

The Future of Facebook and Instagram Advertising

New Data on Facebook and Instagram Ad Trends in North America,
Europe, Asia Pacific, and Latin America

HubSpot

&



socialbakers

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Introduction

For marketers, using Facebook's paid tools to expand your reach is a no-brainer.

Facebook ads have plenty of great features that enable you to effectively target your posts to a specific audience. This makes it easier to deliver content to the people that actually want to see it.

Plus, Facebook's social endorsement and retargeting features help you build credibility and relevance when users see and interact with your ads.

In return, your audience has the power to actually engage with your ads, keeping you accountable for the quality of your content and the people you are targeting.

But getting your content to the right people isn't just about creating great content for your target audience. You also need to understand your competitive market to effectively tailor your ad strategy.

That's where Socialbakers comes in. **Socialbakers** is changing the way companies measure, optimize, and get value from their social media presence. [Learn more about how they can help grow your business here.](#)

In this ebook, Socialbakers leveraged their comprehensive social media data set to conduct an analysis of over 4.5 million ads posted on Facebook and Instagram between January 2015 and February 2016. They teamed up with HubSpot, who have extensive knowledge of inbound marketing, to deliver the latest in the world of social advertising.

In this ebook you'll learn:

- The latest trends in Facebook advertising for North America, Europe/Middle East/Africa, Asia Pacific, and Latin America.
- Which types of Facebook Ads are becoming more or less competitive in each market based off of Click Through Rate (CTR), Cost Per Click (CPC) ad distribution, and budget.
- What you, as a marketer, can do to outshine the competition and improve your ad campaigns according to each trend.

Read on to learn about the latest ad trends and what you can do to improve your ad campaign strategy.

North America **Facebook Trends**



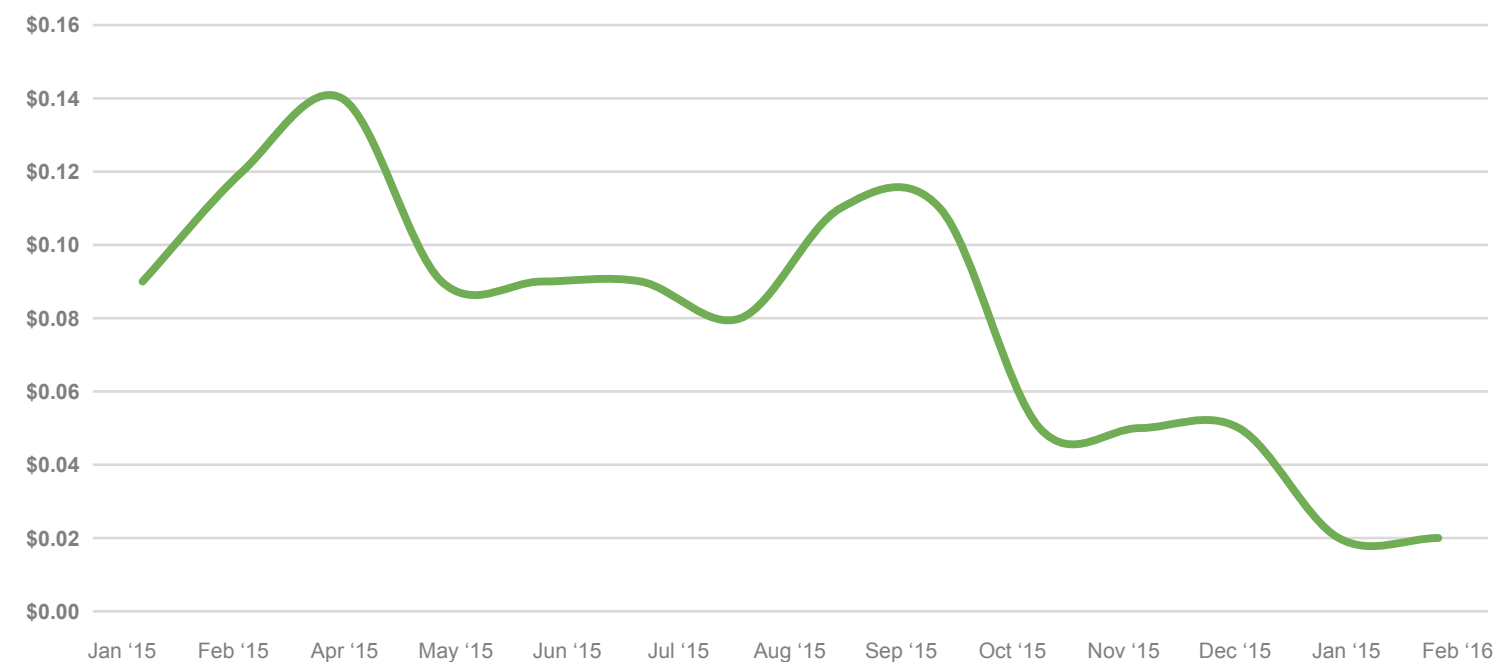
North America Facebook Trends

#1 POST ENGAGEMENT ADS ARE BECOMING MORE VALUABLE FOR MARKETERS.

Why? Advertisers that are using post engagement ads have seen a 142% increase in CTR between 2015 to 2016. At the same time, CPC has decreased by 83% and only 19% of all ads are post engagement ads. This means the competition for post engagement ads isn't very high, making post engagement ads more valuable.

Note: This trend has three graphs associated with it.

1. Facebook Post Engagement CPC

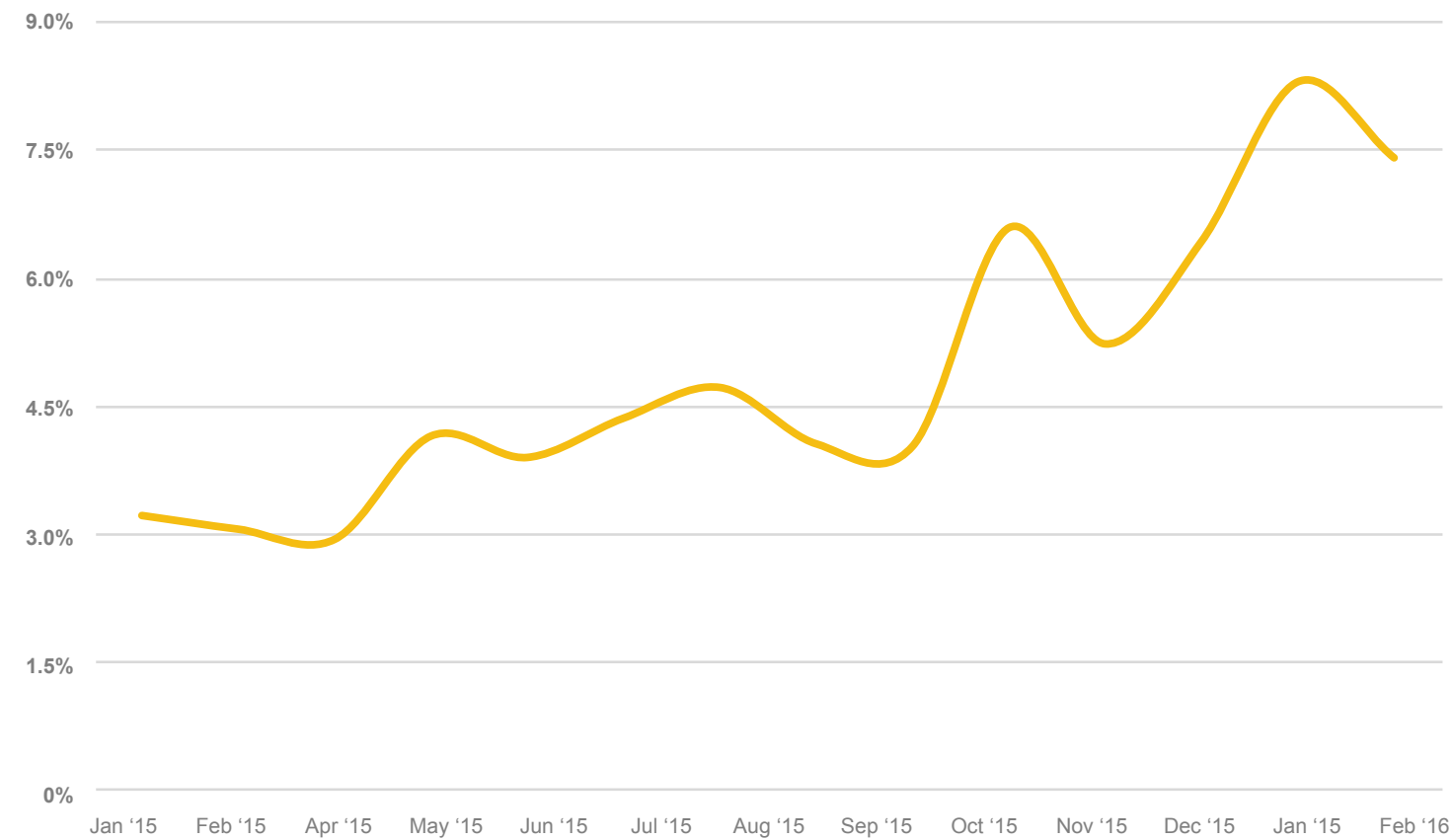


What marketers can do:

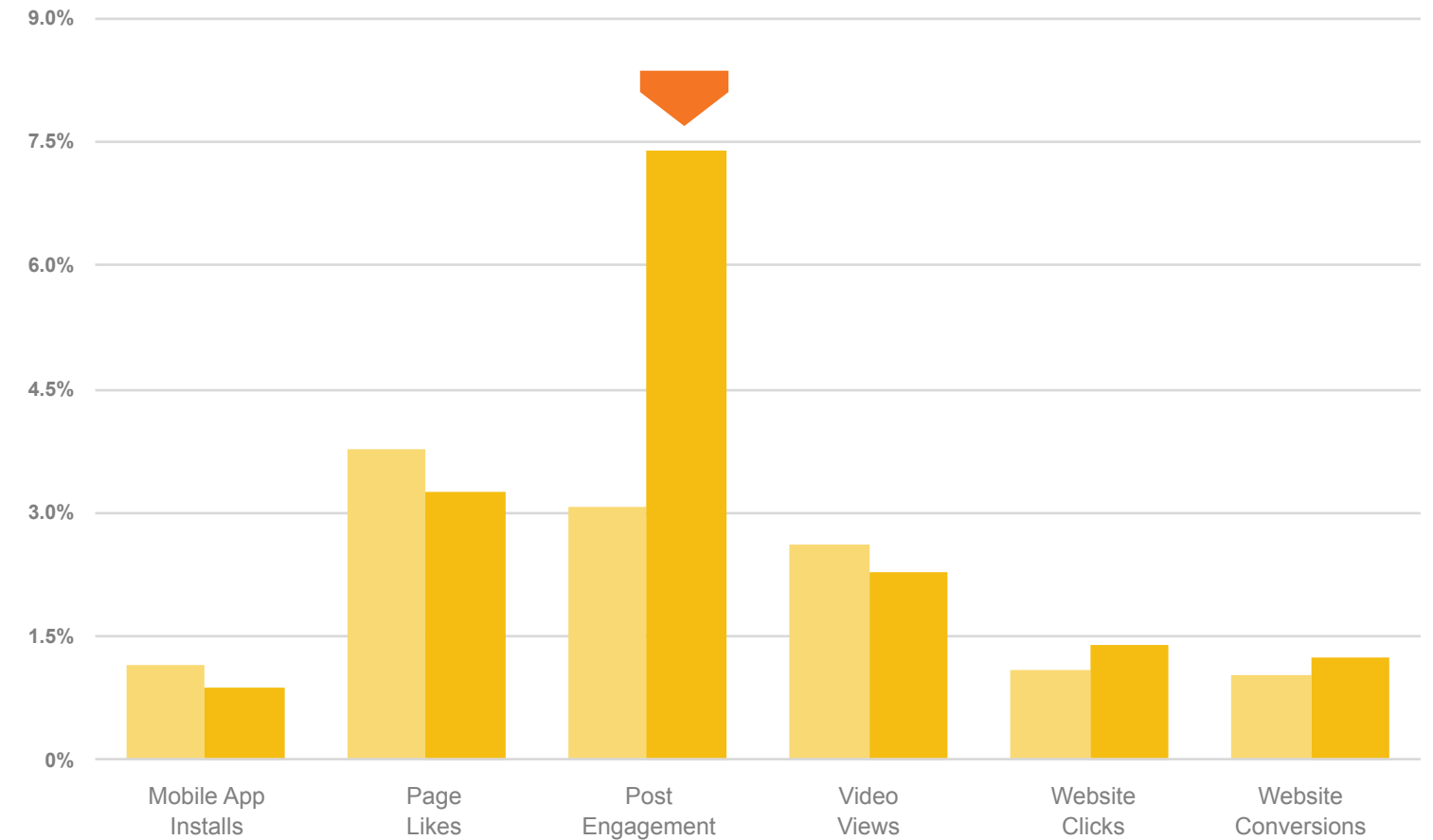
Post engagement ads are all about getting your audience to share and comment on your posts. Given that these ads are becoming more valuable to marketers, now is a great time to start making use of post engagement ads. Figure out what your most remarkable content is, and use it to your advantage to expand your reach. Don't just spray and pray with your posts. Focus on writing [attention-grabbing headlines](#), and write posts for your target audience so that your ads are directed towards their needs.

North America Facebook Trends

2. Facebook Post Engagement CTR



3. Facebook CTR

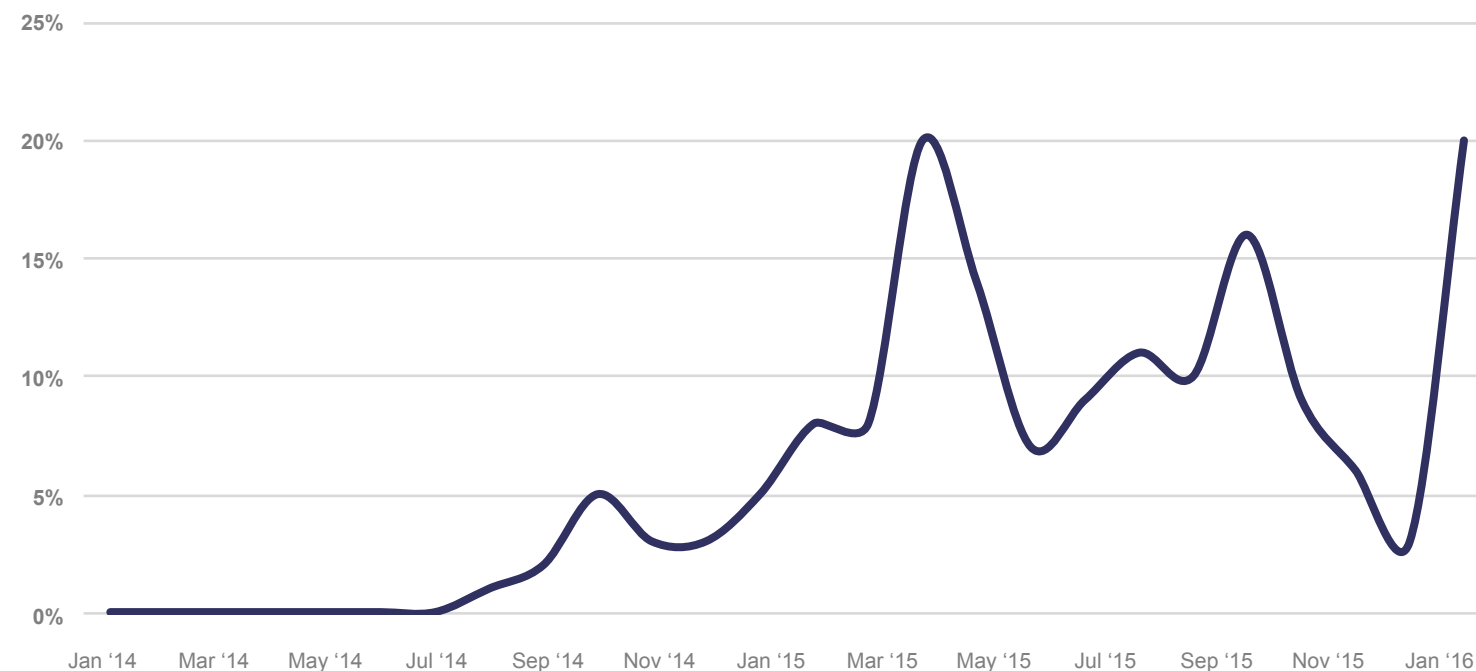


North America Facebook Trends

#2 VIDEO ADS ARE INCREASING IN POPULARITY. AS THEY CONTINUE TO INCREASE IN POPULARITY, CPC WILL INCREASE.

Why? Advertisers have increased the amount of their budget spent on video ads from 2015 to 2016 by 150%. As more advertisers use video ads, and their popularity increases, the CTR advertisers see is decreasing. So far, the CPC has not yet increased, which often happens as competition increases.

4. Video Views ads share of Facebook ad budget



What marketers can do:

Since CPC hasn't changed yet, now is the time to make use of video ads. Remember that News Feed videos start playing silently automatically, so be sure to tell a compelling story that works both silently/with closed captioning and with sound. Focus on grabbing your audience's attention within the first few seconds to entice viewers as they scroll through their News Feeds.

The CTR for Video Views
on Facebook decreased by 13%
from February 2015 to February 2016.

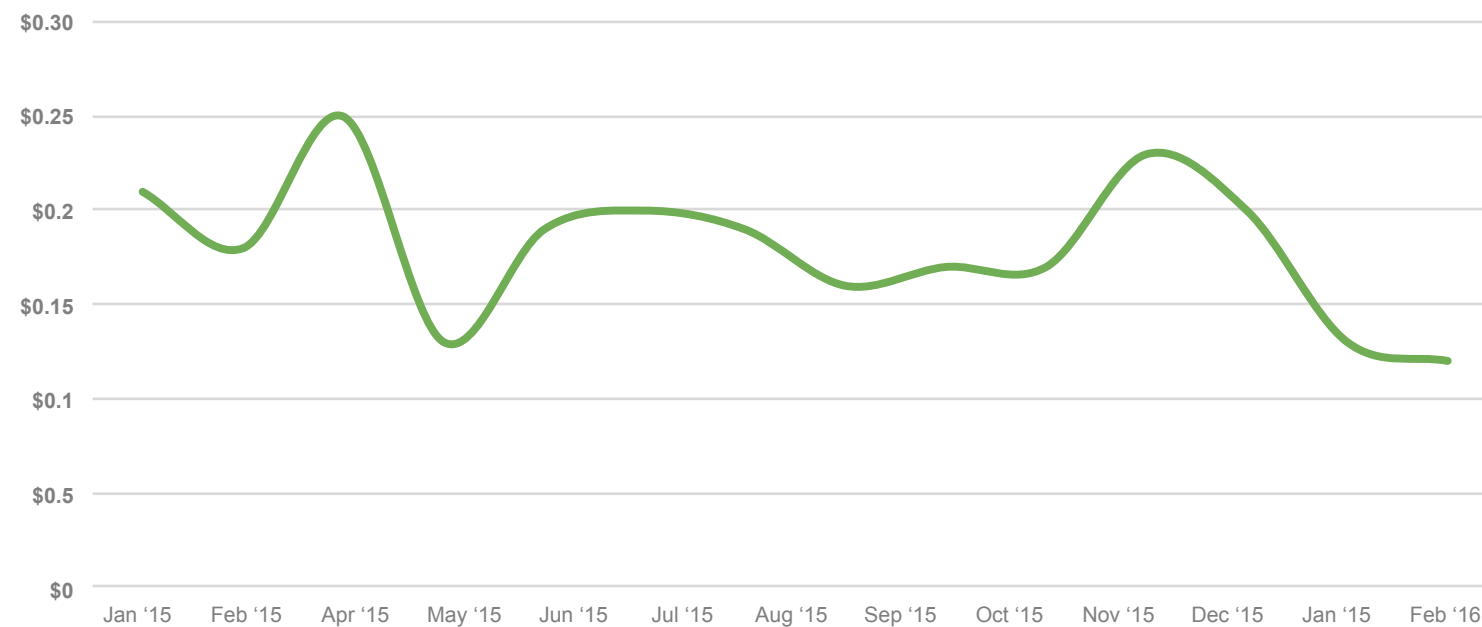
The CPC for Video Views on Facebook did not change from February 2015 to February 2016.

North America Facebook Trends

#3 PAGE LIKE CAMPAIGNS ARE BECOMING LESS POPULAR AND LESS EXPENSIVE FOR MARKETERS.

Why? CPC on Page Like campaigns have decreased 33% and the amount advertisers are budgeting for Page Like campaigns have decreased by 70%.

7. Facebook Page Like CPC



What marketers can do:

As more Page Like ads have saturated people's News Feeds, CTR on these ads have decreased. Just because CPC is going down, doesn't mean marketers should use more of these ads. Instead, use Page Like ads to retarget users who have previously engaged with your content.

The Facebook ad spend distribution for Page Likes **decreased by 70%** from February 2015 to February 2016. As more Page Like ads have saturated people's News Feeds, CPC on these ads have decreased.

North America **Fast Facts**



North America Fast Facts

- In February 2016, **Website Conversion ads** made up 39% of all ads on Facebook, and 39% of total spend.
- Budget allocation for **Website Conversion ads increased** by 50% in one year.
- Budget allocation for **Post Engagement ads** decreased by 60%
- Budget allocation for **Page Like ads** decreased by 70%.
- Budget allocation for **Video ads** increased by 150%.
- **Mobile App Installs** and **Website Conversions ads** are significantly more expensive than other ad types.
- **Post Engagement ads** are currently the least expensive ads.
- Except for **Mobile App Installs** and **Post Engagement ads**, most CPC rates have remained steady over the last year.
- Only 3% of budget is spent on **Page Like ads**.
- Less than 1% of advertisers' budget is spent on **Lead Generation ads**.
- 12% of budget is spent on **Video View ads**, up from 8% the previous year.
- Advertisers are spending most of their budget on **Website Conversions**.

North America **Instagram Trends**

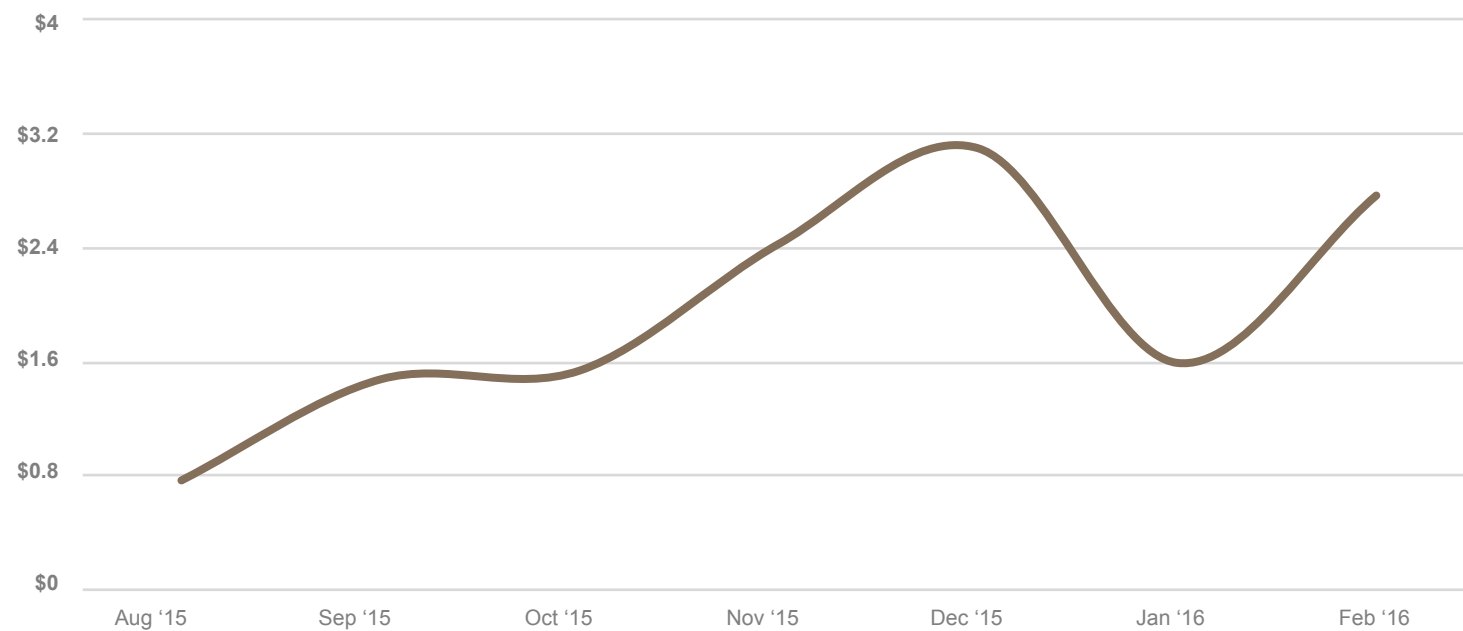


North America Instagram Trends

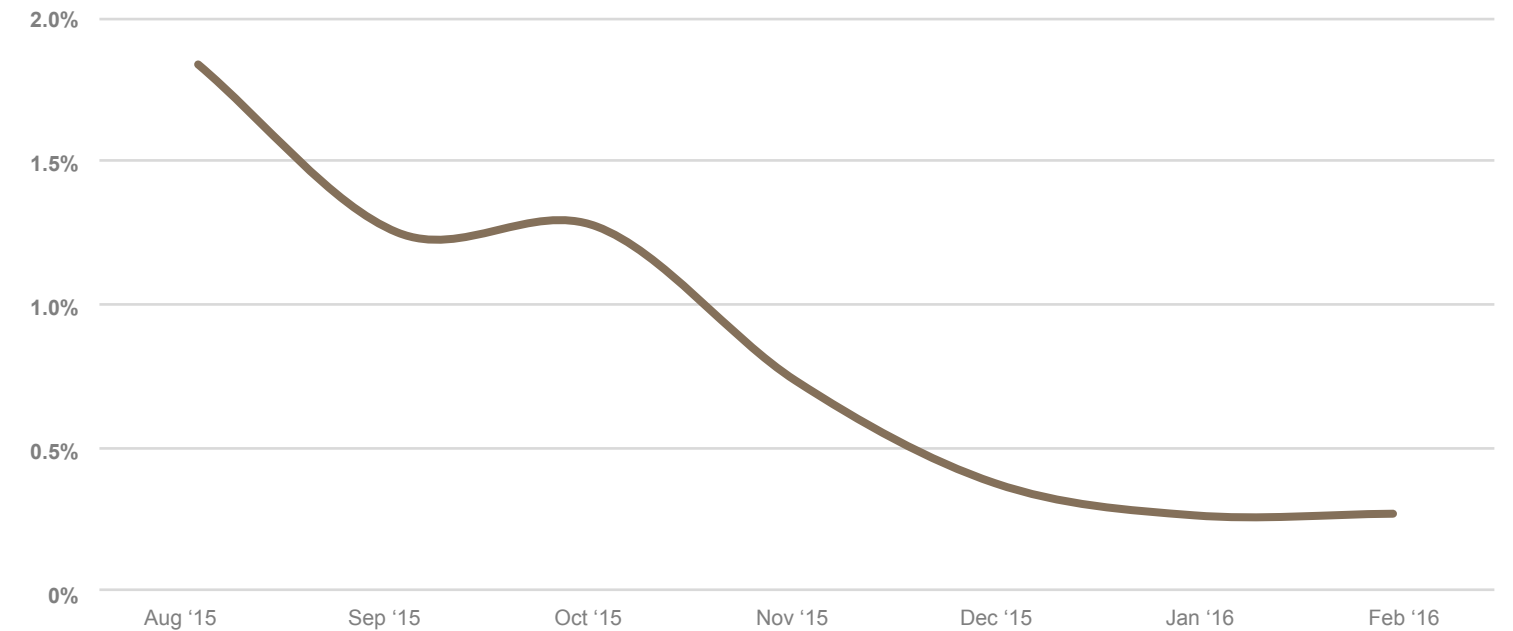
#1 INSTAGRAM ADS ARE SLOWLY BECOMING MAINSTREAM IN NORTH AMERICA AND COMPETITION IS INCREASING.

Why? CPC on Instagram is rapidly increasing since these ads became popular in late 2015. Additionally, average CTR has decreased significantly over the last few months.

9. Instagram average CPC



10. Instagram CTR



What marketers can do:

With any increase in competition, marketers must become smarter with their ads. Improved targeting and ad creative is a must. Always make sure your ads on Instagram include a high quality Instagram-appropriate image, a value proposition, and a clear CTA. Try out different types of posts for your ads – motivational, contests, product-centric, etc. – and be sure to share a story with your ad that’ll captivate your audience.

Europe/Middle East/Africa **Facebook Trends**

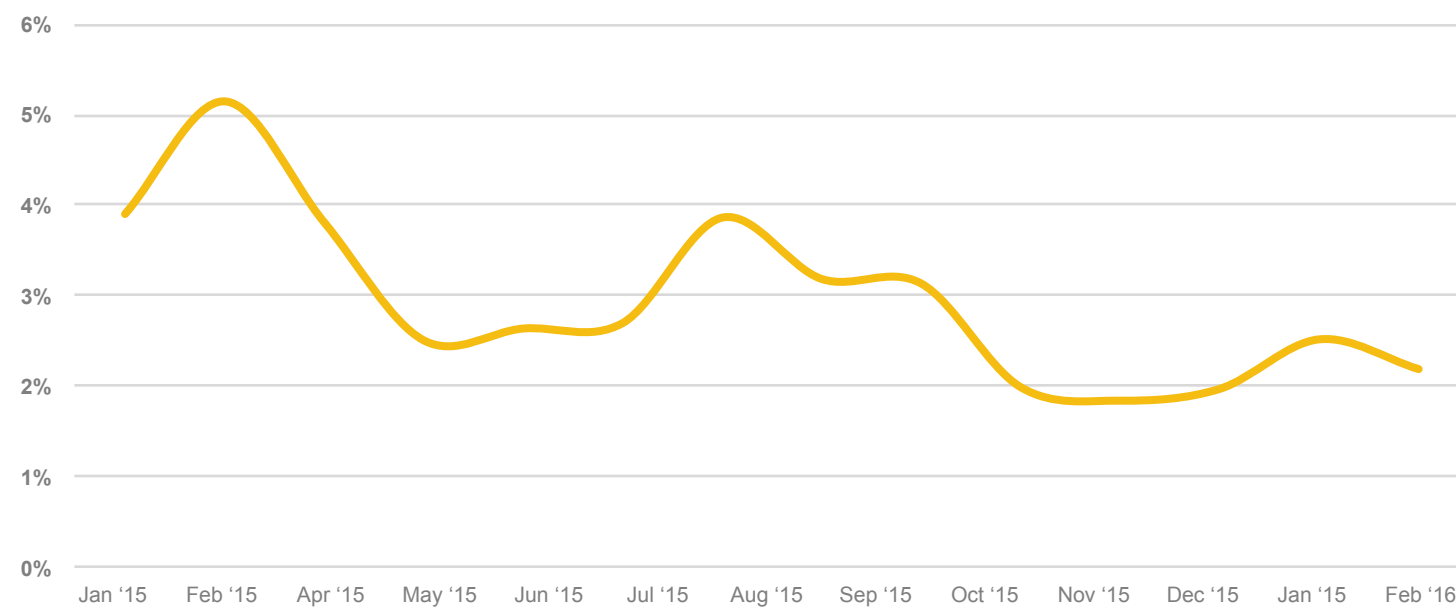


Europe/Middle East/Africa Facebook Trends

#1 VIDEO ADS ARE BECOMING A LESS ENGAGING AD UNIT

Why? Video ads are seeing a decrease in CTR by 57%. There has been a steady decline in click-through on video ads in Europe/Middle East/Africa due to a saturated market and less engaging ads.

11. Facebook Video Views CTR



What marketers can do:

Work on engaging your audience with video ads by capturing their attention in the first few seconds, telling your story with and without sound, and creating your video story *for* your audience. Be sure to focus on [creating quality video ads](#) without relying too much on long-length videos.

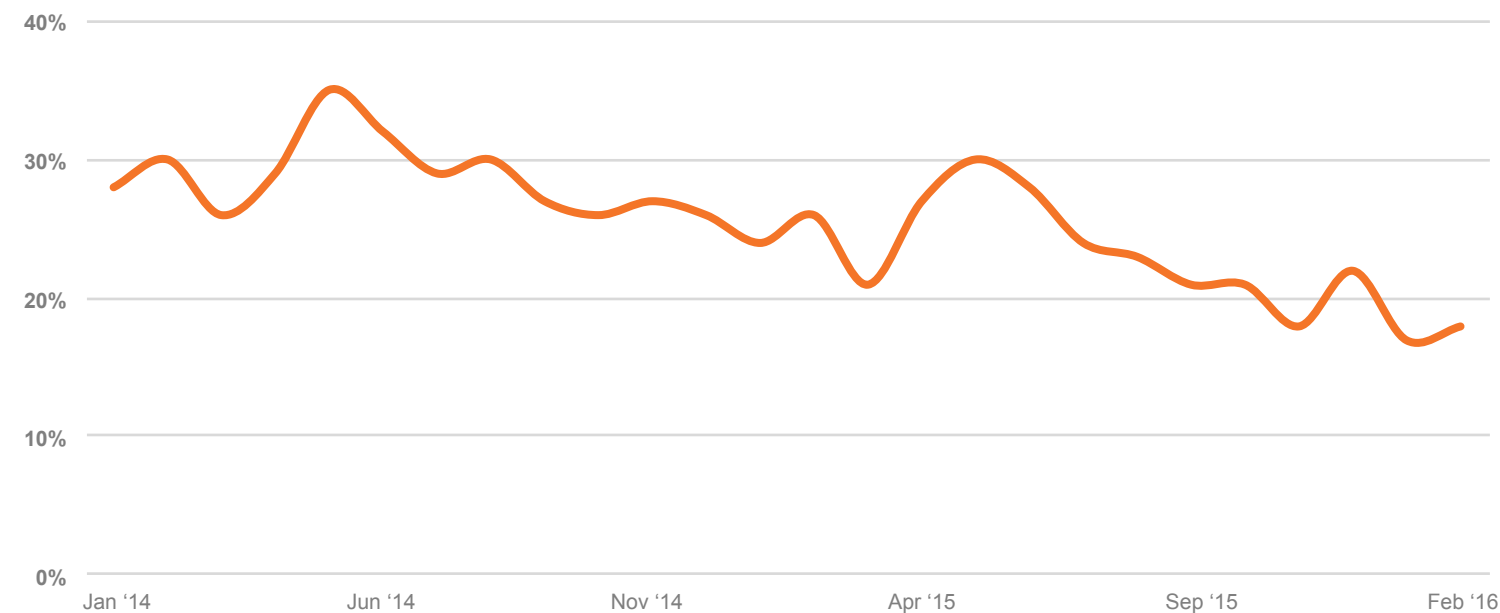
Europe/Middle East/Africa Facebook Trends

#2 POST ENGAGEMENT ADS ARE BECOMING LESS POPULAR AND SEEING DECREASING COMPETITION.

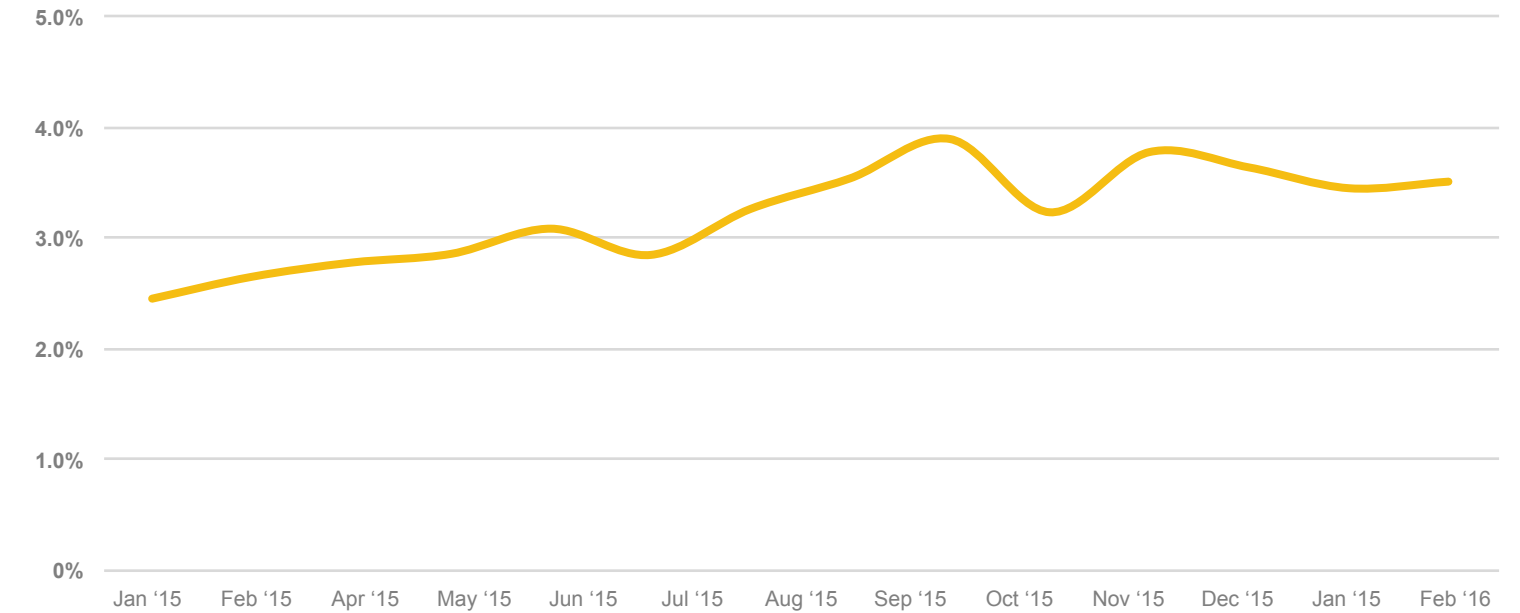
Why? Advertisers are spending 30% less on post engagement ads, but the amount of post engagement ads is slightly increasing (by 26%), suggesting **their lower cost is allowing more advertisers to try them out.**

As an aggregate, advertisers are using this type of ad unit more, and spending less of their budget. This suggests these ads have become a more popular, less expensive way to advertise on **Facebook.**

11. Facebook Post Engagement total share of budget



12. Facebook Post Engagement CTR



What marketers can do:

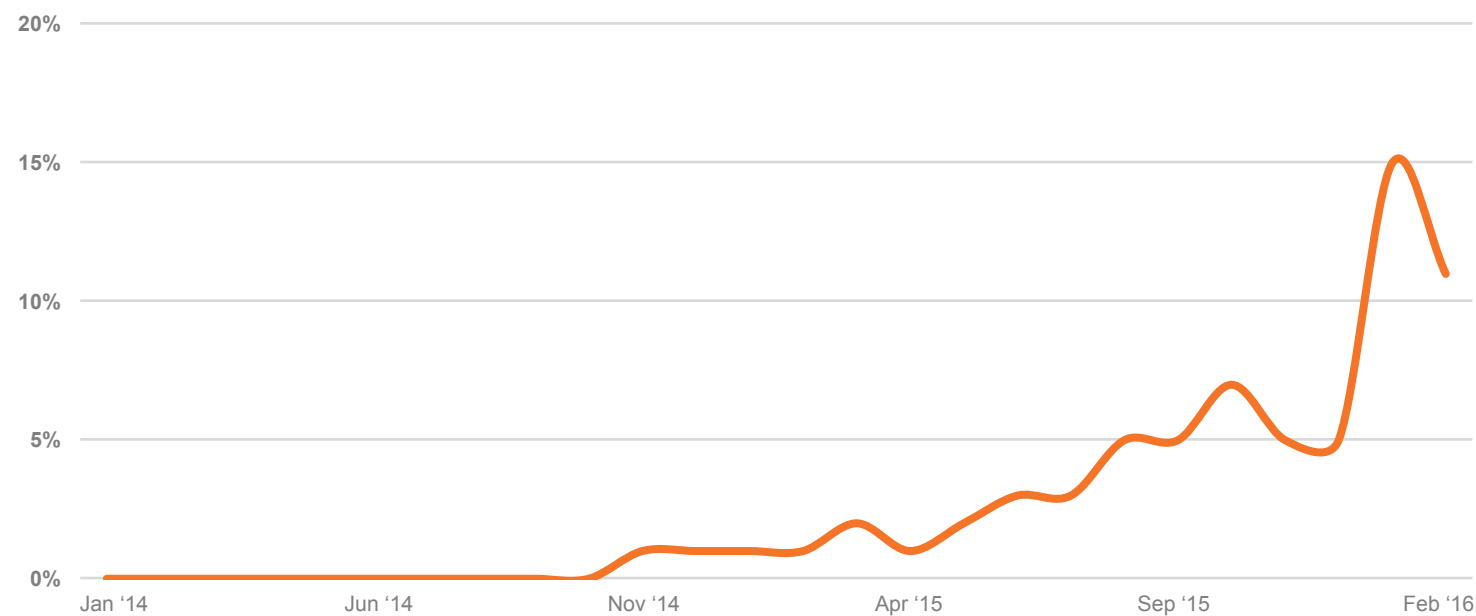
Try out different types of post engagement ads and different targeting features to see what works well for your business. Don't forget to use Facebook's social endorsement feature -- which shows users which friends have already Liked your Page or post -- to help prove your brand's social credibility and expand your reach.

Europe/Middle East/Africa Facebook Trends

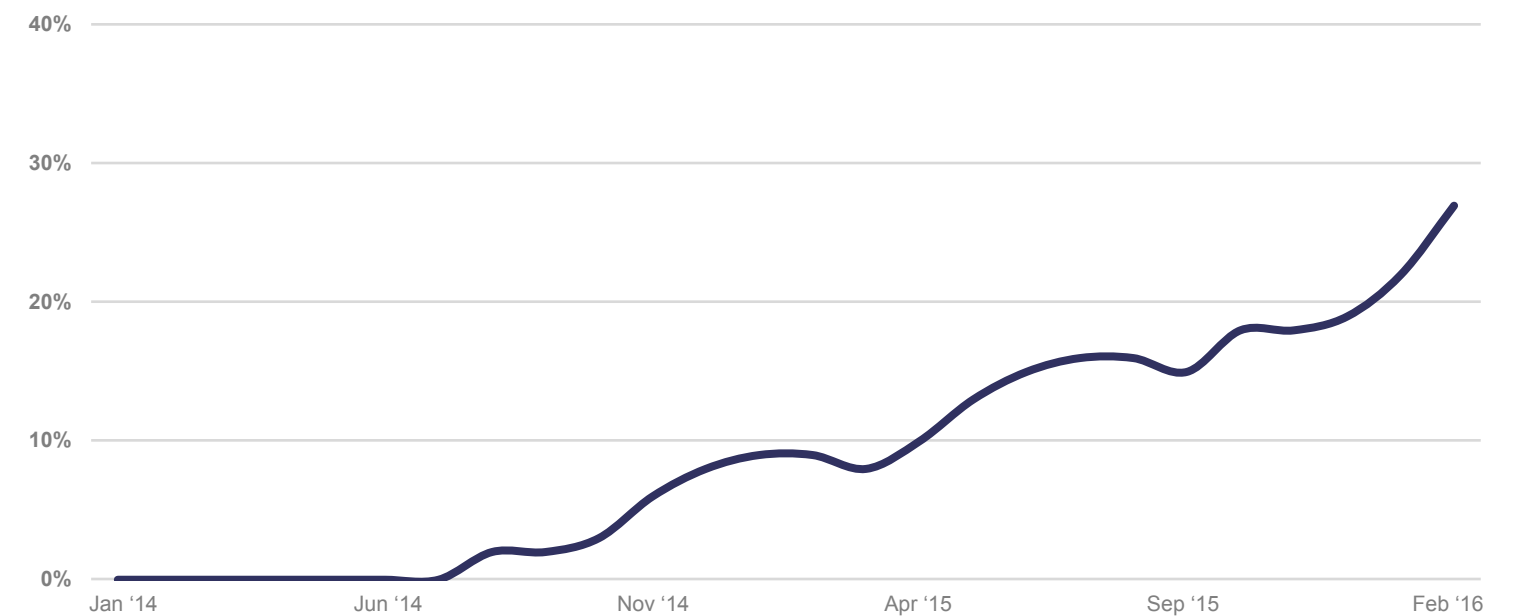
#3 VIDEO ADS ARE BECOMING INCREASINGLY MORE POPULAR.

Why? As of January 2016, they were 15% of all ads on Facebook, which was a 1400% year-on-year increase. Video ads are also a larger portion of marketers' budgets, surpassing 25% of total budget in February 2016.

13. Facebook Video Views share of ad format



14. Facebook Video Views share of ad budget



What marketers can do:

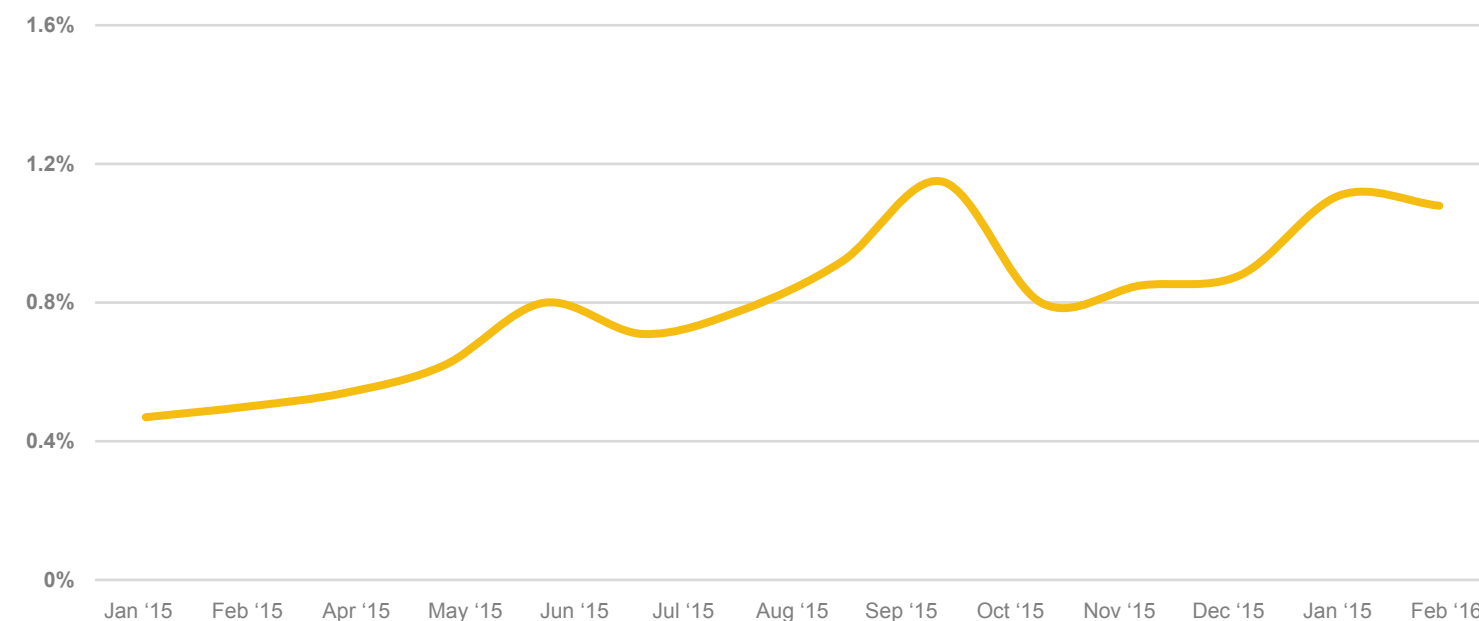
The more video ads there are out there, the more you'll have to compete for your audience's attention. This means focusing on creating high-quality videos that grab user's attention is crucial. Create videos for your target audience, which will help you effectively use Facebook's targeting features in conjunction with the story you're sharing.

Europe/Middle East/Africa Facebook Trends

#4 WEBSITE CLICK ADS ARE BECOMING MORE POPULAR.

Why? Ads with a website clicks goal are increasing in CTR (by 116%), and advertisers are using a slightly larger portion of their budget for website clicks (3.5% increase over the last two years).

15. Facebook Website Clicks CTR



What marketers can do:

Just because website click ads are becoming more popular doesn't mean you should overuse them. Try not to use website click campaigns to target users that meet your target criteria, and use them in your retargeting campaigns. This will help remind those users who have been to your website previously to keep coming back.

Europe/Middle East/Africa **Fast Facts**



Europe/Middle East/Africa Fast Facts

- **Post Engagement ads** increased in popularity by 70% from February 2015 to February 2016.
- **Website Conversion ads** decreased in total ad distribution from 43% of total ads to 19% in 2016.
- **Video ads** increased dramatically in total ad distribution, from 1% of total ads to 11% in 2016.
- 35% of all ads in Europe/Middle East/Africa are **Post Engagement ads**.
- From 2015 to 2016, advertisers shifted budget to **Video ads** and away from page like and post engagement ads.
- The amount of total budget spent on **Video ads** increased by 200%.
- **Video View ads** make up 28% of advertisers' budgets.
- **Website Click ads** make up 30% of advertisers' budgets.
- CPC for **Video ads** increased by 60%, from \$.05 to \$.08.
- **Website Clicks** CPC decreased by 39%.
- **Video Views** CTR decreased by 57%
- Ads that take users away from Facebook – **Website Conversion and Website Clicks** – make up 40% of total ads.
- Except for **Video Views** and website clicks, CPC has remained mostly steady over the last 12 months on other ad types.

Asia Pacific **Facebook Trends**

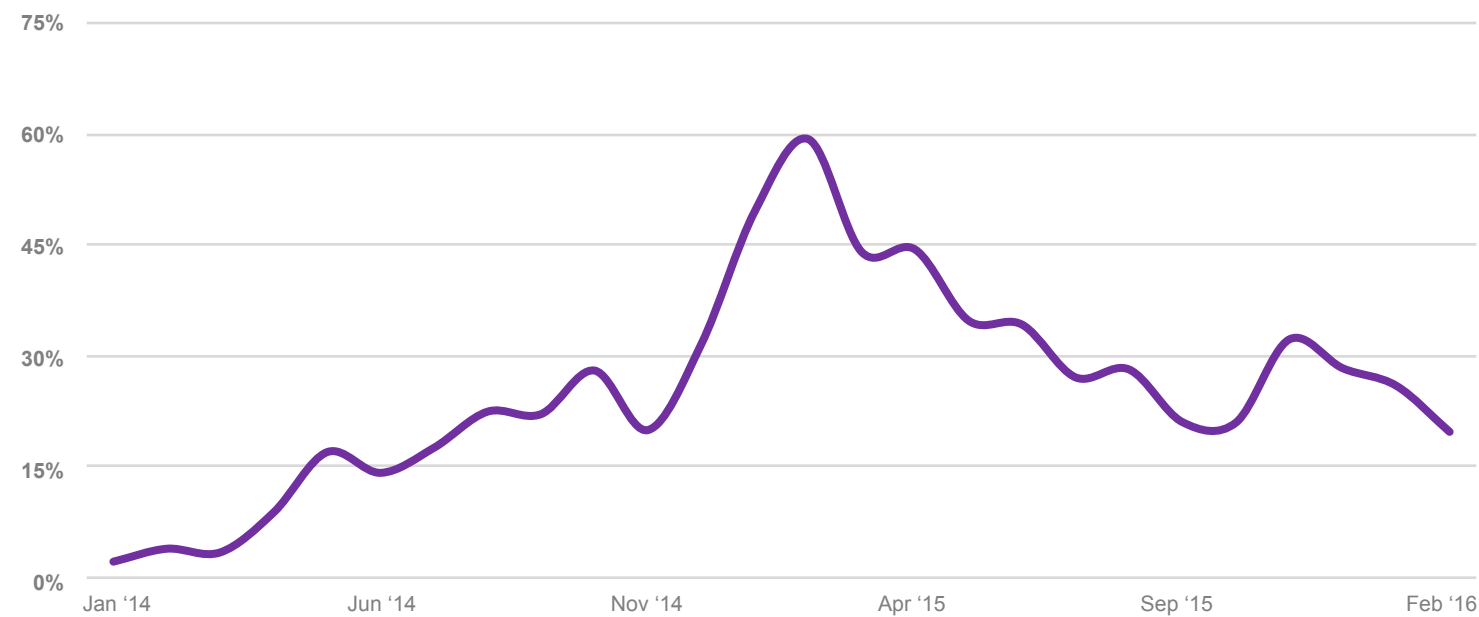


Asia Pacific Facebook Trends

#1 FEWER ADVERTISERS ARE USING MOBILE APP INSTALL CAMPAIGNS, SUGGESTING A LESS CROWDED MARKET.

Why? Advertisers are using Mobile App Install ads 66% less than they did in the previous year. We've also seen a 43% decrease in budget for Mobile App Install ads. Both of these trends suggest advertisers are simply using fewer mobile app ads despite the fact that CTR has actually increased by 34%.

16. Facebook Mobile App Installs share of ad format

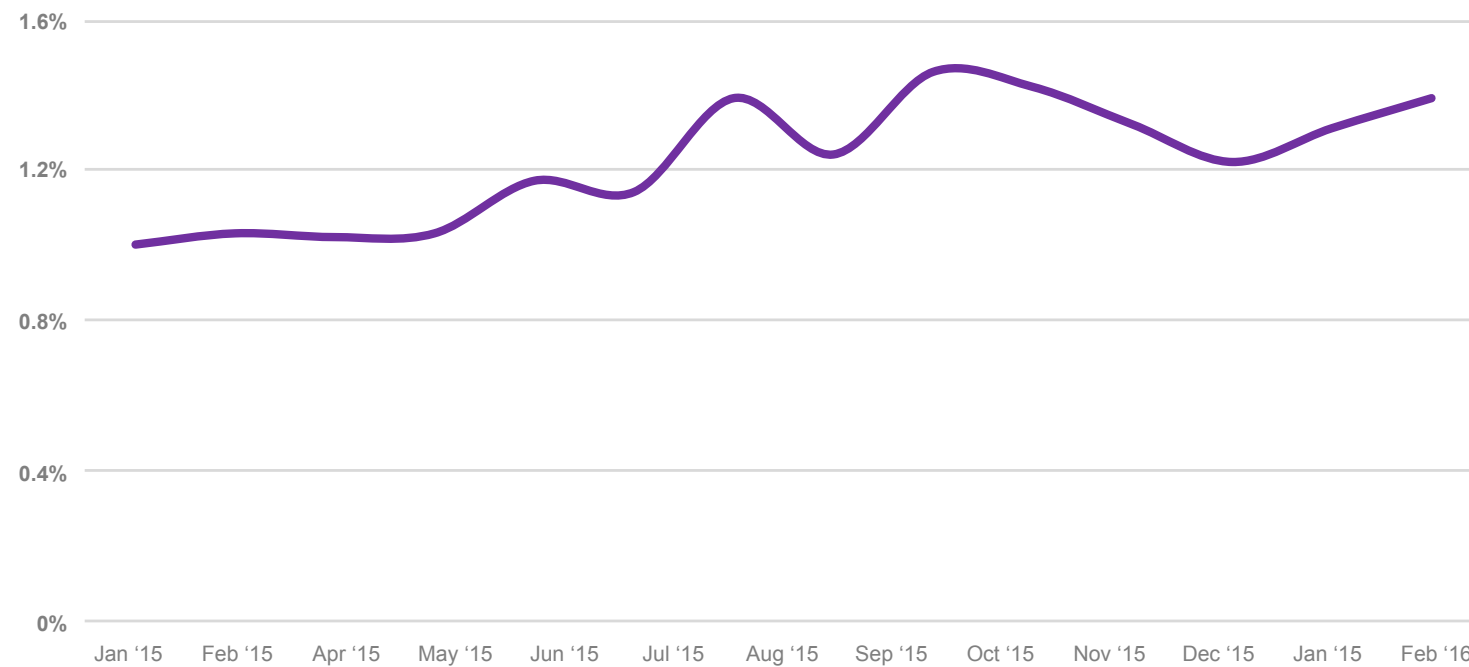


What marketers can do:

With less competition for mobile app install ads and increasing CTR, marketers who want to increase their mobile app installs should take advantage of the increase in CTR. Make sure to effectively target the persona you're actively trying to reach.

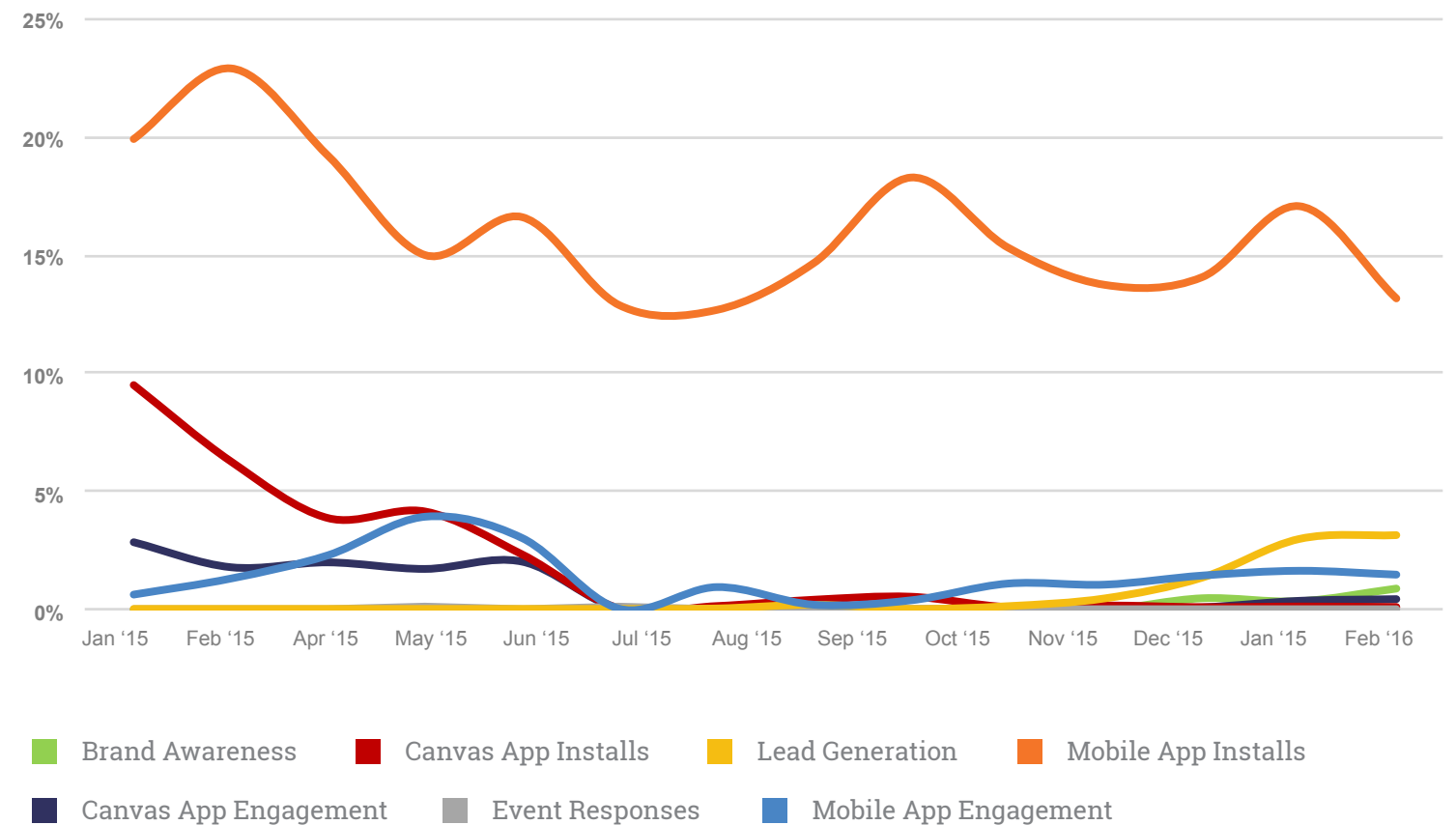
Asia Pacific Facebook Trends

17. Facebook Mobile App Installs CTR



Asia Pacific Facebook Mobile App Installs CTR increased by 35% from February 2015 to February 2016.

18. Mobile App Installs share of ad spend



Mobile App Installs decreased by 42% from February 2015 to February 2016.

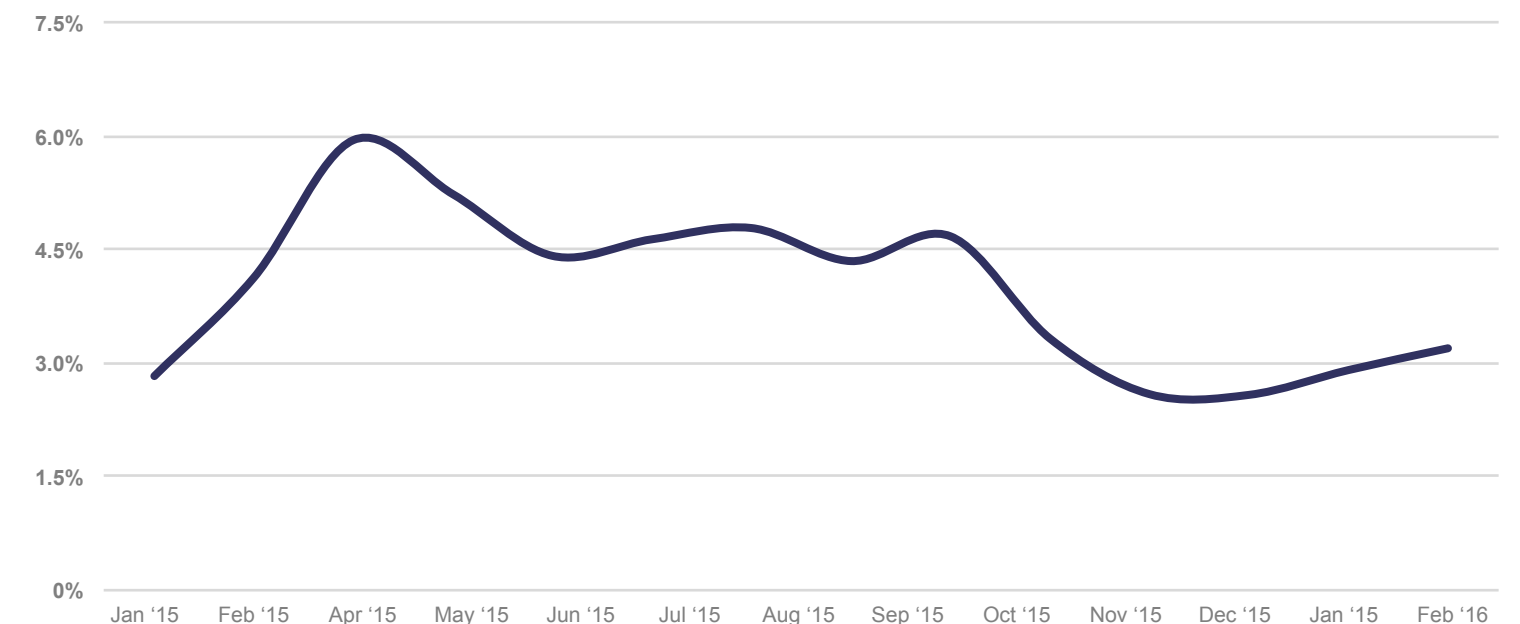
Asia Pacific Facebook Trends

#2 VIDEO ADS BECOME MORE POPULAR IN ASIA PACIFIC

Why? This year, advertisers increased their budget for video ads by 275%. This increase in budget may have spiked an increase in competition, because CTR started decreasing.

Video Ad spend **increased on Facebook** by **275%** from February 2015 to February 2016.

20. Facebook Video Views CTR



What marketers can do:

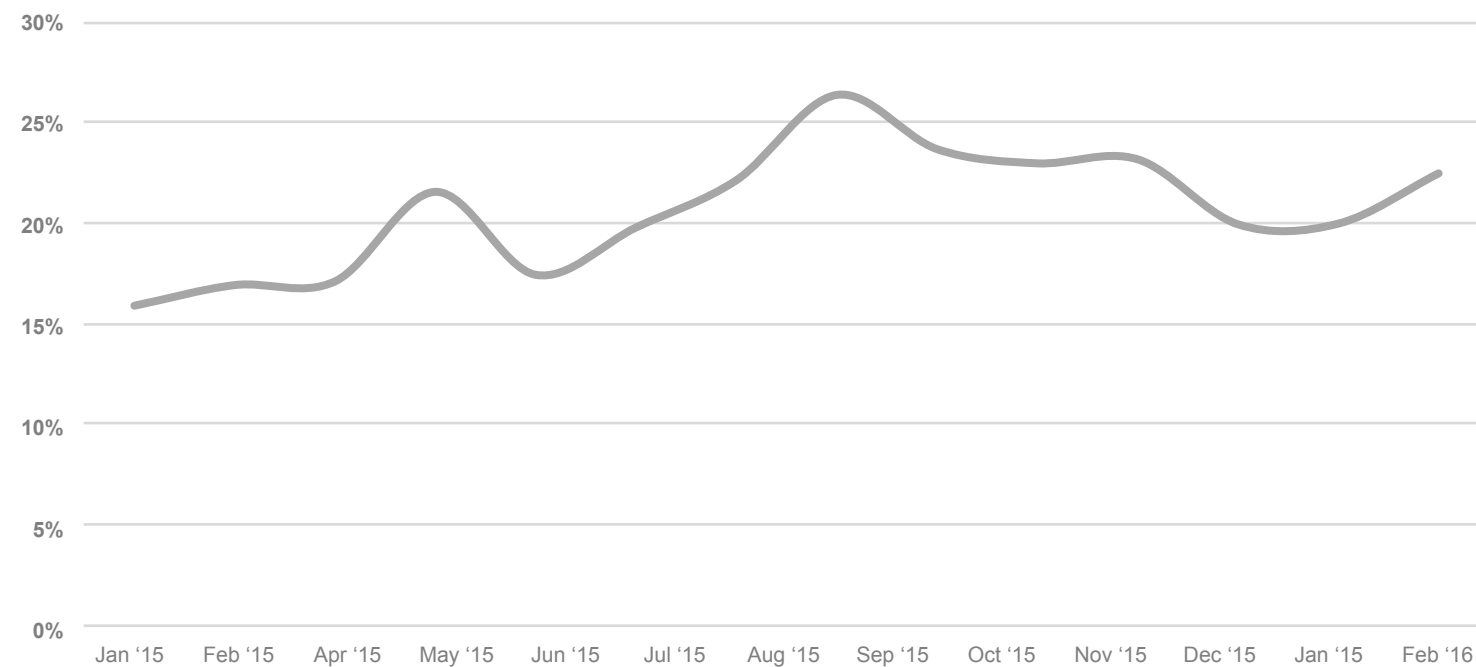
With competition increasing and CTR decreasing, marketers should hold back a bit on the quantity of video ads used. Repurpose former video ads into new types of content and try creating post engagement ads for them instead. When you do use video ads, make sure you're only using high quality videos that successfully capture your audience's attention from the get-go.

Asia Pacific Facebook Trends

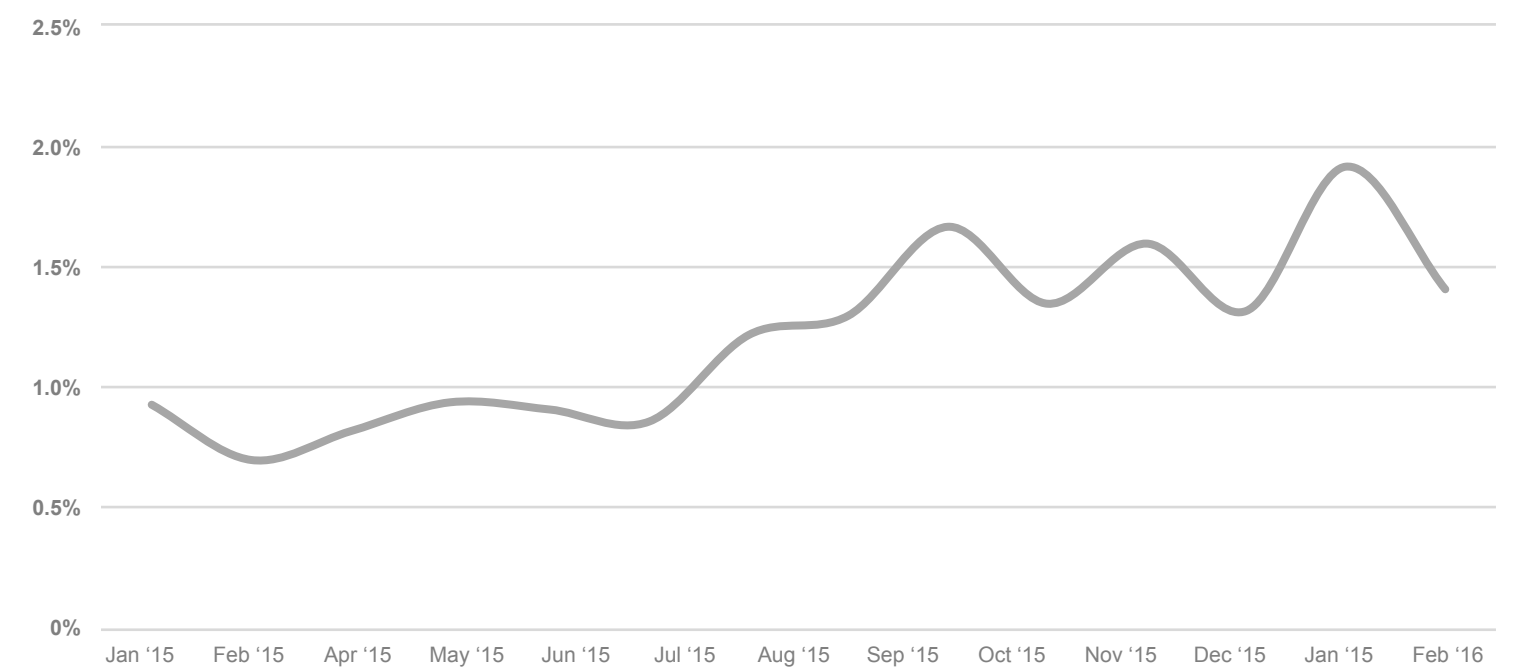
#3 WEBSITE CLICK ADS ARE INCREASING IN POPULARITY.

Why? Advertisers are increasing their use of Website Click Ads, and have increased total budget allowance by 29% since February 2016. The ads are also becoming more successful, with an increase in CTR of 1.01% since February 2016.

21. Facebook Website Clicks share of ad spend



22. Facebook Website Clicks CTR



What marketers can do:

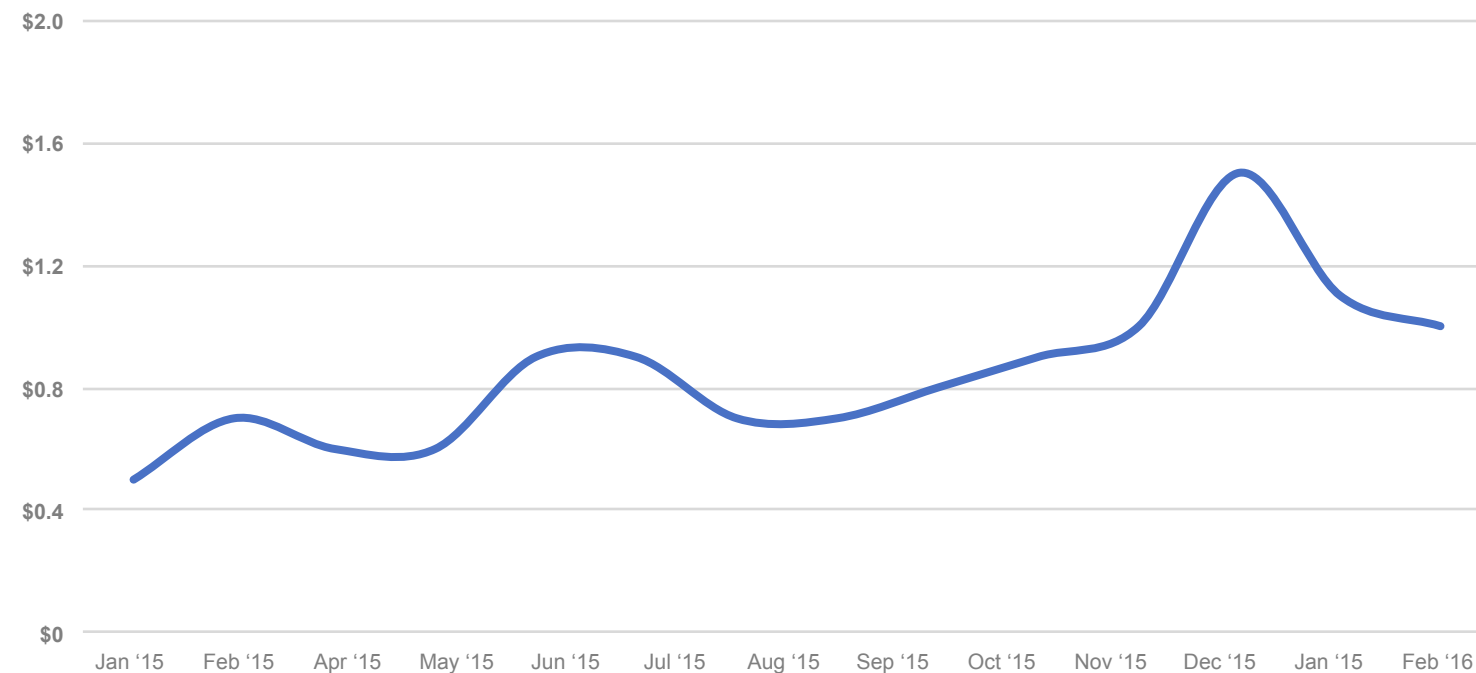
Make use of website click ads to expand your audience and retarget users who have previously come to your website. Play around with different CTAs and descriptions on your ads to find out which types of ads work best for your audience.

Asia Pacific Facebook Trends

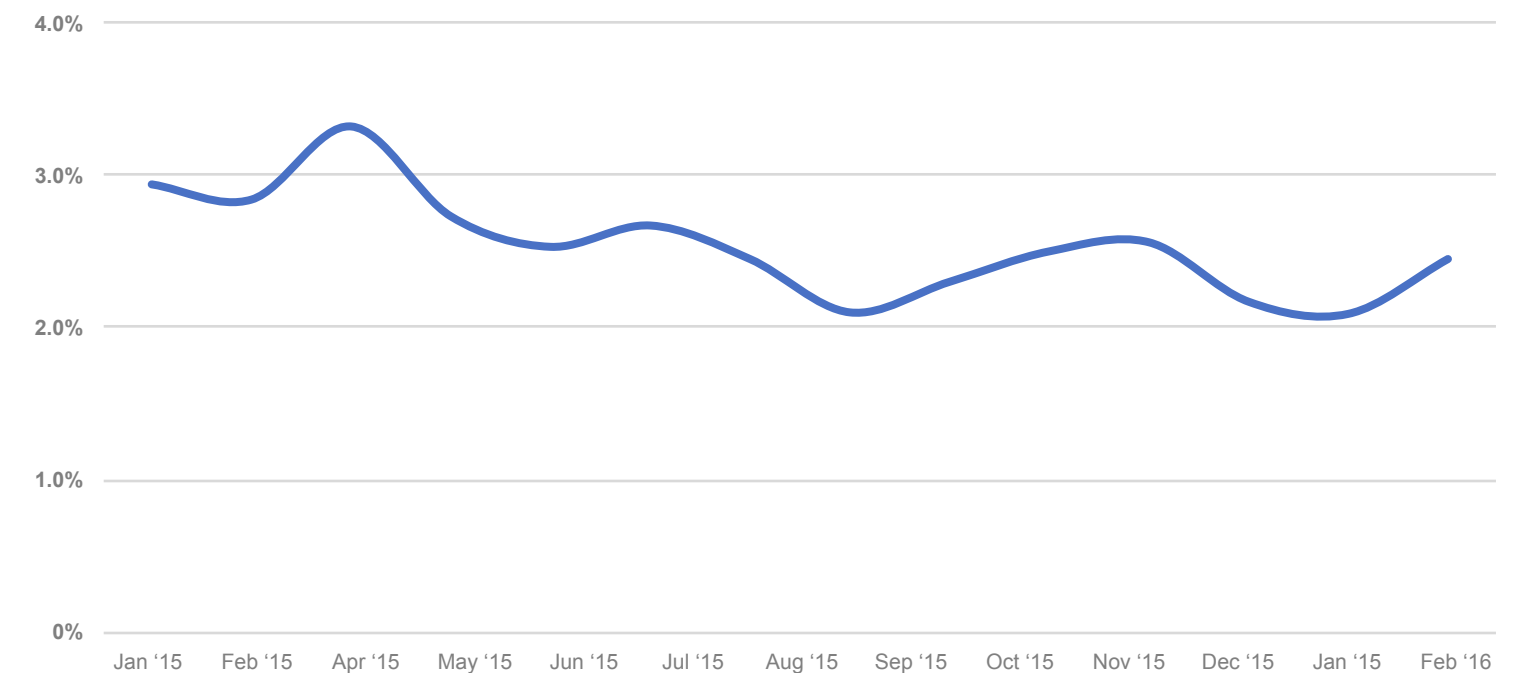
#4 PAGE LIKE ADS ARE A LESS EFFECTIVE AD UNIT.

Why? CTR has decreased by 13% and the cost to buy these ads has increased by 85%. This suggests that Page Like ads are becoming slightly less effective and more expensive, making them less valuable to marketers.

23. Facebook Page Likes CPC



24. Asia Pacific Facebook Page Likes CTR



What marketers can do:

What marketers can do: Don't rely too heavily on ads to increase your audience. Focus on generating organic Page Likes by making use of more successful ads like post engagement and website clickthrough ads instead.

Asia Pacific **Fast Facts**



Asia Pacific Fast Facts

- **Website Conversions ads** increased in CPC by 73%.
- CTR for **Post Engagement ads** increased by 50%.
- Budget allocation for **Video View ads** increased by 275%.
- Budget allocation for **Mobile App installs** decreased by 43%.
- Budget allocation for **Page Like** ads decreased by 45%.
- **Post Engagement** ads made up 24% of all ad campaigns.
- **Mobile App Installs** made up 20% of all ad campaigns.
- We will see an increase in **Video Views** over the next year as people start using the budget they are increasingly allocating.
- **Website Conversions** made up 23% of all ad campaigns.
- **Website Clicks** made up 10% of all ad campaigns.
- Budget allocation for **Website Conversions** increased by 20%.

Latin America **Facebook Trends**

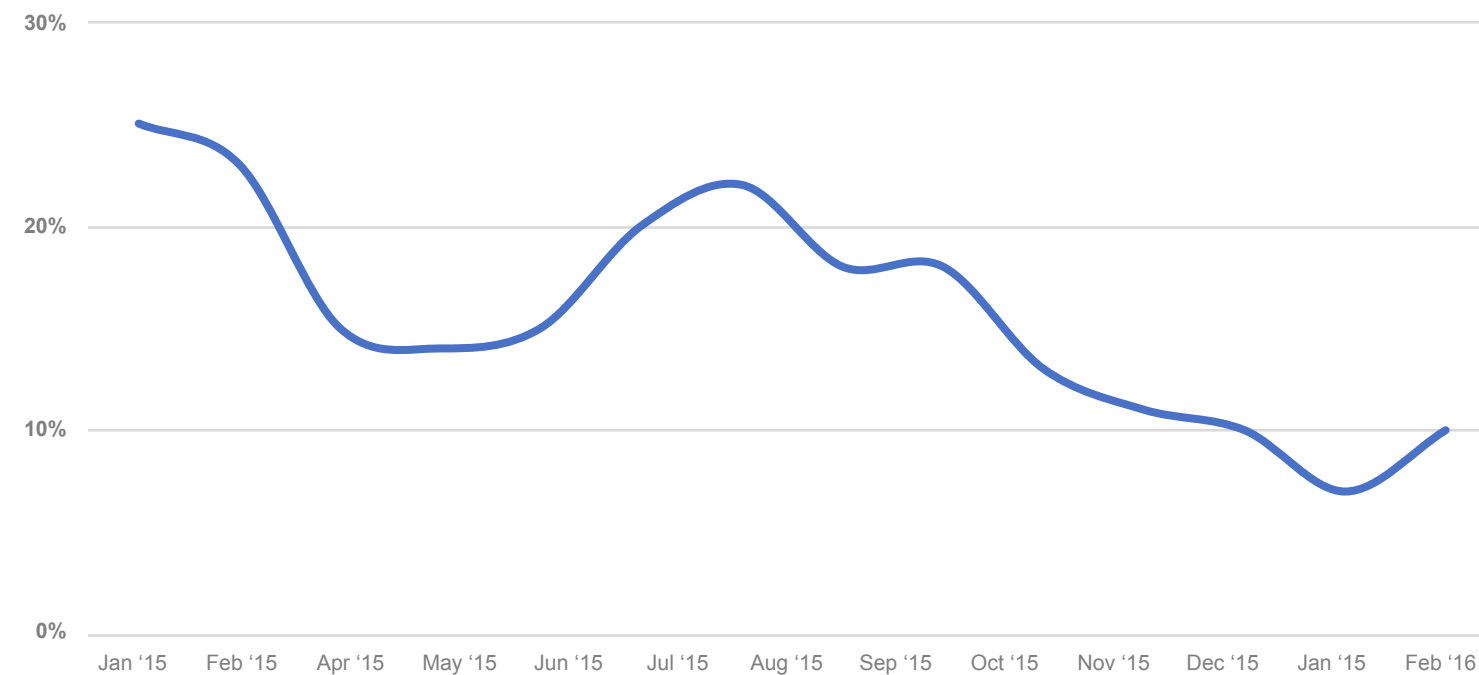


Latin America Facebook Trends

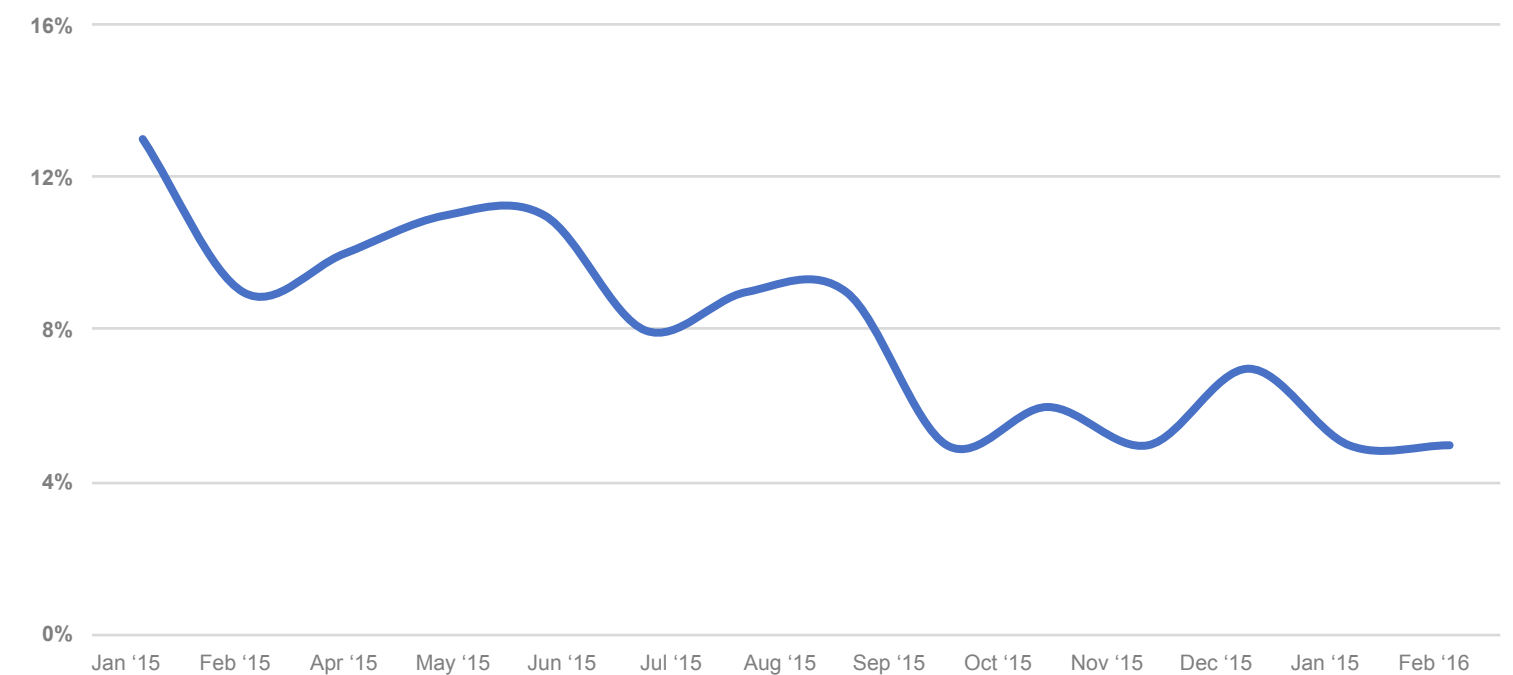
#1 PAGE LIKE ADS HAVE BECOME LESS POPULAR.

Why? Page Like ads make up less of the overall ad distribution (60% decrease year-on-year), and marketers have spent 44% less on them. This decrease in popularity for Page Like ads may mean there's a decrease in overall competition for these ads.

25. Facebook Page Likes share of ad format



26. Facebook Page Likes share of ad budget



What marketers can do:

Since the market isn't saturated with Page Like ads, now might be a good time to expand your budget for these ads if one of your goals is to increase your Fan base. Make sure to effectively use Facebook's targeting features to only advertise to those users who are the best fit for your product. Use recognizable branded images and slogans for recognizability.

Latin America Facebook Trends

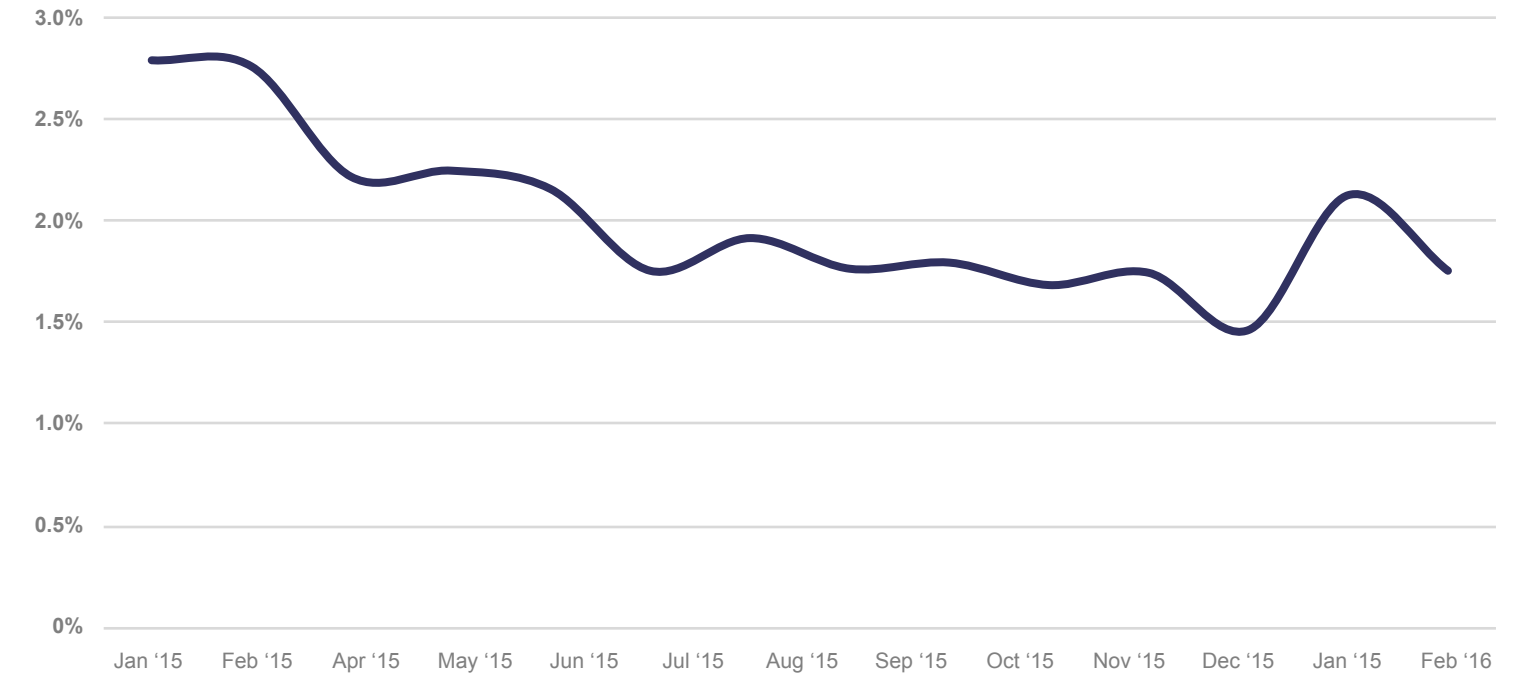
#2 VIDEO ADS ARE BECOMING MORE POPULAR.

Why? There's been a 250% increase in video ad campaigns year-on-year and video ad distribution has increased from just 1% of all Facebook ads to 8% over the last 14 months. At the same time, CTR has decreased slightly, which is consistent with more advertisers using the ad unit.

27. Facebook Video Views share of ad format



28. Facebook Video Views CTR



What marketers can do:

Save your best videos with the best messages for your video ads, and focus on making them stand out from the crowd. As video ads become more popular, your audience's News Feeds can become overcrowded with them. Don't forget to use high quality video practices to capture your audience's attention.

Latin America **Fast Facts**



Latin America Fast Facts

- Advertisers increased their budget for **Video Views** by 36%
- Advertisers increased their budget for **Website Clicks** by 33%
- Advertisers decreased their budget for **Post Engagement** ads by 23%
- **Post Engagement** ads increased by 37% in total ad distribution.
- **Page Like** ads decreased by 56% in total ad distribution.
- **Video Views** increased by 250% in total ad distribution.
- The top 3 ad formats people are using the most are **Post Engagement ads** (49% of ad distribution), **Website Clicks** (14% of ad distribution), and **Website Conversions** (12% of ad distribution).
- The top 3 ad formats people are spending the most on are **Post Engagement ads** (28% of budget), **Video Views** (27% of budget), and **Website Clicks** (21% of budget).

CONCLUSION

Each region has different preferences and standards for Facebook advertising. What works for advertisers in Latin America isn't necessarily going to work for advertisers in Asia Pacific.

As a marketer, your job is to take these trends and use them to tailor your Facebook ad campaign strategy accordingly.

If the trends are saying that there's an increase in competition, think about and research ways to stand out from the crowd. If one ad is decreasing in popularity, think about ways to use those ads in unique ways (like retargeting campaigns or using social credibility options to boost your ads).

Overall, one trend is clear: with over 1.59 billion Facebook users worldwide, coupled with a wealth of targeting and creative options, Facebook ads are an incredibly valuable tool that you can use to expand and engage with your audiences. Use this data analysis to help you improve your ad strategy no matter who your audience is worldwide.



Socialbakers helps companies, no matter the size, maximize the value they get from social media. From content strategy to execution and reporting, Socialbakers empowers their clients to achieve their goals.

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