

Intelligent Effectiveness:

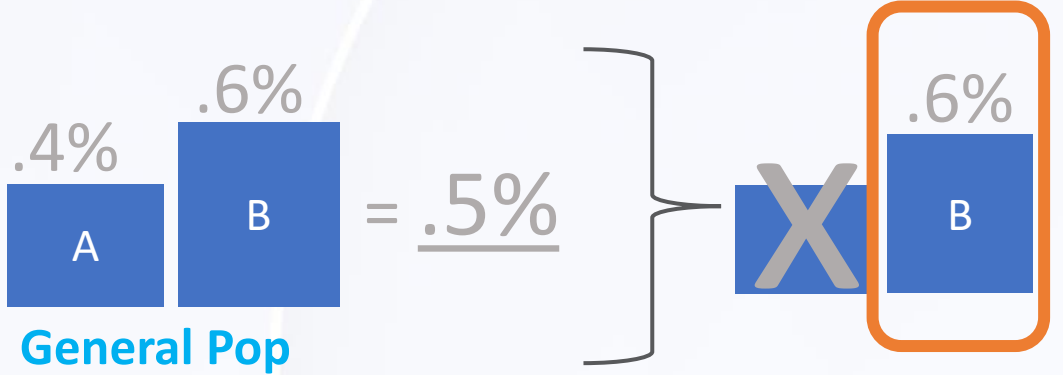
Measuring the ROI of AI on Optimization and Personalization

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Thesis For Our Research

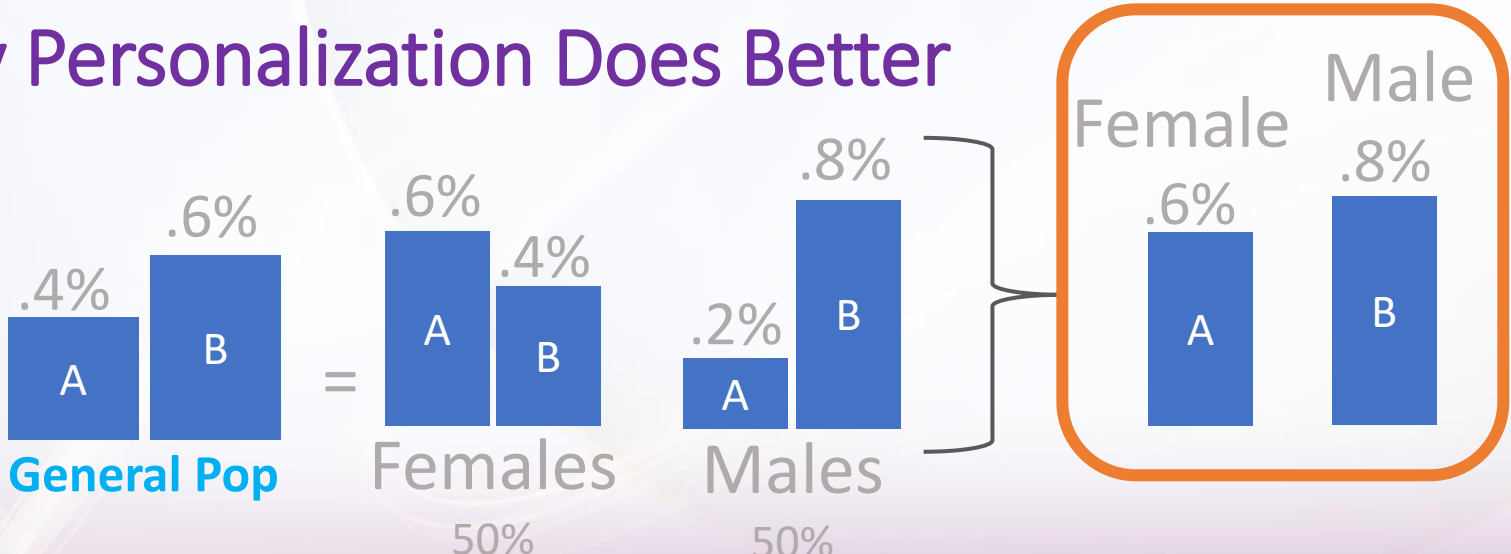
- Based on a series of studies for the Ad Council, we learned AI personalization increases conversion by more than 50% while neutralizing the negative impact of signal loss from cookie deprecation.
- Through AI Personalization, Marketers can not only **deploy a greater variety of more customized messages** but ensure that these **messages are served to the right audiences,** and ultimately improve lift and sales.

We 'know' that AI Personalization Works



2 Versions x 1 audience =
20% lift

Why Personalization Does Better

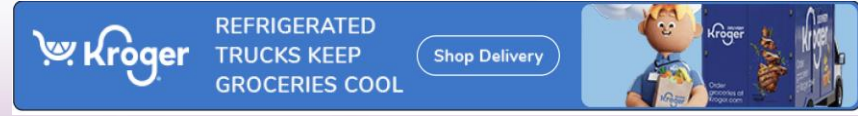


In reality, we have more versions, so we use DCO

72 Total Versions:

(3 sizes x 3 templates x 3 images x 2 headlines = 54)

(3 sizes x 1 templates x 3 images x 2 headlines = 18)



The Real Question is How Do You Create Rules for Millions of Audience Combinations?

72 Total Versions

1,852,200
 Audience variations



133,358,400
 Opportunities to find value in the Interactions between message & audience



- DMA X
- Time X
- Day of Week X
- Device OS X
- Connection type X
- Segment X
- Other data signals X

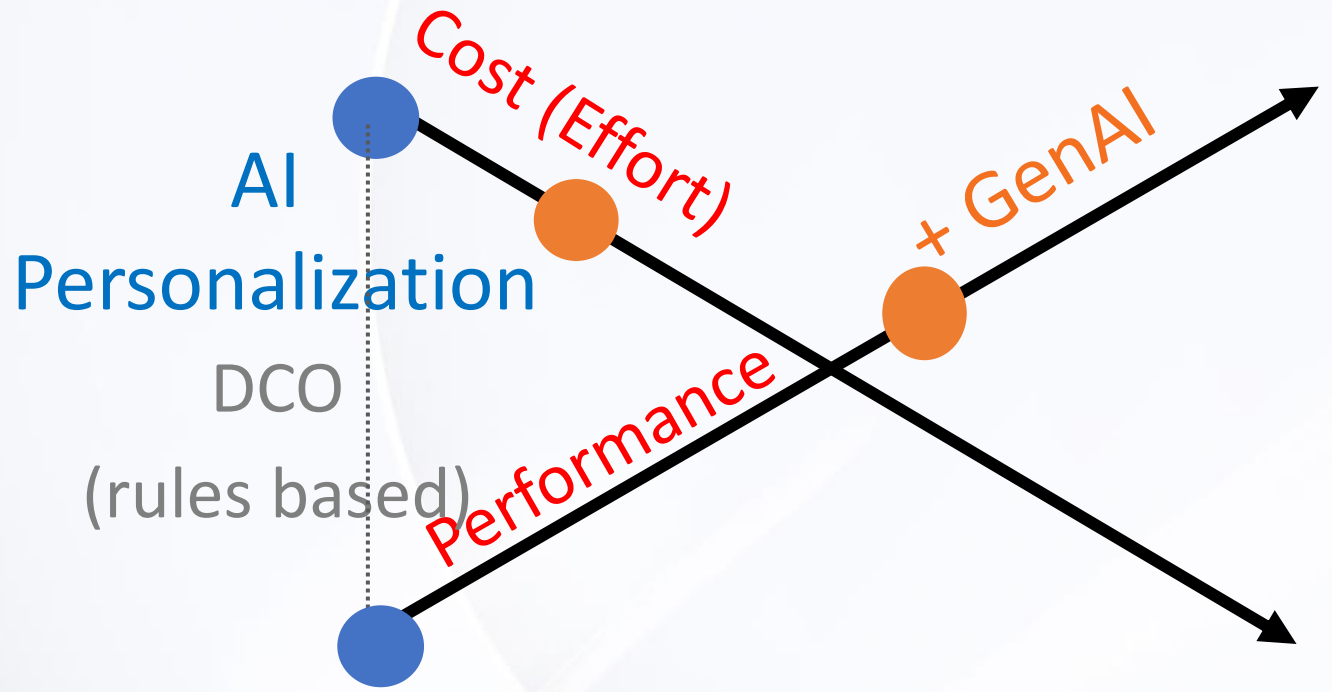


The Hypothesis is that AI allows you To Harness Those Combinations

The result showcases how more of little optimizations add up to big gains







...and that AI Personalization can deliver large performance gains without large costs



- 2-3x More Lift
- Half the cost (effort)
- 400% to 600% higher ROI

Let's see some results...

DISPLAY	OTHER FORMATS
1 	3 
2 	4 

Case Study 1:

Kroger tested AI-optimized versions from a library of pre-approved DISPLAY assets

Template + Image + Headline = 24 Combinations in this Ad Size

Dynamic creative

Template: Template: Standard
Template: Split
Template: Isolated
Template: Flying

Image: [Dropdown]

Headline: \$15 off your first 3 delivery orders

Dynamic creative

Template: Template: Standard

Image: Austin Delivery Bags
Delivery Track
Delivery Man

Headline: [Dropdown]

Dynamic creative

Template: Template: Standard

Image: Austin Delivery Bags

Headline: Refrigerated trucks keep groceries cool
\$15 off your first 3 delivery orders

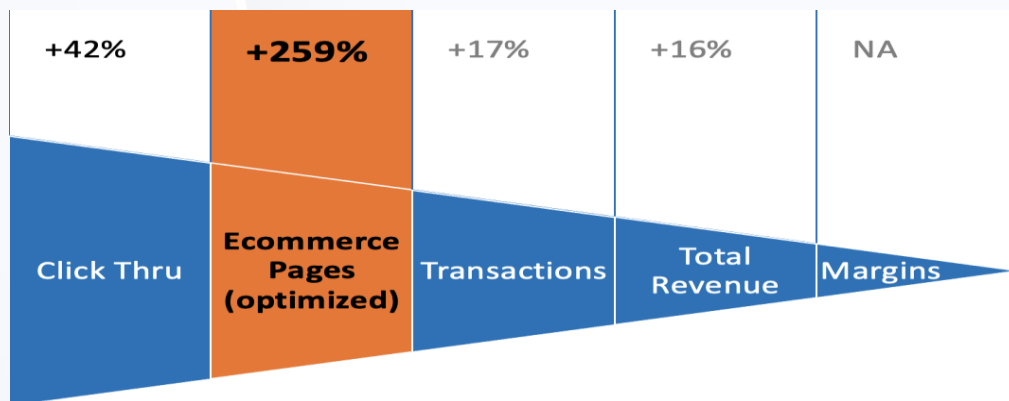


Creative elements for 1 of the 6 ad sizes in the Kroger campaign

Theme 1: The Upside is BIG

Kroger's test resulted in a 259% increase for the target KPI over the randomized control

Results



Key Learnings

- AI optimization of display ad creative can deliver even larger performance gains than expected
- Ads for newer products may be more easily impacted by this type of optimization
- Creative development requires new approaches to the briefing process

Case Study 2:

ADT tested AI optimization in a display campaign with 81 distinct DISPLAY variations of the creative

Test Parameters

Brand: ADT

Product: Home alarms

Media Type: Display

Ecosystem: Open Web

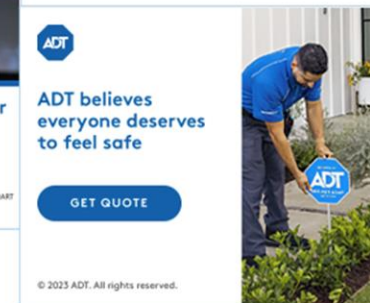
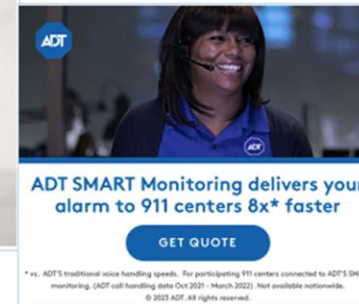
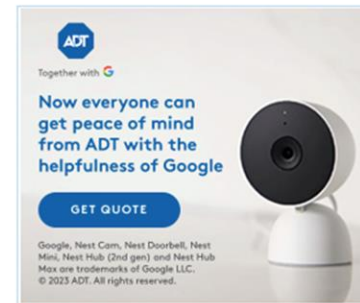
Data Provided to ML Model: DMA, Time, Day of Week, Device OS, Connection type (cable, mobile, corporate, etc.)

Optimized KPI: Webform submit

Creative

81 Total Versions:

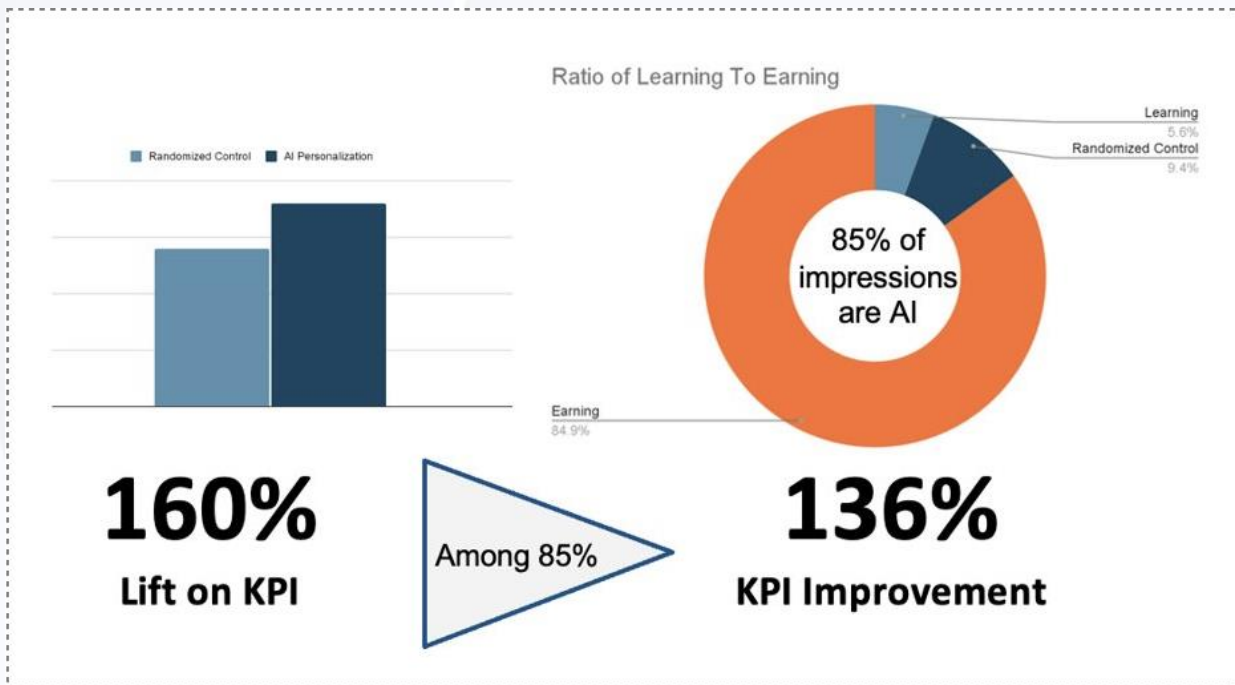
(3 templates x 3 images x 3 headlines x 3 CTA = 81)



Theme 2: Audience matters

ADT's test resulted in a 136% increase for the target KPI cell.
 Could it have been bigger if the test used BAU audience?

Results



Key Learnings

- AI optimization of creative in display ads can deliver significant gains
- **Controlling for all variables is critical:** in this case, media targeting was initially different from BAU but improved when targeting was aligned with BAU

Case Study 3:

GM tested AI optimization of creative in 2 different VIDEO campaigns

Creative

Test 1: 15 Total Versions

Test 2: 243 Total Versions

Test 1 Parameters

Brand: 

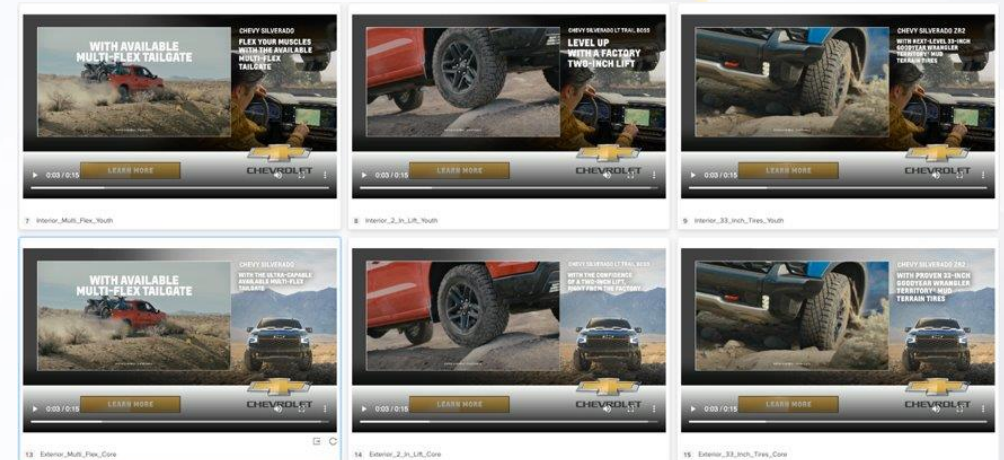
Product: Chevrolet Silverado

Media Type: Video

Ecosystem: Open Web

Data Provided to ML Model: Segment
(core, youth), Device OS, Connection type
(cable, mobile, corporate, etc.), US geo

Optimized KPI: Webpage visit

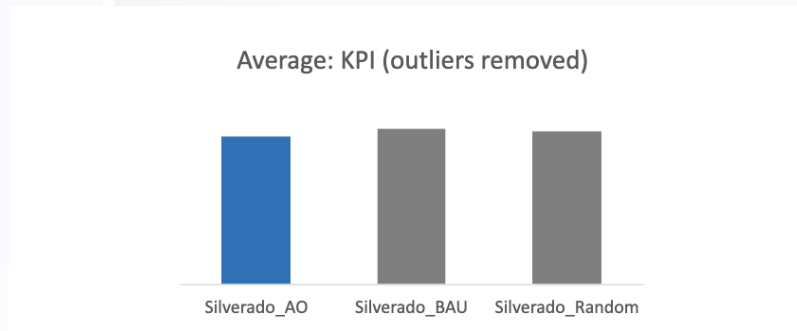


Theme 3: The need for creative diversity

GM's tests highlight how critical creative differentiation is when using AI personalization

Results

- Test 1 yielded no significant performance improvement:



- Test 2, with more creative variation, demonstrated 68% lift against target KPI

Key Learnings

- ML models struggle to deliver gains without sufficiently diverse creative
- Creative versions should be both visually differentiated and speak to different benefits of the product
- Successful use of AI optimization begins with the creative briefing process

Case Study 4:

Monday.com tested a campaign with 16 AUDIO versions



Without AI

- 2 Intro Voice (Male/Female)
- 2 Continuation Voice (Male/Female)
- 2 CTA Voice (Male/Female)
- 2 CTAs (click vs visit)
- 4 A/B experiments from the 16 versions

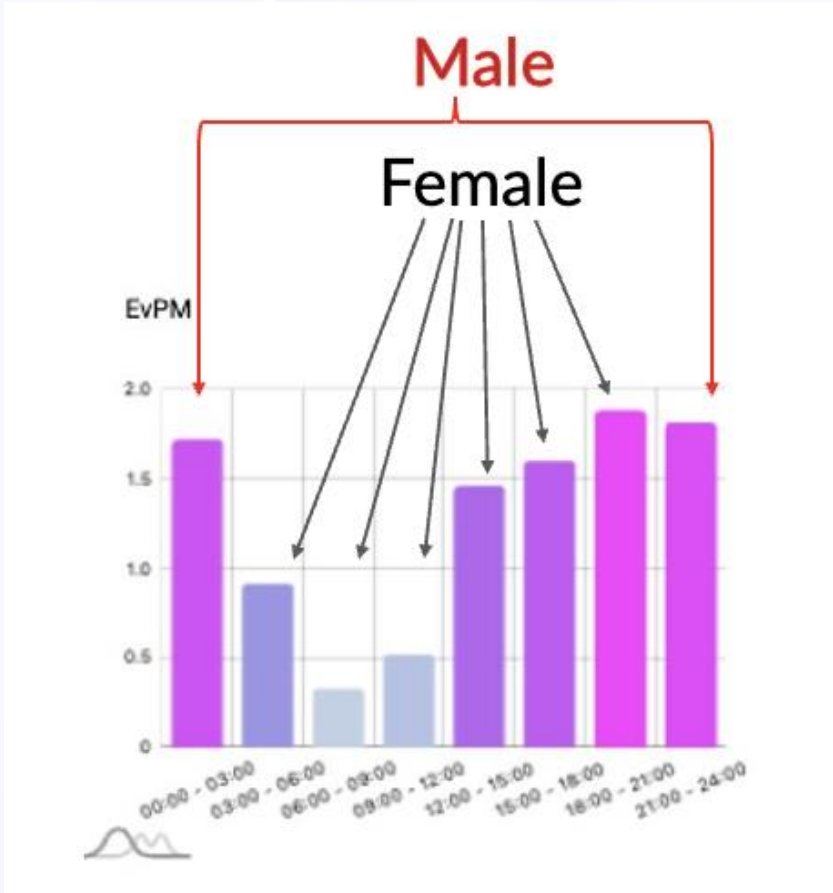
With AI

29,635,200
Interactions of the 16 versions

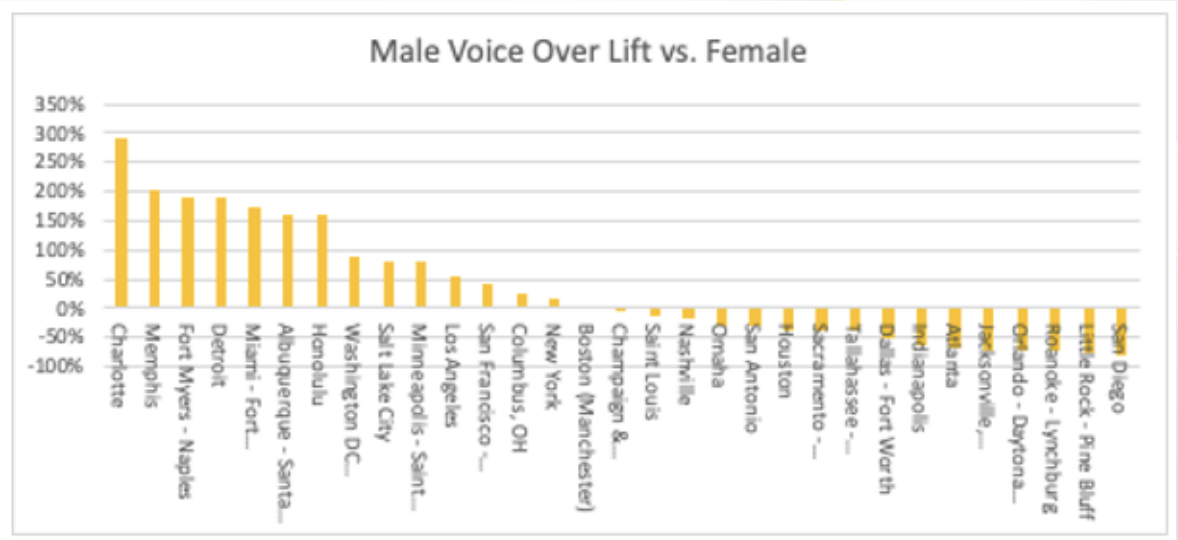
188% Improvement compared to without AI

\$31 ROI on AI

Theme 4: The Power of Interactions



For the main script (not including CTA), full female voice-over (VO) outperforms male voice by 25% in the randomized control group.*
 - Except, if in certain cities



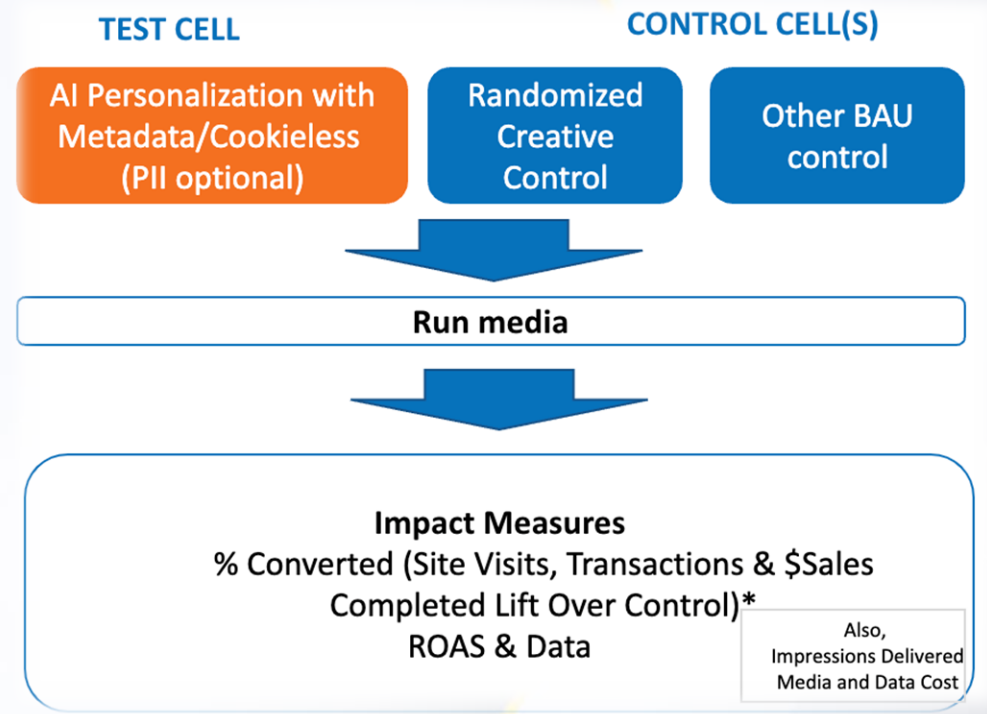
What we know so far...

	Kroger	ADT	GM	monday.com
Theme	Upside is BIG	Audience Matters	Creative diversity	Power of interactions
KPI Improvement	+259%	+136%	Test 1: +68% Test 2: No lift	+188%
Media Type	Display	Display	Video	Audio
KPI being optimized	Webpage visit	Web form submit	Webpage visit	Website visit & App install
# versions	72	81	15	16
Ecosystem	Open web	Open web	Open web	Open web
Data available to ML model	DMA, Time, Day of Week, Device OS, Connection type (cable, mobile, corporate, etc.)	DMA, Time, Day of Week, Device OS, Connection type (cable, mobile, corporate, etc.)	Segment (core, youth), Device OS, Connection type (cable, mobile, corporate, etc.), US geo	DMA, Time, Day of Week, Connection type (cable, mobile, corporate, etc.)

Research Approach

Overview

1. Experimental design of AI vs randomized creative control or/and BAU.
2. Initial focus on Advertising (future phase can measure website landing pages and other touchpoints) and digital KPIs such as online site visit, sign-up/registration, purchase, eComm transaction, or other similar conversions.
3. Media types/formats:
4. Display
5. Video
6. Audio
4. Process and cost elements:
 - A. Media:
 1. Advertiser to select media partners; MMA to work with media partners to set up experiment
 2. ~40MM impressions needed for AI cell; ~1MM for BAU control; media and tech cost to be covered by advertiser
 - B. AI Technology:
 1. We have pre-screened AI vendors that can partner with the MMA and support the test
 2. Other AI partners may be considered as needed.
 - C. Research execution:
 1. MMA to oversee the setup and execution of the experiment



* Digital conversion KPIs only in this phase

Participation Benefits

- 1.Immediate return on investment:** We expect to find a 30 to 60% lift from the AI Personalization of advertising alone, and suspect that figure will grow as website and other experience touchpoints are personalized in the future (based on past analysis)
- 2.Participation in the consortium:** Advertisers will have early access to insights from other participating marketers and the ability to multiply learnings - better able to evaluate their results and support action
- 3.Discounted cost of execution:** MMA covers the largest part of the research cost and has partnerships with AI companies to provide cost-effective access to cutting-edge technology
- 4.Thought leadership:** Ability to showcase findings to the MMA membership and the Industry at large through MMA events, publications etc. NB: Participation in the study requires that the advertiser is willing to share some branded, non-confidential results publicly *

Participation Requirements

1. Advertising campaign...

- on the open web (Programmatic, Mobile, Desktop, CTV),
- using Audio, Video or Digital Display,
- with approximately 40 million impressions over a 4-to-8-week flight.

2. Low latency KPI, meaning the key performance indicator is triggered shortly after exposure to the advertisement (less than a week is low latency).

- Digital KPI (page visit, registration, e-commerce purchase, App Install, App use, etc.).
- Branding KPIs, such as brand favorability, brand perception (A brand for someone like me), purchase intent, etc.
- Offline purchase or visit (provided data can be piped to AI optimization using an agreed-upon identifier on a real-time, hourly or daily batch).

3. Lead time to develop a matrix of message features:

- For audio, different voiceovers, different music, different scripts, different calls to action.
- For Video, features like audio with the addition of different visuals including the video itself and the end card (special focus on the first 3 seconds is encouraged).
- For Digital Display, different ad images, headlines, calls to action and advertisement layouts.

4. Participation fee

- \$35K fee to offset some of the MMA's cost to manage the study, conduct analysis, and produce insights for your organization.
- Note that fee does not cover media or technology costs, but we do have a list of vendors we have worked with who can support this test at a reasonable cost

Thank You

Headline

Font Type:

- ❖ Headline: Gotham Bold
- ❖ Body Text: Gotham Black

Font Size:

- ❖ Headline: 48-54
- ❖ Body Text: 28-36