

How do you set an effective Bid Strategy for social media ads?

1 What are bidding strategies?

Bidding strategies are the methods you use to set the price you are willing to pay for each ad impression, click, or conversion on social media platforms. Depending on the platform, you can either manually set your bid amount, or let the platform automatically optimize your bid based on your campaign goal, budget, and audience. The bidding strategy you choose affects how often your ads are shown, how much you pay for each result, and how well you compete with other advertisers.

2 How do bidding strategies work on different platforms?

Each social media platform has its own ad auction system, which determines which ads are shown to which users, and how much each advertiser pays. The ad auction is based on three main factors: your bid, your ad quality and relevance, and the estimated action rate (how likely a user is to take the desired action after seeing your ad).

The platform uses these factors to calculate an ad rank score for each ad, and the highest score wins the auction. However, the winning advertiser only pays the minimum amount needed to beat the next highest score, not their maximum bid.

3 What are the main types of bidding strategies?

There are two main types of bidding strategies: cost-per-result (CPR) and cost-per-impression (CPM). CPR strategies let you pay for each result that matches your campaign goal, such as a click, a lead, or a purchase.

CPM strategies let you pay for each thousand impressions of your ad, regardless of the results. Within these two types, there are different variations and options, such as lowest cost, target cost, bid cap, accelerated delivery, and more.

4 How to choose the best bidding strategy for your campaign?

The best bidding strategy for your campaign depends on several factors, such as your campaign objective, budget, audience size, competition, and performance history. Generally speaking, if your objective is brand awareness or reach, you should use a CPM strategy to maximize impressions and exposure.

For objectives such as traffic, engagement, or app installs, a CPR strategy is best for optimizing clicks or actions. Additionally, a CPR strategy is ideal for conversions, leads, or sales. If you have a limited budget or large audience, go with a lowest cost or automatic bid strategy to get the most results. Alternatively, if you have a specific target cost or ROAS in mind, you can use a target cost or bid cap strategy to control your average cost per result. Finally, if you need to act quickly or have a short campaign duration, an accelerated delivery or CPM strategy can increase your chances of winning the auction.

5 How to optimize your bidding strategy over time?

Your bidding strategy is not something you can set and forget. You need to keep an eye on your campaign performance, analyze the results, and adjust your strategy accordingly. To optimize your bidding strategy over time, you should test different bidding strategies and compare their outcomes.

Additionally, you should track your ad quality and relevance scores, estimated action rate, frequency, budget, and spend. Doing so will help you increase your ad performance, lower your costs, and reach your desired results. Ultimately, social media ad bidding is a dynamic process that requires consistent testing and optimization

Social Media Ads bid strategies are the rules that you set to determine how much you are willing to pay for each result that your ad achieves. The most common bid strategies are cost-per-click (CPC), cost-per-thousand impressions (CPM), and cost-per-acquisition (CPA).

CPC bidding means that you pay each time someone clicks on your ad. This is a good strategy if you are looking to drive traffic to your website or landing page.

CPM bidding means that you pay each time your ad is shown 1,000 times. This is a good strategy if you are looking to increase brand awareness or reach a large audience.

CPA bidding means that you pay each time someone takes a desired action, such as making a purchase, signing up for a newsletter, or downloading an app. This is a good strategy if you are looking to generate leads or sales.

Target Cost bidding allows you to set a maximum amount that you are willing to pay for each result. This can be a good way to control your spending and ensure that your campaigns are profitable.

Bid Cap bidding allows you to set a maximum amount that you are willing to pay for each ad impression. This can be a good way to prevent yourself from overpaying for clicks or impressions.

Cost-per-Click (CPC)

You set a maximum CPC bid, and Facebook or other social media platforms will try to show your ad to people who are likely to click on it.

Pros: CPC bidding is a good way to drive traffic to your website or landing page. It is also a relatively simple strategy to implement and manage.

Cons: CPC bidding can be expensive, especially if you are targeting a competitive keyword or audience. It is also important to monitor your results closely to make sure that you are getting clicks from qualified traffic.

Cost-per-thousand impressions (CPM)

You set a maximum CPM bid, and Facebook or other social media platforms will try to show your ad to as many people as possible within your budget.

Pros: CPM bidding is a good way to increase brand awareness or reach a large audience. It is also a relatively inexpensive strategy, especially if you are targeting a broad audience.

Cons: CPM bidding can be less effective than CPC bidding for driving traffic or generating leads. It is also important to make sure that your ad is creative and engaging, so that people are likely to notice it and remember it.

Cost-per-Acquisition (CPA)

You set a maximum CPA bid, and Facebook or other social media platforms will try to show your ad to people who are most likely to take the desired action.

Pros: CPA bidding is a good way to generate leads or sales. It is also a good way to control your spending and ensure that your campaigns are profitable.

Cons: CPA bidding can be more complex to implement and manage than CPC or CPM bidding. It is also important to have enough data for Facebook or other social media platforms to optimize your campaigns for CPA.

What are the key metrics to track in Social Media Advertising?

Social Media Metrics

Social media metrics are data points that measure how well your social media strategy is performing and help you understand how you can improve. They're like scorecards for your online posts and interactions, showing how many people saw, liked, shared, or commented on your content. Social media metrics also reveal how much effort and money you're spending and how much you're getting in return.

Without metrics, you can't create an informed strategy. You can't tie your social media efforts to real business social media goals or prove your success. And you can't spot downward trends that might require a change in strategy.

Social Media Metrics to track:

1. Engagement Rate

Engagement Rate measures the number of engagements (likes, comments and shares) your content gets as a percentage of your audience. How you define "audience" may vary. You might want to calculate engagement relative to your number of followers. But remember that not all your followers will see each post. Plus, you might get engagement from people who don't (yet) follow you.

There are multiple ways to calculate engagement. So many, in fact, that we dedicated a whole blog post to the many ways to measure engagement rate. One of the most common ways is to add your total likes, comments, shares, and saves, and divide the total by your number of followers. Then multiply by 100 to get a percentage.

2. Likes and Reactions

Your likes refer to how many people have physically "liked" or "reacted to" one of your posts. While many people consider this as more of a vanity metric, it still plays a big part in your engagement rate.

Especially as more platforms (like Facebook and LinkedIn) introduce reactions, this metric will also help you gauge actual sentiment about each post. Are people laughing? Do they support your social media content? Alternatively, you can look at the number as a whole to get an idea of how many people thought your post resonated well enough with them to take an action while they scrolled, no matter how minor.

If you're tracking your likes, you may simply want to keep a counter going to watch these engagement metrics grow. For example, look at how many likes your content gets each week and/or month to make sure it's increasing.

3. Comments

Another great measure of engagement is the number of comments you receive on each of your posts. A like or reaction is a simple, easy action to take but leaving a comment means your audience actually has something to say.

This is another metric that you can track so you can make sure your comment section is growing over time. As your audience grows and becomes more invested in your brand, your comment count should grow, too.

4. Shares

This is the biggest indicator of how much your audience likes your content—their interest in sharing it on their own pages so that their friends, family, and followers can see it.

Keep track of how many shares your content gets over a certain time period to make sure it's growing. If you ever see a drop in shares, go back to see what type(s) of content receive the most shares, and create more of that content.

5. Reach

Reach is simply the number of people who see your content. It's a good idea to monitor your average reach, as well as the reach of each individual post, story, or video. You can also measure the overall reach of your account.

A valuable subset of this metric is to look at what percentage of your reach is made up of followers vs. non-followers. If a lot of non-followers are seeing your content, that means it's being shared or doing well in the algorithms, or both.

6. Impressions

Impressions indicate the number of times people saw your content. You can measure impressions by post, as well as the overall number of impressions on your social media profile.

Impressions can be higher than reach because the same person might look at your content more than once. An especially high level of impressions compared to reach means people are looking at a post multiple times. Do some digging to see if you can understand why, it's so sticky.

7. Social Share of Voice (SSoV)

Social share of voice measures how many people are talking about your brand on social media compared to your competitors. How much of the social conversation in your industry is all about you?

Mentions can be either:

Direct (Tagged e.g., “@vigneshxshankar”)

Indirect (Untagged e.g., “Vignesh Shankar”)

Essentially, SSoV is like a competitive analysis: how visible and therefore relevant is your brand in the market?

Add up every mention of your brand on social media across all networks. Do the same for your competitors. Add both sets of mentions together to get a total number of mentions for your industry. Divide your brand mentions by the industry total, then multiply by 100 to get your SSoV as a percentage.

8. Conversion Rate

Conversion rate measures how often your social content leads to a conversion event like a subscription, download, or sale. This is one of the most important social media marketing metrics because it shows the value of your social media campaigns (organic and paid) in feeding your funnel.

UTM parameters are the key to making your social conversions trackable. Once you've added your UTMs, calculate conversion rate by: dividing the number of conversions by the number of clicks.

9. Click-through-Rate (CTR)

Click-through-Rate, or CTR, indicates how often people click a link in one of your posts to access additional content. That could be anything from a blog post to your online store.

CTR gives you a sense of how many people saw your social content and wanted to know more. It's a good indicator of how well different types of content promote your brand on social media.

To calculate CTR: divide the total number of clicks for a post by the total number of impressions. Multiply by 100 to get your CTR as a percentage. For more tips on optimizing your content, check out this guide on zero-click content.

10. Cost-per-Click (CPC)

Cost-per-click, or CPC, is the amount you pay per individual click on a social ad.

Knowing a customer's lifetime value for your business or even the average order value will help you put this number in an important context.

A higher customer lifetime value combined with a high conversion rate means you can afford to spend more per click to attract visitors to your website in the first place.

You don't need to calculate CPC: You can find it in the analytics for the social network where you're running your ad. However, the formula is still easy enough: divide your advertising cost by the total number of clicks.

11. Cost per thousand impressions (CPM)

Cost per thousand impressions, or CPM, is exactly what it sounds like. It's the cost you pay for every thousand impressions of your social media ad.

CPM is all about views, not actions.

Again, there's nothing to calculate here just import the data from your social network's analytics.

12. Follower Count

How many followers you have across each of your social media channels is another great metric to keep an eye on to ensure your presence is growing healthily.

13. Follower Growth

Your follower growth measures how many new followers your brand gets on social media within a certain amount of time.

It's not a simple count of your new followers. Instead, it measures your new followers as a percentage of your total audience. So, when you're just starting out, getting 10 or 100 new followers in a month can give you a high growth rate. But once you have a larger audience, you need more new followers to maintain that momentum.

To calculate your follower or audience growth rate: track your net new followers (on each social media platform) over a reporting period. Then divide that number by your total audience (on each platform) and multiply by 100 to get your audience growth rate percentage.

14. Social Media Sentiment

Social media sentiment tracks the feelings and attitudes behind the conversation. When people talk about you online, are they saying positive or negative things?

Calculating social sentiment requires some help from a social media metrics tool that can process and categorize language and context.

15. Demographics

Audience demographics tell you details about who your followers are. Things like their basic makeup—gender identity, age, location and some of their online behavior—like the time frames they’re online—can be found within your social media analytics.

Remember this as it can help inform your strategy, find the right times to post, and direct your marketing messaging.

16. View Count

Each social network determines what counts as a “view” a little differently, but usually, even a few seconds of watch time counts as a “view.” So that you know exactly what to track, on the main video platforms, a video is counted when someone watches:

YouTube: At least 30 seconds

Facebook: At least 3 seconds

Instagram: At least 3 seconds

TikTok: As soon as your video starts playing

So, your video view count is a good at-a-glance indicator of how many people have at least started watching your video.

17. Video Completion Rate

Video views are great, but as we mentioned, they only let you know that someone started to watch your video. So, how often do people actually watch your videos all the way through to the end? Video

completion rate is a good indicator that you're creating quality content that connects with your target audience. Video completion rate is also a key signal to many social media algorithms, so this is a good one to focus on improving.

18. Watch Time

Your watch time refers to the total time that viewers spend watching your video content. It's an important metric showcasing how interesting your videos are to your audience, and a great metric to track to ensure growth.

19. Average Response Time

Response time is a metric that measures how long it takes for your customer service team to respond to queries that come in through social channels. Think of it as the social media equivalent of time spent on hold.

You can calculate it by: adding up the total time taken for an initial response to customer queries and dividing it by the number of queries.

20. Customer Satisfaction (CSAT) score

Of course, customer service metrics are not just about response times and response rates. CSAT (customer satisfaction score), is a metric that measures how happy people are with your product or service. Usually, the CSAT score is based on one, straightforward question: How would you rate your overall level of satisfaction? In this case, it's used to measure the level of satisfaction with your social customer service.

It's why so many brands ask you to rate your experience with a customer service agent after it's over. And that's exactly how you can measure it, too.

Create a one-question survey asking your customers to rate their satisfaction with your customer service and send it via the same social channel used for the service interaction. This is a great use for bots.

The formula: Add up all the scores and divide the sum by the number of responses. Then multiply by 100 to get your CSAT score as a percentage.

21. Net Promoter Score (NPS)

Net Promoter Score, or NPS, is a metric that measures customer loyalty.

Unlike CSAT, NPS is good at predicting future customer relationships. It is based on one—and only one specifically phrased question: How likely would you recommend our [company/product/service] to a friend? Customers are asked to answer on a scale of zero to 10. Based on their response, each customer is grouped into one of three categories:

Detractors: 0 - 6 score range

Passives: 7 - 8 score range

Promoters: 9 - 10 score range

NPS is unique in that it measures customer satisfaction as well as the potential for future sales, making it a valuable go-to metric for organizations of all sizes.

To calculate NPS: subtract the number of promoters from the number of detractors.

Divide the result by the total number of respondents and multiply by 100 to get your NPS.