

# Huge $\uparrow$ The \$177,843.34 Facebook Ad Test

## Facebook Collection vs. Facebook Single Video

5 Simple Insights We Uncovered To Generate \$1,122,835.55

... AND ACHIEVE THE FOLLOWING RESULTS

$\uparrow$  22.04% ROAS  $\downarrow$  18.52% Cost Per Sale  $\uparrow$  44.08% Profit

Single Video Ad (Control)

Facebook Collection Ad:

VS.

## The Test

13 separate campaigns

\$177,843.34 in Ad spend

2.5 months

\$1,122,835.55 in sales

## Why Collection Ads?

1 Mobile usage is increasing

45%

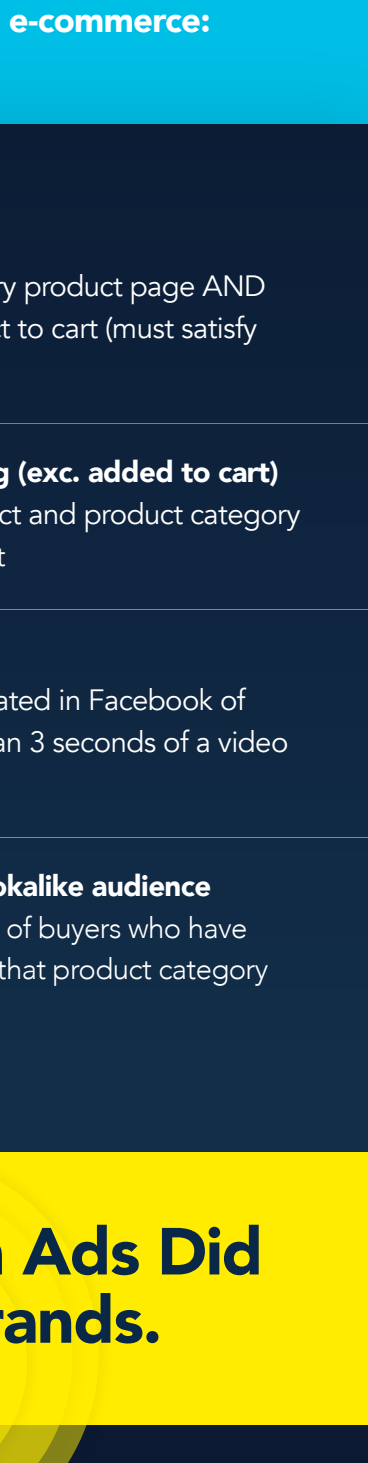
of all shopping journeys include a mobile action, but slow load times cause friction in that process.

2 Video is increasingly important



Collections Ads deliver a faster loading, more seamless mobile browsing experiences.

Most e-commerce mobile experiences are shockingly poor, particularly with video



Facebook collection ad Example for Adidas

## Audiences Used

“ Having managed millions in Facebook ad spend, I can say that without a doubt, audience selection can be the key difference between a losing campaign and a wildly profitable one. ”

Ash Aryal  
CEO Digital Spotlight

Most of the budget were given to our favorite four audiences for e-commerce:



### Added to cart retargeting

Visitors who viewed the primary product page AND visitors who added our product to cart (must satisfy both conditions)



### Product category retargeting (exc. added to cart)

Visitors who viewed our product and product category page but DID NOT add to cart



### Video view retargeting

This is a retargeting list we created in Facebook of anyone who watched more than 3 seconds of a video we promoted on Facebook



### Product category buyers Lookalike audience

A 1% Lookalike (LAL) audience of buyers who have bought at least one item from that product category

## What Collection Ads Did For Large Brands.

adidas  $\downarrow$  43% decrease in cost per conversion and a  $\uparrow$  5.3x Return on ad spend

TOMMY HILFINGER

ROI  $\uparrow$  increase of over  $\uparrow$  200%  $\uparrow$  5.3x Return on ad spend  $\downarrow$  37% Lower cost per visit to its e-commerce site

MK MICHAEL KORS

$\downarrow$  42% drop in cost per conversion/purchase  $\uparrow$  2.6x YOY increase in return on ad spend.

SPORT CHEK

increase in conversion rates  $\uparrow$  1.92x  $\downarrow$  46% lower cost per conversion  $\uparrow$  28% increase in online sales

MeUndies

increase in conversion rates  $\uparrow$  40%  $\downarrow$  46% lower cost per conversion  $\uparrow$  28% increase in online sales

## What Collection Ads Did For Our Clients!

### Average Cost Per Sale:

Advertising with Facebook Collection Ads cost  $\downarrow$  18.52%

Less to get each sale



Ad Type Cost Cost/Sale

Collection \$104,875.74 32.94

Single Video \$72,967.60 40.43

\$177,843.34

WITH A RANGE BETWEEN:

$\downarrow$  43.27%  $\longleftrightarrow$   $\uparrow$  13.74%

Facebook's goal of reducing friction with Collection Ads shows that it's working

### Average Order Value:

Advertising with Facebook Collection Ads produced a  $\downarrow$  0.57% (negligible) change in Average Order Value



Ad Type Cost Cost/Sale

Collection \$715,137.28 224.60

Single Video \$407,716.27 225.88

\$1,122,853

WITH A RANGE BETWEEN:

$\downarrow$  24.83%  $\longleftrightarrow$   $\uparrow$  23.49%

### Return on Average Spend:

Overall ROAS% increased by  $\uparrow$  22.04%



by switching to Collection ads

Ad Type Sum (Amount Spent) ROAS

Collection \$104,875.74 6.82

Single Video \$72,967.60 5.59

\$177,843.34

WITH A RANGE BETWEEN:

$\downarrow$  24.08%  $\longleftrightarrow$   $\uparrow$  89.74%

## Results

69.23%

(9 out of 13) of clients increased their ROAS% simply by switching to collection ads.



If collection ads worked for a campaign, it produced a clear winner. One campaign (campaign 8) did 89.74% better than the single video counterpart! (To say our client was happy is a massive understatement)

Overall Profit grew on average:

$\uparrow$  44.08%

What does this all mean?



A Small Change ROAS = A Huge Change in Profits

Our client who experienced an 89.74% ROAS in his Collection Ad campaign grew profits be close to 180%, compared to the FB video counterpart.

## Conclusions



1 If Facebook Collection Ads work - it will quickly produce a clear winner.... so start testing immediately!)

2 The probabilities are on your side - 70% of collection ad campaigns clearly beat the single video counterpart.

3 Look for your average cost per sale decrease to be the main driver to higher returns with Facebook collection ads. Facebook's goal was to reduce friction. It seems they have achieved it.

4 Don't expect Facebook Collections ads to have much, if any impact on your average order value (in fact it may slightly decrease)

5 A big increases in ROAS can lead to an even bigger increase in profits. At a 40% profit margin, one of our clients grew profits 180% by growing ROAS close to 90%

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