

Sizmek™

Sizmek on  
**Creative Optimization**

Using Creative Optimization to  
Get Better Results –In Every Campaign

## About this document

This document is intended for agencies and advertisers that are interested to learn more about making the most out of creative optimization tools. Creative optimization is a powerful tool that can potentially revolutionize the way we manage online display however, as with all new technologies, it is still largely misunderstood and misused. The objective of this document is to provide a practical “how-to” guide that can help advertisers and agencies make creative optimization an integral part of their digital campaigns.

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## Creative Optimization Guide

### 1 What is Creative Optimization?

In the digital world, long gone are the days when advertising messages were broadcast to the masses and expected to yield high performance. Advertisers increasingly rely on buying targeted media or audiences in order to focus their efforts and maximize return on advertising spend. However, targeted media only puts you halfway there. Once you've reached a desired audience, how do you maximize your chances of appealing to them?

#### Enter creative optimization.

Creative optimization leverages available user data to match a potential audience with the creative version most likely to garner a response. This ensures that the targeted media placement is not wasted and the likelihood for response is maximized.

Creative optimization can also be applied to low-cost non-targeted inventory (Run-of-Network or Run-of-Site). In that case, audience data available from other sources (e.g. the publisher or vendors specializing in user-level data) can be overlaid on the media to enable creative personalization - increasing overall ROI at a lower media cost.

### 2 How Creative Optimization is different from A/B testing

A/B testing is a well established methodology. The underlying assumption in A/B testing is that there is one creative concept or message that is "better" than the others. The objective of the test is to identify the "winner" and use it in future marketing campaigns.

A/B testing campaigns segment the audience into two groups, exposing each group to only one creative concept or message to ensure the purity of the test.

Creative optimization is an extension of the A/B testing methodology but with three important differences:

- Creative optimization recognizes that there may be a different "winning" creative for each potential target audience.
- Creative optimization algorithms account for the possibility that the "winning" creative may change over time with target audience preferences.
- Given the above, creative optimization campaigns allow for multiple creative messages or concepts to be shown to the same audience. This is done to ensure that a "winning" creative is shown at any given time to an audience whose preference may change over time.

## 3 Creative Optimization as an Ongoing Process

When using A/B testing methodologies, marketing teams tend to separate test campaigns (using new concepts/messages) from “regular” campaigns where only validated concepts/messages are being used.

**Creative optimization makes this distinction obsolete.**

Creative optimization enables the user to continuously test concepts/messages over time and let the best performing ones bubble up and be served to the audience.

**Why is that needed?**

Again, because there is no such thing as a single “winner.” Audience preferences may change over time, and the best banner from last week may not be relevant this week.

Making creative optimization part of every campaign workflow enables the advertiser and agency to address the changing preferences of the target audience as they present themselves and ensure creative messages are always relevant.

## 4 Make Creative Optimization Work for You

Creative optimization can be as easy or as complicated as the time and resources you have:

- **Low investment** – Optimize what you already have. If you can afford to, vary “Call to Action” and/or product descriptions and apply optimization on the banners.
- **Medium to high investment** – Develop and build a full testing plan. When planning a yearly (or very large) campaign. See sections 5 to 7 for additional recommendations.

## 5 Avoid These Pitfalls

There are a couple of potential pitfalls that can jeopardize large creative optimization campaigns:

- **Letting the algorithm do all the work** – While most algorithms are very sophisticated, they cannot replace a solid strategy and the advertiser’s familiarity with the target audience. We see the best results when the advertiser or agency plans the campaigns carefully, monitors results on a weekly / bi-weekly basis and makes changes as needed.
- **Testing everything at once** – Over-ambitious teams may come up with thousands of versions for the algorithm to sift through. This is highly inadvisable, because teams run the risk of losing control of what’s running and where and often find it challenging to analyze and fully understand the results.

## 6 Four Steps to Planning a Creative Optimization Campaign

**Step 1:** Define the master banner. What elements do you want to test? What do you think will drive different reactions from the audience? See additional tips in the next section.

**Step 2:** Define the different target audience groups. They should be non-overlapping and well defined. Examples can include: different geographies, different age groups, people that visited specific pages in the advertiser site.

**Step 3:** Size the creative versions. You will need a specific minimum number of impressions per creative version per target audience group to achieve statistical significance in the optimization. The minimum differs by vendor – so make sure you get this information before you start.

**Step 4:** Define the success metric for the optimization. Examples include: clicks, conversions, interactions or dwell time.

## 7 Best Practices – 10 Tips to Jumpstart Your Campaign

1. Plan target audience messaging strategy - What do you know about your target audience and their preferences? How can it be translated into different offers and messages?
2. Follow your audience through the funnel - Where in the funnel can your target audience be? What messages will work there? What promotion will drive a conversion or take your audience to the next step in the funnel?
3. Fine-tune your audience - Optimization requires large segments within your audiences. Identify the data points most likely to generate different preferences. For example: does your product differ the most across gender? Across geography? By age? Or even previous exposure to the brand? Selecting the key factors up front and using only those to segment your audience will prevent overtargeting, with sample sizes too small to generate an effective result.
4. Control creative versions - Testing too large a number of creative versions poses two types of challenges.
  - First, optimization algorithms require a minimum volume of impressions per creative version to achieve statistical significance. With too large a pool of versions, available impression volume may be insufficient.
  - Second, too many creative versions can make campaign management and analysis challenging. To address these issues, consider developing a test plan that includes multiple cycles of optimization, with each cycle including a smaller number of creative versions. At the end of each cycle, weed out the underperforming versions and replace them with new versions from the new cycle.
5. Categorize the dynamic elements - Categorizing dynamic elements can help you gain control of your testing plan and used to break down a large testing plan to multiple cycles. Categories might include product-related elements (e.g. product image vs. lifestyle image, including one product or multiple in the banner), offer-related elements (different text, different location on banner), location elements (e.g. call out location name, include a map), design elements (e.g. different colors and location for elements or different background).
6. Make sure that creative versions are different from each other in a meaningful way - Some examples can be: different creative concept, different colors and themes, different offers or promotions, different products.
7. Clearly define the campaign objectives:
  - Conversion (one specific conversion? multiple conversions?)
  - Engagement (dwell time, user interactions)
  - Clicks
8. Monitor the campaign early on to make sure objectives are achievable - if you define the optimization goal as conversions but very few conversions happen, change the optimization goal to clicks or interaction so you can accelerate the optimization process.
9. Keep it fresh - Most creative optimization tools enable you to keep messages and promotions fresh and react in Weed out losers promptly - As soon as you identify poorperforming versions, weed them out to make room for new ideas or simply to allow the optimization engine to run more cycles.
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