



Advertising goes truly social

Inaugural quarterly report from TBG Digital analyses 200 billion impressions from 167 clients to highlight advertising effectiveness and consumer behaviour on Facebook

London, UK – 19th July, 2011 – [TBG Digital](#), the leading global marketing and technology company specialising in Facebook and social media advertising campaigns, today launches its first study into global advertising on Facebook. The report clearly indicates that companies are working harder than ever before to acquire fans and that doing so significantly improves the effectiveness of an advertising campaign. The results, graphical illustrations and methodology used in the TBG study were verified by The Psychometrics Centre, University of Cambridge.

TBG's research covers online activity taking place during Q2 2011 and analyses pricing trends, success rates and sector variances related to advertising on Facebook. The first in what will be a series of quarterly reports, the *TBG Digital Global Facebook Advertising Report* leverages the company's huge wealth of aggregated data and experience in managing advertising campaigns on Facebook to understand the trends in what will continue to be an important target area for companies.

Highlights from the report include:

- *Growth of brand advertising* (increasing fan base)- brand campaigns on Facebook grew by 104% quarter on quarter and by 1900% during the previous 12 months
- *Benefits of Advertising to Facebook Fans* - 435% improvement in campaign conversion rates when targeting existing fans
- *Hot Sectors* - retail gets best click-through-rates (CTR) and grows to 36% of total impressions in Q2 2011
- *Price Trends* – Cost-per-thousand impressions (CPM) rose by 45% across four markets between Q2 2010 and Q2 2011 and cost-per-click (CPC) rose by 74% using the 'social' approach
- *Sponsored Stories* - the use of Sponsored stories ads in Facebook campaigns decreases cost-per-acquisition (CPA) by 32%.

The report demonstrates that with rising CPC and CPM prices in key markets, advertisers need to be more strategic with advertising budgets. To do achieve this requires the continued growth of brand advertising for better targeting and more proactive engagement with consumers and key audiences as well as better deployment of the recently-launched Sponsored Stories. Advertisers can create cost efficiencies and improve ROI following a simple three-step process:

- Acquire a quality fan base utilising ads such as sponsored stories
- Engage with these fans to ensure they interact with your fan page
- Target fans, which have higher conversion rates than non-fans, with sponsored stories or other ad formats to drive registrations or sales from Facebook.

Retail sector dominates

Retail is the hottest growth sector on Facebook. From being nearly non-existent in Q3 2010, it has shown steady growth and accounts for 36% of all impressions in Q2 2011. This is clearly an area that retailers should continue to look to take advantage of and it is expected that this upward trend in retail will continue as consumer shopping moves into the Facebook environment.

Business-to-Business (B2B) sees success

Whilst it seems more obvious that business-to-consumer companies should have successful campaigns on Facebook, Q2's data shows that one of the top five areas of growth was the business and industrial sector, suggesting that Facebook is also fast becoming a valid B2B marketing channel and therefore could also be an interesting growth area over the coming year.

"TBG works with 100 of the top 500 advertisers on Facebook and this report contains data from a total of 167 clients," said Simon Mansell, CEO, TBG Digital. "I spend a lot of my time talking to these customers and hear more and more of them telling me they are reallocating budget from offline media to Facebook. I think the numbers in this report back up the anecdotal evidence of my conversations with TBG's customers: Facebook is the transformational platform which is making advertisers move brand budgets from the traditional areas of TV and Press to Online."

The report can be downloaded at:

http://www.tbgdigital.com/TBG_Digital_Q2_2011_Global_Facebook_Marketing_Report.pdf

Methodology

TBG Digital used a subset of total data across 167 clients, running in 21 countries worldwide generating a total of 200 billion impressions to provide this analysis. Methodology has been provided in each section.

Report Authors

This report was written by Simon Wardropper, Social Media Director TBG Digital with additional commentary and validation by Michal Kosinski and Stephen Haggard of Cambridge University Institute of Psychometrics.

About TBG Digital

TBG Digital is a global marketing and technology company, specializing in Facebook advertising and social media marketing. Combining technology with unparalleled experience, the company collaborates with clients to meet their marketing objectives. Founded in 2001, TBG Digital has offices in London, San Francisco, New York, Chicago, Paris and Hamburg and manages campaigns for more than 90 advertisers targeting in 60+ countries. For more information, please visit our website at www.tbgdigital.com.

For more information:

Sebastian Mathews

Sebastian.mathews@fd.com

+44 (0)20 7269 7158

Jessy Adams

Jessy.adams@fticonsulting.com

+1 (212) 850 5684