

Pinterest: Taking Small Steps Forward, But No Big Leap in Sight

Companies: AMZN, CART, DASH, GOOG/GOOGL, META, MSFT, PINS, SHOP, SNAP, TGT, WMT

Dec. 6, 2023

Report Type: Initial Coverage Previously Covered Full Report Update Rating: 3/5

Research Question:

How is advertiser sentiment toward Pinterest evolving as the platform unveils new ad and measurement tools?

Summary of Findings

- [Pinterest Inc.](#) (PINS) is making progress moving down the sales funnel to become a more broadly attractive advertising platform, but it does not appear to be near a major inflection point for boosting advertiser spending, according to eight interviews with advertisers, ad agencies, and other industry specialists.
- Spending on Pinterest is likely to rise in 2024, said six sources, including one representing a car dealership group that is excited to try the platform's new auto-specific ads next year. Boosted by artificial intelligence (AI), Pinterest is getting better at making connections between user habits and their interests, helping advertisers better target their ads, two sources said.
- However, Pinterest is still a small part of digital ad budgets overall and is considered less effective at driving sales than Alphabet Inc.'s (GOOG/GOOGL) [Google](#) and Meta Platform Inc.'s (META) [Facebook](#) and [Instagram](#). One agency source said Pinterest is a lower-tier ad option that can be helpful for seasonal or quick-hit advertising but is less effective for sustained campaigns.
- Agency sources said they have had mixed results with Pinterest ads. Costs per impression are lower on Pinterest than other platforms, but measurements of conversion or other immediate actions are not as strong. One said engagement is lower on Pinterest, and targeting is not as precise as with Facebook or even Microsoft Corp.'s (MSFT) [LinkedIn](#). Another said he has seen strong returns on Pinterest, but ROI begins to decline as spending scales.
- Agency sources mostly said they are wary of Pinterest's plans for a suite of fully automated ad tools because such tools represent a loss of control. They also fear that such an approach, combined with emerging AI-generated creative options, could hurt larger and savvier brands by saturating user feeds with ads from smaller and less sophisticated sellers.
- Pinterest needs improvement in its on-platform tools for measuring ad performance, two sources said. One said attribution on Pinterest remains a problem largely because people can use most of the platform without logging in.
- Four sources were bullish on [Pinterest's partnership with Amazon.com Inc.](#) (AMZN), suggesting Amazon sellers will benefit.
- Pinterest faces increasing competition for ad dollars from retail media networks, which offer clearer links between ads and sales, one source said. Another said some of Pinterest's new ad formats are intriguing but have been plagued by technical difficulties.

Key Quotes

"There are a lot of brands that are e-commerce that do not take advantage of Pinterest. Most brands turn to Meta for that, and I think it's very shortsighted. They want the instant of it, but we go back to the fact that Pinterest users are 'super shoppers'—people who plan. So even though it might not be that immediate conversion, it still converts."

"Pinterest sits in a nice spot in the marketing funnel; they're used as a discovery tool for brands. The way we utilize it for marketing is in that middle-of-the-funnel phase, and it does really well for us there."

"Pinterest is not necessarily getting better. They're not even close to Facebook nor even to Snapchat. They are still a third-string social network that has a very particular niche audience and niche return on investment. I don't think their stake will increase substantially, even if Facebook falls tomorrow."

"This last summer, we found it difficult to [spend on Pinterest] in the same fashion, at the same level of performance expectation [as previously]. As soon as you start dialing spend up, you're not getting the same return."

"Pinterest is much cheaper compared to other platforms, but it's more of a long game. You don't get the same kind of immediate results. That's why it's also quite difficult to sell to clients."

"I think [Pinterest] is going to be quite a big thing, but for now, we primarily focus much of our paid advertising on Meta and LinkedIn. ... Meta still completely monopolizes the advertising space on social media platforms. It will take longer for Pinterest than just next year."

	Ad Spending on Pinterest	Pinterest Ad Performance	Pinterest's New Ad Tools
Advertisers	↑	→	→
Ad Agencies	↑	→	→
Industry Specialists	NA	→	→

Background

Pinterest's number of monthly active users [climbed 8%](#) year over year to 482 million in Q3, its second consecutive quarter of solid user growth after nearly two years of trading water. Combined with an 11% increase in total revenue to \$763 million, the rise in user numbers has offered investors some hope that the platform is emerging from a post-pandemic malaise that had beaten down shares from more than \$80 in February 2021 to below \$20 in June 2022. The company [has forecast Q4 revenue](#) to grow 11% to 13% year over year but told analysts in September that its goal is to grow in the mid- to high teens annually and reach \$6 billion in annual revenue in five years.

Under a new CEO who took the reins in July 2022, Pinterest has been pushing to make its site more shoppable and transition from a “top of funnel” platform focused on brand advertisers to one that can also bring “lower funnel” opportunities with high click-through and conversion rates for direct advertisers. To that end, Pinterest recently unveiled [mobile deep-linking](#) capabilities to allow for one-click handoffs between its platform and advertiser apps or websites and is rolling out an end-to-end automated advertising system similar in scope to Google's [Performance Max](#) and Meta's [Advantage+](#). “I believe we are just scratching the surface when it comes to monetizing lower-funnel behavior on Pinterest,” CEO Bill Ready said.

Pinterest executives believe their platform stands out from other digital ad options—including other social media—because of what they call the “high commercial intent” of the platform's users. Further, Pinterest users tend to collect and curate ideas for future projects and plans, giving the company unique insight into potential upcoming purchases. The company says advertisers saw a [45% increase in return on ad spend](#) (ROAS) when using Pinterest's first-party targeting signals, compared with retargeting alone. “When you think of the power of that signal and what that can do in terms of the power of recommendations that we can make to users, the advertising capabilities that we can open up with that, I think we just have a lot of uniqueness in our signal,” Ready said.

Still, the competition in the \$550 billion digital ad market remains intense during an uncertain macroeconomic environment. In a sign of continuing softness in the ad market, Pinterest's pricing was down 20% in Q2, and company executives said they are still seeing a lot of choppiness. There are, however, some signs of stabilization and recovery. Alphabet said [ad revenue climbed 9.5% in Q3](#), with YouTube ad revenue up 12%. Meta said revenue climbed 23% in Q3, but executives [warned of continued macroeconomic uncertainty](#) and potentially lower advertising demand in Q4.

As Pinterest tries to innovate on ad products and measurement tools such as its [API for Conversions](#), it has been increasing its ad load for users, reporting a 30% increase in its “monetizable supply” of ads during Q2 and claiming room for more growth. To that end, it has opened its platform to third-party ad networks, starting with a major partnership with Amazon that allows ads from Amazon sellers to automatically appear in Pinterest feeds. Pinterest executives said that they are pleased with early testing of Amazon ads but that the biggest impact to revenue won't likely emerge until next year.

On the user side, Pinterest is trying to appeal to a broader swath of consumers with a more diverse set of interests. Sources in Blueshift's [April 2021 report](#) said at the time that advertisers continued to perceive Pinterest in a narrow frame in terms of the demographics of its users and their interests, mostly around home décor and fashion. But company executives have told investors recently that they are seeing real growth in areas such as autos, finance, and travel and that younger users—specifically Gen Zers in their teens to mid-20s—were the platform's largest contributor to overall engagement growth and the fastest-growing cohort in Q2.

Current Research

Blueshift Research assessed how advertisers are viewing Pinterest heading into 2024. We employed our pattern mining approach to establish three independent silos, comprising eight primary sources (including three repeat sources). Interviews were conducted Nov. 6-24.

- 1) Advertisers (2)
- 2) Ad agencies (5)
- 3) Industry specialists (1)

Next Steps

Blueshift Research will continue monitoring Pinterest's efforts to grow its ad revenue through new ad formats, better measurement tools, and efforts to appeal to new verticals.

Silos

1) Advertisers

Both sources in this silo are bullish on Pinterest as an ad platform, and its appeal is growing. One, representing a global beauty brand, said Pinterest does not provide immediate sales conversions at the same rate as Meta's properties, but she called Pinterest users "super shoppers" who eventually buy. The same source said Pinterest is one of the few places to reach consumers at each stage of the shopping funnel. A second source, representing an auto dealership group, is gearing up to spend on Pinterest ads in 2024 after having only an unpaid, organic presence this year. Pinterest's new auto-specific ad formats are an exciting development, he said. That source said initial spending on Pinterest ads will be a small fraction of what the dealership spends on search marketing, as the platform remains an upper-funnel opportunity when it comes to car buying. Both sources said their spending on Pinterest represents additional ad dollars rather than money being shifted from other platforms. Both said Pinterest's user demographics are appealing, and one noted that Pinterest is a safer platform than others that get bogged down in controversial content. Pinterest is getting better at building look-alike audiences for advertisers, leveraging AI to draw connections between user habits and new categories they might be interested in, one source said. On the downside, measuring user engagement with Pinterest's on-platform tools is more difficult than with some peers, and attribution between ads and sales remains difficult. One source said, however, that Pinterest's new API for Conversions looks like a promising tool for a broader measurement of attribution. Pinterest's partnership with Amazon could be a boon to Amazon sellers, especially those without their own direct-to-consumer channel, one source said.

Key Silo Findings

Ad Spending Trends

- 2 of 2 were positive about Pinterest's outlook, including 1 who said the platform is becoming more appealing to advertisers.
- 1, representing an auto dealership group, is not currently paying for Pinterest ads but plans to do so in 2024.
 - o He is excited about Pinterest's new auto-specific shopping ads.
 - o He hopes to allocate about \$2,000 to \$3,000 per month to Pinterest ads next year, which would be about 3% to 5% of what the group spends on search ads.
- 1, representing a global beauty brand, pays for Pinterest ads.
- 1 said Pinterest does not provide immediate purchase conversions the way Meta does but said Pinterest users are planners who eventually buy.
- 1 said Pinterest is a higher-funnel platform for car dealers, as there is no mechanism or demand for buying cars directly through the site.
- 1 said Pinterest is one of the few platforms that allow brands to reach consumers at each stage of the shopping funnel.
- 2 said their Pinterest ad budgets represent additional spending rather than money being pulled from other platforms.

Pinterest Inc.

- 1 said his auto group mainly uses Facebook and Instagram among social media options, with an organic presence on ByteDance Ltd.'s TikTok. They do not use Snap Inc.'s (SNAP) Snapchat.
 - o Car dealers have not yet figured out the right type of content for the younger users predominantly on TikTok and Snapchat.
- 2 said Pinterest's user demographics are attractive.
 - o 1 noted the platform's growth among Gen Z users.
- 1 said Pinterest is attractive because it is a safer platform than peers like TikTok and Twitter, free of political and other controversial content.

Pinterest Ad Performance

- 1 said Facebook drives far more users to car dealer websites than Pinterest.
 - o Traffic from Pinterest, however, has increased by about fivefold in the past year.
- 1 said the quality of traffic coming from Facebook is not any better than what is coming from Pinterest.
- 1 said Pinterest is getting better at consumer targeting by drawing connections between user actions and potential interests.

New Ad Products and Measurement Tools

- 1 said engagement measurement on Pinterest is weaker than on other platforms and requires the use of off-platform tools such as Google Analytics.
- 1 said attribution remains difficult on Pinterest as there is a disconnect between what's reported on Pinterest's dashboard and the results that the car dealership sees.
- 1 said Pinterest's API for Conversions is a promising tool for measuring attribution beyond direct clicks to buy.

Other Key Issues

- 1 praised Pinterest's management team and said the company is doing more outreach and marketing to advertisers.
- 1 said Pinterest is suitable for both large and small businesses, especially any advertiser with a direct-to-consumer channel.
- 1 said Pinterest's partnership with Amazon has great potential, especially for advertisers without their own direct-to-consumer operations.

1) Senior marketing executive for a global beauty brand

Pinterest is an increasingly attractive ad platform because its demographics are widening to include younger users and because it is a safer place to advertise than other social media platforms, where ads are sometimes served alongside controversial content. Pinterest is one of the few places to reach consumers at all stages of the sales funnel. While conversions from Pinterest don't tend to be as immediate as on Meta, Pinterest users are planners who eventually buy. Pinterest's API for Conversions is helping prove that attribution beyond immediate conversions. Pinterest's Amazon partnership is exciting, especially for brands that do not have direct-to-consumer channels.

Ad Spending Trends

- "I'm very gung-ho on Pinterest, and the company as a whole is very bullish on Pinterest as well."
- "I think everybody should be advertising on Pinterest. I think [Pinterest Presents](#) was one of the best partner presentations I've seen to date."
- "We have solid, always-on media that we're doing [on Pinterest]. From an always-on perspective, if you're a brand [like us] that has e-commerce, it's a good bet, but there are a lot of brands that are e-commerce that do not take advantage of Pinterest. Most brands turn to Meta for that, and I think it's very shortsighted. They want the instant of it, but we go back to the fact that Pinterest users are 'super shoppers'—people who plan. So even though it might not be that immediate conversion, it still converts."
- "[Our Pinterest spending] moving forward is more incremental and not being pulled from other [platforms]. They all have their place."
- "I think everybody thought of Pinterest being much older [in its user demographic], but in the last year they've had a growth in their Gen Z population. They've actually been bragging that they have the most growth in Gen Z [of all the platforms]. If you're a beauty brand like us, there are beauty consumers on there of all ages. So I don't think that anyone's looking at it now as just a 35-plus place for your consumers. It truly is all ages."
- "As an advertiser, Gen Z is the primary market that I'm trying to attract, in addition to millennials."

- “In the current [political] climate, Pinterest is especially attractive to me as an advertiser. For example, I loved TikTok two months ago, but now my entire feed is just politics. And so I’m watching videos that are about the conflict in the Middle East, and then I’m getting served beauty content. I’m not in a good mind frame that I want to see an influencer talking about makeup, because I think it’s shallow. Perception is everything.”
- “With Pinterest, it’s a very positive platform. There’s very little that’s controversial on the platform, so you don’t have to worry about where your ads are appearing—vs. your Twitter feed, where I was watching a video about a bunch of students locked in a library for their own safety, and then I had two different ads served to me in the comments. It’s not where I want to see an ad. And that’s not going to happen on Pinterest.”

“In the current [political] climate, Pinterest is especially attractive to me as an advertiser. ... It’s a very positive platform.”

Senior marketing executive
for a global beauty brand

Pinterest Ad Performance

- Did not discuss.

New Ad Products and Measurement Tools

- “As an advertiser, I’m not deep on the measurement piece. But from where I sit, I think Pinterest for API is interesting; to be able to measure the impact of Pinterest on the business, not just for anything that’s a direct click but as the result of exposure to Pinterest. That’s the whole idea behind the API, that it’s not just about somebody clicks and buys, but it goes back to [the consumer’s] ‘discover, decide, and do.’ The API is built to show that while it may not be a direct click, it still helps attribution.”
- “Pinterest is one of the few advertiser platforms that addresses the consumer at every phase of the purchase funnel. If you look at the Pinterest Presents presentation, they really mapped out the discovery phase, which is always unbranded search. Then you’re doing your research, and you’ve collected things. And ultimately, you’re actually making the purchase.”

Other Key Issues

- “Pinterest has a great [management] team. [CEO] Bill Ready has definitely made an impact to the business. You can see this whole change in how they are talking about positivity and how it’s a safe place for brands to invest. That’s coming through loud and clear.”
- “Pinterest started to dabble in the influencer space, with creators, but they’re not the channel for this. They’re not social media, where you have to work with creators. [Its core focus is] encouraging brands to do traditional advertising and just have it be creative and expressive of your brand and not reliant on personality to sell your business on the platform.”
- “I would definitely say Pinterest has upped their marketing as it relates to their business clients. I think that’s the big change from the past, where management didn’t care so much about marketing to the businesses. Now, they recognize that they do need to sell themselves a bit.”
- “I’d say any brand that has a DTC [direct-to-consumer channel], everybody should be putting their whole catalog on Pinterest. There’s no reason not to take advantage of that, and I think it was a big takeaway if you watched Pinterest Presents.”
- “And then why wouldn’t you [use the Pixel](#) to measure the impact? At the very least, you can do everything organic, and then you see what’s performing, and then you can then put paid investment behind it.”
- “I really think it’s a channel for businesses both large and small. And coming from a large advertiser, but also talking to small advertisers, you may not see quick conversions in the same way, but it does drive clicks to retailers.”
- “[Amazon’s partnership with Pinterest] is so exciting, [especially] for those that aren’t DTC. You can see in the news this week that Snapchat [announced something similar](#) and had a big jump in their stock as a result.”
- “Especially if you’re a brand that doesn’t have its own DTC, the ability to drive to Amazon is huge. Or, you need to drive the flywheel for Amazon, so why not use your [ad dollars] to do that. We were doing that in the past, but we had to do it in a clunky way. Now [this new tool] is making it more seamless.”

2) Colin Carrasquillo, digital marketing manager, [Nielsen Automotive Group](#); repeat source

Pinterest is becoming more attractive as an ad platform for automobile dealerships as the platform builds out its auto-specific ad options. Nielsen Automotive has tentative plans to devote a small portion of its marketing budget to Pinterest next year after using the platform solely for unpaid, organic campaigns in 2023. The dollars earmarked for Pinterest—just a fraction of what the group spends on search engine marketing—are likely to be additional spending rather than shifting from other platforms. Pinterest has gotten better at identifying potential audiences and has made some progress moving

slightly down the sales funnel, but will never be a true lower-funnel opportunity for car dealers, making it less attractive than traditional search. Nielsen gets far more traffic coming from Facebook campaigns than from Pinterest, though the quality of that traffic is not any better.

Ad Spending Trends

- “Pinterest has [improved by] leaps and bounds. They definitely are more appealing for advertisers, not just in automotive but in many different verticals. The platform has evolved. They’ve introduced more daily life things. People can search for things, shop, and explore trends. [Pinterest] has really dialed that in, and it makes it a much better place to advertise, depending on the business.”
- “However, we don’t have any paid campaigns going on Pinterest. Organically, we are posting on pins and things like that on the boards.”
- “Ultimately, we do want to jump back into [advertising on Pinterest]. We did it when it was still very new. Dealers never really thought about Pinterest as a platform to put their vehicles on. [The lack of interest] was warranted because Pinterest would even come forward and say it: Their products for automotive were nowhere near as developed as the products for consumer packaged goods or shopping.”
- “They have taken the best of all of those worlds and built them out for automotive. There are different functionalities that they released, and with their targeting, they are able to now get it in front of the demographic and users that you want to get that information in front of.”
- “The reason why we are not on there, though, is because this is a very new development. We haven’t yet taken the budget to reallocate toward Pinterest or done the incremental spend above and beyond and put it toward Pinterest. We haven’t had that conversation yet.”
- “For 2024, we will have more of a group approach instead of each dealership operating as its own store. We will be taking the Nielsen Automotive Group brand and saying on Pinterest to the market that this is a local automotive group that has vehicles for every person and price range and lifestyle interest. That’s my game plan because I believe the group approach will be more effective than just isolating a brand.”
- “I’ve presented this road map, and now we have to come together and approve it. The plan is not implemented, but it is actualized.”
- “To put a dollar amount on it, I believe with Pinterest, a little can actually go a long way. If our group budget is, let’s say, \$60,000 per month in search engine marketing, we would allocate a much smaller portion of the budget to Pinterest, maybe starting with \$2,000 to \$3,000 per month for the whole group.”
- “You never want to oversaturate an outlet, and you don’t want to not spend enough money where your ad spend is not effective. Based upon goals, that spend is probably going to be quite sufficient for the Pinterest platform.”
- “That Pinterest budget would probably be incremental spend [rather than pulling from other platforms].”
- “Search engine [marketing such as Google ads] and Pinterest are two completely different animals. In Google search or Bing search, people are specifically raising their hands to have a specific query or keyword they put in the search bar answered. On Pinterest, it is very different. People don’t go on Pinterest looking for a Jeep dealer near them. It’s not the place to do that. That’s reserved for Google and for Bing.”
- “People are looking for inspiration on Pinterest. They are looking for menu plans. They are looking for recipes, interior decoration ideas. They are looking for ideas to decorate their cars for their children. They are looking for road trips, too. They are looking for vacations to go on. A person on Pinterest is looking for this inspiration and is pinning posts on their board, and they will go back to the board and click on those items.”
- “Based upon what people are pinning, their interests, and how they build out their profile, we gather information. That’s where the automotive side takes play. Pinterest has their own first-party data, which is different than that of others. Google has their own first-party data and Meta, too. Based on people’s activity on Pinterest, Pinterest can now say, for example, if a person is looking for baby-room ideas or new-home decoration, it’s likely that during those big life events, they are going to need a new vehicle or upgrade to a bigger car.”
- “These are identifying factors that essentially exist on Pinterest based upon users’ activity. Leveraging that data, our dealerships can put paid ads and pins and show up as a sponsored pin that shows up even when someone’s looking for something different.”
- “Travel is an example. With COVID, people started looking into vacations that they could drive to instead of taking planes. With the resurgence of the road trip, there was an opportunity that Pinterest saw, too. We know people are

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Colin Carrasquillo, digital marketing manager, Nielsen Automotive Group

Pinterest Inc.

looking for road trip ideas on these platforms in local markets. How can we as dealers get in front of these people? It is by showing them why or how a vehicle in our lineup, like a Jeep Grand Cherokee, can be the perfect vehicle for their road trip.”

- “That’s where you start getting engagements. People who are in the market for a car and are looking for a road trip see our ad for the Jeep Grand Cherokee. They become interested in why that is the perfect vehicle for their road trip.”
- “[Pinterest] is definitely a higher-funnel initiative. It’s apples and oranges compared to search. Pinterest is covert advertising. You don’t really come out and say you’re a car dealer selling cars on Pinterest. On Google, people search for a specific thing. You are in front of them; you are in their face saying you are a car dealer and sell XYZ. With Pinterest, it’s more about showing why you should consider our brand and how it fits into your lifestyle.”
- “If we were to specifically break it down into three sections of the funnel, there is high funnel, midfunnel and low funnel. With the new developments and technology that Pinterest has released, it’s moved from just a high-funnel initiative to a high to midfunnel. We are not ever going to have a low-funnel initiative on Pinterest, ever, unless they introduce actual shopping for cars, which they won’t.”
- “Pinterest is now doing shopping for consumer packaged goods, interior items, clothes; and they are linking directly to the network where you can transact, like Amazon, Wayfair [Inc./W], or Walmart [Inc./WMT]. They connect to those outlets, but they do not have that capability for automotive.”
- “Most of our spending is on SEM, search engine marketing. As soon as people show intent, we want to capture that intent. The biggest expenditures for our stores are mixed between search engine marketing, social media marketing on Facebook and Instagram, and display ads on Google’s network. Platforms like Snapchat, Pinterest, and TikTok would be ancillary or secondary. They can be complementary, but because they are not as low-funnel as a dealer needs, we will not put as much money into them.”
- “We use Facebook and Instagram primarily [in social media]. We have an organic presence, which means we’re not paying for it, on TikTok. We do not leverage Snapchat. These are also platforms that still are very new, and we are not sure of their capabilities and their overall staying power or efficacy.”
- “Dealers want to see more opportunities to sell cars. In order for a dealer to say they want to spend money with Pinterest, Pinterest has to provide opportunities. But because they are high-funnel and midfunnel, they are not opportunities that are ready to convert.”
- “They are opportunities that probably need to be nurtured a little bit. They are opportunities that might get people to your website, but that person is not ready to purchase yet. You need to rely on other avenues to get them back to your website or ultimately to get them to convert.”
- “As an example, someone might be on Pinterest looking for vacation ideas. They might also be in the market for a car, maybe in the next 90 days. Knowing that information, my dealership may have a pin there that shows why a Jeep Grand Cherokee is good for a road trip. People go on Pinterest, they see it, but they don’t do anything, They don’t click on it, they don’t interact with it, and they are gone. That’s not going to be an opportunity.”
- “However, if we continue to serve a pin to that person, there can be frequency, and that might make them click on it to see what it’s about. Once they click on it, they can save it to their board.”
- “Or, there are links that go through to the dealership website, and they might click on that link. When they are on the dealership’s website, they might not be ready to convert yet. They might leave, but we have other avenues in place that would retarget or follow that person around with advertising based upon whatever vehicle they were looking at.”
- “I can guarantee that later down the line, if they do, in fact, get influenced to buy a Jeep Grand Cherokee, they are going to go on Google, and they are going to start searching for a Jeep dealer near them or a Jeep Grand Cherokee lease offer. It all works together, in an ecosystem. That’s the example of how these are midhigh to midfunnel shoppers vs. low-funnel shoppers that would come through on Google.”
- “Pinterest holds that sweet spot [demographically]—primarily female, a little older, affluent, usually part of a household that has some disposable income and who probably makes the decisions about a vehicle purchase in a family. That suits us well.”

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- “With Snapchat and TikTok—although the average user is now older [than it used to be]—what is the type of content that you need to produce to get in front of them? Dealers still haven’t figured that out yet. Even with TikTok’s targeting, it’s another uphill battle.”
- “It’s the shopping ads [we’re most excited about on Pinterest] because they didn’t exist, and then they finally rolled them out for automotive. The ads show the vehicle and underneath a little carousel of other images of the vehicle. That’s the most intriguing and most exciting because it wasn’t a platform that existed on Pinterest.”
- “When we worked with them [in the past], I would tell them they needed to get the inventory out there. It was in their pipeline at the time, and they finally released it. In the [Dealers United case study](#), they are utilizing the shopping ads. I believe it is where you are going to get the most return on your investment, paired with the higher-funnel ads about why a vehicle is good for your road trip. That is the most exciting [product development], and they just need to figure out a way to get people to interact with those types of ads. When someone clicks on that, it will drive them to the dealership website. They also have experience ads and other things.”
- “In the Dealers United case study, you can see ones that utilized Pinterest, Facebook, Instagram, Snapchat, and TikTok. You can see how the ads looked on each of those platforms. They have examples of what the ads look like and how they can fit into a [seller’s] strategy. The results [on Pinterest] are indicative of a very high- to midfunnel platform.”

Pinterest Ad Performance

- “[We can measure engagement with our organic content on Pinterest, but] not necessarily on Pinterest. On Pinterest, you can look at the number of saves and the number of clicks. However, its [engagement measurement] is usually weaker than other platforms.”
- “If someone converted right off Pinterest, and they gave us a call, that would be all good and well. Practically, what we really want to do is to get you to our dealership website, where we can get you into our other marketing outlets. Pinterest has ways to track the engagement, but ultimately, we want to drive people to our dealership website from Pinterest and from there to utilizing our website tools like Google Analytics or even just the back end of our website so we can see the quality of that traffic. Nine times out of 10, [ad-based Pinterest traffic] is usually less quality than CM [content marketing].”
- “Pinterest is weaker because it is a higher-funnel initiative. High- to midfunnel is not going to show as much intent to someone who is low-funnel. They are not going to spend as much time on your website and have as many actions. Facebook drives way more volume [than Pinterest]. I’ve never done an apples-to-apples comparison, but if I gave Pinterest \$1,000, and I gave Facebook \$1,000, I would drive more people to my website leveraging Facebook than I would Pinterest because Facebook is actually made to drive people to websites, whereas Pinterest is made to keep people on Pinterest.”
- “I drive more traffic via Facebook, but actually, the quality of that traffic from Facebook would probably be equal to if not less than the quality of Pinterest. The question is, would I rather drive more traffic to my website even though it’s not great quality [as with Facebook], or do I drive less traffic to my website even if it’s just mediocre quality [like Pinterest]? In that case, I have to spend my money on Facebook. If the quality was better [on Pinterest], maybe I would spend more money with Pinterest, even though I’m not going to drive as many people to my website. If I’m driving higher quality vs. quantity, that’s what I want.”

“If I gave Pinterest \$1,000, and I gave Facebook \$1,000, I would drive more people to my website leveraging Facebook than I would Pinterest because Facebook is actually made to drive people to websites, whereas Pinterest is made to keep people on Pinterest.”

Colin Carrasquillo, digital marketing manager, Nielsen Automotive Group

New Ad Products and Measurement Tools

- “We track traffic on our organic posts, and there is more traffic [from Pinterest compared with last year]. Compared to last year, the increase in traffic this year is about five times.”
- “Pinterest has their own metrics, and they’ve always had their own reporting. But they have a disconnect between the campaign reporting—what we can actually see on Pinterest’s tools, their back-end dashboards and tools—and the results or ROI at the dealership. Attribution is always a challenge, and it’s a challenge with every single platform. It’s a challenge with Snapchat and even with Google ads, which should be like advertising one-on-one.”
- “The reporting has gotten stronger on the Pinterest platform, but dealers [like us] also need to leverage things like their website analytics and Google Analytics to actually see activity from those platforms on our own website.”
- “There are more people on Pinterest, and the demographic on Pinterest is the demographic that an automotive dealer, as well as other verticals, would want to market to and go after. It makes sense to be there, whether it’s through paid avenues or organic ones.”

Other Key Issues

- “Pinterest has always had a very hands-on, eager automotive team. There was some downward consolidation and restructuring prior to us ending our spend with them because they were not having enough success with automotive.”
- “Dealers need to be open-minded about the platform. You definitely need to have a full understanding of how the purchase funnel works. You need to be OK with Pinterest being a high- to midfunnel advertising outlet, and you need to understand that you might not sell cars directly from Pinterest, but it could influence car shoppers to come to your website or dealership through additional avenues.”
- “I believe they can [expand into other verticals]. They’re going to have to innovate, astronomically. I don’t know what that means exactly and I say it with a grain of salt. They’ll figure it out. They’re quite resilient.”
- “They figured out a lot of the business that they didn’t have before, especially with the shopping ads, but I don’t think automotive is going to be as easy of a nut to crack. The reason for that is, along with the housing market and auto market both being absolutely crazy and out of control, this will be probably the second most expensive thing that a person will ever purchase in their life. I don’t believe showing a pin of a vehicle over and over is going to help sell that \$60,000 to \$80,000 vehicle. It’s not a garment nor a potted plant for inside your house. It isn’t a couch. It’s a car.”

2) Ad Agencies

All five sources in this silo expect client spending to grow in 2024. However, only one source suggested that such growth would be significant, predicting a doubling of spending. Overall, Pinterest remains a relatively small part of digital ad budgets, garnering far less share than Google or Meta’s Facebook and Instagram. Pinterest’s smaller audience size makes it less effective for sustained ad campaigns, as saturation points are quickly reached, one source said. Two others said some clients and agencies shy away from Pinterest because using it effectively is so different from other platforms. On the plus side, Pinterest’s high-quality, first-party data is attractive, and the platform has shown an ability to use AI to build target audiences, one source said. Another said client interest in Pinterest is growing as more data becomes available on the platform’s effectiveness. Two sources said clients have seen strong results from Pinterest ads, including one with a client that saw a far lower cost per acquisition than expected during a long-term campaign. Two others, however, said results have been more mixed, citing lower cost per impressions but a lesser return in terms of sales or other direct responses. One said Pinterest can generate an ROI of as much as 700%, but that return declines as spending scales. There is not much excitement about Pinterest’s plans for a more automated ad process, three sources said, as such a system would mean less control for advertisers and agencies. The combination of such automation with AI-based creative tools will make it easier for smaller and less sophisticated advertisers to make their way into user feeds, which will increase costs and crowd out ads from larger and savvier brands, one source said. Pinterest’s ad performance measurement tools are fine but not as good as those of some peers, said two sources, including one who said measuring attribution on the platform is a big problem because people can use Pinterest without logging in. Three are using Pinterest’s API for Conversions but said that it is too early to gauge its impact and that connecting to it is complicated. Two sources said they have interest in some of Pinterest’s new ad formats—such as lead ads, quiz ads, and its travel offering—but one of those reported technical difficulties with several of the new tools. Two said Pinterest’s partnership with Amazon has enormous potential for Amazon sellers to reach new audiences. One said Pinterest has a lot of room to grow international revenue and is seeing an uptick in the UK and, to a lesser extent, France.

Key Silo Findings

Ad Spending Trends

- 3 of 5 said client spending on Pinterest ads was up this year.
 - o 1 said such spending more than tripled from 2022.
 - o 1 said Pinterest ad spending was up slightly.
 - o 1 said her agency began paying for Pinterest ads for the first time in 2023.
- 5 said Pinterest ad spending is likely to grow in 2024.
 - o 1 said it could double.
 - o 1 said it could be up slightly.
 - o 1 said social media advertising in general should be up significantly in 2024 as clients are becoming more aware of its effectiveness.

Pinterest Inc.

- 1 said Pinterest remains a lower-tier ad option that can be helpful for seasonal or quick-hit advertising, but its smaller audience size makes it less effective for longer-term or sustained campaigns.
 - o He does not see signs of real improvement on Pinterest.
- 1 said Pinterest's high level of first-party data is helpful for retargeting and will become even more of an advantage when tracking cookies are phased out.
 - o 1 said Pinterest is using AI effectively to build target audiences.
- 1 said client interest in Pinterest is growing, especially as more research showing its effectiveness becomes available.
- 2 said an obstacle to increased spending on Pinterest is that the platform is much different from what most advertisers are used to and requires an agency well-trained in how to use it effectively.
 - o 1 said clients are increasingly comfortable using Pinterest for unpaid, organic efforts, but persuading them to put money into the platform remains difficult.
- 4 said Pinterest remains a small portion of overall ad spending.
 - o 1 said Pinterest represents about 15% of his agency's total digital ad budget.
 - o 1 said a main client spends about five times as much on Meta ads as on Pinterest.
 - o 1 said Facebook and Instagram account for about 80% of social media ad spending.
- 4 said Facebook and Google remain the dominant ad players, but 3 of those also said Facebook's overall share is declining.
 - o 1 said Pinterest is not as innovative as Facebook or Google.
- 2 said increased budgets for Pinterest will represent additional spending, while 1 said the money will be pulled from TikTok and Meta.
- 2 said ad spending on Twitter has collapsed.
- 1 said Reddit is showing signs of rebounding as an ad platform, and 1 said LinkedIn is becoming more appealing.
- 1 said Pinterest is considered a safer platform for brands than other social media.
- 1 said Pinterest would benefit from better client service.
- 1 said Pinterest's recommendation engine, including what is generated through AI, needs improvement.
- 1 said a better experience for users that results in more engaged consumers would help persuade advertisers to spend more on Pinterest.

Pinterest Ad Performance

- 2 said clients have had good results with Pinterest ads.
 - o 1 said it has proved surprisingly effective as a client acquisition tool for an e-commerce brand.
 - An 18-month targeted advertising campaign on Pinterest resulted in increased sales and a far lower cost per acquisition than expected.
- 2 said Pinterest ad performance has been mixed.
 - o Both said CPMs are lower on Pinterest than other platforms, but measurements of conversion or other immediate actions are not as good.
 - o 1 said Pinterest's performance is not even close to that of Facebook or Snapchat.
 - o 1 said engagement is lower on Pinterest, and targeting is not as precise as with Facebook and LinkedIn.
- 1 said Facebook provides a better ROI.
- 2 said Pinterest is making progress in moving down the sales funnel, including 1 who said it is an effective midfunnel platform.
- 1 said Pinterest can generate an ROI as high as 700%, but that figure declines as spending increases.
- 1 said Pinterest's 60-day conversion window for reporting and measurement purposes is too small, especially for travel clients.

New Ad Products and Measurement Tools

- 3 said they are not especially interested in Pinterest's plans for a fully automated, end-to-end suite of advertising tools.
 - o 2 said they do not like that such systems take control of ad campaigns out of the hands of agencies.
 - o 1 said Google's similarly positioned Performance Max system is frustrating because it is a black box of sorts that does not allow advertisers to see the type of people engaging with ads.
- 1 said new automated and AI-based tools could help level the playing field for smaller and less sophisticated advertisers, but that will be a net negative for bigger and more savvy clients.
- 1 said broad targeting capabilities based on general demographics are becoming less important for digital platforms, and the future will revolve around using AI to build audiences based on conversion feeds.

- 2 said Pinterest's ad performance measurement tools are solid.
 - o 1 said they are not as comprehensive as Meta's.
 - o 1 said she needs to use off-platform tools like Google Analytics to supplement Pinterest's measurement system, but the data between the two is getting closer.
- 1 said attribution on Pinterest remains a problem largely because people can use most of the platform without logging in.
- 3 said they are using Pinterest's API for Conversions.
 - o 1 said advertisers are not connecting to it directly but rather through [Shopify Inc.](#) (SHOP).
 - o 1 said it has the potential to improve attribution.
 - o 2 said it is too early to know the impact.
- 1 said clients are not using Pinterest's API for Conversions because connecting is too complicated.
- 1 said her agency is most excited about Pinterest's new lead ads because they can provide more tangible results.
- 1 said clients are excited to try Pinterest's quiz ads, but there have been technical difficulties to date.
- 1 said Pinterest's new [Travel Catalog](#) has great potential but, again, has run into technical problems.
- 1 said a change on Pinterest has resulted in an enormous increase in click-throughs to advertiser websites, though some of that traffic is more accidental than intentional.

Other Key Issues

- 2 said Pinterest has an opportunity to appeal to advertisers beyond its traditional core, including consumer packaged goods and travel companies.
- 2 said Pinterest's partnership with Amazon has a lot of promise.
 - o 1 said its success will hinge partly on Amazon's ability to push consumer data to Pinterest in a privacy-compliant way.
 - o 1 said the partnership will allow Amazon sellers to reach new audiences, including those unaware of or specifically searching for their products.
- 1 said Pinterest has a lot of room to grow revenue internationally.
 - o The platform already is gaining a lot of traction in the UK and is picking up in France as well.

1) Founder and chief creative officer of a West Coast agency

Client spending on Pinterest tripled in 2023 and may double again next year. Increased spending is likely to come more from TikTok and Meta than from Google. Pinterest could garner even more market share with a better user experience, better client service, and a better recommendation engine. Its plan for a fully automated ad system is not very appealing, as it means a loss of control for advertisers. Pinterest's AI capabilities mostly serve to level the playing field—boosting the performance of lesser advertisers while hurting brands with great ads, great products, and a receptive audience. There is a sweet spot of about 600% to 700% ROI for client spending on Pinterest, but the return does not scale beyond that point with more spending.

Ad Spending Trends

- "We've more than tripled [our spending on Pinterest] from last year, across all of our clients."
- "Next year, we're trying to spend more, at least double what we did this year."
- "It depends on the client [where that extra spending comes from]. There's always the potential just to get incremental [increases] from a particular client. But for us, [increased spending on Pinterest next year] would probably come from TikTok and from Meta, because the performance on Google is still superior. Depending on the client, the performance from Google is usually better."
- "We do have clients that are very heavy on Meta—say, for instance, a lifestyle brand—and less on Google. So for that scenario, we can reach the end user on Instagram, [and any dollars steered toward Pinterest] would come from Google. But in the scenario where there's a high searchability on Google or high intent-based activities on Google, we're most likely going to take a little bit from TikTok and a little from Meta and fuse that into a new budget for Pinterest."
- "On average, I'd say Pinterest is about 15% of the total marketing digital ads budget for my clients."
- "What I'd like to see from Pinterest—and all the platforms—is just better client service, not just the boilerplate approach."

- “The auto recommendations often don’t benefit the client; those things that are either coming through the AI engine or just [Pinterest’s] existing engine, they’re not helpful. If [Pinterest] is going to spend time building these new products, they’ve got to find a way to create recommendations that are actually going to benefit the advertiser. Advertisers, especially smaller businesses, are always willing to invest more. They just need a decent return.”
- “[What’s also needed] is a better user experience for the end user. Find ways not just to make money but to bring in users and engage them more, adding value to their day. That’s something advertisers want because we want to reach people who are engaged on the platform, not just better advertising tools. Advertising often sucks, especially for consumers, so you want to feel native and integrated into the platform.”
- “A better user experience, better client service, and better recommendations [are ways Pinterest could garner more ad share].”

Pinterest Ad Performance

- “We utilize Pinterest for several e-commerce brands. The platform is really solid. The closest thing in terms of maturity is probably Meta, in terms of the landscape and user experience.”
- “Pinterest sits in a nice spot in the marketing funnel; they’re used as a discovery tool for brands. The way we utilize it for marketing is in that middle-of-the-funnel phase, and it does really well for us there.”
- “This last summer, however, we found it difficult to [spend on Pinterest] in the same fashion, at the same level of performance expectation. As soon as you start dialing spend up, you’re not getting the same return.”
- “What we’ve found to be the ROI point which gets us the most volume within our goal is 6x or 7x over the year. In other words, 600% or 700% ROI. After this, we’ve seen returns start to go down. That allows us to spend the most that we can on the channel.”
- “On average, that’s [the ROI] we see for luxury clients, CPG [consumer packaged goods], small-kitchen-appliance clients, and some other jewelry advertisers.”
- “Pinterest is not as innovative as Google or Facebook at this point. All they’re going to do is follow the leader. TikTok wants to follow Amazon’s lead with e-commerce, so they’re literally going to re-create all that e-commerce functionality on their platform. Pinterest, likewise, sees the success and the winds of [Google’s] Performance Max, which was successful. But it was also a black box, which is annoying; it doesn’t allow you to see where your ad is and what kind of person is engaging with it.”

New Ad Products and Measurement Tools

- “I wouldn’t say we’re excited [about Pinterest rolling out fully automated, end-to-end offerings] because most savvy advertisers and brands know that what this is, is a loss of control.”
- “My point of view is that, as a marketer, [using automated systems] is allowing the platform to spend the money as they choose, to target the ads as they choose, to place the ads as they choose. But oftentimes, this doesn’t make a whole lot of sense for advertisers or marketers because you might create content that isn’t meant to be cropped and shown in a particular format, or that piece of content was made in mind for maybe a lower funnel placement vs. more broad.”
- “It’s an algorithm or mining approach that’s basically learning from the performance of the ads that have been most successful, and now they’re going to deploy this to everyone. But what this means is that it’s harder for the better ads that should get served to serve.”
- “Another way to think about it is there is only so much [ad inventory] on each of these platforms. So let’s say you have a really good ad and a really good audience and product. People want this, and all you have to do is get it in front of as many people as possible. What Google, Meta, and Pinterest are going to do is basically say, ‘We’re going to divvy all this [ad space] up because someone here—who may not be the best advertiser—is willing to only do 2x performance,’ making \$2 for every dollar you spend. While elsewhere, a [much better] ad used to be able to get 10x performance, and now it’s smashing everyone’s performance, so we will level it down [to get more of an average performance]. One advertiser is being leveled up, but the other one who deserved to do better is being leveled down.”
- “In terms of the newer ad products, [Pinterest] obviously introduced video pretty recently. They do rank really high on Google; they rely a lot on Google traffic in terms of the image searches. What we consult clients on doing is making image graphics, and even the advertising that we utilize on the platform is not exactly the traditional ad. It’s more like educational almost or informative.”
- “I don’t have specifics on [Pinterest’s] newer tools, but all of these platforms are being infused with AI. And every single one of them is going to get a reset, a reboot, with all the new technology. Most of that technology is going to be piped in through a handful of the bigger AI engines, like [OpenAI](#), the LLMs, the large language model platforms.”

- “All these platforms, in terms of their ability to help clients create advertising on the fly or create videos that traditionally would cost a lot, they can generate those things from scratch [much more cheaply] now. The tools and skill sets that traditionally only bigger brands had access to, smaller brands now have at their fingertips as well and don’t have to cut corners [on the quality of their ads].”
- “I think what that’s going to do is level the playing field, in that the tools are now accessible to everyone. This means more advertisers, more noise, more oversaturation. Consumers’ eyes are going to have to be sharpened toward what is essentially more authentic. The message is going to be the most important thing, because the visuals are not going to be vastly different when you compare a smaller startup to a massive brand.”
- “Pinterest is making progress [in terms of moving down the sales funnel]. I noticed it for the advertisers that we have on the platform. We don’t spend a lot because we can’t. We try to spend more; but, for example, when you get 12x [the return] when you spend on campaigns, your client wants you to spend more, and you try to spend more. But it goes back to that issue where as soon as you start spending more, you have to start lowering your performance expectation.”
- “What we do is different than what other advertisers do, meaning that we’re still in control of how we bid, where we place the ads of our audience profiles. What ends up happening is that the platforms are trying to tell us their algorithms are smarter than us: ‘Just give up the controls, and we’ll do it for you.’ I’ve seen that work for a client that may not have the best creatives and the best offering, which aren’t really clients we work with.”
- “Yes, we are [using Pinterest’s API for Conversions] for Shopify. It’s more about more accurate attribution [vs. targeting]. But of course, it impacts everything, including targeting in some way. At the same time, it just gives us a better view in terms of what’s being attributed to the platform in terms of sales, certain e-commerce events that are occurring. It’s very accurate, and the integration is very seamless. But that connection happens through Shopify. Most advertisers don’t code up to the API unless they’re larger advertisers with bigger development resources.”
- “We don’t have a lot of app clients, but I would think [the deep-linking capabilities] are pretty fundamental [rather than a meaningful advantage]. Facebook had that capability.”

“All of these platforms are being infused with AI. ... What that’s going to do is level the playing field, in that the tools are now accessible to everyone. This means more advertisers, more noise, more oversaturation.”

Founder and chief creative officer
of a West Coast agency

Other Key Issues

- “Those [newer ad] capabilities were already there for marketers who knew how to leverage them most effectively. What’s happening now is that the control is being taken away. The AI will find the ways to push the ad further down the funnel; but you as the marketer may not know, or have an effective view, on the attribution.”
- “[You won’t necessarily be able to see that] the consumer saw this ad, then they saw that, then they converted here. We used to be able to have that view; but now it’s more like, ‘Your Performance Max got you this much for this much spend.’ So it will be a 2x or 3x ROI.”
- “We’re kind of being conditioned to expect lower results, and that’s not sustainable for a lot of businesses. For the big conglomerates it is because of the way their supply chain works. But for a smaller startup, you can’t survive like that. It’s why you’re always fighting advertisers trying to find the next thing, to get early on a tool, because they’re getting squashed by all the disruption, and [smaller brands] don’t have the margins like the huge brands do.”
- “I can foresee a version of Pinterest going into other verticals that it didn’t traditionally [appeal to]. CPG is one. It seems like it’s gone into a space where moms use it to find the safest product for a kid with skin allergies, for example. It’s become a space to find the latest and greatest tips when it comes to the category that you’re searching in.”

2) Senior executive at a midsize agency specializing in big-name clients at a regional level; repeat source

Pinterest remains a lower-tier ad platform with less share than Facebook and Snapchat among social media options. Clients use Pinterest seasonally or for quick-hit campaigns but not for long-term efforts. Pinterest is among several platforms benefiting from Facebook’s reduced reach as the latter loses eyeballs to TikTok, but no major spike in Pinterest spending is on the horizon. Pinterest’s fortunes could improve as cookies are phased out, but as of now, it falls short of some peers in attribution because users can access the site without logging in. Pinterest could benefit from its partnership with Amazon if the latter could feed its data in a privacy-compliant way to Pinterest.

Ad Spending Trends

- “Our spending on Pinterest has gone up slightly as Meta’s hold has started to fracture and splinter. We are reinvesting our dollars elsewhere, and Pinterest is gaining from that. Facebook is not hitting as hard as it used to. As people move away from Facebook to TikTok, Facebook’s reach is degrading, so we want to diversify to go where the eyeballs are.”
- “Snapchat, TikTok, and Pinterest, to an extent, have gained more spend, whereas Twitter [X Corp.] has collapsed. Facebook still controls the majority, but their majority stake on share has decreased, and that has benefited everybody else.”
- “[Overall] ad spending has increased compared to last year, but this is because some of our clients—such as insurance [companies] in California—new companies are trying to recapture audiences as major ones have pulled out.”
- “For 2024, I expect spending on Pinterest to be either flat or slightly increased. I don’t see a substantial increase on Pinterest year over year, but I also don’t see it going down at this time.”
- “I don’t think anything has improved or changed [with Pinterest since they’ve rolled out their new tools].”
- “We see Pinterest as a third- or fourth-string network of players. Seasonally or even periodically, it’s good for pulse advertising—because its audience isn’t large, and you hit a saturation point quickly—but it’s not good for long-term, sustained advertising. Because of that, we don’t utilize their tools as thoroughly as with some of our first- and second-string players.”
- “I don’t think their attribution structure is anything like Facebook’s. [Users] can access Pinterest from outside the log-in wall [so their activity is not tracked]. As attribution and sign-in become more important, it’s going to be even more the case. I could change my feelings in a year, but not right now.”
- “With cookies going away, attribution is going to become more important. With Pinterest, you can access most of the site without logging in. It’s going to be interesting how that will affect Pinterest’s overall infrastructure.”
- “It’s interesting that Pinterest is coming out with a new reporting system and attribution as traditional programmatic loses the ability to report on conversions. People are going to start looking to more logged-in walled gardens to place their investment dollars. If anything, that will become more important for Pinterest.”
- “As we see the traditional spaces in programmatic start to lose visibility on attribution, with authenticated traffic sign-on—when you give people the right to track you—Pinterest has an opportunity to capture some of those dollars.”
- “Pinterest is not necessarily getting better. They’re not even close to Facebook nor even to Snapchat. They are still a third-string social network that has a very particular niche audience and niche return on investment. I don’t think their stake will increase substantially, even if Facebook falls tomorrow. Maybe if their audience or base changes somehow, like Reddit, which started having a renaissance recently, but I don’t see that happening with Pinterest.”
- “[Improved] reach—increasing the amount of people engaging with their product and comparing that to sign-in conversion feedback loops—[would help Pinterest]. As we start to see traditional programmatic floundering as cookies deprecate, these could be areas of opportunity for them to make some money.”

“Our spending on Pinterest has gone up slightly as Meta’s hold has started to fracture and splinter. ... As people move away from Facebook to TikTok, Facebook’s reach is degrading, so we want to diversify to go where the eyeballs are.”

Senior executive at a midsize agency specializing in big-name clients at a regional level

Pinterest Ad Performance

- “Because we are a performance advertiser, Pinterest’s CPMs [cost per thousand] are great. But for us, it’s all about return on investment. We have online goals, so CPA [cost per action] is more important for us. CPMs go down if there are more users, so that would be great for us. But we measure value based on the cost per action. The higher the cost of a thousand units, the more expensive the cost per action is going to be.”
- “Usually, CPA is indicated by supply and demand. CPM usually goes down if there is more supply than demand. That means they need more users. Compared to other platforms, Pinterest is again third string in this area. They would be the last platform we go to.”
- “In our field, we consider engagement numbers to be bloat numbers. They’re like fatty metrics, not muscle. They make your campaign look bigger, but they don’t actually provide value. At the end of the day, someone could click 100 million times. But if they don’t buy anything, they’re not worth it.”

New Ad Products and Measurement Tools

- “Because Pinterest is more pulse advertising, we haven’t focused on their new tools as much.”
- “Broad targeting is OK [on Pinterest], but as we move to the future, targeting is not that important. It’s very 2014. In the future, you’ll need AI and deep learning.”

Pinterest Inc.

- “We’ve been investing and moving away from things like, for example, wanting to reach women who drive a Prius and own a German Shepherd. Instead, it’s: ‘Here’s a conversion feed, and here are the users that are converting. I want to find people like that.’ We’ve found far more success in going after high household incomes or women or things along those lines.”
- “Yes, [we are using Pinterest’s APIs for Conversions]. I’m not sure yet about the impact on targeting. We are hoping that the algorithms give us good insight, but Pinterest remains not a first budgetary line item for us.”
- “We haven’t looked at [Pinterest’s mobile deep-linking]. We don’t do mobile apps that much.”
- “I have not looked deeply into [Pinterest’s] self-serve platform and generative AI tools. I assume it’s in line with the market. The problem is that AI is a marketing term. Those learning models are great, but I don’t think they’re there yet and ready to be let off the leash. We continue to use ChatGPT 4, and we’re also researching other tools.”
- “As an advertising agency with creative directors and other creatives, AI is still a dirty word. It’s something we’re moving toward slowly. The recent Hollywood writers’ strike was all about AI.”
- “At the end of the day, AI is a calculator. AI is going to help you, but the person behind the calculator has to know what they are doing. AI is important because we want to put our very talented professionals behind it and generate new, innovative ideas. But with or without AI, the systems we use aren’t going to be knocked off their pedestals that easily.”
- “We wouldn’t be interested [in Pinterest’s end-to-end automated system]. I built the programmatic desk, and I don’t need buying inventory on my behalf. I can do that myself. For a less sophisticated advertiser, it could be a lucrative option. But these tools are essentially just a demand-side platform that buys outside advertising with your audience. We are far more advanced than that.”
- “Our clients are mostly automotive and insurance. We don’t really dabble in shopping ads and CPG products. Their intention to move down the funnel is not something I am looking at.”

Other Key Issues

- “I think there’s a possibility to make [Pinterest’s partnership with Amazon] powerful. Amazon in the future is going to be king, and with the FTC [looking at] Facebook and Google as the largest walled gardens, Amazon has some runway to do things before the government gets to them. If they have the ability to push their data into Pinterest—because they have [clean rooms](#), etc.—it could be an interesting opportunity to look at.”
- “Although Amazon is very product-driven, if they could send data across their systems in some sort of privacy-compliant way, if they are able to feed the AI from Amazon to Pinterest, that could be interesting.”
- “There are opportunities in other areas, like auto. If you can’t track people except in the walled gardens, that’s where the dollars are going to go.”

3) [Georgie Boyle](#), social media executive at [Signify Digital](#)

A few clients have started doing paid advertising on Pinterest this year, and the dollars earmarked for the platform should increase in 2024. It is gaining some mindshare and benefiting from more research about ad performance. However, there is still a learning curve involved with using Pinterest, and advertisers need to understand that a return can take as long as a year to materialize. The visual aspect of Pinterest makes it a good fit for travel advertisers, but it can be difficult to find a good match with other industries. Pinterest is a niche social advertising platform, and Meta continues to dominate that landscape. Because Pinterest is fairly new, agencies still need more ad performance data to persuade advertisers to invest.

Ad Spending Trends

- “We have a small number of clients doing paid advertising on Pinterest. It’s still very new. I think [Pinterest] is going to be quite a big thing, but for now, we primarily focus much of our paid advertising on Meta and LinkedIn.”
- “It’s quite difficult with Pinterest because it’s very different. Even organically it’s different because it’s more about visibility.”
- “Finding clients that the platform is relevant for doesn’t necessarily match up easily. Many of our clients are in the healthcare space and travel industry. We use Pinterest mainly for travel clients.”
- “Our spending this year on Pinterest has increased because we didn’t spend anything on advertising on Pinterest last year. Hopefully, the spending for

“It’s quite difficult with Pinterest because it’s very different. Even organically it’s different because it’s more about visibility. Finding clients that the platform is relevant for doesn’t necessarily match up easily.”

Georgie Boyle, social media executive
at Signify Digital

2024 will be up. We have a lot of new clients, and many are in travel.”

- “As an example with one of our clients, their Pinterest budget is about one-fifth of their Meta budget.”
- “Our Pinterest spend is incremental, not coming from other social media.”
- “X is sick. We’ve completely pulled advertising from there. Clients are leaving X. It’s unpredictable. We haven’t stopped activity completely because we use it organically, but [activity on X] is from a PR perspective, for things like running polls for research purposes.”
- “LinkedIn used to be much more of a professional platform, B2B. Now we are seeing people using it a lot more freely. That means that many more companies are interested in advertising there. There’s space there for other businesses and industries.”
- “Meta still monopolizes all. At the moment, it is the best social media advertisement platform. We’ve seen even more inquiries about it this year.”
- “Our 2024 total ad spend will be much higher [than 2023] across the board because more companies are becoming aware of social advertising. Google advertising has been around, and people are aware of it. But we are seeing more people inquiring about our social advertising, especially this latter half of the year.”
- “I think Pinterest is going to become more important because, this year especially, I’m seeing more people talking about the platform. There’s also more research coming out about it. Pinterest has been around for a while, and people have been aware of it, but not so much from a business perspective. It’s been, rather, for inspiration—for example, if you’re moving house, and you’re looking for ideas. More business are now becoming aware of it, and you see more businesses advertising on it as you’re scrolling through.”
- “It will take time. Business clients are not likely to decide to start advertising on Pinterest tomorrow. You have to build up a presence before embarking on advertising there. Meta still completely monopolizes the advertising space on social media platforms. It will take longer for Pinterest than just next year.”
- “We are also using more organic content on Pinterest. People are coming around to the organic side more. From an organic point of view, it’s easier to talk to clients about it. But when it comes to doing the budget behind it, it becomes very difficult to talk to them about Pinterest. They are more into Google or Meta.”
- “Pinterest is the most beneficial for [advertisers] who have a physical product to sell. That KPI [key performance indicator] is going to be easy [to see] how much ROI are they getting from advertising on the platform. That’s easy to track. However, for agencies like ours where we don’t have that many clients who have a physical product, except arguably in travel, it’s more complicated.”
- “I don’t know if it’s Pinterest that has to make changes. The platform is what it is. When we’re putting a strategy together, Pinterest, Meta, and LinkedIn each offer what they individually offer. Depending on the business, we would recommend platforms for them. It’s more understanding for what type of client it works. It’s a niche advertising social platform. It’s not going to be for everybody.”

Pinterest Ad Performance

- “Pinterest is much cheaper compared to other platforms, but it’s more of a long game. You don’t get the same kind of immediate results. That’s why it’s also quite difficult to sell to clients. You can’t say they’ll see results in the first month because they probably won’t. They can’t expect us to report results right away.”
- “Engagement is less on Pinterest compared to other platforms. Without specific numbers, the metrics look different on Pinterest. You want it to be seen by a lot more people. The benefit of Meta and LinkedIn is how specific you can be with targeting. You can’t be that specific with Pinterest. With too much targeting, your ads aren’t going to be seen—which, after all, would be the whole purpose.”
- “Yes, [people increasingly see Pinterest as a place to shop]. There’s a new term—social media optimization (SMO)— similar to what we’ve had with search engine optimization (SEO). The term SMO has become more important this year because platforms such as Instagram and Pinterest have started ranking organically on Google. This means that optimizing social content and social ads has become much more important to try to increase organic awareness.”

“Pinterest advertising is still in its early days, so we have to sell it as well. ... For now, we still don’t have that much evidence to back up what we say, so it’s quite difficult to sell.”

Georgie Boyle, social media executive
at Signify Digital

New Ad Products and Measurement Tools

- “Pinterest advertising is still in its early days, so we have to sell it as well. The more data we get and the more we are able to advertise there and to feed back, the easier it will become to sell. For now, we still don’t have that much evidence to back up what we say, so it’s quite difficult to sell.”

- “Targeting can be precise, but they are not as extensive as Meta yet. Some of these options lend themselves well to travel companies. This is one of the reasons they are trying to do a big push in the travel industry.”
- “[Ad measurement] has all been up in the air as Google Analytics [moves over to GA4](#). It’s been a massive shift as they completely changed the platform since July. Our tracking marries things up with what we see on the platform and what’s on GA4, and we align them together for tracking and reporting. I don’t know if it’s all marrying up perfectly yet. That goes for other platforms, too, not just Pinterest. There have been a few kinks in the transition, causing some issues.”
- “Pinterest ad measurement capabilities are good, [but] they still have a ways to go to catch up with Meta.”
- “The new ad tools are OK. They are definitely making progress with moving down the funnel. Those are the kinds of things Pinterest needed to be working on because those are the kinds of things performing well on Meta.”
- “We do use Pinterest’s API Conversions. We haven’t been using it long enough, though, to know the impact on targeting.”
- “I’m most excited about their lead ads because, for tracking, they can be more specific, and the results are much more tangible. We use lead-generation ads on Meta, and we can literally go to a client and show the number of people who have inquired.”

Other Key Issues

- “Yes [they can expand their appeal to new verticals like travel and fashion]. Those are all very visual-experience-focused industries. With travel, you are selling an experience. With fashion, it’s a very tangible thing, where also you want to sell that experience. They are all very visual industries, and that’s what the platform lends itself well to. It’s a very visual platform.”
- “But again, Pinterest is a much slower burn than any other platform. To see a return, it’s important to first establish an organic presence before entering the paid side. It can take eight months to a year probably.”

4) Founder of a European marketing agency focused on travel and e-commerce

Some clients are increasing their spending on Pinterest and testing some of the platform’s new ad formats. However, it’s too early to know whether the newer tools will lead to meaningfully more spending in the short term. Pinterest’s new Travel Catalog has massive potential, for example, but has technical problems that need to be ironed out. Pinterest has good first-party data and is using AI effectively to translate that data into look-alike audiences that advertisers need. It has improved the reliability of its measurement data and has made a recent change that is resulting in an enormous increase in click-throughs to advertiser websites. Pinterest’s partnership with Amazon has the potential to be a game-changer with wide adoption. Pinterest is benefiting from clients wanting to diversify their spending from Facebook and Google, but using Pinterest effectively takes a level of expertise that many advertisers and agencies don’t have yet.

Ad Spending Trends

- “For one of our clients, I know they will spend more [on Pinterest next year]. It’s an Australian client that has seen very steady growth from Pinterest. They were just advertising in Australia, but now they will advertise in the UK and potentially France as well and are considering other countries. This client has seen a very steady growth from Pinterest because they’re a brand that is one of the only ones in their space that is very active on Pinterest.”
- “I would say that [increased Pinterest spending for that client] doesn’t impact their budget in other areas very much. However, another client I work with who focuses solely on Pinterest right now is having a lot of success with organic Google. The interesting thing there is that they’re not spending on paid advertising on Google. Everything is organic, and they’re getting a lot of organic traffic, but they are paying for Pinterest.”
- “[Current spending on Pinterest] is not because of the new tools. All they’re interested in at the end of the day is to get more website visits or get more conversions. Whether that’s done through one ad type or another [I’m not sure it makes a huge difference]. Having said that, they are keen to try out some of the new tools.”
- “What I have noticed is that clients who come to us are wanting to diversify their budgets. I think there’s a certain Google and Facebook fatigue that’s setting in, and people just want something different.”
- “Also, because of the general vibe of Pinterest, you’re not distracted by what people are saying on Facebook, for example. And on Google, people are getting tired of putting all their budget there—it’s expensive.”
- “The risk is lower [on Pinterest] that you get associated with views from people and places you don’t want to be associated with. Pinterest is a happy place where people go to plan, and those factors could swing the balance [of spending].”

- “I think the reason agencies don’t guide their clients to Pinterest is because they don’t know a lot about it. What I’m finding is that when people come to us, it’s often because they’ve tried it with their agency or their agency is not really interested, because it is quite different from Facebook or Google advertising.”
- “It requires an investment on an agency’s part to train someone, or at least two people, that can work with Pinterest. That is also why if brands work with an agency that doesn’t provide [knowledgeable] Pinterest services, they might allocate the spend, but they don’t get results, and it goes by the wayside. I think there’s a lot of that.”

“The reason agencies don’t guide their clients to Pinterest is because they don’t know a lot about it. ... it is quite different from Facebook or Google advertising. It requires an investment on an agency’s part to train someone.”

Founder of a European marketing agency focused on travel and e-commerce

Pinterest Ad Performance

- “[One e-commerce client] has been doing especially well in client acquisition [through Pinterest], which is one of the things people really underestimate. It’s a great way to introduce your brand to people, whether they are searching for your product or not. It’s a great way to build retargeting audiences, for example.”
- “[With this client], we ran an 18-month targeted advertising campaign on Pinterest which increased sales and resulted in a substantial reduction in cost per acquisition (CPA). In the first eight months, we achieved an average CPA of \$47—their target was \$75 or lower. In the same stretch this year, we were able to reduce that CPA to an average of \$30, with the current figure even lower.”
- “All of this data, it’s a lot of on-platform data. And as we head toward a cookieless world, the information [on Pinterest] stays there; it’s first-party data. If ever we have to give up on cookies, on the Pinterest side, you can easily retarget people who are engaged with your content.”
- “I think that is an area that could work very much in Pinterest’s favor. They gather data on people’s intent or interests, and with AI they make connections between things people are interested in and are then able to build different kinds of audiences, just like Facebook has [look-alike audiences](#).”
- “My main issue on Pinterest is that you have a 60-day conversion window that you can report on. It used to be 90 days. This is a problem for brands. For example, I have a travel client; and when you go traveling, you don’t necessarily decide that in a 60-day window. And so it’s an issue.”
- “I’m really trying to get [that travel client] to connect to the [Pinterest] API because I think we’ll be able to get more data over a longer period of time. I think we are not able to measure exactly right now with this 60-day window how many conversions they are getting from Pinterest. Some people may plan for a short period, but most will plan a trip out over a year or maybe even longer, and we’re just not capturing that data.”
- “I think the API [for Conversions] is great, but it’s not easy to connect it; you need some technical people to connect. I think it should be an easy integration, and everybody should be able to do it, in the same way you connect Shopify to Pinterest. There needs to be an easy tool to enable that API integration.”
- “I think the measurement tools that Pinterest provides give a good idea of how your ads are performing. You do get a lot of information about the click-through rate, the cost per acquisition, and almost everything you want to know. What I tend to do is cross-check it with Google Analytics. All these platforms measure slightly differently, so you can never really be completely aligned. But what I’m finding is that whereas previously, the way Google Analytics was reporting data on website traffic from Pinterest and what Pinterest was reporting, for a long time these were very much out of sync. But over the last year to 18 months, the [two sets of data] are a lot closer.”
- “We’ve got GA4 [Google Analytics 4], and we have Pinterest, and I think [the latter] has made changes in the way clicks and other things are measured. The two are much closer together now, which is really good to see because it means the data on Pinterest has become, for me, more reliable.”
- “Another change that Pinterest made is that when you click on something and it gets enlarged, in the past you used to have to click again to get through to the website. Now, that middle step has been removed so that when you click on something or point to something, it will go directly to the website.”
- “What this means is that clicks from Pinterest through to websites [have] increased enormously. It also means that the bounce rate is probably a lot higher on these websites because people who maybe didn’t intend to click through are now going straight through. But it’s another recent change that has resulted in a lot more click throughs on Pinterest and Google, for example. But then we also look at how long people hang around, because that can vary quite a bit. Ideally you want both—more clicks and people hanging around on the website.”

New Ad Products and Measurement Tools

- “[Our Australian client] is keen to try out the quiz ads, so we are working on putting out quizzes for them right now. But we’re running into difficulties because it’s the first time we’re doing it, and [the ads] are not getting approved by Pinterest. You have these teething problems.”
- “With regard to the [newer] tools, it’s very much ‘wait and see’ still. [Pinterest] has been bringing out a lot of new tools, and we have been testing some of them, such as the [lead ads](#), which are still in beta.”
- “It’s difficult to get real results with these [new tools], and also it so much depends on the clients we work with. It’s a very mixed bag; what works for one client doesn’t work for another. I do think all the new tools coming out will help shift the balance [of more spending to Pinterest], although I don’t know if Pinterest will ever be a go-to place for advertisers in the sense that Google and Facebook are.”
- “The most exciting thing for me is what Pinterest is working on with regards to travel. I think there’s a lot of progress they can make there, and travel is a very big vertical on Pinterest. And yet they’ve paid very little attention so far, but that’s changing.”
- “This year, Pinterest launched a Travel Catalog, which is only for hotels and rental companies. But essentially, you can connect your offer of a hotel room or whatever you’re renting out to Pinterest and have it go directly to your website. We tried to implement it for one of our clients, but again, we had teething problems because the way they have their booking engine set up doesn’t work with Pinterest.”
- “So they come out with these new tools, but they don’t work for everyone, so there’s still a lot of work to be done on that [technical side].”
- “I know Pinterest is also wanting to work with airlines and airline bookings in the future, but they’re nowhere near that because there’s a lot to be done [on the technical side].”
- “None of the brands that I work with right now have the API [for Conversions] installed, mainly because it’s a very techie job, and it requires a developer at their end to put it in place. For bigger brands, I imagine [connecting] is not a big deal. But for smaller companies, it’s not easy.”
- “We don’t use the self-serve platform, the main reason being that we set up specific strategies for our clients; and therefore, it doesn’t work for us to do something that’s kind of pre-processed. So I’ve never used it, but I can see that it might be useful for people who don’t know anything about Pinterest advertising and want to set up a quick campaign, throw in some variables, and off you go. But that’s almost the opposite of what we’re doing with our clients.”
- “I’ve no idea how generative AI is going to impact what we do. Maybe it will make our [creative] easier in terms of generating graphics, potentially. I’ve not felt the impact of it yet, but I’m keeping my ears to the ground.”

“All the new tools coming out will help shift the balance [of more spending to Pinterest], although I don’t know if Pinterest will ever be a go-to place for advertisers in the sense that Google and Facebook are.”

Founder of a European marketing agency focused on travel and e-commerce

Other Key Issues

- “Pinterest’s partnership with Amazon is exciting. I haven’t been able to test it myself yet, but from what I understand, [a product ad on Pinterest] will connect directly with [a user’s] Amazon account, and it’s almost like a one-click purchase from Pinterest. Although it’s not widely deployed yet, that could be a game-changer, because then these [sellers] from Amazon can find a different audience out there, one that’s looking for inspiration and doesn’t even know they need your product yet. But they see it there, and then it’s a whole new source of clients that Pinterest could bring to companies selling on Amazon.”
- “Pinterest has a lot of opportunity [to grow revenue outside the United States]. I do sense that things are picking up in Europe. Most of the traction is in the UK right now. In France, it’s picking up, but it still doesn’t have the awareness or presence [as in the UK and the U.S.].”

5) Account lead for a brand agency

Facebook and Instagram account for about 80% of social media ad spending for this agency’s clients, with Pinterest garnering the remaining share. That mix is unlikely to change in 2024, though overall budgets are climbing. Clients see the best return on Facebook.

Ad Spending Trends

- “One of my main clients right now is a furniture direct-to-consumer brand. It’s a luxury brand, with couches starting at \$3,000 and going up from there, and it’s very customizable.”
- “Pinterest is about 20% of what we’re spending [for that client], with the rest going to Facebook and Instagram.”
- “This account in general has been growing year over year, so our budgets just keep getting bigger. They only launched in 2021, so it’s fairly new. We’re in the middle of finalizing [next year’s] spend. I think we will put our ad dollars into the same [platforms] equally, so I don’t think that 20% will change, but the budget will increase overall.”
- “The other big client in our agency is in consumer packaged goods, which is a household name. They use Pinterest a lot for recipe inspiration and incorporating their products into it.”
- “We also do branding projects for commercial real estate, which are more about visual identity and branding for an app. We don’t use Pinterest for those.”
- “The demographics we target definitely skew more female. We know that most of Pinterest users are predominantly female.”

Pinterest Ad Performance

- “Pinterest Presents recently did a [quiz format](#) where you can have more interactive ads. I’m a fan of some of [Pinterest’s] new features, but our [furniture] client doesn’t want to spend their dollars there. They see the most ROI on Facebook.”

“I’m a fan of some of [Pinterest’s] new features, but our [furniture] client doesn’t want to spend their dollars there. They see the most ROI on Facebook.”

Account lead for a brand agency

New Ad products and Measurement Tools

- “I’m a fan of what Pinterest is putting out—for example, homeware as a whole category. I’m looking at how we can put furniture into that.”
- “I think video is something worth investing in because I feel like it stands out [in a crowd of] more static images that are mainly user-created content. I definitely think brands should be leaning more toward video if they’re trying to capture attention.”
- “We haven’t yet looked at [Pinterest’s automated ad tools being rolled out in 2024], but I think it’s definitely worth diving into. We heavily use [Meta’s Business Manager](#), and I feel like [this new Pinterest offering] is a much-needed upgrade. We have a data manager, and she pushes things live and sets the dollar amount for each ad and reports back.”
- “From a creative standpoint, I’m interested in staying ahead of whatever Pinterest is rolling out, because that’s definitely what will show up on people’s news feeds. So from my perspective, whatever Pinterest is announcing, we should be driving our creative around that type of ad format.”
- “We don’t use API for Conversions, but it’s something we’re looking to get into. We’re so focused on driving sales to Facebook because it’s leaning on what has worked, [so] all the tools that [Pinterest is] launching now we’re a little behind on.”
- “For us, it’s more about testing Pinterest’s newer products with an ad which [suits the tool]. Given our limited budgets, that usually means we are reformulating assets that we already have and figuring out how it can work on Pinterest.”
- “We want to stay ahead of what Pinterest has to offer. But at the same time, if every six months they’re coming out with something new, and our calendar is constantly evolving, it’s hard to test all the new ad offerings as soon as they come out.”
- “With [Facebook’s] [Instant Experiences](#), we would want to make a [Pinterest] ad out of that instead of just boosting a static post. We just made an Instant Experiences ad, and it’s about to go live, so we’re definitely excited to see how that performs.”

Other Key Issues

- “We’re a billable agency with only so many hours we can spend on each piece of creative, so the bigger the client, the bigger the budget. Because of this, I would say that the bigger advertisers [are the better near-term opportunity for Pinterest] because they can do those larger-scale video shoots and capture more attention on the feed, vs. a smaller client with a smaller budget that can’t necessarily produce that high-quality content.”
- “I always love Pinterest’s annual [Pinterest Predicts](#) list that they put out toward the end of the year. They’re usually pretty spot-on. They’ll list 10 categories and ‘what’s hot’ trends and predictions for each. I’m always interested in, from a creative standpoint, what works best on Pinterest and what people are searching for. This helps shape our ads and organic content around what people are looking for.”
- “For example, one of the big trends of 2023 was, post-pandemic, a shift from backyards to porches—parties on the porch. So people were really trying to redo their porches. From a furniture standpoint, we have some products that lean into front entryway areas, and we incorporated this into photo shoots to bring into our ads.”

3) Industry Specialists

Social media platforms like Pinterest are being pressured in the fight for ad dollars by the huge growth of retail media networks, said the one source in this silo. Such networks run by the likes of Amazon, Walmart, and even DoorDash and Instacart offer valuable transaction data for advertisers and could garner as much as 20% of total digital ad spending by next year. To compete, Pinterest and others will have to move down the sales funnel and show clear connections between ads and sales.

Key Silo Findings

Ad Spending Trends

- 1 said Pinterest is a niche social media platform that has been surpassed by TikTok in most meaningful measures.
- 1 said a major trend in advertising is toward retail media networks from players with enormous amounts of data on consumer habits, like Amazon, Walmart, and Target Corp. (TGT).
- 1 said ad dollars going to such networks are forecast to grow 18% a year, and retail media spending could account for as much as 20% of total digital ad spending as soon as next year.
- 1 said the growth of retail media networks is pressuring Pinterest and other social media to show a clearer connection between ads and sales, since the retail networks are able to do so.
- Key points.

Pinterest Ad Performance

- Did not discuss.

New Ad Products and Measurement Tools

- Did not discuss.

Other Key Issues

- 1 said Pinterest's partnership with Amazon could help it better show a direct link between ads and sales.
- 1 said Pinterest will have to reach a critical mass of both users and advertisers for it to expand into new categories such as auto ads.

1) Jim Okamura, a partner at the retail consulting firm [McMillanDoolittle](#); repeat source

Ad Spending Trends

- "We have been looking at different retail media tools and where they are playing within the funnel. It's interesting to see that Pinterest is trying to come down the funnel also. We are especially looking at in-store retail media networks.
- "Years ago, Pinterest did some innovative things sharing pins in stores, like at Nordstrom [Inc./JWN]. You could see the Pinterest logo in the Nordstrom shoe section, for example."
- "Pinterest, as we see the momentum of social media networks like TikTok, needs to figure out where they play as a network. The pressure is on for Pinterest to show a clearer ROI, let's say, with shopping-specific ads, how [Pinterest] boards show up in stores."
- "I'd be interested if Pinterest is thinking of something omnichannel, how that would work for the shopper who moves seamlessly between online and in store."
- "There is now a megatrend for retail media networks. Amazon advertising is an example of a retail media network. They are probably the most mature. Brands who want to sell on Amazon are buying sponsored ads."
- "Retail media networks have been a huge trend across large retailers and large grocers—Kroger [Co./KR], Albertsons [Cos. Inc./ACI], Walmart's media network, Target. This is also in the delivery platforms like DoorDash [Inc./DASH] and [Maplebear Inc.'s/CART] Instacart, which also have retail media networks. They are encouraging brands to sell at retail but also to get better [search result] placement when someone is searching for something—like a Cuisinart, for example."
- "The [forecast](#) is that the growth of retail media networks is going to take a huge amount of the brands' advertising and marketing dollars going forward. Every large retailer is scrambling to develop their own retail media network because this is all new revenue for the retailers. It's highly attractive in these tough macroeconomic times. These are not trivial dollars as a new revenue source."

- “The growth of retail media networks is changing how the social media players are presenting themselves as effective and measurable media partners for the advertisers and the market. This continues the trend of showing clear causal relationships such as attribution.”
- “The social media players have been using more of a branding play—building awareness high in the funnel—but now [advertisers] want to be shown how they are going to close a sale for them.”
- “That’s why the retail media networks have been growing so quickly, because they can show a clear relationship to the advertiser. They can tell the advertiser that if they use some of their targeting tools, etc., and develop certain campaigns, they are going to show them a clear ROI.”
- “The growth trend of retail media networks is forcing any media, whether it’s social or old-fashioned TV, to really prove their worth.”
- “A lot of the retail media networks matured from the online channels. For example, Walmart had an in-store TV advertising network decades ago. It was harder in store to develop those, but online clearly raised the bar in terms of advertiser expectations of what media should do to show a clear relationship between spend and return—like, if you spend \$10 with us, you expect to get \$30 back.”
- “The pressure is on [Pinterest] to provide a differentiated offering, because according to traffic data I recently saw, Pinterest is more of a niche social media player. They are not the big market leader. Newer social media networks like TikTok have surpassed them by any measure. Combine that with the general trend that the first decade of social media was very challenged to show a causal relationship [between ads and sales]. I was always skeptical on social commerce, not just media and advertising, until the social media networks could show that attribution and the causal relationship that gives advertisers confidence.”
- “Now the retailers themselves are becoming [media moguls](#). One chart I’ve seen has an 18% forecast compound annual growth rate in retail media networks. I’ve seen that retail media spending will [represent 20% of total digital ad spend](#) by next year.”
- “People are not even in love with Facebook anymore. The retail media networks have become the darlings these days amongst advertisers.”
- “The retailers have the transactional data. They can demonstrate better that if you spend money, you’re going to get a sale. Social media networks invite people to come hang out on their network and engage with a brand, but they don’t know what people do once they leave there. That’s why the retail media networks have become the darlings.”
- “Above all, Pinterest will have to differentiate from others that are out there, like TikTok Shops—and the jury is still out on that because they’ve only just started developing and promoting their TikTok Shop capabilities. If they gain traction with advertisers, they’ll have that direct link. If you spend money on TikTok as an advertiser, they will be able to show what that means for someone buying the product.”
- “I’m sure that’s something Pinterest has looked at over the years, if they should be providing commerce capabilities within Pinterest. It wouldn’t be easy by any means to develop their own commerce capabilities. If they don’t, partnerships with retailers become even more important.”
- “In the early days, Pinterest was the leading edge of social media networks, but now others have surpassed them. What do they need to do to monetize that traffic they are getting? Advertisers want to see that ROI.”
- “It’s great when you can show brand awareness gains. But it’s better when you can show sales gains.”

“Pinterest is more of a niche social media player. They are not the big market leader. Newer social media networks like TikTok have surpassed them by any measure.”

Jim Okamura, a partner at the retail consulting firm McMillanDoolittle

Pinterest Ad Performance

- Did not discuss.

New Ad Products and Measurement Tools

- Did not discuss.

Other Key Issues

- “Pinterest’s partnership with Amazon [is] something that could be useful for them. As a niche social media network, Pinterest will have to seek out partnerships with the retailers themselves to create a data link. That way, they can say that if you advertise on Pinterest, we can show that the same customer who was on our social media network went and bought on Amazon or at the retailer that is selling that brand.”
- “Some of those partnerships may have to be in measurement tools.”
- “In categories that Pinterest is not known for, like autos, it will depend on their own ability to attract that different consumer or audience. In theory, it sounds great to be broadening their category coverage and get both consumers and advertisers engaged in those categories, but it becomes a chicken-and-egg dilemma.”

Pinterest Inc.

- “For example, car companies want to see that Pinterest has that audience there first. To attract them, Pinterest probably has to get the car influencers to engage more with their platform and build up their audience and their traffic that consumes some of that new category content. Until they can get to a critical mass of viewers or consumers, it’s going to be hard for the advertisers to decide to spend money on Pinterest.”
- “The broadening of their category coverage makes perfect sense, but it also takes some patience and some deep pockets from the Pinterest side to invest to build them up to the point where advertisers are willing to spend money on them.”
- “Shopify would also be an interesting partnership [for Pinterest] for the sheer volume of brands on the Shopify platform. That would give reach to the retail checkout. But if Pinterest chooses to try partnering with other retailers who are trying to grow their own retail media network, those would now view Pinterest as the competition as opposed to a strategic partner. That will be tough for them. With retailers becoming media moguls, retailers are having to learn how to sell media. It’s a different industry.”

Additional research by Eva Cahen and Emily Carr.

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