

Facebook Advertisements Part 2

Why Facebook Ads?

So let's imagine that after the last couple of webinars, you've really got a laser focus on, you've worked out how to do your advertising, you've thought about your campaign, you've thought about your techniques and now you really want to build some audience. You're probably still not asking yourself "why" for Facebook ads, because you know how much I love to remind you why you should be using Facebook ads.

Facebook is on track for \$4 billion this year in advertising.



\$4 billion! So we like to use the statistic normally of 1.2 billion views a day, but \$4 billion in advertising revenue for Facebook gives you a pretty good idea why it is that you should be using Facebook advertising in your business. People buy from Facebook advertising and someone's got to be clicking on those ads for \$4 billion worth. So you'd be absolutely cray cray not to take advantage of the market that it opens up for your business. So if you did miss last week's live stream, you can check out the video and we talked a fair bit about the actual Facebook ads part, the design, the creative part of it, but here's the key takeaway from last time, that Facebook ads are native, which means they sit in your news stream and they perform pretty much like other pieces of interest that come through to you, posts from your friends, posts from other businesses. Therefore, you're basically conditioned to like them. I mean that literally and actually. You're physiologically predisposed to engage, more than if it was side by ad or something that you felt was just trying to sell you something. These are being targeted directly to you and, of course, we are going to get to that later on. But the key takeaway from last week is that the nativeness of those ads is really important to the way that your customers are going to engage with them.

Facebook Ads in 4 Dot Points

So if I was to break down Facebook ads in four dot points just to do a little bit of reinforcement of the summary of last week. What makes a really great Facebook ad?

- **Visual**

It's got to be visual which means it has to have an image which is absolutely captivating. That image has to talk explicitly to what it is that you're trying to do with that ad and something that you need to think about. You don't just want to grab a bit of clip art and throw it up there. You want to really think about the picture and the story that pictures tells for you and your business. If you're using video think about subtitling because, again, the statistics show that most people don't necessarily click on the video. So if you do want to use a short video in your Facebook ad you want to make sure that video is again telling a story, it's subtitled, and it's really thoughtful, because it's the first thing that going to get people to stop midstream and pay attention.

- **Relevant**

Your ad has to be relevant, so it has to have a laser like focus on your target market. It's got to speak to them in their language and also a key point, it's going to address their pain points. You might remember last week, I talked about how you had to make things greed, need, or guilt-inducing. That's greed, need or guilt. So they're the three triggers that you want to have to pull on your customers to get them to put their hands in their pocket. So whatever it is you're selling to them, you've got to think about how they're actually reacting to it and what it is that they want from it. Now you got them all juiced up, you've got to give them an easy way to make a transaction.

- **Clear call-to-action**

So that means that there's got to be a clear call to action in the ad, and again you might have someone's attention for a number of seconds. If they don't hook in to the visual, you're potentially going to lose them, so you need to have all of these four elements. So the three most popular calls to action – we covered them last week but let me tell you what they are again – learn more, shop now and sign up. So however you're designing your ad, you want to make sure that you have these types of call to action. Whatever is relevant to you, make sure you've got them there. So once you're customers click, where do they go? You've got to make sure that if they do take that step, if their hand are about to go straight in their pocket, how do you get them to go somewhere that they can actually transact, or do at least whatever the call of action that you've asked them to is. So once that they click on the 'learn more', 'shop now', 'sign up' or whatever your call of action is, are they going to go to a customise landing page, are they going to go to an optimise website where their data can be captured?



- **Compelling Value Proposition**

This is the whole purpose of the Facebook ad, that you're capturing your target audience and you're them taking somewhere, preferably away from the noise and distraction of Facebook, somewhere they can actually transact.

Targeting

To be able to do that well you need to target your audience and Facebook's targeting is absolutely unparalleled, and I think for me it's one of the things that Facebook does so well. We spoke about it in previous webinars where I talked about how Facebook captures our data in their algorithms and, again, it's probably one of the bigger points that contention with privacy issues with Facebook, that people feel that their data is just being constantly harvested, but the upside of that big data is that Facebook are able to target your audience in a really minute way, which is fantastic if you want to get that ad in front of them and make sure that it is absolutely speaking to who you want to speak to. So you need to know about your audience and, again, I've hammered this in every webinar, and I'd probably continue to hammer it quietly at home with no one around, because knowing who your audience is, is the absolute key to be able to really nuance your Facebook ads to the point that people will click through them.

Facebook's ad targeting options are unparalleled. On Facebook, you can target users by: Facebook give you an epic amount of different things you can target:

- Age
- Gender
- Interests
- Connections
- Relationship Status
- Languages
- Education
- Workplaces
- Location

There are so many specificities. So this means that there has needed to be a longitudinal approach to your audience from the very beginning pretty much of your business, and you need to continually work on understanding who they are, and also what triggers those points of greed or need, the things that get them to actually engage. You also want to be able to speak to them in a language that directly talks to those needs and directly talks to them. You don't want to be using some kind of millennial jargon if your main audience are baby boomers, isn't that right, peeps? So what you need to do is to choose your demographics wisely. Now you might have a product that

speaks to a couple of very specific segments in the market, and there's no problem with that. In fact, it actually works really well with Facebook advertising. In those cases, what I'd suggest is that you do a split campaign and you very specifically speak to that one group and that other group. You can also return to that conversation that we had last week when we talked about split AB testing and you can test those two audiences. You might think that you actually engage with those audiences, but the reality could be that one of those audiences is particularly strong and the other one not so, which basically means that either you're not targeting your ad right, you're not getting those four components we just talked about, the visual, the relevant, the compelling, and the call to action right for that audience group, or that they really fundamentally aren't as strong a part of their business as you thought they were. So again the joy of Facebook advertising is that you can experiment a lot. You can test your hypothesis, and we make a lot of hypothesis and assumption about our audiences all the time. If we're doing them in a white jacket in a lab all on our own with our bubbling beakers, quite often we are quite removed from the reality of our customers are. So it's great to get out there and actually engage and do that through the mechanisms of Facebook advertising to really prove those hypotheses when it comes to who your customers are, which of those customers converts most strongly from Facebook and which will give us the highest yield. Now we're going to get on highest yield later on in the webinar when we talk about Return on Investment. So stay with me for that and have your calculators at the ready. Everyone loves talking about money, don't they?

Alright, so let's move along now. The key thing that I need to leave you with targeting is that you've got to know your audience, therefore, you've got to know your target market and you've got to connect with them. So as you're going through, really test your hypothesis, you want to pressure test each one of things you think you know about who you're selling to and you can do that by trying out split testing in your advertising campaigns. If this is all new to you, last week's webinar covered it off in some detail so check it out on the Facebook page.

Moving along now to some of the more specific things that Facebook advertising does. We're going to have a bit of a deep dive today into some of these categories. What's really great about Facebook advertising is that it allows you to access people that you wouldn't previously be able to access purely through your Facebook feed alone, or through your Facebook business page. I'm pretty sure that I don't need to talk to you about whether you've got a Facebook business page or not. If you're at that stage of Facebook, I really recommend you head back to the Digital Ready website and have a look of some Facebook factsheet and the basic and fundamentals of Facebook, assuming that everyone is operating from a Facebook business page and not their personal page.

Re-targeting

Retargeting on Facebook is fantastic.

- **What is it?**

Now if you don't know what retargeting is, let me talk you through a scenario that I suspect every one of you has been part of. So, you know there're times when you might have done a search on something, like let's say that I do a search on a cable knit jumper from my greyhound. That might have happen last night. And then, lo and behold, I look at my Facebook feed this morning and what's coming up for me constantly, ads for beautiful greyhound coats. Now how did Facebook know that I was in the market for a coat for my greyhound? I'll tell you how it does. It knows because of retargeting. So basically retargeting targets ads to Facebook to people who have expressed an interest in a website or in your website.



- **Why would you use it?**

So it basically gives information that comes out your website to people to remind them how great your product or service is. It's pretty sneaky but I really like how it works. So this is a custom audience feature this retargeting, and basically you install a snippet of code on your website which places a cookie, not that kind of cookie, if you're hungry right now, it's a cookie on the computers of those who visit your site. Once that's installed on your website, that code sends information back to Facebook about which pages are being viewed on your website. I told you it was sneaky. So then your custom audience preferences mean that you can retarget different segments. So you might retarget specifically someone who, say had gone to a certain page on your website but they hadn't converted or they might have been using you cart – they might have put stuff in a cart and then abandoned the cart, which is very common. So that way you get to go to those people and say, "Hey, you remember that beautiful greyhound jumper you were looking at? You probably really want it," and quite often people had abandoned a purchase for all kinds of reason. As I've said, we've all done it before. It might just been it's too cold and you're too lazy to get out your bed and find your credit card, or someone comes to the door or whatever it is. So this is the opportunity to go back and pick up those sales you might have lost.

- **How to do it?**

So this is how you do it: you basically go to your Facebook ads manager and you select audiences and most stuff in Facebook when we're talking Facebook ads happens this way, so it pretty much all begins with Facebook ads manager or the power user. That's the fundamental bit where you start. So you click on create audience and then you select custom audience, you

select website traffic, and then you've got another option to think about those audiences that you really want to target. It could be potentially anyone who visits your website, it could be someone who's visited a specific page, it could be people who have visited a specific page but not other pages, or could be people that have come and they haven't visited you in a period of time and you want to see if it was just fly by night or whether you can really reengage them. You might also use a custom combination of this and, of course, Facebook gives you that opportunity to be able to basically tweak things however you want. You then get to have a pixel code generated from that. We talked about pixels in the first webinar that we did. And the Facebook pixel, basically, you place it on your website, you literally embedded the code in the pages of your website, and then that allows those cookies and retargeting to happen and that information to flow from your website to the Facebook. So you can't get a much more genuine and authentic and deep look at your traffic than using that kind of method, where you got a direct line from your website to Facebook. Once that happen, you're ready to retarget. But it's probably worth mentioning the potential elephant in the room here, which is the website has to be compelling as well. So if your website has taken a little bit of back seat perhaps to your social media work. Obviously, you've watch all the webinars and you've been going gangbusters on your Facebook page, make sure you go back and just check that your website in and of itself has got all the basics right. You've got to make sure that when people come, it's easy for them to find things, you've got your cart set up, so it's really easy to make that transaction, so that logically when people are going through and looking for something, they can find it. The UX of your website, or the usability, is something which is really important. It's as important as the SEO or the search engine optimisation that sits behind it. And the more you connect it with these social media channels, where a lot of traffic's being driven to and fro, the better your SEO is going to be. If you've built a website recently, say in the last 12 months, if you've used any one of the website templates like Wix or Weebly or SquareSpace or Carts or WordPress, these days those services have got fantastic SEO embedded in them and they really have a lot of that UX built in to the way there pages flow, build in to their carts. If you built your website three years ago, even three years ago which doesn't sound very long at all, it will already be out of date and you'll be missing out on fantastic opportunities to really make things much easier for your customers and to get better SEO embedded. So if you need to, right now, take this as a red flag to go and really have a look at your website and just have an outside view, get some people that you know to come in and check it out, get some users or some regular customer to have a look at it, and just make sure that it is a place that when visitors arrive there, when they've been driven there from wherever they're coming from, they can actually find it. So if the thought of getting a piece of code from Facebook and embedding it in your website seems like it's incredibly difficult, it shouldn't be because most website these days make it incredibly easy to embed that code. So, again, little red flag, we've taken a side tributary in our Facebook advertising webinar just for you to have a think about isn't time to get your website back on track if it's off track.

Lookalike Audiences

Now one of my total favourites with Facebook, and I think that this feature – I mean re-targeting is pretty smart, you've got to admit. There's always that moment when you see the re-targeted ads come up on your Facebook feed that you think, "Why you? You know everything about me!" But the Lookalike Audience feature, that's the feature that actually gives you an incredibly long reach. So what are



Lookalike Audiences? Basically, Facebook creates an audience for you based on the characteristics of your existing audience. So they look at the people that you have either using your website, because they've got access through those cookies, or they look at the people who are using your Facebook page regularly who like it. And because sitting behind those account profiles, they have all the information that's gone in to Facebook at the beginning when people sign up. They know a fair bit about what your audience actually looks like. So if you've done the right thing in terms of really grooming and nuancing your audience and your customers who are engaging regularly with your Facebook channel, to be the ones who are really the high-value and high-yield customers, then Facebook are going to be able to do a pretty fine Lookalike Audience for you. And I personally have seen businesses I've worked for have their sales and their conversion transformed by really good use of the Lookalike Audience. So I can tell you from personal experience, it is great.

- **How do you create them?**

So let's have a look at how you do it. Basically, this is talking about getting a whole new segment of customers. It's not just reaching out further to customers. It's actually replicating characteristics and then bringing them in to the view of the ads. So how do you do it? Of course you start in Ads Manager, you click Tools, and then you click Audiences from the dropdown menu, and then you click Create Audience, and then you click Lookalike Audience. So once you've done that you then have a choice. You can create your Lookalike Audience based on people who visit your Facebook page or you can create your Lookalike Audience based on your website. Your source audience has to have a minimum of a hundred people in it. Now the audiences can go up to the multiple millions. So this is designed for sort of small business or solopreneurs who have got a fairly decent Facebook following and audience that they're tracking, through to business that have got 24 million people in them. So you choose the size of the audience you want to attract and then you choose the percentage of that audience that you're going to target. So if you have, say, 8,000 people, you might only target 10% of those and if you get a conversion of 1% from that, then you've still reached a whole heap of people that you hadn't reached before and converted them. Now just some things you need to be aware of, if you're uploading an audience from your mailing list – now you might have, in your CRM, let's say you've got a hundred thousand people in that CRM and

you've got all of their email addresses and all of their addresses in there, you need some quite detailed information. Facebook has a very specific way that that information needs to be laid out to be loaded up into the Lookalike Audience feature.

- **What do they look like?**

So just jump on Facebook if you want to do this and check it out. They'd give you some really detailed instructions on how to do it. And remember that you can only target one country at a time. So if you want to do multiple countries, you have to do multiple campaigns for your Lookalike Audiences. And as soon as you've loaded up your data, you are good to go. And as I said, it's a really fantastic way of reaching out to people and making sure you get the people that you want in a non-scattergun kind of way.

Boosted Posts

- **To boost or not to boost**

So we're going to talk about boosted posts now, and one of our coaches actually brought up a question that a client had asked her around whether or not you should use boosted posts or



organic posts or campaigns, and did they have any sort of positive or negative interaction on

each other. It's a great question. So, thanks Jen Monahan for bring that in. And of course, if you've got some questions, make sure you're popping them in our comments now and I'll get to them in a couple of minutes. So boosted posts for those who aren't super familiar with them, you might have seen in your business page, you've put a post up there and there'll be a little bit at the bottom of that says 'Boost Post.' If you click on that, it goes through and it allows you to choose an amount of money to spend, to push that out to a bigger audience. That sounds pretty reasonable, right? The thing with boosted posts is that they are good for limited circumstances. They're great if you simply want to build the number of people who like your page or like your posts. So if you want to get that bit a bit more jazzed up, and it's a kind of thing that you use quite early on when you set up a Facebook page for business, when you're really trying to build your audience. The drawback of the boosted post is that its targeting is limited in comparison to an ad campaign or to any of those other audience options that we've just talked through. And the downside of that is that you might boost your post, and say you boosted it for \$10 a day, you've got a reach of say 1,500 new people, that sounds pretty good, except if the people that you're reaching with that ad are people who are really disinterested, who then take an action to say, "I want to block this. I don't want to see this anymore," or even more, "I don't like this post. This is offensive to me in some way." Now, that can happen more easily than you think. That sends a message to Facebook's algorithm to say this particular business isn't particularly engaging or they're, worst, negatively engaging which really bumps your algorithm down. So as you might be aware, the Facebook algorithm works because the more people engage, the more it builds your – let's call them algorithm credits. So

the boosted posts can have the knock-on effect if it goes horribly wrong, of actually reducing your algorithm credits and getting you less likely to be put in front of your ideal audience.

- **Boosted vs organic reach vs campaign**

So one of the big questions is do I go boosted post or do I just go organic reach? And the definition of organic reach is basically the people who are simply going to see your post because they like you and because they engage with you and it's going to pop up in their feed and then they might engage with that in some way. Facebook have been more and more encouraging businesses to transact in their posts. So the organic reach really has a pretty small footprint these days, and what tends to really increase that is actually running a campaign and doing a full series of campaign ads which again, for the cost and for the ways strategically, you want to engage your audience to get them to purchase from you. It kind of makes sense which is the whole purpose of this webinars is to talk about how you best do that. So the boosted post can have a negative impact on your organic reach, but only if you're targeting is bad, and by bad I mean that it actually goes to people that don't want to see it. So it's something to think about that it's really, again, it comes back time and time again to knowing your audience, and I think probably it actually comes back to from the very beginning, being very specific and strategic from the minute you start thinking about how you're going to market your business in social media, when you're putting that very early strategic document together, you've all got that right. When you do that, you really need to have – that's the time to be having that deep thought about who your audience are, which you're then going to tweak and iterate the whole way through. So if you've done that and if you have that strategic approach, you probably won't find that you're going to be sending out baby clothes advertisements to baby boomers who might have been so keen on that. So that's my note on the boosted post. So in early days, sure, if you can get the demographics broadly you want to build your audience before you deep dive into a much more nuanced audience.

ROI on your campaign spend

Now the money shot, it's what we've all been waiting for, Return on Investment. Often referred to very casually as ROI. It's kind of a bank-y term. It comes from the finance sector, but it's been widely adapted by everyone now, we're all bankers at heart. So social media ROI is what you get back from your spend. And I've alluded to this a couple of times in the webinar series, that it used to be really hard to track that, and people would come in from traditional advertising and sort of bang the table because they could always prove what they spend their money on and the audiences, which is of course wasn't entirely accurate. Now, the metrics of things like Facebook, Google Analytics, and Instagram are so sharp. It's actually much easier to work out what your Return on Investment is, and therefore to actually work out what your budget should be and what you spend should be. I think I gave a statistics early on that it's around 10% of your overall revenue should be your spend on your social media marketing. So you can think about what that looks like in your business and I'm going to give you a few more tips now on how you can think about the

process of measuring what your ROI is. So the key thing that you want to find out is what is it you want to achieve? You can't really measure your Return on Investment if you don't know what the achievement is at the end of the day. So you've got to write down and work out what your overarching goal with social media is, and you might have a few different ones. Here are some of the one you might have: you might want new followers, so you're investing in advertising to build your following. You might want people to actually take that active call to action where they're going to click on a link, or click on an update, or they might be wanting to download a PDF. These are all the things that you might have as your call to action in your ad. You might be looking for that classic sort of sign up, sign in, opt-in kind of thing. Whatever it is, you're specifically spending a dollar per head, or whatever it is, to get people to take that action. So that way, you've got your goal which is people to do is. You can track your actions. You want them to download it. How many people did download it? And then you think about how much you spent for each person to do that. So keep that figure of the 10% of your overall revenue in mind as you're thinking about what that investment looks like. The other thing to think about is the value of the customers. What's their lifetime value to you and therefore how much are you investing each time you get them to do an action, or you attempt to get them to do an action, and how much is that reaping into your business and into your brand as the years go on or the lifetime they have with that products or service goes on? So the lifetime value is multiplied by the conversion rate. So, again, how much is each potential visit going to be therefore worth to you? And what then in that conversion is the average purchase per sale? Now this stuff is pretty confusing and if you go to the Digital Ready website you'll find that there're a couple of great fact sheets and blogs there on ROI and conversion, so you can just get your head around it. But this webinar is going to be recorded and available after the live session of it. So you can go back and have this fantastic experience all over again as many times as you need to really get your head around this. So we talked about what the average sale is, and so the average purchase through your site. So how many people do you need to measure that average purchase? And how much you're going to end up paying per click to get people there? So if you're going to use traditional media, bus ads, television, cinema, newspaper, what would the same spend have to be to get that amount of conversion, and these are some of the questions that you can ask yourself when you're wanting to make that comparison between the cost of the social media spend and what the otherwise opportunity cost of traditional media spend would be. It's a conversation for another time. So let's say it costs 50 cents to gain one new fan to your Facebook page and then your organic gain of fans at 50 is potentially worth about \$25. So, that seems sort of reasonable. Let's have a look at some of the global statistics. So the average CPC or Cost Per Click in the US is about 28 cents and global it's 35, and that's a lot to do with population and usage. The average cost per 'like' in the US is 23 cents and the average cost



per app install is \$2.74. So that gives you an idea of the amount of money that you're going to have to spend. Let's say you want to do an app install and that you need to have a thousand or two thousand people do that. So according to those averages you're looking at about \$2.74 per person. Now, that might be amazing value in your business. It might be that you've got a whole heap of in-app purchase that come with that and so the lifetime value of that customer is going to keep on multiplying, and so for that \$2.74, you're going to end up with a really good deal. If you can measure how much your customers tend to spend, and again this is when the lifetime value of the customer comes into play, this gives you a much better idea of what the Return on Investment is going to be your purchases. It's not much good if you're spending \$10 per person to get them to come to your website but they don't actually spend any money once they're there. Conversely, if you pay \$10 for a conversion and then they come and they spend \$50 every time they come to your site, or that's their conversion rate, that's a pretty good five times multiplier on the initial investment. So it really comes down to some pretty simple maths of what it costs to get them there, what it costs to get them converted, and what the multiplier of that conversion is in relation to what you had to spend. And potentially, your business might want to sort of front-end that spending quite a lot and you might be wanting to get people there and then the lifetime spend once you've actually got them there is going to average out. You'll have to work that out. And again, it's a pretty big topic and there's a lot of depth in it. I really recommend if you're in the Digital Ready program and if you've got your own digital coach, you really sit down with them and get them to help you work out what that ROI is.

So that's all from me for today for our webinar on Facebook Advertising Part 2. If I had to sum it up, which of course I will, it's strategic. Everything is strategic. With Facebook advertising, the best wins come from really, really knowing your customer. It's really targeted. Again, you've got to know who they are, what they want, what their pain points are, and what problem you are solving for them. You have to be able to measure it. There's no point just throwing money into Facebook advertising. If you aren't sure of what the Return on Investment is for you and whether it's actually good value or it's really bad value, you might have a million likes but it might have cost you \$10 million to get there. Clearly, that's not a good investment. And you've got to test, continually test your hypothesis. All of that is made really easy with analytics and, thankfully, that is the subject of our next webinar. So I really hope you can join me for that. We're going to deep dive into Facebook Analytics and find out how you can actually get your head around measuring all of these actions we've taken per the information from the last few webinars.