#AreYouFollowing

Social Commerce in Canada: How brands & influencers are driving consumer product education & conversion across social platforms

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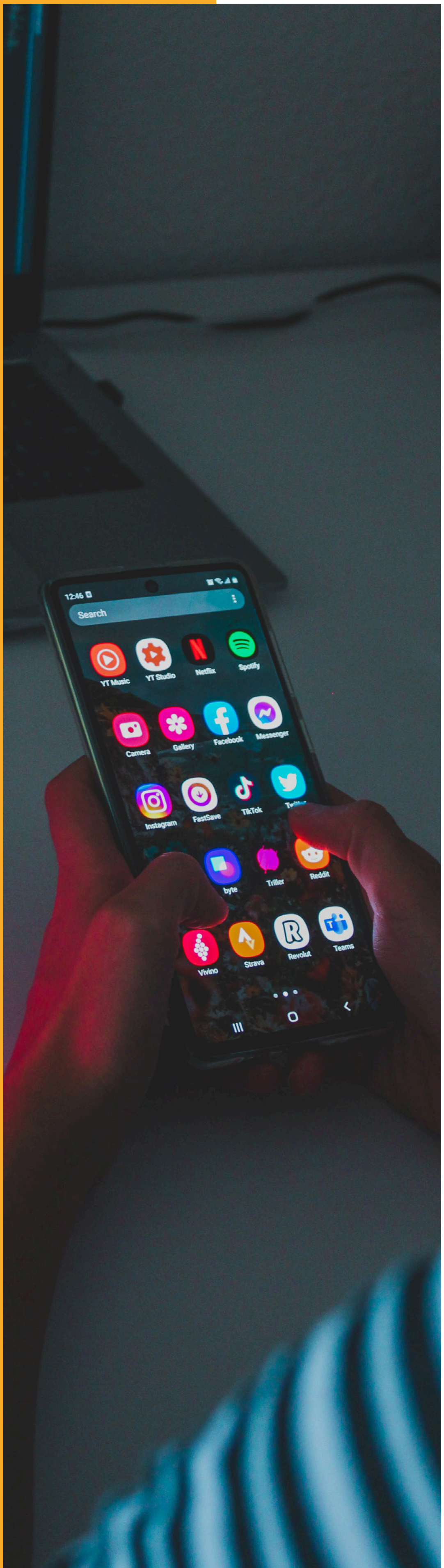
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Social media platforms continue to proliferate in Canada, driven in part by increased mobile usage and adoption by a wider audience, including all age groups from coast to coast. This expansion affects how brands choose to spend their ad dollars. Specifically, we believe that the evolution of the social media arena will lead to a rapid and continued shift in spending, in favour of platforms that prioritize opportunities for marketers to better engage with their key audiences.

Ransom Hawley
CEO at Caddle

Yet, the shift of dollars—and associated conversion power—to new social platforms brings along with it a greater focus on responsibility on the part of both brands and influencers. Not only are they accountable but also obligated to ensure that they're following fair and transparent guidelines set out for advertising on social channels. This includes evolving opportunities in influencer marketing on new and emerging platforms like TikTok, Twitch and beyond.

This is why Caddle teamed up with Ad Standards, whose mission is to ensure that advertising in Canada is truthful, fair and accurate. As an independent, nonprofit organization, Ad Standards administers the Canadian Code of Advertising Standards, which is the principal instrument of responsible and effective advertising self-regulation nationwide.

Said Jani Yates, president and CEO of Ad Standards:

Jani Yates
President and CEO
at Ad Standards

Ad Standards and Caddle's collaboration for this research study continues our commitment to exploring the evolving business impact of social media and influencer marketing in Canada. Four years ago now, Ad Standards recognized influencer marketing as a growing social media channel, with the need for guidelines and industry education. Together with an industry panel of influencer marketing companies, we created Disclosure Guidelines to illustrate best practices and practical guidelines. These guidelines educate the brand marketing industry about social and influencer marketing obligations, including a practical framework for providing disclosure.

In partnership with Ad Standards, Caddle leveraged our research know-how and access to a robust and diverse panel of Canadians to gain important insights into social commerce in Canada, and specifically, to do so from the largest voice of Canadians available to marketers today—our trusted panel.

In this report, we take a deeper look at the business of social commerce in Canada in an effort to understand and benchmark the current social media landscape, including important topics like who consumers are following and why, how impactful brands and influencers are, and how important trust is for consumers who navigate these channels.

Join us as we explore this topic, backed by the largest daily active panel of Canadians.

Ransom Hawley, CEO, Caddle

Social media platforms included in this study:

1. ***Facebook***
2. ***Instagram***
3. ***Pinterest***
4. ***Reddit***
5. ***Snapchat***
6. ***TikTok***
7. ***Twitch***
8. ***Twitter***
9. ***YouTube***

Introduction

In this report, we examine the nine most popular Canadian social media platforms—Facebook, Instagram, Pinterest, Reddit, Snapchat, TikTok, Twitch, Twitter, and YouTube—in a first-of-its-kind review of social commerce in Canada.

Using data derived from two main sources (Caddle's Daily Survey Panel of 8,000+ respondents, along with two custom studies conducted from Sept. 9–13, 2021 with more than 3,000 Canadian respondents), we explore key trends in Canadian social media consumption, including:

- How often consumers are using social media and which platforms they prefer
- Who they're following and why
- The impact of brands and influencers on their purchase habits
- Consumer trust around brand and influencer marketing as channels, including their knowledge of disclosure in the influencer marketing space

Social Media Consumption in Canada is at an All-Time High, Driven by Gen Z

No matter where you exist on the social media consumption spectrum, there's no denying that social media content and commerce play a significant role in Canadian consumers' daily lives.

Based on Statistics Canada's Canadian Internet Use Survey[1], 75% of Canadians aged 15 years or older engaged in various Internet-related activities more often since the onset of the COVID-19 pandemic. And, it's largely being driven by social media. In fact, when we asked the largest Daily Active Panel in the Canadian market, they reported spending +19.2% more time on social channels in 2021, compared to 2020. Meanwhile, though Canadians predict that they'll spend a little less time on social platforms in 2022 (expected net decrease of -7.7% from 2021 to 2022), overall time spent in 2022 will still be up from pre-pandemic levels.

Of note, women are expected to use social media more than men in the year ahead. Specifically, women are 12% more likely to either stay at the same level or increase usage after 2021, whereas men over-index slightly on decreasing their social media usage.

And while it's believed that the pandemic's social distancing and lock down periods contributed to increased social media usage, most industry insiders agree that there's no turning back now: If it wasn't already opened,what is available to consumers on social networks has now been laid bare to Canadians of all ages. This presents a massive and still-growing opportunity for marketers to reach consumers when and where they can educate, entertain and ultimately convert them over social media—whether by being present as a brand in owned, earned and paid content formats or by leveraging the voices of influencers to help co-create and be an ambassador for them.

How Frequently Do Canadians Navigate Social Media & Which Platforms Do They Use Most?

Most Canadians are daily users of social media. Unsurprisingly, younger consumers are most active: Three of every five Gen Zer and Millennial navigate social media on a daily basis. (In contrast, Baby Boomers interact with social platforms least often, with about half of them using social platforms daily and another third on a "weekly or less" basis.)

In terms of "Usage," three platforms come out on top: YouTube (75% of the General Population) marginally beats out Facebook (74%), followed by Instagram (48%). This triumvirate is generally consistent across demographics, with some notable exceptions:

- Women use Facebook slightly more than YouTube, while men under-index on their usage of both Facebook and Instagram against the General Population.
- Baby Boomers use Facebook slightly more than YouTube, and Pinterest supplants Instagram on their social platform list, though by fewer points than the General Population's preference for Instagram.
- Millennials especially like YouTube (+7 points) and Instagram (+18 points).

A look at usage of platforms by demographic:

*yellow represent top used channels by age groups

Who’s on social media in Canada?

	Baby Boomer	Gen X	Millennial	Gen Z
YouTube	71%	77%	82%	73%
Facebook	75%	77%	76%	63%
Instagram	31%	48%	66%	63%
Pinterest	33%	37%	40%	52%
Snapchat	31%	18%	34%	50%
TikTok	9%	20%	27%	42%
Reddit	9%	18%	32%	33%
Twitter	21%	29%	32%	32%
Twitch	4%	9%	16%	24%

Source: Caddle Daily Survey | September 2021 | n = 8,187

Time Spent Per Week By Platform & Demographic

In contrast, when we look at "Hours Spent," other platforms rise to the top. These are reflective of the draw that different channels and their types of content offer to different cohorts. For instance, Gen Zers and Millennials spend upwards of 3.4 hours per week on video-driven TikTok. (Note: Gen Xers also consume TikTok content, but for fewer than 3 hours, while Baby Boomers use the platform for only 2 hours per week, on average.)

Meanwhile, Instagram still ranks among the top three platforms for Gen Zers, and Millennials spend very marginally less time on the platform than TikTok and Reddit. At the same time, Twitch makes the top three for "Time Spent" for Baby Boomers and Gen Xers—suggesting that video game and esport-driven content is of greater interest to older consumers than TikTok's more youth-oriented content.

On average, how many hours do Canadians spend on social media every week?

	Baby Boomer	Gen X	Millennial	Gen Z	Women	Men
YouTube	2.6	3.2	4.2	4.9	3.0	4.0
Facebook	4	3.9	3.7	2.6	4.2	3.1
Instagram	1.5	2.1	3.3	3.7	2.8	2.2
Pinterest	1.3	1.4	1.5	1.5	1.3	1.7
Snapchat	1.1	1.8	2	3.3	2.1	2.2
TikTok	2	2.7	3.4	4.5	3.5	3.1
Reddit	2.1	1.9	3.4	3.1	2.0	2.7
Twitter	1.4	2.1	2.2	1.9	1.6	2.2
Twitch	2.5	3	2.7	2.3	2.4	2.8

*yellow represents top channel

Finally, in terms of "Consumer Satisfaction" with social media platforms, it's fair to say that Canadians are positive about most platforms, though YouTube ranks highest among the General Population and Facebook drives the lowest satisfaction ratings overall. Further, age makes a notable difference here: For example, Gen Zers are most satisfied with TikTok and Reddit (both at 84%) than any other platform, while Millennials and Gen Xers rank YouTube highest (each at about 83%), and Baby Boomers diverge in their preference for Twitter (+6 points higher than second-place YouTube).

How do Canadians rate their level of satisfaction with each social media platform?

	Baby Boomer	Gen X	Millennials	Gen Z	Women	Men
Youtube	80.5%	82.7%	83.4%	82.9%	82.6%	82.9%
Facebook	60.9%	59.4%	59.3%	60%	62%	58.7%
Instagram	60.2%	66.5%	72.5%	75.2%	69%	69.8%
Pinterest	78.6%	78.9%	80.2%	74.2%	80.8%	74.8%
Snapchat	69.9%	69.5%	72.4%	81.9%	73.5	75.5%
Tiktok	73.9%	64.7%	79%	84%	80.1%	77.3%
Reddit	69.9%	69.2%	76.2%	84%	64.9%	76.9%
Twitter	86.8%	61%	66.5%	70.9%	62.2%	66.2%
Twitch	79.9%	71.4%	78.2%	79.9%	82%	77.2%

 *yellow represents top channel

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Who Do Canadians Follow on Social Media?

	General Population	Gen Z
Friends & Family	64%	63%
Acquaintances	29%	28%
Colleagues/Networking	18%	23%
Sports Teams	13%	23%
Consumer Brands	12%	13%
Celebrity /Mega-Influencers*	7%	14%
Macro Influencers*	6%	12%
Micro Influencers*	6%	12%
Nano Influencers*	6%	7%
Other	18%	11%

25% of the general population follow influencers

45% of Gen Z follow influencers

* see influencer definitions on page 12

The types of accounts Canadian consumers follow can be grouped into three main categories[2]:

Category 1 | People they know and/or regularly come in contact with, including:

- "Friends & Family" – 64%
- "Acquaintances" – 29%
- "Colleagues/Business Networking" – 18%

Some observations:

1. Nearly two-thirds of Canadians follow "Friends and Family." Looking more closely, women are 1.3x more likely to follow this group than men, while Baby Boomers follow this group the most.
2. Millennials and Baby Boomers over-index against the General Population on following "Acquaintances" (at 32% each), while Gen Xers and Gen Zers under-index on this measure by at least 10 points.
3. About a quarter of Millennials, Gen Zers and Gen Xers follow "Colleagues/Business Networking"—perhaps an indication that they use social media as a tool to move up the corporate ladder.

Category 2 | Interests, including:

- "Sports Teams" – 13%
- "Consumer Brands" – 12%

Some observations:

1. "Sports Teams" are slightly more popular than "Consumer Brands" with a 4.9% difference overall among the General Population.
2. Men follow "Sports Teams" 2.3x more than women, while women follow "Consumer Brands" 30% more than men.

Category 3 | Influencers, including:

- "Celebrity/Mega-Influencers" (>500K followers) – 7%
- "Micro-Influencers" (5K–30K followers) – 6%
- "Macro-Influencers" (30K–500K followers)– 6%
- "Nano-Influencers" (<5K followers) – 5%

Some observations:

1. 25% of consumers follow some type of influencer, making it the third largest group after "Friends & Family" and "Acquaintances."
2. Women follow influencers about 2x as much as men.
3. Younger generations, including Millennials and Gen Zers, have a wider spread of the types of accounts they follow and tend to over-index on influencer accounts by nearly 2x that of the General Population.
4. Gen Zers like influencers the most: A reported 45% follow some type of influencer on social media.

What is Influencer Marketing?

Influencers is a catchphrase for personalities who are able to use their influence over others to get them to do something. They might be athletes, celebrities, bloggers, content creators, lifestyle experts, models or experts on a variety of subject matters.

By extension, influencer marketing allows brands to leverage influencers, via partnerships or material connections (i.e., payment, product sampling, experiences, events) in exchange for an endorsement of their product(s).

And though influencer marketing is still growing and evolving as a sales and marketing tactic, it's already driving big spending from brands around the world: In 2020, nearly two-thirds of marketers in the U.S. took advantage of the impact of influencers, for a total market spend of about $2.76 billion[3]. Meanwhile, 72% of global marketers[4] who use influencer marketing tactics believe the quality of customers they gain is better than other marketing types. Of note, 67% of respondents use Instagram for influencer marketing, though there's been a colossal increase in TikTok influencer marketing over the last year, too.

This will become a more significant drive for Canadian marketers in the coming months. If you're spending any part of your marketing budget on influencer marketing, you'll want to be sure that you're staking your claim on the most appropriate social channels and optimizing your ROI on key demographics that can make a difference to your brands.

Tier	Description	Followers[6]	Pros	Cons
Nano-Influencers	• Smaller, more niche peer-to-peer audiences	<5K	• Close relationship with followers can lead to stronger engagement and conversion	• Limited reach
Micro-Influencers	• Medium-sized audiences but still strong connection to followers	5K–30K	• More likely to turn warm leads into subscribers and customers due to high level of trust	• Tend to have lesser experience with brand content
Macro-Influencers	• Large audiences and national following	30K–500K	• Targeted audience responds to brand relationships that are relevant to their interests	• Can have credibility issues if they're not "specialist" in area(s) of interest
Celebrity/ Mega-Influencers	• Extra-large audiences and global following, often with recognizable names/brands of their own	>500K	• Significant potential reach and impact	• High cost, depending on reputation and follower count

Following Brands: Diving Deeper into the Opportunities

At 12% of the overall social media account tally, “Consumer Brands” doesn’t necessarily blow the top off of the follower list. Yet, when we break this out by age, Gen Xers, Millennials and Gen Zers all over-index on this measure, indicating that they’re more interested and/or receptive to brand messaging delivered via social media channels than the General Population.

Looking at “Brands” in more detail, we gain a better understanding of what matters most to Canadian social media users. Among users who follow at least one brand[5], the types of accounts that make the top five include:

- “Restaurants” – 50.8%
- “Retailers/Stores” – 36.9%
- “Clothing” – 34.6%
- “Consumer Brands” (e.g., toothpaste, paper towels) – 33.3%
- “Food” – 29.4%

Restaurants are 38% more popular than second place and 750% more popular than the least-popular “Parenting”

The next major tier of brand types lie within about 2% of each other, but are popular with less than a quarter of Canadian consumers:

- “News Outlets” – 23.0%
- “Health & Wellness” – 20.5%
- “Sports Teams” – 20.3%

Finally we get to the bottom tier, which ranges from about 17% of consumers who follow “Beauty/Makeup/Skin Care” accounts to a tiny 6% who follow “Parenting” brands.

Important considerations:

1. Demographics influence brand interests! While “Restaurants” are the most popular type of brand account for men and women as well as for every generation, the different sexes and older and younger Canadians seem to prioritize varying types of brand accounts. Specifically:
   - Women, Baby Boomers and Gen Xers rank “Food” accounts in second place, while men and Gen Zers place importance on “Sports Teams.”
   - Millennials over-index on following “Restaurant” accounts but otherwise spread out their followership more evenly across other types of brands than other generations do.

2. “Retailers/Stores” takes 20+% of the vote for both sexes and all generations. It’s conceivable that this is tied to the pandemic, when many consumers have had to curtail spending because of uncertain economic or employment conditions and at the same time, retailers have used their social media feeds to advertise mark-downs, sales, discounts and other money-saving promotions.

Top 3 Types of Brand Accounts Followed in Canada

Baby Boomers	Gen X	Millennials	Gen Z	Women	Men
1. Restaurants – 28.2% 2. Food – 24.5% 3. Weather Outlets – 22.1%	1. Restaurants – 36.0% 2. Food – 26.1% 3. Retailers/Stores – 24.3%	1. Restaurants – 39.6% 2. Retailers/Stores – 23.8% 3. Clothing – 23.7%	1. Restaurants – 30.8% 2. Sports Teams – 23.2% 3. Retailers/Stores – 22.2%	1. Restaurants – 35.1% 2. Food – 25.8% 3. Retailers/Stores – 25.2%	1. Restaurants – 32.7% 2. Sports Teams – 24.0% 3. Retailers/Stores – 19.8%

This pandemic-driven line of thinking holds true when we look at reasons for following certain brands, which fall into three distinct categories:

Category 1 | To stay up to date, including:

- "To get the latest news" – 55%

Some observations:

1. With pandemic incidence numbers, vaccination rates and legislation changing so quickly around the world, it's no wonder that Canadians are looking for ways to stay "in the know." Social media channels provide an easily accessible source for news. Thus it makes sense that a solid proportion of Canadians follow brands "to get the latest news"—66% more popular a response than the second-place "I like their content."
2. As age decreases, the importance of news decreases and other reasons come to the forefront: Whereas Baby Boomers use social media most for news, Gen Zers prioritize the quality of content by almost +10 points. Meanwhile, Millennials rank both reasons equally, within 1% of each other.

Category 2 | To purchase and/or win products, including:

- "I like their content" – 33%
- "Be the first to see new releases/products" – 30%
- "To enter contests/giveaways" – 27%
- "To get promo codes/deals" – 23%

Some observations:

1. Canadians seem well aware that they can use social media to gain access not only to better prices but also new products that aren't advertised elsewhere.
2. Baby Boomers in particular value social media for brand-specific contests and giveaways, in contrast to Gen Zers who prioritize contests and giveaways the least. (Based on the results, Baby Boomers enter contests 2.2x more than Gen Zers.)
3. Women value brand content more than men (+18%), along with gaining access to promo codes (+22%) and entering contests (+11%).

Category 3 | To interact with the brand, including:

- "Their content is entertaining" – 8%
- "I like to post and interact with brands" – 8%
- "Access to exclusive events/early access" – 8%
- "Customer service issue" – 6%

Some observations:

1. Canadian consumers seem to care more about FOMO ("Fear of Missing Out") than they do interacting with brands. For instance, compare "Be the first to see new releases/products" (30%) and "To get promo codes/deals" (23%) to "I like to post and interact with brands" (8%).
2. Men outweigh women in their use of social media to access new brand releases (+16%), for entertaining content (+10%) and most significantly—to interact with brands (+45%) and for customer service issues (+94%).

What Factors Lead Canadians to Unfollow Brands on Social Media?[7]

Canadians know what they want from social media and when they're no longer interested in a brand, it's clear that they're more than willing to hit "unfollow."

Reasons that consumers unfollow brands closely mirror the reasons for following brand accounts in the first place. This includes:

- "No longer use the brand" – 43% | 1.5x more popular than second-place reason
- "Content wasn't engaging/relevant" – 30% | as age decreases, the importance of engaging and relevant content increases: Gen Z values this most
- "Post too much content" – 25% | Baby Boomers are most likely to unfollow due to spam
- "Customer service issue" – 21% | an interesting outlier, as "customer service issues" was the least-popular reason for following brand accounts (at 6% of the General Population). Net result = 3.3x as many consumers will unfollow a brand than follow due to poor customer service.

Canadians Like Influencer Content 2.5X More Than Brand Content

A quarter of Canadians using social media today[8] follow what they constitute as “influencers”—from nano-influencers with fewer than 5,000 followers all the way up to celebrity mega-influencers whose names are bandied about in the media on a daily basis.

Among Gen Zers, this increases to 45%, thus suggesting that younger audiences are more open to the often higher-profile and/or commercially driven content posted by influencer-types around the world.

What’s interesting and perhaps not ultimately too surprising is that Canadian consumers’ reasons for following influencers—and unfollowing them, if need be—mirror their reasoning for brand accounts.

So, whereas the majority of Canadians follow influencers because they “like their content” (64%) or want to “learn about new products/trends” (41%), they’ll unfollow these accounts because the influencer’s “platform isn’t relevant anymore” (53%) or their content isn’t “engaging/relevant“ (45%).

How Many Canadians Really Know What “Influencer Marketing” Is?

44%
Gen Pop

69%
Gen Z

know a fair amount / know infuencer marketing well
(n = 3,192; Caddle national survey)

At the same time, several new factors pop up related to influencer accounts that were less relevant (or complete non-issues) when dealing with straight brand accounts:

Follow

Influencer content for the win: Canadians like influencer content 2.5X or 154% more than brand content.

Two-fifths of consumers follow influencers to learn about new products/trends—influencer accounts are 2.2x more popular than brand accounts.

A quarter of consumers trust influencers' opinions on products and brands—again, something not seen with brand accounts.

Unfollow

Almost a quarter of Canadians will unfollow an influencer account if their posts turn political, compared to 11% who will unfollow brand accounts for this same reason.

One-fifth of consumers will unfollow an influencer for making one inappropriate post—that's more than 3x higher than for brand accounts.

With this in mind, the question then is:

To What Degree Does Social Media Account Advertising Impact Consumer Behaviour?

We know Canadians follow brand and influencer accounts for several reasons, including learning about new products. But, is it actually driving them from product awareness towards purchase?

The short answer is "yes." Influencers are more impactful than brands and certain channels seem more effective than others.

Product Discovery

Remarkably, three of every five Canadian consumers have discovered new products on social platforms.

Gen Zers and Millennials in particular over-index on this measure (66% each). What's more: They're learning about them on all platforms, though the triumvirate of Facebook/Instagram/YouTube is definitely still a prime source of new product information for all generations, while Reddit, Snapchat and Twitch are least impactful among the nine platforms included in this study.

Influencers are driving higher product discovery

How often do you learn about new products from brands OR influencers? (*weekly)

48.9%
from brands

64.5%
from influencers

Digging deeper: Influencer accounts drive higher product discovery, by more than 15%. Almost a third of consumers learn about new products from influencers on a daily basis (+21% than from brand accounts), and over half learn a few times per week or more (+23% than from brands). Meanwhile, a whopping 66% learn about new products on a weekly basis, which is +20% than from brands directly.

What type of influencers do Canadians discover new products from? (select all)

50.2%
from nano influencers

55.8%
from micro influencers

45.4%
from macro influencers

35.2%
from celebrity / mega-influencers

Generationally, younger Canadians learn about new products more regularly from social media than older audiences: 22% of Gen Zers and 21% of Millennials vs. 11% of Gen Xers and 3% of Baby Boomers discover new products multiple times per day, and Gen Zers are 2.3x likely to learn about new products on a daily basis or more frequently than Baby Boomers.

Meanwhile, men are 42% more likely to learn about new products on a daily basis than women, but otherwise, discovery rates are similar across sexes.

That being said... It's important to note that not all influence is created equal. In fact, the data suggests that Canadians are more likely to remember promotions that are posted by influencers with smaller followings than larger ones. Specifically, micro-influencers (5K–30K followers) are the most impactful for discovery with +5 points over nano-influencers (<5K followers), who in turn outperform macro-influencers (30K–500K) by +5 points. Interestingly, celebrity/mega-influencers (>500K followers) rank last, with just over a third of the General Population.

Let's explore whether the same pattern follows for conversion.

Product Sales (Conversion)

As with product discovery, influencer accounts drive higher sales conversions than brand accounts (by 9+%), particularly when the purchase frequency is fairly often—from "a few times a month" to "monthly."

Influencers are driving higher sales conversion

How often do you purchase a product because of a brand OR influencer's recommendation? (*monthly)

28.5% from brands

37.7% from influencers

Overall, younger generations tend to make more frequent purchases based on brand recommendations than older ones (e.g., Gen Zers make "monthly or more" purchases at least 4.1x than Baby Boomers) but the frequency of purchase increases slightly for more generations based on influencer recommendations, especially for Millennials and Gen Xers, about one-third of whom make "monthly or more" purchases.

At the same time, women make far fewer purchases because of brand recommendations (82% more likely to purchase "less often than yearly), while men purchase with higher frequency—25% more likely to purchase "a few times per month." This pattern holds true for influencer-driven purchases, where men make purchases "a few times per month," which is +38% more than women in general.

Let's look at which platforms are driving the highest sales conversion:

Which Social Channels Drive the Most Canadian Consumer Conversion?

Unsurprisingly, the triumvirate of platforms tops the list once again. Specifically:

For brand accounts

- Facebook is the leader for all generations and both females and males. Yet as age decreases, so does the platform's dominance.
- In contrast, Instagram becomes significantly more dominant as age decreases: The long-standing power-platform is used for making purchases from brand sites by Millennials 3.3x than Baby Boomers.
- YouTube is more popular for making purchases among Baby Boomers than Millennials (by about 10 points), Gen Zers (by about 8 points) and Gen Xers

For influencer accounts

- Facebook leads for older generations (including Baby Boomers at 47% and Gen Xers at 50%), while Instagram leads for younger audiences (with Millennials at 54% and Gen Zers at 47%).
- YouTube comes in third, and is used most by Baby Boomers (36%) and least by Millennials (19%) for influencer-driven product sales.
- TikTok takes a jump, with surprisingly consistent levels of purchasing behaviour based on influencer recommendations on the platform

(by about 5 points). Men also make nearly 3x more purchases than women from this platform .

- Younger Canadians use the full gamut of social media to make purchases, including about 10% of Gen Zers who use Snapchat (making the platform the third-most popular for this generation, ahead of YouTube).
- Meanwhile, Gen Z's use of TikTok may be small (about 7%), but we believe that once more brands get wise to the value of TikTok, this platform will also drive higher rates of conversion.

for about 15% of all consumers, regardless of generation.

- Facebook/Instagram together account for the most product conversions from influencers and is an important channel for paid ad dollars to amplify influencer content (i.e. whitelisting/dark posting influencer content).

When you bought a product from a brand OR influencer's social media, which sites did you buy from? (check all that apply) *yellow represents top channels

Social Media Channel	Brand	Influencer
YouTube	9.8%	25.6%
Facebook	51.3%	52.4%
Instagram	28.9%	54.4%
Pinterest	6.1%	14.3%
Snapchat	1.8%	9.7%
TikTok	3.5%	19.8%
Reddit	2.0%	9.1%
Twitter	1.1%	11.4%
Twitch	0.1%	6.7%
Other	18.8%	10.8%

In Summary | Brands Converting on Social

For those who have made purchases because of a brand recommendation:

- Facebook (51%) and Instagram (29%) dominate brand-driven product purchasing
- Facebook vs. the rest:
  - 78% (1.8x) more than Instagram
  - 424% (5.2x) more than YouTube
  - 1365% (14.7x) more than TikTok
  - 51,200% (513x) more than Twitch
- More brands in Canada should consider Gen Z-driven platforms like TikTok as growing opportunities, but need to adapt ad format to be native to the platform.

In Summary | Influencers Converting on Social

For those who have made purchases because of influencer recommendations:

- Instagram (55%) and Facebook (53%) narrowly share the lead in influencer-driven product purchasing, and Instagram has led to almost 2x as many sales for influencers than brands.
- Every platform has had more sales from influencers than brands, and all (apart from Facebook and Instagram) have at least 2x as many sales than they do for brand accounts.
- Biggest change: Twitch increased 67x in sales for influencers vs. brands

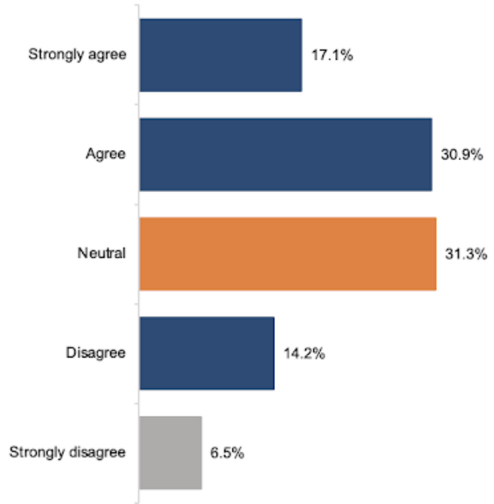
How Much Do Canadians Trust Influencers Based on Their Social Media Presence?

While the vast majority of Canadian consumers have heard of influencers (90%) and about 40% know a fair amount or more about these media personalities[9]—especially Gen Zers, who "know influencers well" 4x more than Baby Boomers)—it's not to say that consumers in general are all that knowledgeable about the influencer marketing business:

Only 20% of consumers are familiar with influencer ad disclosure. More than one-third of Canadians have never heard of the regulations that are in place to govern influencer advertising. (Unsurprisingly, given their heightened digital savviness and propensity for cross-platform and -device usage, younger audiences are more informed on influencer ad disclosure, compared to the General Population, with nearly one-third of Millennials and Gen Zers vs. 20% of the General Population.)

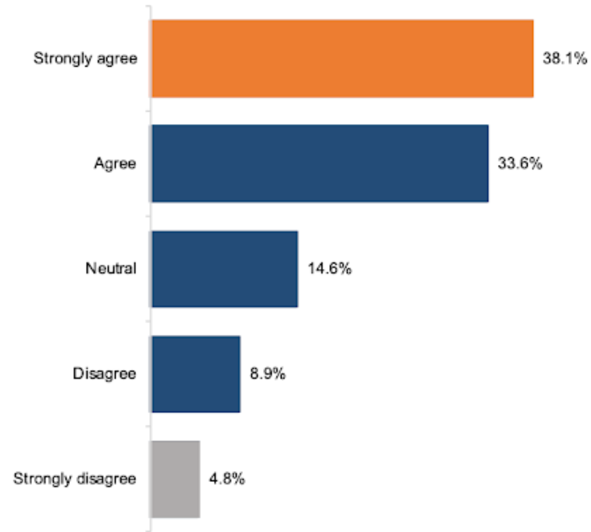
When presented with #ad or #sponsored posts, how many Canadians know what this means?

General Population



n = 3,000

Gen Z



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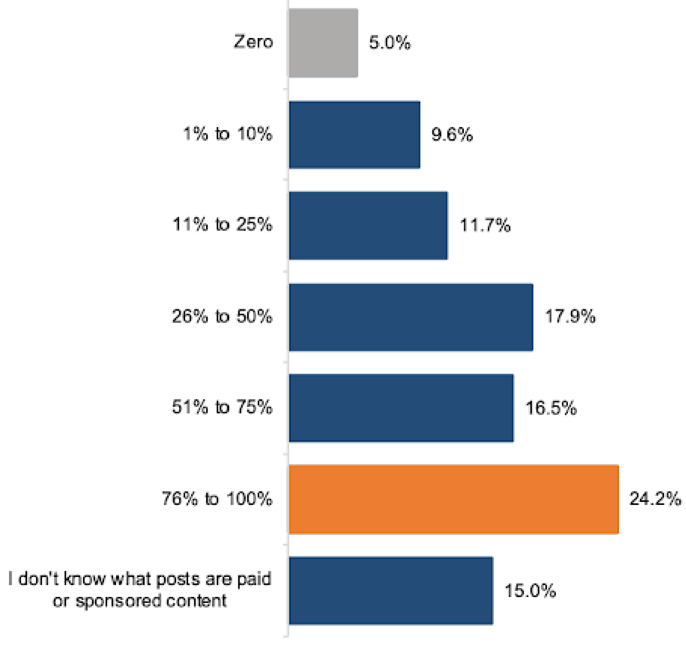
How many posts do Canadians think are sponsored?

Caddle found some differing numbers when we look at younger generations compared to the general public. Perhaps this points to the belief that influencers don't just 'do everything for money', and not all influencers will make sponsored posts, especially if they are still small. Evidently, younger generations also follow smaller influencers the most. This may also speak to the growing gravitation towards authentic and transparent influencers.

General Population



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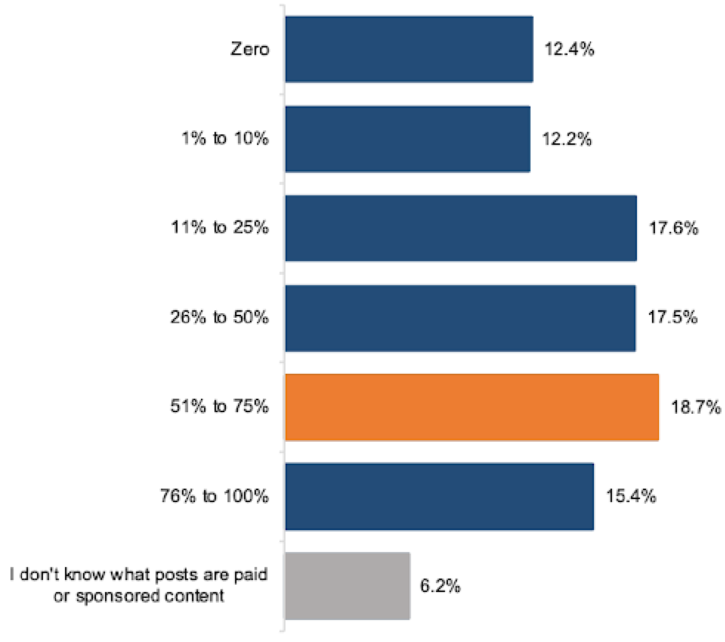
Gen Z



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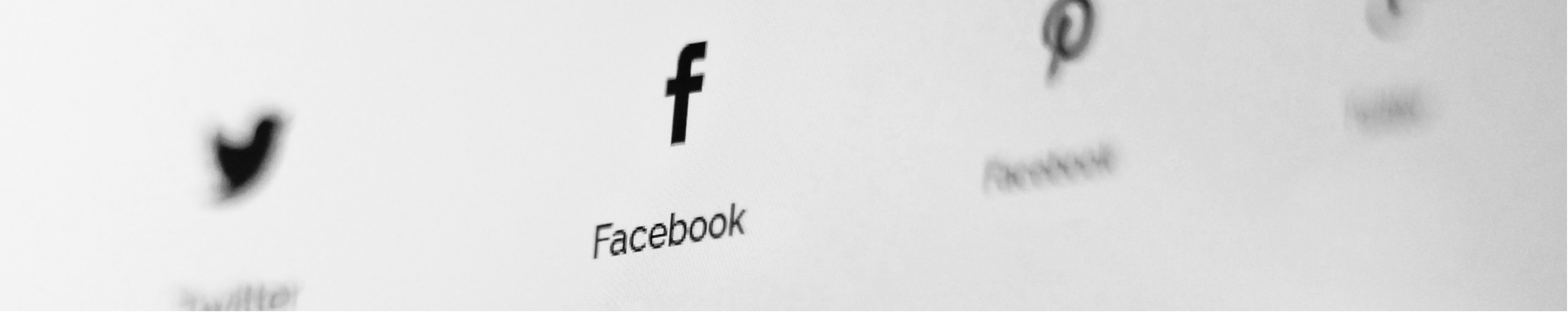

What we found is that consumers who know what an influencer is seem to also know what influencer marketing is.

	General Population	Gen Z
Know what influencers are	**44%**	**69%**
Know what influencer marketing is	**40%**	**62%**
Familiar with regulations on influencer ad disclosure	**20%**	**35%**
Feel comforted by the fact that there are regulations in place for influencer marketing	**59%**	**64%**
Trust influencers more if there are regulations in place	**53%**	**56%**
Familiar with the difference between sponsored and not sponsored content	**39%**	**64%**

The majority of Canadians are comforted by the fact that regulations are indeed in place (59% of the General Population “agrees”/“strongly agrees”—6.5x more consumers than “disagree”/“strongly disagree.”

The practical impact is this: More regulations lead to increased consumer trust, and knowing regulations are in place is half the battle in earning consumers trust. Following proper ad disclosure and building trust with consumers as a brand working with influencers will not only improve trust, but will in turn improve performance of this channel, including an increase in product education and conversion for your brand.

Conclusion: Brands Can Drive Higher Engagement, Product Awareness & Conversion by Leveraging Influencers—But Trust & Transparency are Key

Social media usage grew to an all-time high during the pandemic, with long-standing incumbents like Instagram, Facebook and YouTube joined by playful upstarts like TikTok and Twitch as tools to keep consumers connected, engaged and active during the worst of the COVID-19 restrictions.

Yet, at the same time, trust in big brands—and especially media companies—took a big hit over the last year, due in part to the fast-changing social and political climates south of the border and around the world, which cast doubt on the media's non-partisan perspectives. The powerhouse triumvirate of Facebook, YouTube and Instagram in particular has the greatest generational trust gap, based on results from the latest Gustavson Brand Trust Index (GBTI)[10] released in May 2021.

Generational gap in trust for leading social media brands

Facebook, YouTube and Instagram have the greatest generational trust gap based on brand trust score change 2020-2021 (in points) from 2021 GBTI data.

	Baby Boomer	Millennial/Gen Z
YouTube	0	16
Facebook	-1	-36
Instagram	6	-5

Yet, the media landscape evolves quickly and we expect that newer platforms like TikTok and Twitch will become increasingly important tools for brands to engage with consumers, especially younger ones, in more meaningful ways.

But whether the goal is to drive product discovery or motivate users to purchase—or more likely, a combination of both—brands will need to prioritize their regulatory and ethical advertising practices in order to make the best use of each social media platform, to drive trends and convert more users into paying customers.

Much like CASL, CAN-SPAM, CCPA, GDPR and PECR have brought controls to the email marketing sector over the years, so too does Ad Standards' Influencer Marketing Steering Committee's Disclosure Guidelines which offers a practical mechanism for providing truthful, fair and accurate influencer marketing content to consumers around the world.

As more marketing dollars are dedicated to social commerce over time, it's incumbent on brands to know the rules and guidelines for brand and influencer marketing activities in the countries where they operate—for the good of consumers as well as the relevance and longevity of their social commerce success.

Learn more about influencer marketing here and read the complete Ad Standards Canada Disclosure guidelines here.

Want to look at the numbers yourself or discuss other research needs? Get in touch with us today!

Contact us: insights@caddle.ca
Learn more at www.askcaddle.com.

About Ad Standards

Ad Standards' mission is to ensure advertising in Canada is truthful, fair and accurate. As an independent, nonprofit organization, we administer the Canadian Code of Advertising Standards, which is the principal instrument of responsible and effective advertising self-regulation nationwide.

Ad Standards Clearance Services helps advertisers comply with applicable regulations and industry standards. Supported by our members, we enhance legal compliance and ethical advertising practices, and build the public's confidence in Canadian advertising across all media.

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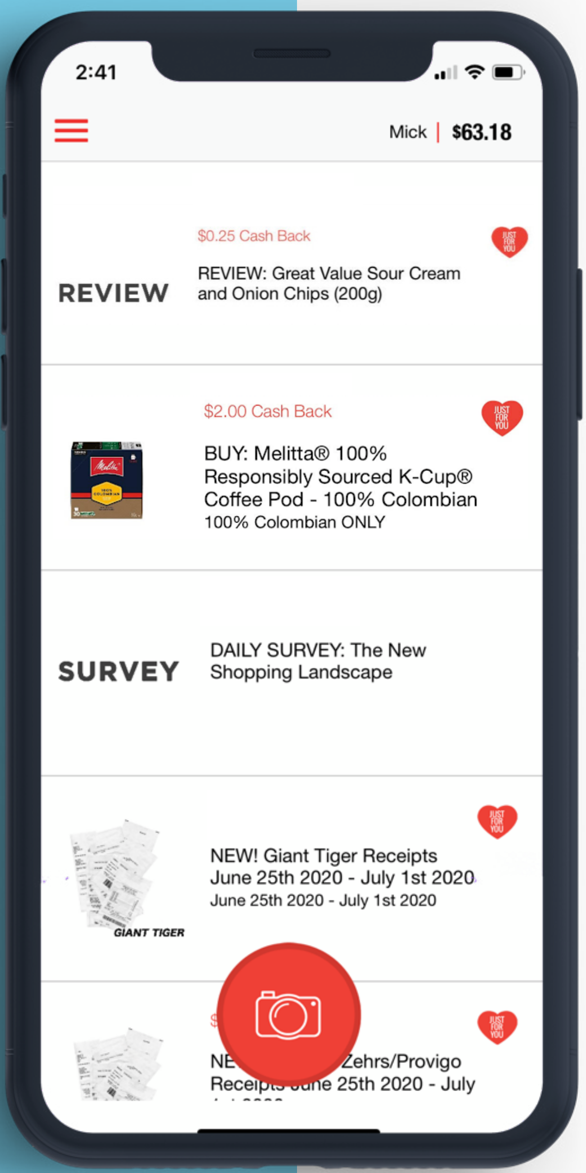

About Caddle Inc.

Founded in 2015, Caddle's mission is to create a transparent and friction-free marketplace for consumers and brands to exchange data for value. Founded by former consumer packaged goods (CPG) leader and Canadian Grocer 2016 Generation Next award winner Ransom Hawley, Caddle® is the largest daily and active consumer panel in the Canadian marketplace.

Designed to help brands make better decisions, faster, our mobile-first insights platform incentivizes Canadians for sharing data and engaging with brands. Leveraging Caddle's suite of tools, we reward panel members for actions ranging from survey, receipt and photo capture, to reviews and more.

Now working with Canada's biggest CPG brands and retailers, Caddle provides rapid insights at every stage of the consumer journey.

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Endnotes

*Disclaimer: all data presented is owned by Caddle and has a Margin of Error of 1% or lower.

1 Conducted Nov. 2020 to Mar. 2021. See study here.
2 Note: Percentages do not add up to 100, as respondents were instructed to select all responses that applied.
3 eMarketer, "New forecast: US influencer marketing is now a $3 billion-plus industry." Aug. 4, 2021.
4 Influencer Marketing, "The State of Influencer Marketing 2021: B2B Benchmark Report." Aug. 18, 2021.
5 Follower values may vary depending on country or platform definition.
6 Excluding respondents who identified as not following any brands on social media. n = 1,164.
7 n = 1,164; Caddle national survey; data collected Sept. 2021
8 n = 3,192; Caddle national survey; data collected Sept. 2021
9 Caddle national survey; n = 3,000
10 See here for more details about the report and here to download the presentation.