Making it work in your world
Dynamic Creative
Introduction

For many online advertisers and agencies, reach is no longer the big challenge, it’s relevance. Dynamic Creative Optimization (DCO) is one of the most powerful tools available for achieving relevance on a massive scale, giving advertisers the ability to leverage user-level data to deliver targeted and meaningful messages to each consumer. And while large-scale personalization and targeting was once prohibitively complex, time-consuming, and costly, today’s DCO solutions make it automated and simple enough to deploy for virtually any campaign – with thousands of ad permutations.

Cost-effective, automated DCO tools are here, and the business case for DCO is clear. But for many agencies, there remain question marks. “How would DCO work in my vertical and for my audiences?” “What kinds of campaigns work with DCO, and what do they look like?” “How do I incorporate DCO into the creative process?”

Today, creative teams typically use dynamic versioning to enhance a campaign concept. It’s layered on top of an idea to provide localization, audience relevance, or freshness over time. It is also used as an optimization tool to winnow a selection of executions down to the best performers.

But DCO can do so much more when used in the earliest stages of campaign planning. DCO can not only enhance the concept, it can be the concept. Take, for example, an iconic global automaker who used DCO to showcase fuel capacity. For each user, the ad localized to show a destination that could be reached on a single tank of gas (See Figure 1). For this successful and innovative campaign, DCO wasn’t an embellishment, it was the enabler.

The time has come for agencies to think about DCO as a core creative tool and to help spark innovative applications. This document reviews the kinds of DCO campaigns available to marketers and how they can be effectively applied across different verticals. It only scratches the surface of DCO’s possibilities, but it is intended to provide a starting point for advertisers who want to exploit rich technology for highly effective targeting. As DCO continues to become a more mainstream enabling element of online campaigns, the floodgates for creative and strategic applications will open.

Sizmek research shows that DCO is well worth it, delivering on average a 60% lift in performance.

Figure 1. A geo-targeted Auto campaign that leverages the user’s location as the central concept.
What types of campaigns are suited to DCO?

There are a number of campaign types that can be effectively executed using DCO.

**Geo-targeted campaigns** with localized information such as local promotions, products reflecting local tastes, local storefronts, etc.

**Product-based campaigns** targeting users who reach catalog or product pages and have shown purchase intent, providing an opportunity to retarget them with products they've seen. Abandoned shopping cart promotions, upsells, cross-sells, and down-sells are variants on this strategy.

**Optimization** can work on targeted and untargeted campaigns where messaging and calls-to-action can easily be varied and optimized.

**Demographic prospecting** allows you to tailor your ad’s template, offer, or message to specific demographics within your target audience.

**Behavioral prospecting** targets audiences who are researching or interested in specific product categories and tailors the ad message, product, or offer to their interest.

**Sequential storytelling** tracks how users self-select themselves into products, messages, or ways of interacting to develop effective follow-up campaigns.

**Contextual prospecting** in partnership with publishers and DSPs can tailor ads to page content.

**User journey campaigns** to create ad variations tailored to each step of the purchase path, from awareness to retention.

Dynamic creative tools deliver the ability to personalize and experiment. Ads can adapt to different geographies, demographics, and other factors with tailored messaging, imagery, products and experiences to enhance relevance (and thus engagement). Consider an automotive advertiser, for example, who wants to take audiences down different storylines depending on the car models they’ve initially engaged with. These kinds of immersive experiences have traditionally been extremely difficult to set up, but with the dynamic creative tools available today, they are well within reach.

**Versioned ads** usually consist of a template where a number of common elements are dynamically changed for each version. Virtually any component of an ad – the message, product features and benefits, pricing and imagery can be changed in virtually unlimited combinations. The flexibility makes optimization and experimentation using DCO both cost-effective and rewarding from a performance perspective.
DCO also allows agencies to introduce new creative variations over time to test new ideas and/or keep the brand experience fresh. DCO can also eliminate the guesswork involved with deciding how to execute on a creative idea by automatically distributing all creative options to the audience and letting audiences 'vote' with their clicks. The creative that resonates most for each audience wins.

Finally, DCO is a great tool for large-scale localization. When media is bought independently by local media agencies, a creative agency can use dynamic creative to massively target based on local agency’s placements.

When media is bought centrally, creative agencies can use DCO in conjunction with geo-targeting capabilities to serve the correct localized version within a single creative template.

DCO provides a truly phenomenal tool for optimization, localization, experimentation and testing – and once creative teams begin thinking in terms of DCO for every campaign, the possibilities are both exciting and unlimited. It is, however, worthwhile to be selective when choosing which elements to make dynamic. Introducing too many creative variations at once can make determining actionable insights difficult. Best practices suggest first varying dynamic headlines, primary images, products, promotions, and calls to action. Once you have a baseline for dynamic content performance, it’s easy to test creative elements such as color, layout, or animations one or two at a time.

The following are a few examples of how DCO techniques can be applied to diverse verticals and markets.
Financial Services

Financial services providers that cater to the consumer market, such as retail banks, insurance providers and mutual funds are good candidates for DCO, in part because of the frequency with which they update creative. DCO can be used to handle weekly, bi-weekly or monthly creative refreshes.

Most important, DCO makes optimization very simple for financial companies looking to find the ideal match between message and audience. DCO makes it efficient to experiment with offers, calls to action, images and even layouts to find the most effective ad combination.

- With the vast array of constantly fluctuating stock ticker prices, rates and promotions, dynamic creative may be a good strategic choice for many financial sector campaigns.
- Services with a large footprint of local agents (such as insurance) can create hundreds of localized versions directing users to their geo-targeted local agents.

Optimization is also important for this vertical:

- Even for financial services advertisers with a small number of products to market, DCO can be a valuable tool. Different benefits may resonate across varying target audiences, so use optimization to figure out which one works best.
- Perceptions of trust and security may require different copy for varying target audiences.

Even if the campaign is focused on a single product, for instance – a debit card, a versioned ad can be used to rotate or optimize between benefits or limited-time offers for that product (See Figure 3).

Dynamic elements to consider

- Product offerings
- Loan and interest rates
- Product benefits
- Limited time offers (countdowns)
- Stock tickers
- Agent or branch locations
Automotive

The average consumer’s car purchase cycle lasts between 45 to 60 days and goes through multiple stages. During that time, DCO can help advertisers deliver relevant and continuous messaging based on where the consumer is in the funnel.

- DCO is a good choice for localization. Certain regions may not carry certain vehicles. Dealer locations copy, a dealer-locator embedded application, or a clickthru to a localized “Dealers near you” page on the website are also logical DCO components for many automotive campaigns.

- Automotive advertisers may use DCO retargeting campaigns based on specific car models a prospect has browsed.

- Age-based targeting coupled with dynamic ads allows the marketer to easily adjust the product offering, benefit messaging and language to tailor it to their target audience. Advertisers can also launch an initial campaign to determine the benefit of interest to a prospect, then follow it with a series of ads listing “related benefits.” For instance, if you determine that a user is interested in “fuel-efficient cars”, you can also deliver messaging around how the company is “reducing its carbon footprint” or perhaps how one of their car models has “won several environmental awards.”

- Working with a publisher to leverage contextual targeting, campaigns can tailor the product and messaging to address the weakness of the competing brand a user is currently browsing, or tailor the ad to reflect the model most appropriate to the type of car (luxury, SUV, passenger, ...) that the user is reading about.

- A significant amount of auto-related behavioral data is available from third-party data providers. This is an important source of reach, particularly for upper-funnel automotive marketing.

Using dynamic ads, advertisers can easily and efficiently create highly tailored messaging to each of these behavioral segments:

![Dynamic elements to consider](image)

- Dealer-locator applications or click-throughs
- Specific car models a prospect has browsed
- Demographic targeting by offering, benefit messaging and language
- Retargeting by demonstrated interest (fuel efficiency or safety, for example)
Telecoms

Constantly fluctuating regional offers and price plans and the proliferation of mobile devices make telecom campaigns an ideal candidate for DCO. DCO strategies can help Telecom advertisers easily manage the complex retargeting rules and product hierarchies that guide their advertising.

These business rules allow Telecoms to prioritize their creative. For example, they can prioritize creative that promote their four-service bundle (“quad-play” in the US) packages for users who have expressed interest, before showing creative that promote wireless-only service. A base layer of creative would then follow for uncooked users, showing creative focused on featured services – often with a geo-targeting component to capture local prices or offers.

- Geo-target and offer only services and bundles that reflect what infrastructure is available in a particular zip or city. Don’t offer 4G and Fiber services to areas where only 3G infrastructure mostly exists.
- Retarget existing customers with offers that convince them to upgrade their current product. If they are a wireless-only customer, then use dynamic creative to offer them a variety of upgrade options: dual-service Wireless/ Mobile Broadband, Wireless + Internet or a triple-service Wireless + Internet + TV option.
- Targeting by ISP allows a Telecom to provide customized messaging showing why their service is superior to the specific ISP the user is currently using.
- Telcos who have cookied their mobile users can then target them by device, enabling promotion of accessories corresponding to the user’s specific handset.
- Dynamically optimizing the creative allows Telecom advertisers to test out various offers, products/bundles, imagery and calls to action for each regional audience.

Dynamic elements to consider:

- Product offers
- Price plans
- Device options
- ISP benefits
- Content interests
E-Commerce & Retail

DCO can be a powerful tool for driving users toward purchases and higher-value purchase online. In particular, dynamic elements can be used to lead consumers along the purchase path toward a conversion and then follow up to bring them back for more. Because a DSP retargeting buy is often a large component of a retail media plan, you can use retargeting pixels to retarget users with the right dynamic creative depending on where they are in the purchase path.

• DCO enables adaptive messaging to handle the full customer lifecycle based on retargeting - from awareness to interest to desire, to acquisition and retention.

• DCO is ideal for category-level retargeting, when the advertiser retargets users based on the category in which they have expressed interest. Careful product curation enables display of featured products, new arrivals, or bestsellers in a category the user has browsed.

• Time-limited ads can address customers who have not visited the site in a specified period, announcing new arrivals in their category or other promotions.

• "Deal of the day" promotions can easily be swapped out without re-trafficking, and scheduled far in advance.

• Product-level retargeting can happen both at the Product Detail Page and the Shopping Cart page if the user abandons without making a purchase.

• Retargeting can be tailored to how long ago a user visited the advertisers site – for a quick follow-up or a longer term “we miss you” message.

• Introduce local incentives with geo-targeted dynamic coupons reflecting local brick-and-mortar offers.

• Go beyond the usual product image to create a dynamic lookbook using optimization to showcase the popular images, behavioral retargeting to tie images to user interests, or contextual retargeting to synch with user content choices (See Figure 4).

Dynamic elements to consider

• SKUs, product IDs, prices and images
• Interest and category-based messaging
• Purchase-path messaging from prospecting to retention

Figure 4. Rolling lookbook ads for a Furniture Retailer. Images can be swapped in and out easily with dynamic creative
Travel & Leisure

For retargeting campaigns in the Travel sector, DCO allows them to serve the right creative version depending on what destination or property they’ve browsed. Airline, travel and hotel companies can get excellent ROI from DCO used for destination, property or package-based retargeting.

- Airline and travel companies can include dynamic geotargeting to deliver fares in the creative, because the ad knows the intended destination and likely point of departure as well.

- A tour operator clearinghouse might choose demographic data to feed targeting of different offers. For instance, targeting a younger demographic for their 'Mediterranean Party Island Tour’ or ‘Europe on the Cheap’ tours, and an older demo for ‘Tuscan Villa Tour’ or ‘Imperial Palaces of Asia.’

- In addition, most airline and hotel companies will have some form of rewards program and can use DCO for retention. Users will sometimes login to check their accumulated points or miles, and this is a great opportunity to fire a retargeting tag. Advertisers can leverage other pieces of information - such as status (silver, gold or platinum) and points available - to trigger various dynamic messages.

- Contextual targeting can use publisher-supplied topic information to assist with prospecting. Travel publisher data can empower the advertiser to tailor ads by content visited – an article on Italy vs. a page on French wine tours, for example.

- Similarly, dynamic ads can leverage third-party behavioral data from aggregators and provide highly targeted ads reflecting their audience’s interests.

Dynamic elements to consider:

- Destinations and properties
- Fares by destination and departure point
- Frequent sales and price changes sales and frequently changing prices associated with this industry
- Amenities and benefits packages
- Imagery for multivariate auto-optimization - does a hotel ad lead with views of the property, views of the room, etc.
Consumer Packaged Goods

CPG is a good candidate for DCO campaigns because of the global nature and range of products advertised within this vertical. Many CPG companies have a wide range of products that can vary by locality.

Many CPGs also do Content Marketing and reliably produce new content for their brands on a regular basis – usually weekly – in order to keep viewers engaged. Dynamic Creative provides the ability to dynamically alter the creative to align with episodic Content Marketing efforts, allowing advertisers to rotate through a series of “Tip of the Week” or “This Week’s Recipe” features without re-trafficking.

Dynamic elements to consider

- Localization details
- Episodic versions with tips or recipes of the week

Manufacturers

Some Original Equipment Manufacturers (OEMs), such as computer manufacturers, do not sell directly to consumers – instead, they rely on a network of resellers to market and sell their products.

Though not engaging in direct sales, OEMs can build their brands and fuel their channels using DCO techniques.

- OEMs can target consumers who browse their sites, and resellers can be given control of various dynamic elements in the ad. The manufacturer, in turn, can use ptimization to see which reseller performs best.
- DCO provides an excellent way to optimize ads for complex products with multiple features and benefits that could possibly resonate with a user. It enables automated optimization of multiple versions that focus on diverse benefits of single feature or feature set.
- Working with third-party data, OEMs can use contextual targeting to highlight features or benefits based on the content a user has recently visited.
Entertainment

For the film, live performance and TV industries in particular, DCO provides an excellent tool for managing and exploiting the time-sensitive nature of releases, tours or premieres. In addition, the cinema or gaming fan base is often hungry for content and engagement with their favorite characters, franchise or game. DCO makes serializing ads remarkably simple and effective.

- DCO provides the ability to create instant updates in ads as film and program premiers approach. Teaser trailers, new imagery, countdowns, new “reveals” and other promotional tools are all relatively simple with DCO. And that’s just the beginning.

- DCO can complement highly immersive ad campaigns that rely on sequential storytelling, even game-ification, to tell a narrative through a series of ads. Dynamic elements can be used to reward users with a sequence of linear narratives as well. A user who has engaged with ad part 1 is served ad part 2 and so on (See Figure 5). Some advertisers even “promote” their ads, directing fans to specific sites to find the ad, story installment or mini game.

- When a movie is in cinemas, movie promoters can drive ad-responders to movie-ticketing partner sites. Geolocation services can deep-link them to the user’s nearest cinemas, taking the consumer one or two steps away from conversion. In fact, with a daily movie feed, the movie’s clickable show times for that date can be added for the nearest cinema on the ad.

Figure 5. A dynamic campaign for a fictional movie that challenges the audience to interact with all the ads in the series. The campaign “remembers” how many ads/characters the user has interacted with.

Figure 6. A geo-targeted ad for a fictional disaster movie that “destroys” the user’s nearest city to make the experience more noteworthy.
• Limited release movies can also leverage geo-targeting to localize the messaging of the announcement and grab attention (See Figure 6).

• As many entertainment campaigns run across different markets, there is often a need for localization. DCO is a great tool for this. For example, if you are building an ad to run across ten markets, each ad can leverage Dynamic Creative to swap in the ‘call to action’ and ‘video spots’ in the local languages.

• For large video game publishers, dynamic retargeting can capture which video game a user browsed as well as the genre. The user’s genre affinity can be used to retarget them with other video games in that genre.

Dynamic elements to consider:

• Sequential installments of a game or storyline
• Diverse products – i.e. video games or DVDs
• Show times
• Local release information
• Category targeting by genre

Conclusion

Advertisers have only scratched the surface of what they can achieve with DCO. Here at Sizmek, we’ve seen clickthrough rates triple as a result of using our DCO platform – one campaign even reached a 1,500% improvement in CTRs as a result of retargeting.

A number of cases that we’ve seen have also led to significant increases in conversion rates and average order values.

The more familiar and comfortable agencies become with the concept of DCO and all it can accomplish, the more possibilities they will find for incorporating dynamic elements – and real relevance – into the creative ideas they generate.