

OPTIMIZATION COURSE

METRICS > ANALYSIS > ACTION
INCREASE YIELD, KILL WASTE.



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Why is optimization important?

“I tried it and it didn’t work” is one of the most bone-headed things we hear from clients and wannabe marketers -- one shot and they’re done.

In digital marketing, there is no penalty for taking many shots on goal. We learn quickly and iterate constantly. We expect failure 90% of the time.

Make another ad, try another subject line, choose another set of keywords, adjust your budget, tweak the landing page, and so forth. Via many cycles of experimentation, we’ll certainly find some winners.

This course will help you efficiently go through this testing cycle via a framework called **#MAA (Metrics > Analysis > Action)** in conjunction with **#CID (Communicate > Iterate > Delegate)**.



In Optimization, you’re using data to answer these questions:

- How are my different marketing channels performing relative to one another, and where am I bleeding?
- What is the right amount of effort and spend to place on Pay Per Click, email marketing, Search Engine Optimization, offline campaigns, and social media?
- How much provable profit, Return on Investment, and margin are being generated by each of my marketing campaigns?
- Based on the data, what are the top 10 specific things that my organization can do to improve the metrics?

How does Optimization Fit in with the Other Modules?

Optimization is the 6th and final module of the [Social Amplification Engine](#), following Amplification. This is where we do the hard work and pull in results.

In the Social Amplification Engine, we start off with [Plumbing](#), which sets the foundation for a sound social strategy. “Plumbing” means tracking your efforts and building remarketing audiences so that you know where an additional dollar will work the hardest for you.

Together, #GCT (Goals, Content, and Targeting) defines your digital marketing strategy and is channel-independent. This strategy tells us the pieces we need to make your company succeed on each digital platform. Then, Amplification is where we amplify content-target combinations.

We report performance in terms of #GCT, which aligns execution with your key interests.



The Optimization Cheat Sheet/The Optimization Concepts

The Optimization Cheat Sheet

- Identify one goal at each stage of the Awareness, Consideration, and Conversion (#ACC) funnel.
- Start with your Awareness campaign. Hint: don't mix Awareness and Consideration campaigns together.
- View campaigns by ad sets.
- Apply Top N and sort all ad sets by amount spent in descending order.
- Apply Metrics Decomposition and identify problems and opportunities.
- Based on the metrics and analysis, make logical recommendations.
- Tabulate the metrics, analysis, and recommended actions in three columns.
- Share the table with stakeholders.
- Repeat this process for your Consideration and Conversion campaigns.

The Optimization Concepts

- Optimization Framework: #MAA.
- Top N.
- Metrics Decomposition.
- The revenue equation.
- Quantity vs Quality trade-off and balancing metrics.
- Iterate (or die).
- Operational Framework for Ads Specialists: #MAA/#CID.

Optimization Framework: #MAA/Top N

Optimization Framework: #MAA

Optimization cannot happen without the right data. To find the right data, first you need to know your business marketing goals. This means the (1) desired action and (2) its value to the businesses. These two pieces of information combined will enable you to align optimization efforts with your business's goals.

Once you have the right metrics, you have to make sense of it. Metrics without analysis are just numbers. They do not mean anything to the business. The goal of analysis is to answer the question, “so what?” Analysis helps you identify the (1) root problem or (2) present opportunity. Either of these are always present.

Finally, with the right metrics and analysis, you will recommend a course of action to fix a problem or take advantage of an opportunity. Because your recommendation is supported by data and reasonable conclusions, you can present a suitable solution and convince others.

This 3-step process is called **#MAA** - M for metrics, and AA for Analysis and Action.

Top N

Top N is a sorting technique that helps you prioritize things to pay attention to. It applies not just to digital marketing campaigns.

Whether you know it or not, we apply Top N every day. When we wake up, we choose to brush our teeth before eating breakfast. We choose to watch Netflix, play football, and do homework (hopefully) before we go to bed. We make choices among a sea of other things that we could have done. That is the essence of Top N.

When it comes to running digital marketing campaigns, we often have tens of campaigns, hundreds of ad sets, and thousands of ads all running at the same time. We cannot possibly pay attention to everything, hence the need to prioritize.

Therein begs the question, “which campaigns/ad sets/ads should I look at?” Fortunately, there are only a few important dimensions we usually have to consider: ad spend, cost per action, and number of actions.

The top 5-10 ad sets by ad spend often account for the majority (more than 50%) of total spend. Compare that to spending hours optimizing 100 ad sets. The effort you

spend on the top 5-10 would have made a similar impact on optimizing the other 90-95 ad sets.

Similarly, sorting ad sets by cost per action reveals the most expensive ads that are wasting money. If the conditions of statistical significance are met, killing off these ads will take no more than five minutes.

But optimization is not about getting cheaper cost per action. It is about achieving as many goals as possible within constraints, like cost per action.

Looking at just the top 5-10 ad sets by number of actions, you may see opportunities to scale and get even more. As long as the cost of each action falls within the cost constraint (i.e., each action is profitable), it makes sense to spend more, create more content, or expand the same content to reach more people.



Optimization / Productivity: Top N - Phoenix Training (18:39)

Metrics Decomposition

Earlier, we talked about #MAA. But how do you move from metrics to analysis? The answer is in Metrics Decomposition.

A seemingly complex concept, Metrics Decomposition describes the relationship between many different metrics. This relationship enables you to make sense of changes in results, like a sudden change in cost per action or a spike in conversions. It keeps you calm because you will be able to figure out what went wrong/right.

- This is the profit formula behind Facebook ads -- not sales puffery, but a mathematically derived formula.
- It starts with applying the conventional profit formula: **Profits = Revenue - Cost.**
- Revenue from Facebook = Value per conversion x No. of conversions. **If an apple costs \$5 and you sell 5 apples on Facebook, your revenue is $\$5 \times 5 = \25 .**
- Cost from Facebook = No. of conversions x Cost per conversion. **If you spent \$3 to sell an apple, your cost is $\$3 \times 5 = \15 .**
- Your profit is thus **$\$25 - \$15 = \$10$.**

Unfortunately, this is where many beginner marketing consultants stop. Let's say, today, you sell 5 apples at \$5 each, so you don't make a profit. How would you go about finding out what the problem is?

Here's how we would do it:

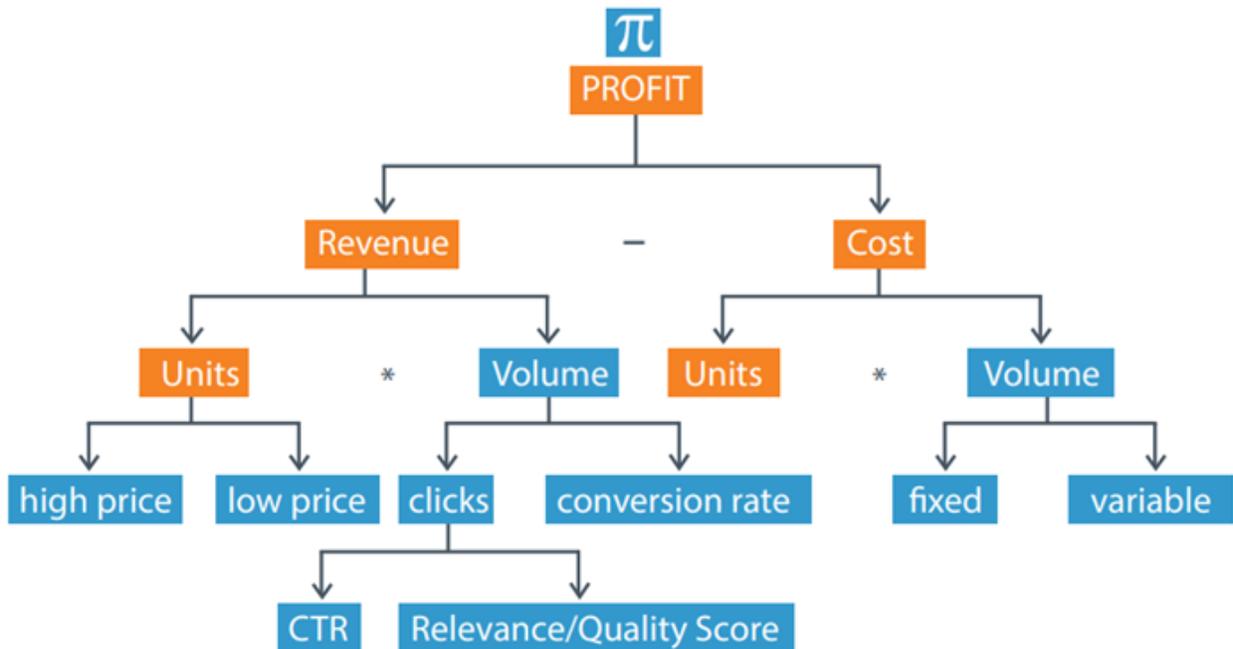
- Compare the conversion rates today versus yesterday. Did fewer people buy per 100 visitors?
- If not, compare the visits on both days. Did fewer people come along?
- This or the previous point must be true.
- If conversion rates stayed the same, but visits dropped, compare click-through rates on both days. Did fewer people click on my ad per every 100 impressions?
- Otherwise, compare the number of impressions served. Were there fewer impressions?

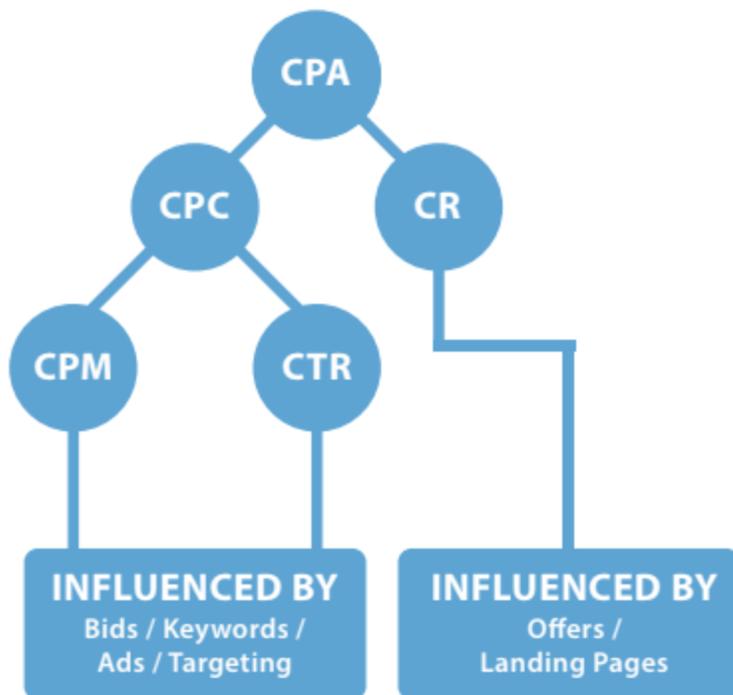
We could go on and on for the next few paragraphs, but you get the point.



Micro Optimization -Logan Young - Metrics Decomposition (04:44)

**METRICS
DECOMPOSITION**





When you drill down on a series of metrics to determine an underlying root cause, you're then able to take action. This model of actionable insights can apply in other areas of your business:

- **Certain content on your site is more popular than others.**

Start from what articles are the most popular, drill into which ones generate the most conversions (which is not the same as what gets the most traffic), and send alerts to your staff to write more articles on these topics.

- **Your organic traffic from Google search is decreasing.**

Start from what keywords are driving the most visitors, drill into how your average position on certain keywords have fallen, and send actions to your staff to build more inbound links to get past competitors.

- **Based on these alerts, provide suggestions, or even take action automatically.**

Decide when you want to review versus what cases you are comfortable with the system taking action. Example: PPC bid management to reduce bids on unprofitable keywords.

Full Checklist with Steps - For Facebook

01 - Identify Goals

(Time required: 1 minute)

- 1. Identify the most important metrics based on your goals. Pick a mini-goal at each of the **Awareness, Consideration, and Conversion (ACC)** levels.
- 2. Make sure you have selected goals in each stage of the Awareness, Consideration, and Conversion (ACC) funnel.
- 3. Make sure you agree to a target cost per goal (e.g., CPL) or Return on Ad Spend (ROAS).
- 4. Update the **Funnel Performance In The Last 2 Weeks** page in the [Success Template](#) (ST) with your specific goals.
- 5. Determine current budget and performance to set a baseline.

02 - Apply Metrics Decomposition and Customize Ads Manager

(Time required: 15 minutes)

- 1. Visit <https://business.facebook.com/> and make sure you are on your Facebook Ads Manager.
- 2. Apply Metrics Decomposition and find out which metrics affect your campaign and goals most. Refer to the Metrics Decomposition Cheat Sheet (page 22) if you need help.
- 3. Understand that Traffic (No. of Visitors) x Conversion (Rate of Visitors buying) = Revenue.
- 4. Set up your Facebook Ads Manager to show all the important metrics.

Start by looking at:

- Your number of conversions and cost per conversion. If you have no conversions, skip the next step.
- If you have at least one conversion, and your cost per conversion is higher than your initial target, set a ceiling cost per conversion. In general, your ceiling cost per conversion should be twice your target cost per conversion (range allowed for statistical variation). Monitor the cost per conversion and don't allow it to go above the ceiling.
- If you have no conversions, consider your click-through rate and number of clicks. In general, we try to aim for a clickthrough rate above 1% on Facebook and 0.5% on Google.
- If you have a low click-through rate in the beginning, consider testing new ads (headline, image, copy, angle, CTA).

- Once you have more than 200 link clicks, you should be getting conversions (around 20% for lead generation and 1% for direct sales). If you don't get conversions, consider testing a new landing page (new copy, layout, offer, angle, testimonials).
- Repeat the five steps above for each row in the Ads Manager until you cover the top 5 (or 10 if you have 10) by amount spent.
- Add your analysis to the "Notes" section below the page.

03 - Apply Balancing Metrics

(Time required: 1 minute)

- 1. Refer to the Balancing Metrics Table and identify the balancing metrics for each stage of ACC.

04 - Apply Metrics Decomposition

(Time required: 15 minutes)

- 1. Refer to the Metrics Decomposition Cheat Sheet (page 22) and identify the key metrics in your conversion funnel.
- 2. Check if you have selected all the key metrics in the Facebook Ad Report. If yes, go to Step 9. If not, proceed to the next step.
- 3. Select the relevant campaign(s) that you are analyzing.
- 4. Click on **Columns**.
- 5. Click on **Customize Columns...** in the dropdown menu.
- 6. Select all the key metrics that have not been selected.
- 7. Click **Save As Preset**.
- 8. Give it a name like "#MAA - Decomposed Metrics".
- 9. Click **Apply**.
- 10. Click on the first row that says **Amount Spent** (again).
- 11. Analyze the decomposed metrics relative to the campaign's average.
- 12. Add your analysis to the "**Notes**" section below the page. Include your explanation(s) for the ad's performance relative to the campaign's average.
- 13. Compare the decomposed metrics with the theoretical minimum performance required for each metric.
- 14. Add your analysis to the "**Notes**" section below the page. Include your explanation(s) for the ad's performance relative to the theoretical minimum performance required for each metric.
- 15. Repeat Steps 11-14 for the 2nd-5th ads to complete your analysis for the top 5 ads by ad spend.

- 16. Repeat Steps 10-15 for every Top N analysis you have done in the previous items (04: steps 1-9).

05 - Slice Data Using Different Segmentations

(Time required: 15 minutes)

- 1. Select the relevant campaign(s) that you are analyzing.
 - 2. Click on **Breakdown**.
 - 3. Click **Age** in the dropdown menu.
 - 4. Compare the amount spent for each age group versus the balancing metrics.
 - 5. Compare the balancing metrics for each age group against one another. Size up the difference between the best performing and worst performing in percentages.
 - 6. Compare the decomposed metrics for each age group against the theoretical minimum performance required for each metric.
 - 7. Update the “Campaign Performance By Age Group” page in the Success Template (ST).
 - 8. Add your analysis to the **Notes Section** below the page. Include your explanation(s) or insight(s).
-
- 1. Repeat Steps 2-8 for other breakdowns where relevant: Gender, Age, Country/Region, Placement, and Time of Day.
 - 2. Sort the segmentations/breakdowns by the percentage difference between the best and worst performance in each segment.
 - 3. Develop recommendations for the segmentation/breakdown with the largest percentage difference.

06 - Compare Data Against Last Period

(Time required: 10 minutes)

- 1. Select the relevant campaign(s) that you are analyzing.
- 2. Click on the dropdown menu at the top-right corner of the Facebook Ads Manager.
- 3. In the dropdown menu, click on **Last 14 Days**.
- 4. Click on **Breakdown**.
- 5. Click on **BY TIME**.
- 6. Click on **Week**.
- 7. Compare the balancing metrics between the last 2 weeks.
- 8. Add your analysis to the “Notes” section below the Funnel Performance In The Last 2 Weeks page. Include your explanation(s) or insight(s).

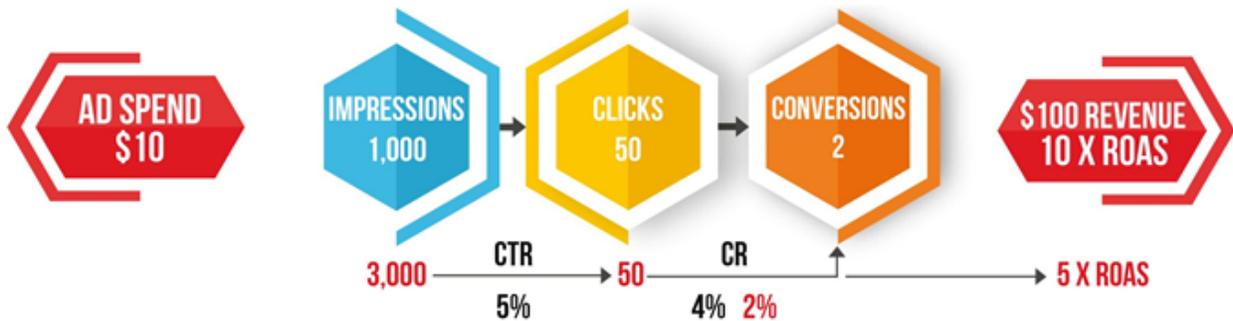
- 9. If you are preparing a monthly report, repeat Steps 1-9 but choose the last 2 months instead of the last 14 days.

07 - Tabulate Metrics, Analysis, and Recommendations

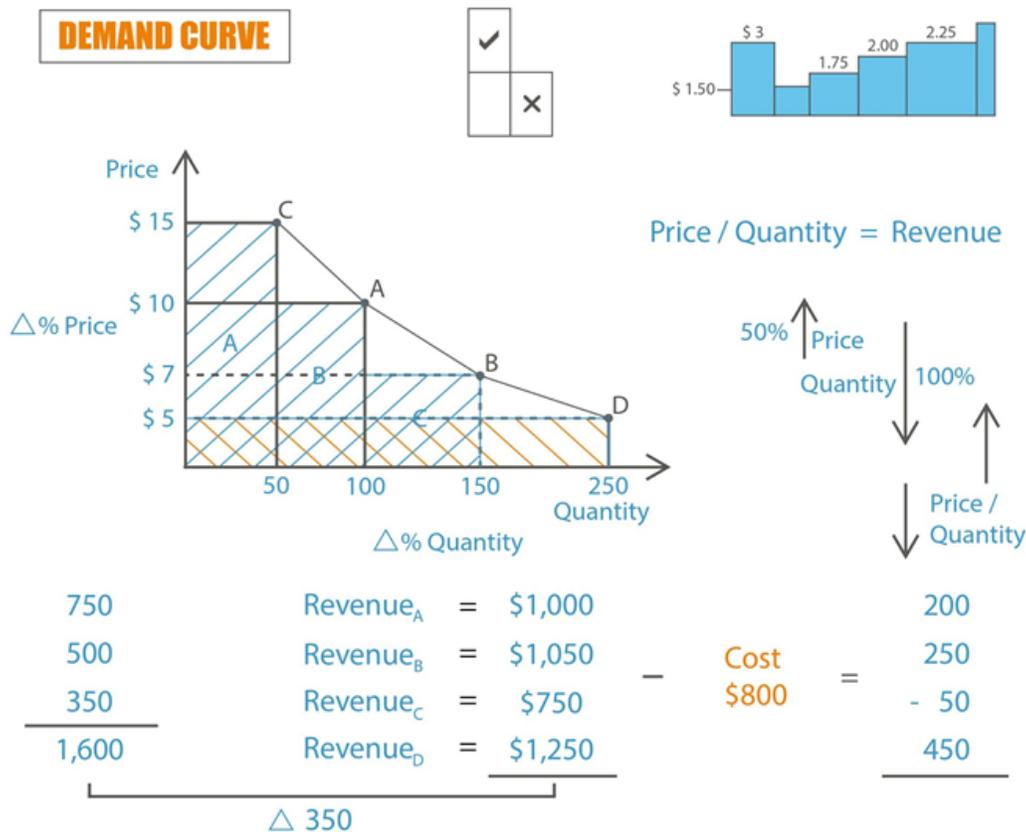
(Time required: 10 minutes)

- 1. Pull together all the important metrics in the leftmost column on the “**Analysis and Action**” page.
- 2. In the next column, include the corresponding analysis.
- 3. In the last column, include the recommended actions.
- 4. Check and make sure that the analyses are supported by the metrics.
- 5. Check and make sure that the recommended actions are supported by the analysis.

Troubleshooting Conversions



Your profit is a function of cost and revenue, maximized where marginal revenue equals marginal cost. A bit of first-semester economics will help you find the spend level that maximizes profit, which is not the same as maximizing margin or revenue.





Cost per efficiency	CPM	CPC	CPA
Volume	1,000	100	5
Derived	1,070	100	5%

Troubleshooting Conversions

The dollar bill game: an exercise in understanding marginal profit versus total profit.

		Dennis	π	Classπ
1)	\$1	\$10	9	9
2)	\$2	\$10	↓	
3)	\$3	\$10		
4)	⋮			
	⋮			
9)	\$10	\$10		1

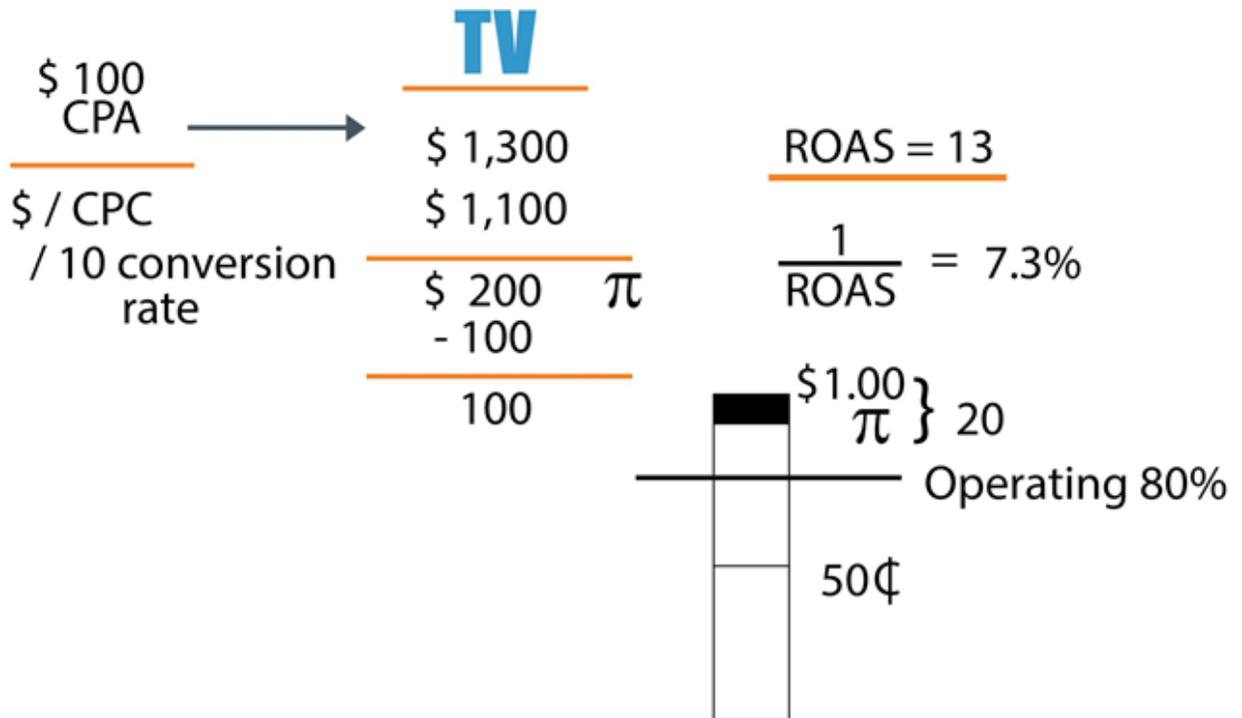
$$\text{ROAS}_1 = \underline{1,000\%}$$

$$\text{ROAS}_2 = \frac{20}{3} = 700\% \quad \times \quad \text{Revenue}$$

$$\text{ROAS}_3 = \frac{30}{6} = \underline{500\%}$$

$$\frac{1}{\text{ROAS}} = \text{MCOS (Marketing Cost of Sale)}$$

$$\frac{1}{5} = 20\%$$



Full Checklist with Steps - For Google Ads

- First**, show total spend, revenue, and ROAS. If we are looking at leads instead of revenue, then show cost per lead. Still a volume and margin (quality and quantity) trade-off, like we talk about in our [analysis training video](#).
- Second**, show how we did versus last week or last month on these same metrics so we have context. Calculate the percentage up or down on these three same metrics above (spend, revenue, ROAS).
- Third**, look at the performance breakdown by CPC and click to conversion rate, since we know that CPC divided by conversion rate is CPA. Compare against last period, of course, to show context.
- Fourth**, sort by keywords or target by spend descending. Show impressions, clicks, spend, conversions, then derived metrics of CTR, CPC, CPA, and CR.

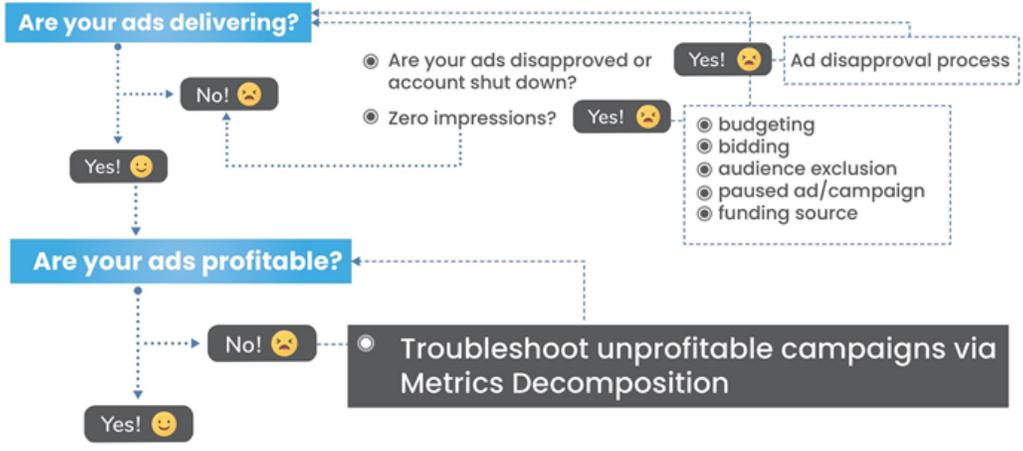
Help! My Facebook Ads Are Not Working!



HELP! MY FACEBOOK ADS ARE NOT WORKING!



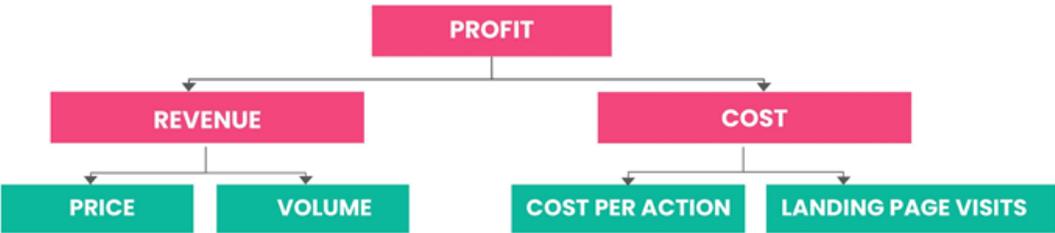
HELP! MY FACEBOOK ADS ARE NOT WORKING!



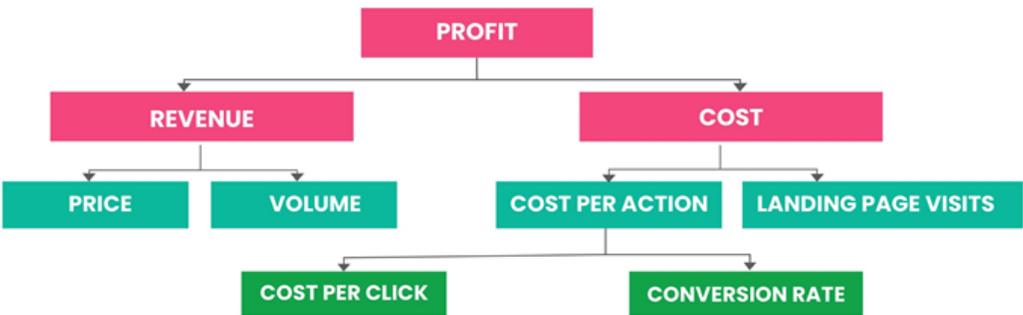
TROUBLESHOOTING UNPROFITABLE CAMPAIGNS



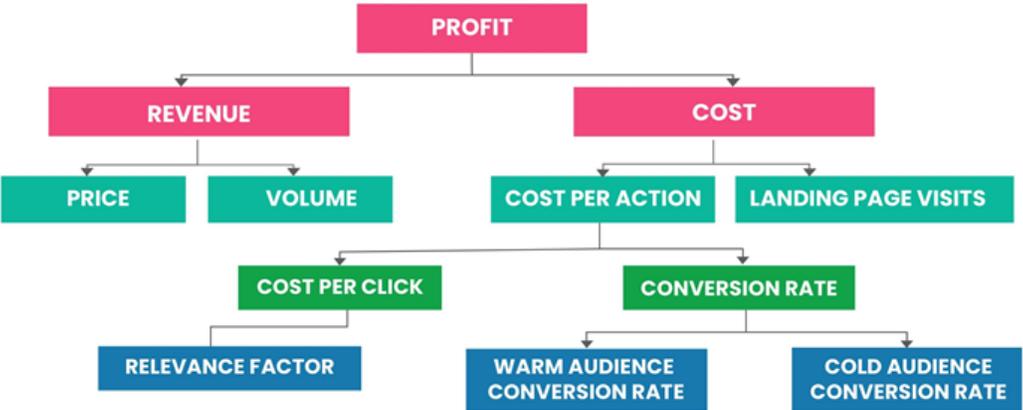
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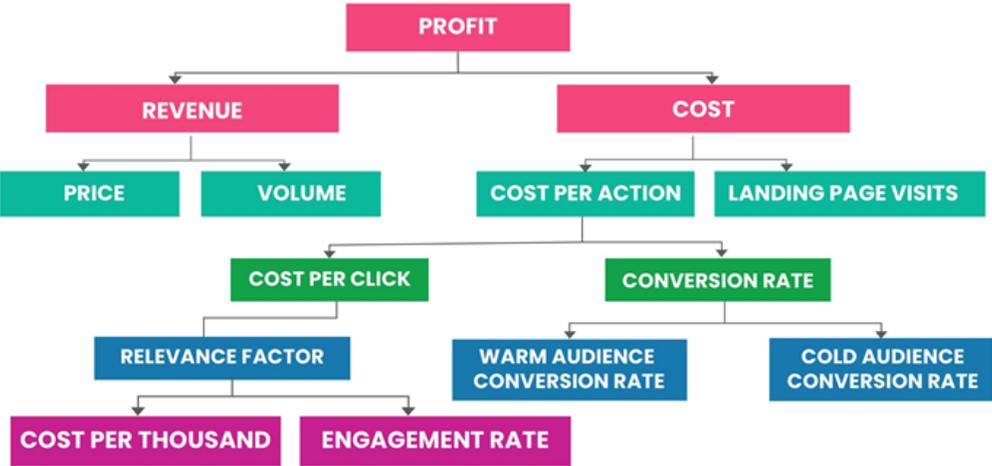
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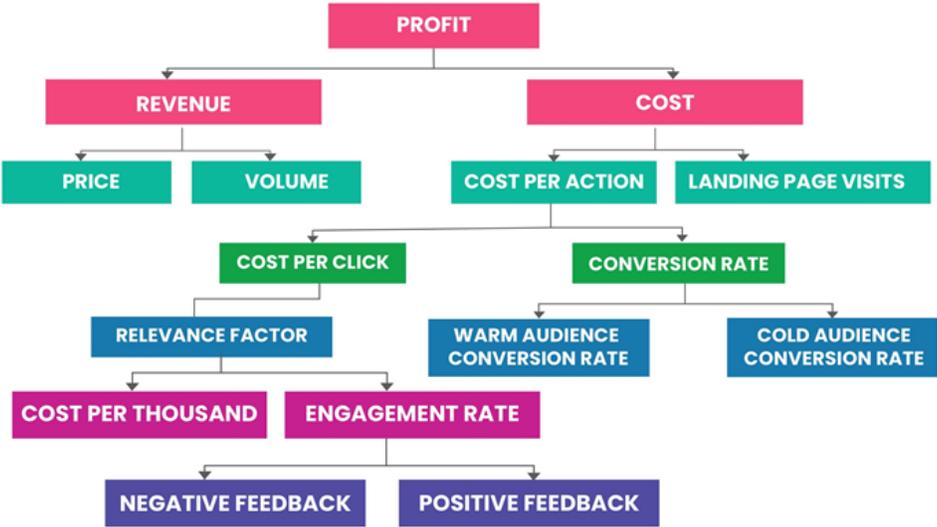
TROUBLESHOOTING UNPROFITABLE CAMPAIGNS



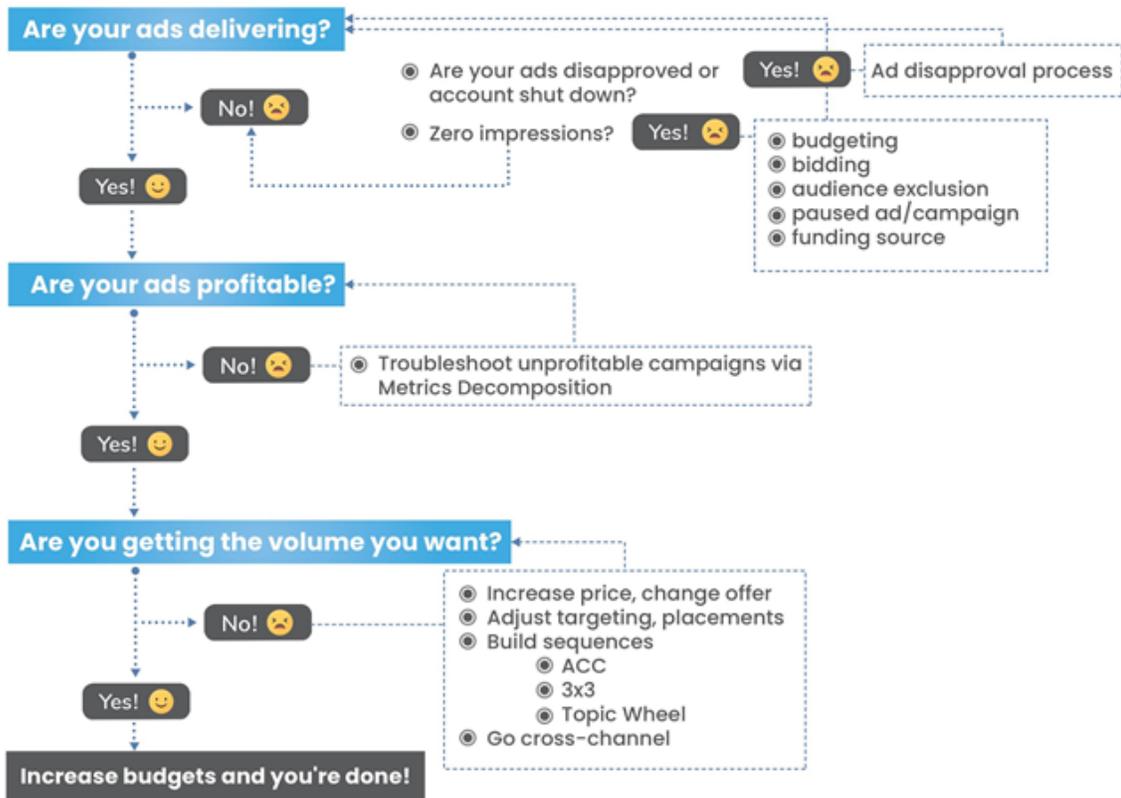
TROUBLESHOOTING UNPROFITABLE CAMPAIGNS



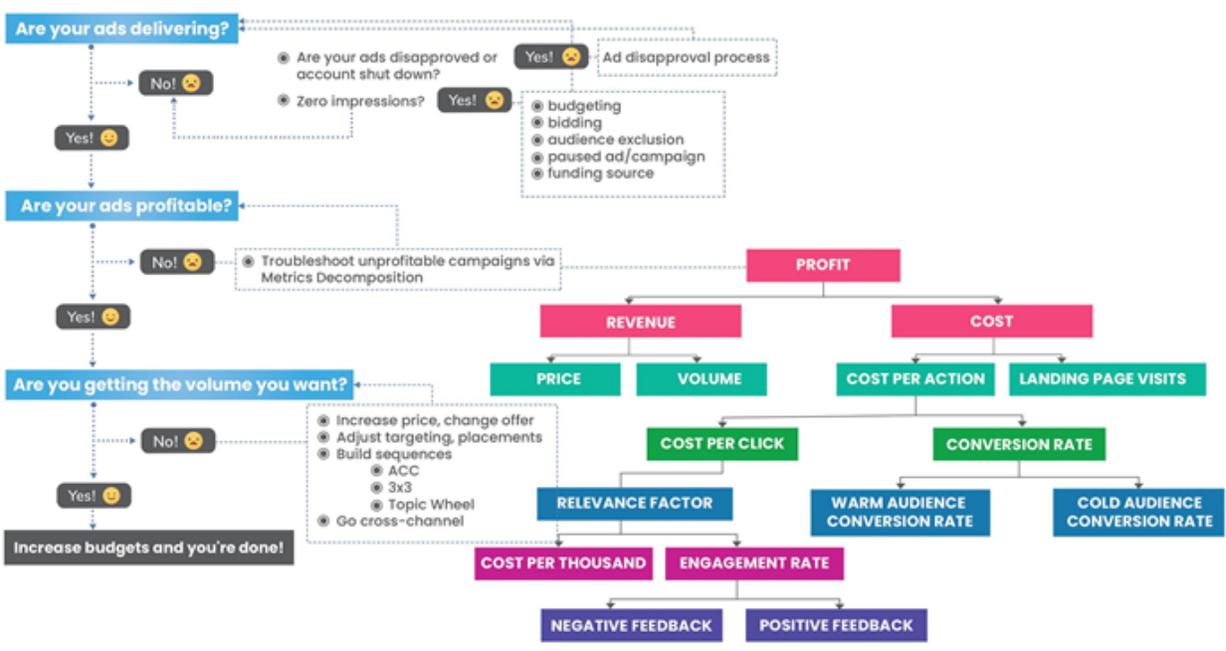
TROUBLESHOOTING UNPROFITABLE CAMPAIGNS



HELP! MY FACEBOOK ADS ARE NOT WORKING!



HELP! MY FACEBOOK ADS ARE NOT WORKING!



Step-By-Step Checklist

Apply top N

Step 1

Select campaigns by stage (Awareness, Consideration, Conversion). View campaigns at the ad set level. Sort ad sets by amount spent.

Top 5 by amount spent

Ad Set Name	Amount Spent	Reach	Freq.	Impressions	CPM	CPC	CT	CT	Link Clicks	View Conversions	Lead (F)	Compl.	Cost	Cost	Add
NRA (mobile) - 2018 3. Conversion - Original	\$13,100.00	968,697	1.55	1,497,237	\$6.75	\$0.20	5.43%	3.40%	90,885	\$1,641	61	6,488	\$165.57	\$1.56	
Isipad2 - Age 36 to 65+ - Lookalike (US, 1%... 3. Conversion - Website Conversions - Jan 2...	\$2,678.00	401,082	1.18	473,434	\$6.08	\$0.21	7.33%	2.88%	13,655	175	3	2,669	\$99.33	\$1.08	
NRA (Desktop) 3. Conversion - Original	\$2,800.00	237,563	1.69	402,540	\$6.96	\$0.69	2.24%	1.01%	4,067	4,268	4	1,197	\$700.00	\$2.34	
Handgun Holder - Male - CCW Map - Mobil... 3. Conversion - Discovery - Male	\$2,099.54	360,182	1.78	639,390	\$3.28	\$0.56	1.51%	0.99%	3,775	--	--	--	--	--	
Isipad3 - Age 36 to 65+ - Lookalike (US, 2%... 3. Conversion - Website Conversions - Jan 2...	\$2,080.00	299,598	1.14	329,040	\$6.32	\$0.25	7.02%	2.49%	8,194	80	6	1,591	\$348.67	\$1.31	

Step 2

Check for Plumbing (For example, tracking errors) and Amplification (For example, audience or ads placed in wrong campaign) problems.

Ad Set Name	Amount Spent	Reach	Freq.	Impressions	CPM	CPC	CT	CT	Link Clicks	View Conversions	Lead (F)	Compl.	Cost	Cost	Add
NRA (mobile) - 2018 3. Conversion - Original	\$13,100.00	968,697	1.55	1,497,237	\$6.75	\$0.20	5.43%	3.40%	90,885	\$1,641	61	6,488	\$165.57	\$1.56	104
Isipad2 - Age 36 to 65+ - Lookalike (US, 1%... 3. Conversion - Website Conversions - Jan 2...	\$2,678.00	401,082	1.18	473,434	\$6.08	\$0.21	7.33%	2.88%	13,655	175	3	2,669	\$99.33	\$1.08	70
NRA (Desktop) 3. Conversion - Original	\$2,800.00	237,563	1.69	402,540	\$6.96	\$0.69	2.24%	1.01%	4,067	4,268	4	1,197	\$700.00	\$2.34	35
Handgun Holder - Male - CCW Map - Mobil... 3. Conversion - Discovery - Male	\$2,099.54	360,182	1.78	639,390	\$3.28	\$0.56	1.51%	0.99%	3,775	--	--	--	--	--	24
Isipad3 - Age 36 to 65+ - Lookalike (US, 2%... 3. Conversion - Website Conversions - Jan 2...	\$2,080.00	299,598	1.14	329,040	\$6.32	\$0.25	7.02%	2.49%	8,194	80	6	1,591	\$348.67	\$1.31	24
Isipad - Age 36 to 65+ - Lookalike (US, 1%... 3. Conversion - Website Conversions - Jan 2...	\$1,660.00	252,992	1.42	360,301	\$4.61	\$0.08	7.77%	5.54%	19,947	142	3	2,307	\$53.33	\$0.72	39
Isipad2 - Age 36 to 65+ - Lookalike (US, 4%... 3. Conversion - Website Conversions - Jan 2...	\$1,400.00	175,136	1.13	197,635	\$7.08	\$0.27	8.05%	2.63%	5,188	62	1	971	\$1,400.00	\$1.44	17
GunOwnersOfAmerica (mobile) - 2018 3. Conversion - Original	\$1,400.00	168,798	1.32	222,102	\$6.30	\$0.38	2.90%	1.67%	3,706	3,686	1	847	\$1,400.00	\$1.65	5
Hannity Target - Male (Mobile) 3. Conversion - Original	\$1,384.18	121,214	1.54	186,482	\$7.42	\$0.39	3.30%	1.89%	3,529	3,697	3	362	\$461.39	\$3.82	4
CCW Holder Targets - Male Mobile - road 3. Conversion - CCW Map	\$1,264.32	271,484	1.42	386,228	\$3.27	\$0.37	1.78%	0.89%	3,424	3,362	1,111	2	\$1.14	\$632.16	--
Results from 132 Ad Sets	\$43,722.80	3,919,615	3.20	8,614,656	\$5.08	\$0.25	3.97%	2.61%	173,543	102,487	3,088	23,548	\$14.16	\$1.88	436

Step 3

- Start with the most important metrics:
 - Audience Campaigns: Fan count and CPF.
 - Consideration Campaigns: RCS (reactions, comments, and shares) and CPE.
 - Conversion Campaigns: Lead/Sale count and CPL/CPA.
- Highlight ad sets with metrics above target. For example, CPL = \$2.34 is higher than the breakeven target of \$1.80.
- Break down metrics to find out the true cause. For example, CPL can be broken into CPC/ CR. Is CPC too high or conversion rates too low? Make appropriate recommendations.
- Next, highlight ad sets with suspicious-looking metrics. For example, CPL 10% of what the other ad sets have.
- Check for tracking errors. For example, pixel firing multiple times on the thank you page.

(2) When CPL is suspiciously low, you may have generated fewer leads.

(1) Compare CPL against your target CPL.

Ad Set Name	Amount	Reach	Freq.	Impressions	CPM	CPC	CT	CT	Link Clicks	View C...	Lead (F...	Compl...	Cost...	Cost...	Add Pa...
NPA (Mobile) - 2016 3. Conversion - Original	\$10,100.00	968,697	1.55	1,497,237	\$6.75	\$0.20	5.43%	3.40%	50,885	\$1,641	81	6,488	\$165.57	\$1.56	104
... (other rows) ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Results from 132 Ad Sets	\$43,722.00	3,910,615	2.20	8,614,656	\$5.08	\$0.25	3.97%	2.91%	173,542	102,487	3,088	23,546	\$14.16	\$1.86	426

Find out whether CPL is high because of high CPC or low conversion rates.

Ad Set Name	Amount	Reach	Freq.	Impressions	CPM	CPC	CT	CT	Link Clicks	View C...	Lead (F...	Compl...	Cost...	Cost...	Add Pa...
NPA (Mobile) - 2016 3. Conversion - Original	\$10,100.00	968,697	1.55	1,497,237	\$6.75	\$0.20	5.43%	3.40%	50,885	\$1,641	81	6,488	\$165.57	\$1.56	104
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Results from 132 Ad Sets	\$43,722.00	3,910,615	2.20	8,614,656	\$5.08	\$0.25	3.97%	2.91%	173,542	102,487	3,088	23,546	\$14.16	\$1.86	426

Step 4

Tabulate the metrics, analysis, and actions.

METRICS	ANALYSIS	ACTION
No results on Facebook events for a particular ad set.	Tracking is probably broken on the site.	Check if Facebook pixels are firing on the landing page (pageview) and the thank you page (pageview, lead/registration).
Your Desktop's CPL is higher than targeted.	Conversion rates are consistent with other ad sets. However, CTR (link) is significantly lower than the rest of the top 5 (e.g. 1.01% vs 2.88% for lalpaid2).	Tweak ads in the Desktop, Analyze the ads inside the ad set separately.
Mobile has the highest CTR (link) of 3.40% among the top 5 ads but has the second highest CPL.	Mobile has a lower conversion rate than lalpaid2 and lalpaid3: <ul style="list-style-type: none">• Mobile: 12.8%• Lalpaid2: 19.5%• Lalpaid3: 19.4%	Analyze ads inside Mobile. Most of the spend in mobile is going to the ads named SixThings, which has a higher CTR. But it has a lower conversion rate than the ads named CCG. Implement and test CCG ads for ad sets. Obtained SIDs from client.
Lalpaid2 and Lalpaid3's CPL are lower than target CPL of \$2.	Profit is not maximized.	Increase daily budget for Lalpaid2 and Lalpaid3 until we maximize profit (i.e., maximize volume vs margin trade-off).

Step 5

Next, sort ad sets by lead count.

Repeat Steps 2-4.

When you sort by lead or conversion, this should only be applicable to your conversion campaign.

Top N by lead count

Ad Set Name	Amount...	Reach	Freq...	Impres...	CPM...	CPC...	CT...	CT...	Link Cl...	View C...	Lead (F...	Com...	Cost...	Cost...	Ad
NFA (mobile) - 2016 3. Conversion - Original	\$10,100.00	968,697	1.55	1,497,237	\$6.75	\$0.20	5.43%	3.40%	50,889	51,648	62	6,489	\$162.90	\$1.56	
Isipad2 - Age 36 to 65+ - Lookalike (US, 1%... 3. Conversion - Website Conversions - Jan 2...	\$2,878.00	401,082	1.18	473,434	\$6.08	\$0.21	7.33%	2.88%	13,657	175	3	2,669	\$959.33	\$1.08	
Isipad1 - Age 36 to 65+ - Lookalike (US, 1%... 3. Conversion - Website Conversions - Jan 2...	\$1,660.00	252,992	1.42	360,301	\$4.61	\$0.08	7.77%	5.54%	19,948	142	3	2,307	\$553.33	\$0.72	
Isipad3 - Age 36 to 65+ - Lookalike (US, 2%... 3. Conversion - Website Conversions - Jan 2...	\$2,080.00	289,598	1.14	329,040	\$6.32	\$0.25	7.03%	2.49%	8,194	80	6	1,591	\$346.67	\$1.31	
NFA (Desktop) 3. Conversion - Original	\$2,800.00	237,563	1.69	402,540	\$6.96	\$0.69	2.24%	1.01%	4,067	4,268	4	1,197	\$700.00	\$2.34	
Isipad5 - Age 36 to 65+ - Lookalike (US, 4%... 3. Conversion - Website Conversions - Jan 2...	\$1,400.00	175,136	1.13	197,635	\$7.08	\$0.27	8.06%	2.63%	5,191	62	1	972	\$1,400.00	\$1.44	
RKBA - Age 36 to 65+ - Law - Right To Keep... 3. Conversion - Website Conversions - Jan 2...	\$1,260.00	249,215	1.30	323,842	\$3.89	\$0.29	4.37%	1.30%	4,396	4,235	4	906	\$315.00	\$1.39	
GunOwnersOfAmerica (mobile) - 2016 3. Conversion - Original	\$1,400.00	168,798	1.32	222,102	\$6.30	\$0.38	2.90%	1.67%	3,707	3,688	1	647	\$1,400.00	\$1.65	
Isipad4 - Age 36 to 65+ - Lookalike (US, 3%... 3. Conversion - Website Conversions - Jan 2...	\$980.00	139,103	1.10	152,523	\$6.43	\$0.26	7.70%	2.48%	3,788	27	1	724	\$980.00	\$1.35	
NAGR Target - Male (Mobile) 3. Conversion - Original	\$998.00	197,759	1.40	276,622	\$3.61	\$0.23	2.38%	1.57%	4,345	4,176	6	712	\$166.33	\$1.40	
Results from 132 Ad Sets	\$43,722.00	3,910,615	2.20	8,614,656	\$5.08	\$0.25	3.97%	2.01%	173,542	102,487	3,088	23,548	\$14.16	\$1.86	

Balancing Metrics Table

No.	Metric	Suggested Metric Pair	Remarks
1	Cost Per Action	Action Count	Action could be an impression, click, or a conversion. Pair the cost per action and action count to provide context on the scale of the ads and answer the following question: “Will I get this cost per action when I scale?”
2	Click-through rate	Downstream Conversion Rate	A high click-through rate is a good thing only if the downstream conversion rate is not lower than the other campaigns. If downstream conversion rates are low, it could mean that the content on the landing page did not match the visitors’ expectations or that you attracted the wrong people.
3	Cost Per Click	Cost Per Acquisition	Similar to the pair of click-through rate and downstream conversion rate, a low cost per click is only good if they lower the cost per acquisition. A low cost per click is meaningless if no acquisitions result from the traffic. If cost per acquisition is the same as before despite a relatively lower cost per click, consider why the downstream conversion rate is lower.
4	Average Position	Search Traffic	Applies only to Search Engine Marketing (SEM). A higher average position may be due to the relatively

			<p>lower competitiveness of the keyword.</p> <p>You can verify by pairing the average position with search traffic.</p>
5	Cost Per Conversion	Breakeven Cost Per Conversion	<p>The cost of each conversion is arbitrary unless you give it meaning.</p> <p>A cost per conversion of \$10 may be profitable to a business selling a product for \$15 but is unprofitable to a business selling a product for \$5. The idea of the breakeven cost per conversion is to maximize the no. of conversions until the cost per conversion reaches breakeven.</p>

Metrics > Analysis > Action

METRICS

Starting from your most important metrics, clearly display trends. By placing your metrics in context to be more meaningful, cost per acquisition is counterbalanced by number of conversions, click-through rate is balanced by average position, conversion rate is balanced by cost per click, and so forth. With balancing metrics, we can avoid making a decision that helps us in one area while accidentally hurting us in another.

ANALYSIS

By systematically choosing pairs of derived metrics in the pyramid, we can drill down into the root causes of WHY a metric may have changed. Know not just that revenue per customer is up, but understand the underlying reasons why - a different campaign mix, the addition of a large customer that swings the average, seasonality, a large email blast, and so forth. Avoid the lie of averages. Set up alerts to spot problems before they get out of control.

ACTION

Now that you know why a particular metric has changed, take one of the multiple recommended actions to correct a problem. You can set up your own expert system rules and conduct experiments on landing pages, navigation, pricing models, and so forth. This is closed-loop marketing.



Micro Optimization - Logan Young -MAA (05:53)

Optimization Cheat Sheet

As you have learned from the Metrics > Analysis > Action framework, analysis is about understanding the possible reasons WHY a metric may have changed. Know and be comfortable with the fact that there may be more than one reason and the reason you believe to be most true could be wrong.

Here are the top 7 most common analyses (IF/THEN logic) that we make about changes in key metric pairs. To test your understanding of the logic behind why we make these hypotheses, try reversing the direction of the change in these metrics to see if you can explain logically.

1. If you reached less than 1,500 people, you are optimizing too early! Focus your effort elsewhere - creating new content or researching new target audiences. As a general gauge, start optimizing when you reach at least 5,000 people.
2. If cost per conversion is increasing, but conversion count is also increasing, the law of diminishing utility may be “at fault”.
3. If there are no conversions but click throughs are low, you may be distracted by statistical noise. For example, you may have reached 10,000 people without converting anyone, but if you only had 10 clicks, consider optimizing for more clicks instead of blaming your landing page or offer.
4. If you have high clickthrough rates but low conversion rates (<20% for conventional lead magnets and <1% for sales), you could be misleading your customers into clicking and expecting something that is not true on your landing page. You could also have problems with your landing page, whether it is the copy, layout, loading speeds, or the offer. Benchmarks of 20% and 1% stated are only for general reference and not for compliance.
5. If conversions suddenly drop but conversion rates and click-through rates are consistent, see if your CPM has spiked. Logically, if you spend the same amount everyday but the cost of showing your ads has increased, then your conversions will drop and cost per conversion will rise, keeping conversion rates and click-through rates consistent.
6. If click through rates (all) are high and clickthrough rates (link) are low, your ad may be ineffective. A high clickthrough rate (all) signifies a lot of attention on your ad that resulted in some level of interest or interaction, but not enough to click through to see what you have to offer.
7. If click through rates are decreasing over a period of time while conversion rates remain relatively constant, you may be facing ad fatigue or what we normally call news feed burnout.

IF/THEN Logic

IF	Then	Explanation
<p>Conversions = 0 and Link Clicks = <100</p>	<p>Monitor Campaign/Ad Set/Ad closely.</p> <p>If client presses urgently, advise them about statistical significance. If they continue to press, then turn off Campaign/Ad Set/Ad.</p>	<p>Excluding app installs and lead ads, conversions usually require an intermediate step. The intermediate step creates a secondary conversion variable (usually the landing page), which also requires statistical significance before we can make a sound analysis. But if a client grows impatient, you should turn off the campaign and start something new.</p>
<p>Conversions = 0 and Link Clicks = >100</p>	<p>Turn off Campaign/Ad Set/Ad and ensure that:</p> <ul style="list-style-type: none"> • Message on landing page is consistent with ad (i.e., ad scent). If consistent, test: • Different landing pages. • Consider testing against a different ad type (Carousel, Video, Canvas, Lead Ad). • Different offers (e.g., different lead magnets). 	<p>Now that we have sufficient data at the first step (ad) and the second step (usually landing page), we can safely analyze the ads. Usually, one of the biggest problems when we get traffic but not conversions is the lack of ad scent, which happens when the ad and landing page show inconsistent messages, such that visitors don't feel like they saw what they clicked on to see.</p>
<p>CPA > [CPA Target*] or ROAS < [ROAS Target*] * Speak to a client if you don't know. If client doesn't know, either</p>	<p>Ask client to raise limit or Stop Campaign/Ad Set/Ad and conduct a split test.</p>	<p>If we just started running the campaign, consider asking the client to raise the limit temporarily while you continue to test and</p>

advise them to estimate it based on historical conversions from other channels OR to calculate the break even value.	Changing any one variable in an audience-content mix is considered split testing (e.g., lead magnet, landing page, copy, angle, image, audience).	find something that works really well. When you start getting conversions, it's usually proof that you're close to something that works and you need to continue testing until you find the sweet spot between the audience and content mix.
Audience size < 10k	Ask client to raise CPA target or lower ROAS target.	If the audience size is so small, it's highly unlikely that we get cheap leads on a consistent basis. Thus, we can ask for more money if the client wants very specific targeting.
FB conversion tracking pixel is not on thank-you page.	Stop Campaign.	Conversions can't be tracked accurately if the pixel isn't on the correct page.
Website doesn't have GTM or Facebook pixel.	Install GTM and place the pixel.	Install the Google Tag Manager on the page and on the landing page (if it's not there).
Ad is inactive unintentionally.	Change the creative and turn it back on.	If an ad gets blocked, we have to change the content and run it again.
CTR < 1%	Change the creative (image, headline, or text).	If the CTR < 1%, this means that the ad is probably not relevant to the target group. Though if the conversion rate is very high, we could let a campaign run despite a low CTR.
Frequency > 4 per week	Look at the last 7 days'	If the Frequency > 4, it is

	<p>data, then sort by the dates. If ROAS or CPA target deteriorates for at least 3 days consecutively, change the creative (image, headline, or text)</p>	<p>possible that we are showing the same ads too often to the same person. See if the seemingly high frequency is affecting conversions. If it is, we should get some variety into our ads.</p>
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Ad Copy Techniques/Determining Who is the Winner

Ad Copy Techniques

Note that I didn't mention in the ad that they're dog lovers. I believe that can safely be assumed because of the image. In some cases, where the image is not able to represent the interest, we do want to explicitly call out the interest target.

Using the Merchant Name in the ad is a double-edged sword. In this case, I believe we shouldn't use it because the merchant doesn't have brand awareness. Remember, to get a click from people who don't know us, we must establish trust quickly, and no brand equals no trust. Using the long brand name also lengthens the ad copy and makes it slightly harder to understand the value proposition.

Current Ad:



Suggested Revision:



Social media requires the lowest of conversion hurdles (the minimum of thought or consideration) since people are on Facebook to socialize. That's why I advocate the two-step conversion for most clients: one set of ads to get the right interest targets to be fans, then another set of ads targeted just at fans. True, it costs more to run more ads, but the prices are so low on Facebook ads that we can get away with this. Plus, depending on the nature of the product or service, hitting people at different points in the funnel can be far more effective than going for a jump all the way through to conversion in one leap.

A good rule of thumb is a 3X improvement on ads when you optimize them. In other words, if your cost per fan is 60 cents when you test the first couple of days, you

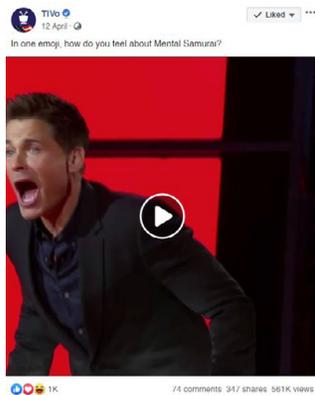
should be able to get it down to 20 cents on average. The 3X rule is what we've discovered is reasonably possible with a moderate amount of testing. Of course, you could get far more.

Determining Who is the Winner

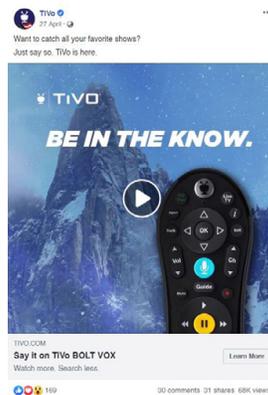
That's why we advocate the three-step conversion: one set of ads to raise awareness for your brand, one set of ads to encourage your first touch audience to engage in your content, then another set of ads targeted for conversion. True, it costs more to run more ads, but the prices are so low on Facebook ads that we can get away with this. Plus, depending on the nature of the product or service, hitting people at different points in the funnel can be far more effective than going for a jump all the way through to conversion in one leap.

Take a look at these ads:

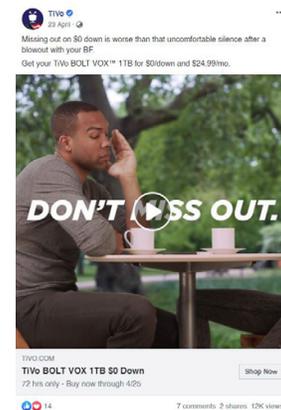
Awareness:



Consideration:



Conversion:



12 Indisputable KPI's of Content Marketing

Action Rate VS Conversion Rate

Positive Feedback VS Negative Feedback Rate

Average Rating VS Number of Reviews

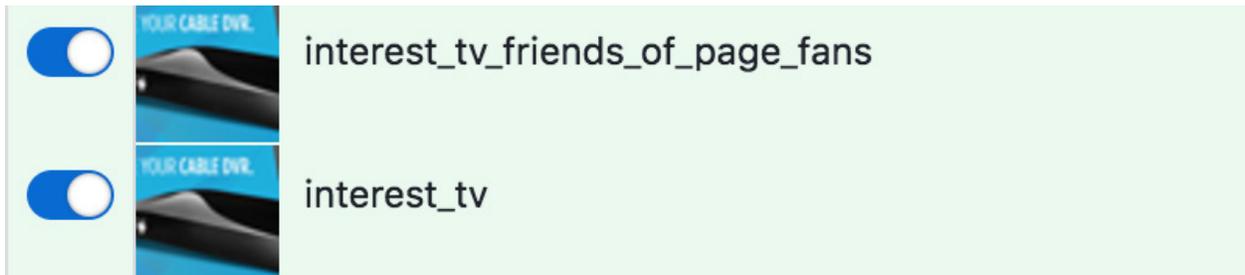
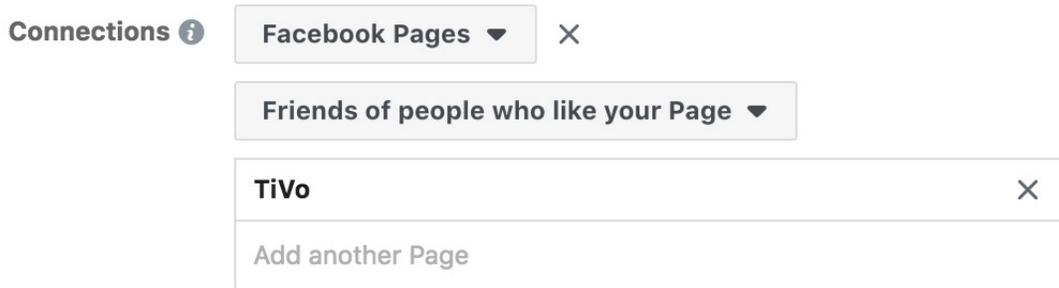
Traffic VS Conversion

Opens VS Cost per Click

FOF vs. Non-FOF Split Testing

FOF (Friend of Fan) and Non-FOF Ads Split Test

Run one ad that is not FOF and another that is, just so we can get an apples-to-apples comparison. In other words, the ads are identical except for this targeting change. This is called an A/B test, and we want to determine the differences in CTR, CPC, etc. Don't let it run more than a couple of hundred dollars in total, or enough to have a significant difference.



Geographic Split Test



Demographic Optimization

If you have an interest target that is already highly skewed towards a particular demographic (combination of age and gender), then it's not necessary to also filter by demographics.

For example, if you are targeting New England Patriots fans (folks who like a professional football team), it's not necessary to specify males as a demographic. If you do, that will cut out 20% of the audience, as there are still some females that will like this.

Therefore, when setting up initial ads that have interest targets, demo targeting is usually not necessary. But in subsequent refinement, you might want to multiply into combinations of these demographics. The Demographic reports in Facebook's ad tool will tell us that the CTR or conversion rate may differ or not.

Segmentation



Friends of Fan Targeting

Brand Logo on the Ad Image

For many large brands, often the highest CTR and lowest CPC/ CPF is the brand image itself. Thus, if we could make the logo larger, it could increase the CTR. Maybe even try a colored border, provided that you approve this.

Cold Targeting vs. Fans Targeting

Avg. CTR of ads to non-fans : .05 %

Avg. CTR of ads to fans : .35 %

Interest Targeting - Friends of Fans Targeting 1

When you do interest targeting, you don't always have to put in a gender filter, too. For example, if you specify "cooking", you don't have to necessarily also place "female" as a gender target. There are some men who like cooking as well. To see how the counts change, try the targeting in the ads interface with and without female targeting — you'll see only a minor difference. The reason is that most of the folks who like cooking are female.

The screenshot displays the Facebook Ads targeting interface. On the left, the 'Locations' section is set to 'Everyone in this location' with a map of the San Francisco area. Below the map, the 'Age' range is set to 18-65+, 'Gender' is set to 'Women', and 'Languages' is set to 'Enter a language...'. The 'Detailed Targeting' section is set to 'Include people who match' with the interest 'Cooking'. On the right, the 'Audience Size' section shows a gauge for 'Specific' vs 'Broad' targeting, with 'Your audience is defined.' and 'Potential Reach: 910,000 people'. Below that, 'Estimated Daily Results' shows 'Reach: 1.8K - 5.3K' and 'Link Clicks: 20 - 62'. A disclaimer at the bottom states: 'The accuracy of estimates is based on factors like past campaign data, the budget you entered and market data. Numbers are provided to give you an idea of performance for your budget, but are only estimates and don't guarantee results. Were these estimates helpful?'.

Interest Targeting - Friends of Fans Targeting 2

Have you ever considered doing pure FOF targeting in cities/ states where your brand is strong? For instance, let's say you're running a campaign for a fast-food chain in California cities since the location density is much lower than the rest, say cities in New Mexico. The lower the people/location figure, the better we'll do, as the people seeing the ads are more likely to have a location near them. In addition, online ads should follow offline popularity as a tactic to increase conversion.

Interest Targeting - Friends of Fans Targeting 3

Choose an interest that has at least 1,000 population reach. When doing FOF, the estimated reach should be at least 10,000, but even if only 500, it's worth doing. You'll just have to create a LOT of them.

The screenshot displays the Facebook targeting interface. On the left, a map of the United States is shown with a location pin on San Francisco, California, and a radius of 40 km. Below the map, there are filters for Age (25-35), Gender (All, Men, Women), and Languages. The 'Detailed targeting' section is set to 'INCLUDE people who match at least ONE of the following' and includes the interest 'Cooking'. On the right, the 'Audience definition' section shows a gauge indicating the audience is defined, with a potential reach of 360,000 people. The 'Estimated daily results' section shows a reach of 83-520 and a warning that results are likely to differ from estimates due to limited data.

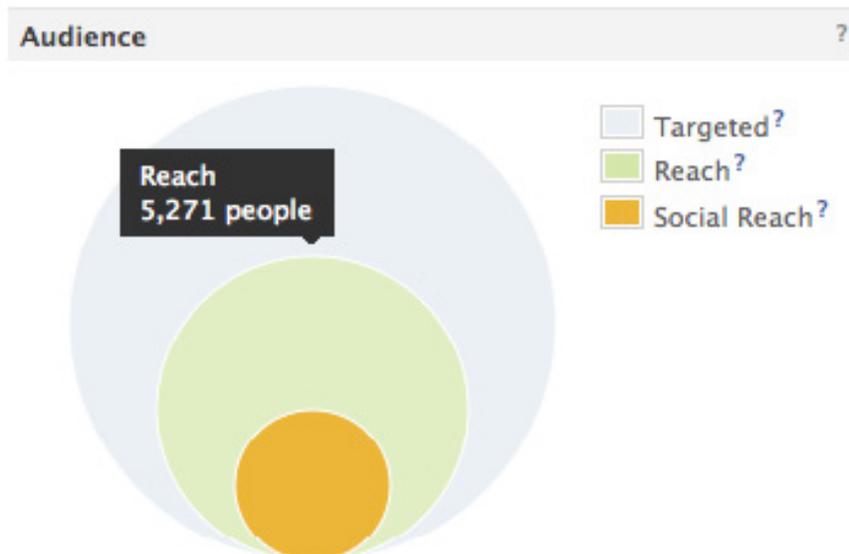
Ad Distribution

3 Types of Audience Reach

Targeted: Based on the targeting you've selected, this is an approximate number of people your ads and Sponsored Stories can reach.

Reach: The number of individual people who saw your ads or Sponsored Stories.

Social Reach: The number of people who saw your ad or Sponsored Story with the names of their friends who liked your Page, RSVP'd to your event, or used your app. If you are running ads on Facebook, you won't be able to see the social reach.



Ad Multiplication

Try our top ads with FOF targeting using, e.g, "Like watching TV?", "Like [interest]". For example, target "TiVo" and say "Like TV Shows?" Target "media entertainment" and say "Like HD TV?"

If you create enough of them, you can do FOF targets. Too much FOF significantly limits reach, of course, but the trade-off is better CTR and conversion.



TiVo OnePass

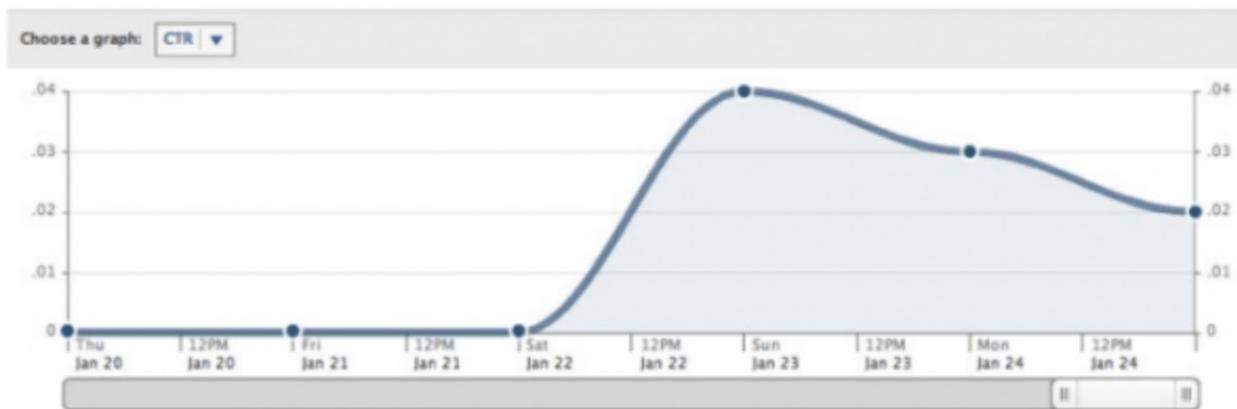
www.tivo.com

Do you like watching TV?

Ad Burnout

It may be that if you run an ad that was semi-burned out, but gave it time to “rest”, it gets a light refresh.

A good predictor of ad burnout is not just the trendline for CTR, CPC, and CPF, but also looking at the audience size each ad targets. The smaller the base, the fewer impressions needed to burn out.



We are saying that if the audience base is small, it takes fewer impressions total to burn out. For example, an ad that targets 100k people can serve a lot more impressions before burnout than one with only 1k people in the target. Smaller audiences might not burn out faster in terms of the number of days since they will also show fewer impressions per day. Therefore, in estimating future traffic and our ability to hit fan targets at CPF goals, we should account for audience size. Assume we can hit users 20 times before burnout on average. So if the audience is 100k people, we can serve 2mm impressions.

Audience size matters especially in local. If some campaign wants 100k fans in just Atlanta vs nationwide, it will be a lot more expensive because we hit burnout faster; there are fewer people to target. We get saturated faster. In large multiplied local campaigns, whether for a franchise or a single location, we have to consider the bounds of each geo-target. This is true in regular PPC, too. [ReachLocal](#) has a traffic estimator built into their proposal generator, which I've shared a few times. Buggy - a good concept, but poorly implemented.

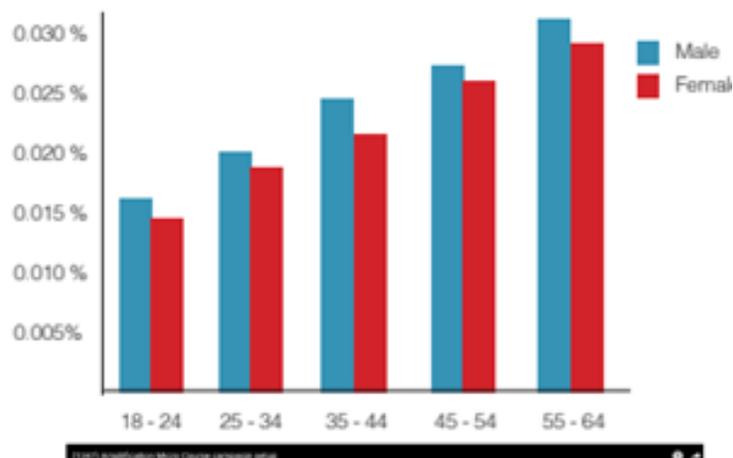
Naming Conventions

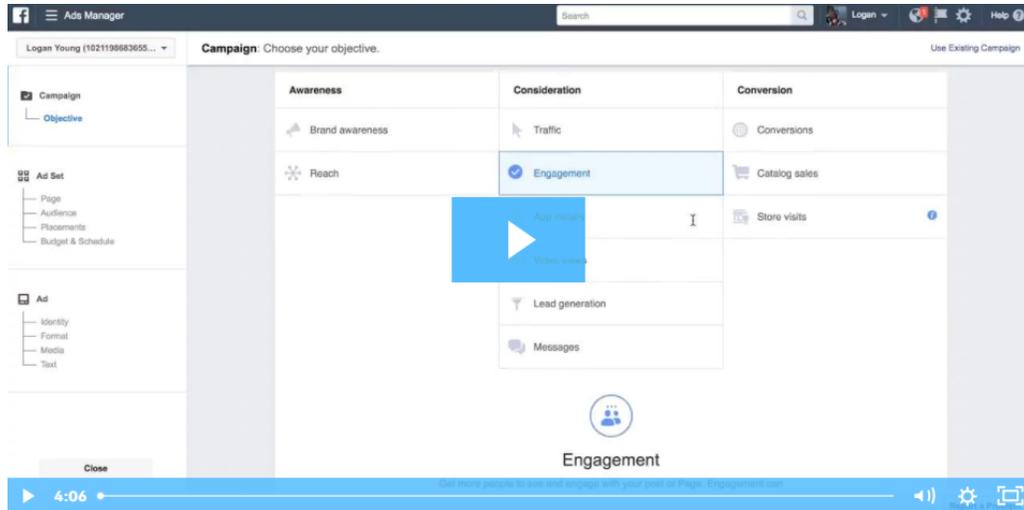
[Naming Conventions](#)

Name the ad something descriptive, since the default ad name (the internal name we give it, which the users can't see), will default to "(campaign_name) (number)", which is not descriptive or helpful when we want to go back to view stats. Look at the name of the ad you are multiplying from and just copy that ad name, appending "image-2" to show we are testing that same ad but with another image. Better yet, append, for example, "steak_food_image.women.close.up" to the ad name to be even more descriptive. If you use the ad multiplication tool, the ad is automatically named for you. With new clients, run ads manually at first so that you can get a solid base to multiply from. **Do not just multiply up 1,000 ads to start.**

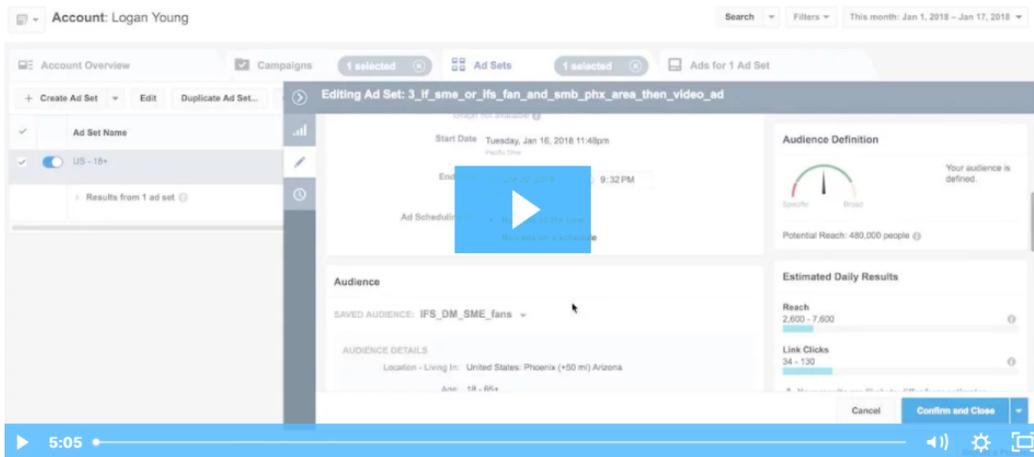


	2_if_saved_competitor_us_then_planet_of_the_apes_static
	2_if_saved_streaming_apps_then_terminator_static
	2_if_saved_Vox_Hydra_100K+income_males_35-50_US_then_terminator_static
	2_if_saved_watching_sports_interest_then_field_of_dreams
	2_if_saved_50K+income_homeowners_TV_interest_US_then_wizard_of_oz_static





Amplification Micro Course campaign setup (04:06)



Amplification Micro Course naming convention (05:05)

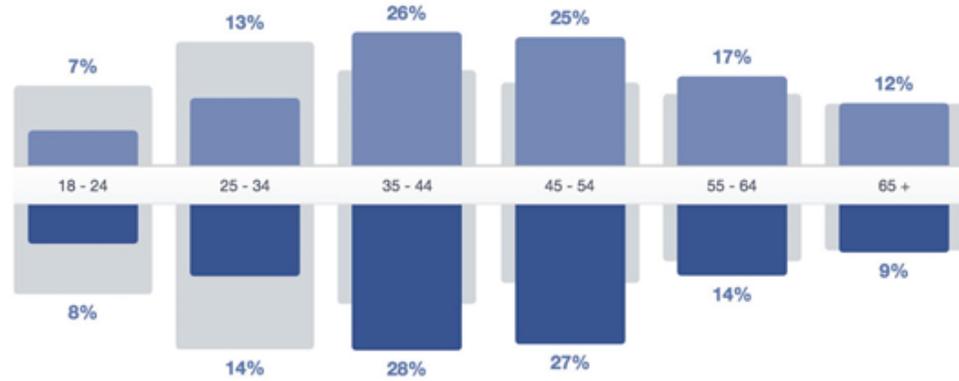
Having Fans Improve Ad Performance

Age and Gender

Self-reported information from people in their Facebook Profiles. Information only available for people aged 18 and older.

45% Women
54% All Facebook

55% Men
46% All Facebook



Have you seen our SKIP mode?

68% ↑ Ad Recall
2x ↑ Message Awareness
4x ↑ Purchase Intent
25% ↑ Action Rate

www.tivo.com
Tivo BOLT VOX
Watch more. Search less

www.tivo.com
Tivo BOLT VOX
Watch more. Search less

Eric Todd, Tom Arix, and 6 other friends are fans of Tivo.

Having Fans Improve Ad Performance

Education Level Impacts CTR

Oregon Ducks Fanatics x

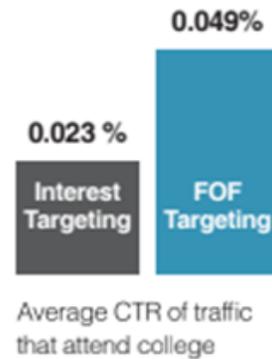


Win FREE Ducks Gear! Oregon Ducks Fanatics is giving away Free Ducks Gear! Click Like Now - Don't Miss Out on a Chance to Win!

Heather Jenkins, Christine Kistner, and 4 other friends like this.

Like

FRIEND OF FAN
Targeting friends of your fans inserts your fans' names below your ad.



Competitive Targeting

Estimated Reach
19,380 people

- who live in the United States
- age 18 and older
- who like marriott, marriott hotel, marriott hotel manila, marriott resorts hawaii, marriott napa valley hotel spa, marriott international, marriott key largo bay resort, marriott shoals hotel spa or marriott hotels



Hilton



Show your Hilton Rewards Can receive 50% off next stay at Hilton

Estimated Reach
22,720 people

- who live in the United States
- who like holiday inn



Hilton



Show your Hilton Priority Club receive 50% off next stay at Hilton

Bid Optimization

Why is my CPC so High?

Have you considered using FOF targeting on your ads? If you have 10% social percentage on the ads, FOF targeting is not being used. FOF targeting will significantly increase the CTR, which then reduces the CPF (Cost Per Fan).

Walking Down the Bid

Walking down bids gradually is smart. A new ad should start at the top of the recommended CPC range, then gradually decrease, keeping at the top of the recommended range.

<input checked="" type="checkbox"/>	fans_friends_of_page_fans	\$2,000.00 Daily
<input checked="" type="checkbox"/>	fans_friends_of_page_fans (test)	\$100.00 Daily

CPM or CPC ?

We do CPC when we want to drive clicks or some form of engagement. We do CPM when it's a really small target, hits an existing small fan base, or is just to drive awareness.

Optimisation and delivery

Optimisation for ad delivery

Impressions ▼

With this option, your ad delivery won't be optimised for conversions using the app event selected above. To get the most conversions at the lowest cost, select the Conversions optimisation instead.

Bid strategy **Lowest cost** - Get the most impressions for your budget

Set a bid cap

\$0.59 per 1,000 impressions

We won't bid more than this amount for any individual 1,000 impressions. You may have trouble with spending your budget if this amount is too low.

Setting Budget For New Campaigns

A high daily campaign budget can easily cause a thousand dollars of loss in a couple of hours. If you want to test, create a new campaign with a low budget, then promote the ad to the production campaign.

Working With Ads that aren't Performing Well

No need to turn bids down to \$0.05. If an ad isn't doing well, bid down to \$0.10 above the ad that is pulling best. So, if the best Sprint ad is at \$0.55, then you can bid \$0.65, for example. That should give us "some" traffic, while a \$0.05 bid is totally shut out of the ad auction.

Advanced Measurement

Measuring the wrong metrics costs advertisers more.

Cookies alone distort results

58%

overstatement of reach¹

135%

understatement of frequency¹

51%

accuracy in broad age & gender targeting²

Metrics like clicks aren't a good proxy for results

91%

of people who could buy your product don't click on your ads³

Models like last-click attribution can inaccurately value your touch points

22%

of incremental revenue could be misattributed due to last-click models⁴

54%

could be misattributed when mobile spend is high⁴

Cookies alone distort result:

- 58% - overstatement reach
- 135% - understatement of frequency
- 51% - accuracy in broad age & gender targeting

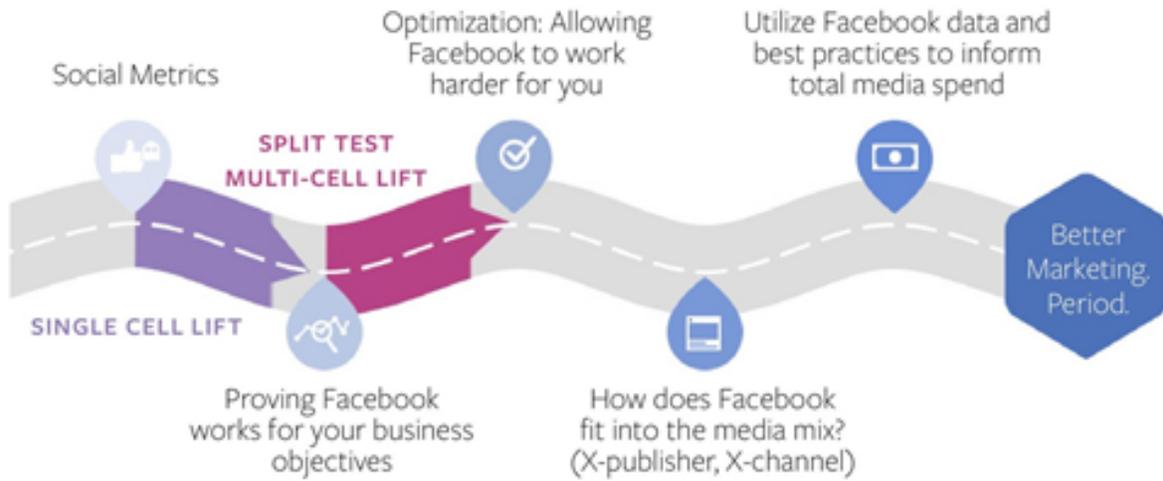
Metrics like clicks aren't a good proxy for results

- 91% - of people who could buy your product don't click your ads.

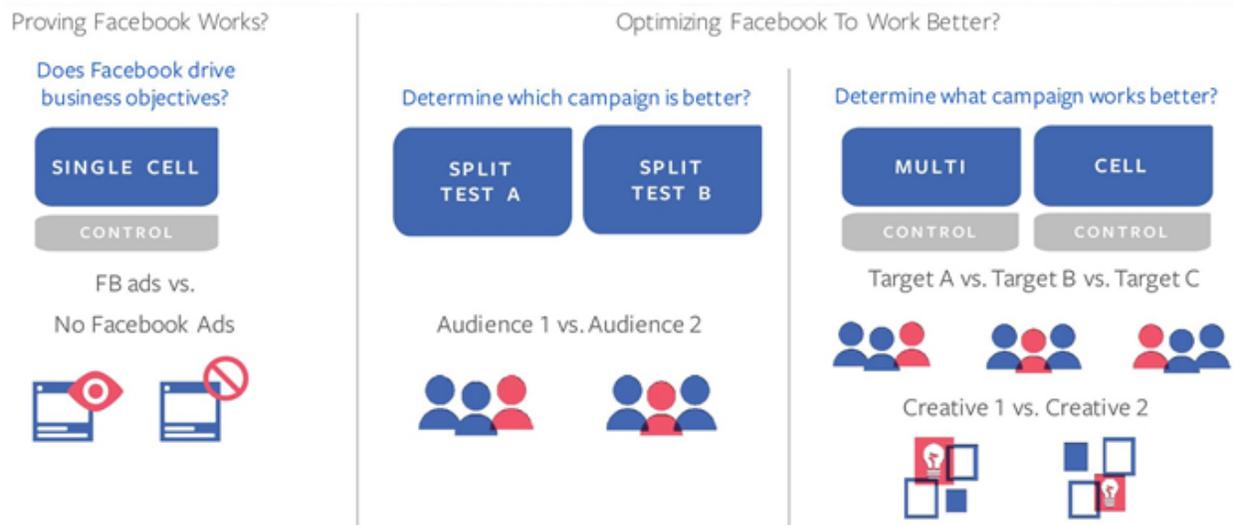
Models like last-click attribution can inaccurately value your touch points

- 22% - of incremental revenue could be misattributed due to last-click models

- 54% - could be misattributed when mobile spend is high



Reaching minimum does not guarantee studies



Ensure only 1 variable is being tested across cells/test in order to isolate cause

When to Use What Strategy

Compare your options. Each tool solves a specific challenge.

Efficiency

Use multiple ad set creation to create ad set variations in one streamlined, efficient workflow. Execute a complex media plan and control spend against a particular audience or ad creative.

Comparison

Use split testing to optimize ad performance by scientifically testing and identifying a winner amongst up to 3 segments.

Campaign Impact

Use lift testing to measure the causal incremental impact of advertising and to guide account or campaign-level strategy.

	Multiple Ad Set Creation	Split Testing	Conversion Lift Testing	Brand Lift Testing
Instantly launches	✓	✓	✓	
No minimum Budget	✓		✓	
Statistically significant		✓	✓	✓
Determines ad set 'winner'		✓		
Measures campaign results	✓	✓	✓	✓
3 rd party measurement			✓	✓
# of ad set variations possible	100	3		
How to get started	Multiple ad set creation is a self service tool available within Power Editor and Ads Manager by selecting 'Create multiple new ad sets.'	Advertisers with a Business Manager account can create split tests from Power Editor or Ads Manager by checking the 'Create Split Test' box in the campaign creation window.*	Advertisers who wish to complete a conversion lift test should contact their Facebook client partner to set up the study.	Advertisers who wish to complete a conversion lift test should contact their Facebook client partner to set up the study.

*Not all campaign objectives support split tests.

Conversion Lift

Conversion lift is most applicable to advertisers (and their sales teams) with Direct Response (DR) objectives for their ad campaigns. Some examples of these objectives include:

- Driving sales online, in-app, and offline (in-store)
- Better understand the true value Facebook advertising is creating
- Understand how accurate attribution models are

There is no one vertical for which this is most applicable. Most advertisers have a conversion objective at some point.

Your lift options at glance (most commonly used solutions, not fully comprehensive).

	Compatible ad formats	Minimums*
Conversion Lift	All (Image, Video, Slideshow, Carousel, Canvas etc.)	No hard minimums Generally Reaching over 1MM people with a 20% holdout
ODC Partner Lift**		\$ cost negotiated with ODC Audience minimums dependent on product and store penetration
Acxiom Partner Lift**		\$ cost negotiated with Acxiom No hard audience minimums Generally Reaching over 1MM people with a 20% holdout

*Reaching minimums does not guarantee studies.

**3rd party studies require study approval for Facebook funding.

Brand Lift

Brand lift works for advertisers who are building equity, specifically those who are...

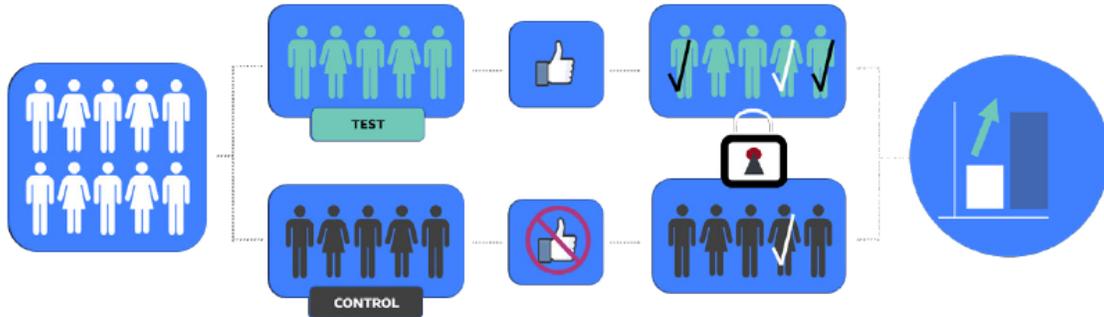
- Building brand or product awareness
- Landing message association
- Driving consideration or favorability

Differences Between Solutions**	facebook Brand Lift	nielsen Brand Lift	MillwardBrown Brand Lift
Lowest minimums for study qualification	✓		
Third-party objectivity		✓	✓
More reporting bells and whistles (deeper analysis on next slide)	✓		
Client uses for other non-FB measurement solutions		✓	✓
Client has more than 3 campaign objectives			✓
The overall results, study and campaign details	✓	✓	✓
Demographic breakdown of the results	✓	✓	✓
Norms for campaigns in your vertical and region	✓	✓	✓
Real time reporting in the UI	✓		
Breakdown of ad recall lift by video view duration	✓		
Best practices for optimizing your brand lift study	✓		
Breakdown of lift by AMRLD TV viewership groups	✓		
Creative scoring to help contextualize brand lift results	✓		

*3rd Party studies require study approval for Facebook Funding

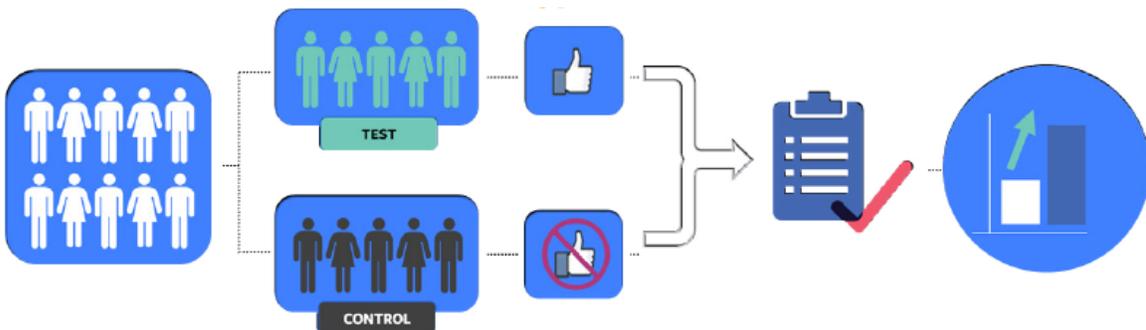
Understanding key solution methodologies

Facebook Conversion Lift Methodology



1. Identify your business objective and campaign to measure
2. Facebook randomizes and splits audience into test and control group
3. Run campaigns to your target audience - ads will be delivered to the test group and will not be delivered to the control group
4. We capture conversions via the FB pixel or Offline event sets for both the test and control
5. Facebook calculates lift by comparing conversions in the test group to conversions in the control group

Facebook Brand Lift Methodology



1. Identify your business objective and campaign to measure
2. Facebook randomizes and splits audience into test and control groups
3. Run campaigns to your target audience - ads will be delivered to the test group and will not be delivered to the control group
4. We capture brand question polls for both exposed test group and control
5. Facebook calculates lift by comparing conversions in the test group to conversions in the control group

Understanding key solution methodologies

Why use attribution check-up

Is my current attribution model crediting based on people, cross-device behavior?

What impact does integrating Facebook clicks and views have on my current attribution model?

1. Adds Facebook ad clicks and views to the advertiser's existing data
2. It then calculates a new attribution analysis based on the client's data and model
3. Compare the new attribution to the existing attribution to shop gaps

- Reporting aggregated down by channels and publishers that matter to you
- Visualize top 5 cross-device, cross-browser path to conversions

Eligibility Requirements:

Signed NDA agreement & specific order level data requirement.

Facebook Attribution Check-Up Methodology

Client Data from their own system (send to Facebook via Excel upload process)

order_id	Ad Exposure Timestamp	Ad ID	Device	Click/View
ABC1234	Jan 2, 5:01 pm	GOOGLE 1234	Desktop	Click

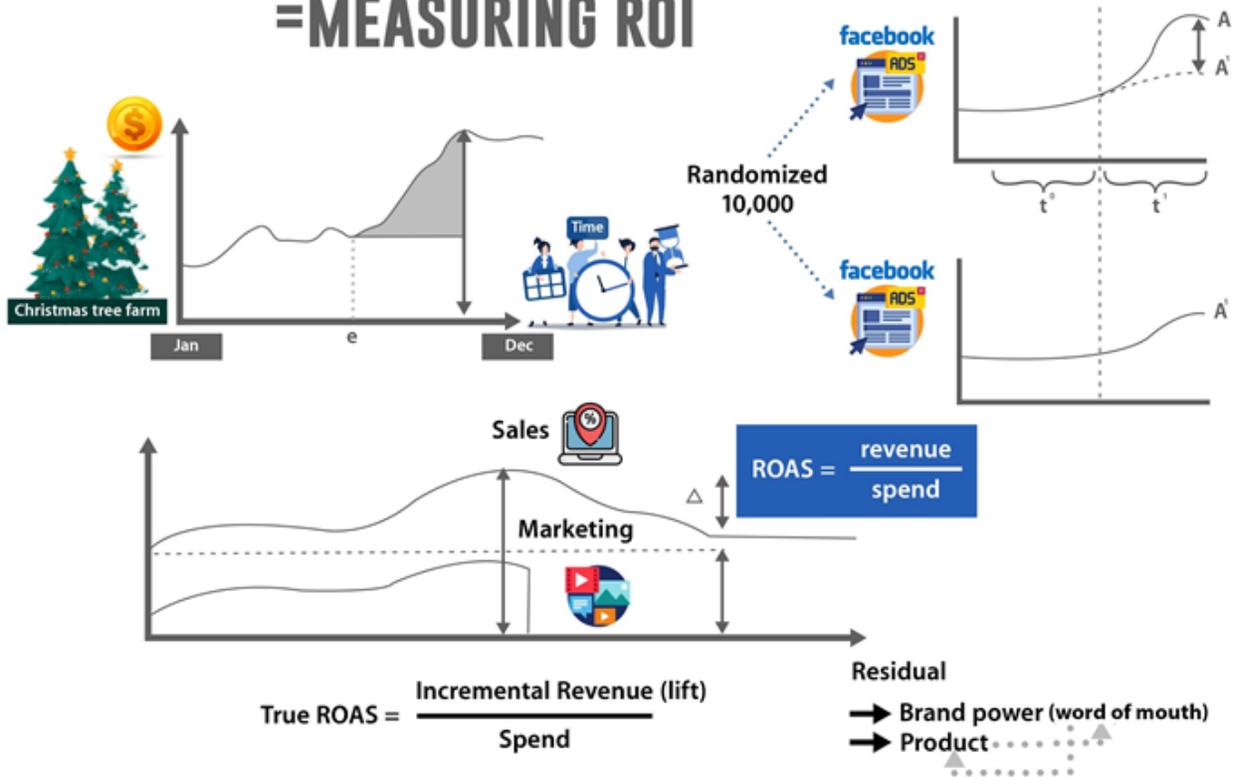
Client Data as tracked by Facebook Pixel (to be combined with Client Data above to form full picture!)

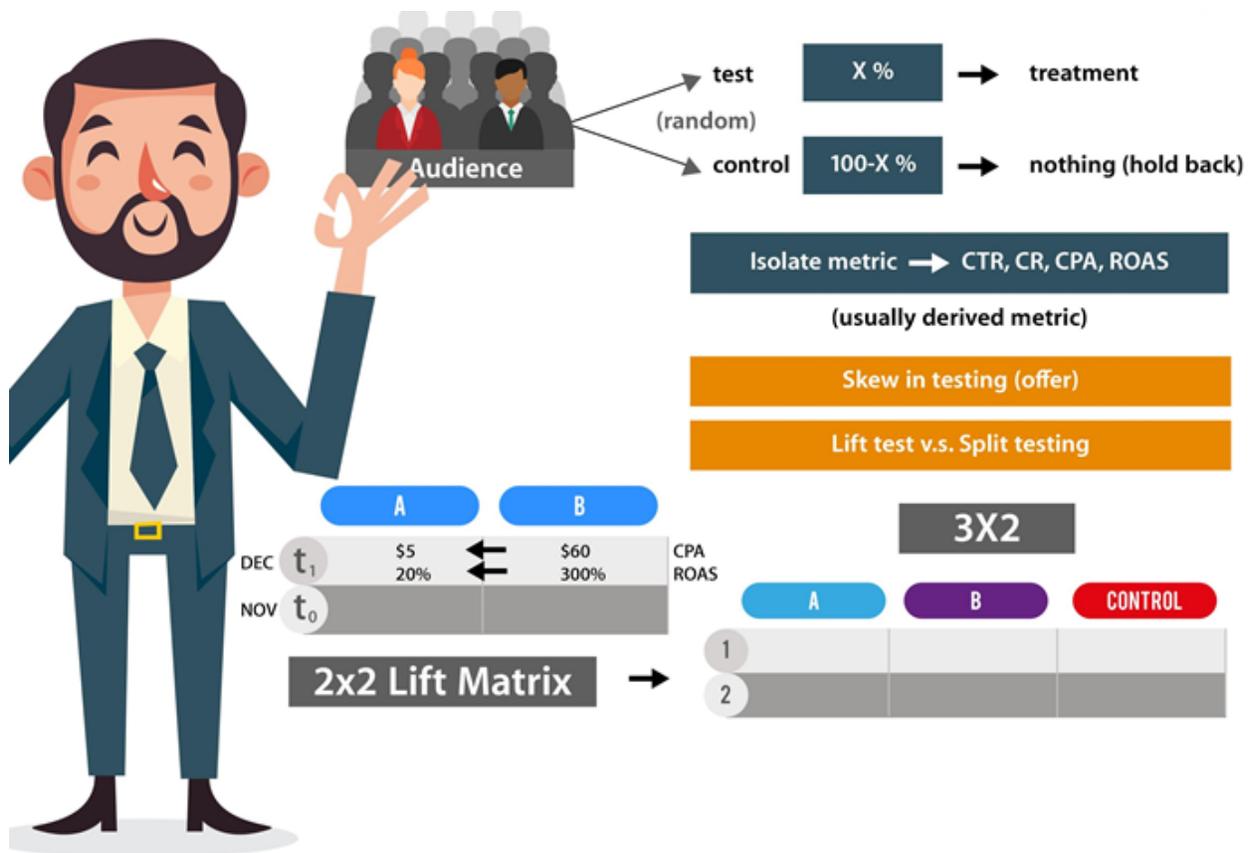
order_id	FB Ad Exposure Timestamp	FB Ad ID	Device	Click/View
ABC1234	Jan 1, 3:01 pm	98765432	iOS	View
ABC1234	Jan 3, 12:04 pm	98765432	iOS	Click
ABC1234	Jan 4, 4:43 pm	1234567	Desktop	View



Lift Testing

LIFT TESTING = MEASURING ROI





Lift Strategy Best Practices

Campaign setup best practices for conversion lift

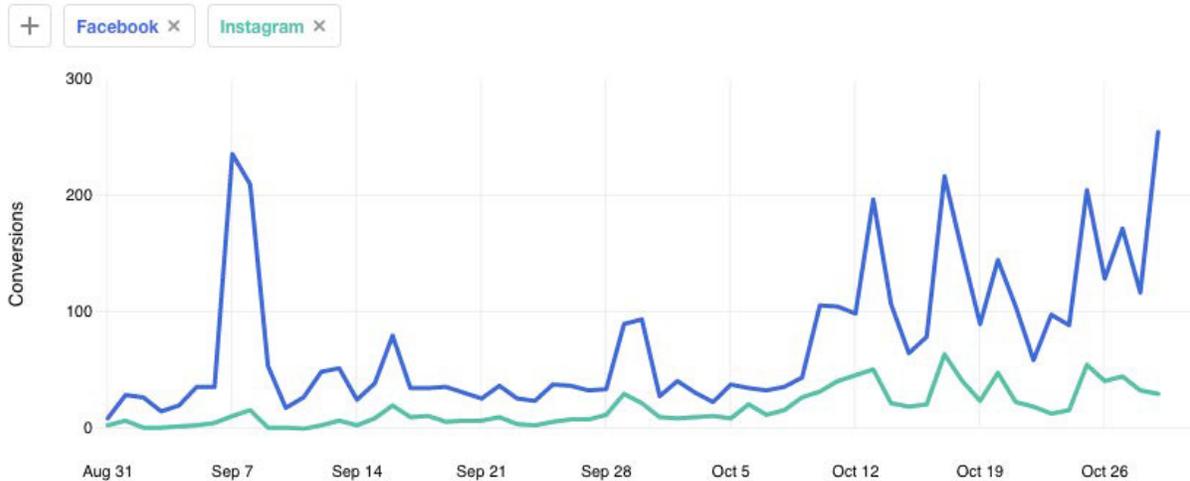
1. Include as many outcomes as possible in the study as separate objectives.
2. Remove media on Facebook running outside of the test, because it can dilute results and lower power for the test audience.
3. Media weight influences brand metrics, so ensure that your frequency is sufficient (this varies between verticals).
4. Don't modify the campaign parameters like creative, budget, targeting, or runtime after setting up the poll.
- 5.

Campaign setup best practices for brand lift

1. No other media for the same brand/product should be running across Facebook's family of apps and services at the same time.
2. Where possible, set up the poll for the specific product being advertised.
3. Media weight influences brand metrics, so ensure that your frequency is sufficient (this varies between verticals).
4. Don't modify the campaign parameters like creative, budget, targeting, or runtime after setting up the poll.

Advanced Measurement - Facebook and Instagram Conversions

NBA Season Example:



We saw a spike on September 7th, where daily ticket sales reached a high of 225 conversions. This could be attributed to the pre-sale of tickets for the Miami Heat game on Nov 6.

Since the start of October, we've seen a healthy increase in daily conversions through Facebook. This is obviously due to the dawn of the new NBA season. We'll continue to track the daily conversions as the season progresses. We are positive that the current high of 255 conversions in a day will be far eclipsed, especially with the game-by-game ticket strategy.

Advanced Measurement

NBA Season Example:

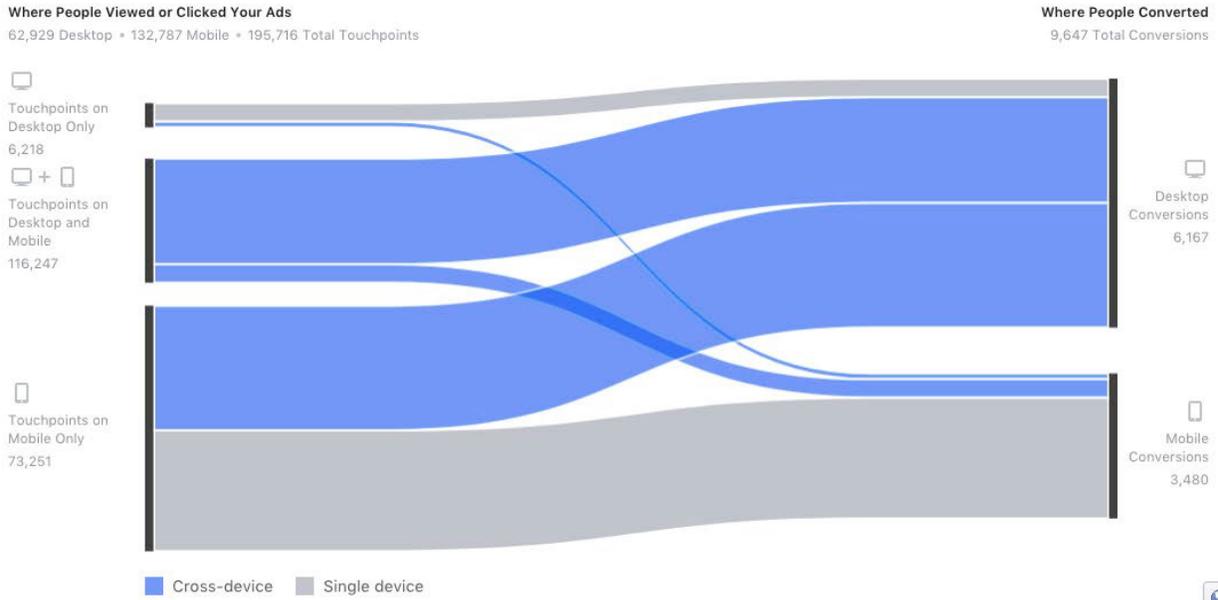
<input type="checkbox"/>	Publisher	+	Clicks <i>?</i>	Conv... <i>?</i> ▾	Conv... <i>?</i>	Cost <i>?</i>	Cost ... <i>?</i>	Impr... <i>?</i>	Retur... <i>?</i>
<input type="checkbox"/>	Facebook		88,886	4,438.00	\$1,011,579.15	\$52,891.81	\$11.92	15,392,236	1,912.54%
<input type="checkbox"/>	Instagram		16,183	1,046.00	\$209,764.28	\$17,118.86	\$16.37	2,758,832	1,225.34%
<input type="checkbox"/>	Audience Netw...		23	0.00	\$0.00	\$0.78	-	1,950	0.00%
	3 Publishers		105,092 Total	5,484.00 Total	\$1,221,343.43 Total	\$70,011.45 Total	\$14.14 Average	18,153,018 Total	1,045.96% Average

Some fantastic results from both Facebook and Instagram, recording a ROAS of over 1,000% on each platform. What's interesting here is to compare the two channels. There has been over 3x more Ad Spend used on Facebook than Instagram, but Facebook generated:

- 5x more revenue than Instagram
- 5.5x the number of impressions
- 4.2x the number of conversions

While Instagram is a fantastic channel and compliments our tactics with Facebook, this cements Facebook's superiority over Instagram and gives us a clear focus on how we should allocate future ad

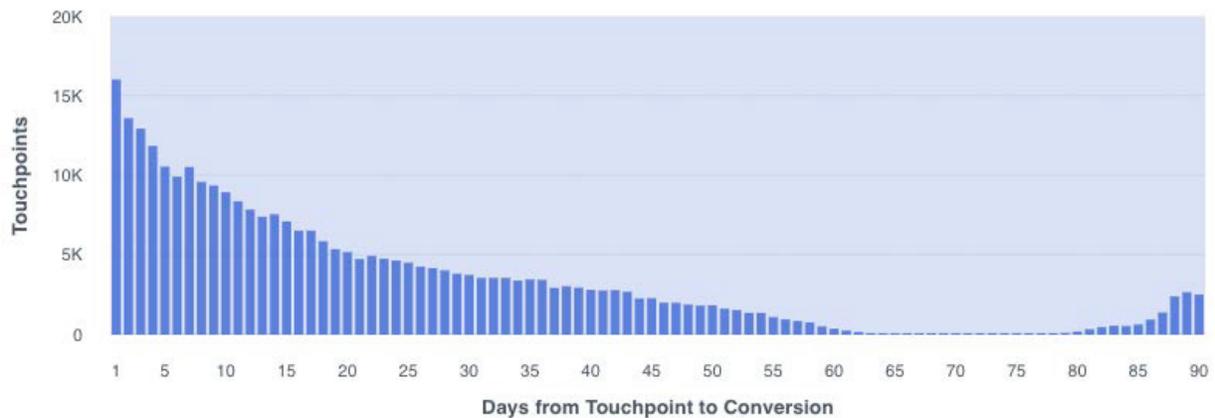
Where people viewed your ads vs. Where people converted



64% of conversions were from a desktop, yet 67% of ad views were from a mobile device.

We expect these figures are due to the ad being viewed on the mobile platform, then having to coordinate plans with friends or wait for their paycheck to come through too, then, subsequently purchase the tickets on a desktop. This is where they feel more comfortable inputting personal details and making sure their purchase is submitted correctly.

Touchpoint to Conversions



A real anomaly in the chart is from 80-90 days. There seems to be a significant increase, considering between days 63-79, it's an almost dormant period of conversions. This could be attributed to ticket sale releases for games in the next 2 to 3 months, with fans scoping out price and availability when our new campaigns are launched. By the time our last-minute sales ads are delivered, the fans purchase tickets a day or two before the game with Facebook giving the initial touchpoint credit for the conversion. Another possibility is the 85+ day conversion is a carryover from last season's playoffs.

The immediacy of purchases between a 1 and 5 day period is great. If we can stimulate this urgency on all ticket sales, we can continue to increase Facebook revenue and allocate both time and budget regularly throughout every individual home game campaign.

Attribution Window	Impressions	Clicks	Touchpoints	Conversions	Touchpoints to Conversion
1-day	5.1% 15,216	18.5% 842	5.3% 16,058	51.8% 5,237	3.1
3-day	13.8% 41,372	28.1% 1,281	14.0% 42,653	69.2% 6,998	6.1
7-day	27.8% 83,686	42.3% 1,927	28.0% 85,613	80.1% 8,103	10.6
14-day	47.3% 142,149	59.7% 2,720	47.4% 144,869	87.7% 8,866	16.3
28-day	71.3% 214,424	74.5% 3,393	71.3% 217,817	92.1% 9,319	23.4
30-day	73.8% 221,943	76.3% 3,477	73.8% 225,420	92.6% 9,363	24.1
60-day	95.4% 286,908	98.0% 4,466	95.4% 291,374	94.8% 9,593	30.4
90-day	100.0% 300,831	100.0% 4,556	100.0% 305,387	100.0% 10,115	30.2

Although 52% of conversions occur within one day, people are viewing and researching many days prior to this. 58% of the clicks are beyond 7 days, so we would think that we are planting a seed in the fan's mind in preparation for the conversion closer to game day.

A click means that the fans are interested in the ad and therefore not passively blasting impressions at them. The more touch points we can achieve, the more assists we can execute.

Statistical Noise

Statistical Noise is making sure that the metrics you are comparing and optimizing are significant enough to make decisions on. To ensure we are focusing on scalable metrics, we should have achieved one of the following after two weeks:

- 10,000 impressions.
- 25 link clicks.

This ensures that the ads have been shown to a wide enough audience for Facebook to gauge how well the content & audience target match -- and how heavily they will penalize us through CPM, CPC, CPA, and other cost metrics.

Facebook has told us directly that the learning process of ads, creatives, objectives, and audience takes a minimum of two weeks. Once the algorithm has gathered enough data, then it will be able to optimize according to all of the different variables.

Examples where Statistical Noise is most dangerous:

Example 1

We've run our campaign for 2 days, it's picked up 200 impressions, and it's already closed \$250 in sales from \$4 in ad spend.

The natural thing for most people to do is ramp up spend to \$400 since if we increase spend to \$400, our sales will go to \$25,000. Right?

Wrong.

Seeing as we are spending \$2 a day on this particular campaign, we'll let it run for the 2-week learning phase -- spend \$30, and then we can determine what our next optimization steps are and if it continues to generate revenue at a 63x ROAS.

Example 2

Our campaign has been running for 4 days now. It's only reached 500 people, but Facebook is reporting our CPM as \$23.

It seems like our audience is really expensive, so we would think to go in and turn the campaign off before it wastes any more of our dollars.

But when you put this into perspective, we've spent just \$11.50 over 4 days and we haven't given this enough time for Facebook to learn.

We are spending \$2.88 a day on this campaign, so it's suggested to let this one run until it picks up enough results to make a more educated decision based on our [Standards of Excellence](#).

Example 3

We've spent \$10 on a campaign and generated 2 link clicks. We are aiming for \$0.50 per link click, and we are currently achieving costs 10x this.

We want to go in and turn the campaign off because it is costing us too much per link click, but we've only been running the campaign for 3 days, so we haven't given it enough time to collect results and properly optimize.

FAQ

Q: My daily budget is set to \$9,000 per day, how come the ad spent is only at \$1,501?

A: Just because you want to spend a certain amount on Facebook doesn't guarantee it will get spent. Inventory is finite and we are also subject to the competition for that inventory.

Just like with PPC on Google, increasing the daily budget doesn't necessarily mean we will get more traffic. Consider the size of the audience we are targeting. You will be able to get perhaps double as many daily impressions as people in the audience if you are at the top of the bid range, since position (not shown) does matter.

For example, if you have an available audience of 100k people for an ad, then you could perhaps get 200k daily impressions until burnout. Consider an average CTR of 0.03% and you might get 600 clicks and 400 fans. That will last a few days until burnout, when your bid eventually falls outside the range, whether because our system progressively bids down or Facebook increases the range because our CTR is decreasing.

What's Next?

You have completed the Optimization Course!

