

## ADS BEST PRACTICES & CHECKLIST v1.6

This is a reference tool for processes and best practices when creating ads. Navigate to the relevant section for the information you need. Alternatively, if you want to review how everything fits together, it can be used as an 80/20 refresher that can be read front-to-back in under half an hour.

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## CALCULATIONS

Your **NORTH STAR** is **net profit**, which is **royalties – ad spend = net profit**. If you ignore *everything* else tracking-wise, you still need to track net profit on a **weekly, monthly, and yearly basis**. Money in your pocket is the point of running ads, after all.

### Key Metrics & Calculations

**CPC:** cost per click

**CPM:** cost per thousand impressions

**CTR:** clickthrough rate (clicks / impressions)

**CONVERSION:** % of clicks that produce a sale (sales – baseline sales / clicks)

When we say an ad is **converting** that means it's producing **sales, borrows, or downloads**.

Must estimate conversion ourselves, because outside of Amazon Ads, we don't get data on how many sales an individual ad produces.

**RANK** can help estimate conversion on Kindle Unlimited books, since page reads are a lagging metric (people don't read the entire book the instant they borrow it) and borrows aren't reported on the KDP dashboard.

**BASELINE:** average organic sales without advertising *OR* average sales during a period of steady ad spend.

Calculate this for a period where you have 100+ sales or 1000+ free downloads to smooth out variance. Make sure you have no major promos or launches as this will skew the baseline.

**BASELINE SALES:** sales over X Days / X days

**BASELINE PROFIT:** series profit over X days / X days

**NET PROFIT ABOVE BASELINE:** the additional profit your ads are bringing in compared to what you were making without the ads (or at the previous level of ad spend).

**NET PROFIT ABOVE BASELINE:** net profit – baseline net profit

**BORROWS:** a full read of a Kindle Unlimited book

**BORROWS** = # of pages read of book / # of KENPC in book

**KENPC** is the number of Kindle pages in a book. It's found on the KDP Dashboard. Go to the bookshelf, navigate to the book in question, and click the "..." next to it and select KDP Select Info. The following page will display the KENPC.

**BORROWS PER SALE:** also referred to as borrows to sales, this is the number of borrows a book historically receives for each sale.

**BORROWS PER SALE** = book borrows / book sales

**REVENUE PER SALE (RPS):** total series revenue produced by a sale of Book 1 when factoring in sellthrough to the rest of the series. This is an *estimate* of how much you can spend to generate a sale of Book 1 and still break even.

Emphasis on *estimate*. Revenue per sale gives you a general idea of how much you can spend on ads and still be profitable *before* sellthrough is reflected in your net profit tracking (since it can take days/weeks for people to buy the next books).

**REVENUE PER SALE:** total series sales revenue / Book 1 sales

**REVENUE PER BORROW (RPB):** total series KU revenue / Book 1 borrows

To maximize accuracy when calculating Revenue Per Sale or Revenue Per Borrow, use a period that meets all the following criteria (optimally) (1 – 4 are **mandatory**):

1. No Book 1 price changes. A series will have a different RPS when Book 1 is free, \$0.99, or full price, as the price of the first volume dramatically impacts sellthrough to the next book.
2. No major series promo during that period or immediately before it (i.e. no BookBub deals/big promo site pushes—running PPC ads is fine).
3. No new releases in that series during that period or immediately before it.
4. If you are heavily advertising a book other than Book 1, cannot use RPS; will skew the sellthrough numbers.
5. Choose a period with 30 – 100+ sales or 1000+ free downloads of Book 1.
6. Note that you can include box set revenue in the total series revenue, but this can skew the numbers. I usually omit it.
7. Calculate RPS for two or three different periods and compare the results to confirm that the estimate is accurate enough to be usable.

**PROJECTED SERIES REVENUE:** total projected revenue from that day or week's Book 1 sales when factoring in sellthrough

**PROJECTED SERIES REVENUE (WIDE)** = RPS x Book 1 sales

**PROJECTED SERIES REVENUE (KU)** = (RPS x Book 1 sales) + (RPB x Book 1 borrows)

**COST PER SALE (CPS):** ad spend to produce a sale of a book

**CPS** = book ad spend / (book sales – book baseline sales)

For books which produce the bulk of their revenue in KU (e.g. romance, urban fantasy, etc), CPS is inaccurate. It can be used as a rough analysis tool, but shouldn't be a primary metric to focus on.

**COMPARING REVENUE PER SALE and COST PER SALE (WIDE ONLY)**

Revenue Per Sale – Cost Per Sale = Profit Per Sale (PPS)

If you have a long series, it can take weeks for people to buy Book 5 or 9, which will make the weekly calculations look unprofitable. Using this comparison allows you to scale before sellthrough is reflected in your daily or weekly net profit numbers.

If PPS is positive, but net profit tracking *doesn't* reflect profits after a few weeks, then the RPS or CPS calculations are inaccurate *or* series sellthrough from the ads is likely lower than the historical #s. Each advertising platform, book retailer, region, and format produces different sellthrough; this, however, is impossible to track accurately.

## PROFITABILITY TRACKING

**IMPORTANT:** The processes below are *frameworks* that you can follow, build upon, and tweak for your own books. They are not set in stone, nor are they the only approach to assessing the effectiveness of your ads. I simply want to show a couple streamlined approaches you can take to more accurately evaluate your ads.

### PROCESS (BASIC)

1. Set a monthly budget and then divide that out daily (e.g.  $\$1,500/\text{mo} = \$50/\text{day}$ )
2. Set up a tracking sheet for your weekly net profitability numbers (**royalties – ad spend = net profit**)

### IN-DEPTH PROCESS (WIDE BACKLIST)

1. Set a monthly budget and divide it out daily (e.g.  $\$1,500/\text{mo} = \$50/\text{day}$ )
2. Set up a tracking spreadsheet
3. Start with your best performing series (80/20) by profitability, conversion, or revenue per sale (RPS)
4. Calculate baseline if possible (**sales over X days / X days**)
5. Calculate the revenue per sale (RPS) for the series if possible (**total series sales revenue / Book 1 sales**)
6. Run ads and determine the cost per sale (CPS). (**ad spend / Book 1 sales**)
7. **RPS – CPS = profit per sale (PPS)**. Also look at sales, rank, and net profit using the **relative** (eyeballing numbers in comparison to previous day / week) or **relative + baseline methods** weekly / monthly. Always confirm RPS projections with actual net profitability numbers. (**royalties – ad spend = net profit**)
  1. If profit per sale is positive, can continue running ads and iterating on ads (CPC) and conversion to improve profitability and/or potentially scale.
  2. If profit per sale is negative, then isolate whether traffic (CPC), conversion, or profitability (sellthrough / series length) is the problem. Test new ideas until profitable, or you determine series isn't a good candidate for advertising.

**IMPORTANT:** if you cannot calculate RPS, then only use the **relative** or **relative + baseline net profitability tracking**. You can still use cost per sale (CPS) to analyze if conversion rates and traffic costs are within reasonable bounds (e.g. \$5 CPS would be solid for a full price Book 1, \$25 wouldn't).

### IN-DEPTH PROCESS (KU BACKLIST)

1. Set a monthly budget and divide it out daily (e.g.  $\$1,500/\text{mo} = \$50/\text{day}$ )
2. Set up a tracking spreadsheet
3. Start with your best performing series (80/20) by profitability, conversion, or revenue per sale (RPS) & revenue per borrow (RPB)
4. Calculate a baseline if possible (**sales over X days / X days**)
5. Calculate RPS & RPB (if running Amazon Ads, or just for general info)

1. RPS: **total series sales revenue / book 1 sales**
2. RPB: **total series borrow revenue / Book 1 borrows**
3. Borrows: **Book 1 page reads / Book 1 KENPC**
6. Run ads and look at sales, reads, rank, and net profit using the **relative** (eyeballing numbers in comparison to previous day / week) or **relative + baseline methods** weekly / monthly. (**royalties – ad spend = net profit**)
7. If running Amazon Ads, use RPS & RPB to estimate ads' profitability (confirm with weekly / monthly net profit numbers).
  1. **PROJECTED SERIES REVENUE (KU) = (RPS x Book 1 sales) + (RPB x Book 1 borrows)**

### **PROCESS (LAUNCHES/PROMOS)**

1. Set your budget for the launch or promo (e.g., \$3,000)
2. Track daily profitability numbers for duration of promo or 30 days (launch) and analyze data using the **relative** method (eyeballing numbers in comparison to previous day / week).
3. Track rank to assess visibility and KU conversion (e.g. borrows)

Note 1: Evaluate the numbers based on the promo or launch strategy you're using; if you're discounting and pushing for visibility, the bulk of the profit will come *after* the promo or launch week; the initial launch or promo week may even be negative.

Note 2: I do track cost per sale (CPS) and conversion during launches/promos as rough troubleshooting and analysis metrics (but I don't make profitability decisions based on them).

## OPTIMIZATIONS

In order of importance.

1. **FRONT MATTER:** always include a link to your newsletter on its own page in the front matter; can increase organic subscribers 2x or more.
2. **BACK MATTER:** limit to two calls to action (CTAs) on same page as THE END (newsletter and next book); placing these on the same page as THE END means readers will see your most important links before Amazon's automated end of book pop up occurs. Fewer links increases the likelihood of the reader taking action. Put any additional links (e.g. social media or whatever) in afterword or about the author etc.
3. **DOUBLE OPT-IN:** turn this off unless you're getting spam sign-ups or it's mandatory in your jurisdiction. You lose 30%+ of your subscribers with this enabled.
4. **AUTORESPONDER:** every week, have an automated email introducing readers to another series in your backlist. For example, a Friday email with the subject line "Looking for your next weekend read?" Email format is a simple story about the book (about researching, writing, something related etc.) followed by a 1 – 2 sentence teaser (can be your blurb, but whole thing not necessary), ending with the buy link(s). Do *one* series per email, not multiple.
5. **FORMATTING:** limit fancy formatting, embedded covers (for box sets), and images to minimize file sizes (this reduces your delivery fees when you choose the 70% royalty rate; if you have a lot of images, these fees can be \$0.15 or \$0.20).
6. **HOME PAGE:** have a newsletter sign-up on the home page as the first thing readers see. Example at [dnerikson.com](http://dnerikson.com).
7. **UPSELL:** make your thank you page after someone signs up to the newsletter an upsell to the box set or Book 1 in the related series. Example at [dnerikson.com/rc-box](http://dnerikson.com/rc-box).

## AUTHOR COMPS

On **Facebook**, your comps don't have to be a 1:1 match. If I'm advertising an urban fantasy book starring a female protagonist, I can target Jim Butcher (who writes the Harry Dresden series). I can even target paranormal romance authors (i.e. Nalini Singh), although I'd do this *after* testing other, closer comps who write urban fantasy.

On **BookBub**, you want to start by testing indie authors who write in your sub-genre. In this example, that'd be urban fantasy, but I can niche down to authors who write urban fantasy with a female lead. You can achieve this level of granularity because you can target *any* author on BookBub. But this does not mean your closest stylistic/genre comps are going to be your best targets.

As an example, one of the best performing comps I found during one round of testing for my urban fantasy novel was an indie author who writes PNR reverse harem. My books don't have any romance subplot or steam. I wouldn't target crime authors on BookBub with my urban fantasy books, but you have a lot more latitude than you might think. I'll still start with authors in my sub-genre and expand from there.

On **Amazon**, precision is king. Hyper-targeting is the name of the game when you're using the sponsored product (keyword or ASIN) ads. This requires *hand-curating* your list of targets.

You want as close to 1:1 sub-genre matches as possible. That means for my urban fantasy book with a female lead, I'd first target authors who write urban fantasy with female leads.

You're probably only going to find 50 - 200 keywords that are a close match. In some sub-genres, it might be fewer.

That's okay. Relevance is much more important here than quantity. You can slowly expand your targeting circle to increase your ad spend. Next, I'd do urban fantasy with a male lead. Then, maybe, tangential targeting like paranormal romance (although that targeting will likely be too broad for Amazon Ads).

To summarize:

1. **Facebook**, so long as you're in the sub-genre or genre, you're good. Tangentially related genres (PNR for urban fantasy, steamy romance for sweet romance, etc.) can also be effective for scaling your spend as you exhaust your core audiences or if you find your main sub-genre targets effective.
2. **BookBub**, precision can sometimes be beneficial, but similar rules to Facebook apply.
3. **Amazon**, you want to get as close to a 1:1 sub-sub-genre match as possible. Niche down as much as possible. Write regional crime novels? Great. Find the crime novels in that specific region (midwest, UK, whatever) and target those first, rather than every James Patterson book under the sun. That level of precision is not always possible, but you *should* be thinking this way. It improves ad performance dramatically. Then expand your targeting pool later.

For the actual mechanics of finding author comps, here's where I do research (95%+ is on Amazon):

- Amazon
  - Also boughts / also read / also viewed
  - Sponsored Product ads carousel on book pages
  - Amazon Author profiles
  - Top 100 Bestseller lists
- Google (e.g. "best indie urban fantasy books")
- BookBub
- Audience Insights on Facebook

## CREATIVE RESOURCES

Stock photo sites:

- Neo-stock (neostock.com)
- Depositphotos (depositphotos.com)

For copy and headline formulas download the cheat sheet at [nicholaserik.com/copy](https://nicholaserik.com/copy).

For creatives, download the swipe file at [nicholaserik.com/swipe](https://nicholaserik.com/swipe).

## FACEBOOK BEST PRACTICES & PROCESS

- **OBJECTIVE:** traffic (for sales), conversion (for mailing list subscribers; not recommended to use FB to build your mailing list—expensive and low engagement)
- **BIDDING:** Campaign Budget Optimization (CBO)
- **PLACEMENT:** Facebook News Feed Only (if you want to target Instagram, do so in a separate ad set because the CPCs and conversion will differ)
- **REGION:** start with US unless your book has UK regional tie-ins. Roll out successful US ads to UK. Can also do Canada and Australia if wide, but not recommended in KU due to lower page read rate and limited audience sizes in these regions.
- **TARGETING:**
  - **AUTHORS/GENRES:** in your sub-genre. Start here.
  - **MOVIES/TV:** related to your sub-genre (e.g. *True Blood* if you write paranormal romance or urban fantasy, *Battlestar Galactica* if you write space opera)
  - **AFFINITY:** go to Audience Insights, type in an author interest, then see what non-book related interests your readers have such as podcasts, clothing brands, board games, TV networks etc. Useful for scaling, but not recommended as a starting place.
  - **LOOKALIKES:** Organic mailing list, page engagement, website
  - **CUSTOM:** organic mailing list, all mailing list, page engagement, website, other authors' shared custom audiences (e.g. you can ask your author friends to share their page engagement audience w/ you, and then target everyone who has interacted with their page—this includes everyone who has clicked on their ads)
- **KEY STATS:** Unique Outbound CPC, conversion (must estimate this yourself)

## FACEBOOK PROCESS

For a launch or promo, you'll only do Step 1. For a backlist book, you can do both steps.

Budget-wise, let's say you have \$100 US for testing (this is just for the sake of argument—it could be more or less). You may think it's better to spread that out over more days. But it's usually better to spend *more* in a shorter time frame:

- \$5/day = 20 days of testing. But data is slow to reach reliability, so you can only iterate every 5 – 7 days.
- \$10/day = 10 days of testing. Can iterate every 3 – 4 days because data comes in faster.

By increasing the daily budget, you condense the testing timeframe and improve your ads quicker. Further, at higher budgets, it's easier to assess how the ads are converting—differences in sales or reads at \$5/day might be random fluctuations. But \$10/day or \$20/day should show a *clear* difference in sales or reads (unless your book is already in the Top 5,000 or higher).

### (1) First, nail down good CPCs by testing ads and audiences.

- **GOAL:** nail down reasonable CPCs by testing ads and audiences to Book 1.
  1. Set up a tracking sheet where you're logging, at minimum, expenses and royalties on a weekly basis. Daily recommended when you're learning Facebook Ads.

2. Start with 2 – 6 ads with same headline/copy, just different images (to 2 – 6 separate audiences—i.e. one audience per ad set, with the same ads running to each)
  - A. **3 x 3**: three ads, three audiences, \$2 – \$3/day per ad and audience to get the data in 2 - 3 days (e.g. 6 x \$2 - \$3 = \$12 – \$18/day)
  - B. **ADVANCED**: Start with 2 – 6 ads with completely different headlines, copy, and images
3. Wait until Learning Phase is complete (50 clicks for at least one audience / 500 impressions for at least one ad) so data is stable.
  - A. Evaluate ads based on CPC. Lowest CPC is the winner, so long as it has enough impressions.
  - B. If none of the ads are good, start over with new ads and new audience.
  - C. If some ads look at least semi-promising, create 2 – 6 iterations on your best performing ad (can also do your second/third best ads, too etc.).
    - A. Iterating involves changing *one* thing—the image, headline, or the copy—and leaving everything else the same.
    - B. Iteration Cycle
      - A. Image
      - B. Copy
      - C. Headline
      - D. Audiences
      - E. Repeat the cycle, start over from scratch if nothing looks good, or choose your own adventure to drill down into a specific problem area—e.g., you can test 15 images in a row.
4. Iterate every 2 – 3 days, depending on budget + time (need Learning Phase to complete), until you have ads with low enough CPCs.
5. Aggregate best similar audiences together to prevent Auction Overlap and limit ad fatigue (i.e. authors with authors, TV shows with TV shows, *not* TV Shows with authors) and run your best ads to them.
6. In future, when you already have audiences tested for your genre, can start with 2 – 6 ads to your best aggregate audiences. Still would keep this to 2 – 3 audiences during the testing phase.

**NOTE:** the more audiences and ads you try to test at the same time, the larger the budget needs to be.

**NOTE:** in genres with a lot of author targets (romance/mystery/thrillers), you don't need to test *all* or even most of the author audiences individually; they will have significant overlap. Instead, you want to test the 5 - 15 largest authors individually (250k+ in size). You can aggregate all the smaller authors together and test them as one larger audience; this will mitigate essentially testing 20 - 30 additional audiences that are all similar in composition to the 5 - 15 largest ones.

**(2) Second, nail down best converting ads.**

**NOTE:** you do not have to do step two (it is time consuming), but it will provide the most accurate data on which ads are converting best. You cannot use this process during a launch or promo—in those situations, focus on Step 1 (getting ads with low CPCs) and utilize best practices (target primarily authors/genres and use the book cover on the ad image) to avoid super-low conversion.

For wide books:

1. Turn off all your ads except for the one with the lowest CPC. Log conversion, book rank, and cost per sale (CPS) for 1 – 3 days. The longer you track, the more accurate conversion and cost per sale data will be.
2. Repeat process with your next lowest CPC ad(s) until satisfied.
3. Compare ads' cost per sale (CPS) to the series revenue per sale (RPS).
4. Turn ads back on with a CPS *lower* than the series RPS.

For Kindle Unlimited:

If you're in a Kindle Unlimited genre heavily weighted toward page reads like romance, you cannot compare CPS to RPS, as the bulk of your revenue will be page reads. Thus, while you can estimate conversion using this process, it is going to be a rough estimate at best.

1. Turn off all your ads except for the one with the lowest CPC. Log conversion, book rank, and cost per sale (CPS) for 1 – 3 days. The longer you track, the more accurate conversion and cost per sale data will be.
2. Repeat process with your next lowest CPC ad(s) until satisfied.
3. Turn ads back on with acceptable CPS based on your series' RPS and revenue per borrow (RPB) numbers. Cannot compare these directly, so have to eyeball the numbers.

**IMPORTANT:** always confirm that the ads are working by tracking your weekly and monthly profitability numbers. This is the final arbiter regarding whether the ads are effective (or not).

#### **ALTERNATIVE METHODS:**

1. Affiliate links (not recommended; not accurate) [use: never]
2. Relative method (looking at sales and profit in the period prior to starting or increasing ad spend to eyeball conversion) [use: launches and promos, since you have no baseline]
3. Relative + baseline method (using the relative method in combination with the baseline, which is the average daily sales and profit in a period where you weren't running any ads, or ad spend was consistent) [use: backlist, most accurate; if you have no stable baseline, just use relative method]

#### **FACEBOOK TROUBLESHOOTING: CPC**

From largest to smallest impact:

- Audience
- Image (use book cover to increase conversion)

- Headline
- Copy
- CTA button (I usually omit this, but can use Shop Now for paid books and Download for free books)
- Bottom Copy

## FACEBOOK TROUBLESHOOTING: CONVERSION

This is generally one of three things, in order of highest to lowest impact:

1. Amazon page issue (cover, blurb, price, reviews)
2. Creative issue where it's not clear that you're advertising a book (e.g., when using stock photos w/o the book cover on them) OR the creative is not tonally congruent with the book page (e.g., they click expecting a dark romance and get a steamy rom-com instead)
3. A placement issue (all placements selected instead of News Feed only)

## FACEBOOK COPY & IMAGES

I almost always start with the blurb and a square image with the book cover on it (usually the cover overlaid on top of the cover background w/o the text, if available). I also try a horizontal version.

Other images to test:

1. Book cover on stock photos
2. Book cover on black and white version of cover w/o text
3. Book cover on different cover backgrounds from the series (i.e. if I'm advertising Book 1, I might try Book 1's cover on the Book 2 cover background w/o the text)
4. Book cover background w/o text (no cover)
5. Stock photos (no cover) (I only use these if the cover is burned out, not working, or Facebook won't run it; I'll either conversion test these one by one if I want to scale, or use them with the Free in Kindle Unlimited headline and/or book excerpt as the copy if I'm doing a launch and can't conversion test)

For copy, other than the blurb test:

1. Excerpts
2. Teasers
3. Taglines
4. Review Quotes

## BOOKBUB BEST PRACTICES & PROCESS

- **BIDDING:** CPM for time sensitive campaigns and scaling; CPC can be useful for backlist, but CPM works here as well
- **TARGETING:** test one author at a time and narrow by your genre(s); never target genre alone; can aggregate authors together once they're tested and confirmed to be effective audiences
- **RETAILERS:** Amazon US for testing, then roll out successful ad creatives and audiences to other regions/retailers. Can begin tests with non-Amazon retailers/regions for wide books, as sometimes these will perform well for certain audiences while Amazon US performs terribly.
- **KEY STATS:** CTR and CPC (conversion tends to be fine)

## BOOKBUB PROCESS

1. Test one ad creative to three audiences (one audience per ad, so three separate ads) on Amazon US only. Budget of \$5 per ad. Looking for ads with CTR of 1.5% - 2%, although can be lower in crime/mystery/thriller.
  - a. If none work, scrap creative and try a new creative to three new audiences. Repeat until you find an audience and creative that works.
  - b. If you're wide, you can test by targeting all retailers/regions EXCEPT Amazon instead. Many audiences that perform poorly when targeting Amazon US can be useful if you target the other retailers/regions instead.
2. Then test three new creatives to that winning audience; rinse and repeat until you have a stable of effective audiences and creatives.
3. Increase test budget of any audiences that return a 1.5% - 2% CTR to \$8 - \$15 to confirm that results hold over a larger sample size.
4. Aggregate effective audiences together, run to all retailers/regions you want to target, and run best creative(s) to them OR keep individual audiences running at smaller budgets. The former is easier to manage, but can cause CTR to plummet; the latter can burn the ads out a bit faster and is difficult to scale as high.
5. Scale ad spend. BookBub spends extremely fast, especially at high CPMs, so only enter amounts that you're willing to pay. I like to scale by feeding it in intervals to monitor how CTRs are doing, particularly if I just aggregated the audiences together. I might start the day with a \$50 budget, let that spend, then come back at noon or 2 PM and give it another \$50 if the CTRs look good, and so forth. This allows me to adjust course if I notice any degradations in ad performance, but it's also very time-intensive.

You can test more than three audiences or creatives at a time to go quicker (I often do). The downside is that if you test one bad ad creative to seven audiences or ten audiences, you've burned more money *and* you may have accidentally ruled out some audiences that would have been effective with a better creative.

## FOR BACKLIST SPECIFICALLY

Use the same process as outlined above, but don't scale the daily spend high unless you want to burn out your ads. The daily spend threshold will vary based on genre and audience size.

## AMAZON BEST PRACTICES

- **RECOMMENDED AD TYPES:** sponsored products (keywords/ASINs), auto ads, category ads
- **BIDDING:** Dynamic Bids Down only (default), can use Dynamic Up and Down when trying to scale aggressively or are confident that a certain target converts well for that book.
  - Difficult to get significant impressions with the keyword and ASIN ads in some genres without bidding \$1+ (e.g. romance or crime/mystery/thriller). If your book isn't profitable at these types of bids, don't force it.
  - Category and auto ads can sometimes pick up cheaper clicks on targets that would cost you significantly more when targeting them via ASIN or keyword.
- **REGIONS:** US to start, UK later; regional stores if you have translations in that region's language available.
- **TARGETING:** ASINs, book and series titles, author names, genres, related keywords (e.g. magic, werewolves, New York)
- **COPY:** can choose to write copy or just use the Standard (no copy) option. Copy does not usually make a significant difference in performance. Your cover impacts CTR and ad performance much more.
- **KEY STATS:** CPC and CTR (indication of relevancy; I look for 0.25%+ in most genres—0.10%+ is acceptable in mystery/thriller/crime genres).
  - I do not care about CTR for category or auto ads; it will be much lower than 0.25% in most cases, since these ads are broadly targeted. That is fine.
  - ACOS will be extremely inaccurate as a measure of an ad's performance if you're in Kindle Unlimited since it does not factor in KENP, so I tend to use it as a ballpark estimate at extremes (e.g. 1200% ACOS = likely bad).
  - Note that the Amazon Ads dashboard's stats are not real-time, so it can take 3 days for certain metrics to finalize and up to 14 days for sales and KENP data to finalize.

## AMAZON PROCESS

For **each Book 1** or **box set** that makes financial sense (e.g. is profitable) to advertise, create the following ads:

Important: tightly curated means same sub-genre and similar branding. E.g. if you write an urban fantasy series starring a male protagonist, focus on the urban fantasy books with male protagonists. In this instance, books with female leads would be medium curated; paranormal romance would be loosely curated.

Another example: if you write dog cozies, target only dog cozy keywords/ASINs to start. You can branch out later. But the more relevant the keywords are, the better the conversion, the cheaper the CPCs, and more likely Amazon is to show your ads.

Recommended Ads:

1. Category ads (create separate ads for each category that makes sense—e.g. if your book fits into romantic comedy, contemporary romance, and sports romance, create a separate ad for all three; they'll perform differently depending on how the book is positioned).  
[research / sales]
2. Auto ad for Book 1 [research / sales]
3. Auto ad for rest of series (e.g., Books 2 and beyond)
4. Sponsored product ad with author names in your sub-genre using broad match. [research / sales]
5. Sponsored product ad with 15 – 50 tightly curated indie author/book-related keywords using phrase or exact match OR ASINs (indie authors/book titles/series titles/character names) (can build this later based on the author names that generate a high CTR / convert in the broad match author name campaign above; can also add beyond 50 keywords or ASINs, this is just a starting point) [sales]
6. Sponsored product ad with 15 – 50 tightly curated trad-pub author/book-related keywords using phrase or exact match OR ASINs (indie authors/book titles/series titles/character names) (can build this later based on the author names that generate a high CTR / convert in the broad match author name campaign above; can also add beyond 50 keywords or ASINs, this is just a starting point) [sales]
7. Sponsored product ad with tightly related genre-related keywords (e.g. romance/sports romance/hockey romance) [sales]
8. Sponsored product ad with genre related nouns (e.g. wizard/warlock/vampire/London) [sales]
9. Converting keyword or ASIN campaign. Take keywords or ASINs that converted (generated sales or KENP) from the research campaigns, and put them in this campaign to start slowly generating a master campaign of proven keywords or ASINs that generate sales.

For bids:

1. If you want decent impression volume, you're usually looking at the suggested bid at a minimum. For very competitive ASINs/keywords, bidding at the top end of the range is often necessary to win consistent impressions.
2. Bid a cent or two above round numbers to outbid other people who gravitate toward those.

To manage and prune keywords/ASINs:

**IMPORTANT:** Establish one day a week where you perform this process. Consistency is key here; doing it weekly compounds over time. Doing it weekly is best in most instances; more often is not better and will *negatively impact* the results rather than improve them. If you're running huge budgets (hundreds of dollars a day), perform this process every 3 – 4 days instead of weekly.

1. Shut off keywords/ASINs that aren't performing (I use a no sales or KENP in 20+ clicks threshold, which is equivalent to a 5% conversion rate)

2. Shut off any keywords/ASINs that have 1,000+ impressions and less than a 0.25% CTR (0.1% in mystery/thriller/crime).
3. Shut off any keywords/ASINs that have 400+ impressions and no clicks (1000+ in mystery/thriller/crime).
4. Shut off any ads that still aren't performing after I've tweaked the keywords/ASINs using the process above for a few weeks or months.
5. Adjust bids, increasing if you want more impressions on a keyword or ASIN that is performing well, or decreasing if cost per sale is too high but keyword or ASIN is generating decent conversion.
6. Move any keywords or ASINs that have converted in the category / auto / broad [research campaigns] into your conversion campaign.
7. Optional: negative target the ASIN or keyword in the original research campaign.

And finally:

8. Add keywords/ASINs to your campaigns as new books are released in your sub-genre or you identify additional author comps.
9. Repeat.

## COPY

The cover plays the biggest role in CTR (looking for 0.10 – 0.25%+). Effective copy that's tightly matched to the underlying targeting can be helpful, but tends to have a minor impact on the ad's performance.

## IMPRESSION TROUBLESHOOTING

If your ads are getting low or very few impressions, it's usually one of four problems:

1. Bid isn't high enough (far and away the most common reason)
2. Targeting isn't relevant
3. Not enough impression volume (e.g. if you target a book ranked 100k, your bid might be high enough and it might be relevant, but less than 10 people are likely visiting that page a day)
4. Ad has been rejected. With the ad groups, it'll show as "delivering" on the dashboard, but when you drill down into the ad, it'll say "suspended" next to the book.



## TARGET METRICS

### FACEBOOK (CPCs)

CPCs rise as you spend more. Make sure you're looking at the Unique Outbound CPC metric for maximum accuracy.

CPCs below are for a full price book that's either wide or Free in Kindle Unlimited. Truly free books generate CPCs about 30% - 40% lower than the stated ranges.

A higher CPC than the stated range does *not* mean that your ads are bad or unprofitable. These are just rough guidelines; there are many, many exceptions. **Net profit** is always the most important metric.

- Cheapest: Romance (sub \$0.15 possible, \$0.15 - \$0.25 @ \$50+ daily ad spend)
- Middle: SF/Fantasy (\$0.15 - \$0.25, \$0.25 - \$0.30 @ \$50+ daily ad spend)
- Most expensive: action/adventure/thriller/crime (\$0.25+ expected, \$0.35 - \$0.50 @ \$50+ daily ad spend)

### BOOKBUB (CPMs)

- Cheapest: action/adventure/thriller/crime (\$8 - \$10)
- Middle: SF/Fantasy (\$10 - \$12)
- Most expensive: Romance (\$12 - \$15)

### BOOKBUB (CTRs)

For \$0.99 or Free in Kindle Unlimited books serving to Amazon US, these are what I'm aiming for CTR-wise (CTRs for full price books and ads serving to other regions/retailers will differ):

- Lowest: action/adventure/thriller/crime (1 - 2%)
- Middle: SF/Fantasy (2 - 6%)
- Highest: Romance (2 - 7%)

### AMAZON (CTRs)

CTR is used to assess the relevancy of your targeting. E.g. if you put your epic fantasy book in front of non-fiction readers, CTR is going to be low. A low CTR on a profitable ad is fine, but if you're generating a lot of clicks but low conversions, then CTR is the first troubleshooting metric to look at.

- **CTR** (ASIN / Phrase or Exact KW ads): 0.25%+ (0.1% in crime/thriller)
- **CTR** (category / AUTO ads): ignore—will generally be low, which is fine.

## CONVERSION & SELLTHROUGH (ALL PLATFORMS)

Target Conversion Rates	CV % (FREE)	CV % (\$0.99)	CV % (\$2.99+)
Facebook	15 - 25%	5 - 8%+	0 - 5%
BookBub	-	10 - 12%+	1 - 5%
Amazon Ads	-	6 - 12%+	3 - 8%+
Target Sellthrough	B1 to B2		
Free	2 - 5%		
\$0.99 B1 to Full Price Book 2	15 - 20%		
\$2.99+ B1 to Full Price Book 2	30 - 40%+		
KU	50 - 60%+		

Sellthrough will vary based on genre. But if you're seeing numbers 10%+ higher than this, sellthrough-wise, it's either a unicorn book (possible—in which case you should look into possibly scaling your ad spend) or the numbers were calculated incorrectly.