

# nanigans

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Global  
Facebook Advertising  
Benchmark Report

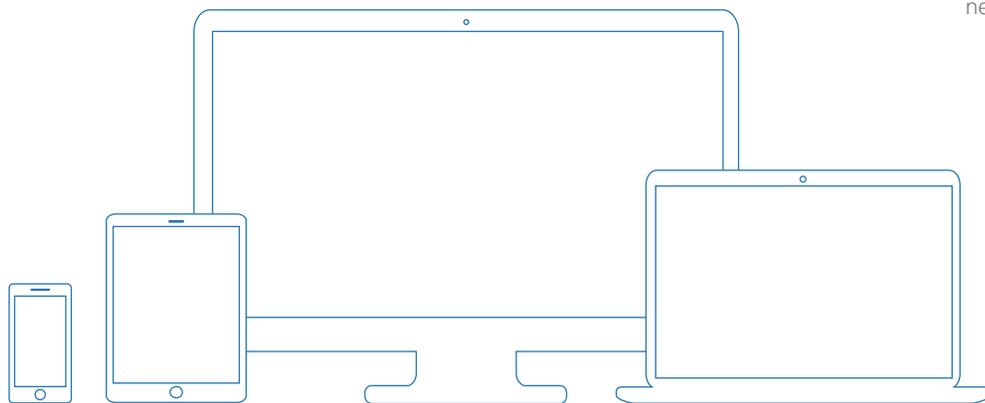
Q4 2015



# 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 for their companies. 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.

The vast majority of Nanigans customers are direct response advertisers at ecommerce, gaming, and other Internet and mobile companies. In Q4 2015, 97% of spend from these direct response advertisers was allocated to four Facebook ad products: Unpublished Page Post Ads, Mobile App Install Ads, Domain Ads, and Dynamic Product Ads.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.

# Q4 2015 delivers strong return on Facebook ad spend for retailers, as purchase rates and average order values soar

## KEY TRENDS

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

### AD BUDGETS CONTINUE TO CLIMB

Across sectors, marketers continue to derive value from Facebook, as demonstrated by the continuing trend of growing ad budgets. A significant majority of advertisers using Nanigans over the past two quarters increased their spending during Q4, with same-advertiser ad spend growing by an average of 11%. This follows a 16% quarter-over-quarter increase in Q3 2015.

#### SAME-ADVERTISER AD SPEND



## RETAILERS GENERATE HIGHER REVENUES

Expectations were high for online retailers in Q4 2015, according to a [NRF survey](#). Quarter-over-quarter retailers saw substantial increases in key revenue metrics on Facebook.

**+87%**  
RETURN ON AD SPEND

**+68%**  
PURCHASE RATES

**+49%**  
AVERAGE ORDER VALUE

Among the top ecommerce companies using Nanigans advertising automation software, same-advertiser purchase rates, average order value, and return on ad spend from Facebook all jumped by double digit percentages.

## ADVERTISERS INCREASE INVESTMENT IN VIDEO

Adoption of video ads continues to grow among performance marketers, especially on mobile and outside the US. Thanks to integrated call-to-action buttons and an engaging visual format, advertisers increased spend on video ads globally in Q4.



**+41%** Overall Video Ad Spend Growth, QUARTER / QUARTER

**+44%** Mobile Video Ad Spend Growth, QUARTER / QUARTER

**+86%** Non-US Video Ad Spend Growth, QUARTER / QUARTER

**+94%** Mobile Non-US Video Ad Spend GROWTH, QUARTER / QUARTER

## DYNAMIC PRODUCT AD RETARGETING GROWS

Strong returns on retargeting are behind increasing marketer usage of Facebook's Dynamic Product ads. As advertisers realize the revenue generating benefits of these real-time personalized product promotions, adoption is skyrocketing. The number of advertisers using Nanigans to manage Dynamic Product ad campaigns increased 210% in Q4 2015.

### ADVERTISERS USING DYNAMIC PRODUCT ADS



## CAROUSEL AD ADOPTION RISES

Continuing a trend seen in Q3, advertisers are increasing spend on Facebook's carousel ads. These interactive, scrollable ads can showcase multiple products, images, or videos—offering marketers more flexibility to creatively share their message.

### CAROUSEL AD SPEND





## CTR

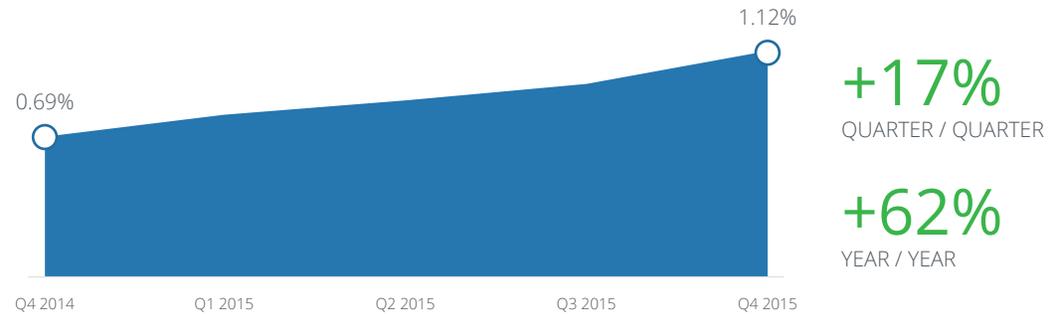
Click-through rate

Global Facebook ad CTR rose by 17% in Q4 2015, reaching 1.12%. Continuing a long-standing trend, this is the highest CTR observed since Nanigans began conducting these reports in Q3 2013, and represents a 62% year-over-year increase.

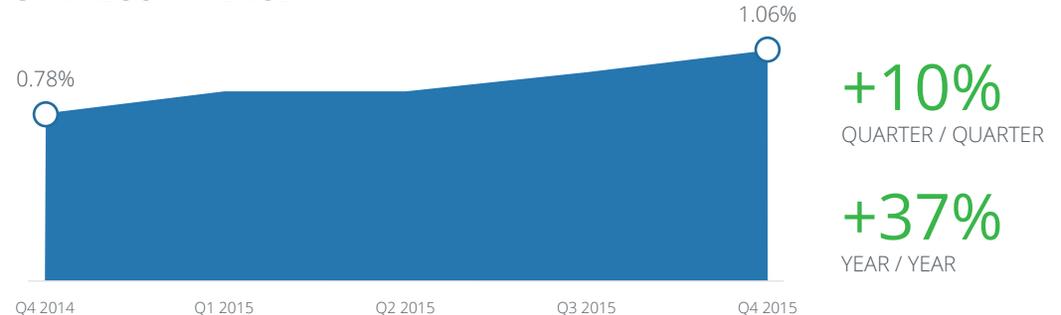
For the first time, ecommerce advertisers using Nanigans achieved aggregate CTRs above the 1% mark, at 1.06%. While Q4 typically delivers higher engagement for retail advertisers due to holiday shopping, this year CTRs were 62% higher than those observed in Q4 2014.

Game advertising CTRs rose by 24% quarter-over-quarter. Now at 0.8%, engagement rates reached their highest level ever observed, increasing 11% year-over-year. One contributing factor was the greater share of ad spend on video, a format that traditionally drives more clicks than static units. Video ads captured 28% of gaming sector Facebook spend Q4 2015, compared to just 22% in the previous quarter.

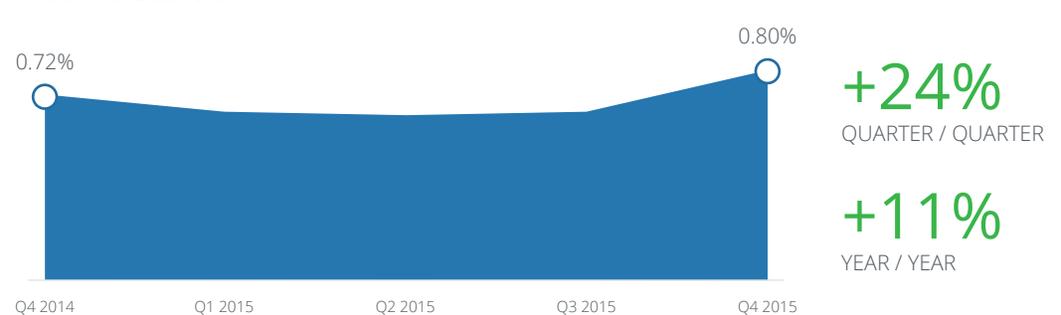
### CTR - GLOBAL



### CTR - ECOMMERCE



### CTR - GAMING





## CPC

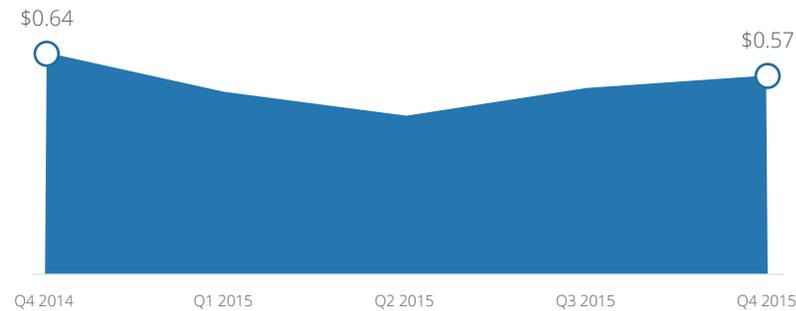
Cost per click

Due to similar global increases for both CTRs and CPMs, Facebook CPCs remained relatively steady in Q4 2015, rising a collective 6% quarter-over-quarter. This minor change continues a trend that Nanigans has observed since 2013. At \$0.57, Q4 2015 CPCs are actually 11% lower than they were the previous year.

CPCs for ecommerce advertisers rose by a modest 21% quarter-over-quarter, reaching \$0.69. This quarterly increase is slightly lower than what Nanigans observed last holiday season: for comparison, Q4 2014 CPCs stood at \$0.63, which represented a 29% quarter-over-quarter increase from \$0.49.

Among game advertisers, CPCs dropped by 19% in Q4 2015, averaging \$0.61. This quarterly decrease takes gaming sector CPCs back to levels observed in Q2 2015, when they hit \$0.63.

### CPC - GLOBAL



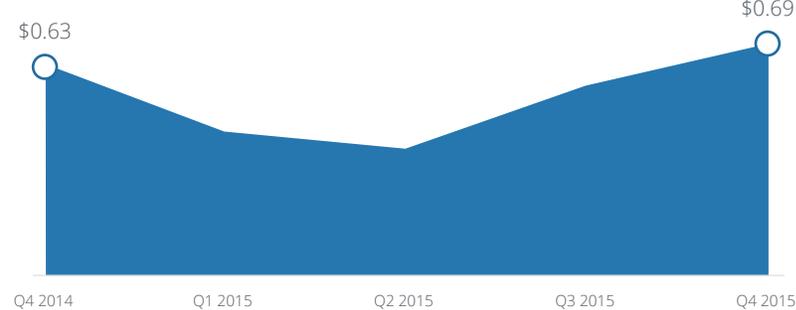
+6%

QUARTER / QUARTER

-11%

YEAR / YEAR

### CPC - ECOMMERCE



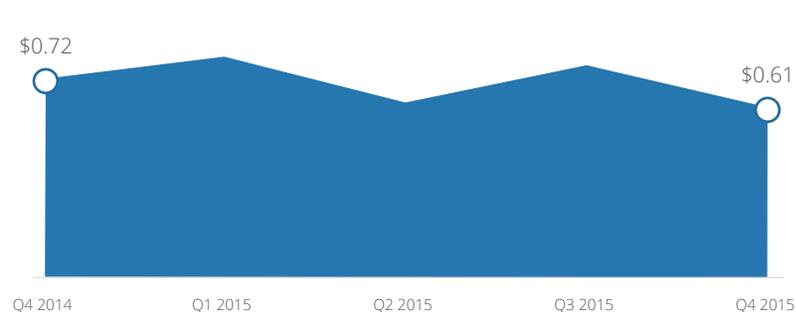
+21%

QUARTER / QUARTER

+9%

YEAR / YEAR

### CPC - GAMING



-19%

QUARTER / QUARTER

-14%

YEAR / YEAR



# CPM

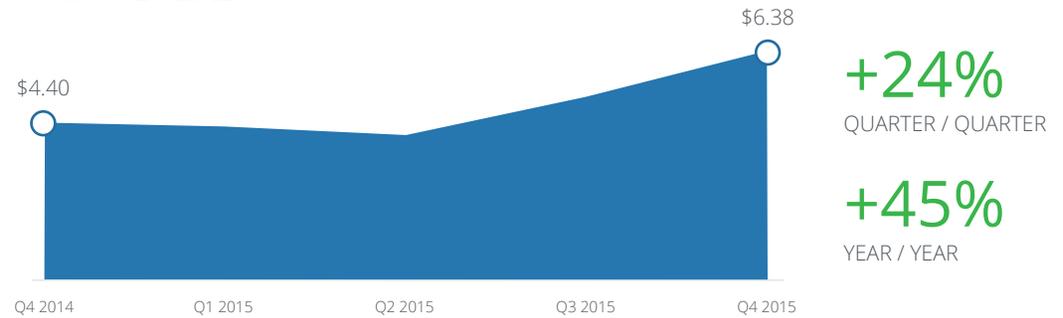
Cost per 1,000 impressions

With a global increase of 24%, Facebook ad CPMs rose for the second-straight quarter, but did so at rates below previous quarterly increases. Over the past year, global CPM increases of 45% have been outpaced by CTR increases of 62%, likely in part due to the rise of more expensive, but more engaging video and mobile advertising. With Facebook continuing to deliver strong return on ad spend, cost increases have not deterred brands from investing heavily in the channel.

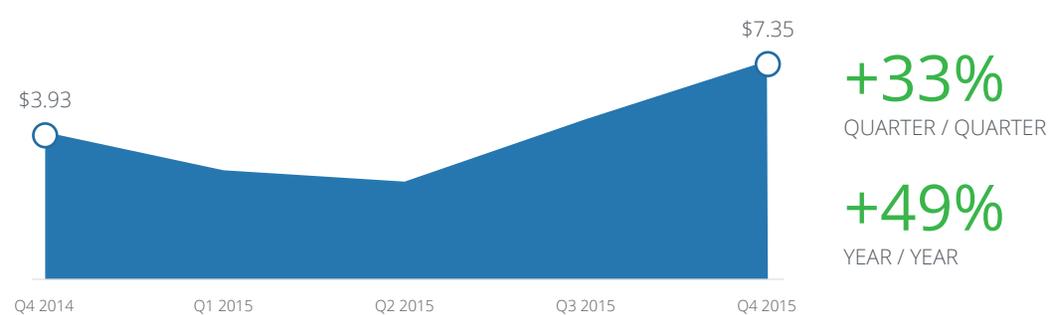
With fierce competition for ad inventory during the holidays, ecommerce advertiser CPMs reached \$7.35, an increase of 33% from Q3, and 49% from Q4 2014. The ecommerce sector also exhibited the highest increase in spend share on Carousel ads, at 53% growth. These ads are often more effective at driving user engagement than other traditional ad types.

Game advertisers saw minimal quarterly CPM changes, averaging just 1% higher at \$4.92.

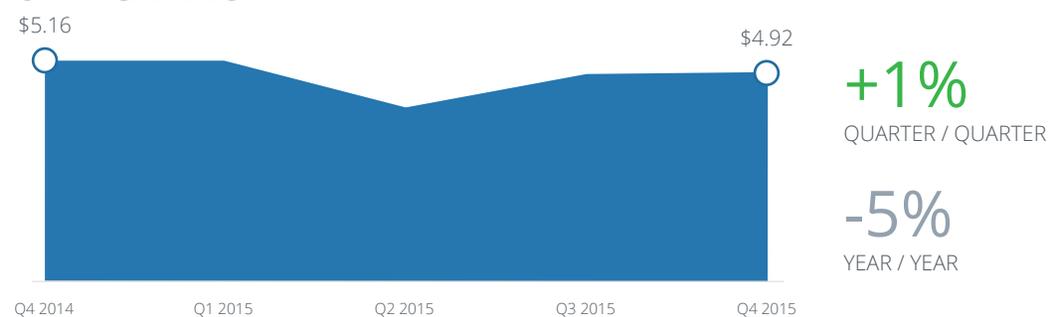
## CPM - GLOBAL



## CPM - ECOMMERCE



## CPM - 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 Q4 2015.

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.*



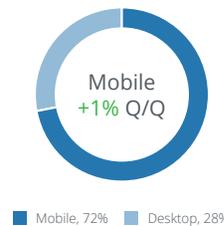
## 1. AMERICAS

CTR: 1.3%  
+31% Q/Q

CPC: \$0.64  
+0% Q/Q

CPM: \$8.01  
+31% Q/Q

### MOBILE VS. DESKTOP



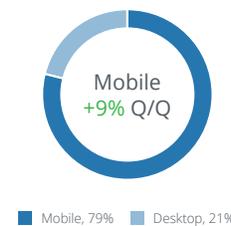
## 2. EMEA

CTR: 0.7%  
+19% Q/Q

CPC: \$0.62  
-2% Q/Q

CPM: \$4.61  
+16% Q/Q

### MOBILE VS. DESKTOP



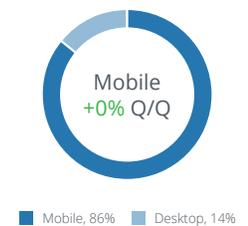
## 3. APAC

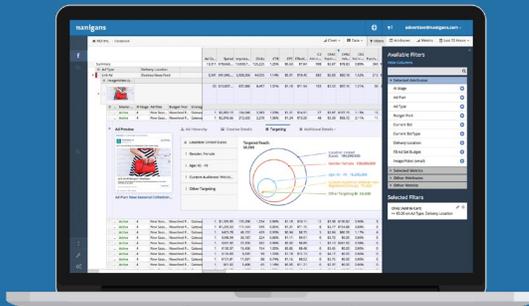
CTR: 1.3%  
-9% Q/Q

CPC: \$0.27  
+25% Q/Q

CPM: \$3.46  
+14% Q/Q

### MOBILE VS. DESKTOP





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

Contact Us

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