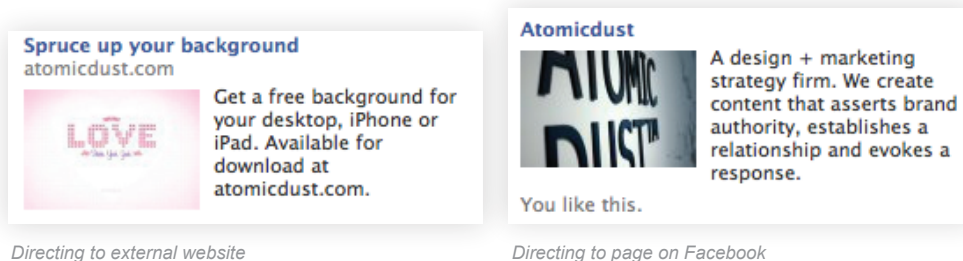# What are Facebook Ads?
And how do they work?

Facebook Ads vs Sponsored Stories

There are two kinds of Facebook Ad offerings - Ads and Sponsored Stories.

1 **Ads** can direct people to either an external website or to a page on Facebook. You control the headline, copy and image within the ad, as well as the targeting.


Directing to external website

Directing to page on Facebook

2 **Sponsored Stories** are pulled from actions on your page. There are different kinds of Sponsored Stories you can run - show the latest update from your page, show recent comments on an update, or show user's friends who have liked your page. You don't have to come up with the copy or image or anything; it's just a matter of turning them on or selecting which update you want to promote. We've found that these usually perform better than traditional ads - probably because they don't look like advertisements, but more like recent activity from your page and the people who like it.
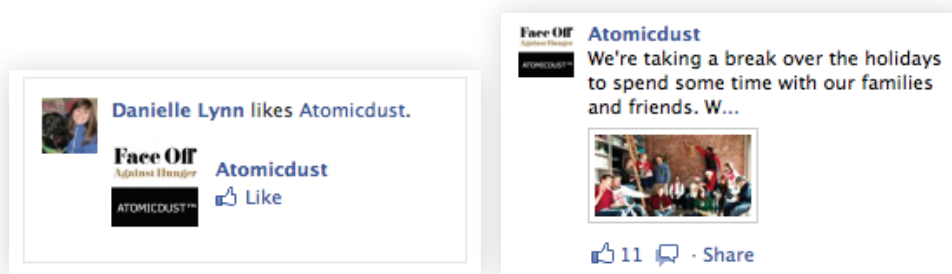
Where do they show up?

Facebook Ads appear in the sidebar throughout Facebook - the newsfeed, user profiles, the photo viewer. They appear under a 'Sponsored' headline. (See next page for examples)
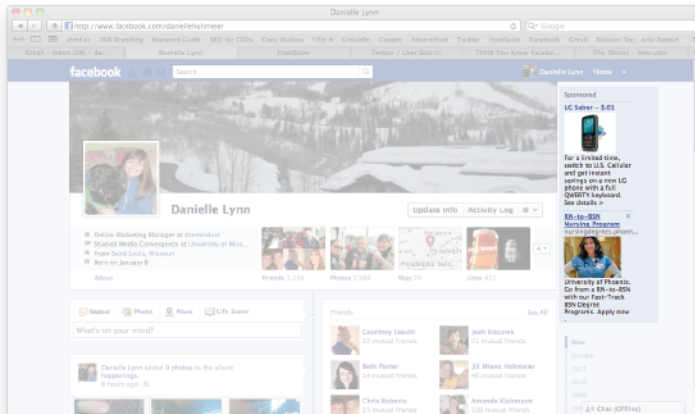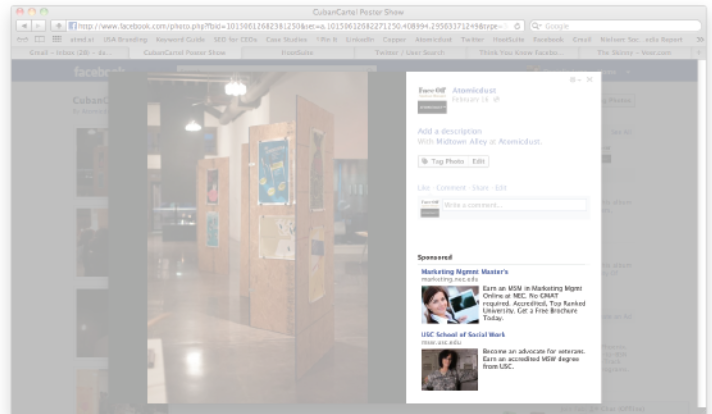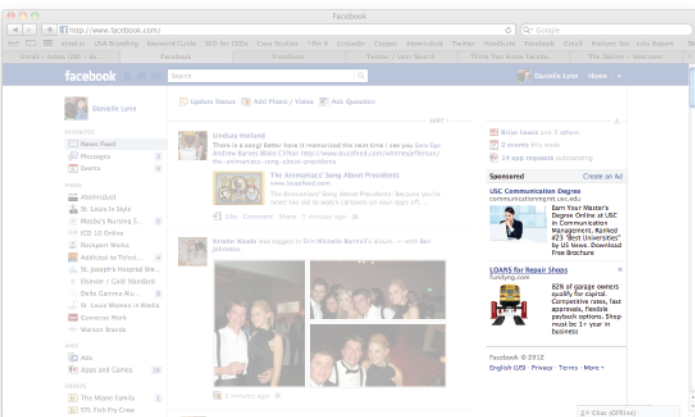
Personal profile

Photo page

Newsfeed

Who sees them?

People within our targeted audience. Facebook's advanced targeting is one of the features that sets it apart from other paid online advertising, simply because they have so much information about their audience. They have the basics covered - location, age, gender - but you can also be more specific with your targeting. You can target people based on interests, employment, family status, marital status, education and more. You can also target ads to either appear only to those who haven't liked your page (for page growth) or appear only to those who have liked your page (to increase interactions within your existing community).

How much do they cost?

There is no set cost for running ads on Facebook. The cost of an ad is based on the size and specificity of your target audience. You can choose to pay per click or pay per impression (we recommend paying per click - it's easier to measure the success of your ads if you know that person clicked through to your website, Facebook page or app. With impressions, you never know if that ad made an impact on the user or not). You set a daily budget, and Facebook does not exceed that limit. Obviously, the more you spend, the bigger results you'll see, but we have clients spending as little as $5/day and seeing a growth impact on their Facebook page. The minimum daily spend is $1/day, and you can create as many ads and sponsored stories you want under that umbrella budget. If you're spending more than $10,000/month, you have access to larger premium ads and log-out page ads, and a dedicated advertising rep from Facebook.

Do they work?

Yes. Our clients who use Facebook Ads have all seen increases in fan growth and interactions on the page. Generally, 70% of new 'likes' on their pages come from advertising.

A couple best practices

- Facebook Ads have a quick turnover rate. According to data from Webtrends, the average Facebook ad's click-thru-rate peaks in the first 72 hours that it's live. This means that the ads need to be edited every few days to keep them 'fresh.' We go in and edit the ad copy or image and adjust the targeting to make sure the audience doesn't get bored with seeing the same ad from us over and over.

- Because of the quick turnover, Facebook Ads are great for short campaigns, too. They would be great to advertise specific events, promotions or giveaways, and you can even link them directly to an app hosted on your Facebook page. If we are going in and editing ad copy every week anyway, why not tailor it to advertise the newest thing we are promoting?

- We create Facebook Ads that point to both websites and to Facebook pages, but the ones that keep people on Facebook always perform better. In Social Fresh's 2012 Facebook Ads Report, respondents that pointed their ads off of Facebook reported a 50% higher cost per click than respondents that kept their ads on Facebook. Most people get limited 'Facebook time' each day, and they don't want to be taken to an outside website.

Here are a couple of other links that may be helpful:

A little bit about Facebook Ads, from our blog:
http://www.atomicdust.com/blog/single/think-you-know-facebook-ads/

About Facebook Ads, straight from Facebook:
https://www.facebook.com/about/ads/

Danielle Hohmeier is the Online Marketing Manager at Atomicdust. She writes about marketing and design in the digital world, with a focus on marketing convergence and social media.