

Facebook Ads Bidding Strategy

Optimize your Ad Campaign to get the most out of your budget. When you're [creating an Ad Campaign in Social Media Management](#), you can apply a bidding strategy which will determine how your budget is spent. This article will help you choose the right bidding strategy to utilize your budget and achieve your goal as efficiently as possible.

What Is a Bidding Strategy?

In Facebook's terms, a bid is how much you're willing to spend on a desired action, for example a click or an impression. The result of the amount spent is considered the cost per action (CPA). In Facebook's Ads Manager, you can view your average cost per action for each Ad Campaign.

Using a Bidding Strategy, you can use this information to control your budget and instruct Facebook to cap your bid amount, set an average cost per action, or set a target cost for every action. Otherwise, you can choose to have your entire budget utilized without any caps.

What Bidding Strategies Are Available in Social Media Management?

In Social Media Management, there are three available bidding strategies:

- Lowest cost without cap
- Bid cap
- Cost cap

Note:

Not all bidding strategies are available for each chosen Campaign Objective. Please see the [table below](#) for more information on which bidding strategies you can choose from based on your Objective.

What To Consider When Choosing a Bidding Strategy

Below, you can see some of the main focuses and considerations for each available bidding strategy:

Lowest cost without cap

The default bidding strategy for Facebook Ad Campaigns, this bidding strategy is best when you'd like to use your entire budget, you'd like Facebook to manage the bidding, and you'd like to find out more about how your money was spent for future strategy considerations. However, you lose direct control over the cost for every bid or action.

Bid cap

Control your own cost by setting a maximum bid for each auction. Facebook will stick to your bid cap, allowing you to maintain a competitive advantage for actions and limit spending. If all bids are available at amounts exceeding your cap, you may risk missing out on opportunities and not spending your full budget.

Cost cap

Once you enter a cost amount, Facebook will consider it a threshold and optimize your budget to achieve results while maximizing cost-efficiency. This strategy allows you to take advantage of more inexpensive opportunities while maintaining an average cost-per-action. As the cost rises over the duration, you also may not utilize your entire budget.


Selecting a Bidding Strategy in Social Media Management

You can choose your bidding strategy when creating a new Ads Campaign in Social Media Management. Please follow the steps below:

1. Go to **Advertise** from the menu on the left-hand side.
2. Under the **Overview** heading, select **Campaigns**.
3. Select **Create New Campaign** from the top right.
4. Choose your Campaign Objective.
5. Click **+ Add campaign budget optimization**.
6. Under **Bid Strategy**, use the dropdown to select from the available strategies.

< Create new campaign

Campaign labels (optional)

 Add labels for this campaign

☐ This campaign covers special ad categories
You must disclose ads related to credit, employment, housing, social issues, elections or politics. [Learn more](#)

Campaign budget optimization×

This will automatically manage your budget across ad sets.
You can also manage your budget individually on the ad set level. [?](#)

Campaign budget

USD DAILY ▾

Bid strategy

☒ **Cost cap**
Best for getting the most volume of results for your budget

☐ **Lowest cost without cap**
Spend your entire budget using the lowest cost bid strategy

☐ **Bid cap**
Best for controlling bids in the auction

CREATE CAMPAIGN

Note:

It's only possible to select a bidding strategy when you're creating a new Ad Campaign and this can't be edited later.

Which Bidding Strategies Can I Use for Each Campaign Objective?

Your chosen Campaign Objective determines which bidding strategies you can choose from. The table below shows which bidding strategies are available for each Campaign Objective:

Campaign Objective	Lowest cost without cap	Bid cap	Cost cap
Conversions	✓	✓	✓
Lead generation	✓	✓	✓
App installs	✓	✓	✓
Traffic	✓	✓	✓

Campaign Objective	Lowest cost without cap	Bid cap	Cost cap
Post engagement	✓	✓	✓
Page likes	✓	✓	✓
Brand awareness	✓	✗	✗
Video views	✓	✓	✓
Reach	✓	✓	✗