Although in its infancy still, the Facebook advertising platform is performing well for thousands of advertisers. The platform’s ability to target ad demographics is already legendary, and, because prices are determined by a supply and demand-based bidding system, now is probably the best time to jump in. Ads can be purchased on both a pay for thousand impressions (CPM) or pay for clicks (CPC) basis — at extremely low price points while supply far exceeds demand. Whether marketers are looking to micro-target their audience or reach as broad an audience as possible, there is no better social networking platform for advertising than Facebook.

Facebook offers marketers a full range of metrics to measure success via the Web site’s internal ad management reports, exportable reports, and the new Facebook Insights dashboard, which lets you collect data on visitors to your Page.

We show you how to use the Facebook reporting tools to gauge the number of impressions, click rates, and other valuable traffic data, including number of fans added, demographics of responders, number of visitors to the Page, and those that engaged in an activity while on your Page (see the “Viewing Facebook Ad Reports” section later in this chapter).
And finally, we show you how the new Facebook Insight tools can provide you with the metrics to measure the effectiveness of your Page and maximize its potential (see the “Optimizing Your Page” section later in this chapter).

**Testing Your Ad**

As with all online advertising, it’s a good idea to test several variations of your ad before you commit the bulk of your advertising budget. Facebook makes it easy to copy an existing ad, change the title, body copy, photo, targeting, CPM/CPC pay model, bid, referring page (internal or external), or any combination of the above (see Chapter 9 for details). Because you can set an individual budget for each campaign and track its effectiveness, you’ll be able to identify the better performing ads. With some historical data, you can optimize your campaign by increasing the budget on better performing ads and decreasing or eliminating the poorer performing ones.

Test both CPC and CPM campaigns. A particular campaign with a strong call-to-action or offer is likely to have a strong response rate, regardless of its purchase model. If a campaign is targeting an extremely granular (narrow or highly targeted) audience, CPC-based ads often deliver a more cost-efficient ad buy.

**Tracking your ad’s success**

The Facebook Ads reports, accessible via the Report link on the top of the Ad Manager page, allows you to keep a close eye on your campaign’s progress. From the number of times your ad has been shown to the number of times people have clicked the ad and to the average cost of a click, Facebook offers plenty of data for marketers to track.

Today’s savvy interactive advertisers live and die by performance metrics for a reason. They know that the best way to improve an ad’s effectiveness is to understand the available data and make informed decisions.

Before you fully embrace or dismiss Facebook advertising, set some basic benchmarks to evaluate a campaign’s success or failure.

It’s important to note that on Facebook, ads purchased on a CPC basis are more cost efficient at driving traffic to a given Web site or Facebook destination than if purchased on a CPM basis. However, if your goal is more of a brand awareness campaign and you’re trying to gain exposure to as many people as possible, ads purchased on a CPM basis could be a more effective strategy.
Chapter 10: Measuring Advertising Success — One Click at a Time

Testing your ad’s link page

Smart marketers are continuously testing their ad’s referral link (landing pages, as we discuss in Chapter 9), often employing advanced algorithms and tracking services, realizing that just a slight increase in the number of consumers who take on a specific desired action (often referred to as conversion rate), such as completing a form, has a dramatic effect on the campaign’s overall return on investment (ROI). While not everyone has the size of budget that allows you to extensively test different iterations of a landing page, at the least, it’s important to monitor your ad’s performance, see what’s working and what’s not, and replicate your successes where possible.

Viewing Facebook Ad Reports

Facebook provides some basic metrics to help you measure your ad’s performance. While the reporting engine is still somewhat limited, the site provides enough key data from which to gauge your campaign’s success. These performance metrics also allow you to adapt or optimize your ad to maximize your return on investment (ROI).

You can view your ad performance from the Facebook Ads page by selecting the Report link on the top of the Ads Manager page. You can access the Facebook Ads page by choosing Applications➪Ads and Pages on the bottom left of your Facebook navigation bar. Just click the Ads Manager link at the top of your screen to be taken to the Facebook advertising start page.

Facebook personalizes information about your account’s respective ads. The page features notifications regarding Facebook advertising at the top, followed by a grid detailing ad titles and their respective performance metrics.

A campaign view drop-down menu on the top left of the grid allows you to view by all campaigns, which shows multiple campaigns, each consisting of multiple ads; or view by ad title, which displays only the selected ad’s respective performance metrics.

You can also select the period by which to view your metrics via the Time Summary drop-down menu. The default period is set to daily, but you can also select weekly (beginning on the most recent Sunday), monthly, or set the date range. Final “actual” stats may show slight differences from those reported during the ad’s flight (the period during which an ad is shown).

At the bottom of the page, you can view your ad performance over time on a plot graph. A simple drop-down menu allows you to view by clicks,
impressions, or click thru rate (CTR). This visual representation provides a quick-glance perspective on your ad’s performance, indicating trends in the campaign, as opposed to a more granular by-the-numbers view. Figure 10-1 shows the Facebook Ads Manager providing all relevant ad data in an easy-to-view grid format. A graph presents key data visually across a timeline.

In addition to Reports, you’ll also find tabbed links on the top of the Ads Manager to Pages, which provides centralized management over the Pages you administer and allows you to view each one’s metrics:

- **Billing**: Change your billing information and view up-to-date balances
- **Settings**: Set up notifications regarding your ad’s account
- **Help**: Takes you to the Facebook Ads Help Center

Measuring the frequency of the ad

Impressions, represented as Imp., in the shaded top row of the grid, indicates how many times your ad has been shown. If your ad bid is based on CPM, this key metric directly correlates to your budget.

Note that ads based on a CPC-type bid also benefit from a high number of impressions because it provides a valuable branding vehicle, regardless of the number of users that click thru.
Chapter 10: Measuring Advertising Success — One Click at a Time

Checking out the click-through ratio

The click-through ratio, shown as CTR (%) on the shaded row of the grid, shows the percentage of Facebook members who saw the ad divided by the number of members who clicked the ad and who were then redirected to the advertiser’s page. This is a key stat for you to gauge your ad’s effectiveness. A low-performing ratio of 0.01% means that for every 10,000 people, only one click per ad.

Viewing average cost-per-click

Next to CTR (%) on the grid is the average cost-per-click (CPC), shown as Avg. CPC ($), indicating the average price you paid for your ad. It’s important to note that even if your bid type is based on cost-per-thousand ad views (CPM), it provides the average cost based on the cost-per-click model.

Optimizing Your Page

Facebook advertising is a learn-as-you-go experience. Fortunately, there are strategies you can use to measure the efficiency of your Page and maximize its performance. Optimizing means adapting, and it’s very common to adjust your ads in mid-flight to lower your cost, increase your click-through rate, and improve your return on investment (ROI).

Getting a clue from Facebook Insights

Facebook also provides a set of performance metrics for your Pages, called Insights. These tools provide a dashboard view of key metrics involving your Page and how people are interacting with it. This includes reach (number of clicks), viral impact (number of fans), responder insights (demographic breakdown of fans), and levels of engagement (number of Wall posts, videos played, and so on). While it does not provide specific ad performance metrics (see above in this chapter), it gives you an idea as to who is clicking over to your Page and what they’re doing once they get to your Page.

To view your Page’s metrics, go to your Ads Manager page and click the Pages tab on the second-line menu bar. My Pages presents your Facebook Page(s). Click the View Insights link next to the Page with the data you want to view (see Figure 10-2).
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**Post Quality**

If your Page doesn’t generate enough activity, no measurements are provided by Insights.

### Gauging Fan Interactions

The first measurement shows total fan interactions with the Page. Anytime a fan writes on your Wall, comments on a post, or indicates that they like the content, a fan interaction is recorded. If the Page receives a review, photo view, or video play, those numbers are also tracked. Insights provides an aggregated number of interactions and breaks down the actions separately.

Next to this graph is a graph detailing demographic breakdown of active fans for the week. It provides the number of fans who have interacted with your Page, along with their sex and age group.

### Assessing Fan Loyalty

A chart directly below the first measurement shows fans to unsubscribed fans across an adjustable timeline. You can also view by new fans versus removed fans, or unsubscribed fans versus re-subscribed fans. These measurements can help you gauge fan loyalty and your effectiveness at maintaining a lasting relationship with your fan base.

### Gaining Deeper Insights

Facebook Insights also provides a monthly breakdown of fan interaction with the Page, followed by top visits by country and language. If a Page shows little fan engagement, there won’t be many metrics available via Insights.
Facebook only provides demographic data, such as age and gender, or geographic data based on the user’s location if there is significant interaction with your Page.

And Facebook continues to improve its Insights dashboard. In addition to adding graphs that are more detailed and separate breakouts of fan interactions, the company has devised a new Post Quality score shown on the top right of your Insights page (see Figure 10-2 to view the Post Quality score). This number, represented by 1 to 5-point star-based scale, measures how engaging your Page contributions have been to visitors over a rolling seven day period.

You can easily export your data as a CSV or Microsoft Excel (.xls) file. From your Facebook Ads page, click the Reports link and select what report you want to generate, for which period, and in what format. Click the Generate Report button and Facebook displays your report (see Figure 10-3).

**Attracting more fans to your Page**

Creating compelling content is central to fostering strong fan interaction. By encouraging your fans to contribute and interact with your Page, their social interactions result in news stories that in turn are seen on personal profile pages and amplify interest. Therefore, engagement begets more engagement.

**Figure 10-3:** Exporting reports as CSV or Microsoft Excel (.xls) files.
The Insight tool evaluates the performance of your Page by the percentage of fans that engage with that Page (see Figure 10-3). The stars on the right of your screen indicate how your Page stacks up against similar Pages (based on similar number of fans and visitors). To increase your Post Quality score (see Figure 10-2), consider the following:

✔ **Contribute relevant content.** Whether it be uploading photos or videos, adding links, or writing notes, the content should be fresh and on topic. (See Chapter 6.)

✔ **Update your content frequently.** But you do not want to turn off your fan base by making too many posts. Many would find this annoying and bordering on spam.

✔ **Offer an incentive, or exclusive access to content.** To increase your fan base, host a contest (see Chapter 15), start an ad campaign (see Chapter 9), or sponsor an Event (see Chapter 8). By increasing your fan base, you’re increasing the likelihood of social engagements that take place on your Page.