Measurement Masterclass

Performance marketing series

10th of May 2023

Meta

Advancing Performance Testing

Testing Leads to better performance outcomes in both the short and long-term

In 2020, advertisers that ran 15 experiments (versus none) in a given year saw a

30%

Higher ad performance that year

Those that ran 15 experiments in the prior year saw a

45%

Higher ad performance

Source: Harvard Business Review, Marketers Underuse Ad Experiments. That's a Big Mistake. Oct. 2020 (link)

Design Learning Agendas rooted in real business objectives

Key Design Best Practices

1 Root all tests to business objectives of executive importance

2 Define actions to be taken based on possible test outcomes prior to testing

3 Compile test learnings related to each business objective into best practice playbooks

Best Practice Template

BUSINESS OBJECTIVES	LEVER TO TEST	LEARNING AGENDA QUESTION	MEASUREMENT	ACTION TO BE TAKEN	TIMING	LEARNING
Strategic business objective, not necessarily specific to marketing	Variable	Hypothesis	Measurement solutions, and KPIs	Action plan, including optimizations, for each possible outcome	x weeks	Best Practice for this business objective

Performance Priorities Pillars

Theme	Baseline Incrementality Testing	Performance Foundations	Performance Advanced	Full-Funnel Marketing	Emerging Surfaces
Journey	**Entry Point**	**Foundation**	**Advanced**		**Emerging**
Why is it important?	Understand the true value of our advertising efforts. On average, last-click attribution undervalues Meta by 56%*	Lay a strong foundation to drive performance outcomes.	Up-level your performance chops with more advanced tests, building on the foundations.	Implement and test a diverse, self-sustaining media strategy that will drive performance, while also accelerating branding.	Incorporate and test emerging surfaces such as Reels, Creators, and various creative assets to drive better performance.
Recommended tests	▪ Conversion Lift	▪ 6+ Placements ▪ Account Simplification ▪ Advantage+ Shopping Campaigns (ASC)	▪ ASC Budget Increase ▪ ASC vs. Advantage Catalog ▪ ASC Prospecting + Retention ▪ Catalog Ads Diverse Product Sets ▪ Lead Ads	▪ Awareness ▪ Consideration ▪ Build the Funnel	▪ Reels ▪ Creative Diversification ▪ Creators ▪ CTX

Conversion Lift:

Measure baseline incrementality for Meta ads

Hypothesis:

What is the conversion lift of an advertiser's media on Meta platforms?

Ideal candidate:

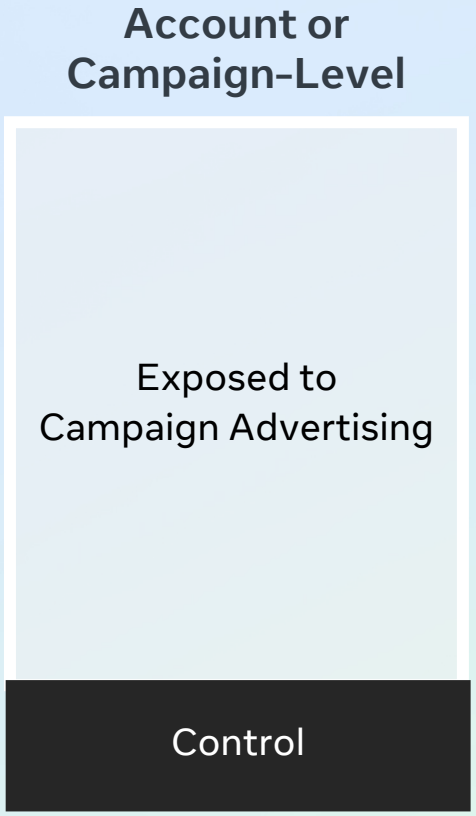
Advertisers who can run a Conversion Lift but have not yet done so

Test Structure:

Conversion Lift (Conversion API required)

Test Parameters:

2-4 weeks running
20% holdout (validation with Power Calculator)



Advantage+ Shopping Campaigns (ASC):

Test adding ASC and impact on performance (conversion)

Hypothesis:

Does the addition of Advantage+ Shopping Campaigns (ASC) improve performance?

Ideal candidate:

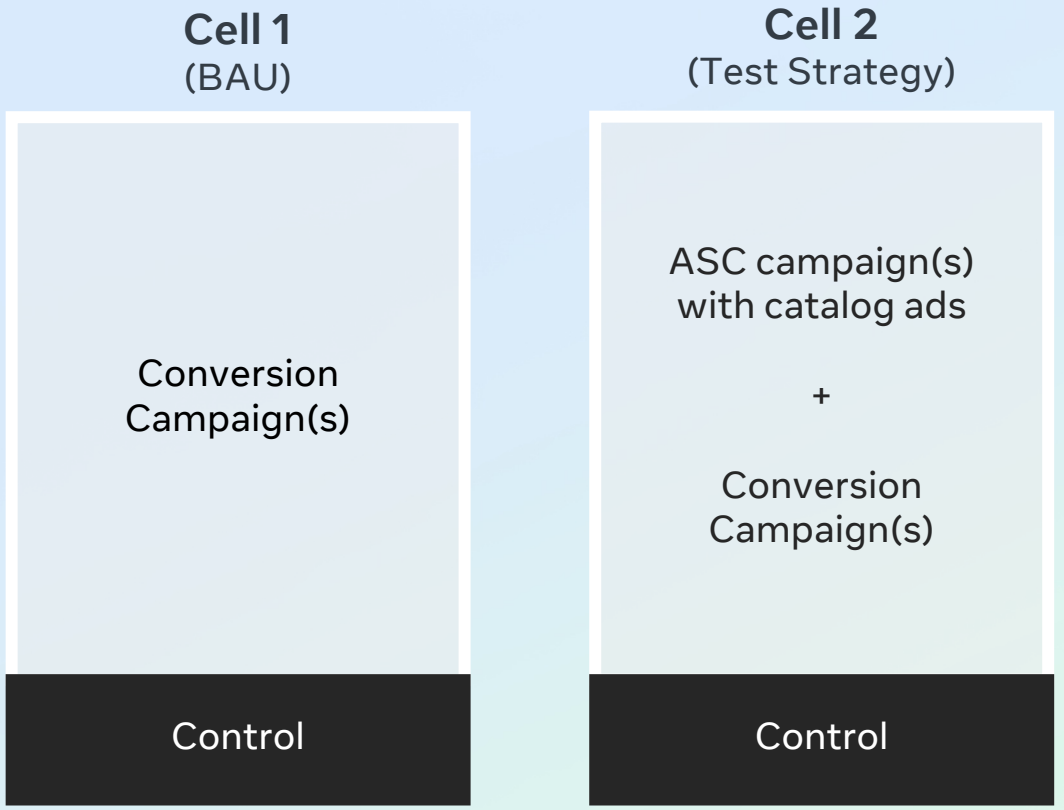
Advertisers who want to leverage Meta's automation technology

Test Structure:

Conversion Lift

Test Parameters:

Study Duration: 2-4 weeks
Holdout: 20%



Better performance

Meta's new machine-learning models automate creative, targeting, optimization, and destination levers to pair the right ad to the right person, while maximizing performance.

In APAC, advertisers who added Advantage+ shopping campaigns to businesses-as-usual campaigns saw an average improvement of:

-14%

in Cost per Action

+25%

in Return on Ad Spend



Source: Meta-analysis of 41 AB tests of BAU vs. ASC+BAU in APAC, run during July-October 2022.
The results show ASC+BAU outperforms BAU with 100% confidence in CPA and 99% confidence in ROAS.

Advantage+ App Campaigns (A+AC) drives improved performance compared to Manual App Ads

-26%

Cost per Acquisition improvement for A+AC vs BAU

100% confidence A+AC outperforms BAU

Across 21 tests we compared the use of BAU (MAI) vs. use of Advantage+ App Campaigns (A+AC) and found that A+AC saw an average CPA improvement of 26%*

-12%

Cost per Install improvement for A+AC & DA vs BAU

98% confidence A+AC outperforms BAU when integrated with Dynamic Ads (DA)

In the 18 tests we analysed, we saw 12%** lower CPI (cost per install) when using A+AC for DA compared to MAI for DA

*Meta-analysis of 21 A/B tests of BAU Campaign vs. A+AC in APAC, run across verticals from Mar 2022 to Sep 2022. The results show the A+AC strategy outperforms BAU Campaign with 100% confidence.
**n=18, A/B tests representing E-commerce, Entertainment and Media, Retail verticals in the APAC market (JP, KR, SEA), Jul 2021 - Aug 2022. Confidence level calculated through a Bayesian simulation. A+A: Advantage+ App Campaign, DA: Dynamic Ads, MAI: Mobile App Install

Advantage+ Shopping Campaigns (ASC):

Determine if Increasing ASC Budget Drives Incremental Conversions

Hypothesis:

Increasing overall budget with ASC (and not just share-shifting budget from the BAU campaigns) drives more incrementality than BAU budget levels

Ideal candidate:

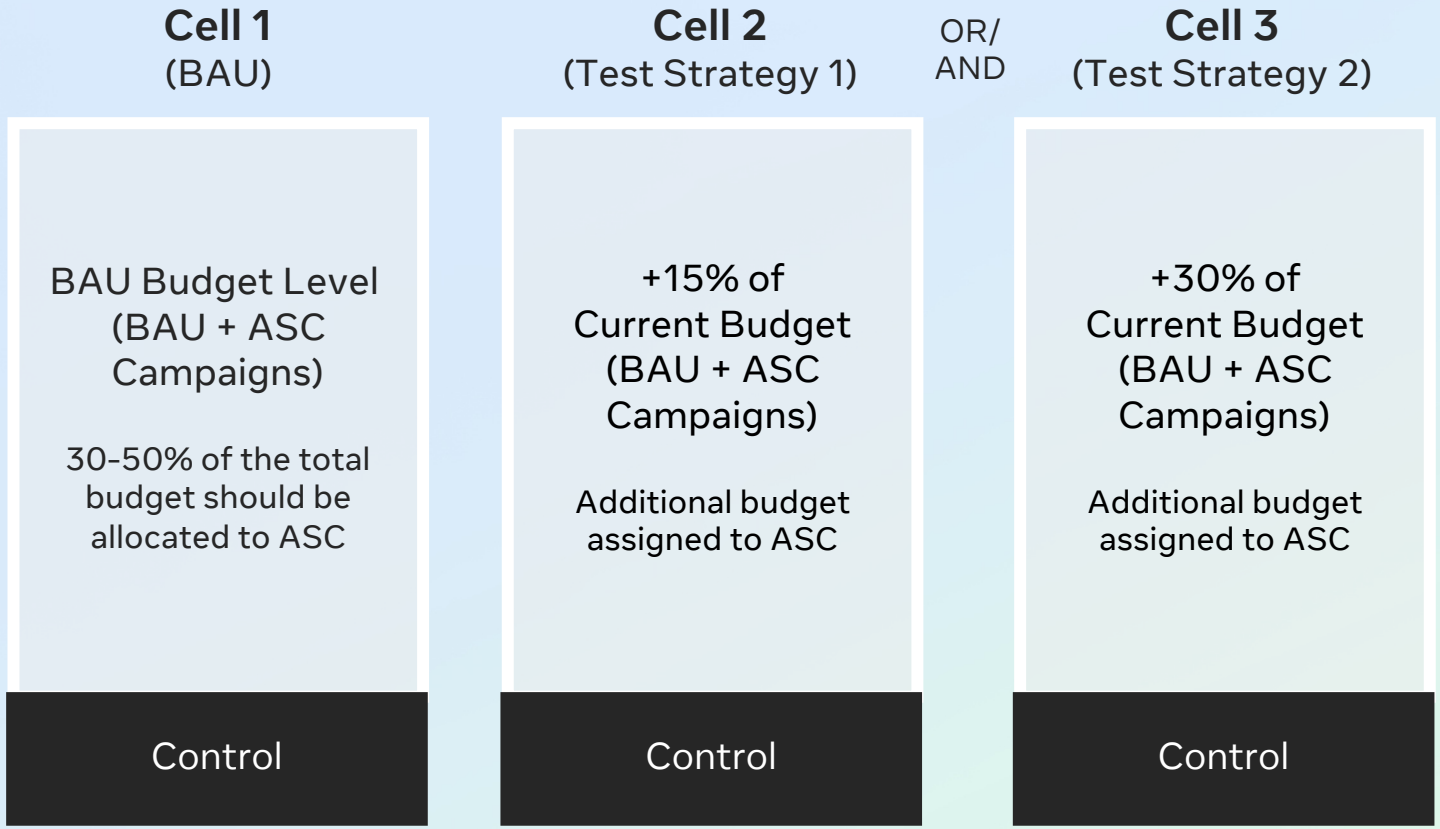
Advertisers who have proven out the value of ASC previously and are looking to scale its budget

Test Structure:

Conversion Lift preferred. If not, A/B test

Test Parameters:

2-4 weeks running
20% holdout (validation with Power Calculator)



Build The Funnel:

Diversify your Campaign Objectives to Drive Performance

Hypothesis:

Adding brand media to direct response campaigns can yield more conversions and drive incremental awareness

Ideal candidate:

DR advertisers who have saturated their target audience and are seeing diminishing returns

Test Structure:

2 Cell Conversion Lift Study or Brand Lift Study (Ad Recall, Brand Awareness, Favorability)

Test Parameters:

Study Duration: 4 weeks
Holdout: 20%



ADVANCING PERFORMANCE TESTING

Nespresso Success Story

Nespresso wanted to drive awareness of its commitment toward sustainable coffee farming and consideration for its prime coffee selection. It tested two strategies - business-as-usual ads focusing on brand awareness and consideration versus a full-funnel strategy using Dynamic Creative Optimisation (DCO) and Dynamic Product Ads. The campaign ran for 6 weeks, with a frequency of 1.4 and a mix of broad and retargeting audiences. It was measured through a multi-cell brand lift.

11.3pt

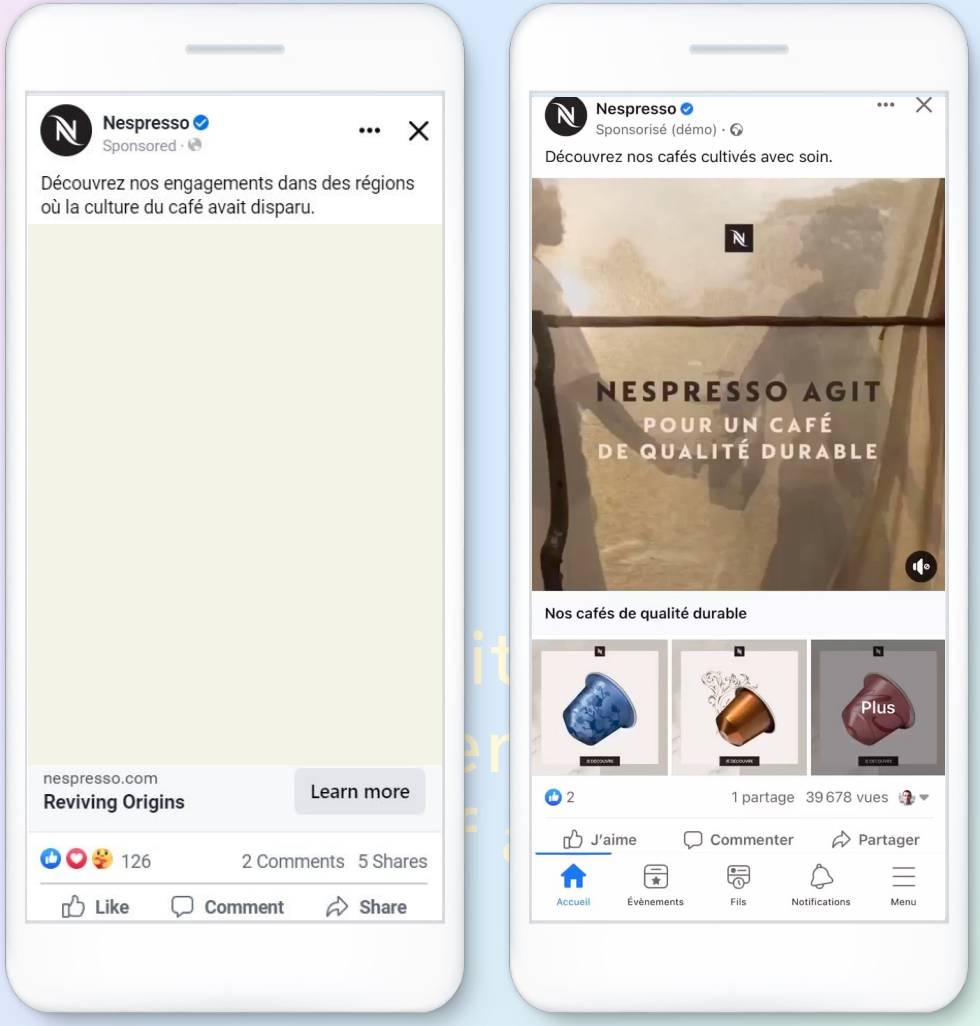
lift in ad recall for full-funnel strategy (3X BAU strategy)

3.9pt

lift in consideration for full-funnel strategy

2.4X

increase in conversion rate for full-funnel strategy vs BAU



Dates: April 2022 to May 2022

Reels: Test the impact of the Reels placement on outcome

Hypothesis:

Adding the Reels placement will increase the effectiveness of the auction delivering the desired business outcome

Ideal candidate:

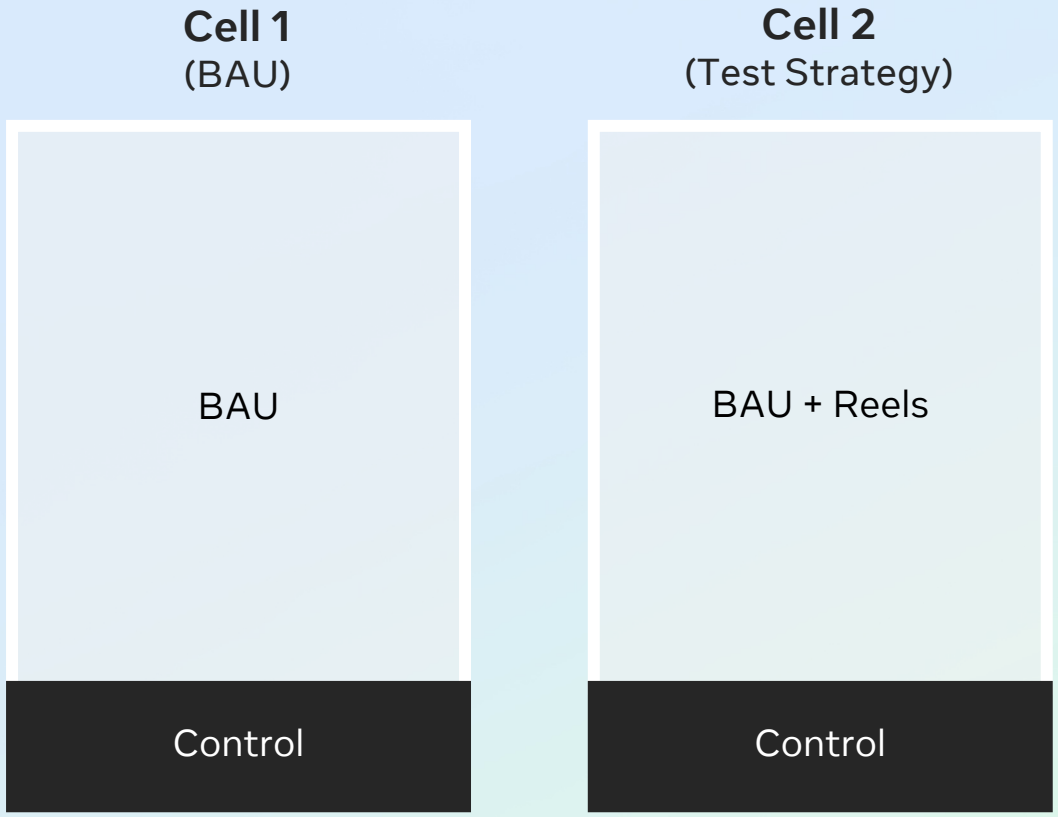
Advertisers who are new to the Reels advertising format and want to prove out its worth

Test Structure:

Conversion Lift, or Brand Lift

Test Parameters:

Study duration: 2-4 weeks
Holdout: -20%



ADVANCING PERFORMANCE TESTING

Adding IG Reels placement with a tailored Reels ad into BAU achieved 22% more new customer

IIPA MASTER

lipamaster, professional education service (eg. Pilates for instructors) conducted a test to see if adding IG Reels placement with a tailored Reels ad could acquire more new customers registered and drive more purchases.

The tailored Reels creative was developed to get attention from target audiences with fun, human presence with sound effect and 9:16 ratio to utilize the full screen.

We created bespoke Reels creatives loved by core customers by working with Meta and Creative Shop from Meta. With this work, we understood adding Reels campaigns with BAU helped to expand ads delivery, engage with more users and enhance conversion rate with Reels. Reels will be continuously used to find more target audiences and build a stronger relationship with them.

Shawn Yoon, Team Lead
Growth MKT Center Healthcare team Bravecompany



+22%

Increase in new customer acquisition

+27.4%

Increase in purchase

+86.8%

Higher CTR

Study: 20 Aug – 2 Sep 2022 Conversion campaign



ADVANCING PERFORMANCE TESTING

Funding support for performance testing

Meta Business Partners for Agencies (MBPA)

1:1 match (USD $8K max)

One per agency per quarter

Advertiser account must have a dedicated Meta rep

Please reach out to your Meta rep to enquire for eligibility

Path to Performance

1:3 match (USD $2.5K - USD $10K)

$USD 10K minimum total campaign spend (including funding)

Advertiser account must have a dedicated Meta rep

Please reach out to your Meta rep to enquire for eligibility

Test Design Starter Toolkit to help you in next steps

TEST AREA	LEARNING AGENDA HYPOTHESIS	POTENTIAL TEST DESIGN
BASELINE INCREMENTALITY TESTING (ENTRY POINT)	Whether spends on Meta platforms deliver incremental outcomes	**Single cell**: Exposed vs Control
PERFORMANCE (FOUNDATION)	More or Advantage+ Placements (previously known as Automatic Placements) will improve liquidity and could help increase efficiency?	**Cell 1:** BAU, use less than 6 Placements (e.g. 2 or 3 placements) **Cell 2:** Use 6+ or Advantage+ Placements (previously known as Automatic Placements) Keep all else constant across cells
	Can consolidation of the audiences into one adset instead allow improved performance?	**Cell 1:** BAU - Segmented targeting approach **Cell 2:** Simplified structure on 1 or more dimensions (e.g. country/language/targeting) Keep all else constant across cells
	Can consolidation of ad sets or campaigns allow improved performance?	**Cell 1:** BAU - Segmented adsets or campaigns **Cell 2:** Consolidated adsets or campaigns Keep all else constant across cells
	Advantage Campaign Budget (previously known as Campaign Budget Optimization) could improve liquidity and could help performance?	**Cell 1:** BAU – Budget set at adset level **Cell 2:** Activation of Advantage Campaign Budget (previously known as Campaign Budget Optimization) Keep all else constant across cells
	Does the addition of Advantage+ Shopping Campaigns (ASC) improve performance?	**Cell 1:** BAU – Conversion Campaign with only country targeting Or Conversion Sales Campaign with multi country targeting **Cell 2:** ASC campaign(s) 1 campaign per country or ASC campaign with multiple countries per campaign Keep all else constant across cells

Test Design Starter Toolkit to help you in next steps

TEST AREA	LEARNING AGENDA HYPOTHESIS	POTENTIAL TEST DESIGN
PERFORMANCE (**ADVANCED**)	Increasing overall budget with Advantage+ Shopping Campaigns (ASC) (and not just share-shifting budget from the BAU campaigns) drives more incrementality than BAU budget levels?	**Cell 1**: BAU Budget Level (BAU + ASC Campaigns) 30-50% of the total budget should be allocation to ASC **Cell 2:** 115% Current Budget (BAU + ASC Campaigns) Additional budget assigned to ASC **OR Cell 3:** 130% Current Budget (BAU + ASC Campaigns) Additional budget assigned to ASC Keep all else constant across cells except budget
	Does increasing share of spend on Advantage+ Shopping Campaigns (ASC) further drive ROAS / performance?	**Cell 1:** Conversion/Catalog Sales campaign with only country targeting (BAU: 70% of budget) + ASC campaign(s) 1 campaign per country (30% of budget) **Cell 2:** Conversion/Catalog Sales campaign with only country targeting (BAU: 30% of budget) + ASC campaign(s) 1 campaign per country (70% of budget) **Cell 3:** ASC campaign(s) 1 campaign per country (100% of budget) Keep all else constant across cells except budget
	The Advantage+ Shopping Campaigns (ASC) performs better than Advantage+ Catalog Ads (A+CA) for Catalog Ads?	**Cell 1:** A+CA campaign(s) **Cell 2:** ASC campaign(s) with catalog ads + A+CA campaign(s) If BAU targets multiple countries per campaign, the ASC campaign(s) in the treatment cell should as well Must leverage broad targeting and placement optimization
	Does CRM integrated Lead ads drive better performance than Onsite lead ads?	**Cell 1:** Lead Optimization (Onsite) **Cell 2:** Conversion Leads Optimization (Lead Quality Optimization) with CRM integration
	Leveraging a cap on existing customers negatively impacts Advantage+ Shopping Campaigns (ASC) performance?	**Cell 1**: ASC with budget split for prospecting & retargeting that mirrors advertiser's overall prospecting/ retargeting budget ratio **Cell 2**: ASC with no caps on existing customers (retargeting) **AND Cell 3:** ASC with 100% caps on existing customers (prospecting) - no spend on existing customers
	Product sets should contain products of similar price ranges. When price ranges get too disparate, they should be broken out into a new product set?	**Cell 1:** Campaign/ adset 1 One product set with a wide range of product prices **Cell 2:** Campaign/ adset 2 Two product sets with high and low price point items segmented

Test Design Starter Toolkit to help you in next steps

TEST AREA	LEARNING AGENDA HYPOTHESIS	POTENTIAL TEST DESIGN
FULL-FUNNEL MARKETING (ADVANCED)	Adding brand media to direct response campaigns can yield more conversions and drive incremental awareness	**Cell 1:** Built under Sales and optimizing towards Conversion segment* (100% Budget) **Cell 2:** Campaign 1: Built under Sales and optimizing towards Conversion segment* (80% of Cell Budget) Campaign 2: Built under Brand Awareness and optimizing towards Awareness segment* (20% of Cell Budget Recommended Keep all else constant across cells; budget may vary to layer in Custom Audience or/and LAL
	Utilizing multiple objectives will drive better brand outcomes than leveraging Reach objective alone	**Cell 1:** Campaign 1: Optimizing towards Reach (100% of cell budget) **Cell 2:** Campaign 1: Optimizing towards Reach (50% of cell budget) Campaign 2: Optimizing towards Video Views (50% of cell budget)
EMERGING SURFACES	Leveraging Reels-First Ad creatives across non-Reels placement improves the overall direct response performance	**Cell 1:** Campaign with BAU video creative, target all placements (Feed + Stories + Reels) **Cell 2:** Campaign with BAU video creative + Reels First Creative, target all placements (Feed + Stories + Reels) with BAU + Reels first creatives*/ Bespoke Reels creatives **Cell 3:** Campaign with Reels First Creative, target all placements (Feed + Stories + Reels) with Reels first creatives*/ Bespoke Reels creatives
	Leveraging Reels-First Ad creatives across non-Reels placement improves the overall brand performance	**Cell 1:** Campaign with BAU Video Creative Target all placements (Feed + Stories + Reels) **Cell 2:** Campaign with BAU Video Creative + Reels First Creative Target all placements (Feed + Stories + Reels) with BAU + Reels first creatives*/ Bespoke Reels creatives **Cell 3:** Campaign with Reels First Creative target all placements (Feed + Stories + Reels) with Reels first creatives*/ Bespoke Reels creatives

Test Design Starter Toolkit to help you in next steps

TEST AREA	LEARNING AGENDA HYPOTHESIS	POTENTIAL TEST DESIGN
EMERGING SURFACES	How effective is including Reels standalone placement in driving incremental direct response outcomes?	**Cell 1:** Ad Set 1: BAU ads on all placements minus Reels **Cell 2:** Ad set 2: Standalone Reels with BAU ads (at least 30% total campaign spend) **OR Cell 3:** With No Placement Optimization, Chosen placements (Including Reels) on adsets level with Advantage Campaign Budget
	What is the incremental brand value of adding creator ads to an advertiser's BAU strategy?	**Cell 1:** Adset 1: BAU with no Partnership Ads (previously known as Branded Content Ads) **Cell 2:** Adset 1: BAU + Adset 2: Partnership Ads (previously known as Branded Content Ads)
	Does using a mix of assets that are well-differentiated e.g. diversified messaging/concepts/visuals help performance?	**Cell 1:** BAU Creative **Cell 2:** Creatives with diversified messaging / concepts / visuals

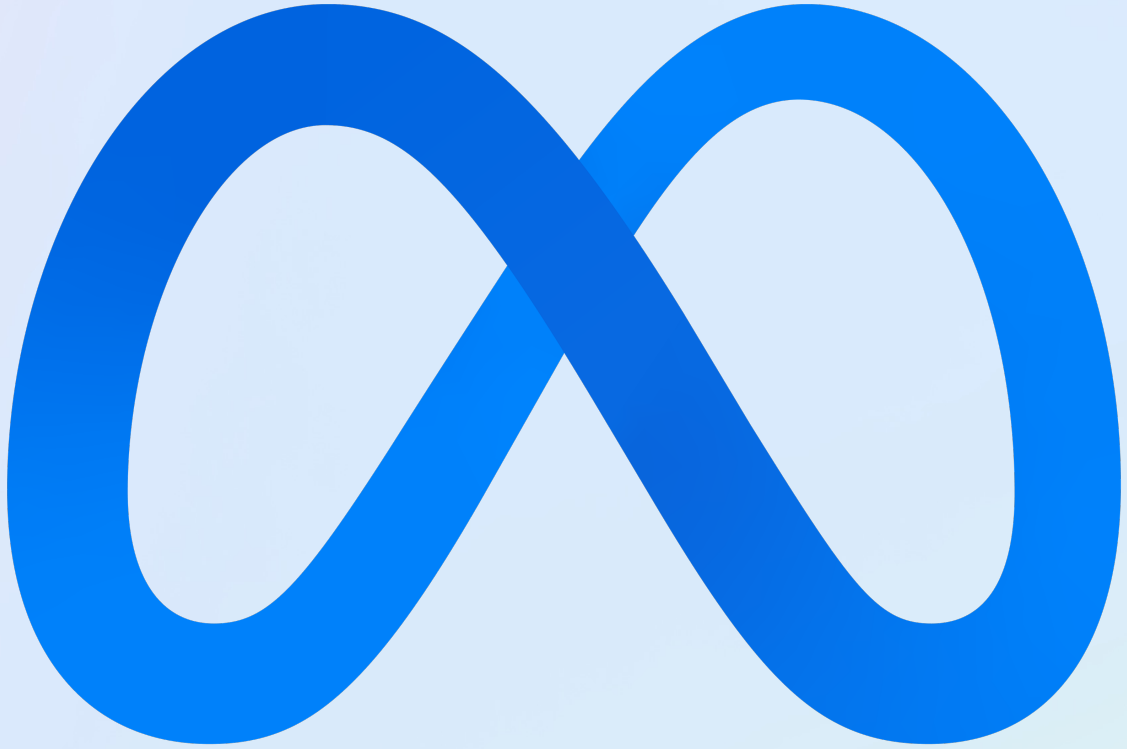
Next Steps



1. Educate your clients on the value of testing for better performance in the short and long term.

2. Develop and execute performance testing learning agendas that address your agency’s and clients’ priorities.

3. Please scan this QR Code to access test designs and start building your learning agenda!



Meta