

nanigans

Global
Facebook Advertising
Benchmark Report

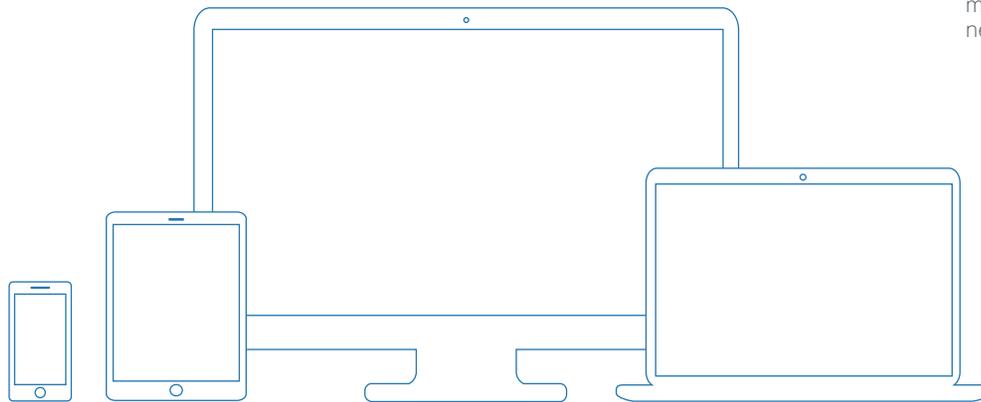
Q2 2016



About Nanigans

Nanigans advertising automation software empowers in-house marketing teams to grow the revenue impact of their digital advertising.

More than \$600M in annualized ad spend is managed through Nanigans software by commerce companies worldwide that rely on Nanigans as a strategic lever of customer growth and revenue generation. Offered as Software-as-a-Service, Nanigans features multichannel programmatic media buying, predictive revenue optimization, and real-time business intelligence across today's most valuable digital channels.



ABOUT THIS REPORT

This report is representative of Facebook® ad impressions delivered by customers leveraging Nanigans advertising automation software. It includes ad spend on both Facebook desktop and Facebook mobile, and excludes Facebook Exchange and Instagram.

The vast majority of Nanigans customers are direct response advertisers at ecommerce, gaming, and other Internet and mobile companies. In Q2 2016, 96% of spend from these direct response advertisers was allocated to four Facebook ad products: Unpublished page post ads, mobile app install ads, domain ads, and dynamic ads.

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) and typically cost more to reach. As such, the data in this report may not necessarily be a proxy for the overall Facebook marketplace.

Advertisers on Facebook drive higher return on ad spend and capitalize on new ad innovations in Q2 2016

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.

ROI INCREASES AS AD SPEND CONTINUES TO GROW

Direct response marketers using Nanigans software to advertise on Facebook continue to invest heavily in the channel as a result of increasing returns.

Among 20 of the highest-spending ecommerce and game advertisers using Nanigans over the past year, return on ad spend (ROAS) rose by an average of 75% year-over-year in Q2 2016. Greater returns unlocked more ad spend on the channel, as advertisers increased quarterly budgets by an average of 200% over the same time frame.

AVERAGE INCREASE IN RETURN ON AD SPEND

+75%
YEAR / YEAR

AVERAGE INCREASE IN AD SPEND

+200%
YEAR / YEAR

ONLINE RETAILERS FLOCK TO DYNAMIC ADS

Facebook's dynamic ads (formerly dynamic product ads) continue to see soaring adoption among ecommerce advertisers. Dynamic ads enable real-time, feed-driven, highly personalized promotions so advertisers can more effectively convert new customers or re-engage existing ones. 14% more ecommerce ad spend went to Facebook's dynamic ads in Q2 2016 compared to the prior quarter, driven by **improved downstream performance** vs. traditional retargeting campaigns on the channel.

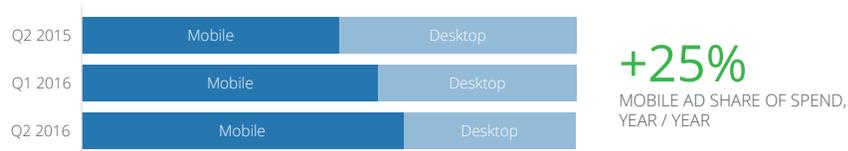
ECOMMERCE: DYNAMIC AD SPEND



MOBILE DOMINATES ECOMMERCE AD SPEND

80% of global Facebook ad spend through Nanigans in Q2 2016 was allocated to reaching audiences on mobile, and online retailers drove much of that growth. Ecommerce ad spend was 65% mobile, up from 60% the prior quarter and 52% in Q2 2015. As mobile- and commerce-focused innovations like dynamic ads have gained popularity, retailers using Nanigans are finding increasing value in reaching mobile customers to drive new and repeat purchases.

ECOMMERCE: MOBILE VS. DESKTOP AD SPEND



GAME MARKETERS DRIVE SCALE WITH CAROUSEL ADS

Game advertisers continue to leverage Facebook's carousel ad format to engage and acquire new high-value users. Carousel ads, which offer a flexible creative canvas with multiple images or videos, attracted 29% more gaming ad spend in Q2 2016 versus the previous quarter. Developers like **Pocket Gems** have achieved record-breaking success using Nanigans software to scale performance with carousel ads.

GAMING: CAROUSEL AD SPEND





CTR

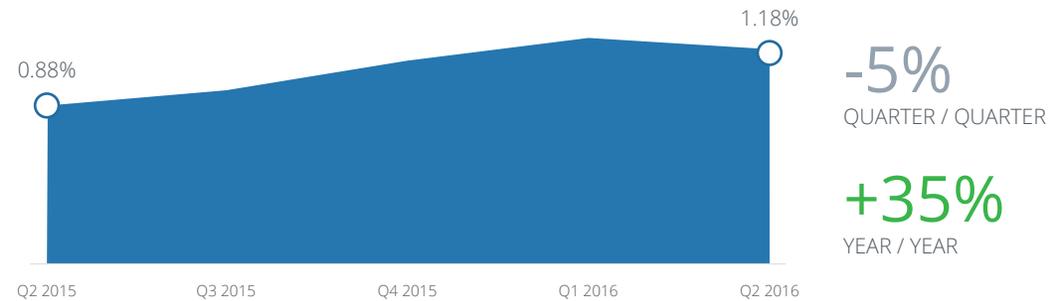
Click-through rate

Global Facebook CTRs dipped slightly quarter-over-quarter, but remain up 35% from Q2 2015. At 1.18%, CTRs remain at the second-highest level observed since Nanigans began conducting these benchmark reports in 2013.

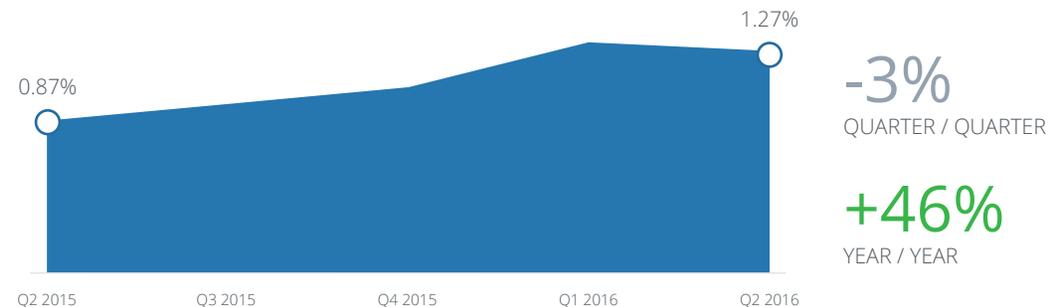
Ecommerce ad CTRs held largely steady quarter-over-quarter, decreasing from 1.32% in Q1 to 1.27% in Q2 2016. On a year-over-year basis, CTRs in the vertical rose by 46%. The relative stability in CTRs for ecommerce advertisers this quarter mirrors the trend seen in Q2 2015, when CTRs remained at 0.87%—the same rate Nanigans observed the prior quarter.

Game advertisers on Facebook saw overall CTRs of 0.69%, down 18% quarter-over-quarter, but up 6% year-over-year. Despite the short-term decrease, game advertiser CTRs remain within the 0.6% to 0.8% range sustained ever since Q2 2014.

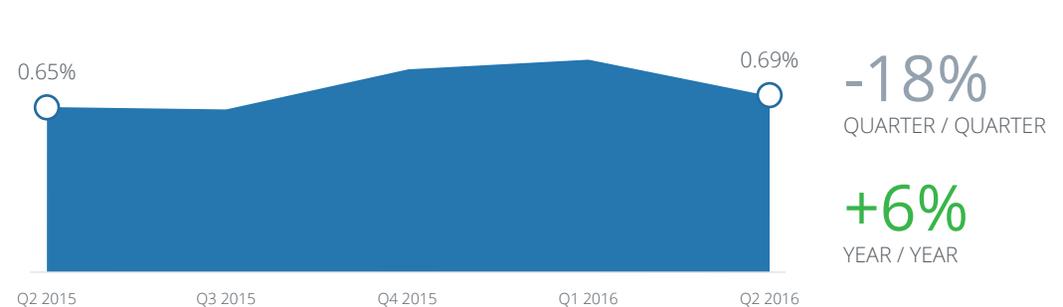
CTR - GLOBAL



CTR - ECOMMERCE



CTR - GAMING





CPM

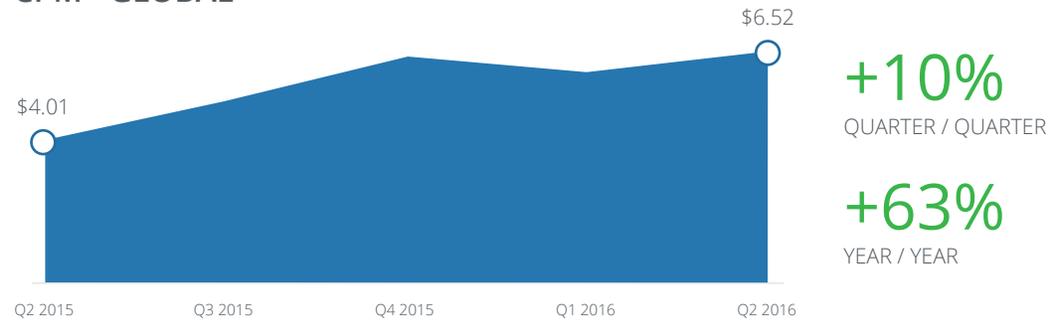
Cost per 1,000 impressions

In Q2 2016, average Facebook ad CPMs returned to levels seen in Q4 2015. Over the past year, CPMs have trended gradually upward, averaging a 10% increase each quarter. This moderate trend reflects a more stable marketplace when compared to the 36% average quarterly CPM increases seen over 2013 and 2014. The \$6.52 global CPM in Q2 2016 was 10% higher quarter-over-quarter and 63% higher than Q2 2015.

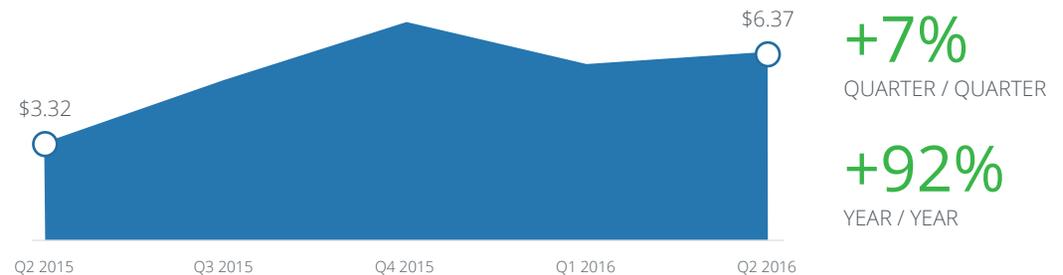
CPMs for ecommerce advertisers rebounded from a 19% dip last quarter, but remain 13% below the Q4 2015 high of \$7.35. Summer is typically a slower time of the year for aggressive ecommerce advertising, but it's likely CPMs will rise in Q3 and Q4 as companies begin seeding back-to-school and holiday ad campaigns.

Gaming CPMs remained consistent in Q2 2016, rising just 2% quarter-over-quarter to average \$4.56. This is representative of a long-standing trend in the gaming sector on Facebook, where CPMs have held between \$4.06 and \$4.92 ever since Q2 2015.

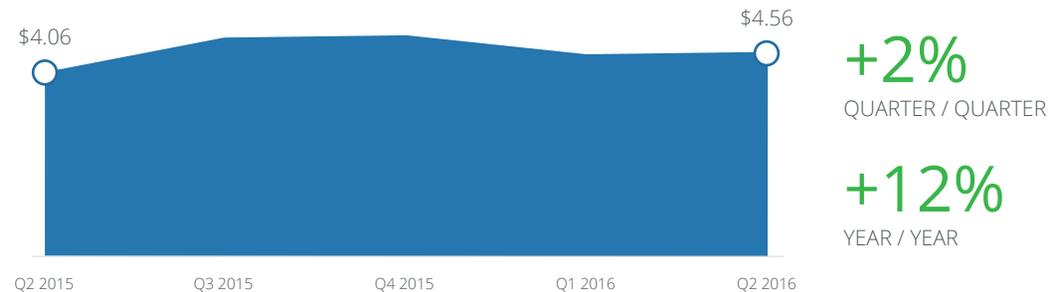
CPM - GLOBAL



CPM - ECOMMERCE



CPM - GAMING





CPC

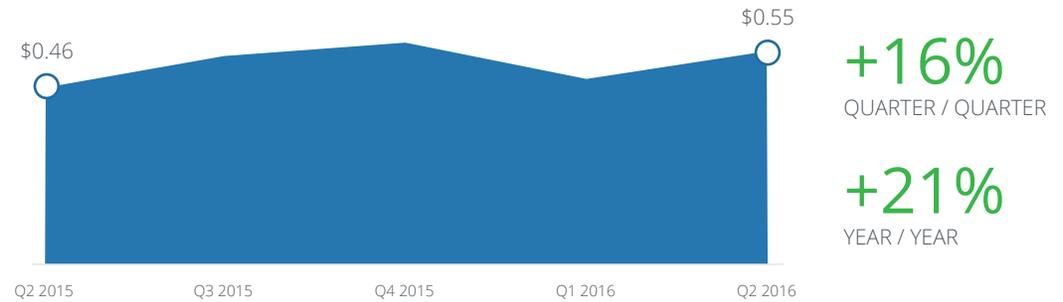
Cost per click

The trend in average CPCs largely mirrored that of CPMs in Q2 2016. Following a 16% quarter-over-quarter decrease, CPCs rebounded to \$0.55—up 16% from Q1. Longer-term, global CPCs on Facebook have remained consistent, especially outside the competitive Q4 holiday advertising season. This consistency has been driven by increasing CTRs, which often outpace rising average CPMs.

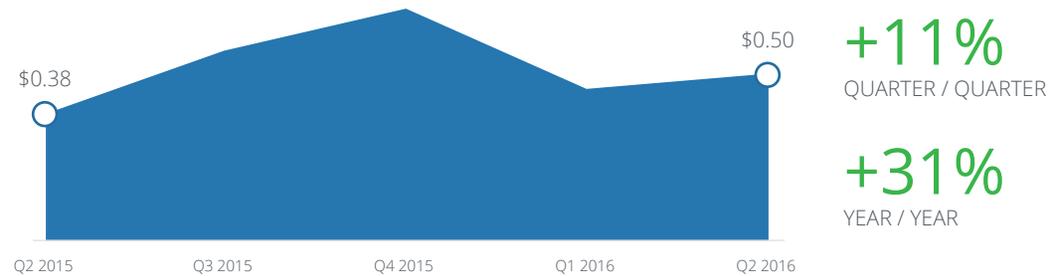
Ecommerce advertisers experienced an 11% CPC increase from Q1 2016. Despite being 31% higher year-over-year, the latest \$0.50 figure remains well below the averages seen in Q3 and Q4 2015.

Gaming CPCs rose by 24% quarter-over-quarter to reach \$0.66. CPCs have vacillated up and down over the past year, but have remained between \$0.76 and \$0.54, a range that is likely to hold going into Q3 2016.

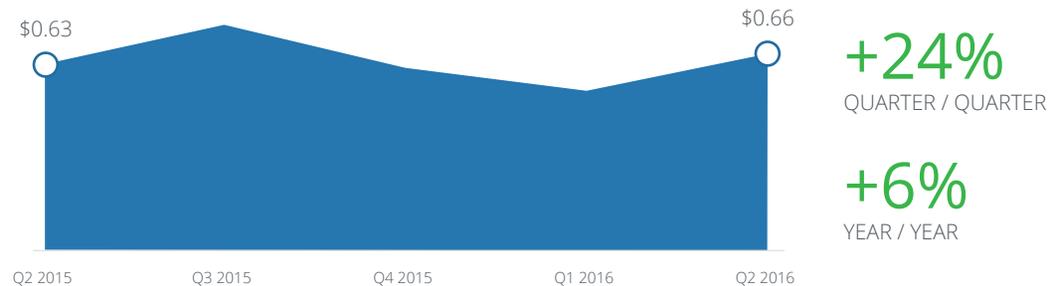
CPC - GLOBAL



CPC - ECOMMERCE



CPC - GAMING





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 Q2 2016.

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). Each region accounts for tens of millions of dollars of Facebook ad spend through Nanigans.

Note: U.S. campaigns currently represent the majority of spend by advertisers using Nanigans.



1. AMERICAS

CTR: 1.4%
-1% Q/Q

CPC: \$0.60
+5% Q/Q

CPM: \$8.33
+3% Q/Q

MOBILE VS. DESKTOP



■ Mobile, 80% ■ Desktop, 20%

2. EMEA

CTR: 0.6%
-15% Q/Q

CPC: \$0.64
+18% Q/Q

CPM: \$3.92
+0% Q/Q

MOBILE VS. DESKTOP



■ Mobile, 77% ■ Desktop, 23%

3. APAC

CTR: 1.2%
-24% Q/Q

CPC: \$0.27
+48% Q/Q

CPM: \$3.39
+12% Q/Q

MOBILE VS. DESKTOP



■ Mobile, 88% ■ Desktop, 12%

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Make an Introduction

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