market leader®

Facebook Lead Ads

A Guide for Real Estate Agents

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What Are Facebook Lead Ads?

The key to marketing and digital lead generation is meeting prospective clients, where they already are. As of March 2020, Facebook had 1.73 billion daily active users. Combine that with the incredibly specific targeting Facebook offers – like, likelihood to move, and more – and Facebook becomes a very strong platform for getting in front of your target audience, based on real-time behaviors (like showing interest in the home selling process or likelihood to move based on length of time in their current home).

> Note [1]
>
> Facebook frequently updates its ad creation and management tool, so it's possible that some elements of this guide will be out of date by the time you read it.

In the age of digital ubiquity, Facebook offers businesses the opportunity to reach extremely targeted audiences, at precise times, where they already are, and without asking them to leave the website. Facebook creates autofill forms with information the user has already provided to Facebook, which limits the likelihood of incomplete or inaccurate information, without asking them to leave the page they're on. Combine all of these benefits and you get an amazing opportunity to generate quality leads for your real estate business.

How to Create Facebook Lead Ads

Navigate to the Facebook Ads Manager once you're ready to begin creating an ad.

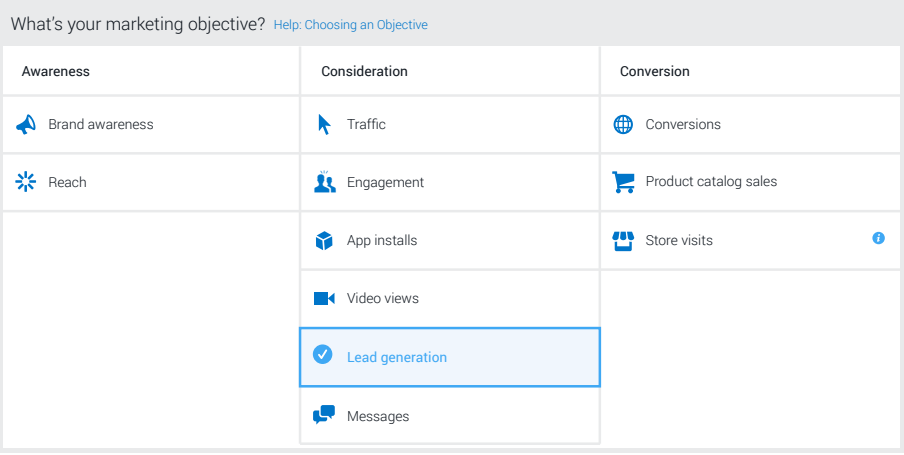
> **Note** 1
>
> This guide assumes you have your own real estate website with lead-capturing functionality. If you don't have such a website, you will need one for the Facebook ads you create. If you would like to learn how to get a branded, lead-capturing website with MLS listings from Market Leader, please call us at 1-800-983-4080.

1. Choose a Campaign Objective

Facebook simplifies the process of creating ads by organizing campaigns by objectives.
There are three levels to Facebook's campaign structure:

- **Campaign** - This is the high-level organization of your ads, based on objective. All ads that have the same objective will fall under the same campaign.
  Example: Lead Generation
- **Ad Sets** - Ad sets map out your strategy and can include multiple ads. You will define your targeting, budget, schedule, bidding and placement of ads at the ad set level.
- **Ads** - These are pretty self-explanatory. You can create multiple ads with different visuals, copy, and CTAs that all serve the same objective and target the same ad sets.

Since this guide is specific to lead ads, we're going to focus on Lead Generation as an objective.



Click on the "Create Campaign" button in the Ads Manager dashboard. Campaigns help advertisers group ads with similar objectives, audiences, and themes together. You will be prompted to name the campaign and select a marketing objective.

Campaign names should be descriptive and unique. For example, if the campaign's objective is to generate seller leads in Bellevue, WA from "Home Valuation" ads, you could name it "Lead Generation - Sellers - Bellevue, WA ."

After naming the campaign and selecting a marketing objective, click on the "Continue" button.

2. Create Your Ad Set

Your ad set consists of your audience, budget, schedule, and bidding strategy for your campaign. Once you've created your ad set, it can be applied to future campaigns if you choose to keep the same set of targets for other ads.

Name Your Ad Set

Name your ad set according to your target audience, not the campaign itself. Again, ad sets can be applied to multiple ads, so you want to keep it high-level.

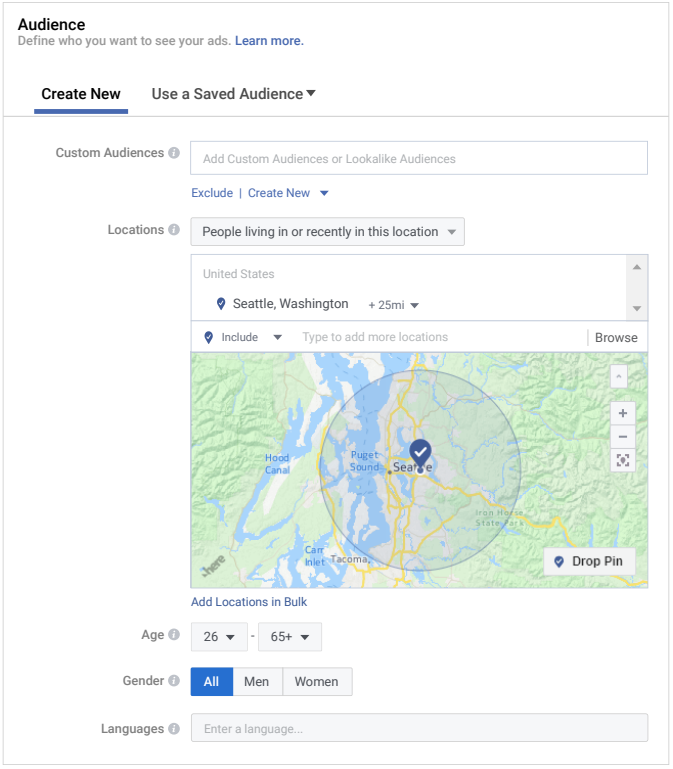
Example: Sellers - city, state - Likely to Move

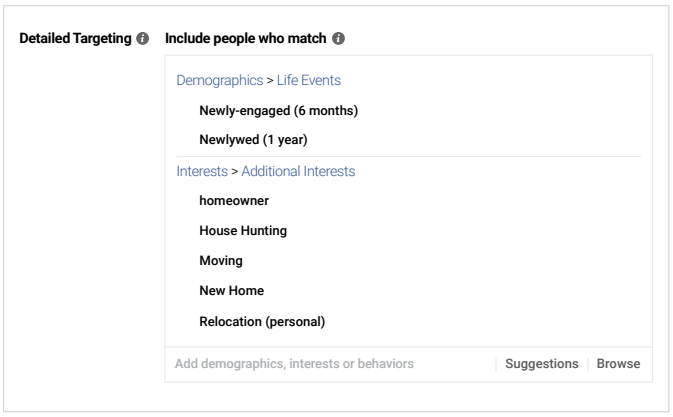
Define Your Audience

You can customize and target your audience by demographics, behavior, and hundreds of other characteristics.

If you're new to Facebook Ads, select "Create New" to begin defining your target audience.

You'll start by identifying the geographic area you want to target. The more specific you are here, the better. If you're targeting sellers in specific neighborhoods, enter those zip codes to keep your audience lean. The more specific you target your audience, the higher quality leads you'll get!





Here are a few of the many interests, behaviors, and demographic variables you can use when creating advertising audiences:

Homeownership status (BROWSE > DEMOGRAPHICS > HOME > HOME OWNERSHIP)
Create better audiences for targeting home sellers by focusing on Facebook users who own a home

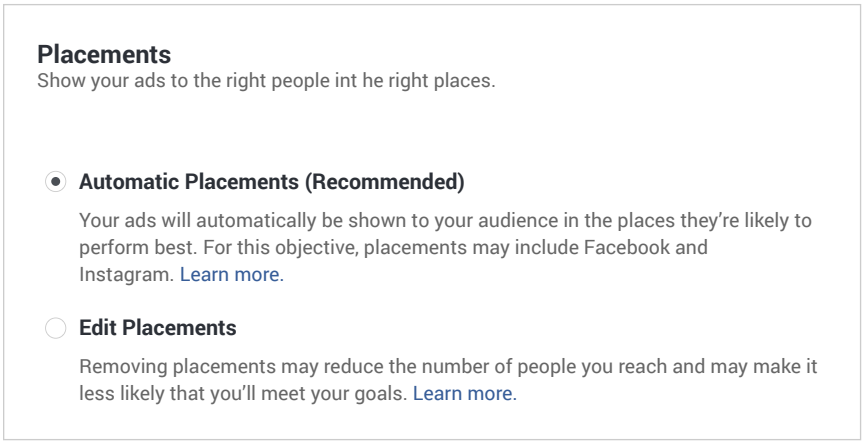
"Residential profiles" (BROWSE > BEHAVIORS > RESIDENTIAL PROFILES > LENGTH OF RESIDENCE / LIKELY TO MOVE)
Targeting Facebook users who have been identified as "likely to move" by Facebook, will help you get in touch with them before they start working with your competitors.

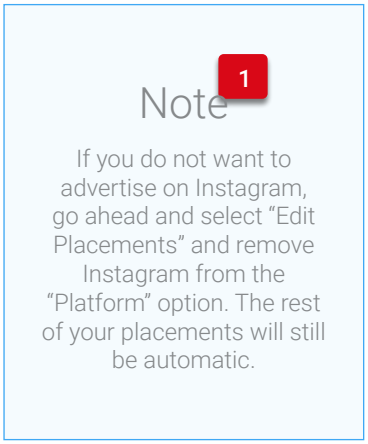
Home price (BROWSE > DEMOGRAPHICS > HOME > HOME TYPE > HOME VALUE)
Create an audience whose homes have an estimated value within a certain price range then target them indicating their home could sell for that much and offer a free valuation.

You can view the size of your defined audience on the right as you add more target features.

Set Placements

Properly placing your ads in front of the right people, at the right time, is perhaps one of the most important parts of your advertising strategy. Unless you're well-versed in the world of Facebook advertising – in which case, you probably wouldn't be reading this guide – we recommend allowing Facebook to set your placements for you.

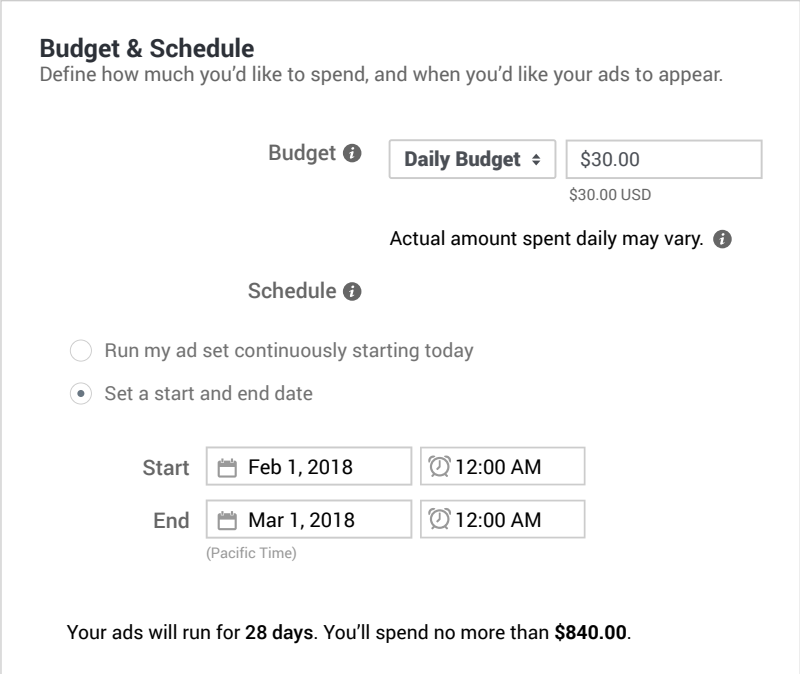




Ad Budget and Schedule

Here you'll define your budget and scheduling. You can set a daily budget, for a specific time frame, or a lifetime budget for the campaign.

Schedule your campaign for any duration of time, or you can create an ongoing campaign to run continuously. For the purpose of this guide, we'll set the campaign duration for one month, with a daily budget of $30.



Note 1

It's important to note that when advertising on Facebook, and most "pay-to-play" platforms, you will be charged per impression - not per lead.

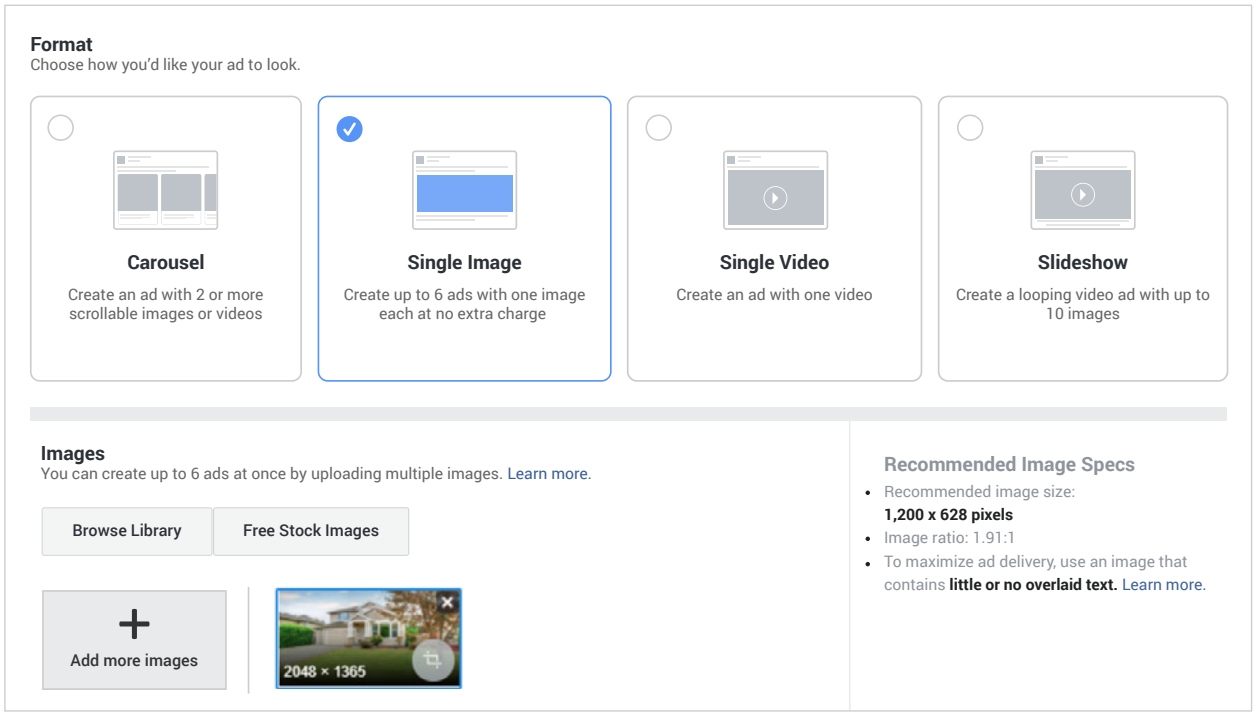
An ad might run for days before a lead comes in, and it's important to adjust expectations accordingly. Don't be discouraged while you're still starting out. Part of advertising is testing, measuring and optimizing your campaigns, which we discuss later in this guide.

Want more leads for your business?

With Market Leader, you get a guaranteed number buyer and seller leads – not just impressions – in your target area. These leads are exclusive, not shared with other agents. Lead inventory is limited, so check availability today.

Learn more

3. Select Ad Layout



The various Facebook ad formats are well suited for the real estate industry. Depending on the types of leads you're looking to generate, you can choose one of the following options to best display your visuals and capture the attention of your prospects.

- The "Carousel" and "Slideshow" formats allow consumers to scroll through listings photos without leaving Facebook or Instagram. This particular ad layout is ideal if you will be advertising on Instagram, because it is entirely visual.
- The "Single Video" format can display videos of listings or the communities you serve.
- The default "Single Image" format is ideal as well; it features a prominent photo and has more than enough room for the amount of text agents should use with their ads.

> Note 1
>
> Text used in advertisements is referred to as "ad copy" in the marketing world; we'll refer to it as such from here on.

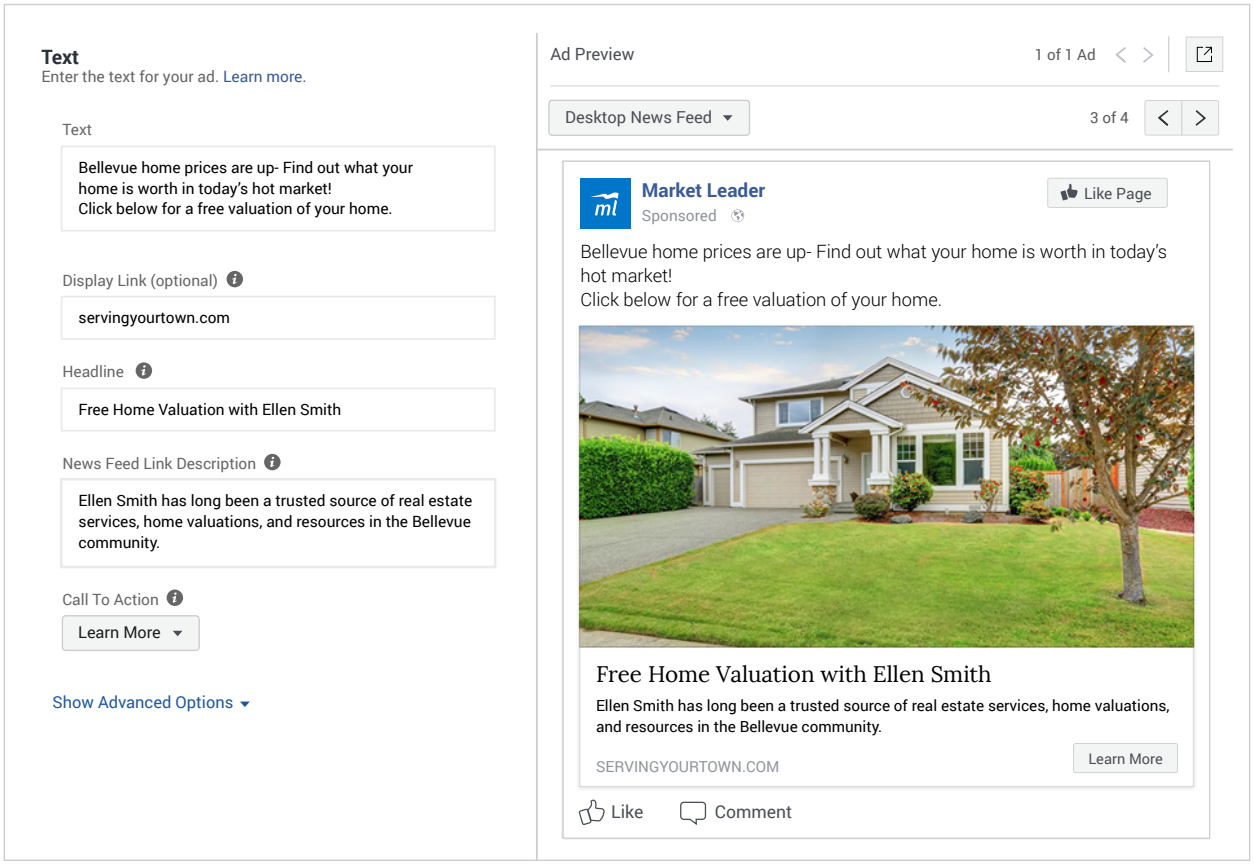
We recommend using the "Single Image" format to start out with. It's the simplest format, and it allows you to create many versions of the same ad. Don't be afraid to try additional formats once you've gotten comfortable creating "Single Image" ads.

Image Best Practices

- The recommended image size for the "Single Image" ad format is 1,200 pixels wide and 628 pixels tall. While it's fine to use larger or smaller images than what is recommended, always use the recommend image ratio for your chosen ad format (e.g., 1.91:1 for the "Single Image" format). Otherwise the image won't fit properly within the ad, making you look unprofessional.
- The edges of Facebook ad images sometimes get cropped off, so make sure any important component of the images you use (e.g., text or your company logo) have buffer space between them and the closest border.
- The 20% Rule: Facebook wants advertisers to limit the copy on their ads to 20% of the image used. This includes your logo. Be sure to adhere to the 20% rule in order to pass Facebook inspection. Learn more about this policy here. Having a logo and up to 50 or so characters of text in an ad image is fine, provided the font size isn't too large.

4. Create Ad Content

Once you've selected an ad format, it's time to create the content of your first ad. You will need to upload an image, enter the website URL you want your ad to link to, and add text to up to three text fields.



Ad Copy Best Practices

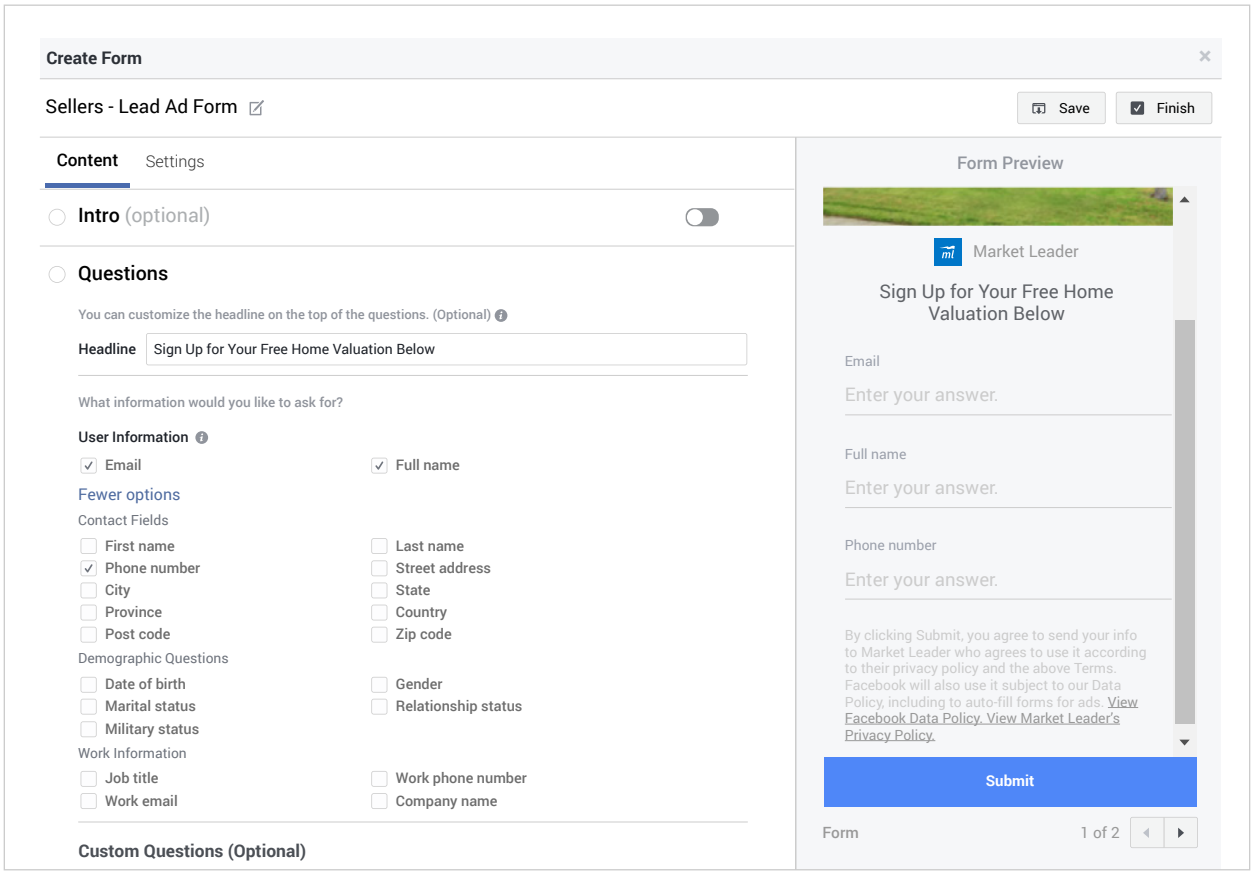
- We recommend adding text to all three of the available text fields. The headline should help grab a user's attention, the body text should pique their interest in what you're advertising and convince them to click on the ad, and the news feed link description should provide additional information to further convince them to click on the ad. Avoid redundancy between these sections.
- With any kind of ad copy, less is often more.
- The body text is the only section of copy that appears in all ad placements, so it must be compelling enough to convince Facebook users to click on your ads on its own.
- Action-oriented phrases work better than bland phrases with similar meanings. "Check Out These Hot Seattle Homes for Sale!" is a more compelling headline than "Seattle Homes for Sale."
- The call to action (CTA) should be alluded to repeatedly throughout the ad copy. An ad offering a free home valuation should reference that in the headline (e.g., "Get a Free Home Valuation Today!"), body text ("Local home prices are rising rapidly. Find out how much your home could sell for by requesting a free home valuation."), and news feed link description ("Homes that would have sold for $200,000 a decade ago are selling for $300,000 today. Find out how much your home could sell for!").

Lead Forms

You have the option to create your own lead forms on Facebook. Prospects are prompted to complete a form without having to leave the site - no redirecting people to landing pages and, better yet, the form will be populated for them using information they've already provided Facebook. Of course, they can revise their information, but the likelihood of getting correct contact information is increased.

The less information you ask of a user, the better the odds of form completions. Additionally, your cost per lead will increase with every question you include on your form. What information is

absolutely necessary - a name and email address? A phone number? Keep the information you ask for to a minimum! We recommend three questions, maximum.



Review your ad to ensure the image looks visually appealing, and the copy is compelling and reads well. Then click the "Place Order" button.

5. Create Multiple Variations of Your Ad and Split Test

After clicking the "Place Order" button, a confirmation that your order has been placed will appear. You will also see a prompt about duplicating the ad you just created. We highly recommend doing this every time you make a new ad set.

Duplicating ads in this way will cause Facebook to display each version to different users and, over time, give priority to the ad version that is performing the best. This allows advertisers to simultaneously try out several image and/or body text styles, helping them get the most out of their Facebook ad campaigns.

Note About CCPA Compliance

Compliance with the California Consumer Privacy Act (CCPA) on Facebook is required on any ads targeting Californians. Since the CCPA went into effect in January 2020, Facebook has implemented several self-serve tools that "let people access, download and delete their information," whether they live in California or not.

Facebook encourages advertisers to determine for themselves how to best comply with the law. Click here for more information regarding CCPA compliance on Facebook.

Targeting consumers in California?
Jump to the end of this guide for a guide to CCPA Compliance on Facebook.

Here's an example of multiple headline variations you could try with several seller ads in the same ad set:

- Get a Free Home Valuation Today!
- Home Prices Are Skyrocketing - Get a Free Home Valuation!
- What's Your Home Worth? Get a Free Home Valuation!

We recommend testing three to four versions of every ad you create to identify which image and ad copy styles perform best.

Once you have finished creating duplicate versions of your ad, click on the "Continue" button after placing an order for the final duplicate. Your ad set is now finished, but each ad will need to be approved by Facebook before being displayed to your target audience. This typically takes a couple of hours, and impressions should start rolling in within a day.

6. Collect Your Leads and Track Conversions

Creating ads is only half the battle. To ensure you're spending your marketing budget effectively, you will need to track how many leads you're getting from your ads and how they are converting.

Collect Your Leads

From the Ads Manager, download your leads from your campaign at the ad set level.

1. In the Ads Manager, click on the name of your lead ad set
2. In the results column, click the download icon
3. A window to download your leads will appear, where you can download all of your leads or leads within a specific date range

Your leads will download in a CSV or Excel file, which you can then import to your CRM.

Tracking and Calculating Your Conversion Rates

Because converting leads to clients is the ultimate goal of your Facebook lead generation campaign, conversions and your conversion rate should be the metrics you care about most. It's necessary to track the leads your ads are generating, as well as the rate at which you're able to convert them to clients. Without tracking these metrics, it will be impossible to know if your Facebook lead ads are spending your marketing budget effectively, or if you are properly connecting with and nurturing the leads your campaign acquires.

There are two types of conversion rates you want to calculate and track:

1. Your Ad Conversion Rate

Determine the performance of each ad by tracking how many ad impressions you need to acquire a new lead.

$$\frac{\text{Leads Acquired}}{\text{Ad Impressions}} = \text{Ad Conversion Rate}$$

It's important to note that this metric is something you will track, over time, and optimize through testing (discussed in the next section).

2. Your Lead Conversion Rate

Determine the performance of your follow-up and nurture strategy by tracking lead-to-client conversions.

$$\frac{\text{Clients Acquired}}{\text{Leads Generated}} = \text{Lead Conversion Rate}$$

Once you establish a baseline, this metric will tell you how you're doing on your end once you receive a new lead. If your Lead Conversion Rate starts to drop, take a look at what you could do to improve.

7. Test and Optimize – Then Repeat

Adhere to this mantra with your Facebook ad campaigns: Always Be Testing.

There are myriad tests that can be performed on your Facebook lead ads. These include trying new image styles, ad forms, calls to action, headlines, and body copy. It's also wise to develop and test new audiences and refine existing ones. And just like with any other skill, you'll never truly master Facebook advertising, so you won't ever reach a point where your campaigns couldn't benefit from additional testing.

When conducting tests, identify which ad sets and audiences are yielding poor results and cut them out, then double down on the ones giving you the best results. Note which ad copy and image styles tend to yield the best results, then focus on using those styles with future ad sets.

Facebook also supports split testing, which is highly encouraged for any agent who is skilled at marketing and willing to put in extra time and effort to get the most out of their Facebook ads.

Downsides of Facebook Lead Ads

While Facebook lead ads can be an effective way to generate leads, it's important to examine the amount of work that goes into creating, testing, and optimizing your ads before seeing success. Companies like Market Leader advertise your business and generate leads for you, saving you the money, time, and effort running Facebook ads will often cost you.

A keen understanding of the resources involved in creating Facebook lead ads also considers the time it can take for leads to come in, the time it will take to convert, and the likelihood of people completing your lead form without realizing it because Facebook lead ad form fields automatically populate with their information – often confusing them if they don't remember submitting it in the first place.

Again, when running Facebook lead ads, you are paying per impression, not per lead captured. Remember to adjust your expectations accordingly so when you see your allowed budget depleting before lead information comes in, you're not surprised or deterred. You will learn what works and what doesn't over time, but this can be a lengthy process.

The manual process of logging into your Facebook ads account, checking for new leads, and downloading those leads to import them into your CRM is time-consuming. Not to mention, Facebook doesn't notify you when a new lead comes in so you must continually check your ads account to ensure you're learning about new leads and reaching out to them as soon as possible.

Be sure to consider the real cost of running Facebook ads, and compare that cost with purchasing your leads from a company that does everything for you and notifies you near-instantly when you receive a new lead.

CCPA Compliance

Compliance with the California Consumer Privacy Act (CCPA) on Facebook is required on any ads targeting Californians. Since the CCPA went into effect in January 2020, Facebook has implemented several self-serve tools that "let people access, download and delete their information," whether they live in California or not.

Facebook encourages advertisers to determine for themselves how to best comply with the law. Click here for more information regarding CCPA compliance on Facebook.

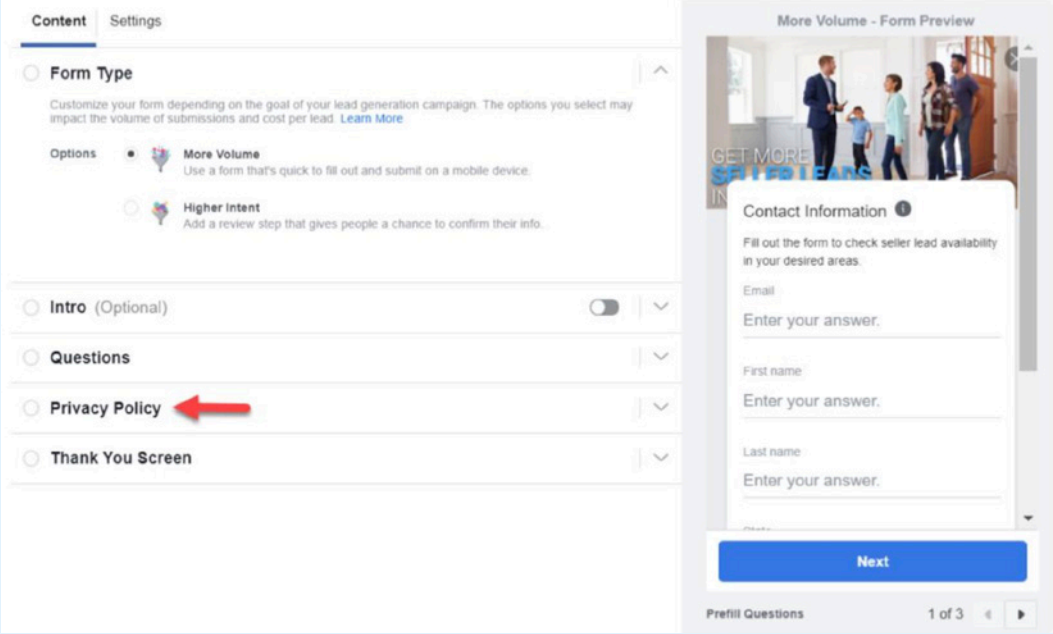
California Realtors

Facebook's measures do not guarantee compliance of CCPA. As real estate agents, you are responsible for determining whether your business participates in data transfer activities that are a "sale of data" under the law. An example of compliance of this would be if a consumer's information from your Facebook ad was transferred to another entity for a business purpose.

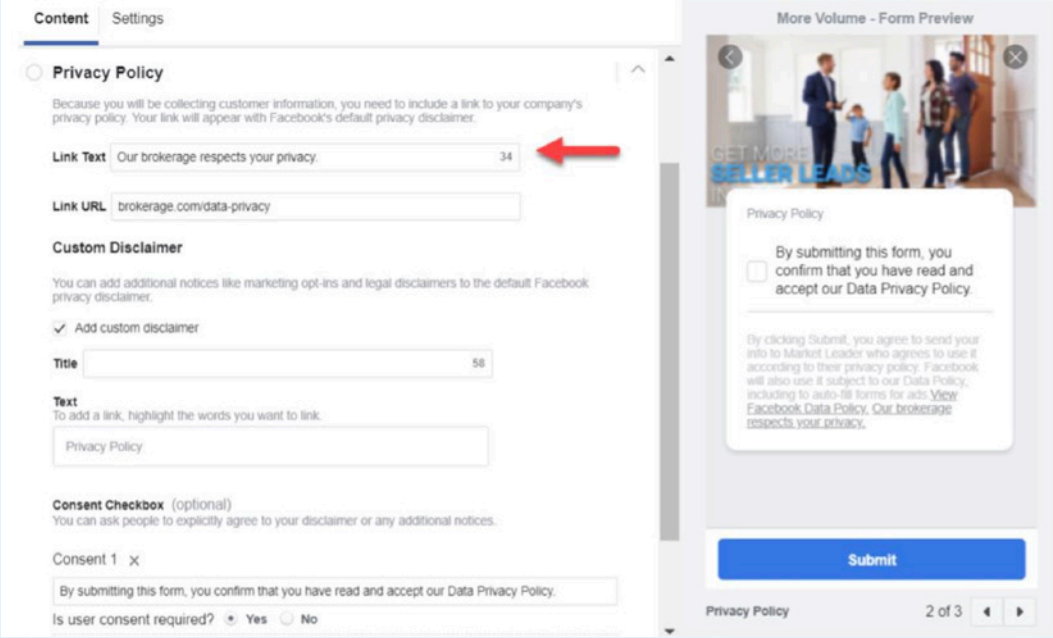
A simple way to comply with this is to have all users submit when completing the form on your Facebook ad that they understand your business's Data Privacy regulations.

HOW TO: To implement this, first you must have Data Privacy Policy on your website and then simply follow these screenshots once you are prompted to create the form for your ad:

1. Navigate to the Privacy Policy section of your Facebook Ad Form

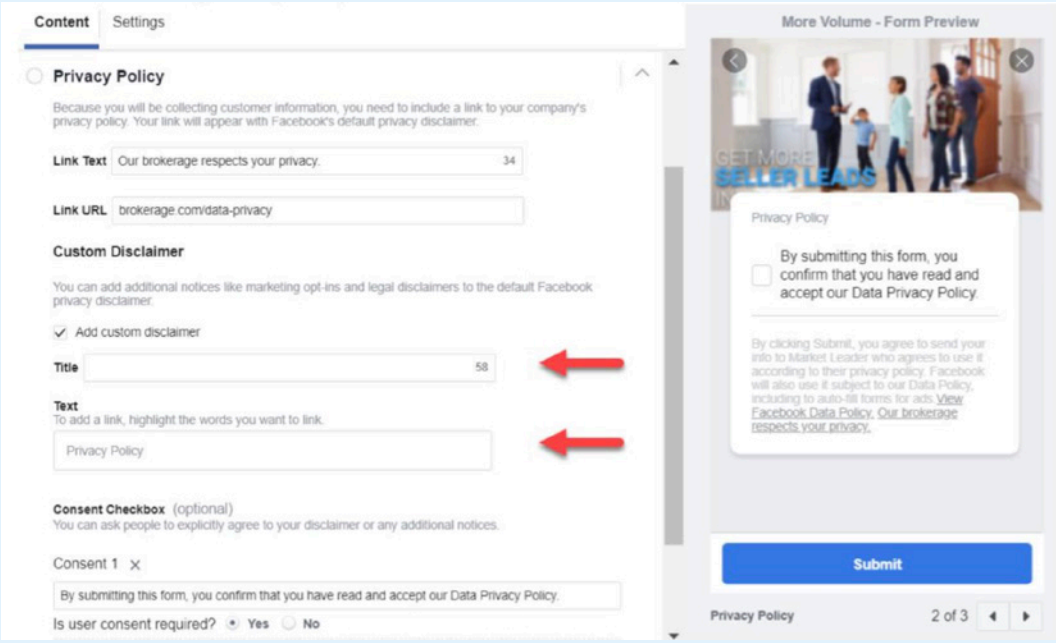


2. First, provide a link to your business's Data Privacy Policy on your website and add a Link Text such as "Our Brokerage respects your privacy".



3. Next, edit your Custom Disclaimer section.

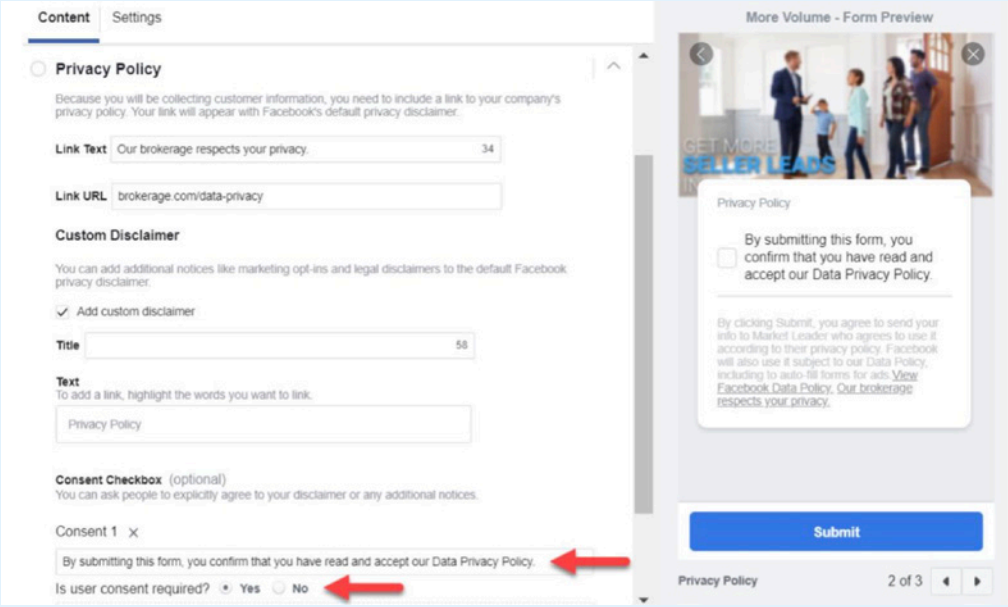
Your Title and Text is optional. However, a simple and straightforward approach is to list "Privacy Policy" as your Text



4. Finally, opt for the optional Consent Checkbox where the user will agree to comply with your business's Data Privacy Policy.

a. In the text, use "By submitting this form, you confirm that you have read and accept our Data Privacy Policy".

b. Is user consent required? (Yes). This ensures that all users who fill out this form have to confirm that they have read and accept your Data Privacy Policy.



5. Once this step is completed, be sure to save and you're all set!

About Market Leader

A leader in real estate technology since 1999, Market Leader proudly serves over 250,000 agents and teams across the United States and Canada. You can build and manage your business with our products:

Market Leader Professional

One intuitive system for agents and teams to generate and convert leads. It includes an end-to-end contact relationship management system, customizable IDX website, and a fully-integrated marketing design center.

Learn more

Leads Products

That deliver buyer and seller leads – not just impressions – and guarantee a steady stream of leads throughout the year. These leads are exclusive – not shared with other agents. Lead inventory is limited, so check availability today.

Learn more