

Facebook Analytics

Here we are. We find ourselves today right here at Analytics. Now, you might be thinking “That doesn’t sound very sexy, Dr Digital. Could you not have a bit more razzle-dazzle for your final show?” But realistically, Analytics are the things which hold it all together, because after all that work you’re about to put in, they are the thing that is going to tell you if you’re doing it right. So, Analytics are your friend and by the end of this session, you will be loving them more than you’ve ever loved numbers before. So, if you’re wondering where you’re going to find Analytics, don’t go now, or I guess you can go now if we’ve got couple of different mobile tools you’re playing with while you’re watching. You can find them in Ads Manager in Facebook and when you get in to Ads Manager, you can go into the Measure and Report Section, and all of the stuff I’m going to be talking about today, that’s where you’re going to find it. So, go and have a play but wait till we get to the end. Okay, go now.

Facebook Ads Analytics

What metrics to track?

Understanding the right metrics will help you manage your campaigns, and ensure that every dollar you spend is targeted and working hard for the brand.

Alright, let’s find out what metrics to track, that’s probably the first question for most people. So, if you’ve been following the journey with us on Facebook or live stream, you will have gone through that process of crafting the perfect ad; getting your visuals to be really compelling, making every word of your copy count. Then you will have drilled into your demographics; you will know what your customers dream about at night. You’ll have such a good idea of who they are and what you do. All of that work, all of that has led us right here to where we are, at our friend, Analytics. But

understanding what metrics to use to manage your campaign is going to do the thing that you really need, which is to understand where your dollars are being spent; not just where they're being spent, but where they're having the maximum impact. You've got to make sure that that money is working hard for your brand. And one of the things that I've consistently said about Facebook ads and using Facebook for business over this live streaming period, is that it's pretty good value for money, and you get better value for money the more you can actually work out what is working and what is actually changing behaviour in getting people to purchase. So as the saying goes, "Lies, lies and damn statistics." And like most things, numbers can actually be cut a whole lot of different ways and they'll tell you some really different stories.

Measuring how your campaign's performing

So, over the course of the next half hour, we're going to look at a few of the different ways of measuring how your campaign's performing. Now, all of these different metrics, they're not an either/or situation; these are things that you use in combination, and that's really the best way of understanding if you're investment is paying off in sales. So, don't pick and stick with one, this is a case of refining out the variety that work best for you and then following them down a pathway of understanding.

Vanity Metrics

The feel-good pointless analytic

We're going to start with one of my favourite metrics; a vanity metric. Now, we've all looked at our Facebook page at some point and said, "Does my audience look big in this?" Vanity metrics are the ultimate feel-good but slightly pointless metric. Now, back in the old days of Facebook, when it all began and when there wasn't a million other social media channels, the metrics of vanity were quite important. So, what I mean by vanity metrics are basically how many people are following my page, how many people like my page. So, back in the day, there was nothing as great as being able to see, "Oh hey, I've got like a ka-billion followers," and it made you feel really great. What we know now, now we've stopped paying the Russian mafia to just basically buy a millions of followers for us, what we know is that it's not how big your following is, it's how well you use them that counts.

Pure popularity will only get you so far, unless you're a Kardashian. In the case of your business, what you need are raving fans – people who are not just going to love you and endorse you and be an evangelist for you, but are actually going to convert their action into some kind of a transaction. So, a hundred raving fans versus 10,000 passive silent audience members, the raving fans, will trump that every single time. So, while at the beginning you might very much use a vanity metric; I mean, there's nothing more depressing than looking at your Facebook for business page and only



having 10 people on it. So, actual numbers do count in that respect, but they don't count until they have some kind of conversion attached to them. Now, my understanding is that the magic number with Facebook is about 500 people. When you get to about a count of 500 followers, that's the point at which all good things start to really kick in, in terms of the algorithms on your page and that's a really good place to start from. So, certainly, work your vanity towards getting to 500, but it's only ever a measure that can sit on the side. And, again, don't forget that your Facebook page and your Instagram page and all these social media channels and how productive they are, they're part of your IP, they actually have some value. So, as I said, back in the day, if you could sell your business, sell your brand and say, "Well, I've got 10,000 followers," that might've meant something. These days, if you say that, you're much more likely to find that a buyer for your business or brand will say, "Okay, so show me your metrics and show me what those people are actually doing when you use them." So, keep building your audience. I'm not saying that it doesn't actually mean something, what I'm saying is it's kind of how popular am I? And of course you're really popular.

#1 Reach

Who is seeing your Facebook Ad?

Let's get to some of the nitty-gritty metrics though. So, the first metric we're going to have a look at today, and it's a really true metric, is reach. And again, when you go into your Facebook Ad Manager, you'll see these headings quite clearly and you can start having a look at them and what they actually mean. So, reach basically describes how many people get to see your post. So when you go into your demographics and when you choose all those different demographics we've talked about, you're putting together a profile of who you want Facebook to target those ads onto. So, when the ads pop up in your Facebook stream, you are part of someone's reach. So, the assumption is for a lot of people that the more people you reach the better it is. And quite often, it can almost fall into that vanity metric sort of category, because reach, in and out of itself, much like followers or likers, it doesn't determine what the action that's going to be taken is. A hundred thousand people driving in their cars in the morning might see a billboard or they might see the back of the bus, and it might make no impression on them whatsoever. They might be no actual action that comes from that. And so, you might have a reach of say 40,000 people that get shown your Facebook ad, but if none of them click on it, because the reach doesn't have a lot of value; it's not actually going to be a good use of your spending. What reach does though, is it works well when it's coupled with some of the other metrics we're going to discuss, because then you can really see who you reach and what action that they take.



#2 Relevance Score

Is the audience being reached relevant to your brand?

So, we're working through sort of a linear progression of understanding of the metrics. Volume, your vanity metric is one. Reach is another one. And it is important, because you want to be making sure that the ad is actually getting in front of the eyes of people; having eyes on it is really important, but it's what those eyes do with it that makes it a much more powerful set of numbers. So, the thing that works with reach in complete lockstep is something that we call Relevance Score. So, the question here is the audience that you were reaching actually relevant to your brand and this is really important, because you might remember on the last Facebook Ads live stream that we did, we talked about what happens when your brand gets put in front of someone who isn't in your target audience, doesn't like it and might actually take a negative action against it; where they will click a box saying, "Don't show me this again," or "This is offensive," or whatever it is. And so, you want to make sure that your reach is hitting the right people.

Facebook considers how relevant an ad is when determining who to show. So, you've set up the metrics for them, you've set up some of the demographics for them, and then they put that out in front of all those people that meet those demographics. When your ad is really relevant to your audience, so when you've nailed the demographics and Facebook is showing it to the right people, it's much more likely to get what Facebook will give as a high Relevance Score. And the higher Relevance Score you get, the better it is for your targeting. So, making sure that you have those demographics right is really important. And as a result of that, you pay less to reach your audience, which of course is a great reason to be really across your demographics and make sure that you're targeting right. That's something we really talked about a lot through these series of Facebook and the ads particularly, so really understanding who that audience is. I'm not going to hammer on about it again, but if you've missed any of them, as I said, go back to some of the earlier live streams we've done. So, ad Relevance Score can also help you know when to refresh your ad. When you start seeing those numbers drop down, it's an indicator that your ad's creative is getting a bit stale and you need to change its targeting potentially as well. If you want to work out how to understand which of your creatives is working and which isn't, you can use this Relevance Score to really test which message or image or video is really resonating with your audience. So, again, you'll remember I've talked before about split testing and doing a couple of different ads, running them separately at different times to different demographics with different styles of creative in them, to see which one is really impacting on your Relevance Score. So, anytime you start to see a dip or you just feel that things aren't moving along



maybe quite as quickly as you'd like them to, one of the things that can trigger in you is to go back, if your Relevance Score is dropping, and have another look at your creative. And that's again the great thing, like you want to be pressure testing continually, particularly in the early days of running campaigns. When you're still trying to work out what the relationship with your audience is and pressure test that demographic understanding that you have to make sure that it actually is right.

#3 Interactions

How many customers are taking the bait?

So, let's look at our next metric, now; interactions. We've had a look at the reach; we've had a look at relevance and again in this logical progression, the next thing we want to see is what people do when they get that image in front of them. So, interactions, the metric, this is actually dependent on what it is you want your people to do. So, you've heard me say the phrase, **Call to Action** many a time, also CTA. So, your Call to Action is basically what you've put in your creative that's asking your customers to do something when they see that. It's the call and response. So, with the metrics for this, you're measuring how many people actually took that action. Now, that action might be something like a "like." It might be downloading an app. It might be watching a video. It might be clicking through to a landing page. All of those things that we've talked about before, they're all the type of interactions that you want to have on your site.

So, interactions are a really critical measure, and again when you're looking at your reach and when you're looking at your relevance and then you look at your interactions; you can see how it starts to tell a story of the behaviour of your customers from when they first engaged with your brand, to when they take their first action to actually deepen that relationship with it, which is what it's all about. Everything that we're leading up to is around that deepening of the relationship; leading to a conversion and a sale. So, in addition to interactions, you also have metrics around the cost per interaction. So, what you're paying is really linked to this. If you're paying for a cost per click or a cost per download, you're really wanting to know what the value of that is. So, if your campaign is entirely based around getting some kind of action to happen and no action's happening, again, that's a trigger that says to you, "Go back," and really start to pressure test your creative, your demographics, just to see what's working and what's not. Something in your ad; if people aren't interacting when you're giving them a very clear message or what you think is a really clear message, if they're not working with that, then it's not working with them and you need to go back and have another look.



#4 Traffic Value

Are your Facebook ads generating peak hour or crickets?

So, this is where the metrics and looking at Analytics can really save you some money and it can really help you. You don't want to be out there in a white room, in a white coat doing some kind of crazy experiment without anyone actually giving you feedback on whether it's working or not. So, metrics give you that feedback, which is why Facebook has them, they're there to help you. So, the interaction is really important and don't leave it for a long time. You want to be really tightly monitoring those interactions and seeing if people are doing what you want them to do. And just take it onboard that it's possibly something that you've done wrong and you need to fix it up. And when I say wrong, of course, there's no wrong. It's really just that you haven't hit that point that your customers are connecting with, whether it's something that compels them into action. So, that's your interaction and again, most of us would be doing ads for our business that have some kind of an interactive component. We're not just there to have people look at a pretty picture. Even at the most minimal, we'll be getting them to engage in that vanity of liking us. So, again, if that's not happening and your Facebook's saying that 40,000, 50,000; however many people are seeing your ad, you've got to do some tweaking because what you want is traffic value and that's the next metric we're going to have a look at.



So, traffic is not just how many people are seeing your Facebook ad, it's actually then what's happening to get them to go to your website. Now, we're making a relatively big leap, that's what is happening here, is that they're going from the Facebook ad to either a landing page or they're going to your website. They're going to the place where they can make a transaction. And the question is, do you have the roar of the traffic thundering along your super highway or are they just crickets chirping quietly in background of no traffic. Of course, if you've been watching the live stream, you're going to have that thunderous roar of traffic, but just in case you don't, you want to have a good look at your traffic metric. And I think it's probably one of the key metrics that you need to have a look at when you're trying to work out if you're getting value for money for the money you're spending. So, traffic leads into conversions, and we're going to talk about that in a second, but in looking at traffic, let's say for example that for every 100 people that visit your site, you're going to get five inquiries or sales. So, if these inquiries or sales are worth let's say \$100 each, you know that the average click to your site is worth about five dollars. Now, we did some simple ROI, or return on investment, in the last live stream; so again, all that information is waiting there for you. But you know that you really need to measure the whole time to make sure that the money you're spending is targeted and the only real way you can do that is when you get enough conversions to allow you to work out if the spend is then creating a profit that makes it worth doing. And again, it'll come back to whether you've got your demographics right.

So, if your campaign brings a thousand visitors who are highly relevant through to your website or your landing page, you're going to be able to measure your traffic value. You probably also need to do this in lockstep with Google Analytics, and with other things outside of Facebook, that are going to help you understand how all those metrics are connecting together. Facebook will show you a degree but Google Analytics are going to give you that power that sits behind your website. It's not the subject of this analytics, because we're just talking about Facebook today. But once you get your head around Facebook Analytics and the metrics they use, it's going to be much easier for you to really feel confident about getting around the metrics of Instagram and of Google. And these all work together, because most of you are going to be using a number of different channels. And certainly, a website is the main landing page, unless you're doing a lot of your actual revenue conversion through your Facebook page, which isn't so common. Even though Facebook have that capacity in there now, most of you are going to have people being driven to a place where an actual revenue transaction can happen. So, this is how you measure traffic; the traffic, again, it's not about the roaring of a super highway where no one stops, it's the measurement of stopping, paying and how many times that's happening, which all comes back to whether you've got the earlier reach and relevance right and the interaction.

#5 Conversions

Has the funnel you set up through your campaigns resulted in customer purchases?

So, we've got all that traffic roaring towards you and now we need to get to the favourite part; the conversion. So, has this funnel that you've set up with all your campaigns, is it actually resulting in customer purchases? Now, this is the kicker. We talked about it a bit with traffic, but this is the Holy Grail; it's what we're all trying to do. The point of everything that we do with Facebook advertising; from getting people to know us, clicking on through our ads, is that when we get them there, we want them to make a transaction and to put some ka-ching into our bank; that's the investment in your Facebook ad campaigns paying off. Now, you might remember, cast your mind back to when we talked about the Facebook pixel. Now, the Facebook pixel was part of the first Facebook ads seminar that we did; that Facebook pixel is what helps you track where those customers go. So, in theory, you've installed that pixel on your website, or you've had your webmaster or your smart five-year-old do it for you. And you'll be able to track where that traffic goes and that traffic that's coming from your Facebook ad. So, that's going to help you measure the actual conversions that are coming from Facebook. Like I said with traffic, you want to be able to really see that the actions someone's taken, clicking through your ad from Facebook, has taken them directly to the point where they're going to be able to make a transaction. That way, you can also make sure that your targeted campaigns are ones which are leading to conversions. I sound like I'm kind of going



around in circles a little bit with this, but it's so important that the conversion is the thing that we're working towards and the conversion is an absolute direct result of making sure that you are speaking directly to the deepest, nichest audience there is for your brand, for your product, for your service, whatever it is that you're trying to achieve. So, it all goes back to those earlier pieces of work that you've done on making sure your demographics are right, because that conversion is the thing that is going to really, truly demonstrate to you that you've done everything else right. So, looking at those metrics is going to help lead you towards understanding how the conversion is happening and what it's coming from and what's working and what isn't. So, the ducks need to be in a row and needless to say that all of those other things have to be done first. And I'll say it once and I'll say it again, it doesn't ever happen in isolation with Facebook. You need to have all of the heavy lifting done at the very beginning before you're going to get to that point of conversion.

Facebook is undoubtedly one of the tools and it's a big noisy tool. It's there to help you, but it's not the only tool. So Facebook can only do so much of the work, you need to make sure that your website has its SEO done right. You need to make sure that when people get there, it's really easy to navigate and it's easy for them to get to that point at which they can actually have a conversion happen. So, when you're using Facebook metrics, basically you're taking all of these different elements and all of the information they're giving you and you're putting them together to form a story of people's behaviour. And this is the ultimate way that you are able to validate your hypothesis of what, in the very first instance, started off your ad campaign, the sort of logic that was behind it. The analytics that sit behind the behaviour is what can say to you, "Yeah, I really thought that was my audience and now I absolutely know that I've nailed it."

Cost and Results

The 'cost' and 'results' of your campaign can help you determine your true Return on Investment (ROI)

So, let's have a little bit more time with return of investment; it's something that people continually ask about. And if you do have any questions, you can just pop them in the comments part of the Facebook page. We love to have your interactions and see who's listening and who's enjoying, so make sure you say "Hi" and pop a question in and I'll answer them if possible, and if not while we're live streaming, of course, we always check and answer later on and let you know what the answer to your question is. So, cost and results. These are going to make you really understand what the true ROI on your campaign is. So, every other metric that you are identifying as important, outside all of these ones that we've spoken about, really are there to assist you to understand and refine your core sales funnel. So, even though this is very digital, very social



media, very online; it's still a sales funnel and it's still taking a volume of people and whittling them down to the narrowest stream which are going to be of really high value. It works in every way you set up a sales funnel, it still works the same way; except with social media and digital, it's a two-way street and you get much more interactivity than in the old way of doing sales funnels.

So, as we said, some of the vanity metrics, they sound appealing but they're kind of used in vain. You've got to find that everything you do actually helps you to understand the true return on investment. Unless you can really see that the \$100 you've allocated, let's say, to a day of Facebook advertising campaigns has directly resulted in X amount of people coming to your site, X amount of people clicking through, taking that action and interacting, and then X amount of people doing a transaction which is returning your profit. Unless all that's happening, you need to go back through each of the metrics and really start to look in and see where the gaps are or where the breaks in that chain are. You want to make sure that there is an absolute reason that you're putting all this time and effort in at all these study, and metrics are really great way to do that.

Lies, Lies, Lies and Analytics

Understanding the truth about your metrics - and what to do about it

What's the best way you can go in and you can see all the graphs and you can see all the bar charts and you can have all that information there, but how do we make that information valuable? So, let's look at lies, damn lies and analytics. Now, as you know, I mean numbers can be manipulated to be used in different ways to tell different stories. But for you, you need to actually be able to form a cohesive and ongoing narrative about your business through analytics. Now, I'm probably someone who is not a great lover of numbers; I'm not a spreadsheet goddess, I don't like sitting there and pouring over things. But one thing I learned really early on is that I had to push on through my natural resistance to looking at behind the scenes and staying with all the pretty creative work, and actually learn to love those charts and love analytics. And the best way to do it is to track it really, really regularly. This isn't something that you do once a year, like with your tax return when you pull the box of receipts out from under your bed. This is something you actually need to do pretty much every week. Stop reeling back in horror. But I think in an early campaign, if you're starting out with your business and if you're starting out with selling, you need to track things in quite a granular way. And probably it's actually something you need to do day-by-day if you're split testing or you're early on your campaign times.

Measure plus refinement equals ongoing results. So, set up a spreadsheet for yourself in Excel all of the Facebook Analytics they all export into spreadsheet; so, into whatever your preferred sort of mode is. And by doing that, you want to really track what happens to your graphics and Facebook Analytics are set up in a way that actually make them really easy to read. They're not super complex in that you can see at a glance what's happening and you can see where the spikes are, you can see where there's a concentration of activity. And from that, you can learn to develop an understanding of what the behaviour of your customers is. So, you need to get familiar with what it is that Facebook has to offer. Now, Facebook want you to advertise with them; they want you to

understand and analyse the metrics and do it better, because the more you advertise, the more money they make. So, it's been very much in their interests to provide you, as a business owner, with a set of very great complex but simple tools to use. So, don't worry that it's going to be overwhelming. When you go in and start looking at some of those metrics, you'll find that they actually are really helpful. And you'll be looking forward to go in, because it's going to validate what you're doing and that you're doing it right, or it's going to really help you to unpack that puzzle of maybe why it isn't working. So, Facebook metrics and the analytics are a really close friend of yours, but they're a friend that you need to spend quite a lot of time with and deepen the relationship as early as possible. Do it at the same time; make a date with yourself and metrics and sit down, download and analyse, make notes and keep a track. You'll find that in six months or so when you look back, it's going to be fascinating for you to see what has changed and what's happened. And each campaign you run, do the same thing. Have a look at your macro campaigns, have a look at the minutiae each of your campaigns. Now, I'm hearing all these small business owners out there, in my head, saying, "Polly, we don't have time for this." You always have time to make your business run more efficiently, smarter and harder, and to spend money in a targeted way. So once you get through the initial learning curve, which doesn't take long. As I said, if I can get around it, you guys can get around it too and it's really important. And as I said, not just with Facebook, then start looking at the bigger metrics, the things like Google and into the backend of your website. If any of you are using Weebly or Wix or Squarespace or any of those websites, they've all got really awesome analytics in it too, because like Facebook they all want you to spend the money. So, make friends with your analytics and track and track and track, measure and refine. All of this will make your business run better, make your sales pipeline tighter and make the ka-ching fall out of the bottom of it more readily.

The big Facebook advertising live stream finale

So, that's pretty much all I'm going to say about metrics. You've got the metrics that I think are the most important ones for you to track. They follow a story like everything we do; it all follows a story, and you need to work that narrative all the way through the end. And of course, as we're coming to the big Facebook live stream finale, it would be absolutely remiss of me to not just give you a little recap, because we've been telling a story over the past four sessions and I'm just going to remind you what the key points in that narrative is and who the heroes are.

- **Strategy**

Of course, you're the hero. It all begins with strategy. Without having strategy at the very beginning when you first start thinking about your business and your brand, how are you're going to know how to sell or who you're selling to. So, getting your strategy right and putting some time into that is one of the most critically important things of all.

- **Delivery**

The delivery and execution is a really big part of that as well. Once you've gone to the trouble of the strategy, how is it going to be delivered? Getting the elements of your creative right;

making sure that the pictures are perfect, each word is working hard for you on the page, making sure you really understand what Facebook is allowing you to do in their advertising and the kind of opportunities you're going to have with that. With carousels, with image, with video, with stories; all of that, it's all there for you to use and it's just a matter of continually working to understand it, asking for help, using all the tech tips that are in there.

- **Refinement**

Refinement is the next step; once you've gone out there, the job's not done; it's only just the beginning.

- **Measurement**

And that's where you really start to look at the metrics and start playing with those measurements. Refining and measuring all the way through to make sure that you're getting the best bang for buck possible.

- **Repeat**

And then repeat. You can have a sleep in between and you just keep on going. Each time you do it, you will do it better. You'll connect more. You'll get more fans. You'll get more sales. You'll build your brand and before you know it you'll be a rip-roaring digital business. And you'll probably be sitting down with some newbie and telling them the exact same story that I'm telling you now. Won't that be awesome?

That's all from Dr Digital for today. Keep pushing your boundaries. Keep learning new things. Keep following your curiosity. And most of all, just keep talking to your customers. You have a super awesome afternoon and I'll see you somewhere on the internet.