CONSUMER ACQUISITION

2020

The Definitive Guide Of Facebook Ads Creative Strategy, Creative Testing and Launching New Games

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User Acquisition Is Dead!

Advertising has always been a blend of art and science. Even in Q1 2020, as user acquisition advertising goes through massive change, performance is still about art and science.

Or more specifically, about algorithms and creative.

Every few months for the last few years, the machine learning algorithms at Facebook and Google have rolled out significant new updates. These updates have made the platforms' algorithms increasingly more efficient at managing bids, budgets, placements, and audiences.

At some point last year, the algorithms tipped the scale. They became better than humans at managing many parts of user acquisition.

So, user acquisition managers can now automate more of their work, but they also have less control. Levers user acquisition managers had previously used for campaign optimization are gone.

This has fundamentally changed how UA advertising is done, and it's time advertisers changed with it. Not in incremental, halting ways, but in step with the scale of these changes. Because "the rise of the machines" – the algorithms, that is – has sweeping ramifications of UA managers, the social ad industry, and third-party ad tech tools. It requires us to advertise very differently than we did even six months ago.

The most significant consequence of all of this, and the thing that will shape our industry more than anything else, is that creative is the most important advantage that social advertisers have left. Whoever builds the best creative and understands how to efficiently test and identify winners will dominate Facebook and Google advertising in 2020 and beyond.

Is that overstating the changes? Is it hyperbole to say "UA is dead" or "ad tech is dead," or that user acquisition managers need to completely rethink how they approach media buying?

We don't think so. And we think you'll agree with those statements after you've finished reading our perspective.

But first, let's do a quick recap of how we arrived at "user acquisition is dead". It will help us understand where we are in Q1, 2020 and how rapidly things can change.

How We Got Here

Back in ancient times, like early 2015, UA managers chased volume. We optimized for app installs and created hundreds, even thousands of campaigns and ad sets so we could test every possible variable in a campaign. We set up intraday bid and budget ad tech solutions that rivaled high frequency stock trading desks.

We were the quants.

Then the algorithms came of age. Google launched App Campaigns (at the time, under the name "Google Universal App Campaigns"). Overnight, all app advertising campaigns on the platform were automatically switched over the new campaign type, and the Google Ads' machine learning algorithm took over the controls of budgets, placement, bids and audience selection. They created an efficient social advertising black box.
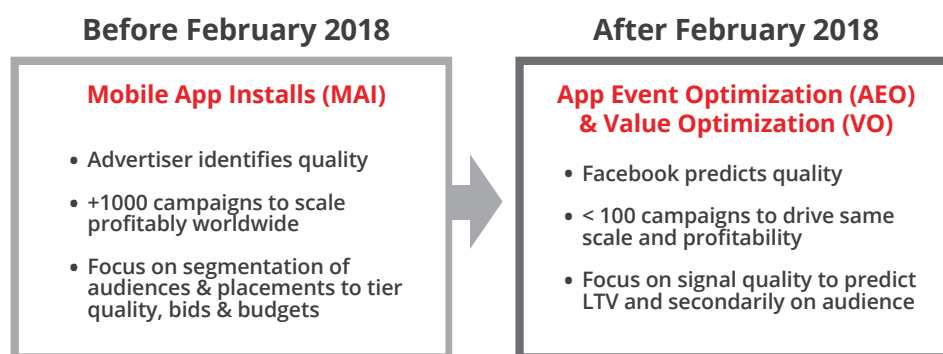
If you were okay with automated campaigns, even if it meant you had far less control, this was all good news. As Google put it at the time.

"All you need to do is provide some text, a starting bid, and budget, and let us know the languages and locations for your ads. Our systems will test different combinations and show ads that are performing the best more often, with no extra work needed from you."

Facebook took a different approach. Instead of modifying their algorithm in one sweep, they have incrementally automated certain levers, and they've usually made those changes optional.

But Facebook, like Google, has been moving toward algorithm-controlled media buying for a while. AEO (App Event Optimization), VO (Value optimization) and LTV (lifetime value bidding) were some of their first steps. (Google implemented their own Value bidding in August of last year.) Advertisers could specify those types of optimization goals and then let the algorithm figure out how to best get the most financially viable new users for the price set by the advertisers.

Then around February 19, 2018, Facebook introduced the idea of significant edits. Suddenly, those frequent intra-day changes we had been making were no longer a good thing. Instead, they triggered what Facebook calls "the learning phase," a campaign status where the algorithm had to re-adjust. Slowing the algorithm down by triggering the learning phase could suppress ROAS or more and reset their learning engine.

Before February 2018	After February 2018
Mobile App Installs (MAI)	**App Event Optimization (AEO) & Value Optimization (VO)**
• Advertiser identifies quality	• Facebook predicts quality
• +1000 campaigns to scale profitably worldwide	• < 100 campaigns to drive same scale and profitability
• Focus on segmentation of audiences & placements to tier quality, bids & budgets	• Focus on signal quality to predict LTV and secondarily on audience

Throughout the latter part of 2018 and 2019, both Facebook and Google continued their incremental progression toward automated media buying. These changes were primarily focused on budget / bid management, ad placements, and audience selection.

Inch by inch, they've been moving us towards fully automated user acquisition media buying.

While they've been very successful in automating media buying, they have not cracked the code on creative automation.

Sure, both platforms took steps toward automating creative testing — Google with its ad variations, and Facebook with its Dynamic Creative. And while those new tools are helpful, both features were in essence just taking pieces of creative and re-assembling them into new variations using multivariate techniques.

At least for now – and probably for the next few years – humans are the primary drivers of creative ideation production and optimization.

As machine learning algorithms improved with bid, budgets and placements, all the "features" that had been rolled out started to gel into a new way enabling near fully automation media buying.

In mid-2019 Facebook rolled out their Power5 recommendations, and then a few months later enhanced them further with their Structure for Scale best practices. That was the signal to advertisers that these features were no longer a series of experiments: We had crossed over into a new kind of automated advertising and we all needed to prepare.

The roll-out of Campaign Budget Optimization got more attention than the earlier updates, but was just more evidence that the algorithms were preparing to automate. They could manage certain parts of UA advertising better than people could and did so without bias, rest or complaints.

Now that Facebook has rolled out CBO, we've moved one step closer to total automation. Humans no longer pick bidding strategies. And really, the most powerful lever UA managers have now in Q1 is which optimization event they target (purchase, registration, level achieved, etc.). Being able to pick which event you optimize for in the sales funnel has a powerful impact on campaign performance, and is an elegant application of Facebook's Structure for Scale best practices. We expect Google Ads to make a similar update in the first half of 2020.

What Facebook's New Structure for Scale Best Practices Mean for Campaign Management

So automation isn't just coming – it's here. If you're doing UA advertising the way you used to do it even six months ago we know you could be optimizing better.

Facebook may have implemented a lot of changes in the last few years (as has Google), but they gave us a valuable new playbook last year in their Structure for Scale best practices.

Basically, Structure for scale is designed to optimize campaign setup and management in a post-AI advertising world. It's a set of best practices advertisers should adopt if they want the Facebook advertising algorithm to operate at peak performance. Many of the recommendations for Facebook listed here can also be applied to Google App Campaigns. Structure for Scale is an evolution of the Power 5 recommendations Facebook released earlier in 2019 and honestly, shows how quickly things are changing.

Those best practices (at least for now) include:

- Reducing the number of campaigns and ad sets.

- Setting campaign optimization budgets (CBO) so each ad set can achieve 50 unique conversions per week.

- Moving optimization events closer to the beginning of the sales funnel for earlier signal completion.

- Reducing changes so campaigns and ad sets spend less time in the learning phase.

- Increasing reach and minimizing audience overlap so the algorithm can more efficiently find the right conversions, and thus has enough data to further calibrate and optimize all other campaign settings.

- Bidding aggressively enough to maintain delivery.

- Using creative asset customization and auto placements to let the algorithm figure out what works best

Here are just a few examples of the performance gains some advertisers have seen after adopting the Structure for Scale best practices:

- The National Holistic Institute applied Structure for Scale by consolidating their account's ad sets and turning on campaign budget optimization and automatic placements. It got them a 77% decrease in cost per lead, 4.9 times more leads, and a 230% increase in school enrollment.

- Ecommerce company Kortni Jeane, a swimsuit retailer, used Facebook's Campaign Budget Optimization and consolidated some of their audiences to get a 22x return on ad spend. And they got 57% higher revenue in February 2019 than they did in February 2018.

- Mino Games simplified its ad campaign structure and ran Facebook video ads with automatic placements. This increased installs and in-app actions, earning them a 90–95% higher average revenue per player on day 7.

- Jet.com expanded its placements to Facebook, Instagram, and the Audience Network. That got them a 334% lower cost per purchase and an 86% lower cost for traffic on the Audience Network.

Key Principles Behind Structure for Scale

So the benefits of Structure for Scale are clear. Here's how to apply them:

Simplify Your Campaign Structure

Basically, Facebook wants you to KonMari your campaigns and ad sets. To go from this:

Ad Sets
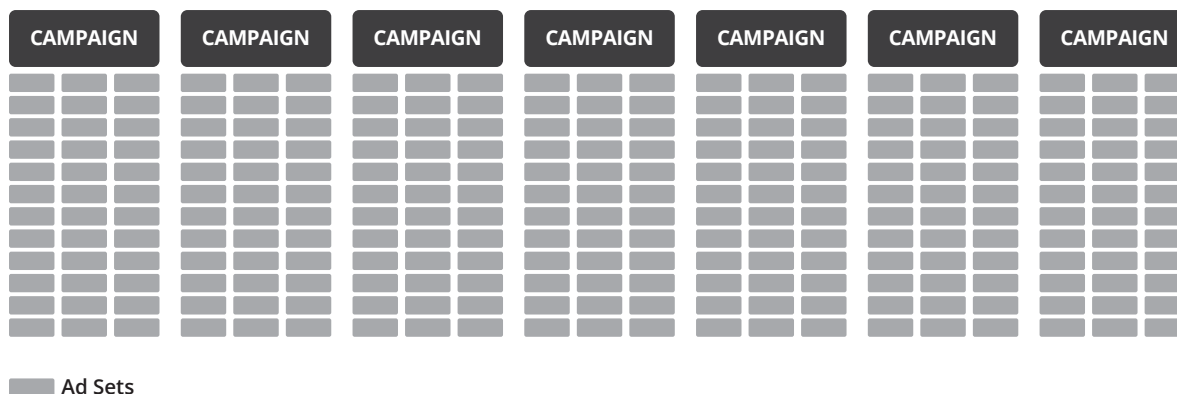
To this:

Ad Sets

Why? Because it gives the algorithm more room to learn and to more efficiently optimize.

To work well, the Facebook advertising algorithm needs enough data to crunch. This is core to how machine learning works, and it's a concept you must grok if you want to advertise successfully now and in the future and to believe in the process.

Here's why this is such a big change, and why it forces UA managers to give up so much control: Before we had an algorithm to manage campaigns, it made sense for human ad managers to create many (sometimes hundreds) of campaigns to control all sorts of variables – bids, targeting, audiences, placements. This lets us test settings, isolate audiences, and manage many other levers of campaign management.

One of the ways to improve the algorithm's performance is to simplify account structure by minimizing how many campaigns and ad sets you have.

Another way to improve performance is to use Campaign Budget Optimization to free up how efficiently your ad budget is spent. And yet another way to give the algorithm the flexibility it needs is to let it pick ad placements so it can test your ads across the 14 different placements available.

This means, of course, you're giving up control. Some advertisers don't like that. But here's how Facebook views this "control" versus "algorithmic optimization" quandary:

More Conversions   **More Control**

Which would you want: More conversions or more control? Personally, if I could be assured the value of those conversions is as good as what I was getting before, I'd go with more conversions.

But what happens if you can't cede control? If you insist on running your campaigns the old way?

Then your ads will stay in what's called "the Learning Phase" or "Ad Set Calibration" longer because the algorithm can't crunch data in the way it was built to do.

Staying in the Learning Phase for any longer than necessary is not a good thing. To get out of it, each ad set needs to generate approximately 50 unique conversions per week. To stay out of it, advertisers need to not make any "significant edits."

In a way, the learning phase and the significant edits that trigger it end up being almost a "human-management tax" on your campaigns. Facebook isn't overtly punishing us if humans intervene in the algorithm's work, but because the algorithm is now running the show, anything that impedes its work does tend to impact and slow down learning and performance.

This is the overarching principle in UA advertising right now: To remove limitations on the algorithm in order to gain conversions. Part of that means setting campaigns up in a way that allows the algorithm to do its work, and part of it means minimizing how much tinkering we do with the system once it's running.

While UA managers have lost a lot of control, they do still have a few key levers to guide their campaigns with.

Lever #1: Increase Audience Size
Facebook recommends four ways to do this:

• Increase retargeting windows beyond one to seven days.

• Merge your Lookalike audiences into larger groups. Facebook recommends 0-1%, 1-2%, 3-5%, and 5-10%.

• Group interest and behavior targets with high overlap together. Just make sure the creative strategy is the same for the groups you're merging.

• Minimize the audience overlap. Get smart about audience exclusions, including screening out past purchasers.

• We have a series of audience expansion recommendations later on.

Lever #2: Combine Placements

Facebook has 14 ad placements across its family of apps right now. Trying to manage them is complex, to say the least. So it's really better to let the algorithm manage placements, especially when you add in other performance factors like ad sizes.

Still don't want to give up control? Consider this: Facebook says shifting to automatic placements reduces cost per conversion by 71%. But if you just really must have control over where certain ads appear, use "Asset customization." It will let you choose which images or videos people see in your ads depending on where your ads appear.
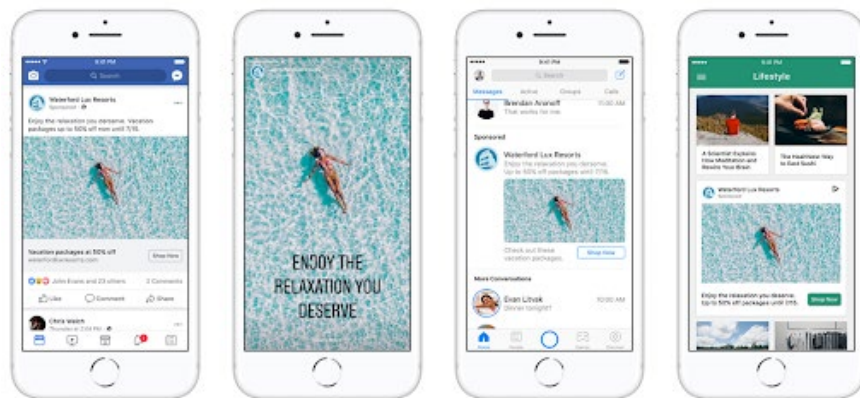
Optimizing performance across placements requires different creative formats, of course. Which is why Google has its own best practice recommendations for creative assets, both for the types of formats you use and for the number of variations you use for each format, as shown below:

Build a healthy asset portfolio

Optimal asset mix

TEXT cap: 4
IMAGE cap: 20
VIDEO cap: 20
HTML5 cap: 20
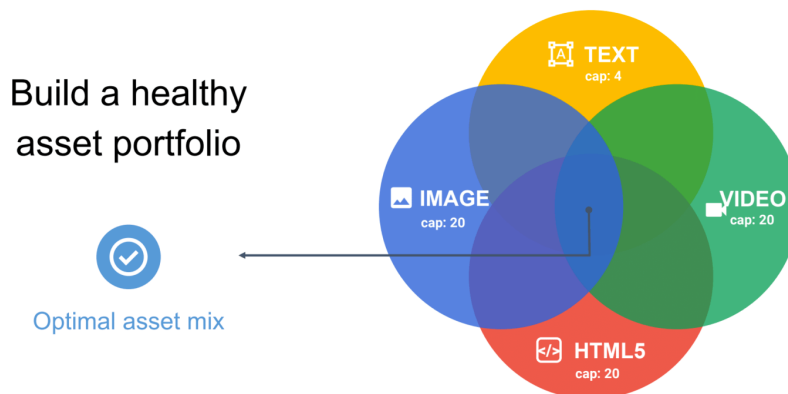
Google

Maximize inventory and user reach via creative asset mix

| 4 | 20 | 20 | 20 |
| text ideas | images | videos | HTML5 Playables |

from https://www.consumeracquisition.com/google-app-campaigns-new-tools-tricks-to-succeed/
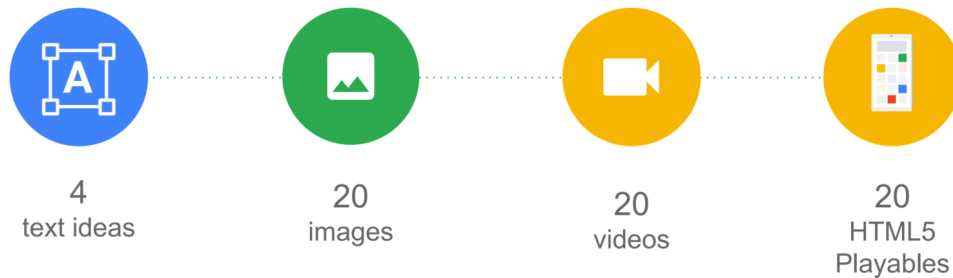
Google also recommends creating video ads in multiple lengths and aspect ratios. This gives the algorithm lots of different assets to use as it tests where your ads will perform best.

Lever #3: Increase Budget Liquidity

Even if you minimize control on every other aspect of campaign management, without freeing up your budgets, the algorithm is still constrained. So:

- Increase budget-to-bid ratio.

- Use Campaign Budget Optimization.

- Test creative at the ad level.

Lever #4: Bid High Enough, and With the Right Strategy

The days of human-managed bidding are over. It's vastly better to let machines manage the complexities of changing bids. But choosing a bid strategy is still best left to humans. Here's what we get to pick from:

- Lowest cost. Want maximum conversions from your budget? Then pick the lowest cost. Use this especially if you don't know lifetime value.

- Target cost. This gives cost per results on average. If you want consistency, go with the target cost.

- Lowest cost with a bid cap. Got a broad audience that's not as likely to convert? This is a good option to control costs. Or, if you are willing to spend up to a certain amount for a given conversion, but no more... then choose the lowest cost with a bid cap.

If at all possible, bid according to lifetime value. It makes no sense to bid like all your prospects are created equal. They aren't.

Lever #5: Optimize for the right event

For niche or higher-value products with fewer purchases, try moving your conversion event up towards the beginning of the funnel. This usually gives the algorithm more data points to work with because for every step of the funnel toward the purchase, there are fewer conversion events.

For example: Because we can have the algorithm to optimize for specific events (like in-app purchases, registrations, or specifically, $20+ worth of in-app purchases), Facebook will deliver a far more precise audience.

When using AEO and VO, we also allow the algorithm to automate placement, bid management, and the creation of audiences. This is exactly where that afore-mentioned leap of faith takes place: UA managers should now let the algorithm manage these key areas of their campaigns.

HOW OPTIMIZE FREE TO PLAY INSTALLS

Reach
Scale

Broad

Interest

LAL

Quality
Cost

Value (VO)
2-3X CPI of AEO

Events (AEO)
2-3X CPI of Installs

Installs (CPI)
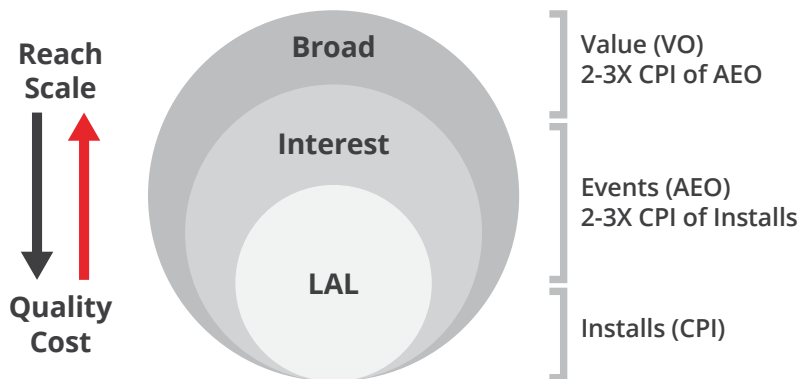
HOW OPTIMIZE FOR IN APP ADS

Scale

Broad

Interest

Cost

Lookalikes vs Broad
• 40% CPI, 52% CMP

Interest vs Broad
• 23% CPI, 66% CMP

Broad / No Targeting
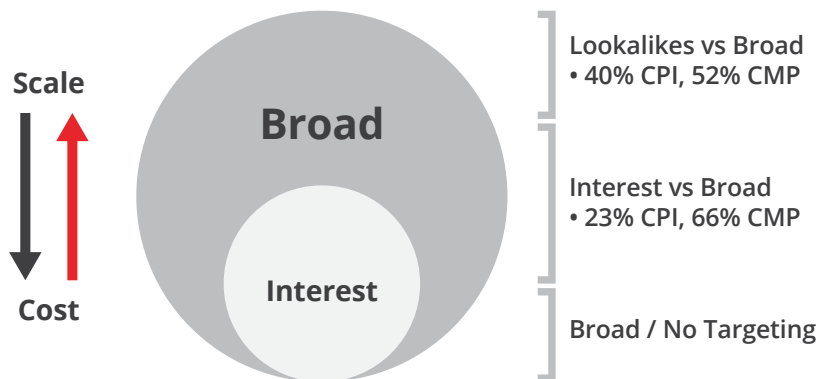
See our article about Structure for Scale best practices for more details on automated media buying.

So that's how to manage campaigns now that the algorithms have taken over. Or, maybe to put it more accurately, that's how to let the algorithms manage your campaigns in Q1 2020.

We expect the best practices to change, possibly even in this quarter, as Google and Facebook continue to roll out more updates and features that further establish how to do automated UA advertising.

The Algorithms Have Made Third-Party Adtech Tools Obsolete

So now you know how to work with the algorithms for optimal campaign performance. But the evolution of Google and Facebook's ad platforms has had one other massive consequence: They've made third-party adtech tools unnecessary.

We've talked before about how "adtech is dead." It's dead because everyone now has access to world-class advertising tools. They're built right into our Google and Facebook advertising dashboards. Expensive third-party adtech tools are no longer as much of an advantage.

This means that any competitive advantage you've been getting out of your single-network adtech is gone… or, at least, its advantage is diminishing rapidly, even daily, as

> 1) the advertising platforms get better and better and

> 2) more and more advertisers figure out how to use those platforms' new, very powerful features.

Optimizing these platforms has one other major consequence: Because Facebook and Google's ad platforms are increasingly automated, they've made it possible for almost anyone to advertise profitably. Increasingly you don't need to be an advertising whiz to get good ROAS.

This means there may be more competition as many of the smaller advertisers (or even very small advertisers, like local businesses) compete on a more level playing field. Automation may end up being the best move Google and Facebook have ever made to grow their advertising user base.

As User Acquisition Becomes Automated, What Are The Roles For Machines, and for Humans?

So user acquisition has been being slowly taken over by algorithms for quite a while. It's well past time for user acquisition managers to embrace that. Part of that means managing campaigns differently, as we've outlined above. And part of that means pivoting into roles and skills where humans can still outperform machines.

Those areas are, namely:

- Creative (strategy, ideation, production, and testing)

- Competitive analysis

- User motivation/player personas

"Will My Job be Replaced by a Machine?"

Yes – part of it. We've reached the tipping point where machines can do some things better than a human can. So if the bulk of your time has been spent running reports and poring over spreadsheets to find small pockets of opportunity, you need to expand your skills. The machines can simply do this faster and better than people can, and by several orders of magnitude.

While the algorithms may be great at crunching data, they still can't do creative. Creative strategy, competitive analysis, user motivation or player personas analysis, and intelligent creative testing – that's all beyond their ken.

So start building your skills in those areas. Here are two of the best ways to do that:

• Learn how the machines do their optimization work, so you can manage them appropriately.

Some experts have compared this to a pilot flying a plane. The pilot has this huge dashboard of data inputs they monitor, even though the plane automates a lot of its own systems. But there's still a keen need for a human to be there, making sure the machine takes appropriate actions.

The human is there to overcome the primary weakness of the machines: The algorithms only do what they've been coded to do based on patterns they've seen in the past. If you give an algorithm a dataset unlike anything it's ever encountered before, it chokes.

• Prove your value to your employers or your clients in new ways.

You won't be making bid and budget edits or sifting through thousands of audiences and ad sets all day anymore.

Don't mourn this. You've got better things to do – like developing better creative.

So let go of the geeky intra-day campaign management and go have some fun with creative! In this new algorithm-driven environment, creative ideation and testing is the best way to deliver value to your company and your clients.

Just don't take an "us versus them" view of algorithms and humans. The good news is that when the algorithms' campaign management capabilities are partnered with a human creative and creative strategy, the combination is very powerful.

We've finally got two intelligences (human and machine) each doing what they do best. Balancing and leveraging these two ways of seeing the world is the key to effective user acquisition advertising right now.

And it doesn't just apply to you. As a UA manager, it's part of your job to get your whole team aligned with this new reality. So here's what we see for UA teams in 2020.

UA Teams Must Evolve

This shift towards automation is obviously going to take some work away from user acquisition teams.

So yes: Expect some layoffs and reduction in user acquisition team sizes in 2020. Even Uber laid off a third of its marketing department this summer. We suspect this is driven at least in part by new automation capabilities.
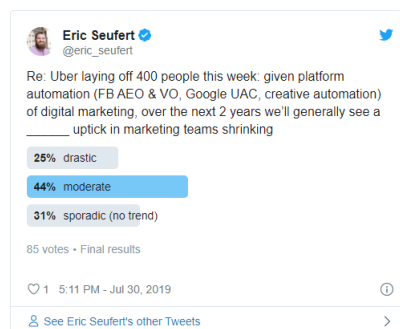
Unfortunately, the automation driving those layoffs won't just affect a small group of well-funded advertisers who have access to expensive adtech. This could affect the entire user acquisition community, including ad agencies, marketing consultants, and in-house marketers all over the world. In fact, automation could force the internationalization of UA to talent in less expensive markets.

It simply takes less work and expertise to manage digital advertising for small to medium accounts than it used to – that means there's less work to do.

Again, you'll be relatively safe if you pivot to creative strategy, creative competitive analysis and creative testing and optimization. Or if you become a specialist in how the algorithms work and in the new features the platforms are offering (like Google's Pre-Launch tool).

But everyone's going to have to level up, and that includes employers. As business owners consider their own UA team now and for 2020, there may be an opportunity to reduce some overhead or hire less experienced media buyers who are less expensive.

So leaner UA teams are probably the future... and we mean "the future" as in Q2, 2020. But it's also possible we'll see UA teams merge with growth and data science teams.

Will User Acquisition and Growth Teams Merge?

For a long time, we've built a bit of an organizational wall up between UA teams and growth teams. The functions of these two groups were fairly separate: UA teams got the customers, while growth or product teams tested the app for better engagement, monetization, and lifetime value.

But is that separation necessary – or even beneficial? As advertising platforms simplify so advertisers provide a user profile, LTV model and then send the algorithm out to get that type of customer, might it make sense to overlap or merge the staff and the functions of UA and product teams?

Time will tell. But given the pace of this industry, we won't have to wait long.

 So that's where we see user acquisition right now: Increasingly run by algorithms, without the old competitive advantages of adtech, and requiring a pivot to creative as the top priority

Over the last two years as we've been watching the machines get better and better at optimizing the quantitative side of advertising, creative has surfaced as an answer to many of the problems UA managers face.

So we don't have the old advantage of adtech, but if you pivot your focus to creative, you can still squeeze out the competition. And if you don't want to lose your job to an algorithm, then pivot to a skillset the algorithms can't compete against.

Creative is the best advantage a UA manager has in the terms of campaign performance.

Creative is the best shot we've got for success... but not just any creative will do.

Creative Strategy Best Practices

Let's recap what we've covered so far:

- The algorithms at Facebook and Google can now do many user acquisition social advertising tasks better than a human can…

- …but the algorithms still can't develop high-performing, original creative.

- Because the algorithms have streamlined user acquisition media buying, the advertising playing field has been leveled, and so many of the advantages companies used to enjoy via adtech have diminished (excluding cross-networking reporting and asset uploading).

- Creative is KING! Developing high-performing creative is the best advantage for all social advertisers.

So if you want to succeed in 2020 – either as a user acquisition manager or as a social advertiser in a ferociously competitive market – creative is your best bet.

But here's why creative is so tricky to get right:

Most Ads Fail

High-performance, control-beating creative is a rare thing. In our experience, after spending over $3 billion dollars in user acquisition advertising, usually only one out of twenty ads can beat the "best performing control" (the top ad). If ad piece of creative doesn't outperform the best video, you lose money running it. Losers are killed quickly and winners are scaled to the moon.

The reality is, most ads fail. The chart below shows the results of +17,000 different ads. Spend was distributed based on performance. As you can see, out of those +17,000 ads, only a handful drive a majority of the spend.
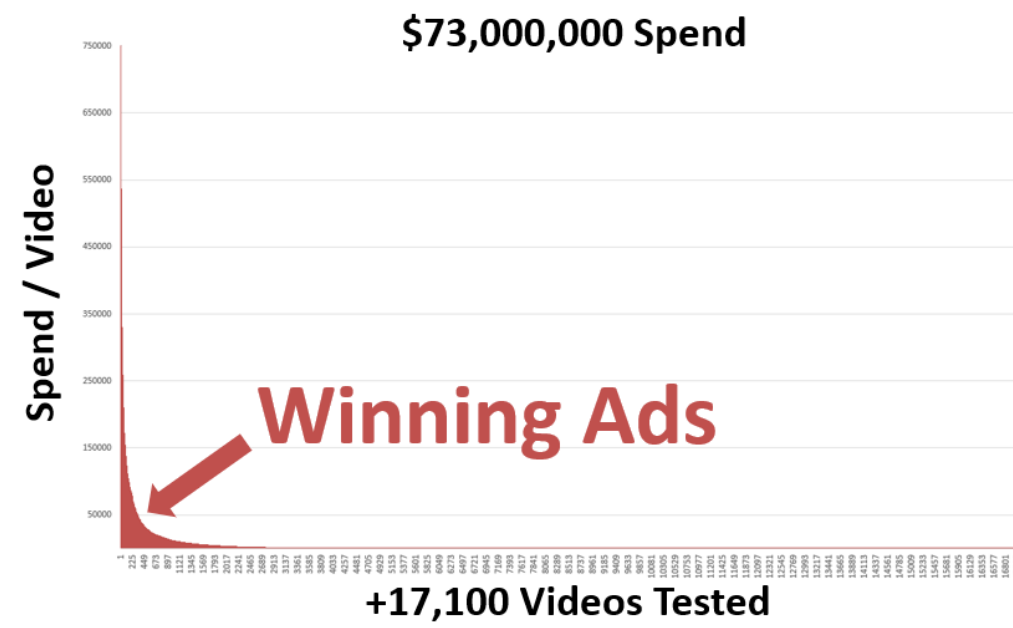
The extremely high failure rate of most creative shapes advertising budgets and advertising testing. Because 95% of creative fails, if you can't test ads quickly and affordably, your campaign performance will suffer substantially.

But testing alone isn't enough. You also have to generate enough original creative concepts to fuel testing.

Because 19 out of 20 ads fail, you don't just need one new piece of creative: You need 20 new original ideas.

And you need all that new creative fast. Because creative fatigues so quickly, you don't need 20 new creatives every year or so. You need 20 new creative concepts every month, or possibly even every week.

The rate at which you'll need new creative depends on your ad spend and how your app or game monetize (IAA or IAP). The more ad spend you run through each ad, the faster its performance declines. The table below outlines an estimate on how much creative is required to maintain the type of ROAS most advertisers want.

Managed Service	
FB / Google Total Spend	Creative Points
$ 50,000	2
$ 75,000	2
$ 100,000	7
$ 200,000	14
$ 300,000	21
$ 400,000	28
$ 500,000	30
$ 750,000	41
$ 1,000,000	55
$ 1,500,000	74
$ 2,000,000	87

So because 95% of new ads fail, the best way to find a high-performance ad is to test a lot of original creative concepts.

But if you want to get that new creative fast enough to stay ahead of creative fatigue, your testing system has to be as efficient as possible. If you don't have a strategic, efficient system for testing, it's easy to blow way too much time and way too much money on testing creative and still not have a winner.

This is the lynchpin of successful user acquisition advertising right now. Whoever builds the best creative machine to develop and test high-performance creative will dominate UA advertising in 2020.

Because this is so critical, we've developed a methodology for developing and testing creative as efficiently as possible. The next section outlines how we work.

Creative Audit

We hate duplicating work, and we hate duplicating mistakes even more. So before we create new ads or develop a new strategy, we'll dig deep into the prior performance of a user acquisition advertising account, with particular focus on the creative assets.

Doing an audit like this helps us avoid repeating the same tests and mistakes an advertiser has made before. It gives us valuable information about what has worked and what might work going forward.

The end result of a creative audit is to analyze, document, and share what has worked and failed in the past six months. We focus on videos and images, ad copy, and which concepts and variations have performed best and worst.

What we're particularly looking for are the key performance drivers. Which creative attributes are really making a difference? Once you know that, you can prioritize your creative tests far more effectively.
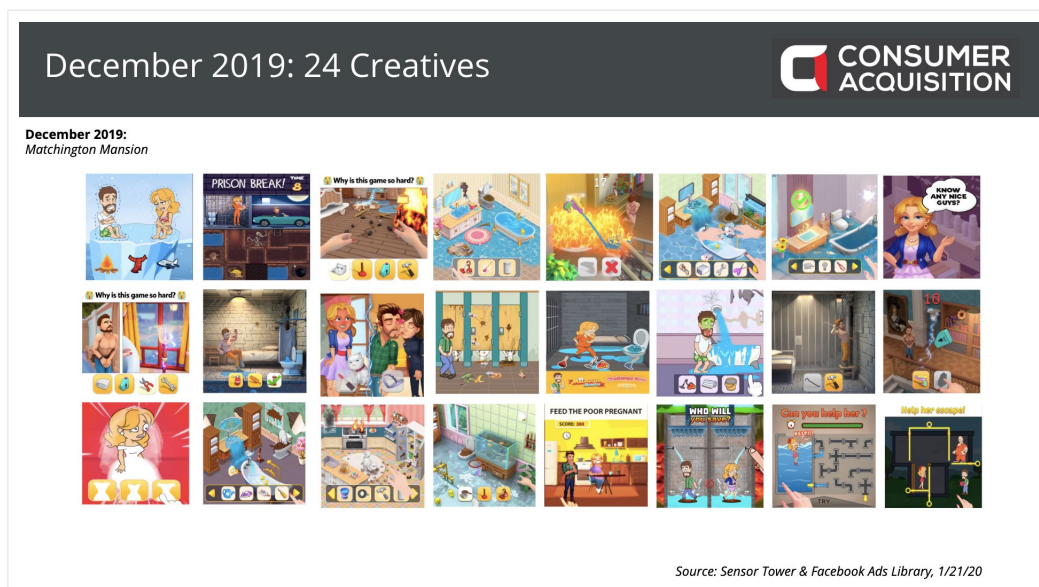
Competitive Audit

Competitors' ads are a bank vault of creative insights – if you know what to look for. As Picasso said, "Good artists copy and great artists steal!" If you can properly analyze your competitor's ads they can provide you with a nearly endless supply of tested concepts. The bad news is 95% of your competitors' ads fail, too.

Facebook's new Ads Library is a great way to see which ads your competitors have been running. It will not tell you how well those ads are performing, but if they're running the same ad for more than a week, or in a variety of sizes that is a solid signal it's probably working well for them.

Because the Ads Library lacks conversion data, impressions, and interaction data – all metrics essential to evaluating ads, we also use tools like Sensor Tower, SocialPeta or AppAnnie to gather proxy performance data.
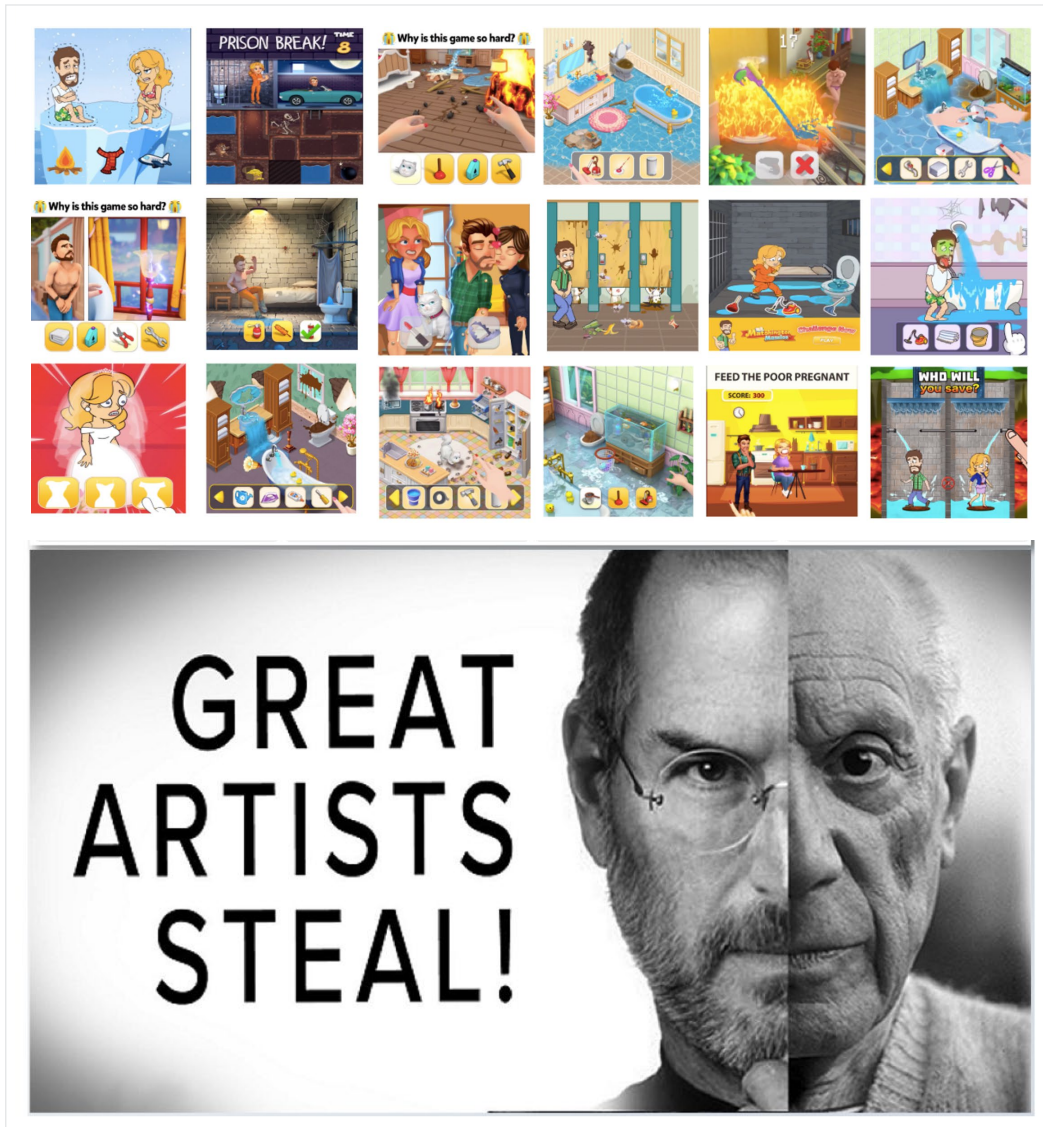
Effectively evaluating competitors' creative is a valuable skill. But it's usually not ideal to have either a true creative or a true quant do it. Ideally, you want someone with a balance of both right and left brain thinking.

Someone with a psychology background and good math skills might fit the profile. They need to be able to interpret the metrics on competitors' ads but also be able to see the psychology behind why certain ads are working. If they have a model of the player profiles of the user base, they need to be integrating that data into their competitive analysis as well.

A good creative evaluator will be able to see trends in both creative and data. They'll come up with a hypothesis about why winning ads work, and then incorporate that hypothesis into a client's creative strategy and testing protocol. This is a job for someone who can synthesize many different types of information, and gel that knowledge into an actionable strategy.

Doing competitive audits like this can make a huge difference in long-term performance. This is a high-value activity UA managers would do well to put more time into.

A good competitive audit will include:

- An analysis of competitors ad concepts based on spend, conversions, engagements, and any other meaningful metrics you're especially interested in.

- Player profiles of competitors' apps (even if this information is as much a guestimate as anything else), and a comparison of how competitors' player profiles differ from the client's current player profiles.

- Documentation of how competitors have used the following elements:

    ○ Ad copy
    ○ Buttons
    ○ End/start cards
    ○ Calls to action
    ○ Messaging
    ○ Offers
    ○ Use of animation/motion
    ○ Colors
    ○ Backgrounds
    ○ Text placement
    ○ Characters
    ○ Logos and/or stickers
    ○ New elements
    ○ Old elements used in a new way

The final competitive analysis document will include screenshots of all these elements. It's usually best to organize them into a spreadsheet so you can sort the data by:
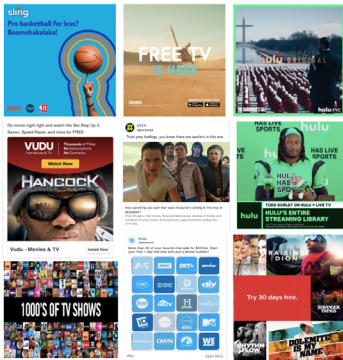
- Competitor
- The ads they're running
- What you've noticed about those ads
- What test ideas you've gotten by reviewing their ads.

If you're in need of a few truly "out of the box" ideas for new ads, look to other industries or niches. Find breakaway, ads and then analyze them like you would a competitor's ads. This is especially effective if you can find an industry or niche your highest value audience has a particular affinity for.

Asset Folders For Winning Ads

If you're planning on working with an external company, it will save a lot of time if you put assets into well-organized Dropbox or Google drive folders. Export your characters on transparent backgrounds. Save your key environments and music files so they can be easily shared. The more assets you have to share, the more creative an external company can be.

On our side, whenever we find a winner, all the files – the videos after effects files, Sketch files, Illustrator files, Photoshop files, music files, all of it – get dumped into a cloud storage folder. So when we create variations we will use the elements from the winning ads folder, not the files from other variation tests.

This may seem like a small thing, but tiny differences can have big effects and significantly reduce revision requests.

We don't get sloppy with file naming conventions, either. This allows both internal and external teams to easily access the files they need without having to waste time looking for the right file.

Player Profiles

The concept of horizontal segmentation remade the food industry a few years ago, and we think it's about to remake UA advertising and gaming soon. According to some research we've done in house, about 10% of advertisers are employing horizontal segmentation, aka "player profiles" in their creative development.

The idea behind player profiles is basically that there is no perfect game or perfect ad. But there can be perfect games and ads. In other words, if we can take customer data and crunch it so that we find dominate preferences, and then design games and ads around those preferences, we can create significantly more compelling games and ads... and, as a result, dramatically increase sales.

The idea of pleasing different user groups could remake how we test ads and design games, but it's also positioned to remake creative development and competitive analysis.

Here's an example of how information about player personas and player motivations might fit into a creative brief for developing creative and creative strategy. Note how the left column in the graphic shows what this particular player profile most cares about in the game.

Psychographics

Motivations for Playing

Challenge: I enjoy using my brain to solve puzzles or problems	35%
Stress Relief: Let's me relieve stress	25%
Achievement: It feels good to complete levels or beat my score	22%
Kill Time: It gives me something to do while waiting for other things	19%
Escape: Helps me forget about "real life"	17%
Social: Lets me socialize with friends, family or other people	08%

Distinguishing Traits

The main reason I play is to show myself what I can do	56%
I see myself as someone who loves solving puzzles and problems	55%
I most enjoy playing games alone	52%
I'm motivated by the achievement I feel after accomplishing something difficult	50%
I'm motivated to finish all levels in the games I play	48%
I prefer trying to beat my own past performance	46%

Top 5 Favorite Game Genres Played

Card (Solitaire, Spades, UNO, etc.)	89%
Match-3 (Marchington, Candy Crush, Homescapes, Cookie Jam, etc.)	46%
Word (Words with Friends, Scrabble, Boggle, Wheel of Fortune, etc.)	39%
Puzzle (Jigsaw puzzles, Crossword, Sudoku, etc.)	33%
Trivia (Trivia Crack, QuizUp, Jeopardy!, SongPop, etc.)	17%

Engagement

Game Elements

Complete Quests	96%
Use Boosters	93%
Track Leaderboards	92%
In-Game Rewards	84%
Play Mini-Games	69%
Participate in Events	60%
Collect Characters	49%

Clubs/Guilds/Social

In a Club	90%
Complete Club Quests	88%
Gather Perks	83%
Completed in a Club Contest	78%
Gifted Club Members with Items from the Club Shop	55%

Payer Demographics

Gender

30% 70%

Age

Under 18		03%
18-25		06%
26-35	**Mean age: 47**	17%
36-45		28%
46-55		30%
56-65		22%
65+		09%

Income

Less than $25,000	15%
$25k to less than $35k	08%
$35k to less than $50k	13%
$50k to less than $75k	16%
$75k to less than $100k	06%
$100k to less than $150k	04%
$150k or more	03%
Prefer no to say	32%

Here is a way to cluster player profile motivations:

6 Gaming Emotional Hooks — CONSUMER ACQUISITION

Excitement	Social Connection	Expertise	Success	Escape	Creation
Action	Play with friends	Strategize	Be the Lord/King/Boss	Live your fantasy	Design avatars
Fast-paced	Compete with friends	Think ahead	Get collectibles	Be the characters	Customization
Surprise weapons	Make new friends	Make decisions	Complete missions	Be in the Story	Exploration
Explosives/effects	Chat	Conquer difficult levels	Powerful characteres	Extend big plots	Tinker
MOBA	Form alliest/teams	Side quest	Powerful equipment	Non-Player -Character	Experiment
MMORPG					
DISCOVERY, WAR/FIGHTS, EVENTS, LEADERBOARD	COMMUNITY, CLAN, PVP	ADVANCED BATTLE, SCENARIOS, FORMATIONS, MULTIPLE COMBOS	CLEARING STAGES, LEVELING UP, WINNING	IMMERSION, ESCAPING, FPS	AVATARS, CUSTOMIZATION, EXPERIMENT

If we can take the motivations from these different player clusters and look at what's unique about them, we can also see which other titles they're playing. This helps us come up with new creative ideas and a new list of competitors, which in turn lets us do better competitive analyses.

Armed with information about player personas and motivations, almost any designer would immediately understand that they can craft different ads for different player profiles. These are different people that are motivated by different calls to action and benefits. Even if the ads are meant to sell the same game to different profiles, ads tailored to each profile are going to perform better than one ad designed generically to please them all.

So whenever we can, we try to understand player profiles from our advertisers while we do creative audits. This gives us critical information about what's motivating the different people in the user base to play. Armed with that information, we can then develop ads that speak directly to the primary profile. In other words, we can create more tailored, targeted (and thus more profitable) ads for the users that matter the most.

Creative Strategy

Once we've completed our creative audit to uncover what has worked / not worked and evaluated ads from competitors and we understand the quality and depth of the assets we have access to, we can not develop fresh ideas to explore. The first step in that process is a creative strategy. Our goal is to layout our learnings, assumptions, competitors impressions into a document and solicit feedback from the client / advertiser, after all, they are the product expert.

Here is a working example of a creative strategy designed to share a format for how we share ideas and conduct internal / external conversations.

Creative Strategy - Client "Generic"

    Overview:
          • Test new video concepts to find new winners
          • Test concepts based on research of competitive ads
          • Adjust as needed based on ad performance

 What has worked creatively for Game TBD:

          • Noob Vs Pro videos
          • Videos with Gameplay
          • Videos with character intros

Competitors:

          • AFK Arena
             ◦ They have 3D videos showing actions and character design. Heavily focused on big hits with lots of vfx and armies of enemies getting obliterated. This is not in game footage.
             ◦ Top video
             ◦ Big Action Ad 1
             ◦ Big Action Ad 2
             ◦ Story Telling action Ad
             ◦ Multi-Choice

Competitors (continue):

    Idle Heroes
- Top Video
- Level Up Ad 1
- Level Up Ad 2
- Tap Titans 2
- Noob vs Pro

    Hero Wars
- Lock and Gate
- Empires & Puzzles Epic Match 3
- Character customization
- Story and Gameplay

    Legendary Game of Heroes
- Tap Tap Heroes
- Almost a Hero
- Clicker Heroes

Target Audience:

- Male RPG Player
- Motivated by
  - Playing idle games
  - RPG games
  - Competition: Arena, Guild Wars, etc.

We should test:

- Videos combining story and gameplay
- Videos that include a visual evolution (character upgrading, armor upgrading, leveling up etc)
- Variations on Noob vs pro
- A single character facing off against many foes

Characters that seem to be working well in ads:

- TBD
- TBD
- TBD

Client requests:

- Aspect ratio: 4:5 & 1:1

Mini Creative Briefs

Working with a new Facebook marketing partner, agency or advertising company certainly has challenges. Neither side may be comfortable with nomenclature, branding rules, logo guidelines, etc.   The goal with a mini creative brief is simple, share creative concepts with enough detail to convey the idea without derailing the creative team with an onerous creative process that may be rejected.

Here is a working example of a mini creative brief designed to illustrate how we communicate fresh creative concepts without storyboarding.

Sample Mini Creative Brief

> **Mini Brief 1: "Booster Reward"**
>
> • App Title: ABC
>
> • Header: No Header
>
> • Specs:
> - Sizes: 4:5 Portrait
> - Length: 15 Seconds
>
> • Brief Description:
> - HAND/FINGER selects a BOOSTER REWARD which is then used in GAMEPLAY.
>
> • Reference:
> - Put reference link here.
>
> • Beat list:
> - Open on a grid of TREASURE CHESTS.
> - Ad copy: "Choose your reward"
> - HAND/FINGER select the middle chest revealing BOOSTER.
> - BOOSTER spins and transitions into GAMEPLAY BOARD.
> - GAMEPLAY quickly finishes on a BIG WIN.
> - Transition Into END CARD. Logo and CTA "PLAY NOW"
>
> • Hypothesis: Ex: New Concept based on competitor

What Creative Do I Really Need?

The needs of advertisers vary depending on their advertising goal, KPIs and more importantly, assets. Below are designations for creative services we have uncovered through industry-wide interview and conversations.

Creative Definitions:

> • 2D animation: rigged and animated characters in 2D, no 3D animation is provided.
> • New Concept: new and original ideas, not derivative of existing videos
> • Iterations: Concept Optimization, New Footage / Elements
> • Modifications: Re-size, Header Designs, Music
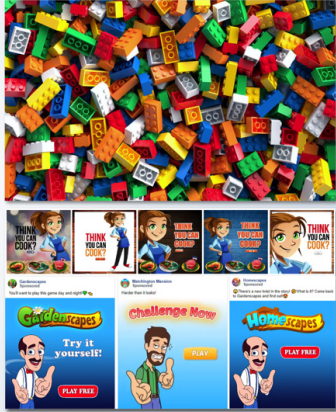> • Simple Changes: Localizations, CTAs, End/Start Card Text Changes

Winner Variation Testing

Once we have a winning ad, we'll test every element it's made of. This allows us to figure out which elements or combinations of elements are making the ad work.

It takes quite a lot of tests and a fair amount of money to break up and test an ad like this, which is why we don't do it for every ad – only the best ads, breakout winning control ads get analyzed like this. The information we learn from the analysis is vital to developing break-out ads going forward. It's also fantastic for something called a "concept refresh."

Hidden Challenges in Creative Testing

Of course, something as complex as creative testing has sticking points. Here's a summary of some of those challenges, and how we work around them:

- **Multiple strategies for testing ads:** It's nice to have choices, but they can complicate things. You can test creative on Facebook with their split-test feature, or by setting up one ad per ad set, or by setting up many ads within an ad set (which is actually what Facebook recommends). The approach you pick will affect your testing results.

- **Data integrity:** The data for each of your tests won't come in evenly. Some ads will get more impressions than others. The CPM for different ads and ad sets will vary. This makes for noise in the data, which makes it harder to determine the winning ad.

- **Cost:** Testing has an extremely high ROI, but it can also have a very high investment cost. If you don't set up your creative testing right, it can be prohibitively expensive.

- **Control Bias:** Facebook's algorithm prefers winning ads and maintains creative history on new ads, ad sets and campaigns.

- **Google:** Running tests in Google Ads has many similar challenges, but it got easier last year when Google Ads launched asset reporting.

Creative Testing: Statistical Significance vs Cost-Effective

Let's take a closer look at the cost aspect of creative testing.

In classic testing, you need a 95% confidence rate to declare a winner. That's nice to have but getting a 95% confidence rate for in-app purchases may end up costing you $20,000 per creative variation.

Why so expensive? Because to reach a 95% confidence level, you'll need about 100 purchases. With a 1% purchase rate (which is typical for gaming apps), and a $200 cost per purchase, you'll end up spending $20,000 for each variation in order to accrue enough data for that 95% confidence rate.

- Sample math to reach 95% statistical relevance for a single variation: gaming averages
- 1% install to purchase rate
- 100 purchases
- $200 cost per purchase
- $20,000 per variation (OUCH!)
- *Variations must beat control by >25%

That's actually the best-case scenario, too. Because of the way the math works, you'd also have to find a variation that beats the control by 25% or more for it to cost "only" $20,000. A variation that beat the control by 5% or 10% would have to run even longer to achieve a 95% confidence level.

There aren't a lot of advertisers who can afford to spend $20,000 per variation, especially if 95% of new creative fails to beat the control.

So, what to do?

What we do is move the conversion event we're targeting for up a little in the sales funnel. For mobile apps, instead of optimizing for purchases we'd optimize for impression to install rate (IPM). For websites, we'd optimize for impression to top-funnel conversion rate. To be clear, this is not a Facebook recommended best practice, this is our own voodoo magic / secret sauce that we're brewing.

IPM Testing Is Cost-Effective

The obvious concern here is that ads with high CTRs and high conversion rates for top-funnel events may not be true winners for down-funnel conversions and ROI / ROAS. But while there is a risk of identifying false positives with this method, we'd rather take that risk than the risk, time and expense of optimizing for bottom-funnel metrics.

So optimizing for installs is more efficient than optimizing for purchases. Most importantly, it means you can run tests for less money per variation because you are optimizing towards installs vs purchases. For many advertisers, that alone can make more testing financially viable. $200 testing cost per variation versus $20,000 testing cost per variation can mean the difference between being able to do a couple of tests versus having an ongoing, robust testing program. Note: this process may generate false negatives and false positives.

- Sample math to reach 95% statistical relevance for a single variation: gaming averages
- 0.5% impression to install rate
- 100 installs
- $2.00 cost per install
- $200 per variation (HUGE SAVINGS!)
- Variations must beat the control by >25%

How We've Been Testing Creative Until Now

For the past few years, to streamline our Facebook and Google creative testing and reduce non-converting spend, we've been testing new video concepts using IPM (Impressions Per Install) as the primary metric. For the record, using IPM is not the Facebook recommended best practice to allow ad sets to get out of the learning phase by gathering enough data to become statistically valid.

When testing creative we typically would try three to five videos along with a control video using Facebook's split test feature. We would show these ads to broad or 5-10% LALs (Lookalike) audiences, and restrict distribution to the Facebook newsfeed only, Android only and we'd use mobile app install bidding (MAI) to get about 100-250 installs.

If one of those new "contender" ads beat the control video's IPM or came within 10%-15% of its performance, we would launch those potential new winning videos into the ad sets with the control video and let them fight it out to generate ROAS.

Unexpected Results

We've seen hints of what we're about to describe across numerous ad accounts and have confirmed with other advertisers that they have experienced similar results. But for purposes of explanation, let's focus on one particular client of ours and how their ads performed in recent creative tests.

In two months, we produced +60 new video concepts for a client. All of them failed to beat the control video's IPM. This struck us as odd, and it was statistically impossible. We expected to generate a new winner 5% of time or 1 out of 20 videos - so 3 winners. Since we felt confident in our creative ideas, we decided to look deeper into our custom, money-saving testing method.

Traditional testing methodology includes the idea of testing a testing system or an A/A test. A/A tests are like A/B tests, but instead of testing multiple creatives, you test the same creative in each "slot" of the test.

If your testing system/platform is working as expected, all "variations", should produce similar results assuming you get close to statistical significance. If your A/A test results are very different, and the testing platform/methodology concludes that one variation or another significantly outperforms or underperforms compared to the other variations, there could be an issue with the testing method or quantity of data gathered.

Here's how we set up an A/A test to validate our custom approach to Facebook testing. The purpose of this test was to understand if Facebook maintains a creative history for the control and thus gives the control a performance boost making it very difficult to beat - if you don't allow split test ads to exit the learning phase and reach statistical relevance.

- We copied the control video four times and added one black pixel in different locations in each of the new "variations." This allowed us to run what would look like the same video to humans but would be different videos in the eyes of Facebook's platform. The goal was to get Facebook to assign new hash IDs for cloned videos and then test them together for maximum IPMs.

- These are the ads we ran... except we didn't run the hotdog dogs; I've replaced the actual ads with cute doges to avoid disclosing the advertiser's identity. IPMs for each ad in the far right of the image.
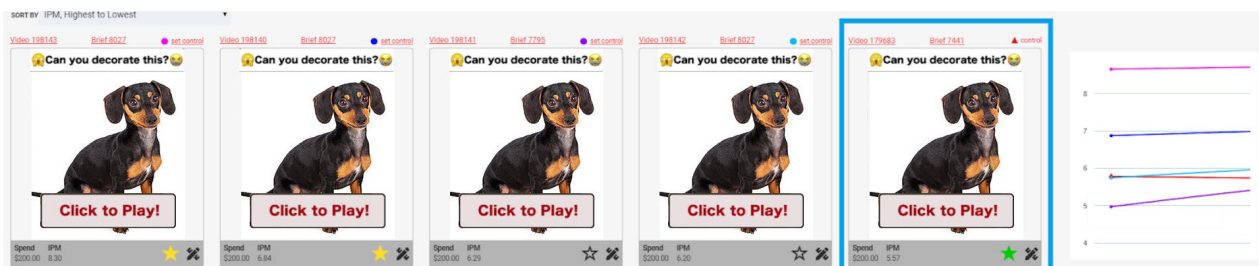
Things to note here:

- The far-right ad (in the blue square) is the control.

- All the other ads are clones of the control with one black pixel added.

- The far-left ad/clone outperformed the control by 149%. As described earlier,a difference like that shouldn't happen if the platform was truly variation agnostic, BUT - to save money, we did not follow best practices to allow the ad set(s) to exit the learning phase.

- We ran this test for only 100 installs. Which is our standard operating procedure for creative testing designed to save time and money.

- Once our first test reached 100 installs, we paused the campaign to analyzethe results. We turned the campaign back on to scale to 500 installs to get closer to statistical significance. We wanted to see if more data would result in IPM normalization (in other words, if the test results would settle back down to more even performance across the variations). However, the resultsof the second test remained similar. Note: the ad set(s) did not exit the learning phase and we did not follow Facebook's best practice.

- The results of these tests, while not statistically significant and not based on best practices, were surprisingly enough to merit additional tests. So we tested on!

Second A/A test of video creative

For our second test we ran the six videos shown below. Four of them were controls with different headers; two of them were new concepts that were very similar to the control. Again, we didn't run the hotdog dogs; they've been inserted to protect the advertiser's identity and to offer you cuteness!

The IPMs for all ads ranged between 7-11 - even the new ads that did not share a thumbnail with the control. IPMs for each ad in the far right of the image.
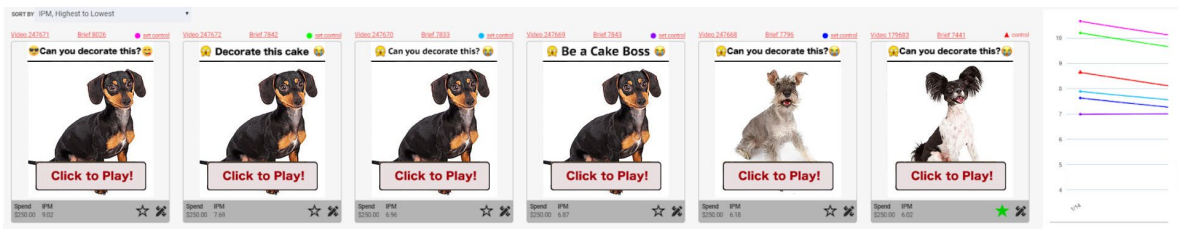
Third A/A test of video creative

Next, we tested six videos: one control and five visually similar variations to the control but one very different to a human. IPMs ranged between 5-10. IPMs for each ad in the far right of the image.
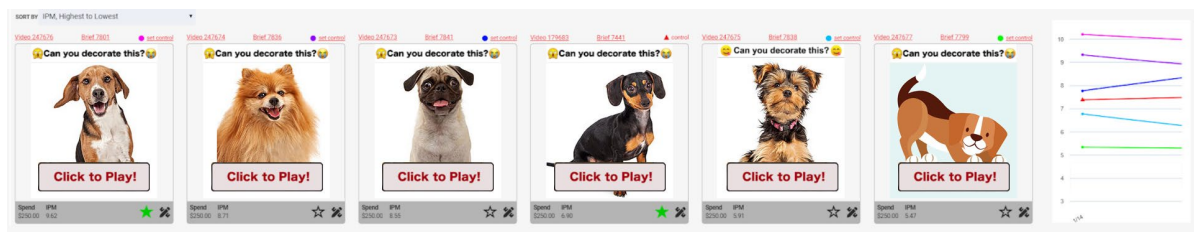
Fourth A/A test of video creative

- This was when we had our "ah ha!" moment. We tested six very different video concepts: the one control and five brand new ideas, all of which were visually very different from the control and did not share the same thumbnail.

- The control's IPM was consistent in the 8-9 range, but the IPMs for the new visual concepts ranged between 0-2. IPMs for each ad in the far right of the image.
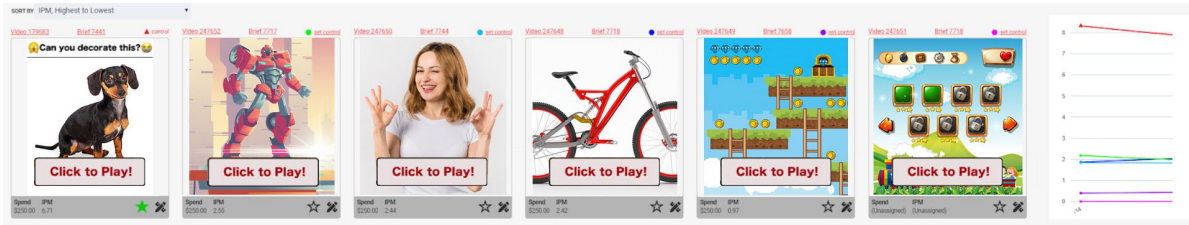
Here are our impressions from the above tests

- Facebook's split-tests maintains creative history for the control video. This gives the control an advantage when using our IPM testing.

- We remain unclear if Facebook can group variations with a similar look and feel to the control. If it can, similar-looking ads could also start with a higher IPM based on influence from the control -- or perhaps similar thumbnails drive influence.

- Creative concepts that are visually very different from the control appear to not share a creative history. IPMs for these variations are independent of the control. It appears that new, "out of the box" visual concepts vs the control may require more impressions to quantify their performance or get closer to statistical relevance.

- Our IPM testing methodology is valid, if we do NOT use a control video as the benchmark for success.

IMP Testing Summary

Here are the line graphs from the second, third, and fourth tests.
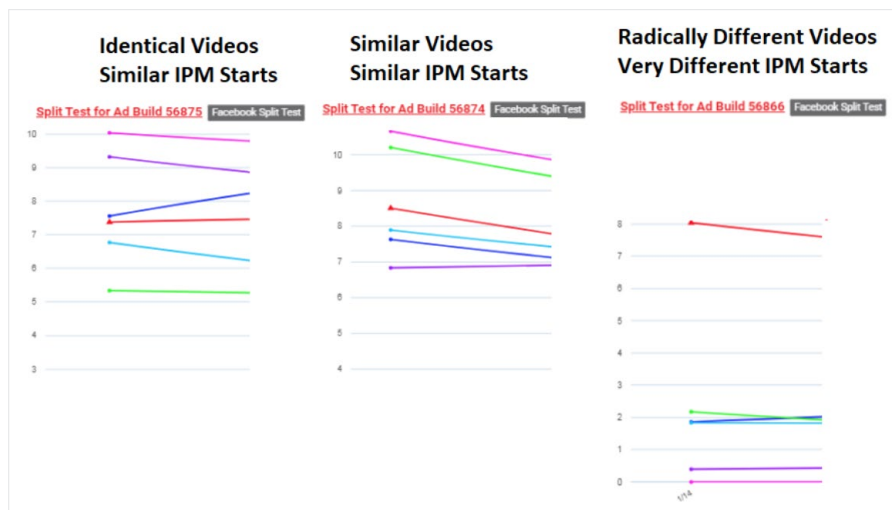
And here's what we think they mean:

Creative Testing 2.0 Recommendations:

Given the above results, those of us testing using IPM have an opportunity to re-test IPM winners that exclude the control video to determine if we've been killing potential winners. As such, we recommend the following three phase testing plan.

Creative Testing Phase 1: Initial IPM Test

- Use 3~6 creatives in one ad set with MAI bidding (NEVER include control in the ad set)
  - Less expensive than Facebook split testing but not a best practice and will not achieve statistically relevance

- 5% LAL in US (for other countries, still use 5% LAL)
  - This will give you a audience reach of 10M or smaller (other geos)

- Isolate one OS (iOS or Android)

- Facebook Newsfeed only

- Generate over 100 installs (50 installs are acceptable in high CPI scenarios)
  - 100 installs: 70% confidence with 5% margin of error
  - 160 installs: 80% confidence with 5% margin of error
  - 270 installs: 90% confidence with 5% margin of error

- Lifetime budget: $500~$1,000 to drive installs that reaches more than 70% confidence level

- Goal is to kill IPM losers quickly and inexpensively and then take top 1~2 IPM winners to phase 2

Creative Testing Best Practices

WORLDWIDE	FACEBOOK FEED	Ads "No Control"	AEO / VO	1 ELEMENT
	PLACEMENT	# OF ADS		CREATIVE
TARGETING			OPTIMIZATION	
US ONLY	AUTO PLACEMENT	1 Ad	MAI	DCO

- Test radically differ concepts & only variate winning concepts
- Targeting: US, Facebook Newsfeed, iOS or Android, 100 Installs
- Facebook Split Test (3-5 videos, without a control)
- Test Metrics: 1st test IPM, if "possible winner" test ROAS / scale

ConsumerAcquisition.com

Creative Testing Phase 2: Initial ROAS Test

- Once you have high IPM winners identified, you can move into initial ROAS testing to see if high IPMs also will generate revenue

- Create a new campaign Test IPM winners from Phase 1 with AEO or VO

- 10% LAL, auto placement, Android or iOS but do NOT test using WW audiences, chose only one country

- 1 ad set with IPM winners from phase 1

- Create new campaigns for new IPM winners from next rounds - do not add winners from other tests

- Lifetime budget: $800~$1,500

Creative Testing Phase 3: ROAS Scale Test

- Choose winners from Phase 2 with good ROAS

- Use CBO, create new ad set and roll them out towards the target audiences that produce good results for the control

- New ad set for new creative winners from different testing rounds

- Never compete against control in an ad set, instead, have them separated and compete for more budget within the same campaign

Note: We're still testing many of our assumptions and non-standard practices.

- Is it helpful to warm up IPM winners and establish "creative history" by purchasing installs in inexpensive countries?

- How long should IPM winners be "isolated" from the control to allow time for learningto be built up?

- 5-10% of LaL is contingent on the population of the country being tested?

- Results don't appear to change being run as 1 ad per ad set or many ads per ad set?

- Will lifetime vs daily budgets matter?

- Does a new campaign matter?

- Does resetting the post ID matter?

- Should creative testing be isolated to a test account?

We look forward to hearing how you're testing and to sharing more of what we uncover soon

Video Ad Creative Best Practices

What's the best way to get more results from your user acquisition advertising? Fresh Video creative.

Given how competitive advertising is, quantitative creative testing is essential. So let's use those same principles in our video tests by breaking video ads down into their essential parts. Those would include:

- Ad copy
- Buttons
- End/start cards
- Calls to action
- Messaging
- Offers
- Use of animation/motion
- Colors
- Backgrounds
- Text placement
- Video ratio/ length

Here's how to optimize each of those elements.

Video Ads: Ad Copy

Check your competitors' ads to see which pieces of ad copy they're using over and over again. A simple twist on what's been working for them could be your next big win.

But while your competitors' ads can be helpful, there's one golden rule to follow: Use emotion. Smart use of emotional hooks (especially if they can be tied to specific player profiles, as mentioned earlier) can dramatically improve ad performance.

So use emotion as often and as effectively as you can. Emotion rules over rationality, especially for game and lifestyle apps.

Here's how Gardenscapes leverages emotion and empathy to urge users to come back to play their game.
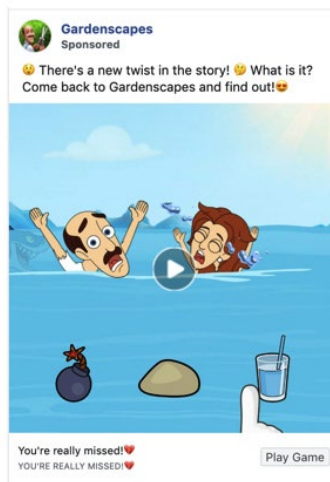
Buttons

Once again, checking your competitors' ads can be helpful, but don't stop there. There are plenty of ways to test buttons. Try using "my" on your buttons instead of "you" – this is an old-school copy trick that still works in 2019.

Whatever you do, make the copy on your buttons clear. Confused people don't take action. And remember: Your ads are being seen by people who are scrolling through a river of information. Even the slightest whiff of confusion will suppress conversion rates.

Start and End cards

Not using these as part of your video advertising? We think you're missing out.

Here's why start and end cards work so well:

- They tell the story of the ad.
- They create a powerful first frame visual.

Start Cards

While start cards are not as important as end cards, they serve an important purpose: They can stop people from scrolling past your ad when it shows up on their timeline or social media feed. And if people never see past the start card, they'll never see any other part of your ad.

Some apps use calls to action or phrases that introduce gameplay or explain to the user what they should do, almost like a mini-tutorial. For example, Gardenscapes will use a CTA like "Save Your Garden!" or "Make a Choice to Save Them!"

Some apps try to capture the consumer's attention by using phrases such as "The Best Matching Game" or "It's Harder Than It Looks!" on their start cards. These kinds of phrases draw the consumer to watch the video instead of scrolling past it.

End Cards

End cards are used to pique interest in the game based on the call to action and the brand slogan.

Most end cards have the app's name and a call to action like "Accept the Challenge!" or "Try it Yourself!" Some include a button, too, with copy like "Download Now!" or "Play Now!" And once again, if you have information about player profiles, apply that knowledge to your end card copy. It's the perfect place to use it.

Many advertisers also include prompts to download their app on the app store/Google Play, but we don't recommend that. Including the platform logos often suppresses conversion rates by 10-15%.

Text Placement, Fonts, Colors & Emojis

How text looks and where it's placed can have a big effect on conversion rates. Again, you can get some ideas from your competitors' ads in the Facebook Ads Library and other tools, but we like to position text towards the top and bottom of the screen and to use bright, pure colors for optimal response rates.

User acquisition managers or teams may want to manage these aspects of ads:

- Call to actions
- Messaging
- Buttons
- Headers and Footers

But Creative Teams should be given authority to pick text attributes like color and position, plus background images, button colors and fonts, and video ad aspect ratios and ad lengths.
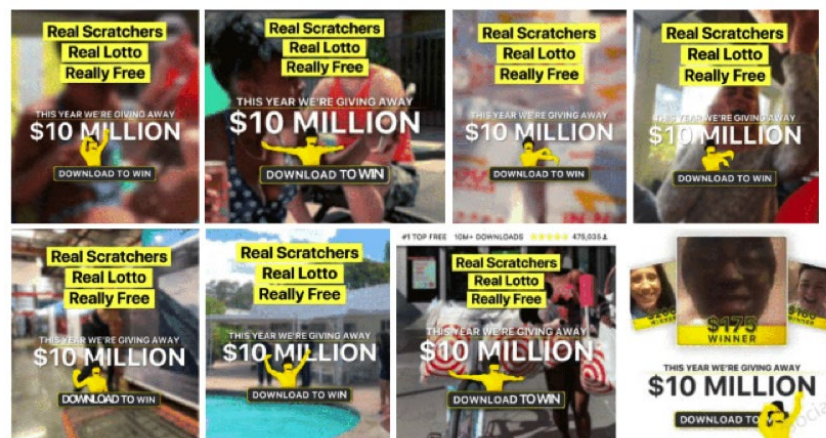
Aspect Ratios

This aspect of your ads can have a huge effect on performance.

We recommend every advertiser use at least these three aspect ratios in their campaigns:

Lanscape Video + Portrait Video + Lanscape Image

16:9

2:3

1.91:1
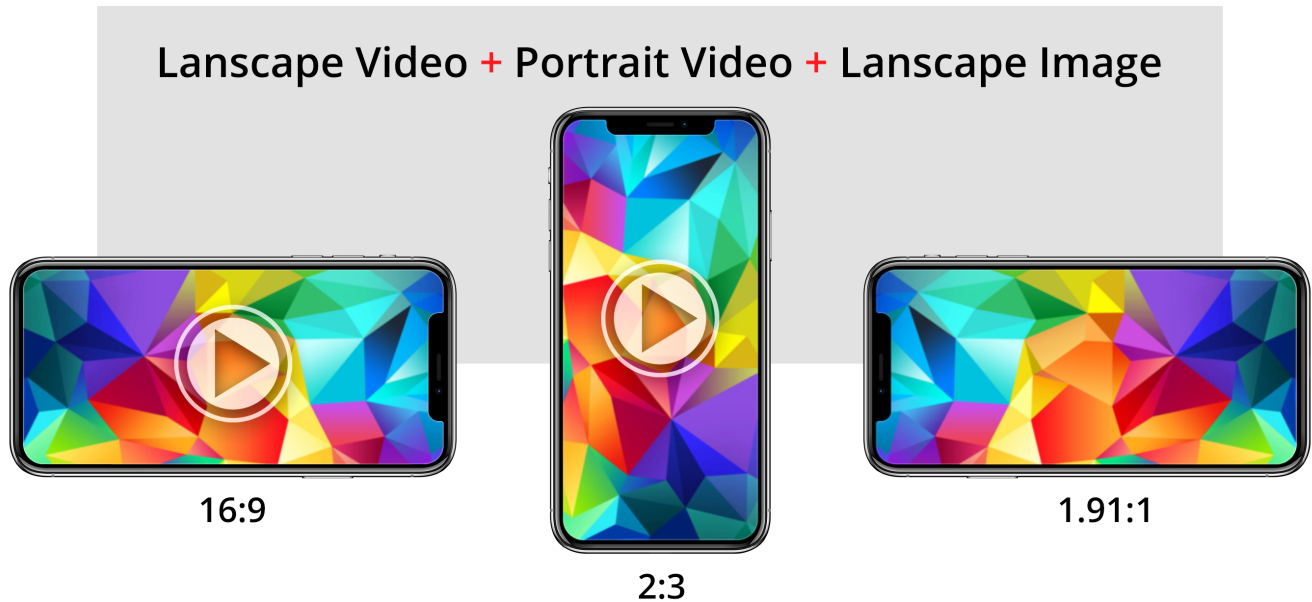
Of course, creating videos for every ratio and placement size is a lot of work. Which is why only your highest-performing video ads should be made into every possible size and aspect ratio. Otherwise, you'll just waste a lot of time and budget creating endless versions of low-performing videos.

That said, because Facebook and Google's media buying is mostly automated now, any video you run may be seen across a huge array of properties. This is part of why we recommend using videos so much – we've found that 45% of total impressions on iOS are from video ads.

Also consider creating more than one video, even if you can't afford robust video ad creative testing. We've found that adding just two videos to almost any campaign will increase conversions by 25%. The more you spend, the more videos you need, too. Advertisers spending even $50,000-$75,000 per month should create at least four new high-performing videos per month.

How to Launch a New Game in 2020 with Facebook Ads

Many advertisers come to us with well-developed user acquisition programs. They've got established advertising accounts and an extensive history of which creative approaches have worked.

That's not the case if you're launching an app. So when a brand new advertiser approaches us wanting to advertise a brand new app, this is how we do it.

Our process breaks out into three phases:

- Early Creative Testing in the Soft Launch
- Taking Your Campaign to the Next Level in the Worldwide Launch
- Scaling Worldwide Through Optimizations

Phase One: Early Creative Testing in the Soft Launch

We've been doing well with "soft" launches. It gives us an opportunity to pre-test creative, test campaign structures, identify audiences, and help evaluate our client's monetization strategy and LTV model. By the time we're ready for the worldwide launch, we'll have found several winning creatives and have a strong sense of the KPIs necessary to achieve and sustain a profitable UA scale.

Soft launches tend to work best if we focus on a limited international market. Usually, we'll pre-launch in an English speaking country outside of the US and Europe. Canada, New Zealand, and Australia are ideal picks for this. Choosing countries like those let us conduct testing in markets that are representative of the US, but without touching the US market. As we are not launching in the US, it will not spoil our chances of being featured by Apple or Google

Once we've got the market selected, we pivot to:

Structure for Scale

The gist of Structure for Scale – and of what Facebook wants advertisers to do now – is to radically simplify campaign structures, minimize the amount of creative you're testing, and to use targeting options like Value Bidding and App Event Bidding to control bids, placements, and audience selection for you. Facebook is building up a considerable body of evidence that this approach results in significant campaign performance improvements, though if you're a UA manager who likes control, it can be an adjustment.

Complement the Algorithm

The underlying driver of all these new recommendations from Facebook is we need to build and manage our campaigns to complement the algorithm – not to fight it. One of the key benefits of adopting new best practices is to minimize Facebook's Learning Phase. Ad sets in the learning phase are not yet delivering efficiently, and often underperform by as much as 20-40%. To minimize this, structure your account to give the algorithm the "maximum signal" it needs to get you out of the Learning Phase faster.

Results During the Learning Phase

Expect somewhat volatile results during this exploration period (aka the Learning Phase) as the system calibrates to deliver the best results for your desired outcome. Generally, the more conversions the system has, the more accurate Facebook's estimated action rates will be.

At around 50 conversions per week, the system is well-calibrated. It will shift from the exploration stage to optimizing for the best results given the audience and the optimization goals you've set.

Through all of this, keep in mind that Facebook has built its prediction system to use much data as possible. When it predicts the conversion rate for an ad, it takes into consideration the ad's history, the campaign's history, the account's history, and the user's history.

When the system says that an ad is in Learning Phase, it's only a warning that the ad has not yet had enough conversions for the algorithm to be confident that its predictions are as good as they will be later. The standard threshold for confidence is 50 conversions.

While it is best practice to let the algorithm manage placements and bids, we do still have quite a lot of levers of control over specific parts of campaign management.

Lever #1 Increase Audience Size

Increasing audience size can help us gather more data and prevent inefficiencies caused by targeting the same audience across multiple ad sets. We'll follow the standard best practices for increasing audience size that we've mentioned before, like:

- Increase retargeting windows beyond 1 day, 3 days, or 7 days and make sure retargeting increments align with website traffic volume.
- Bucket Lookalike audiences into larger groups. For example:. 0-1%, 1-2%, 3-5%, 5-10%.
- Group interest and behavior targets that have high overlap together, being careful that the creative strategy is the same for each segment.
- Minimize the audience overlap.

Then we'll also:

- Exclude past purchasers and website traffic from prospecting campaigns.
- Structure initial launch audiences for maximum performance. Here's an example of how that looks:

App Installs				
Mobile OS	Country	Language	Optimization Goal	Audience Type
iOS	US	English	App Installs	1% LALs
iOS	T1	English	App Installs	1% LALs
iOS	ROW	English	App Installs	1% LALs
iOS	ROW	Dynamic Language	App Installs	1% LALs
Android	US	English	App Installs	1% LALs
Android	T1	English	App Installs	1% LALs
Android	ROW	English	App Installs	1% LALs
Android	ROW	Dynamic Language	App Installs	1% LALs
Android	US	English	App Installs	Broad (Testing)

Once you have about 10,000 installs you can move to AEO (App Event Optimization for purchases). Then your audience structure can shift to something more like this:

AEO Purchase				
Mobile OS	Country	Language	Optimization Goal	Audience Type
iOS	US	English	AEO Purchase	2-5% LALs
iOS	T1	English	AEO Purchase	2-5% LALs
iOS	ROW	English	AEO Purchase	2-5% LALs
iOS	ROW	Dynamic Language	AEO Purchase	2-5% LALs
Android	US	English	AEO Purchase	2-5% LALs
Android	T1	English	AEO Purchase	2-5% LALs
Android	ROW	English	AEO Purchase	2-5% LALs
Android	ROW	Dynamic Language	AEO Purchase	2-5% LALs
iOS	US	English	AEO Purchase	Interest Groups
iOS	T1	English	AEO Purchase	Interest Groups
iOS	ROW	English	AEO Purchase	Interest Groups
iOS	ROW	Dynamic Language	AEO Purchase	Interest Groups
Android	US	English	AEO Purchase	Interest Groups
Android	T1	English	AEO Purchase	Interest Groups
Android	ROW	English	AEO Purchase	Interest Groups
Android	ROW	Dynamic Language	AEO Purchase	Interest Groups

When you have about 1,000 purchases then you can move to Value Bidding and reselect your audiences again:

Value Optimization				
Mobile OS	Country	Language	Optimization Goal	Audience Type
iOS	US	English	Value	10% LALs
iOS	T1	English	Value	10% LALs
iOS	ROW	English	Value	10% LALs
iOS	ROW	Dynamic Language	Value	10% LALs
Android	US	English	Value	10% LALs
Android	T1	English	Value	10% LALs
Android	ROW	English	Value	10% LALs
Android	ROW	Dynamic Language	Value	10% LALs
iOS	US	English	Value	Interest Groups
iOS	T1	English	Value	Interest Groups
iOS	ROW	English	Value	Interest Groups
iOS	ROW	Dynamic Language	Value	Interest Groups
Android	US	English	Value	Interest Groups
Android	T1	English	Value	Interest Groups
Android	ROW	English	Value	Interest Groups
Android	ROW	Dynamic Language	Value	Interest Groups
iOS	US	English	Value	Broad
iOS	T1	English	Value	Broad
iOS	ROW	English	Value	Broad
iOS	ROW	Dynamic Language	Value	Broad
Android	US	English	Value	Broad
Android	T1	English	Value	Broad
Android	ROW	English	Value	Broad
Android	ROW	Dynamic Language	Value	Broad
iOS	DE	German	Value	10% LALs
iOS	FR	French	Value	10% LALs
iOS	ES	Spanish	Value	10% LALs
iOS	IT	Italian	Value	10% LALs
Android	DE	German	Value	10% LALs
Android	FR	French	Value	10% LALs
Android	ES	Spanish	Value	10% LALs
Android	IT	Italian	Value	10% LALs

Lever #2: Combine Placements: Select automatic placements for better results.

The more placements your ads appear in, the more opportunities you have to reach or convert someone. As a result, the more placements your ads are in, the better your results can be – and you won't get penalized for letting the algorithm test new placements.

After the Learning Phase, the algorithm will just not show your ads where they don't perform. It can do the placement testing for you.

Keep in mind that Facebook's system of Discount Bidding (Also known as "Best Response Bidding") will always try to find the lowest cost results based on a campaign's objective and within the audience constraints set by the advertiser. But if you're willing to widen the delivery pool by including additional placements, you're giving the algorithm more to work with. That gives it a better shot at finding lower-cost results and delivering more results for the same budget.

Asset customization gives you control over placements

The ad sizes and ratios you use, of course, determine which placements those ads can appear in. So you'll want to choose the images or videos people see in your ads based on where those ads may appear.

If you elect to manually select placements, use asset customization. It will let you specify what ads are shown for specific placements to ensure your ad displays the way you want. Asset customization also allows organizations to easily choose the ideal image or video for some placements within one ad set. If you have a content strategy that requires specific assets to appear in specific placements, this option is your best bet.
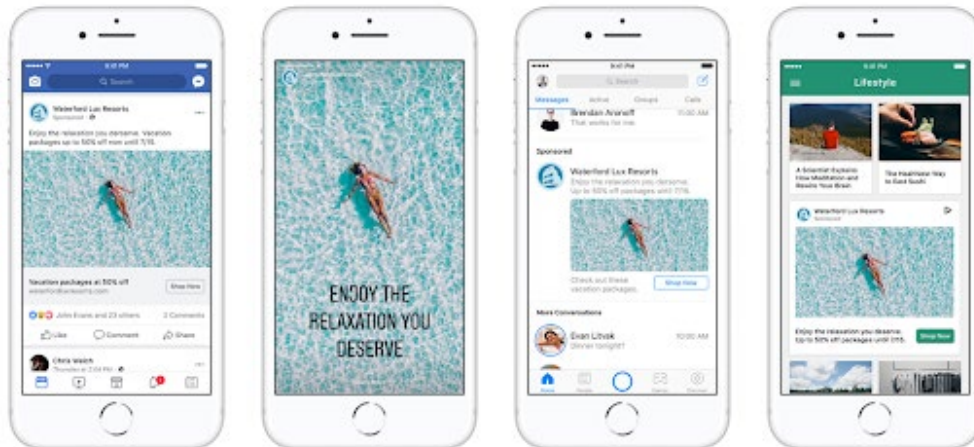
Lever #4: Bid smarter

Never underestimate the power of choosing the right bid strategy. Make your pick carefully (and test it) based on your campaigns' goals and cost requirements. Whatever bid strategy you pick is basically giving the Facebook algorithm instructions on how it should go about reaching your business goals.

Here are your options:

Lowest Cost.
> This directs the Facebook algorithm to bid so you achieve maximum results for your budget. Use the Lowest Cost when:
>
> - You value the volume of conversions over a strict efficiency goal.
> - You have certain audiences you just want to get in front of, and the conversion rate is high enough to justify the spend.
> - You're unsure of the LTV of a conversion.
> - You're already using the lowest cost bidding and are satisfied with the cost per result.

Target Cost.
> This aims to achieve a cost per result on average. So even if cheaper conversions exist, Facebook will optimize for the specified cost per result. Use it when:
>
> - You want a volume of results at a specific cost per result on average, and you want consistency at this cost.
> - You're willing to sacrifice some efficiency for consistency.

Lowest Cost with Bid Cap.
> Sets a limit on how high Facebook will bid for an incremental conversion. Use it when:
>
> - You know the maximum amount you can bid per incremental result, and any incre mental conversion above this value would be unprofitable and unwanted.
> - You're targeting a broader audience with a lower likelihood to convert, so you want to appropriately manage costs.
> - You have a highly segmented audience with a defined LTV for each segment, and you understand the associated bid.

Campaign Structure

Campaign setup matters. A lot. We need to figure out which campaign structure will work best for the particular app we're launching. That usually means using Campaign Budget Optimization settings, but we also have to decide if we want to initially optimize for Mobile App Installs (MAI) or App Event Optimization (AEO).

Typically, if we don't already have a large database of similar payers, we'll start with a limited launch using (MAIL) app installs until we've got enough data to shift to AEO (app event optimization). For initial testing, we like to buy 10,000 installs to allow for testing of game dynamics, KPIs, and creative.

Shifting Towards The Worldwide Launch

Pre-launch campaigns can run from anywhere between a week to a month. They are an investment, but they let us hit the ground running with proven creative, an efficient campaign structure, and a monetization strategy that further boosts profitability. For advertisers who want to scale fast, this is absolutely the way to go.

Phase Two: Taking Your Campaign to the Next Level in the Worldwide Launch

Now we're ready to gear up for the worldwide launch because we have tested creative, optimal campaign structure, and a monetization strategy that gives you the payback window you want.

To prepare for this global launch, we typically start by casting a wide net with different campaign structures so we can identify top-performers and scale them quickly.

We also focus on:

Which geographies to use

We'll test Worldwide, the United States only, and Tier 1 minus the United States to see which performs best. Then we'll drill down further as soon as we have enough data to decide which option to prioritize.

Testing audiences

We'll test different interest groups, and we'll also do a ton of work with lookalike audiences as soon as we've got enough purchases to start working with that data. We do so much work with audience selection that we built a tool to make it easier. Now our Audience Builder Express tool lets us create hundreds of super-highly targeted audiences with just a few clicks.

Which optimization goal works best

We did this in the pre-launch, but it has to be re-tested again now that we're advertising in dramatically larger markets. Typically we'll choose Mobile App Installs (MAI), App Event Optimization (AEO), or Value Optimization (VO).

Developing a campaign structure grid

These are spreadsheets that block out campaign structure and different campaign settings including ads sets, the budgets for each campaign, and more. They're basically a blueprint of the entire launch.

Here's what one section of a campaign structure grid might look like:

Campaigns							Day 1-2		
Optimization Goal	Mobile OS	Country	Language	Audience Type	Age/Gender	Special Tests	# Ad Sets	Budget Per Ad Set	Total Budget
Value	iOS	US	English	1% LALs	18-65 All		5		$ 500.00
Value	iOS	US	English	1% LALs	18-65 All		5		$ 500.00
Value	iOS	US	English	1% LALs	18-65 All	DCO	5		$ 500.00
Value	iOS	US	English	1% LALs	18-65 All	DCO	5		$ 500.00
Value	iOS	T1	English	1% LALs	18-65 All		5		$ 500.00
Value	iOS	T1	English	1% LALs	18-65 All		5		$ 500.00
Value	iOS	ROW	English	1% LALs	18-65 All		5		$ 500.00
Value	iOS	ROW	Dynamic Language	1% LALs	18-65 All		5		$ 500.00
Value	Android	US	English	1% LALs	18-65 All		5		$ 500.00
Value	Android	US	English	1% LALs	18-65 All		5		$ 500.00
Value	Android	US	English	1% LALs	18-65 All	DCO	5		$ 500.00
Value	Android	US	English	1% LALs	18-65 All	DCO	5		$ 500.00
Value	Android	T1	English	1% LALs	18-65 All		5		$ 500.00
Value	Android	T1	English	1% LALs	18-65 All		5		$ 500.00
Value	Android	ROW	English	1% LALs	18-65 All		5		$ 500.00
Value	Android	ROW	Dynamic Language	1% LALs	18-65 All		5		$ 500.00
Value	iOS	US	English	3% LALs	18-65 All		5		$ 500.00
Value	iOS	T1	English	3% LALs	18-65 All		5		$ 500.00
Value	iOS	ROW	English	3% LALs	18-65 All		5		$ 500.00
Value	iOS	ROW	Dynamic Language	3% LALs	18-65 All		5		$ 500.00
Value	Android	US	English	3% LALs	18-65 All		5		$ 500.00
Value	Android	T1	English	3% LALs	18-65 All		5		$ 500.00
Value	Android	ROW	English	3% LALs	18-65 All		5		$ 500.00
Value	Android	ROW	Dynamic Language	3% LALs	18-65 All		5		$ 500.00

Sometimes we'll have two campaign structure grids – one from our team, and one from Facebook. Generally, Facebook's recommended best practices are the right way to go.

While we agree with their approach, every company is a little bit different. We usually follow (and always endorse) Facebook's best practices, but it's critical to understand the backstory and the technical side of why those best practices work. When you look at the underlying principles and the new features we have to work with for each client, every so often, for a particular client situation, we'll bend those best practices a bit.

For example, heavy mobile app installs are recommended for the first week of launch. We've seen success with this strategy, and we've also seen some games scale more profitably with Value Optimization in week one than they did with Mobile App Installs. This is why we recommend casting a wide net instead of exclusively optimizing for Mobile App Installs.

The Learning Phase

We also want to get the campaigns out of the learning phase as quickly as possible. Once we're out of the learning phase, we'll also avoid any "significant edits" to top-performing campaigns and ad sets, as those would put those campaigns back into the learning phase. Facebook's system defines a "significant edit" as a campaign budget change of 40% or more or any bid change greater than 30%.

Then there's the issue of budgets. We aim to balance budgets within one to three days of launch so we can then shift spend to top-performing segments. We do that by first reducing the spend from underperforming geographies and optimization goals, and then reallocating it to top-performing geographies and optimization goals.

Once that's all balanced out, we can safely increase the budgets for CBO campaigns and ad set budgets. We can also launch new campaigns with these same optimized settings.

We'll have achieved a successful worldwide launch – the exposure will have gone global. The campaigns will be profitable and operating with the best efficiency we can deliver for now.

The next step is to fine-tune that efficiency and try to scale up further with audience expansion.

Phase three: Scaling Worldwide Through Optimization

In the first and second segments of this series, we did our pre-launch work and successfully-launched a global campaign with positive ROAS. Now it's time to optimize what we've got and make it even better.

The launch plan shown below is a snapshot of everything we've done so far. It summarizes bid strategies and optimization goals, geographic roll-out, budgets, placements, and which audiences we're targeting. Everything, basically. It's not the sort of thing you'd want one of your competitors to get hold of.

4 Week Worldwide Launch Plan

	Initiative Type	Initiative	Daily Budget	Weekly Budget	% Budget	Geo	Age	Gender	Audience Targeting	Placement	Optimization	Conversion Window	Bid Strategy	Creative
Week 1	New UA	Broad Targeting	$107,143	$750,000	30%	Worldwide	18+	All	None	Auto	MAI/AEO	1D Click + 1D View	Lowest Cost	2 Static, 5 Video, 1 Playable
		VBLAL Audiences	$71,429	$500,000	20%	Worldwide/Tiered	18+	All	SE Highest LTV Payers from soft launch	Auto	MAI	1D Click + 1D View/7D Click	Lowest Cost	2 Static, 5 Video, 1 Playable
		Interest Targeting	$107,143	$750,000	30%	Worldwide/Tiered	18+	All	Clusters: Non-Gaming, Competitors, Top Games, Mobile	Auto	MAI/AEO	1D Click + 1D View	Lowest Cost	2 Static, 5 Video, 1 Playable
		ABC LAL	$53,571	$375,000	15%	Worldwide/Tiered	18+	All	Top Campaign/Ad Sets from SE soft launch	Auto	MAI	1D Click + 1D View	Lowest Cost	1 Static, 3 Video, 1 Playable
	Reengagement	SE Lapsed Users	$17,857	$125,000	5%	Worldwide	18+	All	Lapsed SE within 180D	Auto	Link Clicks or MAE	-	Lowest Cost	1 Static, 3 Video, 1 Playable
Week 2	New UA	Broad Targeting	$64,286	$450,000	30%	Worldwide	18-24, 25-65+	All	None	Auto	VO	1D Click + 1D View	Lowest Cost	2 Static, 5 Video, 1 Playable
		VBLAL Audiences	$64,286	$450,000	30%	Worldwide/Tiered	18-24, 25-65+	All	Last 7D Installers, Last 7D Level Achieved, Last 7D Purchasers, SE highest LTV Players/Payers	Auto	AEO / VO	7D Click + 1D View	Lowest Cost	2 Static, 5 Video, 1 Playable
		Interest Targeting	$42,857	$300,000	20%	Worldwide/Tiered	18-24, 25-65+	All	Clusters: Non-Gaming, Competitors, Top Games, Mobile	Auto	VO	7D Click + 1D View	Lowest Cost	1 Static, 3 Video, 1 Playable
		ABC LAL	$32,143	$225,000	15%	Worldwide/Tiered	18-24, 25-65+	All	Top Campaign/Ad Sets from SE	Auto	AEO / VO	7D Click + 1D View	Lowest Cost	1 Static, 3 Video, 1 Playable
	Reengagement	Install, No Purchase	$10,714	$75,000	5%	Worldwide	18+	All	SE installers, no Purchase	Auto	Link Clicks or MAE	-	Lowest Cost	1 Static, 3 Video, 1 Playable
Week 3 to 4	New UA	Broad Targeting	$85,714	$600,000	30%	Worldwide	18-24, 25-65+	All	None	Auto	VO	1D Click + 1D View	Manual Bid	2 Static, 5 Video, 1 Playable
		VBLAL Audiences	$85,714	$600,000	30%	Worldwide/Tiered	18-24, 25-65+	All	Last 7D Installers, Last 7D Level Achieved, Last 7D Purchasers, SE highest LTV Players/Payers	Auto	AEO / VO	7D Click + 1D View	Manual Bid	2 Static, 5 Video, 1 Playable
		Interest Targeting	$42,857	$300,000	15%	Worldwide/Tiered	18-24, 25-65+	All	Top Campaign/Ad Sets from SE	Auto	AEO/VO	7D Click + 1D View	Manual Bid	2 Static, 5 Video, 1 Playable
		ABC LAL	$57,143	$400,000	20%	Worldwide/Tiered	18-24, 25-65+	All	Top Campaign/Ad Sets Week 1, Week 2 Top Campaign/Ad Sets from SE	Auto	AEO / VO	7D Click + 1D View	Manual Bid	1 Static, 3 Video, 1 Playable
	Reengagement	Install, No purchase	$14,286	$100,000	5%	Worldwide	18+	All	SE Installers, No purchase	Auto	Link Clicks or MAE	-	Lowest Cost	1 Static, 3 Video, 1 Playable

These are the three fronts we'll tackle to optimize this campaign.

1. Audience Expansion

Once again, we'll fire up our Audience Builder Express tool and start isolating specific audiences. In addition to the standard in-app event audiences (registrations, payers, etc), we'll build and test audiences based on these KPIs:

- Spend – all time
- Last 7 days spend
- Last 30 days spend
- First activity date
- Last activity date
- Last spend date
- First spend date
- Spend in first 7 days
- Spend in first 30 days
- Highest level
- Value-based audience by setting minimum value
- Split by Android and iOS and select individual countries

This is what it looks like as you build up your payer base. As the data accrue, you'll be able to build manipulated audiences like this:

Custom Audience List	% of total list - payers	Increase Revenue for Top X% Of Payers	Increase Revenue by X	Decrease revenue for Bottom X% of Payers	Decrease Revenue by X
1	Top 3,000 payers	Top 10% of payers	Increase by 10X	Bottom 10% of payers	Decrease by 90%
2	Top 3,000 payers	Top 10% of payers	Increase by 20X	Bottom 10% of payers	Decrease by 90%
3	Top 3,000 payers	Top 10% of payers	Increase by 30X	Bottom 10% of payers	Decrease by 90%
4	Top 7,500 payers	Top 10% of payers	Increase by 10X	Bottom 10% of payers	Decrease by 90%
5	Top 7,500 payers	Top 10% of payers	Increase by 20X	Bottom 10% of payers	Decrease by 90%
6	Top 7,500 payers	Top 10% of payers	Increase by 30X	Bottom 10% of payers	Decrease by 90%
7	Top 3,000 payers	Top 25% of payers	Increase by 10X	Bottom 10% of payers	Decrease by 90%
8	Top 3,000 payers	Top 25% of payers	Increase by 20X	Bottom 10% of payers	Decrease by 90%
9	Top 3,000 payers	Top 25% of payers	Increase by 30X	Bottom 10% of payers	Decrease by 90%
10	Top 7,500 payers	Top 25% of payers	Increase by 10X	Bottom 10% of payers	Decrease by 90%
11	Top 7,500 payers	Top 25% of payers	Increase by 20X	Bottom 10% of payers	Decrease by 90%
12	Top 7,500 payers	Top 25% of payers	Increase by 30X	Bottom 10% of payers	Decrease by 90%

ROAS Rank	List	Notes
1	Payers - 1 day	Recent payers
2	Payers - 7 day - 1 day (days 2-7)	Semi-recent payers
3	Payers - (30 day - 7 day (days 8 - 30)	Old payers
4	Installs - (1 day) - payers 180 days	Recent installs that didn't pay
5	Installs - (7 days - 1 day) - payers 180 days	Semi-recent installs that didn't pay
6	Installs - (30 days - 7 days) - payers 180 days	Old installs that didn't pay

A little bit later on, as your title continues to grow, you can build even more audiences focused on users who pay early and pay a lot:

LAL Type	Description	Manipulate
Early Whales	Day 1 revenue > 25	None
Early Whales	Day 2 revenue > 25	None
Early Whales	Day 7 revenue > 25	None
Early Whales	Day 1 revenue > 125	None
Early Whales	Day 2 revenue > 125	None
Early Whales	Day 7 revenue > 125	None
Early Whales	Day 1 revenue > 200	None
Early Whales	Day 2 revenue > 200	None
Early Whales	Day 7 revenue > 200	None
Early Whales	Top 1% of purchasers on Day 1	None
Manipulated	Day 1 revenue > 25	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 2 revenue > 25	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 7 revenue > 25	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 1 revenue > 125	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 2 revenue > 125	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 7 revenue > 125	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 1 revenue > 200	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 2 revenue > 200	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Day 7 revenue > 200	Top 10% increase by 10	Bottom 10% decrease by 90
Manipulated	Top 1% of purchasers on Day 1	Top 10% increase by 10	Bottom 10% decrease by 90

The other benefit to audience expansion

Great creative takes a lot of work to develop, so we want it to last as long as possible. We also want to find every single person on the planet who could be a high-value customer. So we very carefully expand audiences to avoid audience fatigue as much as we do it to avoid creative fatigue.

But being able to tie these audiences and rotate through them means our creative lasts significantly longer. It allows us to find a huge potential customer base, and we get thousands of conversions we might never have found or would have spent way too much to get.

Being able to control and expand audiences like this will also be valuable later on, as we scale up and the spending goes up because audiences burn out even faster as campaigns scale. Exploiting every possible audience expansion trick, at every step of the campaign, is critical. Being able to do it efficiently and effectively is a massive competitive advantage.

2. Creative Testing

Just as audiences burn out faster with high-velocity campaigns, creative burns out faster, too, of course. So we have to be aggressively testing all the time. And we do: We are constantly rotating through new creative.

To find creative that performs at the level we need, we usually have to test twenty ads to find one piece of creative good enough to replace control. That means we need a constant stream of new creative – both new "concepts" (completely new, out-of-the-box creative approaches) and new ad variations. Our creative development work is about 20% concepts and 80% variations.

This creative testing machine is running all the time, fueled by creative from our Creative Studio. It has enough capacity to easily deliver the 20 ads we need per week and can handle delivering up to hundreds of ads every week.

Because the game is global by this point, we'll also need localized creative assets. Creative has to be in the right language and may even be optimized for localized placements or cultures.

So we don't need just one winning ad every week: We need that winning ad cloned into every language and optimized for every region. Of course, all those ads also have to be at the right aspect ratios and optimized for Facebook's 14 different ad placements. That's when creative development gets really work-intensive. But the Creative Studio can handle that. They're adept at creating all those variations efficiently.

Dynamic Language Optimization

That's the creative development side. There's also a huge amount of testing strategy required to grow campaigns like this. First, we have to decide when and how we're going to use Dynamic Language Optimization, and when and how we'll use Direct Language Targeting. These two levers can make a nice difference in campaign performance, but they don't always work. Or sometimes they need tweaks to work well.

We'll also test worldwide versus country clusters, optimizing for large populations based on the dominant language of those populations. With dozens of countries and at least a dozen languages in play, this gets complicated.

Fortunately, we have tools that make sorting all these inputs easy. And it is worth the work. Matching the right ad, language, and country cluster can improve performance by 20% or more.

3. Creative Refresh

Even with all the optimization like creative development and audience expansion tricks, creative is still going to get stale. So we have to be slowly rotating new, high-performance creative into ad sets all the time. We don't just stop showing one piece of creative and jump over to the new ad.

So that's how we're launching new gaming apps on Facebook right now. This process is working well, but we're constantly testing, tweaking, and enhancing it.

That's the fun thing about user acquisition on Facebook: It's constantly evolving. The article we'll write for how to launch a gaming app in Q4 2020 will be different from what you've just read.

Conclusion

The algorithms at Google and Facebook may be able to handle most of the quantitative side of UA campaign management now, but they still can't develop effective creative. They can't do competitive analysis, either. And they can't plan out a coherent creative strategy, or intelligently apply player profile data to that strategy.

Creative development, testing, and strategy are still best done by human beings.

If you're an acquisition manager, we recommend you focus on expanding your creative testing and competitive analysis skills in 2020. And no matter who you are, or how much creative testing you're doing, do more of it. It's the single best way to improve the ROAS for your accounts.

You don't necessarily have to become a creative yourself, but you do need to show creatives how to become data-driven. You need to be able to distill and interpret data for them so they can deliver better results. If you want to thrive in this environment, you'll need to synthesize data in both left-brained and right-brained way.

But also keep your eye out for new opportunities. Machine learning is a powerful tool, but if you ask it to solve problems it hasn't encountered before, it flunks.

For example, if a machine learning algorithm was asked to optimize an ad for augmented reality, it wouldn't perform well. A human, however – a smart user acquisition manager – might be able to take what they've learned in other contexts and apply that knowledge successfully to the new situation.

Humans have always been good at this. We're adaptable. And in this environment, adaptability may be the best skill anyone can have.

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