The Multiplier Effect of Integrating Search and Social Advertising

Best Practices for Cross-Channel Marketing

Marin Software
Introduction—a Large and Growing Market

Over the past several years, search and social advertising have become essential ingredients of many successful marketing programs. Both channels, though fundamentally different, have proven to be highly effective and efficient for customer demand generation and fulfillment. Search, with its ability to “pull” users into a brand’s message, and social, with its ability to “push” a message to a highly targeted audience, are capturing a greater portion of global advertising dollars every year. This proves to be a winning combination when managed and optimized in tandem.

According to eMarketer, search and social spend are only expected to increase in 2017, with almost three-quarters of marketers saying they plan on increasing spend on the two channels next year.¹ Google and Facebook are leading the way, and they’re expected to capture the lion’s share of budget increases.²

How Big?

Why is the digital marketing community so bullish on search and social channels? Despite their differences, both channels present advertisers with a massive, highly engaged pool of targetable audiences. This is a key requirement for any successful marketing channel. There are an average of 3.5 billion search queries on Google per day³ and 1.18 billion active users on Facebook daily.⁴

To put these stats in perspective, Pew Research reports that two-thirds of the global population use social media.⁵

However, consumer behavior on search and social differ greatly, with consumers using both networks for different “jobs.” After all, people use search engines for demand fulfillment, and social networks for engagement, interaction, and discovery among friends and family.

¹. https://www.emarketer.com/Article/Marketers-Say-More-Search-Mobile-Facebook/1014593
While search and social share the similarity of catering to massive, highly engaged audiences, from a marketer’s perspective their similarities end there. Each one has a unique ‘talent’ to introduce, entice, and ultimately pull a consumer down the path to conversion.

<table>
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<th>Areas in Which US Marketing Professionals Plan to Increase Their Budget, Aug 2016</th>
<th>% of respondents</th>
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</thead>
<tbody>
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<tr>
<td>Pinterest</td>
<td>18%</td>
</tr>
<tr>
<td>Snapchat</td>
<td>15%</td>
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Note: in the next 12 months
www.eMarketer.com 217292
Social is a channel that provides marketers with exceptional influence. It facilitates the discovery of products that “assist” other digital channels by driving intent-driven traffic into lower-funnel micro-moments. In other words, social makes other channels more effective by recruiting more people to search for the product you’re selling.

Our investigation quantified the incremental gain social yields other channels, like search, when the marketer runs both programs in tandem.

A Puzzle—Making Sense of It All

Today’s path to conversion is highly fragmented, spans multiple steps, and can last days, weeks, or even months. In fact, according to Google, 65% of revenue comes from purchases made in more than one step and 47% of revenue comes from purchases made in more than one day. Though the buyer’s purchase journey may involve several touch points from a brand across several channels, search and social are the most important in researching and inspiring purchase decisions.

As search and social channels become increasingly valuable and fragmented, successful marketers will need to integrate their search and social strategies around the customer buying journey, thinking beyond the channel and focusing instead on the customer.

The Problem—Focusing on the Channel Instead of the Customer

In some organizations, search and social programs are managed separately with distinct budgets, strategies, goals, and personnel. Segregating management responsibilities and workflows for each channel isn’t in itself a bad strategy. However, a siloed approach to campaign management can limit the potential of each channel. Successful marketing executives recognize that meeting overall business objectives requires focusing on the customer, not the channel.

For example, a channel-focused approach is mainly concerned with the right keywords, the right targeting settings, and the best bids. While a single-channel management focus can have some tactical advantages, it often ignores the strategic goals of the overall marketing effort—acquiring the right customer with the right buying intentions at the right time. Marketing is fundamentally about reaching a target audience, while the channel is the means of delivering a message to that audience. Successful marketers are beginning to shift focus away from the individual channel and instead use the strengths of each channel to reach their intended audience.

Search marketing has proven effective in its ability to capture the attention of prospective customers based on the buying intentions they express in their search queries. For example, an online retailer selling blue running shoes can purchase “buy blue shoes” keywords to “pull” users with this search to their website.

When operating in a silo, a retailer can advertise to a prospective customer who’s in a buying state of mind at that precise moment, but the value of the customer viewing the ad is often unknown. Are you advertising to a first-time buyer or a loyal customer? Will the visitor purchase a single low-margin item or several high-margin items? Search marketing in isolation tends to leave these marketing questions unanswered. Under most circumstances, the channel is unable to target potential customers by their audience characteristics.
Conversely, social advertising has proven effective as both a demand generation and fulfillment channel because it allows targeting of specific audience segments based on demographic, socioeconomic, and behavioral attributes. For example, using Facebook advertising, the same retailer who’s historically focused on search marketing might also target women between the ages of 35 and 55 who’ve purchased multiple times from the company, and have a calculated lifetime value of $500 based on cohort analysis.

However, while advertisers may know quite a bit about the quality of the audience targeted, nothing is known about the prospect’s buying intentions at the time the ad is served. Are the prospects ready to buy or still researching? Have they lost interest in blue shoes in favor of green shoes? Marketers who manage social advertising programs in isolation are typically blind to the intentions of target audiences, sometimes leading to poor optimization decisions.

Both search and social have their inherent advantages for targeting high-value customers along the buying cycle, as well as informing one another. To maximize the effectiveness of each channel and improve overall campaign ROI, marketers are beginning to adopt technology that can target a customer across both channels using both audience profiling and audience buying intention data. Research has concluded that one of the most efficient ways to target across channels is a single marketing technology platform. That way, a marketer can work toward a common business objective, and break down the often problematic silos focused on individual channels.
The Solution—Integrating Search and Social Marketing Programs for Better Returns

In order to better understand the value of integrating search and social marketing programs, Marin Software conducted a study of more than 200 enterprise advertisers managing Google, Bing, and Facebook campaigns on the Marin platform. Our methodology involved two components. First, we divided converting visitors for the sampled advertisers into two categories—those who clicked both a search and social ad before converting, and those who clicked only a search or only a social ad before converting. Second, we divided the sampled advertisers into two categories—those who manage search and social in an integrated manner, and those who manage search separately from social. Across each set of data, we examined conversion rate, revenue per click, and revenue per conversion.

Our Findings

Through our research, we set out to answer two key questions. One, is a customer who touches an advertisement in both channels more valuable than one who touches an ad in a single channel only? And two, does managing search and social together using an integrated strategy produce superior results? The study yielded these key takeaways:

1. **Customers who click your search and social ads are more likely to buy.** Users who clicked both an advertiser’s search and social ads had an approximately two times greater conversion rate than users who clicked the search ad only. The impact of a cross-channel touch was even greater when examining social clicks. Users who clicked both the search and social ads had a click-through rate approximately four and a half times higher than users who only clicked social ads.

2. **Customers who click your search and social ads spend more.** The study also showed that users who clicked both a search and social ad contributed approximately two times more revenue per click than users who clicked search ads only. Multi-channel touch points are even more valuable for social advertising. Users who clicked both a search and social ad contributed six times more revenue per click than users who clicked a social ad only.
3. **Search campaigns perform better when they’re managed alongside social campaigns.** According to the study, search campaigns managed alongside social advertising campaigns have two times more revenue per click than search campaigns managed in isolation. An integrated search and social management strategy also benefits an advertiser’s revenue per conversion. Advertisers have almost 10% higher revenue per conversion from their search campaigns when they’re managed together with social advertising campaigns.

Conversion rate and revenue per click increase dramatically when customers interact with both search and social ads.
Advertisers who took an integrated approach to managing their search and social advertising saw better results overall.

The data collected in our study suggests not only that customers are more valuable when they engage with both search and social ads, but also that integrated search and social campaigns perform better than campaigns run in isolation.

The results are more easily understood when we consider our own experiences as both customers and marketers. As customers, we’re generally more likely to buy a brand when we believe in its message, trust the company, and see value in the product. When these purchase criteria are positively reinforced through multiple channels, we’re typically more comfortable buying from the brand. From a marketing perspective, we know that the customer’s buying journey touches several different channels along the path to conversion. When we’re able to manage, measure, and optimize our two most important channels side by side, we’re better equipped to make sound budgeting, bidding, and targeting decisions that affect performance.
Getting Started—Integrating Your Search and Social Marketing Programs

Successful marketers are increasingly moving toward an integrated cross-channel strategy in order to improve overall performance, increase operational efficiencies, and acquire the highest-value customers. In fact, according to the analytics company Teradata, omni-channel marketing is still a problem for 44% of marketers. Unfortunately, many marketers struggle with integrating their search and social marketing programs without the use of a single unified platform that can manage, measure, and optimize cross-channel audience data. Here are four tips for getting started with an integrated search and social strategy.

1. Assess Your Organization’s Cross-channel Capabilities

According to Teradata, 78% of marketers feel that their paid search and social marketing channels are tightly integrated with their overall marketing activities. This is a large improvement over a survey three years ago where only 38% of marketers said the same.

The first step toward integration is to conduct an honest assessment of your organization’s current cross-channel capabilities. Are your search and social programs set up and managed in a way that closely aligns with your company’s business goals? Or are the two channels managed in silos, limiting your program’s potential? By asking the following questions, you can begin to identify opportunities to improve the level of integration:

- Are your search and social teams working toward the same business objectives? For example, is your social marketing team focusing on fan acquisition while your search team is focusing on lead generation?

- Are your message and value proposition consistent across channels? For example, is your social marketing team advertising a “low price” while your search marketing is advertising “high quality”? Conflicting messages may confuse the customer and dilute your brand.

- Are you properly attributing revenue from each channel? Are you tracking conversions for search and social from the same revenue source? As social is primarily an assisting channel in the path to conversion, using two different tracking sources will cause duplicate conversions and hinder your data integrity.

1. Are you budgeting across channels based on campaign ROI? For example, are you overinvesting in search campaigns without looking at social campaigns that may have a higher overall ROI?

2. Are your promotions aligned across channels? Are you launching and ending promotions simultaneously across search and social, or letting them run independently? Running channel-specific promotions may cause confusion and frustration with the customer.

3. Is your business intelligence strategy integrated? Are you looking at your performance reports and making tactical decisions across channels, or limiting your business intelligence by managing each channel in a silo?

A blueprint for a successfully integrated strategy—focus on the customer, not the channel.

2. Target High-Value Audiences Across Search and Social

Successful multi-channel marketers strive to reach the right customer with the right buying intentions at the right time. This audience-centric approach to marketing focuses on targeting each customer across channels using a combination of intent (search query) and audience (customer profile) data. Marketers can implement an audience-focused strategy by adopting a leading multi-channel digital marketing platform like Marin Software that enables audience retargeting across search and social publishers.
Search to social retargeting. Marketers should create Facebook Custom Audiences based on search query data from their digital marketing platform. Then, target the same audiences on Facebook with tailored messages based on their search queries. Using this strategy, a marketer can reach previous website visitors on Facebook who have intentions to “buy running shoes,” as expressed in their search queries.

Social to search retargeting. Marketers should create Google Remarketing Lists based on visitors from social marketing ads. Then, use Remarketing Lists for Search Ads (RLSA) to retarget your social audiences when they search for your keywords on Google. Using this strategy, it’s possible to automatically bid higher on Google for searchers who fit audience profiles and have previously engaged with Facebook ads.

Maximize relevancy by remarketing to Facebook users based on their search query history.

3. Measure Performance Across Channels

Effective cross-channel optimization requires cross-channel business intelligence. Marketers looking to maximize overall campaign ROI require a single source for measurement, insights, and analytics that aggregate search and social marketing campaigns in one interface. Marketers who analyze search and social campaign ROI holistically are able to make better decisions faster than they would by managing each channel in a silo. Follow these tips for successful search and social performance measurement.

Ensure your search and social campaigns are tracking revenue from the same data source. Marketers who manage their search and social programs independently often make optimization mistakes based on over- or under-counting conversions. This is typically a result of tracking revenue or conversions from two separate pixels. Audience-focused marketers should use the same revenue tracking pixel across both channels.
- **Integrate search and social budgeting workflow.** Use a digital marketing platform that provides search and social performance data side by side. Make campaign budgeting decisions in a channel-agnostic manner based on each campaign’s ROI. Then, optimize budgets for search and social campaigns regularly based on changes in performance.

- **Measure the path to conversion across channels.** According to Marin’s study, 48% of search conversions are assisted by a click on a Facebook ad. This means that looking at search performance in a silo might ignore important touchpoints along the buyer’s path to conversion. Marketers should study the cross-channel paths to conversion that generate the most overall ROI. Do conversions typically start with one channel and end in another? Marketers should use path-to-conversion data to inform their messaging and creative strategy.

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Use a platform that allows for easy budget allocation across search and social campaigns.

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</table>

Total for all 7 paths | 37,643.59 | 4216.0 | 375.0 | 0.27% |
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Analyze the cross-channel paths to conversion that drive the highest overall ROI.
4. Optimize Across Channels Toward Audience Lifetime Value

Marketers who manage their search and social programs in isolation may become focused on the wrong objectives. Social campaign managers may begin to see performance through a tunnel vision of metrics such as app installs or engagement. Meanwhile, search managers may become narrowly focused on quality scores, leads, and cost per acquisition. These channel-specific metrics are directional at best and do not effectively indicate to marketers whether their investments are driving high-value customers that have the potential to buy again in the future.

Marketers should instead optimize toward the incremental revenue of their target audience across both search and social channels, using cross-channel lift as a guideline for success. For example, with Marin’s Smart Sync for Shopping, retail and e-commerce advertisers can launch Facebook Dynamic Ads campaigns across Facebook’s ad network, by targeting audiences who’ve searched for a specific brand or product category on Google. By having search intent power social ad campaigns in this way, marketers can view Shopping performance holistically and track success to incremental revenue as a result of an audience seeing an ad across channels.

Follow these tips for implementing an integrated search and social optimization strategy that focuses on customer lifetime value, the most accurate measurement metric of success.

- **Automate your cross-channel bidding.** Use a leading digital marketing platform like Marin Software that allows you to automate bidding toward target audiences across search and social based on their lifetime value (LTV).

- **Forecast lifetime value at different target ROI intervals.** While some social advertising tools offer predictive lifetime value, only Marin Software offers this capability across both search and social. Use forecasting to predict lifetime value of your target audiences across channels. Analyze the tradeoffs between volume (e.g., LTV) and efficiency (e.g., ROI). Does decreasing your ROI target for a given audience result in a higher lifetime value? Based on the answer, use the forecasting capability to predict the level of investment required across search and social to meet your ROI target.

- **Use click-weighted attribution to assign revenue across clicks.** If we know that two out of every three social advertising clicks are assisting conversions in other channels, managing social advertising in a silo will result in under-valuing performance. Successful marketers are using cross-channel revenue attribution to allocate revenue across both search and social clicks in order to accurately value each channel’s impact in the path to conversion.
Create lookalike audiences based on the LTV of converting audiences. Once high-value audiences are identified, marketers should create lookalike audiences and target across channels. For example, marketers can use Facebook’s lookalike modeling capability to identify similar audiences based on their Custom Audiences. Marketers can also partner with a data management platform (DMP) to build lookalike audiences based on first- and third-party data sources, and target the audiences across search and social channels. Lookalike audience modeling can help expand your campaign reach while staying within your ROI targets.

Use predictive modeling to forecast lifetime value across search and social campaigns.
Conclusion

Search and social have become the two dominant channels in the digital marketing industry, and for good reason. Both offer massive, highly engaged global audiences that can be used to drive demand generation and demand fulfillment for marketers across verticals. However, when the buyer’s path to conversion is considered, it becomes evident that the two channels behave fundamentally differently.

Successful marketers are beginning to adopt an integrated search and social strategy that encompasses management and optimization tactics executed in tandem. With dynamic ad delivery on Facebook, direct response advertisers can identify existing customer audience segments to more precisely cross-sell and upsell after they’ve converted. The focus is on finding, engaging, and acquiring high-value customers as they traverse a decision-making journey that involves multiple touchpoints to create interest, intent, and ultimately a sale. (For example, an e-commerce advertiser could create a product set of higher ticketed items to automatically deliver relevant ads to people who just made a purchase on their website or mobile app right after converting from a paid search ad.)

The marketer of today recognizes they gain the highest ROI when they synchronize their message across both search and social. In order to effectively acquire these types of customers, the two channels must be managed in an integrated manner. Marketers that practice this methodology observe performance synergies that drive incremental lift in overall campaign performance. Integrating search and social strategies allows marketers to better manage, measure, and optimize toward customer lifetime value, increase efficiencies, and improve overall ROI.

About Marin Software

Marin Software Incorporated (NYSE: MRIN) provides a leading Revenue Acquisition Management platform used by advertisers and agencies to measure, manage and optimize billions of dollars in annualized ad spend. Offering an integrated platform for search, social and display advertising, Marin helps advertisers and agencies improve financial performance, save time, and make better decisions. Marin’s technology powers marketing campaigns in more than 160 countries. For more information about Marin’s products, please visit: http://www.marinsoftware.com/solutions/overview.