Making breakthroughs
with AI & Automation

Foreword by Harry Boardman

Making breakthroughs with AI & Automation

## PAID SOCIAL PERFORMANCE AND COMMERCE LEAD AT ESSENCEMEDIACOM

Advantage+ Shopping Campaigns, was a new product released by Meta in Q4 of 2022. Looking to improve the effectiveness of its sales campaigns, across the funnel within their advertising suite. While keeping AI and Automation at the core of the product.

At EssenceMediacom we are always searching for the next breakthrough opportunity, we achieve this by doing something new or better in our planning of clients' campaigns. With Meta's release of Advantage+ Shopping Campaigns, we saw our next big new opportunity to help our clients evolve their position within the social commerce space. Leading to clients achieving an average 22% reduction in their cost per purchase, with one client seeing a 52% decrease in CPA. While also uncovering some intriguing audience insights due to the broader targeting required within ASC.

Brand safety remained at the forefront of our thinking as ASC had to have all placements within Meta enabled. To account for this, we utilised 3rd party brand partners to enable greater brand safety controls where and when our clients felt necessary.

The extraordinary partnership we've built with Meta has been incredibly important over the last two years, and as a result, EssenceMediacom is proud to present the learnings of our work on ASC. Throughout this paper, we explore the bigger picture of our partnership with Meta, and the effectiveness of ASC and the AI that it uses to deliver results.

The work we have done on ASC alongside Meta is a testament to how enabling AI within our paid social commerce activations can truly unlock greater potential and act as a real media breakthrough when planning for clients moving forwards.
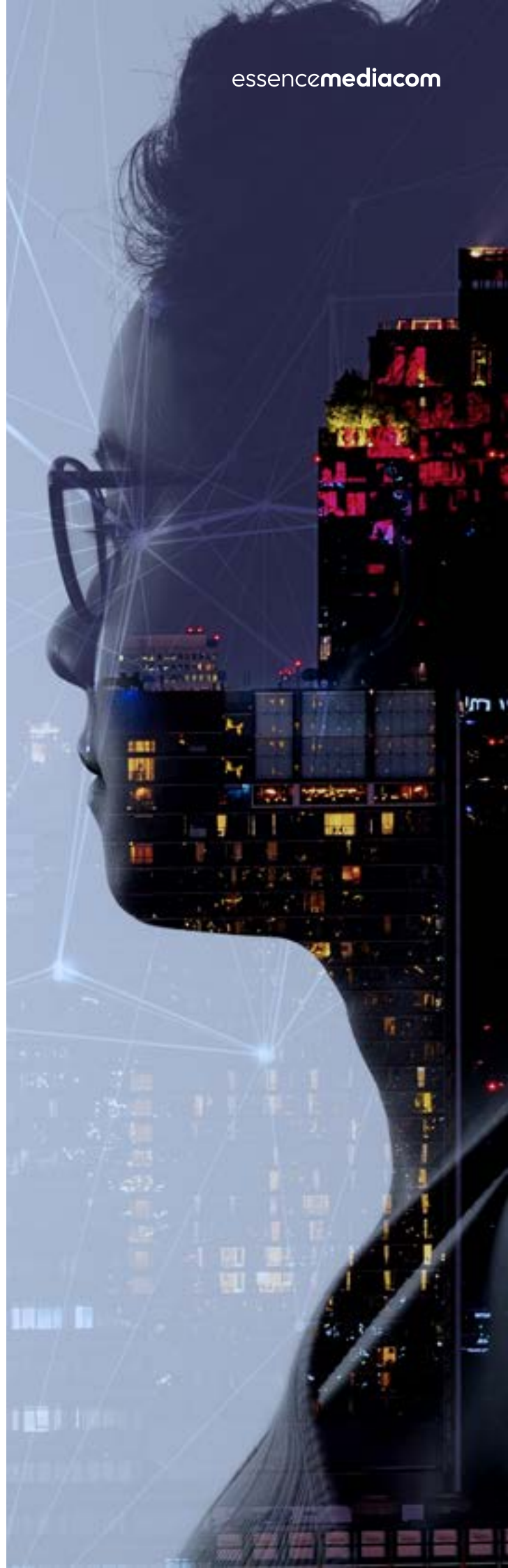
EXECUTIVE SUMMARY

We are experiencing a multitude of industry changes that are redefining performance marketing. These include:

- **Economy under pressure:** Growing inflation, declining household income have increasingly become top of mind for consumers.

- **Evolving ads ecosystem:** Policies, people and platforms are evolving to respect peoples' privacy choices.

- **Increased competition:** Businesses challenged for profitability and growth while grappling with an uncertain economy and a changing ads landscape.

EssenceMediacom believes that utilising AI which provides machines with the ability to think, learn and adapt to its environments. Very much in the way we launched emChat and our utilisation of PMax within Google and ASC across Meta. Enables us to help our clients truly make a breakthrough in the new communications economy, where

people are getting harder to reach with relevant ads. With this front of mind, the need to lean in on AI more than ever couldn't be more apparent. In service of this, we have utilised ASC to make sure that we are finding people at the right time with content that is more unique to them than ever before across Meta.

To understand the improvements in CPA & ROAS that could be achieved. We tested when ASC is run, in addition to, traditional BAU performance activity, and when compared to that of BAU on its own.

To understand this, we executed 9 tests across 9 clients, including Boots, DFS and Studio to test and measure the improvements in performance.

We found that:

- **Driving Efficiency** - ASC enabled clients to be more efficient with their media buys

- **Increasing Effectiveness** - Higher weighting towards ASC has demonstrated key incremental effectiveness

- **Unlocking Growth** - ASC unlocked potential with prospecting audiences previously unforeseen

We look forward to continuing to produce industry leading insights and research into this space and invest in AI for the future.

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This work is a true example of EssenceMediacom acting as a connected system, harnessing the expertise across various teams to deliver key learnings for their clients. These insights around embracing automation is a reflection of our ongoing, forward-thinking and unique relationship. We look forward to continuing to focus on automation in service of their clients.

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Andy Mayirou & Michelle McKelvey
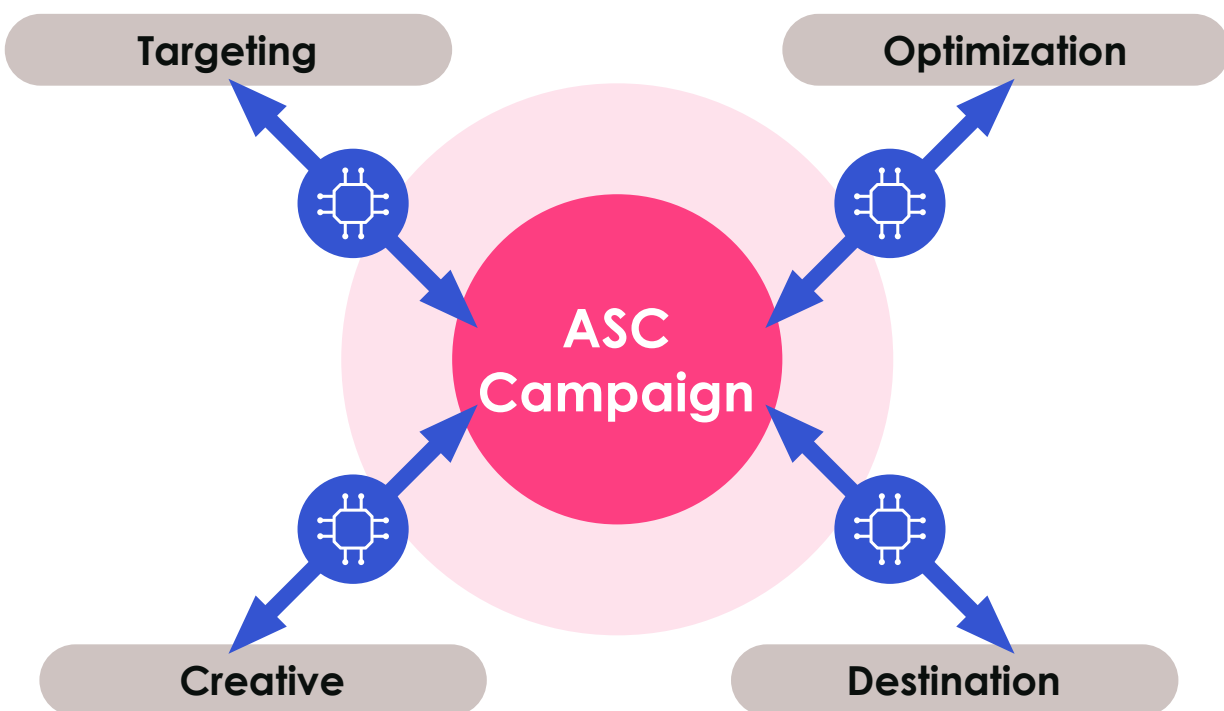
OVERVIEW OF ADVANTAGE+ SHOPPING

In a competitive landscape, reaching new audiences is the key to growth. To do this, Advantage+ Shopping Campaigns casts a wider net so you can connect your brand with more people likely to be interested in your products and services. Because you can achieve all your performance objectives in a single campaign, ASC leverages a spectrum of intent– from implicit to explicit– to connect ads to people at every stage of their purchase journey.

Meta's new machine learning automates creative, targeting, optimization, and destination levers to pair the right ad to the right person, while maximizing sales.

Advantage+ Shopping Campaigns is a first-of-its-kind always-on solution for direct-to-consumer or single brand online retailers that leans on our new machine-learning models to connect relevant ads to interested shoppers.

With ASC, advertisers can create a single campaign for all their sales objectives, and Meta will automate the campaign creation process– across targeting, optimization, creative, and destination– to efficiently deliver the right ad to the right person.

- **Better performance:** ASC uses machine-learning to deliver the highest-performing ads

- **More Efficiency:** ASC optimizes for fresh, high-performing creative with minimal manual input

- **Greater Scale:** ASC connects you to more people & identifies growth audiences, with implicit to explicit intent, while respecting people's privacy choices

CLIENT SPOTLIGHTS

EssenceMediacom clients saw an average reduction of 22% in their cost per purchase when A/B-testing the addition of Advantage+ Shopping Campaigns into their media mix. We will now take a look through some of our early adopters of ASC results a little deeper, to understand the impact for them.

Boots: For the launch of its Christmas gift guide, Boots wanted to find the most efficient way of advertising across Meta. Leading to putting Meta Advantage+ shopping campaigns to the test on Meta. It ran ASC against its usual Advantage+ Catalogue Ads. Leading to a 10% decrease in Cost per Purchase along with seeing their ROAS improve by 7%. Proving that ASC helped them unlock greater potential during the busiest time of the year for Boots.

DFS: Part of DFS's ongoing vision is to be a leader in Digital Excellence, that includes a commitment to testing new products and a continual development of their approach to conversion activity. With that, our initial question was: "Can Advantage Shopping+ Campaigns provide any uplift on our BAU approach to using DPA and DABA targeting?". We launched a simple A/B test to measure the impact it could have on our immediate strategy in the midst of DFS' key sales period. The results from this Conversion Lift Study included a 41% decrease in CPA, 67% increase in Web ROAS, and a 76% increase in Google Analytics Session.

Studio: Studio is another retail client who has unlocked the full potential of ASC. They wanted to take their performance advertising to the next level and find the most efficient way of driving online sales with their Q1 campaigns. To do so, Studio tested Advantage+ Shopping campaigns. Instead of running several campaigns with segmented audiences, Advantage+ Shopping Campaigns enabled Studio to combine audiences into a single campaign structure. This is designed to simplify creation and management, while reducing audience overlap.

Their results were phenomenal, including a 51% decrease in CPA vs. BAU, 105% increase in order volume, and 66% of orders were attributed to ASC. Interestingly, Studio also saw strong conversion results within audiences that wouldn't typically sit within their core target demographic. This was demonstrated with males having a 18% higher AOV within ASC campaigns proving that targeting them can indeed unlock greater growth opportunities for Studio moving forwards.

All three clients have now established Advantage+ Shopping Campaigns as a mainstay in their advertising activations moving forwards and are consistently testing it to unlock greater potential within the ad product.

Warner: With CAPI enabled for Warner Hotels, we were able to effectively measure ASC performance through using Conversion Lift, to understand the incremental impact of ASC. Currently, the only way Meta enables this is through having CAPI enabled.

Warner Hotels cut sales costs by using Advantage+ Shopping campaigns. The hotel company reduced its cost per incremental purchase by 51% and delivered 40% higher reach after adding Advantage Shopping Campaigns to its business-as-usual campaigns. This resulted in a 51% lower cost per incremental purchase, a 1.52x incremental return on ad spend with business as usual with ASC, a 17% lower cost per incremental "search" action, and a 40% higher reach with the same budget in business as usual and business as usual with ASC cells.

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We've been working hard this year to push our social activity forward and link it better with business impact. The ASC test has helped to do this and expand our ongoing activity in what has been a challenging market. Using ASC has helped develop our social strategy greatly and opened up a broader set of audience and conversion opportunities for us to target.

Steve Paterson, Senior Channel Marketing Manager, Bourne Leisure

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By 2030, 90% of our media day will be algorithmically and AI delivered. This will continue to atomise content, culture and consumption. The brands that will win in this media landscape will be the ones that balance the need to, on one hand, embrace the platforms, while, on the other, also continue to find their competitive advantage.

This edge, both now and in the future, will be in part derived from the application of AI.

Therefore, to see such promising results from nine of our brands applying ASC shows clearly the current and potential power for advertisers, especially those running performance campaigns.

Indeed, the brave brands looking to follow suit and willing to explore, experiment and learn now will take an early mover advantage in the short-term. However, in the medium to long term if every brand has access to the same AI capabilities will we still see the same incrementality and leaps in ROAS as we have here?

Only time will tell.

But for now, we will be encouraging every brand to test AI products, such as ASC, to see whether they can help them breakthrough.