4,159 $	8,76 Times	36,449 $	1 Jan. - 1 Febr. 2022
AD SPEND	ROAS Return of Adspend	REVENUE	TIMEFRAME

CASE STUDY

Facebook Ads Case Study: How To Generate $36,449 In Revenue From a $4,159 Ad Spend

Description:

After all was said and done, the total amount spent on Facebook ads was $4,159. Not a huge investment, but definitely not an amount to be sneezed at either. With that kind of advertising budget the last thing you want is for it to be for nothing.

What did we get from that $4,159 ad budget?

That $4,159 ad spend brought in a total of $36,449 in revenue.

That's an **876% return on investment**!

I don't know about you, but I'll take those kind of returns any day.

I'm about to **walk you through exactly how it was done. I'll show you where we ran ads, how different traffic sources performed, what had the biggest impact on the success of the campaign, and what I'd do differently next time.**

But first, a few more numbers for you.

In addition to the $36,449 in revenue, this campaign also delivered a few additional benefits.

Those Facebook ads also delivered:

- **769 new email subscribers**
- 128 new Facebook page likes

The main reason I wanted to quickly show you these numbers is to demonstrate a nice side benefit of these ad campaigns. In addition to the revenue, Navid also grew his email list significantly.

Ok, let's take a look at how it was done.

Pre-Launch Facebook Ads

We started running Facebook ads just over a week before the cart opened for the course.

The goal at this point was to get new email subscribers who would then be added to the launch sales funnel. Those new subscribers would then either:

- Purchase the course

- Not purchase during this launch, but remain a subscriber

- Unsubscribe

Of course, the most ideal outcome is for these new subscribers to purchase the course and become customers. But even if they don't purchase immediately, there is a good chance they will stay on the email list where Navid can continue to deliver value to them and build that relationship. When that happens, there is always a possibility that some of them will become customers in the future.

Targeting warm traffic first

This is one of the best pieces of advice I can give anyone looking to run ads on Facebook. Always target your warm traffic first because it is extremely likely that it will be your cheapest source of leads and sales.

Just in case you don't know what I mean by 'warm audience', I'm talking about people who are familiar with you or your business/brand in some way. They've consumed your content, are familiar with your branding, have heard your name mentioned positively before, or have heard of you in some other way. The important thing is, there is already a level of trust there. Even if it's tiny, it makes a big difference when it comes to your ads.

When it comes to Facebook advertising, there are 4 main types of warm traffic that we can target:

- A customer list uploaded to Facebook (usually your email list)

- Past website visitors (requires the Facebook pixel to be installed)

- Facebook Fans

- People who have viewed our videos on Facebook

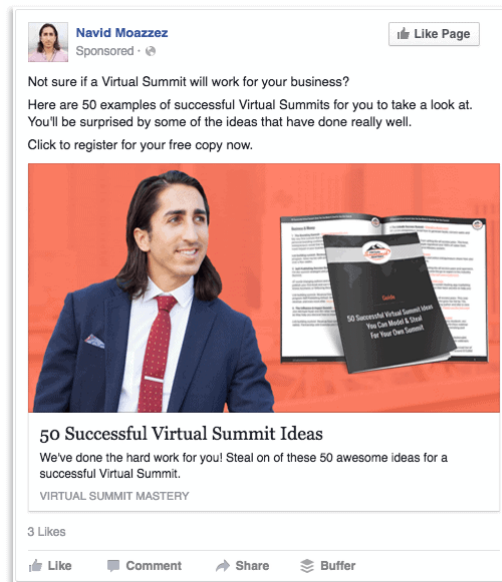Website visitors and Facebook Fans are what we focused on here.
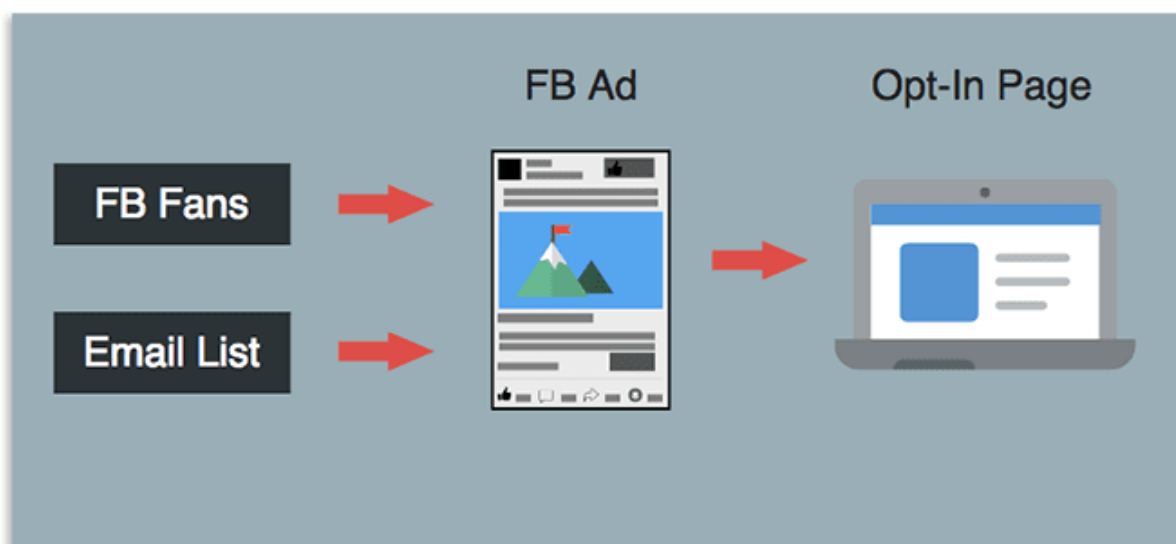
What did we send this warm traffic to?

We used Facebook ads to send them directly to a lead magnet.

That's the benefit of warm traffic. Because these people already know of you in some way (in this case they've consumed content on the website or liked the Facebook page) it's easier to get them to opt in to your email list than if they had no idea who you are. That means you can show ads that immediately ask for their email address in exchange for something valuable in return.

Here's a look at one of the ads we used. Notice it's very direct and addresses a common question that people often have about Virtual Summits. If someone has already consumed some content related to Virtual Summits & then they see this ad, there is a good chance they will be interested in it.

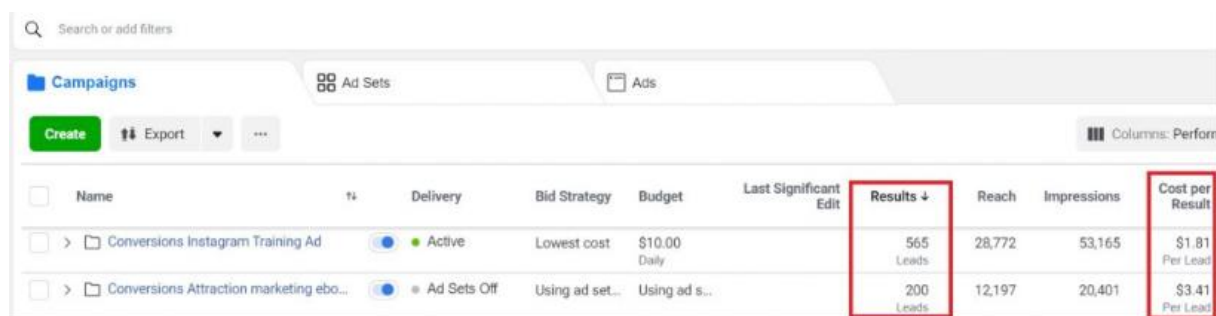And here is the landing page that people saw after clicking the ad:

Notice the similarities between the ad and the landing page.

1. The orange background is the same orange as the text on the landing page and the logo

2. The picture of the ebook used in the ad and the landing page is the same

3. There is an image of Navid on both the ad and the landing page

This isn't an accident.

The relationship between the ad and the landing page is known as 'ad scent', and it's a crucial part of achieving high conversion rates. By making sure visitors get exactly what they expect to find when they hit your landing page you greatly increase the chance of them converting to an email subscriber or customer. High conversion rates help boost your Facebook ad relevance score as well.

Now you've seen the ad & landing page, let's take a look at some of the results we saw with these ads to warm traffic:

So why not just keep doing this, increasing the budget & getting as many subscribers as possible?

Unfortunately warm traffic sources are always limited in numbers. There are only so many people who like your Facebook page, visit your website, or are on your email list. It's a relatively small audience compared to the 1 billion+ total users on Facebook.

So when you exhaust those warm audiences there is no other option but to advertise to cold traffic if you want more leads.

Cold Traffic Ad Strategy

Cold traffic means people who have never heard of you or your brand before. They are completely unfamiliar with you and have no idea what you do.

On Facebook you're targeting cold traffic if you are using interest targeting or Lookalike Audiences. Basically anything other than your Custom Audiences or FB Fans is cold traffic.

With cold traffic there is no relationship there and you haven't established any trust with the audience.

That makes them really hard to sell to. It even makes them hard to give away a free ebook to because they are reluctant to even give you an email address.

So for cold audiences we didn't just run ads asking people to opt-in to an email list (or download a lead magnet). Before we asked for the opt-in we had to do 2 things:

1. Pre-qualify people who are interested in the topic

The idea here is that a lot of people will see the ads, but only a small percentage will actually click the ads and read the blog post. By doing that they are raising their hand as someone who is interested in Virtual Summits. In other words, they are pre-qualifying themselves.

2. Build trust by delivering value up-front without asking for anything at all. Not even an email address.

This removes friction and enables you to show people the high quality content you produce and helps them become familiar with you & your work.

To do that we targeted them with ads directing them to an un-gated (no opt-in required) blog post on Navid's website. Once people had read the blog post, we then retargeted them with ads promoting the lead magnet related to that blog post.
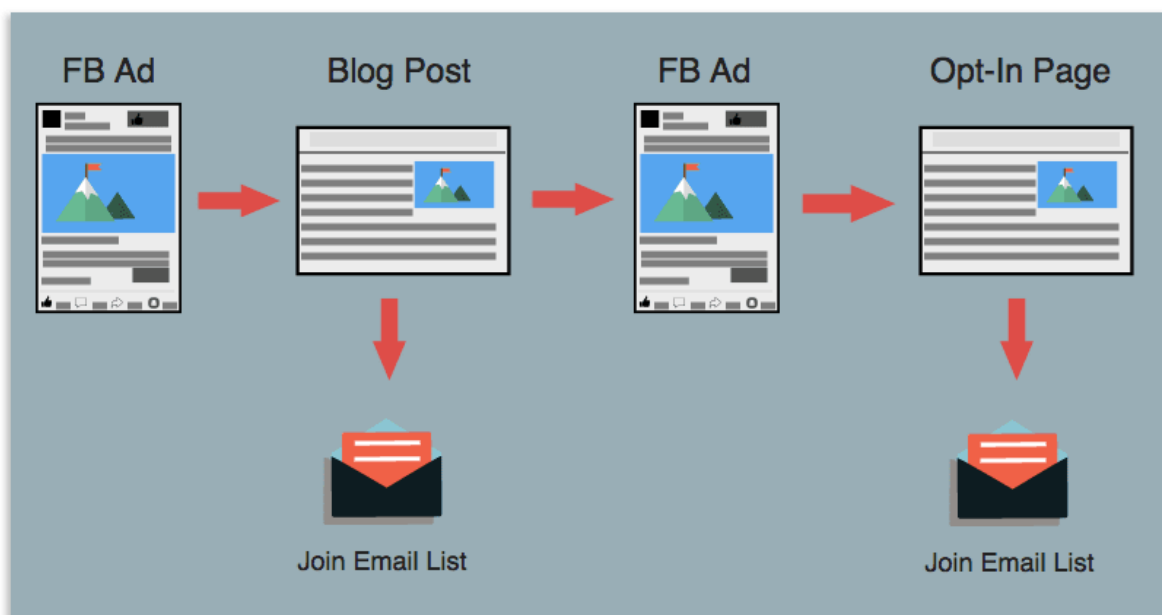
How did we choose which blog post to run ads to?

There are a couple of criteria we used:

1. It had to be closely related to the free ebook we would offer them further down the track

2. The blog post had to be one that we already knew was popular & would appeal to a broader audience of entrepreneurs who might be interested in Virtual Summits

Not sure what your most popular content is? It's easy to see your most read posts using Google Analytics.

We chose a successful Virtual Summit case study because it met both of these criteria. First, it was very closely related to the lead magnet (ebook) we were offering. Second, it was a popular post already. And third, people tend to be very interested in case studies in general.

After clicking the ad, people would either:

- See the lead magnet (ebook) offered on the page and download it, joining Navid's email list in the process. This is the ideal scenario.

- Leave without downloading the lead magnet.

The important thing to remember here is that everyone who clicked that ad and read the post is 'pixelled' by Facebook. This brings us to the next step, retargeting people who left but didn't download the lead magnet.

Just because someone didn't download the lead magnet the first time they hit the site doesn't mean they weren't interested. They might not have seen it, or could have been on a mobile device and couldn't be bothered typing their email address. There are a ton of reasons why they might not have downloaded it even if they were actually interested.

So what we did next was retarget those people with ads for the lead magnet. If they clicked these ads they were sent directly to the landing page where they could download it.

By now they were familiar with Navid & his content so they were no longer a cold audience. That greatly increased the chance of them clicking the ad and downloading.
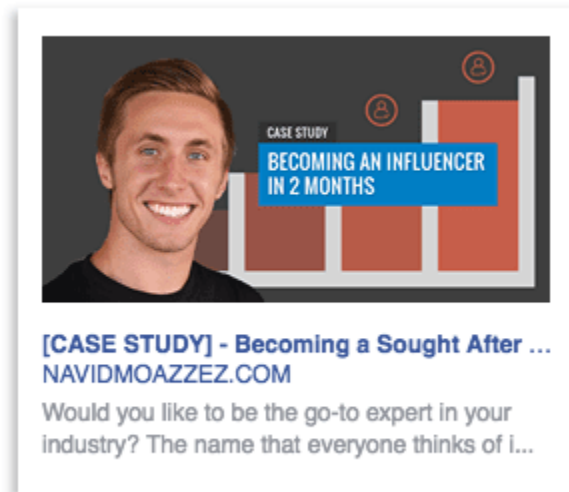
Some surprising results

Initially I expected that relatively few people would download the lead magnet straight after reading the blog post. I thought we would rely on the retargeting ads to get them to take that final step and join the email list.

But to my surprise we saw quite a good conversion rate from the traffic going directly to the blog post itself. Here's a look at one of the better performing ads. That's a cost of $2.50 per subscriber from cold traffic directly to the blog post. No retargeting.

Delivery		Results	Reach	Cost per Result	Amount Spent	Website Conv...
● Active		793 Link Clicks	29,736	$0.29 Per Link Click	$230.25	363
● Active		520 Link Clicks	28,130	$0.22 Per Link Click	$113.50	—
● Active		83 Link Clicks	3,265	$0.15 Per Link Click	$12.33	—
● Active		— Post Engagement	—	— Per Post Engagement	$0.00	—
● Recently Completed		1,014 3-Second Video Views	989	$0.04 Per 3-Second Video V...	$40.00	83
● Recently Completed		463 Link Clicks	14,293	$0.08 Per Link Click	$35.22	84
● Recently Completed		2,417 3-Second Video Views	5,878	$0.01 Per 3-Second Video V...	$30.00	—
● Recently Completed		70 Link Clicks	3,528	$0.20 Per Link Click	$14.00	2
● Not Delivering Ad Set Inactive		1,948 3-Second Video Views	4,986	$0.01 Per 3-Second Video V...	$21.98	3

And here is the ad itself. You'll notice it's a right column only ad. Testing showed that it was much cheaper to use right column ads than desktop news feed or mobile news feed. A lot of people don't like right column ads but this is a good example of why you shouldn't ignore them.

[CASE STUDY] - Becoming a Sought After …
NAVIDMOAZZEZ.COM
Would you like to be the go-to expert in your
industry? The name that everyone thinks of i...

Those people who didn't download the lead magnet were then retarget with the same retargeting ads as the other warm audiences (see the '50 Successful Virtual Summit Ideas' ad earlier in the post). Cost per conversion was also similar to the other warm traffic ads.

Cart Open / Launch Ads

When the time came to open the cart, the focus shifted from getting new email subscribers to encouraging existing email subscribers and website visitors to actually purchase the product.

The most effective ads in this part of the strategy were the ones that focused heavily on urgency and scarcity.

To do this we mapped out the different points of urgency/scarcity scattered throughout the launch. These are things like: discounts expiring, bonuses expiring, price rises, live workshops or webinars, and the cart closing.

Each point of urgency then had it's own set of ads. For example, when a bonus package was expiring we had specific ads stating that the bonus package was expiring at a set date and time.

Here's an example of one of the ads we used:

Notice we mentioned that there were less than 24 hours remaining right in the headline.

What this does is creates a reason for the person to click that ad right now. Because it's time sensitive, they are much less likely to ignore the ad thinking that they will see it again and maybe look at it later.

As expected, we saw an increase in sales each time a bonus was about to expire and before the cart closed.

You'll notice from the image below that this was a VERY high ROI activity. The Campaign below was one that we used to promote those points of urgency throughout the launch.

The total ad spend for this Campaign was $160.96. On the right you have the number of sales for each VSM package that was purchased after someone clicked an ad in this campaign. Then you have the sales value of each of those packages, which totalled over $10,000.

How can we get even better results next time?

As always, looking back I can still see some room for improvement.

Here's what could have been improved and what I'll change for the next launch:

1. Building those warm audiences further in advance. I mentioned earlier in the post that we only added the Facebook pixel to Navid's site about a month before the ads started running. That meant we only 'pixelled' a month's worth of website traffic that we could retarget. Because this is the cheapest source of new leads, the bigger this audience is the better the ROI will be for our campaigns.

2. Allow more time for testing & optimising the campaigns. We only started running Facebook ads a little over a week before the cart opened for the course. That really limited the amount of time I had to do A/B testing and optimise the campaigns. This is particularly important for cold traffic, where it does take some time to find the right audience and the right message.

The image below shows the results from one of the campaigns we were running to cold traffic. New email registrations were costing $10.42 each when we first started, and after a week of testing that had dropped to $3.76. I'm confident that with another week up our sleeves for testing we would have been able to push that lead cost down even further.

Summary

Overall this was a hugely successful campaign with a $36449 return from just $4159 in Facebook ad spend.

Looking back at the data there were 2 things that we did that had a really high return on investment. Those were:

1. Retargeting warm traffic

2. Focusing on points of urgency e.g. Bonuses expiring

Those would be my 2 tips for anyone thinking about using Facebook ads to promote their next product launch. If you are new to FB advertising and want to take a cautious approach the first time around, don't bother running ads to cold traffic. Just run ads to your warm traffic and use those ads to emphasise when there is urgency / scarcity.

The final thing I want to mention is the fact that we were offering a quality product with a proven history of sales and plenty of successful students (and lots of great testimonials). That's important. If you're trying to sell something that no one wants or that just isn't good, it really doesn't matter how good your ads are.

I can't wait to see what we can do with the next launch!