

FACEBOOK AD OPTIMIZATION

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24



OPTIMIZING FACEBOOK ADS



Cliff Notes

In this video, we show the importance of metrics and rules to quickly identify successful and failed ads. Are you having a tough time understanding your Facebook numbers? This video will help shed light.

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1. When you are setting up your campaigns, make sure you differentiate between Leads & Complete Registrations.
 - Leads=EmailAddressesonthe initial opt-in page, Complete Registrationsarebookedcalls.
2. The funnel we are advertising is: <https://reactivefunnels.com/ecommercetraining50>
3. After they opt-in they are taken here: <https://mronit.treylewellen.com/thank-you>
 - When they land on this page, a Lead Pixel fires.

...OPTIMIZING FACEBOOK ADS

4. Then we have them book a call on this page: <https://mronit.treylewellen.com/scheduler>
 - When they land on this page Add To Cart fires.
5. This is where they land after they book a call: <https://mronit.treylewellen.com/calltypage>
 - When they land here a complete registration fires
6. Key Metrics that we look at everyday
 - a. Cost Per Result = What did it cost to get the end result I was looking for? E.g (Purchase, Lead, Complete Registration, etc..)
 - b. Unique Link Clicks - CPC [Cost Per Click]
 - i. Cost Per Click is a good indicator of adset performance.
 - c. CTR [Link Click Through Rate]
 - i. Simply Impressions divided by Clicks.
 - d. CPM [Cost Per 1000 Impressions]
 - i. The more clicks we get per 1000 impressions, the cheaper our CPC is.
 - e. Remaining Metrics we observe daily: Amount Spent - Leads - Cost Per Lead - Budget - Reach - Impressions

SETS OF RULES

7. Here are sets of rules we use to determine whether to stop an Ad or continue spending on it..
 - a. The 3x CPA (Cost per Acquisition) Rule - is a good reference to determine whether to keep an ad on or turn it off.
 - If the target CPA of an Ad is within 2x, it can still continue to run, but once it hits the 3x threshold, it is better to turn off the ad and re-strategize.
 - b. Most Important Conversion Rule - determine your most important conversion (leads, complete registrations, purchases, etc.) and monitor the results of your ad spend accordingly. You may need to continue ad spend to get the results you want.
 - c. Budget Increase Rule - we increase good performing Ad-sets by intervals of 20%.
8. As shown in our campaign, once we know our important conversions and target numbers, we can go line-by-line and easily determine which ads are performing well and which we should turn off or adjust (decrease budget).
 - It is important to note that having your columns setup properly makes it easier to read through your metrics.
9. How to make decisions for Ads is the main takeaway..
10. It is a good rule of thumb to track ad monitor your stats and keep a spreadsheet for reference.
11. Understanding your metrics is a huge competitive advantage. When you know your numbers, you can spend on ads more confidently knowing the value of each customer.

ADSET COMPARISON

Example: Let's take Trey Lewellen's Funnel.. We'll compare two Adsets..

Adset 1: All Website Visitors 30 Days

Link Clicks - 88

Cost Per Click - \$3.85

CTR (Link Click-Through Rate) - 1.52%

CPM (Cost per 1,000 Impressions) - \$57.47

Leads - 33

Cost Per Lead - \$10.07

Registrations Completed - 2

Cost per Registration Completed - \$166.19

Adset 2: 75% V V Ads

Link Clicks - 7

Cost Per Click - \$6.64

CTR (Link Click-Through Rate) - 0.77%

CPM (Cost per 1,000 Impressions) - \$51.25

Leads - 1

Cost Per Lead - \$46.48

Registrations Completed - x

Cost per Registration Completed - x

Both of the above Ad sets contain just one ad, and both ads have the same written copy and images. (part of Trey Lewellen's funnel)

ADSET COMPARISON

Ad Set Name		Delivery	Link Clicks	CPC (Cost per Link Click)	CTR (Link Click-Through)	CPM (Cost per 1,000 Impressions)	Leads	Cost per Lead	Registrations Completed	Cost per Registration Completed
All Website Visitors 30 Days		Active (Learning) 1 Approved	88	\$3.85	1.50%	\$57.72	33	\$10.27	2	\$169.49
Engaged With Page - 365 Days		Active (Learning) 1 Approved	138	\$3.56	1.03%	\$36.48	60	\$8.18	2	\$245.52
75% V V		Inactive	7	\$6.64	0.77%	\$51.25	1	\$46.48	—	—

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\$36.48	60	\$8.18	2	\$245.52
\$51.25	1	\$46.48	—	—

ADSET COMPARISON

- Even though both ads are the same, All Website Visitors 30 Days outperforms 75% VV (Video Views). This is observed through the higher CTR (1.52% vs 0.77%) and much lower cost per lead (\$10.07 vs \$46.48)
- In reference to our 3x CPA Rule, \$46.48 is over 3x higher than \$10.07 (if our target is \$10), we can quickly conclude to turn off the adset due to sub-par performance and higher CPA.