**How to Create a Cost-Effective Facebook Marketing Campaign**

How do you measure the success of an advertising campaign?

In some cases, this might have many answers. Some companies for instance would argue that success should be measured by brand awareness and engagement.

BUT if you are a regular internet marketer (which it’s likely safe to assume you are), then it is more likely that you should measure your effectiveness by considering the profit. Internet marketers don’t have the budget to pour huge amounts into turning their brands into household names. Therefore, they need to focus instead on trying to get profit *quickly*.

That often means using PPC and remarketing, and it means thinking about how the numbers add up.

**Calculating Margins**

When you create a new PPC campaign on Facebook or on Google, you will need to choose two aspects of your budget: the maximum amount that you’re going to spend on each click (called the CPC or ‘Cost Per Click’) and the amount that you’re going to spend in total each day.

The CPC is the most you will pay for each visitor to your site, and is also the most you will be willing to ‘bid’ for a spot when you’re up against other advertisers. The aim is to ensure that this costs less than the value of each new visitor to your site.

To calculate the value of visitors to your site, you might use what is called the CLV – Customer Lifetime Value. This is calculated based on how much profit you make on each sale of a product, as well as how many products you are likely to sell per 100 visitors.

For most people, that latter number is somewhere in the region of 1 or 2. That would give you a 1-2% ‘conversion rate’ which is actually considered a fairly high score.

So, if you make $30 profit per sale, and you get one sale per 100 visitors, that means that you get roughly 30 cents per visitor. Suddenly, this becomes a much smaller amount of cash.

The number is *probably* a little higher though. It’s called the LIFETIME value, because it is calculated over the lifetime of that visitor. So if someone signs up to your mailing list and buys from you *later*, or if they buy from you more than once, this will bump up the number. Still, that can take a while to pay off, and you might not have enough disposable income to last that long.

Just make sure the amount you pay per click, is LESS than the amount you make per visitor.