

META ADS BILLING REPORT (Clear & Professional Version)

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Purpose: Explain exactly how Meta Ads charge, what costs to expect, and how budgets convert into reach, clicks, and leads.

1. Overview: How Meta Ads Billing Works

Meta Ads operates on a **pay-for-performance** model. You are only charged for concrete results generated by your ads, not for the creation or display of the ad itself.

- **You Pay For:** Clicks, Impressions, Views, Leads, Installs, and Engagement.
- **Total Cost = Budget + Performance Metrics.**

2. Billing Models (Cost Metrics)

Meta charges you based on the objective you select, resulting in various key cost metrics:

Metric	Description	India Avg Cost	Global Avg Cost	Example Outcome (₹500 Budget)
2.1 Cost Per Click (CPC)	You pay only when someone clicks your ad.	₹0.50 – ₹2.50	\$0.26 – \$0.30	200 – 1,000 clicks
2.2 Cost Per Mille (CPM)	You pay per 1,000 impressions (views).	₹9 – ₹10	\$8 – \$12	50,000 impressions

2.3 Cost Per View (CPV)	Pay only when a user watches 10–15 seconds of a video.	₹0.80 – ₹4	\$0.01 – \$0.05	125 – 625 views
2.4 Cost Per Lead (CPL)	Cost for a qualified lead (form submission).	₹10 – ₹40	\$5 – \$30	12 – 50 leads
2.5 Cost Per Engagement (CPE)	Pay for likes, comments, and shares.	₹0.20 – ₹1	\$0.01 – \$0.02	500 – 2,500 engagements
2.6 Cost Per Install (CPI)	Cost for a mobile app install.	₹12 – ₹25	\$0 – \$5	N/A

3. Budget System & Distribution

3.1 Daily Budget

- Minimum (India):** ₹87–₹100 per day.
- Function:** Tells Meta the average amount you want to spend daily. Meta may spend up to 25% more on high-performing days to capture results.

Objective	Recommended Daily Budget (India)
Brand Awareness	₹200 – ₹400
Traffic / Engagement	₹500 – ₹800

Leads / Conversions	₹1,000 – ₹1,800+
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3.2 Lifetime Budget

- **Function:** You set a **total amount** for the entire campaign duration. Meta optimizes and smooths delivery across the selected date range.

3.3 Distribution

Meta automatically allocates more money to **top-performing ads** within an ad set to ensure maximum efficiency toward the campaign goal.

4. Billing Thresholds & Taxes

4.1 Billing Thresholds

Meta uses a threshold-based, automatic billing system:

1. **Start:** You begin with a small threshold (e.g., ₹500–₹1,000).
2. **Auto-Charge:** Every time your ad spend reaches this threshold, Meta charges your payment method automatically.
3. **Growth:** The threshold increases as you build trust (e.g., ₹2,000 → ₹5,000 → ₹15,000+).
4. **Monthly Charge:** Any remaining balance below the final threshold is charged on your **monthly billing date**.

4.2 Taxes (GST in India)

- **Rate:** India charges **18% GST** on all advertising spend.
- **Calculation:** Ad Spend + 18% GST = Total Billed Amount.
 - *Example:* ₹1,000 Ad Spend + ₹180 GST = ₹1,180 Total Billed.

5. Expected Performance Estimates (India-Focused)

These estimates help project the minimum impact of your budget based on average India costs (₹10 CPM, ₹1–₹2 CPC).

Budget	Impressions (`₹10 CPM)	Estimated Reach (30–60%)	Expected Clicks (`₹1–₹2 CPC)	Estimated Conversions (2% Rate)
₹200	20,000	6,000 – 12,000	100 – 200	2 – 4
₹500	50,000	15,000 – 30,000	125 – 250	3 – 5
₹1,000	100,000	30,000 – 60,000	250 – 500	5 – 10

Cost per Conversion Example: 10 conversions from a ₹1,000 budget results in a ₹100 Cost Per Conversion.

6. Industry-Level Cost Expectations

Advertising costs are highly volatile based on competition and audience value:

Industry	Cost Level	Example CPL/Cost Note
E-commerce	Low–Medium	Generally cheaper CPC/CPM.
Local Services	Low	Great performance on smaller ₹200–₹500 daily budgets.
Education	Medium	CPL usually in the ₹40–₹150 range.

Real Estate	High	CPL can range from ₹1,500–₹6,000 due to high client value.
Finance, Legal	Very High	CPL often exceeds \$50–\$150+ in highly competitive markets.

7. Ad Quality Impact on Billing

Ad quality directly influences Meta's pricing model (the auction):

Quality Score	Impact on Cost & Delivery
High Quality	Receives Lower CPM/CPC , Higher Reach, and priority optimized delivery.
Poor Quality	Costs 30–50% more for the same results and receives restricted reach.

Meta evaluates ad quality using: Engagement Rate, Creative Quality, Relevance Score, and Conversion History.

8. Cost Optimization Guidelines

Use these steps to maximize efficiency and reduce effective cost per result:

- Testing Budget:** Start with a minimum of ₹100–₹300/day dedicated to testing new ads.
- Creative Focus:** Test **3–5 high-quality creative variations** to find winners.
- Audience First:** Begin with warm audiences (retargeting) for cheaper initial conversions.
- UX Focus:** Ensure landing pages are fast, mobile-friendly, and have clear calls-to-action.
- Review Cycle:** Review performance and pause poor performers every **3 days**.
- Scale Strategy:** Only scale budgets on the top-performing ad sets and campaigns.

