

## The Underground Marketer – Episode 4 – Transcript

Introduction 00:00:03 Marketing, explosive growth, and revolutionary secrets that can catapult your business to new heights. You're now listening to the Underground Marketer Podcast with your host, Tudor Dumitrescu. The one podcast devoted to showing new businesses how to market themselves for high growth.

Tudor Dumitrescu: 00:00:23 Welcome to the Underground Marketer, to this new episode. Remember, this is the place where we deliver the real truth of our marketing and explore big ideas that can help new businesses thrive and grow into big ones. I'm your host, Tudor, and today we're going to discuss the topic of the dark side of Facebook advertising. So we're going to talk about something that not many people know, and you're not going to find a lot of written materials about it. And it's mostly stuff that I've learned over the years, you know, by actually running Facebook advertising and doing a lot of testing to see what's actually going on. And the main topic that we're going to discuss related to Facebook advertising is that a lot of money that goes into running such ads is ultimately wasted. And most people don't know that, but a lot of the traffic that comes from Facebook is basically not real.

Tudor Dumitrescu: 00:01:32 You know, so for example, a lot of people say that a lot of, for example, social media agencies say that they're going to get likes for your page, right? And they just run Facebook ads with a goal of getting likes. And most people think that if you just set the country to America and you put some interests, which match and which work well, that's going to be enough. But the actual truth is that it's not, you know, most people think that the risk comes that if you put a country like India, for example, and you're going to get a ton of likes from there very cheaply, like one cent a like basically, but obviously that audience that you build like that it's going to be useless. And I mean, those people are not actually going to engage with your page in any meaningful way. And ultimately the point here is not just to get likes, you know, it's to reach out to people who would be interested in whatever your page has to offer and into what your business has to offer, because ultimately you make money when you sell something to those people. And if they're never going to buy and even worse, they're never going to interact with your page or they're going to interact sporadically, they're going to be pretty much useless to you. And the real truth that many people know is that

Tudor Dumitrescu: 00:03:01 Online advertising is plagued by something that's known as click farming. And what click farming is, is that you basically have agents which are in places like Indonesia, the Philippines, India, and so on, where people literally are sat at a desk and all they have to do is they have to click links and click on ads and sign up for stuff and everything that's related to that. So you could have people, for example, let's say that you're running an ad. You could have people who are clicking on it, who are not even interested at all. You know, they literally have zero interest in what you have to offer, but because

Tudor Dumitrescu: 00:03:47 They work in a click farm, they would click on your ad. And these click farms, companies like Facebook, and obviously Google, they're doing a lot to try to stop these. So by no means, am I suggesting here that Facebook is purposefully allowing them to basically steal your money and ruin your ad budget, drive your costs up. Yeah, I'm not saying that, but click farms are also getting better at avoiding detection basically. And

Tudor Dumitrescu: 00:04:21 The people who actually use these click farms to basically either hurt their competitors, run up their costs and stuff like that. So imagine that you are

running some Facebook ads, right? And I'm your competitor. And I don't like what you're doing, and I really want to drive your costs through the roof on the ads. So I could hire

Tudor Dumitrescu: 00:04:46 a click farm, and I could tell them, this is their Facebook page. These are their ads, you know, do whatever it takes so that you see their ads and start clicking like mad on them, you know, start filling their forms, submitting their forms, going through their funnel, whatever. And when I do that, the money that you pay Facebook to run your ads

Tudor Dumitrescu: 00:05:09 Is basically going to be wasted. You know? So the algorithm is actually going to start working against you because you set your algorithm. For example, to get you more of the

Tudor Dumitrescu: 00:05:20 People who download your lead magnet, for example, and the algorithm is going to do exactly that. It's going to get you more of those people only that what you don't realize

Tudor Dumitrescu: 00:05:31 Is is that if a large percentage of those people are coming from a click farm, and they're not people who are actually interested in what you have to share on your page or in your business, then

Tudor Dumitrescu: 00:05:43 You'll keep getting more and more and more of them because the algorithm is going to show your ads to them. So you may be asking, why doesn't Facebook stamp out these click farms? You know, why are allowed to

Tudor Dumitrescu: 00:05:58 Keep going and to basically mess up the way YouTube ads (not YouTube, sorry, Facebook ads or Instagram ads, because they're run by the same company) are performing. And you can sort of see that Facebook has a vested interest in this. Like obviously they want to stop them, but they're not super interested because it does in the end, help them make more money. These people basically generate revenue for them. Sure. It's revenue that is wasted from your point of view, but it's still money in Facebook's pocket. At the same time, Facebook does have an interest to make sure that its ads are not, you know, a complete waste of time. So by all means, I'm not suggesting that Facebook is doing this intentionally or, that you can make money with Facebook ads. Of course you can make money. And the best situations for actually using Facebook ads are if you can get the Facebook pixel to target people who buy stuff from you, because if you can get the pixel to target people who buy stuff from you, then you can make sure that you're not having the algorithm work against you by getting you more and more people who work for click farms, right?

Tudor Dumitrescu: 00:07:19 Because those people they're not going to buy anything from you. So that's why a lot of e-commerce businesses, for example, can scale up very well with Facebook ads. You know, they can make a lot of money. You know, they sell a product, they set up the pixel so that it fires when there's a purchase event and obviously click farmers - they're not gonna buy, you know. So they get weeded out by the algorithm over time and only the ones who actually buy are left. So, that way can work. But if you are running Facebook ads to a lead magnet, you're trying to generate leads, or you're trying to get likes to your page, more engagement with your posts or whatever. You are probably wasting your money. Even if you running ad in a country like the US you know, because click farms, they're not stupid. They don't want to get caught by Facebook and banned, right?

Tudor Dumitrescu: 00:08:16 So they are smart. They're going to use VPNs. They're going to use different IPS, US-based IPS. And they're going to create profiles, which look organic. And I mean, you may be wondering why would click farms, you know, just click on your ads if you don't have a competitor who's after you. You know, and I was wondering about this for a long time. And, you know, I've worked with clients. For example, we told the Facebook algorithm to target just the US, but then we actually figured out, using a more complex setup on a website that around 30% of that traffic was actually coming from countries like Indonesia, India, Pakistan, Bangladesh, and so on. So that traffic would never buy, you know, they were people who entered the funnel pretty much, but they will use this. And we did target everybody in the US.

Tudor Dumitrescu: 00:09:18 And they did have at the surface level, an IP that appeared to be us and their profiles for sure said that they lived in the US. But when we looked at search profiles in more detail, what we noticed was that a lot of those profiles, just for example, liked everything, you know. They liked, let me give you an example. So they liked Christian religious stuff, and then they also liked stuff that was related to, for example, going to war and values that would not be considered very Christian. And they literally had thousands of things that they like. And it certainly didn't look very organic to the eye, obviously to Facebook's automated system, probably they are not caught, you know, they were smart about it. And I mean, these guys are doing this for a living, so they know how to get around the algorithms. And one way that they use to cheat the algorithm and to prevent getting caught by the algorithm, is that apart from clicking on the ads of the competitors that they're paid to click on, right? So let's say that I pay somebody to click on your ads, apart from clicking on your ads so that they don't get caught by the Facebook algorithm, they need to click on a lot of other ads, right, which are not relevant. And in that way, they do not look suspicious. And I mean, it's

Tudor Dumitrescu: 00:10:48 An interesting experiment that you can run, but if you want, you can just set up an empty page, empty Facebook page. For example, write on that page that "please don't like this page", or, "only stupid people would like this page" or whatever. You just write it. And then set some

Tudor Dumitrescu: 00:11:11 Facebook ads for \$10, for example, to get likes to the page and sell it worldwide. You know, just let the algorithm decide where it's going to get your likes from the cheapest. And, you know, just

Tudor Dumitrescu: 00:11:26 Even in India, you can say, "please don't like this page" and just run it. And you will be surprised that you're actually going to get a lot of likes for those \$10. You know, at least when I tried this, I was

Tudor Dumitrescu: 00:11:41 Able to get with subpar ads, you know, with quite bad ads, in my opinion, quite a few likes and do so very cheaply. And so obviously those likes

Tudor Dumitrescu: 00:11:54 In my opinion, they're not real, you know, like we can't count those likes as actually delivered by Facebook in a way that is real and authentic and useful to a business. And if you actually monitor the engagement that you can get from such ads, you will also notice

Tudor Dumitrescu: 00:12:15 That those people after they like your page and you almost never engage again with the age and they certainly almost never buy anything from you. So, that's, that's the big problem. And that's really the dark side of Facebook advertising. And I mean, I've spoken with clients by running a direct response agency. And they came to me and

they said, we've tried Facebook advertising, you know, even some very big clients. And they said, we've tried Facebook advertising. We spent thousands of dollars on Facebook with literally zero results, you know? Yeah.

Tudor Dumitrescu: 00:12:53 And they went from agency to agency, to agency, you know, thinking that the agencies are doing something wrong, right? So they just need a new marketer. And the new marketer can somehow magically turn the situation around. But of course that never actually happens in such a situation

Tudor Dumitrescu: 00:13:12 because the problem is more systemic. And it's, it's based on the quality of the traffic and the quality of the traffic is not there. You know, so for me, I prefer Facebook when it comes to B2C clients, Facebook and Instagram ads for B2C clients. And

Tudor Dumitrescu: 00:13:32 Especially for clients who are selling something and we can track a purchase event, because remember only purchase events, in my opinion, are what you can actually use to get the algorithm working in your favor and eliminate all the click farms and all the fraudulent traffic that is out there. So that's pretty much how it works and that's where I recommend Facebook. But then for people who,

Tudor Dumitrescu: 00:14:01 are running Facebook ads for lead generation and to get people through in their funnel, it can work, you know, like I've seen it work, but it expensive, you know, and you can probably get better traffic elsewhere through different

Tudor Dumitrescu: 00:14:19 Mechanisms. One mechanism that we will discuss at some point is media buying, and basically buying traffic from different websites, maybe even influencers and making sure that that traffic comes much closer to real people and to organic traffic, which is actually what you're after. Because

Tudor Dumitrescu: 00:14:41 A lot of entrepreneurs, when they first start their business, they're just like, Oh, I just want some traffic. You know, I just want to get traffic to my website, to my business, to my landing page. And they're not

Tudor Dumitrescu: 00:14:53 Really so concerned about the quality of the traffic. From my experience, this is a huge mistake. You will literally burn thousands of dollars to Facebook. You know, that you're giving them for free to Facebook and for traffic, that's never going to move the needle in your business. And there's a bigger problem with this. And that problem is that this traffic will also mess up your data, right? So imagine if you get 40-50%

Tudor Dumitrescu: 00:15:25 of the traffic or even more, in some cases you can get 70%, 80% of the traffic from a click farm, people that are never going to actually buy from you. You're not actually going to be able to know if your funnel is working or not. Right. So imagine that you spent thousands of dollars building a funnel, setting up your landing pages, your opt-in page, or sales page or whatever.

Tudor Dumitrescu: 00:15:51 And trying to get some traffic to through it so that you see how your funnel converts. If you get all this poor quality traffic in, it will mess up your data. And you will not actually know if your funnel is performing or if it's not performing. So a lot of beginner entrepreneurs, or even

Tudor Dumitrescu: 00:16:12 People who are seasoned entrepreneurs, but they're just new. When it comes to marketing online, they are not aware of it about these things. And they

fall in the trap of resorting to something like Facebook ads or Google ads, just because these are the biggest companies and the biggest

Tudor Dumitrescu: 00:16:33 Networks that allow them to reach the largest number of people. And with paid advertising, there is this risk, and it's certainly very real. I would say that click farming is the number one problem that PPC advertising has online. And the number one reason why, at least in my case, and in the case of people I've worked with, I've seen results from Facebook ads decrease over time. And that's what I think the reason behind this trend is. And I mean,

Tudor Dumitrescu: 00:17:10 Let's be real here. The social media companies like Facebook, or even search engine companies like Google, they're not super interested in fixing this problem. Like they have a vested interest and it's clear that they make more money out of this. You know, if you have all this basically fake traffic that they can charge you for, they're going to make more money, you know. And we're basically going to pay for that, even if you get nothing in return for it. So that's why for us, a lot of businesses, it's usually better to start looking elsewhere when it comes to PPC. Let's say more unconventional forms of paid advertising. And

Tudor Dumitrescu: 00:17:57 We're going to discuss very briefly about these now, because we're going to come back to them later, in a different episode. But basically what I have in mind here are media buys or deals that you have with influencers and with people who have access to organic traffic. Even in those cases, you have to be careful with the people that you choose, because let's say that you come to my website and you think that my website would be good to send you traffic. And you ask me, you know, how much does your traffic cost? And I give you a price. I also have a vested interest from that position to send some fake traffic along with the real one. And here's why. The more traffic I send you, the more money I make at the same time,

Tudor Dumitrescu: 00:18:43 I can't send you completely fake traffic, right? Because you're not going to make any sales and you're going to stop advertising with me. So it's sort of like a casino, you know, the possibility of you winning and making money must be there. You know, but if I can also push up the fake traffic and the unreal traffic and the fake clicks and own money off them, they're more money for me, and obviously less money for you. So there's also a vested interest that way. But if you learn who reliable partners are and you negotiate deals well, so that for

Tudor Dumitrescu: 00:19:25 Example, you can pull out of a deal or you have conditions that purchases maybe down the line have to be maintained at a certain level over time. You know, you can set all sorts of conditions that basically ensure that you are more protected and you get better quality traffic. But yes,

Tudor Dumitrescu: 00:19:46 The main thing here is that a lot of people are confused when it comes to traffic online. And this is the biggest reason why, so that's why I call it the dark side of really Facebook advertising. I'm calling it Facebook advertising, just because it's the biggest. And I've seen a lot of people fall in the trap, you know, where they spend thousands on such ads and they get zero or no returns for them. And yeah, it's painful because you know, people've

Tudor Dumitrescu: 00:20:18 Worked hard for their money. They've put a lot of value out there and to see this money go to waste is certainly not ideal. And I mean, it's getting to the point where especially if you're advertising to countries like the US , where the costs are very

expensive, right? Because everybody's advertising to the US, it's a huge market. And the costs are very big, you know. Of course, depending on your niche, but CPMs can get to very high numbers. Traffic is very expensive. And if that traffic is not even real, then you're actually wasting a lot of money. Even if let's say only 30, 40% of that traffic is not real. And many people, if they don't have enough money to invest from the get-go in Facebook ads, they're not able to get the algorithm to work in their favor because here's how it works.

Tudor Dumitrescu: 00:21:18 Let's say that you have a funnel that's formed from an opt-in page. They opt in for free, and then you have a sales page for something else. Many people, they don't have the money in the budget required to run enough traffic through the funnel. So that enough traffic gets to the sales page and they can use the purchase event on the sales page to trigger the algorithm and tell the algorithm, basically get me more of these people, right? So they don't have enough money for that. And instead of doing that, they say, okay, so I'm going to get more of the people who reach the sales page instead, you know, so more of the people who opt in and actually land on the sales page. And so they trigger the Facebook pixel to fire, you know, for people who opt in and the algorithm gets them more and more of those people.

Tudor Dumitrescu: 00:22:16 And of course, if a large number of click farmers get into this, you're going to get more and more of them, you know? So you're going to, you can get to a stage where you have huge numbers of people on the sales page and literally zero sales. You know, you can have thousands of people who have seen the sales page and zero sales. And, the mystery of it is that this can be a good sales page. You know, like the copywriting can be solid. You did the design there and the user interface can be solid. So literally there would be no real reason why your sales should be zero, but they are. And that's because the algorithm is now actually working against you. And the same thing happens when you buy likes for your page. You know, if you get a lot of those click farmers liking your page, even if they show from a US IP and they appear to have US-based accounts and you get them to like your page. What's going to happen is that Facebook's algorithm is going to try to get you more and more of those people in it's going to show your content to more and more of them.

Tudor Dumitrescu: 00:23:34 So it's actually a bad thing, and there's no way for you to get rid of fake likes and other stuff that basically skew everything against you. So one thing when you're thinking about marketing your business, that you need to be very careful of online, is making sure that you're actually getting good quality traffic. You know, even if the traffic is more expensive and it's actually harder

Tudor Dumitrescu: 00:24:02 To get, you have to work harder. You know, it's not as simple as just putting your card in it and running some Facebook ads. It's more complicated. You have to negotiate deals with influencers and with website owners, and so on, with group owners for their traffic and so on. Even if you go for the harder route and the more expensive route, you can be much better off because you're getting quality, the traffic of people who are hopefully interested in what your business has to offer them. So to

Tudor Dumitrescu: 00:24:36 Briefly summarized at the end of this episode here, I want to say that there's a dark side to Facebook advertising. It can work for some businesses, for sure. And Facebook isn't, I'm not suggesting that Facebook is, allowing this

Tudor Dumitrescu: 00:24:54 to happen on purpose, but it is happening. You know, I think that there is sufficient evidence to say that there is click farming, which interferes with the usual way of ads running and ads showing. And as a result, a large, or certainly a large part of

your revenue spent on ads is actually getting wasted. And it's obvious that companies like Facebook have a vested interest to keep the status

Tudor Dumitrescu: 00:25:26 Quo going, you know, and not to fix it. And that means more expensive traffic for you and worse results out of it. So just be aware of it. And especially if you're using Facebook for lead generation, you know, because if

Tudor Dumitrescu: 00:25:43 You don't use the Facebook pixel to target purchase events, right? So if you target a purchase event, no click farmer is going to buy anything, obviously. So if you target a purchase event in your funnel, then you can actually get the algorithm to work in your favor and that's good. You can escape the click farmers. And I saw several e-commerce businesses, you know, scaling to the millions, using Facebook ads. So it's certainly a possibility. However, it's not something that basically you would want to necessarily count on. And it's not

Tudor Dumitrescu: 00:26:21 Something that you can count on when you're thinking about generating leads. You can certainly count on it for e-commerce and for purchase events and for using the Facebook algorithm to get you more people who are likely to buy from you, if you can trigger such events in your funnel. But don't... like think carefully before you say that

Tudor Dumitrescu: 00:26:45 I don't have enough budget. So to test this funnel, I'm just going to set the pixel to fire on the opt-in and not on the purchase event on my sales page. And I'll see what happens because you're likely to get the algorithm to actually work against you, due to the click farmers. And that would be

Tudor Dumitrescu: 00:27:05 Basically a summary. And I mean, the same thing holds true for Google advertising, as it holds for Facebook advertising and really for a lot of PPC and traffic that is bought and sold out there. So high quality traffic is actually hard to come by and it's extremely valuable. And it's only going to become more and more valuable as,

Tudor Dumitrescu: 00:27:30 Uh, click farming, you know, expands and becomes more proficient, especially with the development of AI, because a lot of people think that: Oh, with AI, we're going to be able to run ads so much more effectively. And that can certainly be the case, but there's also the danger that the click farmers are going

Tudor Dumitrescu: 00:27:51 To learn to use AI, to avoid getting caught even better than then they're doing it now. And the situation can certainly get a lot worse and, you know, online traffic can certainly lose a lot of value. And because both Facebook and Google and companies like them are very large, you don't often hear

Tudor Dumitrescu: 00:28:14 About this. You know, you don't see articles written about this. You don't hear many people talking about this. And I mean, not many people have the experience that I have. Where I run Facebook ads or I've seen Facebook ads run for many different companies. And I've seen people who wanted to generate leads with Facebook, wasting thousands. You know, some people over \$10,000 on ads with literally almost zero results. And in some cases, actually zero results. So this knowledge

Tudor Dumitrescu: 00:28:48 Certainly exists underground. And if you want to have a successful business and to scale your business, to actually get high quality leads, it's probably better if you're going to go the lead-generation route instead of straight up purchase in e-commerce with a relatively affordable product that is sold to consumers, in which case

Facebook advertising can be effective, I would personally shy away from it. You know? So if, if you're running

Tudor Dumitrescu: 00:29:19 A B2B business, for example, and you're looking for customers or leads for your business, you have a free subscription that you offer. For example, I would probably start looking into other potential sources of traffic, and we're going

Tudor Dumitrescu: 00:29:37 To talk very soon in one of the next episodes. So stay tuned for that. And we're going to talk about how to actually strike those deals. You know, how to buy media online and how to make sure that you're getting good quality traffic, how to reach out to influencers and to the audiences that they already have to get your traffic so that you get much higher quality traffic that you can actually convert for your business. We're going to talk about that in the next episodes. So stay tuned.

Tudor Dumitrescu: 00:30:09 And until next time guys, grow your businesses and provide massive value because that's ultimately increasing the prosperity of all of us and making all of us much richer and allowing us to live in greater freedom and with greater prosperity. So it's thanks to entrepreneurs like you, that the world is becoming a better place. So keep going guys, until next time.