

**Ekimetrics.**

# **YouTube creative effectiveness: Three golden rules that could double ROI**

 **YouTube**   



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# Introduction

## **Ekimetrics has recently conducted an independent study, alongside Google, to reveal the impact of ad creative quality on YouTube video performance.**

Not only was the study able to establish that creative execution is a significant driver of a campaign's sales performance, with the potential to double ROI, it has resulted in three golden rules for advertisers.

**“Creative execution is a significant driver a campaign's sales performance.”**

What's more, for the first time, it is now possible to measure YouTube creative effectiveness repeatably at scale using Ekimetrics' newly pioneered integrated 'Creative Power in Marketing Mix (MMM)' methodology.

This will allow brands to capitalize on a yet untapped opportunity to supercharge their creative execution.

This is a significant step forward against a backdrop of increasingly limited ability to influence other tactical drivers of performance, due to Artificial Intelligence and Machine Learning optimization, and the generally accepted complexities of codifying and measuring creative effectiveness at scale.

**“Potential to double ROI”**

While this study focuses on YouTube, the methodology is likely to translate well to other video advertising, such as TikTok or TV.

As with all measurement practices, for best results, advertisers, marketers and marketing effectiveness professionals should create their own findings by applying the Creative Power in MMM methodology for themselves.

# About the study

**While it is generally accepted that creative is important to campaign performance, it is often still regarded as a subjective factor that defies measurement. To date, there have been few initiatives to quantify it in a structured fashion across media tactics to facilitate measurement at scale. The challenges are often centered on data quantity, complexity, availability, as well as the required knowledge and skills.**

Previous YouTube studies had shown potential uplifts in ROAS of 31-38% <sup>1</sup> from creative best practices, but there remained no holistic, repeatable and scalable measurement solution.

Consequently, the study aimed to address those challenges to:

- a) Capitalize on previous learnings using Google's ABCD creative principles ('Attention', 'Branding', 'Connection' and 'Direction')
- b) Highlight the broader opportunity for the industry to invest in measuring creative effectiveness
- c) Develop a Marketing Mix Modeling (MMM) methodology to understand and measure media creative effectiveness in a repeatable and scalable manner
- d) Derive a 'creative score' formula and measurement framework to quantify ROI gains, and
- e) Explore uplift by individual creative features and distil Google's 73 creative attributes that comprise the ABCD guidelines

To establish the link between creative attributes and MMM measured YouTube advertising performance, the study captures:

- Four brands across diverse sectors of beauty, luxury and automotive
- Three+ years of creative executions
- 2.4B video impressions
- \$21.4M adspend

In this study, 'creative execution' is the production, message, and overall presentation of advertising content on YouTube.

<sup>1</sup> In custom US and South East Asia MMM meta-analyses commissioned by Google in the CPG category, Nielsen found that optimizing the use of ABCDs guidelines resulted in +31-38% improvement in sales lift and ROAS on average vs non ABCDs-optimized ads

# Three key findings

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**Our research found that: Creative execution is a highly significant driver of YouTube sales performance.**

## 1.

Creative execution explains 60% of video performance variance\*

## 2.

Optimizing creative can increase Video ROI by 2.2x

- a. 1.5x when creative quality improved from 'poor' to 'good'
- b. 1.4x when creative quality improved from 'good' to 'optimal'^~

## 3.

With 58% of study videos suboptimal, there is significant opportunity for brands to improve performance.

\* Amongst creative and format variables

<sup>2</sup>Creative quality is categorized according to how many of the study's top 20 creative practices are followed

- 'Poor' creatives follow less than 20%
- 'Good' creatives follow 20% to less than or equal to 40%
- 'Optimal' follow more than 40%

~Average short-term video efficiency

# Three key takeaways

**There were three major takeaways from the study:**

**1.**

Three golden rules for advertisers:  
'Compelling CTAs', 'Sound attributes',  
'Product in context'

**2.**

The top 20 creative best practices delivered  
80% of creative-driven sales performance

**3.**

Integrating creative effectiveness to MMM  
significantly increases its predictive power



# Creative execution is a highly significant driver of YouTube sales performance

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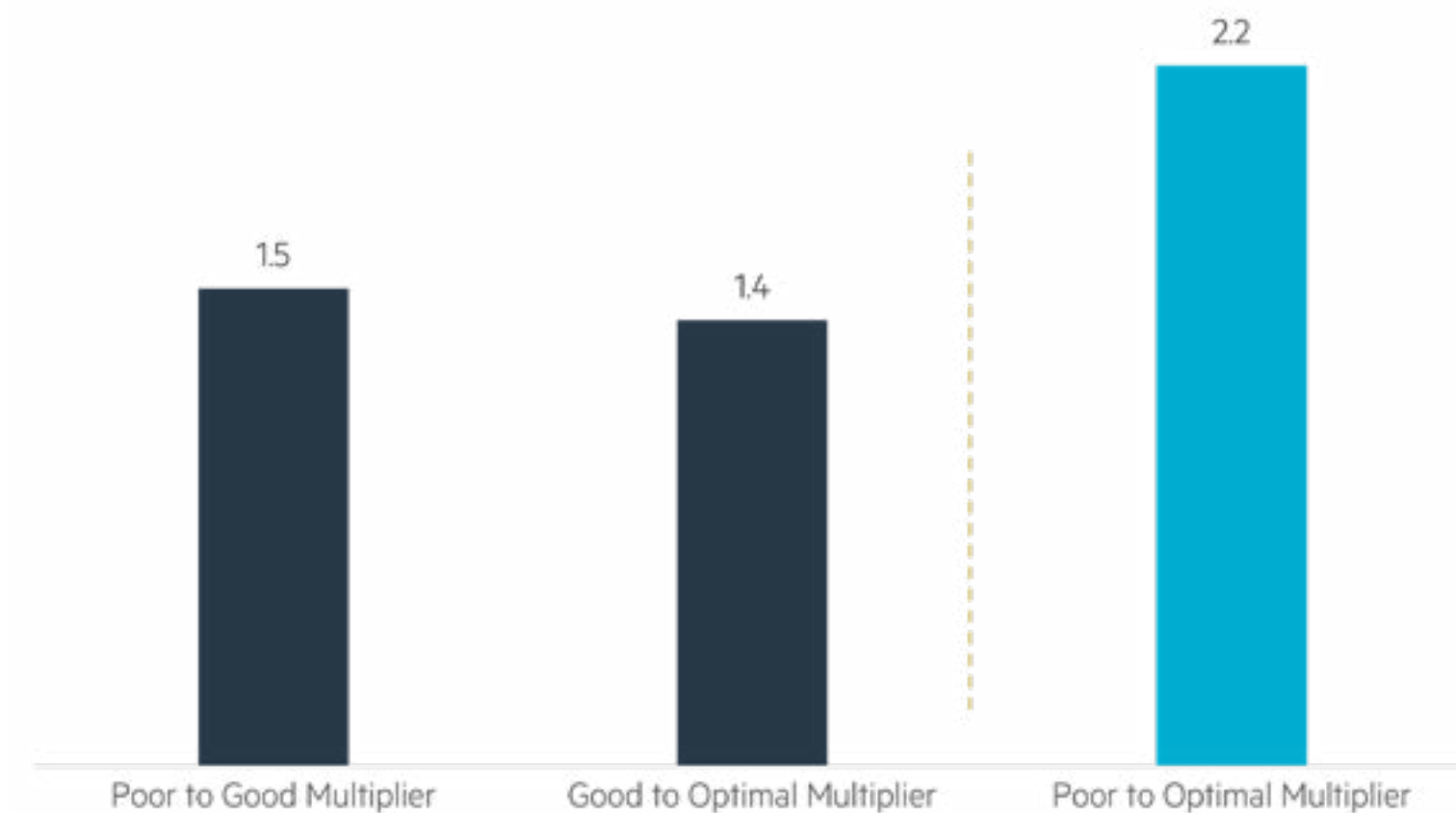
**The study explored the relationship between creative effectiveness and YouTube video through the analysis of 2.4BN video impressions of creatives. It found that creative execution is a highly significant driver of YouTube sales performance.**

While reach/frequency, ad format, flighting and targeting are important aspects of any strategy, creative execution explained 60% of video performance variance amongst creative and format variables, and drove return on investment by up to 2.2x. It is key in driving conversion.

What's more, 58% of videos in the study were suboptimal. This finding alone provides brands with the impetus to take creative effectiveness seriously and embark upon creative optimization, with the potential to more than double ROI on the table. It also provides the basis for a business case to invest in integrating creative effectiveness into MMM in order to realize the potential value.

**“Provides the basis for a business case to invest in integrating creative effectiveness into MMM.”**

As you might expect, as video creative scores improved, there were some diminishing returns in efficiency gains. Yet for each advertiser analyzed, there was significant potential to improve creative quality, and with it, sales performance.



**Figure 1: Average ROAS Increases Resulting from Creative Execution Improvement**

# Three golden rules for advertisers

As a 'broad brush' approach, prior to implementing their own MMM solutions, brands can follow the three golden rules outlined in the study to capture audience interest and increase performance.

The three golden rules – which are the most effective yet underused creative elements – are summarized as:

1. Compelling CTAs
2. Sound attributes
3. Product in context





# Rule 1:

## Direction – include compelling CTAs

**Definition: Make sure your call-to-action relates to the product or offering. Leverage the power of discounts, special offers and sense of urgency to turn viewers into customers.**

The inclusion of ‘Direction’ elements (with reference to Google’s ABCDs) increased ROI by an average of 1.4 percentage points (pp) per creative attribute. The most effective being a relevant call to action, with +2.6pp on ROI.

In the following examples, Exhibit A (before following best practice) has a CTA – ‘pick some up at your pet store’ – but Exhibit B (after following best practice) both relates more to the product offering and induces a sense of urgency, compelling the audience to ‘treat your hungry jaws today’.

Exhibit A: Direction before following best practice



Exhibit B: Direction after following best practice

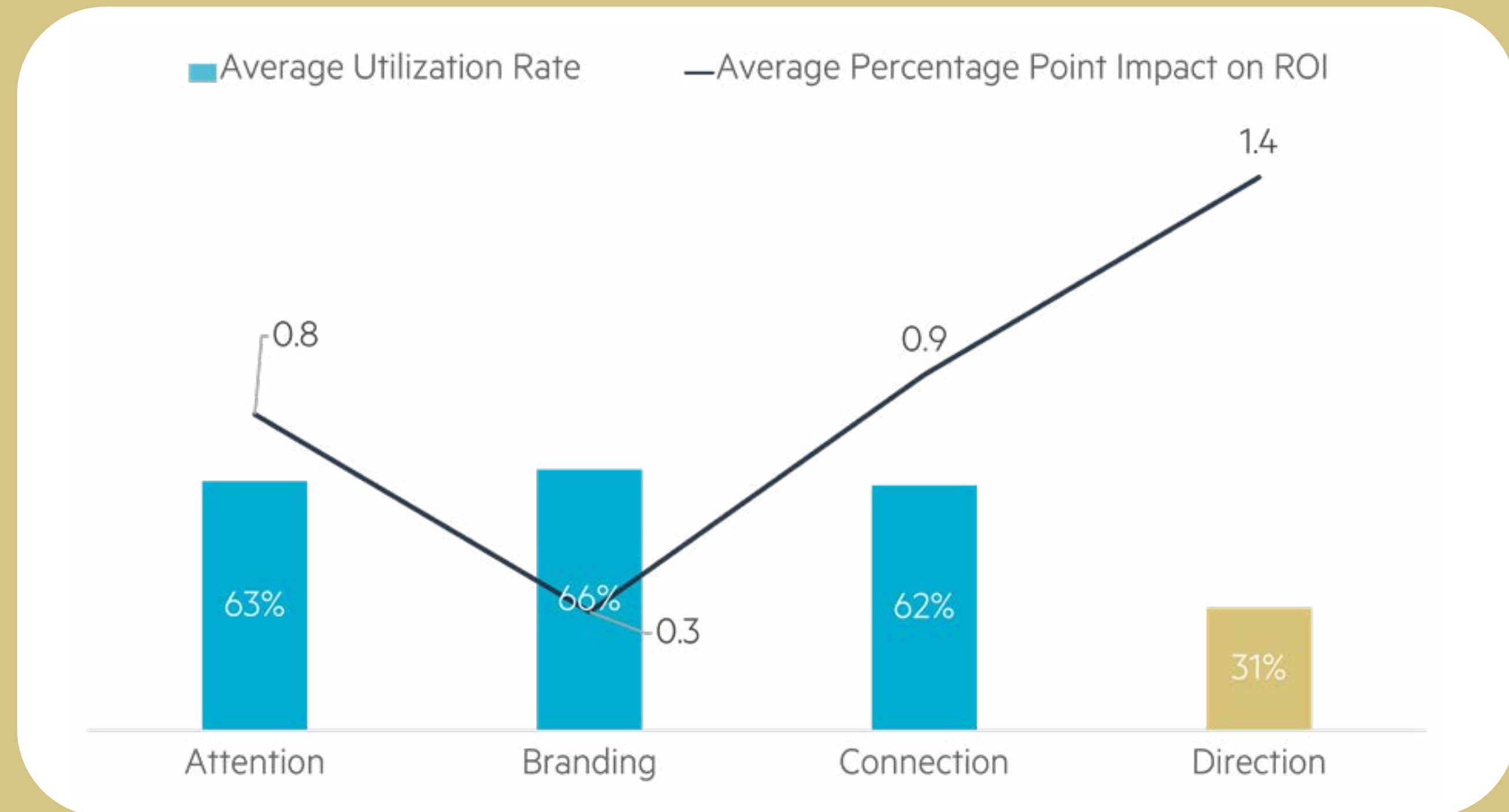


# Rule 1: Direction – explained

**Typically, marketers adopt the principle of ‘Branding’ the most. However, it has a lower-than-average impact on ROI, as we can see in Figure 2. That’s not to say branding should not remain a focus, it should. But the graph clearly shows that there are bigger untapped opportunities elsewhere to drive further incremental sales impact, significantly so in ‘Direction’.**

Within the ABCD principles (see page 16), ‘Direction’ emphasizes compelling calls to action. This analysis shows that ‘Direction’ is the least utilized category and has the highest potential impact on video ROI, indicating that creatives with higher adoption of ‘Direction’ principles saw large ROI gains as a result. ‘Attention’ and ‘Connection’ are both more highly utilized, but still have potential for ROI growth.

Having gained a consumer’s hard-earned attention, marketers can help them (and themselves) by telling them exactly what they would like them to do.



**Figure 2: Average Percentage Point Impact on ROI vs Utilization Rate**

# Rule 2: Sound – Use audio cues

## **Definition: Grab and sustain attention by adding a jingle, sound effects or music.**

Marketers must unlock the potential of audio cues to reinforce engagement, as effective use of sound drove 1.8x ROI, more than visual and text elements.

However, audio is used less often than visual and text elements, underusing the full potential of video as a medium.

For clarity, audio includes voice over, dialogue, music, jingle, product cues and more.

For viewers of Exhibit C, there is no ‘sonic branding’ employed, missing a more immersive and memorable experience.

In Exhibit D, visual and text elements are supported by a jingle.

Exhibit C: Sound before following best practice



Exhibit D: Sound after following best practice





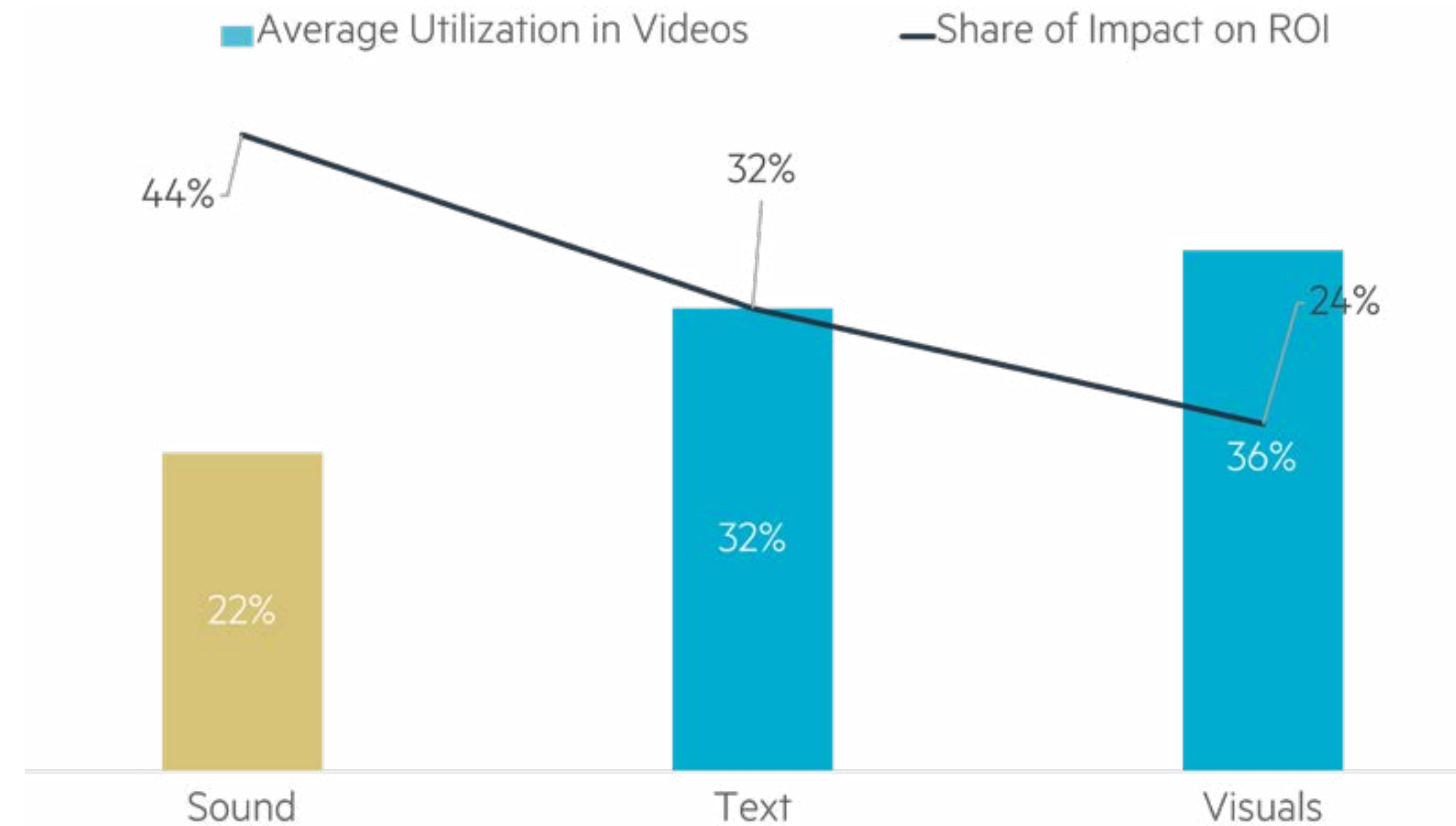
## Rule 2: Sound – explained

**Typically, marketers widely adopt visual and text elements in their creatives, but audio is around 1.5-1.6 times less likely to be included in a creative vs other cues. Yet as we can see from Figure 3, best practices related to sound (or audio) drives the most additional conversions, with:**

- **1.8x** the share of impact on efficiency vs visual elements, and
- **1.4x** vs text for reinforcing viewer engagement.

Brands planning their creative strategy should recognize the importance of supporting text and visual cues with sound to enhance the overall viewer experience and increase retention with 'echoic memory'.

While text and visuals also support conversion, leveraging sound is a crucial and often missed opportunity to grab and retain the consumer's attention.



**Figure 3: Share of Asset Type Impact on ROI vs Utilization Rate**

# Rule 3: Relevance – Product in context

**Definition: Be upfront, precise and credible when explaining the offering and show exactly how the product will enhance the viewer's life by depicting it in a relevant and realistic situation.**

Relevancy was measured overall to have a strong impact on creative efficiency, with showcasing the Product Context having the most important impact on ROI (+2.7 pp on average). The second most important is to include a relevant call to action.

In Exhibit E, the product features next to the dog, however, in Exhibit F, this is enhanced with a happy dog being fed the product by its owner.

Exhibit E: before following creative best practice



Exhibit F: after following creative best practice



# Rule 3: Relevance – explained

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**In today’s saturated digital landscape, our study found that providing relevance to the consumer is the most important aspect in planning creative execution and driving performance.**

Specifically, the two best practices measured as having the highest impact on ROI highlight the importance of resonating with consumers to stand out:

## **1. Product Context**

Marketers should make sure the product and/or service they are advertising is shown in the YouTube video in the context a potential user would encounter.

## **2. Relevant Call to Action**

Advertisers should ensure the CTA is shown after a product, problem or need appears, to ensure the consumer understands the benefits of the brand.

Overall, to increase effectiveness, advertisers should focus on showcasing what the brand offers, the role its products are designed for and engage with consumers by showing them the “real” context in which this product would benefit them.

**NB** While in Google’s ABCDs, ‘Product Context’ is a ‘C’ – Connection – and ‘Relevant Call to Action’ is a ‘D’ – Direction – both relate to a similar importance of showing in context to consumers why the product/service provides value. We’ll see next where these features ranked in terms of importance.



# 20 creative best practices

**The study used Google’s ABCDs (see page 16) as the basis for codifying creative executions.**

Google’s ABCDs consist of 73 different creative attributes, however, for the brands and ads in the study, we were able to distil this further, making it easier for marketers to make more pragmatic use of the framework.

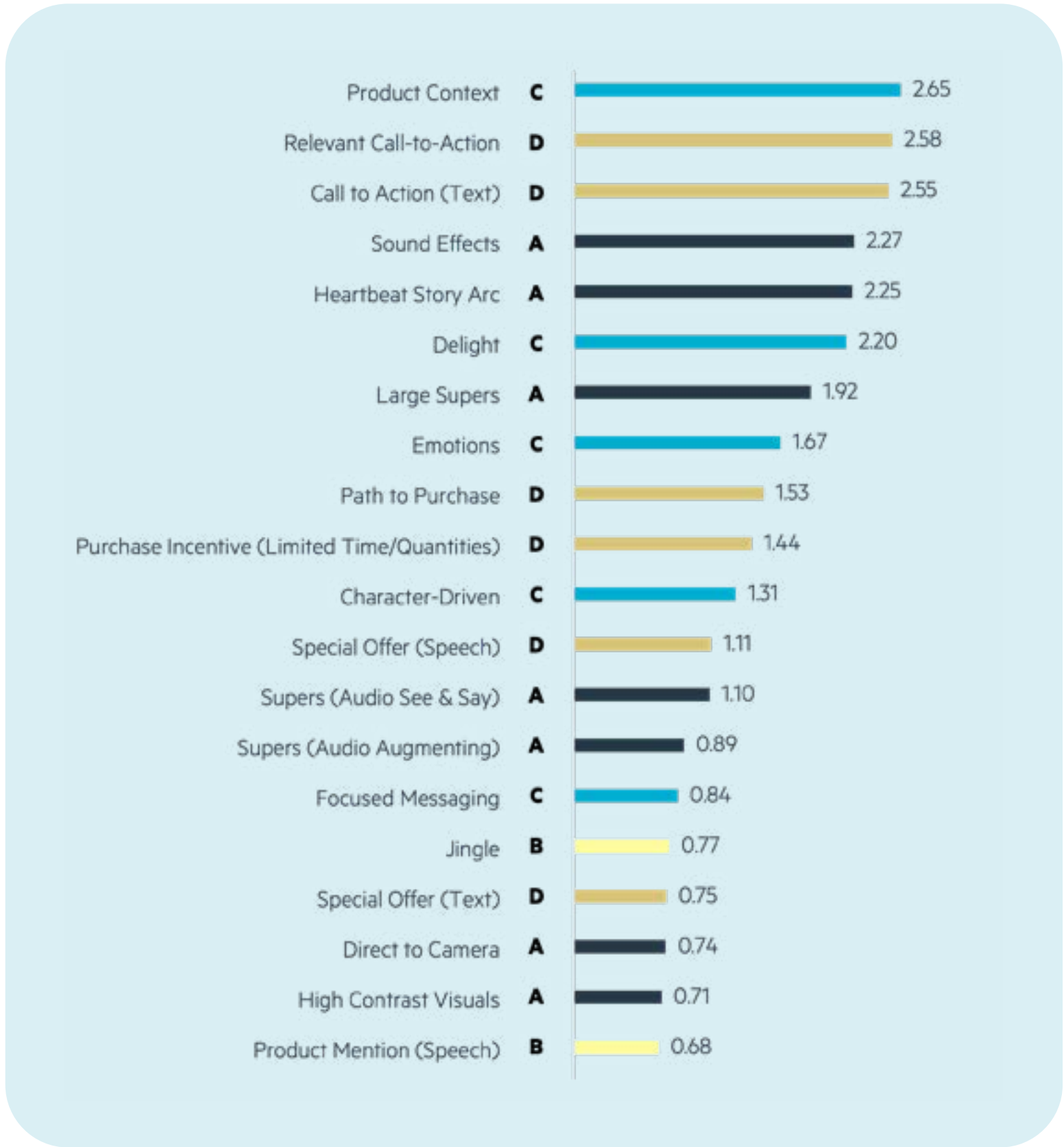
The study found that the top 20 creative best practices of the total 73 explained 80% of the variation in creative execution performance. Meaning that for the participating brands, this top 20 could be used to steer creative decisions while delivering the majority of best practice benefit. Each is detailed in Figure 4 with corresponding ABCD categorization.

It’s important to note that there were variances across sectors so while these best practices were collated over a large sample, it’s still advised that brands undertake their own measurement using the framework identified. A more technical companion paper explains this in greater detail and can also be found on the Ekimetrics website.

The top 20 represent all ABCD principles to provide a holistic framework for marketers to craft and monitor their creative content strategy on YouTube.

By following at least eight of those best practices (the definition of an ‘optimal’ creative being one with 40% of these attributes), marketers could achieve up to a 2.2x increase in efficiency due to creative execution improvements and better engagement with the consumer.

**Figure 4: Top 20 Features by average percentage point impact on YouTube Video Performance**



# Google's 'ABCD'<sup>3</sup> principles for effective creative

To understand what specific creative elements resonate with YouTube viewers, Google researchers analyzed thousands of ads to engineer the **“ABCD Principles”**: “Attention”, “Branding”, “Connection”, and “Direction”. This study builds upon this work and extracts the most important of these creative rules for advertisers to follow.

## Attention

### Grab and sustain attention with an immersive story

Successful ads work hard to earn engagement right from the get-go. Of course, there are many ways to do this. You can start your ad in the middle of the action, or open with an arresting close-up. Audio inputs like music, voice-over, and sound effects create a rich, sensory experience that helps people to pay attention. Think about color and contrast to ensure your visuals are bright and strong.

## Branding

### Brand early, often, and richly

Whether with product shots, pack shots, in situ branding, graphic elements, voice-overs, or musical treatments, work your brand identity into the story. YouTube is almost entirely a sound-on experience, so take advantage of the multisensory aspect of your medium to get more impact.

## Connection

### Help people think or feel something

Don't think of your viewer as passive. Work to educate, inspire, or entertain them. Humanize your story to help them relate; lean into emotional levers with storytelling techniques such as humor or surprise. But avoid doing too much in your ad. Focus on the message as you make your connection.

## Direction

### Ask them to take action

Finally, with clear and simple instructions on what to do next, people will be more likely to respond to your ad the way you want. A written call to action, graphics, audio, or even a scene from your story can help guide them.

Our study leveraged 73 best practices derived from the ABCD principles and added granular insights to the framework by providing clear recommendations on which best practices are the most important for driving conversion. We also created a well-defined and scalable framework for marketing scientists to include the latter in traditional MMM measurements.

<sup>3</sup> In its “ABCD : Mastering the Art of Effective Storytelling on YouTube” playbook published in 2022, Google helps advertisers understand the ABCD principles and how you can utilize them to engage viewers with your ad.



# Integrate creative effectiveness to increase MMM predictive power

**To develop a repeatable and scalable approach, the ability to quantify the impact of each individual attribute on ROI provides three main benefits:**

- 1. It quantifies the potential gain in Video performance (as defined by effectiveness & ROI) through creative optimization.**
- 2. Specifically, it also provides visibility of which attributes drive the largest proportion of video performance, allowing marketing teams to prioritize their creative improvement plans and focus on the biggest gains.**
- 3. It allows marketers to select the subset of principles that explain most of creative performance. This reduces the scope, minimizing ongoing data collection needs, and enabling a more scalable and repeatable creative measurement program.**

Further, the incorporation of a “creative score” into existing MMMs is highly recommended for two main methodological reasons:

- a) Better model fit and explanation of sales performance.
- b) Ability to quantify and monitor the impact over time of creative execution on YouTube performance.

Having assessed and compared different methodologies to integrate YouTube creative execution into MMM, our recommended approach is to:

- Measure the “creative score” per video (% of top-20 attributes that are present in the video).
- Segment Video impressions into poor, good and optimal to measure their performance separately.

The study found that by separating YouTube impressions into poor, good and optimal tiers, overall model uncertainty decreased, and predictive power increased significantly across all advertisers included in the study.

Consequently, marketing scientists can quantify the absolute impact on YouTube incremental sales from improving creative execution by measuring the step-change in video performance between creative tiers.

You can read more about how we arrived at this methodology in our technical companion paper: [Advanced Study: Measuring YouTube ad creative quality impact at scale](#).



# Best practice approach to creative measurement integration



**Figure 5: Framework for enhancing MMM solutions with creative effectiveness measurement.**

Integrating creative scoring in MMM measurements enables advertisers to quantify the potential opportunity in incremental sales.

## **1. Data Collection**

To integrate creative measurement into MMMs, video data must be gathered and impressions and spend collected at individual creative level to ensure a 1:1 relationship with the creative content scoring data created in stage 2.

## **2. Creative Labeling**

Once video level data has been collected, advertisers need either to use an internal solution or ask their Google representative for a creative labeling solution to evaluate which of the top 20 attributes are present in each video.

## **3. Creative Scoring**

Once all videos have been rated against the top 20 attributes, it is possible to derive a single creative index for each video to provide a unique numerical indicator of creative effectiveness.

## **4. MMM Integration**

Split your video impressions into three different features:

- Videos with a Poor Creative: Less than or 20% creative score (4/20 attributes present)
- Videos with a Good Creative: Between 20% and 40% creative score (5/20 – 8/20 attributes present)
- Videos with an optimal Creative: Greater than 40% creative score (8+/20 attributes present)

These can then be used in your MMM .

# Where next?

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**As a first to market methodology, there are further advances available that we will explore next, namely:**

## 1.

Broaden control variables to more non-creative factors that may affect Video ROI to expand on whether there are differences in the definition of an “optimal creative” between control groups and to improve model performance.

## 2.

Introduce long-term assessment of the impact of creative on brand image to develop a fuller picture of creative impact.

## 3.

Extend the evaluation period beyond the 3+ year horizon of the study to understand any “creative wear-out”, whereby optimal creatives only remain optimal for a given length of time.

There is little doubt this field of marketing science will continue to advance at pace, as more brands recognize the potential for and adopt scalable approaches to understanding creative effectiveness through MMM.

Those brands are likely to make significant gains on any peers not playing in this space as they leverage the final frontier in marketing effectiveness.

# About Ekimetrics

**Ekimetrics is a leader in data science and AI-powered solutions. Since 2006, we've pioneered the use of AI and advanced data science applied to unified marketing measurement, holistic business optimization and broad-ranging sustainability goals.**

## **Our goal**

To combine high impact with long-term business purpose to redefine performance.

From data engineering to analytics, data culture to transformation, our holistic approach to marketing effectiveness has earned us significant recognition, including being named a 'Leader' in the most recent Forrester WaveTM: Marketing and Optimization Q3 2023, where we scored top for talent, with 5/5 on 16 different criteria, including Marketing Strategy Consulting and Global Client Management.

**“Ekimetrics combines cutting-edge tools with bold vision and innovation... providing marketers with next-generation analytics... [and] strong engineering chops.”**

**Forrester**

## **Want to know more?**

Drop us a line, we'd love to hear from you.

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