

Meta Ads Benchmark Report

WITH INSIGHTS ON
TikTok, Pinterest and Snapchat

TRIOPOLY SERIES ▲▲▲



Table of Contents

- 04 Facebook & Instagram Growth
- 07 iOS 14.5+ Fallout
- 10 Devices & Placements
- 12 Other Platforms

Executive Summary

Advertiser investment across Meta properties fell once again in Q3 2022 for Tinuiti advertisers, declining 7% from last year after a 1% decline in Q2. These represent the only two quarters of negative year-over-year spend growth for Tinuiti advertisers ever, as economic headwinds, challenges stemming from shifting user behavior, and tracking and targeting limitations resulting from privacy measures take a toll on growth. Impression growth rebounded from a 7% decline in Q2 to 5% growth in Q3, but CPM declined 12% year over year in the third quarter after rising 6% in Q2.

While Meta CPM declined in Q3, many advertisers continued to see ad pricing grow in the quarter, as the median brand saw a 6% increase. One reason for differences between brands is the share of traffic coming from Facebook compared to Instagram for each advertiser, as CPM fell more than 20% on Facebook but rose by 17% on Instagram in the third quarter. CPM was 16% higher on Facebook in Q3 2022 than two years prior, compared to Instagram where it was 55% higher.

Looking at spend growth, Instagram investment rose 10% year over year in Q3, following a 10% decline in Q2 that marked the first quarter ever in which Facebook spend growth outpaced Instagram for Tinuiti advertisers. Instagram in particular faced a very tough year-ago comparison in Q2, as spend grew a whopping 75% year over year in Q2 2021. That fell to 45% growth in Q3 2021.

Facebook spend declined 13% year over year in the third quarter after increasing 4% in Q2, even as impression growth accelerated from Q2 to Q3. Facebook share of total Meta ad spend slipped from 71% a year ago to 68% in Q3 2022, while Instagram now accounts for 31% of all Meta ad spend compared to just 28% last Q3. The Audience Network continues to account for only a small share of total Meta investment, and held steady at 1% in Q3 2022.

After a year of Android spend growth far outpacing that of iOS devices, iOS spend declined by less than Android throughout Q3. Advertisers lapped the initial launch of the Apple App Tracking Transparency (ATT) prompt in April, but Q3 2021 was the first full quarter in which most iOS users had upgraded to a version that required the prompt. From Q3 2021 through Q1 2022, ad pricing for Android devices was much higher than iOS as there was relatively more demand for those users who could still be targeted using mobile IDs, but that gap has grown smaller over the last two quarters.

Reels continues to be an important point of focus for Meta, and the format is growing in importance for advertisers across both Instagram and Facebook. On Instagram, Reels share of ad impressions rose from 3.9% in Q2 to 4.7% in Q3, while on Facebook the total share of impressions attributed to either Reels or Reels

overlay ads more than doubled from Q2 to Q3. Advertisers testing creative on Reels have found that UGC-style ads similar to TikTok videos performs best.

Long the most important device type for social advertisers, mobile continues to account for a greater share of Meta ad spend over time, and in Q3 2022 mobile apps and the mobile web were responsible for 96% of ad investment in Meta properties. Desktop share of spend declined from 8% last Q3 to just 4% in Q3 2022, as users access platforms like Facebook and Instagram almost exclusively on their phones.

Ad pricing continues to be lower on social platforms like TikTok, Snapchat and Pinterest than on Meta properties for many advertisers. The median advertiser active on both TikTok and Meta found CPM was 42% lower on TikTok in Q3. Pricing metrics like CPM don't tell the whole story of ad performance, but are a consideration for brands looking to expand social media investment over time.

TikTok CPM finished Q3 22% higher than what was observed in January 2022, as more brands continue to get active on the platform and existing advertisers ramp up investment over time. Ad pricing can be impacted over time by the release and adoption of new ad formats and placements, and TikTok is making strides in rounding out its suite of advertising offerings, particularly with an eye toward facilitating more social commerce interactions.

→ Methodology

The Tinuiti Meta Ads Benchmark Report is based on anonymized performance data from Meta 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.

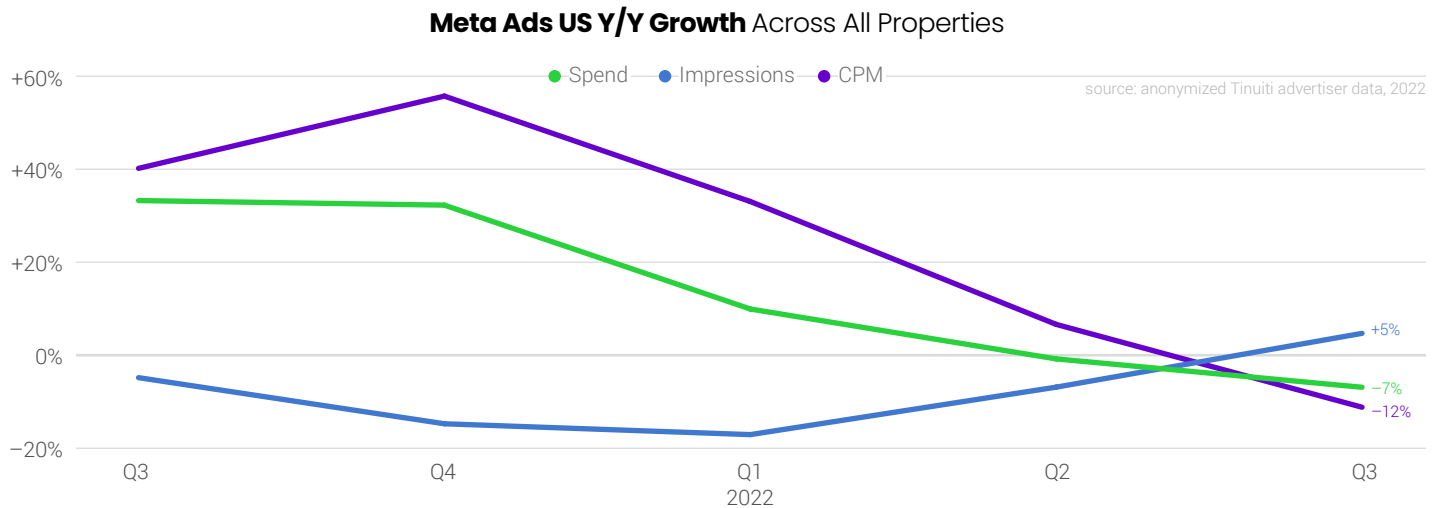
Q3 2022

Facebook & Instagram Growth



➔ **Meta spend growth stays in the red for the second straight quarter.**

Across all Meta-owned platforms, advertiser spend dipped 7% year over year in Q3, following a Q2 that saw the first quarter of negative growth ever observed across Tinuiti advertisers. Impression growth continued to trend in a positive direction, though, going from a 17% decline in Q2 to a 5% increase in Q3, as year-ago comparisons for this metric are growing weaker in the back half of 2022.

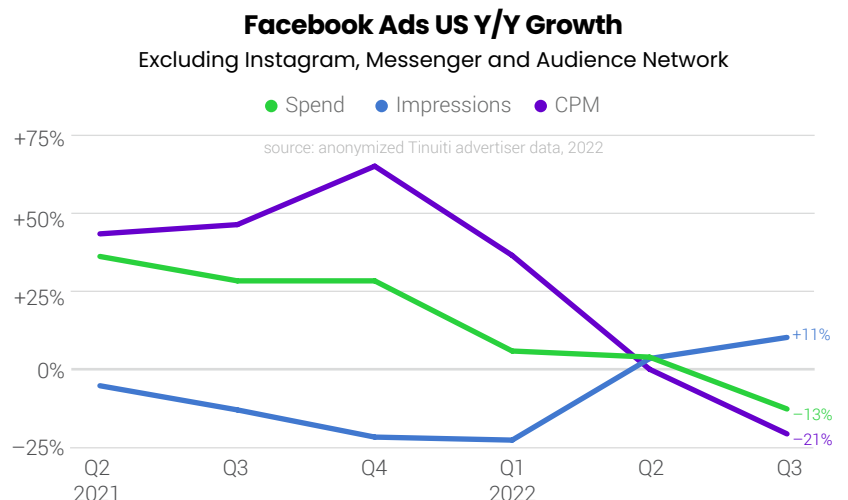


CPM fell 12% year over year across Tinuiti advertisers in Q3, down from 6% growth in Q2 and the first quarterly decline observed since 2020. However, it is still the case that most Tinuiti advertisers are seeing positive growth in ad pricing, as CPM was up 6% for the median brand in Q3. Some of the disparity in CPM growth for different advertisers can be attributed to the mix of traffic coming from Facebook compared to Instagram, as Instagram CPM increased 17% year over year compared to a 21% decline on Facebook.

The introduction of the Apple ATT prompt in Q2 2021 created a gap in ad pricing for impressions targeting Android users, who could largely still be targeted and measured using mobile IDs, compared to those targeting iOS users, many of whom opted out of being targeted and measured via mobile IDs when presented with ATT. Android CPM far outpaced iOS from Q3 2021 to Q1 2022, but that gap has narrowed in the two most recent quarters. In Q3 2022, Android smartphone CPM fell 14%, compared to a 9% decline in the cost of iPhone impressions.

➔ **Facebook ad impressions grow at the fastest rate since Q1 2021.**

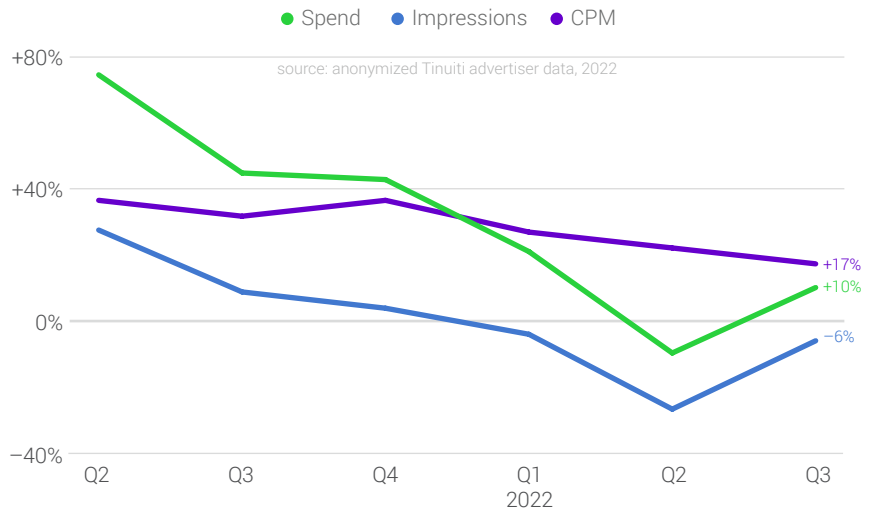
After four straight quarters of year-over-year declines from Q2 2021 through Q1 2022, Facebook impression growth, excluding Instagram, Messenger, and Audience Network, has now been positive for two straight quarters and accelerated from 4% in Q2 to 11% in Q3 as advertisers lap weaker year-ago comparisons. Facebook CPM fell 21% year over year in Q3, the first decline for Tinuiti advertisers since Q4 2020, as ad spend fell 13% for the quarter.



→ Instagram CPM growth remains strong in Q3 as spend growth rebounds.

While CPM fell 21% on Facebook, Meta advertisers saw Instagram CPM rise 17% year over year in Q3. Instagram impression growth was once again negative in Q3, but rebounded mightily from a 27% decline in Q2 to a 6% decline in Q3. This improvement in impression growth helped push year-over-year changes in Instagram spend back into positive territory after the first ever decline for Tinuiti advertisers in Q2.

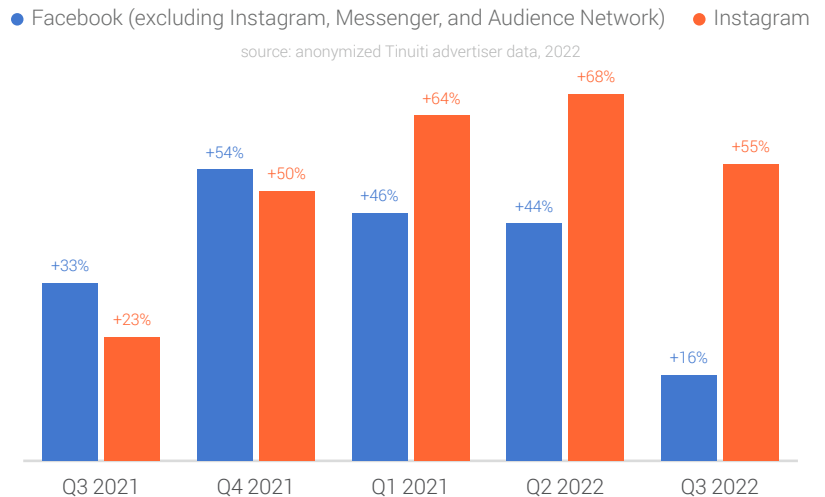
Instagram Ads US Y/Y Growth



→ Two-year CPM growth remains high on Instagram but slows meaningfully on Facebook.

Compared to Q3 2020, Instagram CPM was 55% higher in Q3 2022, which represents slower two-year growth than the first half of 2022 but is still faster than what was observed in the back half of 2021. By comparison, Facebook CPM growth has now fallen to 16% on a two-year basis, which is meaningfully slower than each of the last four quarters. Two-year growth can give a better sense of long-term trends by smoothing out some of the wild swings of the pandemic.

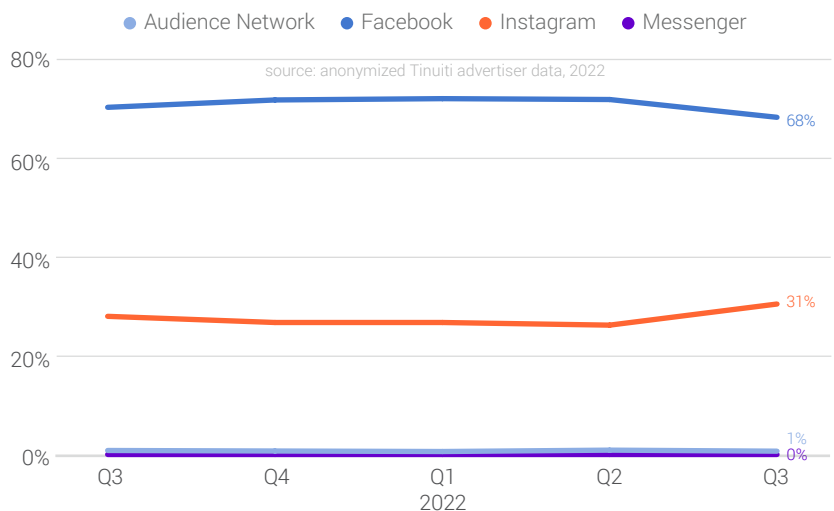
Meta Ads US Two-Year CPM Growth by Quarter



→ Instagram share tops 30% of Meta investment in Q3 2022.

Rebounding from a 10% decline in spend in Q2 to a 10% increase in spend in Q3, Instagram share of Meta Ads spend rose from 26% in Q2 to 31% in Q3. Instagram spend share came in at 28% in Q3 2021, and the increase in Instagram share year over year has come at the expense of Facebook, which saw spend decline 13% year over year in the quarter but still accounts for over two-thirds of Meta investment. The Audience Network continued to account for only 1% of Meta spend in Q3.

Meta Ads US Spend Share by Platform



Q3 2022

iOS 14.5+ Fallout



→ Android and iPhone CPM draw closer in Q3 as ATT-induced demand gap narrows.

From Q3 2021 to Q1 2022, Android smartphone CPM ran at least 39% higher than iPhones, as demand for those users who could still be targeted using mobile IDs appeared to rise relative to those who opted out of tracking when presented with the Apple ATT prompt. That gap has narrowed considerably for many advertisers, and in Q3 Android smartphone CPM was just 9% higher than iPhone, after coming in at 12% higher in Q2 2022. Relative demand for inventory from the two device types appears to be drawing closer to pre-ATT levels, which may be tied to advertisers updating targeting over time.

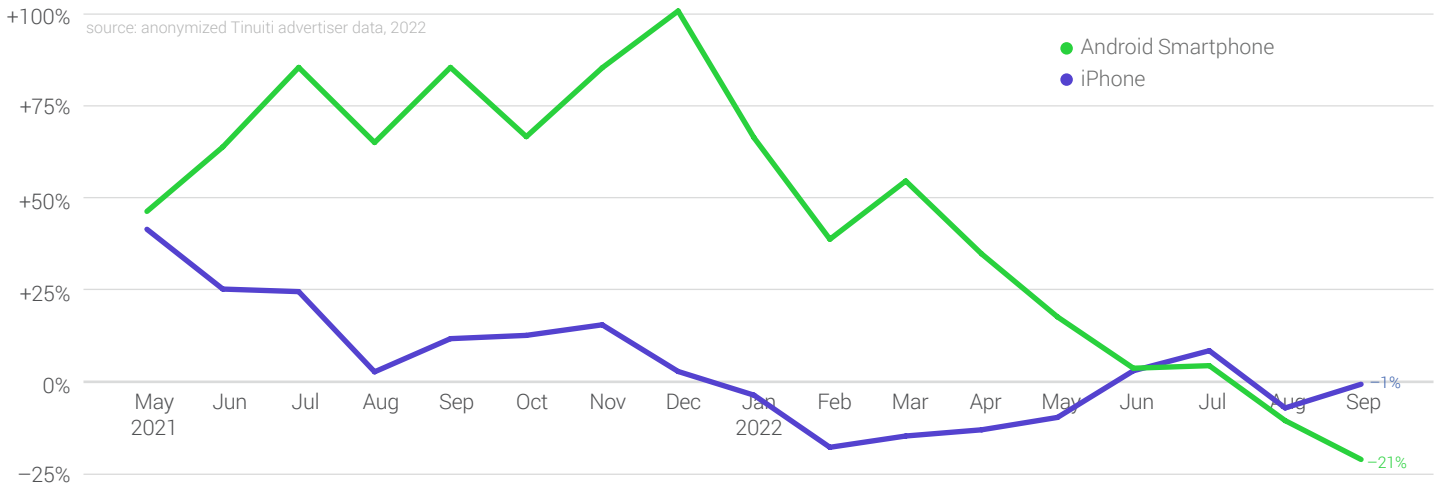
Meta Ads US Android Smartphone CPM by Quarter
Relative to iPhone



→ iPhone spend growth outpaces Android for three straight months in Q3.

Starting in June 2021, Meta spend growth for Android smartphone users soared relative to iPhones, as impressions became much more expensive for Android users relative to iPhones. With the gap in CPM for the two devices shrinking in Q2 and Q3 2022 and advertisers lapping the stronger Android growth of last year, iPhone spend growth is now outpacing that of Android spend growth. In September, iPhone spend declined just 1% year over year, compared to a 21% decline in Android smartphone spend.

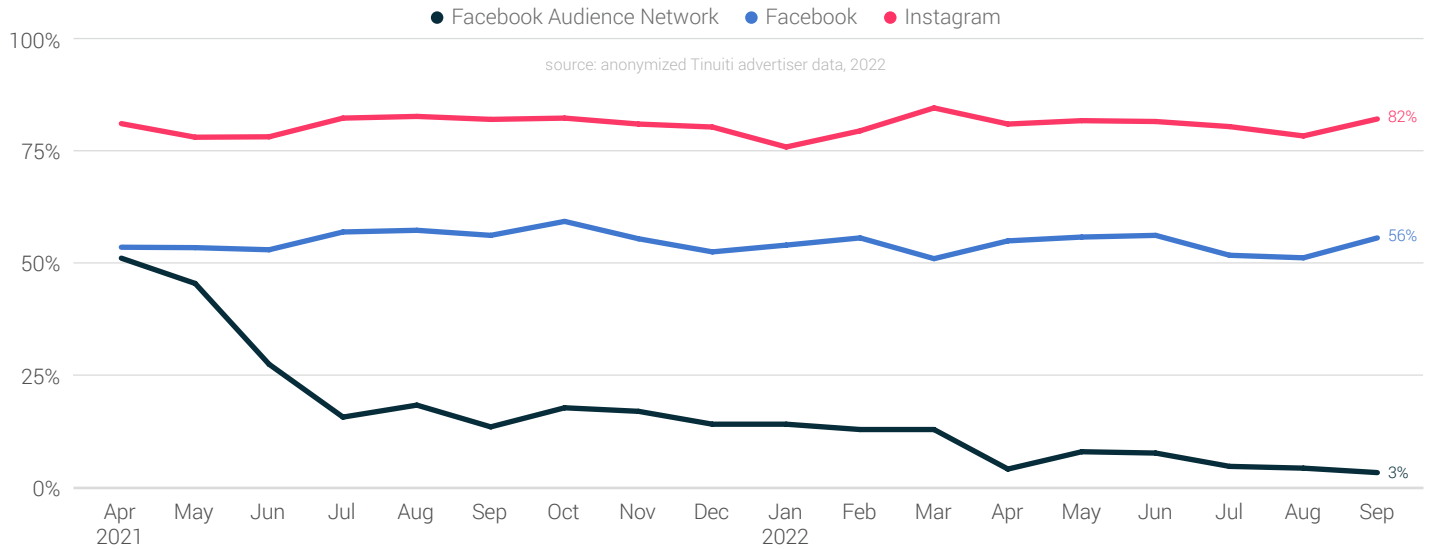
Meta Ads US Y/Y Monthly Spend Growth by Device
Across All Properties



➔ **iOS impression share remains steady on Facebook and Instagram.**

When it comes to Facebook and Instagram, the share of ad impressions coming from iOS devices has remained very stable over the course of the last 18 months. This is in contrast to the Audience Network, which saw iOS share fall from over 50% in April 2021 to just 3% in September 2022. Meta has long highlighted the significant impact that ATT would have on the Audience Network in particular.

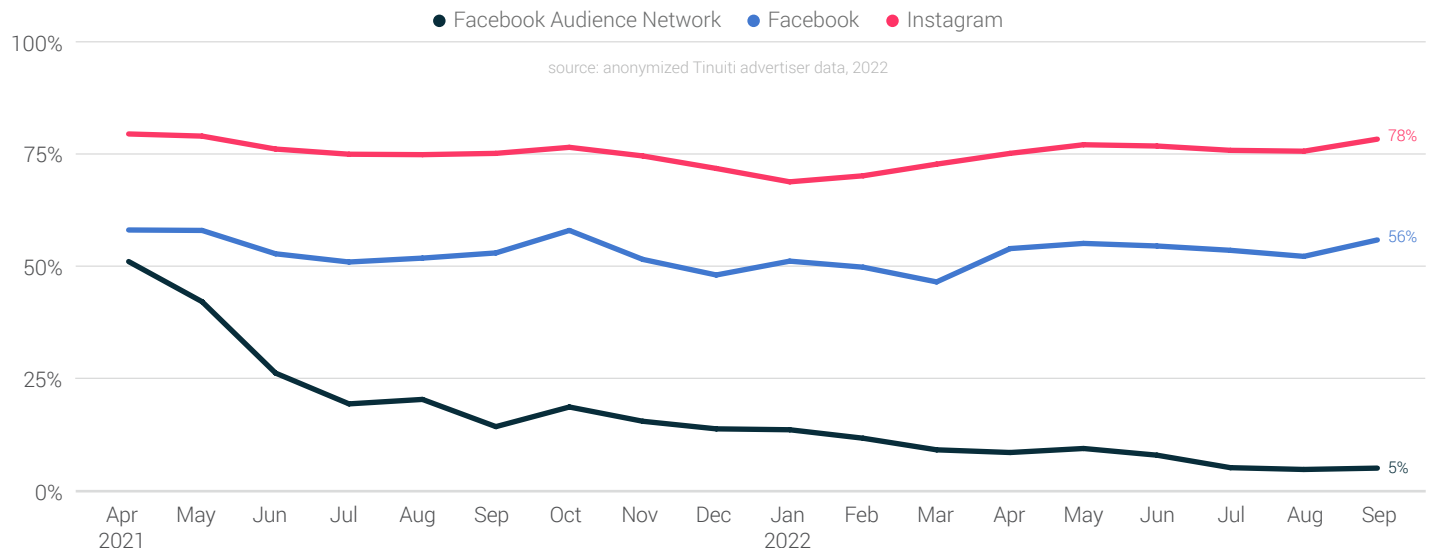
Meta Ads US iOS Monthly Impression Share by Platform



➔ **iOS spend share down to just 5% on the Meta Audience Network.**

Much like impression share, the spend share of iOS devices on the Audience Network cratered over the last year, landing at 5% for each of the three months in Q3. With the gap in CPM between Android and iOS devices growing narrower in recent months, the gap in impression share and spend share for iOS devices has become smaller over the last year on Instagram and Facebook. On Facebook, iOS impression share was three points higher than spend share in September 2021, but identical in September 2022.

Meta Ads US iOS Monthly Spend Share by Platform



Q3 2022

Devices & Placements



→ Meta Ads desktop impression share cut in half over the last year.

Desktop accounted for 8% of all Meta ad impressions in Q3 2021, but that was down to just 4% in Q3 2022, as mobile devices continue to grow in importance for social advertisers. Mobile users are also increasingly using Meta’s apps as opposed to accessing sites through a browser, as mobile web share dropped from 1.9% in Q3 2021 to just 0.5% in 2022. The mobile app now accounts for 96% of all Meta ad impressions.

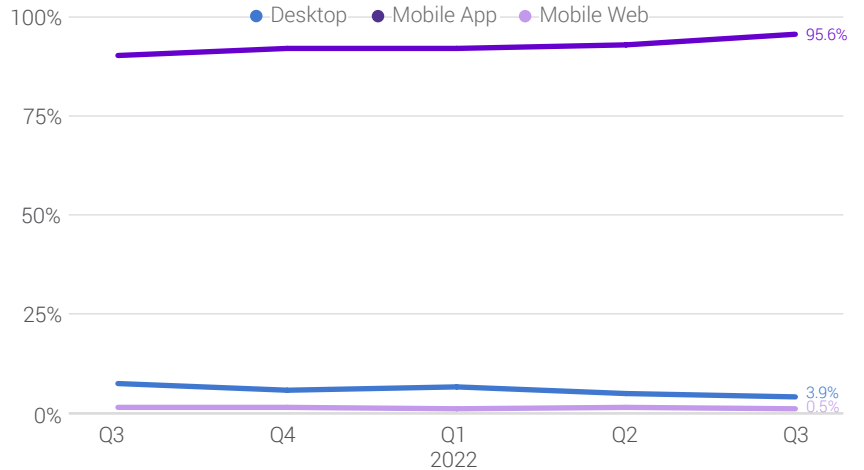
→ Feed share of Instagram ad impressions up Y/Y despite newer placements.

The share of Instagram ad impressions attributed to the Feed grew from 45% in Q3 2021 to 48% in Q3 2022, as newer ad placements have not yet diminished the role of this key placement on Instagram. Reels ads rose from just 0.7% of ad impressions last Q3 to 4.7% in Q3 2022, and the Reels placement has now grown in impression share for four straight quarters as Meta continues to tout rapid growth in Reels use among Instagrammers.

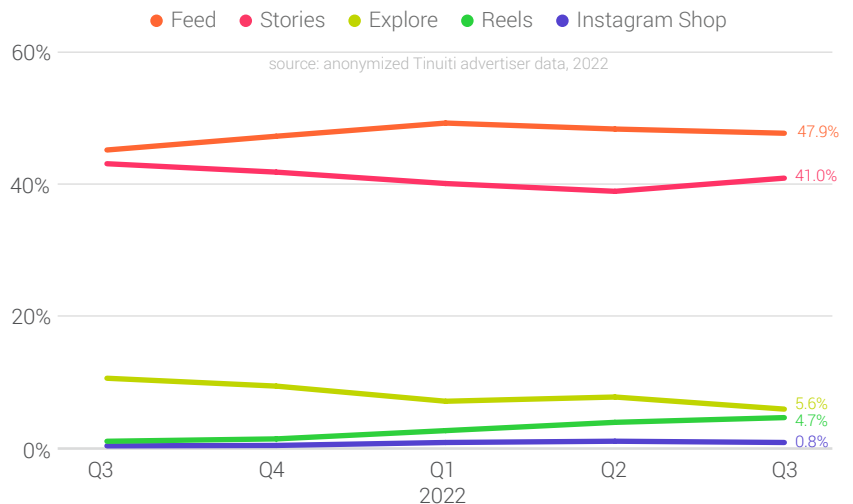
→ Reels impression share more than doubles from Q2 on Facebook.

Facebook Reels rose from 0.7% of all Facebook ad impressions in Q2 to 1.3% in Q3. Combined with an impression share increase from 0.2% to 0.6% for Reels Overlay ads, the total share of Facebook ad impressions attributed to Reels more than doubled from Q2 to Q3, though still remained below 2%. The primary Feed placement, which has a higher CPM than other Facebook placements, saw impression share slip from 72% in Q2 to 71% in Q3.

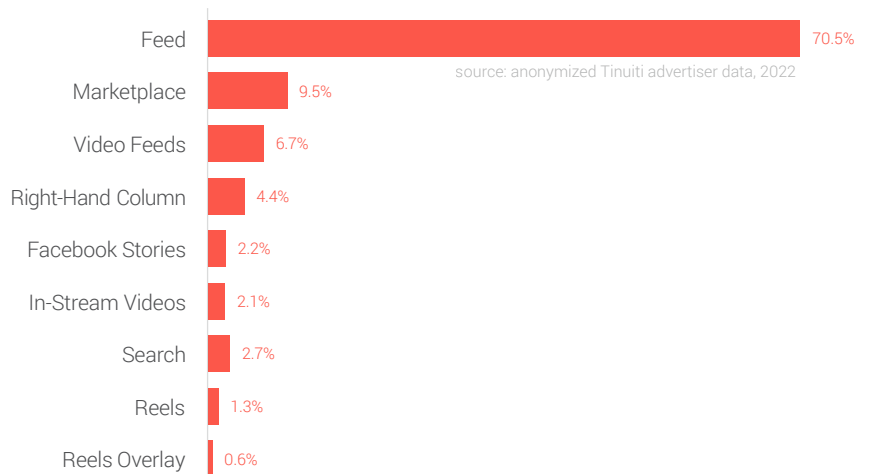
Share of All Meta Property US Ad Impressions by Device and Access Type



Instagram Ads US Impression Share by Placement



Facebook Ads US Impression Share by Placement Q3 2022



Q3 2022

Other Platforms



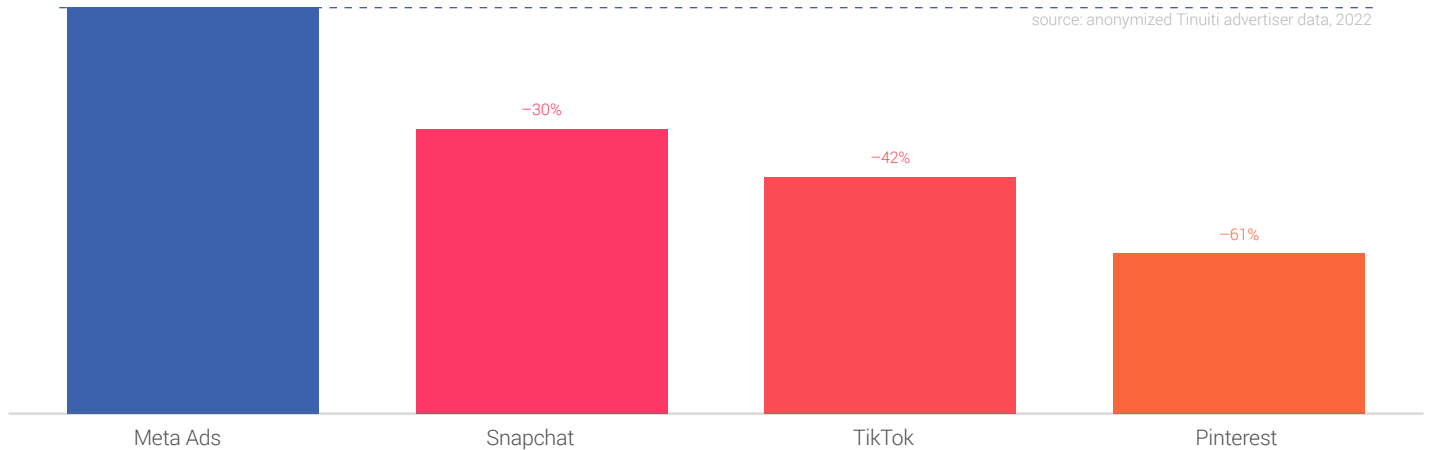
➔ **Meta still tops most social platforms in CPM heading into Q4.**

For the median brand active on both TikTok and Meta, impressions were 42% cheaper on TikTok than on Meta in Q3 2022. Looking over at other prominent social platforms, CPM was 30% cheaper on Snapchat than Meta for the median brand active on both platforms and 61% cheaper on Pinterest. While still only one component of ad performance, cheaper ad impressions are enticing for many brands, particularly as we enter the competitive Q4 holiday shopping season and marketers look to get in front of incremental audiences.

Ad Platform CPM Difference Relative to Meta Ads

Q3 2022 • Median Tinuiti Advertiser

source: anonymized Tinuiti advertiser data, 2022



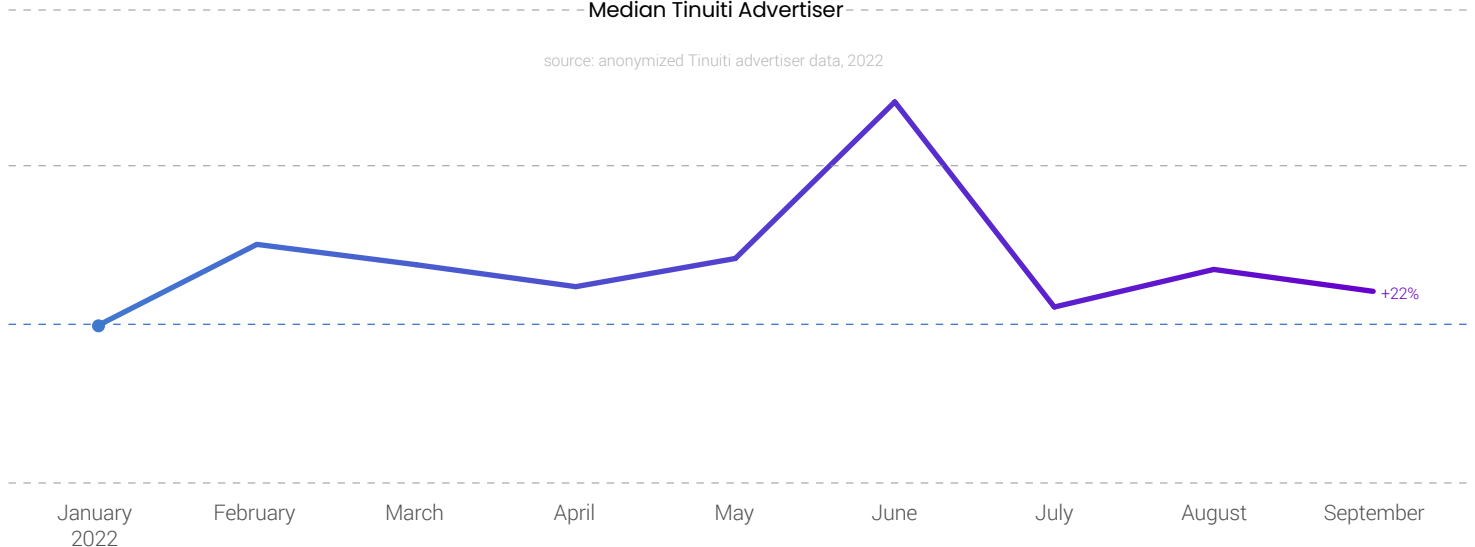
➔ **TikTok CPM falls after June spike but remains elevated compared to start of 2022.**

TikTok CPM ended Q3 22% higher in September than in January 2022, as the platform has attracted many new advertisers over the course of the year while existing TikTok advertisers have continued to expand their investment. This has driven up competition for ad impressions on the quickly growing platform. Metrics like CPM can also be affected by the adoption of newer ad formats. TikTok is consistently rolling out new options for brands, such as Video Shopping Ads and Catalog Listing Ads aimed at further driving more social commerce activity on the platform.

TikTok Ads CPM Relative to January 2022

Median Tinuiti Advertiser

source: anonymized Tinuiti advertiser data, 2022



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