

Facebook Ads Benchmark Report

WITH INSIGHTS ON

TikTok, Pinterest and Snapchat

TRIOPOLY SERIES ▲▲▲

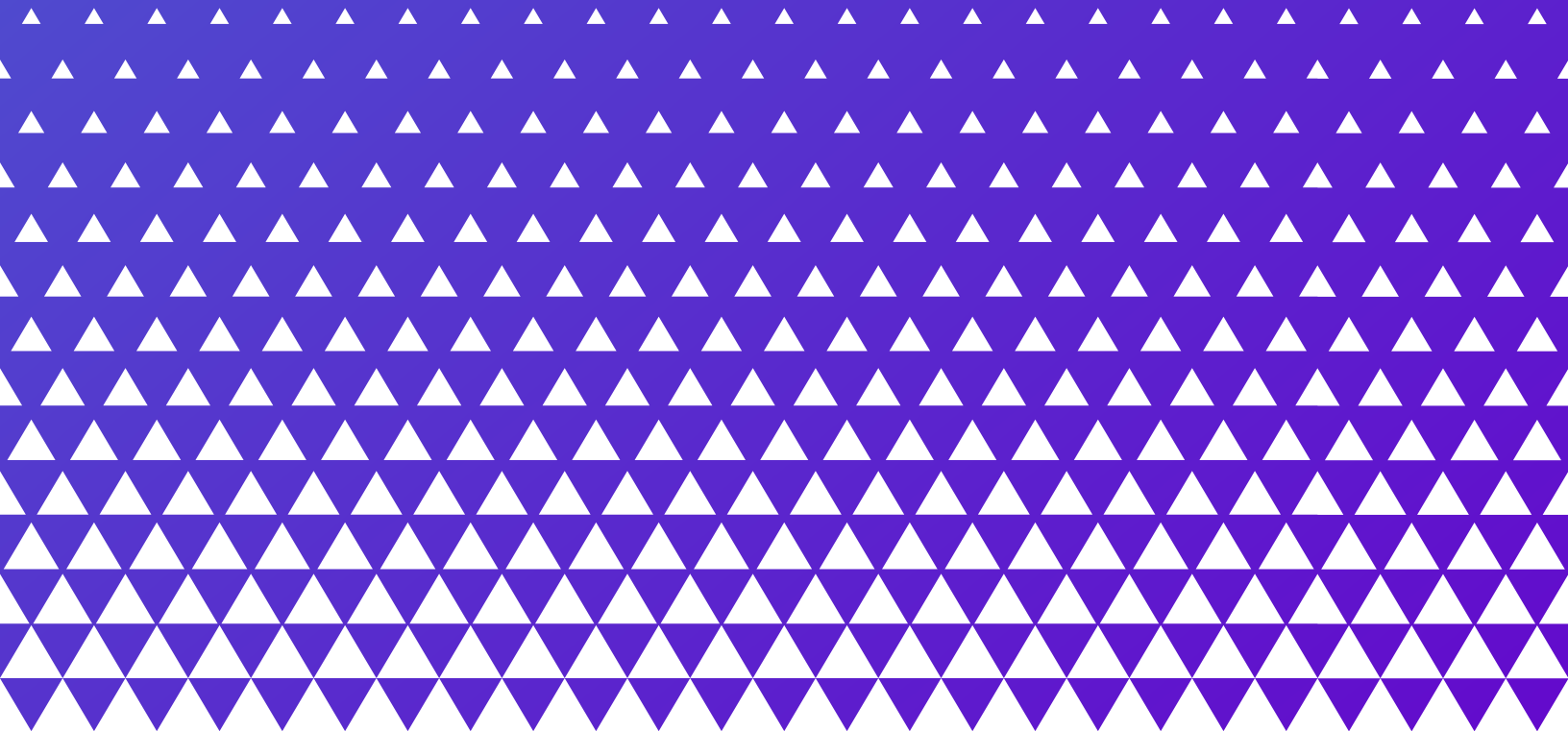


Table of Contents

- 4 Facebook & Instagram Growth
- 7 iOS 14.5+ Fallout
- 10 Devices & Placements
- 12 Other Platforms

Executive Summary

Meta ad spend grew 10% year over year in Q1, a meaningful deceleration from the 32% growth observed in Q4 for Tinuiti advertisers, as many brands lapped much stronger year-ago comparisons in the first quarter of the year. Impressions once again declined by double digits, falling 17% year over year in Q1 after a 15% drop in Q4. Growth in ad pricing also slowed, but remained historically strong as auctions continue to be highly competitive.

Spend on Facebook proper, excluding Instagram, Messenger and Audience Network, rose 6% year over year, the slowest growth of the last six quarters. Impressions fell 23% year over year for the quarter, similar to in Q4, but CPM growth decelerated nearly thirty percentage points from quarter to quarter. Ad pricing growth will likely continue to slow in Q2 as advertisers run up against much tougher comparisons throughout the rest of 2022.

Instagram once again outpaced Facebook in spend growth, with ad investment rising 21% year over year in Q1. However, Instagram impressions fell year over year for the first time ever, and were down 4% in the first quarter. The decline occurred despite newer ad placements like Reels and Shop starting to gain more traction with advertisers.

The Instagram Reels placement, only widely released in June 2021, accounted for 2.5% of all Instagram ad impressions in Q1, more than double the share observed in Q4. Instagram Shop ads, released globally in August 2021, accounted for nearly 1% of Instagram impressions. These newer placements will likely continue to become more important for advertisers over the coming year.

Across Meta platforms, the impact of Apple's App Tracking Transparency (ATT) update continues to be prevalent in advertising trends. iPhone spend growth entered negative territory in January 2022 for the first time since the initial rollout of Apple's update in April 2021, and stayed down year over year for the first three months of the year. Android smartphone spend growth also slowed from previous quarters, but still averaged over 50% during Q1 2022, as demand for those users who can still be targeted using mobile IDs remains elevated.

Given that spend growth for Apple devices has lagged that of Android over the last year, the share of total Meta ad spend going to iOS devices has naturally declined since last April, when users started seeing the ATT prompt with iOS 14.5. The share of impressions coming from devices has remained stable on Facebook and Instagram, however, as the decline in spend has been driven by iOS CPM trending meaningfully lower than that of Android devices since the update. The Audience Network, on the other hand, has seen iOS impression share reduced to just a quarter of what it was in April 2021. Meta widely spoke to the detrimental effects of Apple ATT on the Audience Network specifically.

In addition to its impact to advertising, advertisers are also dealing with ATT's impact to ad tracking, as Meta's in-platform reporting showed purchases down over 30% year over year in Q1. This is not indicative of the change in the true response being driven by ads, but rather the inability of Meta to track some behaviors after ad clicks and views for those Apple users who opt out of tracking when presented with the ATT prompt. Marketers will have to continue looking for more holistic methods of measuring performance as well as regularly test for incrementality as tracking limitations continue to impede some traditional measures.

With Q1 CPM up 37% on Facebook and 27% on Instagram year over year, advertisers are increasingly exploring additional platforms for cost-effective incremental reach beyond Meta. In Q1 2022, all three of TikTok, Snapchat, and Pinterest saw advertising CPM at least 30% lower than that of Meta Ads. Ad pricing isn't a clear indicator of the success of one platform compared to another, but is still one consideration for marketers who are looking to invest more in social advertising.

While CPM on non-Meta platforms does trend below that of Meta for many advertisers, competition is still driving relatively higher prices over time on these platforms. Across TikTok, Pinterest, Snapchat, and LinkedIn, ad pricing rose from January 2022 to March, particularly for TikTok and Pinterest.

→ Methodology

The Tinuiti Facebook Ads Benchmark Report is based on anonymized performance data from Facebook programs under Tinuiti management, with annual digital ad spend under management totaling over \$3 billion. Samples are restricted to those programs that have remained active and maintained a consistent strategy over the time periods studied. Unless otherwise noted, all figures are based on same-client growth. The trends and figures included are not meant to represent the official performance of Facebook advertising or the experiences of every Facebook advertiser.

→ About Tinuiti

Tinuiti is the largest independent performance marketing firm across Streaming TV and the Triopoly of Google, Facebook and Amazon, with \$3 billion in digital media under management and over 1,000 employees.

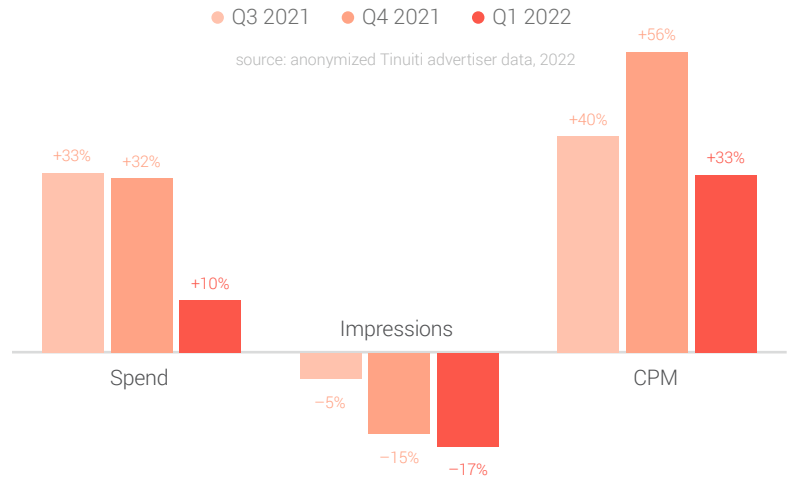
Facebook & Instagram Growth Q1 2022



→ Meta ad spend growth slows to 10% year over year in Q1 as impressions fall.

Ad impressions declined 17% year over year across Meta properties, a deeper decline than the 15% dip observed in Q4 for Tinuiti advertisers and the third straight quarter of negative year-over-year growth. CPM growth slowed meaningfully from 56% in Q4 to 33% in Q1, but the continued strong growth in this metric indicates that auctions continue to be highly competitive, and spend grew 10% year over year for Tinuiti advertisers despite tougher year-ago comparisons in Q1.

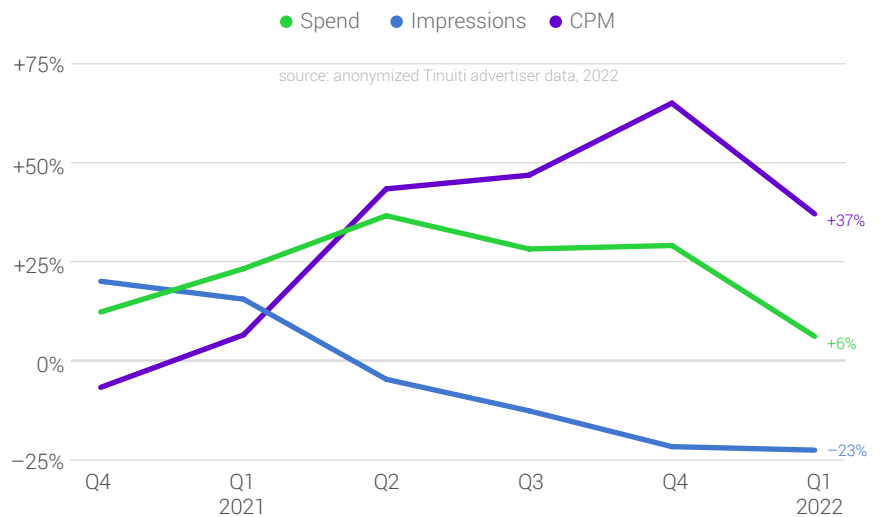
Meta Ads US Y/Y Growth
Across All Properties



→ Spend growth on Meta’s flagship app slows to 6% in the first quarter of the year.

Ad spend growth on Facebook, excluding Instagram, Messenger and Audience Network, fell to 6% in Q1 as impressions declined 23% year over year. CPM growth came in at the slowest rate observed in the last four quarters in Q1, but remained robust at 37% for the first quarter of the year. CPM growth jumped from 6% in Q1 2021 to 44% in Q2, such that advertisers will likely continue to see deceleration in the year-over-year growth of this metric moving forward.

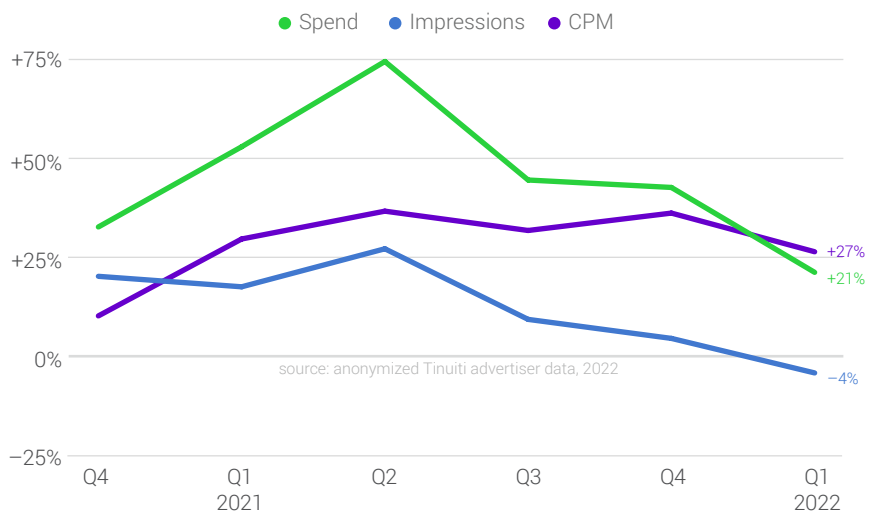
Facebook Ads US Y/Y Growth
Excluding Instagram, Messenger and Audience Network



→ Instagram ad impression growth goes negative for the first time.

Ad impressions on Instagram fell 4% year over year in Q1, the first year-over-year decline observed in this report and a deceleration from the 4% positive growth of Q4 2021. This decline comes despite the recent introduction of new inventory sources like Reels ads, which are starting to gain traction in impression share. CPM growth also slowed from 37% in Q4 to 27% in Q1, as spend growth fell to 21% in the first quarter of the year, the slowest growth of the last six quarters.

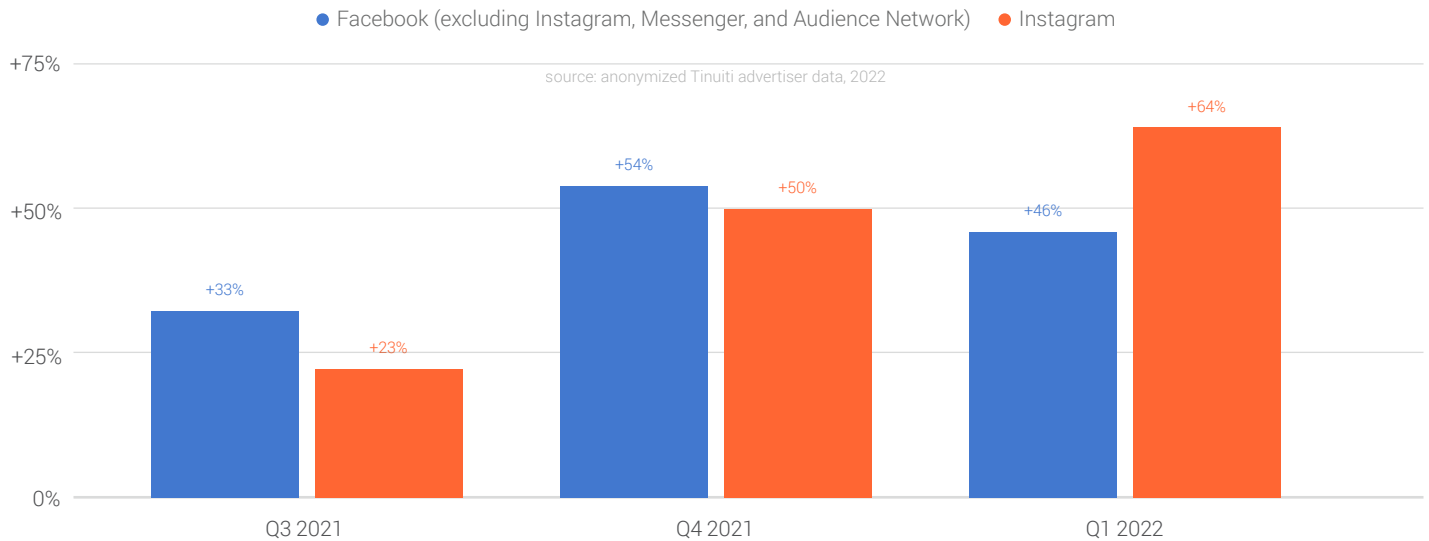
Instagram Ads US Y/Y Growth



➔ **Instagram impressions were 64% more expensive in Q1 2022 than in Q1 2020.**

CPM on Instagram rose 64% compared to Q1 2020, the highest two-year growth of the last three quarters, as ad auctions remain highly competitive. CPM rose 46% on a two-year basis for ads on Facebook proper, slowing from 54% in Q4 2021. With ad impressions declining year over year across both platforms in Q1, ad pricing is now the driving force behind ad spend growth for the vast majority of Meta advertisers.

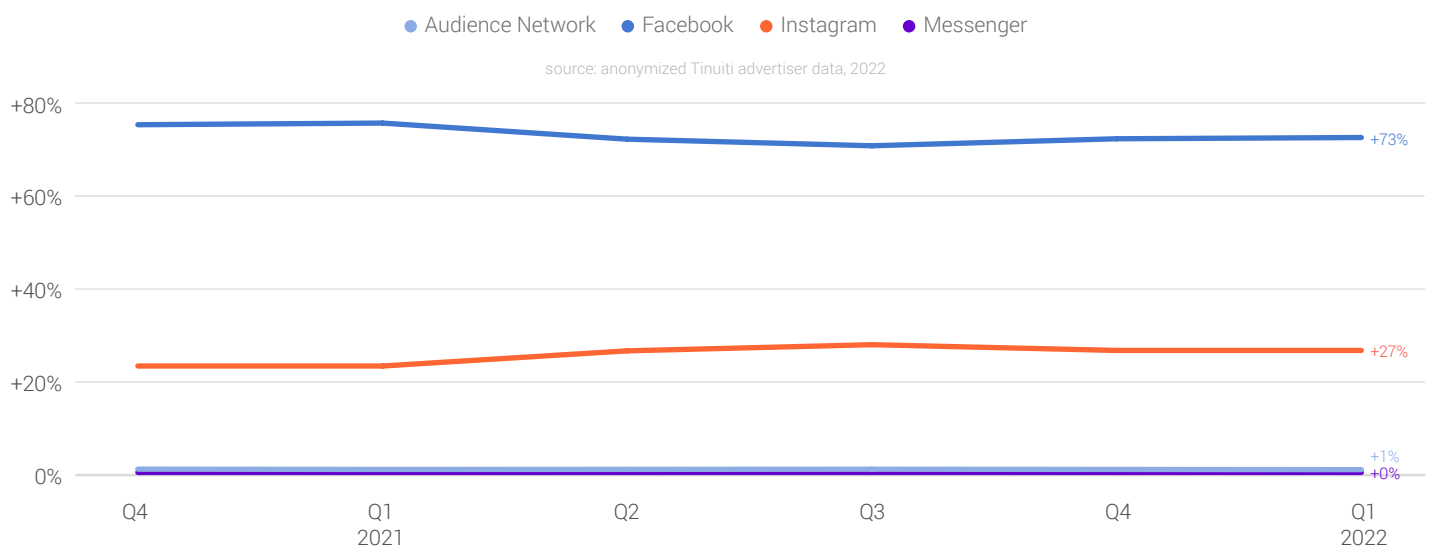
Meta Ads US Two-Year CPM Growth by Quarter



➔ **Instagram spend share steady over the last year but up from last Q1.**

The share of total Meta ad spend going to Instagram rose from 23% in Q1 2021 to 27% in Q1 2022, the same increase in share observed from Q4 2020 to Q4 2021, as Instagram spend growth once again outpaced Facebook proper in Q1. While Instagram spend share has remained stable over the last four quarters, newer placements like Reels and Explore tab inventory stand to help continue the strong pace of spend growth observed on Instagram over the last couple of years.

Meta Ads US Spend Share by Platform



iOS 14.5+ Fallout

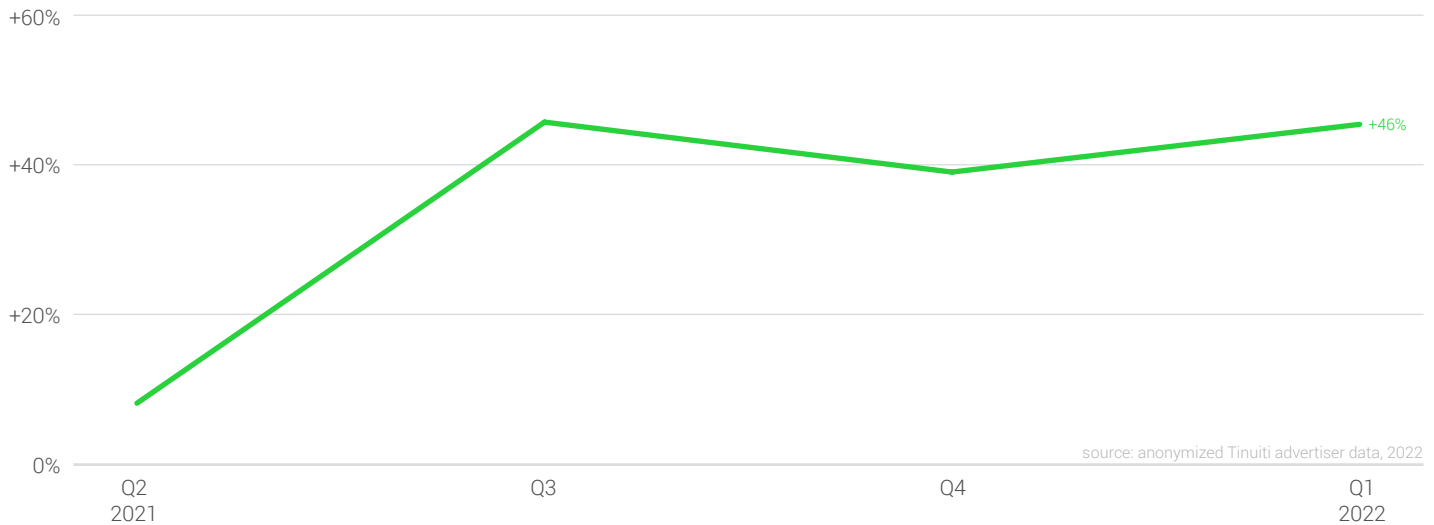
Q1 2022



➔ **Android smartphone CPM continues to far outpace iPhone CPM for Meta Ads.**

The cost for Android smartphone impressions exceeded that of iPhones by 46% in Q1, as there continues to be high demand for those audiences who can still be targeted and tracked via mobile identifiers in the wake of Apple’s ATT update, which limited the use of the IDFA for Apple users who opt out of tracking. While Google announced in Q1 2022 that it intends to build the Privacy Sandbox on Android and that advertising ID for cross-app tracking would be sunset in the future, there was no immediate impact to the use of these IDs with the announcement.

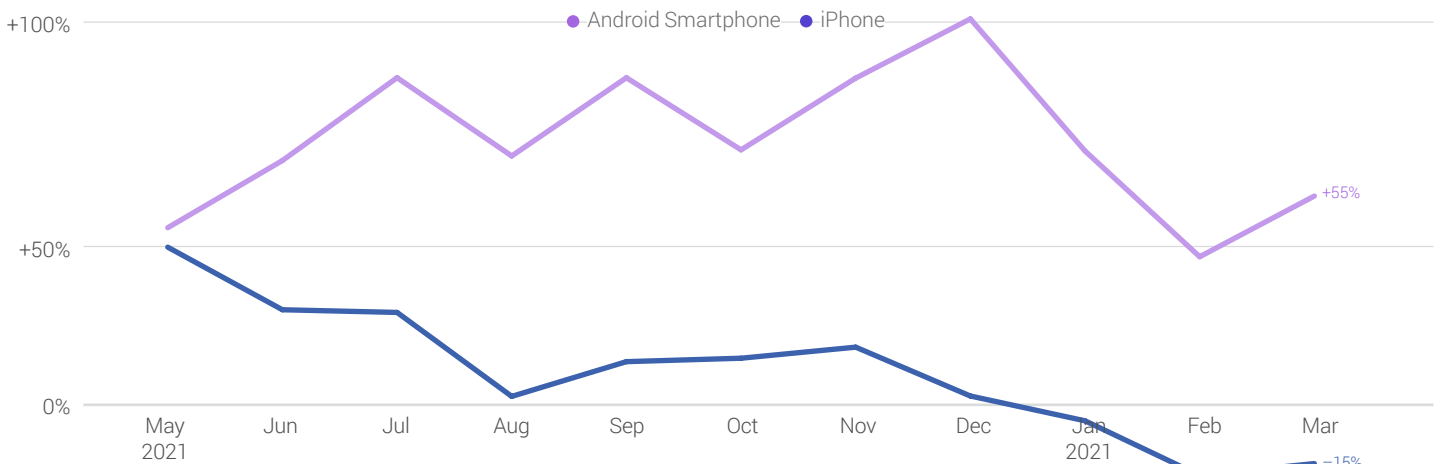
Meta Ads US Android Smartphone CPM by Month
Relative to iPhone



➔ **iPhone spend growth declines Y/Y for the first time since iOS 14.5.**

While ad spend growth for iPhone users across Meta properties has trended well below that of Android smartphones ever since June 2021, it remained positive in year-over-year terms until January 2022 and fell into negative territory for three straight months to start the year. Android smartphone spend growth also slowed in Q1 relative to prior quarters, but still ended Q1 at 55% growth for the month of March. Brands will begin to lap the early days of Apple’s ATT update in Q2.

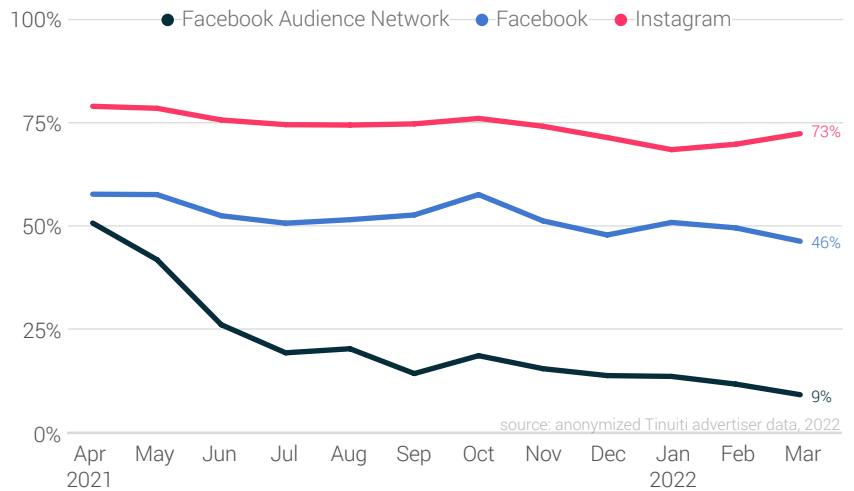
Meta Ads US Y/Y Growth by Device
Across All Properties



→ iOS share of Facebook spend hit a twelve-month low in March.

Looking at Meta’s flagship app Facebook, the share of spend attributed to iOS devices fell from 58% back in April 2021 to 46% in March 2022, as Android devices have become a bigger part of spend over the same time frame. iOS spend share fell from 80% in April 2021 to 73% in March 2022 on Instagram, but the biggest shift occurred on the Audience Network, where iOS share fell from 51% to just 9% over the twelve-month span.

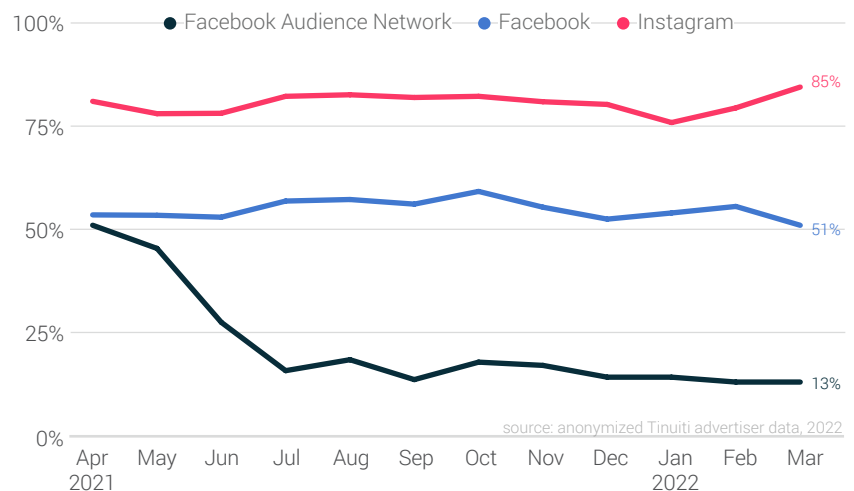
Meta Ads US iOS Monthly Spend Share by Platform



→ iOS impression share continues to hold roughly steady across on Facebook and Instagram.

While iOS spend share has declined meaningfully across all Meta properties over the last year, impression share from iOS devices has remained roughly steady on Facebook and Instagram. Audience Network is the one Meta platform that has seen a clear and sustained decline in the share of impressions coming from iOS devices, with share dropping from over 50% in April 2021 to just 13% in March 2022.

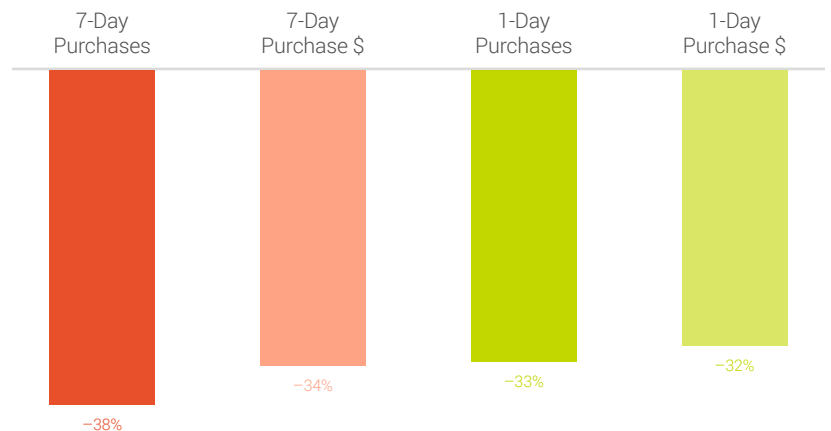
Meta Ads US iOS Impression Share by Platform



→ Meta’s in-platform purchase reporting continues to suffer in the wake of ATT.

Purchases reported in Meta’s platform continued to trend well below pre-ATT levels, with purchases and purchase value both down at least 30% year over year in Q1 using both 7-day click and 1-day click attribution. Marketers will need to continue to lean on more holistic methods of measurement, as well as regularly deploy incrementality testing, in order to truly judge the effectiveness of ads moving forward, as tracking continues to become less effective over time with privacy updates like Apple ATT.

Meta Ads In-Platform Reporting US Y/Y Growth
Q1 2022



Devices & Placements

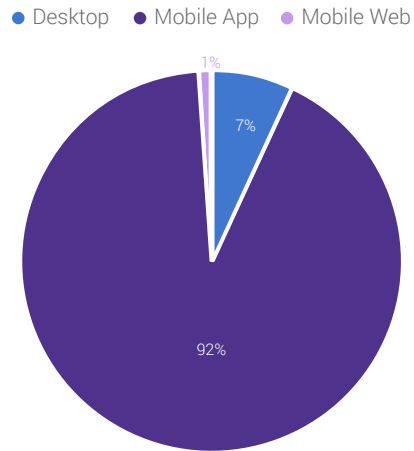
Q1 2022



→ Desktop share of Meta Ads impressions back up to 7% to start the year.

The share of Meta ad impressions attributed to desktop slipped from 8% in Q3 to 6% in Q4, during a time when many users were on the go during the holiday season. Desktop impression share was back up to 7% in Q1 2022 as users settled back in to non-holiday season routines. Mobile app usage remained identical from Q4 to Q1, and the increase in desktop share came at the expense of ad impressions shown on the mobile web.

Share of All Meta Property US Ad Impressions by Device and Access Type

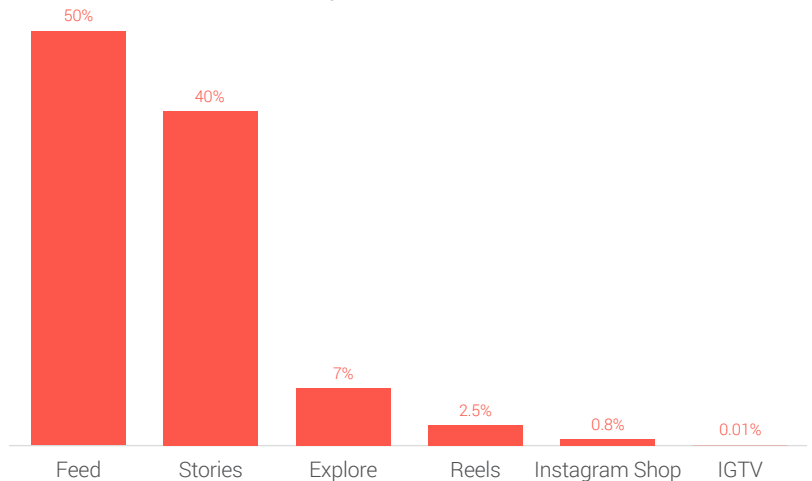


→ Reels placements rise to over 2% of Instagram ad impressions in Q1.

Reels ads more than doubled from 1.1% of Instagram ad impressions in Q4 2021 to 2.5% in Q1 2022, while the Shop placement accounted for 0.8% of ad impressions in Q1 compared to just 0.1% in Q4 2021. Both announced last year, Reels and Shop placements might currently be small components of Instagram advertising but have the potential to drive meaningful incremental impressions moving forward, much like Stories ads steadily became an important part of Instagram ad spend.

Instagram Ads US Impression Share by Placement Q1 2022

source: anonymized Tinuiti advertiser data, 2022

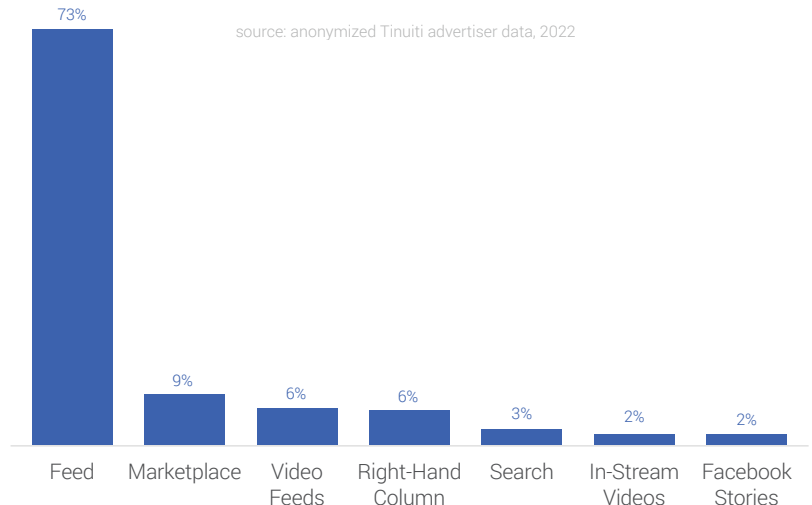


→ Marketplace maintains second-highest ad impression share on Facebook.

Marketplace ads accounted for 9% of Facebook impressions in Q1 2022, identical to Q4 2021 and once again the second-highest impression share placement behind the primary Feed placement. Just 2% of Facebook impressions came from Stories as Facebook Stories has yet to gain the same traction that Instagram Stories have over the last couple of years. Facebook Search ads, which were made widely available in mid-2019, accounted for 3% of all ad impressions in the first quarter of 2022.

Facebook Ads US Impression Share by Placement Q1 2022
Excluding Instagram, Messenger, and Audience Network

source: anonymized Tinuiti advertiser data, 2022



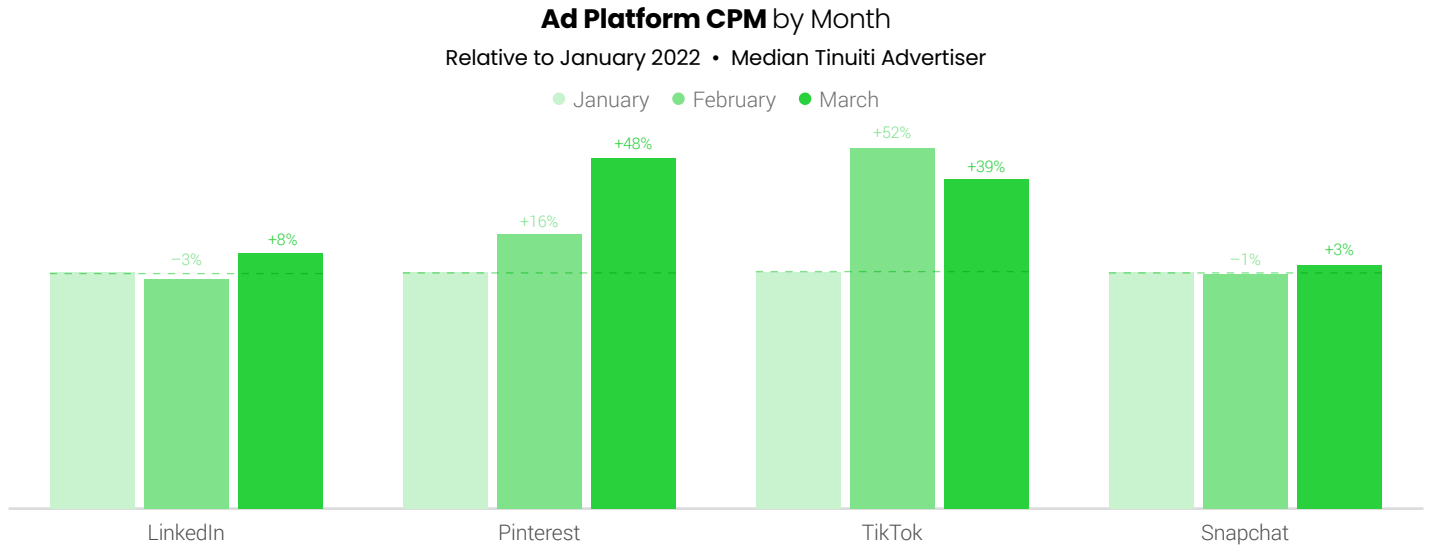
Other Platforms

Q1 2022



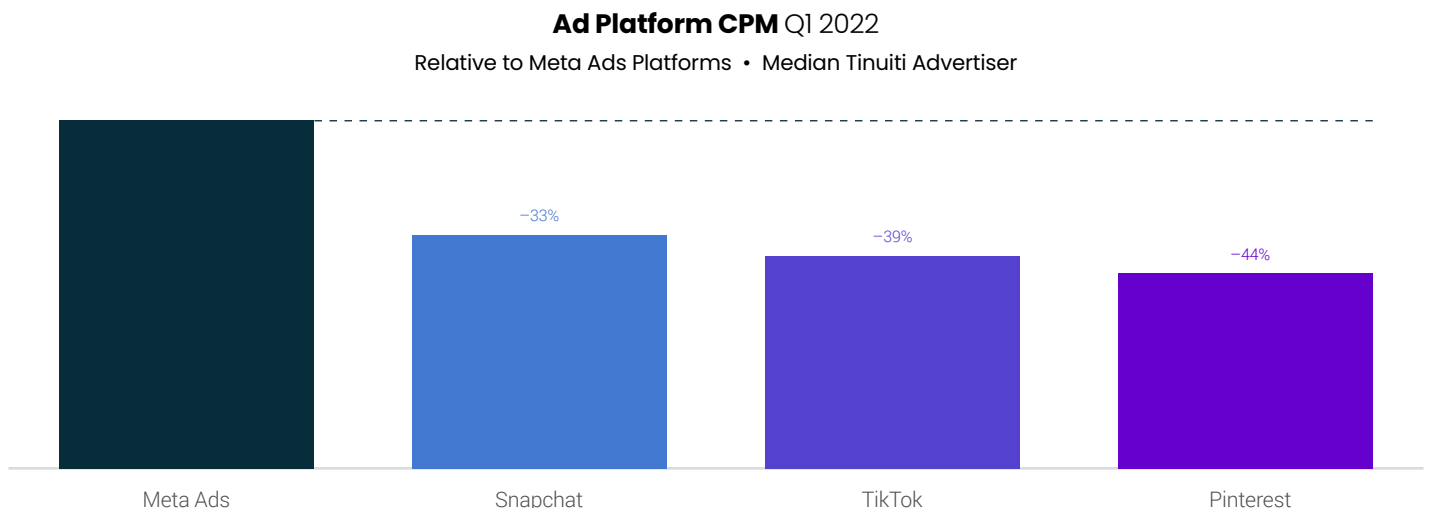
➔ **Pinterest and TikTok ad pricing are up significantly compared to earlier in the year.**

Pinterest CPM was 48% higher for the median advertiser in March of 2022 than in January, while TikTok ended the first quarter with CPMs running 39% higher in the last month than the first month, as many advertisers are finding ad auctions increasingly competitive on digital platforms. LinkedIn and Snapchat saw more modest CPM growth through March, up 8% and 3%, respectively, compared to the first month of the year. With platforms continuing to become more competitive over time, it's becoming more important than ever for marketers to deploy best in class creative and campaign management to succeed in social advertising.



➔ **Ad pricing across rival social networks trends below that of Meta platforms.**

In Q1 2022, the median Pinterest advertiser that was also active in Meta Ads found CPM 44% lower on Pinterest than on Meta platforms, including Facebook, Instagram, Messenger and Audience Network. TikTok CPM came in 39% lower, while the smallest CPM difference of Q1 occurred on Snapchat, which was 33% lower than Meta Ads platforms for the quarter. Rising digital ad prices, particularly on Meta platforms, are increasingly driving advertisers to test out opportunities on newer platforms, though differences in simple CPM don't indicate the relative success of campaigns. Performance comparisons are made more complicated by the fact that different social platforms may engage users at different stages of the purchase funnel.



TAKE THE NEXT STEP



Schedule Your Paid Social Strategy Evaluation

Schedule a complimentary analysis of your existing paid social campaigns and ad strategy to identify areas for improvement and opportunities for growth.

[CONTACT US](#)