

Facebook Boycott, One year later:

DIGITAL ADVERTISING AFTER A PUBLIC BREAKUP

BOYCOT

BOYCOTT
FACEBOOK

StopHateForProfit



Pathmatics



Introduction

In July 2020, over 1000 brands publicly announced they were pulling ad spend from Facebook in support of the #StopHateForProfit campaign, trying to force the social network into stricter regulations on hate speech and violent rhetoric. While the result was minimal to Facebook's bottom line, the bad PR definitely made headlines.

But what have those same brands been doing after the spotlight faded? We analyzed the top advertisers that boycotted the channel to see what their spend was like before and after the boycott.

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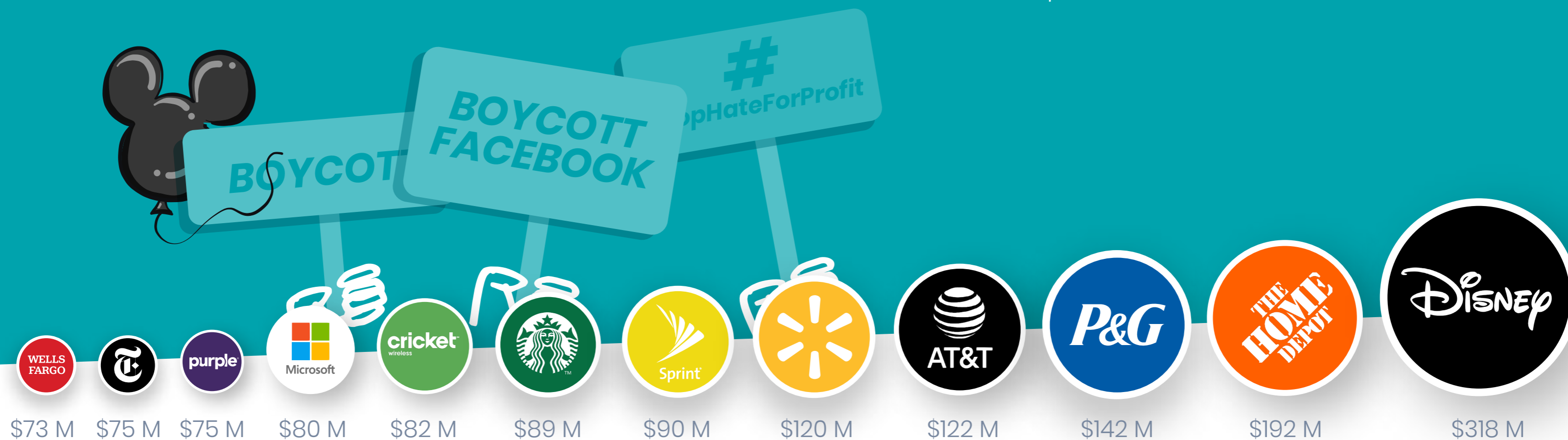
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Unfriending Facebook: brands that pulled ads

The largest spend channel, by far, Facebook garnered more than \$12 Billion in total ad spend from June, 2019 – July, 2020, topped by heavy hitters like Disney, Home Depot and Procter & Gamble. However, by the end of July, with big corporations feeling the pressure to join, nearly every one of the brands on the list had stepped outside the picket line.



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Where did all the money go?

Analyzing the top brands, who joined the boycott – a full year of spend before the boycott, and a full year after, it’s telling to see where some advertisers allocated spend after spurning the social network.

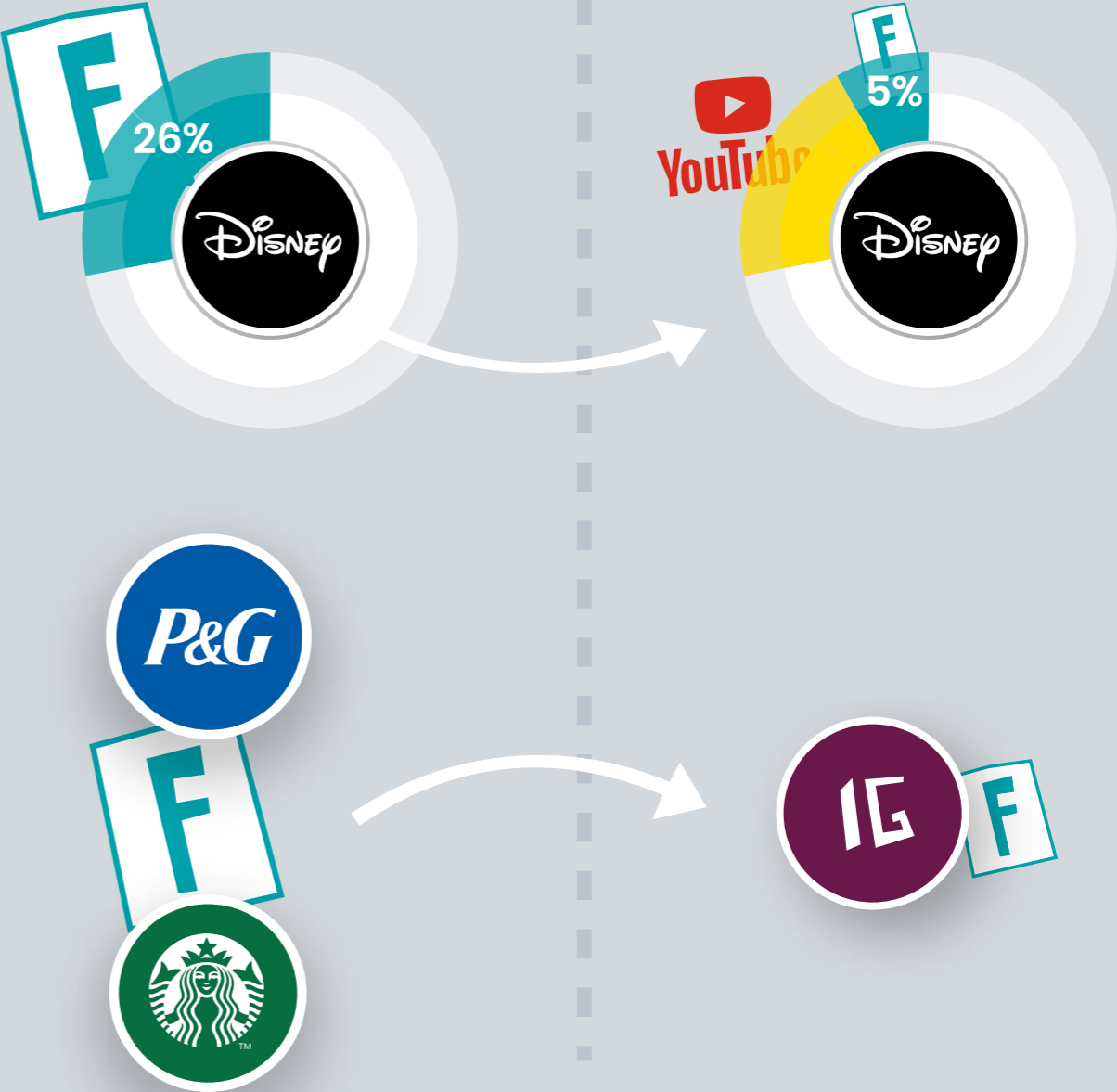
Disney saw the largest drop, from over 26% of total digital spend going toward Facebook before the boycott, to only 5% in the year post boycott, redirecting investment into Desktop Video--mainly, YouTube.

Proctor and Gamble (P&G) cut their Facebook spend by more than half, though they opted to shift most of their unspent budget into Instagram (owned by...Facebook). Starbucks similarly cut Facebook spend ore than 60%, but increased Instagram investment 400%.

And while it appears some brands like Microsoft and Pfizer maintained the same spend in Facebook, much of the post-boycott investment spiked several months after the temporary moratorium.

PRE-BOYCOTT

POST-BOYCOTT



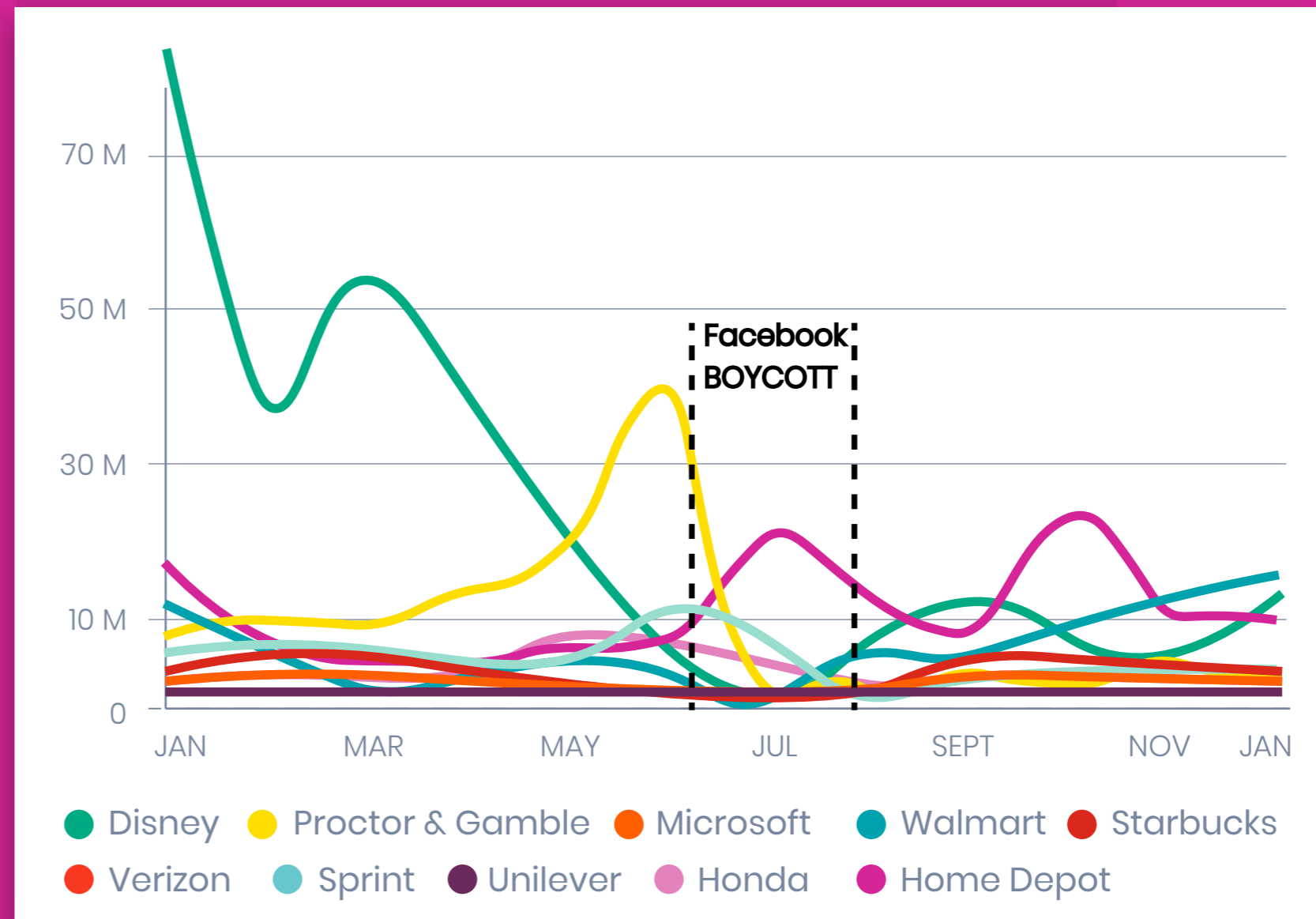
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The long and the \$hort of it

How long does it take to make a social statement before you worry about revenue? That's the question many of the brands had to ask themselves. And, while brands like Walmart, and Home Depot, bounced back rather quickly after steep declines in July through September of 2020, other brands held out a little longer as Disney, Procter & Gamble, Sprint and several others appeared not to renew their Facebook ad investments as the year came to a close.

HISTORICAL COMPARISON - MONTHLY SPEND

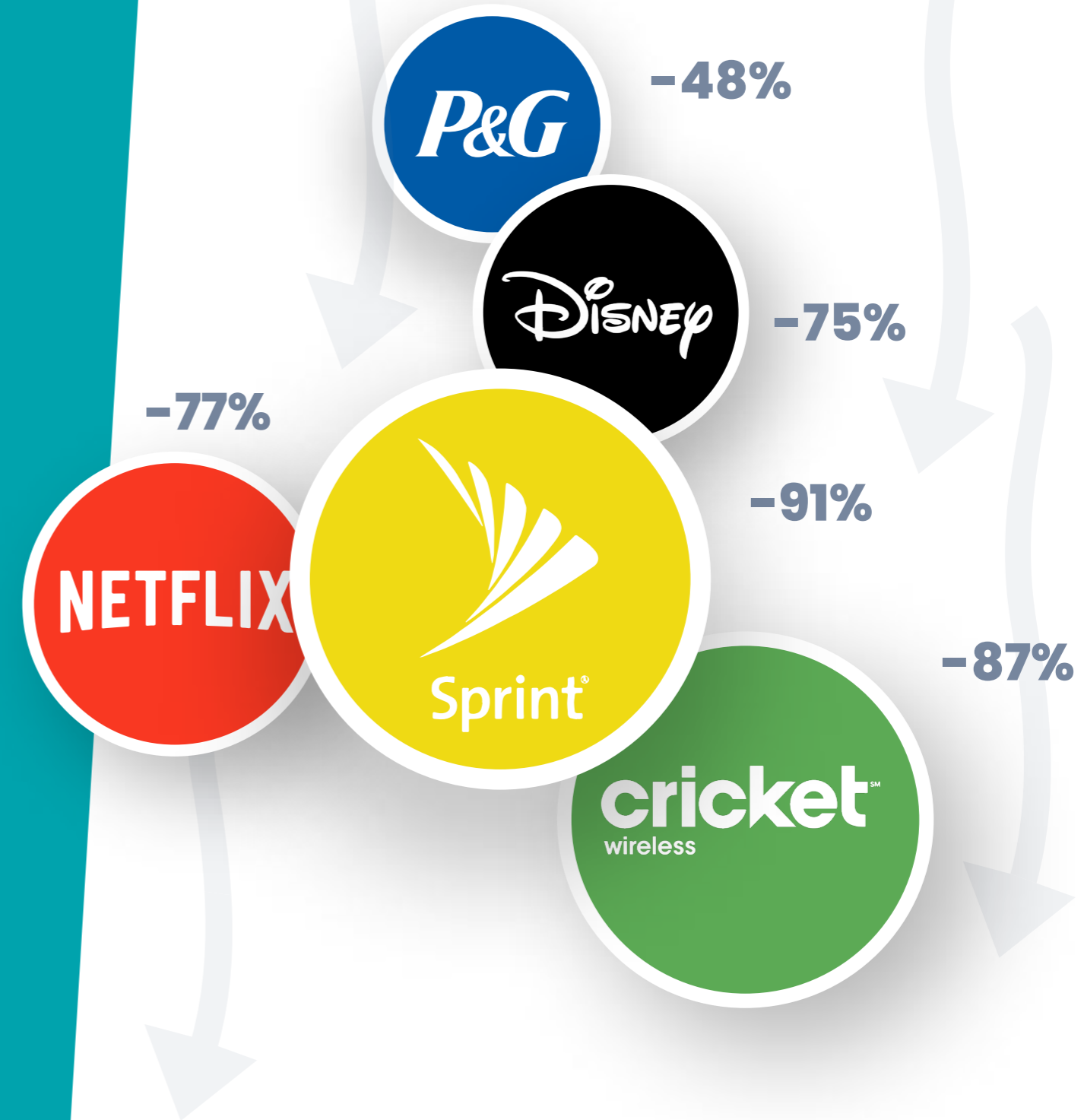


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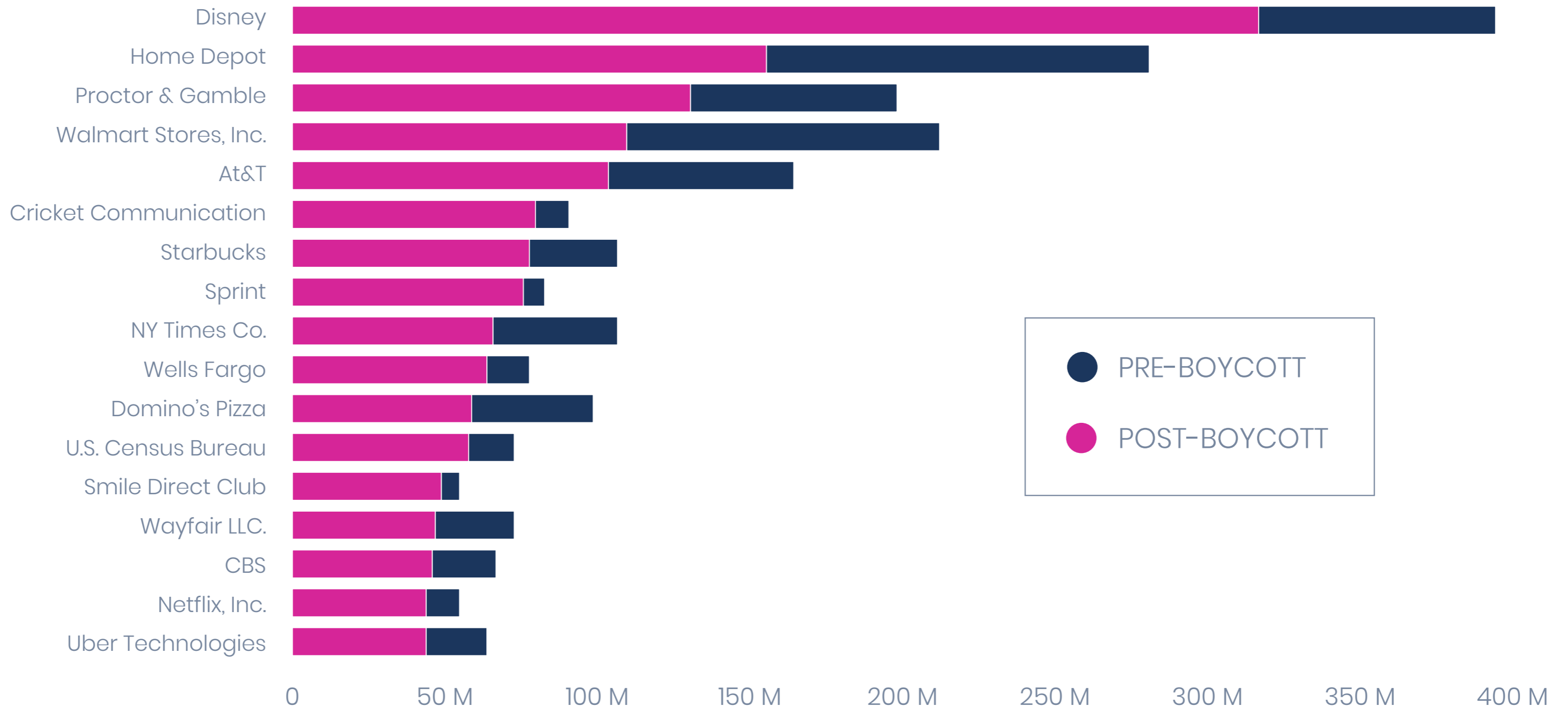
The current newsfeed

What are the lasting effects of the boycott? Of the top 25 advertisers who joined, 17 have spent less on the social network in the year after the boycott, than the year before the boycott. Disney is near the top of our list once again, dropping 75% of Facebook spend, with other notable advertisers like, Procter & Gamble, -48%, Netflix, -77%, Cricket Communication, -87%, and Sprint, -91%



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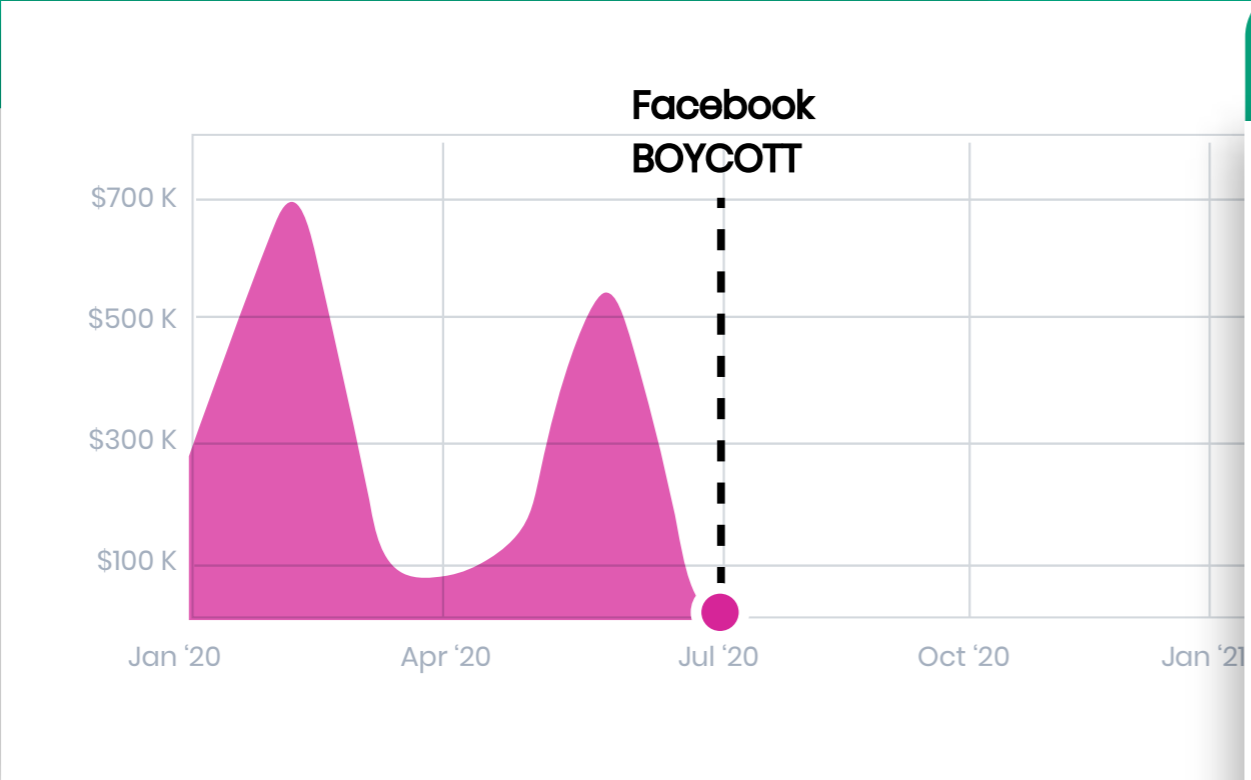
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Though, two brands have taken it a step further. Patagonia, a brand known for its activism, and support of social and environmental causes, and Verizon, as of publication of this report – have invested zero in Facebook since the start of the boycott in July, 2020.

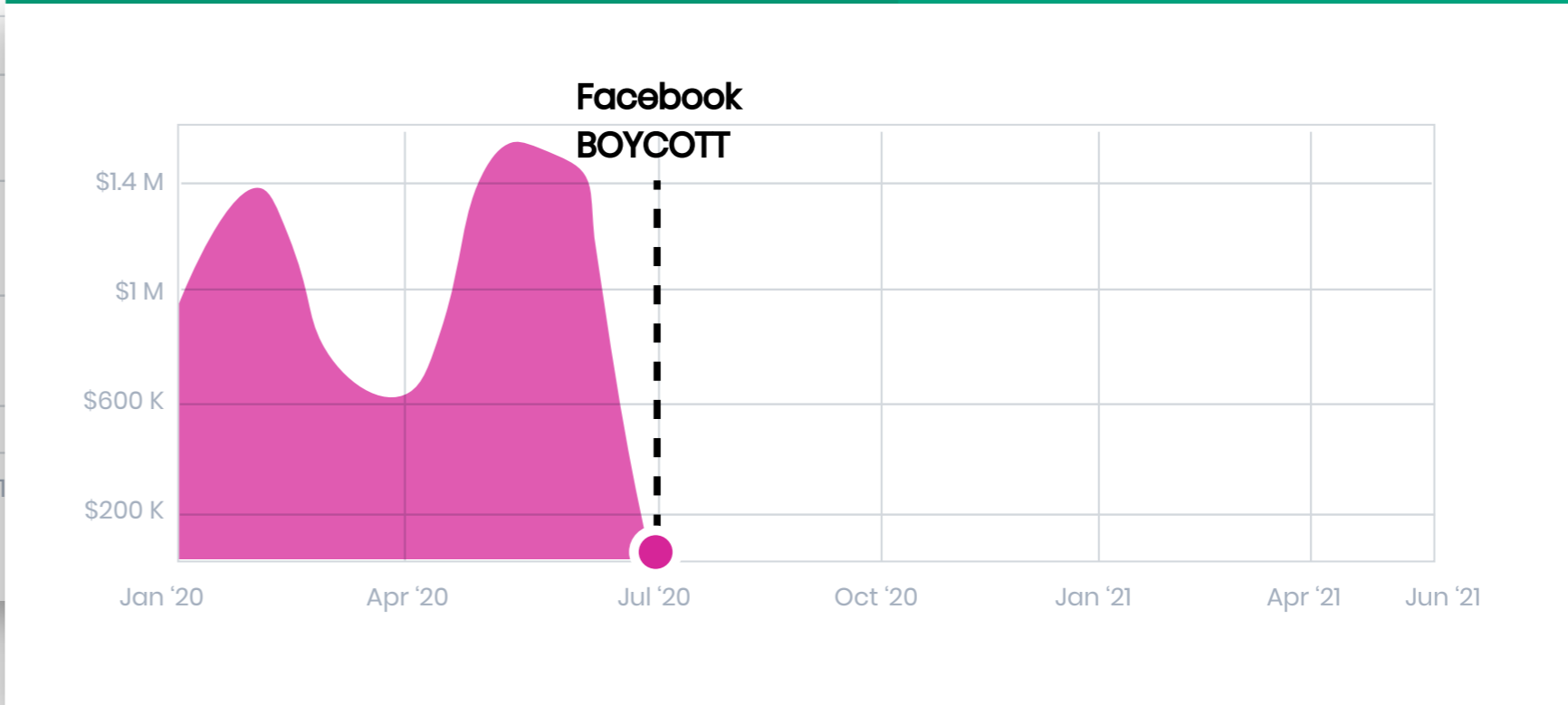
patagonia[®]

Monthly Spend for Patagonia



verizon[✓]

Monthly Spend for Verizon



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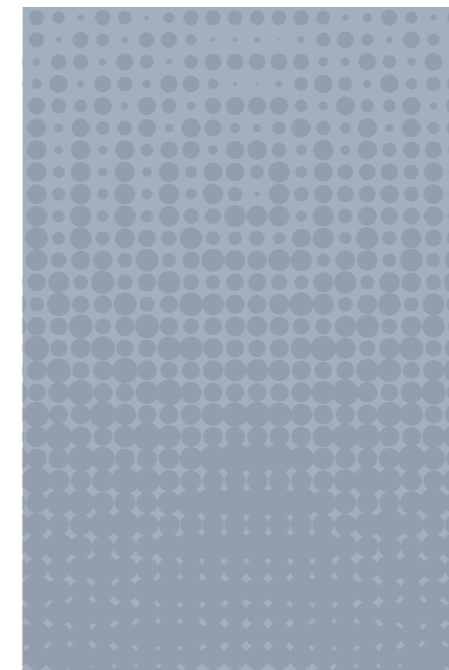
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Key Takeaways

Can major advertisers have an effect on the largest social network in existence? Perhaps it depends on how we define that effect. Even with more than 100 of its top advertisers pulling significant ad dollars, during the height of the boycott, Facebook's stock price barely skipped a beat. In fact, stock prices hit an all time high in August of 2020. The company itself has faced intense scrutiny, and has put in place some protections, and investment in civil rights actions as proposed by the #StopHateForProfit movement. But, most brands themselves seemed to have walked the line between activism and ad dollars. Case in point - Total Facebook spend the year before the boycott: \$12.9BB. Total spend the year after the boycott: \$15.3BB.

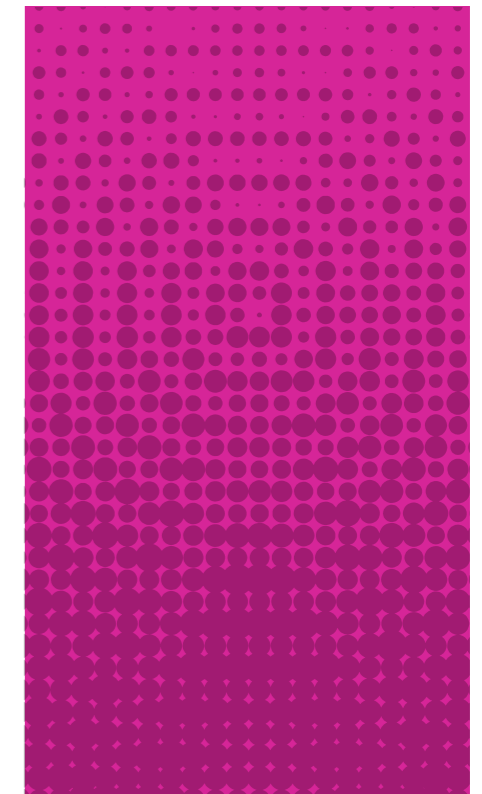
PRE-BOYCOTT

\$12.9 B



POST-BOYCOTT

\$15.3 B



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Does this mean Facebook is too big to fail? The jury may be out on that for a while. However, if brands want to truly have an effect, 60 days of dropping spend, or allocating that investment to another social channel which is owned by Facebook, probably won't cut it. Meaningful change will spring from meaningful action. We're looking at you Patagonia and Verizon.

For now, Facebook remains a key player for brands who want to reach consumers, especially in the wake of continued changes, like Apple's IDFA user privacy restrictions, and Google's move to eliminate third-party cookies. Will Facebook maintain its status as we look toward the future? Only time will tell.

Want more social insights? Request a demo!

About Pathmatics

Pathmatics turns the world's marketing data into actionable insights. As consumption rapidly shifts to digital, media decisions have become complex and opaque. Pathmatics Explorer, the Pathmatics marketing intelligence platform, creates trust and transparency, bringing visibility into the digital ad performance of brands, their competitors, and entire industries across display, social, video, mobile, and native advertising data. Brands and agencies get access to the creative used by all advertisers, spend and impression data, and path from publisher to viewer, empowering them to minimize waste from their budgets, better position their marketing, and predict the next moves of their competitors. Pathmatics data powers Nielsen's digital ad intelligence offering, Kantar Media's Facebook intelligence, and is used by agencies like Mindshare, Mediacom and Possible. Founded in 2011, Pathmatics is headquartered in Santa Monica, California, and backed by Upfront Ventures, BDMI, and Baroda Ventures.