

# Facebook Advertising for Ecommerce Entrepreneurs

How to reach the right audience and  
generate more sales on the world's  
largest social network.



**Tim Chard**

A high-impact guide written for entrepreneurs by entrepreneurs.



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## CHAPTER 1

# Why Facebook Ads for Your Ecommerce Business

**Imagine a life where you casually check your Facebook reports once a week with your Friday morning coffee.** You smile at the positive returns and additional profits they've earned for your business during the week, and before you even finish your coffee you've made the necessary adjustments to

your advertising budget, campaigns, and strategy. You put your coffee down, close your ads manager, and move onto more important tasks: business development, nailing out new partnerships, and managing the operations and many moving parts of your ecommerce business.

This guide's purpose is to provide that lifestyle to you.

Even if you've never touched a Facebook ad before, or if you've tried your hand and put it on the shelf for when you had "more time," this guide will walk you step-by-step through the tools and systems you need to have a customized and automated Facebook Ads machine fueling your ecommerce business.

It first begins with an understanding of why Facebook and ecommerce are so compatible, progresses into the technical set-up and implementation, and ends with the strategy and funnels necessary to drive long term sales.

## **Facebook's Unique Value Proposition**

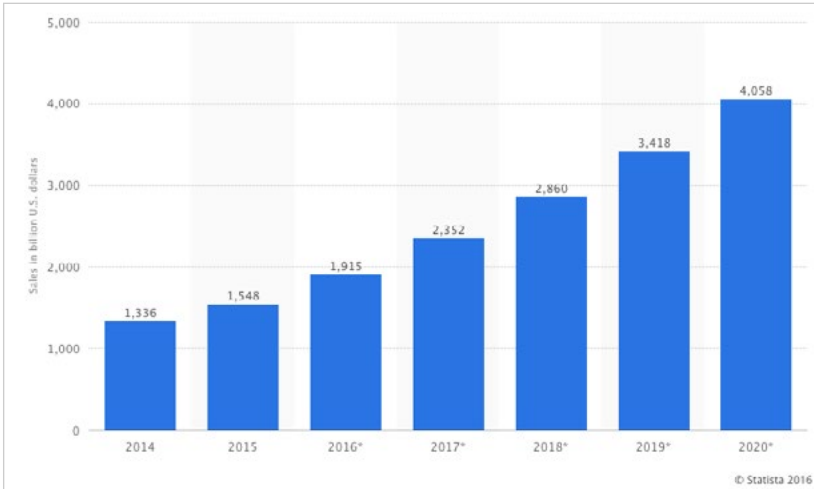
Facebook is a place where we go to connect with family and friends, and - as much as we'd like to say otherwise - to have a fun distraction. Unlike so many other ad platforms (like AdWords), Facebook is not about demand fulfillment, but instead, about demand generation.

On Facebook, businesses generate curiosity, interest, and—eventually—sales of their product. Most people on the app aren't "searching" for a product that will add more value to their lives; they're searching for that next funny or emotional status update.

For you, as an ecommerce store owner, Facebook is your theatre to display your product to the world. It's an opportunity to showcase the additional value you can bring to someone's life. It's a place where you can reconnect with previous customers and a venue where you can start new relationships with people who would have otherwise never even seen your business.

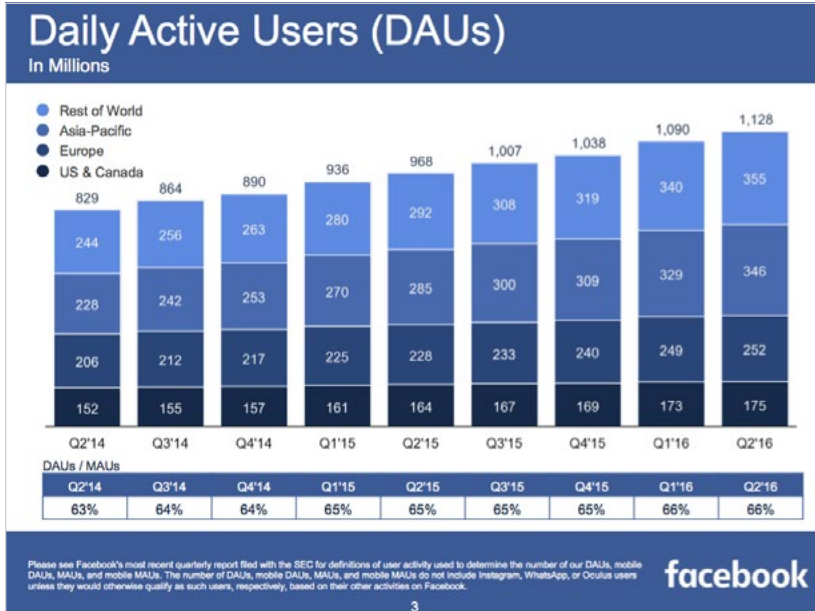
## **Facebook and Ecommerce: Skyrocketing Growth**

In 2015, retail ecommerce sales worldwide amounted to \$1.55 trillion USD and are projected to grow to \$3.4 trillion USD by 2019.



In the USA alone, according to the US Census, ecommerce has grown 12% in just Q2 of 2016 alone, and over 24% in the last 2 years. In other words: it shows no signs of slowing down.

Combine that with **Facebook's Q3 2016 results**: 1.79 billion monthly active users, and almost 1.2 billion *daily* active users, and you can begin to see the simultaneous trend of explosive growth.



There's more people on Facebook than there were alive 100 years ago (source: Mark Zuckerberg's Facebook profile).

So while the growth of both ecommerce and Facebook is undeniable, the real question is this: how can you connect these two platforms together and grow your business?

In this following chapters, you'll find the answer to that question.

A decorative graphic at the top of the page consisting of several concentric blue circles of varying shades, creating a tunnel-like effect.

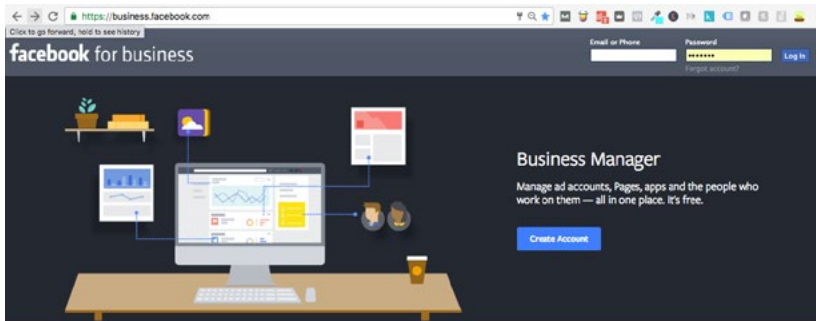
## CHAPTER 2

# Setting up Your Facebook Advertising Account

**Before we dive into ad types, strategies and funnels, we need to first cover the absolute essentials: setting up your account.** Many of those who give up on their Facebook Advertising efforts do so because they setup

their foundations incorrectly or become too overwhelmed by Facebook's myriad of options. So first things first...

## What is Business Manager, and Why Do I Need It?

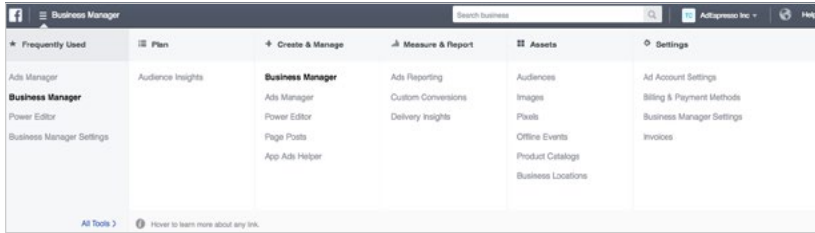


Simply put: Business Manager is a management system for your ad accounts and ad permissions.

If you plan to ever have more than one ad account (in other words, more than one store, brand, or business) or if you will have a team of people that may need access to your ad account/s at some point, then create a Business Manager account. I usually suggest that everyone go ahead and create one for themselves before they get started with Facebook Advertising to remove any pain points down the road.

The only downside to Business Manager is that once you switch to it, there is no turning back. You'll no longer be able to access your ad account from your personal Facebook page anymore. However, you can easily log into your Business Manager at any point here to manage your Pages and Ads from [here](#).



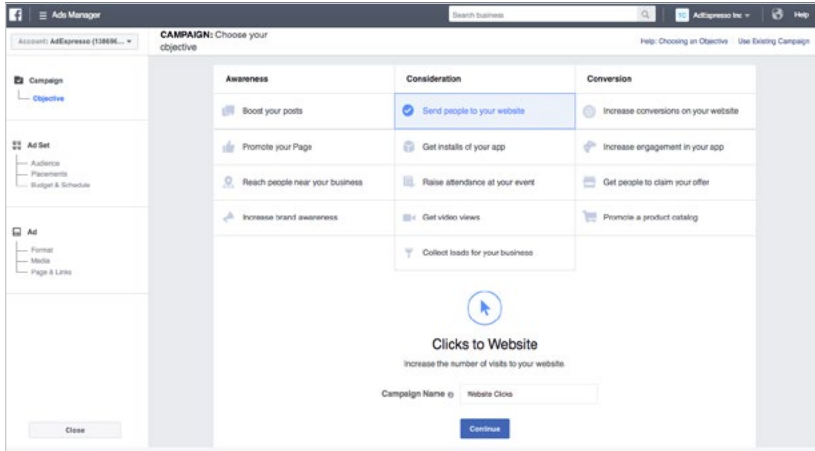


Regardless of the switch, even if you continue to use your personal ad account, you'll still see the same two options of ad management and creation: **Ads Manager** and **Power Editor**.

## Ads Manager and Power Editor

Ads Manager and Power Editor are two sides of the same coin; they are Facebook's ad creation platforms. They've become so similar over the past year that it almost seems that they'll fuse into one another at some point. Nonetheless, to keep it clear, you can use either of these platforms to accomplish your advertising goals.

Starting out, if you're going to use the default Facebook system, I'd suggest using Ads Manager as it is more user friendly than Power Editor. Once you've created a few campaigns with it, feel free to move onto Power Editor to see if you prefer it.



Power Editor has three distinct advantages:

- 1 **Campaign Import** – For people with multiple ecommerce stores, it allows you to import multiple campaigns (i.e. hundreds of ads).
- 2 **New features are always released in Power Editor first** – This may give you a competitive advantage for any new ad types or targeting options.
- 3 **Manually saving a draft** – In Ads Manager, you can't choose to "Save as a Draft". Facebook will auto-save this for you, but I've had issues in the past where this "auto-saved" draft was nowhere to be found.

Occasionally these platforms can become overwhelming with information and technicality (a huge reason reason why we created **AdEspresso**), and reporting can be its own hassle—but we'll dive more into solutions later in the guide.

In the meantime, let's move on to what is arguably the most potential Facebook caveat of all: The Facebook Pixel.

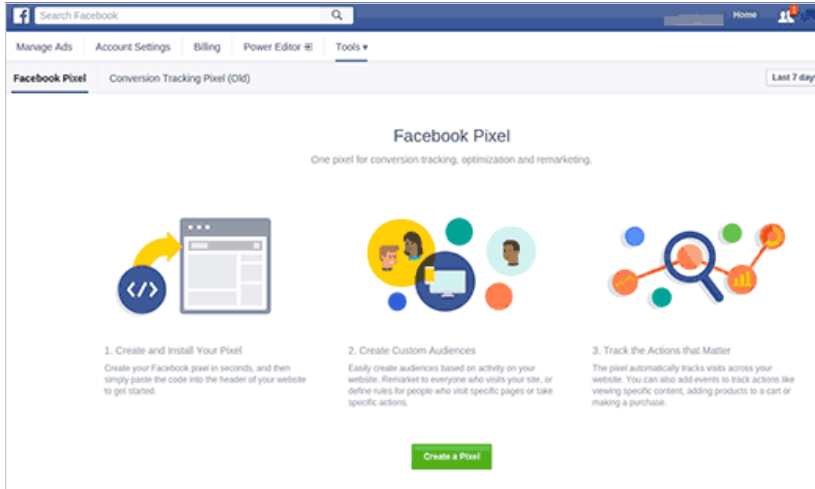
## CHAPTER 3

# The Facebook Pixel

**The Facebook Pixel is a snippet of code you place on your store that allows you to track and target visitors to your shop's website.** It allows you to create different audiences based on specific actions of your site's visitors. Want an audience of all those who initiated the checkout, but didn't finish? No problem. How about a very targeted audience of those who've visited your site multiple times in the last few days? Yup, you've got it. I'll dive more into audiences in Chapters 4 and Chapters 5, but for now, let's do the essential thing: install it.

## How To Install Your Facebook Pixel

Go to your Facebook Pixel Tab in **Ads Manager**.



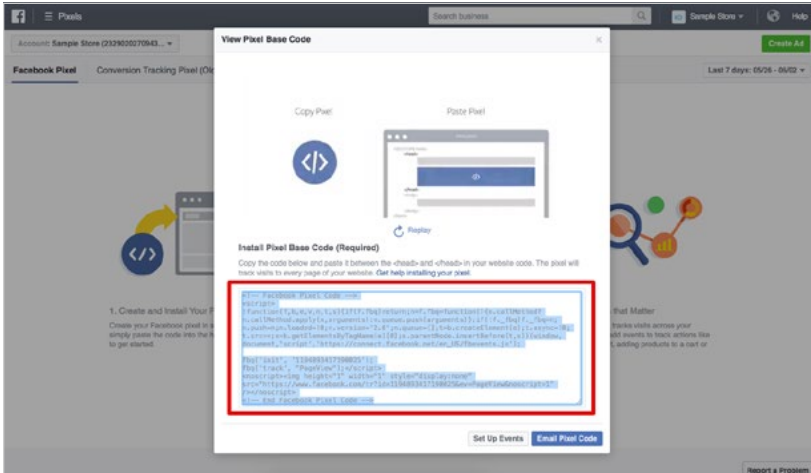
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*Important Note: There can only be ONE Pixel per Ad Account! This is new.*

---

- 1 Click Create a Pixel (if you already have a Pixel, you won't see the "Create a Pixel" button).
- 2 Enter a name for your pixel. Since there's only one pixel per ad account, choose a name that represents your business.
- 3 Make sure you've checked the box to accept the terms.
- 4 Your Facebook Pixel can track multiple events with slight modifications of its code (more on that in a second).

This is your Pixel code:



## STANDARD EVENTS

This is where things can get a bit tricky. There's tiny snippets of code you add to your "base" Pixel code to track specific actions.

Name	Description	Event Code
ViewContent	Track key page views (ex. product page, landing page or article)	fbq('track', 'ViewContent');
Search	Track searches on your website (ex. product searches)	fbq('track', 'Search');
AddToCart	Track when items are added to a shopping cart (ex. click/landing page on Add to Cart button)	fbq('track', 'AddToCart');
AddToWishlist	Track when items are added to a wishlist (ex. click/landing page on Add to Wishlist button)	fbq('track', 'AddToWishlist');
InitiateCheckout	Track when people enter the checkout flow (ex. click/landing page on checkout button)	fbq('track', 'InitiateCheckout');
AddPaymentInfo	Track when payment information is added in the checkout flow (ex. click/landing page on billing info)	fbq('track', 'AddPaymentInfo');
Purchase	Track purchases or checkout flow completions (ex. landing on "Thank You" or confirmation page)	fbq('track', 'Purchase', {value: '0.00', currency: 'USD'});
Lead	Track when a user expresses interest in your offering (ex. form submission, sign up for trial, landing on pricing page)	fbq('track', 'Lead');
CompleteRegistration	Track when a registration form is completed (ex. complete subscription, sign up for a service)	fbq('track', 'CompleteRegistration');

You'll want this extra bit of code to determine when people do certain things like initiate their check out, view a few products, or purchase.



```

<!-- Facebook Pixel Code -->
<script>
!function(f,b,e,v,n,t,s){if(f.fbq)return;n=f.fbq=function(){n.callMethod?
n.callMethod.apply(n,arguments):n.queue.push(arguments)};if(!f._fbq)f._fbq=n;
n.push=n;loaded=!0;n.version='2.0';n.queue=[];t=b.createElement(e);t.async=!0;
t.src=v;s=b.getElementsByTagName(e)[0];s.parentNode.insertBefore(t,s)}(window,
document,'script','//connect.facebook.net/en_US/fbevents.js');

fbq('init', '1234567890');
fbq('track', 'PageView');

fbq('track', 'AddToCart');

</script>
<noscript></noscript>
<!-- End Facebook Pixel Code -->

```

You'll want to add the Pixel to all pages you want to track with these slight variations called "Standard Events" where necessary.

There are 9 types of Standard Events:

- ViewContent
- AddToCart
- InitiateCheckout
- AddPaymentInfo
- Purchase
- Search
- AddtoWishlist
- Lead
- Complete Registration

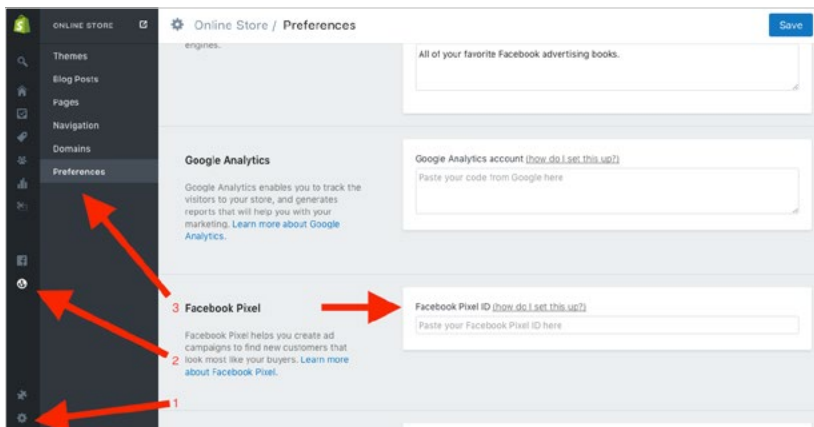
But before you cringe with the thought of coding, you're in luck.

You'll want the base Pixel code on every page of your site, along with those necessary Standard Events on certain pages. There's no need to panic though: I'm going to list the integration tools that mean never seeing a line of code with Facebook Ads again.

## INSTALLING THE FACEBOOK PIXEL WITH YOUR SHOPIFY WEBSITE

Shopify natively supports the Facebook Pixel along with 6 of its 9 Standard Events: ViewContent, AddToCart, InitiateCheckout, AddPaymentInfo, Purchase, and Search.

Just go to your **Admin Dashboard** > (1) **Settings** > (2) **Online Store** > (3) **Preferences**



You'll see Facebook Pixel section, and you can enter your Facebook Pixel ID.

For more in-depth instructions, check out a tutorial [here](#).

It really can't get much easier than that, and it's a huge reason why Shopify is one of the preferred ecommerce platforms.

### Installing the Facebook Pixel with WordPress

**PixelYourSite** allows you an easy integration like Shopify. You just install the plug-in, input your Facebook Pixel ID, and follow the commands that the pixel plug-in provides you.

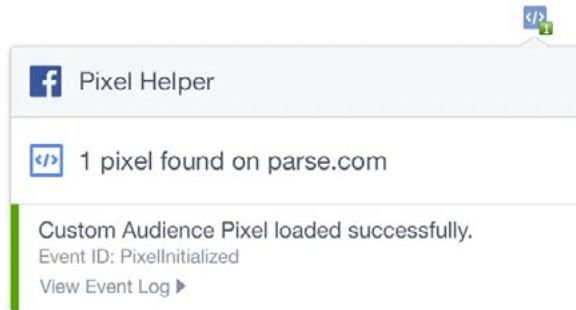
It's a paid plug-in, but don't fret: AdEspresso is releasing a free pixel plugin very soon that can do what it can with the Facebook Pixel - and a whole lot more! **Sign up for our newsletter** to get first-in on the launch.

## INSTALLING THE FACEBOOK PIXEL MANUALLY

You're best bet here is to hire a developer, as you'll need place the Pixel code and it's "Standard Event" variations between the `<head>` and `</head>` tag of each page of your website while modifying the "Standard Event" depending on which page it is (Checkout page, Purchase completed page, Home page, etc.). This can be a lot of work for anyone who isn't familiar with coding.

## HOW TO CHECK IF THE FACEBOOK PIXEL IS WORKING

If you want to check to make sure your Facebook Pixel is working, download the free Google Chrome Extension, Pixel Helper.



## What About the “Facebook” Shopify Shop?

If you don't have a website and are selling only on your Facebook page, you have a few limitations: you can **ONLY** sell physical products, Shopify payments must be used, and it must be in the same currency as the user (country-specific).

For ways of utilizing the Facebook Shopify Integration, check Chapter 7 on Dynamic Ads.

By this point, you're probably aching to get into some ad types and creativity, so let's dive into your options. You're probably excited to see all the visual media and ad types you can use, but hold out on creating them just yet. After reading about the ad types, *make sure you read Chapter 5 and Chapter 6* to ensure you have your targeting down.



## CHAPTER 4

# Facebook Ad Types for Your Ecommerce Store

**In this chapter, we're going to cover the main ad types that you can use for your ecommerce store.** While the **types of Facebook ads** can get overwhelming, concentrate on these 8 types for your ecommerce store.

- Domain Ads Ads
- Multi-Product Ads (Carousel Ads)
- Offer Ads

- Video Ads
- Lead Ads
- Canvas
- Sponsored Mentions
- Dynamic Ads (formerly Dynamic Product Ads)

To see different ad and placement types, make sure to check out the [Facebook Ad Gallery](#).

## Should You “Boost” Your Posts?

Most ecommerce owners first forays into advertising involves boosting an existing post. This is the most simple type of ad: you advertise an existing organic post on your Facebook Page.

The screenshot shows a Facebook post from the page 'AdEspresso', which is noted as being 'Published by HubSpot'. The post text discusses the goal of generating interest in a brand and the importance of product and brand quality. Below the text is a yellow graphic with the title 'SHOULD YOU OFFER A COUPON CODE IN YOUR FACEBOOK ADS?' and a cartoon character. Underneath the graphic is the post's title 'Should You Offer A Coupon Code In Your Facebook Ads?' and a snippet of the post's content. At the bottom left, it says '139,491 people reached' with a progress bar. A large red arrow points from the bottom right towards the 'Boost Post' button, which is a blue button with white text.

AdEspresso  
Published by HubSpot · 20 hrs · 🌐

The goal of any promotion is to generate interest in your brand and prompt desire for your product for which customers will return and pay full price.

If you're thinking about using a coupon code as a quick-fix to meet objectives or push unpopular products, step back and consider how you can fix the underlying problems.

If you focus on bottom lines like product and brand quality, customer loyalty, and product-market fit, you'll build a stronger business that will thrive with ...  
[See More](#)

**SHOULD YOU OFFER A COUPON CODE IN YOUR FACEBOOK ADS?**

Should You Offer A Coupon Code In Your Facebook Ads?

Facebook+ Google+ Pinterest LinkedInCoupons are the proverbial golden tickets of sales. Or are they? That way, until they devalue your product, slow your...

[HTTPS://ADESPRESSO.COM/ACADS...](https://adespresso.com/acads...) SHOULD YOU OFF...

139,491 people reached

**Boost Post**

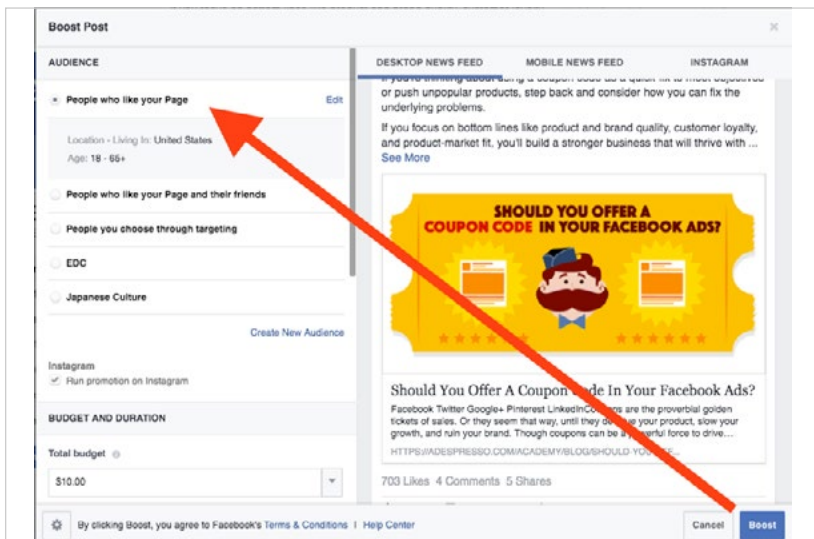
While it might seem initially effective, there's some issues with boosting posts in Facebook's default system:

- You have to “manually” hit Boost - taking up time.
- You can't control the optimization of the ad- by default it is “engagement” where people may “Like”, “Comment”, or “Share” but not go over to your post where they could be tracked with the Facebook Pixel
- You have very limited targeting abilities: you can only choose demographic and interest targeting

Note, one quick advantage of boosting posts - Live Video. After the recording is finished, you can boost it with advertising budget to your fans.

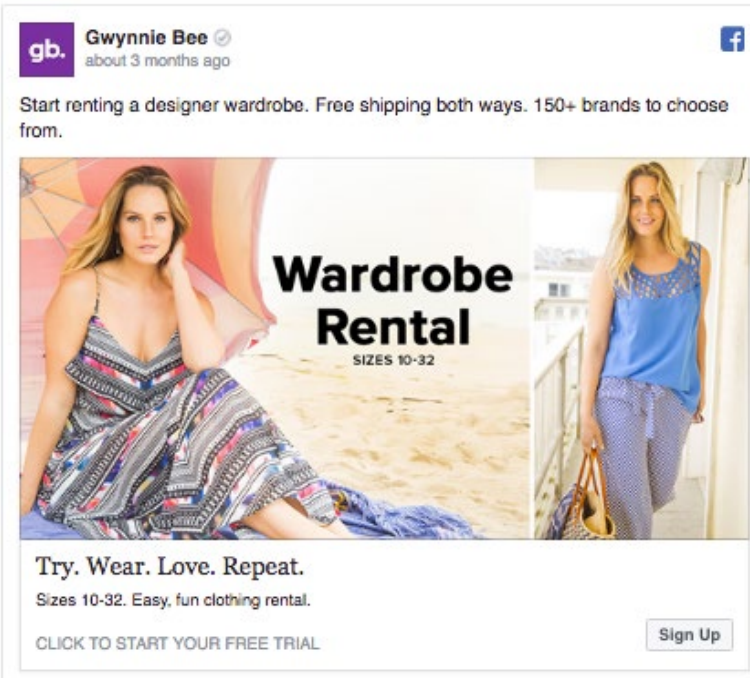
When using Facebook's in-house system to Boost, my recommendation is to look at the “Boost” as *a tool for engagement with your existing Page Fans*.

This works for two reasons: a) it's your existing audience, and it's a way of reminding them you are still here (for upsells) and b) you can test to see which type of content your audience likes the most. Such engagement can be used as a method of market research to fuel more advanced advertising campaigns later on.




If you find the limited targeting—along with the manual button pushing—time consuming, our software enables **automated “Boosts”**. This means you can set more advanced targeting (Chapters 5 and Chapters 6), choose what types of posts get an automatic Boost, and relax. Simply check on it once a week to make sure it’s all still running smoothly.

## Domain Ads (Clicks to Website)



A Facebook domain ad for Gwynnie Bee. The ad features a purple profile picture with 'gb.' and the name 'Gwynnie Bee' with a verified badge and 'about 3 months ago'. The text reads: 'Start renting a designer wardrobe. Free shipping both ways. 150+ brands to choose from.' Below this is a large image with a woman in a colorful patterned dress on the left and a woman in a blue top and patterned pants on the right. The text 'Wardrobe Rental' is prominently displayed in the center of the image, with 'SIZES 10-32' below it. Under the image, the text says 'Try. Wear. Love. Repeat.' followed by 'Sizes 10-32. Easy, fun clothing rental.' and a 'CLICK TO START YOUR FREE TRIAL' link. A 'Sign Up' button is in the bottom right corner. At the bottom of the ad, there are engagement icons and counts: 494 likes, 44 comments, and 44 shares.

gb. Gwynnie Bee  about 3 months ago

Start renting a designer wardrobe. Free shipping both ways. 150+ brands to choose from.

**Wardrobe Rental**  
SIZES 10-32

Try. Wear. Love. Repeat.  
Sizes 10-32. Easy, fun clothing rental.

CLICK TO START YOUR FREE TRIAL

Sign Up

494 44 44

This will be either a Desktop or Right-Column ad. These are also known as “Domain Ads” or “Page Post Link Ads,” but all you need to know is that it’s a single image ad, with an optional text description above, and a link description below that links to your website.

Display URL (optional)

adespresso.com

Text

Want to win the attention of 130,000 marketers and a \$50 coupon for your ads? Join our contest!

Headline

Facebook Ads Contest - Ends September 5th, 2016!

News Feed Link Description

Pick ONE of the 8 overlooked metrics and show an improvement before Labor Day! Submit a screen share of your improvement on our Twitter or our Facebook page and the winner gets announced in our newsletter and social media (130K reach) + a FB ads coupon!

Call To Action

Sign Up

Sponsor

Pages you tag in your ad will be notified. They will be able to view your ad's metrics, including ad spend and CPM. They will also be able to create an ad using your post.

Who is sponsoring this ad?

AdEspresso

Like Page

Want to win the attention of 130,000 marketers and a \$50 coupon for your ads? Join our contest!

Facebook Ads Contest - Ends September 5th, 2016!

Pick ONE of the 8 overlooked metrics and show an improvement before Labor Day! Submit a screen share of your improvement on our Twitter or our Facebook page and the winner gets announced in our newsletter and social media (130K reach) + ...

ADESPRESSO.COM

Like Comment Share

This is the most used ad format on Facebook, and for good reason: it works. With your Facebook Pixel installed correctly on your site, every visitor that clicks can be logged and retargeted on Facebook later.

Previously, there was a strict rule that no more than 20% of your image could contain text. While this rule is no longer official, you may still be penalized (by restriction of your reach) should you fill it up with too much text. Here's an example email I received from Facebook from an almost sneaky inclusion of too much text:

Your Ad Is Not Delivering

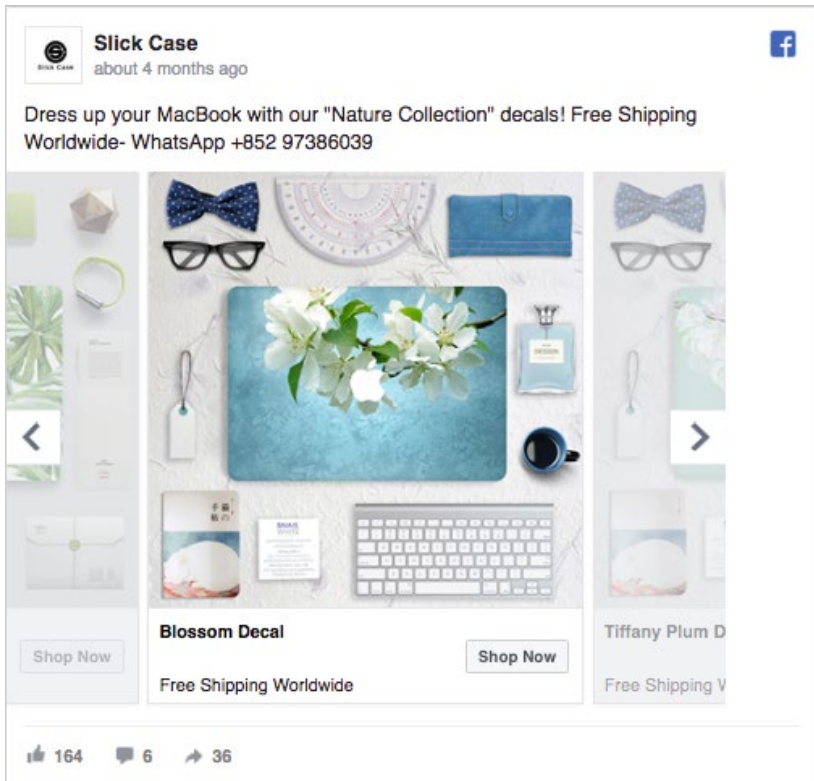
Your ad's image contains too much text which is preventing delivery of your ad to your audience. Click any of the links below to manage your ad, and make changes to reduce the amount of text in your ad's image to fix this issue.

The following ad needs your attention (1)

Account: AdEspresso > Campaign: Post-Free Trial, but didn't Convert - University Video Ad > Ad Set: AdSet 1

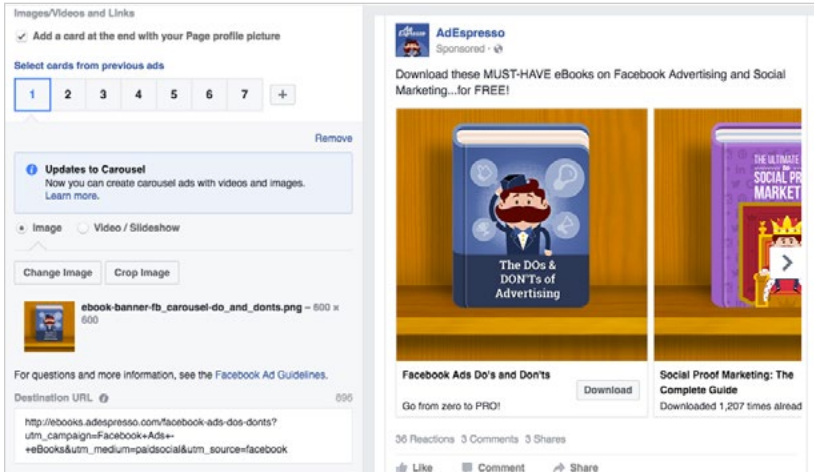
**Ad: Ad 1**

## Multi-Product Ads (Carousel Ads)



Multi-Product Ads were rolled out in 2015, and there's one thing that's clear: it's great to see which product your prospective customers are most interested in.

Facebook can automatically optimize your ad to have your "most clicked on" image appear first, thus increasing the likelihood of Facebook users visiting your site after seeing it.



By giving your prospects a wide range of products, there's also a higher likelihood of them visiting and finding a product that meets their needs.

## Offer Ads

Create Offer

Offer Type

Percent Off

Amount Off

Buy One, Get One

Free Stuff

Percent Value

Offer Title

Details

Tell people about this offer

Offer Availability

Online

In Store

URL

Discount Code (Optional)

20OFFNOW

Expiration Date

Nov 10, 2016

12:00 AM

Terms and Conditions (Optional)

Any extra details you'd like to add?

Total Offers Available (Optional)

1000

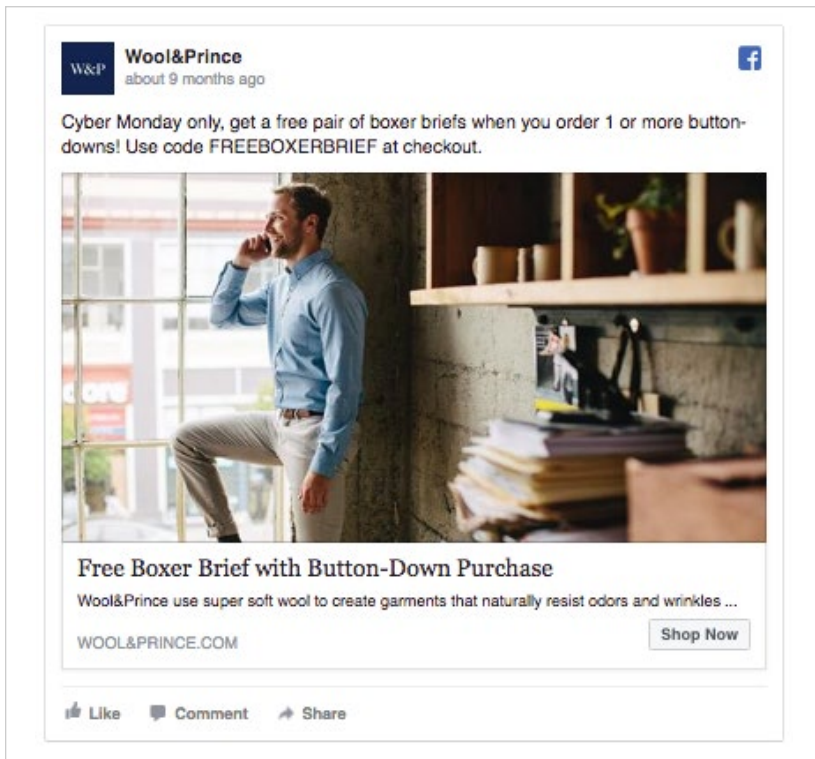
Cancel

Create

Offer Ads are a quick and useful tool to target those familiar with your brand like Page Fans and previous website visitors.

While similar in form to Standard Ads, instead of just sending people to your website, an offer ad gives you two options for those that click to receive:

- 1 a discount code with an expiration date (online)
- 2 a barcode that they can use if you have a pop up shop for your otherwise online-only store (in-store)

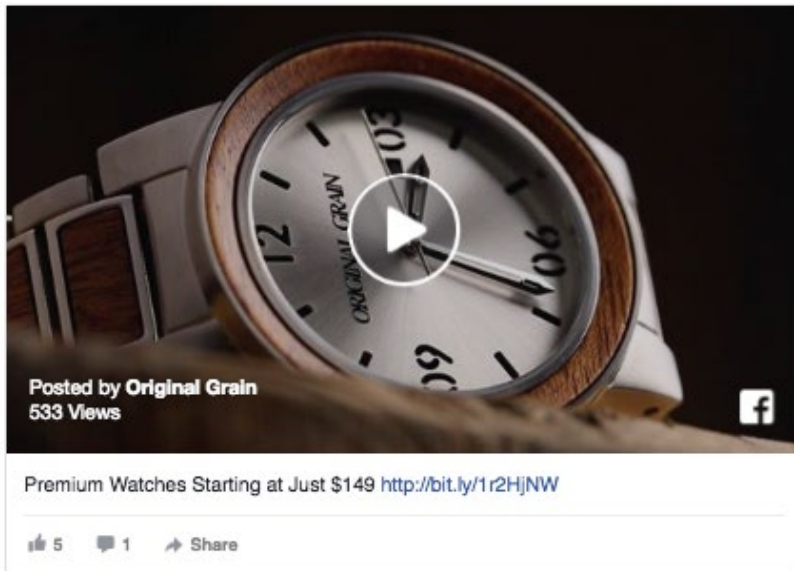


In the above example, Wool & Prince sent out a Facebook Ad offer for 1) a special event (Cyber Monday) and 2) a coupon code to redeem only on that day.

The sense of urgency combined with the discount is what makes “offer” ads so unique for flash or short-term sales.



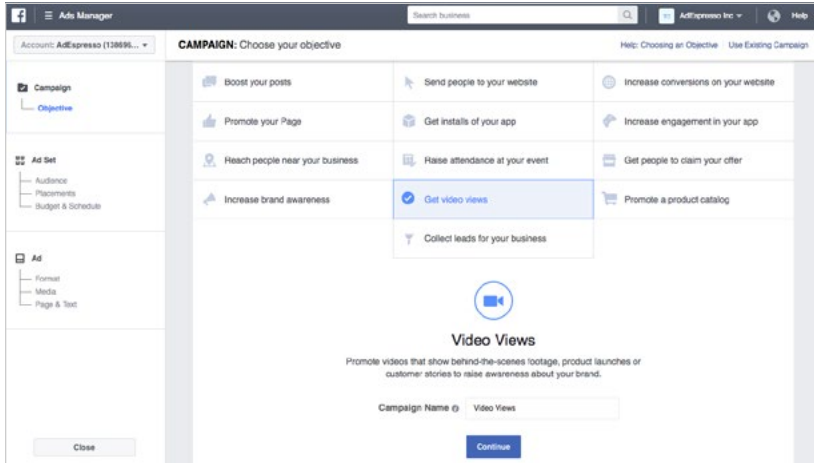
## Video Ads



[View this video](#)

Video Ads are great for both brand awareness and retargeting. Of those that watch your video, you can actually retarget them with further ads based on the duration of the video they watched. We'll get more into that in Chapter 6.

It might seem intimidating, but even an ultra basic video can net you results. For more on how you can create your own video ads - even on a budget - read our full guide to [Facebook Video Ads](#).

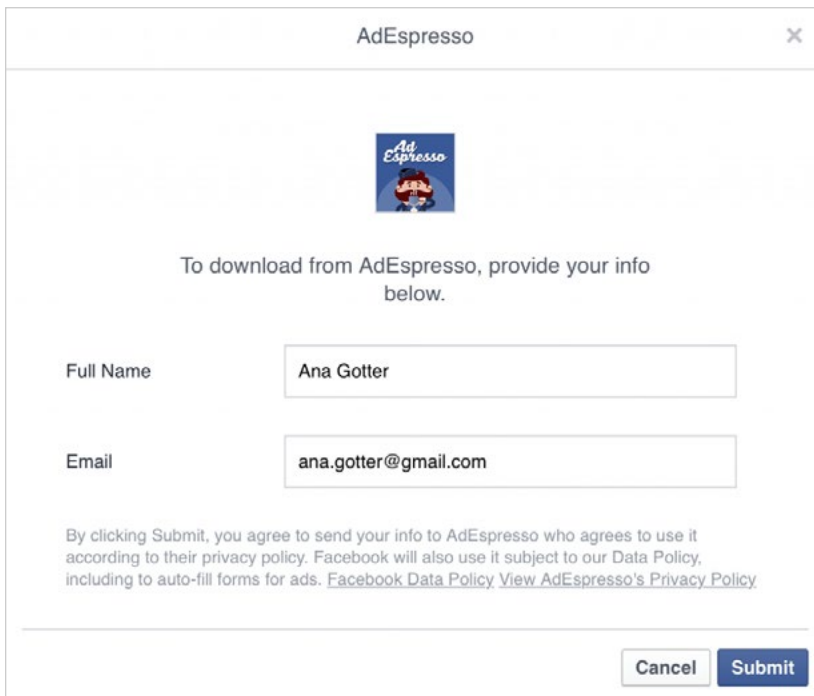


## Lead Ads

Lead Ads allow you to collect information from the user without them having to leave Facebook. Facebook will also automatically fill in all the information it can, including a user's name, email address, or phone number, so the user doesn't have to.

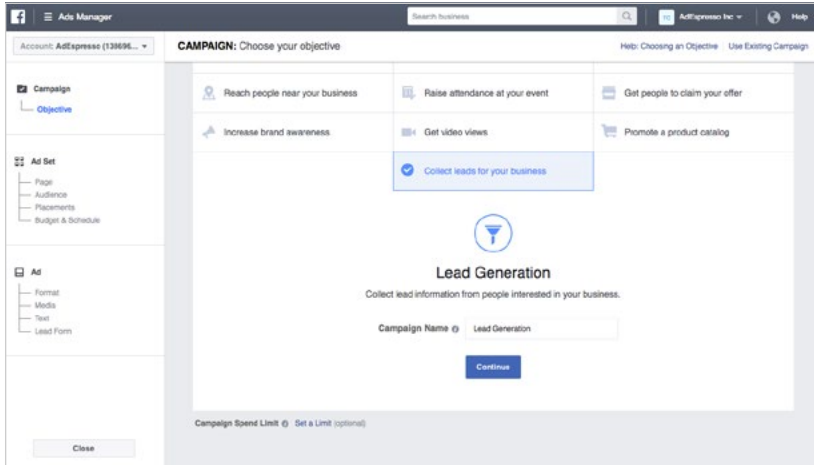


It looks like a regular Standard Ad, except when you click on it.

The image shows a Facebook ad interface for AdEspresso. At the top, the AdEspresso logo is displayed. Below the logo, a text prompt asks the user to provide information to download from AdEspresso. There are two input fields: 'Full Name' with the value 'Ana Gotter' and 'Email' with the value 'ana.gotter@gmail.com'. Below the input fields, a paragraph of text explains that by clicking 'Submit', the user agrees to send their information to AdEspresso, who will use it according to their privacy policy. It also mentions that Facebook will use the information subject to its Data Policy, including for auto-fill forms for ads. At the bottom right, there are two buttons: 'Cancel' and 'Submit'.

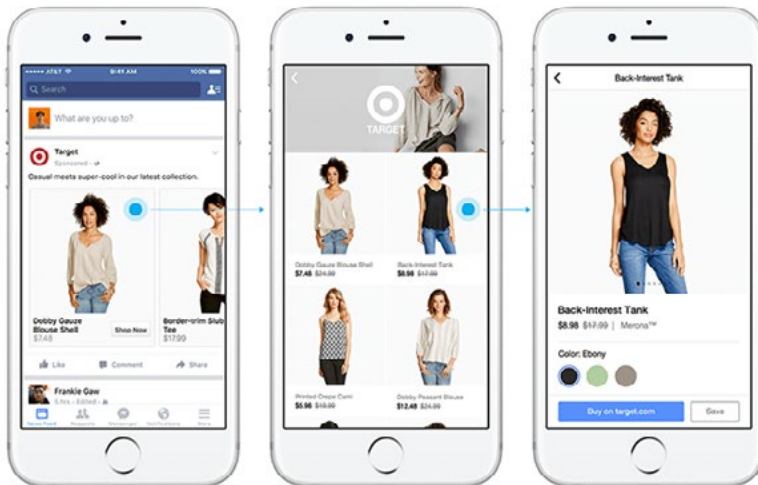
As soon as “Submit” is hit, you now have a lead prospect. Within Facebook, you’ll have to download this manually and then upload it to your CRM. But with **lead ads sync**, you can have it so that this automatically syncs with your CRM of choice and follows up immediately with an email to their inbox.

To create a Lead Ad, simply choose the “Lead Generation” option as your objective in Ads Manager or Power Editor.



## Canvas Ads

Canvas is an interactive ad. If you've been playing around with Facebook's "3D Images," you'll be touching on the arena that Facebook is pursuing here.



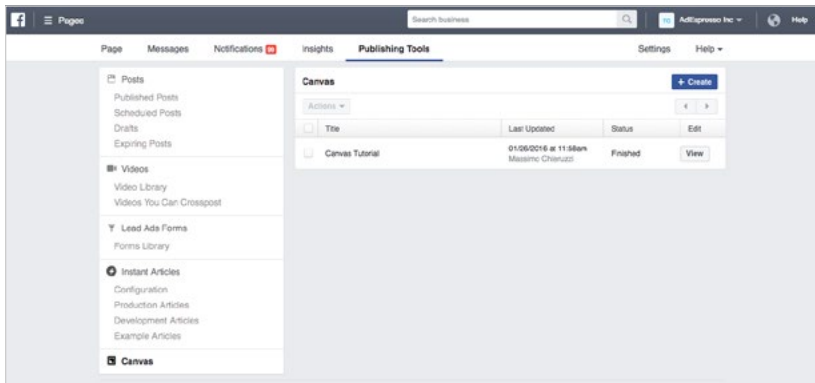
To see a video example (as it's an interactive ad) [check this out](#):

Another great example can be found [here](#).

To create a Canvas, you'll need to **go to the Page the Canvas was created for**.

To clarify, creating the Canvas itself is not in Ads Manager.

- 1 Click Publishing Tools on your Page.
- 2 Click Canvas.
- 3 Create your Canvas.



Once the Canvas is created, you'll be given a unique link. You'll then **copy this link and then go into your Ads Manager**.

Once in Ads Manager:

- 1 Create or edit Clicks to Website or Website Conversions as the objective for your campaign.
- 2 In the "Enter URL to promote field," paste the Canvas URL.
- 3 Congrats, you have a Canvas ad.

If you're having trouble creating one, make sure to check out our [full beginner's guide to Canvas ads](#) on AdEspresso's website.

## Dynamic Ads

Facebook's Dynamic Product Ads provide a way to show single or multi-product ads to people who have visited your website. Based on the visitor's

behavior, you can serve different ads to different groups of people based on what they're interested in.

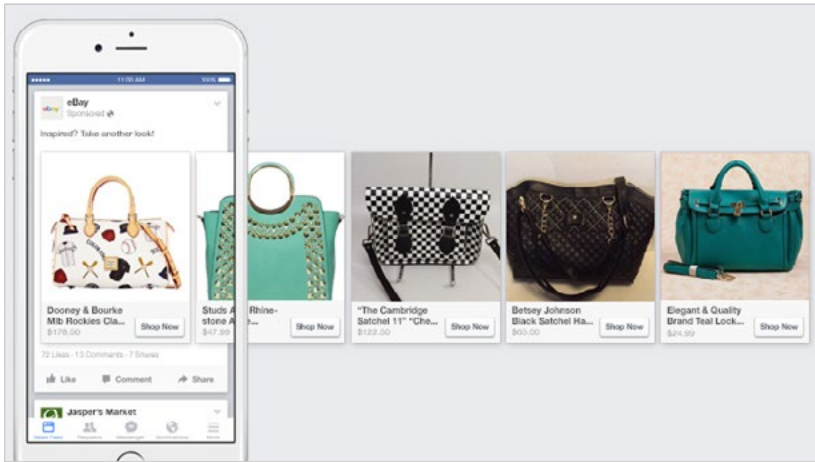


Image credit: [Facebook](#)

**Viewed Content:** After customers visit a product page on your website, you can then show them the same product through a Facebook ad.

**Add to Cart:** Cart abandonment happens all too often in ecommerce. Facebook ads can be used to show shoppers products they have added to their cart but haven't yet purchased. This ad can provide the final step towards the sale.

**Product Purchase:** Selling doesn't stop after the first sale. Once the customer has purchased, serve ads for related products, new arrivals and anything else that might fit their tastes.

Dynamic Product Ads are solely based on the data collected from your website, making them a powerful way to connect with shoppers, personalizing the experience with products they actually want to see.

With a more personalized experience for your customer, you're increasing chances of conversion as well as saving yourself hundreds of hours of ad setup.

## Branded Content (Sponsored Mentions)



Image source: Facebook

If you've ever seen a company apply a "with" tag, then you've witnessed Branded Content (or Sponsored Mentions) in action. Essentially this is teaming-up with another ecommerce brand or an "influencer" with complementary products.

To do create a sponsored mentions ad, you'll go to your Page (not your Ads Manager), and look for the handshake:

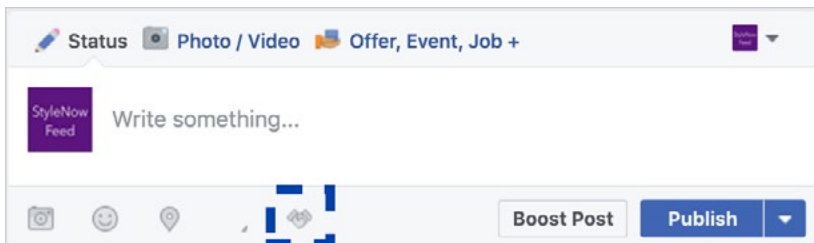



Image source: Facebook

A major benefit of this ad type is that both you and the brand you are teaming up with can see the results of the advertising effort.



The screenshot shows the Facebook Branded Content interface. At the top, it says "Branded Content" and "2 Ad Accounts". There are filters for "All Sponsors" and a date range "Sep 29, 2015 - Oct 5, 2015". Below these are tabs for "Reach: Organic / Paid" and "Post Clicks", and a dropdown for "Reactions, Comments & Shares". The main table has columns: Published, Page, Post, Type, Targeting, Reach, Engagement, CPM, Total Spend, and Promote. A single row is visible for a post from "StyleNow Feed" dated "10/04/2015 2:20 pm". The post text is "Checkout these 10 incredible beauty p...". The Reach is 181, Engagement is 14 (with 1 comment visible), CPM is "-", and Total Spend is "\$300". There is a "Share & Boost" button in the Promote column.

Published	Page	Post	Type	Targeting	Reach	Engagement	CPM	Total Spend	Promote
10/04/2015 2:20 pm	StyleNow Feed	 Checkout these 10 incredible beauty p...			181	14 1	-	\$300	Share & Boost

Image source: Facebook

For more on Facebook's policy on this type of content, learn more [here](#).

Now with all the ad types in hand, let's help choose who to target – and how to do it effectively.





## CHAPTER 5

# Targeting New Audiences

**Our coaching and campaign review team at AdEspresso commonly gives this analogy to ecommerce advertisers who are just starting out:**

*When you meet somebody you like at a bar, do you ask them to marry you straight away? No. You have a drink with them first, and if it seems to be going well, you start dating.*

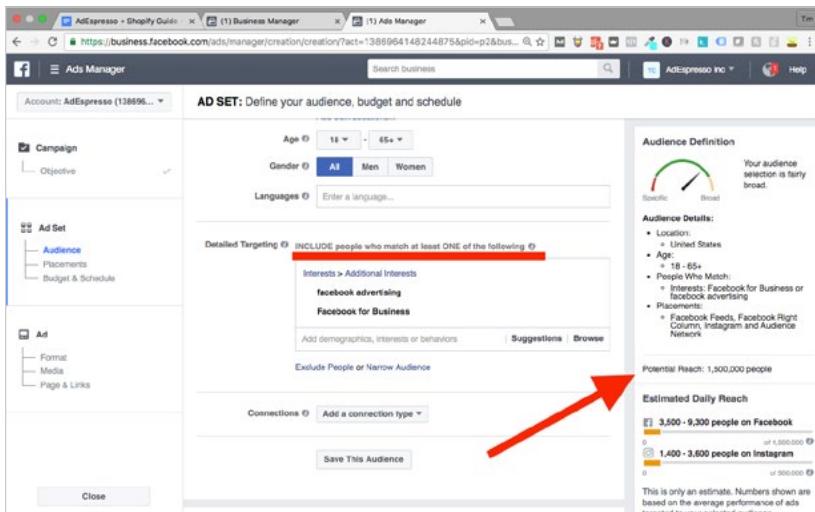
We aren't dating strategists, but this analogy hits the right marks for ecommerce. Targeting a completely new audience and hoping for an

immediate sale can leave you feeling let down, rejected, and left with the bill. Sometimes it works, but it's often a shot in the dark.

For higher end products, it's an even more unrealistic expectation. The more investment the customer needs to make, the more “touch-points” you'll need in the relationship. Luckily, Facebook's retargeting options allow you to keep the relationship going through different mediums. Of course, before you begin, you'll need to approach someone completely new. That's what we'll focus on in this chapter.

## Should You Target Broad or Specific New Audiences?

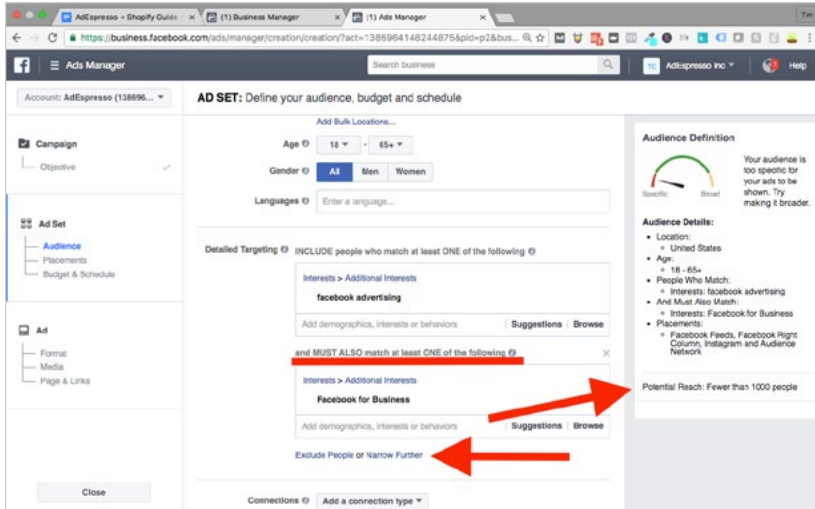
**Broad:** Also known as “or” targeting, it will target any of the characteristics you select of the audience. So if you want a sports fan to buy your product, your selection would be “baseball” *or* “football” *or* “basketball.” The audience grows larger with the more interests you add.



**Specific:** Also known as “and” targeting. In the “Detailed Targeting” section of your Ad Sets, simply choose “Narrow Targeting” and “Narrow Further” to add further parameters. The audience grows smaller with the more interests you add.

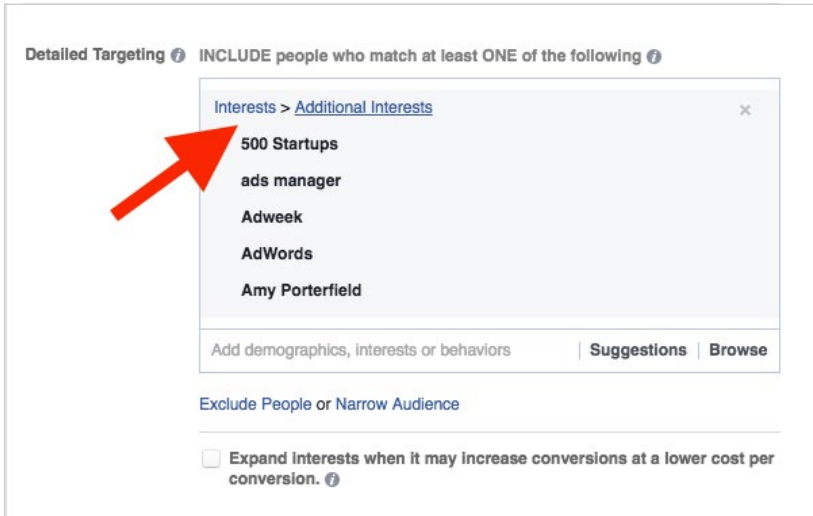
We suggest a minimum audience size of 10,000 people or more.

If you plan on A/B testing (also known as split testing) to see what image or value proposition resonates most, we recommended an audience of 100,000 or more.



In the picture above, you can see that the audience is too narrow. It comes in at under 1000 people total, meaning we'll tear through our ad budget in a mere day or two.

## Interest-Based Targeting



The screenshot shows the Facebook 'Detailed Targeting' section. At the top, it says 'INCLUDE people who match at least ONE of the following'. Below this is a dropdown menu currently set to 'Interests > Additional Interests'. A red arrow points to this dropdown. The menu is open, showing a list of interests: '500 Startups', 'ads manager', 'Adweek', 'AdWords', and 'Amy Porterfield'. Below the list are three buttons: 'Add demographics, interests or behaviors', 'Suggestions', and 'Browse'. Underneath the buttons is a section titled 'Exclude People or Narrow Audience' with a checkbox labeled 'Expand interests when it may increase conversions at a lower cost per conversion.'.

Interests allow you to target people specifically interested in a subject (or Facebook page) related to your product. For example, you could target people interested in your competitors or your broader market segment, or magazines and blogs covering your market.

**Precise Interests:** Precise Interest Targeting lets you target your audience based on their profile information. This includes their likes and interests, apps they use, Pages they've Liked, and more (you can even target your competitors' fans!). Start typing an interest and a list of options will appear. You can also click "browse" to see some broad categories suggested by Facebook. Once you've added some interests, Facebook will also recommend similar ones. Adding more than one interest will target people with at least one of them so you'll make your reach broader.

Interests			
Interest	Impressions	Click	CTR %
jon loomer digital	255	7	2.745%
mari smith	440	9	2.045%
social ads tool	58	1	1.724%
amy porterfield	453	5	1.104%
Lifetime values.			SHOW ALL

With AdEspresso, we show you the breakdown by interest if you are using “or” targeting (targeting all interests, not a matching combination).

## Behavior Targeting

Detailed Targeting ⓘ INCLUDE people who match at least ONE of the following ⓘ

Add demographics, interests or behaviors

Suggestions

Browse

Demographics ⓘ

Interests ⓘ

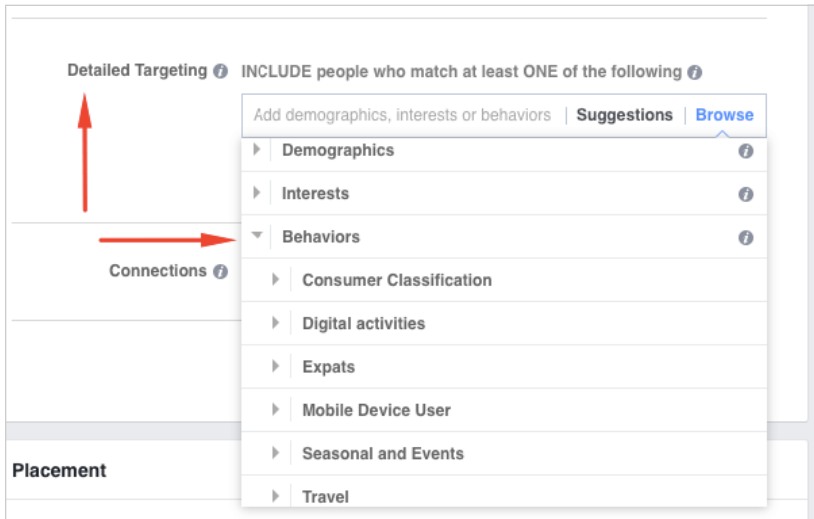
Behaviors ⓘ

More Categories ⓘ

Connections ⓘ

Save This Audience

Unlike interest targeting, behaviors allow you to target people by purchase history, intent, and more. This data is gathered from Facebook's analysis of many factors combined with external data sets. As an example, you can target people currently traveling or planning their next trip, which is priceless if you're in the travel equipment/backpack market. Check them out and see if they can work for your business.



You can even target people who have made payments using Facebook in the last 90 days, and are therefore more likely to buy from your Facebook Shop.

For more, read our blog post that goes into much higher detail on [behavior targeting](#).

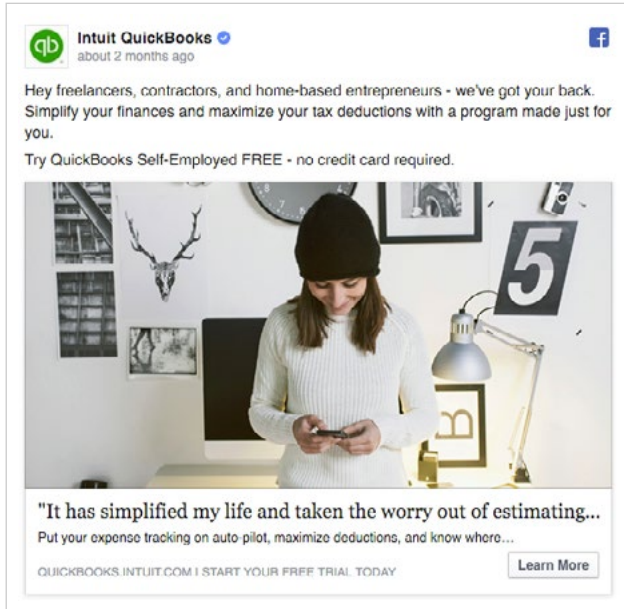
## Demographic and Location-Based Targeting

The first set of options to refine your audience is pretty straight forward: Basic demographic information.

**Location:** From country to zip code, both big brands and local shops can target their potential customers.

**Age:** Do you want to appeal to teenagers, young families, or retired people? You have the flexibility to choose any age range.

**Gender:** Target specific genders. Now that Facebook offers over 50 gender options, this is much more useful for some businesses than other ad platforms.

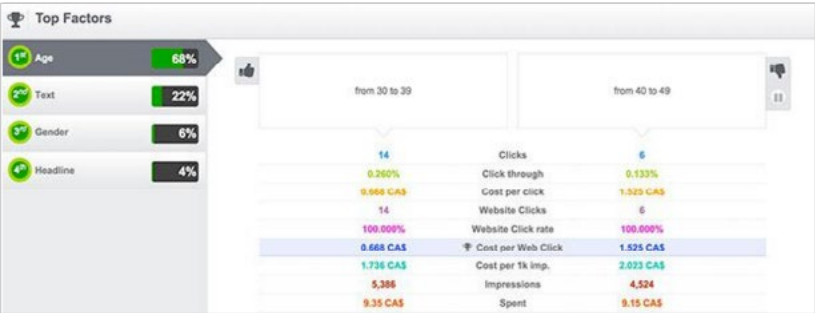


Facebook recently improved these options, giving you much more granularity over who will see your ads. Clicking on the “More Demographics” button will offer you a wide range of options for every need.

Just click one of the targeting topics in the menu and you’ll be able to refine your audience based on many options. As an example, you’ll be able to target people by their political views, life events, job titles, ethnicity, and so on.

When using these advanced options, always keep in mind that some of them only apply to United States citizens and may not work outside of the country.

Locations ⓘ	<div>United States</div> <div>California</div> <div>Add a country, state/province, city or ZIP</div>
Age ⓘ	<div>13 ▾ - No max ▾</div>
Gender ⓘ	<div>All Men Women</div>
Languages ⓘ	<div>Enter a language...</div>
<div>More Demographics ▾</div>	



Whether it's country, city, or state, always think about the location. The easiest way to throw money away is to offer your product with free shipping without location targeting.





## CHAPTER 6

# Retargeting and Custom Audiences

**Retargeting is the ability to target those that have interacted with your business before with ads.**

You can target the following people if you've been following this guide:

- 1 Those that gave you their email address before
- 2 Those that visited your website
- 3 Those that use your app
- 4 Those that engaged with your Facebook posts or ads

The groups above will be your “custom” audiences and they are critical to your return-on-investment with Facebook Ads.

Custom audiences are Facebook’s way of sorting your online store visitors so that you can serve highly tailored ads to them.


You can also make custom audiences even more narrow by using exclusions (the “and” targeting with Chapter 4’s suggestions, or “excluding” certain groups of people/other custom audiences). The more specific you get, the more effective your campaign will be.


There’s so much to say on Custom Audiences, our team even wrote a 50-page [Facebook custom audiences guide](#), but here are the basics.


### Create a Custom Audience


**How do you want to create this audience?**

Reach people who have a relationship with your business, whether they are existing customers or people who have interacted with your business on Facebook or other platforms.

**Customer File**  
Use a customer file to match your customers with people on Facebook and create an audience from the matches. The data will be hashed prior to upload.

**Website Traffic**  
Create a list of people who visit your website or view specific web pages

**App Activity**  
Create a list of people who have taken a specific action in your app or game

**Engagement on Facebook** NEW  
Create a list of people who have engaged with your content on Facebook

This process is secure and the details about your customers will be kept private.


Cancel


# 1. Customer List


**Create a Custom Audience**


How do you want to create this audience?

Reach people who have a relationship with your business, whether they are existing customers or people who have interacted with your business on Facebook or other platforms.

**Customer File**  
Use a customer file to match your customers with people on Facebook and create an audience from the matches. The data will be hashed prior to upload.

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**App Activity**  
Create a list of people who have taken a specific action in your app or game

**Engagement on Facebook** NEW  
Create a list of people who have engaged with your content on Facebook

This process is secure and the details about your customers will be kept private.

Cancel


Customer data such as emails and addresses are great ways to start building your custom audience. As you collect the data in your online store, you can upload the information to Facebook so that Facebook recognizes when these shoppers use the social network. As long as they're using the same contact information on both platforms, you'll be able to serve highly targeted ads. Remember though, you need permission to manage their data. Don't upload random lists of addresses.


## 2. Website Traffic


**Create a Custom Audience**


**How do you want to create this audience?**

Reach people who have a relationship with your business, whether they are existing customers or people who have interacted with your business on Facebook or other platforms.

**Customer File**  
Use a customer file to match your customers with people on Facebook and create an audience from the matches. The data will be hashed prior to upload.

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**Engagement on Facebook** NEW  
Create a list of people who have engaged with your content on Facebook

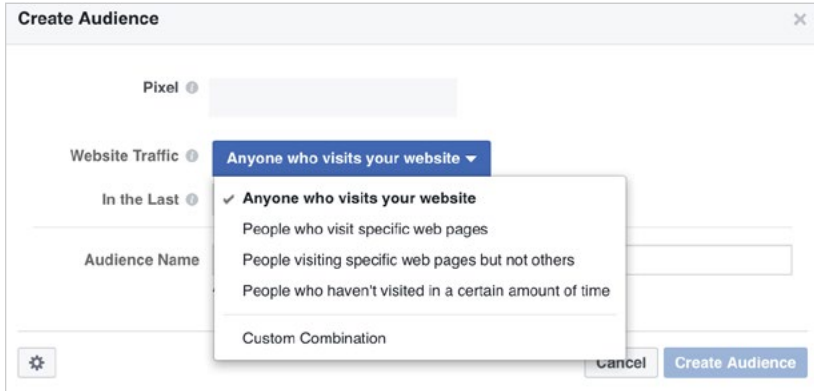
This process is secure and the details about your customers will be kept private.

Cancel

It's here that you can capitalize on all the new traffic you brought in by using the techniques in Chapter 5.

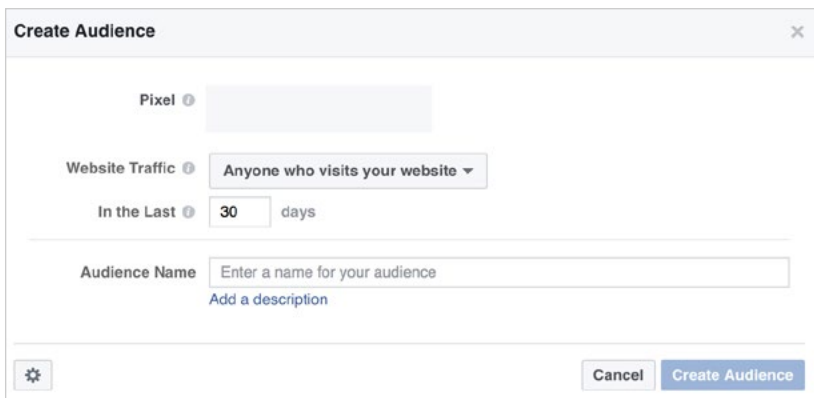
You can also consider timing of a potential customer's visits. You can advertise to anyone who visited in the past 180 days (at a maximum) – or you can be more selective and only show ads to visitors from the past 30 days, 14 days, 7 days, etc. It's up to you!

If you feel like diving really into it, you can even target people who visit only certain pages:



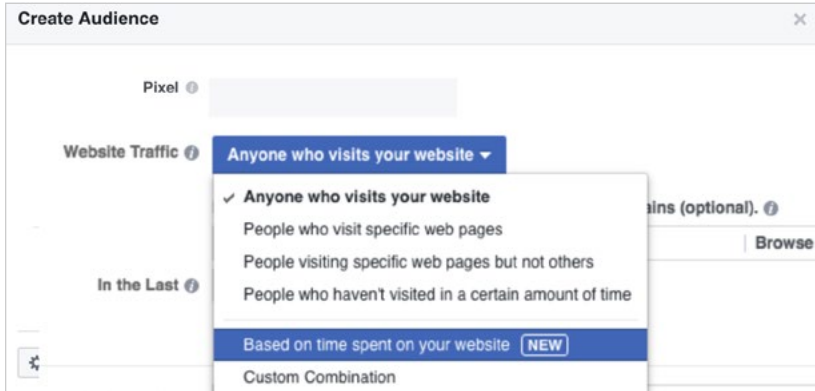
The screenshot shows the 'Create Audience' dialog box. The 'Pixel' field is empty. The 'Website Traffic' dropdown menu is open, showing four options: 'Anyone who visits your website' (selected with a checkmark), 'People who visit specific web pages', 'People visiting specific web pages but not others', and 'People who haven't visited in a certain amount of time'. The 'In the Last' field is empty. The 'Audience Name' field is empty. At the bottom, there are 'Cancel' and 'Create Audience' buttons.

Or those who visited a certain number of times within a set time frame:

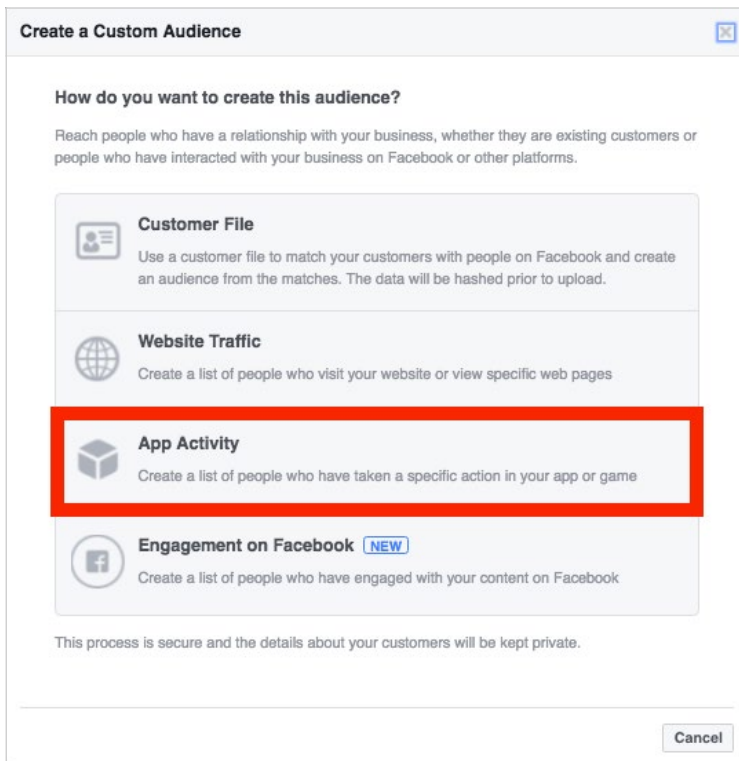


The screenshot shows the 'Create Audience' dialog box. The 'Pixel' field is empty. The 'Website Traffic' dropdown menu is set to 'Anyone who visits your website'. The 'In the Last' field is set to '30' days. The 'Audience Name' field is empty, with a placeholder text 'Enter a name for your audience' and a sub-label 'Add a description'. At the bottom, there are 'Cancel' and 'Create Audience' buttons.

And even the *amount* of time someone has spent on your website.



### 3. App Activity



For merchants who have an app, you can create a Custom Audience based on people who have used your app. For merchants using Shopify's SDK, this is huge!

For example, you can target people who previously used your app, but have not come back to your app within the last month. Or you can target people who have added an item to their cart on your app, but never went on to purchase it.

After you register your app with Facebook, you'll need to set up app events for iOS or for Android to reach users taking specific actions (called "events") within your app. Your app will send "events" via Facebook's SDK.

There are a multitude of variations (14 events in total), but here are some common app activity audiences ecommerce apps are using:

- 1 Recently Opened your App
- 2 Added an Item to their Cart
- 3 Recently Completed a Purchase
- 4 Completed Large Purchases

**Create a Custom Audience from your App**

Name: AdEspresso

Description: Example

App: Journey Talk Application

Create a list of people based on their activity in your app

Combined action ▼

- Action taken
- Action not taken
- ✓ Combined action
- Segment

Action Taken: [ ]

Action Not Taken: [ ]

Cancel Create Audience


You can also combine actions/events taken (or not taken) for some very detailed app activity custom audiences!


## 4. Engagement


**Create a Custom Audience**


**How do you want to create this audience?**

Reach people who have a relationship with your business, whether they are existing customers or people who have interacted with your business on Facebook or other platforms.

**Customer File**  
Use a customer file to match your customers with people on Facebook and create an audience from the matches. The data will be hashed prior to upload.

**Website Traffic**  
Create a list of people who visit your website or view specific web pages

**App Activity**  
Create a list of people who have taken a specific action in your app or game

**Engagement on Facebook** NEW  
Create a list of people who have engaged with your content on Facebook

This process is secure and the details about your customers will be kept private.

Cancel

This is relatively new (circa September 2016), and it's for people who engage with your Facebook page posts or ads. Currently (as of November 2016), you can't target those who Like, Comment, or Share... but we know how fast Facebook moves, so we do expect this to change soon!



Here are some ways you can target based on engagement:

### Lead Ads Engagement

If they opened your Lead Ad, but didn't complete it

**Create a Custom Audience** ×

Your audience will be people who opened one of your lead ad forms. After selecting a form you can include people based on the action they took when they opened it.

Lead Form ⓘ

Include ⓘ

In the past ⓘ  days

Audience Name

[Add a description](#) (optional)

### Video Views Engagement

You can target those who watched your video ad based on different durations.

**Create a Custom Audience** ×

Engagement ⓘ

People who viewed at least 25% of your video ×

[Choose videos...](#)

Choose a content type | [Browse](#)

In the past ⓘ

180

days

Audience Name

[Add a description \(optional\)](#)

Back

Create Audience

## Canvas Engagement

You can target people who opened or clicked links in your canvas ads.

**Create a Custom Audience** ×

Your audience will be people who opened one of your Canvases.

Canvas ⓘ

Canvas Tutorial ×

Include ⓘ

☒ People who opened this Canvas

☐ People who clicked any links in this Canvas

In the past ⓘ

365

days

Audience Name

[Add a description \(optional\)](#)

Cancel

Back

Create Audience

On top of all this, and to tie together Chapters 5 and Chapters 6, you can create new audiences based on all the custom audiences above called “Lookalike Audiences.”

## Lookalike Audiences

While standard custom audiences are great for re-engaging people who already had an interaction with you, lookalike audiences allow you to find hundred of thousands of users that don’t know you yet, but are very likely to become your customers.

It’s not hard to guess how powerful this feature can be. For example, you could create a Custom Audience with 10,000 of your customers, and get a Lookalike Audience of 2,000,000 people who are very similar to your customers and ready to be targeted with advertising.

The smallest lookalike audience, by default, is 1.9 million. You can create a lookalike audience of:

- Page Fans
- Email Lists
- Current/Previous Customers
- Website Custom Audiences
- App Activity
- Engagement (Video, App, Sharing, etc.)
- Conversions/Standard Events

The minimum number of people you need to create a Lookalike Audience is 100. You’ll often see that Lookalike Audiences far outperform your interests targeting.



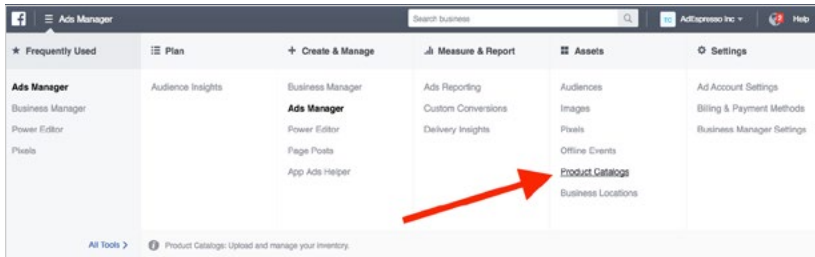
## CHAPTER 7

# Dynamic Ads – Retargeting on Auto-Pilot

**While we initially touched on Dynamic Ads in Chapter 4, setting them up takes much more work than other ad types.** To help you create your first set of Dynamic Ads, we'll go through it step-by-step in this chapter.

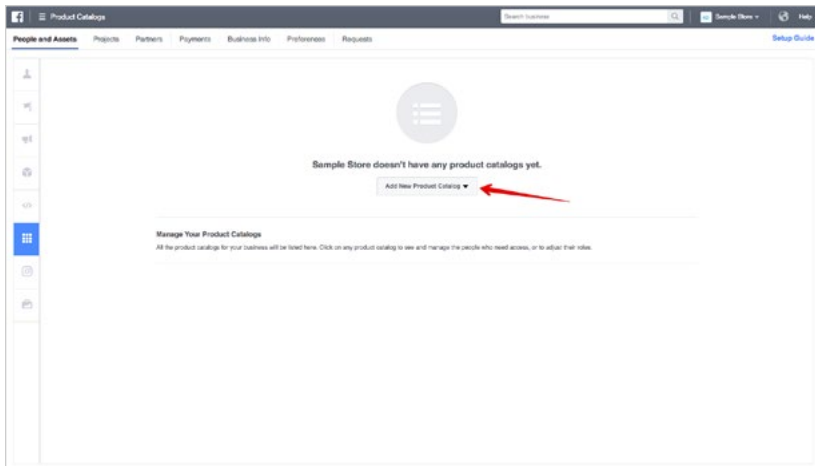
## Upload Your Product Catalog to Facebook

To set up your first Dynamic Ad, you'll need to upload your online store's product catalog to Facebook.

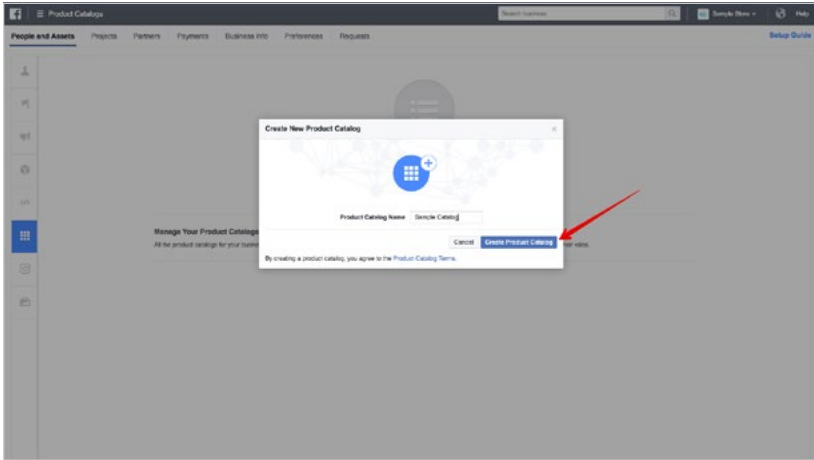


A product catalog is a data file that lists all of the items from your store that you would like to display in your Facebook ads.

Click “**All Tools**” and you’ll find “**Product Catalogs**” under the “**Assets**” header.



Select “**Add New Product Catalog**” and click “**Create New Product Catalog**” in the dropdown menu.



Give your product catalog a name – the name of your store is best.

After you click ‘**Create Product Catalog**’ you’ll need to add the product feed so that listings are automatically created.

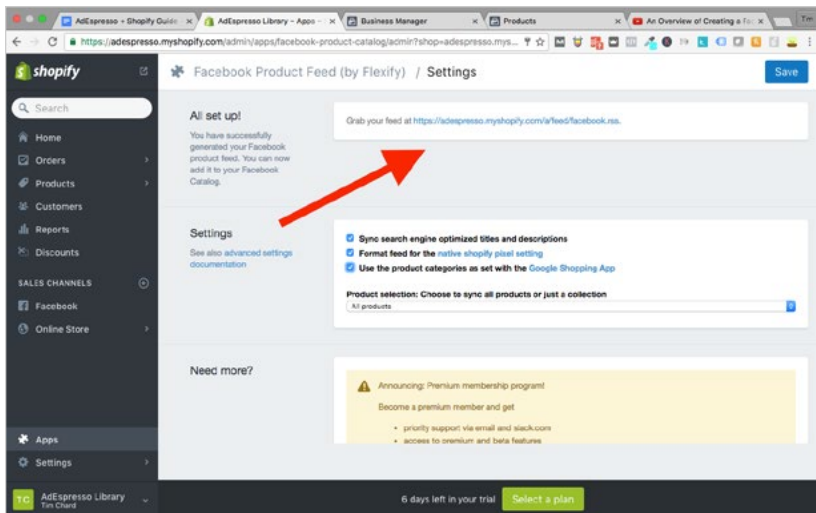
Your product feed shows all the products in your shop and you can further customize multiple feeds. For example, a product feed for items only available in certain areas or a feed based on a specific type of shopper.

product_id	Title	Link	Description	product_category
13028	Rugs for every...	www.jaspers.com...	Imported from Tu...	Area Rugs
4820217	Keep Warm	www.jaspers.com...	Thousands of throw...	Blankets
84902	Untz-Untz	www.jaspers.com...	Get the best sound...	Stereo System
730202	Fashionistas...	www.jaspers.com...	Made from 100%...	Purses

*Image credit: Facebook*

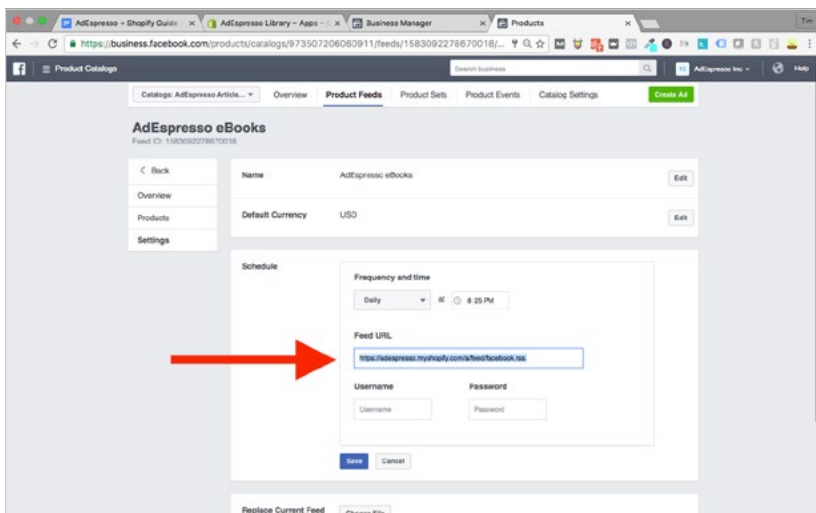
Your product feed is a spreadsheet of all the products and details, usually in the form of CSV, TSV, RSS XML, or ATOM XML files. However, if you have a Shopify store, you can use the **Facebook Product Feed app** (by Flexify) to make the process easier.

## 1. Install the app, and get your RSS feed from your Shopify Shop.



<https://your-shops-name.myshopify.com/a/feed/facebook.rss>.

## 2. Add the RSS feed link to the “Product Feed” section of your Product Catalog

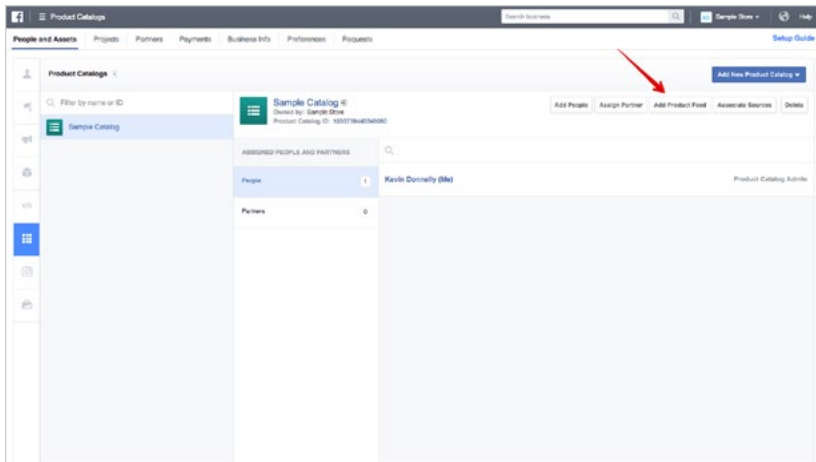


This will be a specific feed – whatever item the person viewed at your Shopify store is what they will be served.

### 3. Hit “Fetch” Feed

This will “fetch” the items from your store based on your product ID and set a time for syncing (daily is most likely best).

If you’re not using the Shopify Facebook Product Feed app, use a cloud storage site like **Dropbox** or **Google Drive**.





After your product feed is synced, go to **“Product Catalogs”** and click **“Add Product Feed.”**

The screenshot shows the Facebook Business Manager interface for adding a new product feed. The form is titled "Add New Product Feed to Sample Catalog". It includes a sidebar with "Name and Currency" and "Add Product Feed" options. The main form fields are: "Feed Name" (with a red arrow pointing to the input field), "Currency" (a dropdown menu with "USD - US Dollars" selected, also with a red arrow), "Upload Type" (with two radio buttons: "Schedule Recurring Uploads" selected and "Single Upload", both with red arrows), and a "Next" button (highlighted with a red box). The footer of the page shows "Facebook © 2018" and "English (US)".

Name your product feed, set the currency and choose to either **“Schedule Recurring Uploads”** or execute a **“Single Upload.”**

A recurring upload will update your product feed based on any changes made. A single upload means the information will remain static and need to be changed manually in the future.

For this tutorial, select **“Schedule Recurring Uploads”** and click **“Next.”**

The screenshot shows the Facebook Business Manager interface for adding a new product feed. The form is titled "Add New Product Feed to Sample Catalog". It has four main sections: "Name and Currency" with a checked box and an "Add Product Feed" button; "Schedule Uploads" with a "Daily" frequency dropdown and a time selector; "Feed URL" with a text input field; and "Tell us where to find your feed" with "Username" and "Password" input fields. Red arrows highlight the "Daily" dropdown, the "Feed URL" field, the "Username" and "Password" fields, and the "Upload" button. The "Upload" button is highlighted with a red box. The footer shows "Facebook © 2016 English (US)".

Drop in your feed's URL (the Google Drive or Dropbox link) so that your product information can be pulled into Facebook. You can choose for the feed to update daily or weekly.

If you're using Flexify's app, login and find the auto-generated product feed URL; (it will be the URL that ends with .rss).

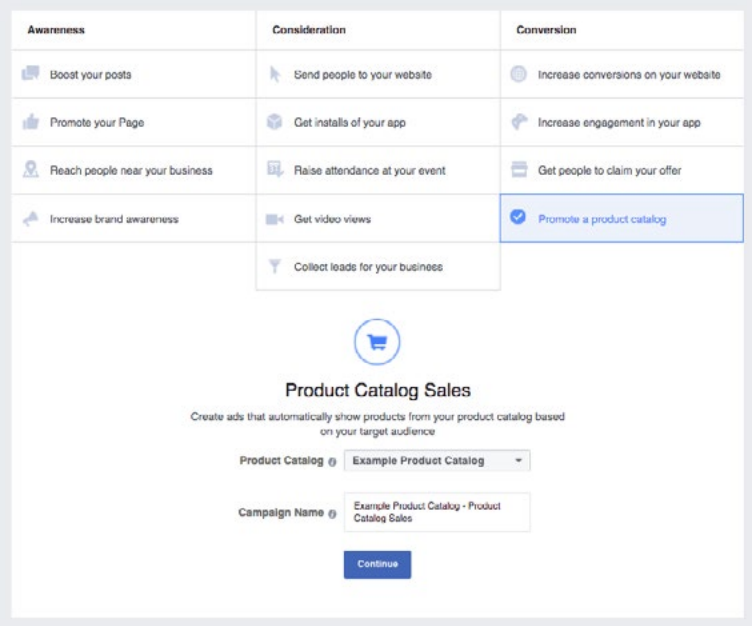
If you're using a cloud storage account like Google Drive or Dropbox, add the login information so Facebook can automatically access the file for the update.

Click **"Upload."**

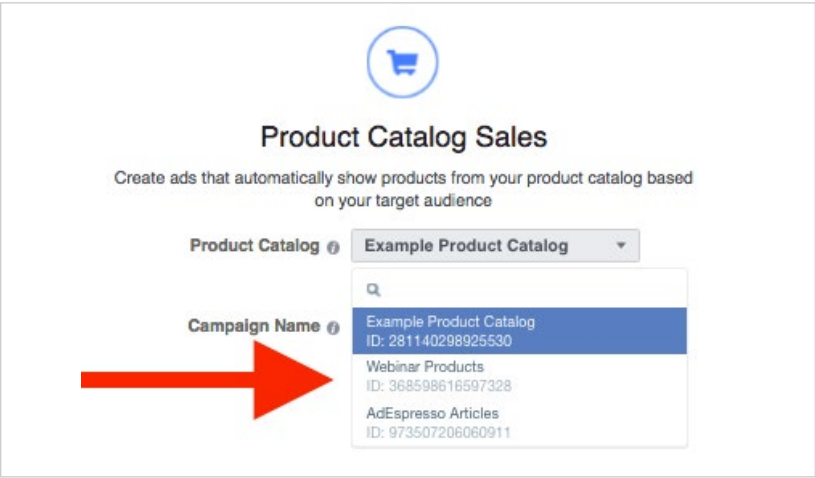
Your product catalog will now be ready to go.

## Setting Up Your First Dynamic Product Ad

To create your first Dynamic Product Ad, head over to Ads Manager or Power Editor and choose **"Promote a Product Catalog"** as the objective of your campaign.

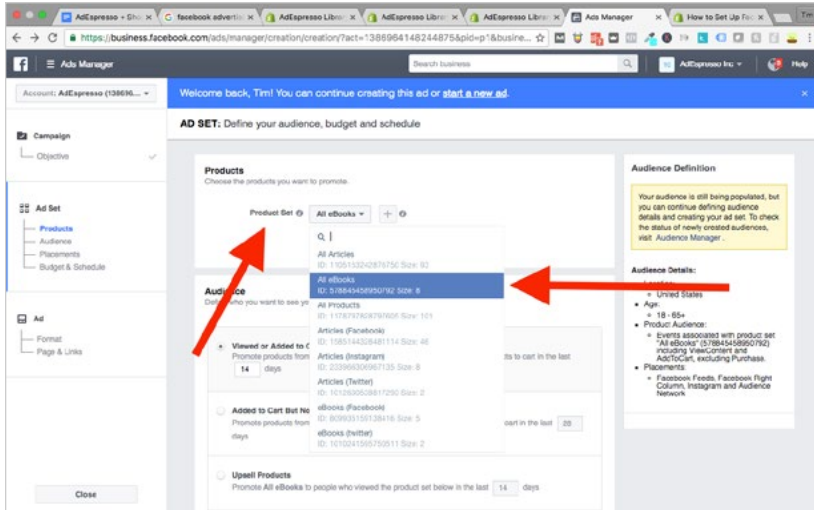


Make sure you have the right product catalog selected.

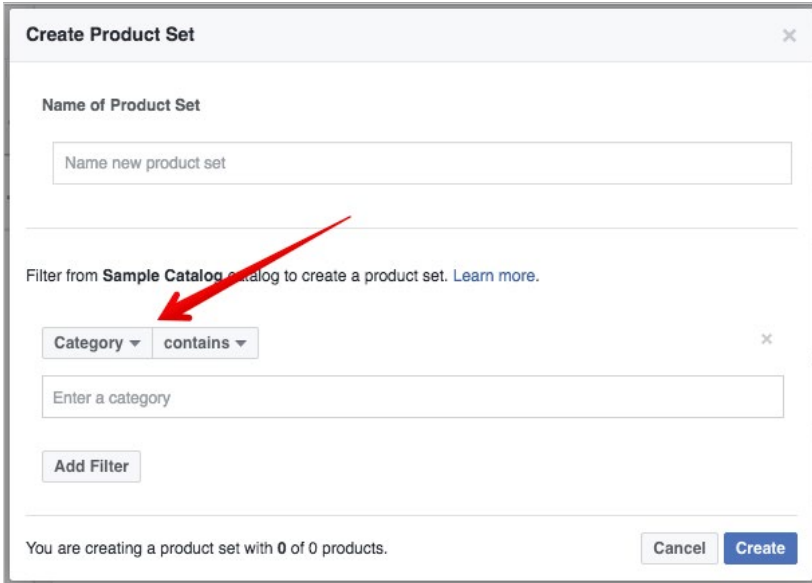


Click “Create Campaign” and get moving.

After you click “Create”, edit your ad set to make sure that it’s promoting the correct product catalog. In our ad set, you can then select which product set you’d like to choose. A product set is a filter for which products in your catalog you want your ads to feature.



If you would like to create a product set, just hit the “+” button.



**Create Product Set** ✕

**Name of Product Set**

Filter from **Sample Catalog** to create a product set. [Learn more.](#)

**Category** ▼ **contains** ▼ ✕

**Add Filter**

You are creating a product set with 0 of 0 products.

**Cancel** **Create**

Create highly targeted ads with product filters including Availability, Brand, Category, Product Type, and Price.

Once you've named your product and clicked **"Create,"** look for the **"Audience"** section.

<input checked="" type="radio"/>	<b>Viewed or Added to Cart But Not Purchased</b> Promote products from <b>All Products</b> to people who viewed or added those products to cart in the last <input type="text" value="10"/> days
<input type="radio"/>	<b>Added to Cart But Not Purchased</b> Promote products from <b>All Products</b> to people who added those products to their cart in the last <input type="text" value="10"/> days
<input type="radio"/>	<b>Upsell Products</b> Promote <b>All Products</b> to people who viewed the product set below in the last <input type="text" value="10"/> days
<input type="radio"/>	<b>Cross-Sell Products</b> Promote <b>All Products</b> to people who purchased from the product set below in the last <input type="text" value="10"/> days
<input type="radio"/>	<b>Custom Combination</b> Promote <b>All Products</b> to a custom audience based on how people interact with products

The “**Audience**” section is where you choose to target based on their behaviors as discussed earlier: those who have viewed content on your shop, added products to their cart or actually made purchases. These custom audiences, created from your Pixel (Chapter 3), are what we went over in Chapter 6.

You can also choose an “**Upsell**” or “**Cross-Sell**” audience, allowing you to specify which product sets you want to promote to customers that have already viewed other product sets. This is great for converting those one-time shoppers into repeat customers by showcasing products that they could also be interested in or go hand-in-hand with products they’ve already acquired.

## Dynamic Ad Text and Imagery

Unlike other Facebook Ad Types, Dynamic Ads require the use of special keywords. These will be the same keywords that you used for your product

feed spreadsheet. They are automatically tagged for your products if you used the Facebook Product Feed Shopify app.

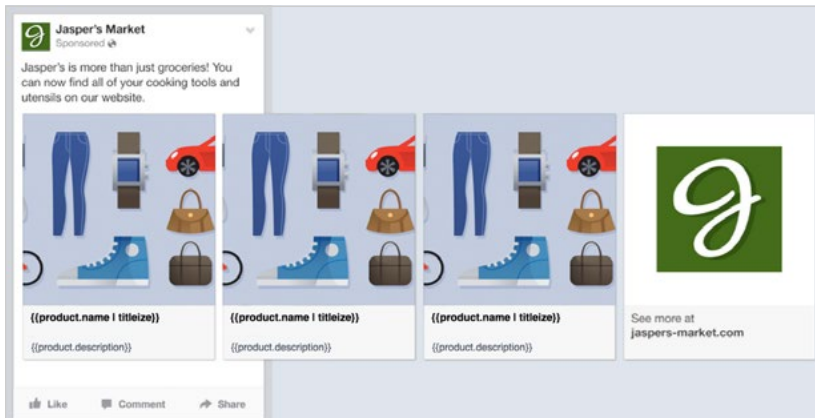


Image credit: [Facebook](#)

By clicking on the “+” button beside each field in your ad creative section, you can add these “**automatic**” special keywords:

- Name
- Brand
- Description
- Price
- Current Price

Here’s an example from our account:



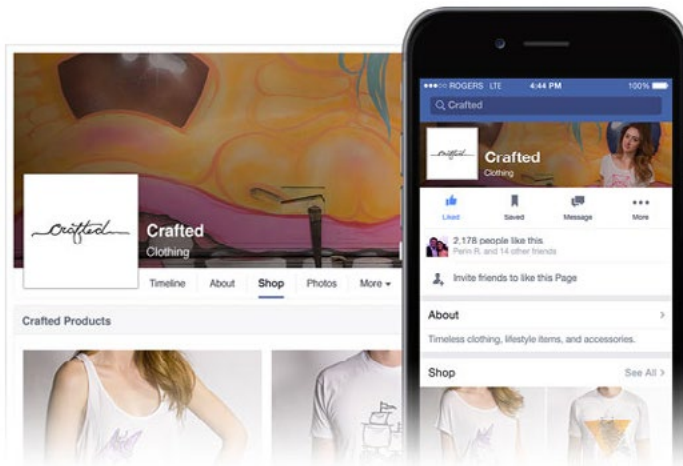
Keywords like “product.name”, “product.brand”, and “product.description” along with the product photo will be automatically pulled from your product feed when the ad is delivered to a potential customer.

Once you set it up in a way that will look natural and customized to the end user, hit publish.

Congratulations, you just created your first set of dynamic ads!

## Facebook Shop Integration and Dynamic Ads

As mentioned earlier, *you can only sell real physical products with your Facebook Shop* integration. Additionally, the checkout process can only remain within Facebook if it's in the same currency and done with Shopify payments.



When it comes to Dynamic Ads, many choose to “re-direct” customers for the check-out from their Shopify Facebook Shop to their Website, to keep everything tracked via their Facebook Pixel.



## Google Tag Manager (GTM) and Dynamic Ads

If you want to use Google Tag Manager (GTM) for Dynamic Ads with your Shopify website, you'll need to create a dataLayer in GTM and edit the .liquid files of the Shopify template. If that sounds like jibberish, your best bet is to hire a developer, or if you have some development credentials, complete [this course](#) before you try this.

## The “Lazy” Way to Dynamic Ads

If you don't have a developer, and don't feel very tech savvy, there are apps in the Shopify Shop that will do this all for you for a commission (10%). Just search “Dynamic Ads” in the Shopify App store, be sure to read the reviews, and understand that they'll need full access to your account information. I don't endorse any of them as I haven't used them. I believe it's worth the investment to hire a developer, but I understand time and financial constraints might limit this for you.



## CHAPTER 8

# Budgeting and Building a Facebook Sales Funnel

### Pricing Considerations

Different price points call for different funnels. Ads that drive people who have never heard of your store to buy your \$500 hot tub is not likely to work. Unless the hot tub is free. Or rather, the “How To Pick The Best Hot Tub For Your Home” PDF guide is free. Now we’re talking.

In other words, you need to adapt the way you use Facebook Ads depending on the price and type of products you sell. There's an adaptation for everything, including those grey area products (like supplements and dating – you can find more on that in Chapter 10).

## Bidding and Budgets

Facebook's pricing for your advertisements works like an auction: the more people competing for your target audience, the higher price you'll have to pay to appear in front of them. Automatic bidding lets Facebook choose the price point for your ad dependent on what you are optimizing for. As far as "manual" bidding is concerned: unless you know exactly how much you are willing to spend for a visit and have consistent figures for visit, *we highly advise not to do it.*

At AdEspresso, we normally advise people to optimize for "clicks" or "impressions" until you get over 100 conversions. Once Facebook has significant conversions, it can start to understand those in your audience that are most likely to convert.

For budgeting, minimums per ad set depend on your **currency**. For CPM (cost per thousand impressions), you can go as low as 1 dollar per day per ad. For clicks and conversions, you'll have to set a minimum of 5 dollars per day per ad.

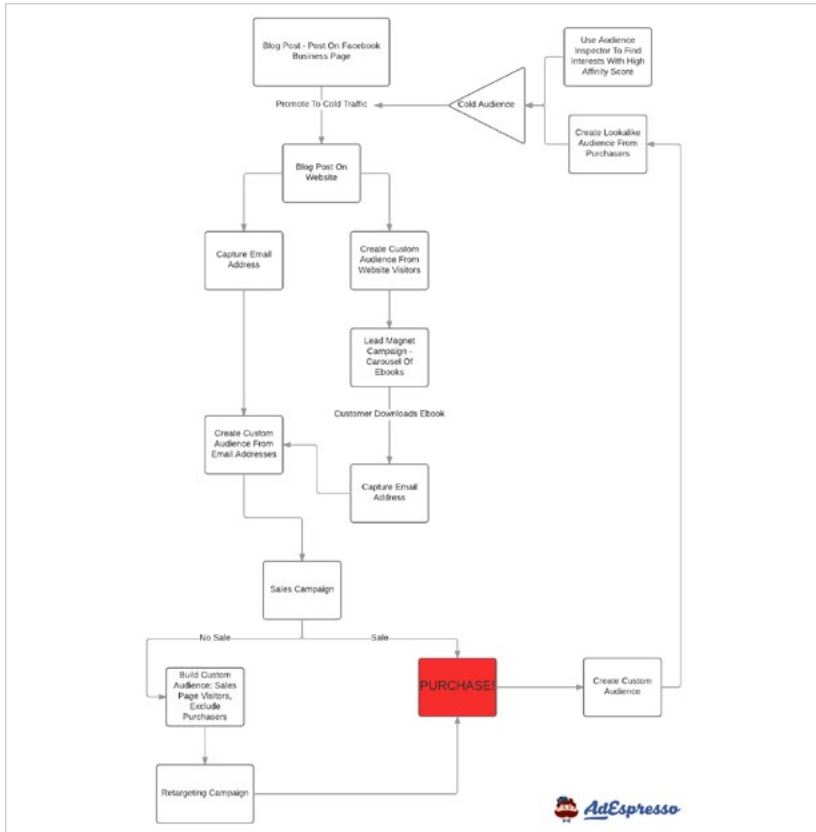
Nonetheless, what really determines what you should optimize for – and how much should you spend – rests on the type and length of sales funnel you are creating.

## Building the Facebook Sales Funnel

For lower price products (which fall in the range under \$40 USD), you may get away with a direct sale ad, or by offering a coupon and an additional re-targeting ad. However, for products over that monetary amount, you'll want to have a more intricate funnel and track your cumulative cost through each step to determine your real return-on-investment (ROI) from your advertising. Your efforts outside of advertising can also influence this.

For instance, this **content marketing case study** demonstrates a less costly way of getting visitors besides paying for them via “link click” ads.

So, without further ado, here’s a “Facebook Sales Funnel” that our Marketplace Services team mapped out. Feel free to print this out and trace the flow.



Check back on Chapter 6 if you need a refresher on what Custom Audiences should go where in the funnel/flow-chart.

For more on how these systems work, read our blog post on how a **multi-step Facebook Sales funnel actually saves you money**.

## UPSELLING AND SPLITTING YOUR FUNNEL

Elaborating on Chapter 6 (Retargeting and Custom Audiences), the primary methods of upselling with Facebook Advertising are targeting previous customers or split testing different prospective customers.

AdEspresso (a B2B software), for example, tends to split our lists this way:

Audience Name	Source	People	Status
AdEspresso_Users_No_campaign	Data File Custom Audience	2,500	Ready
AdEspresso_Users_LookAlike	Lookalike Custom Audience	261,600	Ready
AdEspresso_Users_MobileApp	Data File Custom Audience	2,200	Ready
AdEspresso_Active Users	Data File Custom Audience	10,500	Ready

- Users who have signed up for the software but never created a campaign
- Users who created a campaign, but stopped using the platform
- Active users
- By advertisement/usage type: Users who promote mobile app install, users who promote ecommerce websites, and users who promote Facebook pages
- Newsletter subscribers that have not yet signed up for AdEspresso



## CHAPTER 9

# Messenger, Bots, and Conversational Commerce

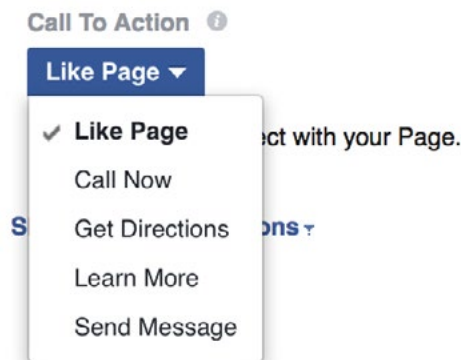
**Facebook Ads are a powerful lead generation and selling tool, with the ability to provide great results and big ROI.** We've seen aspects of Facebook Ads become more interactive and more personalized over time, as evidenced through dynamic product ads, retargeting features, and Canvas ads. This trend has continued, giving brands new immersive, interactive, and personalized ways of selling in the form of message ads, selling bots, and conversational commerce.

## Sponsored Message Ads

One of the newest developments we've seen recently are the new sponsored message ads. These ads are delivered through Facebook Messenger, and are re-engagement messages that are sent to users who have already had a conversation with them.

Businesses pay for these messages to be delivered right to a user's messenger inbox, giving them a message notification and increasing the likelihood that they'll see it. They come with the huge benefit of having a lot less competition for the recipient's attention, especially when compared with ads that have to stand out in a busy newsfeed.

You can use sponsored messages to follow up, promote new products, and more. Since these message ads are focused on re-engagement, you have the benefit of automatically having a warm, receptive audience at the receiving end of your messages. This can increase conversions.



To encourage users to message you first, you can utilize the “Send Message” CTA on regular News Feed ads, as pictured above. When users click on the CTA, they'll be able to send your Page a message through messenger, which is both convenient for them and starts an on-platform dialogue that you can later use for lead nurturing.

Sponsored message ads are currently still being tested by Facebook to prevent them from becoming too spam-like, which would only prevent users from utilizing messenger.

## Conversational Commerce: What Is It?

The intersection of shopping and messaging apps (Facebook Messenger included) is officially here, and the result is conversational commerce.

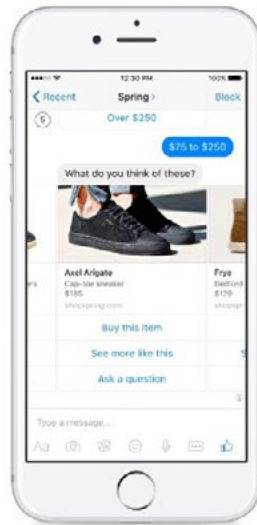
Conversational commerce offers for a new, integrated way of selling. Customers can contact you and you can contact them through the platform of their choice. Consumers have increasingly reached out to businesses through social media messages to get customer support or product recommendations, and brands have begun to realize the value of this.

Online shopping is still booming, but consumers are looking for methods of shopping that are faster, more personalized, and more convenient than ever. Now, instead of going to a store, calling a business, or even visiting their site, users can get everything they need from a brand – including the ability to make purchases-- right through a messaging app. Uber users can now schedule a ride all through Facebook Messenger, for example, via a quick conversation.

### FACEBOOK MESSENGER AND SHOPIFY

Shopify also offers **Facebook Messenger as a sales channel** for its merchants. This allows customers to engage with the store via chat, creating a more personalized shopping experience. Offer special product deals, update customers on their shipment and respond to any questions, all through Messenger. If you have a Shopify store, you can add the Messenger channel **through the Shopify app store**.





Messaging apps are becoming the preferred method of communication for many consumers, even edging out email in terms of number of messages sent.

Ultimately, this benefits businesses. The easier it is for a customer to purchase from you, the more likely they are to convert.

While many brands use customer service representatives along with tools like Rignite or Sparkcentral to keep up with social messages across multiple platforms, you can also use chatbots for automated, instantaneous conversational commerce that converts.

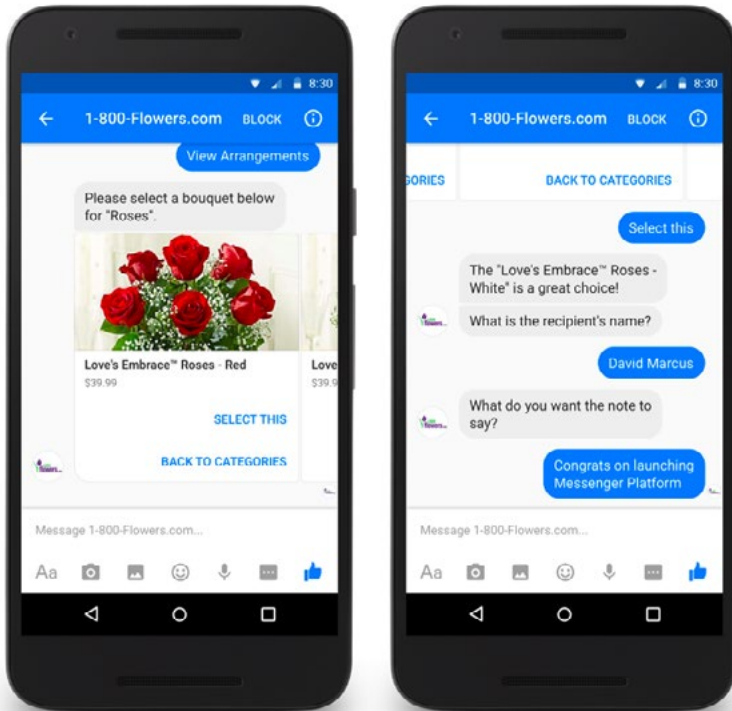
## Bots That Sell

Selling chatbots one very valuable solution to conversational commerce. Instead of needing an abundance of customer service experts trying to manage your social media messages, chatbots can pick up the slack for you.

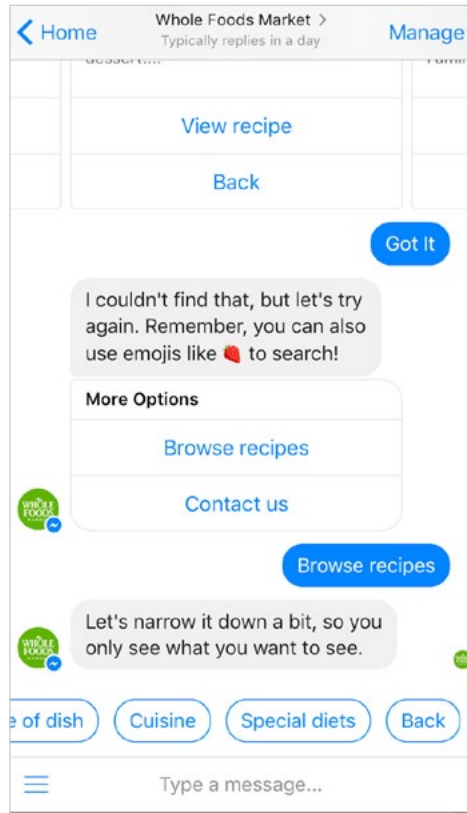
Chatbots can offer extremely thorough and instantaneous responses. Many can answer basic questions and requests that a user types out, though they can also offer different selections to choose from. These chatbots can be used to drive conversions and sales at a very low cost through easy-to-complete

actions and personalized recommendations. They can send images, text, and “rich bubbles” that are like clickable CTAs.

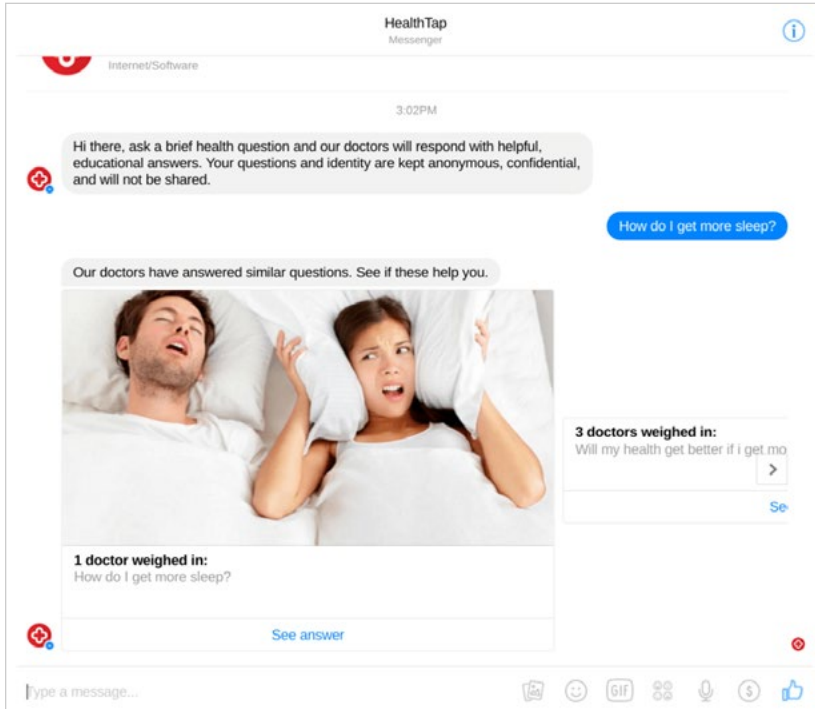
In Mark Zuckerberg’s 2016 keynote, he used the example of a shop called 1-800-Flowers. In true irony to its name, 1-800-Flowers receives almost all of their business online, mostly through Facebook Messenger.



Whole Food’s chatbot is designed to help users find recipes they’d want to make, inspiring potential purchases of the products featured in the recipes. You can search for recipes (food emojis work, too), or browse their recipes based on cuisines that you can select. This chatbot is fun and easy to use. If the chatbot is unable to find what you’ve searched for, it gives you two options to choose from: keep browsing, or contact support.



Online marketing is becoming more personalized and interactive, and chatbots that can capitalize on this without feeling like an aggressive sales pitch will sell more. A great example of a chatbot that does this well is the HealthTap chatbot, which provides you with what feels like personalized solutions to your questions by showing you answers to questions asked by other users. You can view the different answers, and if you want a truly personalized answer, you can submit your question. If you want the answer right away, you can pay \$25 through the app.



Since chatbots can be complex and require some coding, it never hurts to hire a developer to do it for you. This is especially true if you want to enable customers to make purchases through the messenger app.

## Kit: Your Virtual Employee

Not only can bots enable greater reach and more opportunities to sell, some are smart enough to help you set up marketing campaigns too. Kit, a Shopify product, actually creates advertisements, targets audiences and recommends a budget for your Facebook campaign.

Beyond Facebook Ads, Kit can automate thank you emails to customers, update you on store sales and also run Instagram advertisements. Instead of logging on to a website to manage your store or a virtual assistant, you engage directly with Kit via text message or Facebook Messenger. Learn more about Kit at [kitcrm.com](http://kitcrm.com).



## CHAPTER 10

# Frequency, Ad Blocking, Prohibited Items, Other Hazards

**Even if you've made every right choice for your ads,** all the way from ad style to targeting, there are still several hazards that can prevent your ad from reaching its full potential. These hazards can affect even the best

campaigns, so avoiding them can prevent you from losing money or results (or both).

## Frequency

Frequency is just a metric that tells you the average number of times your ad was served to the same person.

Let's do the math: The frequency is simply Impressions / Reach.

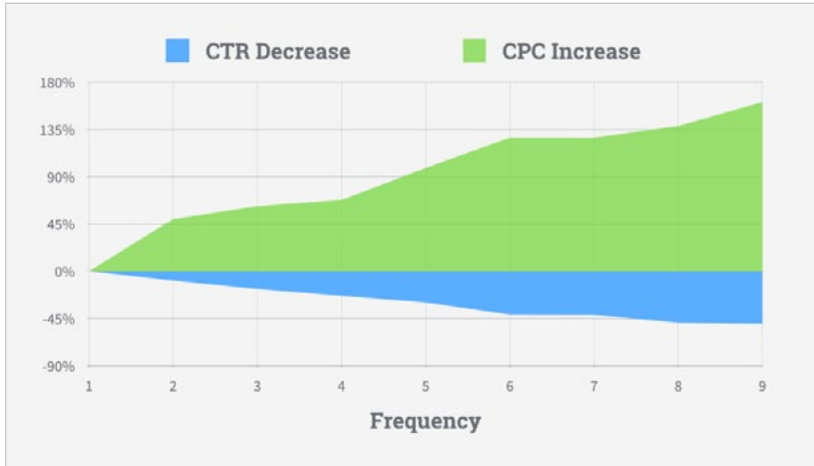
Here's an example:

Reach ⓘ	Frequency ⓘ	Impressions ⓘ
<b>12,586</b> People	<b>1.29</b> Per Person	<b>16,190</b> Total

Of course, this is not an exact metric and that's why Facebook uses terminology like "average number." For example, there's no guarantee that everyone reached by your ads has seen them exactly twice. One user could have seen your ad 3 times and another just once. Luckily, you don't need to be this exact. Once the numbers are large enough, these variations are irrelevant.

Once you've seen an ad 5, 6, or 10 times, either you're interested in it and you've clicked on it, or you don't care about the product advertised and you'll get really pissed off by seeing the ad every single day in your Facebook timeline. Either way, your ads aren't converting; at best they're stagnant and at worst they're losing you money.

At AdEspresso, we backed this up with some data:



As you can see, the more the frequency increased, the more the CTR decreased and the average Cost Per Click increased. The numbers don't lie, at a frequency of 9 the average cost per click increase by 161% compared to the beginning of the campaign. Therefore, you need to constantly monitor your campaigns to understand how the frequency is impacting them!

### So how do you keep frequency down?

Facebook recently began rolling out “Automated Rules,” which is something we’ve had at AdEspresso for years.

“Automated Rules” are also known as rule-based optimization. So you can set your ads to “automate” based on certain actions. For example, you can pause ads that go over a frequency of your choice, so nothing slips between the cracks. Massimo, our CEO, typically recommends pausing them once they hit a frequency of 5.

For an in-depth guide, read our blog post on [Facebook ads frequency](#).

## Ad Blocking

With ad blocking on the rise, Facebook is determined to stop it. Ad blocking software and extensions are allowing users to browse the platform without seeing any ads. In some cases, however, the ads are still being served to these

users; the users just aren't seeing them. This can negatively impact the results of your campaigns.

Ad blocking software has gotten more sophisticated and has increased in use, but Facebook is trying to put an end to it. They recently changed the way their ads loaded on desktops in order to make it more difficult for ad blockers to detect. Some softwares have already found a way around this, but an increased need for "anti-ad blocking" software could mean new developments to help stop this trend.

Right now, there's nothing we can do as advertisers to prevent ad blocking software from impacting our campaigns.

## Prohibited Items & Restrictions

The last thing you want to do is to promote a product that goes against Facebook Terms of Service. If you do, even accidentally, you risk getting your ad account banned.

Certain industries or products will face additional restrictions that other brands aren't bound by. You can't advertise alcohol, for example, to anyone under the legal age or to users in certain countries. Ads also can't promote the sale of pharmaceutical products, and "get rich quick scheme" ads are prohibited.

Dating sites and weight loss ads are notorious for "accidental" bans, so if you are in this industry, you'll need to be extremely careful on how you present your products. Dating sites, for example, can use Facebook Ads, but they need to get authorization from Facebook and can't advertise their services in a misleading way.

If you have any questions about prohibited items or industry restrictions, you can find more information [here](#).

## Other Hazards

While the three hazards listed above are easily the biggest obstacles that can result in an otherwise great campaign falling a little flat, there are a few others that can be responsible, too.



A great example of a potential hindrance to your ad is having too much text on your images. We've addressed this briefly in a previous section, but having ad images that contain more text than Facebook would like could reduce your reach. Keeping it under or at the previous 20% requirement can protect you from this.

Sending users to your brand's homepage instead of a designated, relevant landing page can also hurt your campaigns. Some brands will feature specific products in an ad image, but when an interested user clicks to convert, they're taken to the home page and can't find the product. If you're sending users to your homepage and are getting high CTR rates but low conversions, try sending users to more relevant pages.

If your ads are getting underwhelming results, pause the campaign and see if you can figure out why. Split testing can be exceptionally helpful in this department, and should be used consistently.



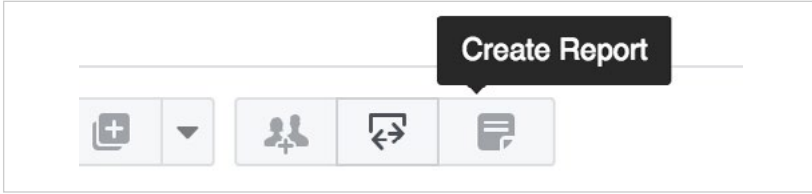
## CHAPTER 11

# Reporting

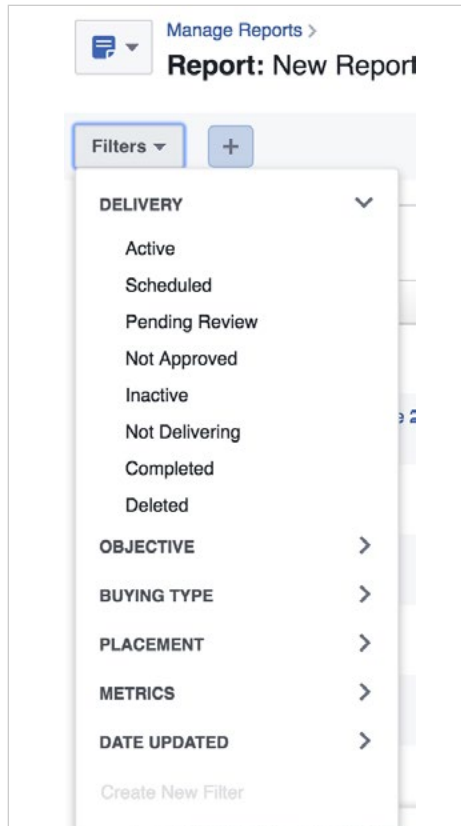
**Having a monthly report of your Facebook advertising performance is essential for your ecommerce store's growth.**

While Facebook offers in-depth reporting through Power Editor, it currently lacks **PDF reporting** (one of our big features at AdEspresso). They do allow Excel and .csv exports once you've created a report though.

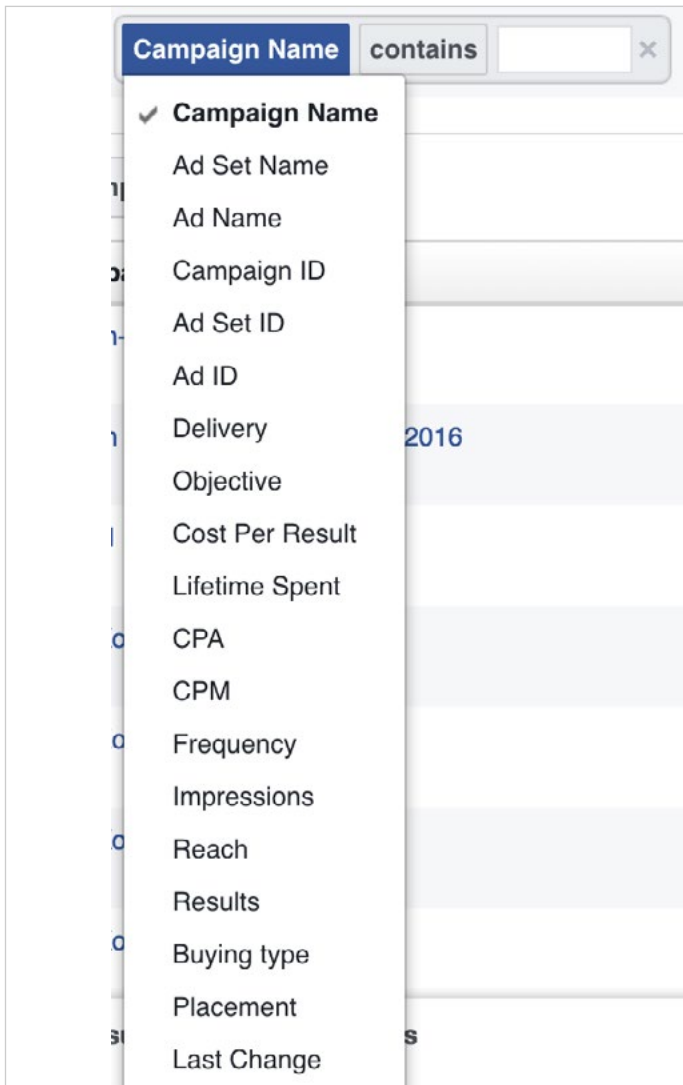
Power Editor lets you create to compare and evaluate your campaigns. To create a report from Power Editor, select a campaign and click on the button with a page on it. When you hover over it, it will say "Create Report."



From there, you'll be taken to a Report Manager screen, where you can create a new report or view your old ones. When you're creating a report, you'll first choose a filter if you want to. Filters will create reports only around certain campaigns, like those of a certain objective or campaigns that had certain metrics.



You then choose the criteria you want to create a report around. For example, you can choose “Campaign name” and then “contains/does not contain [insert word here].” You can also create reports for ads that have a CPA or CPM above or below a certain amount, or have a frequency greater or lower than a certain number.



Once your reports are generated, you can view them in Power Editor where they'll be stored, or you can export them as an Excel or .csv format.

At AdEspresso we allow you to create automated and custom (white-label) PDF reports of your ads performance - and have them delivered to your company's inbox on whatever timeframe you'd like. You can read more on our site about creating and customizing your [Facebook Ad PDF Reporting](#).

With reporting, you'll have the insights necessary to influence your advertising strategy going forward. I'd suggest having a recurring monthly checkpoint to see your results.



## CHAPTER 12

# Conclusion

**With this guide complete, you now have all of the tactics and strategies necessary to build a customized and automated system of Facebook advertising for your ecommerce business.**

We've progressed through the importance of the platform as an ecommerce business owner, the technical set-up of your account, the array of ad types, constructing sales funnels, and common pitfalls to avoid.

While I've used Facebook's in house system to demonstrate much of this, should you want an easier and quicker alternative to Ads Manager or Power Editor, I suggest you have a **free trial of AdEspresso**. Those that have switched to our tool have found it very simple to use with some achieving up to a 43% increase on return on investment. We also have a

private community where you can pose strategic questions and get feedback instantly from other AdEspresso members.

Whichever tools you decide to use and move forward with, please use this guide as your compass. Download it now, and use it as a reference point throughout your Facebook Advertising journey. With time, optimizing and running your ad campaigns will eventually become as easy and simple as brewing your Friday morning cup of coffee.