

# nanigans

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Global  
Facebook Advertising  
Benchmark Report

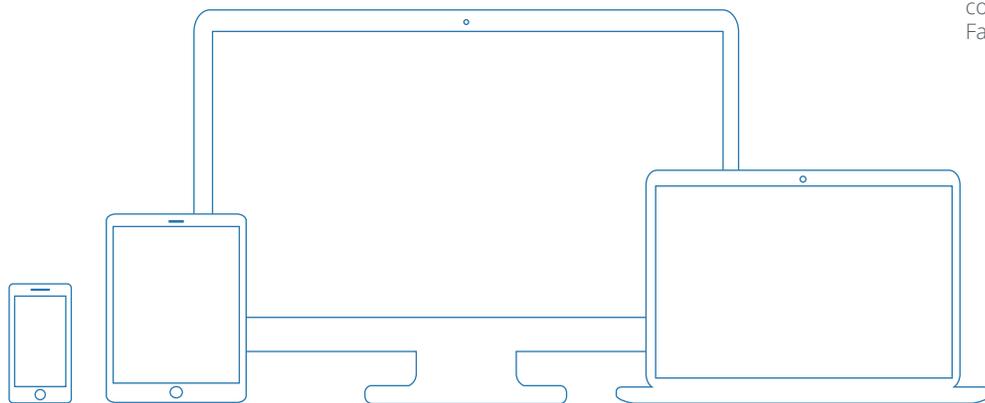
Q3 2018



# About Nanigans

Nanigans arms marketing teams to drive incremental revenue with the most powerful and transparent cross-channel buying platform.

Sophisticated commerce advertisers currently optimize more than \$700M in annual ad spend through the Nanigans platform. Nanigans is headquartered in Boston with offices in New York, San Francisco, London, Singapore, and Seoul. For more information on Nanigans, please visit [nanigans.com](https://nanigans.com).



## ABOUT THIS REPORT

This report is representative of Facebook® ad impressions delivered by customers leveraging Nanigans advertising automation software. It includes ad spend across Facebook, Instagram, and Audience Network.

The vast majority of Nanigans customers are direct response advertisers at ecommerce, gaming, and other Internet and mobile companies.

The majority of these direct response advertisers leverage Nanigans' ROI based bidding algorithms, which focus on reaching high-value and high-ROI audiences (e.g. those who make purchases) that typically cost more to reach. Current and historical data in this report was compiled using an updated reporting methodology, which takes into account ads targeting multiple countries at once. As such, the data in this report should not be compared with prior reports and may not necessarily be a proxy for trends in the overall Facebook advertising marketplace. Figures presented in this report have been rounded.

# Ecommerce ad budgets grow in Q3 2018 and automatic placement gains traction on Facebook

## KEY TRENDS

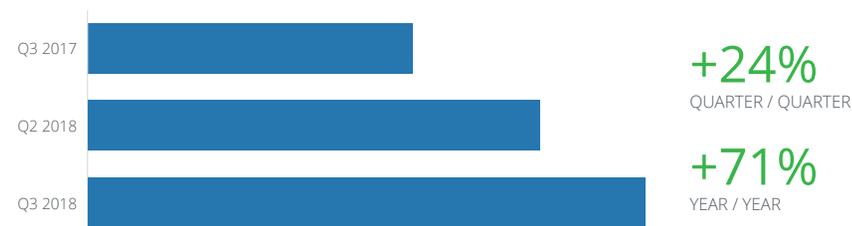
This report highlights key trends seen by companies leveraging Nanigans advertising automation software to grow the revenue impact of their direct response ad campaigns on Facebook.

### ONLINE RETAILERS CONTINUE TO GROW AD SPEND ON FACEBOOK, PARTICULARLY ON DYNAMIC ADS

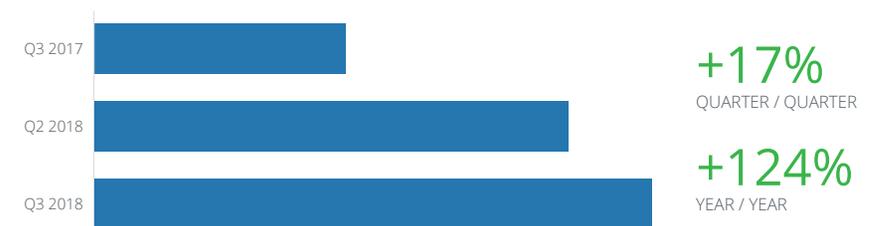
Across a same-advertiser set of online retailers using Nanigans, average Facebook ad spending was up 24% quarter-over-quarter and 71% year-over-year in Q3 2018. For performance marketers in particular, this growth is a clear sign that Facebook remains a valuable channel for online retailers to reach new and existing shoppers to generate incremental sales.

As Facebook has evolved its dynamic ad offerings to cater to online retailers, marketers have continued growing budgets allocated to the format. Dynamic ad spending was up 17% quarter-over-quarter in Q3, across a same-advertiser set. Year-over-year growth was even stronger at 124%.

#### AVERAGE ECOMMERCE AD SPENDING



#### AVERAGE ECOMMERCE DYNAMIC AD SPENDING



## MARKETERS ARE INCREASINGLY CONFIDENT ADVERTISING ACROSS FACEBOOK'S FULL ECOSYSTEM

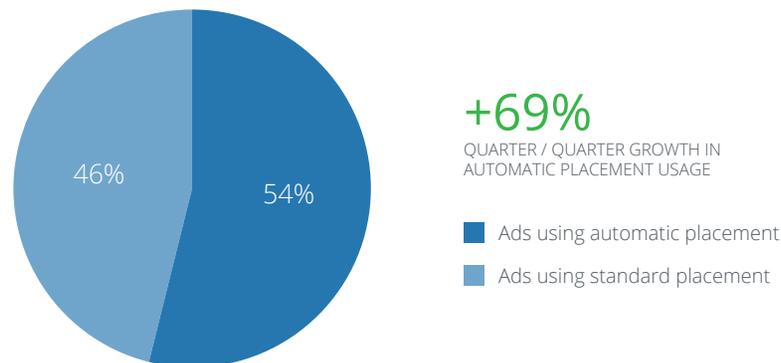
As Facebook has expanded advertising opportunities across its ecosystem, the targeting and placement options for marketers have grown dramatically.

With the ability to reach people across Facebook, Instagram, Audience Network, Messenger, and more, advertisers are increasingly turning to automatic placement of their ads. Automatic placement is a targeting option that enables Facebook to dynamically serve ads across a wide range of placements to optimize performance based on an advertiser's objective.

In Q3 2018, US advertisers using Nanigans leveraged automatic placement 54% of the time—a significant 69% increase in usage over Q2. The rapid adoption of automatic placement indicates that not only does it simplify targeting for marketers, but it also delivers consistently higher return on ad spend.

### ADOPTION OF AUTOMATIC PLACEMENT OF ADS

US, Q3 2018



## INSTAGRAM STORY ADS CONTINUE TO CAPTURE MORE AD SPEND

Over the last four quarters, advertisers on Instagram have dedicated an average of 32% of ad spend on the platform to Stories versus other Instagram ad types. As the Story experience has grown in popularity with users, advertisers have found increasing success reaching and engaging their target audience through the format.

**32%**  
 average share of Instagram ad spend on Stories  
 Q4 2017 - Q3 2018

Growing adoption among direct response marketers is a promising indicator that Story ads are delivering as strong, if not better, performance compared to other ad types.

In one example, Sweat, a fitness app by personal trainer Kayla Itsines, paired Instagram Story ads with Facebook video ads to drive strong global performance.



[Click here](#) to read the full story of Sweat's success with Instagram Stories.



# CTR

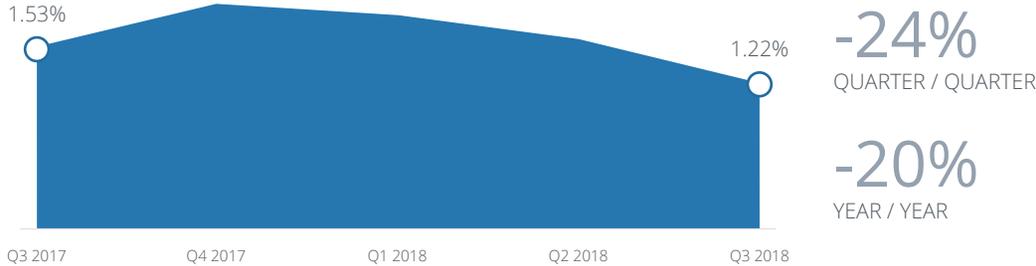
Click-through rate

In Q3 2018, global Facebook ad click-through rates dipped 24% compared to Q2. At 1.22%, this represents a 20% year-over-year decline. Last year, average CTRs saw a similar drop in Q3 before rebounding during the competitive holiday advertising season of Q4.

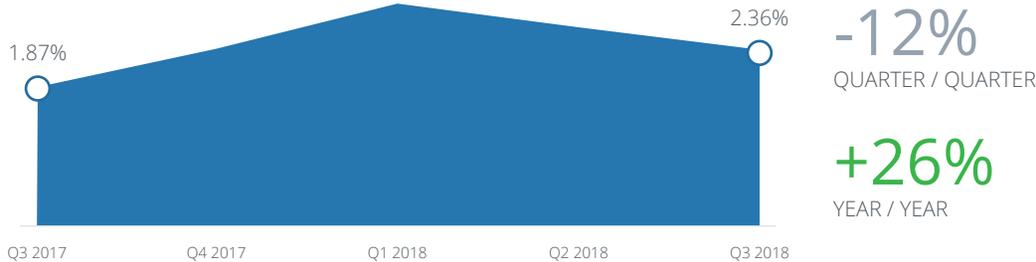
CTRs for ecommerce advertisers directionally mirrored the global trend with a 12% quarter-over-quarter decline to an average of 2.36%. A longer-term view, however, shows online retailers averaging 26% higher CTRs than in Q3 2017.

For game advertisers, CTRs were down 10% quarter-over-quarter, following a long-term trend of moderate decline. The latest average of 0.58% is down 6% year-over-year. In the gaming sector, video ads are particularly dominant, and the format tends to generate fewer top-line clicks. However, game marketers' continued and growing investment in video indicates that the comparatively higher in-app revenue these ads can drive makes them a winning strategy.

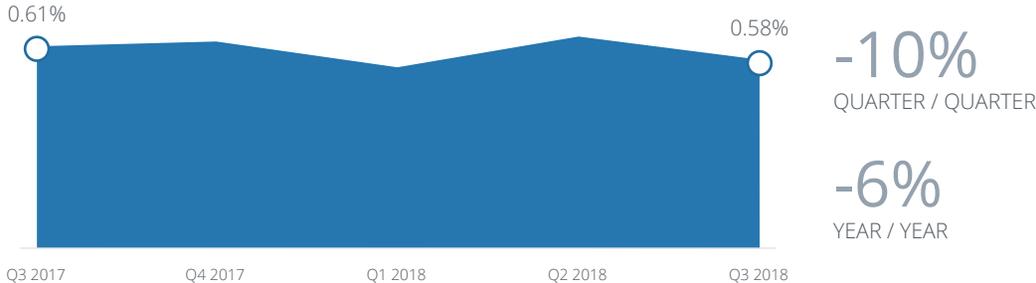
## CTR - GLOBAL



## CTR - ECOMMERCE



## CTR - GAMING





# CPM

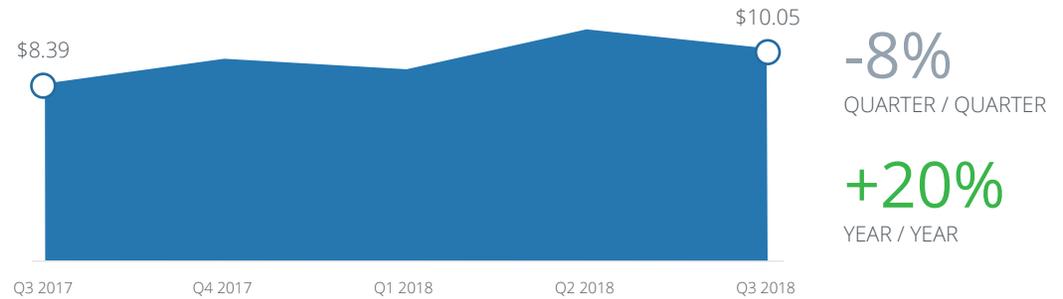
Cost per 1,000 impressions

Across advertisers using Nanigans, CPMs were down slightly, 8%, to an average of \$10.05 in Q3. On a year-over-year basis, CPMs increased by 20%. While global CPMs showed a modest decrease this quarter, CPMs among ecommerce advertisers were up by 16% quarter-over-quarter and gaming CPMs remained essentially flat. The trend indicates that the global CPM decrease was felt most significantly by advertisers outside the online retail and gaming industries.

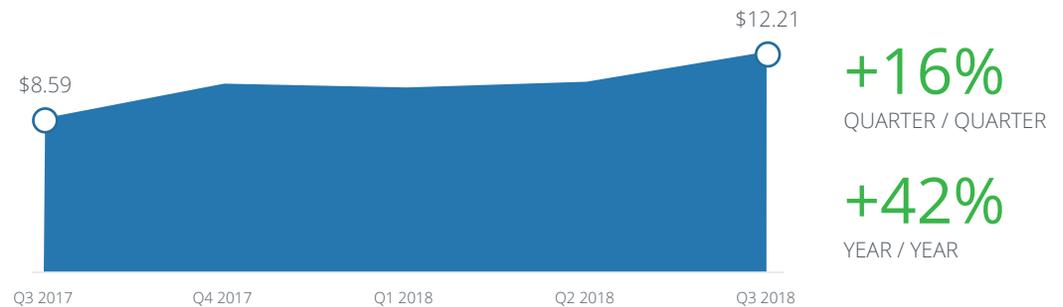
Among ecommerce advertisers, CPMs reached \$12.21, a year-over-year increase of 42%. One likely contributing factor is online retailers' increasing investment in video ads, which tend to command higher CPMs on Facebook.

CPMs in the gaming industry have been on a consistent rise over the last two years, likely due to gaming's adoption of video ads and their higher associated CPMs. In Q3, CPMs were up 31% year-over-year.

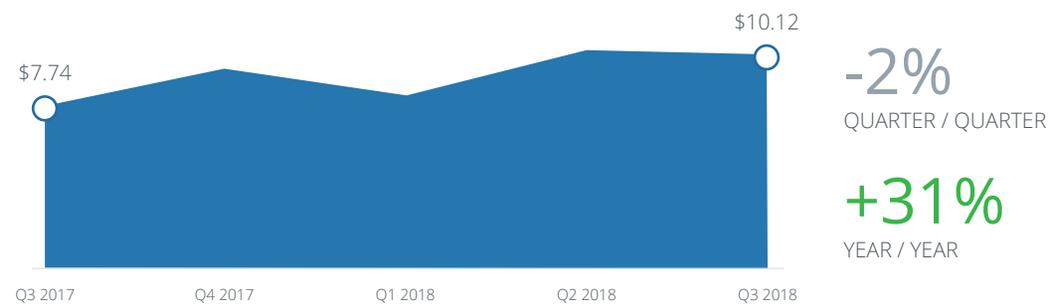
## CPM - GLOBAL



## CPM - ECOMMERCE



## CPM - GAMING





# CPC

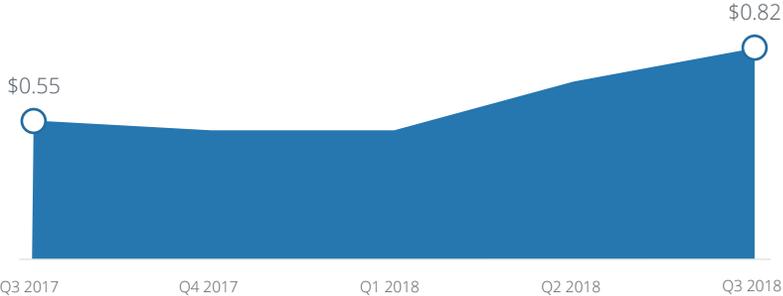
Cost per click

CPCs increased across the board in Q3 2018. Globally, costs on a per-click basis grew by 20% to an average of \$0.82. This average is 51% higher than that seen a year ago in Q3 2017.

Ecommerce advertisers experienced CPCs averaging 31% higher than the previous quarter. The average CPC for Q3 was \$0.52, a year-over-year increase of 13%.

CPCs for game marketers continued a three-year upward trend, with 9% quarter-over-quarter growth. The \$1.76 average was a 39% increase year-over-year. Facebook's app event optimization, a feature commonly used by game marketers to prioritize optimization toward in-app purchases, is likely a contributing factor to rising CPCs. While app event optimization is highly effective at driving in-game purchases, it can also raise costs on a per-click basis.

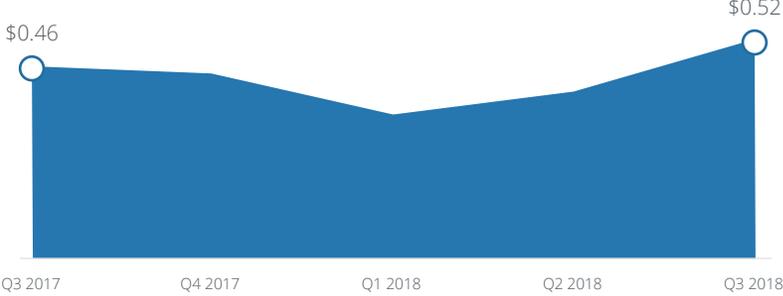
## CPC - GLOBAL



**+20%**  
QUARTER / QUARTER

**+51%**  
YEAR / YEAR

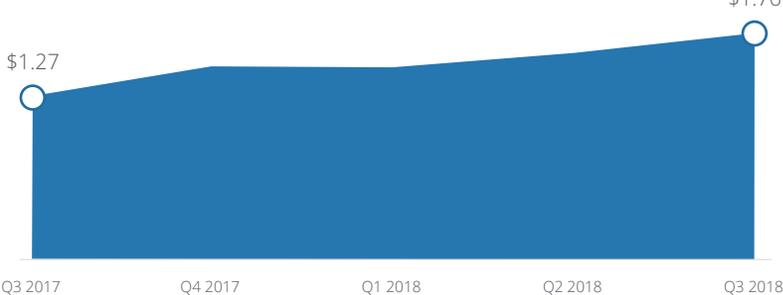
## CPC - ECOMMERCE



**+31%**  
QUARTER / QUARTER

**+13%**  
YEAR / YEAR

## CPC - GAMING



**+9%**  
QUARTER / QUARTER

**+39%**  
YEAR / YEAR



## Geographic Trends

International performance insights

The Facebook advertising ecosystem can vary from region to region, and marketers should always tailor their performance goals and strategies for each geographic market. To give advertisers insights on global trends, Nanigans analyzed campaigns targeted to specific countries in Q3 2018.

To ensure statistical significance, country spend, clicks, and impression data is grouped into geographic regions—1) The Americas\*; 2) Europe, Middle East, and Africa (EMEA); and 3) Asia-Pacific (APAC).

*\*U.S. campaigns currently represent the majority of spend by advertisers using Nanigans.*



### 1. AMERICAS

| CTR      | CPC      | CPM     |
|----------|----------|---------|
| 1.28%    | \$1.17   | \$14.93 |
| -25% Q/Q | +30% Q/Q | -2% Q/Q |

### 2. EMEA

| CTR      | CPC      | CPM      |
|----------|----------|----------|
| 0.63%    | \$1.54   | \$9.72   |
| -42% Q/Q | +55% Q/Q | -11% Q/Q |

### 3. APAC

| CTR      | CPC      | CPM      |
|----------|----------|----------|
| 1.95%    | \$0.29   | \$5.58   |
| -32% Q/Q | +91% Q/Q | +28% Q/Q |

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Contact Us

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 Marketing Partner