

New Media Insights for Local Advertisers



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Consumers Are Leading Marketers into Augmented Reality

Once again, consumers are at least one step ahead of marketers. Throughout the digital age, consumers have discovered, adopted and engaged with most new technologies at a much faster pace than marketers. Augmented reality (AR) is where they are leading marketers next.

A new report and survey from Camera IQ reveal this AR gap. The December 2021 survey (primarily adults 18–44) found 76% of respondents said they had used AR, but only 29% of media agencies were buying AR ads. Marketers may be one step behind consumers, but the report also states approximately 67% of marketers are planning to utilize the special features of AR as an ad medium very soon. Those first to the AR arena are more likely to win a larger share of customers.

Significant percentages of consumers have already discovered practical and valuable uses for AR.

Consumers' Use of AR Technology, December 2021

Use	Percent
Visualize a virtual product in my home or environment	39%
Virtual fittings/shopping of clothing, makeup, accessories or other items	36%
Playing AR-based games on my phone	32%
Create AR content for my social media feed	31%
Overlay digital content onto the real world	28%
None of the above	24%

Camera IQ, February 2022

The AR content or experience the surveyed consumers said they prefer is an important insight for marketers, brands and retailers. "Product visualizations," which may be marketers' preference, was just 19% of consumers'. Interestingly, 22% of Millennials were looking for a "product visualization" experience, but just 9% of Gen Zers.



"Funny transformation effects" was first at 28%. Gen Zers preferred this experience even more at 32%. While 20% of all surveyed adults preferred "branded AR games," it was the preference of 26% of Millennials. "Pretty or flattering visual effects" was a close second for all survey respondents at 26%.

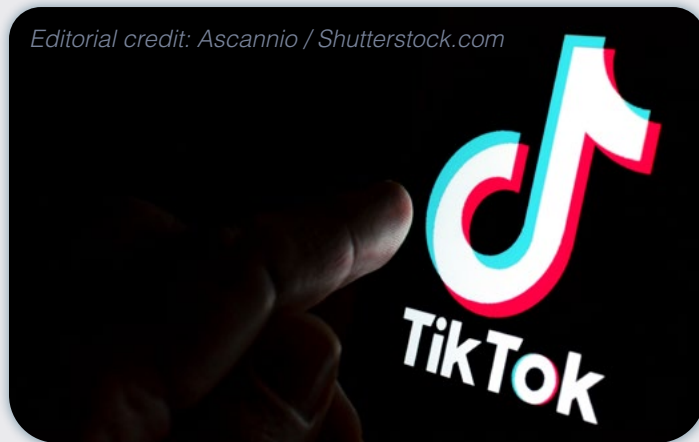
Marketers may not react as quickly to new digital technologies as consumers, but they know consumers will lead them to the place where they prefer engagement, and AR is the next stop on the journey.



TikTok's Post Engagement Rates Humble Social Media Giants

TikTok may be the junior member of the social media clubhouse, but it is humbling Facebook and the other senior members in a metric important to marketers – post engagement rates.

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SocialInsider analyzed more than 27 million posts from more than 52,000 business pages on TikTok, Facebook, Instagram and Twitter during the January 2020–December 2021 period. TikTok's average post engagement rate was approximately seven times more than second-place Instagram. Plus, from 2020 to 2021, TikTok's advantage increased.

Comparison of Post Engagement Rates on Major Social Media Platforms, January 2020–December 2021

Platform	2020	2021
TikTok	5.11%	5.96%
Instagram	0.90%	0.83%
Facebook	0.20%	0.13%
Twitter	0.06%	0.05%

Marketing Charts (SocialInsider), March 2022

Examining the results of the analysis by industry shows FMCG-Food was the category with the largest average post engagement rate on TikTok at 15.82%. Facebook could only generate an average rate of 0.36% and Twitter 0.12%. TikTok also had average double-digit rates for Beverages at 12.79% and Jewelry at 10.08%.

Netflix's Price Pressure Is a Cautionary Tale

There's no denying the popularity of streaming services, but like all consumer spending, when the cost exceeds the perceived value, popularity can suffer. Such is the case with Netflix and the recent increase of its standard monthly service to \$15.50.

According to a January 2022 Morning Consult survey, respondents said \$12 is the average they'd like to pay for an ad-free streaming service, within a range of \$11 to \$16. Netflix's increase is bumping against the highest point of that range.

As one of the oldest streaming services, Netflix is competing with newer and very popular services, such as Disney+ and HBO Max. Ad-supported services (AVODs), such as Peacock and Paramount+, are also popular with consumers and the Morning Consult survey found their preferred price range is \$8 to \$14.

Multiple studies have revealed most AVOD subscribers are not bothered by commercial breaks and are willing to watch commercials in exchange for a lower cost. All of which reinforces industry analysts' expectation of a substantial contraction of streaming services.



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InsightBrief: Retail Spent the Most on 2021 OTT Ads

Data from MediaRadar's OTT AD Insights Report found retail was first among 10 categories of all Over-the-Top (OTT) 2021 ad spending at approximately \$157 million. OTT's share of all digital ad spending per month was only 3%, or approximately \$1.3 billion.

InsightBrief: Static Ads Beat Video Ads on Pinterest

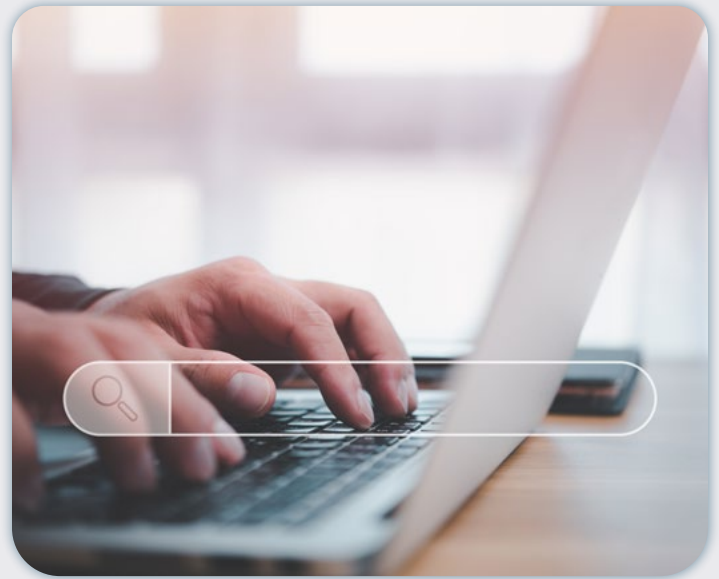
Creatopy, an ad design automation platform, conducted a Pinterest test during early 2022 and discovered static ads generated better analytics in most categories than video ads. Advertisers may not have to spend the added cost of creating videos to derive value on Pinterest.



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InsightBrief: Search Will Receive the Most 2022 Digital Ad Dollars

Winterberry Group estimates a total of \$280.3 billion in 2022 US online marketing spending and search will receive 34% or \$95.2 billion. Digital video will receive \$50.4 billion but will increase almost twice as much as search, or 23.1% versus 12.3%.



InsightBrief: Nostalgic Content Attracts Gen Zers!

Research from Student Beans found 66% of Gen Zers, age 16 to 24, are attracted to brands and merchandise that post nostalgic content, and 83% like to see that content on social media. They particularly like content that reminds them of past summer activities.

Sources: Camera IQ Website, 3/22; Marketing Charts Website, 3/22; Morning Consult Website, 3/22; MediaPost Website, 3/22; Social Media Today Website, 3/22; Winterberry Group Website, 3/22; Student Beans Website, 3/22.

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