CODE3

ICYMI: Meta Performance Summit Recap

June 2024

What You Missed

The Meta Performance Summit last week was a great validation of the priorities we are already focused on at Code3. Over the past few years, many brands have noticed shifts in performance on Meta as a consequence of both data privacy, new campaign types (such as ASC) and the evolution of their algorithms and machine learning. Meta adequately addressed these shifts and provided some solutions to winning in the "new normal" that we experience today. Those solutions breakdown into 3 key categories:

Creative

Advancements in AI have evened the playing field more than ever, and what will set a brand apart is Creative. To that end, Meta reiterated numerous times that in the era of Generative AI, "creative is the new targeting."

    i. ⭐Gen AI will significantly alter 70% of the design and development effort for new apps (2026)

    ii. 60% time spent on both Facebook and Instagram is now video

  b. Creative Testing

    i. ⭐Having new creative always helps with CPA but adding 1 new ad to an ad set can reduce CPA by 15%

    ii. Set yourself up for success by preheating creative - at Code3 we do this with a proprietary testing approach we call SEQUENC3

      1. Give pretest campaign dedicated budget and run it for 50 conversion actions

      2. Then once you rotate into main campaigns they will have a stronger start in BAU since the algorithms rely so heavily on historical information

      3. Test differentiated concept or iteration of existing creative -> test campaign -> build history for new challenger ads -> allow this auction to identify winners -> then go into BAU campaigns

    iii. Endless possibilities with creative and automation

      1. Image generation (coming soon!)

      2. Text generation

      3. Text overlay and image expansion

      4. Catalog items

    iv. Design ads with maximum auction liquidity

      1. Reels is a continually growing placement in terms of viewership

      2. Don't design ads just for the Reels placement, design them with all placements in mind

      3. ⭐53% IG people surveyed agree they're more likely to purchase an item if it's been promoted by a creator on Reels

AI

It's no surprise that AI was front and center at the event, with the main focus on the continued adoption of ASC. What stood out to the Code3 the most is hearing directly from Meta that currently they've only scratched the surface of the ~1% of AI advancements they're planning to research and roll out.

   a.   Generative AI creates new content
- i.   ⭐40% of enterprise apps will have embedded conversation AI
- ii.   ⭐Gen AI will significantly alter 70% of the design and development effort for new apps (2026)

   b.   Simplifying account structures helps AI systems get results you need faster
- i.   ⭐19% lower CPA for ad sets that successfully exit learning phase
- ii.   The learning phase is not a bad thing, and learning phase should be 20-25% of total spend
- iii.   Simplification - consolidate and limit changes to simplify account
    1. Limit the number of ad sets you create
    2. Optimize for events with sufficient volume
    3. Group significant edits together to avoid constantly restarting the learnings phase

Measurement

Measurement needs to be a consistent cornerstone to any strategy. Brand lift tests should be run not as a one and done, but a consistent part of a successful program.

- i.   Conversion lift tests now support app web and offline
- ii.   MMM is now self serve for all advertisers
- iii.   3 cell experiment to compare top of funnel to BAU (business as usual) campaigns
    1. ⭐12% higher incremental purchases vs BAU
    2. ⭐CPM on top of funnel was 50% lower