The Complexity Index
Introduction

Marketers are faced with endless choices when it comes to the timing, placement, format, targeting, device and measurement of digitally served ads.

The weight of such options also increases the likelihood of inefficiency, especially when agencies choose multiple third-party technologies to manage the different tactics (e.g. search, video, mobile, social, RTB, rich, etc.) of a digital campaign. The justification for using separate technologies, while understandable, is a bit misguided and typically comes from the desire to have the most ‘innovative’ set of features for that particular tactic.

It is easier to achieve an increased ROI and justify ever-increasing digital buys when marketers use digital as a single entity, rather than looking at the impact of individual tactics. Consequently, as campaigns become increasingly sophisticated, so does the need for the separate channels of digital to be launched, optimized and analyzed.

Sitting at the core of an advertiser’s campaign, true third-party ad serving technology and delivery management systems are in the best position to measure how effective and efficient a campaign is. They are the nervous system of any given campaign - sending signals and measuring response in all media maintained within its reach. Similarly, true third-party ad serving is also in a great position to provide guidance on increasing efficiency without losing the sophisticated options (targeting, timing, placement, device, measurement, etc.) that drive the desired results.

Our goal for developing the Complexity Index is to measure and analyze not only the overall growth of complexity within a campaign, but to identify the major contributors to that growth. Once identified, those factors can provide valuable insight to advertisers looking to scale the effectiveness of digital, while minimizing its inefficiencies.

The key to simplifying the process of campaign management is to understand the source of its complexity. This research is a first step in that direction.
The Complexity Index – What is it?

Highly complex campaigns are becoming the norm in digital advertising, mostly because advertisers are demanding it. But they don’t see the many parts creative teams need to devise for a great digital campaign, they just see a banner take-over a website or a video play on the logout screen of a certain social network.

As an independent ad management platform, Sizmek is exposed to almost every aspect of a digital campaign, from inception and delivery through to post-campaign analysis. This unique position allows us a holistic view of the market and an invaluable warehouse of data from which to analyze increasing digital campaign complexity. As digital advertising grows and matures, advertisers are faced with nearly endless choices that can result in soaring complexity.

To illustrate complexity and prove our hypothesis, we took a look at four years’ worth internal data in aggregate to develop a Complexity Index for the last four years. We analyzed eleven different campaign attributes and observed that complexity was creeping up year over year, increasing more than 20% between 2010 and 2013.
To further illustrate this, we also segmented out the top 10 percent of each campaign factor, indicating some of the most complex campaigns run in the Sizmek platform. The delta for these campaigns increased by an astonishing 80% over 2010-2013, four times the pace of growth of the average.

As shown in the index, the top 10% of campaigns, representing the most sophisticated buyers of digital advertising, are running away from the average in terms of complexity. We found that in 2010, the top 10% were more than four times as sophisticated as the average, while in 2013 that number jumped to nearly six times the average.

Right now, this extra complexity means added tactical work to the agency and less time focusing on strategy and new ideas. As the tasks pile on, the time spent on the process of managing the campaign can multiply. The costs associated with meeting the campaign objectives multiply as well – great for agency billings, but bad for a marketer’s bottom line. And all of that upkeep tends to take up advertisers’ time, so people are focused on running the ads instead of creating them.

A smart, digital platform that reduces complexity can free up a campaign manager’s time, allowing them to think big picture. They can focus on the things that really matter: meeting campaign objectives with strategy and keeping clients happy.

Methodology

We analyzed several factors of digital campaigns to develop the Complexity Index. First we identified the main factors that added to a campaign manager’s work: the number of campaigns per advertiser, the number of sites campaigns ran on, the number of placements per campaign and so on. We weighed each of these elements individually, estimating that each factor would take a set amount of time in order to effectively manage it.

We then created and ran several queries against our database to tabulate the elements we had predetermined. We included global Sizmek platform data from Q2 of each year from 2010 to 2013. This resulted in processing time and file sizes that made our development and custom reporting teams balk – talk about big data! In order to make it workable, we devised formulas to break it down to fit the factors we came up with, plugged them into the index, and voila!

Factors Examined in the Complexity Index

- Ads
- Campaigns
- Channels (in-stream, RTB, search, display)
- Conversion tags
- Creative variations
- Formats
- Placements
- Publishers and/or sites
- Targeting methods
- Third party links
- Third party tracking tags (cookies)
Highlights

Aside from the index itself, some interesting trends also emerged out of the raw data. First, the share of campaigns with only one ad decreased from 21.2% of campaigns in 2010 to 15.6% in 2013, a decrease of 26.4%. Conversely, campaigns with two to four ads increased from 24.6% to 29.0% and those with 50+ ads increased from 5.4% to 6.4% of the total – increases of 17.9% and 17.2%, respectively. This is most noticeably a factor of advertisers trying to reach alternate audiences within the same campaigns or advertisers testing multiple messages to a single audience within a campaign.

Another indicator is the number of third party tags and outgoing links included in each ad. From 2011 to 2013, the number of ads using 2 or more tags increased 267%, boosting the share of ads with multiple tags more than five percentage points, from 25.3% to 30.7%.

In fact, ads with five or more third party tags increased by 476% from 2011 to 2013, almost 19 times the rate of growth of ads with one third party tag only.

Analyzing the number of tags/cookies attached to an ad is useful for determining the number of third parties a campaign manager is working with: more tags generally means more partners – everything from data management platforms to analytics vendors. Often these can represent duplicated efforts, sometimes intentional, sometimes not, but they all add to the overall complexity of a campaign.

Another factor that we looked at was conversions – both tags implemented and events counted by advertisers in the Sizmek platform. Conversions depend on the advertiser defining a specific action to be taken by the user, be it a landing page visit, an email sign-up, or a completed purchase. To do so, each conversion event is preset at the placement or ad level and corresponds to an HTML tag on the site. Conversion tags are useful to assign real value to a campaign’s objectives: while a landing page visit may not be worth much, auto clients might value a click-to-call event or a retail advertiser can link the ad to purchase.
Conversion tags (and other advertiser customized tracking methods) are integral for moving past the click as a quantifier of digital campaigns. This information is the underground lifeblood of the ad tech world, data from these tags gets sent all over the industry in order to optimize media and creative for better results. The more technology partners an advertiser uses, the more add on tags are placed on top of the conversion tag from Sizmek/Sizmek. This increases the number of syncs and manual set-up that the campaign operations team has to manage as fragmentation and complexity grows. As the graph shows, both the number of conversion tags used and events recorded are increasing astronomically.

In Q2 2010, advertisers implemented an average of 15 conversion tags and recorded approximately 120,000 conversion events, in Q2 2013, advertisers implemented an average of 21 conversion tags and recorded approximately 550,000 conversion events, increases of 37% and 277%, respectively. The growth in the use of conversion tags was even more significant for sophisticated advertisers: the top 10% implemented 81 tags and recorded approximately 320,000 events in Q2 2010, increasing 49% and 460% to 121 and 1.8 million in 2013, respectively.

Source: Sizmek Research; Q2 data from each year

Growth in Number of Third Party Tags per Ad, 2011-2013

Index of Conversion Tags Implemented and Conversions Counted by Advertisers in the Sizmek Platform, 2010-2013

Source: Sizmek Research, Q2 data from each year
Is there a solution to complexity?

Complexity hinges on next generation digital advertising filtered through traditional models of ad management including buying, selling, creative development, placements, billing...etc. As of right now, there is no reason to think that the Index won’t continue to rise indefinitely – if the current trends of growth in the factors continue, the top 10% of campaigns ranked by complexity will be seven and a half times that of the average. If you don’t believe us, take a look at the archive of the infamous LUMAscape slides; ad exchanges and data management platforms (DMPs) didn’t even exist at scale in 2010.

Complexity on its own doesn’t mean an increase in engagement, return on investment, or happy advertisers. It does mean that advertisers are demanding more sophistication out of their campaigns and that the search for the “best” technology in every aspect of a campaign is adding a lot more work for campaign managers. However, amazing advertising executional rollouts still rely on building (and maintaining) relationships between the advertiser, media and creative agency – and keeping those relationships central to the strategy. Selecting a key technology partner of record ensures all involved stay focused on strategy and work as efficiently and effectively as possible.

What is obvious is that the traditional based system is ripe for disruption. We need a complete re-design around the needs of a new generation of campaign managers, one accustomed to drag and drop, touch screens, mobile access, synced accounts and real-time status updates. We’re game. Are you?

Updates to come:

Cookies, Privacy, Universal IDs and their Impact on Complexity

Post-Campaign complexity – how much data is too much?

Simplifying complexity and reconnecting with creativity – next steps

Just the beginning...

This is just the start of the Complexity Index. Right now, it is essentially a rolling index over time for both the average and top 10% of complex campaigns run on the Sizmek MDX Platform. It identifies the pain points of complexity (third party tags, conversion tags, numbers of elements in campaigns) so that we can start to devise methods to streamline the process without sacrificing sophistication.

The next steps in the analysis are to further segment out the campaigns to support our theory of exponential complexity. While the increase of the average over time is telling, a true picture of digital ad complexity is incomplete until we show that complexity increases exponentially as campaign managers implement new features on multiple platforms. And we haven’t even begun to include factors such as post-campaign analysis and reporting, which require a whole other set of processes, not to mention some advanced data capabilities.