

LINKEDIN ADS BENCHMARK REPORT

Q3 2015

EXECUTIVE SUMMARY

Marketing Mojo manages many online advertising channels for its clients, including:

- Google AdWords
- Bing Ads
- Facebook Ads
- Twitter Ads
- LinkedIn Ads

We distribute advertising budgets among these ad channels based on the post-click performance that they deliver.

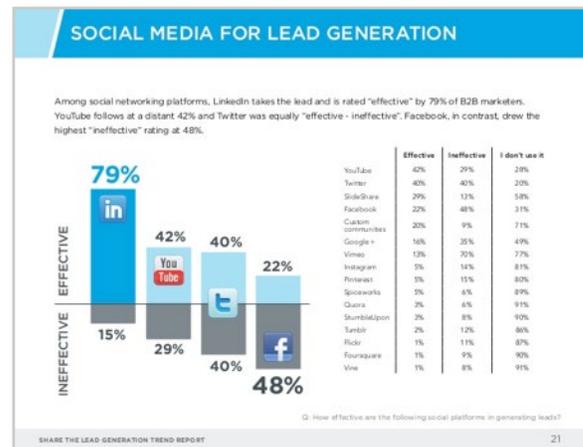
Over the past two years, we have shifted our enterprise B2B clients' advertising budgets from search advertising platforms like Google AdWords and Bing Ads to LinkedIn Ads based on its ability to deliver qualified B2B marketing leads for our clients at relatively low conversion costs.

Advertisers have different goals for their advertising, such as building brand awareness and generating leads and sales. Online advertising platforms are typically used as a tactic to further these goals. For the most part, we've found that LinkedIn works best when used as a channel to generate qualified leads, and the ideal "bait" to entice these leads are content marketing downloads like white papers and eBooks.

[A recent 2015 survey of technology marketers](#) agreed, with the majority of respondents (59%) rating white papers and eBook downloads as the top producers of leads:



The same study also rated LinkedIn as the most effective social media platform for generating qualified leads:

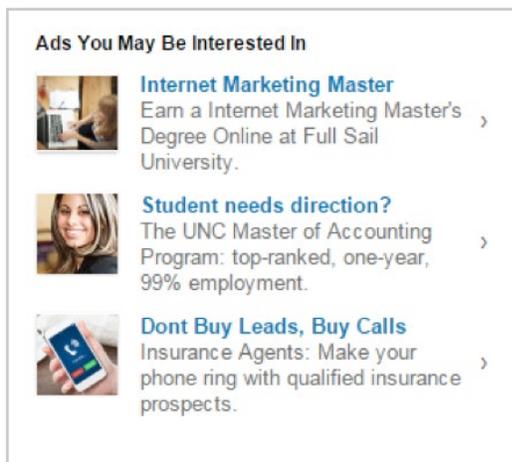


Our results for Q3 of 2015 mirror the findings of this survey with strong conversion rates and our lowest-ever cost-per-lead metrics.

LinkedIn Self-Serve Ads

Marketing Mojo has years of experience with LinkedIn Ads Self-Serve advertising platform. These ads appear on the desktop computer version of LinkedIn in the right-hand column, usually slightly below the mid-line of the page.

They look like this:



These ad units admittedly get a very low click through rate (CTR). Even representatives of LinkedIn have repeatedly told us that a CTR of 0.025% is average.

Our clients' **average Self-Serve ad CTR increased by 22% in Q3 of 2015 to a very high 0.035%.**

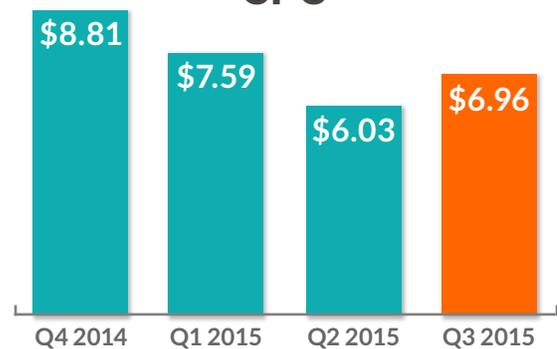
Typically, we would expect a decrease in cost per click (CPC) with such a strong CTR, but CPC on LinkedIn is largely dependent on the competitiveness of the audience that you want to target and the availability of ad impressions.

Recent earnings reports from LinkedIn have indicated significant year over year (YoY) declines in desktop display impression-based ad revenues due to the shift to mobile and in-app viewing of LinkedIn. The same holds true for LinkedIn Self-Serve Ads that share the same desktop pages

of LinkedIn with display banners. As a result, advertisers are facing increased competition over a dwindling ad impression market. Demand for desktop impressions is still high, but supply of desktop impressions is dwindling because of the shift to mobile.

As a result, our clients' CPCs increased 15% QoQ to an average CPC of \$6.96.

LINKEDIN SELF-SERVE AD CPC



While even \$6.96 per-click seems very expensive when compared to other online advertising platforms, like Google AdWords, the demographic-targeting options on LinkedIn Ads have historically provided a much higher conversion rate, lower cost per conversion and stronger lead quality than any other online advertising platform for enterprise-level B2B markets.

Self-Serve ads continue to be a great value for enterprise-level B2B advertisers, particularly for driving content marketing downloads.

The future of these ads is in question though because of the decline of available impressions. We experienced record CTR this quarter, but the amount of ad impressions we received per dollar spent decreased 29% QoQ, which indicates that declines in desktop traffic to LinkedIn are certainly diminishing the reach of Self-Serve ads.

LinkedIn Direct Sponsored Content Ads

The other ad unit LinkedIn offers advertisers without a media buy on LinkedIn is its Direct Sponsored Content (DSC) ads. These ads differ from the Self-Serve ads in page location, size and diversity of devices that they show on.

These ads appear in LinkedIn's newsfeed on desktop computers, tablets and smartphones.



DSC Desktop Format



DSC Mobile/Tablet Format

Direct Sponsored Content in-stream ads do not get near the amount of ad impressions as Self-

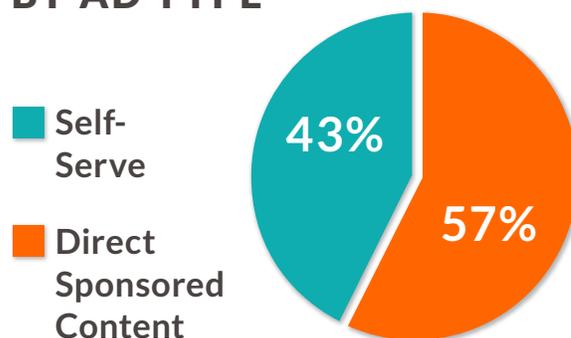
LinkedIn Direct Sponsored Content is **1,400% more likely** to be clicked than a Self-Serve ad.



Serve ads. In fact, this past quarter the amount of impressions per dollar spent on DSC ads was 92% lower than Self-Serve ads, but their location, size and visibility heavily contribute to them being **more than 1,400% more likely to be clicked than a LinkedIn Self-Serve ad.**

As a result of these stronger CTRs, the majority of ad clicks we received from LinkedIn Ads this quarter (57%) were from Direct Sponsored Content.

Q3 2015 SHARE OF CLICKS BY AD TYPE

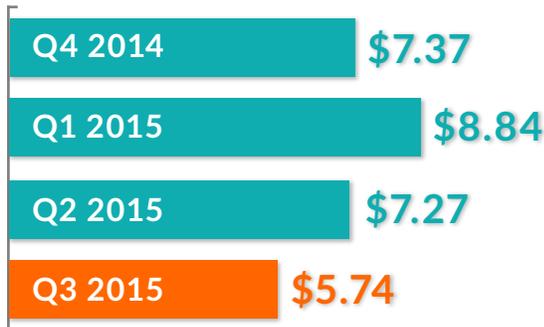


Our clients' **average Direct Sponsored Content ad CTR increased by 22% in Q3 of 2015 to a strong 0.53%.**

These CTRs contributed to the lowest costs per click for DSC ads that we have experienced to date.

In Q3 of 2015, our clients' average CPC on Direct Sponsored Content was only \$5.74, which is a 21% decrease in CPC QoQ and our lowest-ever CPC on this ad format.

LINKEDIN DIRECT SPONSORED CONTENT AVERAGE CPC



The good news about DSC ads for Q3 gets even better -- not only did we pay our lowest-ever CPC for DSC ads, but we also delivered conversion rates for our clients at near 10% and all-time record low costs per conversion.

DSC ads are heavily mobile. LinkedIn was recently quoted saying that 80% of its ad impressions for them were from mobile devices. So marketers must account for the reality that social ads are, for the most part, mobile ads. All that being said, in our opinion, DSC ads on LinkedIn in Q3 were the bargain of the year for B2B marketers.

The Impact of Mobile on LinkedIn Direct Sponsored Content Ads

Direct Sponsored Content is the only ad format on LinkedIn that displays on smartphones and tablet computers.

LinkedIn recently announced in its Second Quarter 2015 Results report that 52% of its traffic is now from mobile devices and that 80% of its Sponsored Updates is viewed on mobile devices, meaning

that 80% of the Direct Sponsored Content ad impressions come from mobile devices.

This quarter, our data trended a slightly lower traffic percentage in aggregate, with 49.5% of total Direct Sponsored Content clicks coming from mobile devices. However, the previous quarter received 54.5% of its Direct Sponsored Content clicks from mobile devices.

Our Account Managers made efforts to shift budget away from mobile-heavy campaigns with poor conversion rates in Q3 because we experienced a 50% reduction in DSC conversion rate from mobile devices in Q2.

The intent to move ad budget away from where it wasn't working, combined with changes in landing page tactics geared specifically for the smartphone user, led to significant improvements in mobile conversion rate for our clients in Q3.

But in Q3, we "won back" the mobile conversion rate losses we experienced in Q2, and then some. Our mobile conversion rate improved by 60% in Q3 to its highest-ever level.

Steps to Mitigate the Negative Effects of Mobile Traffic

Apart from allocating budget away from campaigns that didn't convert, one very simple tactic contributed to our mobile conversion rate in a very impressive way.

Simply emphasizing accessibility of content marketing assets on multiple devices for later use on a device of the user's choice paid off handsomely for our campaigns receiving heavy smartphone traffic.

GET THE WHITE PAPER

You'll receive an email with a link to open and read the White Paper on whatever device you choose (Desktop, Tablet or Smartphone), whenever you want to read it.

Simply adding this language improved mobile conversions by 152%

In a mobile landing page experiment, we added this very explicit (and, frankly, a little wordy) explanation (above) that users would get an email with a link to a white paper that they could look at any time on the device of their choice. The results were a staggering 152% improvement over the mobile landing page that didn't include the language.

Giving users the ability to convert on a smartphone and view their content marketing asset on a desktop later was a successful tactic. We replicated this tactic across some of our DSC content marketing campaigns over this quarter, and it made a big difference in improving conversions from smartphone traffic.

Landing page tip: Emphasize content accessibility on multiple devices to boost mobile conversions.



These kinds of tactics and innovations will be needed to bridge the significant gap in conversion rates between desktops and mobile devices, especially on social media advertising platforms, which are getting most of their ad clicks from mobile devices from in-stream ads like DSC.

Job Function Targeting Is a Common Denominator in Success

Marketing Mojo develops its ad targeting based on customer personas developed with our clients. It's our belief that the ideal ad targeting combines at least two of LinkedIn's targeting options per ad campaign, rather than using a single targeting option per campaign.

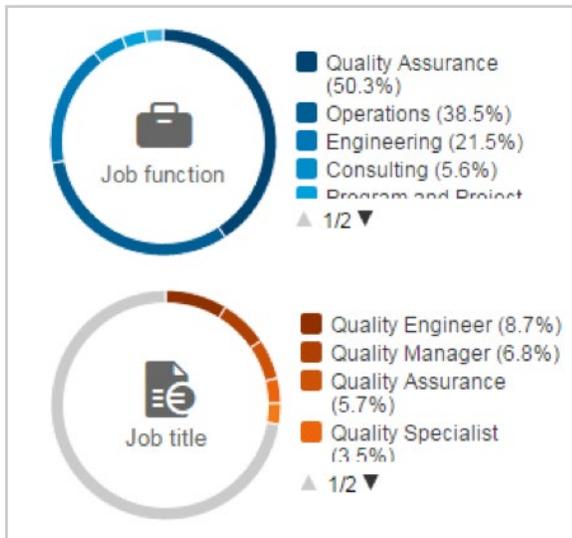
Doing so obviously shrinks the potential ad audience size, but it also significantly improves the likelihood of clicks and that a conversion will result from the advertising. This is vital when costs per click are around \$7.00.

The common denominator in our most successful campaigns in Q3 was targeting by "Job Function." Job functions are actually broad categories and not specific job categories. There are only 20 job functions to target. Examples include:

- **Academics:** Includes teachers, professors, and science researchers
- **Administrative:** Includes admin. assistants and program/project management
- **Creative:** Includes artists, designers, musicians, writers, and journalists
- **Engineering:** Includes engineers, developers, architects, and quality assurance
- **Finance:** Includes bankers, investment managers, financial advisors, and insurance agents
- **Information Technology:** Includes IT workers, system and database administrators
- **Marketing:** Includes advertising and marketing professionals, and market researchers
- **Operations:** Includes operations roles, logistics professionals, facility managers, and manufacturing roles

The 20 categories seem to include almost everyone on LinkedIn in some capacity, which allows for a significant audience size to start with. Adding additional more specific targeting options with it refines the targeting and seems to provide a balance of advertising scale and precision.

In contrast, job title targeting provides even more precision but significantly less scale of audience size.



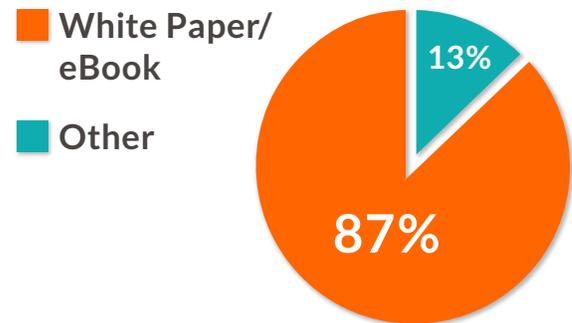
LinkedIn Is the Premier Ad Platform for B2B Content Marketers

As mentioned in the Executive Summary, a recent survey of technology marketers said that 59% of its respondents viewed white papers / eBooks as their top-volume lead-producing tactic. The same survey also stated that 79% of respondents viewed LinkedIn as “effective” at generating B2B leads. Our results over the last few years completely back up those responses.

We have found that LinkedIn is the best online advertising platform for reaching target audiences

with gated, downloadable content, such as white papers and eBooks. These types of content assets are the most appealing and successful content types for getting qualified leads and are the least impacted from a conversion aspect for smartphone users.

CONVERSION TYPE



Our percentage of LinkedIn leads generated by content type has always been dominated by white papers and eBooks on our clients’ campaigns. But in Q3, it was even more dominant, with 87% of the total conversions coming from white papers and eBooks.

LinkedIn has proven to be about as successful as paid search campaigns for advertisers seeking direct sales or “contact us” conversions from a conversion rate perspective. But, in our experience, the higher CPC of the demographically targeted LinkedIn audiences has not consistently delivered lower costs per conversion than other online ad platforms and is not the ad platform that we would typically lead with from a strategy perspective for those goals.



CONCLUSION

Take Away #1: LinkedIn Ads have unparalleled ad targeting options that no other online advertising platform has. The drawback for many advertisers has been its high cost per click.

The results coming from Q3 seem to indicate some softening of costs per click, provided that best practices are followed.

Development of personas and use of those personas to create ad targeting significantly improves relevance of the ad to the user. Combining targeting options in layers, especially with Job Function targeting may reduce audience size, but it also improves click-through rate, engagement metrics (likes, follows, comments), and this, in turn, appears to lower costs per click.

Take Away #2: Like all social ads platforms, LinkedIn's Direct Sponsored Content ads have an overwhelmingly large mobile audience. Designing a mobile landing page experience that explicitly tells landing page visitors that the content marketing assets will be available to view later on the device of their choice seems to alleviate the apprehension of having to read a white paper or watch a webinar

on a smartphone. Our latest landing page test to mobile LinkedIn audiences showed a 152% improvement in conversion rate just by adding that re-assuring language.

Take Away #3: LinkedIn is “the” ad platform for white paper marketing. No other platform allows an advertiser to target ads to the precise audience for which a white paper is intended to reach. Double-digit conversion rates are not the exception, they are very possible to achieve with a good white paper, effective ad targeting and a landing page that takes smartphone users into consideration.

What to look for in Q4? The fight for available ad inventory at the end of a calendar and budget year can be interesting. The holidays are also not a strong traffic period on LinkedIn and with B2B audience segments. Will the downward trends in cost per click continue as the amount of available advertising impressions declines over the Thanksgiving through Christmas time period?

Additionally, new features that could significantly improve the LinkedIn Ads platform for ad campaign managers may be coming soon.

Digital Innovation for Demand Generation.

Marketing Mojo is a full-service, data-driven online marketing and demand generation agency. With experience in a wide range of digital marketing disciplines, the Marketing Mojo team uses the latest information and techniques to help companies maximize the sales funnel and get the highest quality results based on their goals.

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