

Normal™

THE NORMAL

COMPANY

SIX FIGURE

FORMULA

An insight into our system which scales brands like yours to multi 6 figures a month & beyond, rapidly.

thenormalcompany.co.uk

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THE NORMAL **COMPANY** SIX FIGURE FORMULA

If you're running an online store & making 5-6 figures a month, chances are you've probably hit this common problem with paid traffic...

Scaling, and getting to that next level.

Whatever that next level may look like for you, we make it Normal.

Taking your brand that is hitting 5, or even 6 figures a month in revenue, and turning it into a multi million dollar powerhouse brand, is what we specialise in.

We want to help you make your first 6 figure 30 day period.

Your first \$500,000 revenue month.

Your first \$1million month.

And, we have the proven formula to do so.

With your goals in mind, We've taken the scaling strategies that have worked for our clients time and time again, and compiled them into this guide.

We hope you get immediate value out of this formula, and can begin to see that vast scale in which you desire!

Cheers,



FIRST THING'S FIRST DO YOUR NUMBERS WORK AT SCALE?

E-commerce, like any other business model, is a number's game.

With increasing ad costs, decreasing margins and more Facebook changes happening every day, it's now more important than ever to know exactly how your numbers add up.

Sadly, a lot of e-commerce store owners, and brand owners underestimate the importance of knowing their numbers.

What does this result in?

Wasted ad spend and limited opportunities to scale.

During the scaling process, you are trying to reach more people and this can have a big impact on your ROI.

In advertising, not knowing your numbers is like shooting in the dark - You're firing away with no clue where your target is!

So, ask yourself, do I know the metrics below? If not, now is a great time to get to know them.



Cost Per
Acquisition (CPA)



Cost Per
Click (CPC)



Click Through
Rate (CTR)



LifeTime Value (LTV)



Cost Per 1000 Impressions (CPM)



Break even ROAS (BEP)

Apart from the LTV, the rest of these numbers are displayed inside your ads manager. (Make sure to set up some saved columns to check these metrics, like in the image below taken from one of our campaigns.)

Campaign name	Date created	Delivery	Budget	Impressions	Reach	Results	Amount spent	Purchases Conversion Value	Purchase ROAS (return on)	Cost per result
TOF - CBO - L...	27 Aug 2019	Active	\$100.00 Daily	18,991	18,641	2 Purchases	\$76.51	\$370.00	4.84	\$38.26 Per Purchase
BOF - Retarget...	20 Aug 2019	Active	Using ad se...	17,721	6,187	10 Purchases	\$241.81	\$1,671.25	6.91	\$24.18 Per Purchase
BOF - DPA - R...	14 Aug 2019	Active	Using ad se...	7,883	2,750	11 Purchases	\$192.77	\$1,093.70	5.67	\$17.52 Per Purchase
MOF - Engage...	6 Aug 2019	Active	Using ad se...	415,706	118,107	55 Purchases	\$1,987.13	\$8,143.45	4.10	\$36.13 Per Purchase
TOF - Audienc...	25 Jun 2019	Active	\$20.00 Daily	125,943	86,247	15 Purchases	\$542.14	\$1,646.50	3.04	\$36.14 Per Purchase
Conversions - ...	20 Jun 2019	Active	\$30.00 Daily	187,364	105,458	26 Purchases	\$768.77	\$4,368.85	5.68	\$29.57 Per Purchase
BOF - DPA - R...	20 Jun 2019	Active	\$100.00 Daily	199,728	18,702	169 Purchases	\$2,730.13	\$25,243.35	9.25	\$16.15 Per Purchase
TOF - LAA - U...	6 Jun 2019	Active	Using ad se...	16,457	11,623	4 Purchases	\$210.79	\$490.00	2.32	\$52.70 Per Purchase
TOF - LAA - US	5 Jun 2019	Active	Using ad se...	763,175	416,902	147 Purchases	\$5,127.36	\$22,772.45	4.44	\$34.88 Per Purchase
TOF - Top Win...	11 Apr 2019	Active	\$60.00 Daily	291,443	195,010	37 Purchases	\$1,638.40	\$5,326.50	3.25	\$44.28 Per Purchase
TOF - CBO - Bl...	25 Mar 2019	Active	\$60.00 Daily	554,690	354,917	53 Purchases	\$1,549.73	\$9,100.95	5.87	\$29.24 Per Purchase
Results from				4,443,050 Total	1,812,028 People	—	\$17,807.01 Total Spent	\$95,331.10 Total	5.35 Average	—

So, we will show you how you can calculate the LTV no matter what you sell. But before that, you need to understand why LTV matters to your business. According to Dan Kennedy:



He or she who can afford to spend the most to acquire a new customer, wins.



Keep in mind - If you spend more than you can afford, you lose money. If you spend less, you don't scale.

And, if you aren't scaling and taking a huge piece of the pie which should have your name on it, you can bet that one of your competitors is.

An LTV could look like this: Let's say you know that someone who buys from you the first time will be back to shop again.

They will spend on average of a \$100 at least 3 times a year for 3 years.

This means: $3 \times \$100 = \300 a year $\$300 \times 3$ years = \$900 LTV

Now that you know your LTV, you can work out how much you can spend on acquiring that customer whilst making a profit.

HERE'S A STEP-BY-STEP METHOD TO CALCULATING LTV

Calculate the average order value:

You can calculate this number by dividing your company's total revenue in a year by the number of orders over that same period.

Example: Revenue is £1,017,459 and orders are 9,452, this means the average order value is £107.64

Calculate the average purchase frequency rate:

You can calculate this number by dividing the number of orders over the course of the time period above by the number of unique customers who made purchases during that time period.

Example: There are 9,452 orders by 7,327 unique customers, this means the average purchase frequency rate is 1.29 and every customer buys 1.29 times in the store.

Calculate the customer value

You can calculate this number by multiplying the average order value by the average purchase frequency rate.

In our example from above this is $£107.64 \times 1.29$ so the customer value is £138.86

Calculate the average customer lifespan:

You can calculate this number by averaging out the number of years a customer continues purchasing from your store.

This is a difficult number to get right and there are formulas for it, we tend to see that the average here is 2.5 to 3 years and if you don't know this number (or haven't been open long enough to know this) you can use the 2.5 as the average.

Final calculation: You can now calculate the lifetime value by multiplying the customer value by the average customer lifespan. This will give you an estimate of how much revenue you can reasonably expect an average customer to generate for your company over the course of their relationship with you.

In our example this means that the customer value of £138.86 is multiplied by 2.5 and the lifetime value of a customer is around £347.15.

So, now that you know how to calculate your LTV, how can you boost this number even further so each customer is worth more to you?

HERE'S WHERE SMART STRATEGIES LIKE THESE COME INTO PLAY:

UPSELL:

Think of upsells like upgrades or add-ons. Amazon does this pretty well by displaying upsells under products so you can buy multiple items together.

You can offer upsells to customers when they are about to checkout or later on once they have had the chance to use our product. The idea is to get customers to buy more than 1 product.

CROSS-SELL:

When you show related products to customers, you are offering them a cross-sell. Using cross-sells can help customers purchase things that go well together to enhance their experience (and make you more sales!)

Your store should be designed in a way that it makes it easy for your customers to find other products they need. Not showing them what else you offer deprives the customer of a further buying opportunity which limits the average order value.

For example, a shoe store that had socks in stock can increase sales by recommending a nice pair of socks to go with their new shoes. Just like an upsell, you can offer this inside your store, during checkout or via email/an ad to target those who had bought one item but not the other.

SECOND

RED HOT RETARGETING

People aren't always ready to buy when you're ready to sell... That's why only 1-2% of website visitors will actually buy when they first come across a new brand. So, here's the BIG question: Why don't these people buy right away?

People buy when they know, like and trust you.

If this is the first time they've come across your brand, they don't know you, they might not like you yet and they certainly don't trust you. So you have to take them through a series of steps to build a relationship. Think about when you meet someone for the first time. You never ask them to marry you right away...if you did they'd probably think you were just weird! Instead you start a conversation, get to know them and if you've done a great job, you get the opportunity to meet them again. Building a relationship with your store visitors is no different, it can take multiple touch-points to get them to buy from you. That's why follow-up is important to bring back visitors so you can continue the sales conversation.

According to wishpond, 72% of customers abandon their carts and only 8% come back to complete their orders if they are not reminded.

If you're running Facebook ads but don't have retargeting in place ...then you are leaving a good amount of money on the table! And we don't want you to lose money, so here are our top tips for setting up killer Facebook retargeting,

Segmenting Your Audiences

Segmenting your audiences is a great way to score your website visitors so that you're only spending your budget on hottest prospects.

Your audiences have different 'values' and the message in each stage in their customer journey needs to be different. You need to factor in how 'warm' your visitors are.

For example, when did they add to cart? Was it the last 3, 7 or 14 days? Also, did they add to cart or view a product more than once?



Knowing this data is important because someone that views a product 3 times in a week is much more valuable than someone that only views a product once. The same goes for someone adding items to their cart multiple times.

From our experience in running ads across multiple top performing ecommerce stores, add to cart audiences perform best during the first 14 days. After 28 days, the prospect has gone cold and these audiences generally don't perform.

The same goes for people who have viewed the product - after 14 days, conversions on these ads taper off. Which makes sense because if they didn't add to cart or buy after 14 days, they will most likely not need it or they bought from a competitor. So there's no point in spending budget following them around with ads.

If you are not already utilizing retargeting on Facebook, then below is a basic sequence that you can start with. As budget increases and you begin to scale this will become a lot more advanced, have multiple layers to it, and of course require far more time to monitor.

BASIC RETARGETING TO BEGIN WITH

AD SET 1

Retargeting Audience VC
(view content)
Automatic Placement
7 Day Click or 1 Day View

AD SET 2

Retargeting Audience PV
(page view)
Automatic Placement
7 Day Click or 1 Day View

AD SET 3

Retargeting Audience ATC
(add to cart)
Automatic Placement
7 Day Click or 1 Day View

AD SET 4

Retargeting Audience IC
(initiate checkout)
Automatic Placement
7 Day Click or 1 Day View

AD SET 5

Retargeting Audience PUR
(purchase)
Automatic Placement
7 Day Click or 1 Day View



THE MESSAGE:

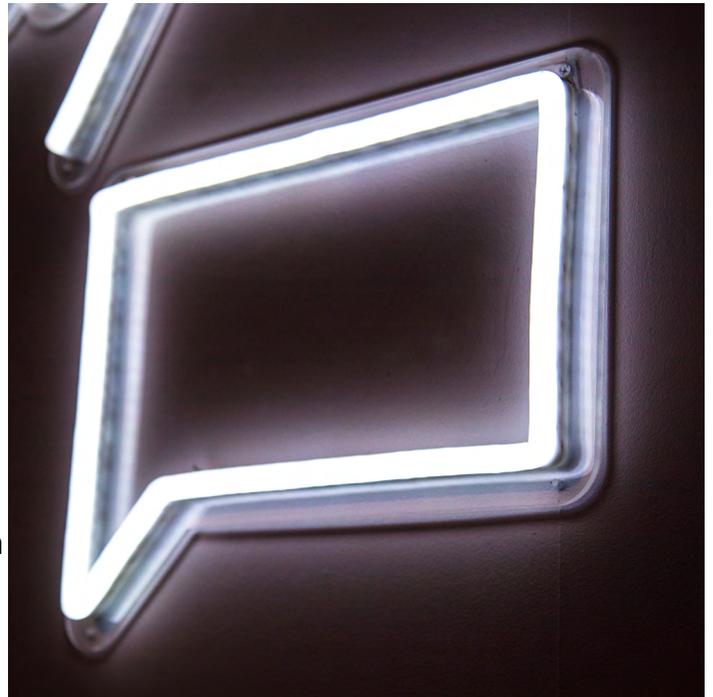
When crafting the message for any ad, each stage of the buying cycle will require a different type of conversation.

Someone who viewed a product has different needs compared to someone who added an item to their basket. The conversation you've had through your ad should align with the actions the website visitor has taken on your store.

So for a product view, you can retarget with a variation (different color) of that item Or even a video vs. an image or a lifestyle shot instead of a product photo etc. By using creativity, your retargeting message can be made more powerful.

For those who added to cart but failed to checkout, using customer testimonials is a good way to build trust (the lack of which could be a reason why they didn't buy the first time-around).

Testimonials also showcase the benefits of your product from a third-party perspective. And this helps to install the belief that since others trust and like the product, then I can too.





THE INCENTIVE:

A website visitor added to cart but then didn't buy...what could have happened?

Either they got distracted or more likely... They had an objection to the sale- usually the price of the product.

You can use incentives to try and nudge them over the line. Offering people tiered discounts is a great example of an incentive.

For example, you can start off with a 5% discount for the first 3 days. Then bump that up to 10% for the last 14 days and 15% for the last 28 to sweeten the deal further.

Another great incentive is free shipping. Some people abandon carts when they discover shipping rates. You can either offer shipping on any purchase or choose to only offer it over a certain threshold.

You can also offer a "Buy 2 & Get 1 Free" deal because a lot of buyers love free stuff and this way, you're selling more of your stock with each order.

So, think about what you can offer them to make buying from you a no-brainer.



Here's an example of a retargeting ad that offers an incentive.

THIRD

OPEN UP NEW PLATFORMS & PLACEMENTS

Scaling a winning campaign is about getting more of the right eyes on your ads. Ask yourself: Are there other relevant platforms I can branch into? For example, are you:

Running Facebook Ads? Try Instagram

Running Instagram Ads? Try Facebook

Running both Facebook & Instagram? Try new placements

(Instagram stories are HOT at the moment!)

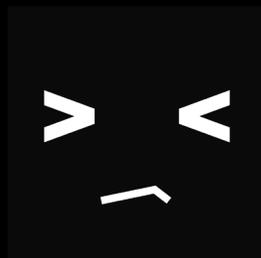
We are seeing extremely high returns on our Instagram story placements. Get these set up. Now.

Before testing a new platform it's important to understand that people behave differently on different platforms. This is going to mean that how you deliver your message is also going to need to be different.

On Facebook, a lot of people rave about video content but for some of our clients ads images perform better. It's all a matter of testing different creatives to find the winning one.

On Instagram, We've seen a lot of big returns from both images AND video ads in the story section.

The main take-away here's to not be afraid to experiment with other platforms and different placements when running ads. You never know where you might strike GOLD!



Normal™

KEEP IN MIND

The attention span on Instagram is shorter so it's even more important to create an ad that grabs attention.

ALSO NOTE THAT

When you start spending more on Facebook ads, ALWAYS have backup creative ready. You never want to hit a stagnation point when you should be hitting scale.

For a period of 2-3 weeks one type of creative works and after that we need to swap it out for a new creative. This can be sooner on larger budgets due to ad fatigue.

Before the swap, We suggest you run a Page Post Engagement campaign to build up social proof with likes & comments. That's why you should have fresh creative ready in advance so it racks up engagement before it's time to launch it.

FOURTH OLD VS NEW CUSTOMERS

Another thing that store owners drop the ball on is retaining customers. *sigh* we see this far too often, it's scary.

Did you know that it's 7 times more expensive to try and get a new customer instead of keeping an old one? Marketing isn't just about marketing to new customers.

Marketing is a great way to engage with existing customers. Plus it's easier to focus on looking after the customers you've already paid for because they are already in love with your brand.

To increase customer retention, try these:

- a. Relationship building campaign
 - b. Win-back campaign
- Let's take a look at how these two campaigns be implemented

RELATIONSHIP BUILDING CAMPAIGN:

When someone buys from you, the buyer-seller relationship doesn't end there. Instead, it's now your job to convert these new buyers into your raving fans AKA new promoters for your brand.

We like to use a video campaign to achieve this goal. By targeting those who bought in the last 3 to 7 days with a simple 'thank you' video, I bring them back to shop again.

The videos are nothing more than a short 15-30 second message from the owner (or someone in the business). We've noticed returns of 10x to 30x without even asking for a sale in that video, which is amazing!

This adds a personal touch to the customer's experience and helps them to become more familiar with the brand.

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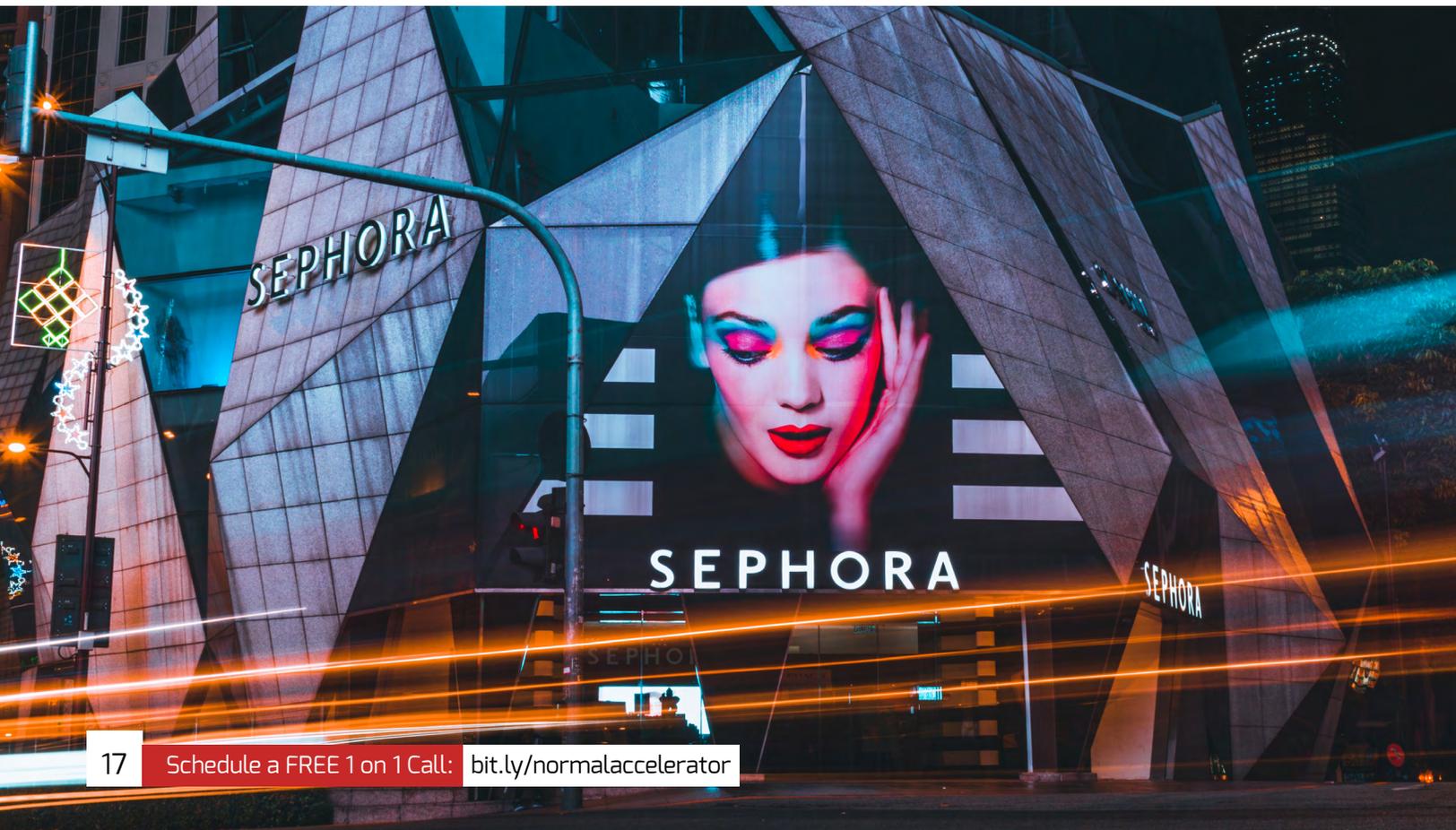
WIN-BACK CAMPAIGN:

This type of campaign helps to re-activate your dormant buyers. Here it's really important for you to get the timing right.

For example, a supplement's brand sells a 90-day supply of a product. When someone places an order, it's logical that they will need to repurchase after 90 days.

It would make sense to send out an email before the end of the 90 days to say 'Hey if you're running low on Supplement X, don't forget to stock up before you run out'. If you don't sell a product that needs to be purchased periodically, you can still send winback campaigns.

For example, you can send out special discounts or perks to get them to shop again.



FIFTH

USING THE RIGHT

LOOKALIKE AUDIENCE

Facebook's lookalike audience (LLA) feature is a powerful way to leverage your customer list and to tap into a wider pool of potential buyers

If you want to scale faster, you need to pay attention to using LAA the right way.

Which brings up this key question:

WHAT KIND OF LOOKALIKE AUDIENCES ARE YOU CREATING?

Often we see stores using lookalikes for the last 180 days or a full customer list.

While this is a valuable audience, based on buyers- how relevant is this audience?

Does your buyer persona change throughout the year?

Have you launched a different product range?

Are you buyers in the list your highest value customers?

Through testing, I have noticed that 30, 60 or 90 day audiences perform better than older audiences.

Also when exporting customers details from your store, do you export your customers over the lifetime of your business? Or do you take 3-month or even 1-month old customers?

Think about this: If you've been operating for 5 years, how relevant is a customer of 5 years ago versus a customer who purchased in the last 3 months?

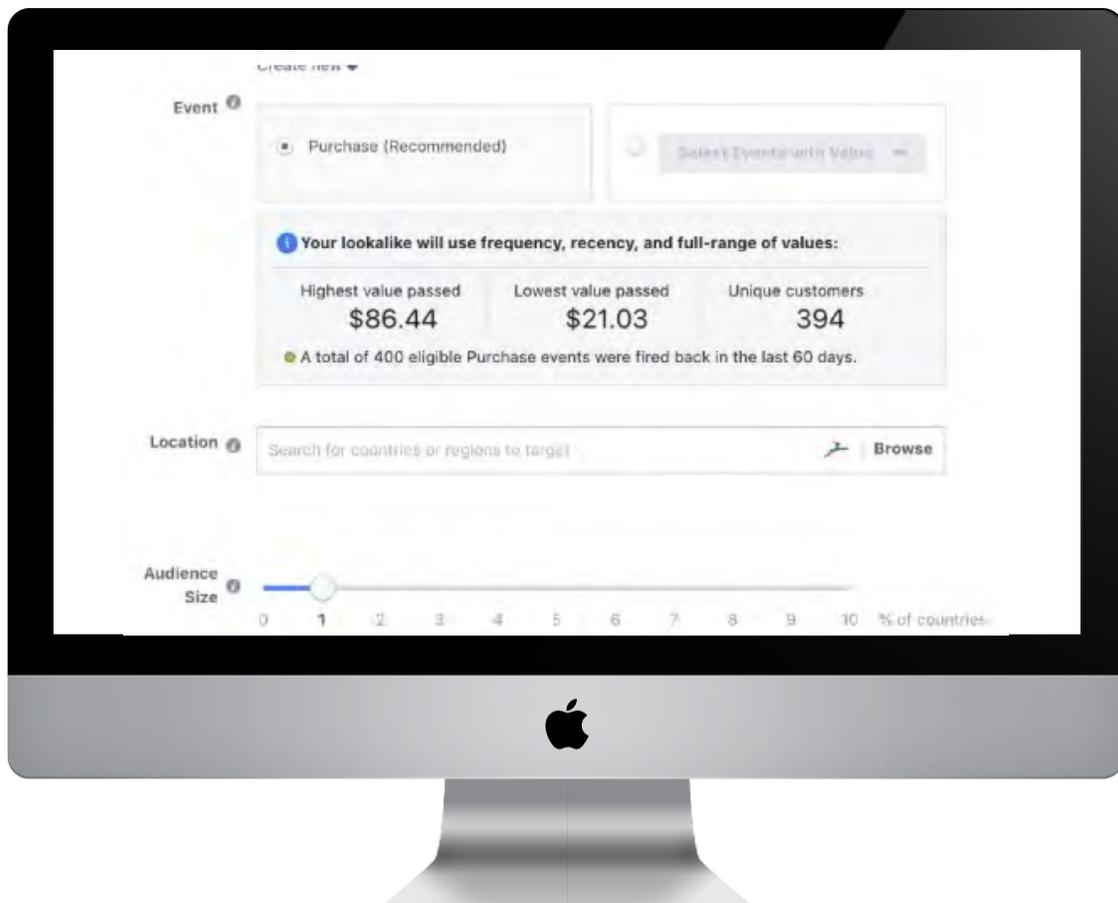
One might have purchased through a YouTube ad and another through Facebook.

Higher value lookalikes (customers with many/higher-priced orders) are worth using. They can bring in a better return on an ad set, so keep this in mind when re-creating audiences.

You can decide based on lifetime value or amount of purchases (people that have bought double the average order value for example, or people that have bought 3 times make for a good higher value audience.)

Note: You should be re-creating your lookalikes every month. The demographics of your audience will change a lot and so will the results you get from your campaigns.

Below is a screenshot that shows the value of a LAA inside Facebook ads manager. As you can see, we have created an audience based on the highest & lowest value (\$80 & \$40 respectively).



SIXTH HOW TO SCALE USING CAMPAIGN BUDGET OPTIMIZATION

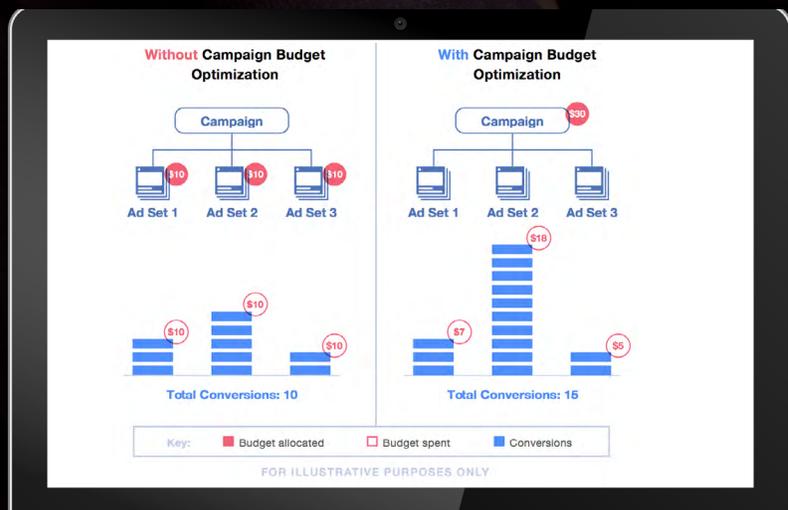
WHAT IS CAMPAIGN BUDGET OPTIMIZATION?

Facebook Campaign Budget Optimization (CBO) is a new feature that helps you automatically redistribute your budget to the best performing audience.

Campaign budget optimization is a way of optimizing the distribution of a campaign budget across your campaign's ad sets. This means Facebook automatically and continuously finds the best available opportunities for results across your ad sets and distributes your campaign budget in real time to get those results."

As we briefly summarized above, instead of setting our budget on the adset level and dictating how much we want to spend for each segment, we'll just tell Facebook how much we want to spend for the entire campaign and they'll do the rest.

If we want to visualize the differences, we can reference Facebook's comparison below.



As we see in the chart above, without budget optimization (and without us going into our campaign every day to make adjustments) we're giving the same \$10 to all ad sets instead of giving more budget to the ad set that's converting well for us.

With Campaign Budget Optimization enabled, Facebook is automatically taking the budget and redistributing it to the better performing ad sets.

The Best Methods to Scale Using CBO's

Here are four scaling strategies that we have found effective for CBO that you can implement today.



1. The 10x2 Method

This type of campaign helps to re-activate your dormant buyers. Here it's really important for you to get the timing right.

For example, a supplement brand sells a 90-day supply of a product. When someone places an order, it's logical that they will need to repurchase after 90 days.

It would make sense to send out an email before the end of the 90 days to say 'Hey if you're running low on Supplement X, don't forget to stock up before you run out'. If you don't sell a product that needs to be purchased periodically, you can still send winback campaigns.

For example, you can send out special discounts or perks to get them to shop again.



2. The Hard Stop

What we do with 'The Hard Stop Method' is we will use the same strategy as the 10x/2x campaign except we will add Bid Caps to every ad set that is 10% lower than our goal. We find with 'The Hard Stop Method' strategy that your full budget is not spent everyday, however you achieve profitable results. As an example, we had one CBO campaign using this strategy with a \$5,000 daily campaign budget. On Sunday, it spent \$5,000 profitably. The very next day, campaign performance tapered off and only spent \$900. Here, we have proof that when the right traffic wasn't available on a given day, Facebook didn't take the opportunity to waste our budget like most people think they would. This is a great way to mitigate some risk that you have going on with other tests you are running.



**THE HARD
STOP**



3. The Bullseye Method

Sometimes, certain ad sets require full attention and a full budget dedicated to themselves. We simply just treat campaigns as ad sets with 'The Bullseye Method', as we can pinpoint the exact budget I are looking to spend on a given day. The set up would be one ad set per campaign and set a daily budget similar to the way we would set an ad set budget. While this will create many campaigns, this format replicates the setup of current ad sets in that you can have a budget per target. This strategy primarily works best with retargeting ad sets, as well as specific ad sets that you want to ensure get spend (for various reasons).



4. The Cobra Method

This strategy is one of our top CBO scaling methods. With 'The Cobra Method' we take our top performing audience and duplicate it five times within a given CBO campaign. Just like snakes, ad sets (even top performing ad sets) can sometimes build up negative history, and by cloning it can shed its skin and start fresh and be even stronger. This also allows us to fish for a different audience from the same target pool. If you imagine a pond as your target audience, one ad set would be the same as throwing one rock in the pond and its resulting ripple. With five duplicates, this is like throwing five rocks in different areas of the pond, generating five different ripples (mostly unique audiences).

We then set the daily campaign budget to 20x my CPA and then launch. After an ad set is proven out, I find this method takes my audiences, budgets, and CPA's to the next level.

By cloning it can shed its skin and start fresh and be even stronger.



NOW, WE HIGHLY **RECOMMEND** YOU IMPLEMENT THE ABOVE IF YOU ARE SERIOUS ABOUT **SCALING,** AND **DOMINATING YOUR MARKET SECTOR.**

However, the above is the very tip of the iceberg when it comes to the true capabilities your brand could have set up on the back end, to achieve significant sales figures.

The brands we work with get this, and so much more applied to their store which is why they achieve stratospheric returns month after month, and are always ahead of the competition in an ever changing environment.

Our Normal system has taken years to perfect. Managing \$100,000's in ad spend, trialing, testing and tweaking to get it to where it is today, so that brands like yours can get the same process applied to their store, and stay ahead of the game.

We have a multitude of clients who have achieved record sales months in their first 30-60 days with us, have smashed any prior expectations in which their store could achieve, and have scaled drastically by partnering with us.
For them, this is now very much Normal.

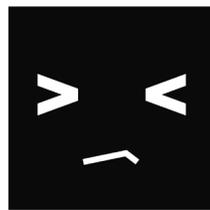
WE'VE BEEN THERE, **DONE THAT,** AND MADE IT NORMAL.

We built our own stores from the ground up, achieving **£100,000's** in revenue when no one even knew who we were. We then began working with small brands we believed in to take them to stratospheric new levels in the exact same way. Today, we have the data to hand which we have built over many years of testing and perfecting to apply a 'Normal formula' to any brand serious about dominating their market.

**IF YOU'RE READY FOR THAT NEXT LEVEL,
YOU NEED TO BECOME NORMAL.**

Take the Six Figure Formula to the next tier, and schedule a FREE
bespoke 1 on 1 consultation with The Normal Company:

bit.ly/normalaccelerator



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