



THE ULTIMATE GUIDE TO BUYING FACEBOOK ADS

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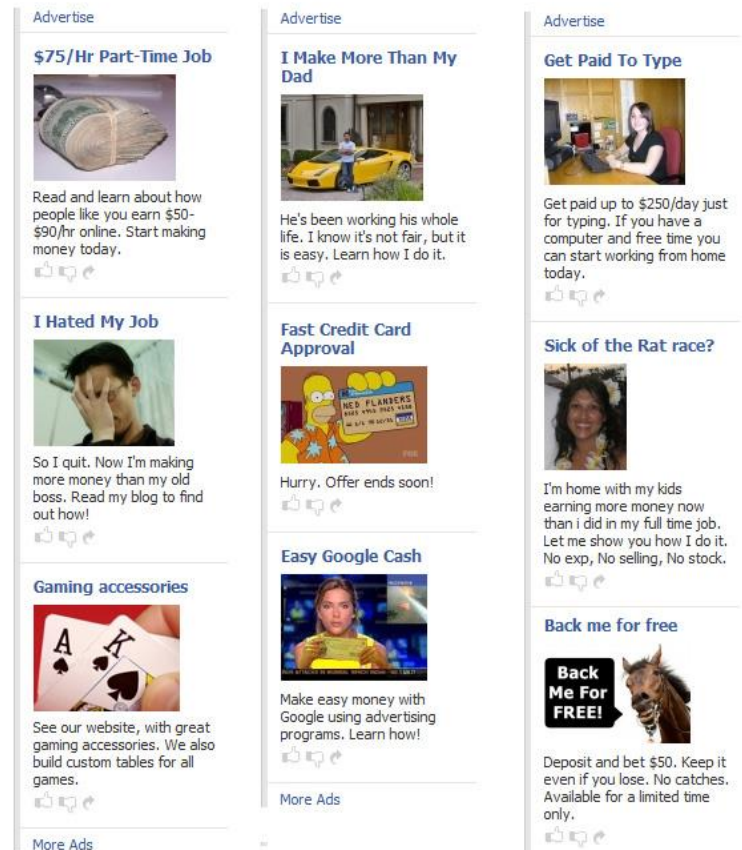
There are two kinds of Facebook Ads, the Facebook Ad and the Social Ad. Facebook Ads work pretty much in the same way as other online ads, and what you typically see on the right sidebar when you're logged in to Facebook.

Advertisers can make these ads link back to their Facebook fan page, application, or their own website in order to generate traffic.

Social Ads, on the other hand, are intimately tied together with the activities of a Facebook user on the website, as well as those of the people in their network. There are three kinds of Social Ads:

- Fan style ads. These are tied together with Facebook fan pages. Once users "Like" an ad, they will automatically become followers of the brand's fan page, allowing them to receive updates about the brand. This is a popular choice among established businesses, since their market already know who they are.
- Comment style ads. These ads allow users to actually leave comments about it, similar to how they can make wall posts.
- Virtual Gifts ads. Usually found on Facebook apps, this type of ad allows users to share virtual items (that bear the name of the brand) to other users.

Facebook Ads are paid services. Your fees will be based either on the number of clicks you get (CPC) or the number of impressions of your ad (CPM). You can adjust your budget at any point in time.





How to Setup Facebook Ads

The first thing you will need to do is to sign in to your Facebook account. Scroll to the bottom of the page. You should see “Advertising” on the bottom right portion. Click on this, and then click on the “Create an Ad” button

This will bring you to the page where you can customize what ad will be appearing. The items that you can customize include:

- The destination URL. You will be able to specify what page you want users to be brought to when they click the ad. You can either link back to an internal Facebook link (such as your fan page, an events page, or an application you have developed) or to your own website. For cheaper click costs it is recommended to link to Facebook Fan page.
- Text. Facebook Ads come with a title and a body. Personalize the title of the ad to make it appealing to your audience. You are given 25 characters for your ad title, so make it short, appealing, and direct to the point.
- The body, on the other hand, contains a maximum of 135 characters, so don't expect to write a novel for your ad's body. Like the title, make it concise but appealing so that your audience will be interested in clicking the ad to see what else you have to say.
- Use active words that will emphasize your call to action. You may also want to consider using loaded words that are sure to trigger emotions to increase interest. If you are currently offering special deals to customers, be sure to put this in your ads to increase the possibility of your viewers clicking the ad and buying what you're offering to them.
- The photo that comes with the ad. Make sure to include a photo that is not only relevant to the content of the text, but is also an image that will be appealing to

A screenshot of the Facebook Ad creation interface. The page is titled "Advertise on Facebook" and "1. Design Your Ad". It features a "Destination" dropdown menu set to "External URL". Below this is a "URL" input field with a "Suggest an Ad" button. The "Title" field has a character count of "25 characters left". The "Body" field has a character count of "135 characters left". There is an "Image" section with a "Choose File" button and "No file chosen" text. A "Preview" section shows a placeholder for an image and the text "Example Ad Title" and "Your body text will go here."



your target audience. Choose a picture that is eye-catching and good on the eyes to enhance the possibility of your target audience clicking on the ad.

Once you are satisfied with the ad you have made, you can then submit it to Facebook for approval. You will be brought to a secure page where you will need in order to enter your credit card information.

Do note that it is possible for Facebook to reject the ad that you submitted to them. The social networking site has pretty stringent rules when it comes to ads (these rules will be discussed in a later section). As such, make sure to have backup copies and images for your ad that you can turn to should Facebook reject what you originally submitted.

Target Your Advertisement

What makes Facebook Ads so appealing to marketers is that it allows them to target specific groups among the Facebook users. When people sign up for Facebook, they can fill up their profile page to put in where they're from, what schools they have attended, what their hobbies and interests are, and other such details.

What Facebook essentially does is that it uses the information that people post on their profile pages to match the right ads for them. As such, it comes as no surprise why a music lover will receive music-related ads, while someone who loves food will get ads on restaurants, coffee shops, and other such establishments.

You can actually see how many Facebook users belong to the demographics you plan on targeting. You can view this by specifying the demographics. Facebook will then give you the number of users who fit the criteria you have specified. You can mix and match the criteria if you want to reach a broader audience.

What exactly can you specify when targeting your demographics on Facebook Ads?

Just about anything, including location (even the state and city), age, gender, sexual orientation, profession, and relationship status.

A note: while micro-targeting is all well and good, don't become so specific that only a handful of people will end up fitting into the criteria you've set.



Try to balance between the general and specific so that you will be able to come up with a niche market that belong to the same demographics without being so specific that you get no traffic or impressions.

How to Create Facebook Compliant Ads

Of course, you can't just create any ad that you want. Facebook has established a set of advertising guidelines that you will need to conform with if you want your ads to be approved and displayed on the social networking site.

That is unless you are cloaking but that is not covered in this report. Feel free to discuss this on our [Private Forum](#).

The advertising guidelines of Facebook include rules in:

- **Privacy.** Ads that are posted on Facebook should not contain user data even saying "People in Canada" in your ad may be disapproved. Furthermore, data collection and user data information should be used following Facebook's privacy policy, as well as the privacy policy of the sites directly connected to the advertisement. Ads should not violate the rights of any third parties.
- **Content.** All of the components in the ad, from the text to the images, should be relevant to the product or service being promoted. The ads should neither contain audio nor animation that plays automatically. The text should follow proper grammar. The ads should not be presented in such a way that would offend users.
- **Accuracy.** The ads that are posted should not deliberately mislead the audience or suggest false relevancy to any offers
- **Landing page.** The destination site of the ad should not prevent a user from navigating away from said page. Ads that link to landing pages that are deemed by Facebook to contain malware or lead to similar types of software will not be allowed by Facebook.
- **Subscription services.** Ads for subscription services may be allowed on Facebook, provided that the copy clearly stipulates the billing aspect of the service.
- **Prohibited content.** The ad should neither contain information nor target people whose personal characteristics fall within the following categories: religion or philosophical belief, race or ethnic origin, age, sexual orientation/ gender identity, medical condition (including any disabilities), financial status, membership to trade unions, or criminal records.



Tracking The Progress Of Your Facebook Ad Campaign

You will need to keep track of the progress of your ad campaign so you will be able to determine whether or not your marketing efforts have been successful.

By logging in to Facebook Ad Manager or Facebook Insight and then going to the “Reports” section, you will be able to get the relevant statistics about your ad campaign.

These report sites give three kinds of reports that you can check in order to see how your ad campaigns are doing. “Advertising Performance” analyzes the number of clicks that your ad gets, allowing you to see just how effective the ad you made is in pulling people’s attention toward your landing page.

Date	Imp.	Social %	Clicks	CTR (%)	Avg. CPC (\$)	Avg. CPM (\$)	Spent (\$)
10/30/2010	28,541	0.0%	60	0.21	0.08	0.16	4.57
10/29/2010	16,757	0.0%	36	0.21	0.08	0.18	2.95
10/28/2010	158,066	0.0%	260	0.16	0.09	0.14	22.64
10/27/2010	520,133	0.0%	599	0.12	0.08	0.10	49.67
10/26/2010	416,811	0.0%	783	0.19	0.06	0.12	49.83
10/25/2010	13,300	0.0%	18	0.14	0.09	0.12	1.63
10/24/2010	2,308	0.0%	8	0.35	0.10	0.33	0.76
Lifetime	5,948,849	0.1%	6,357	0.11	0.10	0.11	634.42



“Responder Demographics” provides you with information on the demographics of the people who click on the ad(s) you post on Facebook, allowing you to compare the population of people clicking your ads vs. your actual target audience (do note that “Responder Demographics” does not provide specific information about each Facebook user who clicks on your ads.

Instead, it will give a more general picture on the demographics of those clicking the ads). You can also use the information that you get from the “Responder Demographics” report to make a new ad campaign based on what you see will appeal to the audience you’re getting. “Conversions by Impression Time” reports the average time it takes Facebook users to convert into leads after they click on your ads.



Of course, it's one thing to want to know the statistics involving your ad campaign, and it's another to actually try to decipher a bunch of graphs without actually knowing what the elements are.

Some of the elements you will want to keep an eye out on are:

- Total impressions. "Impressions" refers to the number of times your ad was displayed on pages of Facebook users.
- Unique impressions. "Unique impressions" refers to the number of times your ad appeared on the pages of unique Facebook users. This eliminates the possibility of the ad appearing two or more times on the pages of a single user.
- Total clicks. "Total clicks" refer to the number of clicks your Facebook ads got.
- Unique clicks. "Unique clicks" refers to the number of times unique users have clicked on your ads. This eliminates the number of times the same person clicked on your ad two or more times that is reported in "Total clicks".
- Total click through rate (CTR). Click through rate (CTR) refers to the number of clicks that an ad gets divided by the number of impressions within a certain time frame.
- Unique total click through rate Unique CTR refers to the number of unique clicks that you get divided by the number of unique impressions.
- Total spent. "Total spent" refers to the amount you will be paying based on what you agreed upon at the beginning when you signed up to create a Facebook ad.

You can get weekly or monthly reports, depending on your preference. Weekly reports will start on the Sunday that starts the week that you want to get the report on, while monthly reports start on the first of the month.

When Is The Best Time To Post Ads On Facebook?

Of course, it's not just a question of the day that's important. Online marketers have noticed that in a lot of cases, members of their target market have a fixed pattern when it comes to the time that they log in to Facebook. You will need to test and monitor when your conversions happen most frequently. Alternatively, you can manually check



the walls of at least a few of your target audience to check out what time they usually post updates so you can get an idea on what time they are usually online.

Some other tips you can also follow when it comes to posting Facebook ads are:

Changing ads frequently.

Even if you have the budget to have your ads appear on the site for a long time, people may become disinterested in clicking your ads just because they see the same advertisement over and over again. Changing ads frequently (as well as changing your landing pages for your ads) will mean that people will continue to be interested in what you have to say, because you are offering them something new every time.

Recycle ads.

If you're not a fan of creating multiple ads, you can actually pause ads and then reactivate these later on in order to keep your ad from becoming old (as well as to save money). Some experts suggest pausing your ads when these tire to 25% or less of the CTR you originally got from these, and then reactivating these later on.

Changing your target market.

This might seem like a huge risk at first, but taking this leap can actually lead to great rewards, especially if it actually turns out that you were targeting the wrong demographics in the beginning. If you can afford it, try to experiment and see which demographics respond to the different ads that you make.



Try out Geo-targeting.

Geo-targeting simply means setting a target market that is from the same location. This allows you to create an advertising campaign that is specifically tailored for them to increase the chances of lead conversion.

Launching ad campaigns.

Instead of just deploying one ad at a time, what you can do instead is to create an ad campaign wherein you will be releasing different ads at roughly the same time. This will not only generate more interest in what you're promoting, but will also give you an idea on what types of ads generates more responses (as seen in the number of clicks and even lead conversions). That way, you will be able to design your marketing efforts to follow what your audience is actually looking for.

“Ad Rot” or Banner Blindness



As with other types of advertisements, the performance of Facebook ad campaigns will degrade over time, no matter how well-written the copy is or how often people have clicked it at the beginning.

This is because as time passes, the novelty of your ad will wane, since most of the people who are interested in the advertisement will have already seen the ad and shown it to other people they know who might be interested in what you have to say.

As such, while it may be possible for you to lengthen the duration in which your ads will be available for display to Facebook users, this may not be the most cost-effective way of advertising.

By choosing the right schedule for your ads to appear, you will not only be able to save money in the process, you will also have a better chance of reaching your target market.



Setting the Maximum Bid

You will essentially be competing with other advertisers for advertising space. In order to determine what ads will be displayed, Facebook uses an auction system that is based on ad performance as well as how much you're willing to pay for the space. Increasing your maximum bid can improve the chances that it is your ad that will be displayed on users' pages and not your competitors.

The maximum bid (or simply called "bid") refers to the maximum amount of money that you will be willing to pay for each click for CPC arrangements or for every thousand impressions for CPM arrangements (the next section will provide more information about CPC and CPM). Going alongside the maximum bid is the minimum bid, which, as the name suggests, refers to the minimum amount of money you will need to pay in order to have your ads displayed at least once on Facebook.

Do note that even if your bid reaches the minimum requirement, it is still possible for your ads to not appear on the pages of Facebook, as the appearance of your ad on Facebook will also depend on how many advertisers are also competing for that same advertising space you want.

Facebook automatically sets a max bid on your account, and it also makes some suggestions on how much you bid based on your targeting options as well as the bids made by other advertisers belonging to the same niche as you do. You can always bid higher or lower than what Facebook suggests.

The higher the amount of money you bid, the greater the possibility that your ads will be displayed on the pages of Facebook users. Make sure to choose how much you will be bidding based not only on what your needs are, but also on how much budget you have for Facebook marketing.

Do note, however, that Facebook will only charge you the amount that you will need in order to win the auction, so it's possible that you may end up spending less than your maximum bid. Even so, Facebook suggests that you enter your true maximum when bidding for ad

A screenshot of the Facebook advertising interface showing pricing and reach options. The "Pricing" section has two radio buttons: "Pay for Impressions (CPM)" and "Pay for Clicks (CPC)", with "Pay for Clicks (CPC)" selected. Below this, there is a "Max Bid (USD)" input field with the value "3.37" and a "Suggested Bid" range of "2.60 - 4.59 USD". A note below states: "Note: Tax is not included in the bids, budgets and other amounts shown. Use Suggested Bid (Simple Mode)". The "Estimated Reach" section shows "45,436,340 people" and lists targeting criteria: "who live in the United States", "between the ages of 30 and 30 inclusive", and "who are female".



space since this will show how much your capacity will be in paying for advertising space.

Some experts suggest that you bid as high as your budget allows in order to get more impressions and so you don't miss out on clicks and impressions that you would otherwise would have received had you given a higher bid. However, this may not be the best option among marketers on a budget. A feasible alternative would be to make a small bid in the beginning just to see how many impressions you are making, and then work your way up from there if needed.

What's great about advertising on Facebook is that you will be able to control just how much money you will be investing on the ads, so you don't have to worry about spending over your budget just because some over enthusiastic Facebook users click your ads several times.

Aside from allowing you to control your maximum bid, you will also be able to control how much your budget will be for advertising on Facebook. By setting a daily or lifetime budget, you will effectively be alerting Facebook to avoid posting your ads once you've reached your budget limit. That way, you don't end up spending more money than what you originally planned.

CPC vs. CPM: Which is Better?

The previous section talked about bidding, and how your maximum bid indicates how much you're willing to pay for every click (CPC) or for every thousand impressions on your ad (CPM). This actually refers to the pricing schemes offered by Facebook that users can choose from. Cost per click (CPC), also known as pay-per-click (PPC), refers to the pricing scheme wherein you will only be charged for every ad click made by users. Cost per impression (CPM), on the other hand, refers to the pricing scheme wherein you will be charged for every 1,000 times your ad will be appearing on a Facebook user's page.

Even now, there is great debate on which of these two pricing schemes is the better option for users. In truth, both CPC and CPM have their own share of advantages and disadvantages. CPC can potentially lower the amount of money you will be spending on Facebook advertising since you won't be charged automatically each and every time your ad appears on a user's page.



You will only be charged each time a user clicks the ad. What's more, even if your ads don't get clicked, you will still be getting exposure at zero cost. The downsides of a CPC arrangement is the possibility of becoming a victim of fraud (some marketers are known to click the ads of their competitors to make them pay more than what they planned) and its higher cost compared to CPM, which is quite cheaper compared to CPC. CPM is also easier to implement. The downside of this is the possibility of losing a lot of money in the process, since you will end up paying money whenever your ad pops up on someone's page, without even any guarantees that there are people who are actually checking out what your ad is about.

Given all of these, which is actually the better option, CPC or CPM?

A screenshot of an advertising campaign setup form. The form includes fields for "Campaign name" (with the text "Huh?"), "Daily budget" (with the text "I don't know!"), "Programme" (with options "Run my ad continuously starting today" and "Run my ad only during specified dates"), "Pay for Impressions (CPM)" and "Pay for Clicks (CPC)" (with "Pay for Clicks (CPC)" selected), and "Max bid (USD)" (with a "HELP ME!" button and a "Suggested bid: 0.60 - 0.92 USD" label).

The answer is: it depends. Each advertiser will have a different set of needs, which is why some people are better suited for CPC while others will profit more with CPM.

For example, those who want to spread brand awareness may be better suited for CPM, since they are more interested in making people aware about their company and/or their products through their ads than on clicks. On the other hand, those who are interested in chasing after leads might be better suited for CPC, since they have more confidence that the people who will be willing to click on their ads are also the same people who will be willing to shell out money in order to purchase the product that the company is selling to them.

Some experts also recommend your click-through rates (CTR) as basis to determine which payment scheme you should go for. If you have an ad that has a high CTR, then CPM might be a better option for you based on price, regardless of whether or not you want to get a lot of clicks. However, if you have a low CTR, then CTC might be a better option for you, since CPM will end up with you losing more money.

The bottom line is that you should weigh in what your needs and your budget are in order to determine which of these pricing schemes is the best option for you. You may want to test both schemes and then go for the choice that yields the best results.



Facebook Cloaking and Spying

There are 2 common things affiliates do on Facebook to gain an advantage and they are “cloaking” and “spying”.

We are not going to touch a lot on cloaking since it is completely black hat and we don't recommend it since you will likely lose your Facebook account once they catch on. Cloaking simply means you are making non-compliant ads and using a “cloaker” to make sure the people at facebook actually see a compliant ad and approve you. There is much more to it...but you can do your own research...we just thought we would tell you about it 😊

As for spying – this is much more common and although some may argue, it is a huge part of the affiliate business.

Spying on Facebook can be tough unless you use a service or tool. Basically you are spying on the ads to see what other affiliates are doing so you can reverse engineer and try and make better ads, and better campaigns.

There is a manual way that takes hours which involves setting up multiple accounts with different interests and likes and then visiting the <http://www.facebook.com/ads/adboard> link to view the latest ads visible to that demographic. This of course is very difficult and time consuming and not recommended. The hardest part about that method is that you don't really know who the affiliates are and who the big brands are.

Spy tools are becoming much more popular especially for Facebook. Here are 2 known spy tools you may want to look at for Facebook.

SocialAdNinja.com

Adzeta.com

This concludes our “Ultimate Guide to Buying Facebook Ads”. If you want to discuss more in depth affiliate methods, Facebook page methods, and other stuff related to Facebook marketing check out the [Powerhouse Forum](#) where we have a dedicated category specific to Facebook!