Ads

[watch full video here (pt1)](#) [(pt2)](#)
Key takeaways

- Paid ads are one-to-many advertising to cold audiences; they “interrupt” other people’s content and you rent eyeballs/earballs from platforms.
- Paid ads give guaranteed reach (you pay for reach); the question is how efficiently you extract value vs. cost.
- Four problems paid ads must solve: 1) where to advertise (platform), 2) getting the right audience (targeting), 3) making the best ad (callout/hook, creative, CTA), 4) getting permission to contact them again (capture contact info).
- Scaling is limited by ad quality, not the platform. Top advertisers split-test many more creatives; you must create volume of ads to find winners.
- 80% of the ad value comes from the beginning / headline / callout — invest heavily in the opening.
- Callouts (hooks) types: labels, yes questions, if-then statements, and ridiculous results. Callouts can be words, noises, or visuals.
- Visual callouts use contrast (colors, movement, attractive visuals), likeness (people/backgrounds that match the audience), and scene (showing the problem/status visually, or local landmarks).
- Lead magnets/offer structure: show an ad with a clear lead magnet to get one step toward you, then structure the funnel to cover acquisition cost and be profitable.
- Landing pages should be simple: common three layouts (headline + subheadline + content + submit; same with image; same with image + three bullets). Simpler pages reduce variables, increase conversions.
- Landing pages must match the ad (same words, colors, person) to maximize conversion.
- There is a tradeoff: more steps = fewer but more qualified leads; fewer steps = more leads. Adjust qualification when necessary.
- Action mindset: study other people’s ads to spot callouts; build a landing page quickly and start testing.
- Efficiency matters more than creativity: all advertising can work, the key is how well it works (efficiency).
- Paid ads give clear, direct return (put X dollars in, get Y dollars out) making it possible to identify and scale winning ads.
- Make more than you spend; benchmark target is ~3:1 lifetime profit-to-acquisition-cost (LTV:CAC).
- Faster breakeven (day 1–2) lets you scale more rapidly; long payback slows growth.
- Three spending phases: track money (set up tracking), lose money (testing/learning budget), print money (scale winners).

- You must accept losing many small tests to find a few winners; winners justify scaling to override previous losses.
- Tracking is mandatory — without it you're flying blind and cannot identify winners to scale.
- Reverse-engineer ad budget from delivery/sales capacity (e.g., customers you can handle × CAC = monthly budget).
- Best organic/free content and user-generated content (UGC: testimonials, unboxings) often make the best ads; repurpose viral content into paid ads.
- Run many small tests: recommended 30 hooks × 10 valuable pieces of content = 300 variations to test with small budgets.
- Ads take time and iteration (often months); treat initial spend as a learning budget and persist until you find scalable winners.
- Don't self-limit with "I'm not techie" — learn basic tools; it saves money and speed.
- If a channel is working for others in your industry, you can learn it by trial and error; paid ads should often be done after other acquisition methods that provide avatar data and cash flow.

Checklist

1. Pick the advertising platform
    - Choose where to advertise (Facebook, TV, other platforms) — decide based on where your cold audience spends attention.
    - Why: paid ads rent eyeballs; you must know where to interrupt people's existing content so your ad actually reaches the intended strangers.
2. Define the right audience
    - Specify targeting criteria so the right people see the ad (demographics, location, interests, behaviors).
    - Why: platforms' targeting is imperfect; if the right audience doesn't see your ad it won't convert — audience-target fit is one of the hardest and most important problems to solve.
3. Create strong callouts (headline/opening)
    - Write callouts using labels, yes-questions, if-then statements, or ridiculous results to get immediate attention in the first seconds.
    - Why: 80% of the advertising value is in the beginning; a powerful callout gets attention and determines whether the rest of the ad matters.
4. Use contrast in visuals and sound
    - Add bright colors, movement, attention-grabbing sounds, or anything that stands out in the first few seconds.
    - Why: contrast interrupts viewers' stream and increases the chance they notice your ad.
5. Use likeness in visuals/backgrounds

- Show people, settings, clothes, or props that match the target audience (doctors wear lab coats, plumbers are under a sink, local landmarks for local ads).
- Why: people pay attention to those who look/talk like them; likeness increases identification and response.

6. Use the scene to show the problem or result
    - Visually show yes-questions or if-then statements (tossing and turning in bed, a room full of junk, a local landmark).
    - Why: the scene communicates the message nonverbally and reinforces the callout, improving relevance and conversion.
7. Craft the value element / offer (lead magnet)
    - Create a clear lead magnet or offer that gives the audience a reason to act (free challenge, masterclass, guide).
    - Why: the value element is the reason people will take action; it’s the step that lets you capture leads and move them down the funnel.
8. Write an explicit call to action (CTA)
    - Tell people exactly what to do next (click to sign up, claim the free challenge).
    - Why: the CTA gives a clear way for interested people to act; without it, attention won’t convert into leads.
9. Build a simple landing page to capture contact info
    - Use one of three simple layouts: (a) headline + subheadline + content + submit; (b) same with image; (c) same with image + three bullets. Keep it minimal.
    - Why: simple landing pages reduce variables and friction, leading to high conversion rates and quick iterative testing.
10. Match landing page to ad
    - Ensure the landing page uses the same words, colors, and person/visuals as the ad.
    - Why: continuity reduces cognitive friction and increases the likelihood the click converts because the page looks like what the visitor expected.
11. Balance steps vs. qualification
    - If you get too many low-quality leads, add qualification steps; if too few leads, remove steps to reduce friction.
    - Why: more steps produce fewer but more qualified leads; fewer steps produce more but less qualified leads. Adjust to optimize acquisition cost and follow-on monetization.
12. Split-test high volume of creatives
    - Produce and test many variations of hooks, creatives, value elements, and CTAs; increase cadence of creative testing (much more than monthly).
    - Why: scaling is driven by finding ad packages that work broadly; top advertisers scale because they split-test far more and find creatives that remain profitable at much higher spend.
13. Track efficiency and ROI

- Measure how much you spend to acquire a lead/customer vs. how much you make from them in immediate and downstream sales.
- Why: paid ads guarantee reach but not profit; you must ensure monetization behind the ad covers cost and yields profit.

14. Study others' ads continuously
    - When you see an ad, analyze the callouts, visuals, colors, and mechanics; become a student of ad callouts.
    - Why: learning from others accelerates creative ideas and informs better callouts and scenes for your ads.
15. Launch quickly and iterate
    - Build a simple landing page and run the first ad; test and iterate rapidly rather than delaying for perfection.
    - Why: speed gets you data; building the first landing page can be quick and unlocks learning that would otherwise take years to acquire.
16. Set tracking before spending

- Install platform tracking (pixels, conversion tracking, UTM parameters) and ensure you can attribute revenue to specific ads.
- Why: Without tracking you can't see which ad drives conversions; tracking lets you "laser point" to winners and unlock scalable spend.

17. Establish a learning budget and accept losses

- Allocate a defined monthly learning budget you can afford to lose (expect to lose money initially).
- Why: You must lose money up front to discover winners; the learning budget is the cost of finding scalable ads.

18. Run high-volume small tests

- Create ~30 hooks and 10 pieces of valuable content (30 × 10 = 300 ad variations); run each at small budget levels to collect data.
- Why: Many variations increase chance of finding winners; small budgets limit downside while exploring many creative/angles.

19. Measure ROI and use a 3:1 LTV:CAC target

- Calculate lifetime profit per customer and ensure acquisition cost is less than one-third of that profit (example: $300 lifetime profit → CAC < $100).
- Why: This benchmark ensures you make more than you spend and can sustainably scale customer acquisition.

20. Identify winners and scale aggressively

- Once an ad shows ROI, increase spend substantially on that ad and its close variants.
- Why: Winners can “juice” returns enough to cover prior test losses; scaling winners is how you move from losing phase to “print money”.

21. Aim for fast cash conversion when possible

- Optimize offers/funnels to break even quickly (ideally day 1–2) so you can recycle revenue into more ad spend.
- Why: Faster breakeven speeds growth and removes cash-flow constraints, enabling exponential scaling.

22. Reverse-engineer budget from capacity

- Determine how many new customers you can handle monthly and multiply by your expected CAC to set your ad budget (example: handle 20 customers × $100 CAC = $2,000/month).
- Why: Prevents overspending beyond delivery capacity and helps you focus on removing constraints (hiring, operations) to scale further.

23. Use best free content and UGC as ads

- Collect customer testimonials, unboxing videos, and high-performing organic posts; plug those into paid campaigns and encourage more UGC to fuel a flywheel.
- Why: Platform-favored and social-proof content often performs best as ads; a UGC flywheel creates low-effort, high-trust creatives that scale.

24. Repurpose viral or high-engagement content into ads

- Identify organic posts that already perform well and convert them into paid creatives.
- Why: Platforms are more likely to amplify content that’s already resonating, giving a double win when used as ads.

25. Monitor and iterate on the whole funnel
    - Track performance from click to close, fix elements (ad creative, audience, funnel) when conversion drops, and re-test.
    - Why: Ads can show good CTR but poor downstream conversion; continuous iteration ensures efficiency across the full customer journey.
26. Don’t let “I’m not techie” block you
    - Spend focused time learning required tooling (set up pixels, dashboards, basic campaign creation) or remove friction by doing a short concentrated effort.
    - Why: Avoiding tech tasks costs time and money; small learning investments can remove repeated outsourcing costs and speed execution.
27. Treat paid ads as the last acquisition channel to implement

- Build organic/outreach first to collect customer data and cash flow, then use that insight and funds as your paid ads learning budget.
- Why: Prior methods provide avatar language, proof, and funds—improving initial paid ad success rate and enabling sustainable testing.

28. Commit for the long haul
    - Expect testing cycles to sometimes take months; continue testing and iterating until a reliable acquisition stream exists.
    - Why: Short-term quitting destroys the chance to find winners; persistence often converts early losses into major acquisition channels and enterprise value.
29. Evaluate enterprise-level ROI, not just ad spend
    - Consider long-term business value of finding a new acquisition channel (example: spending $150k in testing could add tens of millions in enterprise value).
    - Why: Advertising spend can be an investment in strategic growth beyond immediate ROAS; measure wider business impact.

Examples:

- First ad example: plain text all-caps Facebook ad — "I'M LOOKING FOR FIVE CHINO HILLS RESIDENTS TO TAKE PLACE IN A FREE SIX WEEK CHALLENGE..." (no image, simple words) → generated leads and ~$5,700 from $1,000 ad spend.
- Label example: "I'm looking for five local Chino Hills residents" or "Clark County moms" or "gym owners."
- Yes-questions examples: "Do you toss and turn? Do you wake up with cotton mouth? Do you snore a lot?"
- If-then examples: "If you run over $10,000 a month in ads, I can save you 20%+" or "If you were born between 1978 and 1986 in Muskogee, Oklahoma, you may qualify..."
- Ridiculous result examples: "This woman lost 50 pounds eating pizza and fired her trainer." "Massage studio books out two years."
- Visual callout examples: bright shirt, attractive person, moving object, local landmark, a person tossing and turning in bed, a room full of stuff, a rock hitting a window.
- Landing page layouts: headline/subheadline/content/submit; same with image; same with image + three bullets.
- 3:1 LTV:CAC example: If you make $300 lifetime profit per customer, aim to acquire them for less than $100.
- Test-loss example: Spend $100 on 10 ads ($1k). Nine lose $100 each; one returns $500. You found a winner worth scaling despite net short-term loss.
- Scale example: That single $500-returning ad, when scaled to $10k spend, can produce $50k and make prior losses irrelevant.
- Capacity-to-budget example: If you can handle 20 new customers/month and your CAC is $100, set monthly ad budget to $2,000 (≈ $70/day).
- UGC/viral example: Convert a high-sharing organic video into an ad; platforms tend to amplify it further, increasing reach and lowering CPA.

- Enterprise value example: A company stopped after $150k spend near a working channel that could have theoretically added ~$30M to enterprise value if continued.

Notes:

- Paid ads are powerful because they give instant scale by interrupting other people's audiences, but the key constraint is ad quality and funnel monetization — invest most effort in the opening callout and in rapid creative testing.
- Persistence and tracking are the two non-negotiables: track everything and be willing to lose in the short term to win big long-term.