

# Sizmek™

Driving Results with

# Dynamic Creative



## Introduction

In the world of digital advertising, reaching people is no longer the number one problem brands face when they plan a campaign. Ad networks and servers, including Sizmek, offer a range of products that guarantee the reach that advertisers need in today's media buying environment. However, creating individual ads that take advantage of user level audience data is time consuming and prohibitively expensive for most brands.

Sizmek's Dynamic Creative product streamlines this process and can improve ad performance at the same time. Sizmek Dynamic Creative allows advertisers to plan one campaign that serves different ads to each target based on real-time audience data. Adjusting creative dynamically improves relevancy and can increase overall return on investment at a lower cost to the buyer. Dynamic creative campaigns are only limited by the advertiser; it can display up to tens of thousands of ad variations during its lifetime.

Dynamic Creative can be managed seamlessly in line with a marketer's preference, through the web-based Sizmek Platform, Excel plug-in, or an XML data feed.

Because of its optimization, targeting/retargeting and large-scale creative production flexibility it offers advertisers, Dynamic Creative is becoming hugely popular with Sizmek users. In fact, usership has doubled in the last year.

As a result of the increased demand, we analyzed nearly 2 billion global impressions from Dynamic Creative campaigns and compared them to 300 billion global impressions from conventional campaigns. For the purpose of this whitepaper, we divided this analysis among two types of campaigns: Direct Response and Branding.

## What is Direct Response?

Direct Response (DR) campaigns are defined as any marketing campaign meant to solicit an immediate and measurable response, especially with the purpose of driving website traffic and sales. Dynamic Creative helps advertisers manage multiple combinations of ad variables, including products, offers, geo-targeting, creative elements and more, allowing them to target, retarget and optimize for their intended audience. DR campaigns have fixed goals, and Dynamic Creative helps advertisers reach them. Utilizing optimization techniques correctly improves performance metrics while also boosting revenue indicators like conversions.

## What is Brand Advertising?

Brand advertising is defined as any upper-funnel activity that doesn't necessarily elicit a response and is focused on awareness and brand recall. Brand advertising is harder to measure, but Dynamic Creative can help to increase a campaign's dwell rates, interaction rates, click-throughs and overall impact. Brand advertisers can leverage Dynamic Creative's optimization engine to improve a campaign's brand engagement, contextual relevancy, and geographic, demographic and behavioral targeting, ensuring ads are reaching the right audience at the right time.

## Dynamic Creative for Direct Response

Sizmek’s Dynamic Creative feature increases campaign relevancy by targeting to a specific audience. Conversion tags placed on landing pages and throughout the purchase path can allow advertisers to gauge how many users advanced through the funnel with intent to purchase.

Click-through rates (CTR) of the Dynamic Creative campaigns we analyzed remained nearly constant with regular campaigns, at 0.10% versus 0.11%, while the post-click conversion rate (PCCR) was higher, at 0.07% versus 0.04%, respectively. If two identical campaigns, one Dynamic Creative and one regular, were to run a billion impressions each, the Dynamic Creative campaign would have 700 conversions versus 440 for regular, a lift of 59%.

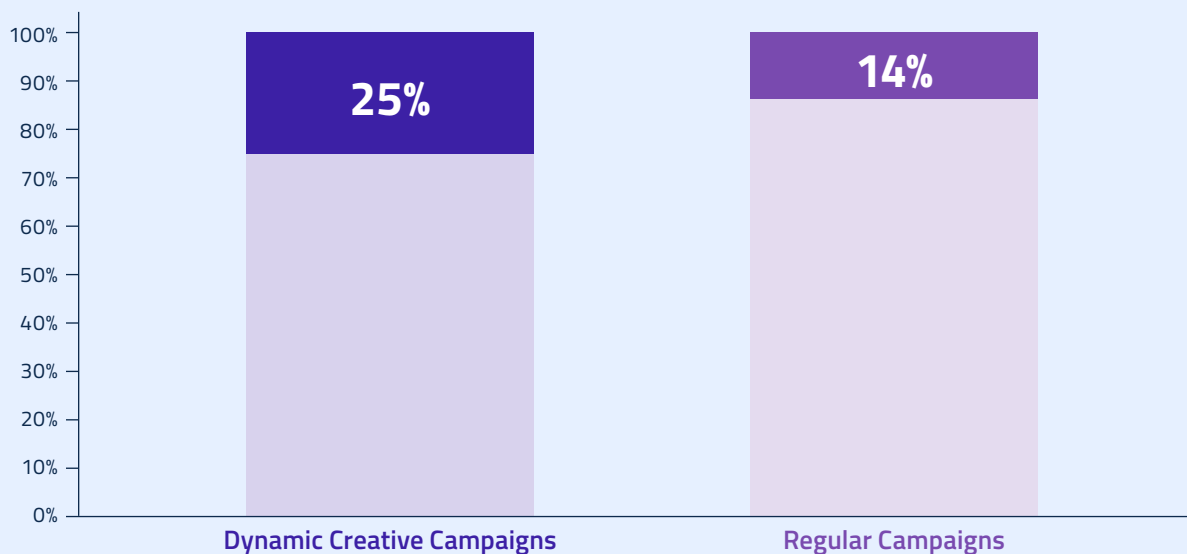
**Table 1: CTR and PCCR by Campaign Type**

	CTR	PCCR	Total Conversions
Dynamic Creative Campaigns	0.10%	0.07%	700
Regular Campaigns	0.11%	0.04%	440

Source: Sizmek Research. Benchmark CTR and PCCR based on a sample of 2 billion Dynamic Creative impressions, 2012, Global  
 Note: Hypothetical campaigns with 1 billion impressions each. Analysis includes landing page conversion tags.

One of the key findings is the share of post-click conversions out of total conversions. In the analysis of the Dynamic Creative campaigns, the share of post-click conversions were almost two times higher, at 25%, than the share of post-click conversions in regular campaigns, at 14%. Both of these data points, the post-click conversion rate and share of total conversions, indicate that Dynamic Creative drove higher quality click-throughs to websites.

**Chart 1: Post Click and Post Impression Conversions by Campaign Type**



Source: Sizmek Research. Sample of 2 billion Dynamic Creative impressions, 2012, Global  
 Note: Analysis includes landing page conversion tags.

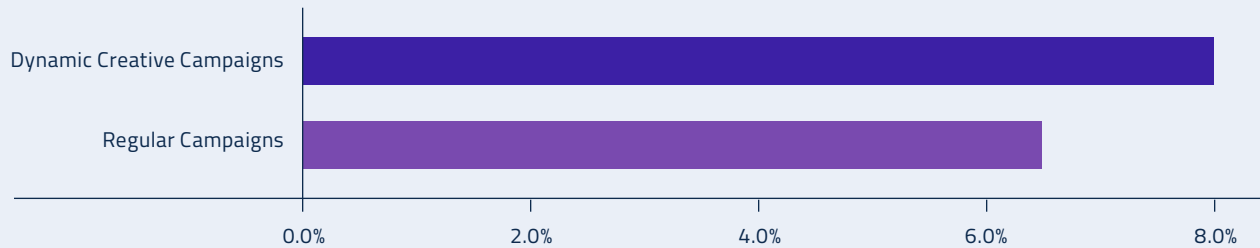
## Dynamic Creative Best Practices for Direct Response

- **Monitor campaigns early and test continually** in order to make sure that your objectives are achievable with the current creative. When a campaign meets a given objective, set a higher goal and continue to make incremental changes towards it.
- **Follow your audience** through the funnel with conversion tags. The correct tags can provide insight into how well your campaign is driving users down the funnel into the advertiser's desired outcome.
- **Tailor your retargeting campaigns** to dynamically adapt to how far down the desired path the user reached in the ad. For a typical e-commerce site, dynamic ads using Dynamic Creative can send different dynamic creative to engage users at different points of the site's conversion funnels - enticing users with featured items if they browsed the home page but went no further, or a different creative reminding them of items they have abandoned in their shopping cart.
- **Be selective** when choosing which elements to make dynamic; introducing too many creative variations at once will make determining actionable insights difficult. Focus first on targeting dynamic products, promotions, and calls-to-action. Once you have a baseline for dynamic content performance, test creative elements such as color, layout, or animation one or two at a time.
- **Take advantage of demographic and behavioral segmentation** when available from publisher partners; many offer this data to advertisers and it can be implemented into dynamic campaigns to further target creative for the demographics of each publisher.
- **Product based retargeting**, or retargeting ads based on products a person previously viewed, is one of the most effective tactics available to dynamic creative campaigns. A few guidelines: focus on retargeting high value products, differentiate the products slightly (within the same category), and consider adding a time delay (anywhere between an hour to a day is considered standard).
- **Carry personalized messaging from the ad to the landing page** by using different dynamic URL parameters in the click-through link to create matching creative in the landing page. In addition, leverage dynamic information to send prospects closer to the point of conversion. For example, a movie ticketing site could use geotargeting to deep-link prospects to theater locations nearby.

## Dynamic Creative for Brand Advertising

Dynamic Creative provides additional strategies and metrics for campaigns designed to generate awareness and recall. For example, Dwell is a proprietary Sizmek metric that's a strong indicator of ad engagement. It uses cursor tracking technology to measure if and how long a user hovered over an ad or initiated a video.

Chart 2: Dwell Rate by Campaign Type

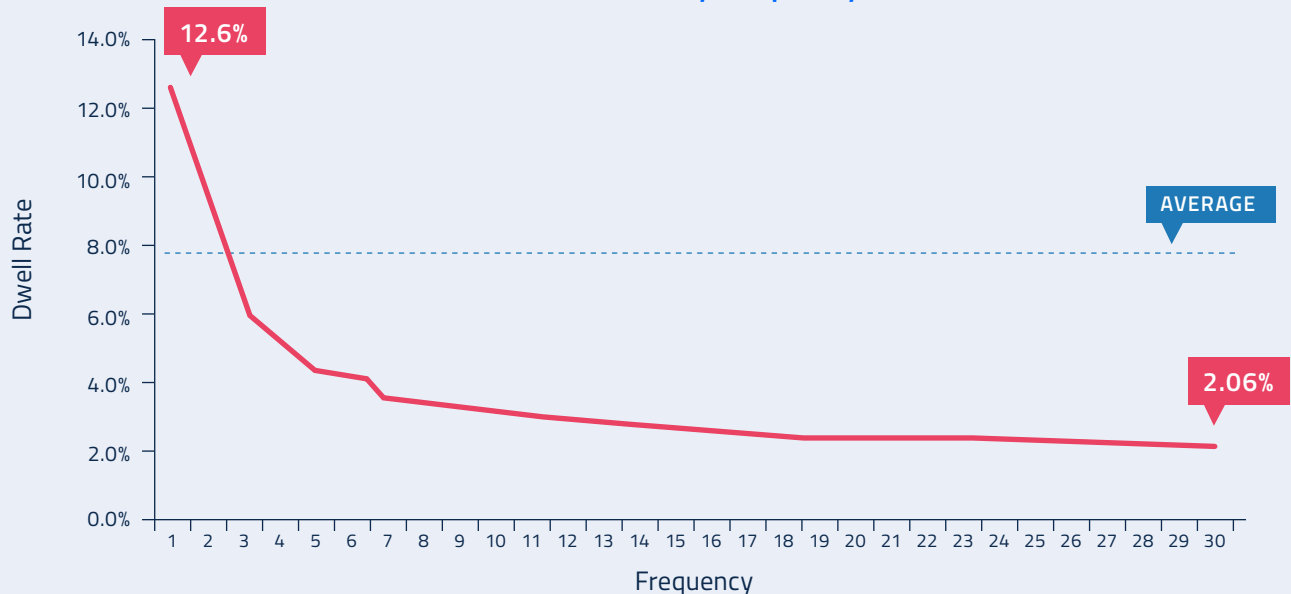


Source: Sizmek Research. Sample of 2 billion Dynamic Creative impressions, 2012, Global

For Dynamic Creative campaigns, the number of users who dwell out of total served impressions is 20% higher than conventional campaigns. Dynamic Creative's optimization engine increases the likelihood that an ad will be relevant to the user and thus drives engagement.

In addition to Dwell, frequency is also key for branding campaigns. The more a user is exposed to and interacts with an ad, the more of a branding impression is made on the user. Among the campaigns analyzed, Dwell Rates tend to hold up over frequent exposures, peaking at 4.25% on the second exposure and only falling to 2.68% after 30.

Chart 3: Dwell Rate by Frequency



Source: Sizmek Research. Sample of 2 billion Dynamic Creative impressions, 2012, Global

## Dynamic Creative Best Practices for Brand Advertising

- **Use a common theme** to maintain brand integrity throughout the campaign. While creative elements can and should be different, the overall messaging and strategy should be clearly related to and represent the brand. Dynamic Creative can also be used to test creative elements that may not have made a final version if the current creative is not meeting expectations.
- **Vary your creative elements in meaningful ways** – different concepts, colors, themes, promotions and products can all change the experience of an ad and increase effectiveness. In addition, use the optimization engine to cycle out ineffective creative and messaging.
- **Set frequency rules** in line with your objectives – limited frequency is better (and cheaper) for direct response campaigns while branding campaigns can use higher frequency to increase awareness at the top of the funnel. Sizmek's 'Performance by Frequency' report can help you determine optimal frequency to engagement rates. If engagement drops off with higher frequency, add more creative versions to extend the life of a campaign.
- **Maximize branding impact of limited impressions** by selecting Dwell as the key performance indicator in Sizmek's optimization tool. Creative elements that elicit low Dwell Rates can be identified and cut from the campaign, increasing the impact of your remaining impressions.
- **Tell a story by retargeting** based on ad engagement with sequential messaging. For example, when a user watches a video ad, show them a longer, more detailed video next time. Multilayer sequential messaging, or telling a story based on a product or topic that the user has expressed an interest in, can be even more effective. Dynamic Creative can retarget based on user interest, and allows the advertiser to tell parallel stories based on where the initial ad left off. For example, a political ad may encourage users to engage on a variety of policy topics, and users who have expressed interest in a particular topic can then be retargeted with follow-up messaging focused on that topic.
- **Leverage geo-targeting to increase relevancy and engagement.** Plan specific campaigns for the narrowest region or market possible and tailor your creative to speak directly to that audience, getting as close to the user as possible. Geographic elements in your ads, including maps and category-specific context (local sports teams, travel options), will connect the ad to viewers.
- **Segment your audience and optimize on your key message** – audiences can be segmented through geography, demographics, context or other psychographic factors. There are many ways to express the most relevant value propositions to a particular segment, and the Dynamic Creative

## Conclusions

Our analysis showed that direct response campaigns using Dynamic Creative maintained a constant clickthrough rate (CTR) with general campaigns but that post-click conversion rate was 59% higher. In addition, Dynamic Creative's post-click conversions as a percentage of total conversions increased against conventional campaigns. Both of these data points indicate that Dynamic Creative's automated dynamic creative, retargeting and optimization **produced higher quality clicks**.

**Dynamic Creative increased Dwell for branding campaigns by 20% over conventional campaigns.** In addition, the Dwell Rate was maintained after frequent exposures of Dynamic Creative ads. Utilizing the best practices outlined above to keep the creative elements of a campaign fresh and relevant to users can increase brand engagement and impact.

Dynamic Creative can make an advertiser's work much easier. It streamlines the ad targeting process by allowing one campaign to reach multiple targets, maximizing the response by adjusting creative dynamically and increasing overall return on investment.

## Methodology

For this report, we analyzed Dynamic Creative campaigns with nearly 2 billion impressions and standard campaigns with 300 billion impressions across the Sizmek network worldwide from Q3 2011 to Q2 2012.