

The Facebook Ads Benchmark Report



Table of Contents

Introduction	4
Facebook Ad Type Benchmarks	7
Industry Benchmarks	14
Geographical Benchmarks	19
Conclusion	33

Introduction





Introduction

Current and future social advertising trends continue to show an incredible amount of growth in the industry. Research in a recent BIA/Kelsey report suggests that the social ad market may reach \$11 billion by 2017, up from \$4.7 billion in 2012. The same report indicates that the social ad market is young and growing, representing only 1-10% of many advertisers' budgets. Additionally, there's a huge opportunity in mobile advertising. eMarketer shows that while mobile represents 12% of people's time spent consuming media, only 3% of United States advertising is spent on mobile. This represents a \$20 billion opportunity in the United States.

The mobile trend has unsurprisingly included social network usage and advertising. According to BIA/Kelsey, both Twitter and Facebook have passed the 50% mobile usage mark, and about 30% of Facebook's ad revenue comes from mobile.

As social media advertising continues to gain momentum, and marketers devote more of their budgets to it, the need for market research has become more important. Using Social.com data, Salesforce Marketing Cloud decided to benchmark performance and cost metrics for social advertising, focusing on Facebook advertising, to provide a baseline for key metrics by creative type, industry, and geography.

In this report, you'll learn:

- Which Facebok ad types deliver the best performance
- Average KPIs such as cost per click and click-through rate for your industry
- Regional and country breakdown of performance and cost benchmarks for Facebook ads



Methodology

- Data for this report was collected from January 1st to March 31st, 2013.
- Performance was measured from Social.com across more than one million ad units and over 114 billion impressions.
- This report analyzed the top 25 countries globally and top five countries per region (Americas, EMEA and APAC) based on impressions.
- All rates were converted to U.S. dollars using the average daily conversion rates during the reporting period.

KPI Glossary

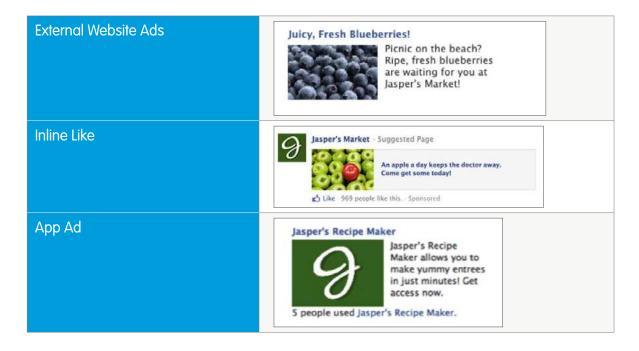
Click-Through Rate (CTR)	Number of clicks divided by number of impressions per ad
Cost per Click (CPC)	Total cost divided by number of clicks per ad
Cost per Impression (CPM)	Total cost divided by number of impressions per ad, multiplied by 1000
Cost per App Install	Total cost divided by number of App Installs per ad
Cost per Page Like	Total cost divided by number of Page Likes per ad
App Install Rate	Number of App Installs divided by number of impressions per ad
Page Like Rate	Number of Page Likes divided by number of impressions per ad

Facebook Ad Type Benchmarks



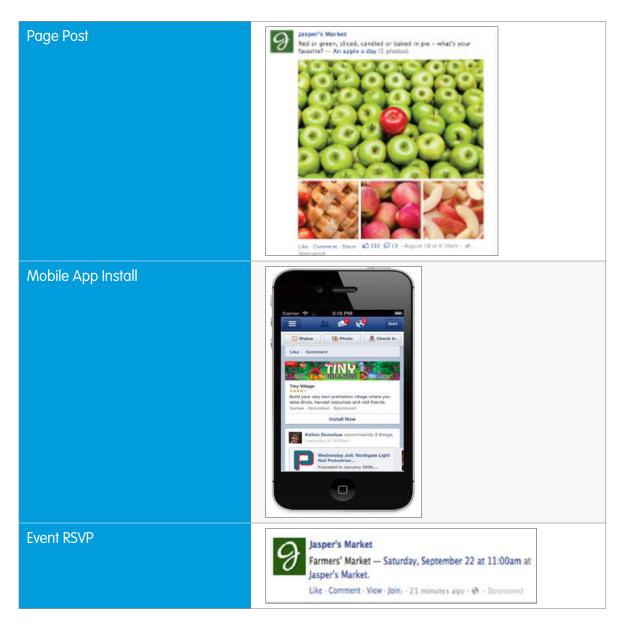
Facebook Ad Type Benchmarks

When determining the right type of Facebook ad to use for your campaigns, there are a number of variables at play, including location, creative type, campaign goals, and more. Benchmarks for key metrics can help with your decision as well, which is why we chose to focus on this category in our research.

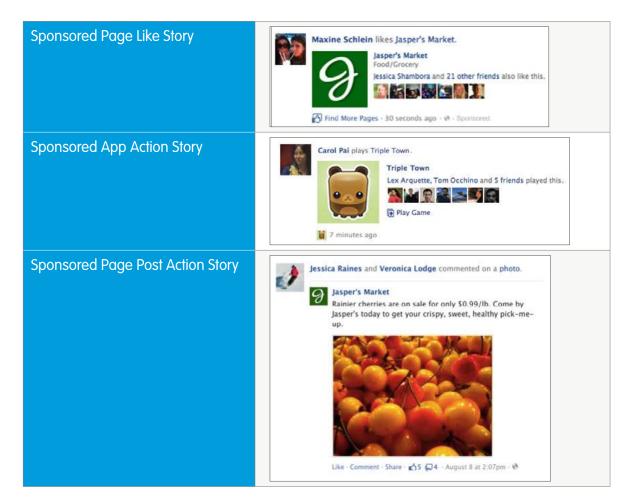




The Facebook Ads Benchmark Report







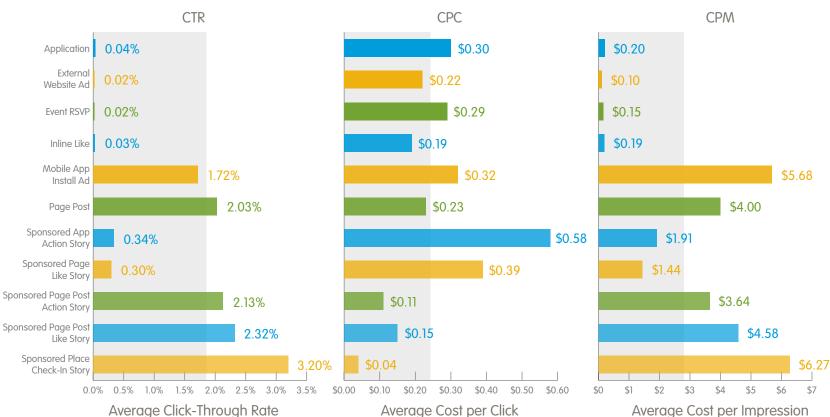




All photos in above charts from 'Facebook Ads and Sponsored Stories Guide'

Industry Benchmarks

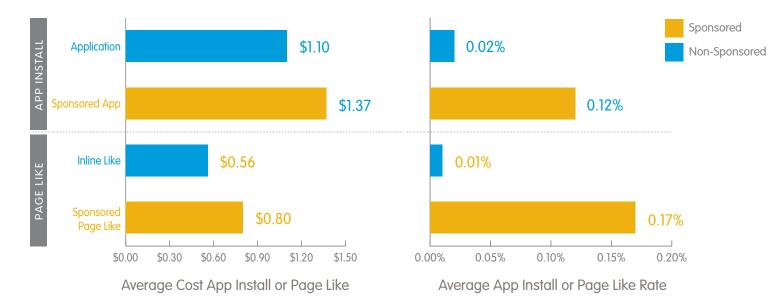




FACEBOOK AD TYPE PERFORMANCE AND COSTS

- Click-through rates are well above average for several sponsored ad types, including Sponsored Place Check-In Stories and Sponsored Page Post Like Stories.
- Application, Click ads, Event RSVPs and Inline Likes receive very small click-through rates, but are all very cheap in terms of cost per impressions.
- Mobile App Install Ads have above-average cost per click and cost per impression.





SPONSORED STORY VS. NON-SPONSORED STORY PERFORMANCE

- Sponsored App Action Stories cost 25% more per App Install compared to their non-sponsored counterpart but drive App Installs at a 5.7X higher rate.
- Sponsored Page Like Stories cost 43% more per Page Like compared to their non-sponsored counterpart but are 13.7X more successful at acquiring the Page Like.

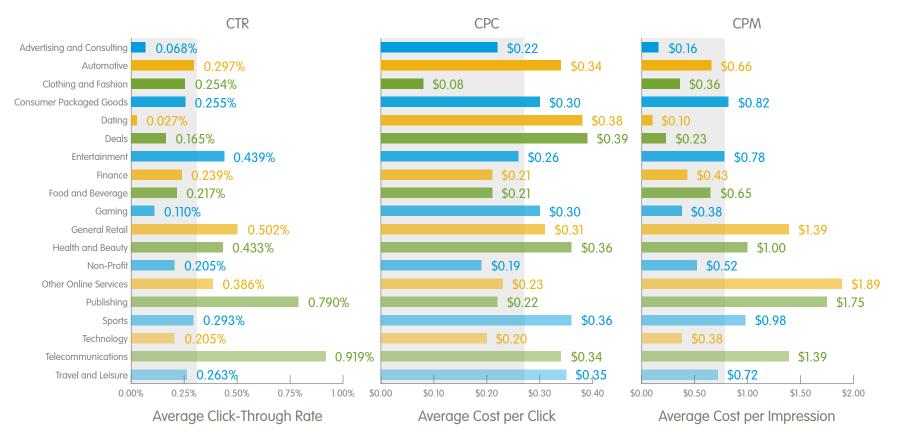




Industry Benchmarks

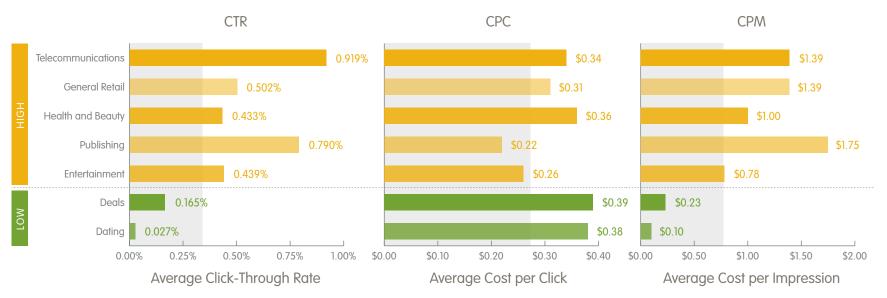
How are your Facebook ads performing compared to the rest of the auto industry? Do you pay more or less for impressions than other CPG brands advertising on Facebook? Industry benchmarks are a great tool to determine where you sit in your vertical compared to your peers. Is your performance above or below the average?

FACEBOOK AD PERFORMANCE AND COSTS BY INDUSTRY







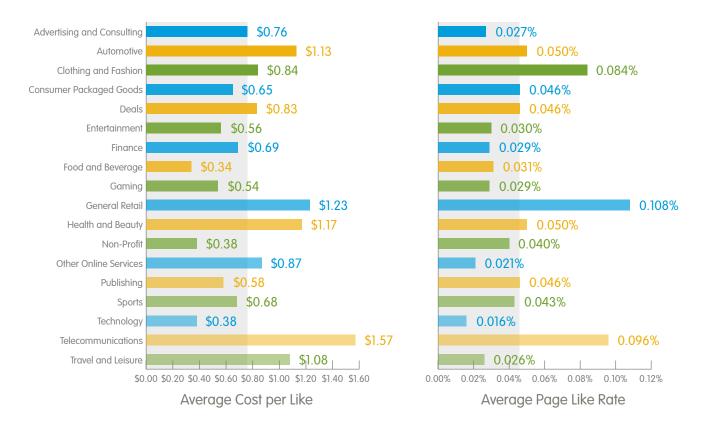


- The telecommunications (2.8X above average), publishing (2.5X above average) and general retail (58% above average) industries show click-through rates and cost per impressions well above average.
- Deal sites have a click-through rate 48% below average, while dating sites have a CTR 92% below average.

Location Benchmarks

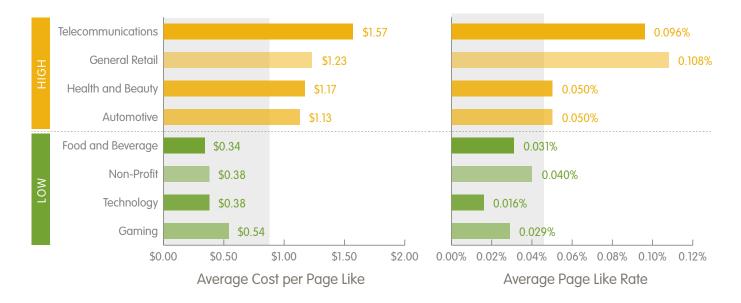


PAGE LIKE BENCHMARKS BY INDUSTRY



• This chart shows the Average Cost per Page Like and Average Page Like Rate per industry.





INDUSTRIES WITH HIGH AND LOW PAGE LIKE RATES

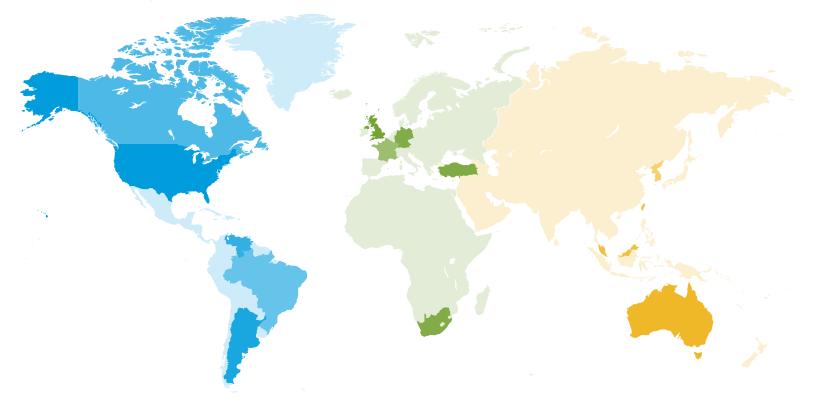
- Telecommunications, general retail, health and beauty, and automotive Facebook ads have a higher cost to obtain fans, but all acquire fans at above average rates.
- At \$0.34, food and beverage Facebook ads have the lowest Cost per Page Like rate, followed by non-profit, technology and gaming.



Geographical Benchmarks

We researched the top 25 countries globally, based on Facebook advertising impressions, and analyzed key metrics for each of them, in addition to the top five countries based on impressions in the Americas, EMEA and APAC. As you look to advertise in particular countries and optimize your campaigns moving forward, these benchmarks can give you a great idea of whether you are advertising efficiently or need to improve based on the overall averages within your target market.

Top 25 Country Benchmarks

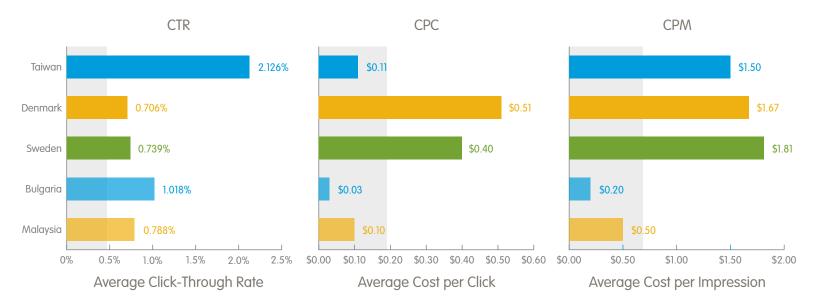






FACEBOOK AD PERFORMANCE FOR TOP 25 COUNTRIES



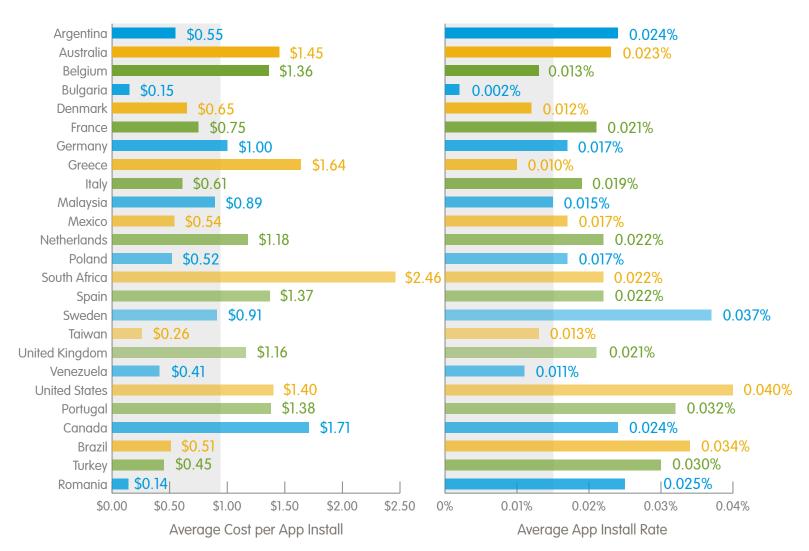


COUNTRIES WITH HIGH CLICK-THROUGH RATE

• Taiwan's 2.13% CTR is 4.3X higher than the overall countries average.

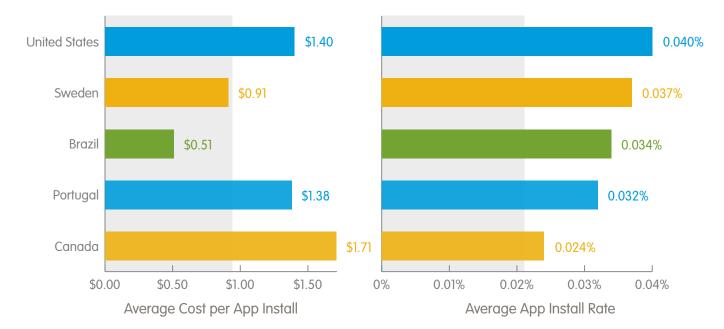
• Denmark and Sweden have high CTRs, but higher than average CPC and CPM rates.





APP INSTALL PERFORMANCE AND COSTS BY COUNTRY



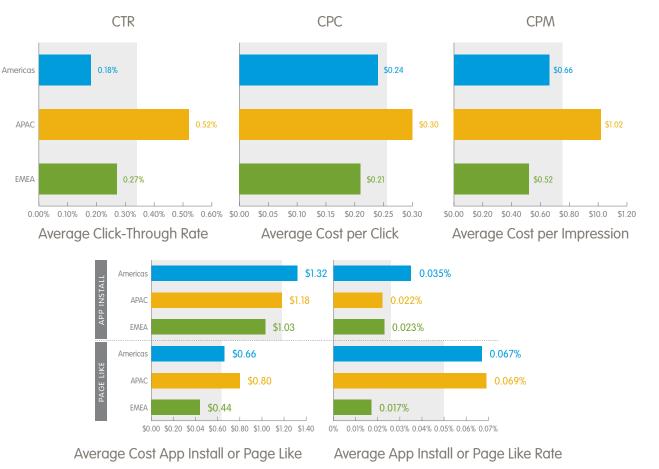


HIGH APP INSTALL RATE BY COUNTRY

• Facebook users in the United States, Sweden, Brazil, Portugal and Canada are more likely to install an app, but with the exception of Sweden and Brazil, this is paired with a high cost per app install.



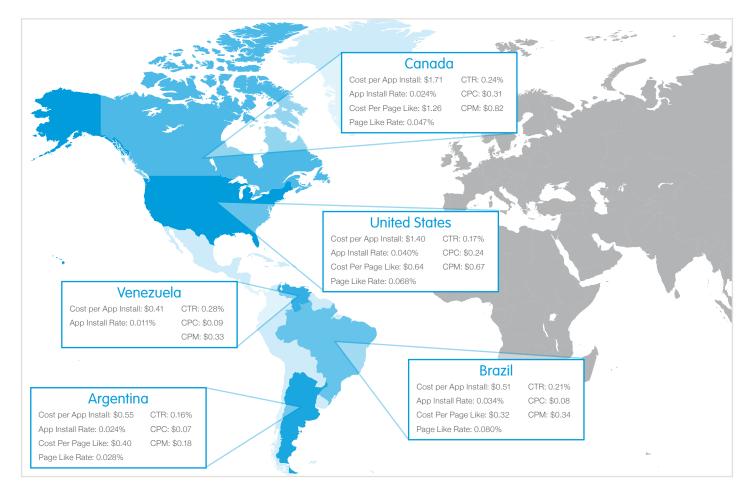
REGIONAL PERFORMANCE AND COST COMPARISON FOR AMERICAS, APAC AND EMEA



- APAC region sees high CTR (61% above average), and Page Like Rate is 35% above average. Yet in terms of cost in APAC, CPC is 21% above average, CPM is 39% above average and Cost per Page Like is 26% above average.
- EMEA region has a 55% higher CTR than the Americas, as well as a 15% below-average CPC and 29% below-average CPM. EMEA also the cheapest in Cost per App Install and Page Like.
- The Americas and APAC also have high Page Like Rates, but they are a more expensive region than EMEA.



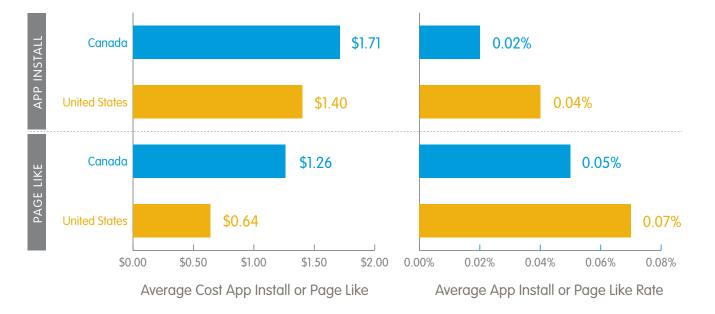
FACEBOOK AD PERFORMANCE AND COSTS IN THE AMERICAS



- Canada and the United States are the most expensive targeted countries within the region, with KPIs 50%+ higher than average across the board.
- Clicks and impressions are very affordable in Venezuela, Brazil and Argentina.



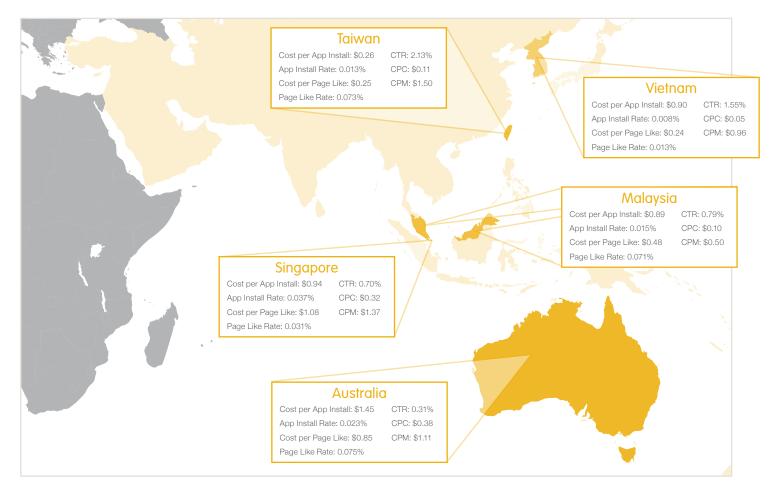
HEAD-TO-HEAD: CANADA VS. U.S.



- Canada has the second-highest CTR in the Americas, but it is not the best market for app install or Page likes. App Installs are 23% more expensive than the United States and Canada has 40% lower app install rate than the United States.
- Page Likes in Canada are 2X more expensive than the U.S. and 30% lower Page likes rates than the U.S.



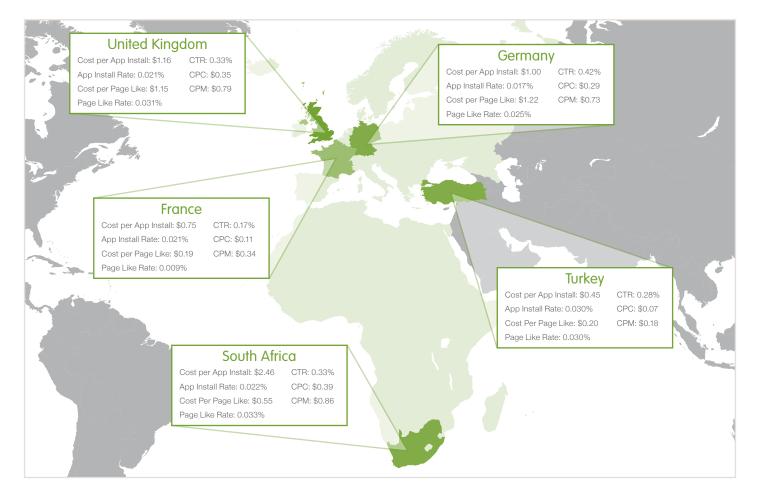
FACEBOOK AD PERFORMANCE AND COSTS IN APAC



- Australia and Singapore have the highest CPC at 96% and 67% above average, respectively.
- App Install Cost for Australia is 64% above average.
- Page Like Costs for Australia and Singapore are 46% and 86% above average, respectively.



FACEBOOK AD PERFORMANCE AND COSTS IN EMEA



- South Africa has the highest costs in EMEA, as its CPC, CPM and Average Cost per App Install are all significantly above average.
- France has lower-than-average CPC, CPM, Cost per App Install and Cost per Page Likes.

Conclusion



Conclusion

With the global footprint of Salesforce Marketing Cloud and Social.com, we sought to provide a benchmarking report for broad trends in the social advertising industry. Spending advertising money without first looking at overarching data is akin to wasting money, particularly in an industry rich with statistics to help guide you. Our benchmarks provide a baseline for you to measure your own performance and costs against the performance and costs of others in your country, region and industry. With this knowledge, you can begin to understand where to focus your optimization efforts within a particular market, and ultimately receive more return for your advertising dollar.



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