

Meta Platforms Inc.

Reels, Better Measurement Aid Q4

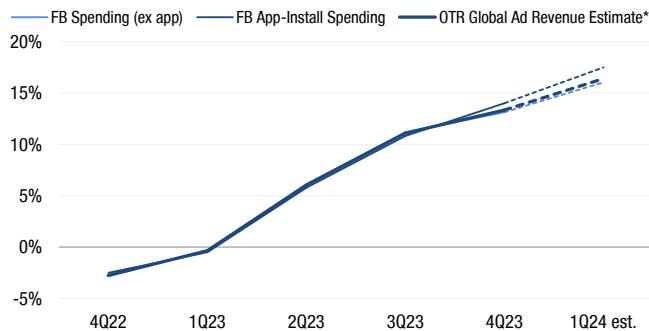
Strong ROI fundamentals and demand for Instagram Reels helped support spending growth on Meta during 4Q23, and an improved macroeconomic outlook and resilient demand from consumer and ecommerce advertisers have boosted expectations for 1Q24.

- U.S. 4Q23 META ad spending excluding app-install up 12%–15% yy, app install spending up 13%–16% yy (both accelerated vs. 3Q23)
- U.S. 1Q24 ad spending excluding app-install expected up 15%–18% yy, app-install spending expected up 16%–19% yy
- META's Instagram Reels cited as incremental driver for 13 U.S. sources (vs. 14 in 3Q23, 6 in 2Q23); Reels expected to be key spending driver during next 12–24 months
- Area to Watch: META faces increased competitive risk from improvements in ByteDance's TikTok targeting, performance capabilities for direct-response advertisers

KEY DATA

U.S. Meta Spending Growth YY

(straight average)



OTR Global estimates Meta's advertisement revenue was up 12%–15% yy during 4Q23 (compared with up 10%–13% yy in 3Q23), based on a combination of the rate of change in non-app-install and app-install advertising on Meta.

"This year-end was one of the busiest we have ever had. There was a big rush at the end of the year by advertisers who had been mostly quiet all year. Our spending increased [yy] on Meta in 4Q23. Macroeconomic concerns eased, and our comparisons were easier on Meta."

U.S. agency source

RESEARCH LEAD

ROBBIE SCOTT

DIANE ZAMBARDI

SOURCES & BACKGROUND

34 sources at full-service digital advertising agencies in the United States (26) and Europe (8); 8 U.S. sources discussed app-install trends, while 26 U.S. sources discussed Meta trends (8 discussed both)

REPEAT SOURCES 26 (19 in the United States and 7 in Europe) from prior OTR Global's research

INTERVIEWS Dec. 5 through Jan. 9

AVERAGES Straight

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UNITED STATES

Strong activity through year-end

U.S. 4Q23 advertisement spending (excluding app-install advertising) on **Meta Platforms Inc.**'s core Facebook and Instagram increased an average 12%–15% yy, a slight acceleration compared with up 10%–13% in OTR Global's October report on 3Q23. Sources said spending growth was supported by robust performance, measurement stability and seasonal tailwinds. "This year-end was one of the busiest we have ever had. There was a big rush at the end of the year by advertisers who had been mostly quiet all year. Our spending increased [yy] on Meta in 4Q23. Macroeconomic concerns eased, and our comparisons were easier on Meta," one said. Another said, "Demand for Meta was consistently strong during 4Q23, and our spending increased [yy]. Meta has improved measurement and targeting over the past year to the point where we no longer feel uncomfortable on the platform." Sources also noted demand for Instagram Reels supported spending during 4Q23. "The primary drivers of spending growth on Meta [have] been the improvements in measurement from CAPI, performance and demand for Instagram Reels. Our spending growth accelerated in 4Q23 compared to 3Q23," one said.

App-install advertisement spending on Meta increased an average 13%–16% yy during 4Q23, an improvement compared with up 9%–12% yy in 3Q23, supported by demand from retail and gaming apps, easy comparisons and strong measurement and performance fundamentals. "Our comparisons were easy in 4Q23, and our app-install advertising spending on Meta accelerated. Advertisers were also more at ease spending more in 4Q23," one said. Another said, "App-install advertising spending on Meta increased [yy] in 4Q23. We are using Reels more for app-install ads, and the performance has been positive."

Editor's note: OTR Global estimates Meta's advertisement revenue was up 12%–15% yy during 4Q23 (compared with up 10%–13% yy in 3Q23), based on a combination of the rate of change in non-app-install and app-install advertising on Meta.

Oct. 7 Attack: OTR Global's midquarter update in December found that some brand advertisers had applied strict brand-safety parameters through content restrictions and comment scanning on Meta following the Oct. 7 terrorist attack in Israel. Consistent with those findings, some sources said they had paused brand spending in the aftermath of the attack but that campaigns resumed two to seven days later and the pauses did not lead to diminished overall spending during 4Q23. "We went dark on social media, including Meta, for about a week following the Oct. 7 terrorist attack in Israel. Our brands needed time to get their blacklisting parameters in place. We use Meta's tools and **DoubleVerify [Holdings Inc.]** to ensure brand safety. We ended up spending the budget on Meta as expected in 4Q23," one said. Another said, "We took a short break for about two days following the Oct. 7 terrorist attack in Israel. We were worried about brand safety. We adjusted optimization and scanned comments on branded posts. But we ended up spending what was planned in 4Q23. There was plenty of time to make it up."

Strong December: Sources reported that activity at the end of 4Q23 exceeded expectations in December and was fueled by pent-up demand and strong performance fundamentals. "There is more optimism across digital media, with some advertisers approaching 4Q23 as a way to make up for lost time. This was one of the busiest December's we have ever had. All the way to the end of the year, December was highly active," one said. Another said, "We were booking stuff at the very end of the quarter, which was a big surprise. Usually, activity cools off the last two weeks, but that wasn't the case this year."

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Advantage+: Fourteen of 24 U.S. sources said Advantage+ supported spending on Meta during 4Q23, compared with eight of 27 in 3Q23, aided by demand from ecommerce and emerging use cases with lead generation and B2B advertisers. “Advantage+ worked well for us in 4Q23. We had previously not been actively leveraging it. In 4Q23, we saw use case expansion beyond retail and consumer,” one said. Another said, “We’ve been investing in Advantage+ for over a year now. ... We have seen an increase in the volume of advertisers investing in it, and we are seeing strong performance. We are adding incremental spending to launch Advantage+, so it allows us to have flexibility with our manual campaigns.”

U.S. Meta ROI vs. Expectations

(number of sources)

	EXCLUDING APP-INSTALL		APP-INSTALL	
	3Q23	4Q23	3Q23	4Q23
Exceeded	5	3	1	-
Met	21	23	5	8
Fell below	1	-	-	-
OTR Comparative Index	15	12	-	-

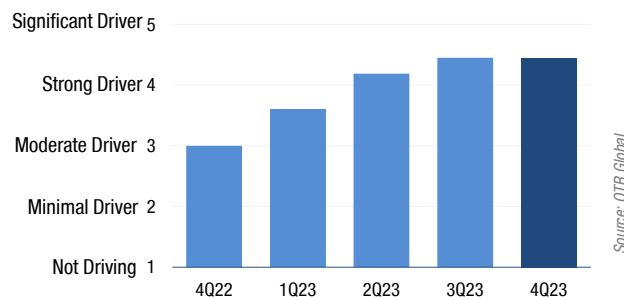
Note: The OTR Comparative Index is a quantitative representation of qualitative responses. The Index is calculated by subtracting the “worse” from the “better” responses, dividing by the total responses and multiplying by 100. An Index below zero indicates a negative trend; above zero indicates a positive trend..

ROI: ROI on Meta (excluding app-installs) at least met expectations for all 26 U.S. sources during 4Q23, including three who exceeded. “ROI on Meta outperformed our expectations in 4Q23. Positive ROI was a key part of our growth in spending in 4Q23. CAPI is working well, and we are getting a clearer view into attribution. For lead generation and ecommerce, measurement is right where it needs to be,” one said. Another said, “Despite slightly higher CPM pricing on Meta in 4Q23, ROI was in line with our expectations. Our clients are all set up with CAPI and are able to drive effective measurement and remarketing lists, which we believe are leading to better overall success with campaigns.” All eight U.S. sources said ROI on app-install campaigns met expectations during 4Q23. “The improvements to measurement with CAPI and AI optimization tools have helped support ROI on Meta.”

Reels generating incremental spending

U.S. Expectations for Reels to Drive Spending During Next 12–24 Months

(average, scale from 1-5)



Thirteen sources said Instagram Reels was among Meta’s most-demanded inventory during 4Q23, and seven said it was a key driver of spending in 4Q23. Sources highlighted targeting on Reels’ short-video placements and solid engagement as supporting incremental demand. “Short video is becoming very popular. Instagram Reels is performing well and driving targeted impressions and actions. We

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are actively advocating for our brands to invest in Reels' paid ads," one said. Another said, "Since the beginning of 3Q23, Reels has become a key part of our campaign strategies, and it's helping drive more spending to Meta. Ecommerce adoption and performance on Reels improved in 4Q23."

Thirteen sources said spending for Instagram Reels was formed through incremental additions to overall spending in 4Q23, similar to 3Q23 findings. "Reels has become a great tool and is leading to more campaign success. We are seeing a lot of new spending on Instagram Reels," one said.

Sources expect Instagram Reels to be a strong catalyst for spending during the next 12–24 months, consistent with OTR Global's October findings. "We expect Reels to be a key driver of spending in 2024. Our ecommerce advertisers are currently in early days of adoption and based on the success we're seeing with lead generation on Reels, we expect ecommerce to do well, also," one said. Another said, "Reels is driving more spending for Meta currently, and we expect that to continue. Reels is motivating our clients to add some incremental spending to Meta in addition to budgets getting pulled from legacy feed video."

Generative AI: Although sources said generative AI has been helping advertisers develop creative content variants for paid media and assist in audience optimization, consistent with OTR Global's October findings, sources again said results have been limited. "All of the buzz related to generative AI has quieted down recently. We are still testing some creative features with AI, but we have actually been disappointed with some of the content and copy writing it has generated," one said. Another said, "We are leveraging AI to our own scalability, whether it's with content or tools that are offered by the platforms, including Meta."

Upbeat 1Q24 outlook

Sources expect 1Q24 advertisement spending on Meta (excluding app-install) to increase an average 15%–18% yy, a slight acceleration compared with 4Q23, supported by strong performance momentum at the close of 2023, improved macroeconomic outlook and resilient demand from consumer and ecommerce advertisers. "Our clients are either going to maintain the same level of spending growth or they will see an acceleration in 1Q24. The momentum from the results we saw in 4Q23 has been great and is carrying into the new year," one said. Another said, "We are seeing healthy budgets forming for Meta in 1Q24, mainly driven by retail media and consumer advertisers. We expect Meta's ecommerce and shopping formats to be a key driver of our spending in 1Q24 and 2024." Sources also said advertisers' new acquisition activity was gaining momentum leading into 1Q24. "We are expecting spending growth on Meta to be stable in 1Q24. There is a chance for it to accelerate because we are seeing new business inquiries pick up. The momentum from the strong performance we experienced in 4Q23 is leading to healthy demand for Meta in 1Q24," one said.

App-install advertisement spending is expected to increase an average 16%–19% yy, an acceleration compared with 4Q23, aided by measurement improvements and demand for Instagram Reels among app-install advertisers. "Our app-install planning for 1Q24 is positive and represents a solid increase in spending [yy] on Meta. The performance and measurement improvements are helping demand," one said.

Editor's note: OTR Global estimates U.S. 1Q24 advertisement spending on Meta to be up 15%–18% yy based on a combination of the rate of change in non-app-install and app-install advertising on Facebook and Instagram.

2024 Expectations: Spending on Meta is expected to increase yy for 23 of 26 U.S. sources and remain flat for three, aided by retail media growth, demand for Instagram Reels and key events in 2H24,

U.S. 2024 Meta Spending Expectations YY

(number of sources)

Up 21%–25%	2
Up 16%–20%	5
Up 11%–15%	4
Up 6%–10%	2
Up 1%–5%	2
Up	8
Flat	3
Down	-

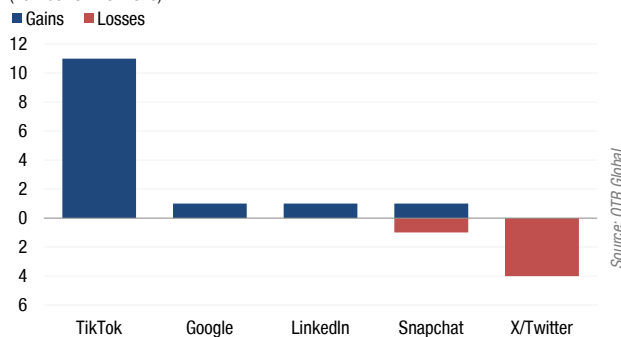
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including the Olympics and global elections. “We are forecasting spending on Meta to increase [yy] in 2024, driven by big events, including the Olympics and the elections. We are also expecting retail media and better feelings about the economy to help support spending across all of digital,” one said. Another said, “We are expecting solid increases [yy] to spending on Meta in 2024. There will be tougher comparisons in 2H24, but that should be offset by key events such as the Olympics and the elections. [Alphabet Inc.’s] Google’s cookie deprecation could also push spending to Meta from display.”

More competition from TikTok on horizon

United States - Platforms Gaining/Losing Share vs. Meta

(number of mentions)



Eleven of 26 sources said **ByteDance Ltd.**'s TikTok gained share from Meta during 4Q23, an increase compared with eight of 27 in 3Q23, and five said competition from TikTok was a key hindrance to spending on Meta during 4Q23, compared with just one in October. Sources said TikTok made important improvements to existing targeting, measurement tools — including Events API — and format options, which have shown improved results for direct-response advertisers and brands. “TikTok is gaining ground on cost-per-acquisition campaigns. TikTok is adding new features to their existing tools that have enhanced direct-response fundamentals. That is a clear threat to Meta, and we have seen some pressure on Meta in a few cases in 4Q23 because of competition from TikTok,” one said. Another said, “Demand for TikTok rose in 4Q23 because of some improved success with direct response, brand and influencer partnerships. TikTok is in early days with shopping, but things are moving in a positive direction, and that could be a bigger threat to Meta in 2024.”

Sources cautioned that continued momentum from TikTok could be a threat to spending on Meta during 2024 as advertisers seek alternatives. “TikTok gained share from Meta in 4Q23 and, if they continue to build upon the improvements they’ve made with direct response and action ads, TikTok may be an issue for Meta in 2024,” one said. However, sources also acknowledged that TikTok still faces regulatory risks. One said, “A key risk for TikTok is that they could come under renewed political scrutiny, especially as tensions continue to rise with China and since it’s an election year.”

Pricing trends

U.S. Facebook and Instagram eCPMs

(on average)

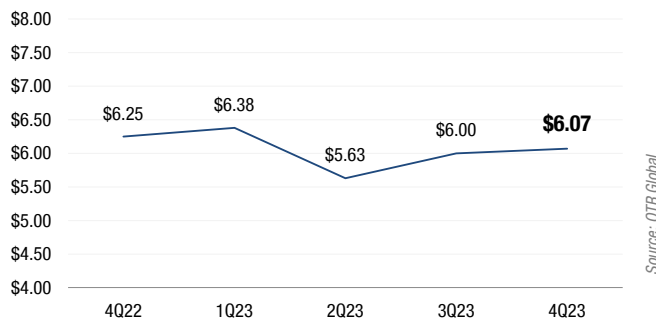
	FACEBOOK			INSTAGRAM		
	NEWS FEED	VIDEO	STORIES	NEWS FEED	VIDEO	STORIES
2Q23	\$5.47	\$7.03	\$6.05	\$5.36	\$7.01	\$5.93
3Q23	\$5.43	\$6.97	\$5.91	\$6.30	\$7.09	\$6.03
4Q23	\$5.47	\$7.14	\$6.03	\$5.90	\$7.42	\$6.49

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Pricing on Meta (excluding app-install) was up yy for 16 of 26 U.S. sources, flat for nine and down for one, an improvement compared with 3Q23 findings, driven by strong competition for inventory from consumer verticals, lead generation, B2B, financial services and technology. “There were only slight increases in pricing [yy] on Meta in 4Q23. There is intense competition for inventory, especially in consumer, but the additional inventory in Reels is helping pricing. The improvements in measurement and targeting have also helped,” one said. Another said, “Pricing increased 5% [yy] on Meta in 4Q23. There was more demand from healthcare, financial services, consumer, technology and environmental services advertisers.”

Meta Price Per App-Install

(on average)



Price Per App-Install: Cost-per-app-install on Meta was \$6.07 on average during 4Q23, compared with \$6.00 in 3Q23. “Pricing for app-installs on Meta was flat [yy] in 4Q23. There is more activity on the platform from app-install advertisers including retailers, gaming and technology, but there is also more inventory available in Reels,” one said.

EUROPE

Ecommerce demand, Reels aided 4Q23

European advertisement spending on Meta was up yy for four of eight sources, flat for two and down for two during 4Q23, similar compared with 3Q23. Sources said strong demand from ecommerce advertisers supported spending on Meta during 4Q23, while sources who reported a decrease in spending yy attributed it to agency-specific brand churn. “Spending momentum accelerated slightly on Meta due to growing demand in retail and ecommerce in the run up to Black Friday and [the] holidays,” one said. Another said, “Targeting and performance on the platform specifically was strong, but our spending was pressured due to the loss of a major brand account in 2023. With our existing clients, our spending was ... flat [yy] in 4Q23.”

Hamas’ Oct. 7 Attack: Two of eight sources said the Oct. 7 terrorist attack in Israel affected spending on Meta in October, but the overall effect of the conflict during 4Q23 was minimal. “Spending was impacted negatively in October and the beginning of November for some retail brands, food segments and home goods,” one said.

Reels: Seven of eight European sources spent on Instagram Reels during 4Q23, driven by improved demand in 2H23 and robust performance and brand impact. “Spending on Instagram Reels became more significant toward the end of 2023 for our brands,” one said. Another said, “Reels are becoming unavoidable for brands. If you aren’t buying Reels, you’re missing out on top activity. Reels is an important part of the mix now.”

Europe: Do you expect for Reels to drive spending during the next 12–24 months?

(5-point scale; number of sources)

	3Q23	4Q23
5 (yes, significantly)	2	3
4	1	3
3	4	2
2	-	-
1 (no, not at all)	-	-
Average	3.71	4.13

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ROI, Pricing: ROI on Meta at least met expectations for all eight European sources during 4Q23, including one who exceeded, a slight improvement compared to 3Q23. “With performance on Meta improving quarter-over-quarter in 4Q23, our ROI improved and exceeded our previous expectations. We had success with key campaigns on Meta in 4Q23,” one said. Another said, “ROI was positive on Meta in 4Q23, and it’s being helped by AI and automation tools that Meta is introducing with Advantage+.” Pricing was flat yy for five of seven European sources during 4Q23 and up for two.

Competition: Five sources said TikTok gained share against Meta during 4Q23, similar to 3Q23, and credited improvements in ROI on TikTok. “TikTok is improving targeting and the reach to large audiences is robust. We are seeing more impact from our paid media on TikTok and more interest in our clients’ products and services,” one said. Another said, “We are seeing competition creep up a bit more for Meta in 4Q23. Brands are moving funds to alternatives, including TikTok. Deteriorating performance is no longer a reason people are moving budgets away from Meta, but rather improved performance on TikTok.”

1Q24 Outlook: Spending on Meta is expected to increase yy in 1Q24 for four of eight European sources and remain flat for four. “We expect similar spending growth momentum on Meta in 1Q24 compared with 4Q23,” one said. Another said, “We are forecasting spending to remain up [yy] on Meta in 1Q24, helped by easy comparisons, fewer economic concerns and performance.”

Contributors: Marek Bielak, Ekaterina Dettmering and Blake Lynch

Meta ROI vs. Expectations

(number of sources)

	3Q23	4Q23
Exceeded	-	1
Met	8	7
Fell below	-	-

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North America

ON 4Q23 SPENDING

“Advertisers were more active in 4Q23. Budgets opened up, and it didn’t feel like people were having to go through couch cushions. We are focused on retail media and moving away from traditional formats, which helped Meta spending in 4Q23.”

“Our clients’ spending on Meta was up [yy] in 4Q23. The results were great, and we are seeing incremental demand for search targeting on Meta.”

“Our spending on Meta in [Q4] last year was in a bad place, so we had easier comparisons in 4Q23. Performance was better, and our clients increased spending [yy].”

“Comparisons in 4Q23 were easy. Last year, we were suffering on Meta. Measurement and performance on Meta [were] much better in 4Q23 and spending increased [yy].”

“Lead generation and ecommerce advertiser demand helped drive our spending growth on Meta in 4Q23.”

“Our spending on Meta increased [yy] in 4Q23 because our B2B and financial services clients launched campaigns and had budgets saved up from earlier in the year.”

“Our spending tracked a bit ahead of our expectations because of the uptake of search keyword targeting in Meta and new client acquisitions.”

“The end of 4Q23 was much stronger than we expected. Advertisers were fitting campaigns all the way to the end of the quarter.”

ON REELS

“Reels is picking up more demand. Brands are investing in it and getting solid brand awareness and action results.”

“Instagram Reels has gained traction with consumer and B2B advertisers. There are a lot of valuable contextual targeting opportunities in Reels that have worked out well and led to effective campaign results.”

“We are expecting more B2B and technology advertisers to adopt Reels in 2024, which will add to the demand we are already seeing from brands and consumer advertisers.”

“We pitch Reels to clients as a TikTok alternative. We find it’s a bit easier manager to TikTok and that the results are slightly better.”

“We’re spending a substantial portion on Reels, but we have the right type of clients who do well with Reels as an inventory option.”

ON HAMAS’ OCT. 7 ATTACK

“None of our clients paused spending around the Oct. 7 terrorist attack in Israel. We did make adjustments to optimization and content filters.”

“We are very brand-safety conscious. In today’s world, brands have to be. So, following the Oct. 7 terrorist attack and ensuing rise in antisemitism, we have made additional tweaks to make sure our brands are safe. None of that came at the expense of our spending in 4Q23 on Meta.”

“We are switching from [Integral Ad Science Inc.] IAS to DoubleVerify in 1Q24. There was no service from IAS and we have been impressed by DoubleVerify.”

“We didn’t experience any impact on spending from the terrorist attack in Israel. Our spending in 4Q23 ended up being in line with our expectations.”

ON 1Q24 AND 2024 EXPECTATIONS

“We are expecting spending growth on Meta to be stable in 1Q24. We usually have a lull to start a new year but, for 2024, we are seeing a lot of early activity.”

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“We are forecasting stable spending growth trends on Meta in 1Q24. Reels and Advantage+ are helping support positive advertising quality. And we are seeing better economic trends help advertisers open up spending.”

“We are going to shift more to midfunnel tactics in 1Q24, with key project-based campaign launches.”

“We are forecasting spending growth on Meta to be stable or accelerate slightly in 1Q24. Financial services and technology are set to be active in 1Q24, and early plans indicate strong growth.”

“We are forecasting spending growth on Meta to be stable in 1Q24 compared to 4Q23. We expect retail, healthcare and financial services to be strong in 1Q24.”

“We are teed up for a strong year in 2024, and we expect spending on Meta to be strong. There will be tougher comparisons in the 2H24, but that could be offset by political and key events like the Olympics.”

“We are expecting spending to remain solid throughout 2024. With interest rates coming down, we are already seeing some previously cautious advertisers begin to open up budgets for full-year planning.”

ON MEASUREMENT, PERFORMANCE

“Targeting through keywords on Meta is working well and, in 4Q23, we saw more spending shift into search formats on Meta. We have made modification on top of CAPI in Meta to get more targeting and measurement help. Things that used to be a challenge are no longer a challenge.”

“Meta has turned around the story on measurement and attribution, which helped spending in 4Q23. CAPI integrations and use of contextual targeting segments are having success.”

“Performance improved in 4Q23 on Meta compared to year ago. It’s not all the way back to pre-Apple privacy update measurement and attribution, but there have been clear improvements.”

“Targeting and measurement is getting better. There is more automation and AI being used, which is working. We are also getting good feedback from CAPI. Performance was positive in 4Q23, but we did see pricing increase [yy] for some competitive categories like lead generation, ecommerce and retail.”

“Meta has gotten their act back together. Performance in 4Q23 was very solid and represented a big improvement [yy]. A lot of the changes that Meta has made fixed the measurement issues and made the platform more predictable. We are getting answers on attribution and measurement now.”

ON COMPETITION

“Our largest financial services client invests aggressively in TikTok and it’s able to reach a diverse audience, while Reels hasn’t been as in demand. TikTok is gaining share from Meta.”

“Fear of government regulations on TikTok has not stopped brands from spending on the platform. That buzz has pretty much died out.”

“A key risk for TikTok is that they could come under renewed political scrutiny, especially as tensions continue to rise with China and since it’s an election year.”

“We have shuttled a small portion of Meta spending to TikTok for tests, but our clients are still more apt to spend on Meta because they see consistent results.”

“Shortly after Elon [Musk]’s comments in 4Q23 related to the situation in the Middle East, the few clients that we had still active on X [Corp.] completely pulled away. That spending went to TikTok and Meta.”

“Twitter has been a struggling ad platform for such a long time, we typically advise against it.”

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Meta Advertising (excluding app-install)

1a. What helped or hindered your spending on Meta during 4Q23?

HELPED	UNITED STATES	EUROPE
Performance:	23	4
Instagram Reels:	7	1
Channel related:	3	-
Reach:	1	2
Seasonality:	2	-
Economy:	1	1
Attribution tools:	1	-
Audience growth:	1	-
Incremental budgets:	-	1
Innovations:	1	-
Measurement:	1	-
Optimization tools:	-	1
Short-video demand:	-	1
Targeting:	1	-
Vertical related:	1	-
Other:	-	2
Nothing:	-	1
HINDERED		
Competition:	5	3
Targeting:	5	-
Channel related:	4	-
Pricing:	3	-
Vertical related:	2	-
Audience growth:	1	-
Economic:	-	1
Innovations:	1	-
Limited budgets:	-	1
Performance:	1	-
Privacy policy risk:	1	-
Measurement:	1	-
Other:	2	2
Nothing:	8	4

Note: Some sources gave more than one answer while others did not respond.

1b. Did the war in the Middle East (Israel/Hamas conflict) affect spending in 4Q23?

Yes:	2	2
Maybe:	-	-
No:	24	6

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2a. Did your 4Q23 spending on Meta increase, remain the same or decrease yy?

	UNITED STATES	EUROPE
Up 21%–25%:	2	-
Up 16%–20%:	5	-
Up 11%–15%:	5	1
Up 6%–10%:	3	1
Up 1%–5%:	2	2
Up:	2	-
Flat:	2	2
Down:	4	1
Down 1%–5%:	-	1
No response:	1	-
Average:	Up 12%–15%	Up 3%–6%
3Q23 average:	Up 10%–13%	Flat–up 3%%

2b. Did your 4Q23 advertising spending on Meta exceed, meet or fall below your expectations?

Exceeded:	5	-
Met:	19	6
Fell below:	2	2

3a. Do you expect 1Q24 spending on Meta to increase, remain the same or decrease yy?

Up 26%–30%:	3	-
Up 21%–25%:	1	-
Up 16%–20%:	5	-
Up 11%–15%:	2	-
Up 6%–10%:	3	1
Up 1%–5%:	1	-
Up:	9	3
Flat:	2	4
Down:	-	-
Average:	Up 15%–18%	Not averaged

3b. Do you expect 2024 spending on Meta to increase, remain the same or decrease yy?

Up 21%–25%:	2	-
Up 16%–20%:	5	-
Up 11%–15%:	4	-
Up 6%–10%:	2	-
Up 1%–5%:	2	1
Up:	8	3
Flat:	3	2
Down:	-	-
Don't know:	-	2

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4. What percentage of your Meta budget was allocated to core Facebook (as opposed to Instagram) and Instagram (as opposed to Facebook) during 4Q23?

CORE FACEBOOK	UNITED STATES	EUROPE
71%–80%:	5	1
61%–70%:	6	2
51%–60%:	1	1
41%–50%:	2	1
31%–40%:	7	1
26%–30%:	1	1
No response:	4	1
Average:	55%–60%	53%–58%
3Q23 average:	53%–56%	51%–54%
INSTAGRAM		
61%–70%:	4	1
51%–60%:	6	1
41%–50%:	-	1
31%–40%:	2	2
26%–30%:	5	1
21%–25%:	-	1
16%–20%:	5	-
No response:	4	1
Average:	40%–45%	42%–47%
3Q23 average:	44%–47%	46%–49%

5a. In 4Q23, what was your average eCPM on core Facebook's static News Feed, video and Stories?

STATIC NEWS FEED	UNITED STATES	EUROPE
\$8.00–\$8.99:	1	-
\$7.00–\$7.99:	1	-
\$6.00–\$6.99:	2	-
\$5.00–\$5.99:	3	1
\$4.00–\$4.99:	2	2
\$3.00–\$3.99:	1	-
No response:	16	5
Average:	\$5.47	Not averaged
3Q23 average:	\$5.43	Not averaged
VIDEO		
\$9.00–\$9.99:	2	-
\$8.00–\$8.99:	2	-
\$7.00–\$7.99:	1	-
\$6.00–\$6.99:	4	-
\$5.00–\$5.99:	1	-
\$4.00–\$4.99:	-	2
\$3.00–\$3.99:	-	1
No response:	16	5
Average:	\$7.14	Not averaged
3Q23 average:	\$6.97	Not averaged

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STORIES	UNITED STATES	EUROPE
\$10.00 or more:	1	-
\$8.00-\$8.99:	1	-
\$7.00-\$7.99:	1	-
\$6.00-\$6.99:	2	2
\$5.00-\$5.99:	2	-
\$4.00-\$4.99:	3	1
No response:	16	5
Average:	\$6.03	Not averaged
3Q23 average:	\$5.91	Not averaged

5b. In 4Q23, what was your average eCPM on Instagram's static News Feed, video and Stories?

STATIC NEWS FEED

\$10.00 or more:	1	-
\$7.00-\$7.99:	1	-
\$6.00-\$6.99:	2	-
\$5.00-\$5.99:	3	1
\$4.00-\$4.99:	2	-
\$3.00-\$3.99:	1	2
No response:	16	5
Average:	\$5.90	Not averaged
3Q23 average:	\$6.30	Not averaged

VIDEO

\$10.00 or more:	2	-
\$9.00-\$9.99:	1	-
\$8.00-\$8.99:	2	-
\$7.00-\$7.99:	1	-
\$6.00-\$6.99:	4	-
\$5.00-\$5.99:	1	-
\$4.00-\$4.99:	1	2
\$3.00-\$3.99:	-	1
No response:	14	5
Average:	\$7.42	Not averaged
3Q23 average:	\$7.09	Not averaged

STORIES

\$10.00 or more:	2	-
\$8.00-\$8.99:	1	-
\$7.00-\$7.99:	1	-
\$6.00-\$6.99:	2	-
\$5.00-\$5.99:	2	-
\$4.00-\$4.99:	3	3
No response:	15	5
Average:	\$6.49	Not averaged
3Q23 average:	\$6.03	Not averaged

6. Did 4Q23 pricing for Meta increase, remain the same or decrease yy?

Up 1%-5%:	2	-
Up:	14	2
Flat:	9	5
Down:	1	-
No response:	-	1

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7. Did your 4Q23 ROI on Meta exceed, meet or fall below your expectations?

	UNITED STATES	EUROPE
Exceeded:	3	1
Met:	23	7
Fell below:	-	-
OTR Comparative Index:	12	-
3Q23 Index:	15	-

Note: The OTR Comparative Index is a quantitative representation of qualitative responses. The Index is calculated by subtracting the "worse" from the "better" responses, dividing by the total responses and multiplying by 100. An Index below zero indicates a negative trend; above zero indicates a positive trend.

8. What inventory across Meta was most in demand during 4Q23?

Instagram Reels:	13	2
Static Newsfeed:	11	3
Video:	8	5
Carousel Ads:	11	-
Instagram Stories:	7	1
Dynamic Ads:	4	4

Note: Some sources gave more than one answer while others did not respond.

9a. Did you allocate spend on Instagram Reels during 4Q23?

Yes:	21	6
Marginally:	1	1
No:	3	1
No response:	1	-

9b. On a 5-point scale (5 being significant positive and 1 being not at all), do you expect Instagram Reels to drive material spending during the next 12–24 months?

5 (yes, significantly):	14	3
4:	2	3
3:	3	2
2:	1	-
1 (no, not at all):	-	-
Up:	1	-
No response:	5	-
Average:	4.45	4.13
October average:	4.45	3.71

9c. How were budgets for Instagram Reels formed?

Instagram Video:	15	4
Incremental:	13	2
Instagram Feed:	2	-
Instagram Stories:	-	2
Core Facebook:	1	-

Note: Some sources gave more than one answer while others did not respond.

10. Did Meta's Advantage+ support spending during 4Q23?

Yes, significantly:	4	2
Yes:	10	5
No:	10	1
No response:	2	-

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11a. Which competitors gained share from Meta during 4Q23?

	UNITED STATES	EUROPE
TikTok:	11	5
OTT platforms:	1	-
Snapchat:	1	-
YouTube:	1	-
Google:	1	2
LinkedIn:	1	3
None:	14	2

Note: Some sources gave more than one answer while others did not respond.

11b. Which competitors lost share to Meta during 4Q23?

Twitter/X:	4	4
Snapchat:	1	1
Pinterest:	-	1
TikTok:	1	-
None:	21	2

Note: Some sources gave more than one answer while others did not respond.

12. Is government policy helping ease Meta's competitive risk from TikTok?

Yes:	-	-
Marginally:	1	-
No:	20	4
Don't know:	-	3
No response:	5	1

U.S. App-Install Advertising

13. What factors helped or hindered your spending on app-install advertising on Meta during 4Q23?

HELPED

Performance:	8
Competition:	2
Innovations:	1

HINDERED

Competition:	5
Price inflation:	1
Engagement:	1
Nothing:	2

Note: Some sources gave more than one answer.

14a. What was the average price per app-install you paid on Meta during 4Q23?

\$6-\$6.99:	5
\$5-\$5.99:	2
No response:	1
Average:	\$6.07
3Q23 average:	\$6.00

14b. Did your 4Q23 price per app-install on Meta increase, remain the same or decrease yy?

Up:	5
Flat:	3
Down:	-

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15. Did your 4Q23 app-install advertising spending on Meta increase, remain the same or decrease yy? Do you expect 1Q24 app-install advertising spending on Meta to increase, remain the same or decrease yy?

	4Q23	1Q24 (EXP.)
Up 21%–25%:	-	1
Up 16%–20%:	1	2
Up 11%–15%:	3	1
Up 6%–10%:	-	1
Up 1%–5%:	1	-
Up:	3	3
Flat:	-	-
Down:	-	-
Average:	Up 13%–16%	Up 16%–19%
3Q23 average:	Up 9%–12%	-
July forecast:	Up 14%–17%	-

16. Did ROI on 4Q23 app-install advertising on Meta exceed, meet or fall below your expectations?

Exceeded:	-
Met:	8
Fell below:	-

17a. Who are Facebook's top competitors for app-install advertising?

TikTok:	7
Apple iStore:	1
Google:	1
None:	1

Note: Some sources gave more than one answer.

17b. Which (if any) competitors are gaining share against Meta?

TikTok:	4
None:	4

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ANALYST CERTIFICATION

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