Innervate DCO
Radically Simple Personalization at Scale

WHAT IS DYNAMIC CREATIVE OPTIMIZATION (DCO)?

Dynamic creative optimization pertains to technology designed to power campaigns by creating a wide variety of ads to fit any circumstance. When done correctly, DCO personalizes ad content automatically.

A 2019 survey found that 64% of consumers feel negatively towards companies that promote the same repetitive ad experience and over one third think the ads they are served aren't relevant to them. DCO works to increase ad experience relevance, leading to higher conversion rates, more revenue, and increased return on ad spend.

Background Color 1

CTR 0.9003	0.0341	0.0087	0.0161

Products

| CTR 1.1256 |
| CTR 0.0385 |
| CTR 0.6233 |

Background Color 2

CTR 0.8910	0.9021	1.2402	0.1432

Headline

JUST IN TODAY
CTR 0.0025

IN STORES NOW
CTR 0.0143

NEW ARRIVALS
CTR 1.7881

NEW STYLES IN
CTR 0.9451

CTA

SHOP NOW
CTR 0.099

SHOP
CTR 2.0340

LEARN MORE
CTR 1.3332

SEE EXCLUSIVES
CTR 0.5365

THE THREE CORE COMPONENTS OF DCO

- **Ad Layouts** that serve as the template or "shell" of the ad. Dynamic ad templates must be built so that the advertiser or ad agency can replace each element without individually reformatting each iteration of the ad.

- **Dynamic Attributes** that contain the content that is used to tailor aspects of the ad for specific audiences.

- **Data Feeds or Audience Segments** that know how and for whom to personalize the ad.

MOST COMMON USE CASES FOR DYNAMIC CREATIVE

Dynamic creative was originally used primarily for retargeting high-value consumers at the bottom of the funnel. This was especially popular in the retail and travel industries where there are large volumes of possible permutations. Now advertisers are expanding their use of dynamic creative and putting it to use at all stages of the funnel. DCO can be used to implement audience-targeted creative ads across all digital formats including display, mobile, social and video.

Innovative advertisers are prospecting and building awareness by moving away from creating one generic ad that is shown to all users. Instead, these forward-thinking companies are utilizing users' data to make offers more relevant to their consumers. For example, a clothing retailer could advertise rain boots and an umbrella to someone on a rainy day in New York, while at the same time serving an ad for sunglasses and a summer dress to a woman in Los Angeles. Ads that are more pertinent to the consumer increase conversion rates over non-targeted offers.

48°F

NEW YORK, NY
ZIP – 11201

MASSEYS VENEZIA — SHOP

48°F — New York, NY

GEO & WEATHER → **PRODUCT** → **CREATIVE**

83°F

LOS ANGELES, CA
ZIP – 90077

MASSEYS VENEZIA — SHOP

83°F — Los Angeles, CA

LIMITATIONS OF TRADITIONAL DCO

Historically, DCO leveraged a single template for an ad and utilized set rules to show website visitors in the retargeting pool the product they looked at last. In some cases, DCO vendors take dozens of headlines, backgrounds, and buttons, and use them to dynamically produce programmatic creatives that run in hundreds of side-by-side competitions. While this may sound like a valuable approach, it actually wastes huge volumes of valuable ad impressions on myriad failed ad permutations before a "winning" approach reaches statistical relevance. With so many ads permutations, each vying for a limited number of eyes, it takes an eternity to get enough impressions to definitively find the best ad.

A similar potential pitfall of DCO is the temptation to over-personalize an ad. With so much demographic information available, it's tempting to try to make the perfectly personalized creative for each individual customer. In addition to the "creepy" factor, this approach creates so much hyper-personalization that each user lacks enough traffic to ever actually internalize the ad.

While you can serve many elements (e.g. text, images, offers) within an ad, you're still working within the framework of a single ad template or concept. DCO might be the solution for getting the right product in front of the right person, but it doesn't consider the best ad concept, or best way to present the product. Unless you experiment to determine the optimal ads for your users, you won't actually know which presentation and layout is best.

EXAMPLE: A VISITOR LOOKS AT SHOES, AND IS SERVED AN APPROPRIATE AD
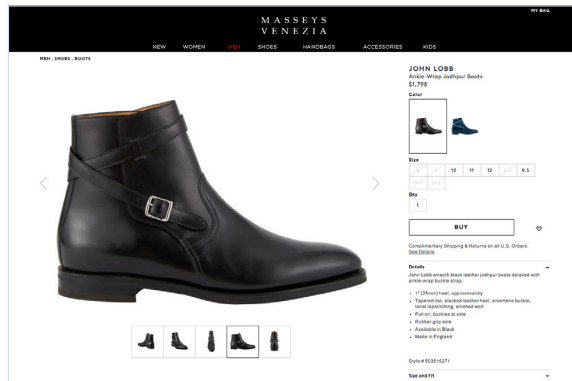
**HOW WOULD YOU KNOW** IF ONE OF THESE ADS WOULD BE MORE EFFECTIVE?
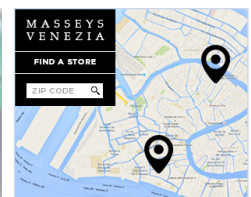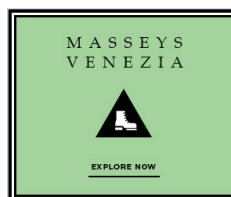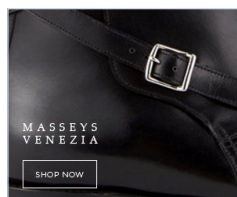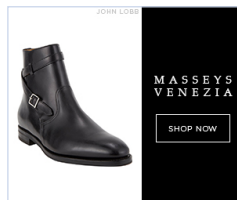
THE NEXT LEVEL OF DCO

To get to the true winning ad creative, you'll need something more. Using a creative experimentation methodology, such as Innervate's perpetual, iterative, velocity-oriented testing (PIVOT) approach, you can identify the statistically significant best-performing ads based on actual performance data. Instead of guessing which ad creatives are likely to succeed, Innervate lets your audience decide and lets you reap the benefits.

With the Dynamic CX Orchestration Solution, ad creatives are automatically enrolled in perfectly designed experiments that can be optimized against any metric. This could be anywhere from online purchases to completed video views, making it easy to optimize both direct response and branding campaigns. This is the only solution that drives continuous performance improvement by removing underperforming creatives as soon as they are identified.

DRIVING CONTINUOUS IMPROVEMENT
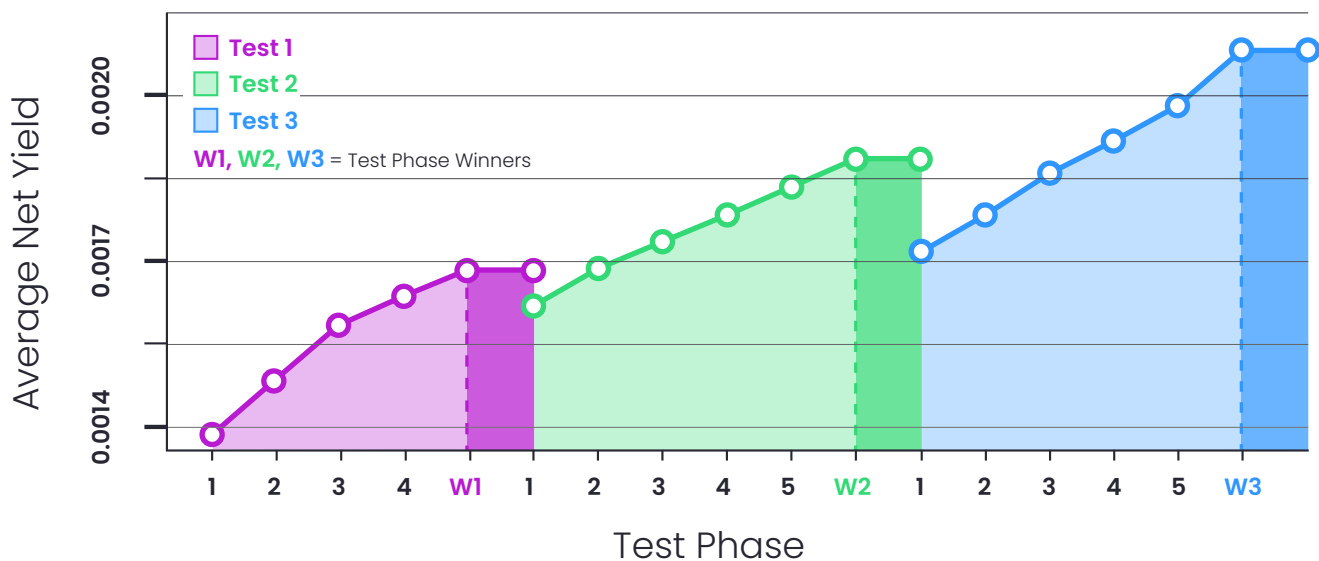
AN APPROPRIATE AD VS. THE OPTIMAL AD

Especially in the past, DCO by itself provided no mechanism to experiment rigorously based on campaign performance data. Ultimately, it can be used to find an appropriate ad for each user, but you will not know if you are serving each person the best ad.

Serving an appropriate ad can drive modest performance improvements. However by identifying the best-performing ads, you can maximize your customer base and revenue stream. Running suboptimal ads wastes media budget on impressions that won't drive results.

TRADITIONAL SET-UP IS TIME & COST CONSUMING

DCO is most effective when you have large segmented audiences to use for personalization. It is important to keep in mind that you need to plan advertising campaigns well in advance in order to incorporate all of your data segments. Depending on the system, this could take up a lot of time and resources.

For example, setting up a campaign on the fly to promote a sale this upcoming weekend had previously been impossible because of this cumbersome process. Additionally, most DCO vendors charge you every time you create a new ad template, which secretly balloons your overall DCO costs.

On Innervate, marketers and designers identify the elements in each ad and compare performance of individual elements and element types across all experiments. With access to these insights, you can drill down into each creative's individual elements to understand precisely what is driving performance. This allows you to develop a data-based playbook from your experiments in order to run extraordinarily effective campaigns moving forward.
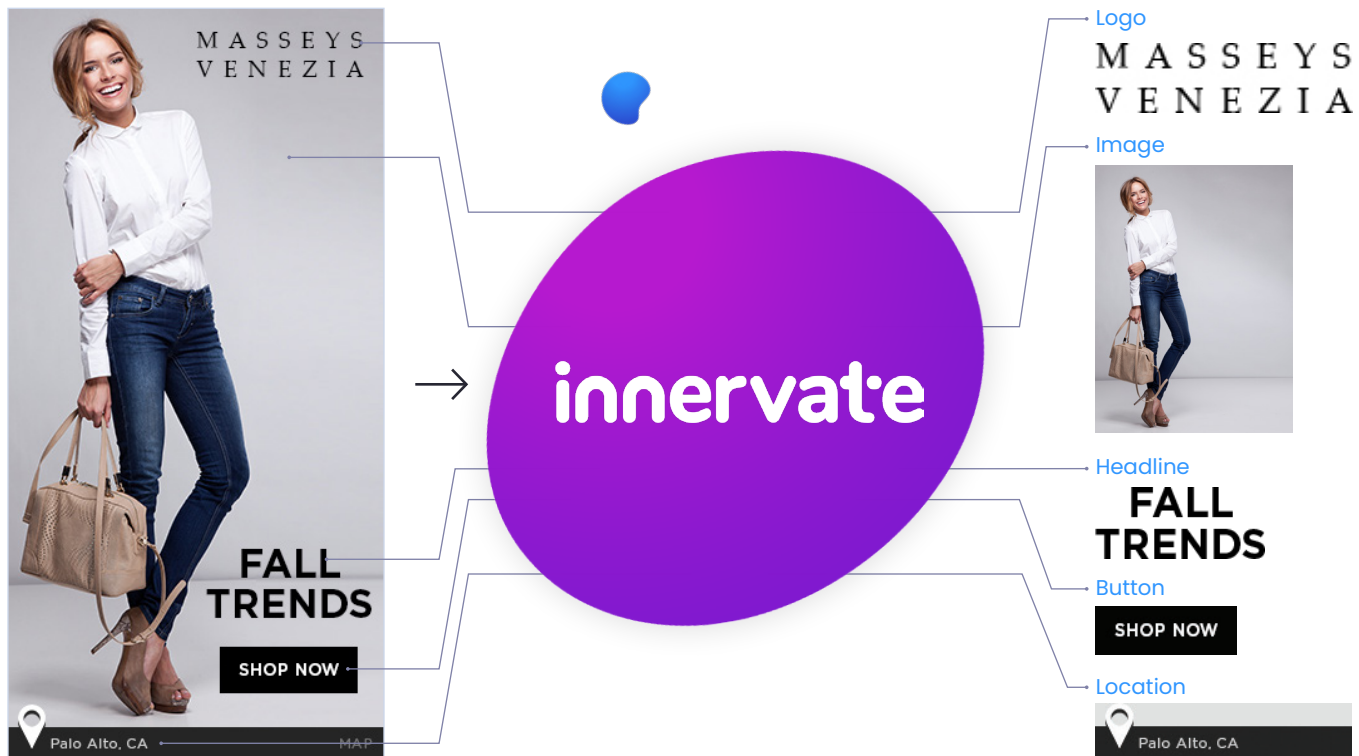
THE DYNAMIC CX ORCHESTRATION SOLUTION

DCO is a great tool, enabling marketers to run numerous complex and powerful campaigns with much less effort than was previously needed. In addition to handling DCO beautifully, Innervate takes DCO benefits a step further and allows you to:

- Increase the effectiveness of your ad creatives without increasing your ad spend.

- Activate the volumes of data you have stored in your Data Management Platform (DMP) and CRM and serve ads tailored to each audience segment.

- Harness the power of real-time bidding in your Demand Side Platform (DSP) to customize creative to the desires of that audience.

- Create a wide variety of ads, automatically personalizing and customizing them for many audiences and circumstances to serve the appropriate ad for each user.

The Dynamic CX Orchestration Solution goes further, enabling you to rigorously experiment to ensure each user is receiving the best ad, objectively proven by data. Are you ready to harness the value of DCO and experimentation to double the impact of your ad experiences? Are you ready to unleash your creative superpowers? Double your customers and brand impact by increasing your conversions, all without increasing your ad spend? Learn more today.

Learn more today and contact us at
info@Innervate.com or visit www.Innervate.com