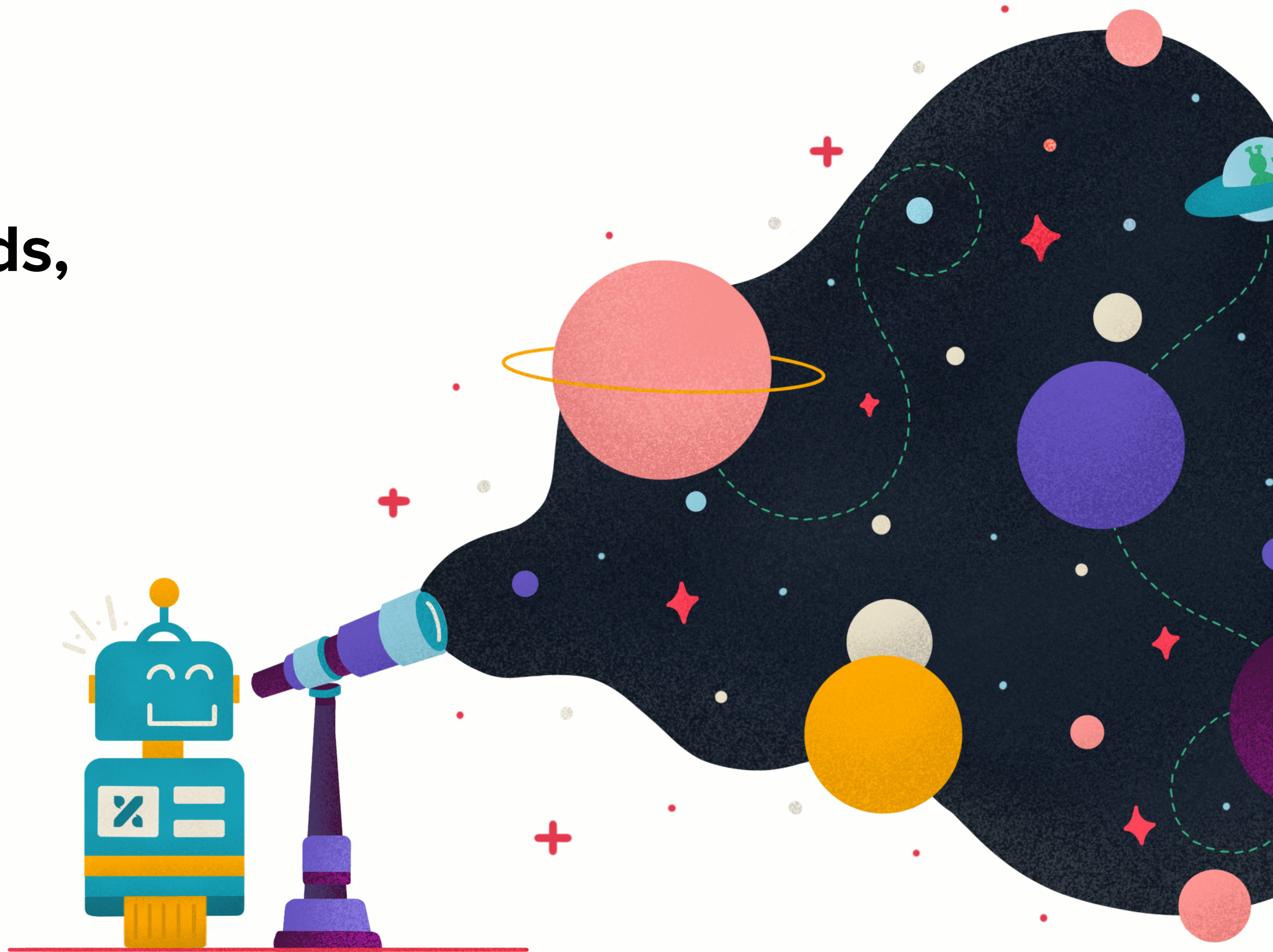




Insights From 1M Ads, \$1B Media Spend, 1 Trillion Impressions

And The Implications For Creative Effectiveness



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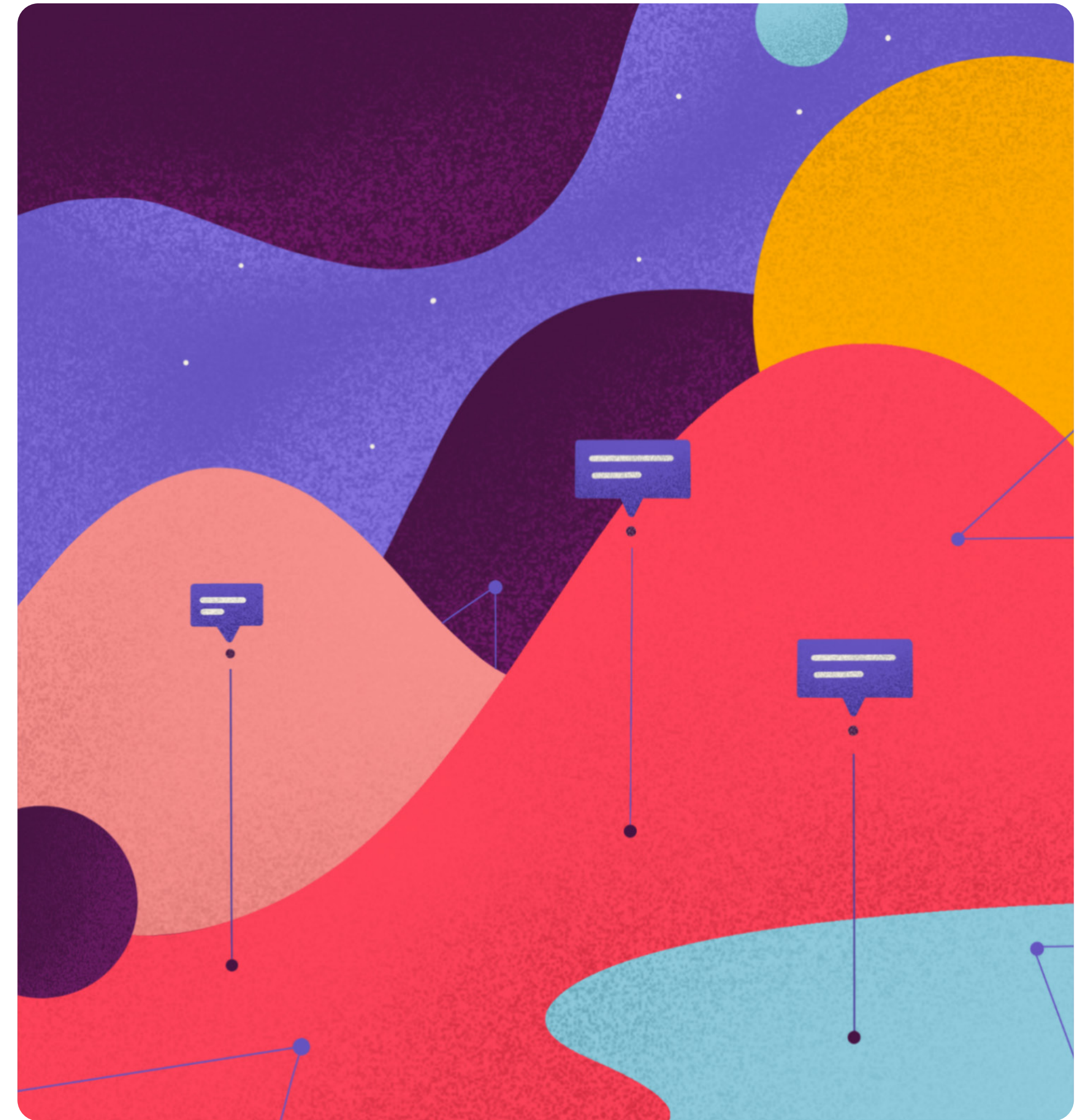
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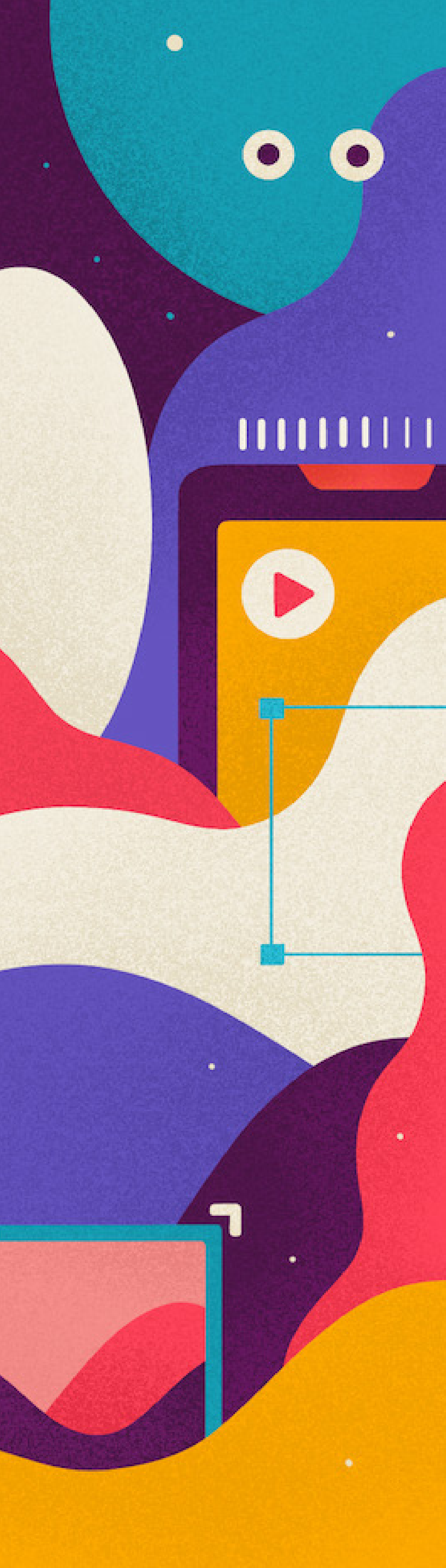
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01. About the Study

Foreword





Creative quality is eroding due to the volume of content produced. Facebook (Brilliant Basics) and YouTube (ABCDs) developed creative best practices proven to drive a 17% brand lift and a 30% sales lift.¹ These best practices rely on different metrics and are often contradictory.

To combat this, marketers at leading brands like Unilever, Mars, and Renault are building teams to define aggregated and universal best practices for their creative production, unique to their brands.

Despite existing under different names, such as Unilever's 'Digital Mandatories', Mars' 'Digital Basics' or Renault's 'Golden Rules', all these guidelines serve the same purpose: to coordinate

1,000s of marketers across agencies, internal teams, and 100+ markets to produce content that delivers on its marketing goals.

To measure adoption of these creative guidelines and combat the erosion of creative quality, an industry-applicable, aggregated metric should be applied by marketers: **Creative Quality Score (CQS)**.

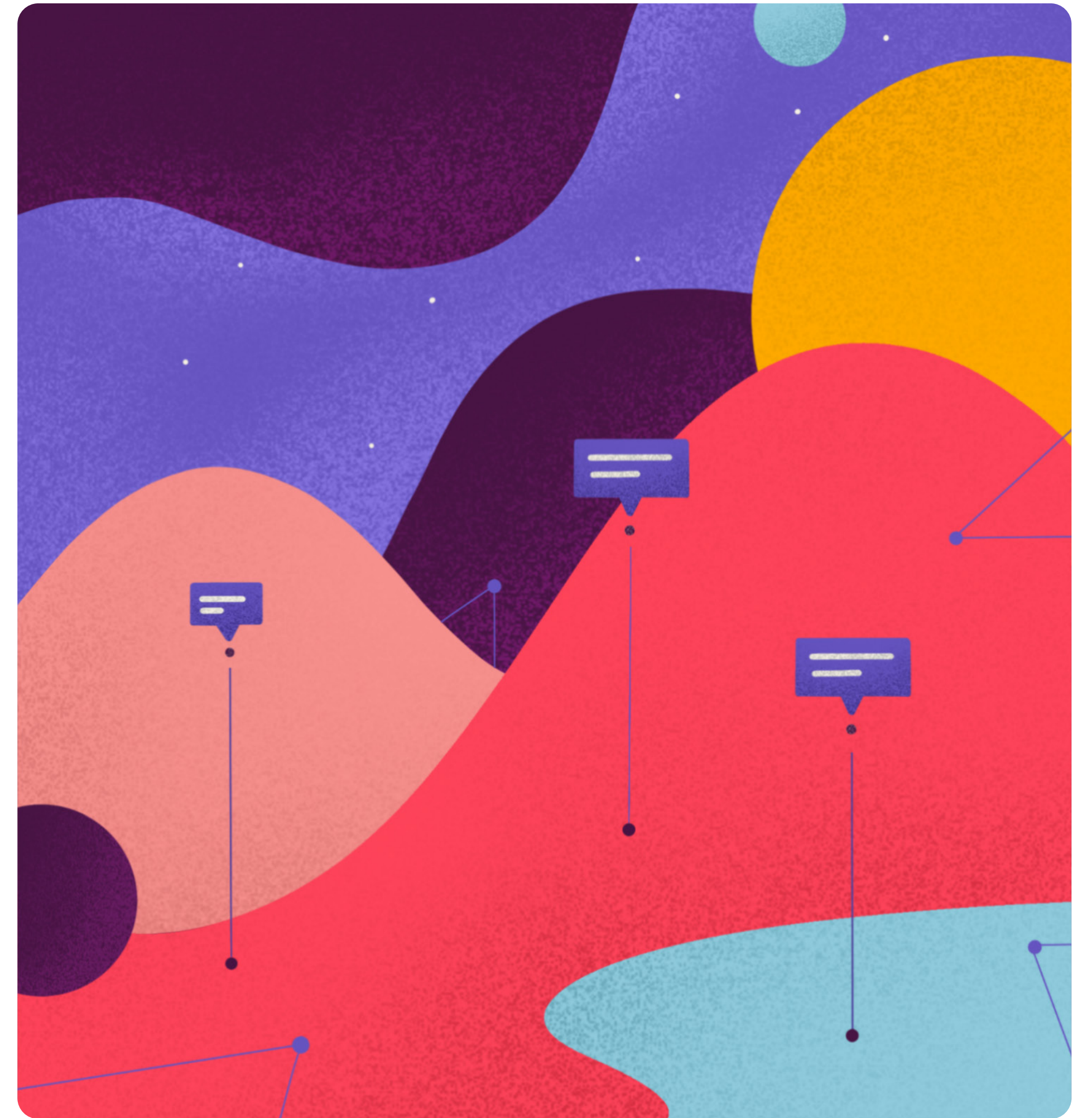
This score measures adherence to statistically-validated and proven best practices for image and video content. It is calculated in real-time by determining the total number of best practices present in a piece of content divided by the total number of best practices tracked.

Creative Quality Score [CQS %]
= no. best practices applied /
total no. of best practices tracked

CreativeX technology helps brand teams measure creative quality in real-time by automatically tracking the presence of their guidelines in their content. By using a single creative metric (CQS) to track the efficiency and effectiveness of media spend across a wide variety of channels and objectives, brands can make it easier for all of their marketers and agency partners to tie their creative decisions to business impact.

01. About the Study

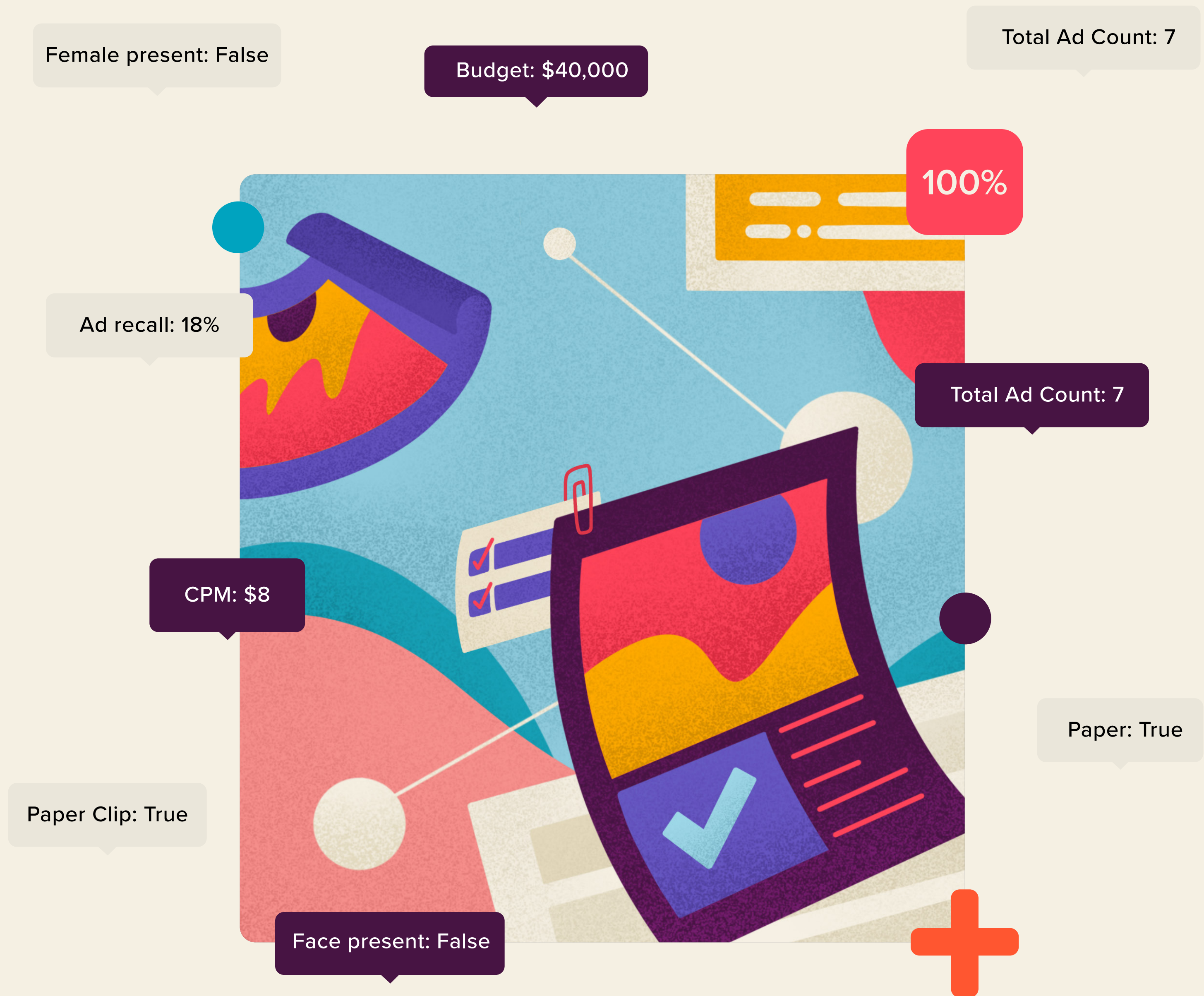
Method Note



Using CreativeX technology, creative data on approximately one million digital ads was collected from some of the world's best-known CPG, beauty, and alcohol brands, representing 1 trillion impressions and +\$1 Billion in ad spend across a 2+ year period.

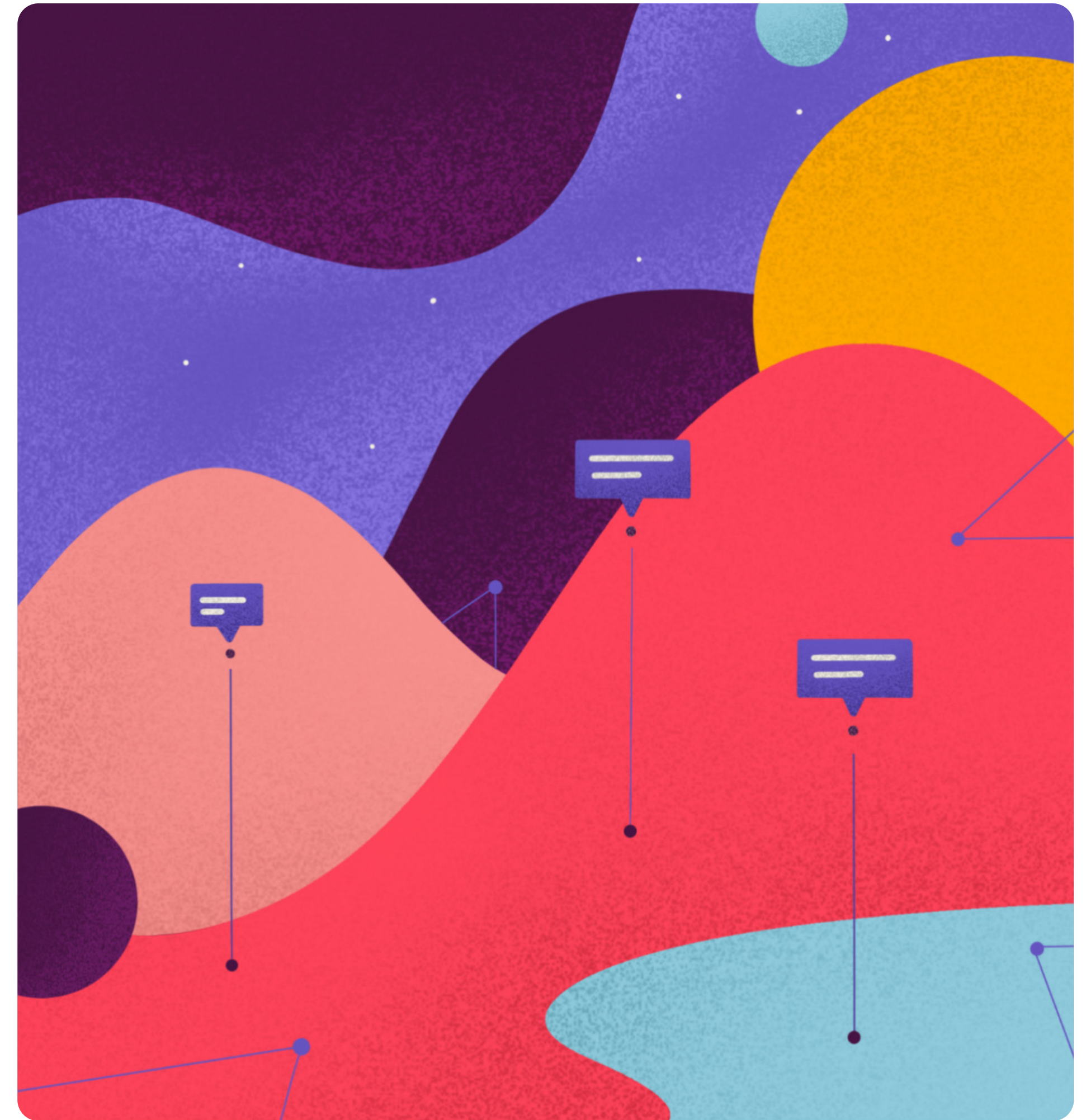
By marrying the creative data with performance data (i.e. impressions, ad recall, and cost per completed view) from ad platforms, we ran logistic regression analysis to observe relationships between the datasets (see Appendix for detailed notes on methodology).

Ultimately, our goal was to determine whether creatives that met platform best practices (and therefore had a high Creative Quality Score) led to better ad performance - and the answer was a resounding **yes**.



01. About the Study

Executive Summary



Our analysis of roughly one million ads, totaling one trillion impressions, identified three statistically significant insights that could save advertisers millions of dollars in media spend.

Increasing your Creative Quality Score positively impacts media efficiency, brand awareness, and consumer engagement.

1. MEDIA EFFICIENCY

The higher the Creative Quality Score, the cheaper the CPM. Across all channels, a 10% increase in Creative Quality Score is associated with:

-2%

DECREASE TO CPM

(822k observations and 99% confidence level)

2. BRAND AWARENESS

Ads with higher Creative Quality Scores are more memorable. Across Facebook & Instagram, a 10% increase in Creative Quality Score is associated with:

+2%

AD RECALL

(177k observations and 99% confidence level)

3. ENGAGEMENT GAINS

The higher the Creative Quality Score, the cheaper the cost per completed view (CPCV). Across Facebook & Instagram, a 10% increase in Creative Quality Score is associated with:

-4.8%

CPCV

(367k observations and 99% confidence level)

Across Twitter & YouTube, a 10% increase in Creative Quality Score is associated with

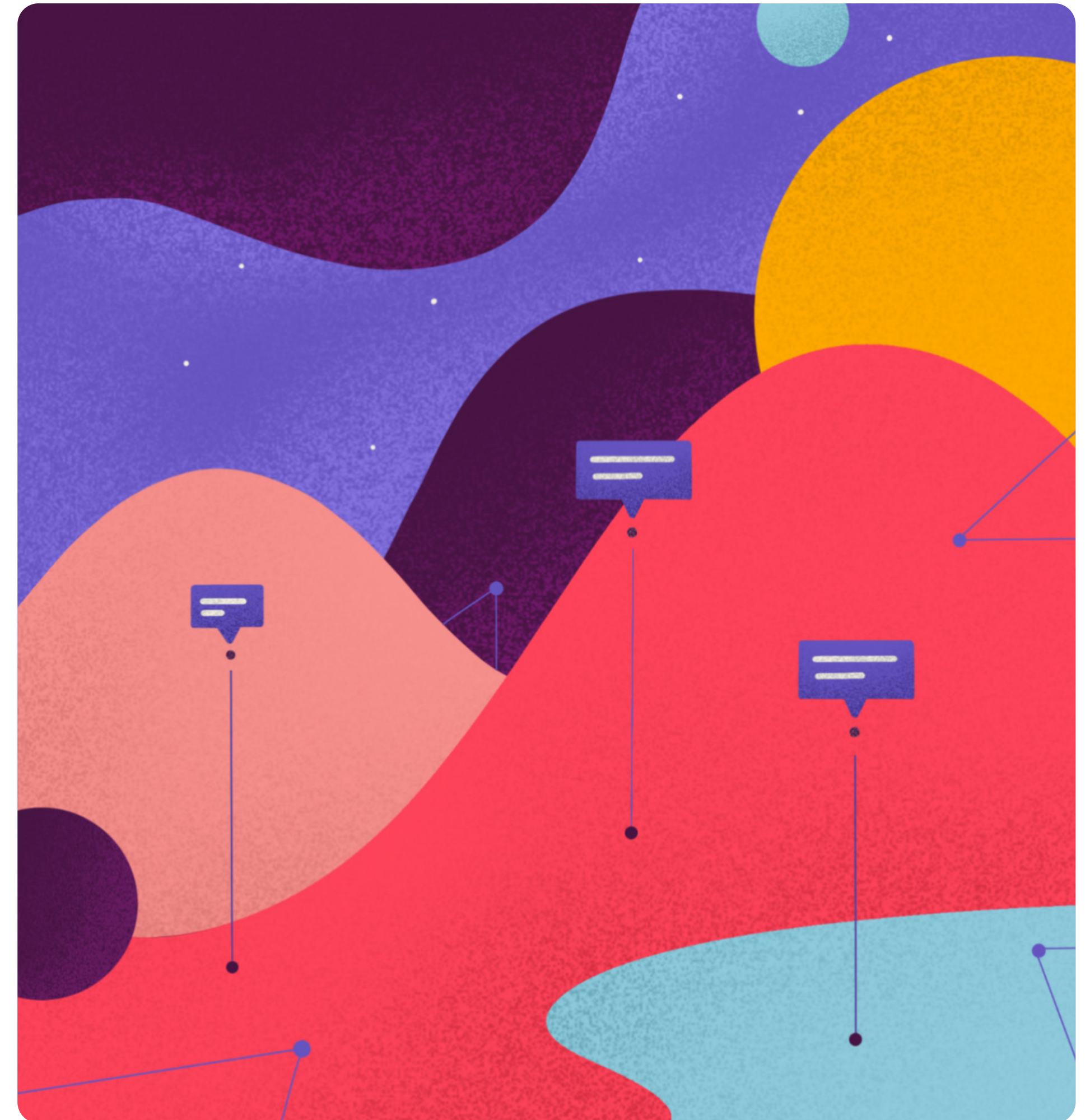
-5.7%

CPCV

(150k observations and 99% confidence level)

01. About the Study

Chasing Statistical Significance



In the past 10 years significant advances in computer vision and machine learning have enabled marketers to analyze their creatives, leading to creative optimization solutions that claim to maximise media efficiency metrics (ROI, ROAS, and conversion).

Whilst these insights - from color saturation to presence of a hand - can show some tactical advantages within a specific campaign, these insights can be misinterpreted as repeatable best practice when ultimately there is no evidence they promote long-term brand health.² In other words, they say nothing about effectiveness.

The quality of data is of greater concern. Creative best practices have been built from long-tail research across many years worth of data

The quality of data is of greater concern.

where certain drivers have been shown repeatedly to drive creative effectiveness. Insights from most single campaigns will fall apart under the first test of longitudinal or statistical scrutiny and these insights aren't scalable. This means brands are investing millions into creative insights that cannot be used beyond the campaign.

And how do we know this? CreativeX' (FKA Picasso Labs) first product was originally a creative optimization tool.

It was created in 2016 and deprecated in 2018 when we saw that object-based creative insights based on campaign-level data often could not be replicated cross-campaign or tied to statistical significance. This led us to develop a more robust and conceptual way of analyzing creative content, starting with a look at Creative Quality.

The resulting data is robust and statistically significant. It relies on more than 2+ years of campaigns, totalling 1M ads - supported by +\$1B in ad spend. To isolate the impact of the creative data, a logistical regression analysis was used to control for a large number of variables, like region or market.

Because the brands involved in this study are some of the world's leading advertisers, the marketing objectives this data derives from tend to be

commercial in nature. CreativeX helps brands optimize their creatives for scalable business objectives such as brand and sales lift - across all their brands, markets, and channels to deliver commercial impact at scale.

In other words, these creative optimizations are not campaign optimizations, but global optimizations for all the creatives you're running. They're long-term (indefinite) strategic creative improvements designed

Because the budgets are huge, the savings are huge.

to improve brand health and create sustained sales success. These creative quality improvements deliver creative effectiveness - defined as brand value - and measured by brand and sales lift.³

Because the budgets are huge, the savings are huge.

Let's take the +\$1B ad spend that has run through CreativeX and generalize based on experience.

When brands begin the process of analyzing their content for effectiveness, they find that on average just 20% of creatives meet their own minimum standards (that typically makes up the Creative Quality Score). Within their first year of using CreativeX technology, they typically raise their CQS to approximately 80%. Financially speaking, they've saved over \$120M in

CPM by validating their content against their CQS.

But that's not all.

These brands have driven ad recall at a 12% lower cost per incremental person, representing a \$120M saving in Ad Recall Reach (as measured by cost per incremental person). They've also saved \$320M in CPCV.

Add it all up and it represents media savings of \$560M.

02. Research: Insights

Cheaper CPMs



The higher the Creative Quality Score, the cheaper the CPM.

Across all channels, a 10% increase in Creative Quality Score is associated with a 2% decrease in CPM (822k observations and 99% confidence level). Furthermore, ads with a Creative Quality Score of 67-100% (top third) exhibited 15% cheaper CPM when compared to ads with a score of 0-33% (bottom third).

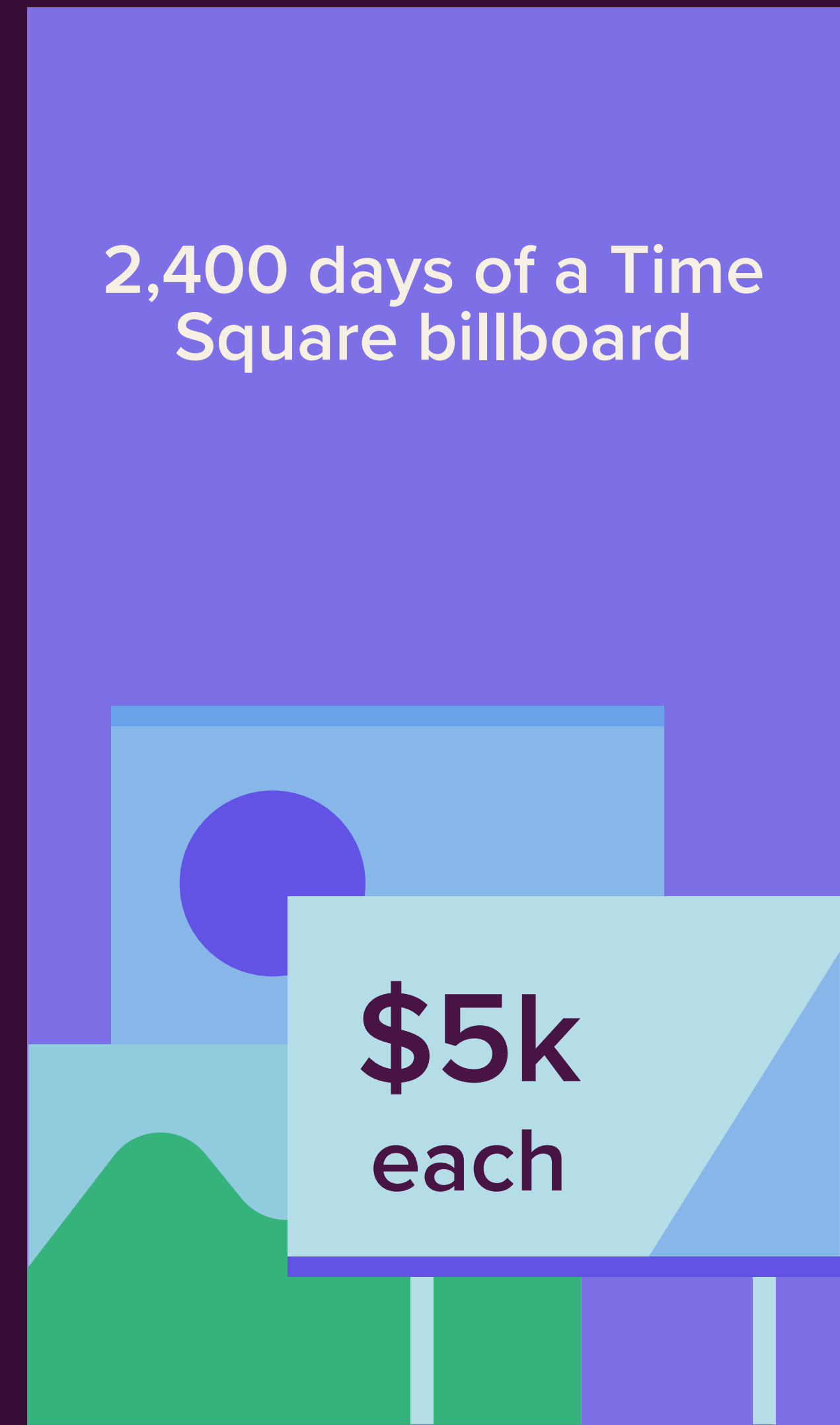
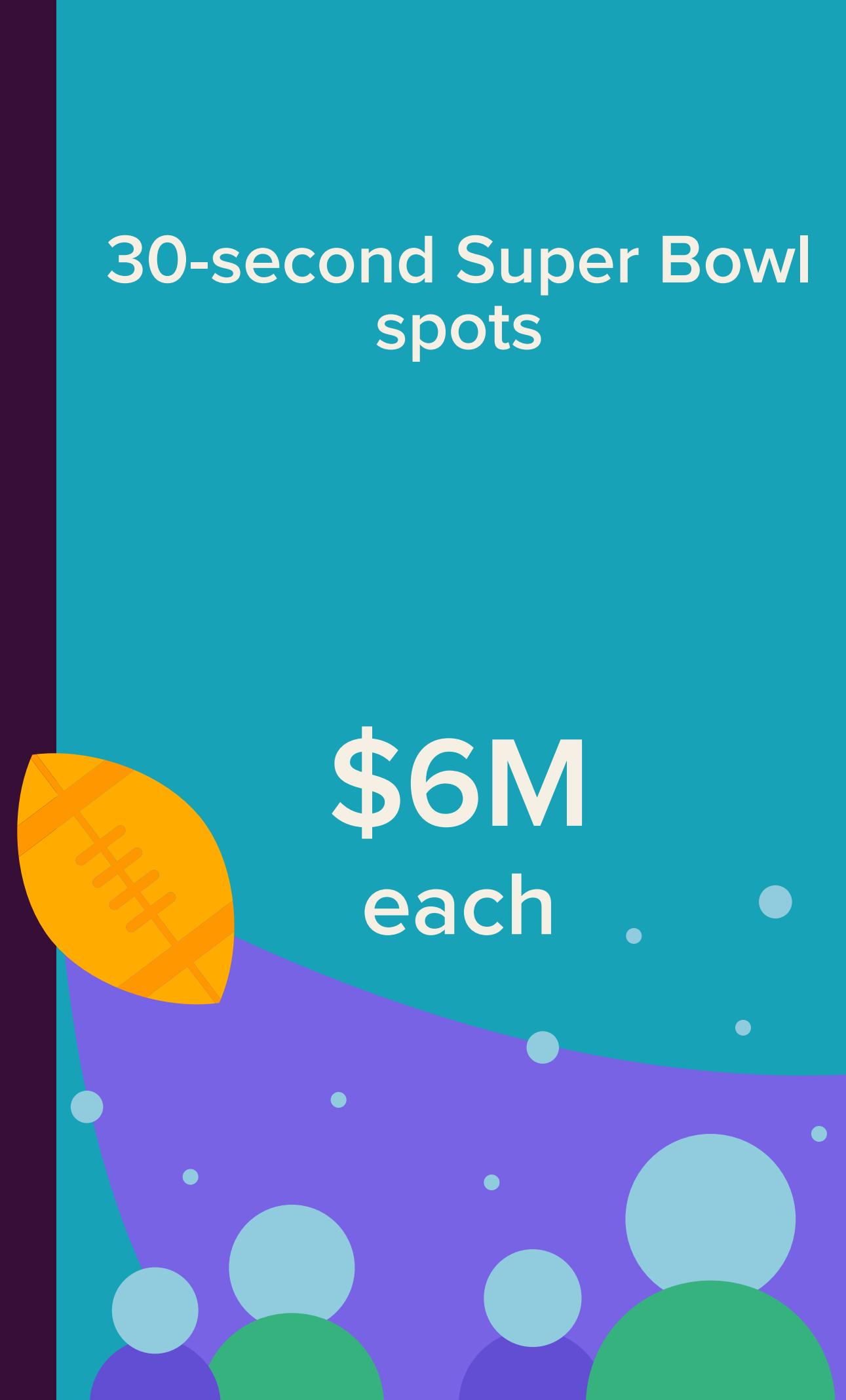
Why this matters:

Increasing your Creative Quality Score can help you overachieve on campaign metrics like reach and media efficiency. CPM is the most used media KPI to track media efficiency and is often used to approximate reach.²³ Reach, as shown consistently by the work of Professor Byron Sharp and the Ehrenberg-Bass Institute, is the cornerstone of an effective media strategy. More reach means more chance of getting to the 'light buyers' that drive growth.²⁴ Higher Creative Quality Scores are correlated with cheaper CPMs.

What this means:

When brands begin the process of analyzing their content for effectiveness, they find that on average just 20% of creatives meet their own minimum standards (that typically makes up the Creative Quality Score). Within 12 months, it is normal to see this score increase by up to 80%. This 4x increase in Creative Quality Score is associated with a 12% decrease in CPM.

If you are a brand with a Creative Quality Score of 20%, a CPM of \$5, and a Facebook ad spend of \$100M, you can expect to see 2.3 billion more impressions by increasing your score to 80%. Conversely, you could achieve the same number of impressions for \$12M cheaper, just by improving your Creative Quality Score. This cost saving is the equivalent of two free 30-second Super Bowl spots (\$6M each) or 2,400 days of a Times Square billboard (\$5K a day).²⁵

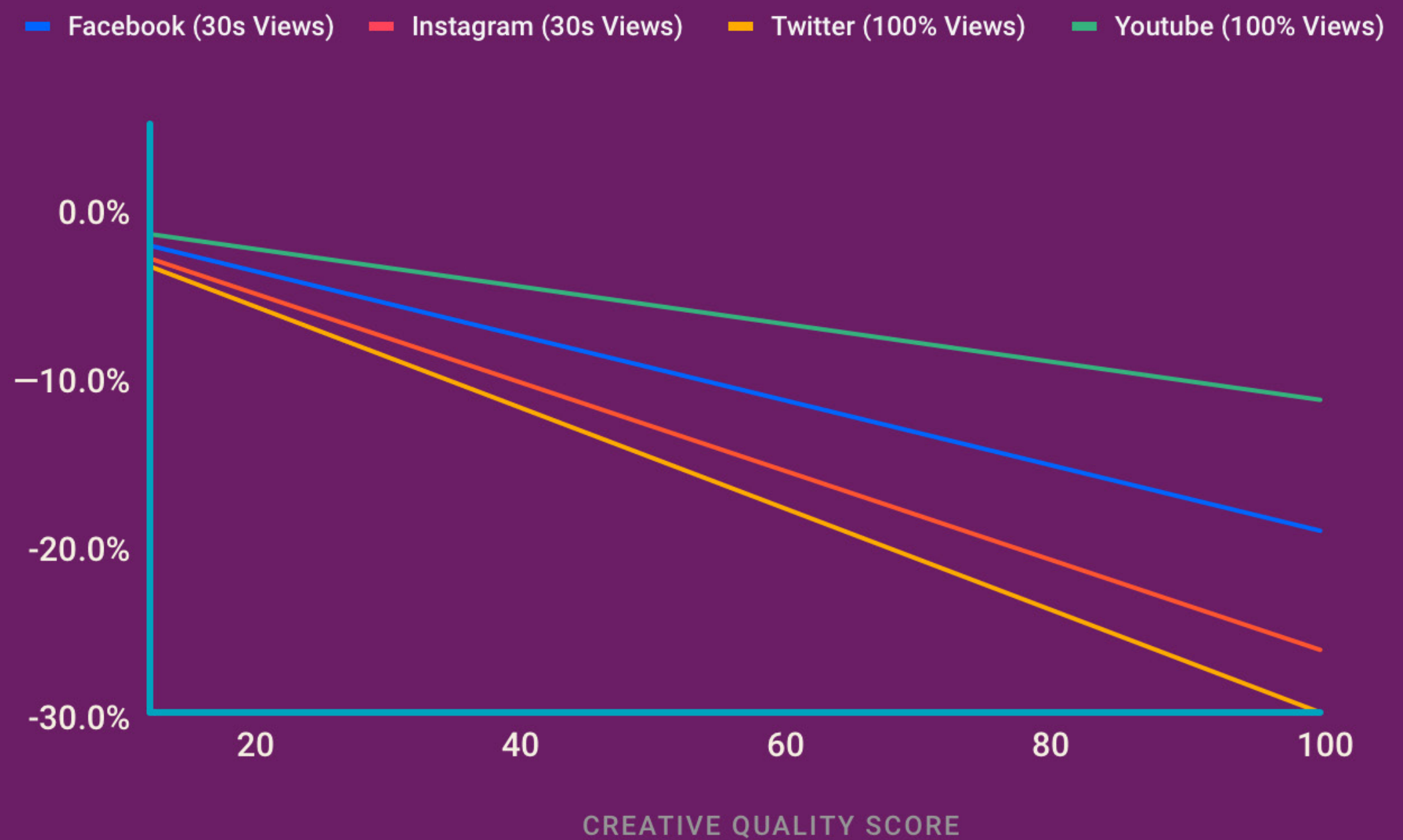


The cost of saving is equivalent to:

Broken down by channel, the reduction in CPM associated with a 10% increase in your Creative Quality Score is:

- Facebook: 1.9% (470k observations and 99% confidence level)
- Instagram: 2.6% (176k observations and 99% confidence level)
- Twitter: 3.0% (6k observations and 99% confidence level)
- YouTube: 1.1% (171k observations and 99% confidence level)

How increasing your CQS correlates with a reduction in your CPM



02. Research: Insights

Better Ad Recall



Ads with higher Creative Quality Scores are more memorable

Across both Facebook & Instagram (ad recall is not programmatically available on Twitter & YouTube), a 10% increase in your Creative Quality Score is associated with a 2% increase in Ad Recall Reach (177k observations and 99% confidence level).

Furthermore, ads with a Creative Quality Score between 67-100% (top third) exhibited 15% higher Ad Recall Reach when compared to ads with a score between 0-33% (bottom third).

Why this matters:

Increasing your Creative Quality Score can help your ads stand out and be noticed, and be remembered and recalled. Ad recall is an essential part of this equation. If people don't recall your ad, how will they link to your brand?

With the average person seeing 2 million ads a year, ad recall has never been harder to achieve.²⁶ People are increasingly distracted as there are more ads, ad formats, and media types—all with different user experiences.²⁷

Higher ad recall is key due to its strong associations with performance metrics like offline sales and brand-building efforts.

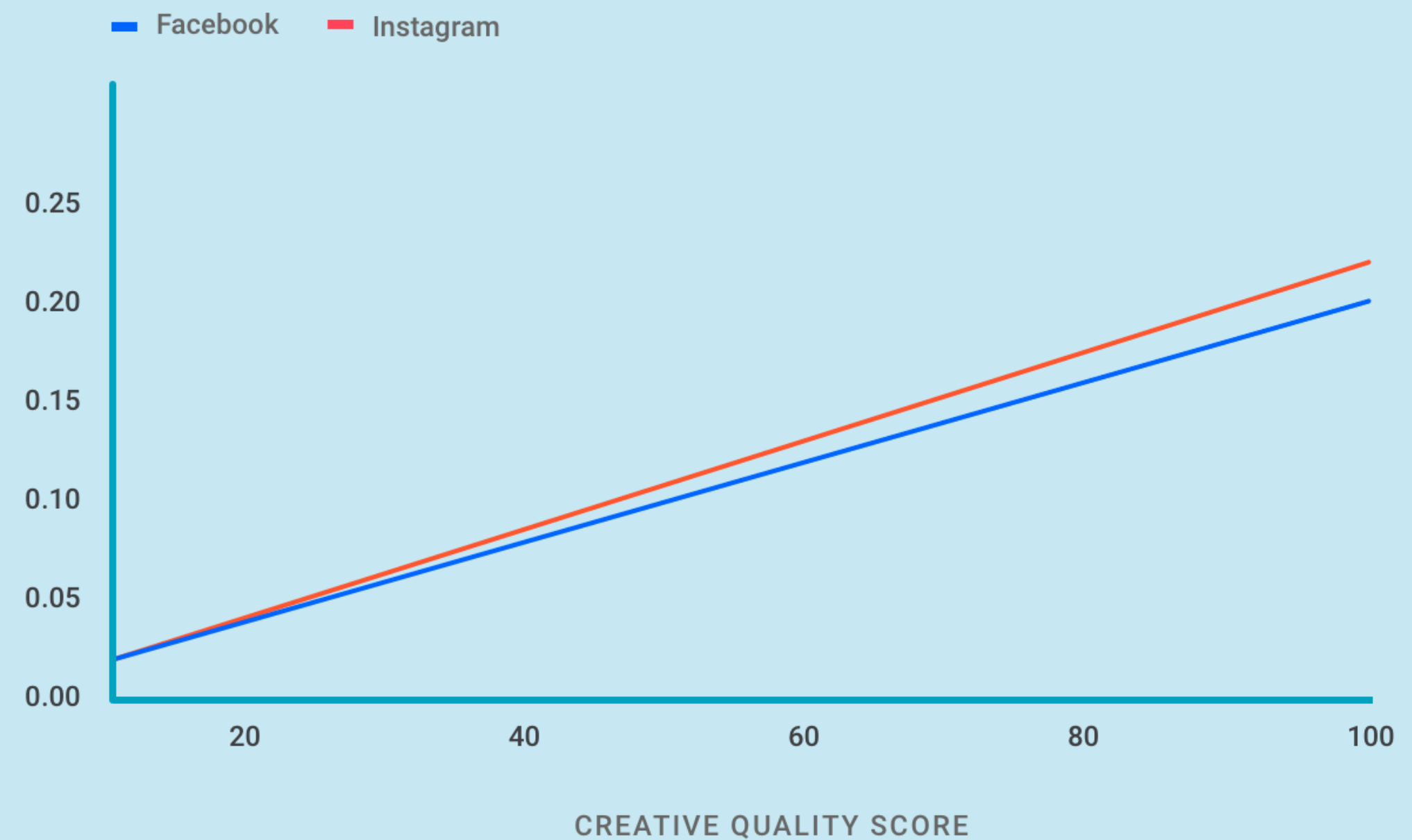
What this means:

If we follow the same hypothetical example of a brand with a \$100M budget and a 20% CQS, you can expect to drive ad recall at a 12% lower cost per incremental person by increasing your score to 80%. If 40M people recall seeing your ad, you could see savings of up to \$4.8M.

Broken down by channel, the Ad Recall Reach lift associated with a 10% increase in Creative Quality Score is:

- Facebook: 2.0% (130k observations and 99% confidence level)
- Instagram: 2.2% (47k observations and 99% confidence level)

How increasing your CQS correlates with an increase in Ad Recall Reach



02. Research: Insights

Cheaper Cost Per Completed Video (CPCV)



The higher the Creative Quality Score, the cheaper the Cost Per Completed View (CPCV)

[NB: Platforms have different metrics to indicate the length of a completed video. Facebook and Instagram use 30 Second Views Per Dollar, while Twitter and YouTube use 100% Views Per Dollar. As both metrics indicate the same thing, we have grouped them.]

Across both Facebook & Instagram, a 10% increase in your Creative Quality Score is associated with a 4.8% decrease in CPCV (367k observations and 99% confidence level). Across both Twitter & YouTube (this metric is not available for Facebook & Instagram), a

10% increase in Creative Quality Score is associated with a 5.7% decrease in CPCV (150k observations and 99% confidence level).

[See appendix for a detailed explanation of correlation breakdown]

Why this matters:

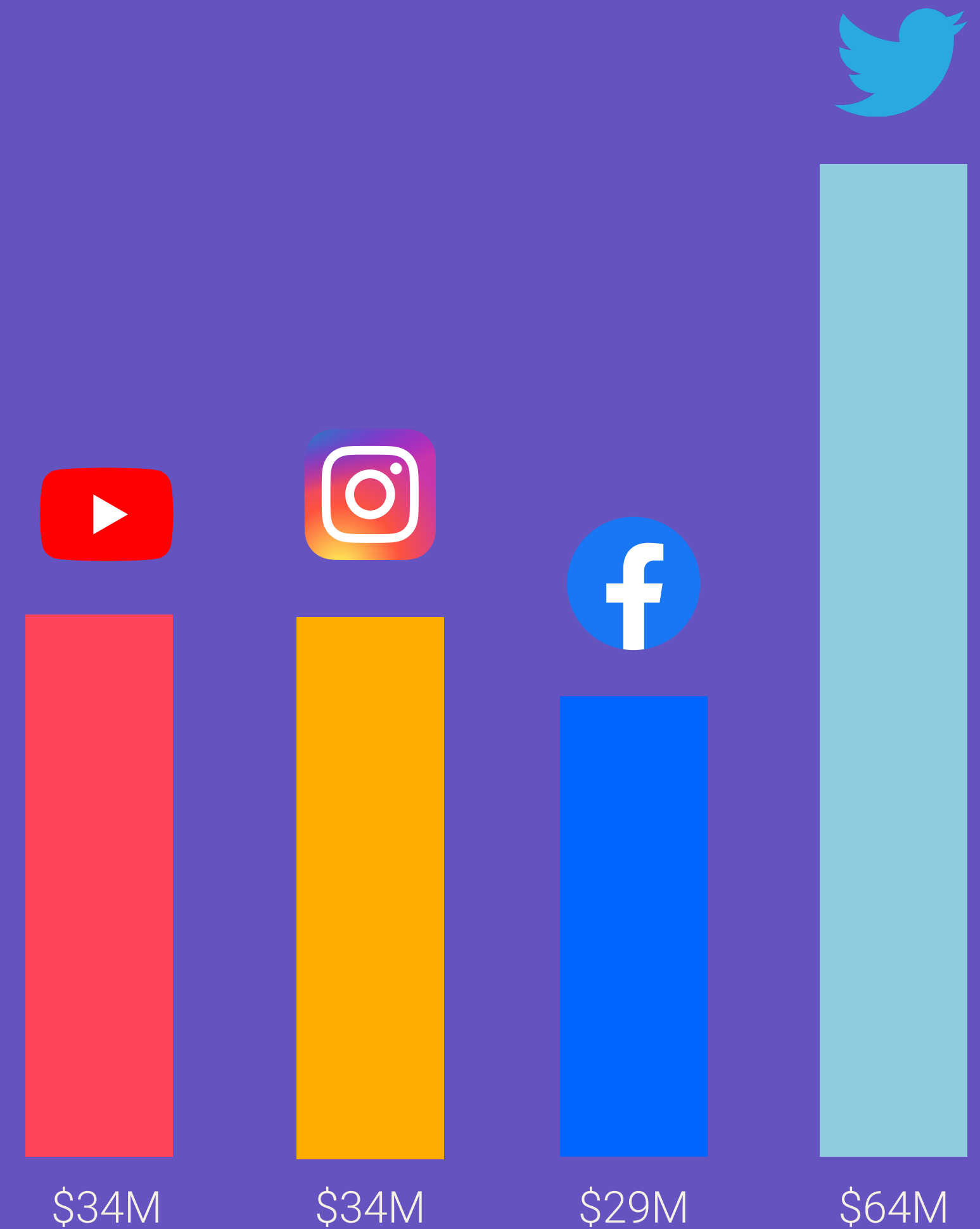
A higher Creative Quality Score increases the effectiveness of your campaigns because it increases the likelihood that viewers will watch more of your ad. Increased view times result in much bigger uplifts in brand consideration, especially when it is a voluntary view.

Because effectiveness is related to how much of an ad is viewable and for how long, creative factors are significant: increasing the levels of attention given to ads leads to greater sales uplift (STAS).

One hypothesis is ads with a high Creative Quality Score reduce ad-avoidance behavior by ensuring content is designed for viewer behavior. Ads with higher Creative Quality Score are more engaging.

What this means:

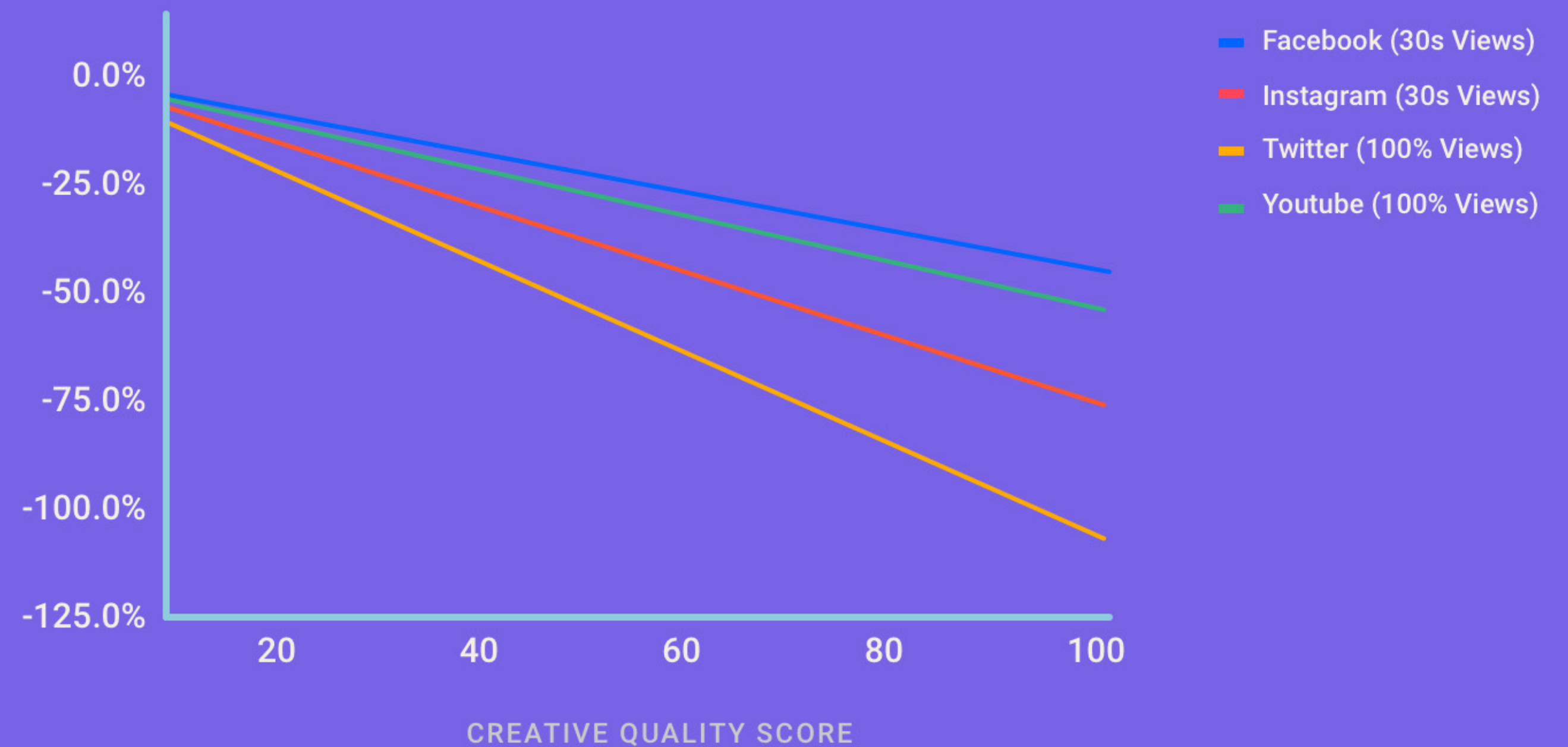
If you are a brand promoting 100,000 pieces of content a year with a Creative Quality Score of 20% and a Facebook ad spend of \$100M you can expect 28.8% cheaper CPCV by increasing your Creative Quality Score to 80%. Across different channels this looks like this:



Broken down by channel, the decrease in CPCV associated with a 10% increase in Creative Quality Score are as follows:

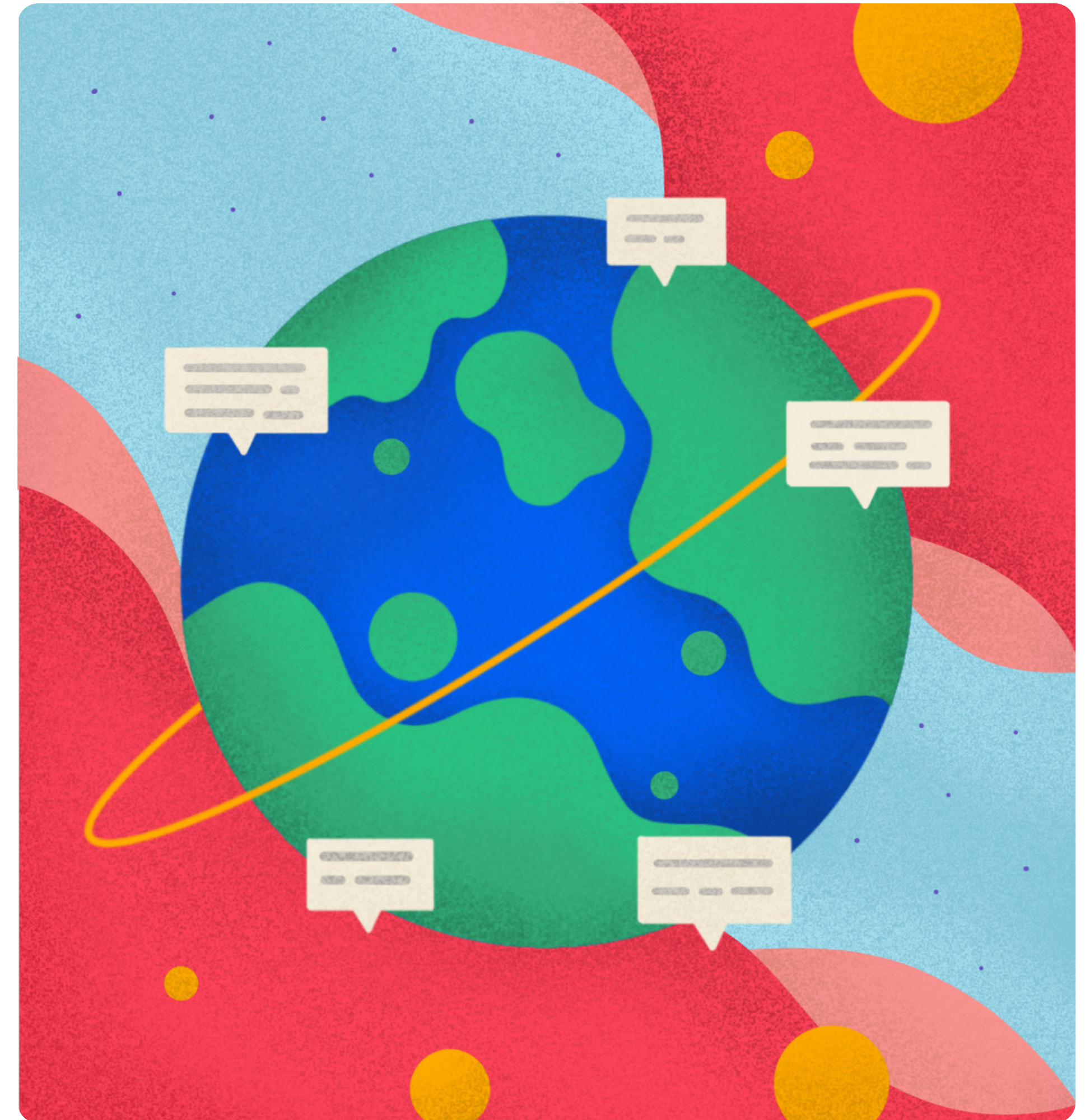
- Facebook: 4.6% (259k observations and 99% confidence level)
- Instagram: 5.4% (108k observations and 99% confidence level)
- Twitter: 10.6% (5k observations and 99% confidence level)
- YouTube: 5.4% (146k observations and 99% confidence level)

How increasing your CQS correlates with a reduction in your Cost Per Completed View



03. Research: Implications

Implications for Creative Effectiveness



In 2019, Peter Field added to the list of foundational marketing texts with, “The Crisis in Creative Effectiveness.”⁴ Building on “The Long and the Short of It,” the report shows how growing campaign short-termism and budget reductions are undermining creative effectiveness.⁵

Long-term campaigns (+3 years) dramatically out deliver short-term campaigns (<1 year) across key brand and business metrics, but the (creative) commitment required of them has been surgically deconstructed by ever-decreasing budgets and quarterly reporting.⁶ As an industry, we now know a lot about what is creative, what is effective, and what is not.⁷ The problem is this knowledge does not easily translate into action or output.⁸

As more brands embed Creative Quality Scores into their creative effectiveness ecosystem there is an opportunity for marketers to build future demand and track it in real-time. The key is using a long-term creative metric that is benefited by short-term reporting.

Covid-19 saw marketing budgets fall by nearly half with rising pressure to prove the value of marketing.⁹ As budgets slowly rebound post-pandemic, platform auctions are becoming more competitive and expensive:¹⁰ media investments into platforms like Facebook, YouTube, and Snapchat are growing by as much as 70%.¹¹ Adopting platform best practices can deliver up to 30% improvements to your brand and sales metrics--without significant additional costs.¹²

While these guidelines will not reverse the crisis in creative effectiveness alone, they offer opportunities for marketers who are increasingly under pressure to deliver immediate results with less budget.¹³

The key is using a long-term creative metric that is benefited by short-term reporting.

Creative is the largest contributor to campaign ROI and advertising profitability.¹⁴ It's not always easy to understand why your creative decisions are having an impact, or if your digital KPIs are suitable proxies for creative effectiveness.

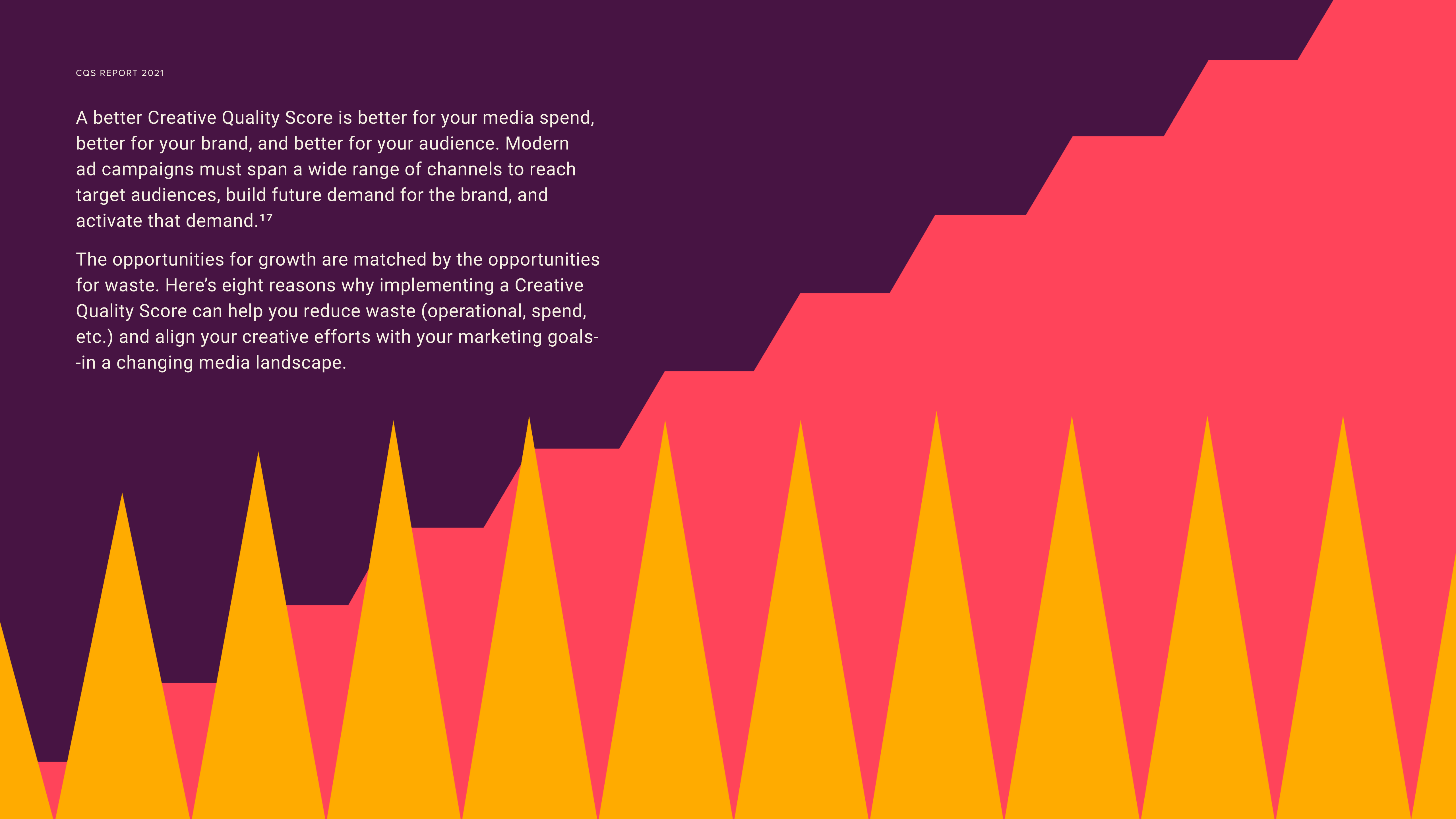
Technology has brought entertainment, social, and commerce together, blurring the lines between brand and performance.¹⁵

Marketers now have more options for creating and distributing content, more KPIs, and more noise. A Creative Quality Score can help marketers - is helping marketers - simplify how they track, measure, and deliver incremental gains in creative effectiveness.¹⁶



A better Creative Quality Score is better for your media spend, better for your brand, and better for your audience. Modern ad campaigns must span a wide range of channels to reach target audiences, build future demand for the brand, and activate that demand.¹⁷

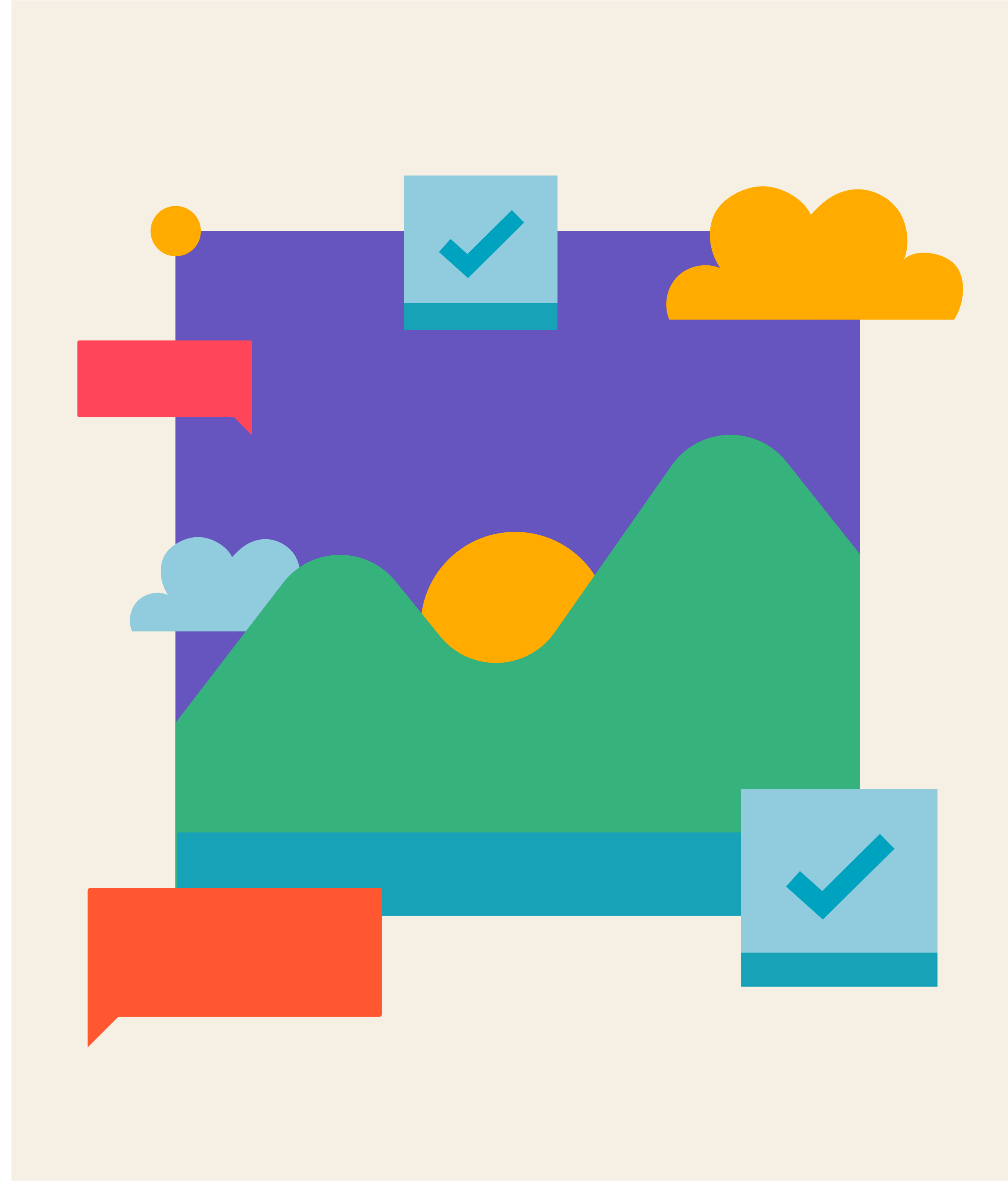
The opportunities for growth are matched by the opportunities for waste. Here's eight reasons why implementing a Creative Quality Score can help you reduce waste (operational, spend, etc.) and align your creative efforts with your marketing goals—in a changing media landscape.

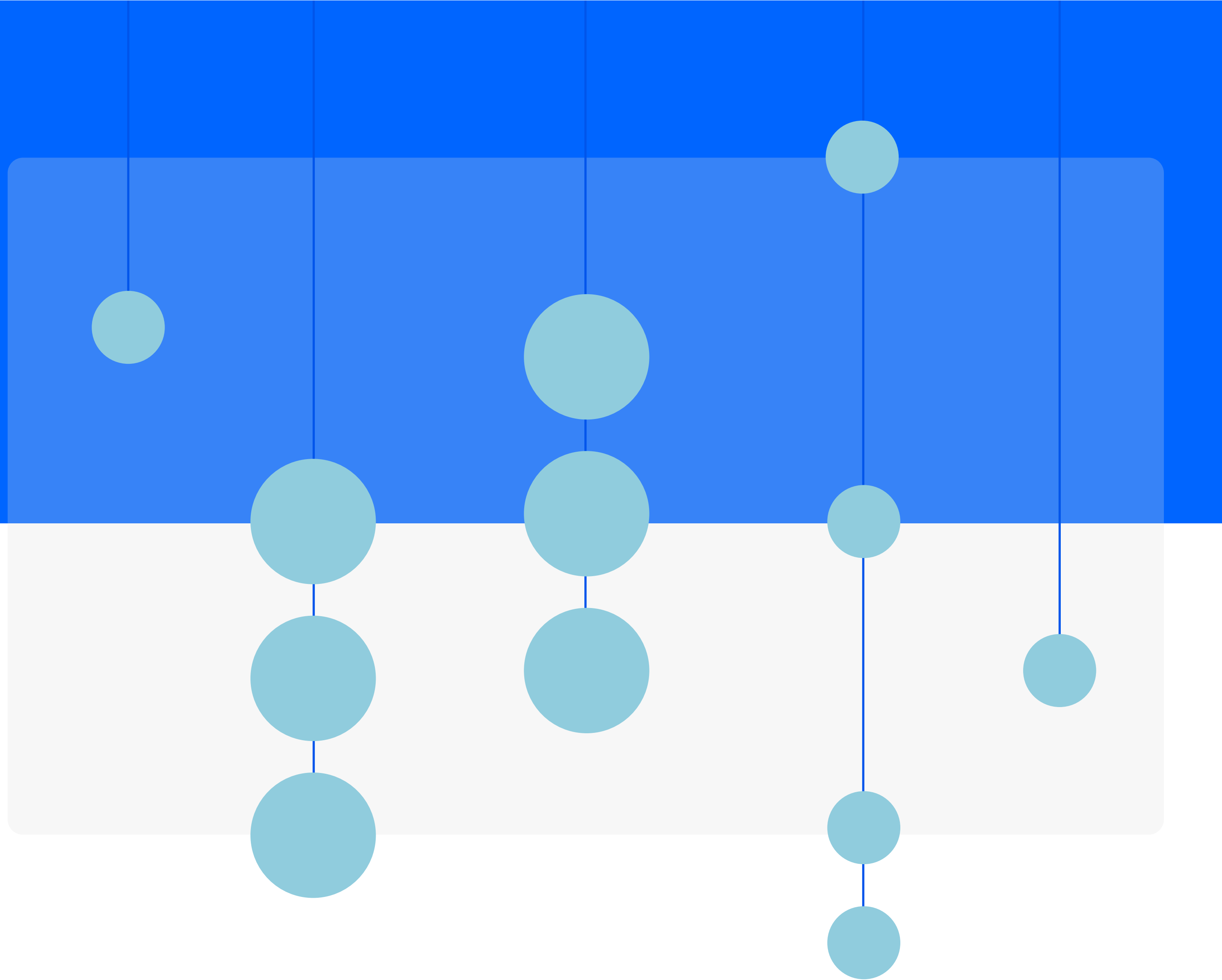


01

Derived From User Experience:

Platforms are constantly evolving to reflect changing consumer behavior and business needs. This balance means what people see is determined by what they like. Because platform best practices are derived from studies into consumer behavior, improving your Creative Quality Score means designing your content for user experience. The result? People are more likely to watch and recall your content if it has a high Creative Quality Score.





02

Build Algorithm Equity

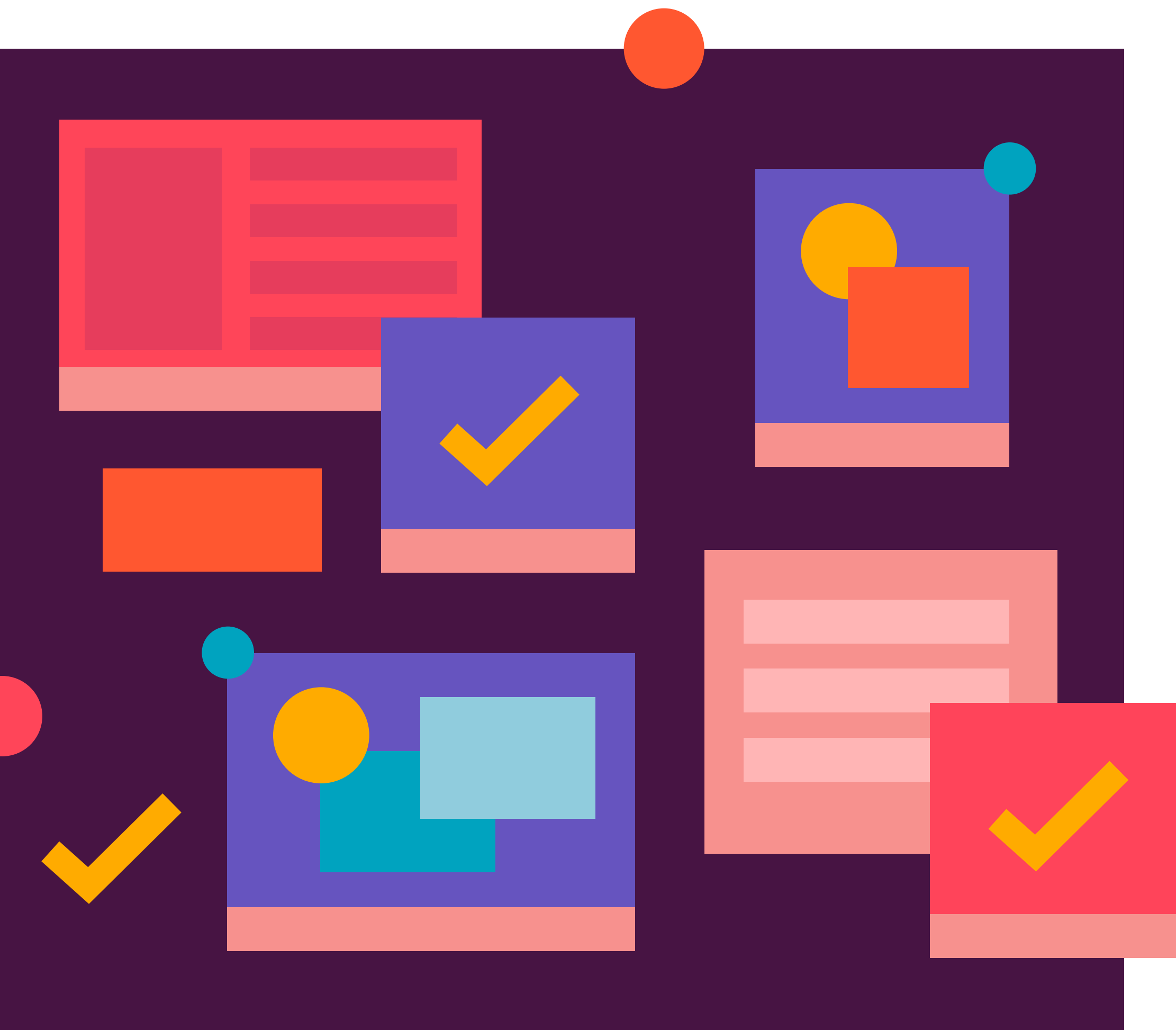
Algorithms are refined by consumer behavior. They inform auction outcomes and determine how much you pay for your media. Ad delivery systems are all designed differently, but the creative itself plays a constant role in who sees your content.¹⁸ Higher Creative Quality Scores positively correlate with improved ad ranking and quality scores - a correlation which means you pay less, for more.

03

Reduce Creative Risk

With media budgets rebounding post-pandemic and brands producing more content than ever before, marketers need ways to ensure what they spend is driving tangible business impact. By implementing a Creative Quality Score, you can inform your creative decisions and the risks worth taking with data for more effective content.





04

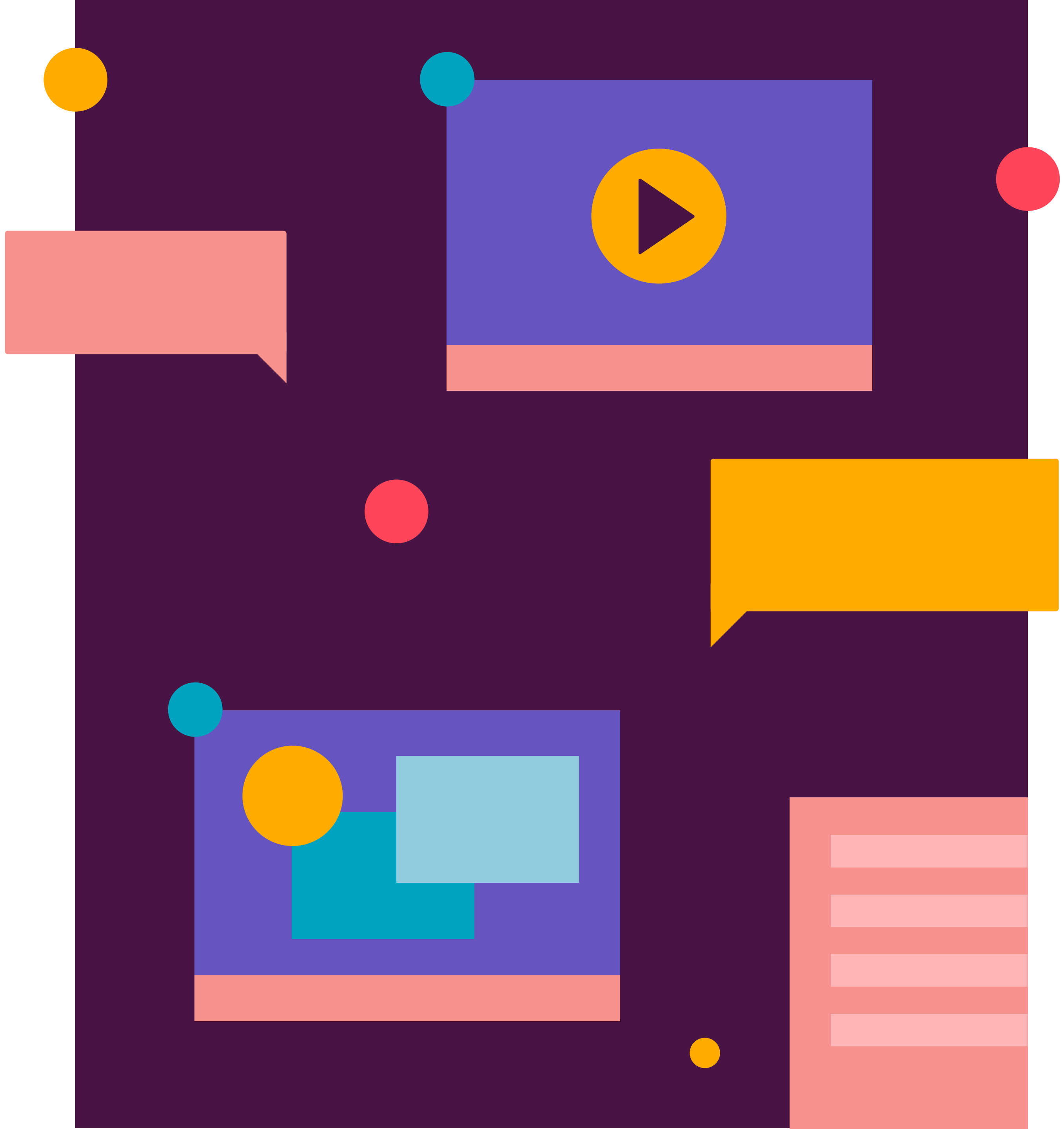
Unleash Creativity

By using user experience to inform which risks are worth taking, our Creative Quality Score lets marketers get back to what they do best: use creativity to build memorable brands.¹⁹ Ads with right brain features (that employ character, place, and incident) are more effective than left brain features at driving sales, brand, and business effects.²⁰ Employing a CQS provides a canvas for experimenting with right brain features.

05

Unify Language for Creative Measurement

A unified measurement framework - a simple score like Creative Quality Score - enables you to build benchmarks for target setting and optimize budgets without compromising your global efforts to increase creative effectiveness. The CQS can be embedded into your training and development initiatives, ensuring new starters, agency partners, and local markets all leverage the same creative measurement framework.





06

Balance Brand & Direct Response Objectives

Brand and direct response campaigns require different creatives and marketing strategies. Implementing a Creative Quality Score means you can optimize your marketing spend across campaign objectives, without losing sight, or control, of either.

07

Improve Media Efficiency

If we hold that creative delivers up to 80% of campaign ROI, marketers must do more to understand why their content is driving impact and invest more of their media budget into high-quality content--or risk damaging the health of their business.²¹ Improving your Creative Quality Score increases your share of marketing spend on ads proven to have a positive impact on brand and sales lift.



08

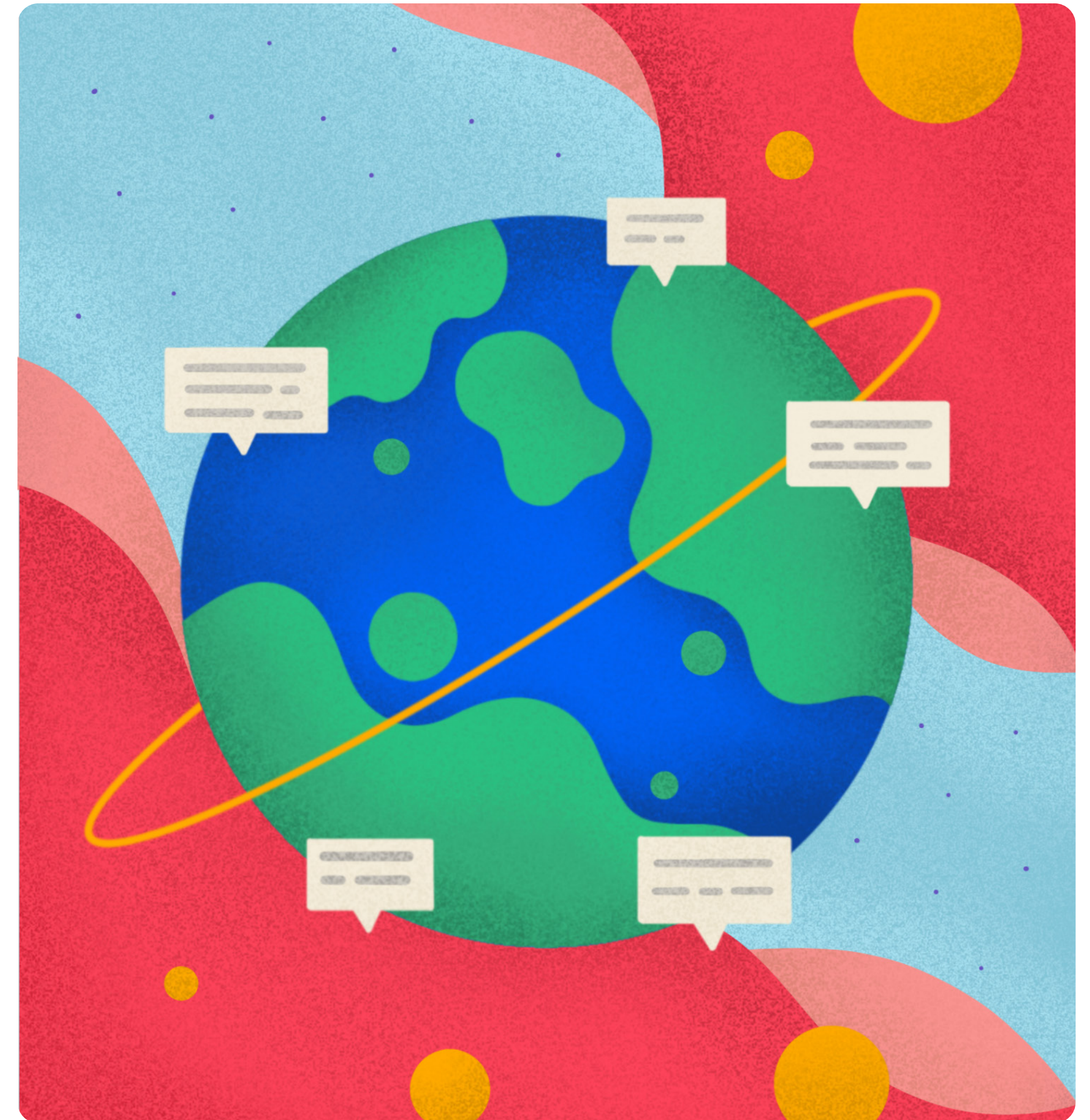
Deliver creative effectiveness

A Brand Lift study of 190 Heineken campaigns found the creative elements that determine Heineken's Creative Quality Score "accounted for over half of the incremental brand value Heineken achieved on Facebook."²²



03. Research: Implications

Best Practice Examples



Start with the following creative best practices

Our brands operate in a platform world with more digital KPIs than ever before. As imagery and video take over the world, correlating digital KPIs (and any business impact they have) is growing harder. The question is not “why are my ads working?”, but “can I trust the data to replicate the gains in my next campaign?” Facebook’s Brilliant Basics and YouTube’s ABCDs are repeatable, scalable, and data-backed best practices that will help you deliver on your marketing goals.

These five creative best practices can help you improve your Creative Quality Score - and media budget - cross-platform and worldwide:



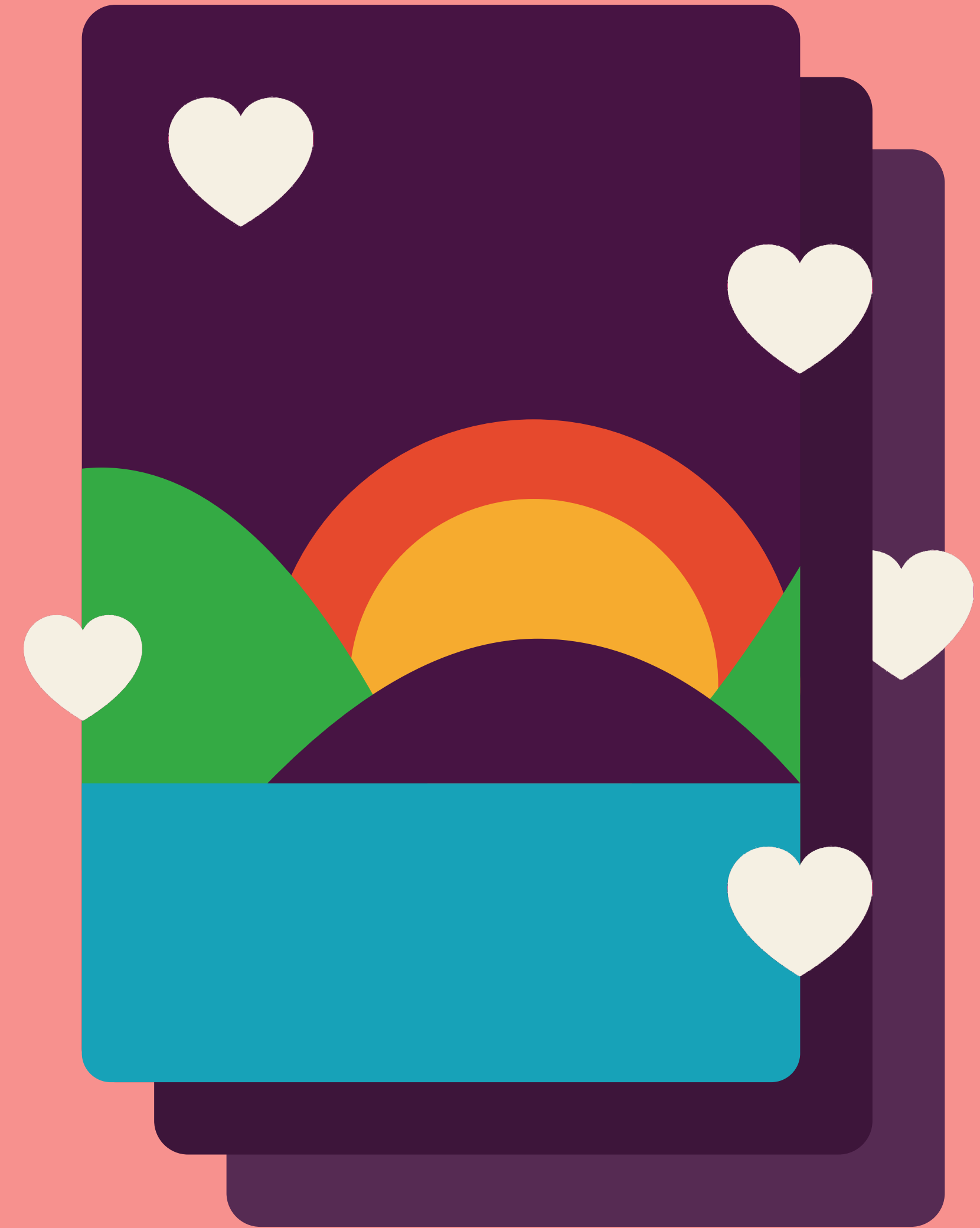
01.

Capture attention fast:
brand early and often.



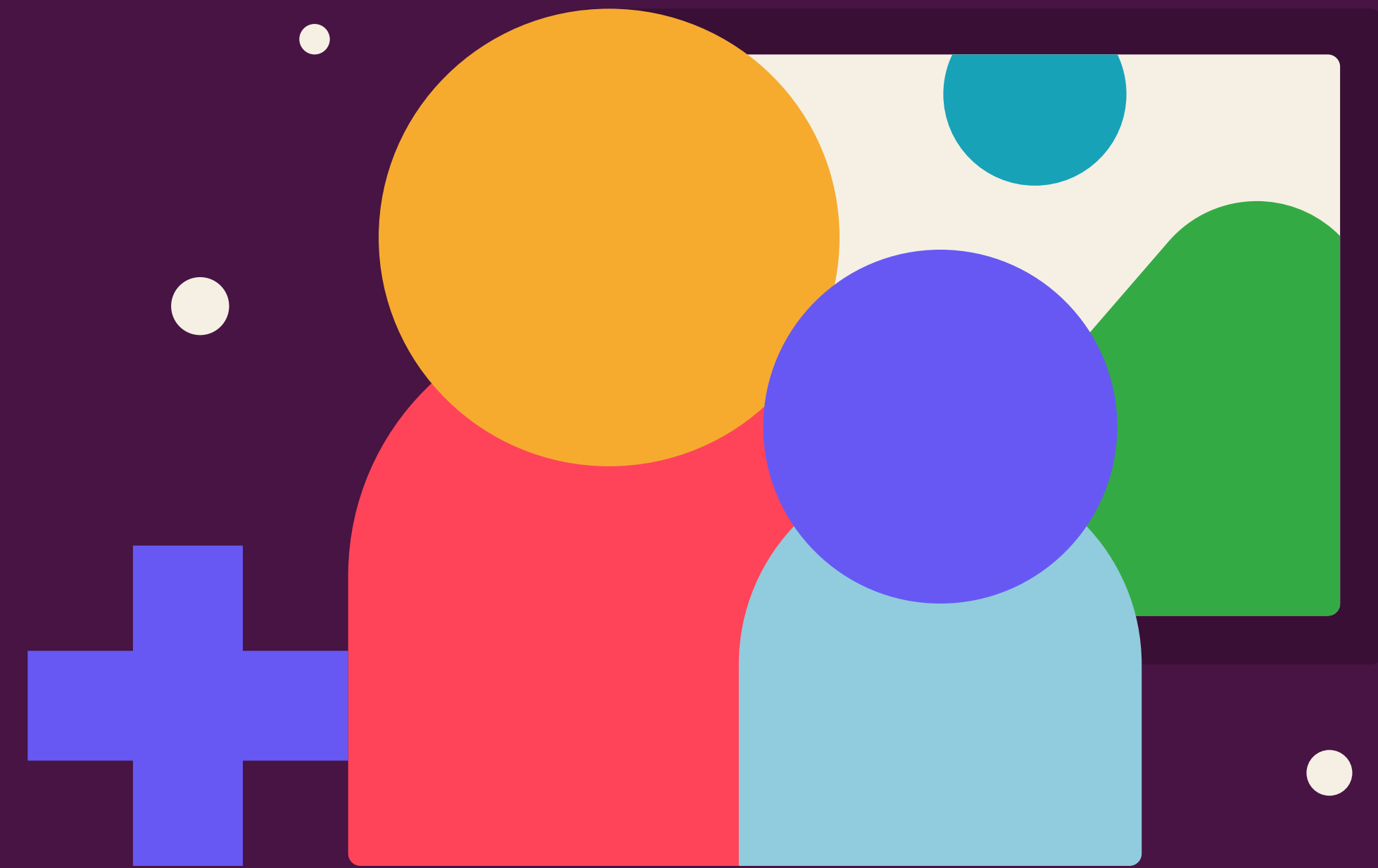
02.

Keep it snappy: Use one message and direct with a CTA.



03.

Showcase people and products: product for DR, people for brand.



04.

Amp up your audio game: Sound on for YouTube. Sound-off for Facebook and Twitter.



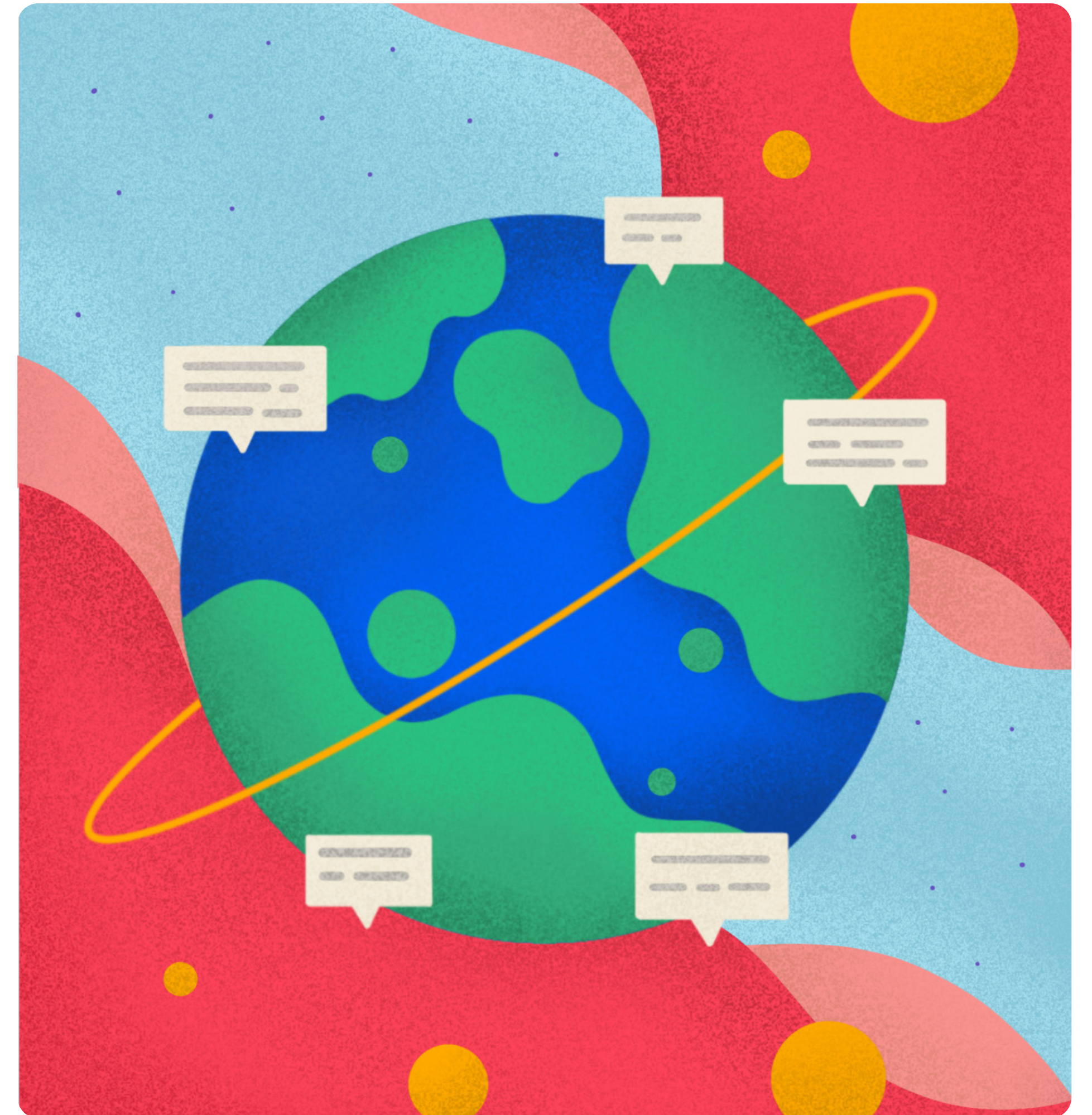
04.

Create for mobile: use framing, composition, and narrative choices with small screens in mind.



03. Research: Implications

Recommended Next Steps



01. Implement the creative best practices proven to work

Facebook's Brilliant Basics, and YouTube's ABCDs have been proven to work at scale. Not only do they have the data, but these platforms all have teams dedicated to helping you achieve your marketing goals on their platforms. They can help you identify and implement the creative best practices that work hardest for your brand.

02. Set a goal and build a core team to deliver on your goal

Once you've implemented your creative best practices and validated they work for your brands, the next step is to set a benchmark: how many of your creatives do you want to leverage these best practices? There will most likely be a gap between where you are and where you want to be, as well as a host of organizational barriers that will increase the difficulty of the task. Most companies we work with have built core teams dedicated to realising the business impact of their best practices. The job ranges from getting cross-functional buy-in to driving awareness and educating about best practices.

03. Drive accountability for adopting learnings

Here, technology is often the only solution able to drive the enterprise-wide change needed to adopt your creative learnings at scale. As Bram Reukers, Smart Creative Lead for Heineken told a group of FMCG leaders, "Through CreativeX, we were able to codify our creative learnings, and then roll them out at scale. Their tools really start to drive accountability for each of our brands because the data shows you the opportunities, or, to put it negatively, the mistakes that we make."²⁸

04. Integrate creative data into the creative process

Data is a core component of leveraging the scaled effect of your creative best practices. The goal is now to infuse data and insights in the creative process from the beginning of the journey all the way through the execution. This will enable you to scale campaign learnings and prevent wasteful media spend on assets that do not meet your quality standards. Brands like Mondelēz, Nestlé, and PepsiCo employ pre-flight technology to test their content for Creative Quality before it goes live and ensure it meets their quality standards.

05. Unleash creativity with fact-based thinking

By tracking and analyzing your creative best practices against key KPIs you can continuously enrich your creative knowledge by isolating new multipliers that drive results. Working within the constraints of a few creative fundamentals proven to drive measurable sales and brand lift will give your teams and agencies the freedom to do what they do best: use creativity to build memorable brand campaigns.



04. Appendix

Methodology



Creative Quality Score [CQS %] = no. best practices applied / total no. of best practices tracked

Analyzing one trillion impressions across approximately one million digital ads, the data was pulled from 18 multi-national, multi-brand, and multi-category advertisers between January 2019 to May 2021. This data was aggregated to determine how Creative Quality Scores impacted the performance of ads.

Creative Quality Score was calculated by dividing the number of guidelines a piece of content met by the total number of guidelines tracked. Three key metrics, including 1) impressions 2) ad recall and 3) views (at 25% and 100% of video length) were used to measure ad performance. Metrics such

as click-through rate (CTR) were not used as studies show that click-through rates are negatively correlated with ad performance.²⁸

To isolate the impact of Creative Quality Score, performance metrics were normalized for the amount of money spent on each ad. Each metric was observed on a “per dollar” basis. Certain variables, such as region, advertiser, and year the ad ran, were controlled to remove their potential impact from the correlation results. Finally, a logistic regression analysis was run in order to answer the following question: **How do higher Creative Quality Scores impact advertising performance?**





Cost Per Completed View Correlation Breakdown

There is a correlation between CPCV and Impressions. More impressions will almost certainly result in an uplift in views, however, higher Creative Quality Scores had a significant impact on the relationship between impressions and views. To isolate the impact of the Creative Quality Score on a decrease in CPCV, the 4.8% correlation was broken out into its components, which are Views Per Impression and CPMs. For Facebook and Instagram, the isolated impact of the Creative Quality Score accounts for 88% of the correlation. For YouTube and Twitter, the Creative Quality Score accounts for 69% of the observed correlation.

04. Appendix

About CreativeX



Used globally by Fortune 500 marketers at brands like Unilever, Samsung, Heineken, Amazon, Google, and more, CreativeX technology powers creative decision-making for the world's best brands. CreativeX technology helps marketers at the world's leading brands achieve creative excellence by measuring the quality, consistency, compliance, and representation of their content worldwide.



04. Appendix

Sources



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⁶ [The Effectiveness Code, James Hurman & Peter Field, From Cannes Lions & WARC, 2020](#)

⁷ Ibid.

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¹⁰ [Warc reports the average price of advertising on Facebook-owned platforms is up 47%](#)

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¹⁴ Catalina via ARF, 2017.

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¹⁶ [The Drum, How Heineken, Facebook and CreativeX paved new ways into Creative Effectiveness, 2021](#)

¹⁷ [WARC, Rethinking brand for the rise of digital commerce, 2021](#)

¹⁸ [Internal Facebook Data, Analysis based on 50 lift studies, 2019](#)

¹⁹ For those interested in creativity that builds brands, [Orlando Wood's Lemon \(2019\)](#) is a foundational text.

²⁰ [Orlando Wood, Achtung, 2020](#)

²¹ Catalina via ARF, 2017.

²² [The Drum, How Heineken, Facebook and CreativeX paved new ways into Creative Effectiveness, 2021](#)

²³ [ANA, Media KPIs That Matter, 2021](#)

²⁴ [Byron Sharp, How Brands Grow, 2010](#)

²⁵ [Raconteur, Pay To Display, 2020](#)

²⁶ [Google, Google's CMO shares her team's inclusive marketing toolkit: 'We have to be all in,' 2021](#)

²⁷ [Nielsen, Beyond Clicks and Impressions, 2019](#)

²⁸ [LinkedIn, The Click-Through Conspiracy, Undated](#)