salesforce marketing cloud

Salesforce Advertising Index

Q3 2015

Table of Contents

Executive Summary

- Facebook CPM rose to $4.17 in Q3 in seven key markets.

- Five consumer-focused industries in the United States, from entertainment to travel, had over a 2% CTR.

- CRM-powered website click ads are 27% more effective than traditional targeting.

- Across seven markets, the cost per video view on Facebook was just $0.02.

- Social casino apps have over 4x higher app install costs than casual games in the U.K.

- Instagram CPM was $5.94 across three major markets.

- Twitter Promoted Timeline Tweets CPM decreased 25% from Q2.

Chris Jacob, Advertising Products
Salesforce Marketing Cloud

Facebook Trends

Facebook Media Performance by Country and Industry

CPM in seven key markets rose to $4.17 in Q3, up from $1.90 in Q1 and $2.32 in Q2. CPC also rose to $0.42 from $0.24 in both Q1 and Q2. Despite the overall increase in CPM, CPM actually decreased in Germany and the U.K., falling 10% in both markets. In contrast, CPM increased by 21% in the U.S.

CTR held steady in the US at 0.78%, while it ticked up in Australia to 1.44% and down in the U.K. to 1.32%.

For the first time, we also show quarterly index data for Brazil and New Zealand as well; in Brazil the CPM was R$4.85 and in New Zealand it was NZ$4.06.

CPM				CPC				CTR		

2015 Global Facebook Trends

	CPM			CPC			CTR		
	Q1	Q2	Q3	Q1	Q2	Q3	Q1	Q2	Q3
Australia	$4.86	$5.63	$6.39	$0.39	$0.41	$0.44	1.24%	1.37%	1.44%
Brazil	-	-	R$4.85	-	-	R$0.45	-	-	1.07%
Canada	$2.06	$2.27	$2.80	$1.18	$1.07	$1.10	0.18%	0.21%	0.25%
France	€1.08	€1.19	€1.60	€0.44	€0.28	€0.33	0.25%	0.42%	0.49%
Germany	€2.12	€3.06	€2.76	€0.13	€0.17	€0.25	1.60%	1.83%	1.13%
Japan	¥1,205	¥581	¥759	¥51	¥49	¥46	2.38%	1.18%	1.67%
New Zealand	-	-	$4.06	-	-	$0.67	-	-	0.61%
U.K.	£2.40	£2.75	£2.48	£0.19	£0.18	£0.19	1.25%	1.55%	1.32%
U.S.	$3.44	$4.21	$5.08	$0.56	$0.54	$0.65	0.61%	0.78%	0.78%

All currencies mentioned in narrative and tables for each region are denominated in local currency.

Q3 2015 Global* Facebook Trends

CPM	CPC	CTR
$4.17	$0.42	0.98%

Global includes the following countries: Australia, Canada, France, Germany, Japan, United Kingdom, and United States.

A Deep Dive Into Key Industries And Markets

In Australia, advertisers in the automotive industry had one of the higher CPMs along with one of the highest CTRs (2.26%). The gaming industry has the lowest CTR, at 0.35%, as advertisers focus on other metrics in those campaigns.

In Brazil, the telecommunication industry had a CTR of nearly 4% and the consumer packaged goods industry had a CTR of nearly 3%, both substantially higher than the global Q3 average or the average for other industries in Brazil.

In France, both the retail and consumer packaged goods industries CTRs were the highest in the country, at 1.36% and 1.22% respectively, while the gaming industry CTR was only 0.15%, among the lowest of any industry in any country in this report.

In Germany, similar to France, gaming CTRs were 0.39%, relatively low compared to other industries. The entertainment and technology industries had relatively high CTRs, at 1.58% and 1.82% respectively, as these are among the highest engagements rates in the country.

Australia

	CPM	CPC	CTR
Automotive	$8.04	$0.35	2.26%
Consumer Packaged Goods	$6.76	$0.28	2.42%
E-commerce	$9.14	$0.72	1.28%
Education	$7.54	$0.57	1.31%
Entertainment	$4.61	$0.16	2.72%
Financial Services	$6.17	$0.88	0.70%
Food and Beverage	$6.45	$0.41	1.56%
Gaming	$7.18	$2.07	0.35%
Government and Politics	$10.02	$0.72	1.40%
Organisations and Associations	$8.69	$0.42	2.06%
Retail	$6.34	$0.64	1.00%
Technology	$7.92	$0.75	1.05%
Travel	$6.25	$0.37	1.71%

Brazil

	CPM	CPC	CTR
Consumer Packaged Goods	R$3.45	R$0.12	2.96%
Gaming	R$5.08	R$0.56	0.90%
Organisations and Associations	R$7.71	R$0.13	5.85%
Retail	R$2.66	R$0.32	0.83%
Technology	R$4.84	R$0.97	0.50%
Telecommunications	R$5.12	R$0.13	3.89%

France

	CPM	CPC	CTR
Consumer Packaged Goods	€2.37	€0.19	1.22%
E-commerce	€3.59	€0.49	0.72%
Gaming	€1.19	€0.73	0.16%
Retail	€1.34	€0.10	1.36%
Technology	€1.96	€0.16	1.18%

Germany

	CPM	CPC	CTR
Consumer Packaged Goods	€4.17	€0.27	1.58%
E-commerce	€3.90	€0.30	1.30%
Entertainment	€2.42	€0.14	1.72%
Food and Beverage	€2.71	€0.24	1.14%
Gaming	€2.48	€0.64	0.39%
Retail	€2.51	€0.18	1.39%
Technology	€2.82	€0.16	1.82%

New Zealand

	CPM	CPC	CTR
Food and Beverage	$5.93	$0.25	2.38%
Telecommunications	$5.99	$0.42	1.44%

All currencies mentioned in narrative and tables for each region are denominated in local currency.

United Kingdom

	CPM	CPC	CTR
Automotive	£2.62	£0.15	1.66%
Consumer Packaged Goods	£2.41	£0.20	1.21%
E-commerce	£3.43	£0.38	0.91%
Entertainment	£2.22	£0.06	3.59%
Financial Services	£2.36	£0.29	0.82%
Food and Beverage	£2.55	£0.14	1.82%
Gaming	£2.45	£0.65	0.38%
Organisations And Associations	£3.43	£0.11	3.19%
Professional Services	£3.39	£0.39	0.86%
Retail	£2.12	£0.15	1.36%
Technology	£2.21	£0.15	1.50%
Telecommunications	£2.14	£0.50	0.43%
Travel	£1.57	£0.24	0.65%

United States

	CPM	CPC	CTR
Automotive	$4.50	$0.18	2.55%
Consumer Packaged Goods	$4.49	$0.25	1.77%
E-commerce	$7.84	$0.51	1.53%
Education	$5.61	$0.44	1.28%
Entertainment	$3.90	$0.16	2.40%
Financial Services	$9.43	$0.60	1.58%
Food and Beverage	$3.99	$0.19	2.13%
Gaming	$4.97	$1.05	0.48%
Professional Services	$13.35	$1.01	1.32%
Retail	$5.21	$0.25	2.09%
Technology	$10.80	$0.67	1.60%
Travel	$9.66	$0.40	2.44%

In New Zealand, two industry indexes are shown: food and beverage and telecommunications had very similar CPMs, at NZ$5.93 and NZ$5.99 respectively.

In the United Kingdom, automotive, food and beverage, retail, and technology industries all had between £0.14 and £0.15 CPCs, but their CTRs ranged from 1.36% in retail to 1.82% in food and beverage. The gaming and telecommunication industries, in contrast, had 3—4x higher CPCs at £0.65 and £0.50 respectively.

In the United States, the financial services, professional services, and technology industries had the highest CPMs ranging from $9.43 to $13.35. The gaming industry had the lowest CTR, at 0.48%. A select group of industries, including automotive, entertainment, food and beverage, retail, and travel all had over a 2% CTR, indicating that consumers in the U.S. are willing to engage with high quality content.

In Q3, gaming advertisers across the globe recorded amongst the lowest engagement rates when compared to other industries.

CRM-Powered Ads Drive Higher Engagement

We examined all campaigns targeting people in the United States that drive clicks to websites, and divided them into three major targeting types:

- Traditional demographic targeting: ads targeted by things including age, gender, and interests
- Lookalike audience targeting: ads targeted to the people on Facebook who are the most similar to a CRM-based list of your own customers
- Custom Audience targeting: ads targeted to a specific group of people on Facebook selected through a CRM-based list of your own customers

The Custom Audience targeted Clicks to Website Ads on Facebook had 27% higher engagement, as measured by CTR, than traditional demographic targeting, and lookalike audience ads had a 7% higher engagement. Traditional targeting had a lower CPM than Custom Audiences as it usually targets a much wider audience.

Ad Targeting Effectiveness
Website-Click Campaigns in the U.S.

CRM-targeted campaigns have a **27% higher engagement** than traditional targeting

CTR

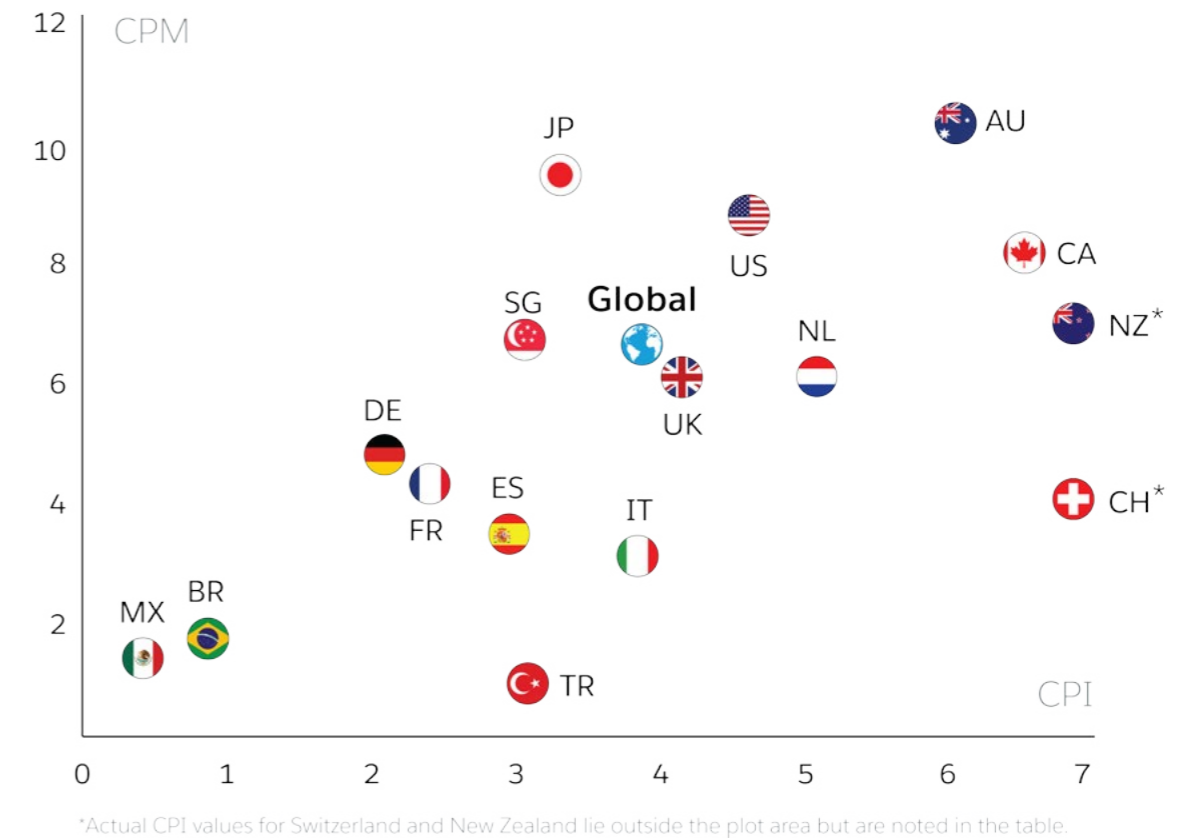|	Custom Audience	Lookalike Audience	Traditional Demographic Targeting
CPM →	$5.70	$4.01	$1.90
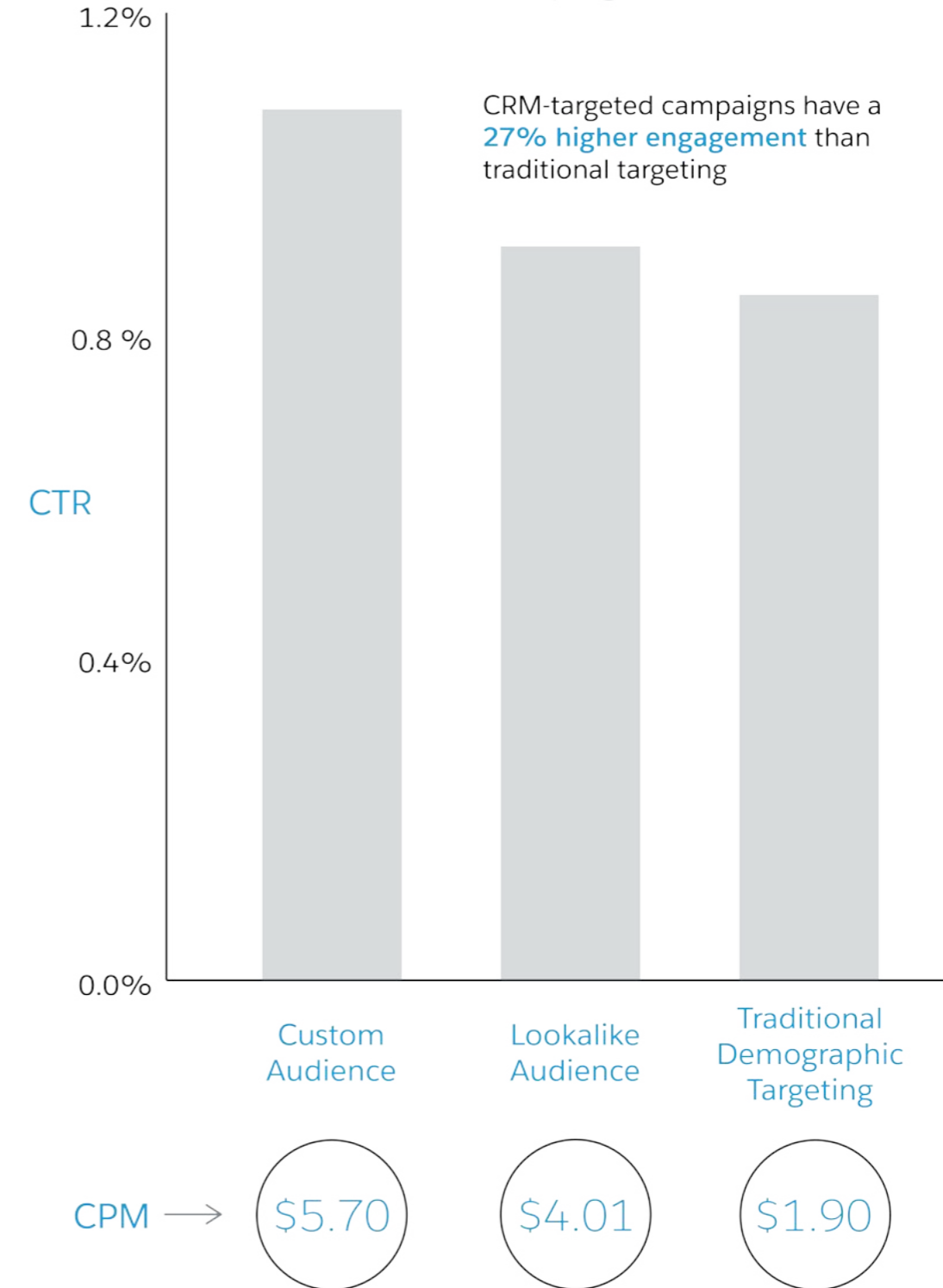
Mobile App Install Costs Most Expensive in Australia and New Zealand, Least in Latin America

Mobile app advertisers tend to run multi-region campaigns in which they are strongly focused on which markets deliver effectively priced app installs of customers who produce a true ROAS. Across 14 different countries, the CPI for all mobile app install campaigns was $3.87 and the CPM was $6.48.

Cost per Install (USD)			
	Q1 2015	Q2 2015	Q3 2015
Australia	$5.22	$4.77	$6.04
Brazil	$1.00	$0.93	$0.87
Canada	$4.72	$3.89	$6.50
France	$3.06	$2.25	$2.42
Germany	$4.52	$2.51	$2.10
Italy	$1.78	$1.69	$3.85
Japan	$2.69	$2.54	$3.30
Mexico	-	$0.68	$0.44
Netherlands	$2.62	$2.33	$5.07
New Zealand	-	-	$12.80
Singapore	-	$2.22	$3.06
Spain	$3.83	$3.36	$2.96
Switzerland	$3.84	$4.82	$8.49
Turkey	$1.15	$0.73	$3.10
United Kingdom	$3.67	$3.87	$4.11
United States	$3.04	$3.11	$4.60
Global	$2.32	$2.58	$3.87

For Mobile App Install Ads, Countries Vary Widely In Both CPM And CPI (USD)

*Actual CPI values for Switzerland and New Zealand lie outside the plot area but are noted in the table.

Across Europe, CPIs ranged from a high of $8.49 (CHF8.18) in Switzerland to a low of $2.10 (€1.92) in Germany. The two Latin American countries included, Brazil and Mexico, have the lowest CPI at $0.87 and $0.44 respectively. New Zealand has the highest mobile app install costs at $12.80 and Australia has the third highest at $6.04.

Video Views Are Just $0.02 Each; 22% of Viewers Watch 75% Of Your Video

In September 2014, one billion videos were watched daily on Facebook. By April 2015, that number had quadrupled to four billion views, and by November 2015, it had doubled again to eight billion views. While video ads can be effective on Facebook for many types of objectives, including website conversions and mobile app installs, we saw some interesting trends where the primary goal was higher funnel in nature, like branding.

Advertisers can still achieve meaningful business results even when the video is for a short period. Nielsen and Facebook have shown that people who watch only three seconds of a video comprise 47% of the entire campaign value, and this three-second threshold is how Facebook defines a video view.

Across seven key markets, we found that three-second video views cost just $0.02 each. However it cost $0.07, or 350% more, for people to watch 75% of the video. While this is a large percentage difference, this is significantly less expensive than rates for major television advertising, and Facebook has far more sophisticated targeting options and measurement capabilities.

A little more than one in five people (22%) who started watching a video ad watched 75% or more of the total video length. Different markets were more receptive watching 75% of the video. Only 11% of people who started watching a video in New Zealand watched three quarters of it while 34% of people in France did.

	Cost per Video View (CPV)	Cost Per 75% Video View	Watchers Who Watch 75%
Australia	$0.03	$0.16	21%
Brazil	R$0.02	R$0.14	16%
France	€0.009	€0.026	34%
Germany	€0.013	€0.050	25%
New Zealand	$0.03	$0.32	11%
United Kingdom	£0.01	£0.05	21%
United States	$0.02	$0.07	21%
Global	$0.02	$0.07	22%

App Installs Are Less Expensive For Gaming, But More Expensive For Social Casino Apps

When looking at different app categories, different advertising market dynamics are present. The four app types examined across the U.S. and U.K. are:

- Casual gaming: any mobile game, usually with a freemium or free-to-play model that monetises with in-app purchases. These are the least expensive apps for installs in both markets.
- Brand and e-commerce apps: where the app itself is free, and the business value is from improving brand loyalty or direct e-commerce purchases.
- Subscription products: apps that include a monthly subscription fee.
- Social casino: games that mimic traditional casino games, but with virtual prises only (not real-money rewards). These are the most expensive apps for installs in both markets.

In the U.K., social casino apps were over 4x more expensive per install than casual games, and this category was over 2x more expensive in the US.

Mobile apps have evolved from being common across specific industries, like gaming, to being prevalent in almost every single industry.

Mobile App Cost Per Install (CPI)

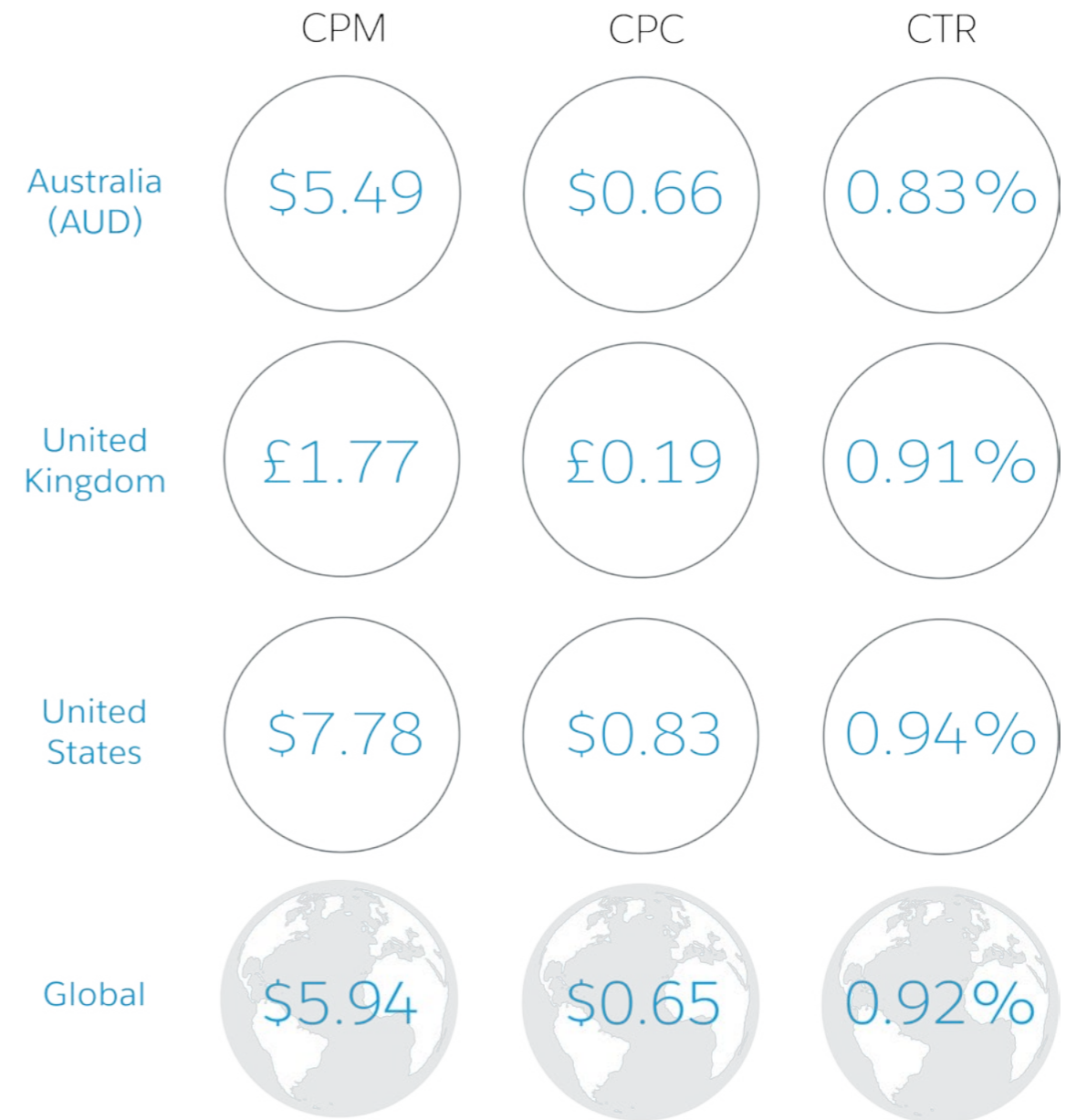| United States		United Kingdom
$3.48	Casual Gaming	£1.10
$4.93	Brand & E-commerce	£2.85
$3.84	Subscription Products	£4.54
$8.48	Social Casino	£5.32
$4.60	Average	£6.37

Instagram Trends

Instagram CPM Is $5.94 Across Three Major Markets

Instagram advertising launched to global general availability in September 2015. Across three major markets in Europe, North America, and Asia Pacific, the CPM was $5.94 and the CTR was 0.92%. The U.S. had the highest CTR at 0.94%.

Instagram evaluated 400 advertising campaigns run in Q3 2015 alongside Nielsen, and found that 97% of the campaigns generated a significant lift in ad recall, with the average lift at 17 points – that's 2.8x higher than what Nielsen usually sees with online advertising.

In 2016, sophisticated advertisers should focus on Instagram creative quality, as brands and agencies learn the different consumer behaviors and ROI potential of the platform.

Q3 2015 Instagram Performance by Country

	CPM	CPC	CTR
Australia (AUD)	$5.49	$0.66	0.83%
United Kingdom	£1.77	£0.19	0.91%
United States	$7.78	$0.83	0.94%
Global	$5.94	$0.65	0.92%

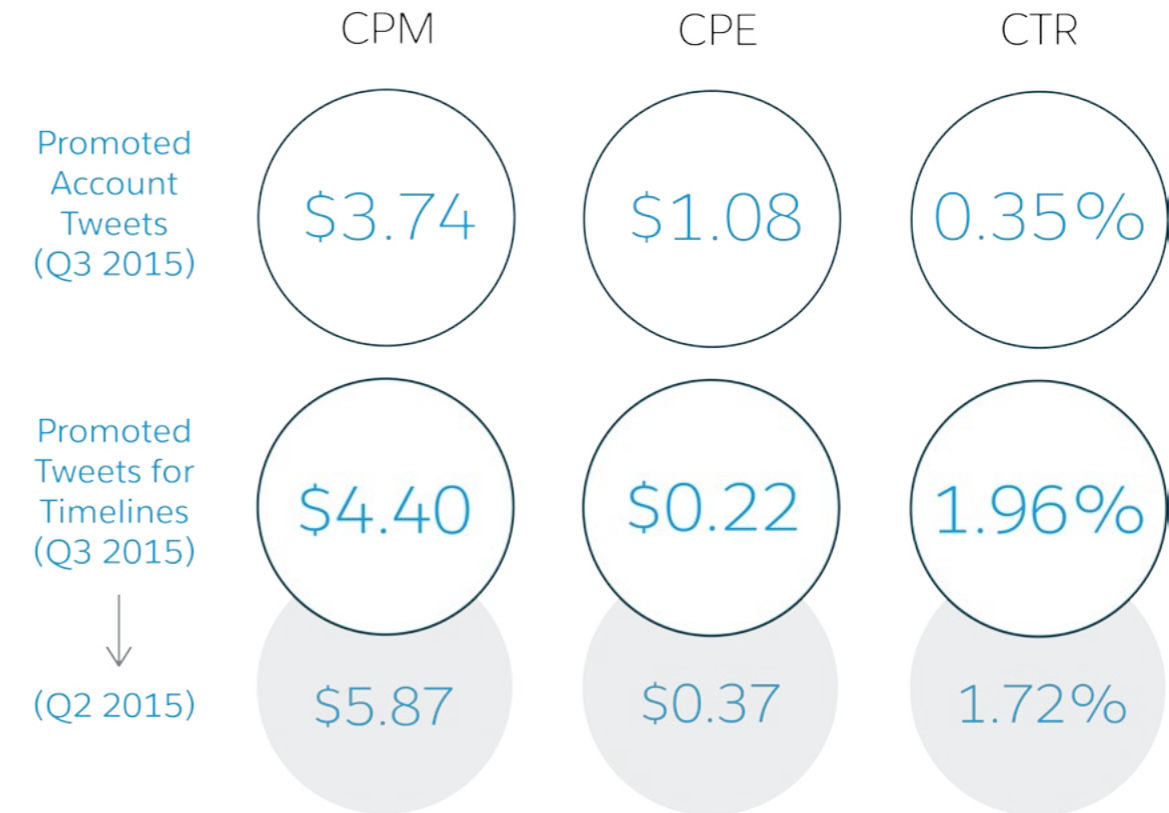Salesforce Advertising Index Q3 2015, February 2016

Twitter Trends

Twitter Promoted Tweets Continue To Be Highly Engaging While Decreasing in Cost

On Twitter, the CPM for Promoted Timeline Tweets decreased from Q2 by 25% while the CTR increased by 14%, both of which bode well for advertiser value on the platform. Cost-per-engagement (CPE) basis for Twitter ads in Promoted Timeline Tweets was only $0.22.

As Twitter continues to mature as an advertising platform, advertisers should focus on what specific engagements they need in addition to broad brand engagement.

Q3 2015 Twitter Performance by Ad Type

	CPM	CPE	CTR
Promoted Account Tweets (Q3 2015)	$3.74	$1.08	0.35%
Promoted Tweets for Timelines (Q3 2015)	$4.40	$0.22	1.96%
(Q2 2015)	$5.87	$0.37	1.72%

LinkedIn Trends

LinkedIn Remains a Platform to Engage with Premium Audiences

LinkedIn, with its unique professional focus and targeting capabilities, is a platform for advertisers to reach highly valued audiences which are difficult to target on any other platform. Advertisers are willing to pay a premium and in the United States, the CPM was $26.83 while it was AUS$37.97 in Australia.

We saw increased investment in LinkedIn from a wider range of industries beyond technology in Q3, including education, automotive, and financial services.

Q3 2015 Instagram Performance by Country

	CPM	CPC	CTR
Australia (AUD)	$5.49	$0.66	0.83%
United Kingdom	£1.77	£0.19	0.91%
United States	$7.78	$0.83	0.94%
Global	$5.94	$0.65	0.92%

Credits & Appendix

The advertising data in this report covers more than two trillion ad impressions and over 200 billion ad engagements by Salesforce Marketing Cloud customers using our Advertising Platform from July 2015 to September 2015. This includes advertising on Facebook, 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 nor any individual advertiser.

Aggregate advertiser data is anonymised, categorised, 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 analysis, including when more than three quarters of data are shown, a larger index of advertisers were used. We encourage readers not to do much comparison to much older reports as we continue to evolve our methodologies with the goal of more accurate and indicative data of market trends.

The Salesforce Advertising Index report was authored by members of the Advertising Product Marketing team at Salesforce, with support across the Salesforce Marketing Cloud. We acknowledge the work of Zachary Reiss-Davis, Hilary Givens, and Kyle Graden in leading this effort with data support from Julien Grouteau, along with executive sponsorship from Liam Doyle.

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Drive real business results and manage your advertising campaigns at scale with Social.com. Active Audiences unlocks your CRM data in Salesforce to securely and powerfully reach your customers, target lookalikes, and optimise advertising within the customer journey.

Manage advertising at scale

Reach customers on any device and channel with advertising powered by identity-based targeting via Facebook, Instagram, Twitter, LinkedIn and Mobile Publishers. Social.com has helped large agencies and brand teams around the world run millions of campaigns with sophisticated business goals. So whether it is creating complex campaigns, facilitating efforts and intelligence across advertising teams, or visualising and reporting on performance, you can tailor your advertising approach to your digital marketing strategy with Social.com

Activate your customer data

Use the data you already have about your customers from their email, mobile push interactions, and their purchases on your site to securely sync with Facebook and Twitter. Engage with them at the right moment along the customer journey, or find new customers who have similar behaviors to your best ones. Active Audiences also integrates with the major CRM onboarding partners, so you can connect your data with the entire DMP and DSP ecosystem.

Social.com and Active Audiences are part of Marketing Cloud as part of the Customer Success Platform. This includes sales, service, marketing, community, analytics and apps.

Marketing Cloud and Social.com are a Facebook Marketing Partner, Instagram Ads API Partner, Twitter Certified Partner and LinkedIn Sponsored Updates Ads API Partner.

About Salesforce: Salesforce is the world's largest provider of customer relationship management (CRM) software.

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