

# FACEBOOK ADS DOMINATION

## GUIDE 9:

HOW TO LOWER YOUR OVERALL FACEBOOK AD BUDGET



# How To Lower Your Overall Facebook Ad Budget

You can set your own budget on Facebook Ads. You can go as low as \$1 per day, a few hundred dollars, or go as high as you want. However, if you really want to get the best conversion rates and reach the right audience, then you'd need to shell out more than a dollar per day. You also don't want to spend too much, even if you have the cash to burn, because it's simply not a very good business decision.

In fact, for smart business owners and marketers, the reason you're advertising on Facebook is so you can get the highest conversion rates at the lowest possible price. If you think you're spending too much and you'd like to know how you can lower your overall Facebook Ad budget, then you're reading the right guide in this Facebook Ads Domination series.

## How To Make The Most Of Your Facebook Ad Budget

Before you set up any advert on Facebook, you'd need to have some rules in place first. You need to identify your campaign goals, your target audience, your ad schedule, and so much more. You need to have some key metrics in place as well, so you know whether your campaign is profitable or not.

Ideally, you should know where every single dollar of your ad spend is going so you're not throwing away money. If your campaign is in the red, you need to figure out how to optimize your campaign so you'll end up in the green.

Here are a few techniques to help you make the most of your ad budget:

### ***1. Set a target revenue.***

Revenue means tangible and real dollars. It does not mean page likes and comments on your ad that went viral. While ad engagement is a useful metric, at the end of the day, you want to get enough revenue to make a healthy profit.

For example, if you want to make a \$10,000 revenue for your week-long campaign, and your product price is \$100, then you need to make at least 100 sales in 7 days. You can then work your way backward and estimate how much your ad budget should be to make at least 100 sales.

### ***2. Set up the Facebook events pixel code on your website.***

If you want to track what your web visitors are doing after they go from Facebook onto your website, then you need the pixel installed. Set up the events you want to track. For example, if you want to track how many people have purchased your \$100 product, then you can track the Download or Thank You page. Every time someone lands on that page, the pixel will record that as a lead or sale. Knowing this data lets you adjust your budget as your campaign progresses.

### ***3. Plan out your ad campaign.***

Use the right campaign objective so Facebook can help optimize your ad for you. The Facebook algorithm is advanced, and advertisers can use it to help maximize their investment in the platform. Some objectives will result in higher conversion costs while some may result to lower conversion costs. Set the right objective to help you work within your budget.

#### ***4. Monitor your results and adjust your campaign as needed.***

Your ad budget is not set in stone. You can adjust it anytime you see the need to. Facebook's reporting tool is accurate and happens in real time so you know you are making business decisions based on time-sensitive data.

If you see that you're underspending, then you might want to scale your ads or increase your audience size. If you're overspending, then double down on ads that are returning a profit for you and deactivate the rest.

### **How To Lower Your Overall Facebook Ad Spend**

There are quite a number of techniques you can use to lower your overall ad spend. Some of the tips we'll share on this guide may work for you, while some may not. However, the only way for you to find out if any of these tips will help you with your budget, is for you to try them out.

#### ***1. Know your target audience.***

Don't just randomly target everyone in a specific location. With Facebook Ads, you can hyper-target people in a way that other advertising platforms can only dream of. If you're in a niche business, then you should already have an idea of who your target customers are.

*The more targeted your audience, the easier it will be for you to create ads that resonate with that audience.*

For example, if you're selling fishing accessories for women, then you might want to exclude males from your audience. You can then create separate ads for each age group, and then craft your ads in such a way

that your audience will think the product was made specifically for them. When you make your ad relevant, the higher the chances that that customer will click on your ad and purchase your product.

## ***2. Set a bid cap.***

At the ad set level, in the **Budget & Schedule** section, you can set a bid cap per link click and per 1,000 impressions. This helps you control your bid and make sure you don't go beyond your allotted budget per action. For example, if you've got a daily budget of \$20 and you're paying per link click, then you can set a bid cap of \$1 per click, so you know you're going to get at least 20 clicks per day.

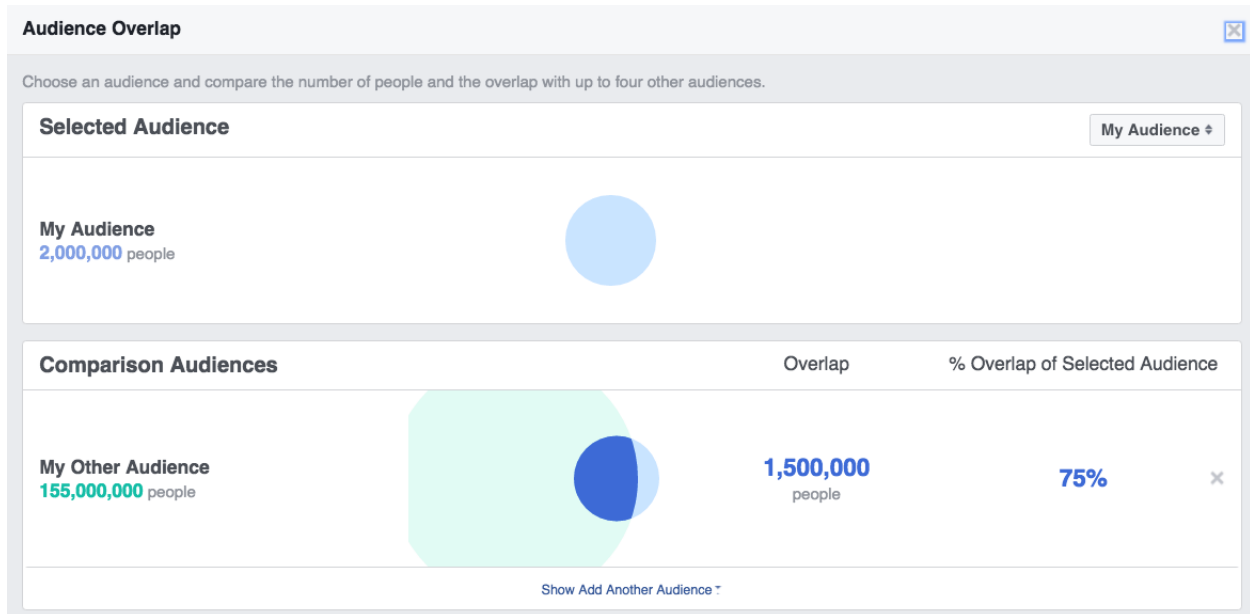
If you don't set a bid cap, Facebook can cost you maybe \$2 or \$4 per click, or even more. So it's best to use this feature when you create your ad. Just remember that if your bid cap is too low, then it might not be competitive, and your ad may not be shown to your target audience.

## ***3. Make sure there's no audience overlap.***

When you have overlapping audiences, you're essentially going to be bidding against yourself. For instance, if you are targeting freelancers, a small part of your audience may also be entrepreneurs. This means that you're bidding twice to show your ads to the same audience.

The good thing is that Facebook won't allow you to compete against yourself but it may drive up costs. This will ultimately result in an inefficient use of your budget.

To check that your audiences are not overlapping, go to the **Ads Manager** > **Audiences**, then check the boxes next to the audiences you want to compare. Click **Actions** > **Show Audience Overlap**. It will show something like this:



(Sample audience overlap. Image source: Facebook.com)

#### 4. Always split test your ads.

In the 7<sup>th</sup> guide of this series (*Guide 7: Split Testing Your Facebook Ads For Optimum Performance*), we covered all the details on how to split test. Just remember that split testing will not only help you save time, it will also help you save money since you already know what's NOT working. Split testing helps you narrow down your choices to find the winning combination of audience, placement, and ad creative.



## ***5. Retarget people who have been on your website or app.***

Retarget marketing works as we've shown you in *Guide 6: How To Use Retarget Marketing With Facebook*. It works because you're not targeting cold audiences. Instead, you're targeting people who have already been on your website, your mobile app, and even people who've been to your brick-and-mortar business location.

Facebook makes it easy for you to create custom audiences, so you're showing your ads to people who have looked at your products and even purchased from you. This means they already know your business to an extent, and this increases the likelihood of them doing business with you, as opposed to a total stranger who's never heard of you before.

## ***6. Refresh your ad creatives.***

If you're noticing a trend of more expensive ad costs, you may want to look at your ad creatives. If you've been using the same image for several weeks and the very same ad has been shown to the same audience ten times, chances are they've already developed ad blindness.

Your ad no longer stands out to them, so you need to think of another way to try to get their attention. Alternatively, if your target audience isn't responding, maybe you're targeting the wrong audience.

## ***7. Use video ads.***

If a picture paints a thousand words, a video plays a thousand pictures. Many advertisers are reporting very low ad costs thanks to video ads. People are engaging with video ads because they don't have to read a lot of text, and video is just easier to consume than other media.

Billions of video views are happening on Facebook every single day. Facebook is literally on the brink of overtaking YouTube as the biggest video platform any day now so you should capitalize on this and use video ads.

One strategy that successful marketers use is they create video ads – nothing fancy, just an iPhone-shot video where they talk to prospects on the camera and show their products in action. You just have to get really creative. If you've studied your target market, then you should have an idea of their likes and dislikes, hit their pain points, and offer your solution.

#### ***8. Let your ads run for a few days or a few weeks to optimize.***

If you've just run your ads for 1 or 2 days, then chances are your ad costs will be relatively higher. Don't be impatient. Instead, give Facebook time to optimize your ad and reach your target audience. If your audience is 1,000,000 and you're running a \$5/day campaign, then you're not going to reach that 1,000,000 in 1-2 days.

When you set up your budget, Facebook gives you an estimated reach or estimate daily result for your campaign. Once your ad has optimized, and more people are engaging with your ad, then you can expect to pay lower ad costs.

#### ***9. Use powerful words in your ad copy.***

Your advert's headline should catch your reader's attention right away. If you're selling a product that will solve a specific problem, mention that in the headline. Don't hide your product's main benefit on your landing page.



Instead, reel them in with powerful words that will resonate with them and get them to click on your ad and follow your call to action.

#### **10. *Give away freebies.***

If you want people to engage with your ad, give them something for free. This might sound like you're tricking people, but if you want to get more leads and customers, you have to give them something valuable for free.

If you're selling a high-priced product or service, consider giving away a small item for free. Or you can try giving away a discount. Give your audience some incentive to click on your ad and Facebook will reward you with lower ad costs.

#### **11. *Try advertising outside of peak sale seasons.***

During certain times of the year, you will experience higher ad costs. This is especially true during Christmas, Thanksgiving, Black Friday, Valentines Day, and other hallmark holidays. At these times of the year, people are spending and buying things online.

So it's natural for marketers to want to put their brands and products in front of the buying crowd. When there are more advertisers competing, the higher the ad costs for everyone. If you want to lower your budget, try advertising outside of these peak seasons.

## **Final Words**

Just because you can advertise on Facebook for \$1 or \$2 a day doesn't mean you should stick to this rock-bottom budget all year long. You're not

going to get far with such a budget. If you want to make the most of Facebook Ads, then you need to spend some money.

The tips and techniques we've shared in this guide should help you reach your target audience without breaking the bank. Test each technique and see what works best for you and helps you lower your overall Facebook Ads spend.