

Facebook Advertisements Part I : Transcript

Facebook advertising has become a really potent force in reaching your customers and getting them to transact, which is of course, what everyone wants in their business. We've decided to split it across two sessions because there's a ton of information in there that you need to get your head around. So, for this session, we're going to be looking at what I call the four Ws of Facebook advertising. Now, a lot of businesses just have one W which is, "What the..." when it comes to advertising. We're going to help you unravel the "What the..." today. And we're going to cover off in this session the four key things that I think people like to know about. We're going to talk about what are Facebook ads, why do they differ and why are they better potentially than traditional advertising. We're going to talk about what would you use them for? What are the things in your business that are going to work best in a Facebook ad? Who are you're targeting? So a bit of discussion about your audience and budget, which is always a really big one. People try to work out what to spend and how much to spend. That's what we're covering in this week's session. The next session we're doing, we're going to get into the nitty-gritty of running a campaign and all of the bits and pieces, more technically of how you put that together, why you put it together, and the big one for everyone, which is the ROI. So thanks heaps for joining me. I hope that that's going to cover all the questions that you've got throughout the next half an hour or so.

Facebook Advertising for Business

Facebook advertising, what is it and why would you use it? Well, the single biggest reason that you'd use it is, as I've said over and over,

- **It's Massive**

Facebook is massive – 1.2 billion views a day. So, it's got the numbers and that's one of the key reasons that you'd use it because so many people are on that space and in that space and actively participating, including a lot of businesses. One of the other reasons that you'd use.

- **It's Clever**

Facebook is that it's really, really clever. Facebook is smart because it's got a lot of data. The 1.2 billion people that use it, Facebook collects their data. They know everything about you – what you have for lunch, what you're thinking about having for lunch, what your friends are having for lunch, what you're wearing, where you want to go – it's got all of that information. Every time you put up a post, express an opinion, Facebook knows what you're thinking. Now, if that's sending you screaming to delete your account – we all know that Facebook is pretty familiar with our intimate activities and when you think about it from a business perspective, that is a really good thing because

- **It's [probably] where your customers are**

Facebook is collecting that data so it can nuance its demographics for our advertising and find where our customers are. So don't begrudge its peek into our personal lives. It's a great thing. And that's the other really awesome thing about Facebook advertising. It's got amazing demographic reach and you can really drill down and absolutely target the exact person that you want to target, which is so much better than many of the traditional forms of advertising. So they're the three key reasons I think Facebook advertising is so good. But let's go and have a look a little bit deeper.



Facebook advertising vs the world

- **Native Content**

So what is it about Facebook advertising that makes it so compelling? The thing I think that's really important that we don't get from traditional advertising is that Facebook has native content. What native content basically means is that the advertising content looks exactly like your Facebook posts. So as you know, you've been looking at Facebook, cruising through, and you'll see an ad and it doesn't really look too dissimilar to what you're putting up and what you're reading from your friends. So the native content tends to just sit in there and we just absorb it and we behave with it like we're having that conversation that social media gives us. When we're using traditional advertising, it tends to be quite static. It's telling a message at a fixed time and it's not really sure who it's talking to. So that's one of the reasons that make social advertising so good for businesses these days, is that we're social and we tend to behave like social animals and we're really neurologically hardwired to understand how to behave with social media.

- **Value for Money**

The other thing about social advertising and Facebook advertising that differs to traditional advertising is that it can be exceptionally good value for money. Generally, when you're buying an ad say, in a newspaper, or on the side of a bus, or some television advertising, or even radio advertising, you pay for a block upfront and you're paying for something where you can't really analyse what the benefits are. With social advertising, what you tend to do is you're paying in real time, so you're nominating how much money you want to spend on any given campaign on any given day and you know roughly how many people you're going to be able to reach and you've already chosen the parameters of who those people are. So that works really well in terms of knowing what your spend is and not having to commit to many thousands of dollars upfront. Now, traditional advertising can be expensive. There's nothing wrong with expensive advertising as long as the revenue that it generates is directly proportional to the amount of money that you're spending. So it's only expensive if you don't actually get the benefits from it.

- **Demographic Edge**

And as I said, the demographic edge of Facebook is really fantastic. Because they know so much about us and they have such an enormous amount of big data that tells all of the habits of all of the people, of all of the genders, and all of the races, in all of the places, it allows them to really succinctly direct their advertising where it needs to go. You will have all had that experience of that time that you were on Facebook you were idly thinking about a holiday to Hawaii and the next two seconds up pops an ad for piña coladas or for some cheap accommodation in Maui. Facebook knows that because it sees what you're doing and then whoever's doing that advertising, it directs them straight towards you. So it's native content and you're already in that mindset. You're thinking about that holiday, and lo and behold, you've got the ad there telling you exactly what to do. So its demographics are fantastic and you can really use them to your advantage. So that's why Facebook advertising versus the world, Facebook advertising is a pretty good place to be for your business.



Defining your Audience

So let's go in and look at those demographics and start talking about your audience and define your audience.

- **Who are they?**

So, who are they? Now, anyone who's ever seen my coaching or saw the webinar last week, you know that I tend to talk about Facebook audiences a lot and just general audiences a lot. It's so important that you know who it is you're selling to and you know why you're selling to them. So the question you need to be asking yourself is, "Who are they? Who are your people?" And I think a lot of the businesses that I speak to, they kind of think they know who their customers are, but they know it really anecdotally and they haven't really drilled into it and what I think works best with Facebook is when you've personally really drilled into who your audiences are and you have a really good sense of that, and it's not just a mass audience. You really need to know what that detail of your people are, almost down to their name. So you create a persona. What's their gender? How old are they? What do they like? What's their favourite colour? What do they like to have for their lunch?

- **What do they need?**

What are the things that really excite them and what do they really need in life? So that's the way that you work out your demographics and you need to do that using – surprise, surprise – Facebook. If you have a big audience on Facebook, you'll be able to go into analytics and you'll be able to look at those analytics and you'll be able to see really quite a lot of detail about who your people are and what they need. When you understand what that profile is, we can start talking and thinking about what the need part is.

- **What will make them take an action?**

So, in advertising for something like Facebook, what you really want to know is what is it that's going to motivate people, what is it that's going to really push them into using you, and the most important thing, clicking through or taking an action. So you need to have an ad which speaks to those things. What is it that their wants are? You want to create information and campaigns for them that are greed-inducing on the one hand, so, what is it that they need that is going to really force them to act. What is it that's going to be need-inducing? So what are you going to give them that solves a problem for them?

What is it that's going to be in your ad that's going to make them think, "Oh, at last, someone has really finally understood what my big problems are in the world." What are you going to give them that is also something that is maybe – well, let's say, guilt-inducing? What are those things that they feel that they have to respond to in the world straightaway that's going to really make them do something? Everything that you want in your ad is something



going to induce an action because that's what we're looking for. Facebook advertising really works on the general human condition. All advertising does. It's psychology at its heart. So you need to have an ad that is going to force people to really have a gut reaction, have a heart reaction, have an emotional reaction. And that's why you need to know your audience so well because when you know who they are and when you know what they do, it's much easier to craft an ad that really speaks directly to them. And again, this is a nuanced world. Pretty much unless you are Bunnings or Woolworths, you can't say that you speak to everyone. So when you're thinking about who your audience is, you really need to drill down into that. You're not a commodity sales person. The likelihood is that your business sells a very specific thing that is either need or greed or guilt inducing and you have to work out what that is and put it in a completely compelling sales pitch, because what you want to do is you want your customers to take actions.

And at this point, let's just put the brakes on because I need to put a little reminder in here. What we are doing with Facebook advertising is we are trying to generate a transaction, because at the end of the day, no matter how many likes you have, no matter how many people you have in your Facebook community, you're there as a business to grow the conversation, sure, to grow the feelings, sure but really, you need to make sales, you need to have some revenue coming in or whatever the equivalent is in your business of that. So, when you're creating a campaign or when you're creating an ad and when you're thinking about all of this audience and their demographics, the reason that you're doing that is ultimately to lead them down the path to have a sale. So just a reminder, and sometimes it's easy to get caught in the, "Who are they? What do they need?" but what we're trying to do is we're trying to bring them to an action. So we've said in terms of, "Is it greed-inducing? Is it need-inducing?" What you're fundamentally doing for people in your business is you're solving a problem for them. And so, by solving that problem, you're really taking away 90 percent of the pain of making the sale because as soon as you've told them that that problem is solved, they're going to want to buy from you and they're going to want to have that thing that fixes their need, their greed, their guilt, whatever it is. So keep that in mind as you're going through and thinking about your ad.

So what will make them take action and what kind of action do you actually want them to take?

So there's a few different things that people can do with Facebook ads and let me put in at the beginning that you may not get that sale in the first ad campaign you do. Facebook advertising is very much like all social activities. You don't just barge into a room full of people that you're having a nice time with at a party and frantically start selling to them. You want to have a little chitty-chat first. Get to know them, get to know what they want, get to know what their needs are, and then find a solution, and then let them know gently and respectfully and lovingly what that solution is and what it's going to cost them for you to provide that. Facebook's the same. So when you're thinking about your ad campaign, you may well structure it where the first ad you do is really just to get some likes and the second ad you do might be to get them to download something. Whatever it is, you have to have an action, but the most important thing is you have to have a clear call-to-action. So as part of the ad when you're putting it together, the behind-the-scenes part of it is you've thought about your audience and you've nuanced that. You've got your demographics absolutely down pat and you've thought about what they need. Then you're going to write your call-to-action into that ad. So what's it going to be? You don't just want them to look at the picture and then scroll on through and go to the next thing. You want to have something that is so compelling that they are going to have their curiosity completely ignited and they're going to want to click on that ad. So that's really important. And so, again, what's the thing that is the most compelling? Think about it. What is it that's makes you stop liking and just go, "Oh, I have to go," and get out of Facebook and go to the next place? It's usually a really compelling image. And for those of you who were there with me last week when we talked about Facebook live streaming, video and static images are still much more compelling than text, and so, in your ad you have to construct the image so it gives people that message loud and clear and the call-to-action is the next thing. So normally what you're going to be asking them to do is go through and either go to a landing page – you might be taking them to a download, whatever it is, but you have to think about how you're going to construct that and then build your narrative around that. Again, a little recap on what we talked about in live streaming which was, it's all about a story. How do you capture a whole story of your business and the thing that you're selling them in one picture or in a short video? It's easy to do but you have to know what that is first. So, in each campaign, it's really



important that you've thought about it. I'm just going to jump a bit to budget now because it's a thing that's probably sitting on your mind as we're talking about all this. One of the things that people get pretty caught up with, with social media is it's always been quite difficult to work out what the spend should be and it's actually been a really imperfect science for a long time. It's one of the first questions that customers and clients ask me is, "Well, what should I be spending?" There's probably a simple answer that I came across the other day in a really interesting recent report on social media and finally we're beginning to get the data so we can drill down enough to say what it is. So when you're thinking about putting a budget together for social media, the rule of thumb appears to be that it should be 15 percent of what your total revenue is. So, in terms of the spend of your business or the income of your business, 15 percent of that should be on social. So you can break that down into a month, you can break it down into a week, you can break it down then into a campaign and how long it's going to run for. Now, if you're in a pretty small business or if you're in a start-up business that really doesn't have a clear idea of what that value looks like, then you're back to the old rule of thumb of just try it and seeing what works. The great thing with Facebook is that you don't have to put up a lot of money upfront. You really determine how much you spend in each campaign and you can choose the amount that you're going to spend, you can choose the amount of clicks that you're looking for, and you can choose the size of the audience that you're prepared to buy. Budget is going to largely determine that and what you can afford to spend. So, I can't make it much more precise than that for you if you're in the early days of your business, but 15 percent seems to be the rule of thumb for now. Next session when we talk about campaigns, we'll go through and I'll put some figures up on a slide for you to see if that makes it any easier. And really, at the end of the day, the one thing that you need to be clear on is that whatever it is you're paying per click or you're paying per ad, you're actually making more than that in the spend people do when they click through. So that's another simple equation, that the cost is minus-ed from the expense and that you actually get a profit at the end of it. It's still an imperfect science, but luckily, thanks to the algorithms and the analytics that are sitting behind Facebook, it's much easier for you to get a sense at least of whether that spend is worthwhile. The final one in the webinar series on Facebook pro-ads, we're going to really dig into analytics. And so, if you're freaking out, don't worry about that now, we'll get there, but just know that the analytics are really good and they're going to be really helpful to you and your business. Okay. So we've defined your audience. You're probably sitting there now starting to really deeply think about who you're taking to, what they need, what is it that you're inducing – greed, need, guilt, maybe just curiosity. And curiosity is as good a way as any to get people to click through. So let's talk a bit more about what the action is. I've read a really interesting report, in fact, only this morning where a company called AdEspresso had gone through and they've done a really big study. I think they looked at 32,000 people and their reaction to different types of calls to action. And interestingly, what they came up with – there was three key things. The thing that most people responded to was download. So in your ad, if you have the word "download" in there and you're asking people to download something, that was the thing that most people wanted to do. So that's really worth thinking about. What is it that you're asking? Is it a download? The second most important thing was "learn more". So rather than saying "see more" or "click through here" it basically said "learn more" was the key phrase that people wanted to see. So when you're inviting people to learn more, it gets them to click through. Not as much as download, but it certainly gets them to click through. And the third most popular one out of those 30,000 instances that they analysed was "sign up". So people obviously aren't concerned about giving over their details and they want to know more. Now, again, that presupposes that what it is you were asking them or you were giving to them was

something that had a strong value proposition for them. So in the case of a download, for most people, if they're really interested in what you're selling and if you've got them into your funnel of people already, you've captured them with your ad, the thing that they want is a little bit more. And when you're giving value for money in a value proposition, what you want to be doing is making sure that people feel like they're getting something for nothing and that – from a business perspective, you're giving really good value. So AdEspresso obviously, they're a company that specialises in social media and digital advice, so people that are looking on their site and then are dealing with their company, they want to know more, they're learning more. So let's say that you're not working in a service industry. Let's say that you're selling something that's concrete. Maybe you're selling t-shirts. What is it someone could download? What is it that could induce them to buy one of your t-shirts? Well, there's probably a few different things that you can do to get people to download something. You might want to give them some ideas on how to wear a t-shirt the best way. What are some of the looks that you can have? So you could put a little look book together and they could download a look book and you can have a whole lot of your t-shirts shown off. Let's say you're making vegan ice cream. What's your download going to be? Clearly, it's going to be something like a recipe book where you're going to give people a few things that they can do with your product. That's the kind of thing that will a) get them to hand over their personal details to you and the call-to-action gives you that, that is a really valuable thing when you're in the online world. So, think about with your product, what is it that you can give to people? What value can you offer them that's going to make them perform in that call-to-action? Particularly in those top three: download, learn more, or sign up. Now, you might have a really compelling newsletter or a really compelling publication that you put out digitally. So, sign-ups logically make sense for that. You might have an offering that's coming out later on and you're running a teaser campaign. So again, "sign up" is a logical thing to do for that kind of thing. You're offering something in the future, but don't leave it too long. And this is where, as I said before, you're probably going to run a staggered campaign where firstly, you get them to sign up, then you get them excited with another ad, and then finally the thing that you want them to do is going to be launched. And that way you keep them in suspense and you keep things moving along in real time. So the call-to-action is really important, but the call-to-action has to be backed up by something that is of value. And again, it's always about how much you can give to your customers that makes them really feel like you know what they need, you're meeting their problem, you're solving their problem, and you're giving them exactly what they want when they want it. Timing is kind of crucial here too in the Facebook ad world. So if we go back to what I was saying about native content, let's say, it's lunch time. It's like we are right now. You're sitting there, you're looking at Facebook, you're scrolling on through, an ad comes up. It's going to need to be something that you have a call-to-action to in that moment. So, if you think about the timing for when you're going to do your ads, that becomes really important as well. If you want someone to do something right in the moment, you have to capture their excitement and their curiosity about it and not be offering them something that's too late. So you want to think about the timing of your ad and what you're asking that call-to-action to be. Can they do it sitting at their desk or is it something that they're more likely to want to do after work or you're more likely to want to time at about 4:30 just before they're leaving work? So think about that too when you're putting your call-to-action together and when you're actually thinking about the nuts and bolts of your campaign. But for more on campaigning, we're going to talk about that in the next session. There's another step to taking a call-to-action with your Facebook ad. You've got a compelling visual, you've written some really beautiful copy that's greed-inducing, need-inducing, curiosity-inducing – where do

people go when they actually click on your ad? And that is the final piece of that puzzle of the call-to-action. Normally, you're directing them somewhere that's off Facebook. Now, Facebook conveniently is actually putting a whole lot of forms and stuff in the ads now, so you can get people to sign up "in ad", they don't even have to leave Facebook. But there are times where you probably want them to leave Facebook because again, if we go back to what I said about the transactional nature of what we're doing, you want to get them somewhere where you can actually make a transaction ultimately. So you're probably wanting to take them to somewhere like a landing page where you have them in a nice, captive, clean, non-competitive environment where they can put their details in and either get prepared for a sale down the line or actually transact right there on the spot. If you're not taking them to a landing page, you might be taking them to a download where they can download an app or they can download a document or whatever it is, and at the same time, you're probably going to capture their details there. Again, now Facebook's enabling you to do that right inside of the ad, which is pretty convenient because people don't feel it's another step further. The other great thing about that is that those Facebook forms that sit inside the ads actually populate the data for you. So if you're going to put your stuff in, whatever you've already put in, in Facebook, Facebook will automatically upload that which just for the lazy humans that we are makes things so much easier. So think about where people go when they actually take that call-to-action and make sure you take them somewhere that's not a dead end. Make sure you take them somewhere that is actually really exciting where a transaction of some sort can happen. And one of the most valuable things Facebook advertising can do for you is capturing the details out of Facebook of a client or of a potential customer. That gives you a really valuable commodity which is someone who you can directly market to. Not for today, but later on, I'm going to talk about things like look-alike audiences and how Facebook can use that information in the advertising world that you've captured, in redirecting ads back to those people and building an audience for you. So just keep in mind that you need to have a supply chain of sorts of where people are going to go and make sure that you capture them all the way along it. So think about what your call-to-action is going to be.

A/B Split Testing

Now, I want to talk a little bit now about something called an A/B split testing. One of the ways that you can work out if your ad is working is by doing what they call an A/B split test. It's a really common thing to do in Facebook world, so much so in fact that Facebook has actually created in Ad Manager, a way for you to do that. So split testing basically involves you testing the hypothesis of your advertising. If that all sounds a bit technical and fancy, let me break that down. So when you go to advertise on Facebook and you – or anywhere for that matter – you have a hypothesis that you know, or you think you know what people want and so, you're offering them that solution I talked about at the beginning. But it's only a hypothesis because you might have done a bit of surveying, you might have had a look at your responses previously. So what you want to find out is what people really respond to if you've absolutely nailed the greed-inducing or the need-inducing or the guilt-inducing or the curiosity-inducing, and A/B split test is the way to do that. So basically what it means is that you create two different ads for the same thing and you test which one of them works with your particular audience. You literally build two different ads and Facebook in its Ad Manager has a way set up that you can do a split test. So what you might be looking at are

testing elements of your audience demographic. You might be testing what works like a certain type of photo. Does it work having a photo of a person or does it work having an animation? And I've seen interesting split tests done around whether cartoons are more compelling for people or whether humans are. And interestingly, it's pretty much always the humans that are more compelling. You might be testing whether you're using a photograph that shows a really sunny, bright daytime picture or a sparkly, exciting night time picture and you want to see what the audience responds to more. Other things you can test are, like I said before, whether or not it actually works at midday or whether it works better at 4:30 or whether it works better at 7:00 PM in those classic Facebook time spots where people are on Facebook. So a split test will allow you to test the hypothesis on one of those things at a time. So you can't test on image and time and gender and photo versus whatever. You have to test on just one of them. So you build two ads and then you run them. Now, Facebook itself recommends that you run them for a test of between three and 14 days. I feel that 14 is actually quite a long time to run a test for and so, I'd be more tending to go on the shorter side, because depending on what your campaign is and the urgency of your campaign, you want to get those tests moving along. So let's say around about five to seven days is a good time to test out and build up sufficient data in your analytics to be able to tell. Now, the other great Facebook news is, of course, they've already built all of those analytics in there for you. So you run your split test through Ad Manager, and lo and behold, at the end of it, they tell you which one wins. It's that simple. So you might test out a few things. And again, you think of this as a long process with a few different steps. Hence the reason why you really strategically think about running a campaign because in the lead up to that, you really want to know what is hitting the target audience. And the more of this testing you do, the more deeply nuanced you're going to get in the way that you talk to your customer base. And you know what? It's pretty hard to do that on the side of a bus which is why this world of Facebook works so well. Everything goes in building a Facebook ad through Ad Manager, so you pretty much need to go into Ad Manager to start the process. If you've never done a Facebook ad campaign before, it's worth going in and just having a look around. Now, in the Digital Ready seminar today, we obviously can't even do anything but give a nice, light surface scratch to what is involved in Facebook advertising, and the great thing is that Facebook, as I said, it loves its business customers and it has a lot of information in there. So, whatever questions you might have or uncertainty, Facebook really takes you through that process.



Facebook Ad Pixel Explained

There's one more thing I want to talk about today and that is the Facebook Pixel. That's kind of important because the Pixel really helps you to understand some of the data that sits behind the advertising and it's one of those things that's going to really direct you to know if you're achieving the budget spend you think, and it's really going to help you to work out what your return on investment or ROI is. So I've got a couple of slides for you that just talk you through the Pixel. Now, if you're wondering what the Pixel is, it's basically a code. So it's a code that's generated that you can cut and paste out of Facebook and you can take it into your website. So you go into Facebook, it sits in the Ad Manager, and basically you go into Ad Manager; you create your Pixel, and then it'll bust up a little chunk of code for you, which if you aren't a technical person, will look completely confusing, but don't worry. All you need to do is cut and paste that and then you put that on the relevant pages of your website that you need to be able to use for whatever you're doing. So if you're creating a landing page, for instance, you stick it through on that landing page and it will be able to measure for you who's going there. So your traffic is really captured. What are some of the reasons that you might have a Facebook Pixel or why do people use it? It measures cross device conversion. So it sees how your customers are moving around and what they're doing. It optimises delivery to people who are most likely to take action. So when you're creating a funnel of people, only a small percentage of them are actually going to come through the bottom part of the funnel. So what you want to do – let's say, you've got a thousand people, you want at least – you might get ten people of those thousand people that actually make a purchase, but that's great, depending on what you wanted your return on investment to be. So the Facebook Pixel really helps you to understand who those people are. The Pixel is one of the key ways you can build a customer audience. Again, we're going to talk about this in the next session, but it starts to capture the identities of those people who are coming to your site, who are going for the process and clicking through. And when you create a custom audience, it sees who's visited your product page, who's gone to your cart, who's abandoned, or who's made a purchase, and it can create lists of other people in Facebook for you who are doing that. So you don't even have to have made contact with them. And that's what happens when you're suddenly getting the ad popping up in your feed for that thing that you were just thinking about and you think, "Creepy. How does Facebook even know about that?" It allows you to be really dynamic on your product ads and create stuff which is relevant and timely. So, the Pixel has a really strong role and while it might seem a bit weird and technical, it's not at all. And again, Facebook has a really great instruction that helps you to be able to do it and to be able to use it. So the ad Pixel is as critical as your A/B split testing and they're the two things that you need to get comfortable and familiar with when you're starting to use Facebook ads, because those are the things that are going to really help you to make an ad that is going to be dynamic and actually get results for you.



Webinar in a nutshell

So just for a little bit of a recap, what do you need to know about Facebook ads?

- **Know your audience**

You need to know your audience. You really need to know your audience. Have I made that clear?

- **Define you call-to-action**

You need to define your call-to-action. What is it that is so compelling? What is it that is going to make people click through or take the action that you're asking them to do and are you really clear on what that action is? It can't be ambiguous because you only have a few seconds to capture their interest. Now, of course, the great thing with Facebook ads is that when you've targeted them properly and when you've built a campaign, you might have that ad jump up in someone's feed several times over the period of time that you're doing it, a week or whatever it is. So they'll probably get to see it again, but you want to be able to imagine in a perfect world you've put together a compelling enough campaign to get them the first time around.

- **Strategically plan and test you campaign**

And the third thing is you need to strategically plan and test your campaign. There's nothing that replaces really great planning and to do great planning, you need to be really clear on who your people are and what their demographics are, but plan out for the transaction at the end, play the long game with lots of short incremental steps to get them to that place where they can make a transaction in your business and get your cash register, or your digital cash register, or your virtual cash register, ringing with lots and lots of sales.

