

The essential guide to Creative Optimization

Bannerwise

What is Creative Optimisation

Hi there!

Thank you for picking up this ebook. Since you did, chances are that you're either a marketer or a marketing minded designer. Either way, you're interested in learning more about driving better results by testing and optimizing your display ads.

Creative optimization can be defined as using a platform or technology to improve results by adapting creative elements of a campaign, based on data signals. These data signals should be used to match a potential audience with the creative version that is most likely to garner a response. This means a continuous process of iteration on your creatives to get the best message possible.

A [comScore](#) study revealed that advertisers are four times as likely to cause a sales lift with a quality creative than with a quality media plan. However, a quality creative is not enough. There is only an 8% chance that your first creative will get you the best result possible. These facts make this ebook a must-read.



"Never stop testing, and your advertising will never stop improving."

David Ogilvy, Founder of Ogilvy & Mather

In the coming 20 minutes you will learn:

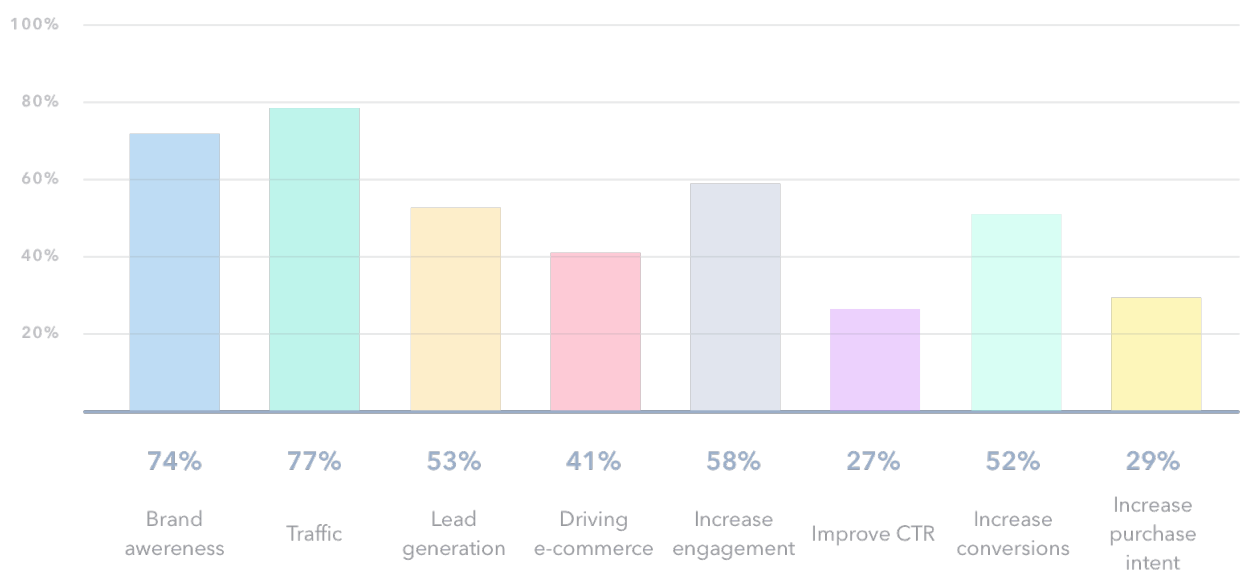
- Why creative optimisation is important
- Several proven best practices
- How best to start with creative optimisation
- How to overcome barriers and avoid the most common pitfalls

1. The urgency of Creative Optimization

There have been a lot of developments in programmatic the last couple of years. Marketers are now able to create hyper targeted segments and automate most of their campaign. This has been hugely important in making display advertising more efficient. During this evolution of programmatic, the creative aspect has been overlooked and the standard budget split became 20% on production and 80% on media. Meanwhile, it has started to make more sense to expect ROI improvements to come from optimising your creatives, compared to optimising campaign settings. It has simply become too hard to find things to optimise in the margins of campaign settings causing diminishing marginal returns on time invested. Since creatives have been virtually untouched, there is a world to gain on that end. Additionally, the findings of a Comscore study show that creative quality drives more than half of the sales changes for brands analyzed. That's four times higher than the impact of the specific media plan involved!

Advertisers are four times as likely to cause a sales lift with a quality creative than with a quality media plan.

Now that we've established the urgency for creative optimization, it's important to get into some of the objectives of optimization efforts. The end-goal, of course, is to improve results, but which ones? Celtra has asked a sample of 379 digital media and marketing professionals about their objectives display advertising in general and their goals with creative optimization in specific. These goals don't always seem to be aligned:



The first thing that stands out is the gap between the amount of respondents that say they want to raise brand awareness with display ads, and the ones that are actually optimizing their ads for engagement. In general, optimizing brand communication generates the most valuable insights about your customers (that can be used in later funnel stages too). More on this in the following chapters.

Perhaps even more strikingly, 77% of respondents use display ads to generate traffic but only 27% are optimising for CTR. CTR has become an unpopular KPI since it is an unreliable indicator for true impact like conversions. However, optimizing for clicks do tell you a lot about how well you are performing in your efforts to tailor your ads to your audiences.

More than half of the respondents use display ads to generate leads and optimise for conversions. When done right, display can be a powerful tool at relatively low cost. The same can be said for acquisitions. Studies have shown that dynamic product ads perform very well in this area. Optimising these ads may not only increase sales but is also very likely to lower your CPA if you get it right.

Finally, display ads are one of the most interesting marketing materials to test. Contrary to text ads, display ads contain copy, (product) images, colors, buttons and animations. Given the right technology, all these variables are increasingly easy to optimise for better results.

Apart from generating traffic or conversions, display ads quickly generate insights that other media can't.

So, apart from contributing to meeting your targets, optimising your display ads will quickly generate insights that other media can't. They help you understand what appeals to your audiences and what doesn't. This provides invaluable lessons that may apply to all your other marketing channels. Such learnings can be shared with other departments, like PR-, communications, and sales. The impact of a simple A/B test may stretch far beyond the cubicles of the marketing department, all the way to the boardroom.

For example, a marketer is running a display ad campaign that targets men as well as women. After a while, the results show that women are more likely to click the display ad. The marketer decides to change the gender neutral copy into copy that he expects to be more relevant to women, thus causing an uptick in CTR. It works.

PR- and communications now use this insights when writing direct mailings and creating brochures. Sales uses the insight to its advantage by briefing the sales teams on the streets. In the boardroom, new plans for all-female products are discussed.

In sum, chances are that your current display campaigns can perform a lot better by making small changes to your creatives on a structural basis. It would be a waste to spend your media budget on creatives that have a 92% chance to perform better. Instead, start optimising them for better results.

2. Examples and best practices

To get you fired up, we will kick off with some proven best practices that will give you an idea of what to test for and how to do it.

Finding the right colors




A basic color test may have an incredible impact on your campaign's result, as illustrated by the test below.



There are two main things that you should consider when picking the right background color for your creative: Brand colors and color psychology. Once you have your brand guidelines in mind as well as the emotions that you wish to evoke, it is time to select the colors for your background.

In many cases, test outcomes are counterintuitive and challenge the assumptions you have about your audience.

[Color psychology](#) may prove to be counterintuitive. In the test below, most people tend to think that the red colored ad yields the best results, followed by the blue colored ad. Surprisingly, it's the grey colored ad that performs best.

					
Index	CTR	Index	CTR	Index	CTR
100	0,06	150	0,09	183	0,11

In this particular case, an action color such as red seems to address a smaller target group than a neutral and calm color such as grey (which is described as being a neutral and indecisive color). The simple explanation is that neutral colored cars are sold the most. How many red and blue cars do you actually see out on the road compared to more neutral colored cars?

Using images

One of the first questions you might want to answer is whether you need images at all. Some creatives might perform better without any at all.

Sometimes you're better off without images in your display ad.

Many brands choose to display their products or services over a solid colored background instead of using images. Indeed, text-only ads have some advantages. For example, there are no distracting elements competing with your product or text. This allows you to focus on the information more and convey your message more clearly.

Here is an example of how State Farm, an insurance company, split-tested their display ads using a text-only and an image-and-text design. The image-and-text design looks more appealing, while the red solid background draws more attention to the messaging.



If you decide to go with imagery, note that images of smiling and happy people are an excellent way to increase confidence in your product. They draw positive attention because people are psychologically attracted to happiness. A [case study](#) published by Rocket Fuel suggests that human faces in ads increase the CTR by 4%. However, keep in mind that this is merely a standard that doesn't necessarily apply to all cases.

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CTA buttons

Call-to-action buttons are probably the most tested element in display advertising. They are easy to get wrong but, fortunately, also easy to get right. Simply changing the wording or color may make all the difference in the world. In the example below, the wording is tested.



The CTA in the first ad says 'Order now', which makes it the most compulsory of the three. The other two CTAs say 'Learn more?' and 'More information', the latter of which generated 57% more clicks than the initial CTA.

Next to experimenting with wording that implies various levels of commitment, you could try testing using actionable verbs. If your CTA reads 'Buy now' and you have a discount to offer, your CTA could read: 'Buy now - Save 25%'. The key is to emphasize what customers have to do and what they are going to get when clicking your ad.

Being personal with your CTA text may further boost CTR. Unbounce.com [increased their trial requests by 90%](#), just by changing their original CTA text. The difference was in the tiniest detail: 'Start your free 30 day trial' vs. 'Start my free 30 day trial'.










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Finally, the position of your CTA may also influence the results you're generating. VWO managed to increase their CTR with a whopping 232% just by repositioning the CTA button and reducing clutter around it. Try different positions for your CTA, but keep the hierarchy of information in mind when placing your button. For example, placing your CTA at the top of your banner is likely to make your CTA appear meaningless because of a lack of context to introduce it.



Relevant copy

Testing copy will reveal a lot about what appeals to your prospects and customers. The ad from the Dutch foundation for Alzheimer's below shows just how powerful iterating on messaging can be:

 250.000 mensen in Nederland hebben dementie		 1 op de 7 mensen krijgt Alzheimer.		 1 op de 3 vrouwen krijgt dementie	
					
					
Index	CTR	Index	CTR	Index	CTR
100	0,08	200	0,16	288	0,23

Version 1 (250.000 people in the Netherlands suffer from dementia)

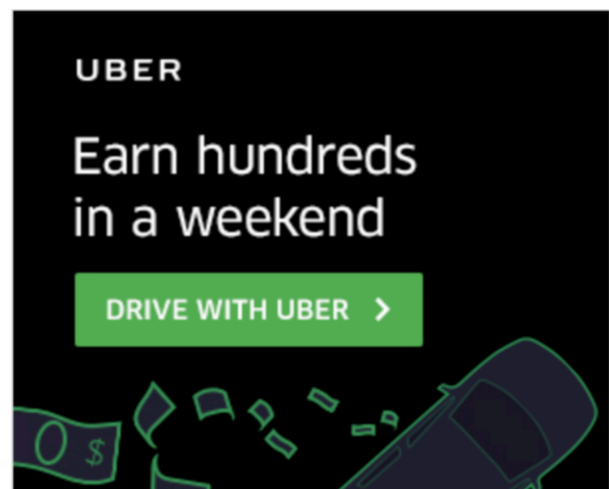
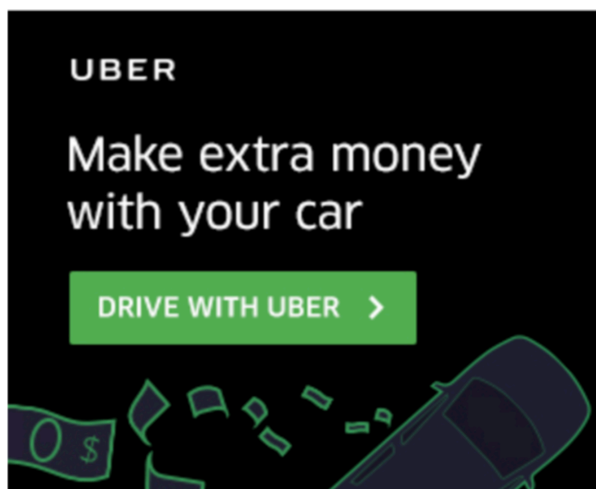
Version 2 (1 in 7 people will get Alzheimer's)

Version 3 (1 in 3 women will suffer from dementia)

The test results indicate that stronger messaging generates more clicks. The results also showed that women were more likely to click the ad. This lesson caused the campaign team to change the ad copy and allocating more budget to the female target audience. This resulted in an impressive result of tripling the initial CTR.

Iterating your creative based on your campaign data can be a powerful campaign boost.

Another part of your copy may comprise the value proposition you offer. Uber's ads are a good example of a value proposition test.



Keep in mind not to pack your creative with text. Cut down on your copy and only include what is necessary to convey the added value you are offering and nothing more.

When you're able to offer incentives other than discounts, be sure to mention them in your ad. For example, e-commerce advertisers go through a lot of trouble to offer fast or free shipping. Measuring the effectiveness of either one will generate important insights. The same is true for customer reviews. Since there is not enough space to include all of these incentives in your creative, it is wise to test which has the biggest impact on CTR or CPA.

Don't forget

No best practice will apply to your situation one-on-one. You will have to find out for yourself what works best for you. If this seems like a daunting task at this point, don't worry, it's not. It's an iterative process of continuous testing that takes a bit of focus, but not a lot of time. When using an effective tool, creating multiple versions of your creative isn't the main objection anymore. Let the ad you've created run for a couple of weeks and then replace it with a different version. Read more on how to get started in chapter 4.



"I don't care much for best practice - I care about conversions. That's why I test."

Michael Aagaard, Senior Conversion Optimizer, Unbounce

3. Common barriers and how to overcome them

Creating a single display ad can be tough enough. The hassles associated with the creative process cause many marketers to skip making multiple versions, which in turn prevents them from testing anything. A number of reasons are revealed by a questionnaire Celtra did in (year). Our own inquiry has resulted in an additional number of arguments. We're listing the most important ones here.

Lack of creative resources

In some cases, you may have to work with creative resources that are less than optimal. Although budgets are expected to grow in the coming years, you may have to work with product images that aren't transparent or a limited amount of campaign images. In cases like these, you may want to focus on testing your CTA, your value proposition or the positioning of your elements. It's important to find the elements in your banner that you *can* optimise if you want to be able to generate learnings and improve results.

Lack of operational resources

Typically, both a designer and marketer or campaign manager are involved in building and optimising creatives. Cooperation between two professionals with such different skill sets and focus can be arduous and time consuming. A tool can easily solve this. Bannerwise is currently working on a feature that will allow you to automate the optimisation process called Optimise. It will automate your A/B testing, report back results on the performance of all your banners, and allow you to allocate more budget to the best performing one. This saves *a lot* of time for both the design and marketing department.

Not enough interest within the organization

Traditionally, designers aren't involved much after digital ad campaigns are live. Marketers seem to forget that ad design is the most determinative factor for their ad campaigns. Sharing campaign results with the design department therefore rarely crosses their mind. Our experience is that many digital designers are in fact very curious about the actual campaign results of their work and are increasingly driven by numbers. This poses an enormous opportunity for marketing teams to improve.

Campaigns too small

Be sure to select the right campaigns to optimise. Some campaigns simply don't allow for a whole lot of optimisation. Don't be afraid to choose *not to optimise* your creatives from the get go. If you feel your campaign is making a significant enough contributing to your overall goals, you could start optimising at a later stage.

4. Where to start?

Knowing that there are enough other important things on your plate, we're not arguing to spend all your time iterating your creatives. We're arguing to simply test as much as you can. And that's a lot more than you think! Even if you perform a single test once a month, you will still generate enough insights to significantly improve your campaigns and start interesting discussions about the results. Let's get into how you can jumpstart your optimisation efforts.

The most frequent tested element of display ads is the call-to-action, because it's easy to change and often has a large impact on click-through-rate. This seems like a great way to start, except that it's not.

Contrary to popular belief: The CTA is really not the best place to start testing.

Why, you may ask? The first reason is that your CTA is a small element in your display ad. Testing small changes require a much larger sample size to get reliable results than testing bigger ones. If you're just starting to get comfortable spending budget on impressions for an A/B test, you might want to start somewhere else.

The second reason is that bigger changes are likely to have a bigger impact. Although the right CTA at the right time may have a notable impact, it isn't likely to have the same impact as changing your background or product image. So let us set you up with three starting points to choose from, so you can decide which is the quickest win for you.

Start with a split test

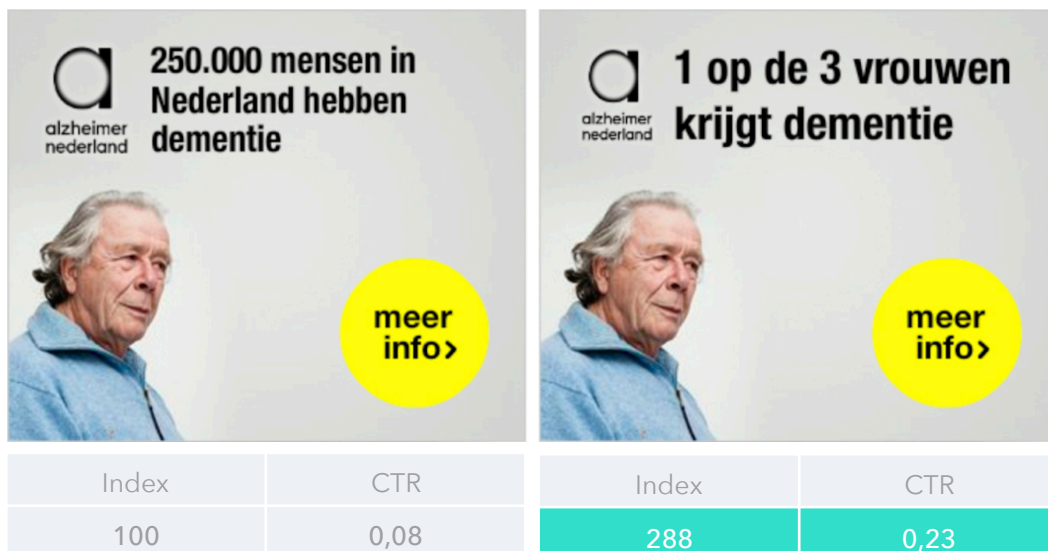
Often times the methods of split testing and A/B testing are seen as the exact same thing. This causes marketers to overlook the true starting point for their tests. So, to get some clarity about what's to come in this whitepaper, here's how we define split testing and A/B testing:

- Split Test - A split test is a method of marketing testing by which a baseline control sample is compared to a completely different variation of the same sample in order to improve response rates.

- A/B Test – An A/B test is a method of marketing testing by which a baseline control sample is compared to a variety of single-variable tests performed on the same control sample in order to improve response rates.

A split test is the ideal starting point for testing your creatives.

In other words, a split-test helps you to find out which *concept* is right for your display campaign and what direction it should be heading towards. This is a great starting point if you'd like to start fresh. Are there going to be visuals and images in the creative? What will the tone of voice of the copy be? What colours should be used? Starting off with two or three hypotheses that aim to find answers to questions like these should help you make the best possible start. As shown in the image below, the implications can be huge.



Start by picking a relevant funnel phase

Since you can start testing in any funnel stage, it is best to align your tests with the marketing goals you're currently working on.

Early funnel stage ads are considered branding banners. These should contain eye-catching illustrations or images, very little copy and clearly feature your logo. Since your KPI here is CPM, testing options are limited. Clicks can be a solid measure and are able to give you a fair indication of how well your ads are received by your audience. Rich media like video allows you to measure engagement through metrics like watch time and view rate. Just remember that CTR is not the goal here.

Align your tests with your funnel stages.

Later funnel stage ads should be more focused on your offering. You could feature a new or popular blog post, which immediately allows you to test which subject resonate best with your clients and prospects. Alternatively, you could start to show images of your products or services. Don't go overboard with copy and add a CTA. A click is usually the goal here, so optimising for the best possible CTR should be easy since it's measurable. You should experiment with any of these elements in your ad along with the CTA.

Final stage ads are meant to retarget your website visitors and assisting a conversion. In this stage, you may want to optimise for a low CPA and/or a high CTR. Adding offers and discounts that you can test may lower your CPA, as well as including some of your USP's. Finally, you may want to experiment with the amount of products you display in your ad (Tip: we recommend just one in this stage).

Start with what you have

If neither of the starting points above work for you, you can always start with what you have. If you need to, take some time to recall the objectives you have formulated for your ad campaign. If you didn't have any, formulate them now and start testing some hypotheses.

Templated testing

At Bannerwise, we have seen some tremendous success with testing based on templates. A great template starts with putting some thought into what you would like to test. As discussed above, this may vary per funnel stage. That's why we recommend building at least two templates (master banners): One for early funnel stages and one for the final funnel stage. It's important to define different target audience groups that don't overlap. The next step is to formulate messaging per funnel stage and audience group. Once you've done this, creating a bulky amount of ads is easy. You'll be even quicker when using dynamic technology.

5. Common pitfalls

To help you avoid some of the mistakes that are made in creative optimisation, we have listed the most common ones.

Testing everything at once

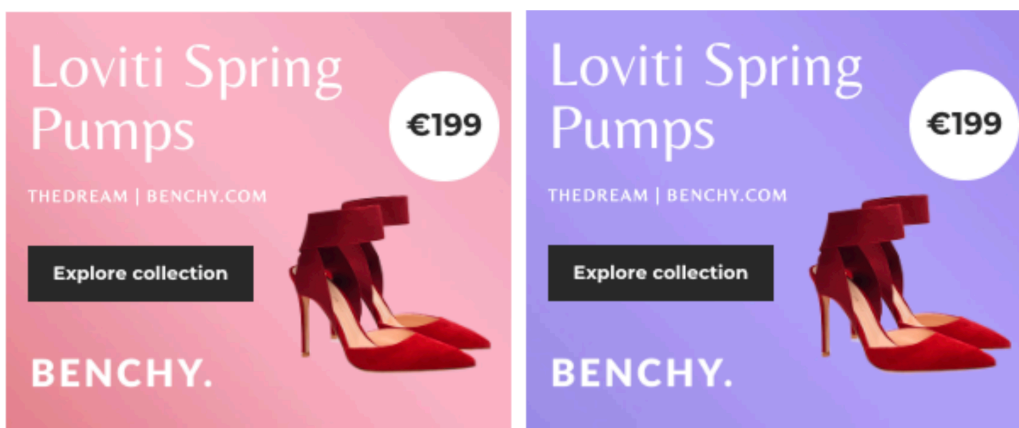
Marketing teams are always looking for better results than the most recent campaign. Often times they will come up with a complete new set of ads that *they feel* will perform better. They might even have some arguments as to why the new ads will perform better. Using this approach, however, marketing teams deprive themselves from the opportunity of generating true insights based on data. The mistake here is that, with a new set of ads, the effect of all elements in the ad on campaign performance are tested at the same time, making it impossible to single out the effects of each individual element. It is key to formulate some hypotheses and align testing procedures with these hypotheses.



A/B test without hypothesis

Let's say the ad on the right generates better results than the ad on the left. Because almost all elements and even colors have changed, we won't be able to attribute the uplift to anything. It could be caused by the background color as well as the number of products shown or any of the other changes. In this scenario, true optimisation is impossible.

Testing one element at the time, based on a hypothesis, will allow you to generate insights that are at the basis of creative optimisation.



A/B test with a hypothesis based on color

Duplicating findings

It is very tempting to seamlessly apply findings of a successful experiment to other campaigns. Indeed, doing this is a sensible way to benefit of the investments you have made in your tests. Still, you should keep in mind that audience A might react very differently to a piece of copy than audience B. Instead of blindly trusting the best practices you have built so far, try to be cautious when applying them to new campaigns. Introducing findings of a previously successful experiment to a new audience is a test in itself. Dip your toe in the water first by spending a little bit of budget before going all in.

Not enough impressions

You will need a certain 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 and secure the budget before you start testing.

Attribution: Last click, first click, multi-touch

This is a big one and worthy of a lengthy whitepaper in its own right. When you're optimizing for conversions, first click and last click attribution probably [will not provide you with the insights you need](#). Although multi-touch attribution is more complicated and may require some resources to implement, [it will ultimately help you](#) make more informed and intelligent budget decisions.



Inspired?

Get in touch with one of our account specialists to discuss how you could step up your digital ad production game.

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About Bannerwise

Bannerwise is a creative management platform that helps you build, scale, tailor, schedule, publish, analyse and optimise digital marketing content. All while guarding your brand identity, changing messaging across multiple platforms in real-time and collaborating with your team. For more information visit www.bannerwise.io or call +31 (0) 20 210 34 88.