Why You Should Focus On Social Media Ads In 2023

With global social media users expected to hit almost 5 billion in 2023, focusing on social media ads in 2023 could be the key to unlocking new levels of success for your business. We'll explore why — and show you how to get started.

But first, here are a few things you should know.

Things to know

- Social media ads offer a highly personalised and targeted way to reach specific groups of people.
- With social media ads, businesses have access to larger audiences, more leads and sales without breaking the bank.
- Trackable results, detailed analytics, and deeper customer insights are among the key reasons social ads can also help businesses optimise their marketing efforts.

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As the second most popular form of digital advertising, social media advertising helps businesses:

- Create brand awareness
- Generate website traffic
- Generate high quality leads
- Increase brand signals
- Boost sales

But, why should you focus on social media ads in 2023?

Paid social reach now trumps organic reach

With more businesses flocking to social media, it's getting harder to stand out, let alone grow organically. Paid advertising cuts through the noise and gets you in front of the right audiences to help you increase your reach, drive conversions and boost sales.

Lead generation remains a challenge

In a classic conversion funnel, only 2 to 4% of funnel entries yield desired results. This means that businesses are constantly under pressure to generate more leads. Because casting a wider net often results in more leads and opportunities for conversions, social media's vast potential ad reach is an advantage.

Social ads are more engaging

Although consumers generally dislike advertising, they are more receptive to ads that are tailored to their needs and interests. As they have also learnt to block out typical ads (banners on websites), social media ads, which are seamlessly woven into the social media experience, garner higher levels of engagement.

Social platforms leverage personalisation

Personalisation enables social platforms to understand users better and show them ads that are tied to their interests and favourite products. This works out great for businesses wanting to beat ad fatigue and reach the right audiences with the right offers at the right time.

Hyper-targeting

Through sophisticated algorithms, social platforms allow you to hyper-target audiences based on factors such as demographics, interests, habits and more. But that's not all: social ads can also be used to target users who have previously shown interest in your products (retargeting) or users with similar interests and demographics to your current customers.

Social commerce is expected to grow

With 74% of social media users using social media to make buying decisions,social media advertising is expected to drive billions of dollars in sales in 2023. Additionally, the growing popularity of shoppable ads across major social platforms is set to turn the customer journey into an infinite loop that businesses can leverage to maximise revenue.

Social ads lower barriers to visibility

Social media ads aren't dependent on factors like domain age or authority nor do they require you to understand complicated PPC keyword bidding strategies. This means brand new brands or businesses with smaller marketing budgets have a shot at immediate visibility and leads. With the right targeting and strategies, social media ads can generate traffic, attract high-quality leads and drive conversions more cost effectively than PPC ads.

Access to diverse audiences

Social media platforms allow you to leverage both new and existing audiences. Newer platforms like TikTok and Snapchat offer novel ways to connect with younger audiences. Even older platforms like Reddit and Quora (which are gaining popularity with internet users who aren't on major social platforms) provide fresh audiences and opportunities for businesses. The best part is: as you create and test these audiences, you can store them for future campaigns.

Social ads exploit the video marketing boom

Video content is the most popular type of content for social media engagement. The boom of video content is evident in the popularity of platforms like TikTok and short video formats like reels, stories, and shorts. Because video is a major part of most social platforms today, taking advantage of this can be a game changer for your advertising campaigns.

Access to valuable insights

Because social media platforms provide detailed analytics, you can track return on ad spend and tweak your budget for maximum returns. However, that's not all these insights are good for. Social ad analytics are a great way to access valuable insights that you can leverage to improve your ads — and your other marketing efforts too.

Top 10 Social Ad Platforms To Leverage In 2023

Social media ad platforms don't only give you access to massive audiences, but they also provide the necessary resources to manage and scale your ad campaigns. With user-friendly ad interfaces and AI-backed targeting based on demographics, interests, and other factors, they’re just what you need to up your social media marketing game. Let's run through the top platforms to leverage in 2023:

**CPC (cost per click) & CPM (cost per 1000 impressions) are based on Statista averages. Actual advertising costs may vary depending on goals, targeting, ad quality, industry competitiveness, and other factors. Demographics and Potential Ad Reach statistics are from DataReportal and Hootsuite.*

Facebook

Potential Ad Reach: 3 billion
Demographics: Ages 25-65; 56.8% male
CPC:$0.97
CPM:$7.19
Best for: reaching large audiences, ad clicks

Facebook is the largest social media platform. Its powerful algorithm, vast amounts of user data and high click-through rates make it an attractive platform for targeting specific audiences. You can choose from a variety of ad formats, including image ads, video ads, carousel ads, and collection ads, to showcase your products and services.

YouTube

Potential Ad Reach: 2.515 billion
Demographics: Ages 18-34
CPC: $3.21
CPM: $9.68
Best for: granular targeting, brand awareness or advocacy ads

YouTube is a social video platform offering a large user base for advertising. Because it is owned by Google, and integrated with the Google Ads service, you can seamlessly integrate it into your digital marketing strategy. You also have access to powerful targeting tools, meaning your ads can be personalised to drive more conversions. With skippable, non-skippable, bumper, and overlay ads as well as their mobile or desktop only variants — you have everything you need to achieve your business goals.

Instagram

Potential Ad Reach: 1.48 billion
Demographics: Ages 18-34
CPC: $3.56
CPM: $7.91
Best for: B2C ads, millennials, social commerce

As a photo and video sharing platform, Instagram appeals to younger audiences. It has a higher purchase intent than Facebook, with 36% of users following brands on the platform compared to just 19% on Facebook. You can promote your products or services through image and video ads that appear in users' feeds, stories, and discover pages. Instagram's shoppable ads encourage product discovery and impulse buying, making it one of the most influential social media platforms for social commerce. In fact, Instagram stories ads alone are expected to bring in $16 billion in sales worldwide in 2022.

TikTok

Potential Ad Reach: 1.023 billion
Demographics: Ages 16-34
CPC: $1.00
CPM :$10
Best for: B2C ads, targeting younger female audiences, beauty and fashion brands

TikTok is a social media platform for creating and sharing short videos. With superior engagement, targeting options and in-app sales, TikTok ad revenue is expected to surpass $18.4 billion dollars in 2023.TikTok offers several paid advertising options, including In-Feed Video Ads, Branded Hashtag Challenges, Brand Takeovers, TopView Ads, and Branded Effects. These options allow you to promote your brand in engaging ways such as user challenges or custom filters with AR features.

LinkedIn

Potential Ad Reach: 849.6 million
Demographics: Ages 46-55; professional; high earners
CPC: $5.26
CPM: $6.59
Best for: B2B ads, lead generation

LinkedIn is a professional networking platform. Its objective based advertising options make it an effective platform for targeting all the stages of your conversion funnel. Options for advertising on LinkedIn include Sponsored Content, Sponsored Messaging, Text Ads, and Dynamic Ads. Conversion rates on LinkedIn tend to be higher than on other platforms because of the unique user demographics.

Snapchat

Potential Ad Reach: 616.9 million
Demographics: Ages 13-34
CPM: $2.95

Best for: social commerce, video ads, Gen Z's and millennials

Snapchat is another popular social network for young audiences. Users are more receptive to ads because of the platform's focus on authenticity and freedom of expression. It is also one of the leading social shopping platforms, with users having a total of $4.4 trillion in global spending power. The platform has six different ad formats, and its ad solutions make creating ads easier. Whether you have awareness, consideration, or conversion goals, Snapchat allows you to align your ad campaigns with your business objectives while making the most of your budget.

Twitter

Potential Ad Reach: 544 million
Demographics: Ages 25-49; 70% male; educated; high earners
CPC: $0.38
CPM: $6.46
Best for: keyword targeting and capturing highly engaged leads

Twitter is a microblogging platform popular with public figures, celebrities and politicians. Twitter offers several paid ad options that can be targeted based on keywords, interests, behaviours, and more. These include Promoted Tweets, Promoted Accounts, Promoted Trends, Promoted Moments. You can also opt for Automated Ads, which allow Twitter to promote your profile and tweets to a chosen target audience on your behalf.

Pinterest

Potential Ad Reach: 433 million
Demographics: Ages 30-65; 76.5% female
CPC: $1.50
CPM: $30
Best for : B2C ads, women, social commerce

Pinterest is a visual discovery platform that favours business-to-consumer (B2C) brands. Because over 90% of Pinterest users log on to seek shopping inspiration, the platform offers a higher return on ad spend than other social media platforms. Pinterest Ads are essentially promoted pins that appear at the top of users' feeds. These ads can be targeted based on keywords, interests, behaviours, and factors such as geography, demographics and device.

Reddit

Potential Ad Reach: 430 million

Demographics: Ages 18-29; 63.2% male
CPC: $3.50
Best for: businesses looking to access highly engaged communities

Reddit is a social media platform for sharing news and engaging in discussions within specific communities called subreddits. With nearly 3 million subreddits on a variety of topics, Reddit users can be targeted based on their interests and favourite communities, rather than demographics.

Quora

Potential Ad Reach: 300 million
Demographics: 55% Male; highly educated; top earners
Best for: B2B ads, establishing brand leadership

Quora is a platform that allows users to ask or answer questions on a variety of topics and get accurate and reliable information from experts in the field. Most Quora visits come from online searches which gives you access to audiences that can't be found on popular social networks. Because the platform engages audiences at key points of the customer journey (when they are actively seeking information and making decisions) it promises 4x higher conversions than other platforms.

How To Create A Successful Social Media Ad Strategy

If you're sold, and ready to hit the ground running, use this simple 10-step process to craft social ad campaigns that push you closer to your goals:

1. Define your goals for using social media ads. Do you want to increase awareness, capture leads or drive sales?
2. Conduct social media and market research to identify and understand ideal customers.
3. Study your most influential competitors to learn from their strategies and gain even deeper insight into what motivates your target audience.
4. Create different segments or personas and figure out what types of content, ads and marketing tactics would be effective.
5. Select the right social platform.

6. Create your ad with your goals, audience insights, platform guidelines and AIDA (Awareness, Interest, Desire and Action) principles in mind.
7. Set up your ad by defining your audience characteristics and targeting options, allocating a budget, and determining the duration of your campaign.
8. Test, launch and track your ad campaign.
9. Analyse platform insights or use analytics tools such as Hootsuite and Google Analytics to evaluate your ad campaign.
10. Make adjustments to your ad and marketing strategy based on the performance of your campaigns.

Social Media Ads Best Practices

As you embark on your social advertising journey keep these best practices in mind:

- Leverage paid and organic reach to inform your advertising efforts
- Find out where your ideal customers are and tailor your ads accordingly
- Optimise your ads for mobile and PC
- Use visually appealing, relevant ads to avoid banner blindness
- Use A/B testing to find the best combination of elements to capture attention, drive engagement, and increase conversions
- Ads may need to be reviewed for up to 24 hours before running, so follow platform guidelines to avoid serious delays in your ads going live
- Avoid ad fatigue by varying your ads and keeping things fresh for your audience
- Stay up to date with platform updates, changes in the market and shifts in consumer behaviour

Final Thoughts

With their massive reach, sophisticated targeting capabilities, and trackable results, social media ads are a valuable investment for businesses looking to grow and succeed in the new year. Want to harness the power of social media ads in 2023, but not sure how to get started? Our team of experts is ready to help you run effective social media ad campaigns. Book a strategy call with us today.