FACEBOOK ADS

(ALMOST) EVERYTHING YOU NEED to KNOW ABOUT FACEBOOK ADS

NE NICHOLAS ERIK

ABOUT ME

- Managed 7-figures in ad spend for authors in a variety of genres
- Have run marketing campaigns for multiple books that have hit #1 in the store
- Have run marketing campaigns for 20+ books that have hit the Top 100
- Have worked with multiple six and seven-figure authors
- Have taught other people the processes you'll learn in this video

WHO IS THIS FOR

- Authors running Traffic ads (e.g., ads running to Amazon rather than to a Shopify store) who have run ads before
  - If you're completely new to Facebook ads, this will likely be overwhelming
  - Even for those with experience, there is *a lot* of information here; take things slowly and refer back to the video

80/20 OVERVIEW

1. Set up your daily or weekly ad profitability tracking
    • Set up your creative code key (optional; more advanced, but recommended to maximize the effectiveness of the tracking)
2. Calculate your series' Revenue Per Sale and Revenue Per Borrow (sellthrough and readthrough)
3. Determine which **Strategy** (loss leader, breakeven, or profitable) you want to use when running the ads for this book or series.
4. Set up the metrics on your Facebook Ad dashboard as outlined under **Facebook Metrics**

Ongoing

1. Track your ads' profitability daily or weekly (net profit)
2. Analyze your ads' performance weekly using cost per unit to determine winners and shut off losers
    • Can do this daily / automatically if you're using Revealbot
3. Test audiences if you don't have any working audiences
4. Test creatives using the 5 x 5 Turbo A/B Testing method (work your way up to 25 creatives a week)
5. Test audiences, new features as needed
6. Test covers and / or blurbs if ads aren't working (to improve conversion)

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RESOURCES

Free resources

- **Facebook Ads Crash Course**: nicholaserik.com/facebook-ads-crash-course
    - Step-by-step over the shoulder ad setup walkthrough
    - Additional information on scaling / analysis / coded naming convention
- **Amazon Attribution Setup Walkthrough**: nicholaserik.com/attribution (also on Crash Course page)
- **Tracking Sheets**: nicholaserik.com/tracking
- **Creative swipe file of effective ads**: nicholaserik.com/swipe
- **AI 4x Workflow (for creating copy / headlines fast)**: nicholaserik.com/4x-ai-book-marketing

Course & book
Scaling Mastery Pro (course): nicholaserik.com/products/scaling
Advanced Book Marketing Alchemy (book): nicholaserik.com/books/alchemy

TRACK

TRACKING

1. Monthly: track your final revenue (royalty deposits) and expenses for official tax accounting purposes.
2. Daily or weekly: ad profitability tracking sheet (weekly is easier for people to adhere to, and what I'd recommend)
3. Launch tracking sheets for the first 30 days of a launch
4. Sheet or creative key for tracking creatives + copy / audiences / keywords / tests run (price / blurbs / covers etc.). This becomes a valuable reference for pulling winning creatives quickly when running ads in the future, and also for spotting patterns with what works best.
   - If not using the creative key system, you can just store your best creatives for future reference in your tracking sheet.
5. The fifth and final key is a swipe file (spreadsheet or folder on your computer) where you save ads and marketing materials that catch your eye from other authors to act as inspiration / generate ideas for your own marketing.

nicholaserik.com/tracking

THE CODED NAMING CONVENTION

- Allows you to isolate and analyze the performance of individual ad elements (images, copy, headlines, audiences)
  - Can drill down extremely far if you're comfortable with spreadsheets
  - Can still drill down in the ads dashboard even if you have no / minimal spreadsheet skills
  - Maintain a creative key in Google Sheets listing creative elements and audiences; can also include various details (basic version available at **nicholaserik.com/tracking**)
  - Count up across all books / account from 100 (e.g., if G100 – G107 are all images for Book A in Series A, then I switch to Book B in series B, I'd start at G108)
  - Can also assign book a range of codes for easy identification (e.g., 100s for Book A, then 300s for Book B etc.)
  - Image = G100
  - Copy = C100
  - Headline = H100
  - Audience = A100
  - Use this code in both the Facebook Ad name and Attribution link name.
    - Facebook ad code must match with corresponding Amazon Attribution link code

AD: EXAMPLE

COPY: C100

IMAGE: G100

HEADLINE: H100

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KEY

Region	UK ▼
Objective	Traffic ▼
Book	SCBOX1 ▼
FB Data Start	Jan-1-2023
FB Data End	May-4-2024
Target Cost per Unit	$3.00
Filtering Instructions (mouse over)	

Traffic Ad Performance	Last Test	Last Ran	FB CPC	Total CV	Cost Per Unit
Entire Catalog UK			$0.31	5.0%	$6.18
SCBOX1 UK Tot	10-Nov-2023	5-Dec-2023	$0.34	11.0%	$3.05
SCBOX1 UK Filtered Tot	10-Nov-2023	5-Dec-2023	$0.34	11.0%	$3.05
SCBOX1 UK Filtered v. SCBOX1 UK Tot			▼ 0.0%	▼ 0.0%	▼ 0.0%

Creative	Book	cImage	cCopy	cHeadline	Copy	Headline	Ad Start	Last Ran	FB CPC	Total CV	Cost Per Unit
G9001 C9003 H9000	SCBOX1	G9001	C9003	H9000	When a family member asks ex-cop Sebastian Clifford	3 British Crime Thriller Collection	27-Aug-2023	3-Sep-2023	$0.23	2.5%	$8.91
G9000 C9003 H9000	SCBOX1	G9000	C9003	H9000	When a family member asks ex-cop Sebastian Clifford	3 British Crime Thriller Collection	27-Aug-2023	2-Sep-2023	$0.22	1.3%	$16.88
G9001 C9002 H9000	SCBOX1	G9001	C9002	H9000	Sebastian Clifford has a perfect memory. And he'll ne	3 British Crime Thriller Collection	27-Aug-2023	2-Sep-2023	$0.22	0.6%	$33.97
G9000 C9002 H9000	SCBOX1	G9000	C9002	H9000	Sebastian Clifford has a perfect memory. And he'll ne	3 British Crime Thriller Collection	27-Aug-2023	1-Sep-2023	$0.19	1.9%	$10.08
G9001 C9006 H9000	SCBOX1	G9001	C9006	H9000	In a picture-perfect town, the darkest secrets lie just b	3 British Crime Thriller Collection	27-Aug-2023	1-Sep-2023	$0.19	1.3%	$14.55
G9000 C9005 H9000	SCBOX1	G9000	C9005	H9000	In the bustling Midlands town of Market Harborough, S	3 British Crime Thriller Collection	27-Aug-2023	30-Aug-2023	$0.18	2.0%	$8.96
G9000 C9000 H9000	SCBOX1	G9000	C9000	H9000	Quiet Market Harborough hides plenty of secrets bene	3 British Crime Thriller Collection	27-Aug-2023	1-Sep-2023	$0.18	1.3%	$14.07
G9000 C9006 H9000	SCBOX1	G9000	C9006	H9000	In a picture-perfect town, the darkest secrets lie just b	3 British Crime Thriller Collection	27-Aug-2023	1-Sep-2023	$0.18	1.3%	$13.51
G9000 C9001 H9000	SCBOX1	G9000	C9001	H9000	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thriller Collection	27-Aug-2023	27-Aug-2023	$0.17	2.0%	$8.61
G9001 C9000 H9000	SCBOX1	G9001	C9000	H9000	Quiet Market Harborough hides plenty of secrets bene	3 British Crime Thriller Collection	27-Aug-2023	31-Aug-2023	$0.17	2.1%	$8.27
G9001 C9004 H9000	SCBOX1	G9001	C9004	H9000	In the heart of Market Harborough, former police offic	3 British Crime Thriller Collection	27-Aug-2023	30-Aug-2023	$0.17	2.6%	$6.51
G9000 C9004 H9000	SCBOX1	G9000	C9004	H9000	In the heart of Market Harborough, former police offic	3 British Crime Thriller Collection	27-Aug-2023	31-Aug-2023	$0.17	1.4%	$12.14
G9001 C9005 H9000	SCBOX1	G9001	C9005	H9000	In the bustling Midlands town of Market Harborough, S	3 British Crime Thriller Collection	27-Aug-2023	29-Aug-2023	$0.14	3.4%	$4.15
G9001 C9001 H9000	SCBOX1	G9001	C9001	H9000	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thriller Collection	27-Aug-2023	28-Aug-2023	$0.13	3.1%	$4.32
G402 C9007 H9000	SCBOX1	G402	C9007	H9000	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thriller Collection	26-Sep-2023	29-Sep-2023	$0.24	1.9%	$12.11
G401 C9007 H9000	SCBOX1	G401	C9007	H9000	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thriller Collection	26-Sep-2023	29-Sep-2023	$0.22	3.3%	$6.58
G400 C9007 H9000	SCBOX1	G400	C9007	H9000	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thriller Collection	26-Sep-2023	28-Sep-2023	$0.21	2.4%	$8.80
G405 C9007 H9001	SCBOX1	G405	C9007	H9001	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thrillers for 99p	12-Oct-2023	22-Oct-2023	$0.40	12.8%	$3.16
G403 C9009 H9001	SCBOX1	G403	C9009	H9001	After resigning from the police force, Sebastian Cliffor	3 British Crime Thrillers for 99p	12-Oct-2023	24-Oct-2023	$0.38	7.4%	$5.17
G404 C9007 H9001	SCBOX1	G404	C9007	H9001	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thrillers for 99p	12-Oct-2023	26-Nov-2023	$0.38	16.4%	$2.33
G403 C9007 H9001	SCBOX1	G403	C9007	H9001	For fans of Joy Ellis and Robert Galbraith, plunge into	3 British Crime Thrillers for 99p	12-Oct-2023	23-Oct-2023	$0.38	9.5%	$4.00
G404 C9008 H9001	SCBOX1	G404	C9008	H9001	The picturesque town of Market Harborough holds its	3 British Crime Thrillers for 99p	12-Oct-2023	26-Nov-2023	$0.36	15.1%	$2.38
G404 C9009 H9001	SCBOX1	G404	C9009	H9001	After resigning from the police force, Sebastian Cliffor	3 British Crime Thrillers for 99p	12-Oct-2023	23-Nov-2023	$0.35	14.9%	$2.34
G405 C9008 H9001	SCBOX1	G405	C9008	H9001	The picturesque town of Market Harborough holds its	3 British Crime Thrillers for 99p	12-Oct-2023	4-Dec-2023	$0.34	14.3%	$2.38

Basic version: nicholaserik.com/tracking

REVENUE PER SALE (RPS)

- **Revenue Per Sale (sellthrough)**: total value of a sale of Book 1 when factoring in sellthrough to rest of series
  - Calculate RPS and RPB on a region-by-region basis
  - Want data to be stable for the time period we use to calculate this—no launches / promos / price changes of Book 1
  - Recommended to omit box sets from the series revenue—tends to skew the data
  - Total series sales revenue / Book 1 eBook sales
  - $10,421 series sales revenue / 1034 Book 1 eBook sales = $10.08 revenue per sale

REVENUE PER BORROW (RPB)

- **Revenue Per Borrow**: total value of a borrow of Book 1 when factoring in readthrough to rest of series
  - Total series KU revenue / Book 1 borrows
  - Book 1 Borrows = Book 1 Page Reads / Book 1 KENPC
    - KENPC is the # of Kindle Unlimited pages in the book; you can find this by going to the book on the KDP dashboard, clicking the "..." next to it and selecting "KDP Select Info" and scrolling to the bottom of the page.
  - $8,711 series KU revenue / 1126 Book 1 Borrows = $7.76 revenue per borrow

THE 3 AD STRATEGIES

- Your ad strategy dictates whether an ad is a winner or loser.
- Your strategy can change on a series by series basis
- **Profitable**: aiming to make a direct profit from the ads; not worried about algorithms or building fanbase
    - Target cost per unit is **less than** lower of RPS and RPB
    - Cost per unit = ad spend / units OR CPC / conversion
- **Breakeven**: aiming to breakeven with the ads and make profit from algorithms and / or build fanbase
    - Target cost per unit is **less than or equal to** lower of RPS and RPB
- **Loss leader**: losing money on the ads and aiming to make profit from algorithms and / or build fanbase
    - Target cost per unit is **higher than** RPS and RPB
    - Your target cost per unit depends on how much you're willing to lose
    - Not recommended outside of a launch scenario (e.g., getting help from algorithms)

FACEBOOK BEST PRACTICES

ATTRIBUTION LINKS

- Allow you to track sales and reads from non-Amazon sources; can use these essentially anywhere you'd use a regular Amazon link (e.g., Facebook Ads, BookBub, social media, your newsletter)
- 14 day attribution window (e.g., someone clicks May 1, buys May 8—tracked by link; if they buy May 16, they won't)
- Sales take 2 – 3 days to be stable enough to analyze (e.g., ad starts May 1, data from May 1 will be ready to analyze May 3 or May 4)
- Reads take 4 – 7 days to be stable enough to analyze (e.g., ad starts May 1, data from May 1 will be ready to analyze May 5 – 8)
- 85 – 95% accurate, depending on scenario
- Use a unique link for each ad to track and compare their individual performance

Setup video:

nicholaserik.com/attribution

ACCURACY

3/6 - 3/12	Spend	Clicks	Sales	Borrows	Units	Tot CV	Cost Per Unit
AZ	$346.00	424	46	16.3	62.3	14.7%	$5.56
BB	$619.00	908	63	7.1	70.1	7.7%	$8.83
FB	$3,174.00	9,892	523	27.6	550.6	5.6%	$5.76
							*as of 3/20 at 12:20 AM PST

BookBub and Facebook data from Amazon Attribution links
Amazon ad data from Amazon Ads dashboard

683 units / 1006 units = 67.9% of promo units from ads
Doesn't include newsletter (wasn't tracked)

These numbers are for a 99c / 99p promo.

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FACEBOOK METRICS

- Delivery
- Ad Set Name
- Budget
- Amount Spent
- Impressions
- Reach
- Frequency
- Unique outbound clicks
- Unique outbound CTR
- Cost per unique outbound click
- Results
- Cost per Result
- Quality, Engagement, and Conversion Rate Ranking

Note: when I'm referring to clicks, CPC, or CTR, I'm referring to the unique outbound version unless specifically mentioned otherwise.

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FACEBOOK: AD SETUP (CAMPAIGN)

1. **Objective (Campaign)**: use Traffic; this will optimize for clicks.
2. **Bidding (Campaign)**: use "Advantage+ Budget" (formerly called Campaign Budget Optimization, or CBO). Advantage+ Budget is easier to manage than Ad Set budgeting, performs better, and is easily / quickly scalable (can go from $5 to $500 without any problems; CPCs will rise, of course, but just because you're spending more, not because of Facebook breaking down on the technical side).

nicholaserik.com/facebook-ads-crash-course-books/

FACEBOOK: AD SETUP (AD SET)

1. Region (Ad Set): generally start with the US. If the ads are doing well and you want to try them in the UK, you can run your best winners there in a new, separate campaign. Only do one region per campaign; this allows you to control the budgets to each region you want to run ads to.

2. Audience (Ad Set): use Advantage Detailed Targeting (click "original targeting" link at bottom of audience section)

1. **Advantage+ Audience**: Facebook's AI will use your selected options as a starting point, but can target interests *and* demographics outside your selected options (e.g., if you target 21+ women only, it can start targeting 60-year-old men if it sees they're getting cheaper clicks).

2. **Advantage Detailed Targeting**: Facebook's AI will use your demographic options as hard guardrails, while using your other audience targeting options as a starting point. This means it can target interests outside your selected interest target(s). (e.g., if you target 21+ women only who like EL James, it will only target women who are 21+; these people may not necessarily be interested in EL James, however.)

3. Placements (Ad Set): select "manual" and then only the Facebook News Feed. This converts the best.

4. Performance Goal (formerly called "Optimization") (Ad Set): make sure "link clicks" is selected (this is in the middle; also check the bottom). If this is set to "landing page views" then the ads will be 2x - 4x more expensive.

FACEBOOK: AD SETUP (AD LEVEL)

1. Advantage+ Creative (formerly called "Standard Enhancements") and Optimize Text per Person (Ad): this is an option on regular ads only (not Dynamic Creative ads). Advantage+ Creative automatically tweaks minor details like the contrast of the image, among other options (depending on what they've added to your account). However, Facebook has made it so that if you have Advantage+ Creative enabled, it sometimes forces you to have Optimize Text Per Person on the text as well, which allows them to randomly swap the headline and copy, remove the copy or headline, etc. This will destroy the ad's performance; as such, you want to make sure both of these are off.

1. Note that on some accounts Facebook has started adding music as on by default under Advantage+ Creative; as such, as a general rule, I'd make sure *all* Advantage+ Creative options are off, even the ones that don't have a large impact.

2. Optimize Creative for Each Person (Ad): this is an option on Dynamic Creative ads only. This feature randomly generates 3 second videos / weird creatives that don't perform well. Make sure this is off.

3. Multi-advertiser ads (ad): turn this off. This allows your ad to be shown alongside ads for other products in a carousel format. This ad carousel is shown below ads to the user with the header "you might like" or "more for you." So you're essentially competing for space against the original ad above yours as well as the ads within the carousel.

4. Button (ad): use Download, Order Now, Shop Now, or Learn More. Can use the "no button" option on regular ads, which allows more room for a longer headline. The "no button" option isn't available on Dynamic Creative ads.

5. Description (ad): this is the footer text on the ad that runs below the headline. It will auto-pull from the Amazon blurb; you can hit the space bar to just have this appear as blank.

EXPONENTIAL TURBO A/B TESTING

AUTOMATED RULES

- You can set rules on Facebook to automatically shut ads off
- This is located along the middle of the menu bar
- Use "link clicks" when setting up the rule

AUTOMATED RULES

THE FOUR KEY TEST FACTORS

There are four key factors when it comes to testing:

- **Volume (1a)**: the number of things you test
- **Speed (1b)**: how quickly you test new things
- **Cost**: how much the test costs to run
- **Accuracy**: the accuracy of the data / test

We want to test as many creatives as possible as quickly as possible inexpensively while still getting reasonably accurate data

There's usually a tradeoff between these four elements.

With 5 x 5 creative testing, you can improve all four.

80/20: WHY VOLUME IS KING

The 80/20 rule says that 20% of the actions drive 80% of the results.
This means 1 in 5 things work; 4 out of 5 things don't.
Most things don't work. This means that you need to test a lot to find winners.

When testing BookBub audiences:
- **Audiences tested**: 24
- **Winners**: 5 (21% hit rate)

When testing Facebook creatives:
- **Creatives tested**: 100
- **Winners**: 17 (17%)

You can increase this base hit rate through testing more as well—this helps you find patterns, formulas, and best practices that potentially improve your hit rate in future rounds of testing.

5 X 5 EXPONENTIAL TURBO A/B TESTING: STRUCTURE

- Three campaigns
  - Campaign 1: audience testing
  - Campaign 2: creative testing (rule: turn ads off after 30 link clicks)
  - Campaign 3: scaling (scale up as you get more winners, ~75 – 80% of budget)

  Once you understand Facebook best practices, just a matter of testing as many creatives as possible.

5 X 5 EXPONENTIAL TURBO A/B TESTING: NAMING CONVENTIONS

Naming convention (Campaign): when standardized allows you to search for specific books and view all the ad spend and ads for a book / series that are currently running / have run previously.

1. Abbreviating the series name allows you to search for everything related to a specific book or specific series on the Facebook Ads dashboard (e.g., TS1 = Tess Skye Book 1).
2. Putting "T" for Traffic, "E" for Engagement, or "S" for Sales (or "C" for Conversion, as it's still called on some accounts) at the start allows you to easily identify the ad type.
3. Putting the region allows you to easily identify the region.
4. Placing the # at the start allows you to easily tell what type of campaign it is (testing, winners, etc.)
5. Example (Turbo A/B Testing)
    1. 1T/US: TS1 Audience Testing (audience testing campaign for Book 1)
    2. 2T/US: TS1 Creative Testing (creative testing campaign for Book 1)
    3. 3T/US: TS1 Winners Testing (winners / scaling campaign for Book 1)

Naming convention (Ad Set): name this according to the audience here so it's easily identifiable at a glance without having to actually look at the targeting.

1. I = Interest (e.g., Lee Child or Contemporary Romance)
2. LA = Lookalike
3. RT = custom audience (e.g., page engagement)
4. Ex. I: EL James (interest audience targeting EL James)

Naming convention (Ads): G100 C100 H100 (G = image, C = copy, H = headline, A = audience; only use the audience code when testing audiences). Make sure this matches to your attribution links.

- You can also just use a descriptive naming convention for your ads, e.g. "Girl in Dress w/ Book Blurb." The coded naming convention gives you considerably more insight into how the ads are performing, however.

5 X 5 EXPONENTIAL TURBO A/B TESTING: AUDIENCE TESTING CAMPAIGN

Campaign: Audience Testing

1. Note: testing audiences is only necessary if you don't have working audiences yet OR if you want to test more audiences to scale. If you've already tested audiences and have a Control Audience you can start with Campaign 2: Creative Testing.
   - Your control audience is your best performing, proven audience. This will be your main audience for testing creatives (Campaign 2)
2. **Ad Sets**: 2 - 6 ad sets; each ad set should be targeting a different audience (see next slide for audiences to test)
3. **Ads**: 1 - 3 ads; use the same ads in each ad set
   1. Ad 1: book cover on book cover background + book blurb
   2. Ads 2 & 3: 1 - 2 additional creatives that have performed well in the past for that book (optional)
4. **Attribution links**: Create a specific attribution link for each audience and creative combination (whether using the coded naming convention or not). That way you can track the performance of the ad + audience combos.
   1. If you're using a different ad naming convention, make sure the ad's name is identical on both the Facebook and Amazon Attribution dash.
5. **Rule**: ad sets off after 100 - 500 link clicks.
6. **Analysis**: Analyze attribution data 4 - 7 days after the ads started so it has enough time to stabilize. Best audience is one that has the lowest cost per unit or highest profit per click.
7. Turn this campaign off once you're done testing audiences. Can circle back around later to test more audiences with your winning creatives to find additional audiences to target.

AUDIENCES TO TEST

1. an aggregate group of popular authors in your genre (e.g., Lee Child, Harlan Coben, James Patterson etc.)
2. the genre (e.g., detective fiction, mystery, paranormal romance, romance novels, etc.; if multiple genre interests are relevant, you can test more than one; I'd split the genres out into separate ad sets and test them as separate audiences)
3. broad targeting (e.g., no targeting at all other than gender / age if you know what specific demo your book appeals to—e.g., for romance, select women).
   - Broad targeting is not a magic bullet—it is usually outperformed by authors or other targeting options. It's worth testing, but its benefits have been massively overhyped in the author community.
4. your choice (e.g., movies, TV shows, video games, book blogs, newspapers, Kindle Store, an interest related to your book like dogs if you wrote a book about dogs etc.)
5. shared audiences (if other authors in your genre have shared their page engagement or pixel audiences with you, these can perform well)

5 X 5 EXPONENTIAL TURBO A/B TESTING: CREATIVES

- Normal A/B testing involves testing say, 5 images with a single piece of copy. Then taking the winning image and running it with 5 new pieces of copy.
  - This gets you 10 ads.
- The 5 x 5 method is where you take 5 images and 5 pieces of copy and run all possible combinations, thus getting 25 unique ads.
  - That way, you can test more ads
  - You also test more combinations—maybe Copy A is terrible with Image A, but works well with Image B.
  - Finally, you can aggregate the data across all the tests (if you use the codes), so you get increased accuracy, because each image and piece of copy will receive 150+ clicks (e.g., 5x 30 clicks per ad)
- Can also do this with headlines (e.g., 5 images and 5 headlines all with same copy, or 5 copy and 5 headlines all with same image)—headlines have less impact.
- Can do more (7 x 7 = 49 ads, 10 x 10 = 100 ads, hence the exponential name), but becomes problematic with attribution links

5 X 5 EXPONENTIAL TURBO A/B TESTING: CREATIVE TESTING CAMPAIGN

Campaign 2: Creative Testing

1. **Ad sets**: 1 ad set running at a time using your best performing Control Audience.
2. **Ads**: 2 - 25 ads.
   1. Option 1 (standard A/B testing): Start Round 1 of testing by testing images where every ad has the same copy and headline, but a different image.
   2. Option 2 (exponential 5 x 5 testing): 5 images and 5 pieces of copy all with the same headline (for 25 unique creatives)
3. **Attribution links**: create a unique attribution link for each creative.
   1. If using the coded naming convention then I would recommend not including the audience part of the code for the creative testing, as it massively multiplies the # of links you have to create. E.g., if you have 5 unique ads to 5 audiences, you'd need to create just 5 links to track each individual ad; but if you wanted to track each ad + audience combo, then you'd have to create 25 unique links. For that reason, when testing creatives, I recommend just using the creative codes (G100 C100 H100) and omitting the audience code.
   2. If you're using a different ad naming convention, make sure the ad's name is identical on both the Facebook and Amazon Attribution dash. This makes it much easier to cross-reference manually and / or tie the data together with spreadsheet formulas.
4. **Rule**: turn off ads after 30 link clicks.
5. After the Round 1 ads are off, copy ads below your target cost per unit or above your target profit per click to the winners campaign (#3).
6. Then make a new ad set in the creative testing campaign (#2) called Round 2:
   1. Option 1 (iteration): take the best 1 - 2 ads from Round 1 and test 2 - 10 pieces of new copy with them (same image / headline) to see if you can improve the performance.
   2. Option 2 (5 x 5): another round of 5 x 5 testing with completely new combo of images + copy (or images + headlines, copy + headlines)
7. After the Round 2 ads are off, copy ads below your target cost per unit or above your target profit per click to the winners campaign (#3). Then make a new ad set in the creative testing campaign (#2) called Round 3:
   1. Option 1 (iteration): Take the best 1 - 2 ads from Round 2 and test 2 - 10 new headlines with them (same image / copy).
   2. Option 2 (5 x 5): another round of 5 x 5 testing with completely new combo of images + copy (or images + headlines, copy + headlines)
8. After the Round 3 ads are off, copy ads below your target cost per unit or above your target profit per click to the winners campaign (#3).
   1. Then continue testing as needed to improve performance and stave off ad fatigue: copying winners from each round of testing to the winners campaign and then iterating on the best performers with new images, copy, or headlines (or trying completely new ads with brand new images, copy, and / or headlines) to try to improve on performance.
   2. When testing, focus on images and copy; these have the biggest impact on performance.
   3. If you're running budgets below $100/day, you can stop testing until the ads start to fatigue, at which point you can start testing again. At budgets above $100/day, expect to do at least 2 - 4 rounds of testing a month, depending on the budget (higher budgets require more testing to stave off ad fatigue and maintain solid performance).

5 X 5 EXPONENTIAL TURBO A/B TESTING: SCALING CAMPAIGN

Campaign 3: Winners (scaling)

1. **Ad sets**: 1 - 6 ad sets running at a time
    1. Ad set 1: best performing Control Audience.
    2. Ad sets 2 - 6: any other audiences that have worked (if you're trying to scale past $100/day)
2. **Analysis**: analyze the performance of the ads in the winners campaign once a week or once every other week. Turn off any ads that are no longer winners according to your target cost per unit or profit per click.
3. **Ads**: can run as many winning ads at once as you generate from creative testing campaign (#2) (anything more than 20 ads running in the winners campaign at once tends to be overkill, though)
4. **Attribution links**: use the same attribution links as you did for the creative testing ads (#2); don't create new attribution links for the ads when you copy them into the winners campaign.
5. **Rule**: there are no automated rules in the winners campaign; manually monitor CPCs and conversion over time since CPCs rise and conversion drops as an ad spends more money. Turn off any ads that don't meet your target cost per unit or profit per click.

WHAT IF AN AD DOESN'T REPLICATE ITS PERFORMANCE?

- Some ads only perform well in the original campaign.
  - This is most often due to the small sample size giving a false positive. Something looks good after 30 clicks, only to end up trailing off in performance after 100 or 200. This is fine and totally expected.
  - OR it can be because something randomly favorable about the original ad (social proof, Facebook algorithm, etc.) or ad set / campaign improved its performance. Ads that replicate in performance after you duplicate them to a new campaign / ad set, however, likely have something intrinsic about them that appeals to readers in that genre.
  - I am fine with running ads that have randomly become winners. But true winners are *far* more valuable, because they are more reliable *and* you can analyze them for patterns / formulas that you can apply to future creatives.

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SHOULD I JUST USE DYNAMIC CREATIVE?

Dynamic Creative is an example of **multivariate testing**. This means we're testing multiple things at once. Since Facebook combines the image, copy, and headlines automatically and doesn't show us the breakdown of how each combination performs, this gives us less insight into our ads' performance.

A/B testing, by contrast, allows us to isolate the performance of each creative. And if we use the coded naming convention, we can isolate this further down to each specific image, copy, and headline, across *all* the ads where that ran.

Dynamic Creative works fine; I've taught it to multiple authors in the past. The system outlined here is faster, cheaper, more accurate, and allows you to test more things. People often think that multivariate testing is faster—test more variables at once, get to the end result faster. The inverse is actually true; by being methodical, and getting clean data from our A/B testing, we can answer many questions in the future to other questions we might have. And we get much cleaner answers to our question(s) in the present (which, when we're testing creatives is generally just "which ad is working?")

ANALYSIS: WHICH ADS ARE WORKING (AND IMPROVING PERFORMANCE)

KEY ANALYSIS METRICS (OR, WHY CPC DOESN'T MATTER AS MUCH AS YOU THINK)

Your three most important analysis metrics are
1. **CPC**: ad spend / clicks
2. **Conversion**
   - **Sales**: sales / clicks (if wide / selling direct)
   - **Total conversion**: (sales + borrows) / clicks (if in KU)
3. **Cost per unit (most important)**
   - **Cost per sale**: spend / sales OR CPC / sales conversion (if wide / selling direct)
   - **Cost per unit**: spend / (sales + borrows) OR CPC / total conversion (if in KU)

Cost per unit is your main analysis metric. This incorporates both CPC and conversion, giving you a complete view of how the ad is performing. It also gives you a common benchmark, so you can compare apples to apples across different ads (you can even use it to compare the performance of different ad platforms).

Winners = ads below your target cost per unit
Losers = ads above your target cost per unit

Shut off ads that are above your target cost per unit.
Transfer ads that meet your target cost per unit to the winners campaign.
Rules of thumb to generally aim for: $0.20 CPC, 1.5%+ conversion

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MOST COMMON ISSUES

1. Series not long enough to be profitable (5+ books recommended; 3+ minimum with rare exceptions)
2. Settings wrong
3. Not testing enough
4. Revenue per sale & revenue per borrow miscalculated
5. Cover / blurb not working

The goal is actually to be able to outspend other people to acquire a customer; e.g., be able to spend $0.40 on a click on Facebook, while others can only afford $0.20. Or bid $2 on a keyword on Amazon Ads, while others can only afford $1.

It is a much easier path to victory to write a longer series than it is to get a standalone to work profitability.

PRACTICE

FOUR LEVELS

1. Use attribution links to track. Turn off any ads that have above a $0.20 CPC or below a 1.5% total conversion rate. If you have a 3 book series or less, consider tightening these to $0.15 and 2%.
2. Use attribution links to track. Turn off any ads that are above your target cost per unit.
   1. This requires you to combine the attribution data with the Facebook data.
   2. You can combine these manually, but this is time-consuming when you're trying to analyze dozens of ads.
   3. This will be easiest if the ad name and attribution link names are identical, so you can use spreadsheet formulas to tie them together. (get someone to build you a report on Upwork where you can copy + paste in the data)
3. Use attribution links to track. Turn off any ads that are above your target cost per unit. Use the coded naming convention to identify individual images, copy, and headlines that can be re-reused for other winners. Unlocks way more insight into your data and allows you to get more mileage out of your tests.
4. Option 3 + Revealbot, which automates turning off / on the ads based on the cost per unit. (cuts down on management time by 25%+, improves performance 25%+)

KEY

nicholaserik.com/products/scaling

PRACTICE

- For the next 90 days, try to work on Facebook Ads each day (immersion)
  - Start with 15 minutes, try to work up to 30 minutes to 1 hour
  - This isn't forever, it's just to level up
- Focus on 1 – 2 resources and actually implement the systems / advice rather than bouncing between 14 different books and courses.
- Aim to test 25 creatives a week (requires creating 5 pieces of copy and 5 images…can also do 5 headlines instead of copy or images) (work your way up; even if you "only" do 10, this will be way more than 99.9% of authors)
- Have a weekly meeting with a friend (you have to lead, otherwise it's not going to happen)
- Learn how to use spreadsheets—most valuable skill you can develop as an advertiser to increase productivity and performance of your ads *plus* it's evergreen (not something you have to relearn every 6 months)

THE 80/20 1-MINUTE SUMMARY

1. **Find and use best practices for the technical setup of the ads** (e.g., News Feed only tends to convert better than using all the placements).
2. **Test 25 creatives a week** to bring down CPCs and improve conversion; test audiences, ad platform features, covers, and blurbs as needed.
3. **Track** your ads' profitability daily / weekly (net profit).
4. **Analyze** your ad creative performance using cost per unit daily (if using Revealbot) or weekly (if doing it by hand) and turn off losing ads so that your winning ads get more of the budget.

END