

FACEBOOK CONSUMER SURVEY 2017

How Facebook Users Engage With Ads



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Introduction

Ford. Starbucks. Samsung. Procter & Gamble. AT&T.

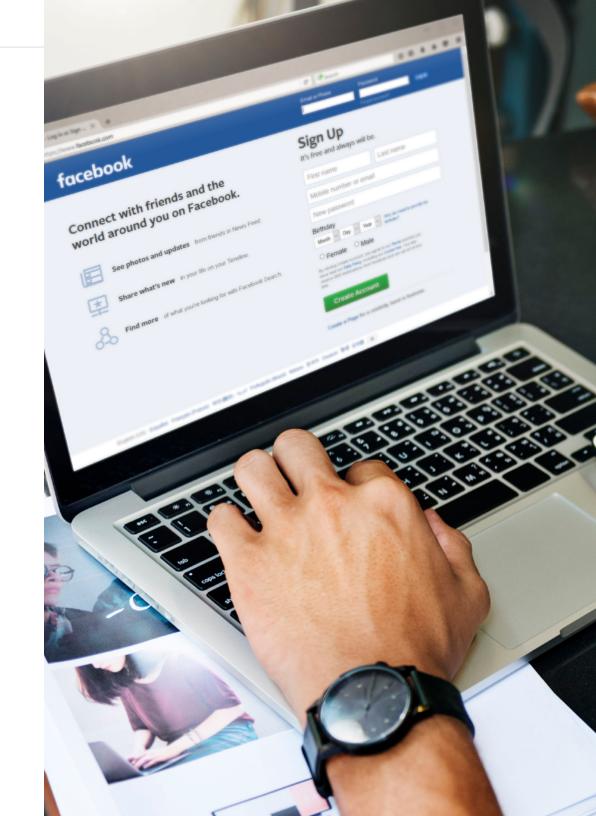
From cars to cappuccinos, Facebook is one of the few advertising platforms where a wide swath of company verticals can thrive.

There are currently over four million advertisers on the platform, and that number will skyrocket in the next few years.

As the Facebook advertising platform matures, new questions emerge for brands and retailers:

- ✓ Should we be using Messenger to talk to customers?
- ✓ Will my customers actually use Facebook to complete purchases?

This study breaks down the responses of 1500 Facebook users across the web. You'll learn how they engage with ads, brands, retailers, and products on Facebook.



Survey Methodology





Survey Methodology

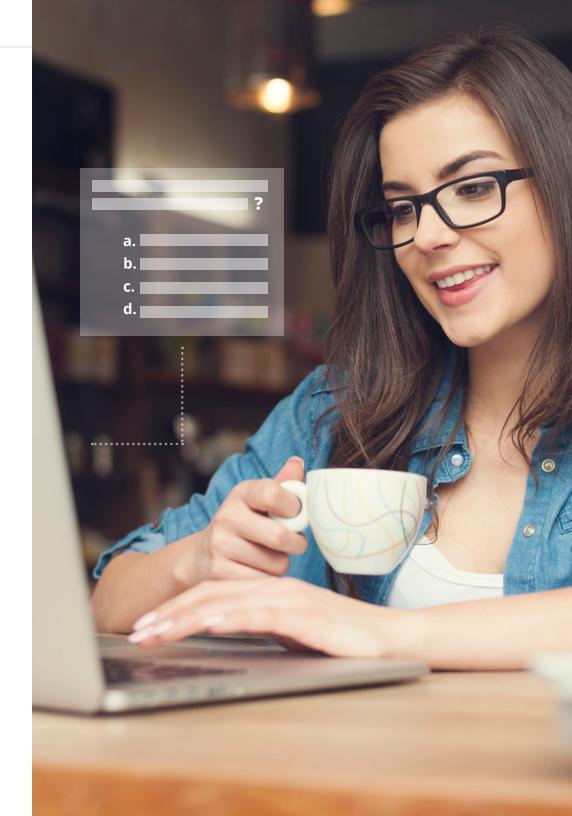
This survey was commissioned by CPC Strategy and conducted by Survata, an independent research firm in San Francisco.

Survata interviewed 1500 online respondents between March 14, 2017 and March 15, 2017.

Respondents were reached across the Survata publisher network, where they take a survey to unlock premium content, like articles and ebooks.

Respondents received no cash compensation for their participation.

More information on Survata's methodology can be found at survata.com/methodology.



Users Who Click on Facebook Ads are 3.5x More Likely to Buy





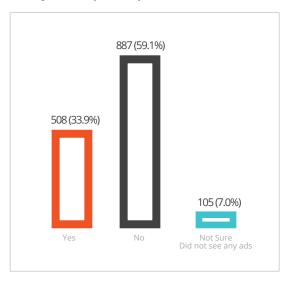
Users Who Click on Facebook Ads are 3.5x More Likely to Buy

- ✓ 33.9% clicked on a Facebook ad, while nearly 60% did not
- ✓ 26% of those who clicked an ad complete a purchase
- ✓ Nearly all respondents knew whether they clicked on an ad or not

Notice that while the majority of Facebook users are aware of ads on Facebook, 7% were still not sure if they had clicked on one in the past 30 days.

While all of Facebook's ads are labeled with the word "sponsored" (see below), in other respects, Facebook ads resemble many organic posts on the platform. We'll touch on this "native naivete" in section seven.

In the past 30 days, have you clicked an ad on Facebook?







When we look deeper into the data and control for age, we find approximately 68% of 18-24-year-olds reported that they did not click on a Facebook ad in the last 30 days, making them the least likely to click ads on Facebook.

In the past 30 days, have you clicked an ad on Facebook?

Answer	18 to 24	25 to 34	35 to 44	45 to 54	Totals
Yes	108 (24%)	98 (31%)	124 (39%)	178 (43%)	508 (34%)
No	308 (68%)	191 (61%)	175 (55%)	213 (51%)	887 (59%)
Not sure —I did not see any ads on Facebook	35 (08%)	26 (08%)	17 (05%)	27 (06%)	105 (07%)
Total	451 (100%)	315 (100%)	316 (100%)	418 (100%)	1,500 (100%)

We see this trend with our clients as well. However, it's not a bad thing, as this age range is also least likely to have disposable income.

"Typically, 18-to-24 year olds decreased engagement results in advertisers saving money, as they were least-likely to buy."



Sarah RogersManager of Performance Social
CPC Strategy





Out of the other age groups, 43% of 45-54-year-olds reported clicking on a Facebook ad, making them the highest engagers.

This brings us to the most valuable part of this section.

26% of those who reported clicking on an ad *also* reported that they completed a purchase.

Only 7% of those who didn't click on your ad will make a purchase—meaning users who do click on an ad are 3.5x more likely to buy a product than those who don't.

Answer	Yes	No	Not Sure	Totals
Yes	133 (26%)	59 (07%)	11 (10%)	203 (14%)
No	375 (74%)	828 (93%)	94 (90%)	1,297 (86%)
Totals	508 (100%)	887 (100%)	105 (100%)	1,500 (100%)

While we aren't entirely sure if a user purchased the exact product they saw in the ad they clicked, we can guess that this may be the case.

An interested buyer will click to learn more, whether it's to watch a video with sound or to learn more on your website.





Key Takeaway

Aim for a post that your target market can't help but click. Nearly every survey answer reveals that the entertainment factor or relevancy of an ad on Facebook is key. Draw them in with highly targeted content that speaks to them.



Sales From Facebook Ads Take Time





Sales From Facebook Ads Take Time

While 33.9% of respondents reported clicking on a Facebook ad in the past 30 days, only 13.5% followed through with a purchase in that time frame

Surprised by this finding? You shouldn't be.

While Facebook users may not make a purchase within a 30-day period, they are still interested enough to invest time in a brand or retailer's ad content.

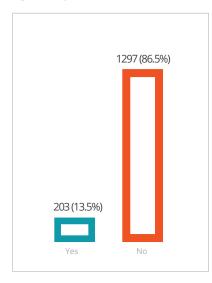
Facebook is the only advertising platform currently available that can successfully reach consumers at every point of their buyer journey—whether they're just hearing about you or they're a VIP.

"Even if a consumer doesn't directly buy off of Facebook, the impression and engagement is still value in turning a soft lead into a buyer."



Sarah Rogers Manager of Performance Social **CPC Strategy**

In the past 30 days, have you purchased a product you saw on Facebook?

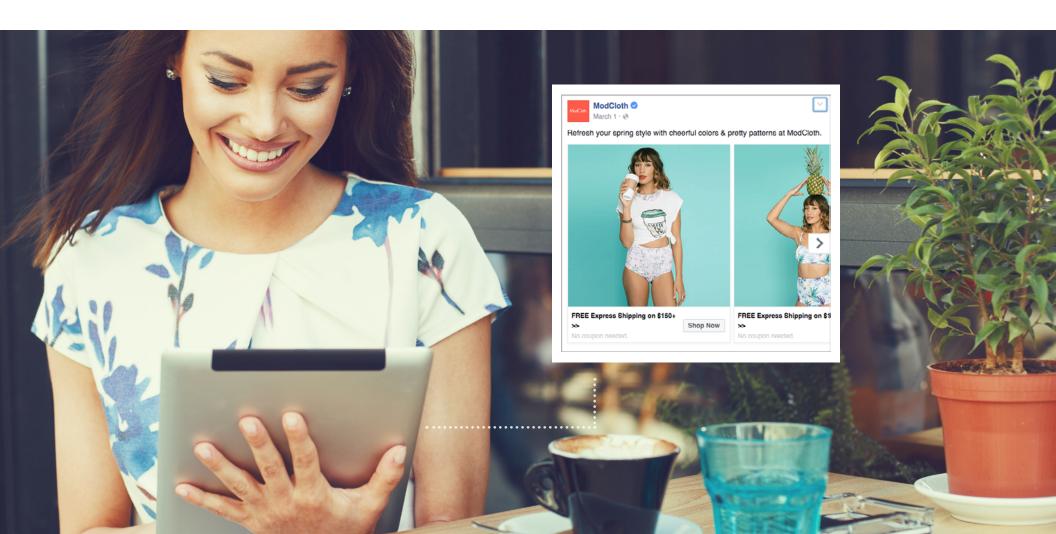






Key Takeaway

Use seasonal campaigns, irresistible deals, and stellar creative to entice Facebook users to visit your site and take the next step in their buyer's journey. Take advantage of Custom Audiences and ensure you're saying the right things to the right people at the right time.



Facebook is Still a Great Place to Gain Brand Awareness





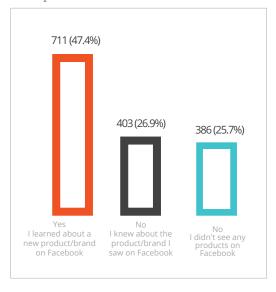
Facebook is Still a Great Place to Gain **Brand Awareness**

- 47.4% of respondents were introduced to a new brand or product on Facebook
- 26.9% had prior knowledge about the brands and products they saw on Facebook
- 25.7% didn't see any products on Facebook

Considering nearly 50% of respondents were introduced to a new brand or product on Facebook in just a 30-day span, Facebook is still a great place to introduce a new line of products. It's also still a good place for a fledgling brand to build brand awareness.

Of course, content must be engaging and interesting to the viewer in order for them to click on it—and the final hurdle is that end purchase, which must be earned in over a 30-day period for many retailers and brands.

In the past 30 days, have you learned about a new product or brand on Facebook?







25.7% of respondents didn't see any products on Facebook, which is difficult to believe considering the number of retailers and brands who are investing in the platform.

It's possible they don't typically engage with brands or retailers on Facebook, or have hidden those types of ads in the past.

It's also possible they engage more with service-oriented offerings on the platform or don't use Facebook frequently.

And finally, 26.9% were already familiar with a product or brand, which could be because:

- They are being targeted by household name brands (e.g. Tide)
- They've browsed or purchased from those brands previously
- A friend or family member introduced them to the product or brand
- They saw an ad elsewhere for the product (e.g. TV, billboard)

We could go on. The point is, familiarity is not a bad thing. It's actually a huge advantage. Facebook is a great place to retarget and stay at the forefront of your prospect's minds for future purchases.



Key Takeaway

As competition grows on the platform, it may be harder for brands and retailers to get this same reach in the future (or CPCs might just leap way too high). Now is the time to get on your potential customers' newsfeeds. And if your customers have already heard of you, that's a good thing. Continue to retarget your most valuable segment—the customers who have already purchased from you.



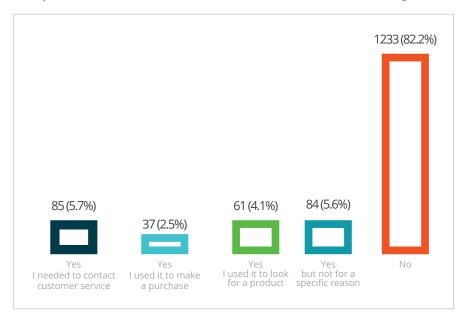
Messenger is Still in the Early Phases for Brands & Retailers





Messenger is Still in the Early Phases for Brands & Retailers

Have you ever communicated with a brand or retailer via Facebook Messenger?



- 17.9% overall communicated with a brand or retailer via Facebook Messenger
- 4.1% made a purchase via Facebook Messenger
- 5.7% used Facebook Messenger to contact customer service



Of those who do communicate with brands on Facebook Messenger, 17.9% made a purchase or used the platform "for no specific reason".

When we look deeper into the data, we find a divide between the genders.

Of the 2% of respondents who made a purchase via Facebook Messenger, women outnumbered men nearly 3:1 (27 vs. 10).

Have you ever communicated with a brand or retailer via Facebook Messenger?				
Answer	Women	Men	Totals	
Yes —l needed to contact customer service	56 (7%)	29 (4%)	85 (6%)	
Yes —I used it to make a purchase	27 (3%)	10 (2%)	37 (2%)	
Yes—I used it to look for a product	27 (3%)	34 (5%)	61 (4%)	
Yes —but not for a specific reason	47 (6%)	37 (6%)	84 (6%)	
No	686 (81%)	547 (83%)	1,233 (82%)	
Totals	843 (100%)	657 (100%)	1,500 (100%)	

(We'll talk more about the gender divide and shopping habits on Facebook in section seven.)





On the age side, we noticed that 45-50 year olds were the most likely to use Messenger to make a purchase on Facebook, while 18-24-year-olds were most likely to communicate with a brand for "no specific reason" on Messenger.

In the past 30 days, have you clicked an ad on Facebook?						
Answer	18 to 24	25 to 34	35 to 44	45 to 54	Totals	
Yes —I needed to contact customer service	24 (5%)	21 (7%)	21 (7%)	19 (5%)	85 (6%)	
Yes —l used it to make a purchase	3 (1%)	6 (2%)	10 (3%)	18 (4%)	37 (2%)	
Yes —I used it to look for a product	15 (3%)	9 (3%)	16 (5%)	21 (5%)	61 (4%)	
Yes —but not for a specific reason	34 (8%)	16 (5%)	16 (5%)	18 (4%)	84 (6%)	
No	375 (83%)	263 (83%)	253 (80%)	342 (82%)	1,233 (82%)	
Totals	451 (100%)	315 (100%)	316 (100%)	418 (100%)	1,500 (100%)	

The bottom line is Messenger is one of Facebook's core offerings that will continue to grow in upcoming years, and it's currently one of the most popular apps in the marketplace. As of July 2016, Facebook Messenger had <u>1 billion monthly active users</u> across the world.





Overall, Facebook users may still see Messenger as a place to communicate with family and friends, not browse products or make purchases, but you can expect that to shift as Facebook opens up more ad options and as more retailers and brands offer stellar customer service on the platform.

"Facebook Messenger may become a place consumers buy in the future, but for small brands looking to extend their advertising reach, Messenger is not a place I recommend for revenue driving purposes."



Sarah Rogers Manager of Performance Social CPC Strategy

Key Takeaway

Start by using the Messenger platform for customer service, and potentially test selling directly to consumers. Although we don't recommend you invest too much in Messenger right now, don't let it slip off your radar—particularly if you're targeting female customers, as they are more likely to make a purchase via Messenger than men.



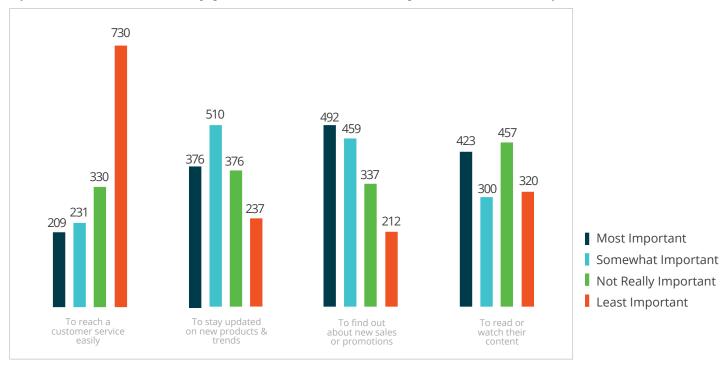
Facebook Users "Like" for Customer Service & Content





Facebook Users "Like" for Customer Service & Content

If you were to like a brand or retailer page on Facebook, which of the following reasons best describes why?



Average ranking (highest to lowest)

- To find out about new sales or promotions 2.18
- To stay updated on new products and trends 2.31
- To read or watch their content 2.45
- To reach customer service easily 3.05





It's not surprising that people would want to learn about sales and promotions—that's been the bread and butter of retail for many years.

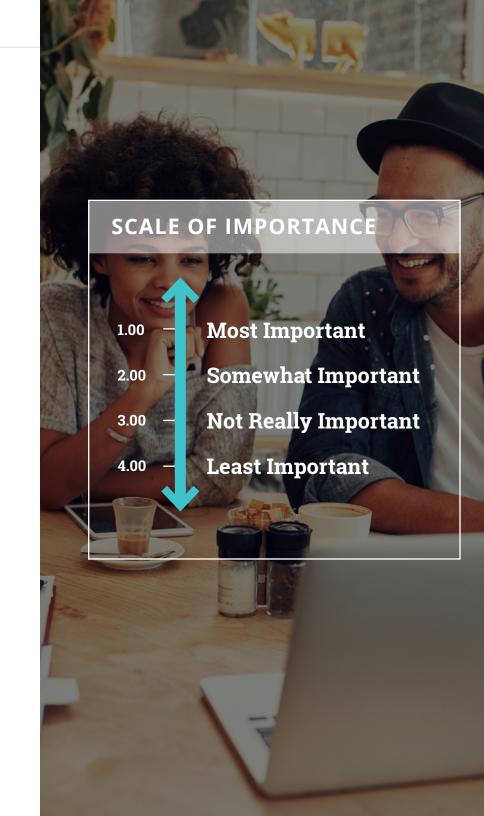
However, when looking into gender differences, men were more likely to like a page to read or watch their content, while women were more likely to seek out new sales or promotions.

If you were to like a brand or retailer page on Facebook, which of the following reasons best describes why?				
Answer	Women	Men		
To find out about new sales or promotions	2.03	2.37		
To reach customer service easily	3.10	2.99		
To read or watch their content	2.56	2.31		
To stay updated on new products and trends	2.30	2.33		

Key Takeaway

If you're attempting to gain new page likes for your brand—consider your audience. Men aren't as interested in coupons or promotions, while that's a key reason women will consider following you.

Overall, most of your customers on Facebook are interested in new sales and promotions, and to stay updated on your latest products and trends. Make sure you don't let them down in the other two areas, however, as customer service may take a more prominent role in the future.



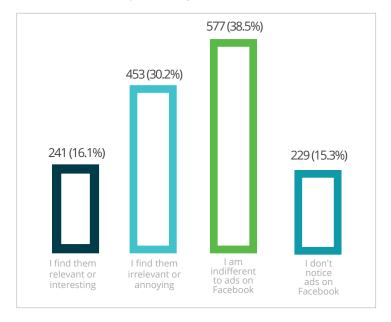
Most Facebook Users Feel Positive or Indifferent About Ads





Most Facebook Users Feel Positive or Indifferent About Ads

Which best describes your feelings towards ads on Facebook?



- √ 54.6% of respondents feel positive or indifferent about ads on Facebook
- ✓ 15.3% don't notice ads on Facebook
- → 30.2% of respondents find ads on Facebook to be irrelevant or annoying

The majority of respondents are either receptive to ads or they don't even notice they're being targeted by ads—obviously an ideal situation for brands and retailers advertising on the platform.





"This is valuable information to know as advertisers, as this group of people are likely to engage with your ads simply because they don't know they are ads."



Sarah RogersManager of Performance Social
CPC Strategy

As we mentioned before, it's possible people didn't notice ads on Facebook because they're not especially conspicuous—they fit in with a native format that sports a small "Sponsored" label.

However, there are still 30% of users who feel that ads are irrelevant or annoying, and these are the users that are likely to hide or report your ads. This can damage your reputation, and is often a result of poor content and mediocre targeting.

Key Takeaway

Most respondents feel positive or neutral to ads on Facebook, which means it's prime time to invest in creating amazing ads and targeting those ads effectively. If you don't target effectively, you risk being labeled as "annoying" or "irrelevant"—and if customers respond negatively to your ads on the platform, Facebook will take note and may lower your reach.



Women More Likely to Buy Than Men



Women More Likely to Buy Than Men

In the past 30 days, have you learned about a new product or brand on Facebook? **Totals Answer** Women Men Yes—I learned about new 711 (47%) 443 (53%) 268 (41%) product/brands on Facebook No—I knew about the products/ 213 (25%) 190 (29%) 403 (27%) brands I saw on Facebook **No**—I didn't see any products 187 (22%) 199 (30%) 386 (26%) on Facebook **Totals** 843 (100%) 657 (100%) 1,500 (100%)

- ✓ 53% of women learned about a new product on Facebook (compared to 41% of men)
- ✓ 29% of the men had seen the products before, while 30% of men did not see any products on Facebook
- ✓ 15% of women purchased products they first saw on Facebook.

Overall, we noticed a clear trend emerging—women were more likely than men not just to test out new modes of purchasing (purchases via Messenger), but they also reported learning about and purchasing more products they saw on Facebook.





Just check out the graph below, which shows that 15% of women purchased products they were introduced to on Facebook:

Answer	Women	Men	Totals
Yes	130 (15%)	73 (11%)	203 (14%)
No	713 (85%)	584 (89%)	1,297 (86%)
Totals	843 (100%)	657 (100%)	1,500 (100%)

While there were more respondents on the female said overall, the percentages hold true to their respective numbers.

Although one 2016 study indicated that men spent 20% more time shopping than women do each week—and are twice as likely as women to online shop—it's possible women see social channels as a place for shopping.

These numbers are still close, but this could be the beginning of a larger trend of women dominating social shopping.





Key Takeaway

If your target audience is women, consider targeting them with campaigns that include coupons, offers. In addition, make shopping on social as convenient as possible (for instance, shopping via Messenger), because women are more likely to complete purchases right from the app than men.



Conclusion





Conclusion

Several of these questions are basic, which invites speculation. However, we do feel there are some main takeaways that can help shape your strategy:

1 Facebook ads MUST be engaging and interesting.

Even if you can't make a sale happen immediately, consumers will engage with content they like. And that could result in a sale down the road. If you don't take the time to ensure your content is interesting, consumers may find you annoying and irrelevant—a kiss of death for Facebook advertising.

2 Audience targeting is huge.

Make sure your content is getting seen by the right people at the right time. Even if your content is spotless, poor targeting can sabotage your reach and your ad effectiveness, both immediately and in the future when Facebook sees you're unpopular.

3 Customer service on Facebook is on the rise.

Many consumers report they like a retailer or brand because they want to reach customer service, and it's the main reason they would communicate with you via Messenger. A consumer on Facebook has been trained by social media channels to expect immediate gratification. Train your customer service staff to quickly address these needs, and you may notice customers start turning to Facebook before email if they have a question about their order.



