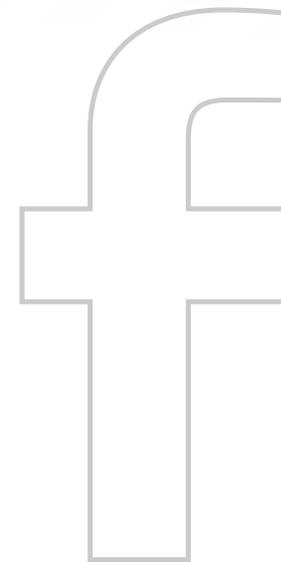


RESEARCH REPORT

FACEBOOK BY THE NUMBERS 2015

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





EXECUTIVE SUMMARY

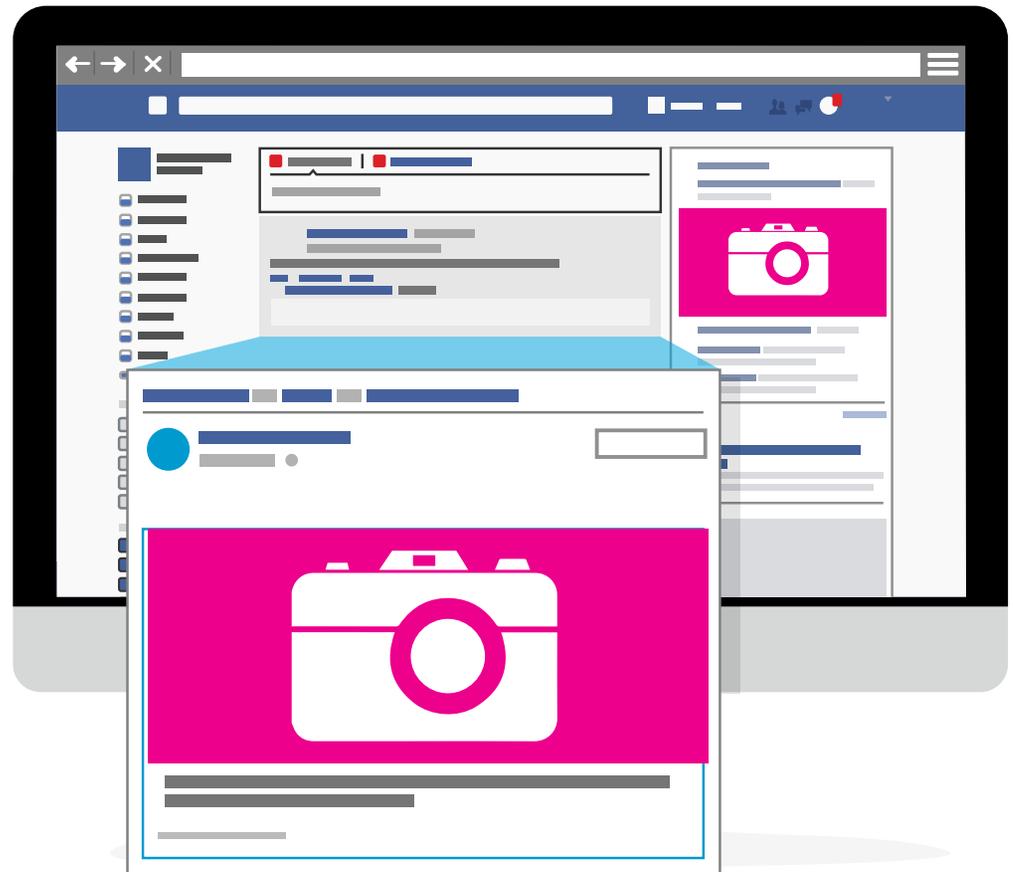
According to a survey of 1,000 marketers, social media is by far the hottest topic in retargeting,¹ and Facebook has been central to this trend since retargeting became possible on the Facebook Exchange (FBX) three years ago. Since then, retargeting on Facebook has become an indispensable tool for digital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

For the purpose 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-June 30, 2015.

HERE ARE SOME OF YEAR OVER YEAR THE HIGHLIGHTS:

- Globally, AdRoll saw a 31% increase in average spend per advertiser (ASPA) on retargeting on Facebook.
- When adding Facebook to an existing display retargeting campaign, AdRoll customers are getting a clear improvement in performance. Specifically, our advertisers saw a 92% increase in impression reach, 9% drop in cost per thousand impressions (CPM), 27% decrease in cost per clicks (CPC), and 26% increase in click-through rates (CTR).
- AdRoll business to business (B2B) marketers have realized that Facebook isn't only a consumer channel. They are now using retargeting on Facebook for content marketing and as a way to increase social engagement. B2B CTRs have increased by 140%, and ASPA has increased by 60%.
- In comparison to static ad creative, AdRoll campaigns using dynamic personalized creative had a 24% higher CTR, 6% lower CPC, and 41% lower CPA.
- Cross-device retargeting is gaining adoption and increasing overall advertiser 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 that served 37 billion impressions.





WHAT IS RETARGETING

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

Retargeting lets you personalize the ads you serve to people based on the intent signals (time on site, abandoned shopping carts, whitepapers downloaded, etc.) they've 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 bringing past visitors back to your website and converting customers.

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

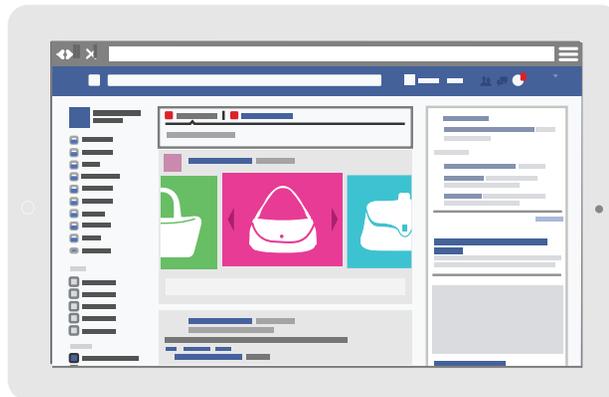




ADROLL RETARGETING ON FACEBOOK

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

To help advertisers across industries and borders find the right vendors to execute their marketing objectives, Facebook launched the Marketing Partner Badge Program. The new structure gives partners one badge to signify that they meet or exceed Facebook partner standards and organizes partners based on nine specific areas of expertise.³ The program certifies technology companies to ensure 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 FBX.



 Marketing Partners

Facebook at a glance

What's changed *since last year*²

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%

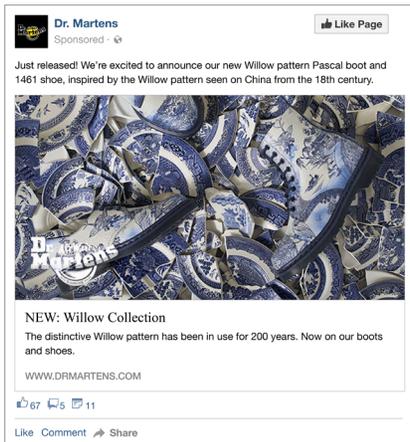
Mobile ad revenue

Up 74%



FACEBOOK DESKTOP AD FORMATS

DESKTOP NEWS FEED



RIGHT COLUMN

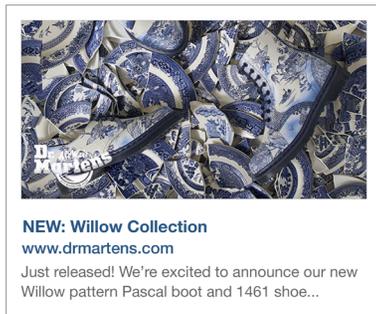


Image size: 1,200 x 628 pixels

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 Product Ads

Introduced in February of 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 such as location, age, and interests. These ads are available across desktop (News Feed and Right-Hand Column) and mobile.

Recommended image size: 600 x 600 pixels

Image ratio: 1:1

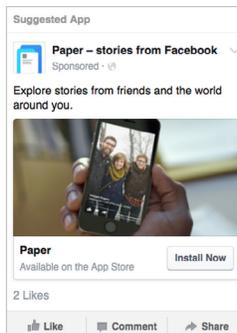
Text: 90 characters

Headline: 40 characters

Link description: 20 characters

FACEBOOK MOBILE AD FORMATS

MOBILE FORMATS



MOBILE NEWS FEED

Image size: 1,200 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.

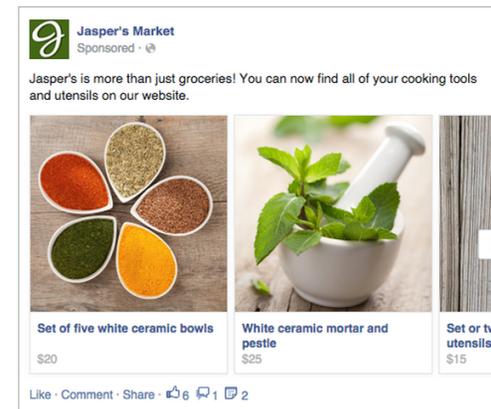
MOBILE APP INSTALL

Image size: 1,200 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.





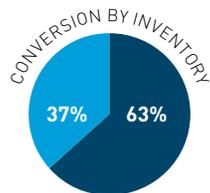
GLOBAL TRENDS:

INCREASE RETARGETING CAMPAIGN PERFORMANCE BY ADDING FACEBOOK

One of the major findings is that running campaigns across a diversified inventory mix produces better performance and a greater ROI. Considering that Facebook is one of the largest inventory sources, it is no surprise that adding it to an existing retargeting strategy can result in a significant boost impact on performance.

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

However, adding Facebook retargeting to existing display campaigns resulted in an increase in reach, a significant drop in CPC, and a lower click CPA across the board.

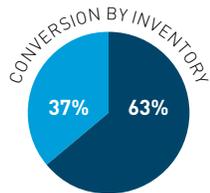
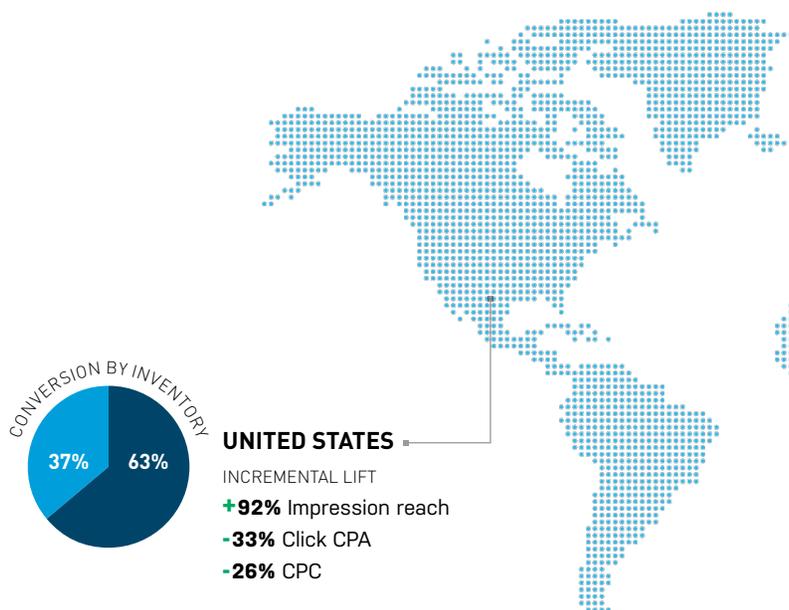


- Display
- Facebook

GLOBAL

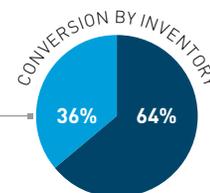
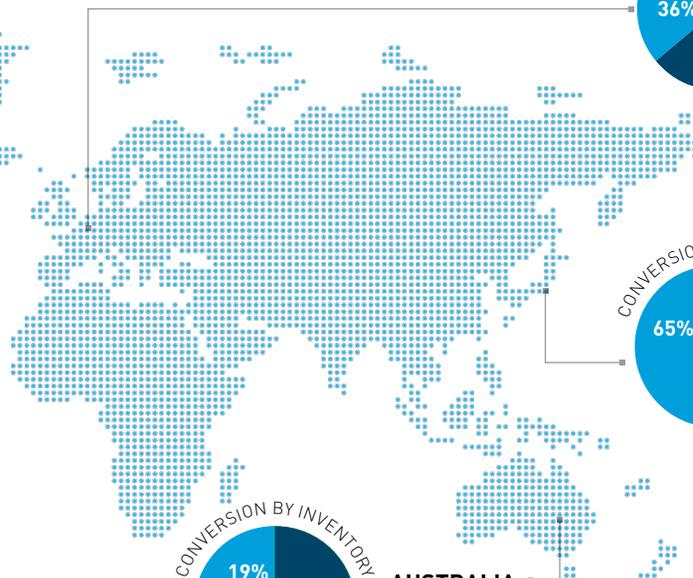
INCREMENTAL LIFT WHEN ADDING FACEBOOK RETARGETING TO EXISTING DISPLAY RETARGETING CAMPAIGNS.

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



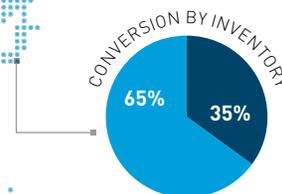
UNITED STATES

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



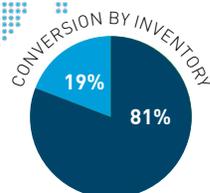
EUROPE

- 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

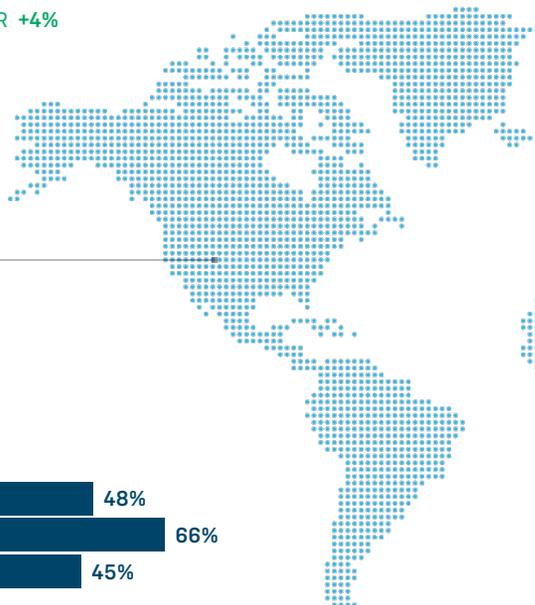
As Facebook's global footprint continues to grow, industries have recognized the opportunity to invest in Facebook's reach. Across the globe, there has been an impressive increase in average spend per advertiser (ASPA) on retargeting on Facebook, especially among B2B and retail advertisers.

GLOBAL

% OF ADROLL ADVERTISERS SPENDING ON FACEBOOK BY INDUSTRY

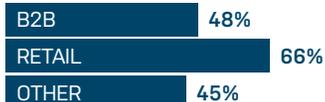


YOY INCREASE IN ASPA



UNITED STATES

% OF ADROLL ADVERTISERS SPENDING ON FACEBOOK BY INDUSTRY



YOY INCREASE IN ASPA

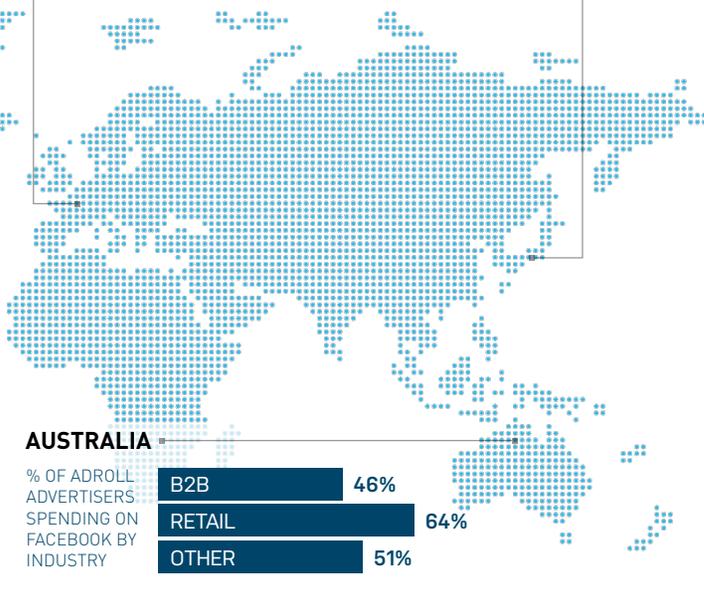
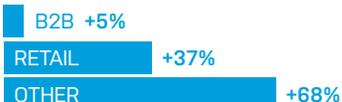


EUROPE

% 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



JAPAN

% OF ADROLL ADVERTISERS SPENDING ON FACEBOOK BY INDUSTRY



YOY INCREASE IN ASPA





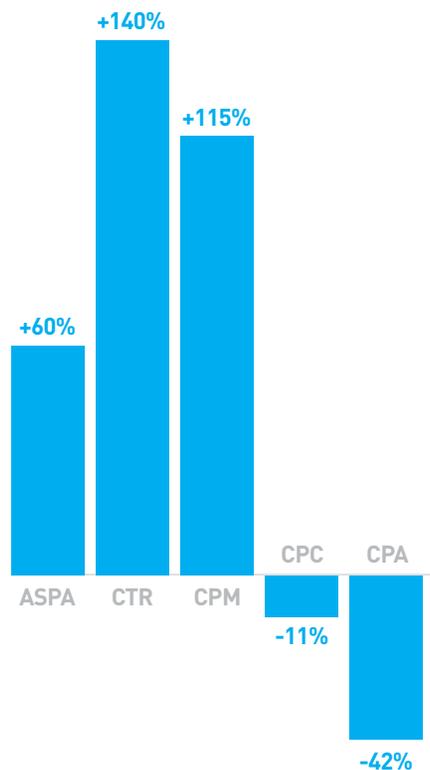
B2B MARKETERS RAPIDLY ADOPTING FACEBOOK AND GARNERING IMPRESSIVE ROI

Only a few years ago, Facebook advertising was viewed as a channel strictly to reach consumers. However, media consumption habits have shifted and B2B marketers have had to adapt by becoming more like their B2C counterparts. As a result, B2B marketers are now executing successful branding and lead generation campaigns on Facebook. Content marketing has become a staple in the B2B marketing sphere and Facebook has proven to be a great inventory source to feature new content.

Over the past year, AdRoll has seen B2B marketers rapidly adopt Facebook retargeting as they've seen its ability to perform.

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

GLOBAL B2B GROWTH YOY





FACEBOOK UNLOCKS MOBILE POTENTIAL

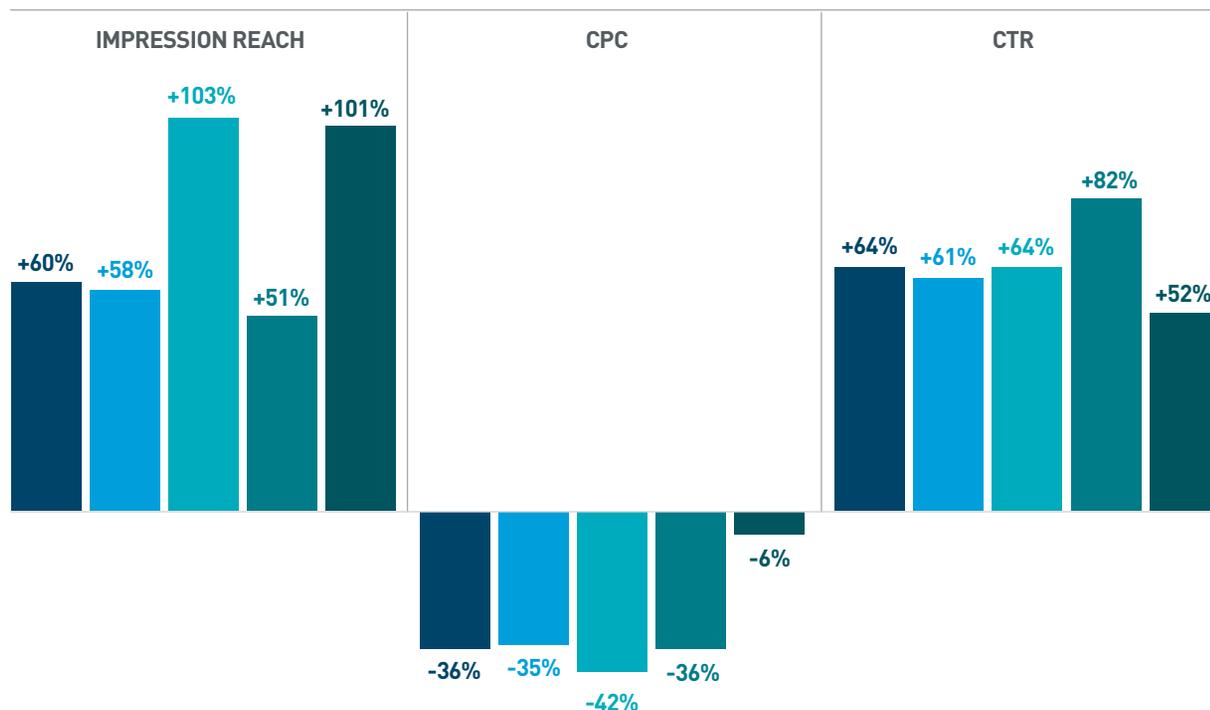
Last year, Facebook launched the capability to retarget on mobile via Facebook Custom Audiences. Eighty seven percent of Facebook's Monthly Active Users (MAUs 1.3 billion) access the platform via smartphone or tablet, providing a huge opportunity for advertisers to connect with omnichannel consumers.⁴

When AdRoll advertisers added mobile retargeting to existing desktop campaigns, they saw a substantial improvement in performance across Facebook inventory. Every region saw an increase in impressions and CTR, and a decrease in CPC.

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

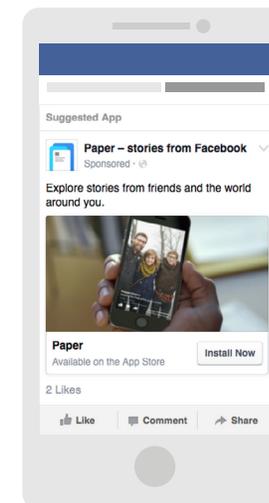
PERFORMANCE LIFT BY ADDING CROSS-DEVICE RETARGETING ON FACEBOOK

- 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 WCA in order to meet a growing demand from advertisers. At AdRoll, we've seen spend 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 PERFORMANCE ON FACEBOOK

Dynamic creative on Facebook draws on your product catalog to serve 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. AdRoll's platform utilizes a predictive algorithm to generate these personalized product recommendations.

When comparing dynamic creative vs. static creative on Facebook, dynamic ads were a clear winner. Dynamic ad performance resulted in a higher CTR, lower CPC, and lower CPA on News Feed and Right-Hand Column. Specifically, CPA from 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 dynamic creative vs. static creative on Facebook, dynamic ads were a clear winner.

CUSTOMER SPOTLIGHT:

journelle

Journelle was ready to win new customers, but 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," explains marketing director Allison Beale. "Loyal shoppers love us," Beale continues.

Journelle decided to try AdRoll's dynamic ads, which draw on an individual shopper's browsing history on your site. This capability helps deliver a beautiful, personalized user experience at scale. AdRoll's dynamic creative team was able to craft ads that were personal to the individual while also maintaining Journelle's brand. "AdRoll became a seamless extension of our marketing team. They brought our brand alive for customers without losing sight of our key performance goals," said Beale.



RESULTS:

- 6.8x** ROI
- 29%** lower than goal CPA
- 86%** lower than goal Mobile CPA



CRM RETARGETING ON FACEBOOK

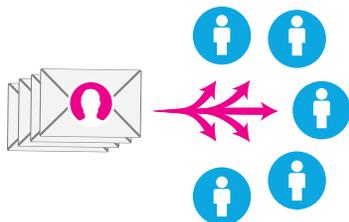
CRM retargeting on Facebook bridges the gap between offline customer data and your social advertising strategy. You can retarget users based on the email lists from your CRM system to broaden your retargeting campaigns beyond just website visitors. CRM data can be uploaded in the form of an excel spreadsheet 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 and instantly turn 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. We're doing performance marketing with AdRoll," Jordan Yuck, e-commerce and digital marketing manager at Kiehl's Canada said.



KEY PERFORMANCE METRICS:

- 6.9% conversion rate
- 3.8x ROI



CONCLUSION

Overall, 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 to use first-party data to increase the effectiveness of retargeting. By leveraging these new tools, advertisers across the globe are experiencing a massive lift in performance. Additionally, we're seeing increased adoption, use cases, and performance gains from B2B marketers retargeting across Facebook inventory.

ABOUT ADROLL

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 TABLE:

TERM	DEFINITION
ASPA	Average Spend per Advertiser
Impression reach	The percent increase of impressions served
CPM	The price per 1,000 ad exposures
CPC	The actual price you pay for each click in your pay-per-click (PPC) marketing campaigns
CPA	Cost per Acquisition
CTR	Click through rate is the percentage of ads that were clicked on divided by total number of impressions
ROI	Return on investment is the revenue generated divided by overall spend

Appendix:

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

For 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 - June 30, 2015 and compared to advertisers running campaigns on Facebook between July 1, 2013 - June 30, 2014.

Sources:

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