CREATIVES that drive ROI

- Actionable Step -

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WELCOME

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C O N T E N T S

INTRODUCTION

Promotional activities are an important part of a business, both for small businesses and large-scale businesses with different goals. One of the media that is often used by entrepreneur is Facebook Ads. However, entrepreneur often use advertising without taking into account the effectiveness of the advertisement.

Darshana Design Studio engaged in the creative field, so we try to investigate, to prove whether the creative we create is useful and effective to our partners.

The objectives of this report is to identify the commonly used Facebook Ads design elements among SelfMade Facebook Ads and evaluate their association with a higher ad Click-Through Rate (CTR).
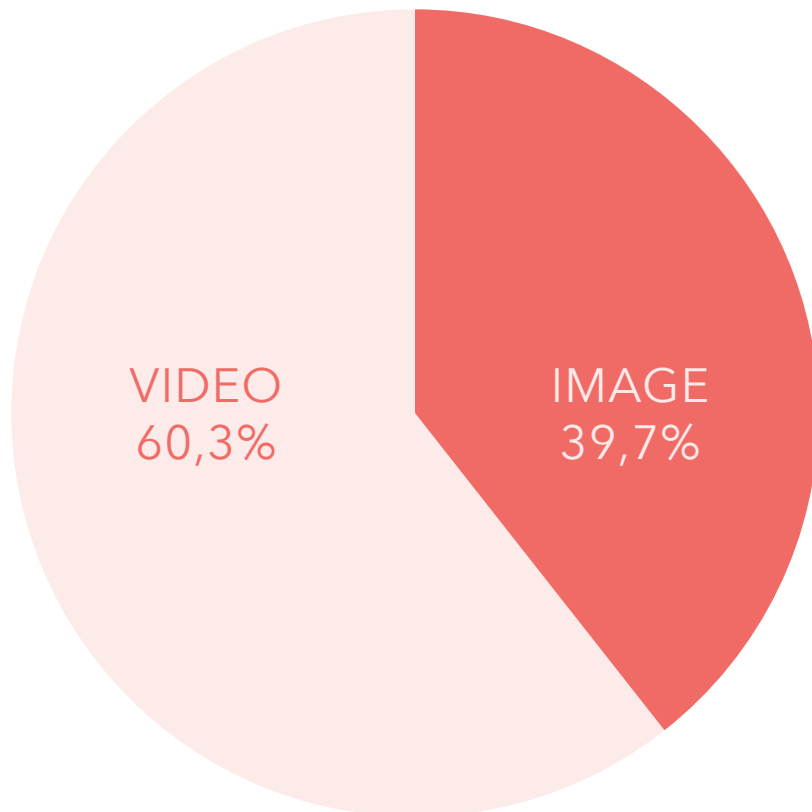
We separate this report into 2 part :
- ◉ Things that associate with CTR
- ◉ Proposed actions to collect more data and expand body of knowledge.

*In general,
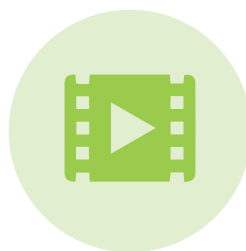most of the things we did
have been associated with
optimal CTR.*

Videos Should be Used More Often

VIDEO
60,3%

IMAGE
39,7%

No surprises
the human eye is
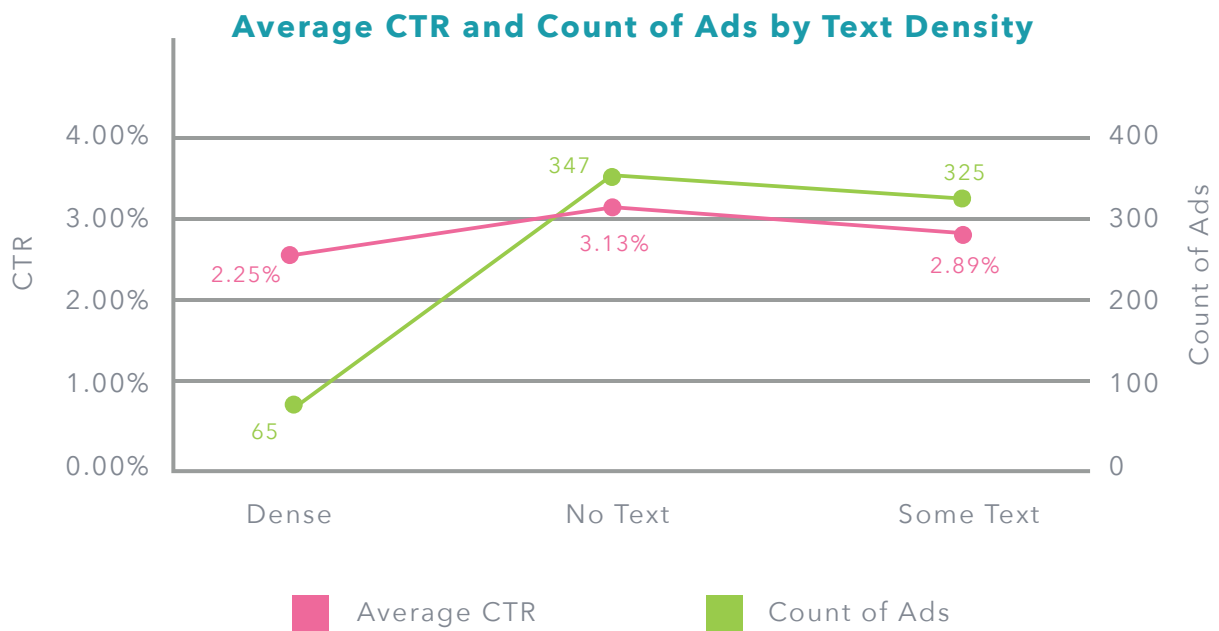attracted to motion.

Moving Ads
(Average CTR = 3.19%)
outperform Still Ads
(Average CTR = 2.67%)

Despite this,
SelfMade's Facebook
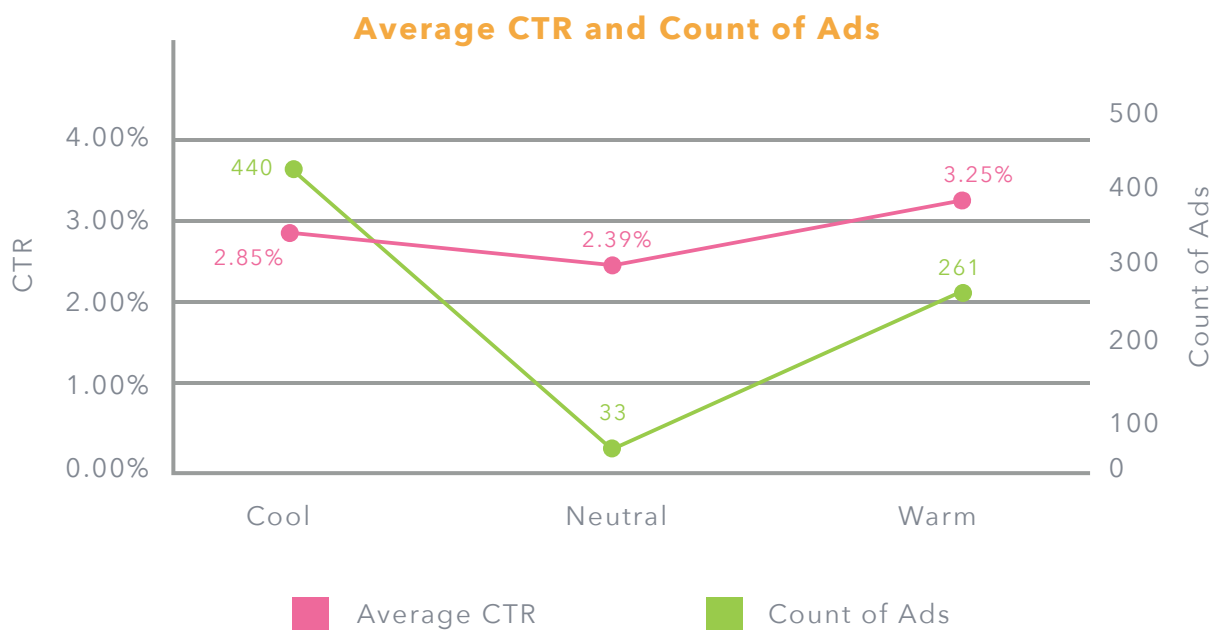Ads from April - June
are still mostly images.

Avoid Too Many Text in the Creative

Average CTR and Count of Ads by Text Density

Chart showing CTR and Count of Ads by Text Density. Data points:
- Dense: Average CTR 2.25%, Count of Ads 65
- No Text: Average CTR 3.13%, Count of Ads 347
- Some Text: Average CTR 2.89%, Count of Ads 325

Legend: Average CTR (pink), Count of Ads (green)

A little bit of text is FINE

Ads With Warm Colors Perform Best on Facebook

Average CTR and Count of Ads

Warm colors contrast Facebook's design.

Avoid Dark Ads

Average CTR and Count of Ads by Brightness
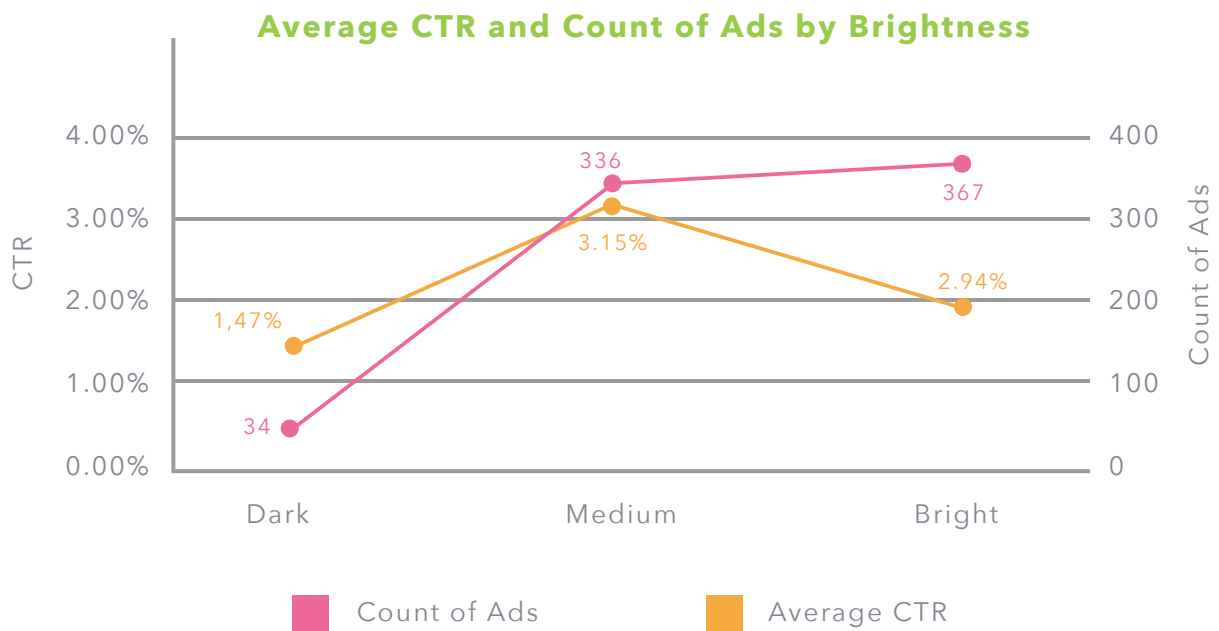
Dark colors does not attract views and does not make the ad stand out.

Utilize the Brady Bunch Effect more

Still Ads Elements	Average CTR	% Ads Using Element
The "Brady Bunch" Effect	**6.15%**	1.86%
Animating Single Photo	3.74%	3.96%
Animating Multiple Photos	3.32%	37.30%
Animated Text	3.28%	27.27%
Animated Graphics + Illustrations	3.28%	16.78%
The Slide Effect	2.19%	11.89%
Stop Motion Effect	2.17%	0.47%
Photo and Video Combo	2.02%	7.93%
Multiply Effect	1.85%	5.59%
Stock Video with text	1.51%	2.80%
Flat Lay GIF	0.59%	1.17%

Although in general,
animations trump specific effects.

Carousel or Collage Types Do Not Matter

Still Ads Elements	Average CTR	Minimum CTR	Maximum CTR
Product with Graphics	2.92 %	0.17%	9.16%
Single Image Carousel	2.75%	0.58%	5.75%
Photo Collage	2.72%	1.70%	6.71%
Photo Carousel	2.66%	0.09%	17.65%
Photo Flat Lays	2.58%	0.38%	6.48%
Photo Carousel with Text	1.54%	0.57%	2.33%

For showing **multiple products**,
using the Brady Bunch effect might work better.

Proposed actions to collect more data and expand body of knowledge

The Research Needs to be Periodically Update

1

Creative trends can change in the span of a few months.

2

Propose to **redo analysis every 3 months** to analyze changes in distribution of creative elements used and its associated CTRs.

3

Analysis should **highlight what is effective, what is not, and what has changed** from our previous analysis (April - June 2019).

Further Research is Needed on Social Proofing and Promotion

We **do not have enough data** to evaluate the effectiveness of both using social proofing and all forms of promotions.

A/P testing is needed with the following criteria

01 The partner has **enough ad spend** ready to be allocated.

02 The partner has **some form of social proofing ready** for use or are **willing to use promotions.**

03 The control and the ad with social proofing or promotion must be **run simulationeous- ly on the same budget and duration.**

Future Data Can be Analyzed with Alternative Methods

While traditional regression is simple and effective, its estimates become **unstable when dealing with unbalanced data.**

The data can be re-analyzed with several methods:

- ◉ **Lasso regression** automatically removes irrelevant variables, making estimates more accurate and stable agaNts data imbalance.

- ◉ **Non-parametric tests** can be used to determine the significance of the variables without having a balanced data. The difference in each group's average CTR can then be used to estimate its percentage improvement.

- ◉ Otherwise, linear regression can still be used, but the data can be first manipulated with **bootstrapping** to overcome any data imbalance.

Obtain Benchmarks for Campaign Types

With the adoption of the new Facebook Ads naming conventions, we can divide ads by its campaign types more effectively.

This will allow us to **evaluate creative distribution and performance by campaign types,** further tailoring our strategy.

With more data, we can **set CTR benchmarks** for each campaign typ and even segment it by vertical type.

Miscellaneous

1

Compare CTR of brands with warm color editing preferences and those with cool editing preferences.

2

Investigate screen ratio (portrait vs landscape vs square) and its impact to CTR

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