

Growing Your Business With Facebook Ads

How advertisers and agencies can maximize their online advertising investment with Facebook Ads

April 2011

This SearchManager Whitepaper Addresses

- The Basics of Social Media Advertising
- Best Practices for Facebook Ads and Pages
- Best Practices for Facebook Paid Advertising
 - Structuring Facebook Ads Accounts
 - Building Facebook Ads
 - Targeting Facebook Users
- Using SearchManager Solutions to Simplify Facebook Ads Success

CONNECT WITH MORE THAN 500 MILLION USERS WITH FACEBOOK ADS

Facebook is among the world's largest websites, and it has its own proprietary, bid-based advertising platform—a significant new way to connect with current and potential customers. This is exciting for direct response advertisers; Facebook is arguably the first differentiated self-service CPC ad system to come along after Google AdWords, Yahoo® Search Marketing and Microsoft Advertising adCenter® (Bing™) that has the ability to deliver quality traffic on a comparable scale.

What Are Social Networks?

Social networks are online media that facilitate social interaction. They represent one of the most important innovations in online advertising since the introduction of search engines.

Social Network Membership

• Facebook: 500 million+

• Twitter: 100 million+

ines. • LinkedIn: 75 million+

Social networks are as old as the internet and the World Wide Web. In the beginning, they were represented by thousands of small bulletin board systems (BBS), but these were eventually supplanted by major networks like Prodigy, MSN° and America Online (AOL).

Web-based social networks have become much more prominent in recent years—beginning with Friendster, and progressing through MySpace, Twitter and Facebook. Today, major social networks have hundreds of millions of members.

This scale represents a huge new opportunity for advertisers. This is especially true since the introduction of proprietary, auction-based advertising on social networks in recent years. Earned social media tactics have been a consistent part of the online landscape. Paid social media advertising is new. As more and more online customers migrate to social networks, it is critical for advertising dollars to follow them there.

"Effective Word-of-Mouth Advertising at Scale"

What sets Facebook Ads apart from every other advertising channel is the ability to engage in "word-of-mouth" advertising in a scalable and measurable way. As Facebook COO Sheryl Sandberg told the *Wall Street Journal* in 2010, "We enable effective word-of-mouth advertising at scale for the first time." Facebook does

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PROGRESSION OF SOCIAL MEDIA MARKETING



this by plugging you into a network of over a half-billion users. Every one of those users provides a huge amount of demographic information about themselves. Most

"We enable effective word-ofmouth advertising at scale for the first time." importantly, they connect with one another by discussing their interests, "likes" and dislikes.

Sheryl Sandberg, Facebook COO

with Facebook Ads.

In this white paper, we'll show you the fundamentals of building your business

INTEGRATING FACEBOOK ADS INTO YOUR OVERALL MARKETING PLAN

Nothing matters without purpose—and that's especially true of media and advertising. What is the purpose of television advertising? Awareness. The purpose of print media? In-depth and qualitative communication. The purpose of radio advertising? To connect with shoppers. The purpose of outdoor advertising? To remind people who are in a position to shop. The purpose of search advertising? To capture shopper intent. For decades, these assumptions of purpose have guided trillions of dollars in marketing and advertising spend. But what about the purpose of Facebook advertising?

Search marketers have always targeted individuals with well-defined intentions by using keyword-based advertising. Social advertising introduces new opportunities to connect with interest-and relationship-based targeting. In effect, Facebook enables companies to generate purchase intent by tapping into interests and social preferences. Success lies in matching the right offers and message with the right combination of interests and demographics. As a result, Facebook Ads are particularly effective at the top and middle of the funnel: establishing brand recognition, generating interest, and maintaining loyalty.

As with other new media channels, the earliest success on Facebook has come with B2C advertising. (Facebook-native offerings that keep users on the site have been particularly successful.) Small consumer brands pioneered Facebook advertising, but larger brands have grown more comfortable as the channel has matured.

Given the size of the total audience, all marketers are likely to find their customers on the network. As a result, larger advertisers have begun to experiment with B2B marketing on Facebook.

It is important to remember that all of this is still very new; every statement about the "purpose" of Facebook Ads is necessarily variable. As more marketers move advertising dollars to Facebook, more data will be generated and what most successful marketing objectives served by Facebook Ads will be more clearly defined.

While "generating intent" is the over-arching purpose of Facebook Ads, specific marketing campaigns can be divided into three categories.

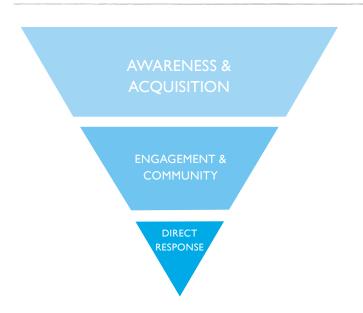
Awareness & Acquisition: Getting Customers

"Generating intent" means building awareness about your brand and connecting with target audiences. Leads generated by these efforts can result in "Likes" of your ad or Facebook Page, or traffic to external landing pages.

Engagement & Community: Building Fans and Maintaining Loyalty

If your goal is to drive engagement and manage communities, you should direct traffic to internal Facebook Pages. This allows you to connect with and communicate with fans and drive customer loyalty. The more users "Like" your Page, the stronger your voice in the Facebook conversation.

Managing an engaged community is particularly important for small or local advertisers. While a major brand like Starbucks® might spend millions of dollars building a Facebook community, a local coffee shop can do the same for its customer base with a significantly smaller investment. A few groups of friends might be enough for a local advertiser to build a substantial number of committed fans.



Direct Response: Performance Advertising

If your goal is to generate specific conversions, you will probably direct traffic to an external landing page. While this can be an important component of an overall Facebook marketing strategy, we strongly suggest that advertisers coordinate direct response efforts to align with and complement acquisition and engagement efforts.

Whatever category, or categories, your Facebook marketing falls into, you have two tools at your disposal: Facebook Pages and Facebook Ads. In the following section, we discuss best practices for both.

BEST PRACTICES FOR FACEBOOK FAN PAGES

"Awareness" on Facebook is very closely tied to "Engagement & Community Building." The best way to keep customers aware of your offerings on Facebook is by turning them into connections, otherwise known as "Fans." To do so, you'll need to create a Facebook Page.

Introduction to Facebook Pages

Facebook Pages can be thought of as mini-websites within Facebook. They allow you to "connect with your audience, share your story and participate in real-time conversations quickly and easily on Facebook." With a Facebook Page, you can easily communicate information about your business—from hours and prices to locations and menus. Facebook Pages also allow users to engage with you by "liking" your page, which creates an explicit connection between your page and the user. This connection is a valuable conversion which allows you to remarket to the

user (and her friends!) via Page updates or "posts" and via targeted advertising.

Building a Facebook Page is easy—you can have one up and running in minutes. But building a page that users will want to engage and return to, like any worthwhile marketing effort, requires additional effort.



Best Practices for Facebook Pages

With hundreds of millions of users on the site every day, not having a Facebook Page can be a significant missed opportunity. But there is one thing worse than not having a Facebook Page: having a blank, out-of-date, or ugly one.

You should only create a Facebook Page if you, or someone within your organization, can update it regularly with authentic, engaging and fresh content. This can include news about your business ("Sale This Week Only!") or a feed from your official blog. If you decide to allow customer comments, you will likely want to moderate them.

If you decide to create a Facebook Page, you'll give your customers a hip, casual way to interact with you and each other. At the same time, you'll give yourself a sophisticated tool to learn about and communicate with some of your best and most highly-engaged customers. You can send them targeted messages and build advertisements specifically for self-identified fans. It will be one of the most important marketing channels in your organization.





Top 5 Tips for Facebook Pages

- 1. Don't leave it blank
- 2. Include dynamic content
- 3. Moderate comments
- 4. Build a feed from your blog
- 5. Review your Page every day

THE STRUCTURE OF FACEBOOK ADVERTISING ACCOUNTS

Facebook Ad accounts differ from search marketing accounts in several important ways. Search Advertising accounts are divided into campaigns, where you can set budgets and targeting parameters. Each campaign contains multiple ad groups, and every ad group is composed of ad creatives, keywords, and placements. Though this structure may sound complex to advertisers who are new to online advertising, it actually makes it much simpler to target ads with precision.

For instance, an advertiser promoting a restaurant can create separate ad groups for "pizza," "hamburgers" and "subs," and include the relevant keywords and ad creatives in each ad group. This allows marketers to show ads related to "pizza" only to users performing queries on related terms. If, by contrast, every ad and keyword is included in the same ad group, a search for "pizza" might trigger an ad for "subs," a search for "hamburgers" could trigger an ad for "pizza," etc. This would result in lower click-through rates, fewer conversions, and less effective advertising.

SEM Account Structure

Facebook Ads accounts also have campaigns, where budgets can be set. But, unlike search campaigns, targeting is set at the individual ad level, rather than the campaign level. (In other words, Facebook Ad campaigns are collections of individual ad creative, each with potentially unique targeting.)

The most important difference between search and Facebook Advertising is that there are no keywords in Facebook Ads. Instead of a specific search query (keyword)



triggering an ad to be shown on a search engine results page, Facebook Ads are delivered to users who match the targeting set in the ad, like "18-25 year-old males in relationships in Montana with an interest in Football and Soccer." Each targeting parameter is related to a single ad. While this can make management of Facebook Ads more time-consuming than managing search marketing ads, it also forces marketers to match their message to their audience—a best practice that's consistent across all advertising channels.

Social Ad Account Structure



COST-PER-CLICK (CPC) BIDDING FOR SOCIAL MEDIA

Facebook Ads are comparable to "content network" ads on major search networks like Google AdWords or Microsoft Advertising adCenter (Bing), with comparable click-through (CTR) and conversion rates.

There is a significant difference between Facebook Ads and search network content ads. "Content Network" ads appear on pages with related content. For instance, an ad for "earphones" might appear on a blog with product reviews, or a music site. Therefore, a "25-30 year-old male from Baltimore attending Johns Hopkins" will only see ads related to that demographic; local fast



food delivery, apartment listings, gym memberships. It doesn't matter if they're on a Baltimore Orioles fan page, or a page promoting the film "Eat Pray Love." The ads will always be related to user profiles rather than page content. Facebook Ads are only triggered by user profiles.

HYPER-TARGETING YOUR AUDIENCE WITH FACEBOOK ADS

Search engines succeed by identifying a good match between a user's query and a relevant ad, which attracts a click. Extended to display advertising on publisher sites, search engines' content networks succeed by semantically processing the content of the page and matching it with ads that are relevant to the "meaning" of the page. The effectiveness of a program like Google's content network is truly an impressive algorithmic feat.

In contrast, Facebook does not have to solve this difficult thematic computational problem in order to target their ads effectively. This is because Facebook users build and maintain authentic, data-rich profiles which include a wealth of targetable information.

Social networks like Facebook collect a wealth of detailed information about their users — the very purpose of a social network profile is to serve as a repository of users' personal information. While users may use this information to connect with friends, advertisers can use this information to understand and target their audience.

There's a very simple rule for success with Facebook Ads; Take advantage of all the targeting options, not just one or two. If you try to put out an ad with broad, sweeping targeting criteria, like "everyone under 18 in New York," or "all men who have a college education and like Football," you're likely to have poor click-through rates, and your ads will stop getting impressions. Instead, try to identify as many sub-groups as possible, and create different ads for each sub-group.

For example, if you are a chiropractor with offices in Dallas, you might want to create ten different ads targeted to men aged 25-55 in Dallas, each targeted to interest in one of ten different sports, with ad copy like "Nagging Football Injury—See A Chiropractor," "Nagging Basketball

HYPER-TARGETING YOUR AUDIENCE	facebook
Geographical Location	✓
Age	✓
Gender/Sex	✓
Language	✓
Cultural Interest/Hobby/Fan Status	✓
Education Level	✓
Relationship/Marital Status	✓
Workplace/Employer	✓
Sexual Orientation	✓
College/Alma Mater	✓
College Major	✓
Birthday	✓

Injury—See A Chiropractor," and so on, for soccer, hockey, baseball, tennis, etc.

Even if you feel that your customers are not easily hyper-targeted, consider the possibility of targeting a subset of your customers. For example, an online DVD retailer might find that overall, their audience is very broad, but they might want to individually hyper-target a single ad for the DVD Rudy to men who are between the ages of 22 and 40, list "Notre Dame" as their alma mater, and include "Football" among their interests.

While social network hyper-targeting is an awesome capability, hyper-targeted social network ads can be more time-intensive to manage than search engine CPC ads. Some advertisers have long waited for this capability. They'll review the targeting options on Facebook, and say, "Tve been wishing I could serve my ads only to female football fans in Massachusetts to sell these pink Patriots jerseys." If you're one of those advertisers, hyper-targeting is absolutely worth the effort.



BUILDING EFFECTIVE FACEBOOK ADS

So you're skilled at writing ads for Google AdWords and Microsoft adCenter, but now you're expanding your online advertising to Facebook. What is different about ads on social networks? How should your ad copy be written for Facebook? Do different best practices apply? They do. While some of the methods and restrictions of social media ads are different, the same principles apply for search and social ad creatives.

Let us first try to understand the best practices of search ad copy writing in a general way. Skilled search marketers know that when someone searches for "attorneys", you should give them an ad for "Attorneys"; when someone searches for "lawyers", you should show them a different ad for "Lawyers." The ad copy should be as relevant to the query as possible.

An advertising medium with advanced targeting capabilities, on the other hand, allows marketers to create specialized ads that are specifically relevant to particular niches. Ads are more effective when they are more specifically relevant to the individual who sees them. The same is true on social networks, where instead of targeting your ads by keyword, you target by demographic and social niche. Social network ads provide you with a unique opportunity to show people an ad that is obviously well matched to their individual interests and traits—even before they enter a keyword into a search engine.

Facebook Ad Creative Parameters

Before discussing specific tips, it's important to review the restrictions and parameters of Facebook Ads. Even if you're very familiar with search marketing ads, there are important differences you need to be aware of.

Facebook Ads have three components:

1. Title

As with search marketing ads, Facebook headlines can have a maximum of 25 characters. They appear in bold, above images and descriptive text.

2. Body copy

Description text on Facebook Ads can be up to 135 characters, which is nearly double the 70 you get on major search networks.

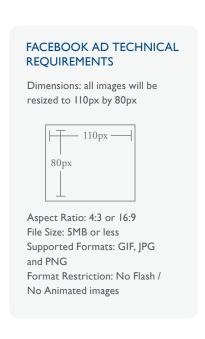
3. Thumbnail image

Unlike typical PPC ads, Facebook Ads require images. If you don't have any other appropriate image, you can use your logo as a last resort.



Technical requirements for Facebook Ad imagery are detailed in the box to the right. In addition, all pay-per-click Facebook Ads must adhere to Facebook's Advertising Guidelines:

- Images must be relevant and appropriate to the ad.
- Overly suggestive and graphic images are prohibited.
- Any text in the image must adhere to the same policies that apply to regular text ads.





(For more information about Facebook's guidelines and restrictions, please visit: <u>Facebook.com/ad_guidelines.php</u>)

Grouping Facebook Ads

Separate campaigns into additional targeting groups, so you can make your ads more personalized. Your business may serve two segments equally, but you can still make separate ads for each niche. Consider these two ad copies: "Seattle's Top Divorce Lawyer. Don't let your soon-tobe-ex-wife take all your stuff" vs. "Seattle's Top Divorce Lawyer. Don't let your future soon-to-be-ex-husband take all your stuff" An equal number of men and women get divorce lawyers, but if you target by gender you can specifically address whether the potential client is divorcing a wife or a husband. Or consider these ads for a bar in Cambridge, Massachusetts: "Joe's Bar in Central Square, Cambridge. Thursday drink specials with your MIT ID card" vs. "Joe's Bar in Central Square, Cambridge. Thursday drink specials with your Harvard ID card". Even though the drink special is available to all college students, making different ads for each of Cambridge's universities gives each ad a more personal touch.

Address Your Demographic

Mention or directly address the target audience in your ad copy. If your ad targets female Boston Celtics fans, include a phrase like "Celtics girls" in your ad. If you are urging 35+ married men to buy vacation packages to take with their wives, try an ad copy like "Take your wife to the Caribbean for Valentine's day"—you know they're married, so go ahead and say so in the ad copy.

Mention Related Interests

Consider adding an additional interest that is not directly related to your product just to grab attention, like targeting fans of different celebrities for ads for a hair salon. "Vavoom Salon. Get your hair styled like Britney Spears." vs. "Vavoom Salon. Get your hair styled like Whoopi Goldberg." vs. "Vavoom Salon. Get your hair styled like Catherine Zeta-Jones." Same salon, but different audiences, different idols, and different hair styles—why not have different ads?

Include the Right Image

Include an image that will appeal to your niche audience. If you're advertising a retail product, include a photo of the product that will resonate with them or catch their

attention. A female Celtics fan is likely to find a pink Celtics jersey rather eye catching, and an NYU student is likely to notice the NYU logo in your ad. When possible, include images of human faces. Users are more likely to engage with images of other humans.

MEASURING THE SUCCESS OF YOUR FACEBOOK ADS

Don't run paid ads on social networks if you're not measuring conversions—even if your primary goal is to generate connections or "likes."

Tracking Conversions Within Facebook

For ads that have a landing page within Facebook, tracking performance is simple. Facebook will automatically provide you with basic tracking metrics, such as impressions, clicks, click-through rate (CTR), fan sign-ups, and "likes."

Recently, Facebook introduced a new set of "Social Context" metrics. If you're a frequent user of Facebook – and if you're advertising there, you should be! – you've probably seen ads that include information about your direct network below them. (Such as the message "Jane Smith likes this.") If you click the link to "Like" of an ad, you'll become part of the "social context" yourself.

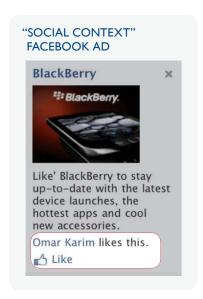
"Social Context" metrics include:

- Social impressions: Ad impressions that include social endorsements.
- Social %: The percentage of ad impressions that were delivered with social endorsements.
- Social clicks: Clicks on ads that originated from an ad with social endorsements (e.g. a social impression)
- Social CTR: Social clicks divided by social impressions.

Because these metrics are new, there is no data yet regarding the impact of "social context" on advertising performance. As more advertisers track these figures, we'll learn more about "social context," and how to take advantage of it to improve performance.

Tracking Conversions Outside of Facebook

To track conversions to pages outside of Facebook, you'll need to have access to a third-party solution. SearchManager Conversion Tracking, for instance, is a powerful intelligence system that allows you to track

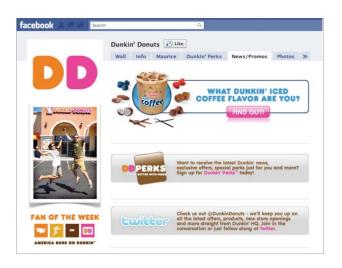


and report on conversions on your website from Facebook, as well as other networks like Google AdWords, Yahoo Search Marketing and Bing — all with a single tag on your website. SearchManager Conversion Tracking also introduces powerful custom reporting capabilities for your business.

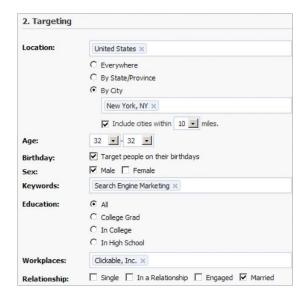
SUMMARY

Facebook Ads represent an exciting opportunity for a wide-variety of advertisers. If you're still unsure about whether Facebook Ads are right for you, here are three major points to consider:

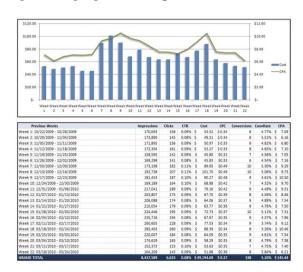
Do try Facebook Ads, if your goals include Awareness & Acquisition, Engagement & Community Building, or Direct Response.



Do try Facebook Ads, if you can describe your target audience in terms of its social, cultural, demographic or psychographic characteristics.



Do try Facebook Ads, if you can define your goals and implement proper tracking and success measures.



As you can see above, Facebook Ads are right for almost every marketer advertising online today. By employing best practices and tools, you can significantly improve the likelihood of achieving your marketing objectives.





Help Increase Your Search Marketing Results with SearchManager Pro

Manage your pay-per-click (PPC) campaigns all in one place and help your business get found online with SearchManager Pro from American Express®. SearchManager Pro is a best-in-class, self-managed solution that can help maximize the power of search engine marketing to help companies generate new customers and increase sales.

This sophisticated marketing solution can assist businesses currently using search by consolidating and managing PPC campaigns across all major ad networks:

Improve Results and Consolidate Campaigns

- Increase conversion rates by receiving better insight, which can help you make more informed decisions.
- Help deliver lower cost per acquisition, which can lead to reduced expenses.
- Receive objective, daily recommendations so you can make informed decisions for your PPC campaigns.
- Create customized and branded reports of your campaign performance.

Save Time and Increase Productivity

- Manage your PPC campaigns across all four major ad networks Google, Yahoo!, Microsoft and Facebook all in one place.
- Bulk edit keywords and automate bid management.
- Access a user-friendly dashboard to quickly manage your performance and review easy-to-understand analytics, refreshed daily.

Peter Argondizzo, President and Operations Manager of Argo Translation in Chicago, says he was flying blind when it came to buying keywords.

"When we first started doing Google AdWords through our marketing consultant, I really thought of it as just a black hole," Argondizzo says. "With SearchManager Pro, we're able to intelligently track what's really in the account day-to-day and also see what's good money and what's not."

New to search engine marketing?

Let us get you started by talking to an expert today about your customized search ad campaign. Call 1-800-261-9747.

For a 15-day free trial* or to learn more, visit searchmanager.com.

*After the first 15 days, you will be automatically charged the greater of \$49/month or 5% of monthly ad network costs each month until you cancel by calling 1-800-261-9747.





Choose the Appropriate Level of PPC Help with SearchManager Premium or SearchManager Elite

Managing your pay-per-click (PPC) campaigns can be time consuming. With SearchManager Premium, a dedicated specialist can help you jumpstart your search marketing strategy. Or select SearchManager Elite and have an entire team of trained specialists manage every aspect of your PPC efforts. This support helps provide peace of mind that your PPC campaigns are in capable hands.

Choose the solution that's right for you:

SearchManager Premium

SearchManager Premium offers all of the benefits of SearchManager and more:

- Receive customized service from a dedicated paid search marketing specialist who can help you get more from your PPC efforts.
- Set up conversion tracking and help increase ROI.
- Review top keyword recommendations and access custom reports and analysis.
- Receive monthly expert growth recommendations.
- Manage multiple new works easily and efficiently so you can save time and focus on your business.

Dave Jacobs, President/CEO of TechKnowledge Consulting Corporation in Bellaire, Texas, admits he was wasting "a huge amount of money" buying keywords. His SearchManager Premium specialist quickly showed him how to limit his keyword buys by location. Since using SearchManager Premium, telephone inquiries have doubled.

"I could spend the rest of the month trying to get smart about this, but to access some top talent who does this for a living, I just think that's a good investment for the company," Jacobs says. "In a small business, the owner's time is a very scarce resource, and that often limits what a company can accomplish."

SearchManager Elite

With SearchManager Elite, a dedicated team of search marketing specialists can do all the work so you feel confident that you are getting the best ROI for your marketing dollars:

- Save valuable time on your paid search efforts.
- Receive a custom-tailored paid search advertising program.
- Help increase your conversion rates.
- Have your ad copy analyzed by experts and receive valuable competitive analysis.

When search is critical to your business, SearchManager Elite will do all of the work for you so you can concentrate on running your business.

To learn more about how SearchManager Premium or SearchManager Elite can help you achieve the results you're looking for, call 1-800-261-9747.



CHOOSE A SOLUTION THAT'S RIGHT FOR YOUR BUSINESS

	SearchManager Pro	SearchManager Premium	SearchManager Elite
Full access to all SearchManager features	\checkmark	\checkmark	\checkmark
Award-winning optimization platform	√	\checkmark	✓
Daily recommendations	\checkmark	\checkmark	√
Improved paid search results	\checkmark	\checkmark	\checkmark
Custom recommendation of automated actions	\checkmark	\checkmark	\checkmark
One dashboard to manage campaigns	\checkmark	\checkmark	\checkmark
Free account replication into Bing and Yahoo!	√	\checkmark	\checkmark
Ability to easily analyze results and produce reports	√	√	\checkmark
Integrated call tracking	√	√	\checkmark
Cross network bulk editing	\checkmark	\checkmark	\checkmark
Personalized recommendations	√	√	√
Unparalleled customer service	\checkmark	\checkmark	\checkmark
Dedicated Search Specialist		\checkmark	\checkmark
Conversion tracking setup		\checkmark	\checkmark
Advanced account diagnostics		\checkmark	\checkmark
Monthly expert growth recommendations		\checkmark	\checkmark
Custom reports and analysis		\checkmark	\checkmark
Clickable monthly digital industry report		\checkmark	\checkmark
Keyword discovery, review and ecommendations		\checkmark	\checkmark
Dedicated Search Specialist team			\checkmark
Competitive analysis			\checkmark
Keyword research and implementation			\checkmark
Geo-targeting			\checkmark
Custom-tailored, paid search advertising program			\checkmark

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