



PAID MEDIA CASE STUDY

Facebook Collection Ads For Hotels



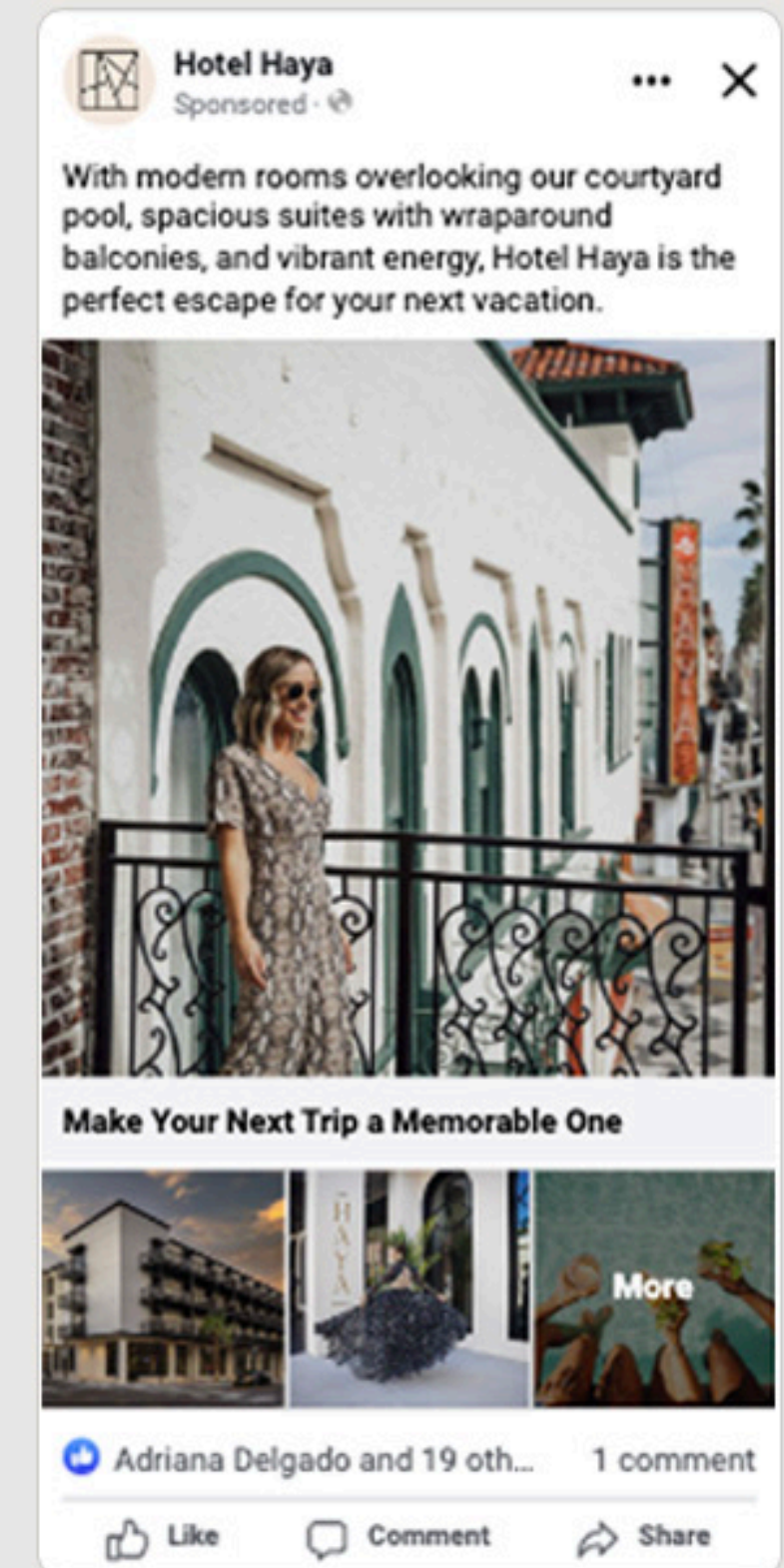
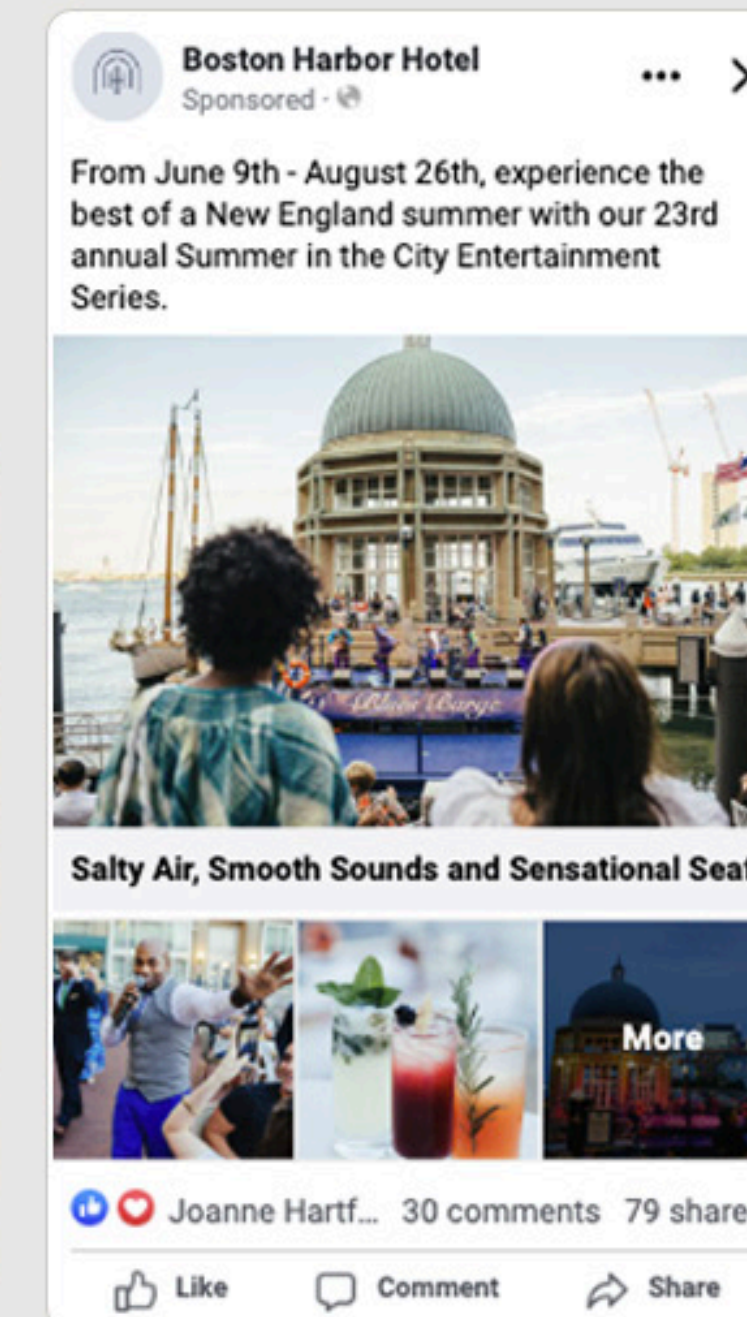
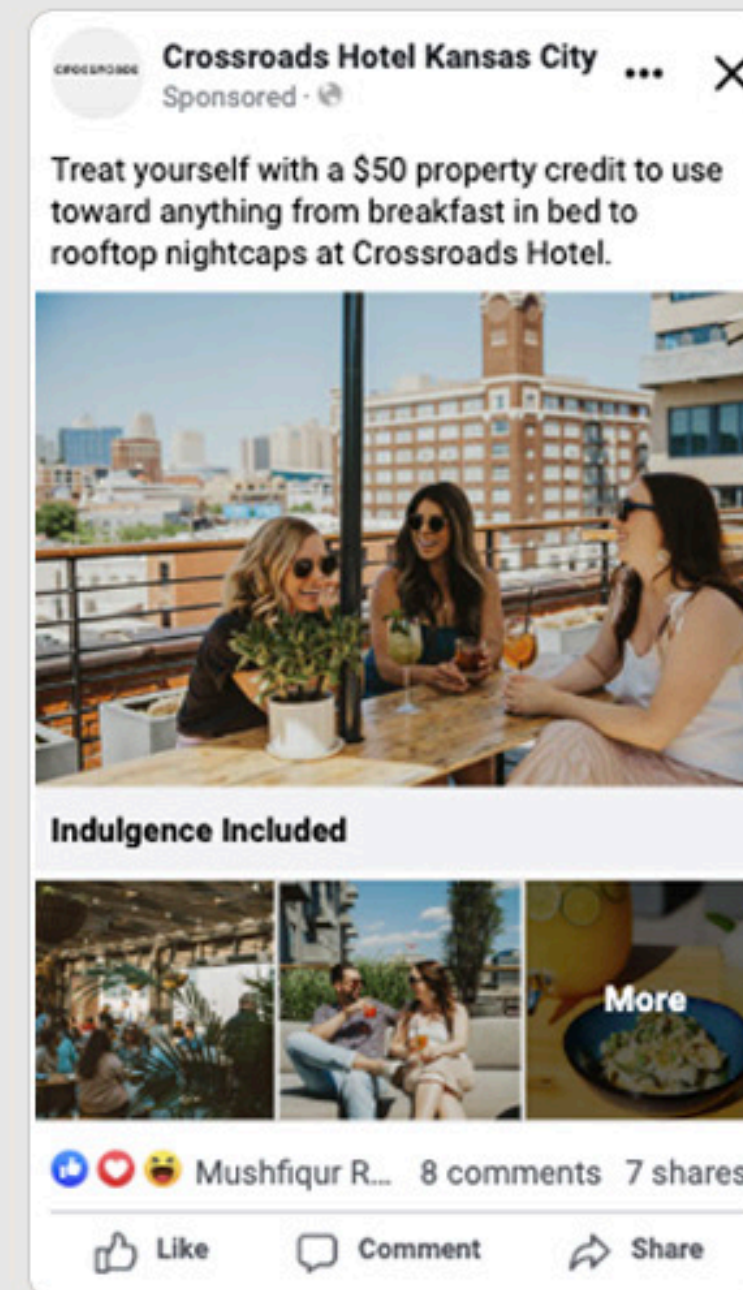
Overview

Facebook continues to release new ad types and capabilities that we are eager to test, and collection ads are no exception. Collections are an immersive ad experience for mobile users. There are various types of collection ads including Instant Storefront, Instant Lookbook, Customer Acquisition, Storytelling, or you can create your own custom version. Since we don't market specific products, we have opted to create our own custom template that includes a main image, a headline, a four image carousel, and a CTA button. The goal of this test was to create a performance baseline for Facebook collection ads for hotels and develop best practices for the future as we continue to utilize this ad type.

Facebook Collection Ads Test What We Did

Beginning in June 2022, we launched and tested collection ads for 16 hotel clients across both prospecting and retargeting campaigns. We tested various images, headlines, descriptions, and offer details.

Within each campaign we tested Facebook collection ads against static ads, carousel ads, and image video ads. We wanted to see if collection ads outperformed the other ad types we use for our hotel ad campaigns.



Comparison

We completed a comparison between a Facebook collection ad and a normal static ad to view how the results differ. We see much higher engagement results with Facebook collection ads than we do with static images.

HOTEL A

Collection Ad Prospecting

 July-September

 700,000 impressions

 3,539 clicks

HOTEL A

Static Image Ad Prospecting

 July-September

 92,000 impressions

 1,338 clicks

Hotel Facebook Collection Ads Results

Key Takeaways:

1. Prospecting Campaigns saw 200,000-900,000 impressions than with retargeting only getting 2,000-10,000 impressions.
2. We have a goal as an agency to hit a 1% CTR and with collection ads we saw 1.2-13% CTR across various clients.
3. We noticed with prospecting ads we would get 2,000-8,000 clicks, but with retargeting we would see 20-300 clicks.
4. In retargeting ads we saw about 2-10 conversions on average with CTR's of 1-5% surpassing our goal.
5. We have noticed that when running a campaign with a collection ad that it tends to dominate the other ads in the campaign. Collection ads are mobile-friendly and mobile-only ads and because of this, Facebook's algorithm tends to favor people who spend more time on the ads and therefore get served more.

When we tested Facebook collection ads in prospecting campaigns, we noticed a higher amount of impressions, which is typically due to prospecting campaigns having larger audience sizes. In prospecting campaigns, we saw 200,000-900,000 impressions, while in retargeting campaigns we typically see a couple thousand.

Even though prospecting ads drive traffic and awareness goals, we did see some conversions come in with five different clients. As an agency, we have a goal of a minimum 1% CTR, and with collection ads, we saw 1.2-13% CTR across the various clients. Prospecting collection ads ranged from 2,000-8,000 clicks, whereas retargeting ads ranged from 20-300 clicks. We have noticed that when running a campaign with a collection ad that it tends to dominate the other ads in the campaign. Collection ads are mobile-friendly and mobile-only ads and because of this, Facebook's algorithm tends to favor people who spend more time on the ads and therefore get served more. In the retargeting collection ads we saw about 2-10 conversions on average with click-through rates between 1-5%, surpassing our goal. We see having a good enticing offer helps the ads perform better. The offers that performed the best included best rates of the year, third night free, and \$50 property credit.



The Results

June - November 2022 (From start of test)

Below, we compare the Facebook collection ad data we gathered from prospecting and retargeting averages from June to October 2022. You will see the results against the averages for each campaign type.

Facebook Prospecting

June - November 2022

Prospecting Collection Ads

 **2,957,299** Impressions

 **43,079** Clicks

 **\$0.31** CPC

Prospecting Averages

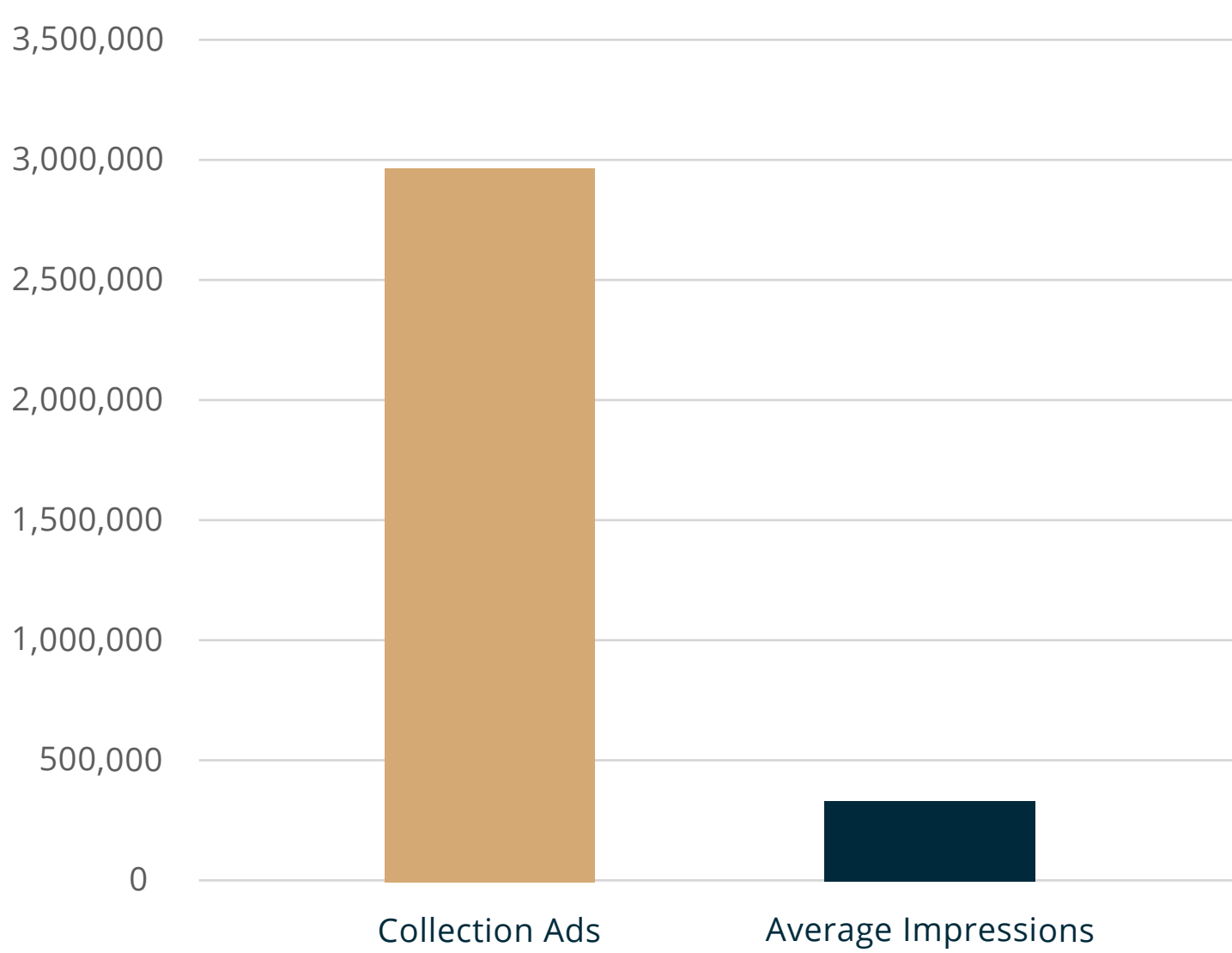
 **341,824** Impressions

 **6,139** Clicks

 **\$0.59** CPC

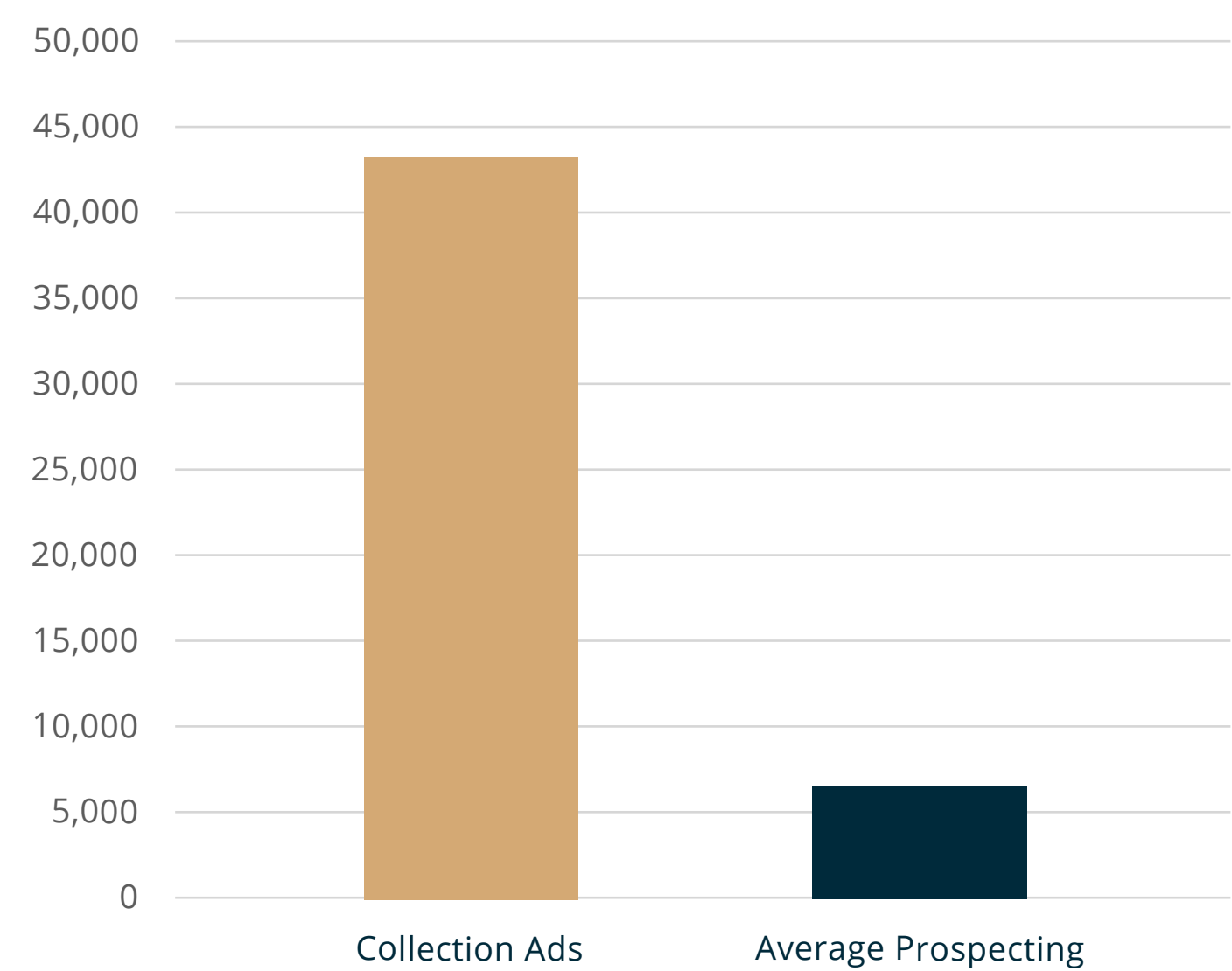
Facebook Prospecting

Impressions



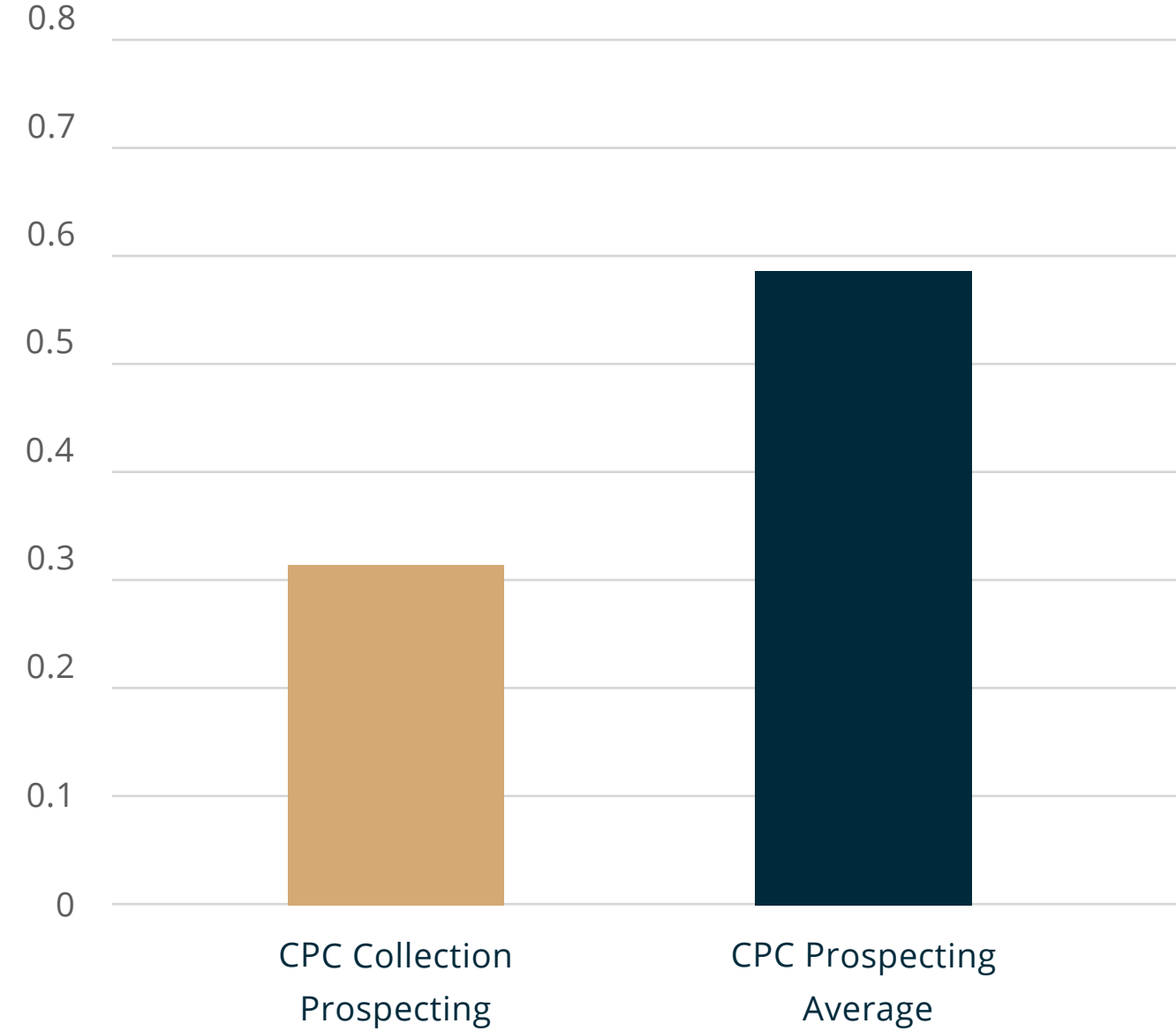
This graph shows Facebook collection ad impressions compared to average impressions from all other ads from June to October. We can see with collection ads a significant increase in impressions at just under 3,000,000 and the average around 300,000 impressions.

Outbound Clicks



This graph shows Facebook collection ad outbound clicks compared to average outbound clicks from all other ad types from June to October. With prospecting collection ads for hotels we got around 43,000 clicks and the average outbound clicks was around 6,000.

Cost Per Click (CPC)



This graph shows cost per click compared to Facebook hotel collection ads and average CPC from other ad types. Here we see a 50% decrease in cost per click with collection ads than we do overall with other ads.

Facebook Retargeting

June - November 2022

Retargeting Collection Ads

 **\$133,093.10** Revenue


 **299** Conversions

 **2.83%** Average CTR

Retargeting Averages

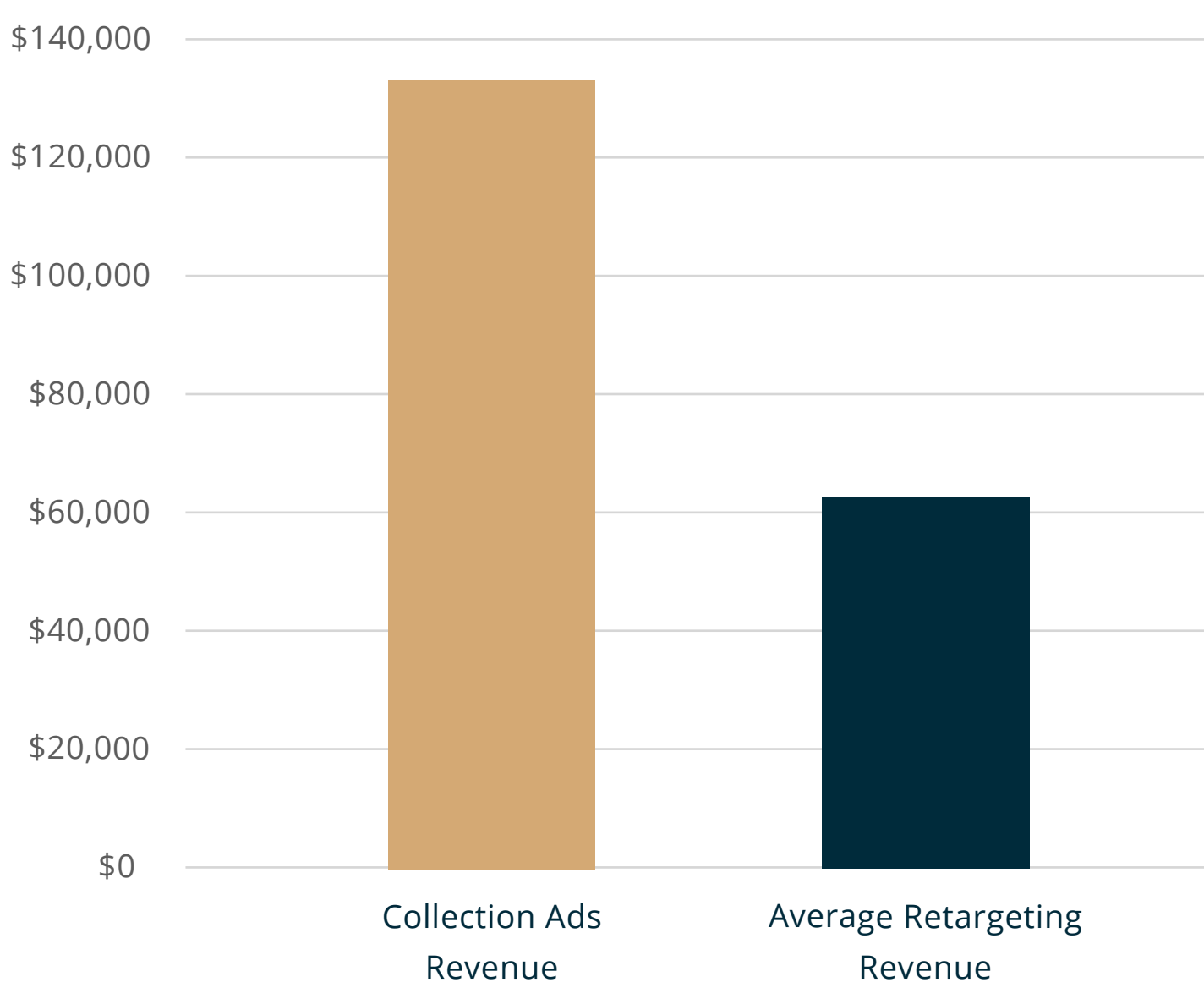
 **\$62,760.60** Revenue

 **100** Conversions

 **2.56%** CTR

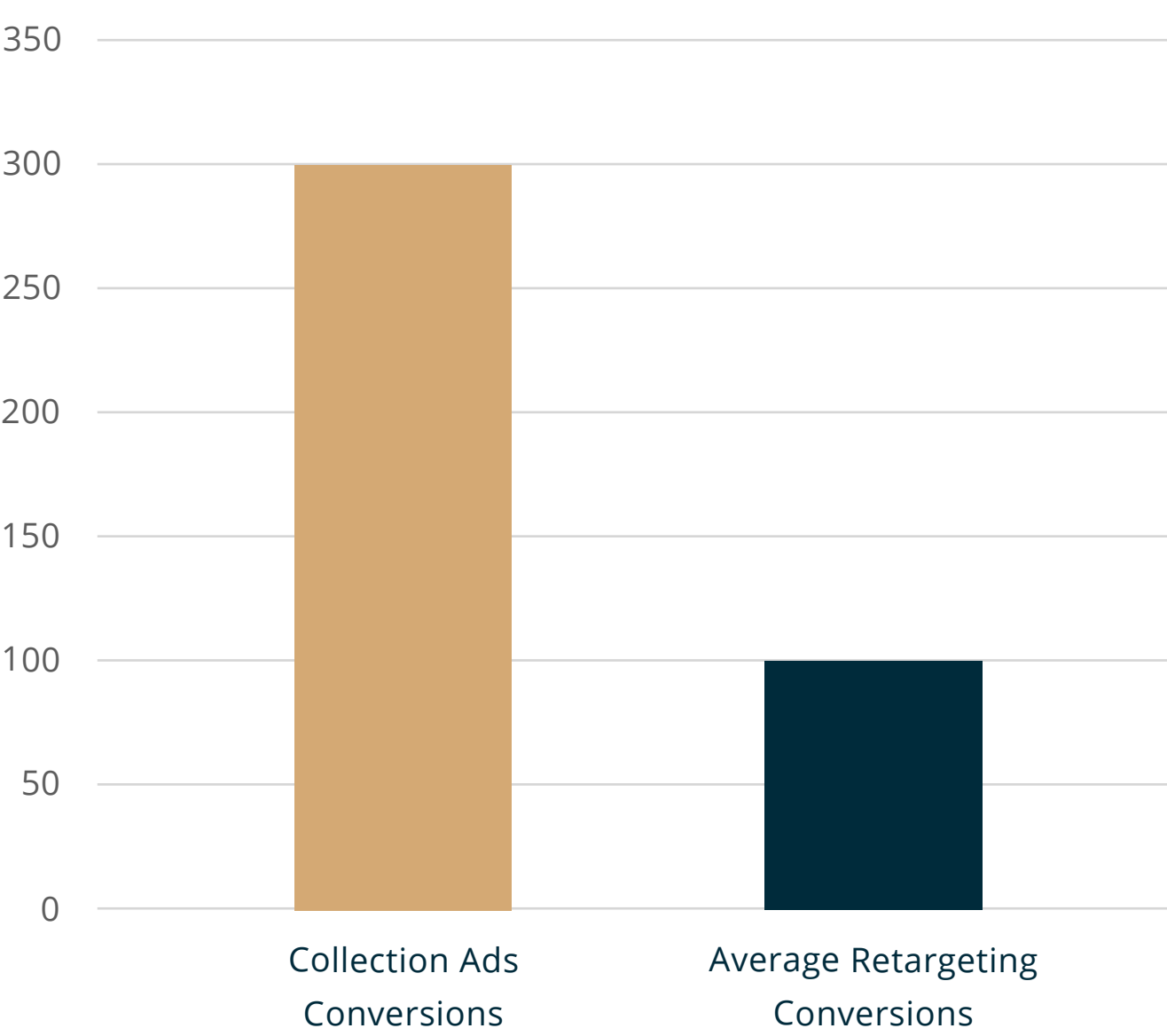
Facebook Retargeting

Revenue



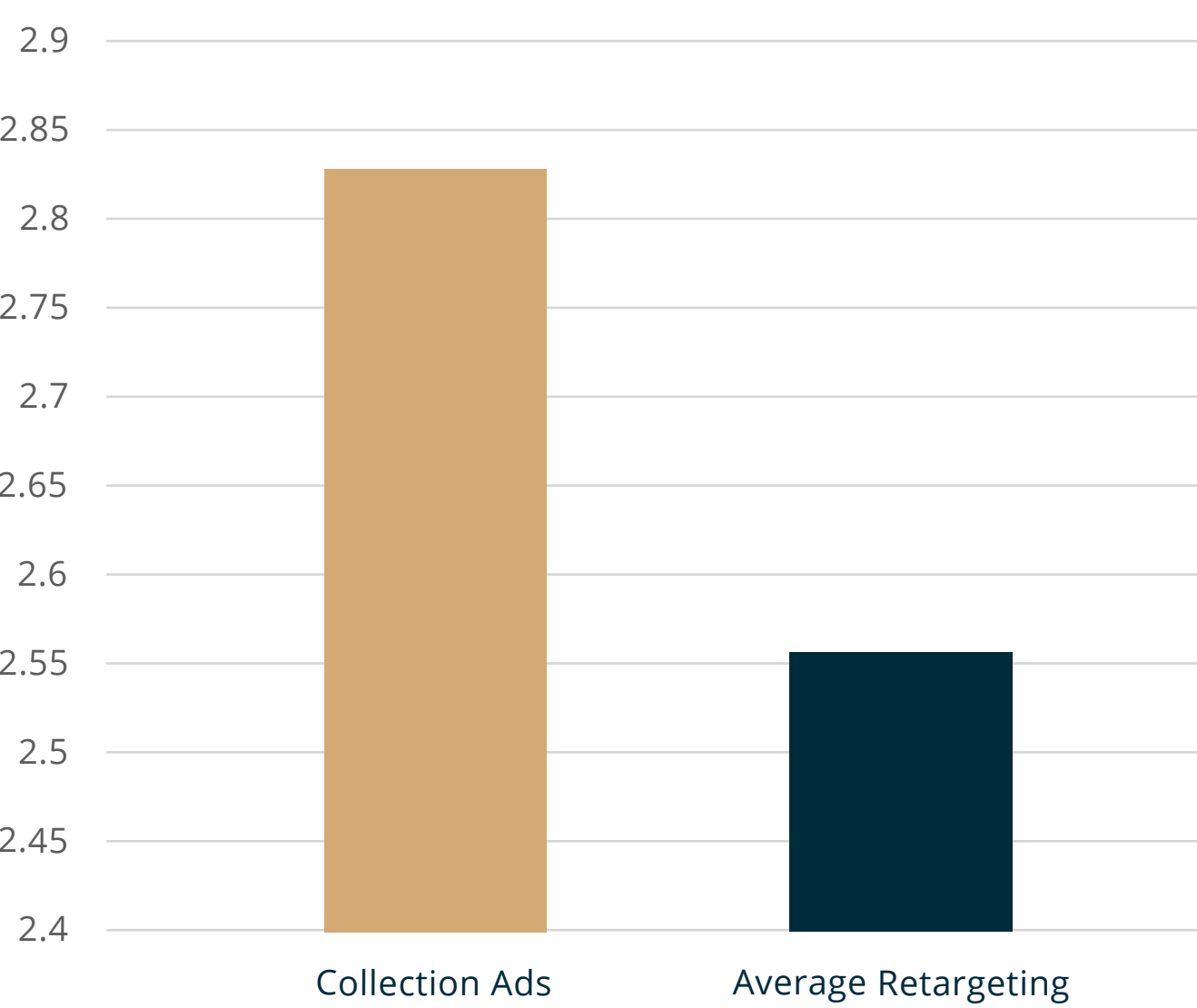
Here we compare revenue from Facebook hotel collection ads to average revenue from all other ad types. We can see that collection ads bring in 50% more revenue than other ad types.

Conversions



This graph shows Facebook retargeting hotel collection ad conversions compared to average conversions from all other ads from June to October. Collection ads brought in 299 conversions while the average was 100 conversions.

Click-through Rate (CTR)



Our agency has a 1% CTR benchmark for Facebook ads for hotels. Here we compare collection ad CTR to Average CTR and can see collection ads is just under 3% compared to the average at 2.55%.

A smiling man with a beard, wearing a blue button-down shirt over a white t-shirt, is holding a black smartphone in his right hand and gesturing with his left hand. The background is blurred, suggesting an indoor setting.

Takeaways

- Collection ads tend to favor prospecting ads when it comes to increasing impressions, reach, and traffic due to a larger audience size.
- Collection ads provide higher CTR's because of its interactive ad type.
- Since Collection ads are mobile-friendly ad type, this favors the 81% of Facebook users who are on mobile-only devices, which helps achieve the best results for both prospecting and retargeting campaigns.

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