



RESEARCH REPORT

FACEBOOK BY THE NUMBERS 2015

Key findings on the trends and benefits of retargeting on the world's largest social network





Executive summary

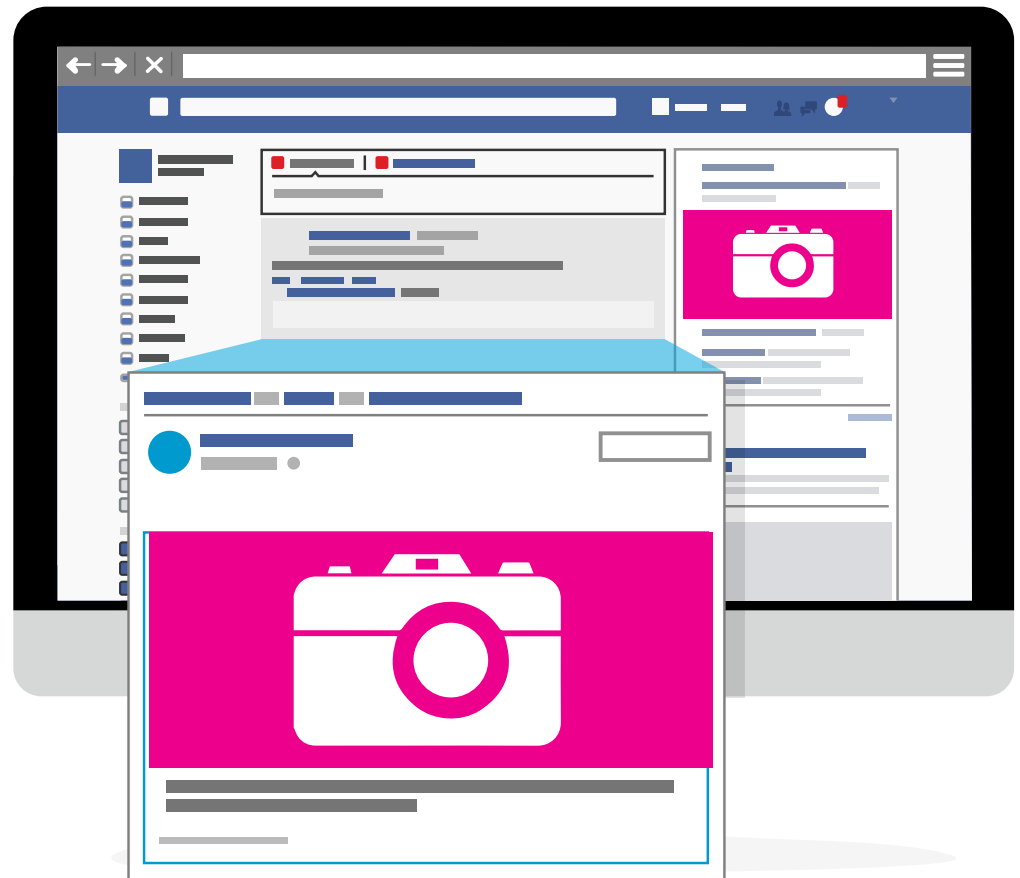
According to a survey of 1,000 marketers, social media is by far the hottest topic in retargeting.¹ Facebook has been central to this trend since retargeting became possible on the Facebook Exchange (FBX) three years ago. Since then, retargeting on Facebook has become an indispensable tool for digital advertisers.

For the purposes of this report, we analyzed AdRoll Retargeting campaign data across our global customer base. The findings in this report summarize our in-depth review of over 55,000 campaigns, which served 37 billion impressions worldwide between July 1, 2014, and June 30, 2015.

YEAR-OVER-YEAR (YOY) HIGHLIGHTS

- Globally, AdRoll saw a 31% increase in average spend per advertiser (ASPA) on Retargeting on Facebook.
- AdRoll customers saw a significant performance improvement after adding Facebook to an existing display retargeting campaign. Our advertisers saw a 92% increase in impression reach, 9% drop in cost per thousand impressions (CPM), 27% decrease in cost per click (CPC), and 26% increase in click-through rates (CTR).
- AdRoll business-to-business (B2B) marketers realized that Facebook is more than a consumer channel. They used Retargeting on Facebook for content marketing and as a way to increase social engagement. B2B CTRs increased by 140% and ASPA increased by 60%.
- In AdRoll campaigns, compared to static ad creative, dynamic personalized creative had a 24% higher CTR, 6% lower CPC, and 41% lower cost per acquisition (CPA).
- More advertisers are adopting cross-device retargeting, which is increasing overall advertising performance. When adding mobile retargeting to an AdRoll Facebook campaign, advertisers saw a 60% increase in impression reach, 64% increase in CTRs, and 36% drop in CPCs.

This report summarizes our in-depth review of over 55,000 campaigns, which served 37 billion impressions.





Retargeting

Retargeting allows you to reach audiences across the web, mobile web, mobile apps, and social with targeted display advertising. By serving relevant ads, retargeting helps turn online window shoppers into buyers, bringing users back to your website to make or complete a purchase.

Retargeting lets you personalize the ads you serve to people based on the intent signals—such as time spent on-site, shopping-cart abandonment, and whitepaper downloads—that have been expressed on your website. You can also create retargeting segments based on the email lists from your customer relationship management (CRM) system. Ultimately, by serving ads that are more relevant to each individual, you boost your chances of converting customers and bringing past visitors back to your website.

According to AdRoll's State of the Industry report, over 90% of marketers think retargeting performs as well as—or better than—search, email, and other display campaigns.¹

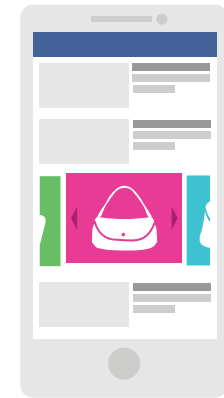
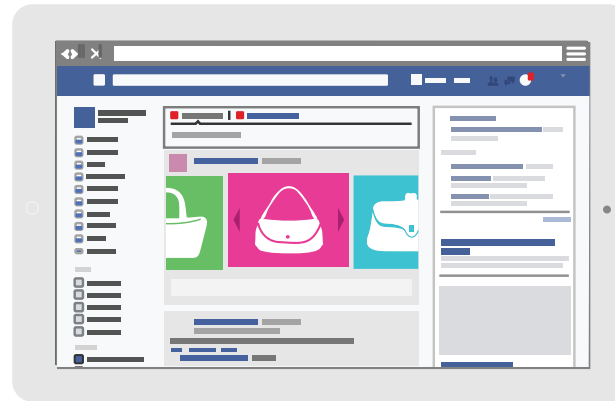




AdRoll Retargeting on Facebook

AdRoll helps businesses target customers across inventory sources. Facebook has become an increasingly valuable part of the marketing mix. AdRoll Retargeting on Facebook allows advertisers to use a variety of ad formats, including dynamic ads and mobile app install, to retarget users who are already highly engaged.

Facebook launched the Marketing Partner program to help advertisers—across industries and borders—find the right vendors to execute their marketing objectives. The new structure gives vendors a badge signifying that they meet or exceed Facebook partner standards and organizes partners based on nine specific areas of expertise.² The program certifies technology companies, ensuring that advertisers have more clarity, choice, and impact to achieve top results with Facebook advertising. AdRoll is a marketing-badge recipient and recognized in the areas of Ad Technology and Facebook Exchange (FBX).



 Marketing Partners

Facebook at a glance

What's changed *since last year*³

Reach

1.49 billion global monthly active users: **up 13%**

Mobile reach

1.3 billion global monthly active users: **up 23%**

Advertising revenue

Up 43%

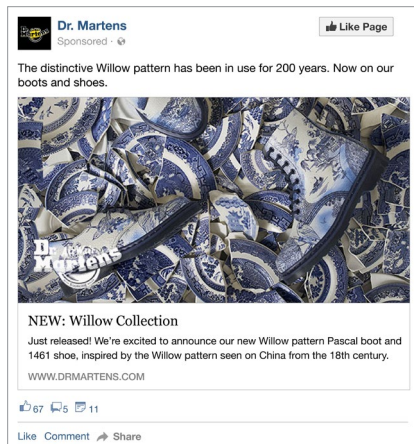
Mobile ad revenue

Up 74%



Facebook Desktop Ad formats

DESKTOP NEWS FEED



RIGHT-HAND COLUMN



Image size: 1200 x 628 pixels

Image ratio: 1.9:1

Text: 90 characters

Headline: 25 characters

Link description: 30 characters

Your image may not include more than 20% text. Use Facebook's grid tool to see how much text is on your image.

Dynamic carousel ads

Introduced in February 2014, Facebook dynamic product ads allow you to promote multiple products—in a single ad—to people who've visited your website. It also allows you to reach people based on specific attributes, including location, age, and interests. These ads are available across Desktop News Feed, Right-Hand Column, and mobile.

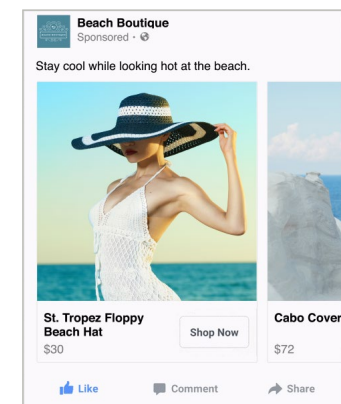
Recommended image size: 600 x 600 pixels

Image ratio: 1:1

Text: 90 characters

Headline: 40 characters

Link description: 20 characters



Facebook Mobile Ad formats

MOBILE NEWS FEED

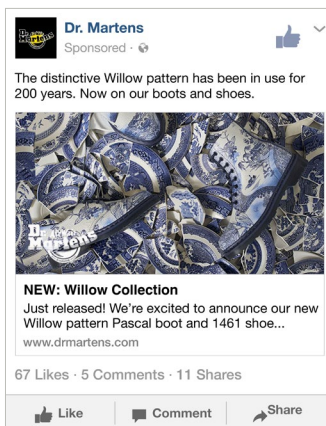


Image size: 1200 x 628 pixels

Image ratio: 1.9:1

Text: 90 characters

Headline: 25 characters

Link description: 30 characters

Your image may not include more than 20% text. Use Facebook's grid tool to see how much text is on your image.

MOBILE APP INSTALL

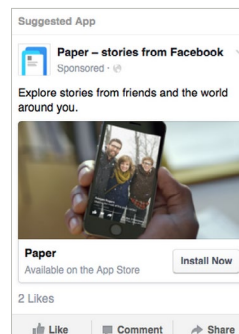


Image size: 1200 x 628 pixels

Image ratio: 1.9:1

Text: 90 characters

Your image may not include more than 20% text. Use Facebook's grid tool to see how much text is on your image.



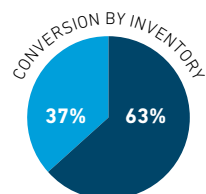
GLOBAL TRENDS

Facebook boosting performance of retargeting campaigns

One major finding is that campaigns performed better when run across a diversified inventory mix—and had a greater return on investment (ROI). As Facebook is one of the largest inventory sources, it's no surprise that adding it to an existing retargeting strategy resulted in significant performance boosts.

When AdRoll examined total conversions between Facebook and web display campaigns, we found that the majority of conversions still happened on display. (Japan appeared to be an outlier, as the market is new and advertisers in this region are continuing to expand inventory sources.)

However, adding AdRoll Retargeting on Facebook to existing display campaigns resulted in an increase in reach, a significant drop in cost per click (CPC), and a lower click cost per acquisition (CPA) across the board.

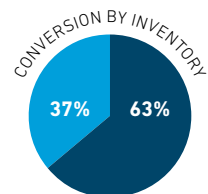


- Display
- Facebook

GLOBAL

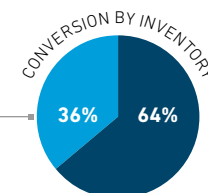
Incremental lift when adding Facebook retargeting to existing display retargeting campaign

- +92% Impression reach
- 33% Click CPA
- 28% CPC

**UNITED STATES**

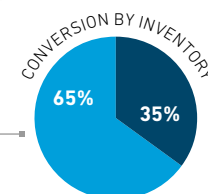
Incremental lift

- +92% Impression reach
- 33% Click CPA
- 26% CPC

**EUROPE**

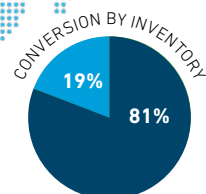
Incremental lift

- +85% Impression reach
- 35% Click CPA
- 28% CPC

**JAPAN**

Incremental lift

- +84% Impression reach
- 50% Click CPA
- 42% CPC

**AUSTRALIA**

Incremental lift

- +91% Impression reach
- 41% Click CPA
- 34% CPC



GLOBAL TRENDS

Investment by industry

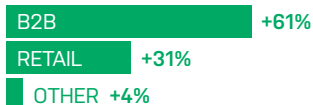
As Facebook's global footprint continued to grow, industries saw an opportunity to invest in Facebook's reach. Across the globe, there was an impressive year-over-year (YOY) increase in average spend per advertiser (ASPA) on AdRoll Retargeting on Facebook, especially among business-to-business (B2B) and retail advertisers.

GLOBAL

% of AdRoll advertisers spending on Facebook, by industry



YOY increase in ASPA

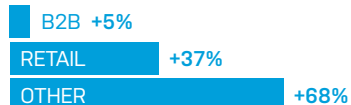


EUROPE

% of AdRoll advertisers spending on Facebook, by industry

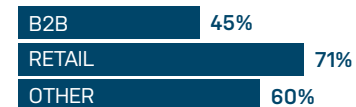


YOY increase in ASPA



JAPAN

% of AdRoll advertisers spending on Facebook, by industry

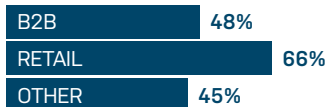


YOY increase in ASPA

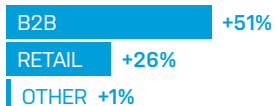


UNITED STATES

% of AdRoll advertisers spending on Facebook, by industry



YOY increase in ASPA

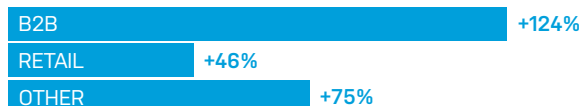


AUSTRALIA

% of AdRoll advertisers spending on Facebook, by industry



YOY increase in ASPA





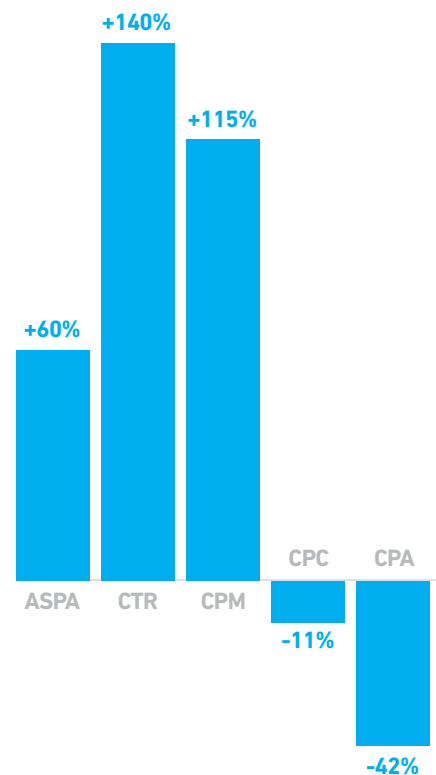
Rapid B2B adoption of Facebook and impressive ROI gains

Only a few years ago, Facebook advertising was viewed as a strictly consumer-reaching channel. However, media-consumption habits shifted and business-to-business (B2B) marketers had to adapt, becoming more like their business-to-consumer (B2C) counterparts. As a result, B2B marketers went on to execute successful branding and lead-generation campaigns on Facebook. Content marketing became a staple in B2B marketing and Facebook proved to be a great inventory source for featuring new content.

Over the past year, AdRoll saw B2B marketers rapidly adopting Facebook retargeting, convinced by its clear performance capabilities.

B2B marketers are now executing successful branding and lead-generation campaigns on Facebook.

GLOBAL B2B GROWTH YOY





Facebook unlocking mobile potential

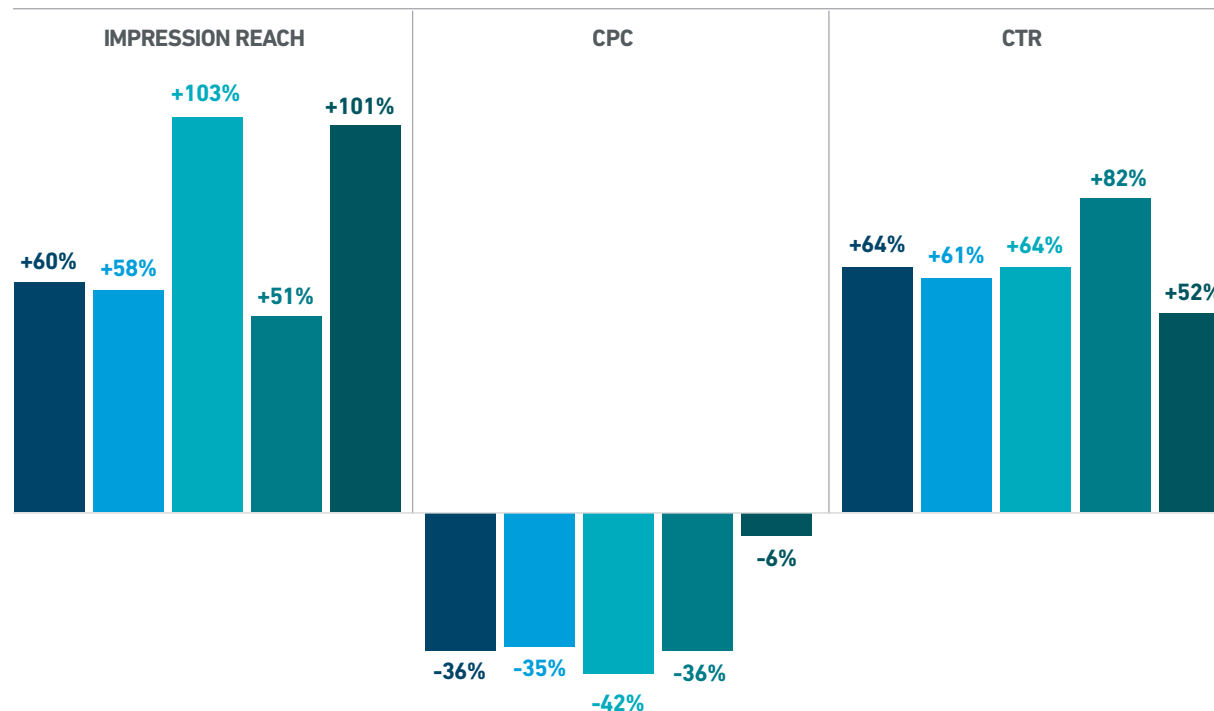
Last year, Facebook launched mobile retargeting with Facebook Custom Audiences. Facebook's 1.3 billion mobile Monthly Active Users (MAUs)—a whopping 87% of total MAU—accessed the platform via smartphone or tablet, providing a huge opportunity for advertisers to connect with omnichannel consumers.⁴

When AdRoll advertisers added mobile retargeting to existing desktop campaigns, they saw substantial performance improvements across Facebook inventory. Every region saw an increase in impressions and click-through rate (CTR) and a decrease in cost per click (CPC).

Every region saw an increase in impressions and CTR and a decrease in CPC.

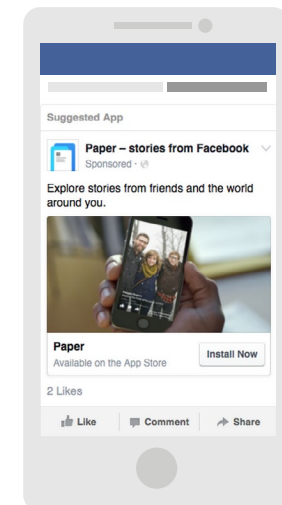
PERFORMANCE LIFT BY ADDING CROSS-DEVICE RETARGETING ON FACEBOOK

● Global ● United States ● Europe ● Australia ● Japan



Facebook mobile app install

To date, Facebook has driven over 3.5 billion app installs.⁵ Facebook added the ability to run mobile app install campaigns on Website Custom Audience (WCA) to meet growing demand from advertisers. AdRoll saw spending on mobile app install campaigns increase by 12x and drive 13.8x more installs year over year. Mobile app install adoption is still growing significantly and we expect even more growth in the next year.





AdRoll Dynamic Creative delivering on Facebook

Drawing on your product catalog, Dynamic Creative on Facebook serves highly relevant, personalized ads across devices. While on Facebook, a past visitor to your site will be targeted with relevant ads based on previously viewed items, recommendations, or top products. The AdRoll platform utilizes a predictive algorithm to generate these personalized product recommendations.

When comparing AdRoll Dynamic Creative with static creative on Facebook, dynamic ads were a clear winner. Dynamic ads delivered a higher click-through rate (CTR), lower cost per click (CPC), and lower cost per acquisition (CPA) on News Feed and Right-Hand Column. The CPA for dynamic creative was 41.5% lower than static ads on Facebook.

DYNAMIC CREATIVE VS. STATIC ADS

+ 24% Impression reach

- 6% CPC

- 41% CPA

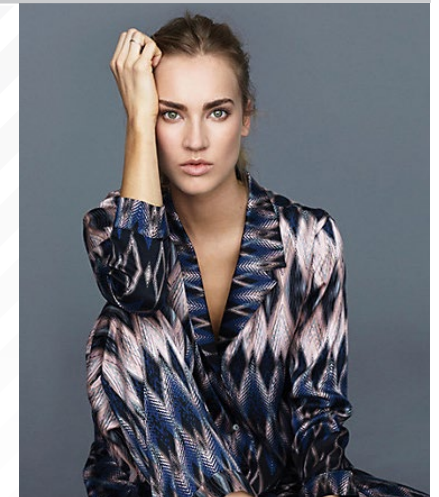
When comparing AdRoll Dynamic Creative with static creative on Facebook, dynamic ads were a clear winner.

CUSTOMER SPOTLIGHT

journelle

Journelle was ready to win new customers. They also needed a solution that would continue to nurture existing customers with a consistent, ongoing brand experience. "Our sales are usually 70% existing customers and 30% new customers," said Allison Beale, marketing director at Journelle. "Loyal shoppers love us."

Journelle decided to try AdRoll's dynamic ads, which draw from an individual shopper's browsing history on your site. The result is a beautiful, personalized user experience at scale. AdRoll's Dynamic Creative team crafted ads that were personal to the individual while also staying true to Journelle's brand. "AdRoll became a seamless extension of our marketing team," Beale said. "They brought our brand alive for customers without losing sight of our key performance goals."



RESULTS

6.8x ROI

29% lower-than-goal CPA

86% lower-than-goal mobile CPA



CRM retargeting on Facebook

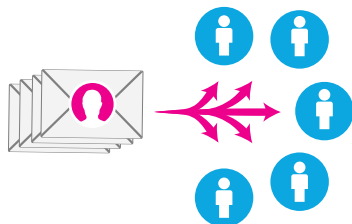
Customer relationship management (CRM) retargeting on Facebook bridges the gap between offline customer data and your social-advertising strategy. You can retarget users based on email lists from your CRM system, stretching your retargeting campaigns beyond website visitors. CRM data is uploaded in the form of an Excel spreadsheet and translated into retargeting segments across Facebook inventory.

HOW IT WORKS

1. Upload CRM data to AdRoll



2. AdRoll finds your audience online



3. Ads are served



CUSTOMER SPOTLIGHT



As their digital program progressed, Kiehl's Canada started looking for ways to link their online and in-store databases to digital campaigns. They had been building a CRM database from web signups, in-store profiles, and historical purchase behavior, and had used the data for targeted email campaigns. AdRoll's CRM data onboarding let them expand their successful email program into digital retargeting, instantly turning their customer email addresses into valuable audiences for retargeting across the web, mobile, and social networks. "AdRoll introduced us to the possibilities of retargeting. They let us target our audience online in a way we couldn't with traditional display ads," said Jordan Yuck, e-commerce and digital marketing manager at Kiehl's Canada. "We're doing performance marketing with AdRoll."



KEY PERFORMANCE METRICS

6.9% conversion rate

3.8x ROI



Conclusion

Retargeting on Facebook continues to drive ROI for advertisers. Over the past year, Facebook offered new ad formats, improved cross-device retargeting, and added new ways for advertisers increase the effectiveness of retargeting with first-party data. By leveraging these new tools, advertisers worldwide experienced a massive lift in performance. AdRoll saw increased adoption, use cases, and performance gains from business-to-business (B2B) marketers retargeting across Facebook inventory.

ABOUT US

AdRoll is the global leader in retargeting, with over 20,000 active advertisers worldwide. To reach beyond existing audiences, we've introduced AdRoll Prospecting to help businesses attract new customers. Our innovative and easy-to-use marketing platform enables businesses of all sizes to create personalized ad campaigns based on their own website data, driving maximum return on online advertising spend. AdRoll provides a high degree of transparency and reach across the largest display inventory sources, including Google AdX and Facebook Exchange. The company is backed by leading investors such as Foundation Capital, IVP, Accel Partners, Merus Capital and Peter Thiel. For more information, please visit www.adroll.com.

DEFINITIONS

TERM	DEFINITION
ASPA	Average spend per advertiser
Impression reach	Percent increase of impressions served
CPM	Cost per thousand impressions, i.e., ad exposures
CPC	Actual price paid for each click in pay-per-click (PPC) campaigns
CPA	Cost per acquisition
CTR	Click-through rate, i.e., percentage of clicked-on ads, divided by total number of impressions
ROI	Return on investment, i.e., revenue generated, divided by overall spend

Appendix

For this report, when referring to advertisers in Europe, we pulled data from advertisers in the UK, Ireland, France, the Netherlands, the Nordics, Germany, Belgium, and Luxembourg.

In this report, display retargeting campaigns refer to campaigns run across web inventory.

All YOY data from this report was collected globally between July 1, 2014, and June 30, 2015, and compared with advertisers running campaigns on Facebook between July 1, 2013, and June 30, 2014.

Sources

1. AdRoll, State of the Industry
2. Facebook, Facebook Marketing Partner Requirements
3. Facebook, Facebook Q1 2015 Earnings Call
4. Facebook, Facebook Q1 2015 Earnings
5. Facebook, Mark Zuckerberg at the F8 Conference