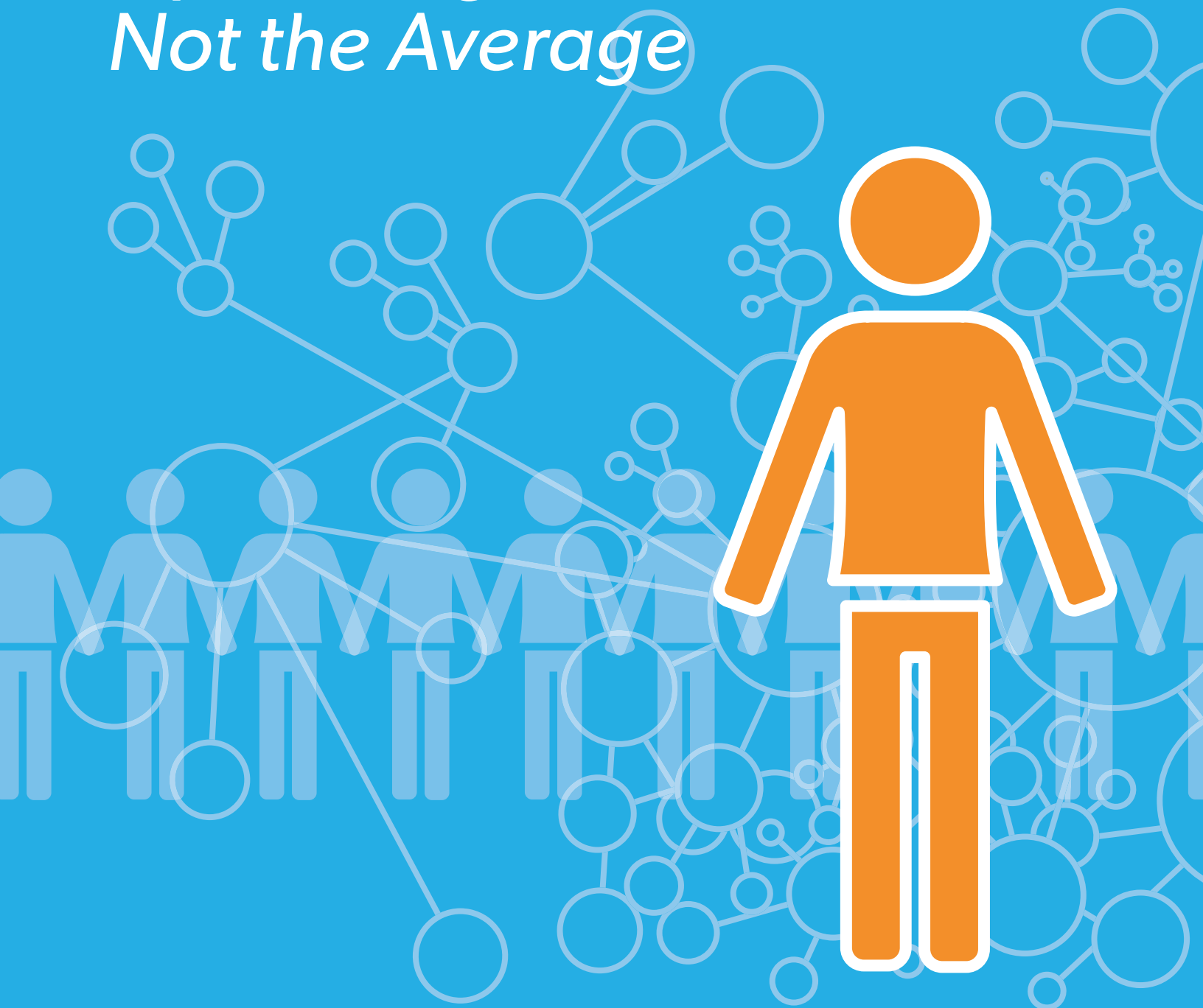




The Unacceptable Loss: Optimizing to the Individual, Not the Average





Optimizing to the Individual, Not the Average

To accept a concept or situation is to recognize it as “inevitable”. Brands have forever accepted the ancient idiom “You can’t please everyone” in regards to campaign optimization. After all, when testing a creative, there has to be a winner and a loser.

The winner is the creative that will delight the most customers and yield the greatest average performance.

The loser is the one that will only delight some customers, but is essentially abandoned in favor of the winner, along with the corresponding yield and the happiness of a significant segment of a brand’s best customers.

The sacrifice of brand dollars and user experience during this process is referred to as an acceptable loss.

But this loss is not inevitable, and is therefore unacceptable.

This whitepaper will explain how Machine Learning makes it possible to optimize creatives to the individual customer, exponentially improving campaign performance and user experience, all while the campaign is actually running.

Using this equation, you **can** please everyone:

Deep Segmentation Analysis (Speed + Accuracy) = *Pleasing Everyone*

But in order to understand the benefits of Machine Learning fully, an understanding of the archaic alternatives to campaign optimization, as well as their limitations, is needed.

Archaic Optimization Strategy #1



A/B Testing (A.K.A. split testing)

A simple linear method of testing two variations of a single variable to determine the winner, popularized by direct mail, telemarketing, and CTA/subject line testing.

Limitations:

- Can only test on variable at a time
- Only choose best average winner
- Assumes some level of acceptable loss



*but *everyone* is not pleased



70% of
Your Customers



30% of
Your Customers
(an unacceptable loss)

Archaic Optimization Strategy #2



Multivariate Analysis

Multivariate analysis goes beyond A/B testing, fine-tuning a single creative by testing different variations to see what combination of elements performs the best.

Limitations:

- Incredibly slow and inefficient
- Requires a huge amount of test inventory
- Still only chooses best average winner



50 Clicks
Winner



18 Clicks



35 Clicks



40 Clicks



20 Clicks



15 Clicks

These creatives only have a few variations. The more variations, the more inventory you need, and you end up with something like this:



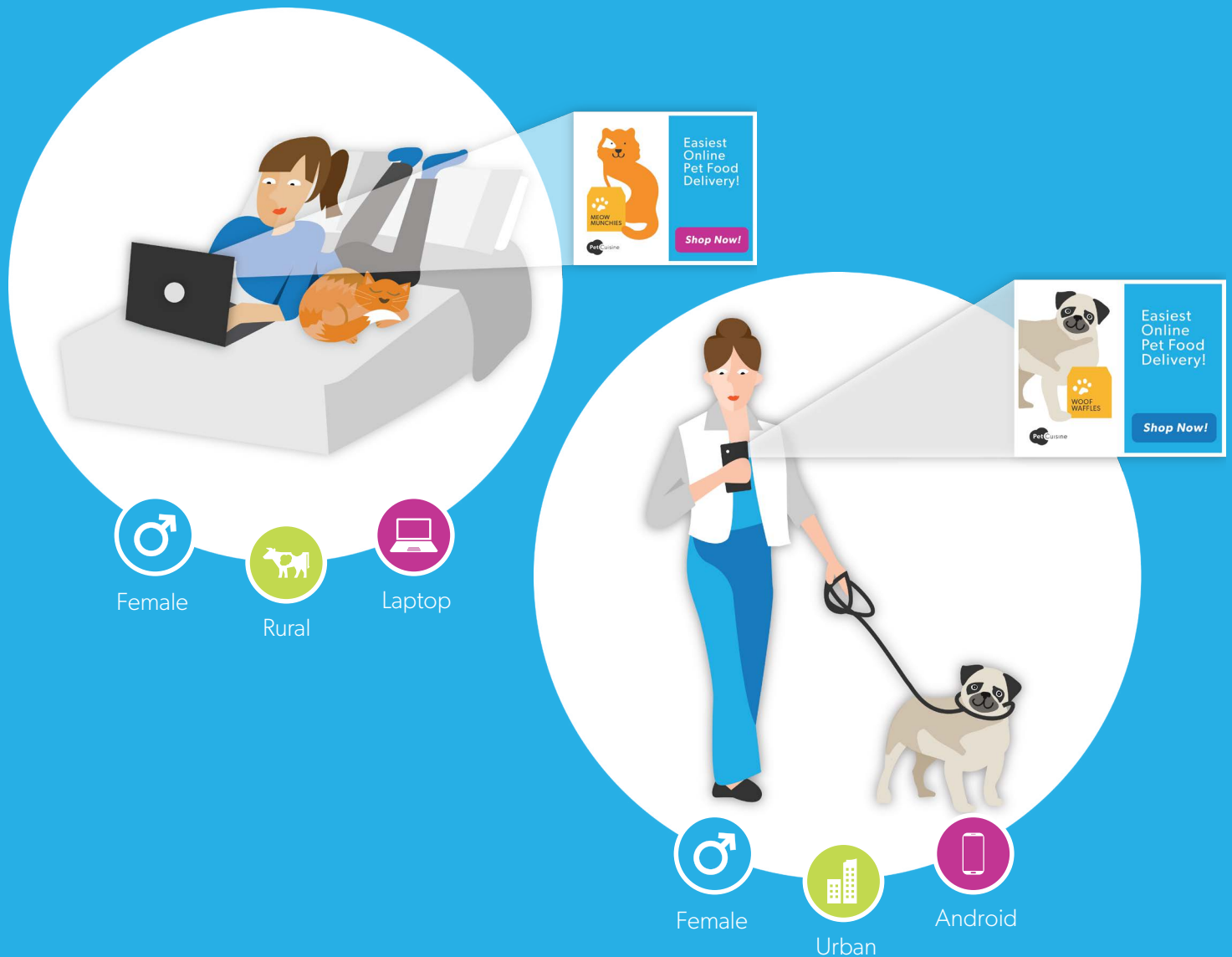
Acceptable Loss is Unacceptable



LiveIntent's Intelligent Prediction Solution: **LIPS**

Serve the Right Ad, to the Right Person, Every Time

LiveIntent uses the most advanced optimization technology, Machine Learning, to ensure that every single person gets the best targeted ad, every time. We have the only ad server, including DART, capable of reliably changing the ad creative and click URL in real-time in email. This facilitates the efficiency of Machine Learning's confident and sophisticated multivariable analysis, even allowing for real-time utilization of first and third party data.



Acceptable Loss is Unacceptable



LiveIntent's Intelligent Prediction Solution: **LIPS**

Only With LIPS

Machine learning and predictive algorithms makes it possible to analyze a huge amount of data on prior performance to predict the future outcome based on different sets of attributes like Gender, Location, and Device.



But rather than weighing all the potential combinations equally, it starts with the attributes that were most predictive in the past, tests new creatives against these combinations, then compares the results to the expected outcome, continuously adjusting its approach based on the results of every individual impression. Every single customer – not just a percentage – receives the right creative at the right time, and is guaranteed the best possible experience, one that delights and informs.

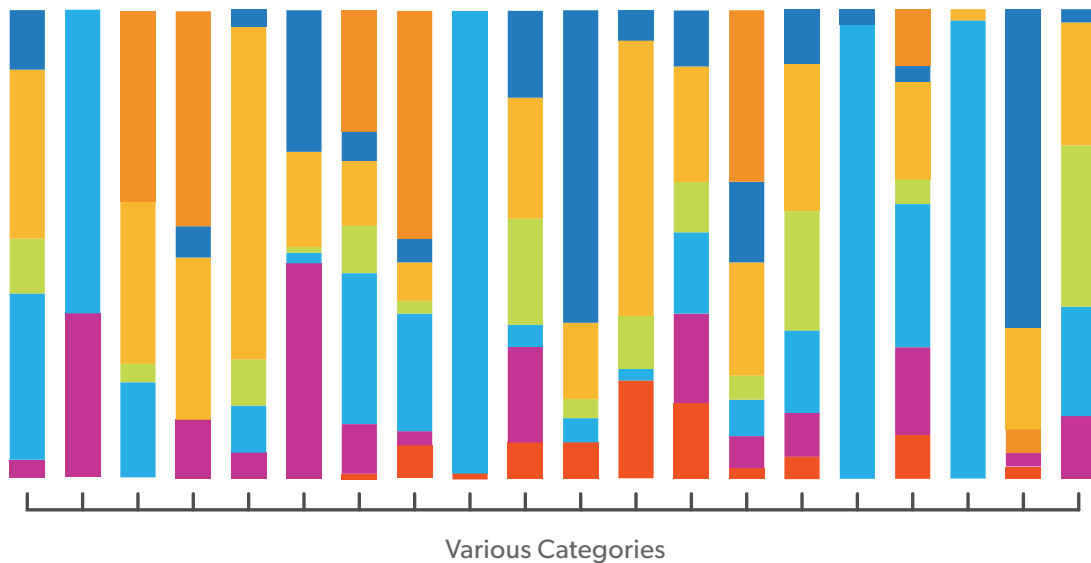
Acceptable Loss is Unacceptable



LiveIntent's Intelligent Prediction Solution: **LIPS**

At the Moment an Email is Opened

At the moment a user opens an email and triggers the LiveIntent ad server, thousands of creatives are assessed to make sure that we are serving the best possible ad to that user. It only takes 10 microseconds to run a query, so that even with a large volume of creatives available, all can be profiled within milliseconds. Our model is updated hourly, meaning that every ad serving decision is informed by those that have come before it.



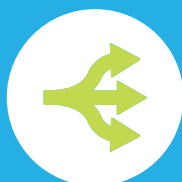
Acceptable Loss is Unacceptable



What it means for you

It means better results without the hassle or waste of A/B and Multivariate testing – saving your company time and money.

And, most importantly, it means that all of your customers receive the right creative at the right time, on the right device every time, and are guaranteed the best possible experience, one that delights and informs.



Deep Segmentation Analysis

Campaigns can complete deep multi-variable segmentation analysis with much less volume, to quickly fine tune performance.



Speed and Automation

Gone are the days of repetitive, manual optimization. Learnings are digested in real-time and retained automatically in the system.



Optimized Performance

Deep segmentation analysis and automation yields more clicks, more conversions, and more engagement faster than any other optimization technique.



Contact us today to learn more!

marketing@liveintent.com 212.792.5348

