

Creative Testing Playbook

Finding the Winning Creative Concepts

Smartly.io Creative Series





Intro- duction

At Smartly.io, we love exploring new ways to craft storytelling optimized for mobile consumption, and we consider technology as the enabler of our creative practice. As fast movers, our philosophy is to learn, test, and iterate continuously in an agile manner.

We love to #learnsmartly, and with this playbook, we want to share our creative learnings and inspire you to take your brand's creative to a new level. You will learn what a proper creative brief looks like, what to test, how to combine formal testing using ad studies with an directional, iterative-based approach, and much more.

With the experience from 600+ brands and more than \$2B in ad spend, we've built a framework for creative testing paired with creative solutions that help brands look their best self on social while automating manual work and improving results.



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Summary



What Is Creative Testing?

Think of creative testing as going to an art gallery: the art itself and the artist's execution of the idea will dictate the experience - this is what we call the creative concept and its execution.

However, other factors influence your visit as well: the layout or size of the exhibition, or how the lighting enhances the artwork. You can consider these factors the creative optimization levers.

When you consider both of these: the creative concept (artwork) and the optimization levers (how it's displayed) you'll be set for success in your creative testing approach.





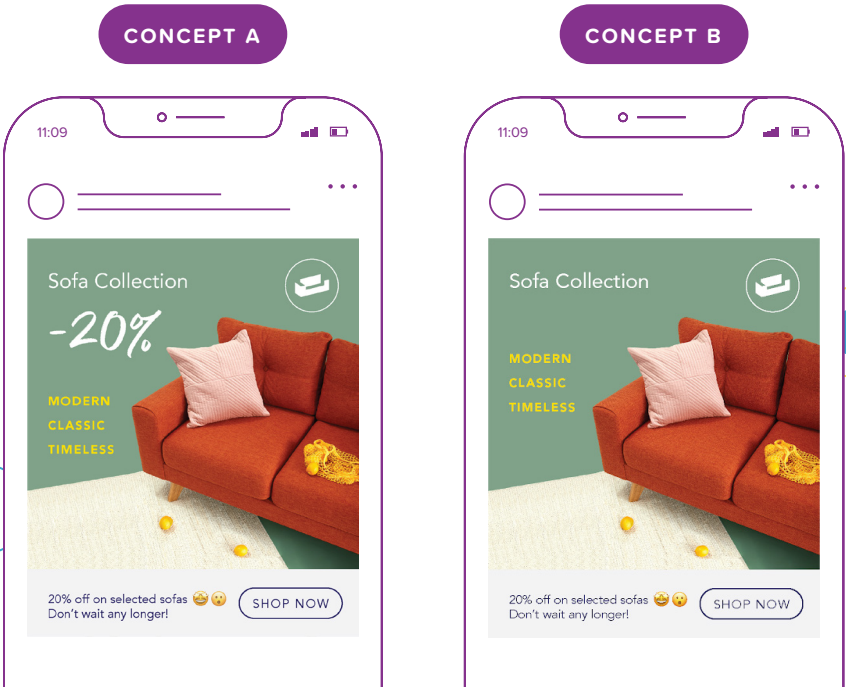
Smartly.io: Creative Testing Playbook

Why Test Creative?

To win in today’s competitive advertising game, marketers need to understand how to connect with their audiences.

As technology automates performance marketing, creative becomes one of the biggest points of differentiation and the most powerful performance optimization lever. However, identifying high-performing creative variables can be challenging. Typically, we see brands approaching creative testing this way:

- 1 Should I show a discount in my retargeting creative?
- 2 Do Emojis in my carousel ad’s copy improve CPA?
- 3 Which CTA drives higher lift in acquiring new customers?
- 4 Does adding video into my creative mix improve CPA: Purchase?



The set-up and the logic behind these examples are not flawed. However, interpreting the learnings from these creative tests is not very straightforward as the following: questions commonly arise:

- Do I just run a variation A or do I test it against a combination of A along with other variations?
- Should I implement the elements in the winning creative to all or some other creatives?
- How long will the creative continue to be the winner? When should I test again?
- Should I iterate the variation?
- Should I iterate both variations and split test again, or test directionally in the auction?
- Are these the most critical creative elements to test? (aka am I testing the right things?)



Conclusion

Before coming out with a testing plan, you need a testing strategy and a solid methodology to systematically test and iterate the things that have the highest possible impact on business outcomes.

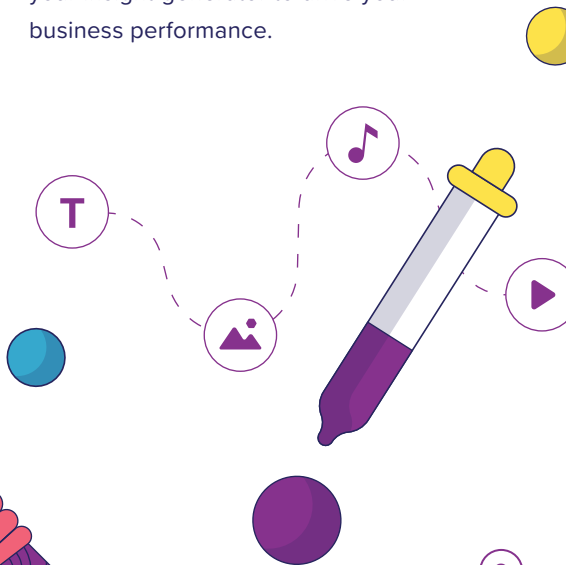
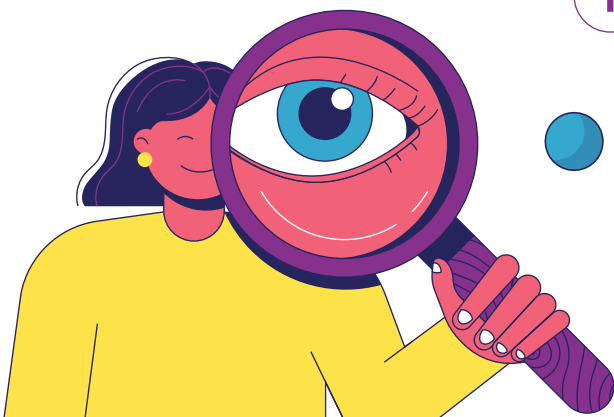
The “Create and Learn” Approach

We have built a framework for creative testing with scalable creative solutions that help brands look their best selves on social while automating manual creative work and improving results.

We believe in a “Create and Learn” approach in order to move quickly, test, and roll-out relevant creatives for your social channels. Of course, this is easier said than done, as it requires a constant investment of time and resources to ideate, produce, launch, analyze results, gather learnings, and come back to the ideation table for the next test. How can you efficiently accomplish this without compromising your brand and the quality of your creatives?

The best way to understand and, over time, improve creative performance is through continuous testing. The testing should inform all stages of the advertising cycle: from planning to producing the assets and launching campaigns.

When continually testing, you learn the best way to communicate and engage with your audience. Follow our recommended methodology for creative testing and use it as your insight-generator to drive your business performance.



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What To Test?



The Creative Gap Analysis

When deciding what to test, you need to think about your overall creative strategy: What are your most critical challenges? How can you solve them with a creative testing methodology?

Start by analyzing your overall creative approach by funnel stage and business line. Such analysis aims to resurface gaps and challenges in the current approach.

The aim is to answer questions such as:

- Which creative placements and formats do you use?
- How do you distribute your spend across creative types?
- How often do you push out new creatives?
- Do you refresh your creatives using a specific creative strategy?
- Do you produce your creatives for the right funnel stage?
- What message do your creatives communicate? How often do you refresh it?



Here is an example on how you can run this analysis:

	Acquisition		Retargeting		Re-engagement	
Creative factor	Current	Desired	Current	Desired	Current	Desired
Types of creatives used						
Spend distribution						
Creative refresh interval						
Individual creatives or concepts						
Branding / DR creatives ratio						
Messaging						
Audience customization						
Culture and language customization						

You should also have a good understanding of your current metrics for each funnel step and what you want to achieve. Once you have gone through this process, you'll be able to understand the challenges in your current set up.

Some common examples could be:

- Over-investing in retargeting and under-investing in prospecting.
- Creatives not refreshed often enough.
- Too few ads in an ad set.
- Creative messaging is not optimized for the audience (same approach for different audience segments).

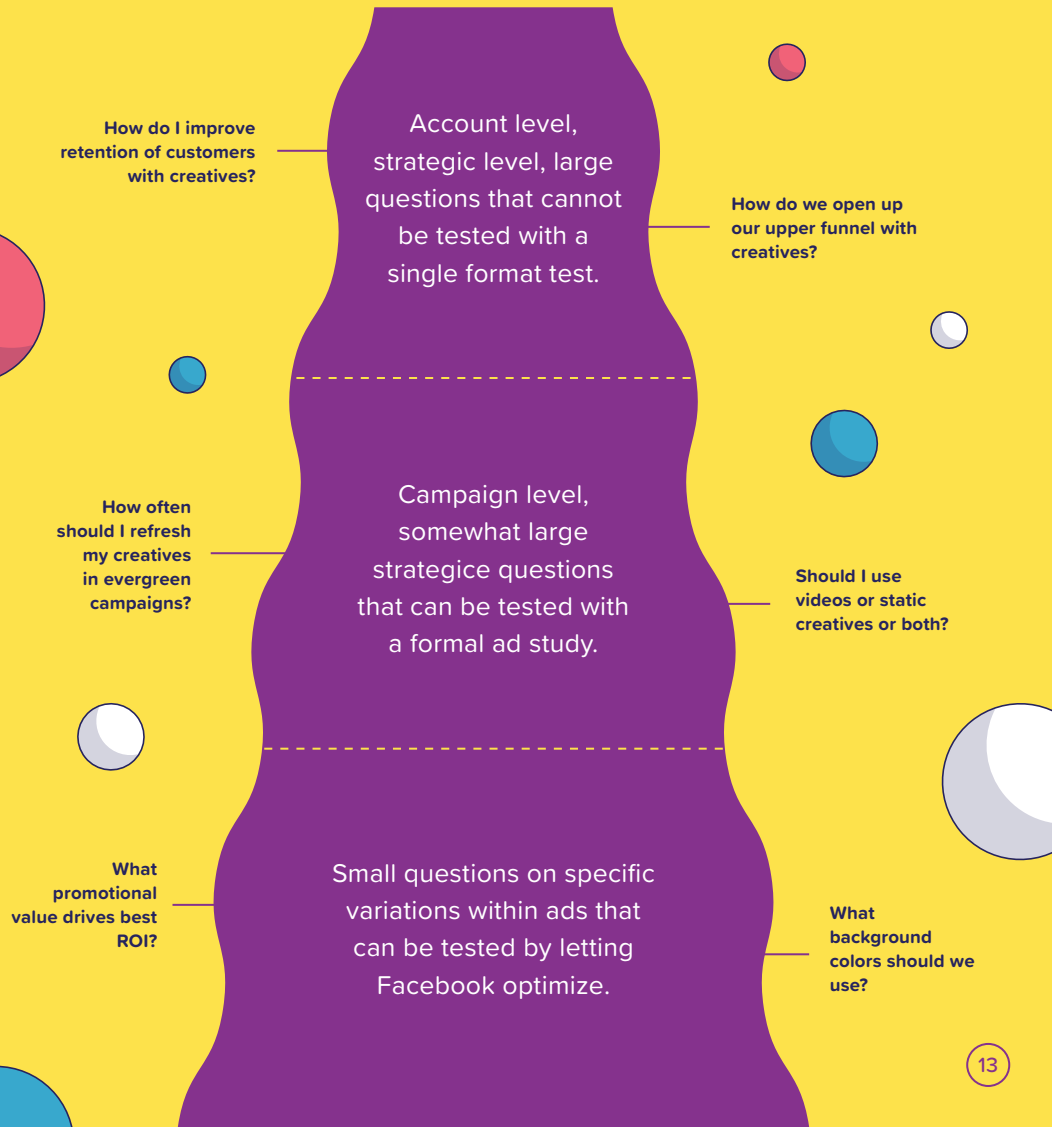
Hierarchy of Creative Challenges

The next step is to take the challenges you have learned from your Creative Analysis Gap and organize them by prioritization.

Tap into multiple sources to decide what to test:

- 1 Identify what to test by finding the most critical business challenges regarding creative
- 2 Create concepts that aim to answer the existing challenges
- 3 Test concepts against each other to find what speaks to the chosen audience
- 4 Iterate winning concepts
- 5 Plan on testing the most critical large-scale questions with lift tests and smaller iterations of variations directionally in the auction
- 6 Find the optimal cycle for refreshing concepts and restart the process

Hierarchy of Creative Opportunities



CREATIVE CONCEPT

A creative concept is the approach you take to tackle your business goals: *For example, you want to increase app installs for your business and want to run a campaign for it. The creative concept will dictate the messaging and the visual execution behind that campaign.*

CREATIVE OPTIMIZATION LEVERS

Creative Optimization Levers are means of optimization that are outside of the creative concept (think placements, formats, audience targeting - bolded storytelling, colors or messaging) that can influence the performance of a creative on Facebook and Instagram.

CREATIVE VARIATION

You could have many different variations of a single creative concept - each performing differently based on placements, formats, or audiences targeting. You can test the variations using various creative optimization levers.

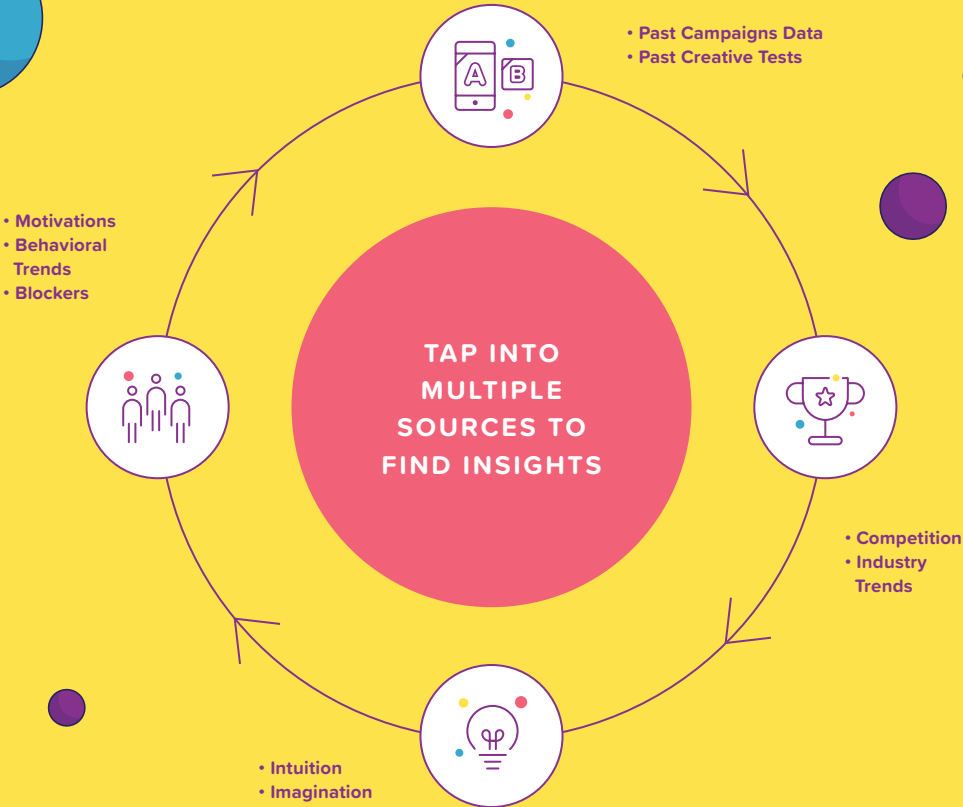
ITERATIONS

Continuous evolution of a single creative to identify creative factors that influence performance.



Generating Creative Ideas

To help find ideas for creative tests that will address the gaps that you have identified, tap into as many sources as you can. The more ideas you come up with, the better - you can always prioritize tests based on their potential business impact.



Come up with creative ideas to test by...

... Debriefing your campaign goals and KPIs.

Keep your business goal in mind when kick-starting the ideation process: Is it a prospecting campaign? How long is it going to run for?

... Understanding your audience's behavioral cues.

Outline different reasons why your customers buy from you: Are your materials sustainably sourced? Is your customer service the best on the market? Is there any blocker to buy from you?

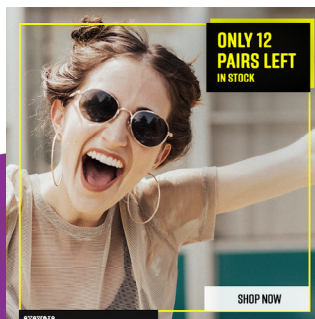
[Explore Facebook Audience Insights](#)

Study the common characteristics of customers in your Custom Audiences. Invest in understanding their needs, wants, and motivations. How can your product/service enrich their lives?

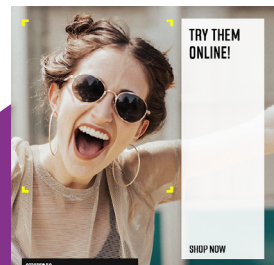
"I want to shop from brands that care about the environment" - highlight that you use sustainable materials to drive conversions.



"I love them and if I do not get them now, they might run out!" - create urgency with a 'FOMO effect' by highlighting limited availability.



"I want them but I have no time to go and try these in store" - highlight 'try before you buy' and 'easy return' to reduce the barriers to purchase.

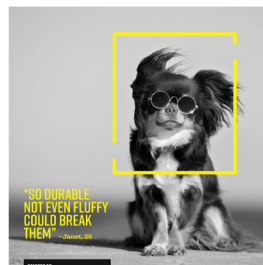
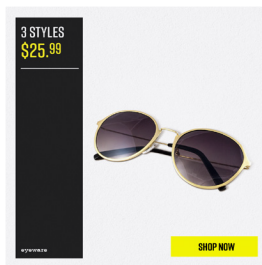


...Mapping out data insights from past campaigns, creative tests and industry trends.

Use previous results to inform the design of new creatives. Is your audience responding better to direct messaging? Are your lifestyle images performing better than product shots? Use Smartly.io Pivot Tables to see what messages have resonated well in the past. Are there any learnings you could use to fuel future creative planning?

For example: if using influencers on IG Stories helped connect with Generation Z, you might want to expand on this approach - e.g. appointing best performing influencers as brand ambassadors.

“Performance data indicated that the top left corner is the best placement to include offers on the ad creative.”



“Competitive research suggests that showcasing customer reviews is an effective way to connect with broad audience”

Identify industry trends that could inspire you to come up with some interesting hypotheses to validate. Facebook Ad Library is a great tool offering a comprehensive, searchable collection of all ads currently running from across all Facebook Products.

For example: if your competitors use customer reviews as ‘social proof’ in their ads, you could test if this same approach works for your audience

... Using your intuition and imagination to put everything together.

Consider intuition as a form of data. It's the highest form of intelligence that enables us to connect the dots we wouldn't be able to connect with our conscious mind.



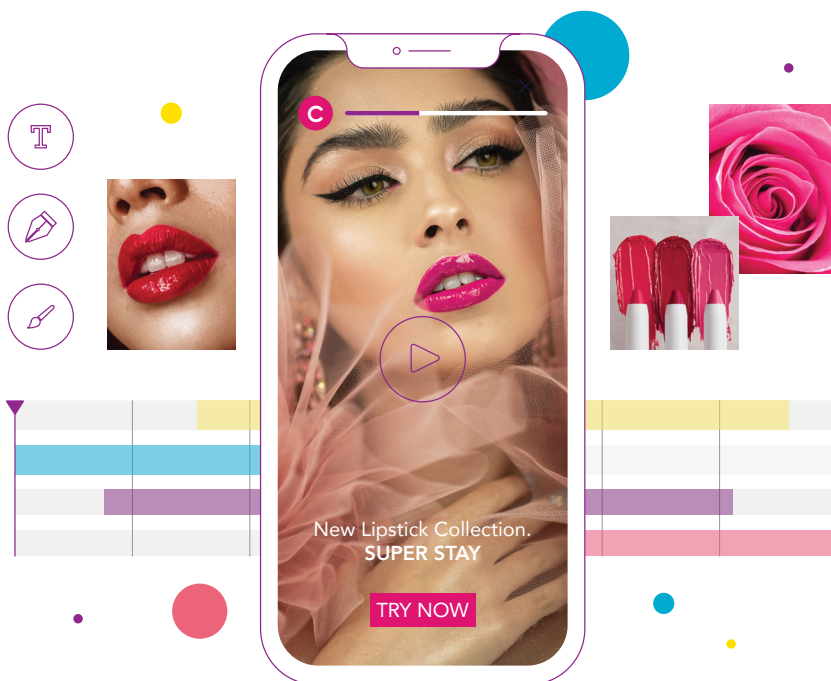
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How To Test Creative?

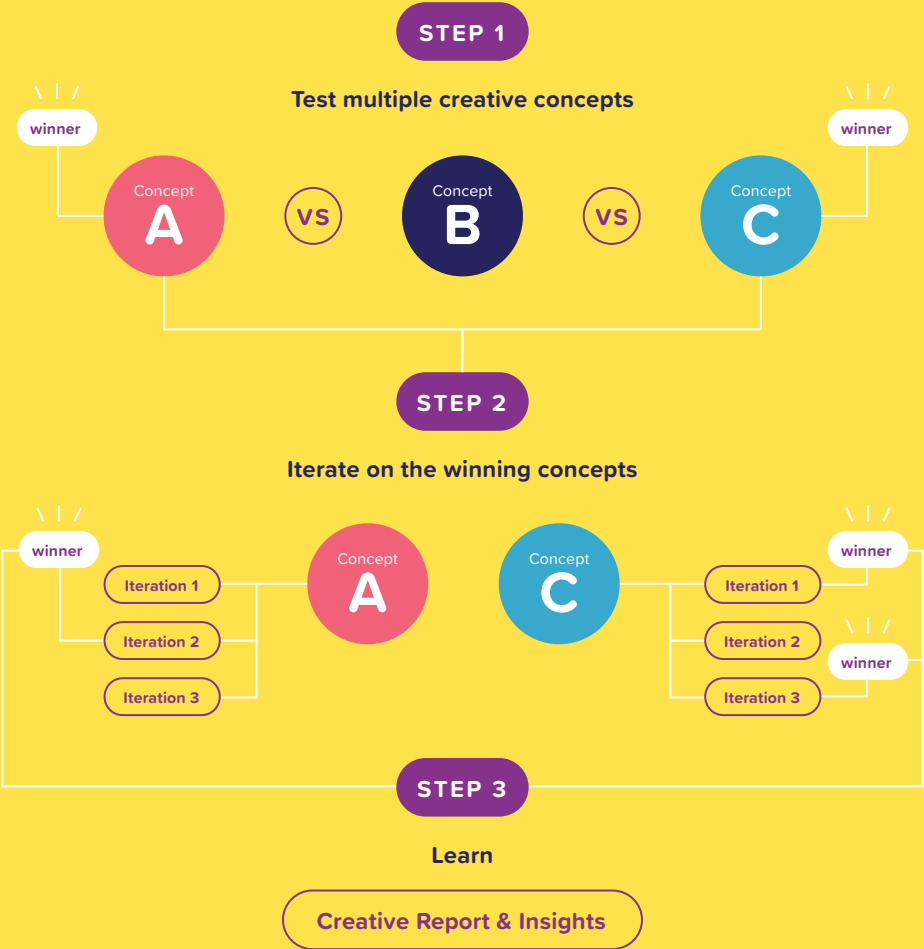
The Winning Creative Combination

With creative testing, the aim is to find a winning combination, design, or messaging and scale that according to a testing plan. The problem, however, is: How many creatives do you need to produce? How much value do rounds of iterations bring? How many times do you need to repeat this process until you find the right approach?

When following a consistent testing methodology, you'll gain insights into what resonates for a specific audience or a certain funnel stage. Those insights will help you improve campaign performance over time.



Testing Methodology Overview



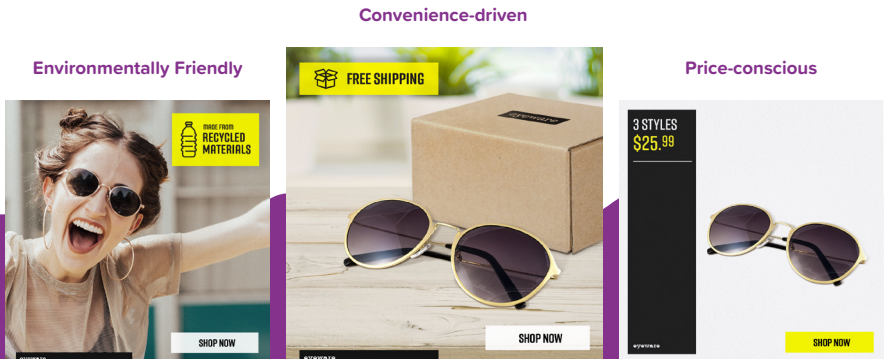
Smartly.io Creative Testing Workflow

STEP 1

TEST MULTIPLE CREATIVE CONCEPTS

We recommend you to start by testing three to five creative concepts and iterating the winning ones to learn what kind of creative is engaging for your audience.

With creative testing, it pays off to be hypothesis-driven. Produce your creatives based on hypotheses that are relevant to your brand. Remember that your hypothesis should solve business challenges identified when you execute a Gap Analysis, as explained in the previous session. Map the kind of insights you are looking to gain and how those could change your strategy and translate them into multiple creative concepts.

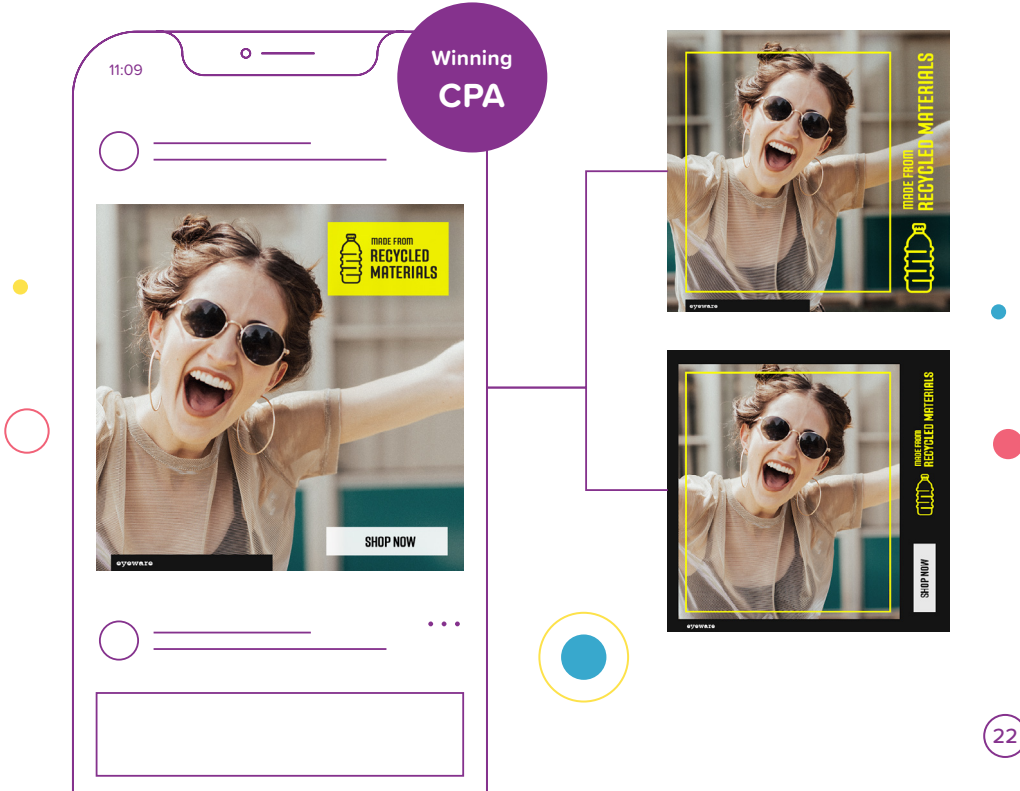


STEP 2

ITERATE ON THE WINNING CONCEPTS

Once you nail down which creative approach brings the best results, you should work on iterating specific creative elements to improve your performance continuously. Sometimes small changes, such as the layout or the background color, can have an impact on performance.

Elements to consider in your testing plan include alternative calls-to-action, different cuts and lengths, and copy versions. Only test one change at a time to determine what moves the needle.



STEP 3

INTERPRET RESULTS AND DOCUMENT THE LEARNINGS

If you're running a formal ad study (see next section for more details), you can see which ad study cell performed best, assuming you have collected enough data to draw conclusions.

There are three possible outcomes:

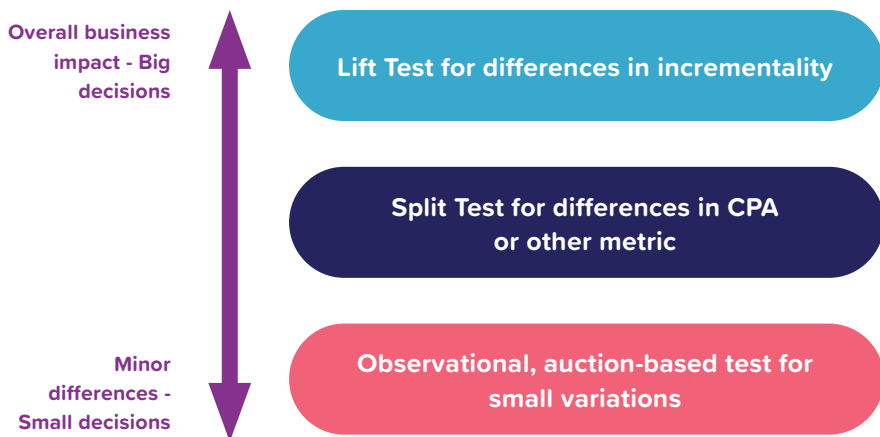
- There is a statistically significant difference. In this case, you should implement the best variant.
- There is no statistically significant difference. You can implement either variant. It is not certain which is better, and the difference is most likely too small to be of practical importance.
- There is not enough data to draw conclusions. There might be a difference that is big enough to be interesting, but the ad study ended before enough data was collected to estimate this with enough confidence. If you still want to know which alternative is better, you should create a new ad study and run it longer (and with a larger budget) to collect more data.

If there's no ad study, look at data in Smartly.io's Pivot Tables to draw conclusions. Evaluate creatives based on the lowest funnel metric you have available (e.g., high CTR doesn't always equate most conversations). Ensure that you separate funnel steps - retargeting creatives would almost always have a better CPA. Look at things like copy, call to action, and ad format to understand what resonates.

The Testing Methodology And Process

Creating a testing plan and running tests correctly provides reliable and actionable results. You can choose from two primary methods – deciding the right testing methodology is fundamental to achieve the desired outcomes.

HOW TO DECIDE WHICH METHOD TO USE



FORMAL AD STUDIES

There are two types of Ad Studies you can apply. Use this methodology when you want to take important decisions that require a 'scientific' method.

Lift Test: Execute this type of tests when you have a complex set up or want to achieve major changes in your creative approach.

For example:

- *Testing image vs. image + video*
- *Creatives that tap into different audience segments that may engage you at different rates regardless of the ads*

Split Test: Use this methodology when you want to inform future creative production processes, or a default (evergreen) approach for creatives.

For example:

- *Localized vs. non-localized creatives*
- *User generated content vs studio produced videos*

Why do important decisions need to be tested with formal ad studies?

- 1 Avoid facebook optimization from creating differences.
- 2 Easy and sure way to ensure each user sees only A or B but never both.
- 3 Easy to see results and evaluate statistical significance.

What is statistical significance and why should brands care?

- 1 Just because one campaign gets more conversions does not mean that it is better. There is a chance that it can be caused by randomness.
- 2 There is no need to manually calculate statistical significance. This happens automatically in Smartly.io - we have a statistical significance calculator in the Smartly.io Ad Studies tool.

Important Considerations

Set up your Ad Study with the right budget.

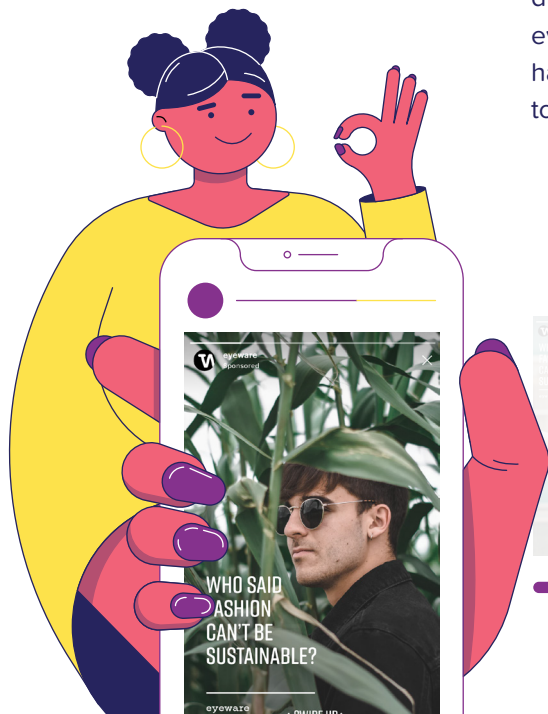
As a general rule, we recommend using 1,000 conversions as the minimum number needed for a 2-cell split test. Multiply this time your average CPA for the conversion. Example: If CPA Sign Up is \$10, then $1,000 \times \$10 = \$10,000$. That is how you could calculate the recommended budget needed for a test.

Expect a hit in performance.

Whenever you're running a split test, the audience will be split, likely resulting in a dip in performance KPIs. Therefore, any comparisons should be made between the study cells and not against e.g. historical performance.

Make sure that your events are firing properly.

All too often, advertisers start running ad studies and notice during the study that their pixel events are not firing, which naturally harms the study, as we are unable to measure the results reliably.



There should be only one difference between study cells.

When the study cells differ in multiple ways (e.g. both creative types and bidding), you cannot know how each of these differences affects the results. Therefore, it is more effective and efficient to design simple tests with only one variable.

Use newly created or cloned campaigns in split tests between campaigns.

Learning accumulates on the campaign level, and a longer-running campaign thus has an unfair advantage over a newly created one.

Make sure you do not accidentally target the same audience in campaigns that are not included in the ad study.

Otherwise, people that are part of the study will see ads from your other campaigns, which may impact the results.

Spend a similar amount in each study cell.

Spend-level affects CPA (cost-per-acquisition) heavily and if your cells don't spend equally, it may be impossible to say if it was the spend level difference that caused the result. The easiest way to make sure your cells spend equally is to give each cell the same budget and bid high enough to make sure the budget is spent.

Manage your expectations effectively.

Tests take time, especially complex ones. Have a good understanding of the required spend and timeline of the test. The test only needs to be checked at the end of the test when the results are finalized. Anything before that would be just a guess.

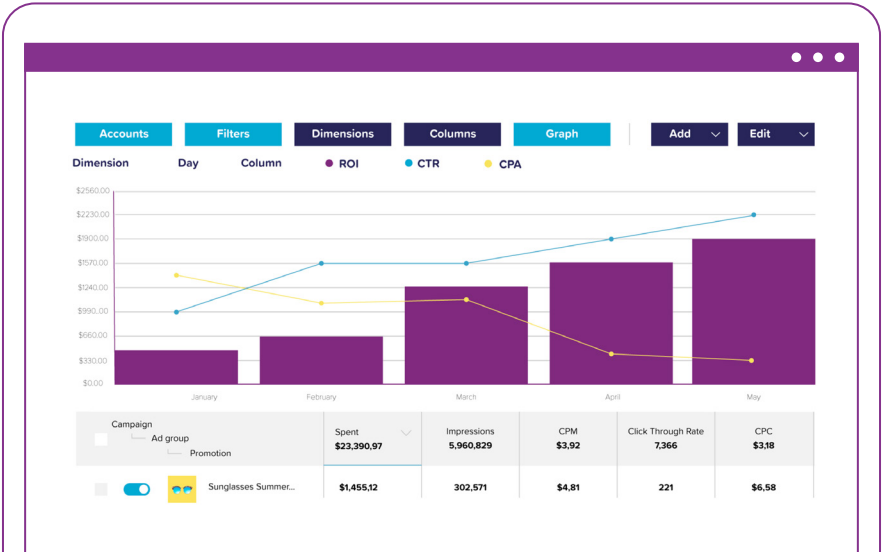
INFORMAL (DIRECTIONAL) TESTS

For quick and easy tests without sacrificing performance:

Multi-Armed Bandit: Instead of letting Facebook choose from your creatives, we recommend using Smartly.io’s features like Predictive Creative Optimization or Predictive Budget Allocation to allocate your media spend between creatives. You should launch all ads tested against each other at the same time to avoid learnings or ad fatigue from creating the difference. Use this approach when...

- ... You want to take small decisions or decisions that impact only the choice of creatives in question.
- ... You are not ready to sacrifice a lot of the campaign performance during the test.

Directional Testing: You can always let the Facebook algorithm choose by running different creatives in parallel and compare their performance using Smartly.io’s Pivot Tables.



MODULAR APPROACH TO EMPOWER ITERATIVE CREATIVE TESTING

The Smartly.io Platform allows advertisers to use a modular approach to optimize creatives by iterating hundreds of variations using our creative automation tools. Instead of relying on a limited amount of creative assets with high ad fatigue risk - a modular approach enables multiple variations with tailored content for different audience groups and across various mediums. And by properly tagging creative assets, our platform Pivot Tables can give you very granular insights on how the different elements of your creatives perform and the performance interdependency between these elements. With Smartly.io's modular approach, our customers can use iterative creative testing designed to test the most influential variables.

Iterative Creative Testing: allows you to test multiple creative factors at once to determine which combinations work best - this allows for more creative variety during the test and accounts for factor interdependence. We recommend using Smartly.io's Modular Approach to creative production when using this type of an iterative creative testing approach. We also recommend starting with the most influential creative elements first, as it's impossible to test everything without compromising test results.

IMPORTANT CONSIDERATIONS

- Launch all ads tested against each other at the same time to avoid learnings or ad fatigue from creating the difference.
- You may use Smartly.io's feature Predictive Creative Optimization to get a more even distribution of spend between ads and ensure each ad gets a fair chance to perform.
- How long to test:
 - ➔ Match test duration and budget with test importance
 - ➔ A good rule of thumb is to let each and collect at least 5–20 conversions depending on overall volume and CPA



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Summary



If you need to get important insights: a split test.

For example, when test results can inform creative (or even business) strategy and can guide creative asset creation over a longer period of time.

If you need to keep good performance while testing and/or need to test a large number of different variations: directional testing.

Here you most likely won't be able to pinpoint the specific creative elements that made the performance difference (was it the color or the ad copy?), but you're able to test and iterate quickly without sacrificing performance.

When the performance of creatives varies by the attribution model applied: a multi-cell lift test.

Since lift tests are 'attribution free,' they are useful to analyze the performance of the Creative Mix using different attribution models. You may find that static performs better when applying a Click-Only attribution model, but adding video into the mix drives better performance with a View-Through attribution model. There is a conflict between these two models, which makes it difficult to assess which model is more reliable.



Bonus Section

HOW TO STRUCTURE TEST CAMPAIGNS?

Set up a separate test campaign.

You can simplify things for yourselves and drive more impact by using the following approach: constant and consistent testing is essential, so having a separate test campaign can help you with your testing initiatives. Our recommended campaign structure is in the chart, on the following page.

Alternatively, you can...

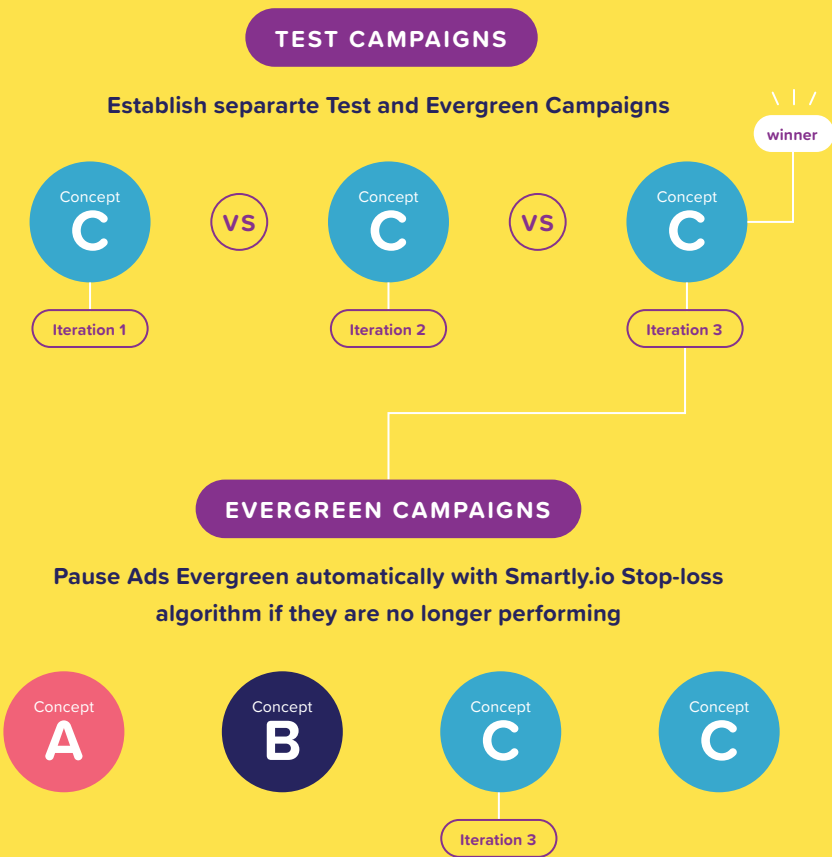
... Use a separate geo for testing as described:

- 1 Evergreen campaigns run for most of the markets, test campaigns run on a separate non-overlapping region
- 2 Best performers from test campaigns are moved to evergreen – others are paused
- 3 Pause ads in evergreen campaigns automatically with Smartly.io's Stop-Loss algorithm if they are no longer performing

... Leave winning ads running in the original campaign:

- 1 Launch new ads in a new campaign
- 2 Pause non-performing Ads with Smartly.io's Stop-loss feature
- 3 Leave winners running in original campaigns until they stop performing (paused by Stop-loss)

How To Structure Test Campaigns?



Best performers from Test Campaigns are moved to Evergreen – others are paused

WHEN TO TEST?

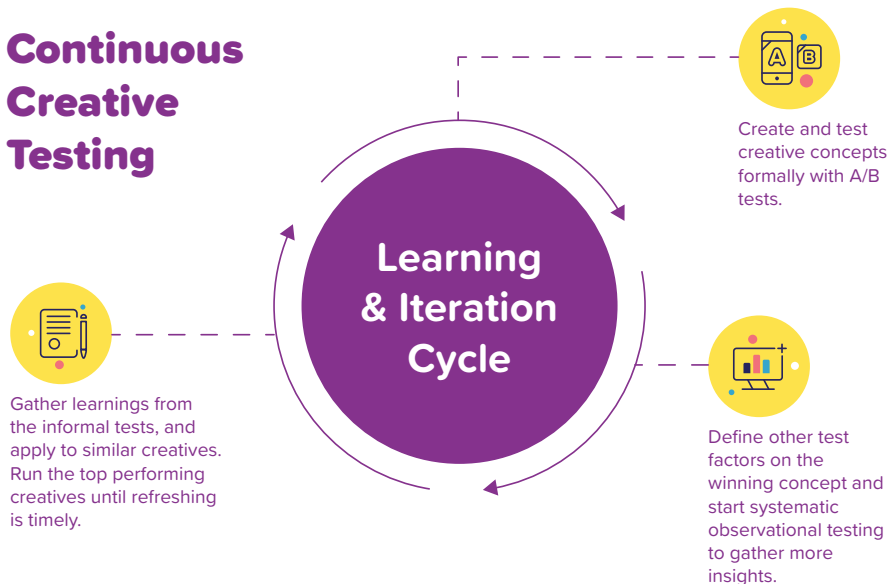
- Testing frequency is important. We have seen that some of the most advanced advertisers like Techstyle and ThirdLove create as many as 2-3 new Creative Concepts per week.

- Do not test during busy periods as formal ad studies can scrutinize performance.

It's best to look for business-critical insights during slower periods so that you can apply the findings when results matter most: e.g. validate your creatives before big sales periods and then run with the most successful iterations.

- Most successful brands test continuously - have a test & learn agenda with your customers and seek to question the status quo and validate new hypothesis.

Continuous Creative Testing



#	Test	Test Type	Type	Status	Start Date	Estimated Duration
1	New Creative Concept A	Creative	Informal Test	Planned		2–5 weeks
2	New Creative Concept B	Creative	Informal Test	Planned		2–5 weeks
3	Localized creative with Automated Ads	Creative	Split Test	Planned		2 weeks
4	Video Templates with 3-5 variations	Creative	Split Test	Planned		2 weeks
5	Image Templates with 3-5 variations	Creative	Split Test	Planned		2 weeks
6	New Creative Concept C	Creative	Informal Test	Planned		2–4 weeks
7	Adding Collection Ads into the Creative Mix	Creative	Split/Informal Test	Planned		2 weeks
8	Adding Video to Creative Mix on top of Dynamic Ads/Video Templates	Creative	Multi-Cell Lift Test	Planned		2 weeks

WHAT TO PRIORITIZE IN THE TESTING PLAN?

- Funnel Steps or Audience Segments with the highest spend and importance or lowest performance
- Finding new creative concepts to tap into new audience segments
- High-impact executional details, such as opening frames of a video and localization
- Testing creative formats – especially the mix between static and video

Why Partner With Smartly.io?

Smartly.io automates every step of your social advertising to unlock greater performance and creativity. We combine creative automation, ad operations, and outstanding customer service to help 600+ brands scale their results – not headcount.



INNOVATE FASTER

Access what's new before the competition.



MEASURABLE RESULTS AT SCALE

Watch your ROI soar.



EFFICIENCY THROUGH AUTOMATION

Wave goodbye to manual work.



EXTENSION OF YOUR TEAM

No tickets or waiting. We answer and solve fast.



CREATIVE AUTOMATION AND SERVICES

Personalized ads, better business.

Smartly.io ffices

AMSTERDAM

Mindspace Amsterdam Dam
Nieuwezijds Voorburgwal 162
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AUSTIN

WeWork
316 W 12th St - 6th Floor
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10117, Berlin

BUENOS AIRES

Torre Bellini Esmeralda
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DUBAI

Astro Labs Dubai
Parkside Retail Level Cluster R
JLT, Dubai

DUBLIN

Dogpatch Labs
The Chq Building, Custom House Quay,
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with your Customer Success Manager.

CREATIVE STUDIO SERVICES