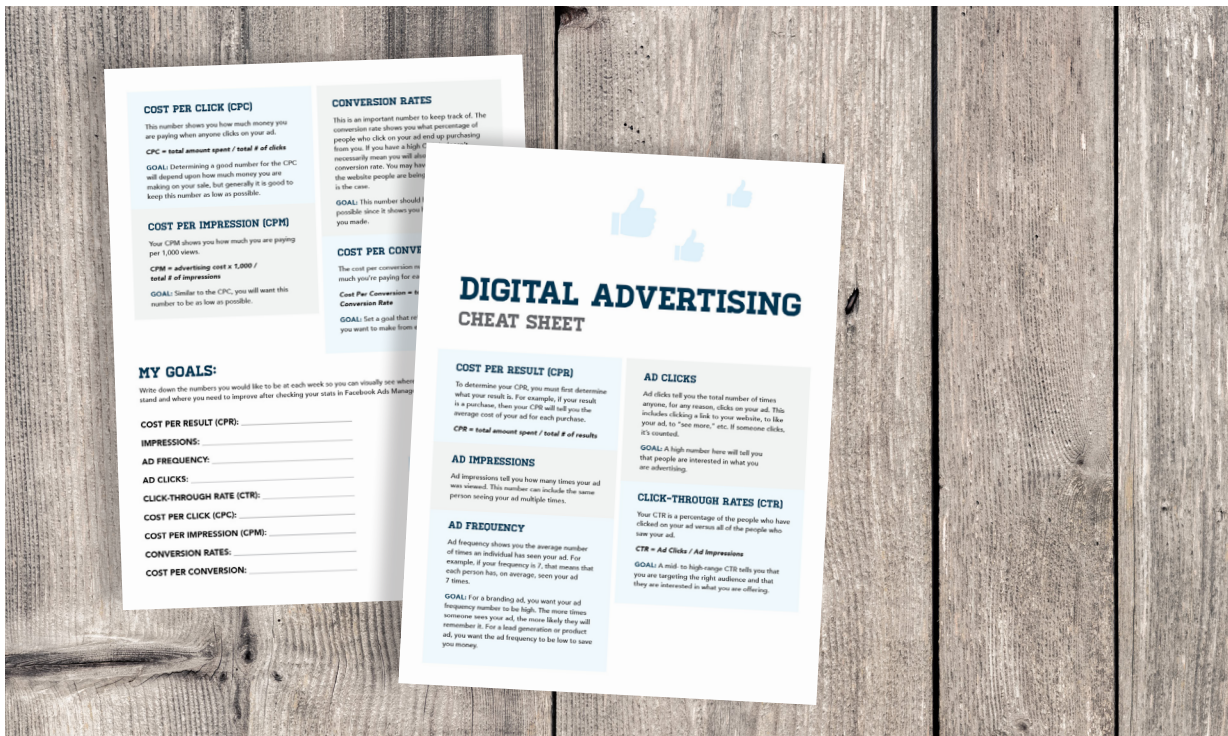


CHEAT SHEET: DIGITAL ADVERTISING TERMINOLOGY



OVERVIEW:

Use this cheat sheet as a guide when you are checking your stats in Facebook Ads Manager so you are sure what all the terminology means.

Write down the numbers you would like to hit in the goals portion of page two so you can stay on track.



DIGITAL ADVERTISING

CHEAT SHEET

COST PER RESULT (CPR)

To determine your CPR, you must first determine what your result is. For example, if your result is a purchase, then your CPR will tell you the average cost of your ad for each purchase.

CPR = total amount spent / total # of results

AD IMPRESSIONS

Ad impressions tell you how many times your ad was viewed. This number can include the same person seeing your ad multiple times.

AD FREQUENCY

Ad frequency shows you the average number of times an individual has seen your ad. For example, if your frequency is 7, that means that each person has, on average, seen your ad 7 times.

GOAL: For a branding ad, you want your ad frequency number to be high. The more times someone sees your ad, the more likely they will remember it. For a lead generation or product ad, you want the ad frequency to be low to save you money.

AD CLICKS

Ad clicks tell you the total number of times anyone, for any reason, clicks on your ad. This includes clicking a link to your website, to like your ad, to "see more," etc. If someone clicks, it's counted.

GOAL: A high number here will tell you that people are interested in what you are advertising.

CLICK-THROUGH RATES (CTR)

Your CTR is a percentage of the people who have clicked on your ad versus all of the people who saw your ad.

CTR = Ad Clicks / Ad Impressions

GOAL: A mid- to high-range CTR tells you that you are targeting the right audience and that they are interested in what you are offering.

COST PER CLICK (CPC)

This number shows you how much money you are paying when anyone clicks on your ad.

CPC = total amount spent / total # of clicks

GOAL: Determining a good number for the CPC will depend upon how much money you are making on your sale, but generally it is good to keep this number as low as possible.

COST PER IMPRESSION (CPM)

Your CPM shows you how much you are paying per 1,000 views.

CPM = advertising cost x 1,000 / total # of impressions

GOAL: Similar to the CPC, you will want this number to be as low as possible.

CONVERSION RATES

This is an important number to keep track of. The conversion rate shows you what percentage of people who click on your ad end up purchasing from you. If you have a high CTR, it doesn't necessarily mean you will also have a high conversion rate. You may have to reevaluate the website people are being directed to if this is the case.

GOAL: This number should be as high as possible since it shows you how many sales you made.

COST PER CONVERSION

The cost per conversion number tells you how much you're paying for each lead or sale.

Cost Per Conversion = total amount spent / Conversion Rate

GOAL: Set a goal that reflects how much profit you want to make from each sale.

MY GOALS:

Write down the numbers you would like to be at each week so you can visually see where you stand and where you need to improve after checking your stats in Facebook Ads Manager.

COST PER RESULT (CPR): _____

IMPRESSIONS: _____

AD FREQUENCY: _____

AD CLICKS: _____

CLICK-THROUGH RATE (CTR): _____

COST PER CLICK (CPC): _____

COST PER IMPRESSION (CPM): _____

CONVERSION RATES: _____

COST PER CONVERSION: _____

