



Dynamic Display Advertising and Creative Optimization

A Guide to Implementation Best Practices

A White Paper by:

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Introduction

Dynamic display advertising and creative optimization (DCO) technologies are changing the way advertisers' approach online advertising. Key benefits include increased campaign performance, higher creative production efficiency and greater transparency through new and innovative metrics. Already shown to be of significant use to larger advertisers, these technologies will become increasingly important as larger numbers of small to medium sized advertisers incorporate display advertising into their current online marketing strategies.

One of the most important aspects of performance based marketing involves testing. Creative elements, messaging, promotions and call to actions all play an important role in how a consumer perceives your brand, whether they will decide to engage with your display ad and eventually decide to convert by purchase or signup. Even the most simple of display ads can have over 10 independent variables which are open for testing. Unfortunately with regard to display advertising the testing process can be a very time consuming and expensive process involving creative designers, flash developers, media planners, media analysts, project managers and quality assurance.

This white paper addresses some of the benefits and high level technology concepts associated with dynamic display advertising and creative optimization (DCO). More specifically how this technology can help fulfill performance needs by exposing technology which enables the economical and rapid design, deployment and measurement of an infinite number of creative variations through the display advertising medium.

One Size Fits All Creative and Testing

With increasing regularity, the value of display advertising has come under fire and rightly so. There have been many articles disparaging the performance or lack thereof with display ads garnering .05% click through rates. Generally you'll find display ads to lack relevance to yourself or the context of the site you're currently browsing. Additionally ad agencies continue to press for one to two creative executions which are supposed to resonate with the entire internet population.

So as an advertiser you're able to effectively target women who like tennis at the cheapest media price. But what do you show them?

There are many reasons that display advertising hasn't lived up to its fullest potential but we will focus on what I believe to be the biggest offenders. The lack of focus on testing the creative elements and the static one size fits all approach to display ads. Both of these areas are inextricably linked together and one cannot be fixed without addressing the other.

Generic Creative

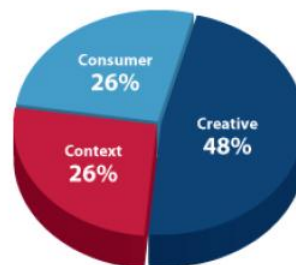
In the recent months and years there has been a flurry of activity in the display advertising industry surrounding the way in which we target consumers and purchase media. So as an advertiser you're able to effectively target women who like tennis at the cheapest media price. But what do you show them? Invariably within this small targeted segment there will be varying responses to different messaging, promotional copy, imagery and even font size and color schemes.

What each of these technologies fails to address is the largest piece of the display ad, the display ad.

A recent study done by DSP DataXu illustrates this point. Out of 3 categories related to a display ad impression (consumer targeting, website context and creative) the creative was the major factor in influencing consumers to become a new customer or lead.

Figure 1: Creative parameters are the major determining factor in generating consumer conversions.

Which Impression Attributes Are Most Highly Correlated With Conversions?



Base: 30 days of impression data for 19 display campaigns for leading advertisers.

Source: DataXu MarketPulse, June 2010

The creative is the point at which you are directly connected to the consumer out in the wild web. In order to see substantial performance increases we need to pay extra attention to the biggest piece of the display ad puzzle, the creative.

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The High Cost of Testing and Iterating

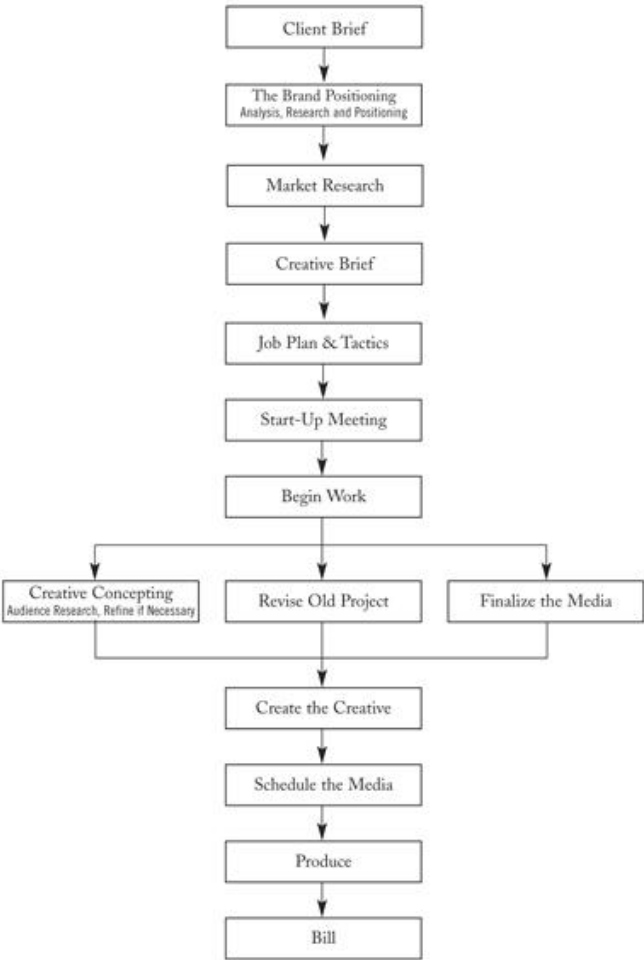
For most things in life the path to efficiency and performance lies in testing and iteration. It's a process that takes time and patience but the rewards can be huge. Display advertising is no different and we can derive significant benefit from this time tested process.

Unlike many other things in life however, the display advertising world happens to be a complex fragmented patchwork made up of ad servers, ad networks, ad agencies, demand side platforms, ad exchanges, real time bidding platforms, behavioral targeting providers and the list goes on. It takes an extremely resourceful and well-funded operation to embark on the creative optimization path today.

Leaving aside many of the newer parties in the marketplace let's take a look at a condensed workflow chart outlining the basics involved in the production and release of one banner ad concept for a typical ad agency.

For most things in life the path to efficiency and performance lies in testing and iteration.

Figure 2: Condensed workflow for the manual creation of a banner ad.



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In conjunction with the workflow let's take a look at the list of resources working on these tasks:

- Art Director
- Copywriter
- Creative Director
- Account Executive
- Partner/VP
- Flash Developer
- Media Director
- Media Planner
- Media Analytics
- Account Services

A dynamic display and creative optimization (DCO) platform is needed to give the advertiser the power to create, display and measure the most relevant display ad to the most relevant audience.

As you can see the task of creating and deploying one banner concept requires a large number of manual steps performed by a large number of rather expensive resources. Now imagine testing and iterating on 10, 100 or even 1,000 different display ads to find the most relevant creative and messaging for the millions of consumers who will see these display ads. Impossible?

Chasing performance gains and creating relevant up to date creative experiences in the current display advertising world ends up becoming a very daunting task made nearly impossible for small to medium sized businesses with tight budgets and resources.

Solutions and Benefits

A dynamic display and creative optimization (DCO) platform is needed to give the advertiser the power to create, display and measure the most relevant display ad to the most relevant audience.

- More effective advertising = more engaged consumers
- More efficient advertising = better ROI

From a high level there are three main functions a DCO platform should serve:

1. Gives the ability to generate an infinite number of display ads in real time from individual creative assets without re-trafficking any ads.
2. Gives the ability to integrate into the creative highly interactive user elements and live advertiser product data and promotions through external data sources.
3. Gives the ability to measure, report and optimize creative on innovative new metrics including but not limited to:
 - a. dynamic display ad user interaction rates
 - b. user time spent in the dynamic ad

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- c. rates of user conversion after interacting with a dynamic display ad
- d. interaction rates for the various creative elements within the dynamic ad

Dynamic Creative Layer

The primary purpose of the dynamic creative layer is to assemble and display the various combinations of creative assets in real time. The dynamic creative layer should be a highly configurable shell that communicates with the network layer to request creative assets and post impression and interaction data for analysis.

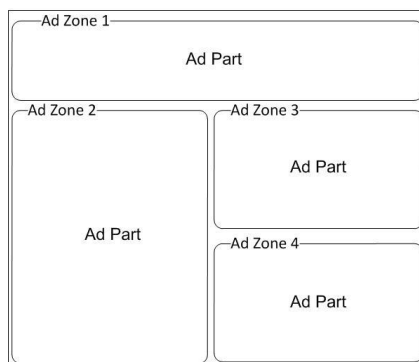


Figure 3: View of a possible dynamic creative layer template

Using this template approach you will now be able to test new creative “on the fly” without re-trafficking any ads. Automating many of the manual tasks that go into the production of every banner ad can decrease the cost and time of creative production and managing your media.

Network Layer

The network layer functions as the communications hub for the DCO platform. Its responsibilities include serving a dynamic creative layer template, determining which creative assets to send to the dynamic creative layer and managing all the incoming impression and interaction data.

The network layer opens up the opportunity for the advertiser to quickly setup and deploy multivariate testing of their display ad units. What has traditionally been a very expensive and time consuming process is now available to even the smallest of display campaigns.

Another benefit of this layer is to simplify the distribution of the creative assets. Integration with any ad server gives you the flexibility to maintain any existing vendor relationships including use of multiple ad servers through a centrally managed environment.

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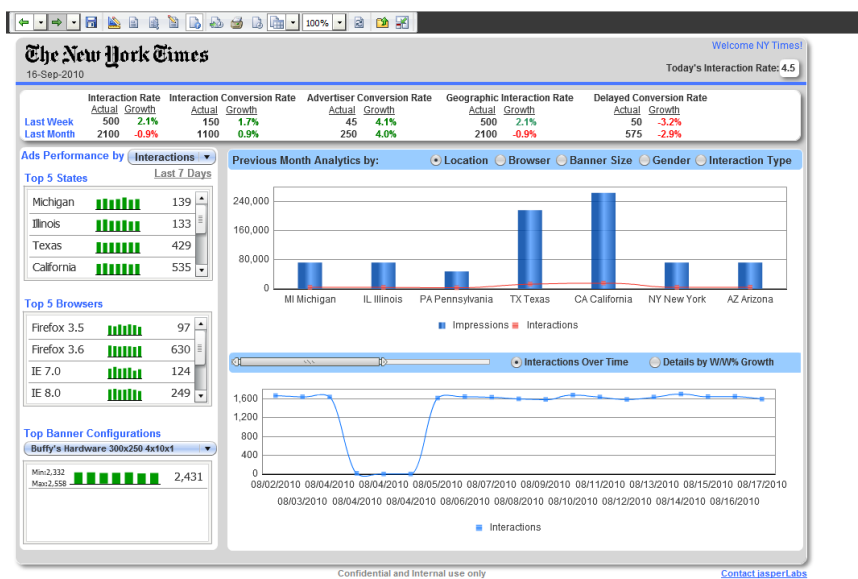
Additionally, the network layer also empowers the advertiser to quickly adjust messaging and promotions in their dynamic ads to keep up with their ever changing business.

Reporting and Optimization Layer

The reporting and optimization layer opens up a host of new opportunities to dramatically increase the performance of your display campaigns. The goal of any campaign is to continuously improve on the best performing creative combinations and remove underperforming ones.

Going beyond the click through rate for determining success is a goal every advertiser should have. Using a combination of dashboard and report level views an advertiser can now quickly measure and iterate their creative based on customizable metrics and KPIs'.

Figure 4: Dashboards and reports give a real time in depth view into display campaign performance.



A Simplified Workflow

One of the benefits of using a dynamic display and creative optimization (DCO) platform should be a simplified workflow when producing, deploying and iterating on your display ads.

The first step is to review the campaign goals and go over any existing creative assets currently available. The creative assets can include assets off of the advertiser's website. As a matter of fact tying in current promotions and product data can be great content to get started testing in your dynamic display ads.

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The next step is to build out a matrix aligning creative content with the dynamic ad template ad zones and targeting parameters. If there is any user interactivity in the dynamic ad template you'll need to decide what interaction data you'd like to collect and report on as well. You'll also need to decide whether you want to track conversions on the advertiser's website.

The creative assets and business rules will be loaded into the DCO platform and an ad tag is delivered. The ad tag can be loaded into your current ad server or used to serve the ads directly from the DCO platform.

Reporting tools and dashboards should be available immediately.

Making changes to your creative content is now a matter of uploading new imagery or adjusting the messaging through the DCO platform's user tools.

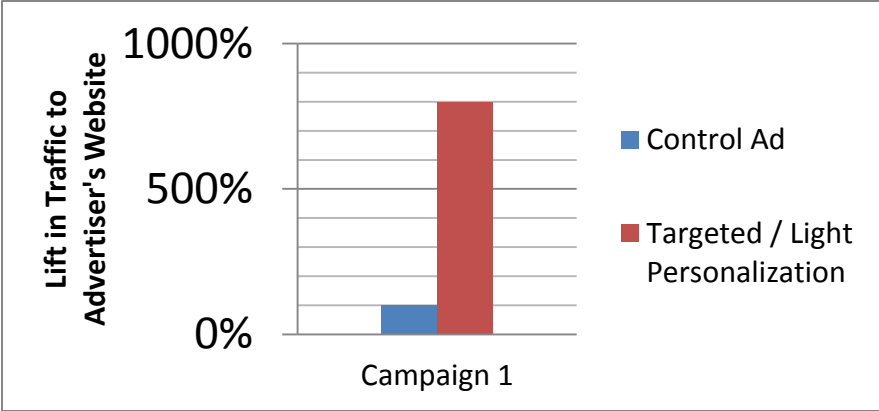
Case Study

A major online e-commerce company has had great success in the past using dynamic display and creative optimization.

Testing was done between a control banner ad and a lightly personalized targeted banner ad. The light personalization was constrained to match gender targeting and showed a pink background for females and a blue background for males.

This light personalization generated an 8X lift in traffic to the advertiser's website.

Figure 5: 8X lift in website traffic with light personalization and targeting.

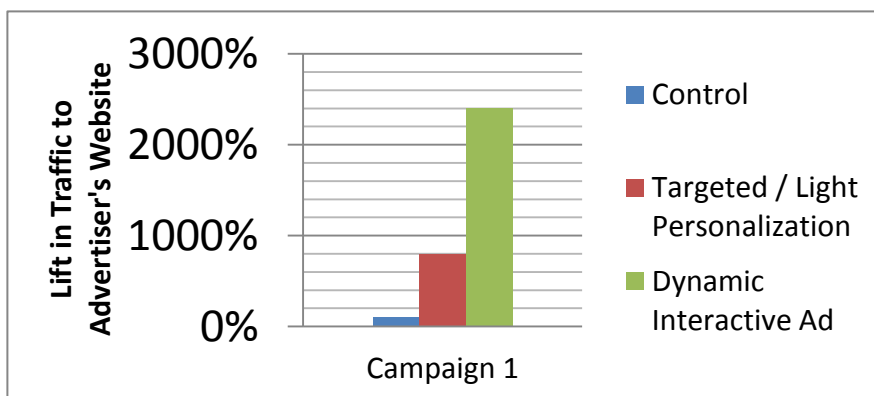


Even more compelling was that there was a 24X increase in traffic with the use of a dynamic interactive display ad versus the control ad. The dynamic interactive display ad featured live products for sale from the advertiser's

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site targeted by gender. Users were able to hover over a photo of the item to raise a small modal panel with auction details of the item.

Figure 6: 24X lift in website traffic with dynamic data and interactivity.



What we've learned is that by serving personalized and relevant content in an interactive way, we can engage the consumer without them ever having to leave their current location. We've also learned that even though the click through rate might not increase, view through does and there will be lift in traffic to the advertisers site with consumers either searching or directly surfing there.

Conclusion

The primary goal of many advertisers for their online marketing initiatives is to generate sales and leads. Historically display advertising has not been a tool used by many performance marketers due to cost, resource restrictions and questionable value. What's needed is a way for marketers to simplify the workflow and reduce the cost and time necessary to generate highly relevant and interactive display advertising.

A dynamic display and creative optimization (DCO) platform can be just the answer to solving this problem. Properly implemented a DCO platform can help both large and small advertisers alike to reach their goals. With rapid and economical deployment of an infinite number of interactive creative combinations that can be tested and iterated on, a DCO platform can significantly increase the performance of your campaign for a fraction of the cost of other methods.

The days of showing the same static banner ad to every consumer are numbered. It's time to take a new look at the creative you're serving and test something new.

The JasperLabs platform is one such DCO tool that can be incorporated into an organization of any size. As it is a SAAS solution, the IT and marketing support is reduced which reduces cost. Designed to scale with your needs, JasperLabs offers flexible pricing structures based on platform usage.

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JasperLabs can also work with you to implement custom scenarios including:

- Custom template development
 - Widget Ads – highly interactive display units
 - HTML5 format
 - DHtml format
- Rich Media template development
- Landing page integration and optimization
- External data and systems integration
 - API integration
 - Social media integration
 - Survey integration
- Custom dashboards and reporting

For more information about JasperLabs or to discuss best practices in creative optimization and ad testing, please contact Stefan Lucyshyn at Stefan@jasperlabs.com.



About the Author

Stefan Lucyshyn is a software engineer by trade and has worked as a Technology Architect in the interactive media space for clients such as eBay, Nike, Ask, Visa and Del Monte.

The idea for JasperLabs came from his work with eBay as the Lead Architect of their first dynamic display advertising platform. At the time no one had been doing dynamic display commercially even though it made perfect sense and the results were astounding.

About JasperLabs

JasperLabs is a San Francisco, CA based startup geared towards providing a highly customizable dynamic display and creative optimization platform at a price point within reach of both small to medium and large businesses.

The JasperLabs team consists of industry veterans with extensive experience in dynamic display advertising, business intelligence and large scaled web applications.