

# Simple Facebook Machines (Part 2.1)

Last night I was laying in bed thinking about [this post](#).

After about 5,000 words I realized that I couldn't possibly include everything that I know about "Right View Ads" into a single post without people starting to nod off and fall asleep at their computers. I tried to share only the important stuff.

Then I remembered something...

Something that I wish someone had told me when I first started out with FB ads - it would have saved me so much effort and anxiety.

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## What Does A Good Facebook Ad Look Like In Terms Of Numbers?

If you are like me, you believe that most answers to business problems come in the form of numbers.

For example,

**Q:** "Should I do X strategy to makes sales?"

**A:** Let's look at lifetime value of customer/client (number) then look at what you are willing to pay for that (client/customer acquisition - also a number) then subtract the two from each other and what you have left over (number) should tell you the answer.

The problem with Facebook advertising (at least most of the training that I have read) doesn't ever provide these answers.

For example,

What is a "good" click-through rate for Facebook?

How much should I be paying for an email lead?

How much should I be paying per click?

What should my ad budget be to maximize my spending as it relates to the size of my custom audience?

# Answers To All These Questions And More...

Let me show you some ads that I am currently running (these screenshots are from today):


*I ask that you use professional courtesy when viewing and examining these ads. It might be a temptation to simply copy and paste them to replicate my results, but I can assure you that these results are half because of the strength of the ad itself and the other half is because of the strength of the copy that exists on the other side of the ad.*

## AD 1 - Lead Generation/List Building

Name	Status	Objective	Results	Cost Per	Ad Reach	Freq.	Clicks	Click-Through Rate	Avg. Price	Total Spent
<a href="http://www.mikeshreeve.com/2clientsin24hours1">http://www.mikeshreeve.com/2clientsin24hours1</a> - Right Column Ad		Website Conversions	20 Conversions	\$0.29 Conversions	4,882	6.5	37	0.117%	\$0.19 Optimized CPM	\$5.88

**Ad Preview** [Edit](#)

**2 New Clients In 24 Hrs?**  
mikeshreeve.com



CLICK HERE To Watch Me Get 2 Brand New Clients In Less Than 24 Hours - From Scratch!

79 people like this.

[View on Right Hand Side](#)  
[Create a Similar Ad](#)

**Targeting** [Edit](#)

**Estimated Audience for this ad: 11,000 people**

- Who are in the custom audience Offline (Warrior Forum Products)
- Who live in:
  - Australia
  - Canada
  - United Kingdom
  - India
  - New Zealand
  - Philippines
  - United States
- age exactly 21 and older
- on Right column on desktop computers

**Performance**

**57 Total Actions?**

37 Website Clicks?

20 Leads? (Conversion)

[See full actions report](#)

[Close](#)

## A Little About This Ad

I am running this ad for the sole purpose of adding fresh leads to my email list. Because I am going to be blogging more regularly, I want to amp up my email list for that instant traffic effect. Additionally, email lists serve as long term sources of income and can easily turn into clients for higher ticket services.

I created the custom audience for this list "Offline (Warrior Forum Products)" by finding Facebook groups of "offline" marketers ([like I teach here](#)) and their subsequent products. I scraped their UIDs and came up with this custom audience.

The reason that I targeted those specific groups is because I know that people who are interacting on Facebook within those groups are serious players. These people want to get better, are actively trying to build their business and spend money to do so. These are the people I want to work with.

Now for some stats...

**Ad Budget: \$6.00/day**

**Leads Generated Today: 20**

**Cost Per Lead: \$0.29**

**CTR: 0.117%**

**So, Is This A Good Ad?**

This is a great ad.

For only \$6.00 I was able to add 20 brand new leads to my email list. In real dollars (according the past years worth of numbers) I have added an additional \$100\*\*\* per month in revenue to my overall income.

*\*\*\*The reason that I know the \$100 is accurate is based off of my current monthly subscriber value - which is \$5.13 per subscriber per month in income.*

I have also added 20 new potential link builders, content sharers, evangelists to make this blog get more traffic therefore resulting in more leads and even more sales.

Not bad for only \$6.00 right? I mean shoot, if I didn't have ANY money in my bank account, I would just go over to [Iwriter](#) and write an article or two everyday to pay for my ads (you can also just stop going to Starbucks so much and use that money to build your business).

## **But how does this ad's numbers compare to everyone else? Why did I choose to keep this ad but ditch the other 3 that I was split testing?**

I really hate it when marketers say "This information I am about to share with you is worth hundreds of dollars" - because most of the time they have something to sell.

But I don't.

And literally, what I am about to share with you has cost me hundreds (if it isn't in the thousands) of dollars in testing different ads, making huge (and I mean massive) mistakes.

I call these my "**Hard And Fast Numbers For List Building Success**"

These apply ONLY to ads that are meant for building a list (in any niche) and they go something like this:

## **Rule #1 - Always Use Conversion Tracking Against Auto-Bid CPM**

There are some marketers who are so good at Facebook, and so in love with tweaking ads that they will only do manually bidding (I used to be that way). They will check their ads every few hours and adjust the bid.

I have found that Facebook does a good enough job with auto bidding (when you spend less than \$10/day per ad) that I don't have to spend time wrestling with manual bidding. I just make sure that I am using a tracking link for conversions (I will show you how to do that in an upcoming post) and that I set to Auto Optimize for CPM.

The reason that I choose CPM versus CPC when building a list is because I want to see immediately if the offer is interesting enough to retain a high CTR. In other words, with CPM if I have a really LOW CTR that means people aren't intrigued by the offer and if I was paying to get more clicks, then once they clicked through my landing page conversions would be lower and it would be much more expensive than if I just use CPM and ditch the crappy ads early on.

## **Rule #2 - All Ads Must Have A CTR Of 0.100% Or Higher On The Third Day Or They Are Cast Into The Fiery Pit Of Mordor Forever**

As you can see, the ad example above has a CTR of 0.117% - it barely passed. But...

This ad has been running for a few weeks on the same custom audience. It's CTR is much lower now, but it still meets my Rule #2 and therefore still in the mix.

When you Auto Bid for ads, it is important to realize that the first day or two your numbers are going to be skewed. It takes time for the Facebook bidding algorithm to make the right decisions about when and where to place your ad for maximum profitability.

By the third day you should have a good grasp as to what your CTR is going to be on your ad.

DISCLAIMER: I don't want you to get too hung up on CTR. The reason that I have chosen 0.100% as the cutoff for my ads is because I know that if I select a good bunch of UIDs and have a good offer, that 0.100% CTR should make my CPM costs go down and I am always striving for cheaper leads.

## **Rule #3 - Cost Per Conversion (Cost Per New Lead) Must Be Below \$0.40 On The Third Day**

Why \$0.40? Is this just some arbitrary number I pulled out of my bottom? Could I potentially pay up to \$5 per lead and still make profit on the leads within the second month (think about my earnings per sub per month number earlier)?

Yes I could do that. But I don't want to.

And I don't want to because after having run hundreds (literally hundreds) of different ads, I know that if I am paying more than \$0.40 per lead right now on Facebook, I am doing something wrong.

And this goes for EVERY niche I have tried so far.

Plain and simple, if I am paying more than \$0.40 it is time to go back to drawing board. Do I need to beef up my ad copy? Do I need a different image? Do I need to beef up my landing page copy? Do I need a completely different offer? WHY am I not getting new leads for less than \$0.40?

These are the hard questions that I ask myself when this happens.

As you can see from this ad, I am currently getting leads for \$0.29 each. Whenever I see that I honestly can't believe we live in an age where we can get such targeted, likely to buy leads for so cheap.

Again, I want to reiterate, that these numbers are for everything that I have tried. Imagine being able to generate a \$0.29 lead and then flipping that to someone. Do you know how much people are willing to pay for leads?

The focus of all your efforts should be to measure the cost of a new lead for your business. For me, with this ad, a new lead costs me \$0.29. 29 bloody cents. There really never has been a better time to start a business.

## Hard And Fast For You?

For me, in order for an ad to be deemed "successful" it has to meet all of these criteria (when it comes to running ads for list building). If it doesn't, then I ditch the ad because I know that I can make a better one. And if I somehow can't make a better one, than I know the offer stinks and I shouldn't pour anymore time into it anyways.

You must remove emotion completely when working with PPC. You can't even become emotionally attached to the hours you have lost working on something that turns out to be a dud. I set up these rules to completely remove emotion from the equation. When I rely on the numbers, I don't make mistakes. When I bring emotion into deciding which ad to keep - I lose.

These are MY rules. They aren't yours. We are both at different levels in marketing and using Facebook and setting up sales funnels and writing copy etc. You are probably better at some areas than I am - and I am probably better at some other areas than you are - but you can and should use my rules as goals (at the very least) to measure your own success. Just remember, even if you don't hit the numbers I do - you could still be in MASSIVE profit. Let me show you another example of just how that might be...

## Ad 2 - Selling A Service With Facebook Ads

The screenshot displays the Facebook Ad Manager interface for an ad. At the top, a summary bar shows the ad URL, a play button, and performance metrics: Website Conversions (6), \$0.82 per conversion, 5,518 impressions, 8.5% reach, 60 actions, 0.128% conversion rate, Auto Optimized CPM (\$0.10), and a total cost of \$4.89. Below this are three tabs: Ad Preview, Targeting, and Performance. The Ad Preview tab shows a thumbnail for '\$97 Sales Pages' with the text 'Written By An Award Winning Copywriter! CLICK HERE to buy!' and '79 people like this.'. The Targeting tab shows an 'Estimated Audience for this ad: 24,000 people' with a list of criteria including custom audiences, location (Australia, Canada, United Kingdom, Israel, India, New Zealand, Philippines, United States), and age (exactly 21 and older). The Performance tab shows '66 Total Actions?' with '60 Website Clicks?' and '6 Checkouts?' (Conversion). A 'Close' button is located at the bottom center of the interface.

### A Little About This Ad

This is an ad that I am running. I am really proud of it for a couple of reasons:

1. I am closing multiple \$97 - \$397 sales within 24 hours of turning this ad on, no phone conversations just email using an automated sales system and \$5 per day.
2. That isn't even the point of this ad/funnel. I created this mid-ticket copywriting service with one goal in mind:

Get paid to build relationships with other product creators.

Say what you will about the IM community, but having a few close friends who are IM product creators means that you won't ever go hungry again. It was my intention to come up with a way to meet and build professional relationships with other marketers without having to do "networking". I am very happy with the results - and the extra income ain't bad either.

The key to the success of this ad is actually what is hidden behind it...

Now remember, if there ever was an instance where the strength of the ad lay hidden behind it (on the landing page) this is one of those instances. I am looking for copywriting clients and I am taking them to a copywriting sales page. You can bet they are scrutinizing the poo out of the sales copy - but even then, this method STILL works like ridiculous magic at the county fair.

If I can sell copywriting to IMers online (a scrutinous bunch with plenty of other options) then you can CERTAINLY sell whatever service/product/offering you are trying to sell using Facebook.

### Multiple Custom Audiences

You may note that I am targeting multiple custom audiences and that is simply because all the UIDs I wanted to target already existed in other custom audiences that I created. It was merely a fact of checking off the tick boxes instead of creating a brand new list of UIDs.

## **The Same Picture?**

You might notice that I am using the same picture for this ad as I am the other. I promise that I use other pictures :-)

It just so happens that in both cases this picture won out in split testing - and I see no reason to spend more money (even if it is only \$2 at [Photodune](#)) - I am stingy that way.

I am also stingy with my sharing... These are good ads, but they aren't even close to my best and I want to do everything that I can to keep those protected. I figure someone is going to try and copy at least one of these ads so I am considering them throw-aways at this point anyways.

## **But How Much Did You Really Make?**

Before we take a look at the breakdown of the stats and show how it compares to the breakdown of the list building ad, I want to show you the potential of this system. Now, I admit that today was an unusual case, but here is EXACTLY what I have gotten from those 6 conversions you see (in this case a conversion was a contact request to do business together AKA "Checkout"):

1 prospect ordered a standard sales page - \$97

1 prospect ordered 2 standard sales pages (one for a front end product and one for an OTO) PLUS a VSL - \$391

1 prospect ordered a video critique - \$45

1 prospect ordered a premium sales page - \$397

1 prospect I referred to a friend and received a refer all fee from - \$25

1 prospect hasn't gotten back to me yet

**Total Revenue Generated: \$955**

**Total Cost: \$4.89**

**Total Profit: \$950.11**

Now, before you take out a second mortgage on your house to flush it all down the tubes with Facebook, I need to clarify a few things.

1. I have been doing Facebook ads for about 6 months now. I can tell you, that these were not the results I was getting then.

2. This is not a typical day for me. I typically bring in between \$297 and \$497 worth of new orders on the \$5 ad spend. I just got lucky that someone wanted to buy a big package.

3. This is ONLY possible because I have been busting my back trying to become a better copywriter. Bad copy would NOT have been able to do this. Keep that in mind.

Ok, now that you know the potential that you could one day reach with this system, let's do a break down of the numbers:

**Ad Budget: \$5.00/day**

**Checkouts (Conversions) Today: 6**

**Cost Per Conversion: \$0.82**

**CTR: 0.128%**

**So, Is This A Good Ad?**

Heck yes! This is a GREAT ad!

If you can take \$5 and turn it into \$250 consistently - and then on occasion turn it into almost \$1,000 - that is a dang good ad.

The only draw back to this ad (and you may be wondering why I am even running ads to build a list if it costs me \$0.29 to make \$5 a month vs. \$0.82 to make \$97 or more) is simply a personal choice.

I enjoy teaching WAY more than I enjoy writing for clients. That is why I am continually building my list even though I am out earning that ad with my copywriting ad by a HUGE factor. It just comes down to personal goals and personal fulfillment.

## Conclusion

I realize that I can come across as an arrogant jerk - *"Oh, look at my awesome ads. Aren't I awesome?"*

But I truly hope that this post helps you to get an idea of the potential that facebook really has in store for you. I know that some of you who are reading this have products and services that make mine look like child's play - you just need more leads to have your business take off and gain momentum.

Well, I don't know of a better place to get the exact leads you need than Facebook.

It is my sincere wish that you take advantage of the opportunity that stands before you.

To your success!



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