mobile keywords at 42%, and these ads saw a 13% increase in investment YOY
- Shopping campaigns were a driver of overall search growth

Paid search was up 7% year-over-year (YOY) demonstrating continued long-term growth for the last five quarters. Paid search is digital marketing's most consistent channel as brands have settled in to the fact that keeping this channel "always-on" is not just a best practice, but a necessity.

In Q3, paid search impressions were up 29% YOY, growing much faster than total spend. Paid search clicks were up as well (15% YOY), but not quite at the same pace as surging impressions. In other words, marketers found ways to grow clicks at nearly twice the rate of spend and impressions grew at over three times the rate of budgets. This shows that search marketers were able to optimize their approach with the channel over the last five quarters to generate higher impressions and clicks without having to dramatically increase spending.

In contrast to the year-over-year growth, Q3's paid search quarter-over-quarter (QoQ) gains were modest with a 2% increase in spend, 3% increase in clicks, and just 5% more impressions than Q2. This also supports the notion that search marketers have spent 2019 optimizing their accounts rather than rapidly expanding them.

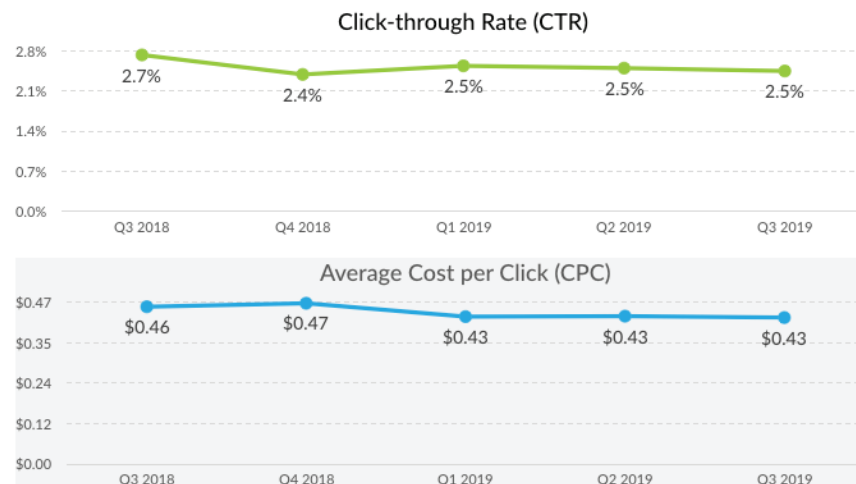
Search Trends



Search marketers found ways in Q3 to gain more exposure and response year-over-year from just a moderate increase in budget. Even though click-through rate (CTR) was down 10% YOY, this drop in ad engagement was offset by the fact that marketers paid less for their clicks as the average cost-per-click (CPC) in Q3 dropped by 7% from the previous year. This productivity is what most search programs are built for so Q3 2019 seems to have been fairly successful for the channel.

Search Trends

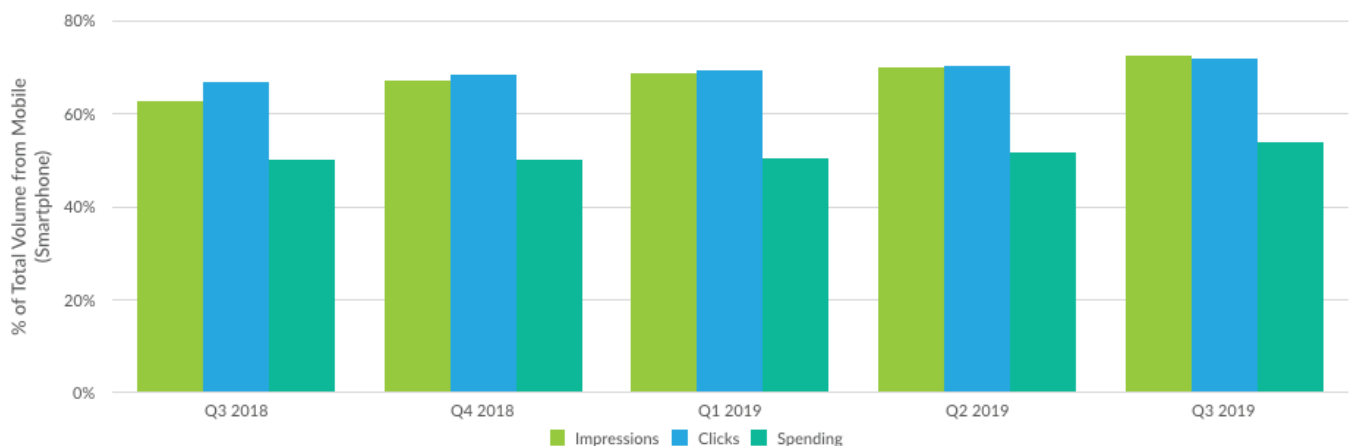
QoQ	YoY
Click-through Rate	
-2%	-10%
CPC	
-1%	-7%



Mobile Search

Over 70% of all paid search impressions and clicks in Q3 were on mobile devices, as mobile budgets comprised 54% of all search spending in the quarter. The majority of paid search impressions and clicks have been on mobile for some time now, it was just the previous quarter (Q2 2019) in which mobile search first reached 50% of paid search spending. Even though the signs have been clear for some time that paid search would be a mobile-first experience, Q3 2019 will go down in the record books for when this milestone was finally achieved.

Focus On: Mobile Search



Shopping Campaigns

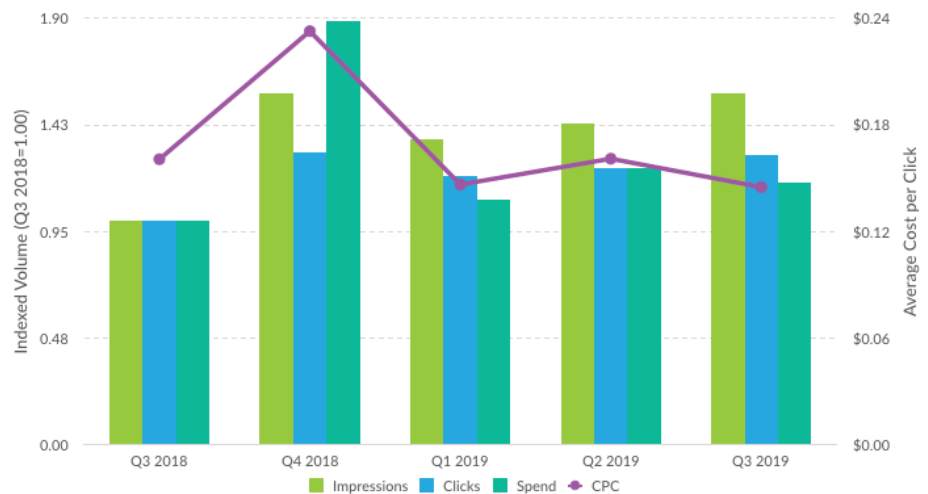
Clicks and impressions in paid search shopping campaigns continued to grow quarter-over-quarter in Q3 even though spend was down slightly from Q2. With the spending to this channel up year-over-year, it may be that retail marketers are holding back some budgets on shopping campaigns in Q3 so that they can go even bigger on these ads in Q4 when spend always spikes.

Focus On: Shopping Campaigns

Impressions continue to grow at a steady pace for search shopping campaigns

Clicks grew roughly half as fast as impressions compared to last quarter and last year

The price of a click dropped QOQ and YOY, resulting in a 6% drop in shopping campaign spend versus Q2



Marketer Insight

Q3 exists largely as a prelude to the more active, upcoming holiday season. Budgets are more likely to be set annually, so while testing and optimization begins in Q1 by the end of Q3 search marketers have, for the most part, streamlined their accounts.

From what we've seen over the last two decades of paid search, the jump in spending from Q3 to Q4 is always big. Certainly, Q4 2019 will once again be the biggest ever Q4 for paid search as brands look to take advantage of the increased conversion rates during the end-of-the-year holiday shopping season.

To learn more about what's happening in this channel, read the Kenshoo complimentary white paper, [The State of Paid Search: How Marketers Are Managing Their Programs](#). In it, Kenshoo and Digiday surveyed search marketers to better understand their attitudes to various key issues and challenges including smart bidding, native & paid SEM platforms, and shopping campaigns.

ICYMI: Q3 2019 Noteworthy News in Search Advertising

Average Position Metric Depreciated; Replaced by New Prominence Metrics

Average Position has historically been used as a proxy for how competitive a keyword is and how much room an advertiser has to work with when analyzing its performance metrics. Search advertisers would not only report and act on it, but bidding platforms would also use it as part of its algorithm to determine if it was worth pushing a keyword bid higher to avoid overpaying for the click if the maximum average position threshold was already achieved.

To replace Average Position, Google has introduced the four new prominence metrics:

Impression (Absolute Top) % – the percentage of impressions that are shown as the #1 ad above the organic results

Impression (Top) % – the percentage of impressions that are shown anywhere above the organic results

Search (Absolute Top) Impression Share – Absolute top impressions divided by the estimated number of eligible top location impressions

Search (Top) Impression Share % – Top location impressions divided by the estimated number of eligible top location impressions

Google search results for "retail management software". The search bar shows the query and the Google logo. Below the search bar are tabs for All, Images, Shopping, Videos, News, and More. The results show "About 54,600,000 results (0.43 seconds)".

Absolute Top

Top

Retail Management Software | Tired of Manual Data Entry?
 Ad www.example.com/order/management ▼
 Remove Complexities in Workflows, Save Time & Automate Your Back Office. Automated Workflows, Warehouse Management · Get A Free Demo · Pricing Plans · Request a Callback

Retail Management Software | For Inventory Based Retailers
 Ad www.example.com/free-trial ▼
 Ultimate point of sale for growing retailers that works on any device, anywhere. Accept Any Payments, Sell In-Store & Online. Works Offline. 24/7 Expert Support. Scale At Speed, Not Cost.
 Pricing · Feature Checklist · Free 30-Day Trial · Getting Started · Free - from \$0.00/mo - For 1-10 products · More ▼

Retail Software Development | For Integrated Solutions
 Ad www.example.com/Retail-Management ▼
 Reduce Shrink, Automate Reordering, Manage Channels & More w/ a Custom Solution. Omnichannel Solutions. Merchandising Software. Inventory Management. Ecommerce Integrations. Services: Project Planning & Design, Collaborative Development, Deployment & Integrations.

Best Retail Management Software - 2018 Reviews & Pricing
<https://www.example.com/retail/retail-management-comparison/> ▼
 Find the best Retail Management Software for your store. Read user reviews of leading retail management systems. Free comparisons, demos & price quotes.
 What Are the Common ... · What Are the Benefits of ... · Essential Hardware for In ...

The first two metrics indicate how often ads sit above the organic search results on top of the page, while the second set of metrics tell marketers what their share is of the eligible top impressions. Keep in mind that some paid results may not sit above the organic results, as this depends on a variety of factors.

Read more about this in the Kenshoo.com blog post [RIP 2000-2019: A Paid Search Marketer's Eulogy to Average Position](#).

Google Sunsetting Accelerated Delivery for all Search and Shopping Campaigns

DELIVERY METHOD:



Standard



Accelerated

For many years, search marketers could choose two ways to have Google serve their paid search campaigns:

- **Standard delivery** pauses and unpauses campaigns to spread a campaign's budget throughout the day
- **Accelerated delivery** simply spends the daily budget as fast as possible

The benefit of Standard delivery is that a campaign with a limited budget will have the ability to reach consumers at all times of the day with the potential downside of not fully spending the budget. The value of Accelerated delivery is that it spends the budget as fast as possible, but with the downside that it might run out very early in the day.

Google has decided to deprecate Accelerated delivery for Search and Shopping campaigns so that Standard delivery is now the only method moving forward.

From the [Google Ads help center](#):

“Your ad delivery method determines how long your daily budget lasts within a day. While Accelerated delivery attempts to spend your budget faster than Standard delivery, it isn’t effective for campaigns that aren’t limited by budget. And for campaigns that are limited by budget, this method can increase CPCs due to increased competition early in the day, or unintentionally spend most of your budget in earlier time zones. Alternatively, Standard delivery takes into account expected ad performance throughout the day and is better at maximizing performance within your daily budget.

We’re updating your ad delivery options to help you maximize performance within your daily budget. Starting September 17, 2019, Standard delivery will be the only ad delivery method for Search campaigns, Shopping campaigns, and shared budgets. Accelerated delivery will no longer be available. All Search and Shopping campaigns along with shared budgets using Accelerated delivery will be automatically switched to Standard delivery by October 1, 2019. Accelerated delivery will continue to be available for Display campaigns and Video campaigns.”

Read more about this from the Google Ads help center article [Search and Shopping campaigns will now be using improved Standard delivery](#).



Microsoft Also Deprecating the Accelerated Budget Strategy

Following Google's announcement, Microsoft is making the same change.

From the [Microsoft Ads blog](#):

“Microsoft Advertising is removing the Accelerated budget strategy option for Search, Dynamic Search Ads (DSA) and Shopping campaigns. To make this migration seamless and without any breaking change, starting on November 1, 2019, these campaigns will start serving as Standard regardless of the chosen strategy type. This delivery side migration provides our customers with more time to migrate over their budget strategy on their entry points from Accelerated to Standard.

Budget-constrained campaigns using the Accelerated budget strategy tend to go dark earlier in the day and perform less efficiently. On the other hand, Standard budget strategy is a “smarter instrument,” as it picks and chooses the right time to serve with the intent of optimizing your performance based on multiple factors, such as the products and services targeted by your campaign, and availability of corresponding search during the day.”

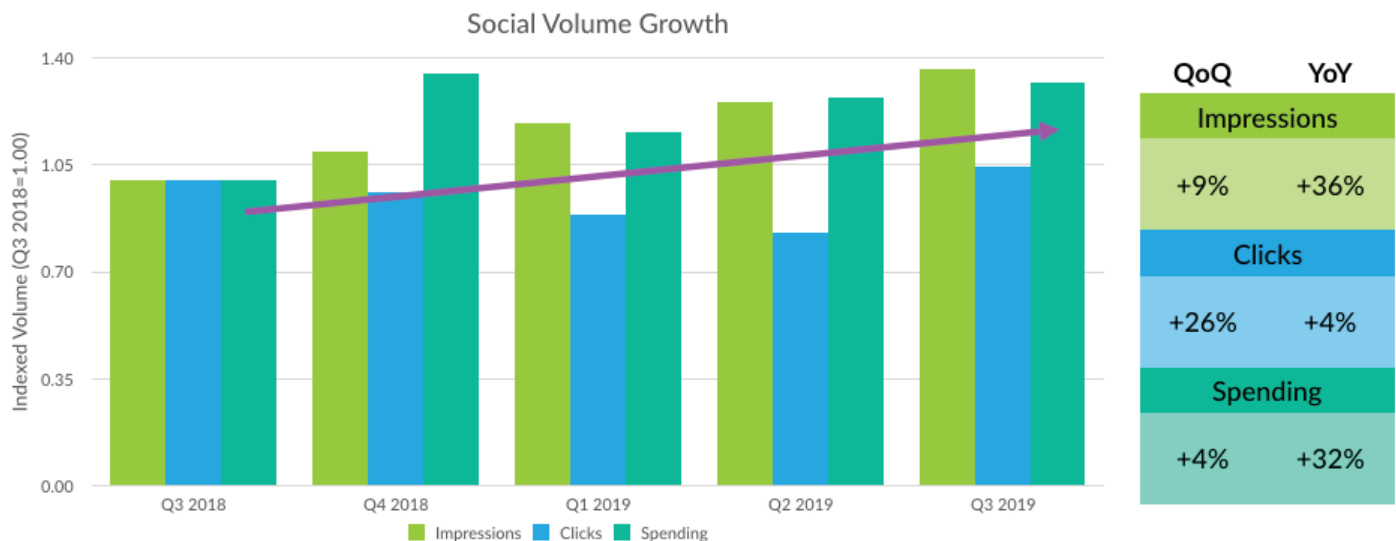
Read more about this in the Microsoft Ads Blog post [Coming changes to your budget strategy features](#).

Social Advertising Performance Q3 2019

- Social advertising spending grew 32% year-over-year with Instagram, Video, and Product Ads continuing to act as the key drivers behind the increase
- Impressions grew faster than spending, indicating that the volume of social ad activity is still increasing steadily
- Mostly flat CPM pricing means that social advertisers have plenty of room to continue growing efficiently in this channel

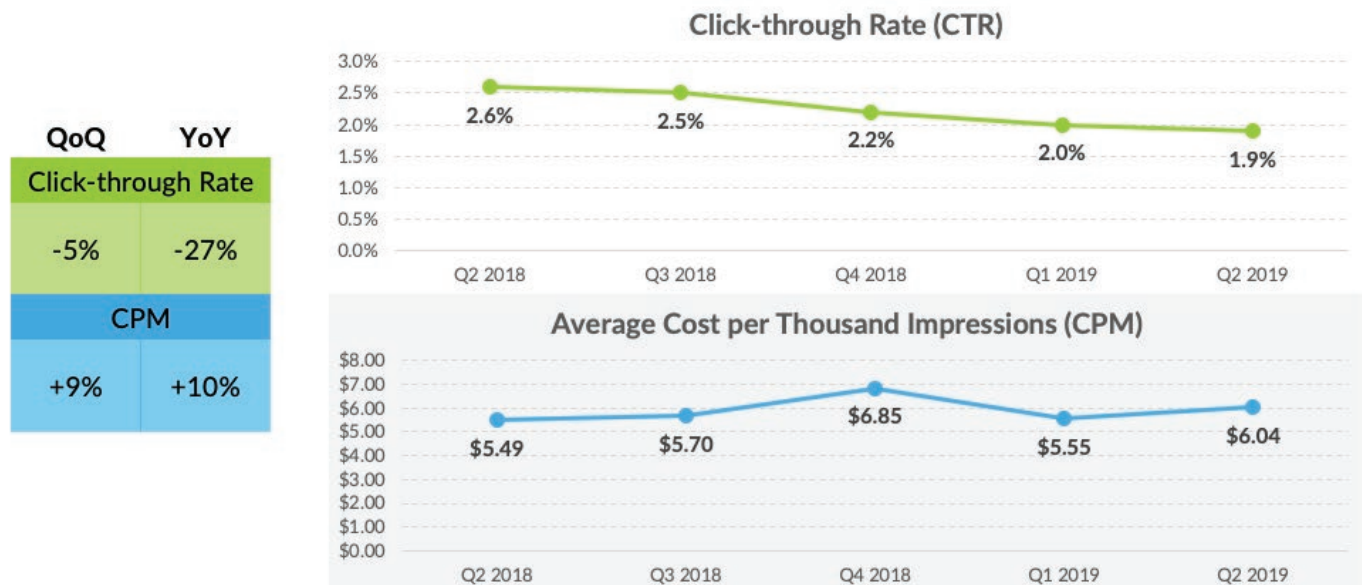
Social advertising spending continued its multi-year climb in Q3 2019 with 32% growth year-over-year and a 4% increase quarter-over-quarter. Impressions grew roughly on par with spend, which points to a fairly consistent valuation of those impressions compared to last year at this time. Clicks on social ads were up 26% over the previous quarter.

Social Trends



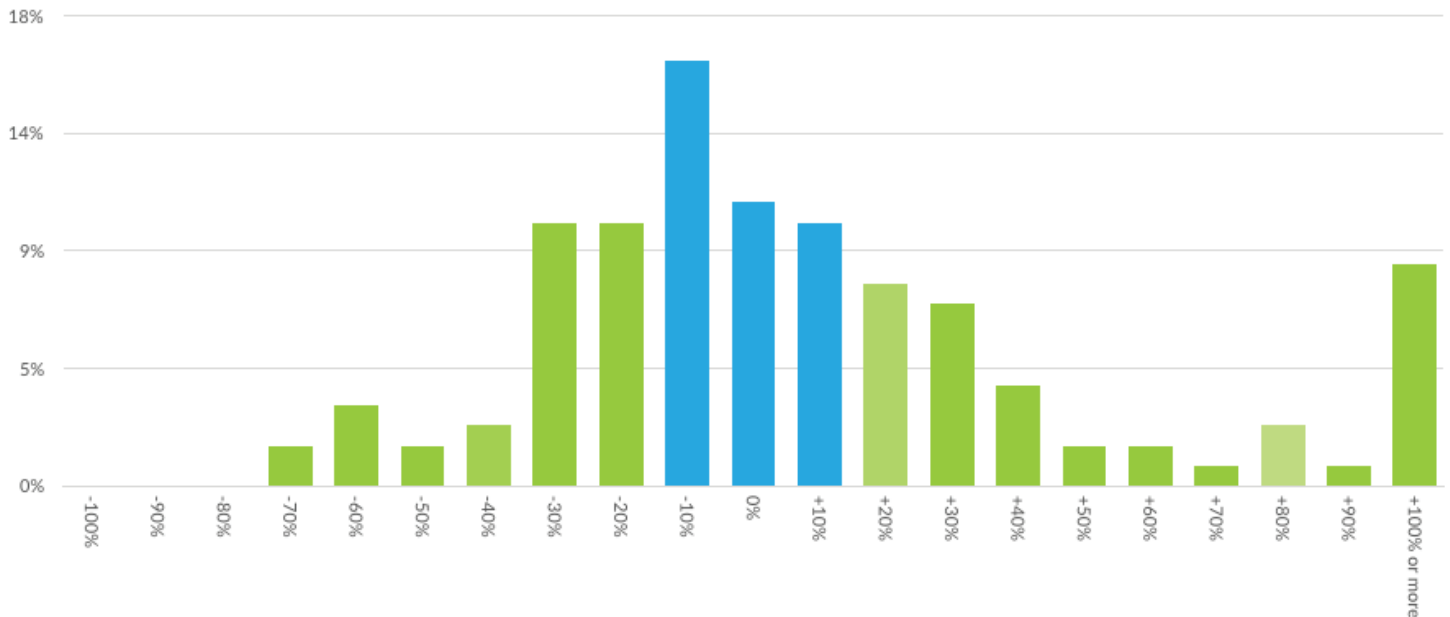
In Q3, the average cost-per-thousand impressions (CPM) was generally flat both QOQ (-4%) and YOY (-3%). The insight here is the stability in pricing even as budgets have increased. That's a good sign for social marketers given that the channel's pricing is an auction-based model driven by competition. With costs not increasing, it suggests that there is still opportunity for brands to continue ramping up their spending while maintaining efficiency for their investment.

Social Trends



Although the net year-over-over change in CPMs was relatively flat at -3%, a deeper dive into the average social advertising CPM of Kenshoo clients shows that the majority of accounts fluctuated between -10% and +10% compared to Q3 2018 with most accounts were hovering around the -10% level.

CPM Changes by Account

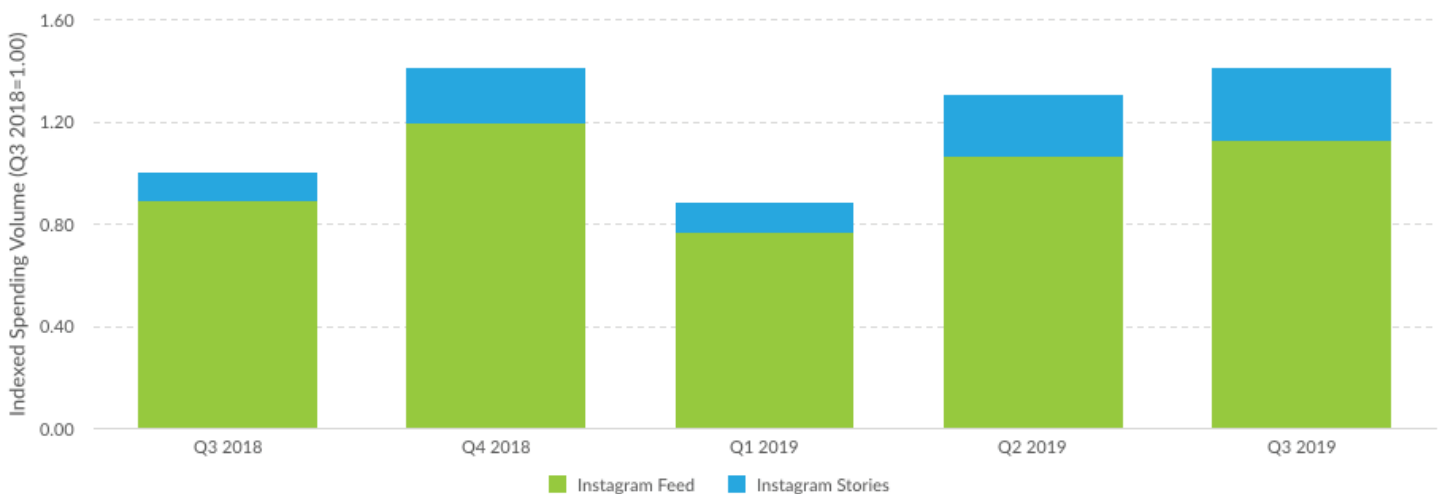


Instagram

Facebook acquired Instagram in 2012 for \$715 million—and in hindsight—it was a bargain. The social network now has [more than 1 billion monthly active users](#).

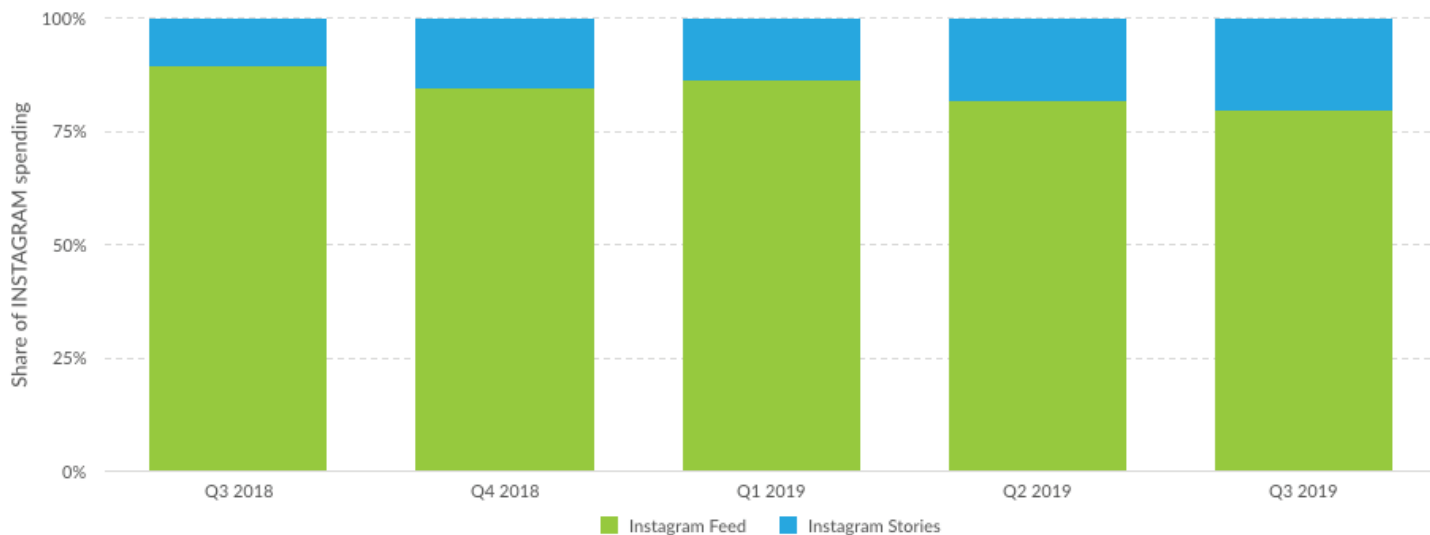
As the Internet continues to trend towards a move visually-focused experience, it's no surprise that brands increasingly look to Instagram as an opportunity to impact and influence consumers. Spend on Instagram advertising grew 42% in Q3 2018, which was a full ten percentage points higher than overall social growth.

Focus on: Instagram



As of January 2019, Instagram Stories usage was up to [500 million daily users](#) and advertising against this format has similarly exploded this year. In 2019, Instagram Stories ads have continued to grow faster than in-feed ads. In Q3 2018, Stories ads comprised just 11% of total Instagram advertising spend while a year later in Q3 2019, they are now 20% of total Instagram advertising spend.

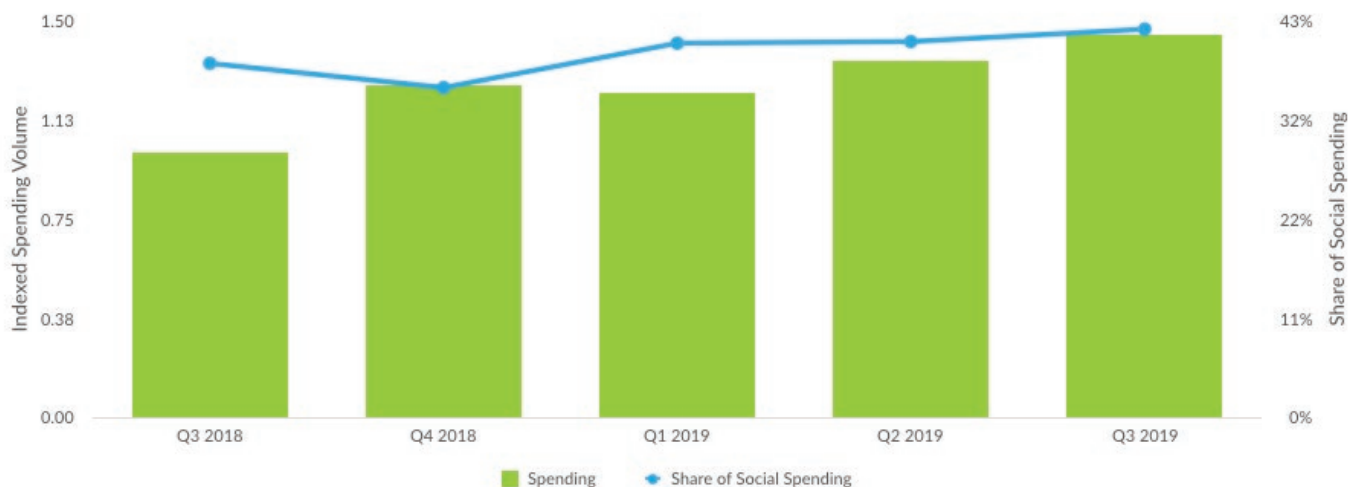
Focus On: Instagram Stories Ads



Social Video

Social video ads grew 45% year-over-year and 7% quarter-over-quarter, now comprising 42% of total social ad spending. Anecdotally, for brands, social video ads have in many cases become an extension of the television advertising strategy and social publishers have been wise to offer age/gender targeting and measurement similar to what TV marketers have used for decades. With [TV's advertising share of total marketing budgets shrinking](#), social video ads are well-positioned for brands looking to achieve massive scale with their online messaging.

Focus On: Social Video





Marketer Insight

With 2 billion+ social media users worldwide, social advertising continues to be a top choice for marketers. The channel offers some of the best audience targeting options for brands looking to reach highly segmented consumers at scale.

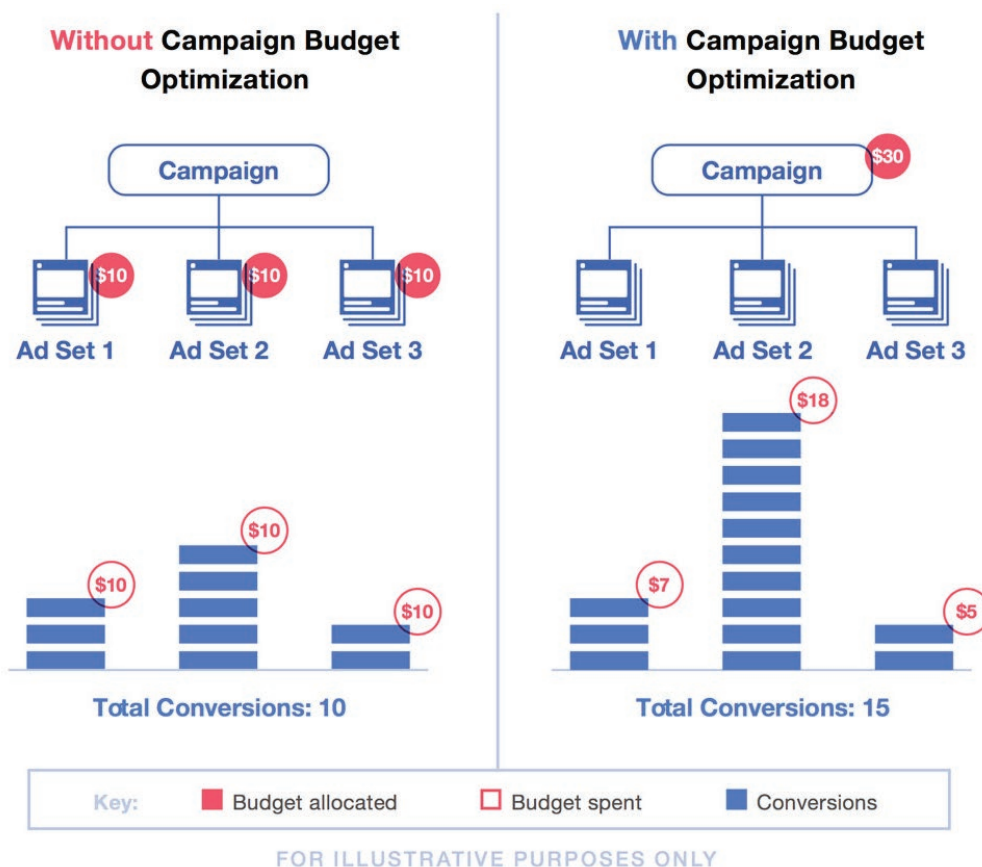
Social publishers are constantly innovating, offering more and more creative ways for advertisers to drive awareness at the top of the funnel, build interest in the middle, and convert customers at the bottom. And retailers are ramping up their investment in social advertising as well. Since 2016, [social media is now the fastest growing referral source to ecommerce sites](#) and new commerce functionality enables consumers to purchase products without leaving their social apps.

One of the biggest benefits of social advertising is how it assists other channels to convert. To learn more about cross-channel advertising, read the complementary Kenshoo white paper [Practical Cross-Channel Marketing](#). In this report, readers will learn that many brands aren't even attempting cross-channel marketing because of its complexity—but, of course, that's where the opportunity lies. Brands that are successful in this approach are finding a competitive edge against their rivals.

ICYMI: Q3 2019 Noteworthy News in Social Advertising

Facebook Campaign Budget Optimization Ramps Up

On November 8th, 2017, Facebook introduced campaign budget optimization (CBO). This capability enables their algorithm to manage an advertiser's campaign-level budget across ad sets to improve results. In Q3, [CBO became the default setting](#) for new and existing campaigns managed through its native ad-buying platform:



“To help you spend your budget more efficiently, we’re moving budget to the campaign level starting in September 2019. Eligible accounts have received this notice and will begin using campaign budget optimization for new and existing campaigns in September.”

[Campaign budget optimization](#) enables Facebook advertisers to maximize the results of their campaigns with ad set-level budget optimizations. CBO distributes budgets across ad sets automatically to maximize results for the top-performing ad sets in real-time. This frees advertisers from the time it takes to make manual budget shifts across ad sets and allows Facebook to algorithmically optimize budgets for them.

As campaign budget optimization maximizes performance for a single, determined campaign, Kenshoo is on its way to enabling marketers to shift budgets in ways that are not currently offered by CBO. Stay tuned for more on this!

Read more about this in the Kenshoo.com blog post [Your Guide to Maximizing Facebook's Campaign Budget Optimization](#).

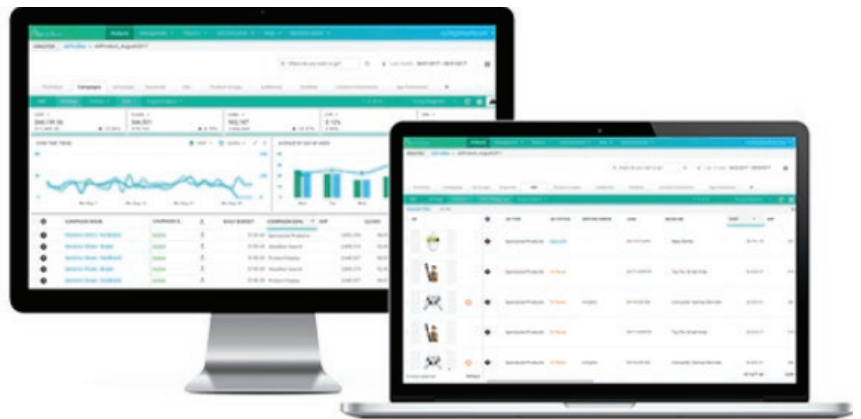
Kenshoo Launches Local Social Solution

Local advertisers and their agencies have struggled to effectively and efficiently execute Facebook advertising at scale because of the rapid nature of location-based business cycles.

“Local agencies and advertisers have historically had limited bandwidth, tools and incentives to scale their marketing campaigns onto Facebook, explaining why their top request has been to add social capabilities to Kenshoo Local,” said John Dobrowski, GM, Social, for Kenshoo. “With [Kenshoo Local](#), marketers can now manage local search and social campaigns in one unified platform, and this will boost productivity and ROI with Kenshoo’s automation and AI-based optimization solutions.”

By building connectivity to their local search campaigns, Kenshoo Local Social provides local advertisers advanced tools for client onboarding, audience management, budgeting and campaign optimization enabling them to:

- Manage thousands of Google, Microsoft, Verizon Media, and Facebook ad accounts simultaneously
- Automatically activate new accounts directly from a CRM or Order Management System
- Create and manage Custom and Lookalike Audiences for Facebook and Google in the same UI
- Access and activate thousands of third-party audiences through direct integrations with Epsilon, Experian, and Serasa Experian (Brazil)
- Optimize budgets across multiple Facebook campaigns towards a shared goal
- Apply advanced budget pacing, scheduling and rollover strategies
- Launch campaigns quickly through a time-saving creation workflow
- Consolidate and analyze performance data across search and social channels



Read more in the Kenshoo.com blog post [Kenshoo Solves Social Advertising for Local Marketers](#).

Facebook Continues Its Push Against Discrimination

In March, [Facebook announced](#) its plan to enact sweeping changes to some of its advertising policies to protect its users from discrimination and how brands were using its platform.

From the Facebook business blog:

“Facebook cares deeply about civil rights and we want to make sure we’re advancing them on our platform. As part of a historic settlement with leading civil rights organizations in March we announced changes to help prevent discrimination in ads that offer housing, employment and credit opportunities.”

After giving advertisers time to familiarize themselves with the changes we started rolling out in June, today we're requiring all advertisers based in the U.S. or trying to reach audiences in the U.S. to use our new process to buy housing, employment and credit ads. These ads are considered Special Ad Categories and have restricted targeting options in Ads Manager. To review these ads, we will use mostly automated review, supported by human reviewers. Mistakes will happen but we continue to improve the more ads we review. As we said in June, we plan to extend enforcement to all other ad-buying systems by the end of the year."

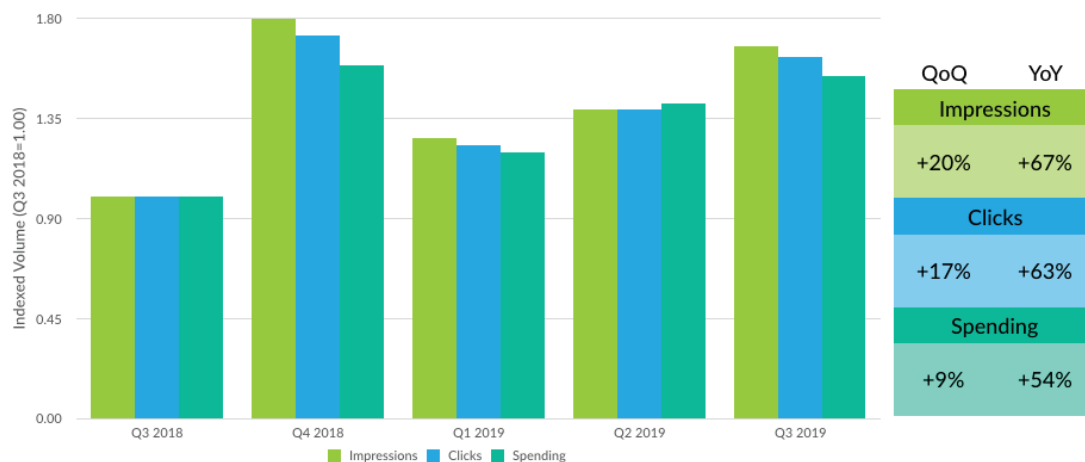
Read more about this in the Facebook business blog post [Updates To Housing, Employment and Credit Ads in Ads Manager](#).



Ecommerce Channel Advertising (ECA) Performance Q3 2019

Ecommerce channel advertising (ECA) continues to grow faster than search and social channels in 2019. Year-over-year, the channel saw a 54% increase in spending in Q3 2019 with impressions up 67% YOY and 20% QOQ while clicks increased 63% YOY and 17% QOQ. The fact that the year-over-year increases were bigger than the quarter-over-quarter numbers is an encouraging sign that 2019 will end up being as big as industry experts expected.

Ecommerce Channel Advertising Trends



Marketer Insight

The velocity of growth for ecommerce channel advertising in Q3 2019 comes as no surprise to those who have been watching the rapid evolution of the retail vertical as consumer shopping continues to migrate online. ECA is still fairly new for advertisers, and we've seen similar growth profiles in the early days of the other fundamental digital channels, particularly paid search and social advertising. At some point, ECA growth will begin to slow down, but recent history tells us that the channel has many more quarters ahead before that happens.

For marketers looking to learn how to maximize the ECA opportunity, check out the complimentary Kenshoo report [To Win At Amazon Advertising, You Must Think Like Amazon](#). Amazon Advertising presents a unique ECA opportunity that very few truly understand. Retailers that think it can simply be managed like any other marketing channel are completely missing the boat. Read the white paper to discover a winning approach for this important channel.

ICYMI: Q3 2019 Noteworthy News in Ecommerce Channel Advertising

2019 Amazon Prime Day: The Biggest Ever

According to Kenshoo Ecommerce performance data, advertisers spent an average of 3.8X more on the first day of Prime Day (July 15th) versus the average July day leading up to the big event. And it was well worth it as these brands garnered 5.8X the revenue that day versus the average day in the first half of the month.

Across all Kenshoo clients who also advertised during last year's Prime Day, spend doubled year-over-year (YOY) in 2019. Of course, certain advertiser categories spent more than others to take advantage of the increased conversion activity. Toys & Games brands spent 6.3X more YOY, Health & Beauty brands spent 3.1X more YOY, and Computer & Electronics brands spent 2X more YOY. Even CPG brands—not known for big holiday promotions—spent 1.2X this year versus last year's Prime Day season.



"We want to thank Prime members all around the world," said Jeff Bezos, Amazon founder and CEO in a press release today about Prime Day 2019. 'Members purchased millions of Alexa-enabled devices, received tens of millions of dollars in savings by shopping from Whole Foods Market and bought more than \$2 billion of products from independent small and medium-sized businesses. Huge thank you to Amazonians everywhere who made this day possible for customers.'"

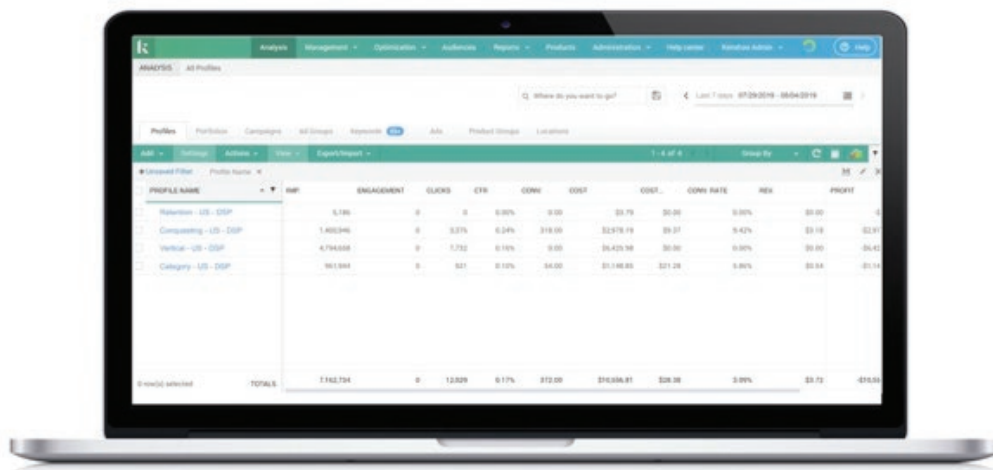
Read more about this in the Kenshoo.com blog post [Prime Day 2019: Amazon Advertisers' Revenue Was Up 5.8X](#).

Amazon DSP Reporting is Now Supported by Kenshoo Ecommerce

The Amazon Demand Side Platform (DSP) offers brands display ads and video ads to programmatically reach audiences across both Amazon-owned sites and apps, like IMDb, and leading publishers' sites through direct inventory from Amazon Publisher Services and third-party exchanges.

Using the Amazon DSP, marketers can use exclusive Amazon audiences to reach their ideal audiences by leveraging the site's powerful purchase dataset. After all, the inventory that Amazon offers is very powerful, but it's really the data targeting that truly sets this channel apart.

The Amazon DSP has become a very useful channel for retail marketers, but until now, marketers had their Amazon Advertising search ads in one spot and their DSP ads in another. Now, [Kenshoo Ecommerce](#)—the leading solution for Amazon Advertising—gives marketers a central dashboard to view and report on performance across both search-triggered ads and their Amazon DSP ads.



See Amazon DSP reporting side-by-side with other Amazon Ads

Kenshoo has developed a unique method to ingest data that receives, processes and reports on DSP ads so that marketers can get a side-by-side view across all of their Amazon campaigns. A Kenshoo Ecommerce client simply needs to set up a regularly scheduled report which the Kenshoo system then processes and displays. The DSP views will include the Order, Line and Creative levels along with up to 30 different metrics.

By seeing all of their efforts side-by-side, Amazon advertisers will better understand how their campaigns are performing together and be able to make better-informed decisions based on a holistic understanding of how their programs are doing.

Read more about this in the Kenshoo.com blog post [Feature Focus: Amazon DSP Performance Side-by-Side with Your Other Amazon Advertising](#).

Other Q3 2019 Advertising Trends

Cross-Channel Product Ads

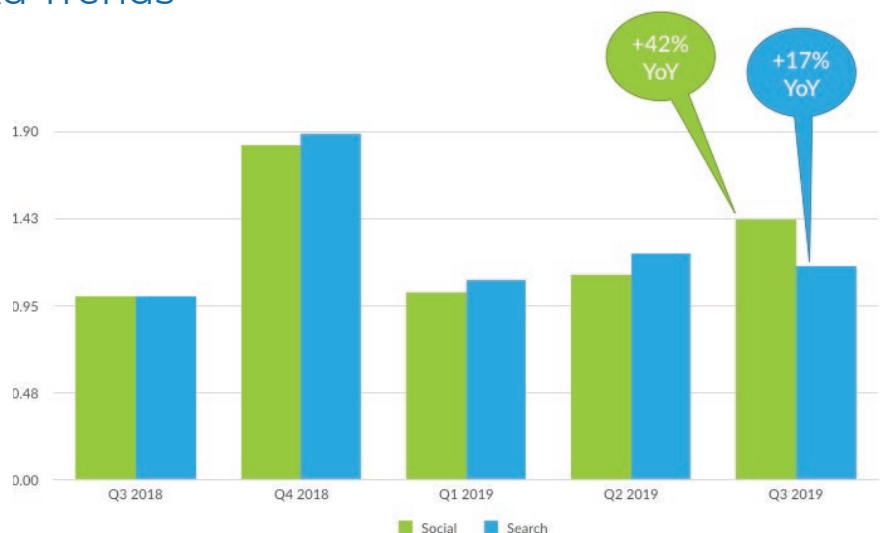
Shopping ads continued to grow in both paid search (17% year-over-year) and in social advertising (42% year-over-year). Shopping campaign ads comprised 39% of total Q3 2019 paid search spending for Kenshoo ecommerce/retail advertisers, and in social advertising, dynamic product ads—the search shopping ads equivalent—comprised 37% of the Q3 total spend.

Product ads are incredibly efficient to build and maintain in paid search and social advertising compared to the manual way most creative assets are generated in these two channels. Marketers can potentially load up millions of SKUs in their product catalogs and—using a rule-based approach—can dynamically create ads using the existing titles, images, descriptions, and other metadata available from connected ecommerce feeds.

Cross-Channel Products Ad Trends

Shopping campaign ads comprised 39% of total Q3 search spending for Kenshoo ecommerce advertisers

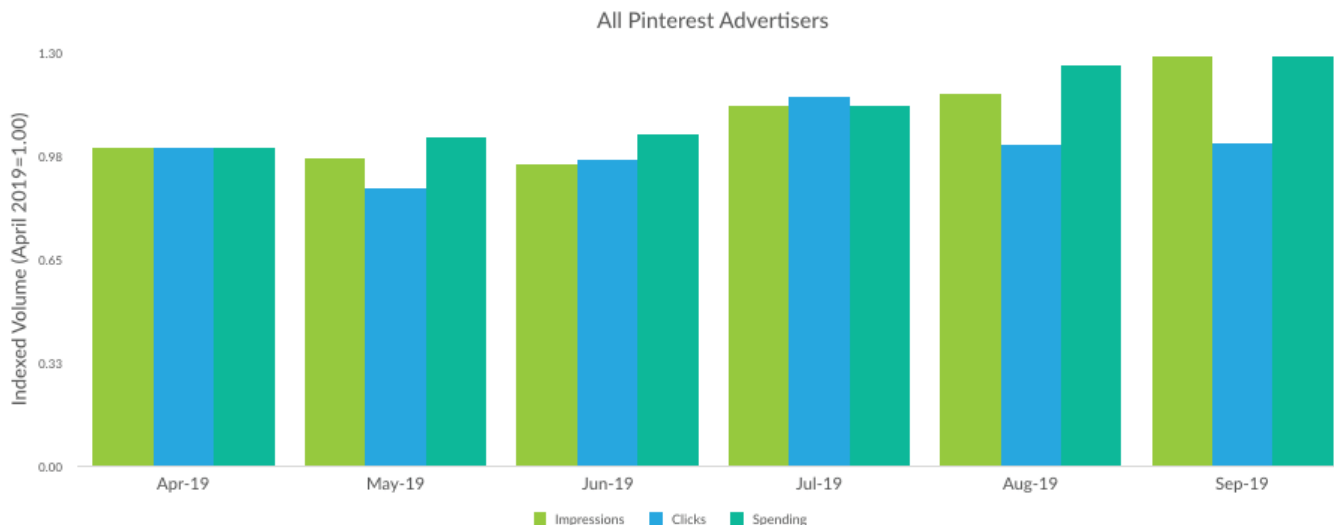
For social, dynamic product ads made up 37% of the Q3 total for this industry category



Pinterest

Since the beginning of the second quarter, total monthly Pinterest spending has increased nearly 30%, as have total impressions. It has often positioned itself as discovery engine and promoted the fact that [“people start planning earlier on Pinterest than on other platforms.”](#) Marketers increasingly see Pinterest as a way to drive early awareness and interest at the top of the funnel while consumers consider their holiday buying months ahead of the season and the spike in activity over the three months of Q3 aligns to this trend.

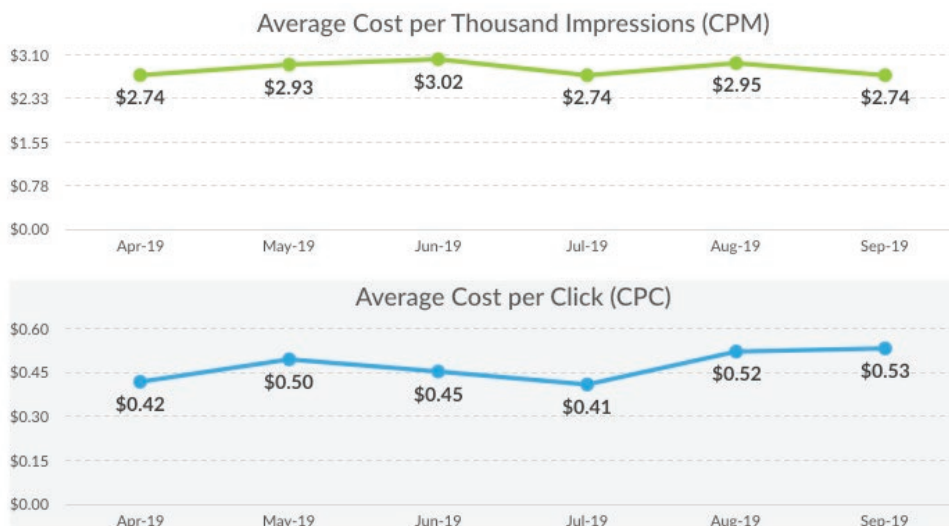
Pinterest Trends (last six months)



The average cost-per-thousand impressions on Pinterest has remained somewhat flat for the last five six months and, in fact, September 2019's \$2.74 CPM average is exactly where it was in April. So, even though total investment has risen 30% on the publisher this year, the pricing stability is giving marketers an opportunity to scale up their Pinterest ad programs without having to pay a premium.

Pinterest Trends (last six months)

CPM for Pinterest ads is still generally less than Facebook



ICYMI: Other Q3 2019 Advertising Noteworthy News

2019: Online Advertising Spend Eclipses Offline for the First Time

A February 2019 study by eMarketer found that [online advertising spend has officially outpaced traditional](#), and by 2023, digital ad spend will make up two-thirds of total media spend:

“Total digital ad spending in the US will grow 19% to \$129.34 billion this year—54.2% of estimated total US ad spending. And mobile will continue its dominance, accounting for more than two-thirds of digital ad spending, at \$87.06 billion this year.”

With digital marketing, advertisers can see in real-time which site, keyword, social post or sponsored search results drove conversions. This instantly-available data makes it easier than ever before to see which ads customers are responding to, which also makes optimizing what’s working and course-correcting what isn’t easier than it’s ever been before.

Read more about this in the Kenshoo.com blog post, [2019: The Year Online Advertising Eclipses Offline](#).

Google App Campaigns Unleashes New, Powerful Features

Recently, Google released new functionality for Google App Campaigns that is now supported by the Kenshoo Apps platform. Kenshoo’s Google App Campaigns solution provides clients with a set of tools that enables them to make the most out of Google’s newest features, monitor their campaigns and creatives performance within a cross-channel environment, compare actual results, and take actions in bulk.



“Google’s recent new features to Google App Campaigns make this ad opportunity one of the most powerful options for app marketers,” says Kenshoo’s Senior Product Marketing Manager, Kelly McGuigan. “Whether it’s to drive installs, reinstalls, or to engage with existing app users to encourage more app usage and sales, Google App Campaigns are certainly a must-buy ad type for any brand looking to make the most of their app investment.”

Read more about this in the Kenshoo.com blog post [“The Kenshoo 5: Five New, Powerful Google App Campaign Features”](#)

Summary: Q3 2019

Overall, digital advertising continued to grow in Q3 both year-over-year and quarter-over-quarter. Now officially larger than offline advertising, digital is the future of marketing and its biggest channels, paid search, social advertising, and ecommerce channel ads aren't expected to stall anytime soon.

Paid search spend growth was up with a 7% year-over-year increase in advertiser investment in Q3 2019. The majority of budgets were spent on mobile devices as marketers continue to follow consumer activity migrating from desktops.

Social advertising grew 32% year-over-year in Q3 2019. However, even with the increases in spending, CPMs were stable. That's a good sign for brands and a green light to keep spending more in this channel without worrying about price inflation.

Ecommerce channel advertising (ECA) did what was expected of it in Q3 2019—to grow, grow, grow to the tune of a 54% increase year-over-year. This relatively nascent channel is still only just getting started.

Methodology

The analysis within this report is based on advertiser campaign data managed through the Kenshoo platform on Google, Microsoft, Yahoo!, Yahoo Japan, Baidu, Yandex, Pinterest, Apple, Facebook, Instagram, Snapchat and Amazon between April 2018 and June 2019. The data sample contains over 500 billion impressions, 13 billion clicks and \$5.5 billion in advertiser spending.

For charts showing spending and impressions/clicks, volume metrics have been normalized to a factor of one based on the initial volume for the first quarter of data shown. Data points from subsequent quarters are based on a multiplier from the first quarter. For example, 1.6 means that volume is 60% greater than the volume on the initial quarter measured. Ad spending, CPC and CPM are measured using Ex-FX or "Constant Currency" adjustments, where results are based on native currency and only translated to common currency after aggregation. Except where noted for Pinterest and Apple Search Ads analysis, advertisers must have 15 consecutive months above a minimum spending threshold in the channel (a "same-store" or "same-advertiser" approach) to be included in the analysis. Some outliers were removed when necessary.

For more information and to interact with the Kenshoo QTR dataset, please visit our Quarterly Trends Report Snapshot that can be found at [Kenshoo.com/digital-trends-research/](https://kenshoo.com/digital-trends-research/).

About Kenshoo

Kenshoo is the leading technology platform for brands looking to plan, activate and amplify effective marketing across the most engaging digital channels. Kenshoo offers the only marketing solution that provides data-driven insights and optimization technology to help make informed decisions and scale performance across Google, Facebook, Microsoft, Pinterest, Snapchat, Instagram, Amazon, Apple Search Ads, Verizon Media, Yandex, Yahoo Japan, and Baidu. Kenshoo's machine-learning algorithms and cutting-edge AI enable companies to predict and keep in-step with the ever-changing consumer journey. With 27 international locations and backed by Sequoia Capital, Arts Alliance, Tenaya Capital, and Bain Capital Ventures.

Kenshoo generates over \$350 billion in annualized revenue for the world's top brands. Please visit Kenshoo.com for more information.

Kenshoo brand and product names are trademarks of Kenshoo Ltd. Other company and brand names may be trademarks of their respective owners. Facebook® is a registered trademark of Facebook, Inc. Kenshoo brand and product names are trademarks of Kenshoo Ltd. Other company and brand names may be trademarks of their respective owners.

Kenshoo brand and product names are trademarks of Kenshoo Ltd. Other company and brand names may be trademarks of their respective owners.