

## Ad Creative or Media Placement

### Which is More Important When Optimizing Online Direct Response Campaigns?

By John Chandler-Pepelnjak and Young-Bean Song

#### Introduction

Optimization—the task of evaluating campaign results and applying one’s learnings—is an important and continuous process in online advertising. Advertisers who optimize effectively rapidly narrow in on the campaign tactics that produce the best results, so that each advertising dollar goes further. A number of companies and solutions exist to help advertisers optimize their campaigns. In direct response advertising, conventional wisdom is that three main factors—ad creative, media placement and offer—influence campaign performance. But most of the available online optimization solutions focus solely on elements of the ad creative. To evaluate the effectiveness of this approach, the Atlas Institute tested the relative role of ad creative against one of the other above factors, media placement, in online direct response advertising.

#### The Study

In a ten-week study, we analyzed these two campaign factors to see how each impacts conversion rates. Conversion rates are a common measure of online advertising effectiveness, used primarily in direct response advertising. A conversion is the advertising-driven action by which the advertiser defines the success of the campaign. Conversions can include a wide variety of actions, such as purchases, site registrations and email subscriptions.

We determined the impact of ad creative and media placement by measuring how much conversion rates varied when each factor was changed: the more the variation, the more impact.

- To test media placement impact, we showed identical creative in different placements and then measured the conversions that each placement generated.
- To test ad creative impact, we ran multiple ads—each with substantially different creative—on common placements and measured the number of conversions that each creative generated.

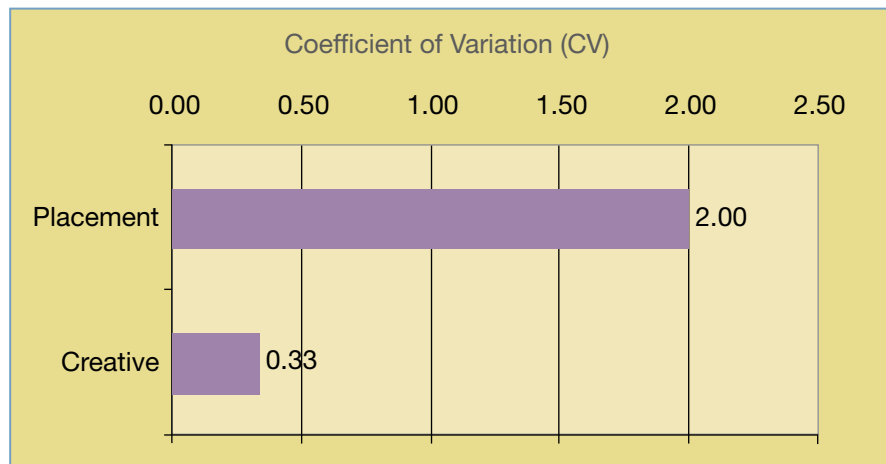
#### What We’ve Learned

We found that, while both are important, media placement has a much greater influence on online ad performance than creative does. Conversion rates varied much more (see figure below) among identical creative running on different placements than they did among different creative treatments running on common placements.

### Campaign Performance: The 6x Rule

An Atlas Institute study showed that conversion rates across media placements vary six times more than conversion rates across different ad creatives. Thus, optimizing media placements will impact a campaign more than optimizing creative alone.

### Relative Variance of Conversion Rates



The Coefficient of Variation (CV) is a statistical measure of variance, in this case showing that conversion rates varied much more among different placements than among different ad creatives.

### What This Means for Advertisers

- **Use an optimization tool—such as Atlas' Optimization Advisor— that enables you to optimize on both media placement and ad creative.** Most solutions offer only creative optimization. Campaign management strategies that focus exclusively on creative optimization risk missing the opportunity to generate much larger performance gains through the integration of both factors. Atlas' Optimization Advisor automates the process of creating statistically sound optimization recommendations for both creatives and placements.
- **First, find top-performing placements and publishers; then, test creative.** The above hierarchy clearly illustrates the important role of media placement in campaign performance. Thus, when advertising, buy media broadly to test many different genres, sites and placements. Optimize by focusing on the highest impact variables—sites and placements—early in a campaign and test creative later. Once the best media mix is identified, optimize creative within those media placements.

### About the Atlas Institute

The Atlas Institute is the research and education arm of Atlas, a provider of accountable marketing tools and expertise for agencies, marketers, and publishers. The Institute publishes Digital Marketing Insights, a series of publications by Atlas senior marketing analysts and digital marketing experts that help our customers improve their digital marketing effectiveness. Many of these findings are also made available to the digital marketing industry at large. Each Digital Marketing Insight report is designed to help marketers more successfully build value with their customers, throughout the customer lifecycle: from awareness to acquisition and from retention to growth. The Atlas Institute also provides education in digital marketing to Atlas customers and partners. To view a full listing of the Atlas Institute's Digital Marketing Insights, please visit [www.AtlasSolutions.com/insights](http://www.AtlasSolutions.com/insights).