



# THE FACEBOOK AD BLUEPRINT

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# PREFACE

*"Gaining knowledge is the first step to wisdom, sharing it is the first step to humanity" - Unknown*

Firstly I'd like to sincerely thank you for buying this e-book and putting your trust in me. This is the blueprint I have used and developed over 6 years of living and breathing Facebook Ads and the ecom world every day.

I intend to share my mentality towards the fundamentals of a good business, along with the Ad techniques I have learnt, to help your business profit and help you save money by avoiding the pitfalls and mistakes that I have made along the way.

I'm a strong advocate of radical transparency/authenticity and believe the time was right to share a tried and tested in-depth guide which others can trust, written by a person who has invested millions of their **own** money into marketing and managed their **own** Facebook Ads.

I priced the e-book at £500, under no illusion that it's not a small price to pay especially in the world's current economic state. My rationale for the price was simple. Firstly, anyone willing to invest £500 in an e-book is serious about learning, serious about their future, and the most likely people to take action and get maximum value from this guide. Secondly, my philosophy towards business and life, is that any product or service you provide to others, should provide at least 5x the value to the end consumer. I strongly believe this e-book will comfortably create you value in excess of that multiplier or at worst, save you money by preventing costly errors.

You are the type of people I truly admire and helping you is more rewarding to me than you can imagine.

# INTRODUCTION

Owning a business, is one of the hardest jobs in the world, but if you get it right, seeing it grow, learning new skills every day, working with great people and living life on your terms is certainly very rewarding.

All the above is very difficult without being PROFITABLE. Money is the heartbeat of any business and anyone who tells you that it's acceptable to lose money for 5 years before seeing profit in today's world, has a flawed business model, very deep pockets or simply put, their product lacks significant value.

Manière De Voir has been profitable every year since inception (6 years and counting) by following certain key principles. The primary focuses are:

- Creating well-made, unique products; aiming to offer 5x more value to the customer than the RRP suggests. We started niche, then gradually became more mass market to appeal to a wider audience.
- Focus on displaying those products and all their features as attractively and clearly as possible within our sales channel; with multiple well-lit, high resolution images and in-depth product descriptions.
- Spending the maximum amount possible on marketing (mostly Facebook Ads) should we maintain a profitable ROAS (return on Ad spend). Showcasing your in stock bestsellers to millions of people, maximising revenue growth and ensuring the profit growth moves in the same trajectory.
- Making calculated, logical, long-term business decisions which have the business's longevity in mind (5-10 years), not decisions that maximise short term income at the expense of your business's long term reputation; or create a false public image of success to stroke the founder's ego.

We are all very blessed to live in a time when we can reach billions of people through a smartphone. The opportunities have never been greater to showcase our ideas and be rewarded for them; however, the sheer volume of information available and the spread of misinformation can be overwhelming, creating confusion and inaction.

This e-book is centred around ROAS (Return on Ad spend) the metric that matters. The objective simple, to spend; the maximum amount of money to acquire loyal new customers, whilst keeping cash flow positive and the business profitable.

## BUSINESS FUNDAMENTALS

In order to get the maximum benefit from this guide I will explain the key business fundamentals, from my experience, which will help to greatly scale and improve your Facebook Ad returns. It's important to be radically honest with yourself and address any of the areas you feel can vastly improve before scaling your Facebook Ads:

### PRODUCT

*"The best Ad is a good product"- Al Mayer*

Product is the key fundamental to every successful business. The first sign you have a good product is that it's selling well organically, through word of mouth,- the best form of marketing.

A few principles I constantly repeat to my product teams are:

"Don't create products you would use, create products you can't wait to buy."

"If anyone has seen a similar variant of this design elsewhere, why are we considering making it? What makes us so special?"

"If we aren't super excited to make this product, why would the customer be? Cancel it."

"If you'd buy it, would you pay 5x the proposed RRP and still feel you received fair value?"

- Uniqueness - Creating an aesthetically pleasing product with mass demand and limited supply is a great start. Having a product other retailers don't have, effectively eliminates competition and the requirement to compete on price or service. Only market leaders have the ability to create "Me too" products, sell at the lowest price and still make money due to economies of scale which require very deep pockets e.g. Boohoo/Aldi etc.

- Convenience - Time is the most valuable commodity on earth, which no amount of money can buy, therefore any product promising to help others save time or do tasks more efficiently has a great chance of success e.g. Waze/Slack/Zoom etc.
- Emotional Connection - Products that allow people to feel part of a movement or community, a selfless cause such as the environment, or have sentimental value is a great hook e.g. Apple, Tesla, Disney etc.
- Social Proof - If you create a product that others vouch for publicly (Likes, reposts, comments, reviews, product tags), it will guarantee demand from others, even if the product is truly average. Simply put, most people want what everyone else wants, that's why we have trends! Using the social proof you have collected is a great strategy to acquire new customers, more on this later.

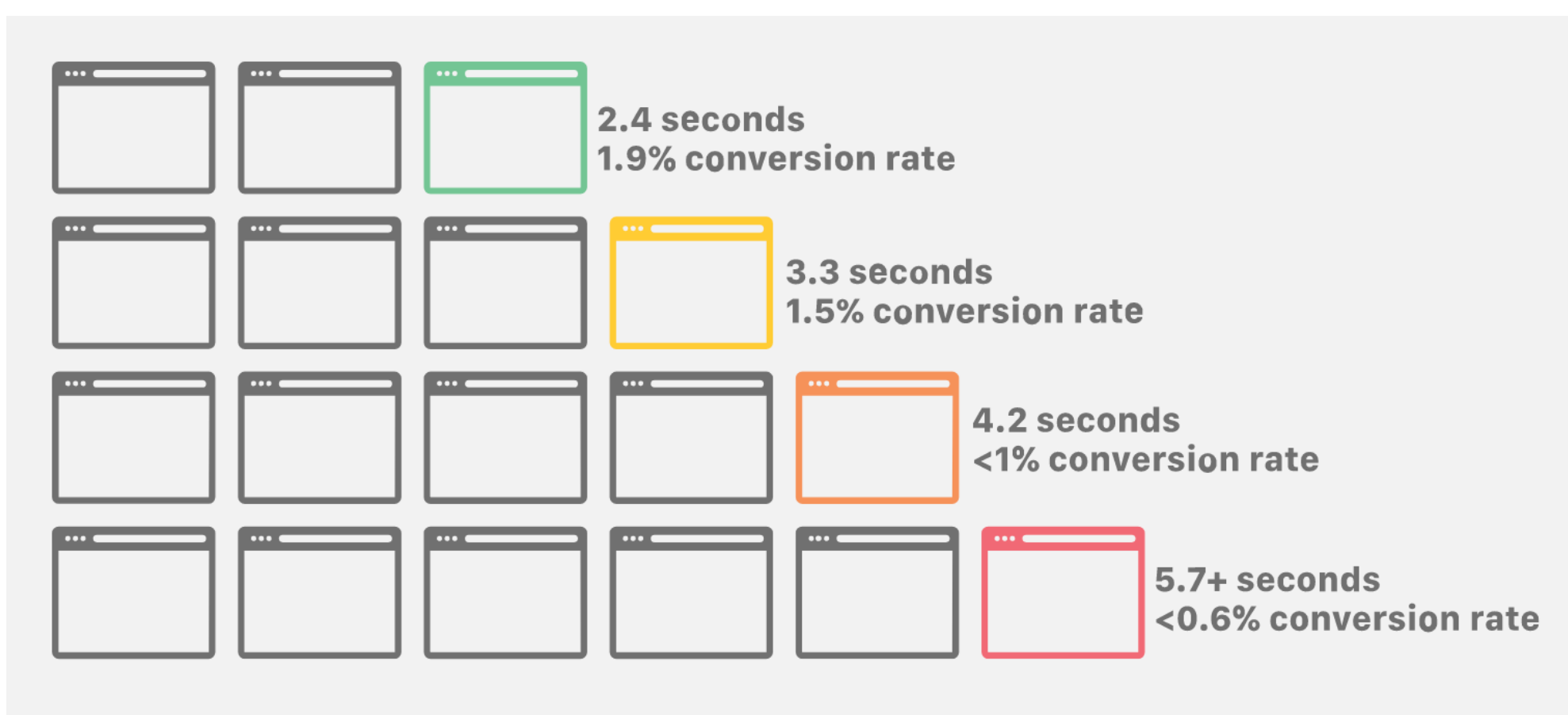
## PRESENTATION

"A great product presented poorly, is ultimately a poor product"

So what makes for great presentation?

- Product Images - Similar to the homepage, your product images must be high resolution along with as many images as possible to translate the product features clearly. It's counterproductive taking months to develop a product to do it an injustice on your website.
- Website Aesthetics/Functionality - You never get a second chance to make a first impression, therefore it's crucial to ensure your website design is classy, functional, yet minimal with all the non-essentials removed to eliminate the friction points on your customers journey to purchase. A picture paints a thousand words so ensure your homepage images are visually engaging and allude to your company's ethos/values. A beautiful, functional website creates trust, and more trust equals more sales.

- Mobile Friendly Website - The majority of Facebook Ad traffic will be from mobile users, therefore it's imperative your website is designed to be mobile friendly. This means every detail should be considered to ensure customers can navigate your mobile site seamlessly; product images should utilise the full width of a mobile device to improve visibility. Website speed also plays a huge part in conversion rates, so ensure you consistently compress images where possible (without losing resolution) and liaise with your web developer to optimise or remove dated code.



- Product Descriptions - This seems obvious, but you will be amazed how many brands develop products with super cool features or incentives but don't raise obvious awareness to them. Remember- what's obvious to you may be rocket sciences to others; therefore, explain the little things like they are big things.

If you honestly believe your business does the above with all bias and emotion removed, you're on the right path to providing immense value to your customers. As Warren Buffett once said "Price is what you pay, value is what you get".

A digital marketing campaign will simply increase the sales of a good product and accelerate the failure of a bad product.



## PROCESSES

*"Processes run the business and people run the processes"*

A business is only as good as its ability to replicate its success year after year and in order to do that you must create and constantly improve the systems which create success.

McDonald's's has dominated the food industry for decades and I think we all agree it's not due to having the best burgers in the world, it's due to having the best processes. A McDonald's's franchise can pop up anywhere in the world and replicate the high quality of service of its other locations instantly, due to foolproof systems which allow any level of staff to join the business and almost instantly work efficiently.

- Supply Chain - Having sufficient stock levels of your bestsellers is crucial to maximising your Facebook Ad returns; therefore, having reliable trustworthy manufacturers is a key component to every business. You cannot forward plan effectively or scale your business if your product quality is inconsistent or stock orders are rarely on time. Never rely on one manufacturer, always be on the lookout to diversify and improve your manufacturer base to reduce risk. Murphy's law suggests "Anything that can go wrong will go wrong" and it's your job to proactively limit the wrongs and leave nothing to chance.
- Logistics - Increasing orders 10-fold through Facebook Ads is the dream and a strong possibility, but dreams can quickly turn into nightmares if you don't have the means to dispatch orders efficiently (I've witnessed this first hand in Black Friday 2017!) Before you consider scaling your business make sure you have a reliable dispatch team, this can be in-house with your own Warehouse/Operations Manager or outsourced through fulfilment centres. Whatever you decide, make sure your business can handle the extra order volume. Acquiring several new customers daily, only to have their orders cancelled because your stocktake was incorrect or delayed because you are overwhelmed with orders is a sure way they are unlikely to shop again.

[PwC](#) surveyed 15,000 consumers and found that 1 in 3 customers will leave a brand they love after just one bad experience



# GETTING STARTED

## FACEBOOK BUSINESS PAGE

Before you get started you will need to create a Facebook business page, this allows you to link your Ads to your Facebook and Instagram accounts, this is a very simple process and easily done following the instructions in the link below:

<https://www.facebook.com/business/pages/set-up>

## PIXEL CREATION

### WHAT IS THE PIXEL?

The Facebook pixel is a simple yet powerful code that you place on your website, it collects data from your customer's habits and allows you to accurately track the actions they make on site, such as viewing a page, adding to cart and most importantly making a purchase.

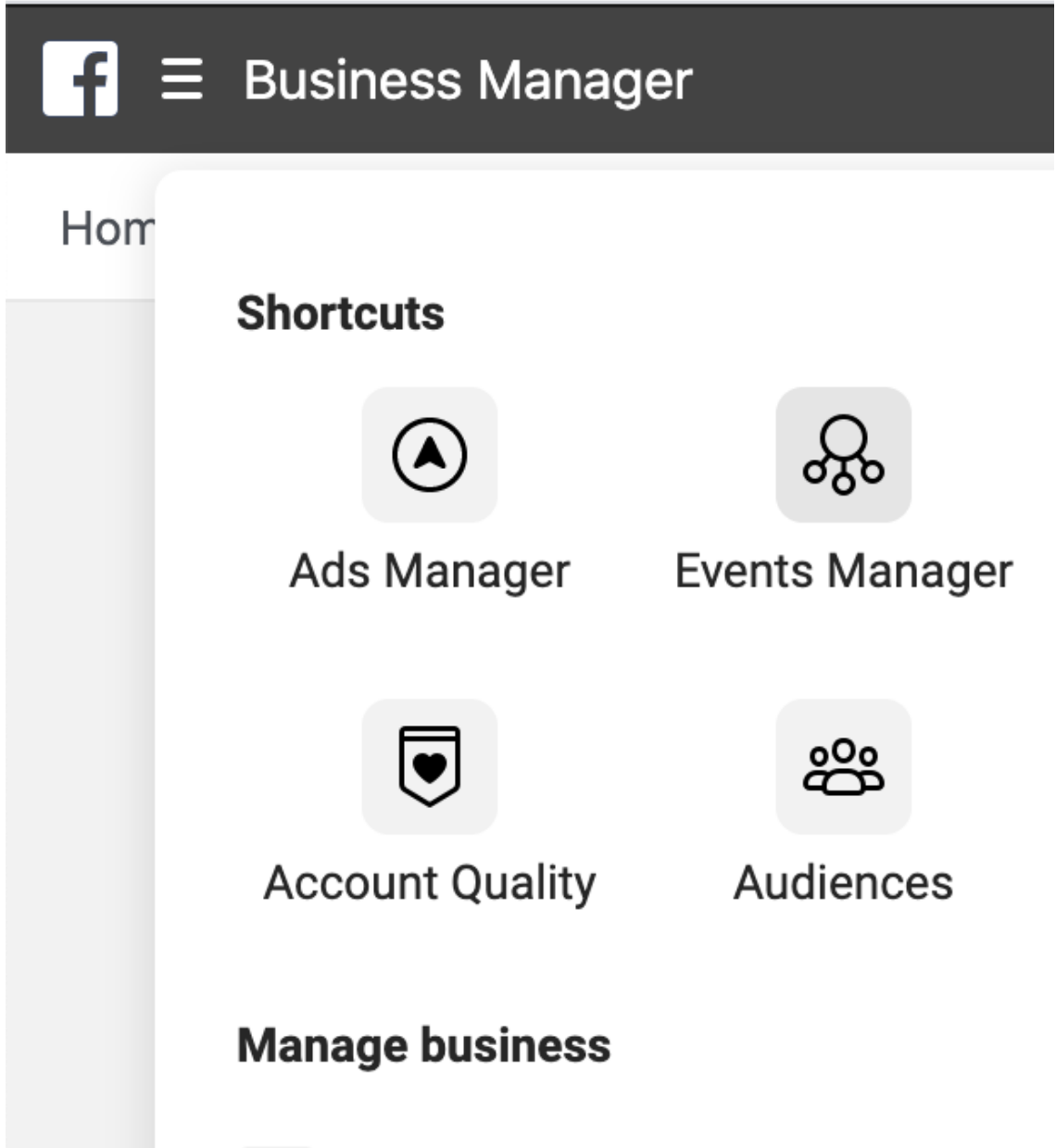
This data allows you to create audiences and segments which can be used for retargeting products to customers who have viewed a product, added to wish list, added to cart; or even finding new customers who have searched for a similar product online that you stock or finding new customers that share similar habits to your existing ones.

Facebook does this by using other business'/individuals' pixel data to match interests, age, location and buying habits to shoppers like yours, effectively doing a lot of the work for you, which in the past would have been a difficult task for marketers.

The pixel also tracks how much a customer spends. This can be super effective when using value based audiences, which seeks consumers who tend to have higher AOV (average order value), purchase more frequently and have the potential to become a high lifetime value customer (LTV, more on this later). This increases your ROAS short term and reduces your CPA (cost per acquisition/customer) in the medium term if the customer goes on to purchase multiple times over the course of a year.

# CREATE YOUR PIXEL

Step 1 - Go to Facebook Events Manager at the top left of the screen, click the hamburger icon (≡) and choose Pixels. Click the green create a Pixel button.



Step 2 - On the left-hand side of the screen, click the Green + sign named "Connect Data Source".

Step 3 - Name your pixel, enter your website URL, and click "Continue".

Connect website activity using Facebook pixel

×

Add details

Send web events and parameters through the web browsers that your customers use when interacting with your website.

Name your pixel

Create a pixel for your browser events by entering a pixel name. Web events sent through the browser are linked to a pixel name and are processed as pixel events, so you can use them in measurement, reporting and optimisation.

THE FACEBOOK AD BLUEPRINT

Check your website for easy setup options · Optional

Enter your website's URL, and we'll check to see if your site was set up using one of our integration partners, such as Wordpress, Shopify or Squarespace. Partner integrations offer easy setup methods that don't require experience with writing code.

www.theecomblueprint.com

By clicking Continue, I agree to the Facebook Business Tools Terms.

Give feedback

Back

Continue

# ADD THE PIXEL TO YOUR SITE

Step 1 - Now we have created the pixel, it's time to install it onto the website. You will be presented with two choices, manual installation or use partner integration. The partner integration is compatible with nearly all major web hosting platforms (Shopify, Magento, Squarespace etc) and this option is the fastest and most simple. If your web platform is with none of the partners, you can click the 'Email Instructions' in the bottom right and install the code yourself if you're familiar with code, otherwise send the details to a web developer to install it.


Connect website activity using pixel ×

### Choose how you want to install pixel code

Select the best method for adding the pixel code to your site based on how the website was built, what kind of access you have to the code and your technical support. [Learn more](#)

 **Manually add pixel code to website**  
Follow guided installation instructions with detailed developer documentation. [Learn more](#)





















Install Code Manually

 **Use a partner integration**  
Connect your site using one of our many partners, including Squarespace, WordPress, Shopify and others. This method doesn't involve writing code. [Learn more](#)

Use a Partner

[Give feedback](#) [Email Instructions](#)

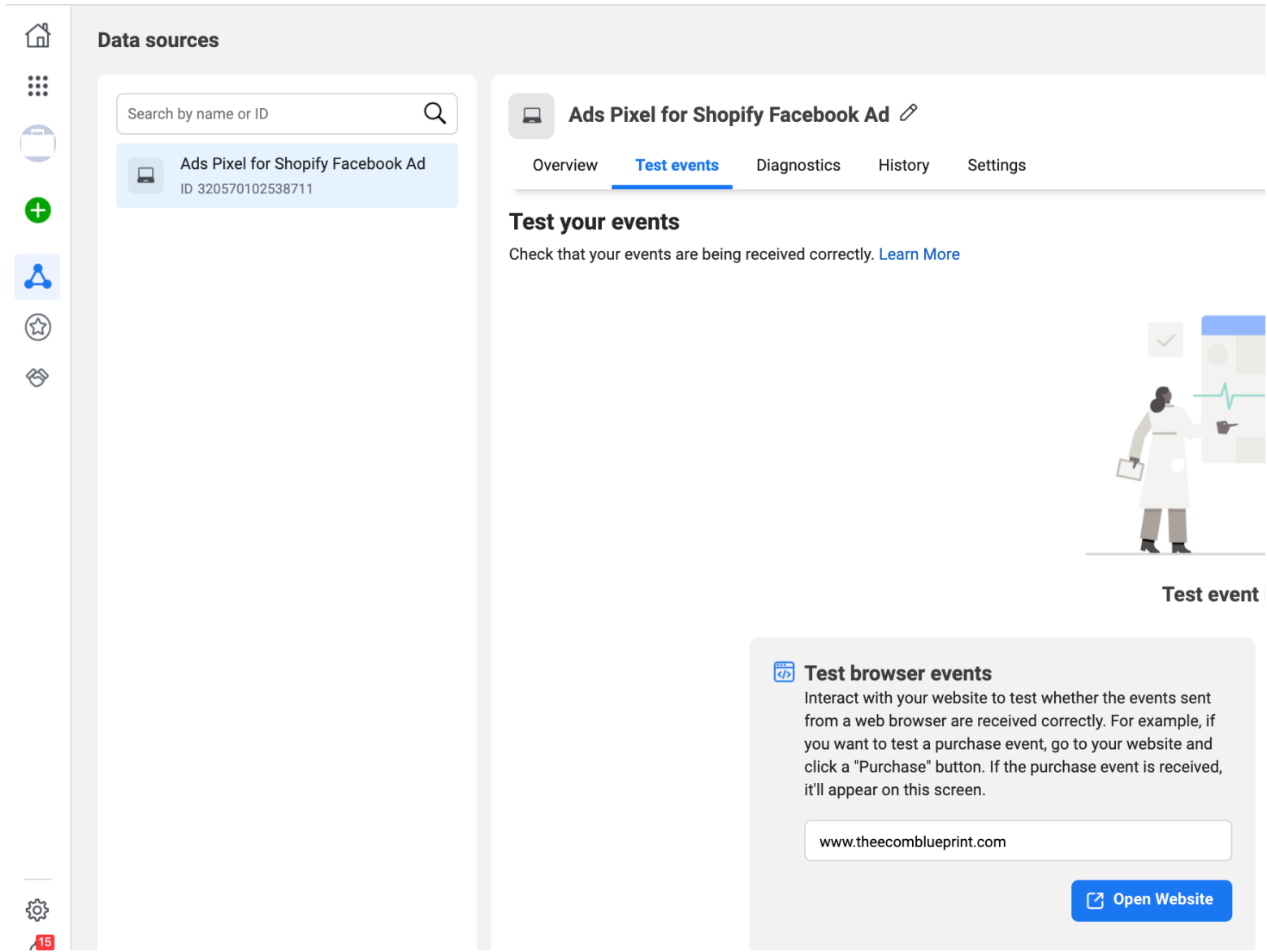
Choose a partner ×

 3dcart	 Bandzoogle	 BigCommerce	 Drupal
 Ecwid	 Eventbrite	 Google Tag Manager	 HubSpot
 Jimdo	 Joomla	 Kajabi	 Magento
 OpenCart	 PrestaShop	 Segment	 Shopify (online)
 Shopline	 Squarespace	 Storen den	 Tealium

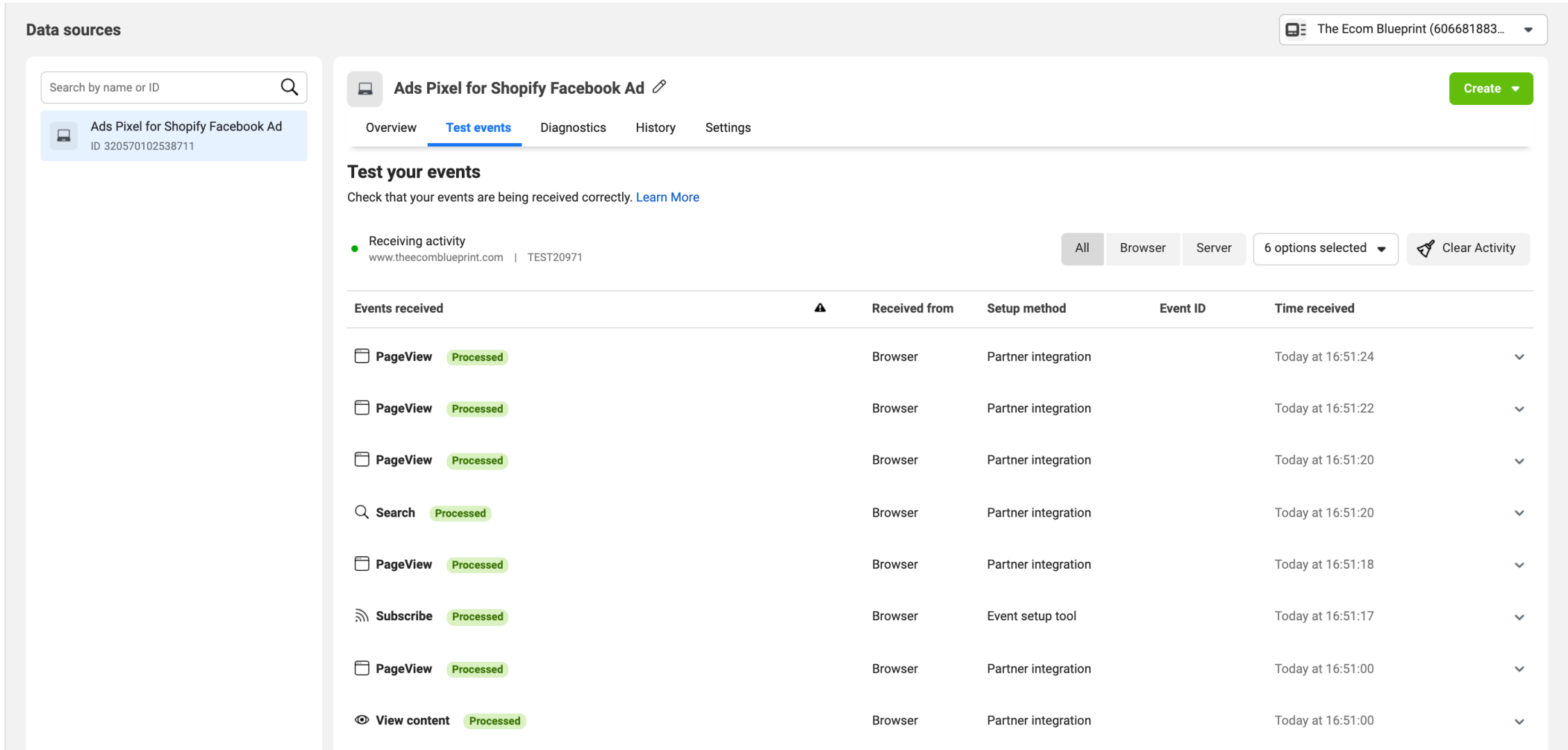
[Give feedback](#) Close

Step 2 - Set Advanced Matching - Turn this option on, this simply helps Facebook to access more of your customer data to deliver more accurate and effective Ads.

Step 3 - Now the pixel is installed, you want to make sure it's tracking correctly and the data you receive from the pixel is accurate, do this by clicking 'Test events' towards the centre of the screen, entering your URL and clicking 'Open Website'.



A new tab/window will open with your website which will be tracking your every click, if you go back to the Facebook Ad Manager tab you will see little green dots with your activity, confirming that the pixel is installed correctly.

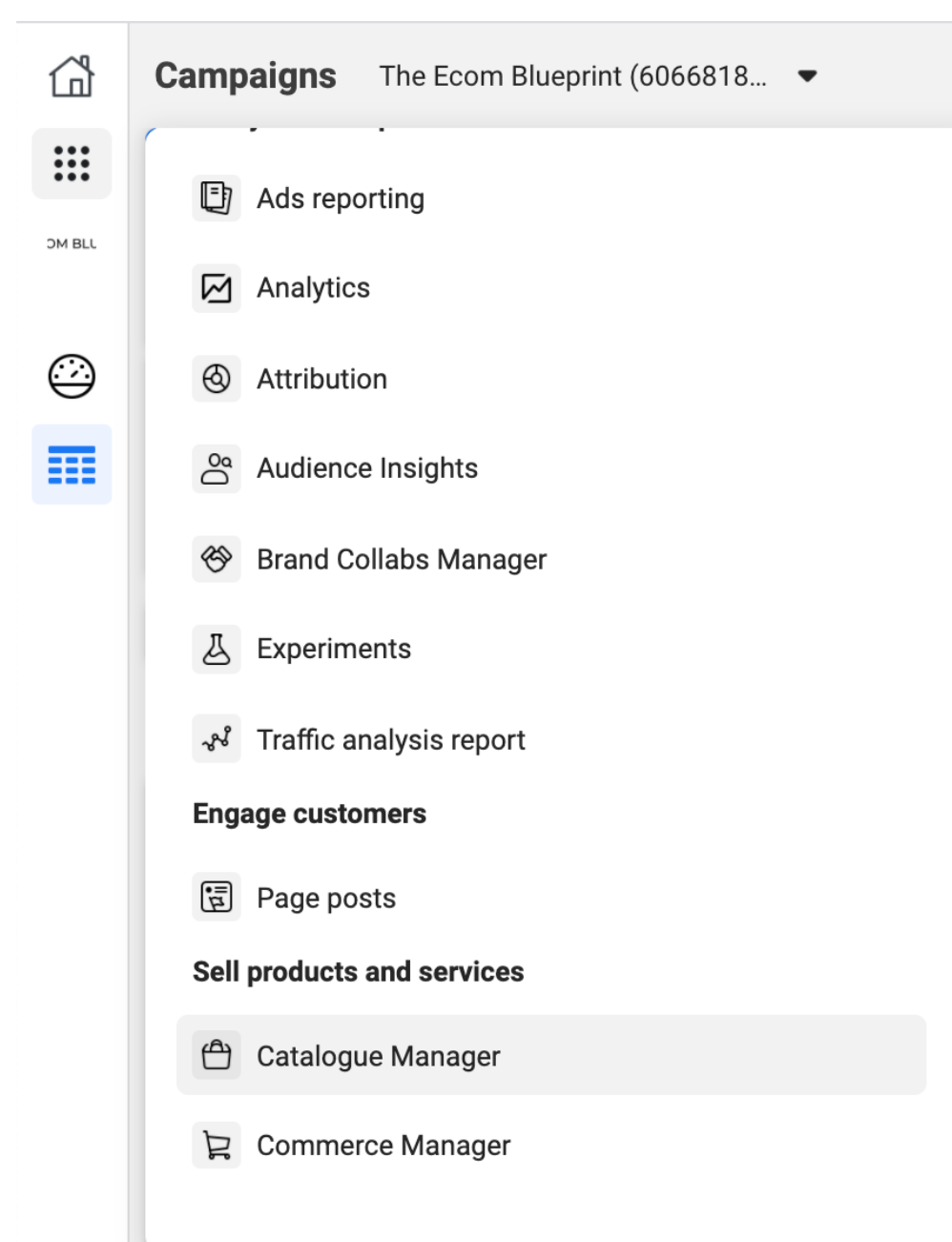




## CATALOGUE SETUP

Now we have the pixel setup, installed, it's time to create a catalogue of your products, this catalogue allows Facebook to retarget your products to people who have viewed them, added to cart, as well as use dynamic Ads which can be an effective tool at showing potential customers who are looking for specific products, any of yours that are similar.

Step 1 - At the top left of the screen, click the hamburger icon (≡) scroll to the bottom and choose Catalogue Manager and click Create Catalogue.



Step 2 - Choose your sector.

Step 3 - Choose your upload method. You will be presented with two choices:

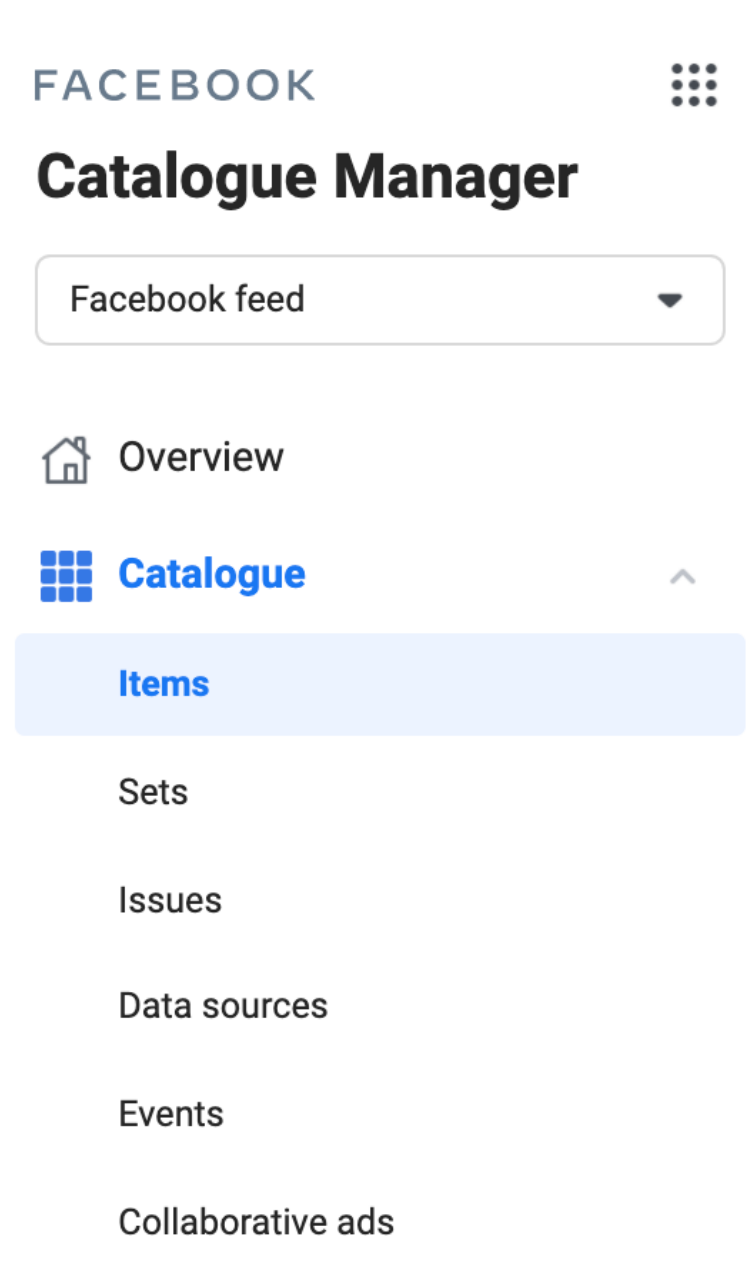
- Uploading product info - The catalogue can be created by using the pixel data, simply enter your website and let Facebook do the rest.
- Connecting your e-commerce platform - If you're hosting with either Shopify, WooCommerce, BigCommerce, Magento or OpenCart this option uses your product upload data to create the catalogue, simply click 'View Next Steps' and follow the on-screen instructions provided by Facebook.

# CATALOGUE SEGMENTATION

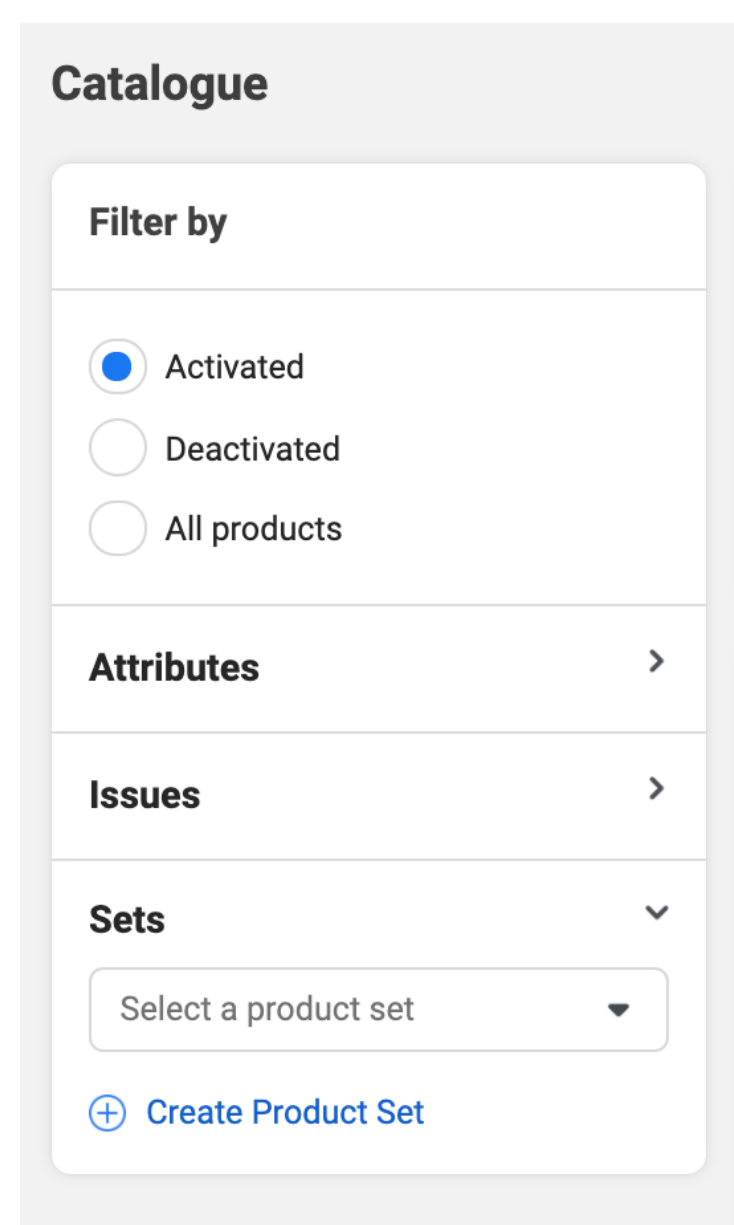
If your business is multi-category or multi-gender it can be effective to segment your catalogue. This allows you to create Dynamic Ads that are gender or category specific which can help optimise ROAS or increase sales in a specific area of your business.

Step 1 - Select your "Catalogue"

Step 2 - Click "Items" on the left side of the navigation



Step 3 - Choose "Create product set".



Step 4 - Click "Category" or "Add another filter" and narrow down your catalogue as desired and click "Create".

There many ways you can segment your catalogue by using the filter in the screenshot below.

Create a set

×

Set name

Name

Match items for

All

▼

of the following rules:

Category

▼

is any of these

▼

Enter a category

🗑

Add another filter

▼

Category

Product type

Brand

Price

Current price

Product

Item group ID

Gender

Condition

Men's Distressed ...

9.99

Women's Zip Poc...

£45.99

Men's Essential T...

£15.99

Men's Essential T...

£15.99

Women's Gi

£10.00

>

Cancel

Create

13



# AUDIENCE CREATION

## WHAT IS A FACEBOOK AUDIENCE?

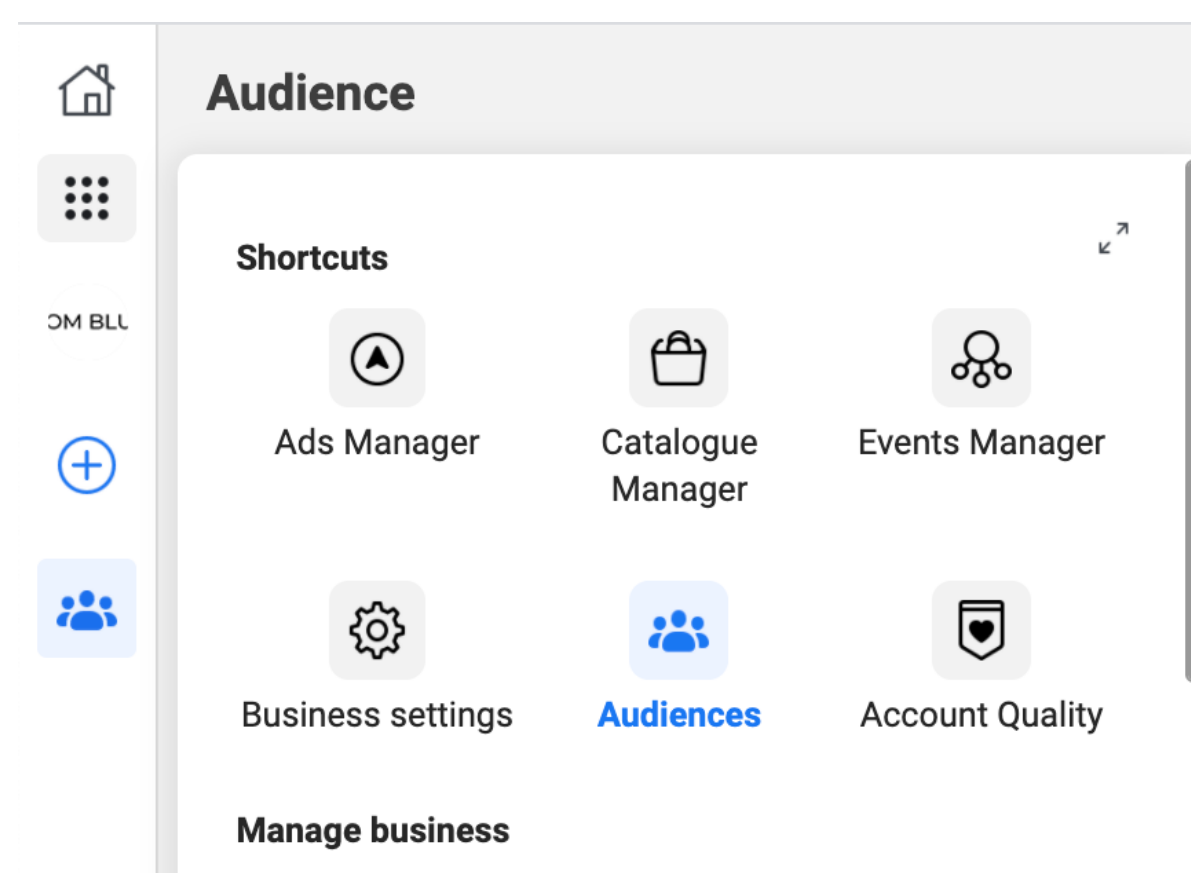
A Facebook Audience contains all the data collated by your pixel, your Facebook Ad success, links very closely to the audiences you create and the type of customers you target to see your Ads.

The quality of your audience is much more important than the quantity, therefore we want to assist Facebook's learning algorithm as much as possible, by creating audiences that closely resemble existing customers or the desired target audience.

Facebook refreshes the data within your audience every 30 days to ensure your target audience always align with your existing customers' behaviour, preventing you from having to consistently make new audiences.

## CREATING YOUR FACEBOOK AUDIENCE

Step 1 - Go to Facebook Events Manager, at the top left of the screen, click the hamburger icon (≡) and choose 'Audiences' then click the Blue 'Create Audience' button.



## CUSTOM AUDIENCES

You can create audiences from several data sources which all have their individual benefit depending on your business model. For this e-book we will focus on the below sources based on the likelihood that you will have a website, Facebook page and Instagram account.

## WEBSITE SOURCE

Below are the key custom website audiences I use for my Facebook Ad Funnels (more on Funnels later) and I would advise you to also create (Facebook's maximum period is 180 days):

- Purchased in the last 180 days (This will be used to find or exclude new customers who have bought in the last 6 months).
- Website Visitors in the last 28 days (This will exclude buyers within the last 28 days and be used to ensure we don't have an audience overlap with the Bottom Funnel - more on this later).

Another method I use frequently is to create category specific audiences by clicking the 'People who visited specific web pages', entering the URL of the desired category, then creating an audience of these customers along with a LAL (lookalike) audience of those customers.

You can then create a Campaign and Ad creative which shows a Carousel/Collection Ad full of best-selling products to existing customers who have shown interest in the category and /or new customers who have similar searching habits e.g a customer viewed Women's handbags or Greek holidays, show them a Facebook Ad filled with your best-selling handbags or all the Greek destinations you offer accommodation/flights to.

This works well if you have a website with multiple product offering and allows you to create a Facebook Ad filled with products tailored to the customer needs based on the page they were viewing.

## FACEBOOK SOURCES

### INSTAGRAM ACCOUNT/FACEBOOK PAGE

The below are also key audiences which most business can create:

- People who engaged with any post or Ad - Facebook - 60 Days
- People who engaged with any post or Ad - Instagram - 60 Days

Those who like a picture, share a post etc. Show medium intent, and we will aim to show this audience our best product and content to engage them further.

- People who saved a post or Ad - Facebook - 90 Days
- People who saved a post or Ad - Instagram - 90 Days

When a consumer saves a post, it shows high intent and this audience will show your Ads to customers who have saved your content and give them a reminder of the brand's offering.

The above audiences and time frames are tried and tested to produce results, however, you should always be thinking of new ways to target new customers or exploring different time periods depending on your budget to produce the maximum ROAS.

## CUSTOMER LIST

Importing a customer list from your email provider (Mailchimp, Klaviyo, Ometria, Shopify etc.) can be very effective by feeding Facebook your own data. You can upload customers who made a purchase of a specific product/category and create a LAL of those buyers, which can be useful if you are expanding a category and require similar customers. You can also upload a list of buyers with a high AOV or high LTV and create a LAL of them to find other big spenders or vice versa by uploading a list containing low AOV shoppers who only buy when you're in sale. It's effective to target these customers first when you're running a sale or promotion, which is likely to lead to a high ROAS due the audience being very specific.

## LOOKALIKE AUDIENCES

Lookalike Audiences are key to scaling your business and reaching new customers, the best way to use a LAL audience is to first connect your pixel and then use the default 'Purchase' event value. This creates a LAL of the customers who have bought products from your site. In order to use the purchase event, your pixel must have tracked over 100 sales, if you're yet to have 100 purchased but you do have over 100 "Add to carts" you can create a lookalike audience using this value. if you have neither of the two I'd recommend waiting until you do and using 'Interest Targeting' (more on this later).

## LAL AUDIENCE LOCATION

Next up, choosing the locations of your audiences; what countries you decide to enter very much depends on where your business is located, your shipping options and your organic conversion rates.

If you are based in the UK and nearly all of your organic sales and traffic is coming from the UK, your pixel will contain the most accurate data for the lookalike of UK based customers, so it makes sense to add the UK to locations and primarily focus growth on that region until you start to see traction in other countries. You can see this data by connecting your store to Google Analytics or using your website host reporting.

If you are receiving sales from other regions with strong organic conversion rate (use your home country as conversion rate benchmark) at 2/3rds of your target (e.g. UK 2%, USA 1.3%) you can consider adding those countries into your LAL audience.

One factor to consider is your shipping service, if you are yet to have access to swift shipping speeds that don't deter a customer making a purchase or shipping rates that don't lose you money (take the product's weight & size into consideration) I would steer clear of spending money to market to these countries, it will spread your budget thin, likely reducing your ROAS and resulting in low profit per order in the regions outside of UK due to the extra shipping cost you may have to absorb.

**TIP** - If you are UK registered and your annual revenue exceeds £85k, you should be VAT registered. If this is the case, you are not charged VAT on sales to the USA. Therefore, any sale from that region gain 20%, which could offset any extra shipping cost. Wherever your business is registered, always check which countries are VAT exempt that you could potentially take advantage of.

## LAL AUDIENCE SIZE

If you drag the slider to the right you will notice that with every % the audience size gets larger. Simply put: the smaller the %, the closer the customers within that audience resembles your existing customers, meaning they have a higher chance of making a purchase compare to a higher % audience.

The more countries you add into the locations, the bigger the audience becomes e.g. 1% of UK Only lookalike contains just over 457k people, if you also add a 1% of the USA into the locations a 1% audience jumps to a size of 2.8m.

This is why I only recommend adding additional countries once you are receiving strong organic sales, along with optimised shipping service from the region. Otherwise, you will end up spreading your budgets thin and spending inefficiently resulting in a lower ROAS.

### WHAT % LAL SIZE SHOULD I CHOOSE?

The answer to this closely links to your budgets and how often you want the potential new customers to see your Ads otherwise known as 'Frequency' (more on this later) a simple way to work out how much you have to spend to reach is CPM (Cost per 1000 impressions).

The average CPM in the UK is \$5.46, based on today's conversion that equals £4.27. Let's say you have selected a 2% LAL of UK Only containing 915k people and do the maths:

$$£4.27 \text{ (per 1000 impressions)} \times 915 = £3907.05$$

It would cost you around £3.9k to reach all the customers within the 2% LAL only 1 time (Facebook often targets those it believes is most likely to purchase more than once, so reach/frequency can vary).

So let's say for this example your monthly marketing budget is 3.9k and you were to use this solely to acquire new customers, would the 2% LAL of UK Only be a good choice? From my experience, no, in today's world we are all bombarded with Ads and general noise from social media. Our attention spans are at an all-time low and expecting someone to see your Ad just once in a month, acknowledge it, click it and make a purchase is unlikely and will result in a poor ROAS, therefore a 1% LAL would be more viable as you would receive close to 2 views per month with your budget.

Marketing expert Dr. Jeffrey Lant suggests a consumer needs to see an Ad at least 7 times within 18 months to make them consider making a purchase, but that statistic is based on numerous sectors and a lot of mediocre businesses. If you passed the fundamentals check in the introduction, you're unlikely to be mediocre therefore;

**We will use 5 impressions per month as our benchmark.**

Lets re-run the calculation based on a 1% LAL UK Only audience (457k) with the same average UK CPM of £4.27 and this time work backward so to see how much it would cost us to have a frequency of 5 per month.

$£4.27 \times 457 = £1951.39$  for 1 view per month multiplied by 5 = £9756.95

It would cost you just under 10k to reach 457K around 5 times per month.

## **WHAT IF MY BUDGET IS TOO SMALL FOR 5 IMPRESSIONS?**

This is where 'Interest targeting' (more on this later) can work effectively until your budgets are bigger, by targeting similar businesses to yours and using the Ad Set filters to reduce your audience size allowing you to hit the desired impression targets.

## **CAMPAIGNS/AD SETS/ADS**

### **WHAT IS A CAMPAIGN?**

Setting up a campaign is the first step to creating a Facebook Ad, at campaign level you can control the buying type (Auction vs Reach and Frequency), objective, bid strategy and budget.

### **WHAT IS AN AD SET?**

The Ad Set controls when scheduling of your Ads and who sees your ads. This is where you insert your audiences we created earlier, choose the age and gender of your target consumer along with the optimisation of the Ad, allowing you to target high value customers or find the people most likely to simply convert. Here is where you decide where your Ads are placed within the Facebook and Instagram platforms and finally the target conversion window (more on this later).

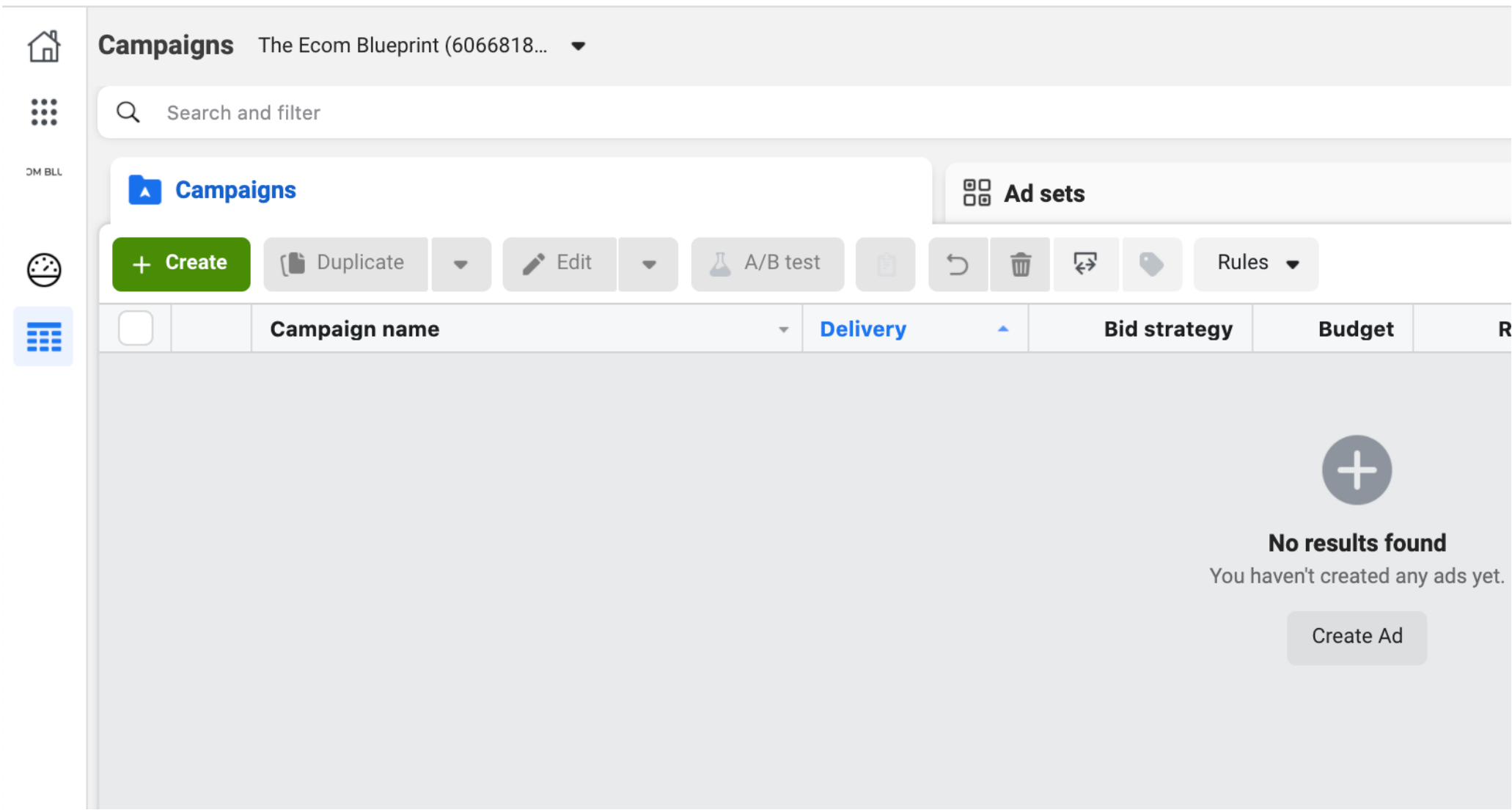
### **WHAT IS AN AD?**

This is where you decide your Ad creative, text, description and enter the URL of your target destination.



# CAMPAIGN CREATION

To create a new campaign click the green '+ Create' button to the left of the screen as indicated by the screenshot below.



## CHOOSE A "BUYING TYPE"

- Auction - This is the option I'd advise selecting in most circumstances, it allows you to target all sizes of audiences across multiple countries, as well as utilise all of FB/IG placements. The only drawback is that CPMs can vary, which means reach will be inconsistent and you will have to monitor frequency manually by adjusting your spend and audiences.
- Reach and Frequency - This option can be useful for brand awareness campaigns or if you want to make as many people as possible aware of your services or offers. It provides more predictability as it fixes the CPM and tells you exactly how many people your Ad will reach along with the amount of times (frequency) they will see your Ad. There are a few drawbacks to this type of buying type: you can only target one country at a time, with a minimum audience size of 200k and your Ad placements are limited.



**Create New Campaign** Use Existing Campaign

Buying type  
Auction

Choose a campaign objective  
[Learn More](#)

<b>Awareness</b>	<b>Consideration</b>	<b>Conversion</b>
<input type="radio"/> Brand Awareness	<input type="radio"/> Traffic	<input checked="" type="radio"/> Conversions
<input type="radio"/> Reach	<input type="radio"/> Engagement	<input type="radio"/> Catalogue Sales
	<input type="radio"/> App Installs	<input type="radio"/> Store Traffic
	<input type="radio"/> Video Views	
	<input type="radio"/> Lead Generation	
	<input type="radio"/> Messages	

**Conversions**  
Show your ads to people who are most likely to take valuable actions, such as making a purchase or adding payment info, on your website, app or in Messenger.

Name your campaign • optional

Cancel Continue

## CHOOSE YOUR CAMPAIGN OBJECTIVE

There are 11 objectives to choose from which I have personally tested thoroughly, but the most effective objective in terms of ROAS is Conversions and Catalogue Sales (Retargeting).

If you're a start up or small business the only thing that matters is ensuring your marketing creates a profit or at worst break even. Anyone who suggests otherwise is highly unlikely to have ever owned a business and if they have, probably have a small shareholding position and don't have to worry about losing their own hard-earned money!

The 'Store Traffic' conversion should also be considered if you have a physical store, this objective, paired with super targeted location and audiences can prove very effective (more on this later).

Once you have chosen the objective, simply enter the campaign name which will relate to the stage of the funnel e.g. Top Funnel (acquiring new customers), Middle Funnel (reactivating old buyers/on the fence customers) and Bottom Funnel (Retargeting).

# SETTING BUDGETS

You have the choice to set daily budgets or lifetime budgets and for Auction buying types I would suggest to use daily budgets and monitor them twice a week.

For Reach & Frequency you can choose a fixed budget and Facebook will calculate how many people that budget will reach. Alternatively you can enter the amount of people you intend to reach and Facebook will tell you how much you need to spend in order to reach them.

## CBO (CAMPAIGN BUDGET OPTIMISATION)

Keep this option ticked, it allows Facebook to distribute spend more effectively, making the most of your budget. It does this by distributing spend equally initially, then prioritising spend on the Ad Sets and Ads which are performing best.

There is still some manual analysis that can be done to further optimise spend to make the most of your budget which will be discussed in the "Analysing and Scaling" section on **Page 48**.

## HOW DO I DECIDE MY BUDGETS?

*"Nothing kills a bad product faster than good advertising, everyone tries the thing, then never buys it again" - Jerry Famina*

You should only spend money on marketing to give a great product with strong organic sales, further reach, if this isn't the case you should be spending £0.

Most businesses decide their marketing budget based on a % of their annual revenue, this varies on the type of business model, whether (B2C business to consumer or B2B business to business).

E.g. Annual Revenue is £1M = £100k Annual marketing budget (10%) = 100k / 12 calendar months = £8.3k Monthly marketing budget.

The average annual spend is around 10-15% of revenue for established B2C businesses, but brands with bigger margins and low overheads can spend in excess of 20% and still remain profitable.

I believe 10% of your annual revenue is a good benchmark and balance between creating positive cash flow and acquiring new customers. You can always increase your budget % if you have additional bottom line profit margin, find yourself acquiring customers with a high LTV and you wish to trade some profit, for faster revenue and customer growth.

It's your decision which marketing channels you decide to distribute your budget on and whether you spend your marketing budget equally each month or stagger the spend based on monthly trend demands.

My advice is to assign 50% of the budget on Facebook/Instagram, given the fact collectively they have over 3 Billion users and this is where most of the online mobile attention lies.

In regard to the distribution of your annual marketing budget, as a starting point, I would use your previous year's monthly revenue data e.g.

Jan 100k Revenue = 10k Marketing Budget = 5k on Facebook (50% of monthly budget)

Feb 150k Revenue = 15k Marketing Budget = 7.5k on Facebook (50% of monthly budget)

Mar 200k Revenue = 20k Marketing Budget = 10k on Facebook (50% of monthly budget)

### **WHAT IF I DON'T HAVE ANY REVENUE OR LIMITED DATA?**

If you're a startup or have a business which has had inconsistent sales data, I'd advise starting as small as you like and gradually increase your budget based on your minimum ROAS target being met.

# ROAS TARGETS

The magic question, first we need to work out your product gross margin and your ROAS break even cost.

Here is a formula to work out your break even cost:

Product Gross Margin Formula:

Gross Profit = Net Sales (RRP Minus VAT) – COGS (Landed cost of product) = Gross Profit

Gross Profit Margin = Net Sales (RRP Minus VAT) – COGS (Landed cost of product) = Gross profit / Net Sales x 100

Let's use numbers to make it easier

Gross Profit = £30 (Net Revenue) - £10 (COGS) = £20 (Gross Profit)

Gross Profit Margin = £30 (Net Revenue) - £10 (COGS) = £20 (Gross Profit) / £30 (Net Revenue) = 0.66 x 100 = 66%

So for every £100 In Net Revenue you receive, 66%/£66 is Gross Profit.

Remember; Facebook reports ROAS using your website's Gross Revenue (Includes VAT) which is not yours to keep, therefore if you spent £100 on an Ad campaign and it returned Gross Revenue of £200 with a 2 ROAS, the true Net Revenue return would be £160.

Facebook ROAS = £200/2 ROAS - VAT (20%)= £160

So I spent £100 and returned £160 net meaning I made £40 right?

No, remember based on the above Gross Margin of 66%, for every £1 you receive in Net Revenue, you have a net spend 34p/34% on the product (COGS) therefore you must remove the COGS from the net revenue on Facebook e.g.

Next we find how much we paid for the product (COGS) from the revenue received:

$$(\text{COGS})\ 34\% \text{ of } £160 = £54.40$$

Then we subtract the cost of the product from Facebook Ad revenue to find the Facebook Ad Net Revenue:

$$(\text{Facebook Net Revenue})\ £160 - (\text{COGS})\ £54.40 = £105.60$$

To find the Gross Profit, we then subtract our Facebook Ad spend from the Facebook Ad Net Revenue:

$$(\text{Facebook Net Revenue})\ £105.60 - (\text{Campaign Spend})\ £100 = £5.60$$

Therefore, based on product with a Gross Margin of 66% and a Facebook ROAS of 2, with a £100 spend you made a Gross Profit of £5.60, that's assuming you have no other overheads which eat into your profits, such as staff, office and warehouse rent/rates etc. Which is very unlikely.

Therefore, a 2 ROAS is in most cases never enough to scale profitably, unless you have much larger Product Gross Margin.

## SO WHAT ROAS IS PROFITABLE?

First I'd advise working out your total overhead costs (excluding COGS because that's a must-have) including the current marketing budget, to find your break even ROAS. This gives you peace of mind knowing that any number above your break even cost is profitable, lets use the below example.

Net Revenue : £1m  
COGS (Landed Cost): 340k = 34% (Exclude this)  
Marketing: 100k = 10%  
Shipping to customer: 100k = 10%  
Payment fees/subscriptions: 100k = 10%  
Wages: 50k = 5%  
Misc Costs: 50k = 5%  
Rent: 30k = 3%

Overheads: 430k = 43% (Excluding COGS)

Profit = 230k = 23%

Using the above (excluding product cost as overheads) account for 43% of your revenue, therefore if we divide your Gross Revenue (Facebook works in gross figures remember) by your overheads, we can find your break even cost.

Gross Revenue £1.2m (VAT added) ÷ 430k (43% of Net Revenue) = 2.79

**2.79 is the breakeven point, you can spend unlimited amount on Ads as long as you hit 2.79.**

Should you do this? It depends on your aim, if the aim is to grow your company as fast as possible whilst breaking even, yes; but unless you have deep pockets it can be high risk, because your cash flow will be tight and one bump in the road can cause you big problems, if you don't have large cash reserves.

If you are happening to be sitting on a lot of excess cash, the above strategy can work very effectively, especially if the customers you acquire go on to have a high LTV and buy multiple times within a 12-month period. This means your customer acquisition cost gets cheaper and your annual marketing spend as a % of revenue becomes less and your ROAS will increase.

## WHAT'S LTV?

Lifetime value is how much a customer is worth to you within a certain period of time, you can measure the time frame it takes a customer to make a second purchase based on your own data or your industry average for e.g. someone buying an item from a fast fashion brand might purchase multiple times within a 6-month period, whereas an Apple customer may purchase an item every 12 months, in line with the upgrades, and someone buying a new car may purchase every 3 years, in line with a typical lease or finance agreement.

It's important to understand your customer cycle to help you understand how valuable a new customer can become in a set time frame and how much you're willing to pay for them.

If you have a business where the customer buys more than 2x per year, you should be aiming to acquire the customer at break even cost, or even lower, knowing that there's a high chance the customer will make a repeat purchase and turn the initial break even acquisition cost into profit within 12 months.

## HOW DO I WORK OUT MY CUSTOMER LTV?

Here is a great article which explains the formula in depth:

<https://clevertap.com/blog/customer-lifetime-value/>

## WHAT'S THE OPTIMUM ROAS TARGET?

The optimum ROAS in my opinion is the number which allows you to acquire the maximum amount of customers whilst having a noticeable positive cash flow in your bank account.

**3 ROAS** as a blended overall number for your Facebook account is a great number to aim for. Not all funnels should have the same ROAS target which we will discuss in the '**Funnel Creation**' section on **Page 43**.

If your ROAS is higher than 4, it means you have room to scale your Ad spend and revenue profitably.

The break even and ROAS target is different for every business primarily based on the product gross margin and overheads. The above is an example which represents most small businesses, if you have higher overheads or a lower gross margin, run through the formula and set your optimum ROAS target 1 above your break even cost e.g.

Break-Even Cost = 3 = ROAS Target = 4

## SALE PERIOD ROAS

It's important to understand what your average product margin is during sale periods and adjust your ROAS targets accordingly. Otherwise, the full price ROAS target could be unprofitable.

You can do this by analysing your data from previous sale periods and using the same formula as above on **Page 24**.



# AD SET CREATION

## CONVERSION EVENT LOCATIONS

Here you decide where you want your conversion to occur. In most e-commerce businesses it's logical to drive customers to your website to make a conversion there, however it's all dependent on what makes sense for your business, If you have an app which is designed to optimise customer journey better than a web browser or your business operates from WhatsApp these options can prove effective.

Make sure the Pixel Conversion event is 'Purchase' at all times

## DYNAMIC CREATIVE

This option allows Facebook to auto generate the creative and text for your customer, although this option could make life easier, the easy route is rarely the best route, therefore I'd keep this option turned off and encourage you to create your own compelling creative in the Ad section to ensure you are cutting through the vast noise of social media posts and Ads.

## OFFER

I'm aware many marketers and agencies encourage an offer of free shipping or discount when creating Facebook Ads. I personally strongly disagree with this method, especially if it's the first time someone has come across your business, it devalues your product. A truly exceptional service or product shouldn't have to incentivise a purchase. Keep this box turned off.

## BUDGET AND SCHEDULE

This section is straight forward, you simply schedule your Ad Sets start and end time in advance. This can be useful if you wanted to target a specific audience for a set period of time e.g. Target your active customers on a new product launch for 7 days or targeting low LTV discount shoppers if you are entering a seasonal sale. In most circumstances no end date is required as you can simply turn the ad off manually when you choose to do so.

## AUDIENCE

This is where the magic happens, here you can include or exclude the Custom or LAL audiences we created earlier and begin the funnel creation. We can then get even more detailed with the audience by selecting locations, age and gender.

If you didn't have enough pixel data to create any custom audiences, you can also use the 'Interest Targeting' - more on this later.

### WHY WOULD I EXCLUDE AN AUDIENCE?

Exclusions are important when creating funnels to minimise audience overlap, preventing you from double spending to advertise to the same customer in multiple stages of the funnel.

Remember: Keep an eye on the audience size on the right hand of the screen and use the formula on **Page 24** to ensure you have the necessary budget to reach the total audience at the recommended frequency of 5 impressions per month.

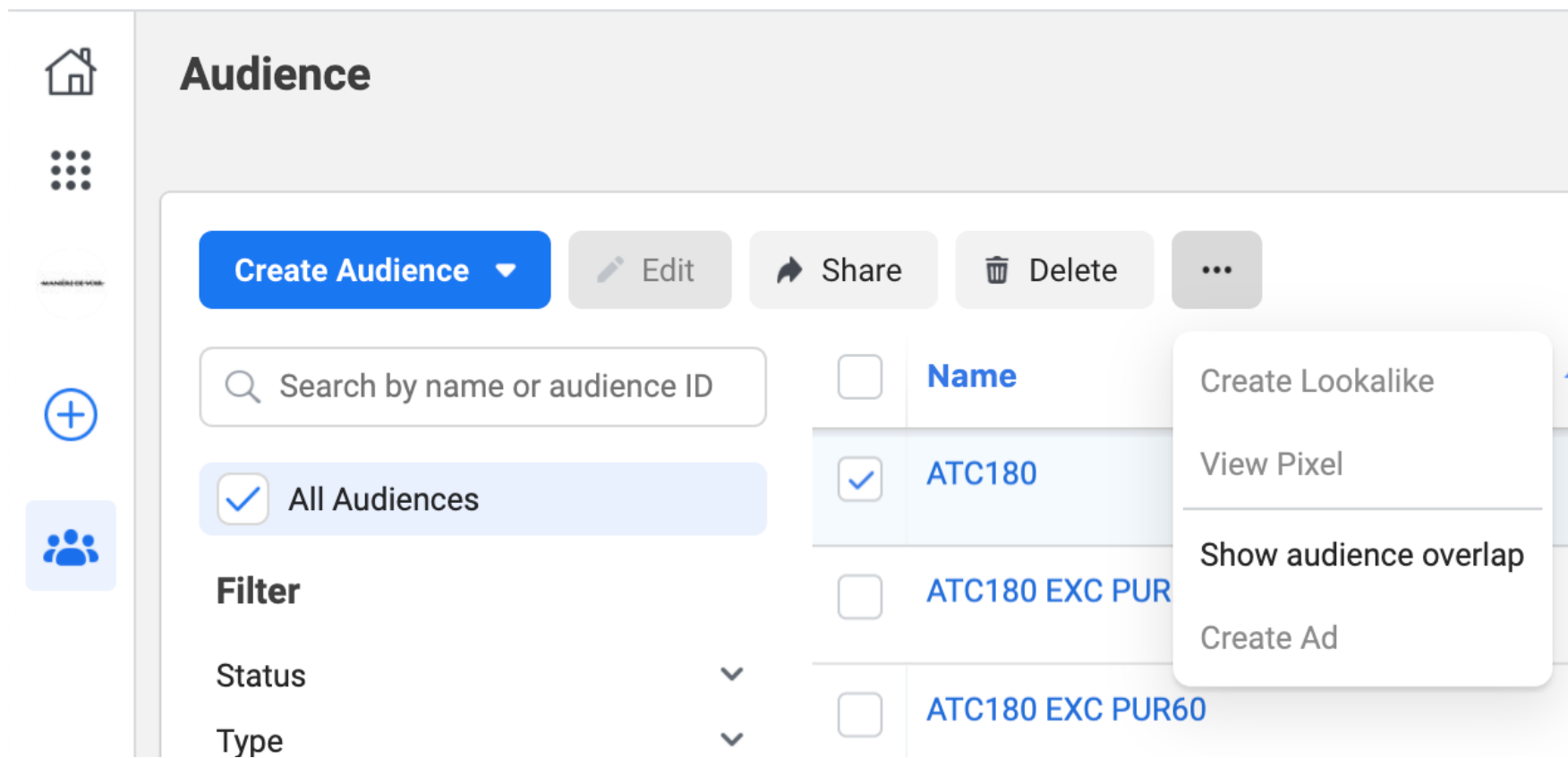
### WHAT IS AN AUDIENCE OVERLAP?

An audience overlap occurs when the same person exists in multiple audiences that you have created e.g A customer featured in a 'Website Visitors' audience has a strong chance to also feature in an 'Added to Cart' audience. This is why exclusions and the funnel creation in general are super important to get right.

You can check if your audience have any overlap by following the below steps:

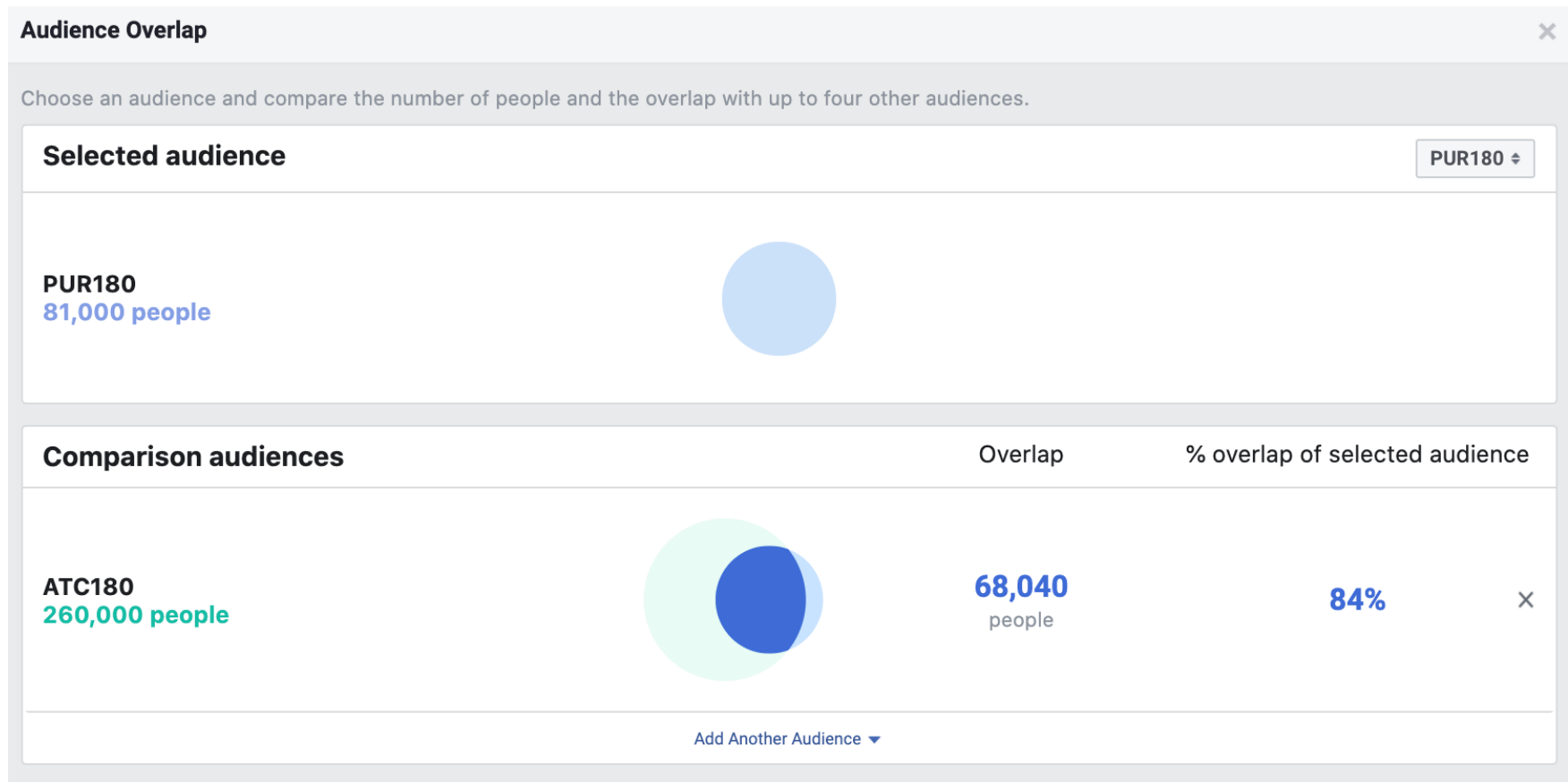
Step 1 - At the top left of the screen, click the hamburger icon (≡) and choose 'Audiences'. Click the green Create a Pixel button.

Step 2 - Tick the audiences boxes you want to check and click 'Show audience overlap' see below.



Step 3 : Analyse the amount of overlap between your audience to ensure all audiences are reaching different types of individuals and to understand when an exclusion is necessary.

See below example using "Purchasers last 180 Days" and "Added to cart last 180 days" as you can see that over 84% of those who in the "Purchased" audience also feature in the "Add to cart" audience. So it's absolutely necessary to exclude those that have "Purchased" from any campaign which included those that 'Add to Cart' to prevent high CPM's and as a result a lower ROAS.



## WHICH LOCATIONS SHOULD I CHOOSE?

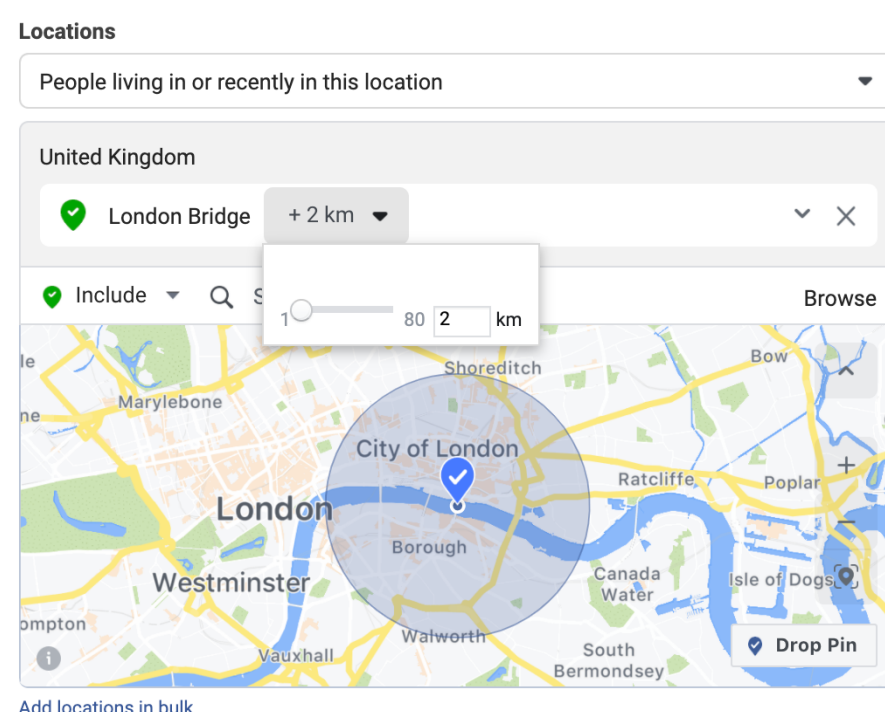
If you have set up the LAL audiences as instructed earlier in the e-book and added countries into your audience with acceptable organic conversion rates and optimum shipping options, mirror the same countries here, you can also save the group of countries for speed in the future.

If you have limited website data or primarily sell in one country, choose your main country and revisit your Google Analytics or Web platform data monthly to see if you can add any emerging countries into the Ad Set, should you be able to ship there cost effectively and efficiently.

## I RUN A PHYSICAL STORE OR MOBILE BUSINESS

Facebook gives you the ability to target cities, some towns, and even specific locations which you can further narrow down using the radius tool or dropping the pin to target individuals in very specific areas.

This can be very effective if you have a local shop or run a mobile business with a maximum call out distance. See below example using London Bridge.



## WHICH AGE RANGE SHOULD I SELECT?

This answer very much depends on a combination of your target audience and your data which indicates your actual audience which can be found on GA or most web platform back ends.

Often you will find a disparity between the two, for e.g. you might think your customer is in the 18-24 bracket but the actual purchasers are 35-44, this doesn't always mean your customer is much older than you believed, but it does mean the person making the purchase is.

In this example, it's likely parents are buying your product for their children, so it would be a mistake to keep your age range 18-24 as you'd lose out on potential sales from parents looking to buy gifts etc.

If your customer purchase age range is heavily within one demographic, let's use 25-34 as the example again, I'd advise expanding the range wider, circa 5 years each side e.g. 20-40 to open up your potential market without making the audience too broad.

You can always increase or decrease the age range in the future depending on how the new demographic engages using the 'Breakdown' filter as advised on **Page 49**.

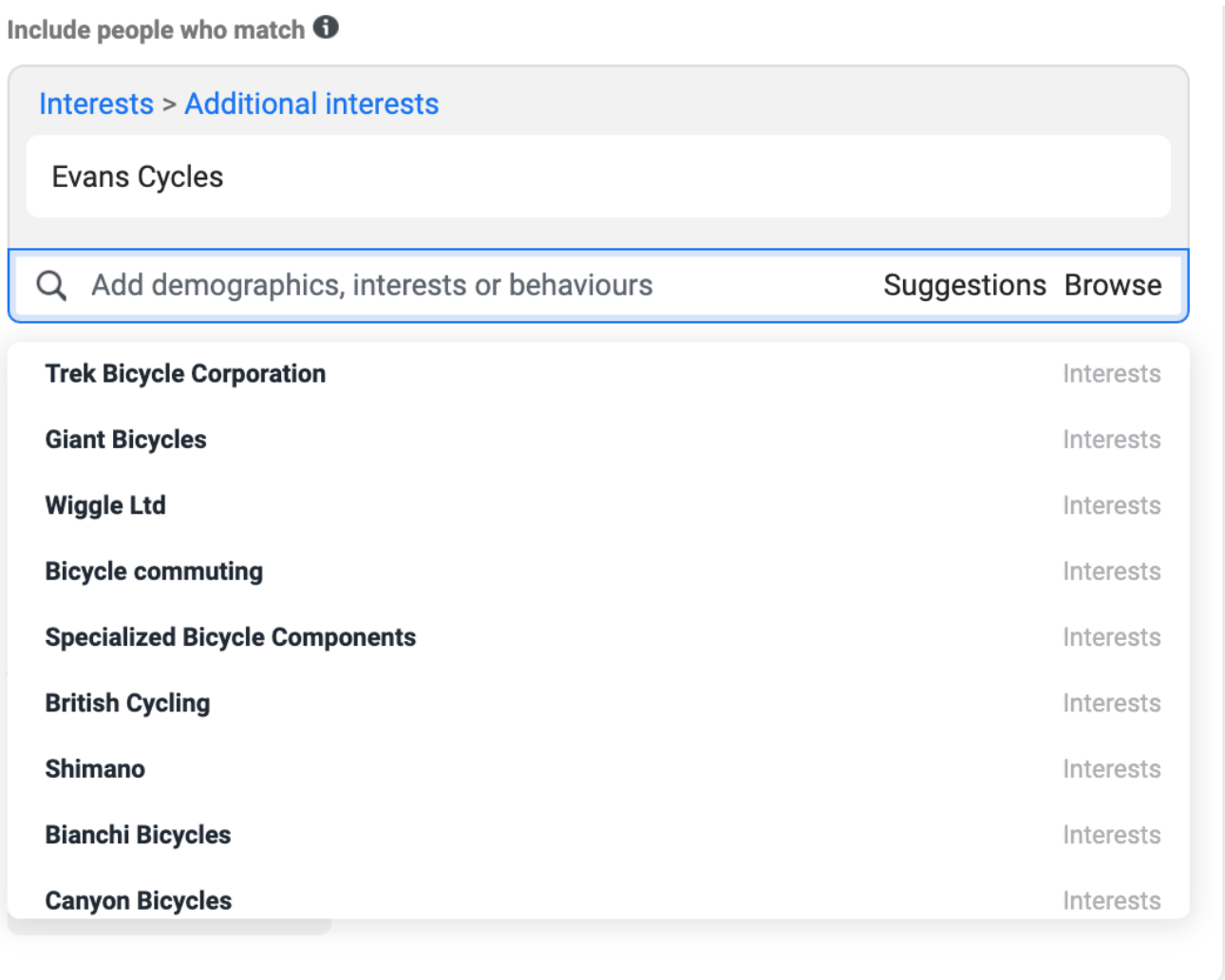
## WHICH GENDER SHOULD I TARGET?

The Gender you should target depends on the services and products you offer, if you create gender-specific products, it makes sense to target a single gender most of the time, however, leading up to major gifting periods such as Valentine's Day, Eid, Christmas etc., it may be wise to open your audience to both genders to coincide with any marketing ideas you may have to influence buying ideas!

## DETAILED TARGETING/INTEREST

As mentioned earlier in the e-book, if you don't currently have enough pixel data to create a custom audience or LAL, you can use 'Interest Targeting', this can be a great alternative until you have enough conversions to create a LAL audience.

The most effective way to use interest targeting is to identify a competitor who offers a very similar offering to yourself. You can search in the "Interests" section to see if the business has a Facebook page.





Once you have added a few similar businesses, click "Suggestions" to find further options. This tool can be very helpful with brand discovery see above e.g. using a specialist push-bike seller.

The more specific you are the better e.g. if you are a single gender niche offering clothing retailer, don't enter department stores like Selfridges/Harrods/Macy's etc. There may be some customer overlap, but a very small one as department stores offer something for nearly everyone, so find a business who's offering closely mirrors yours, the more niche the better.

## AD PLACEMENTS

### AUTOMATIC PLACEMENTS VS MANUAL

Automatic placements use Facebook's algorithm to optimise placements to make the most of your budget.

With Manual, you can control the placement of the Ad you have created to optimise for the different placement dimensions e.g. Instagram 4:5 or Instastory 1:191. It can also be very effective to choose Instagram Feed or Facebook Feed placements **only** when creating social proof ads showcasing your engagement and due to the targeted placement, further increasing your social proof as time goes on - more on this later.

There is no right or wrong answer here and I have used both settings depending on the stage of the funnel and creative I intend to use.

As always test and analyse the results to find what works best for your customer.

## OPTIMISATION AND DELIVERY

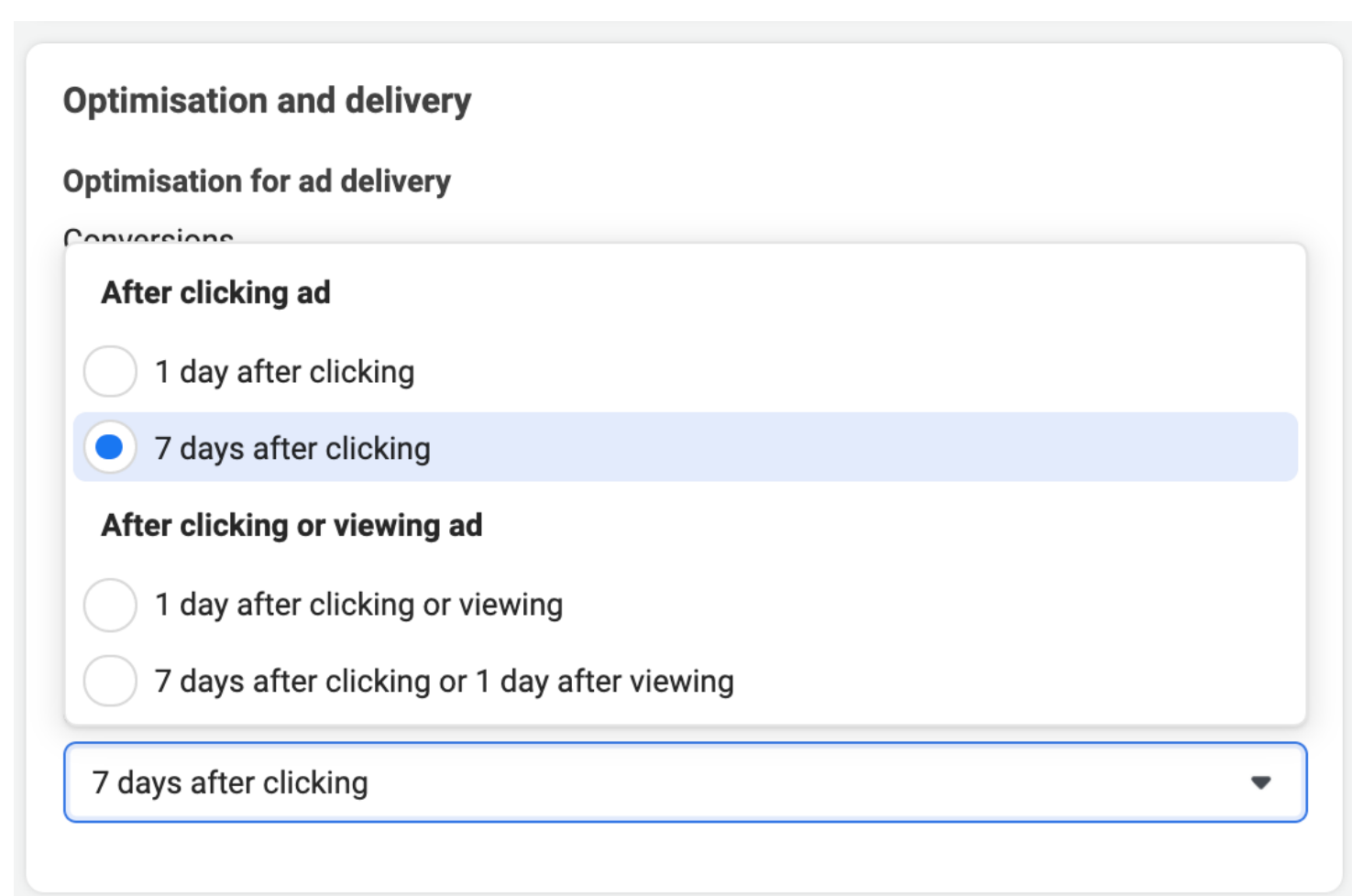
### CONVERSIONS VS VALUE

- Conversions - This options finds uses individuals pixel data to find existing and new customers most likely to make a purchase irrespective of value, it works better for businesses with products around a similar price point. This option is effective with small and warm audiences (people who have engaged with your business) in the Middle and Bottom Funnel.

- Value - This option once again uses individuals pixel data to find customers who are likely to have a higher spend per transaction, rather than simply targeting the people most likely to convert. This is better for businesses with a varied pricing structure, targeting large audiences in the top funnel, ensuring you attract higher spenders with the aim of retaining them as high LTV customer, through a great service/product.

## CONVERSION WINDOW

### 7 DAY VS 1 DAY



The screenshot shows the 'Optimisation and delivery' section of a Facebook Ads campaign. Under 'Optimisation for ad delivery', the 'Conversions' objective is selected. The 'After clicking ad' section has two radio button options: '1 day after clicking' and '7 days after clicking', with the latter being selected and highlighted in blue. The 'After clicking or viewing ad' section has two radio button options: '1 day after clicking or viewing' and '7 days after clicking or 1 day after viewing', both of which are unselected. At the bottom, a dropdown menu is set to '7 days after clicking'.

- 7 Day Click, 1 Day View - This option tells Facebook to show your Ads to those who require a longer window to complete a purchase.
- 1 Day Click or View - This option tells Facebook to show your Ads to people who are more likely to make more spontaneous purchases and complete a checkout within one day.

### WHAT DOES THE OPTION WITHOUT 'VIEW' DO?

- 7 Day Click - This prioritises showing Ads to those who are most likely to click the Ad and excludes people who are likely to just view it. This can be optimising budget and ROAS effectively when targeting large audiences or at the Top Funnel stage, seeking only those who have a high chance of clicking and remembering your Ad as opposed to showing it to those who just view it with the hope they search for your business in the future.
- 1 Day Click - This does exactly as above but targets customers more likely to click and buy spontaneously rather than click and take some time to consider the purchase.



When choosing the "Value" conversion, only 7 Day Click and 1 Day Click are available. The "View" option is removed.

The window to choose very much depends on the price of your products e.g. a cheaper product less than e.g. £30 is more likely to inspire a spontaneous purchase therefore it's logical to optimise the ads to 1 Day Click or View.

If the product price is higher, it's likely a customer may require more thinking time to complete therefore 7 Day Click 1 Day view is likely to work better and prevent Facebook showing your Ad to low RRP spontaneous buyers, causing them to bounce and waste your budget.

The stage of the funnel can affect your choice to, for example, someone who has "Added to cart" or "Viewed a product" may only need a quick reminder to purchase therefore a 1-Day Click or View can work well at the lower end of the funnel where the audience size is small and warm.

# AD CREATION

## IDENTITY

Here you want to connect your Facebook and Instagram page to allow the ads to be served to potential customers on both platforms.



The screenshot shows the 'Identity' section of a Facebook ad setup. It has two dropdown menus. The first is labeled 'Facebook Page' and shows 'Manière De Voir' with a small profile picture icon on the left and a downward arrow on the right. The second is labeled 'Instagram account' and shows 'manieredevoir' with a similar icon and arrow.

## AD SETUP

Next you decide the type of creative you wish to show to your customers. You have a choice to create an Ad using Facebook's multiple formats, use an existing post you've used on Facebook/Instagram or use Facebook's Creative Hub.

## IMAGE VS VIDEO

A compelling video often engages more than a compelling image, however the CPM of video advertising in some cases is double the cost of an image thus decreasing your reach for the same spend. This is where testing and learning is key to see how your customer engages with your creatives and decide whether the higher CPM is worth it due to a higher ROAS.

## CREATE AD

The 'Create Ad' is the most customisable option that you should choose most often, it allows for the most creativity in terms of visuals and placements.

You should be consistently testing new types of creatives and analysing what your customer engages with to maximize ROAS.

## SINGLE POST FORMAT SETUP

This option promotes a single piece of content. Whilst this limits showcasing multiple product variations, this format often has a lower CPM due to its simplicity, meaning it can be shown in multiple placements.

This creative can be useful if you are running a sale and want to showcase a graphic led message cost effectively, to protect product margin or you sell a sole product type of product. I wouldn't recommend using video in this format as it limits the amount of placements the Ad can display and generally has a higher CPM. There are other format choices which visually showcase videos better at a similar cost.

- Step 1 - Add media - Here you can upload an image, video or use an image from your product catalogue, the latter I wouldn't advise due to its lack of creativity.
- Step 2 - Edit image/Turn into video - Here you can optimise your image for placements, by choosing "Edit image" and cropping the image to optimise fit of the 4 sizing options (Original, Vertical, Square, Horizontal) you can even add a poll to the image to increase engagement alongside the Ad, which will aid your "Social Engagers "audience we created earlier. "Turn into video" aims to bring a still image to life, but as I mentioned before, I believe there's better formats for videos and the Facebook creation kit lacks creativity.
- Step 3 -Check placements - Here you can do a final check of how your Ads look in every placement, it also allows you to upload new media for specific placements, without having to create a new Ad. You may have noticed that vertical or square media don't crop very nicely into horizontal media, therefore you can upload content which uses the pixel space effectively and is more eye catching for the placement. The objective must be to create visuals or showcase your products which have the ability to stop someone mid scroll on their busy timelines.
- Step 4 - Add text - The primary text is visible in nearly every AD placement therefore it's super important you describe what your business is or does in the shortest way possible. People are busy and have the lowest attention span in history so it's important to be clear and concise. If you choose to add a headline or description, ensure you use the check placement tool in Step 3 to see how the text displays in each placement, some placements can look crowded and ruin the aesthetic of your ad, so check you're happy with it beforehand.

- Step 5 -URL/CTA - The final stage is to enter your website and choose a call to action. There are 8 options of CTA so choose what's relevant for your business, but I'd advise to always have a CTA rather than leaving it blank.
- Step 6: Publish the Ad.

## CAROUSEL FORMAT SETUP

This format is probably the most popular creative format, as it allows you to showcase up to 10 products as a still image, video or slideshow.

This is a great way to show your product range and diversity to new customers, whilst maintaining the creative aesthetic, utilising Facebook's multiple placements. You can also create "Dynamic Carousel" using your product catalogue which can work well, as an always on, automated Ad which I will discuss further in the "**Funnels**" section.

- Step 1 -Choose manual, and upload the products/videos you'd like to feature in the carousel.
- Step 2 - Crop Image - Similar to the 'Single Post Format', here you can optimise your image creative for the desired placements. Select "Edit image" and crop the asset to fit the 4 sizing (Original, Vertical, Square, Horizontal).
- Step 3 - Choose your individual product headline, which is likely to mirror the name of your product as displayed on your website and enter the URL of your website. If you choose to enter a description, again, check the Ad doesn't display overcrowded using the placement tool as advised in the next step.
- Step 4 - Check Placements - Here you can action a final check of how your Ads looks in every placement, it also allows you to upload new media for specific placements, without having to create a new Ad. You may have noticed that vertical or square media doesn't crop very nicely into horizontal media, therefore you can upload content which uses the pixel space effectively and is more eye catching for the placement. The objective must be to create visuals or showcase your products which have the ability to stop someone mid scroll on their busy timelines.

- Step 5 -Show best performing cards/Page profile - Keep both the boxes ticked. It makes sense to let Facebook order your carousel based on which product card receives the highest engagement. Alternatively, if you want to maintain that control, I'd advise to order the carousel based on your best-selling products first with the most stock available first. Adding a profile card to the end of your carousel is another opportunity to embed your brand's logo into potential customers' subconscious.
- Step 6: Primary text - This will display above your carousel and feature in nearly every placement, again describe your business in short, clear and concise manner.
- Step 7: CTA - The final stage is to enter your call to action. There are 8 options of CTA so choose what's relevant for your business, but I'd advise to always have a CTA rather than leaving it blank.
- Step 8 - Publish the Ad.

## COLLECTION FORMAT SETUP

These formats, in my opinion are the most visually eye-catching, and they consistently have the highest click through rate from my data. I often find myself halting my scroll when seeing other business' Ads in this format due to the format utilising a large portion of the Instagram Feed and Facebook News Feed screen placement. The drawback to this format is that it doesn't display in as many placements as the other formats and as a result the CPMs are often at least 1/3 higher.


- Step 1 - Choose a template - The Storefront format is the most popular placement due to its eye-catching, Instagram/Facebook optimised layout. I'd recommend choosing this.
- Step 2 - Header - Many businesses including my own tend to overlay their logo on top of the hero (the largest primary asset) image or video so adding a second logo as a header could be overkill. If you wish to keep your hero creative clean, without a logo overlay, I suggest uploading a header using the recommended dimensions. Similar to the 'Page profile card' I'd always advise to have a logo on your Ads to breed familiarity with future customers.
- Step 3 - Attach your catalogue - Choose your catalogue we created earlier which features all of your online offering, this will fill the section underneath your hero image or video with products.

Step 4 - Order dynamically Vs Specific order - These options relate back to your catalogue and the products which display under the hero image/video. "Order dynamically" allows Facebook to show the customer products they are most likely to engage with first based off their pixel data. Specific order relies on you entering the product name and ordering the products in your preferred order. This can work well if you really want to show a specific product and maximise the customer visibility, whether that's a bestseller or a product you have backed with high units. Dynamic is the option which you are likely to choose in most circumstances based on the ease of use and the strength of Facebook's algorithm.

- Step 5 - Product set - This option allows you to decide which products from your catalogue your customer can see. Choosing all products works well, especially if you choose the "Order Dynamically" option. Using the "Catalogue manager", you can also filter your catalogue into specific product sets, this could feature specific categories, genders or even sale items. See **'Catalogue Segmentation'** section on **Page 12**.
- 
- Step 6 - Choose video or image - The most important stage of the Ad creation is selecting the hero image/video. This will dominate the majority of the Ads dimensions, so ensure the creative is compelling. Videos tend to have a higher CPM than images but also often have higher CTR, so it's important to test and monitor the ROAS with both options.
- Step 7 - Group into sections - Keep the default boxes ticked and consider turning on the "Include discount section" when you are entering seasonal sales to simplify your customers journey and allow them to view all your sale products collated.

Cover video or image

Video ▼



Recommended: Keep your videos under 2 minutes long.

Upload Video

Create Slideshow

**Automatically group into relevant sections** ⓘ ☒ ON  
This option only applies to ads on Facebook.  
[Edit section titles](#)

Include discount section ⓘ ☐ OFF

Include "Shop by category" section ⓘ ☒ ON

[Show advanced options](#) ▼



- Step 8 - Label/Destination - Within "Label" you can enter any text you like, but I personally use it as a CTA with "Shop Now" or any other call to action which makes sense for your business. The default "Destination" is your Facebook URL I'd advise to change this to your website URL.
- Step 9 -Primary Text/Headline - The last step is to enter the primary text and headline. The primary text sits at the top of the Collection ad for Facebook News Feed or occupies the first line of text in the Instagram Feed, whereas the headline sits in between your hero image/video and your product on the Facebook News Feed and occupies the second line of text in the Instagram Feed.
- Step 10 - Publish the Ad.

## USE EXISTING POST

This method allows you to attach an existing Facebook/Instagram feed post or story to an Ad.

This can be a fantastic way to show prospective customers your most engaged organic content, thus creating social proof.

## WHAT IS SOCIAL PROOF?

Social proof is the concept that people will follow the actions of the masses. People typically believe that if others like it, it must be good. That is why Amazon sellers are desperate to get as many reviews as possible to gain a customer's trust or many social media users obsess over likes and follower metrics as it gives them real world validation.

There are many other examples, but for Facebook Ads showcasing your feed posts with high organic engagement is a great way to gain social proof and increase curiosity or mentioning your Trustpilot score (or another company review platform) or the amount of 5\* reviews your business has in the Ad headline creates trust.

I advise creating a process of showing only compelling content of bestsellers or new in products on social channels and Ads. As a result, you will likely notice your engagement increases, due to showing new customers exactly what existing customers are already actively engaging with and buying. The engagement on the feed posts you select for the paid ad, will also rapidly increase due to the larger reach, further enhancing your social proof. This method can be used well when trying to acquire new customers or reactivate customers who haven't shopped in a while.

- Step 1 - Choose "Use Existing Post.
- Step 2 - Select post.
- Step 3 - Choose which social page you want the organic content to be used from, then filter by "Feed" or "Stories".

Select post

Facebook Page















Instagram

Branded content

Filter by:

Feed

Post, image or video IDs, or other keywords

Instagram post		Source	Date created	Likes	Comments	Media
 New Arrivals, New Footwear - Swi...		 Feed	27 Sep 2020	947	18	Carousel
 Autumn has landed 🍂		 Feed	26 Sep 2020	3332	33	Photo
 The Paint Splatter, Check & Denim ...		 Feed	25 Sep 2020	6344	60	Photo
 The Finishing Touches 🛠️ / New Ar...		 Feed	24 Sep 2020	3868	36	Photo
 AW Part 2 / Tonight 6PM BST - Sw...		 Feed	23 Sep 2020	1429	34	Carousel
 Transitional Looks 🌿 / Bris Wears ...		 Feed	21 Sep 2020	3232	37	Carousel
 Art In Denim / Releasing 23/09 6P...		 Feed	20 Sep 2020	1959	31	Carousel

Cancel

Continue

- Step 4 - Choose the post - I'd advise choosing the post with the most likes. This is the metric most likely to spark people's interest and provides the most social proof - make sure the product is in stock!
- Step 5 - URL - Enter the URL of your website, category page, or individual product. I tend to enter the category page URL to show a variety of the similar products to the potential customer.
- Step 6 - CTA - The final stage is to enter your call to action. There are 8 options of CTA's so choose the one relevant for your business I'd always advise having a CTA rather than leaving it blank.
- Step 7- Publish the Ad.

# FUNNEL CREATION

## WHAT IS A FUNNEL?

A marketing funnel is a process which nurtures the customer journey from the initial first "Awareness" stage right down to the final "Purchase" stage and in some circumstances the "Post Purchase" stage to offer cross-sells and up-sells.

This setup is key to strong Facebook Ad performance and maximising ROAS. A funnel is only as good as the audience/data you feed it and as mentioned previously, it's equally important to ensure there is minimal "Audience Overlap" to prevent your budget being spent inefficiently by using exclusions.

The fundamentals of any good Facebook structure builds down to these 3 funnels:

### TOP FUNNEL

Customer Acquisition.

Circa 60% of budget - Businesses grow by attracting new customers or existing customers spending more or purchasing more frequently.

We want to do both, but in order to scale quickly, you want to use your budget to drive the highest quality traffic (find individuals most likely to purchase, not just view your website) as possible to view your exceptional product. The large audience size also allows you to spend more whilst maintaining a healthy frequency.

### MIDDLE FUNNEL

Reactivating customers who have engaged with the brand recently through social or website, but haven't bought or been to site in 28 days.

Circa 30% of budget - Reactivating an old customer is much cheaper than acquiring a new customer therefore we want to spend a fair portion of your budget on this segment. The ROAS also often increases in line with the increased engagement on your existing posts due to showcasing your best organic posts to these customers.

Dynamic Carousel Ads also prove effective due to the Ad showing high purchase intent customers your products which are similar to those they have recently been searching for.

## **BOTTOM FUNNEL**

Retargeting customers who have "Viewed Content" or "Added to cart" or showcase new products to active customers (purchased in last 180 days).

Circa 10% of budget - Spend here is limited based on the limited size of the audience, unless you wish to have a very high frequency which is not advised. The aim here is to convert the customers who have strongly considered purchasing and just need a slight nudge, or to remind active customers of your latest offerings.

## **TOP FUNNEL SETUP**

**Objective** - Acquire high value new customers who haven't purchased within 180 days

**Campaign Name** - Top Funnel (Acquisition)

**Campaign Objective** - Conversions

**Included Audience** - LAL 0-2% (Can add 2-4% LAL or larger if the 0-2% gets exhausted)

**Excluded Audience** - Purchased in the last 180 days (Stops Ad from showing to active customers)

**Locations** - Mirror the countries entered into your LAL Audience

**Age** - Analyse your buyer demographic and expand it e.g. increase 25-34 to 20-40

**Gender** - Choose your customers' primary gender (Consider adding in the opposite sex when approaching gifting periods)

**Placements** - Automatic

**Optimisation for Ad Delivery** - Value if available, otherwise choose Conversions (We want to find customers who have a high AOV and the potential to become high LTV customers)

**Conversion Window** - 7 Day Click (First time customers are unlikely to buy immediately, therefore 1 Day Click or View could prove ineffective)

**Creative** - Carousel/Collection featuring a variation of your product offering if applicable in order to attract a diversity of customers and/or your best-selling products.

**Primary Text** - Explain what your company does differently. NO PROMO CODES, (The first touch point with a new customer should not offer an incentive to purchase) that devalues the brand.

**ROAS Target** - 3 (Just above break even if you have a product margin of circa 65%). This figure maximises customer acquisition without losing money and allows a margin of safety should your Ad performance suddenly decline. You can even accept a 2/2.5 ROAS if you have bigger margins or accept a temporary small loss with a 65% margin if you have data that suggests many of your customers go on to purchase multiple times within a 12-month period, resulting in a profitable acquisition in a short period of time).

## **MID FUNNEL SETUP #1**

**Objective** - To convert people who engaged or saved a post via social media, visited your site in 60 days, but haven't in the last 28 days. In this campaign you will use social proof to help convert by showing our highest engaged organic posts of our best-selling products. We will also run secondary dynamic always on campaign in which Facebook shows your product to customers who have been on the lookout for similar elsewhere using their pixel history.

**Campaign Name # 1** - Mid Funnel (Reactivation)

**Campaign Objective** - Conversions

**Included Audiences** - Social Engagers last 60 Days Facebook & Instagram, Saved a post last 60 days Facebook & Instagram, Website Visitors in the last 60 Days.

**Excluded Audience** - Website Visitors 28 Days (Excludes our Bottom Funnel to avoid audience overlap).

**Locations** - Mirror the countries entered into your LAL Audience

**Age** - 18-65 (Show your campaign to everyone who has shown interest, regardless of age)

**Placements** - Facebook News Feed, Instagram Feed. These placements show likes to potential customers creating social proof, it also helps builds engagement on the post rapidly which displays on the original feed post.

**Optimisation for AD Delivery** - Conversion. Customer is warm, therefore we want to find those ready to buy.

**Conversion Window** - 7 Day View 1 Day Click. Merger of new and old customers on the fence, therefore we will instruct Facebook to optimise delivery accordingly.

**Creative** - Use existing posts from Instagram/Facebook feed and fill an Ad Set with your most engaged content/products.

**Primary Text** - Explain what your company does differently, show your Trustpilot score or talk about the amount of 5\* reviews the site or individual product featured has.

**ROAS Target** - 5. Some of these customers may be new and some may have not shopped in months. Although the latter is more likely, therefore we don't want to spend too much to acquire someone who is familiar with the brand. This ROAS target is profitable.

## **MID FUNNEL SETUP #2**

**Objective** - Show customers with high purchase intent your products which are similar to those that they have previously searched.

**Campaign Name #2** - Mid Funnel Dynamic

**Campaign Objective** - Catalogue Sales

**Included Audience** - Choose "Find prospective customers"

**Excluded Audience** - Select "Show more options" then change "Excluded people who have purchased" to 10 days.

**Locations** - Mirror the countries entered into your LAL Audience (We want to reduce the audience size here as its very broad, to give Facebook some help if finding our optimum customer).

**Age** - 18-65 (Show your campaign to everyone who's searched for products similar to your own).

**Placements** - Automatic.

**Optimisation for Ad Delivery** - Value if available, Conversion otherwise (Large audience size therefore we want to prioritise finding the most valuable customers first).



**Conversion Window** - 7 Day Click. Merger of new and old customers on the fence, therefore we will instruct Facebook to optimise delivery accordingly.

**Primary Text** - Explain what your company does differently, show your Trustpilot score or talk about the amount of 5\* reviews your product has,

**Creative** - Carousel (Dynamically filled with catalogue).

**ROAS Target** - 5. Some of these customers may be new and some who may have not shopped in months. Although the latter is more likely. These customers have high search intent therefore we should aim for a comfortably profitable ROAS figure.

## **BOTTOM FUNNEL SETUP #1**

**Objective** - Show recent website visitors the exact product they have viewed or added to cart on their Facebook and Instagram accounts

**Campaign Name** - Bottom Funnel (Retargeting)

**Campaign Objective** - Conversions

**Included Audience** - Choose "Retarget Ads" then click "Custom Combination" then use - "Viewed content" 14 days and "Added to cart" 28 Days (This allows us to retarget customers with very high purchase intent who have added to cart for 28 days and if they don't come back to the website within that period, they will fall back into the Mid Funnel).

**Excluded Audience** - Choose "Custom Combination" then exclude "Purchased last 14 days" (We don't want to be marketing to customers who have purchased recently).

**Locations** - Worldwide (Anyone who viewed a product or added to cart should be considered a potential customer at this stage)

**Age** - 18-65 (Show your campaign to everyone who has shown interest, regardless of age).

**Placements** - Automatic (We want to show the product of interest in all available locations).

**Optimisation for Ad Delivery** - Conversion (Customer is warm, therefore we want to seek those ready to buy).

**Conversion Window** - 1 Day Click or View. You want Facebook to target customers that are hot (made an action with purchase intent such as adding to cart) and most likely to convert quickly.

**Creative** - Carousel (Dynamically filled with catalogue).

**Primary Text** - Explain what your company does differently or allude to new product drops or highlight seasonal sales/offers.

**ROAS Target** - 7. We have spent money in the Top and Middle Funnel to push many of the customers who are yet to purchase down to the final stage of the funnel, therefore we need to ensure this segment is very profitable in order to maintain our overall account ROAS of 4.

## **BOTTOM FUNNEL SETUP #2**

**Objective** - Show our active customers who have purchased within the last 180 days, our latest products.

Schedule this Ad 3 days after product launch, to avoid paying for sales that would have been organic. Run the Ad for 7-10 days, closely monitoring Frequency, ROAS and CTR

**Campaign Name** - Bottom Funnel (New Products).

**Campaign Objective** - Conversions.

**Included Audience** - Purchase 180 Days.

**Excluded Audience** - Purchased 14 days (We don't want to be marketing to customers who have purchased recently).

**Locations** - Worldwide (We want to show the AD to all active customers regardless of location)

**Age** - 18-65 (We want to show the Ad to all active customers regardless of location).

**Placements** - Automatic (We want to show the product of interest in all available locations).

**Optimisation for AD Delivery** - Conversion (Customer is hot, therefore we want to seek those ready to buy)

**Conversion Window** - 1 Day Click or View. You want Facebook to target customers that are hot (made an action with purchase intent such as adding to cart) and most likely to convert quickly.

**Creative** - Carousel or Collection format filled with your latest and best products/services.

**Primary Text** - Explain that you have new products/services online

**ROAS Target** - 10. These are active customers, who may be busy and have not had time to check your latest drop, therefore this Ad is simply a gentle reminder. You don't want to spend much to gain a purchase and should expect a high ROAS.

# ANALYSING AND SCALING

## KEY METRICS

**ROAS** - Return on Ad Spend - How much your net spend returns in gross revenue.

**Frequency** - This indicates how many times the audience has seen your Ad within your selected time frame.

**CTR** - Click through rate - A great measure of how your creative is engaging with your customer and its ability to cut through the noise of social media.

**CPM** - Cost per 1000 views - A good metric to view the varying cost of advertising to your customers on a month-on-month, year-on-year basis, This cost increases, based on the period of the year e.g. leading up to Christmas where businesses are spending more on marketing to similar demographics and advertising space becomes more expensive.

## ACCOUNT LEVEL

Review your account level twice a week every 3rd and 7th day.

Initially look at the campaigns on a 1-day view e.g. yesterday and check if any campaigns have a frequency higher than 2 (Likely to be your Mid and Bottom Funnel due to having a smaller audience). If your frequency breaches 2 within 24-hour period I'd advise reducing the spend on that campaign, regardless of how strong your ROAS is due to the risk of annoying your customer, causing them to potentially hide your ads. If the frequency is below 2, there is potential to increase spend if the ROAS is meeting targets.

Next look at the campaign over a 3-4 day view e.e.g. onday 12pm and Thursday 12pm, this allows you to make more accurate decisions having acquired data from a longer time frame.

Now we individually check the ROAS of each campaign. If the ROAS is above your target, as rule of thumb increase the campaign spend 20%, if the ROAS is below target decrease 20%. The objective is to maintain the ROAS figure whilst increasing Ad spend resulting in more new customers, higher revenue and increased cash flow.

Monitor stock levels closely to ensure you have enough product to handle the extra traffic and purchases, if you are low on stock or specifically out of stock of best-selling products, your ROAS will suffer and scaling is out of the question.

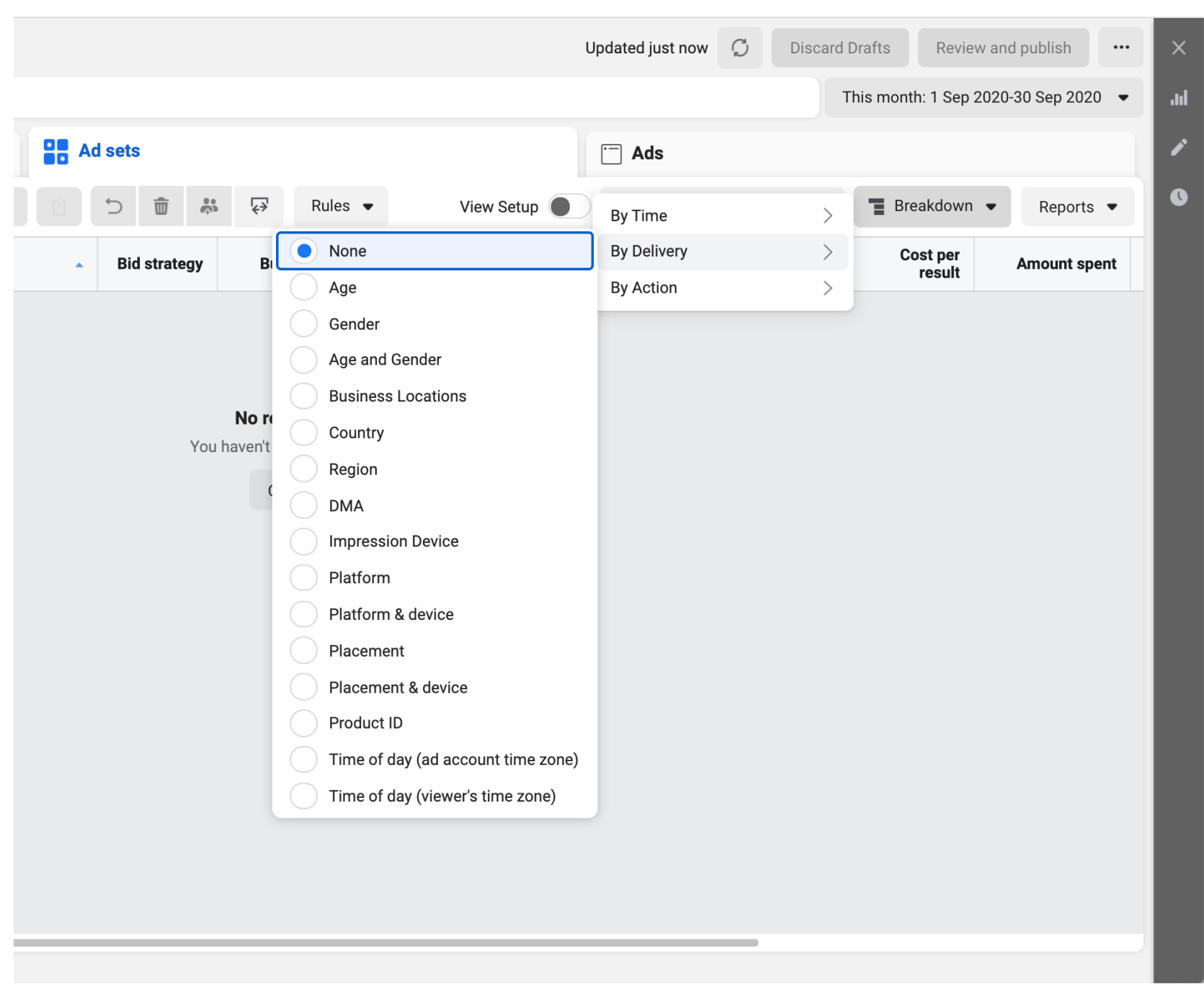
## ANALYSING AT AD SET LEVEL

If you have decided to set up several Ad Sets to test different audience/locations/age/gender or placements you can break down the performance of the above by following the below:

Step 1 - Go to "Business Tools" in the top left hand of the screen and choose "Ad Manager"

Step 2 -Click "Ad Sets' in the middle of the screen.

Step 3: Click "Breakdown" then "By Delivery" as per the screenshot below.



Here you can filter extensively and get a full understanding of what age, gender, location and placement are working and fine tune accordingly.

The objective here is to have as few Ad Sets as possible and let Facebook CBO prioritise your money on the As Sets which are performing the best, not spreading your money across 4 Ad Sets stuck in the learning phase.

## WHAT IS THE LEARNING PHASE?

This is the stage where the Ad explores who and what type of people are engaging with your ads and works out the best way to optimise delivery of your Ads. Expect inconsistent performance during this phase until each Ad Set has around 50 purchases. Try and avoid any changes to your Ads during this period as you can risk resetting the Ad back to the beginning of the learning phase. The below are classed as "Significant Edits" and will put your Ads back into the "Learning Phase":

- Any change to audiences
- Any change the to the Ad creative
- Any change to the optimisation event
- Adding a new Ad to your Ad Set
- Pausing your Ad Set for more than 7 days
- Changing bid strategy

## ANALYSING AT AD LEVEL

This is where you can view the performance of your creatives, the key metrics here are:

**CTR** - Every business has different benchmarks of what their optimum CTR is. A rule of thumb anything above 1% is acceptable, however, study your data and find what your highest and lowest CTR is and use it as target.

**ROAS** - The key here is to look at CTR and ROAS as a relationship e.g, if you are a multi-category store and you have the creatives set up showcasing different product types, sometimes you may have niche category or product campaign with low clicks (low CTR) but when a customer does click, they buy (high ROAS), in this case I would keep the Ad active.

Due to an individual Ad receiving a small proportion of your overall Ad account spend, before making a decision you must ensure each Ad has had enough data to make an accurate decision.



## HOW MUCH DATA DOES AN AD NEED BEFORE REVIEWING IT?

Ensure the Ad has reached around 20k people before deciding whether it's effective. Why? 20k unique individuals is sufficient data to make a fair decision. The objective at Ad level is similar to Ad Set level, we want to turn off below ROAS Ads and double down on winners to maximise ROAS.

## GLOSSARY

### ABBREVIATIONS

ATC - Added to cart  
AOV - Average order value  
B2B - Business to business  
B2C - Business to consumer  
COGS - Cost of goods sold  
CPM - Cost per 1000 impressions  
CR - Conversion Rate  
CTA - Call to action  
CTR - The % of people that click on your Ad  
LAL - Lookalike audience  
URL - The address of a website  
ROAS - Return on ad spend  
VAT - Value added tax

### FINANCIAL TERMS

Gross Revenue - Revenue including VAT  
Net Revenue - Revenue excluding VAT  
Gross Profit - Net revenue minus COGS

# THANK YOU

Thank you for taking the time to study this V.1 of this e-book.

It will be updated according to any key Facebook platform updates and sent to the same email you made this purchase on.

Please feel free to email me with any questions [reece.f.w@theecomblueprint.com](mailto:reece.f.w@theecomblueprint.com) and I will respond as fast as possible.