

Businesses For Sale

Today we're going to be revealing our updated dropshipping Facebook ads strategy for 2025. This strategy is one that we have used time and time again to scale multiple stores to 7-figures in record time. We've spent more money testing and we've compiled a new list along with Video Tutorial! Those of you who purchased this before have gotten this update without the video. Please check out our **FB Ads Blueprint 2.1 + Video Course**

We'll be providing you with full explanation of what the various components of Facebook ads are, how the Facebook ads algorithm works, how to scale your campaigns, and everything else in-between.

Before we jump into setting up campaigns,

Ad Budget Rule

Having a clear understanding of budgeting and how much money you should allocate to your campaigns is fundamental to being successful with Facebook ads.

Spend too little, and you acquire enough data to make informed decisions. Spend too much too quickly, and you will likely burn through your budget with mediocre results. So, how exactly do you determine a good testing ad budget?

In short, your advertising budget is going to be proportional to the cost of your product. The more expensive your product, the more you should expect to spend in order to get the data you need to progress with your Facebook campaigns.

The general rule of thumb is that your ad budget should be 20x your product's sale price.

So, if you're selling a product for \$25 on your store, you should allocate around \$500 towards Facebook ads.

Simple enough!

Facebook Ads – Behind The Scenes

Now that you have an understanding of how to properly budget your ads testing for a product, let's break down how Facebook Ads actually work.

We'll go over the following:

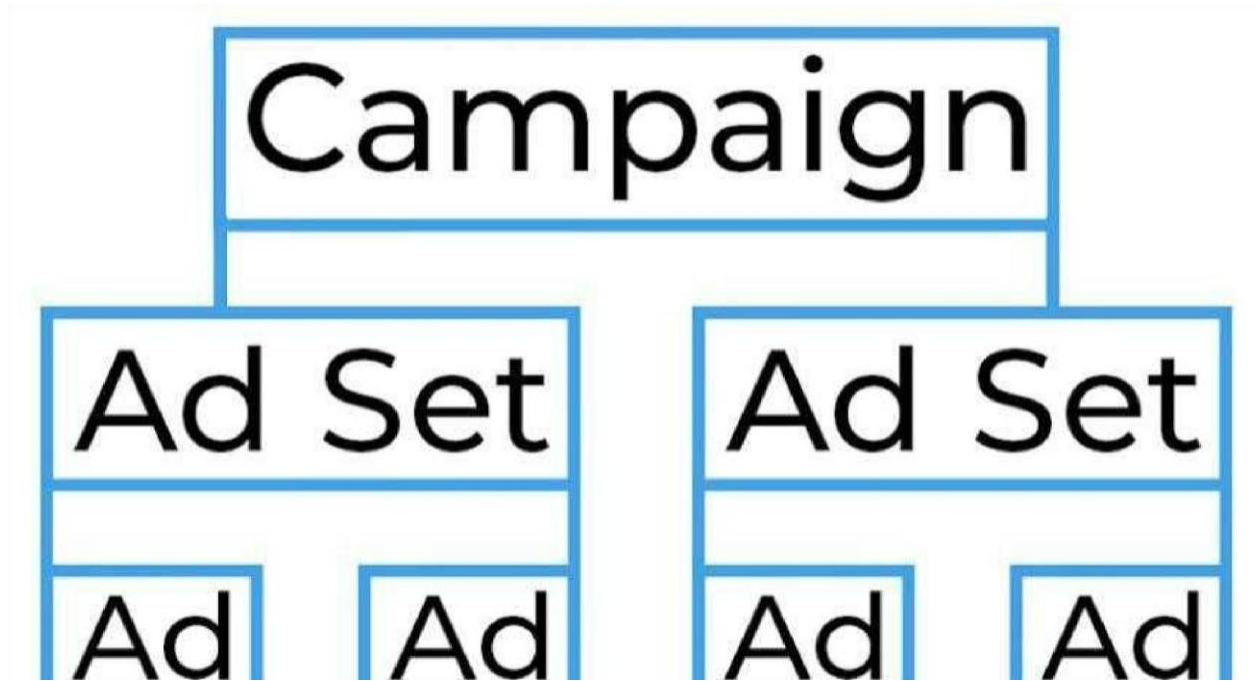
- Facebook Ads Pyramid Model
- Data & Algorithm Theory
- The Facebook Pixel

The Facebook Ads Pyramid Model

Facebook ads can be modeled in a pyramid with three components, from top to bottom respectively:

- Campaigns
- Adsets
- Ads

You'll notice that each campaign contains one (or more) adsets. Furthermore, each adset contains one (or more) ads.



We'll go into more detail as to what the role of each component is further into the post — so don't worry if you don't fully understand this now.

Data & Algorithm Ad Theory

Facebook ads is largely successful and effective for advertisers to use because of machine learning. It uses advanced algorithms and vast amounts of data on its users to serve advertisements to people who are most likely to complete a specific action (in most cases, those who are most likely to purchase).

The types of data that Facebook utilizes include factors such as age, gender, interests, location, and browsing history.

If this sounds extremely complex — don't worry, you don't need to have an understanding of how all of this happens in the backend, or have knowledge of how to build machine learning algorithms.

Facebook collects all of this information about its users automatically and is able to accurately predict who is a potential buyer based on the data it acquires.

In addition to data Facebook acquires from third-party sources, it will also utilize data from people that engage with your brand; this might include people who visited your site, engaged with your advertisement, liked your Facebook page, etc.

Wondering how Facebook gets this data from your site to begin with? Well, it all has to do with something called 'The Facebook Pixel'.

The Facebook Pixel

The Facebook Pixel is a piece of code that you place on your website which tracks user behavior and sends it back to Facebook. Data is then aggregated and processed by the Facebook algorithm to determine what types of people are most likely to make a purchase. Based off these computations, Facebook will then serve your advertisements to those types of people.

In terms of the conceptual, nitty-gritty stuff, this is just about all you need to know.

Keeping this in mind, let's take a look at how it all ties into our advertisement strategy!

Facebook Ads System

To be successful at running Facebook ads, you must have a system in place that will allow you to test audiences, different creatives, and eventually optimize and scale your campaigns.

A well-defined strategy will also minimize monetary losses while optimizing your advertising funnel.

The Phases

The ad strategy is comprised of four phases.

- Phase 1: Interest Testing
- Phase 2: Interest Scaling
- Phase 3: LAA Testing
- Phase 4: LAA Scaling
- Phase 5: End Game

Each phase builds upon the last, providing you with information that you need to find your winning creative and audience combination in as little spend as possible.

Phase 1: Interest Testing

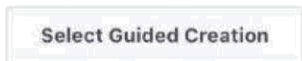
With this phase, we're going to go over a few details about the mechanics of setting up a Facebook campaign. Don't skip over this part, as you will need to have this knowledge for future phases!

CAMPAIGN QUICK CREATION

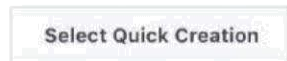
There are two different ways to create a campaign; guided creation and quick creation. You can achieve the same effect with either option, but we recommend using quick creation as it is more efficient.

X

Fill in all of the details now and end up with completed drafts that are ready to run.



Set up your campaign structure and fill in the details for your ad sets and ads later.



Once you click on the quick creation button, you will be sent to a screen that looks like this:

Quick Creation

Switch to Guided Creation

Create New Campaign

Campaign Name

Enter a campaign name

Special Ad Category

☐

I'm creating a campaign for ads in a Special Ad Category.
Ads related to credit, employment or housing.

Buying Type

Auction

Campaign Objective

Traffic

Split Test

☐

Campaign Budget Optimization

☐

Create New Ad Set

Ad Set Name

Enter an ad set name

Create New Ad

Ad Name

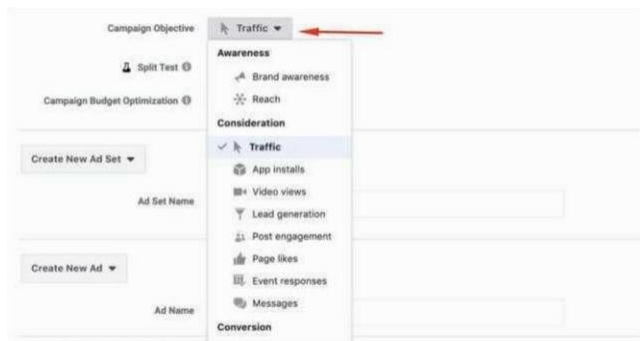
Enter an ad name

Creating 1 campaign, 1 ad set and 1 ad

First, let's fill out the Campaign Name, Ad Set Name, and Ad Name. In our case, we're going to name the campaign "Interest Test 1", the adset "Interest 1", and the ad name "Ad 1". We will modify this information later, so don't worry about coming up with names too much.

CAMPAIGN OBJECTIVES

Next, you will need to set your campaign objective.



Campaign objectives allow you to specify what action the Facebook algorithm should optimize for. There are a variety of choices such as brand awareness, lead generation, page likes, etc.

One important thing to note here is that Facebook is very good at figuring out who is likely to *only* take a specific action; so, you will likely find that using a post-engagement optimization will only yield post engagement, and very few clicks or purchases.

As such, we strongly recommend sticking to the 'conversions' optimization when running your campaigns. This will provide you with users that are most likely to make a purchase from your store.

CAMPAIGN VS ADSET BUDGETS

Lastly, you will need to specify whether you want Facebook to optimize on the campaign or adset level.

A campaign-level budget will instruct Facebook to distribute spend across the adsets within that campaign over the course of the day. This allows Facebook to allocate spend to individual adsets based on which ones it thinks will perform the best.

An adset-level budget will instruct Facebook to spend a specific amount for every adset within a campaign over the course of the day.

Though this might seem a little bit complicated, all you really have to know is this:

- Campaign budget optimization is better for higher-priced products where more data is needed to optimize
- Adset budget optimization is better for lower-priced products where less data is needed to optimize

A general rule of thumb is to use campaign budget optimization if your product cost is greater than \$15, and adset budget level optimization for products that cost less than \$15.

So, in our case, we're going to go ahead and enable the CBO optimization since our product is priced at \$29.

Bid Strategy

The last thing you're going to have to set up on this screen is the campaign bid strategy.

We've tested out the various different bid strategies, and found that lowest cost has done best for us across a number of different ad accounts & stores.

Adset Setup

We're now going to go ahead and set up the adset. The first step is to set the conversion event to purchase. By doing so, you increase the chances of getting high-quality traffic that is more likely to purchase.

- **Dynamic Creative & Offers:** Next, you'll find the 'Dynamic Creative' and 'Offer' sections, which are interesting but aren't something you want to really want to experiment with until you have had some more experience running ads.
- **Schedule:** Moving on to the Budget & Schedule section, we'll want to set the start date & time to midnight of the next day. This will ensure that Facebook optimally spends your budget throughout the day, bringing in the best results possible.
 - **Budget:** You'll now want to go ahead and set the budget for your adset, if you're using adset budget optimization. The daily budget should equate to $\$2.50 \times (\# \text{ Of Creatives})$
- **Custom Audience:** At the moment, leave this section blank as it won't come into use until a later phase once we have acquired enough data from Phase 1.
- **Location:** This field will allow you to specify which countries you would like to display your advertisement to. We recommend using countries on our special ePacket list (can be found on our Facebook group) which qualify for ePacket shipping from Aliexpress suppliers.
- **Age/Gender:** You can also specify what age range and gender you would like Facebook to target. Generally speaking, we leave both set to their default values. Unless your product is specifically for only one gender, we recommend you do the same.
- **Languages:** Assuming that your website and advertisements are geared

for English speakers, we recommend setting this option to English (All).

- Detailed Targeting: This is where you specify what types of people you would like Facebook to target based on their interests. We recommend searching for target interests using your common sense; if you're selling dog toys, look for 'dog' and see what comes up. One thing that you will want to take into consideration though is the audience size; we recommend larger audience sizes, as Facebook tends to prefer those, and optimizes more effectively. If your audience size is less than one million people, we recommend selecting expand audience — this will effectively turn your target interest into a larger group of people, which

Facebook tends to prefer. Once you've picked out a target interest, you should go back to the adset name and change it to your newly selected interest. This will allow you to quickly see what's going on in your campaigns without having to go and 'edit' your adset to see what the

targeting is.

- Placements: This setting will determine where your advertisement will appear in the context of the Facebook application. We recommend going with automatic placements, allowing Facebook to decide the best place to show your ads.
- Optimization & Delivery: This setting will determine how quickly Facebook will spend your money, and the types of users it will optimize for in regards to how long they take to convert. We recommend leaving these as their default values.

ADS SETUP

Now that your adset is successfully configured, we need to configure the ads section of the campaign creation.

Facebook & Instagram Page

First, you'll want to ensure that your ad is going to appear on the correct Facebook Page & Instagram Account. To do so, pick your package name from the corresponding dropdown.

If you find that your page is missing, you most likely have not added your page to the business manager — to do so, simply go into your business settings, and click on the corresponding section, following the instructions to do so.

Ad Creative & 20% Text Rule

Once that's set, you will need to upload your creative and create your post. If you're just getting started, we recommend to using either a single image or a video ad. Both can work very well, though you might find that products with functionality tend to work well with a video ad that clearly shows how they work.

Regardless of which option you choose, before you upload your creative and create your post you'll want to ensure that your ad does not have too much text. Facebook only allows a maximum of 20% of your image ad or video thumbnail to be text. If you surpass this limit, your ad will get reduced delivery, or get disapproved entirely.

Luckily, Facebook has a free tool available to determine if your ad is going to be compliant with this rule that you can access [here](#). Simply upload your creative, and give Facebook several seconds to report the results.

Primary Text

Assuming that your creative is good to go, you're going to want to modify your primary text next. Generally, you'll want to keep this relatively short and to the point — a quick description of what the product does, combined with a discount and URL to your website where the customer can purchase your product.

Headline

This is text that appears next to your CTA button. It is not visible in all placements, but we recommend filling it with something simple like your product name.

Description

This is displayed underneath the headline, and will only appear in certain placements. Generally, we like to reinforce the scarcity of our offer by including something like "50% OFF – Limited Time Only".

Website URL

This is the URL that the user will be redirected to once they click your call to action button. We recommend leading people directly to your product page; this reduces the number of steps they must go through before they see your product, and ultimately before they purchase.

Display Link

The display link is the text that will appear in the website URL section. So, if your website URL is `mysite.com/products`, you could make the display link `mysite.com`. This will still redirect users to `mysite.com/products`, but they will see `mysite.com` on the ad. This is a useful feature if you have a very long product page URL; it makes things a little cleaner.

Call To Action

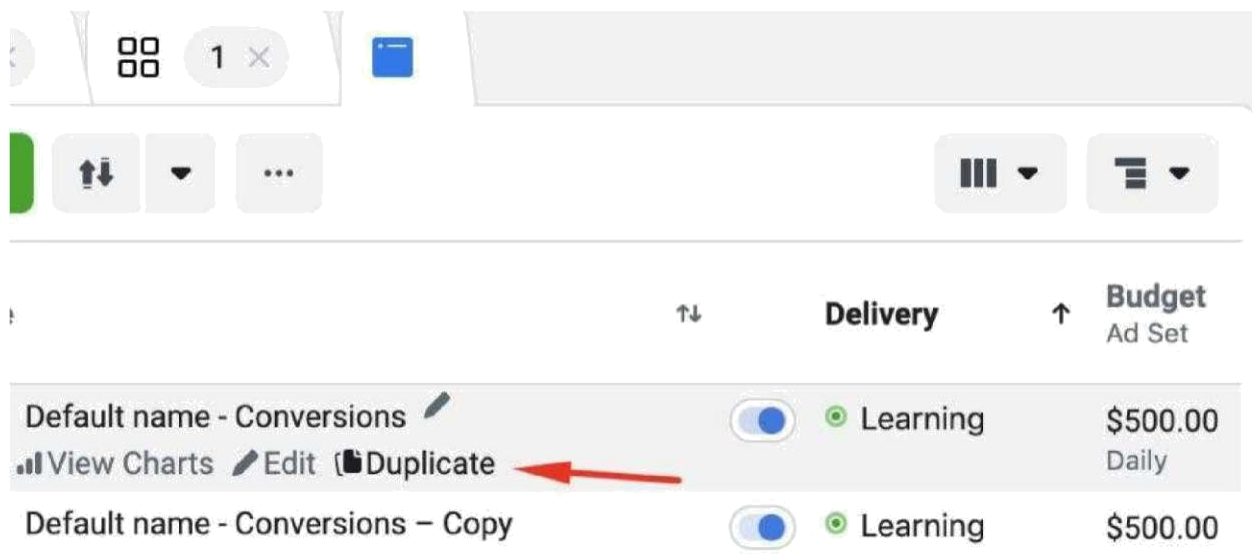
The call to action is a button that is shown at the bottom of your advertisement. You'll want to set this to "Shop Now" so that people know they're going to a page where they can potentially purchase the product in your advertisement.

Go over the entire advertisement, and make sure it looks good, making modifications as needed.

Make Your Second Ad

Though you could go through the entire process again to create your second advertisement, there is a shortcut to save you some time.

Simply go ahead and duplicate the ad in your ads manager — it will retain the settings of your first ad, and you can simply modify certain fields as needed.



The first change you'll want to make is to modify the ad name. You will also want to go ahead and swap out your creative, but leave the other options the same. This will allow you to test different creatives against each other, and determine which is the best option.

Go ahead and save your changes!

Creating More Interest Adsets

Now that you have one adset and pair of ads that are good to go, you'll want to create additional adsets targeting a different target interest, retaining the exact same ads within them.

Rather than create an entire adset from scratch, you can use the duplicate trick and only change the interest targeting.

Rules For Duplicating Adsets

Though you could theoretically create as many adsets within a campaign as you like, you should make sure that you don't go over the daily budget you calculated earlier.

If you have campaign budget optimization turned off, the number of duplicates you can include should be equal to 10% of your daily budget; so if you have a \$100 daily budget, you can have a total of 10 adsets.

If you have campaign budget optimization turned on, the number of duplicates you can include should be equal to 20% of your daily budget; so, if you have a \$100 daily budget, you can have a total of 5 adsets.

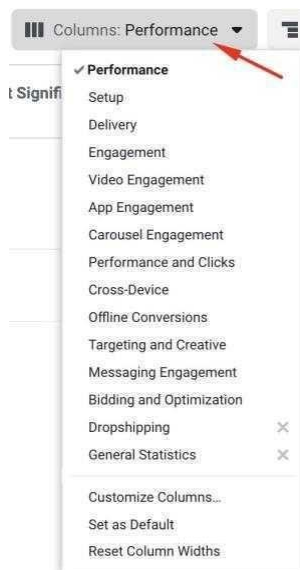
The idea is to give each individual ad a budget of \$2.50 spend per day.

Note: If you have a daily budget higher than \$50, we recommend not going over 10 adsets. Generally speaking, you will benefit more from testing additional creatives rather than more audiences, especially if your audiences are somewhat similar.

CUSTOMIZE COLUMNS

In order to make sense of your results, you're going to want to make sure you're looking at the right metrics. Facebook ads manager gives you the ability to customize the columns that are being shown, which can make it easy to just glance at your ad account and get an idea of what's going on.

So, let's populate your columns with some useful metrics. Go ahead and start with the 'Performance' preset, selecting it on the top right:



Performance Metric

Next, go ahead and click 'Customize Columns'. You will want to remove the following metrics: Bid Strat, Last Significant Edit, Reach, Impressions, Ends, and Schedule.

Then go ahead and add the following metrics: CPM, Outbound clicks, Outbound CTR, CPOC, ATC Total, ATC Cost, Checkouts Total, Checkouts Cost, and Video Time.

Once all the metrics have been added, you will want to place them in a meaningful order that makes them easy to read. We recommend placing them in the following order:

- Delivery
- Ad set name
- Budget
- Amount spent
- CPM
- Video average playtime

- Outbound CTR
- Cost per outbound click
- Cost per add to cart
- Cost per checkout initiated
- Cost per result
- Outbound clicks
- Adds to cart
- Checkouts initiated
- Results

Once you've re-ordered your columns, go ahead and select the 'save as preset' on the bottom right. Type in a name for the preset like "Dropshipping" and then hit apply.

That's it for the 'Create Ads' section of Phase 1! At this point, you should let your ads run for two days before proceeding.

ANALYZE ADS – FIND WINNING CREATIVE

Once two days have passed, you will want to go ahead and take a look at your results to see if any of your creatives outperformed the others. Though certain ads may do better with some audiences than others, you might find that one ad did better than another across all audiences.

The easiest way to see which creative is doing the best is by using one of the tools within ads manager called 'Creatives'. To access this tool, simply hover over the lefthand-side of ads manager until the column expands and reveals a list of options you can pick. Next, click 'Show More Tools', and click on 'Creatives'.

facebook

Ads Manager



Account Overview



Table

More Tools

[Hide](#)



Creatives



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You should now see a breakdown of your creatives by whatever metrics you have selected on the dropdown.

Ideally, to determine which creative is superior, you would look at the cost per purchase. However, if you have a lower budget in the \$50 – \$100 range, it's more than likely that the creatives are neck-to-neck in terms of performance; there simply isn't enough data in order to make a justifiable decision to eliminate one or the other.

So, what we must do is look at the entire range of metrics from our Dropshipping preset, and see if for any of the ads, the various metrics are better than all of the other ads.

So, let's assume that you have two creatives:

	Purchases
Creative 1:	3
Creative 2:	2

With a low number of purchases, and only one purchase difference between the two creatives, we can't make a decision based off of the purchases metric.

So, we need to look at other metrics like cost per click, cost per add to cart, cost per initiate checkout and use those to make a decision.

If one of the ads outperforms the other by all of the metrics (except cost per result) we can more comfortably make a decision, and go with the winner, moving on to Phase 2.

However, if you find that both creatives have similar performance across all the metrics, continue to use both of the creatives in Phase 2.

Phase 2: Interest Scaling

The main goal of this phase is to scale your winning creative and audience from Phase

1. At this point in time, we strongly recommend only using CBO's at this point in time — this is because once you have a good audience and creative, you will find more consistency in performance with CBO's as opposed to ABO's.

CBO SETUP

In this step, we're going to go ahead and create a new CBO with a daily budget of \$100.

The adsets in this CBO will be duplicates of profitable adsets from Phase 1. In short, we want anywhere between 5-10 adsets total, depending on the number of different winning interests you had in Phase 1.

A good rule of thumb for the number of duplicates based on the # of winning adsets is as follows:

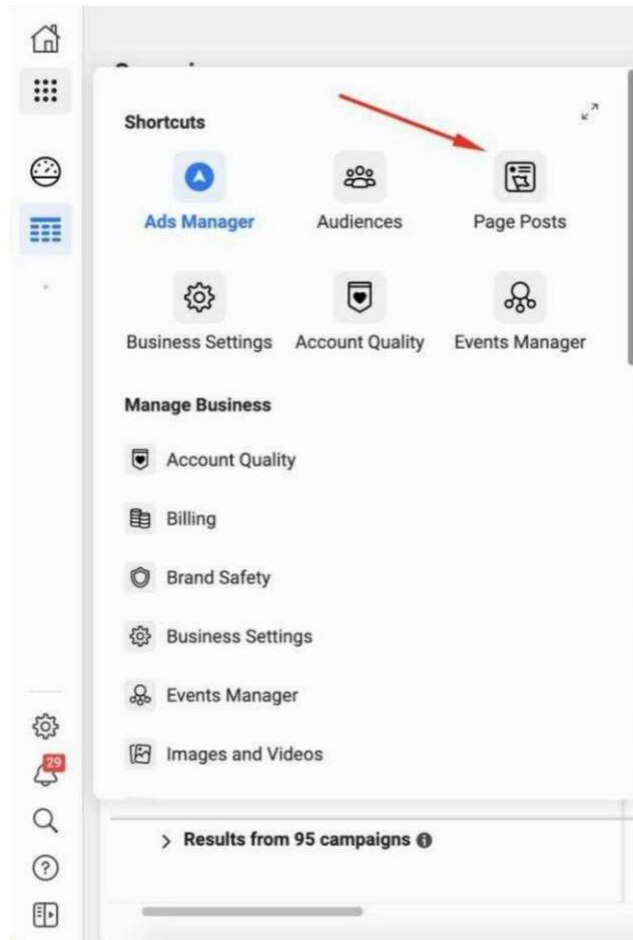
- 1 winning adset: Dupe this adset five times (5 total adsets)
- 2 winning adsets: Dupe each adset four times (8 total adsets)
- 3 winning adsets: Dupe each adset three times (9 total adsets)

The reason you want to keep 5-10 adsets total is due to the budget of the CBO; too many adsets within the CBO can result in a small amount of spend in each, which can prevent the CBO from optimizing correctly.

So, to duplicate your adsets, go back to your original campaign, and select all profitable adsets. Duplicate them as per the breakdown above.

Now, if you found that there was no clear winning creative in the first phase, you can leave the ad setup as is. We will continue running both creatives for the time being. Alternatively, if you have a higher budget, you could create separate CBO's for each creative — but we generally recommend just sticking to one CBO. If you found that one adset was performing better than the other, we want to go ahead and make sure that all of the ads within this CBO are the winning creative.

In order to do so, you'll need to manually assign your ads by the post id, by navigating to the 'Page Posts' section of your ads manager through the grid-like button on the sidebar.



Page Posts – Facebook Business

Manager

Once there, you should see a list of posts that are associated with your Facebook page. Find the post that corresponds to your winning creatives, and copy the 'post id'.

Then, go ahead and select all of the ads within the adsets of the CBO you just created, and edit them.

Select the 'Use Existing Post' option, and paste in the post ID. Before publishing your changes, be sure to queue up your ads to start at midnight of the next day.

ANALYZE PERFORMANCE

Before analyzing performance, you'll want to let your CBO run for two days as in Phase 1.

1. Once the data comes in, determine which of the following apply:

- If you find that your CBO was not profitable over the past two days, you should go back to Phase 1 and test new creatives.
- If you find that your CBO was profitable over the past two days, go ahead and try scaling the campaign with the scale rule below.

SCALE RULE

- If a CBO performs well for 2 days, and the winning audience exceeds 20m, duplicate the winning audience into a new CBO with twice the original budget.
- If the CBO continues to do well, you can continue scaling by duplicating the CBO, and doubling the budget again.
- If a campaign spends 5x your breakeven cost per purchase while scaling, kill the campaign.

Before moving on to Phase 3, continue running your ads until there is a total of \$500 spent for the ad account, or approximately 2,000 75% video viewers.

Phase 3 – LAA + Retarget

The main goal of this phase is to create and test lookalike audiences, as well as set up a retargeting campaign.

CREATING CUSTOM AUDIENCES

To make your lookalike audiences, you first need to create custom audiences. Custom audiences are essentially customized groups of people that are somehow connected to your store or Facebook/Instagram pages based on a particular action they have taken.

Examples include people who viewed your page, people who watched your video, and people who engaged with your post.

To create the custom audiences, navigate to the left-hand sidebar of your ads manager, and click on the custom audiences section.

Then click on 'Create Audience', which will bring up an interface where you can select which type of audience you want to create.

You're going to have to go ahead and create the following:

For your retargeting sequence, you need to make the following custom audiences:

- Pageview
- Add To Cart
- Initiate Checkout
- Time Spent On Website, Top 25%
- 75% Video Views

The timeframe for each of these custom audiences will be set to 7 days. Next, you'll need to create your custom audiences for the lookalikes. The timeframe for these will be set to 180 days, and includes the following:

- Pageview
- Facebook Engagement

- 75% Video Views

It will take some time for the custom audiences to populate — you will know they're ready once the status next to the corresponding custom audience is set to 'Ready' on the 'Audiences' page.

CREATING LOOKALIKE AUDIENCES

Once the custom audiences are populated, you can go ahead and create your lookalikes. You will be creating the following segments: 0-1%, 0-2%, 0-3%, 0-4%, and 0-5% for each of the 180-day custom audiences you made in the previous step.

When creating these lookalikes, be sure to set the location to 'WorldWide'; this will prevent you from having to create individual lookalikes for every country you intend to run advertisements for.

So, in total, you should have $(3 \text{ custom audiences} * 5 \text{ segments}) = 15$ different lookalike audiences

Just like the custom audiences, the lookalikes audiences will take some time to populate, so wait until the status is set to 'Ready'.

CREATING YOUR RETARGETING CAMPAIGN

The retargeting campaign will be a \$50 CBO, with 7 adsets inside it (one adset per custom audience created earlier).

You will also want to create a new piece of creative for your warm traffic; generally, we like to use photo ads with a strong call to action.

The copy should also reflect the fact that they are familiar with your product and brand; you don't need to reintroduce them, but rather remind them that your store exists.

With the page-post ID method outlined earlier, you will want to make sure that each adset has the same advertisement in it.

ADJUSTING YOUR RETARGETING BUDGET

If you find yourself consistently scaling up your cold-audience campaigns, you will want to go ahead and adjust your retargeting budget accordingly.

Try and keep your retargeting budget to 5-10% of your total daily budget for your other campaigns. If you find that raising your total daily budget for your retargeting campaigns causes a noticeable decrease in performance, you can always modify the CBO and lower the daily budget as needed.

Note: Usually, lower-cost products will require smaller retargeting budgets than higher-cost products.

CREATING YOUR LOOKALIKE CAMPAIGN

For your lookalike campaign, the daily budget should be \$100, and contain 5 adsets targeting one lookalike. Each adset will have 2 of your winning ad within it.

Start with the lookalike for which you have the most data, and then move on to others every day or two.

If you find a profitable lookalike campaign that delivers consistent results for two days, go ahead and move on to phase 4. Otherwise, stay in this phase and keep collecting data.

Phase 4: Scale LAA

The goal of this phase is to scale your lookalike audiences as per the scale rule:

- If a lookalike CBO performs well for 2 days, and the winning audience exceeds 20m, duplicate the winning lookalike into a new CBO with twice the original budget.
- If the lookalike CBO continues to do well, you can continue scaling by duplicating the CBO and doubling the budget again.
- If a campaign spends 5x your breakeven cost per purchase while scaling, kill the campaign.

Continue to scale your lookalikes with the rules above until you have spent at least \$5,000 total on your ad account. At that point, you can move on. to Phase 5.

Phase 5: End Game

If you've made it this far, you're just about scale sky high! At this stage, Facebook has collected a significant amount of data and no longer requires any guidance with regards to targeting; all you have to specify is budget, location, and creative. Everything else is left on autopilot!

WHY BROAD TARGETING IS THE BEST FOR SCALING

Broad targeting is hands down the superior way to scale for a few reasons:

1. Leverages all the data you've collected
2. Requires Little work to maintain
3. Lasts a long time
4. Scaling isn't limited by audience size
5. Optimizes much more quickly
6. Results are consistent

THE SETUP

To get started, you should create a CBO with a \$500 budget. Within this CBO, you'll want to place three adsets, with the following locations set:

- (1) USA
- (1) Canada + UK + Australia + NZ
- (1) Worldwide

ANALYSIS & SCALING FURTHER

After two days, evaluate the campaign in accordance to the scale rule used before in previous phases.

If you find that your CBO is not performing well, return to Phase 4 and periodically come back to Phase 5 after larger amounts of spend (perhaps in intervals of \$2,000 – \$5,000).

 **Businesses For Sale**

Always TEST TEST TEST!

Struggling with Interests?

Checkout our Send us an email/DM to purchase our 60+ Niche Interest PDF