Salesforce for Marketers

Advertising Index
Q2 2016 Report

salesforce marketing cloud

Contents

Executive Summary

- Global Facebook CPM grew 65% year over year.
- In the e-commerce industry, Germany has the highest Facebook CTR at 1.62%, followed by the United States at 1.54%.
- Global Instagram CPM was $6.30, growing 42% quarter over quarter.
- Twitter CPM fell 18% year over year.
- Global LinkedIn CPM for Q1 2016 was $29.43.

Trends at a Glance

Facebook continues to deliver value to advertisers everywhere, and its latest earnings report proves it. Facebook ad revenue reached $6.2 million, representing a 63% increase since Q2 2015. Facebook CPM rose 65% year over year globally to $6.33, with a global CTR of 1.29%.

Q2 2016 Global Facebook Trends

CPM	CPM YoY Change	CTR
$6.33	65%	1.29%

Performance by Country

Canada and France experienced the highest growth in Facebook CPM with over 130% growth since last year, followed by the United States, which grew 74% year over year. Australia had the highest CTR at 2.02%, followed by Germany at 1.67%. The United Kingdom and Germany had increases in CPM year over year at 44% and 46%, respectively.

Q2 2016	CPM	CPM YoY Growth	CTR
Global*	$6.33	65%	1.29%
Australia	$8.35	48%	2.02%
Canada	$5.54	145%	0.36%
France	€2.80	137%	1.36%
Germany	€4.45	46%	1.67%
United Kingdom	£3.97	44%	1.23%
United States	$7.26	74%	1.15%

*Global is an aggregation of the countries listed in the table (Australia, Canada, France, Germany, United Kingdom, United States)

Trends by Industry

In Australia, advertisers in gaming and retail saw the highest Facebook CTR at 2.71% and 2.70%. However, CPM for the gaming industry reached AUD $9.54, whereas retail CPMs were less expensive at AUD $8.99. In the United Kingdom, the entertainment industry had the lowest CPM at £1.21, with the highest CTR of 2.14%. In the United States, retail led in CTR at 2.50% but had the second lowest CPM at $5.37. The financial services and e-commerce industries had some of the highest CPMs at $12.84 and $10.32, respectively.

Australia	CPM	CTR
Consumer Packaged Goods	AUD $7.00	2.35%
Entertainment	AUD $4.44	2.59%
Financial Services	AUD $8.86	0.94%
Food and Beverage	AUD $5.38	1.88%
Gaming	AUD $9.54	2.71%
Government and Politics	AUD $13.65	0.96%
Retail	AUD $8.99	2.70%
Travel	AUD $6.30	2.02%

France	CPM	CTR
E-commerce	€4.44	0.92%
Gaming	€2.41	0.63%
Technology	€3.53	2.08%

Germany	CPM	CTR
E-commerce	€5.32	1.62%
Technology	€5.39	1.98%

United Kingdom	CPM	CTR
Automotive	£2.41	1.64%
E-commerce	£4.70	0.99%
Entertainment	£1.21	2.14%
Professional Services	£7.60	0.92%
Gaming	£4.10	0.52%
Technology	£7.41	1.60%
Travel	£4.02	1.70%

Canada	CPM	CTR
E-commerce	$13.53	0.64%
Gaming	$5.14	0.32%

United States	CPM	CTR
Consumer Packaged Goods	$9.27	2.07%
E-commerce	$10.32	1.54%
Education	$8.34	1.01%
Entertainment	$1.01	1.65%
Financial Services	$12.84	1.76%
Food and Beverage	$7.06	1.22%
Gaming	$7.15	0.71%
Professional Services	$15.78	2.40%
Retail	$5.37	2.50%
Travel	$9.03	1.46%

All industry numbers are in local currency.

Mobile App Install

Mobile App Install	CPM	CPI
*Global	$7.65	$4.01
Australia	$8.81	$11.64
Canada	$7.93	$8.30
France	$3.69	$1.19
Germany	$6.09	$1.71
Italy	$3.09	$2.39
Japan	$8.36	$2.86
United Kingdom	$6.68	$3.24
United States	$9.62	$4.88

* All numbers in USD

Global Instagram Trends

Instagram is growing as fast as ever, reaching 500 million users in June 2016. With 80% of these users living outside the United States, it is clear that the platform is growing its global footprint, according to a recent blog post from the company. The global Instagram CPM for Q2 2016 was $6.30, rising 42% quarter over quarter. The United Kingdom increased by 6.4%, a much lower growth rate than Australia and the United States.

Q2 2016	CPM (Q1 2016)	CPM (Q2 2016)	QoQ change
Global	**$4.44**	**$6.30**	**42%**
Australia	$5.49	$7.68	40%
United Kingdom	£2.04	£2.17	6%
United States	$5.10	$7.14	40%

All industry numbers are in local currency.

Q2 2016 Global Instagram Trends

CPM Q1 '16	CPM Q2 '16	QoQ Change
$4.44	$6.30	42%

Global Twitter and LinkedIn Trends

Global Twitter Trends

According to Twitter's Q2 2016 earnings report, 40% of its quarterly revenue was from international markets. Total advertising revenue was $535 million, rising 18% worldwide year over year. In Q2 2016, the global Twitter CPM fell 18% year over year to $4.29. From Q1 2016 to Q2 2016, CPM fell 38% from $6.93. Last year, the third-quarter CPM was lower than Q2. Quarterly advertising revenue grew 18% year over year, but a major change since last year is the switch to Twitter video ads by advertisers.

Promoted Tweets	CPM
2015 Q2	$5.26
2015 Q3	$3.67
2015 Q4	$10.40
2016 Q1	$6.93
2016 Q2	$4.29

Global LinkedIn Trends

The LinkedIn Q2 2016 earnings report shows that revenue from its Marketing Solutions increased 29% year over year to $181 million, and that over 60% of that revenue was from Sponsored Content. The demand for ad inventory on LinkedIn has grown, as have media costs for sponsored content. LinkedIn continues to be a premium platform for advertisers – especially in B2B and financial services – as its CPM rose 13% year over year, reaching $29.43.
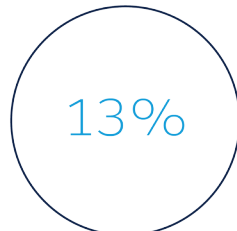
Sponsored Status Update	CPM
2015 Q2	$26.05
2015 Q3	$27.17
2015 Q4	$32.65
2016 Q1	$29.37
2016 Q2	$29.43
% YoY Change	**13%**

Q2 2016 Sponsored Status Update

CPM

$29.43

YoY Change

13%

Credits and Appendix

The advertising data in this report covers hundreds of millions of ad impressions and engagements by Marketing Cloud customers using our Advertising Studio platform from April 2016 through June 2016, as well as comparative data from past periods. This includes advertising on Facebook Audience Network, Instagram, Twitter, and LinkedIn across the globe. This aggregate data in no way represents any official position of Facebook, Twitter, or LinkedIn for advertising trends, or for any individual advertiser.

Aggregate advertiser data is anonymized, categorized, and checked for consistency and accuracy before being included in any index presented in this report. This information is presented under safe harbor and should not be considered as any official statement by Salesforce. Please seek appropriate advice and counsel prior to making any advertising or business decision.

Global and regional indexes were employed for a majority of this report to control for factors like seasonality, vertical variances, and other factors. For some analyses, including when more than three fiscal quarters of data are shown, a larger index of advertisers was used. We encourage readers not to do much comparison with older reports as we continue to evolve our methodologies with the goal of market trend data that is more accurate.

The Salesforce Advertising Index report was authored by members of the Advertising Studio product marketing team at Salesforce, with support across wider teams. We acknowledge the work of Zachary Reiss-Davis, Hilary Givens, and Kyle Graden in leading this effort, with data support from Julien Grouteau and executive sponsorship from Chris Jacob and Liam Doyle.

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What is Advertising Studio?

Reach Your Customers Where They Are

Advertising Studio is an end-to-end advertising platform that enables you to reach your customers where they are across all digital advertising. Activate your customer data in Salesforce to securely and powerfully reach your customers, find new prospects with lookalikes, and re-engage inactive users in the customer journey. Create advanced campaigns and creative variations with sophisticated targeting and optimize them at scale across Facebook, Instagram, Twitter, LinkedIn, and mobile. Enhance your email marketing goals with advertising and coordinate campaigns across social, mobile, sales, and customer service efforts.

Five Key Ways to Make Advertising a 1-to-1 Channel

1. **Acquire new customers:** Build lookalikes of best customers to find new ones with end-to-end lead automation.

2. **Re-engage inactive customers:** Re-engage subscribers in a new channel, reducing risk to your email program.

3. **Extend the reach of email:** Coordinate email and advertising to increase your reach using Journey Builder.

4. **Exclude customers from ad campaigns:** Increase ROI by excluding existing or low-value buyers.

5. **Power ads using social listening:** Advertise based on what customers and prospects say on Twitter.

Securely Connect Customer Data to Advertising

Coordinate advertising with the rest of your marketing, sales, and customer service terms. All customer data is stored in Salesforce, and any data that leaves the platform is encrypted and hashed before it is sent to any external advertising partner. Your customer data is protected at every stage, and no external partner can see it.

As a part of the Customer Success Platform, Advertising Studio is part of Salesforce for Marketers. The Customer Success Platform includes sales, service, marketing, community, analytics, and apps. Salesforce for Marketers and Advertising Studio are members of the Facebook Marketing partner program, Instagram Ads API partner program, and LinkedIn Sponsored Updates Ads Api Partner program. Salesforce is the world's largest provider of customer relationship management (CRM) software. For more information about Salesforce (NYSE:CRM), visit salesforce.com.

**CONNECT TO YOUR CUSTOMERS
IN A WHOLE NEW WAY**