

# Pay-For-Performance Ad Campaign Guidelines

## OVERVIEW

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The purpose of this document is to help Advertisers/Agencies achieve success when choosing Pay-For-Performance (PFP) ad campaigns to drive business results.

**NOTE: What follows is a Guideline only, as individual business policies and practices may vary.**

## PFP VS. CPM? WHICH TO USE?

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PFP campaigns are designed to be used in ad campaigns where the goal is to elicit a specific and immediate action from a user who views the ad.

The table below illustrates where a PFP campaign fits within an Advertiser's business:

Campaign Type	Strategy Type	Desired Outcome	Advertiser Pays...
PFP	Direct-Response	Drive Web visits to e-commerce site (e.g. for retail and travel verticals); email newsletter sign-ups or subscriptions; other click-and-go actions (e.g. click-to-enter contest, click-to-book an appointment, click-to-order brochure, etc., etc.)	A pre-determined rate, when a Web user clicks on the ad creative which is served by a Publisher or an Ad Network (e.g. \$5/click); when a user completes a desired action (e.g. \$10/email sign-up); or makes a purchase (e.g. \$20/sale)
CPM	Awareness, Message Association, Brand Favourability	Drive awareness, message association and brand favourability for an Advertiser's Brand or specific Product offering	A pre-determined rate per 1000 ad impressions served by a Publisher/Ad Network (e.g. \$20/1000 ads served)

# GUIDELINES

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By following the basic rules of engagement detailed below, Publishers, Ad Networks, Advertisers and Agencies can minimize back-and-forth discussions, and make the PFP buying processes as efficient as possible.

## ***Two-Way Communication: The Key To Pay-For-Performance Success***

In order to drive success in Pay-For-Performance campaigns, a high level of communication between buyers and sellers -- before any Insertion order is signed, as well as throughout the life of the PFP campaign -- is recommended.

- Campaign goals, success metrics, ad creative to be utilized, creative messaging within ads, targeting, timing considerations and access to third-party ad serving reporting platforms (when required), all need to be talked about and agreed to throughout the process.

## ***Ad Creative***

### **Ad Sizes:**

- Advertisers/Agencies should provide Publishers/Ad Networks with a minimum of 3 standard IAB Canada-approved ad sizes: Leaderboard (728X90), Big Box (300X250) and Skyscraper (160X600) - in order to make sure ads can be placed on all types/designs of Webpages.
- Advertisers/Agencies should supply Publishers/Ad Networks with ad creative in advance of campaign launch, and as per [IAB Canada's Industry Terms+Conditions + Late Creative Policies](#).

### **Call-To-Action Messaging:**

- **In order to maximize results, Publishers/Ad Networks running PFP campaigns usually require PFP ad creative to contain a strong "call-to-action."** While Ad creative lacking a strong call-to-action may still drive results, it often cannot do so within the time allotted for the campaign to achieve the desired volume of results.
- **When ad creative uses animation, the call-to-action should be visible through the entire animation sequence.**
- 1-800 Phone Numbers are not generally included on PFP ad creative if the success metric for the ad campaign is to be the number of clicks on the ad.



If, however, the Advertiser/Agency wishes to conduct a Cost Per Call or Cost Per Sale program -- or include 1-800 numbers on their ad creative as an additional success metric -- unique Toll-Free Numbers (TFNs) should be created and allocated to each Publisher/Ad Network, so that consumer response to the ad campaign can be best measured.

Advertisers/Agencies will need to provide Publishers/Ad Networks with access to daily/weekly Call Reports in order to assist Publishers/Ad Networks in optimizing for such Cost Per Call or Cost Per Sales goals.

- See the ***Proven Practices For Creating Great Pay-For-Performance Ad Creative!*** section later in this document for more info on techniques to make your PFP ad creative as effective as possible.

### **Setting The “Clickable” Area Of An Ad:**

- The entire surface of each ad should be clickable, not just the call-to-action, or other hot spot(s).
- See the ***Proven Practices For Creating Great Pay-For-Performance Ad Creative!*** section later in this document for more info on techniques to make your PFP ad creative as effective as possible.

### **What If Our Ads Are Not Producing Results?**

- Advertisers/Agencies should work in good faith with Publishers/Ad Networks to provide new ad creative, in the event that the original ad creative is not delivering the required results.
- In order to maximize campaign results, all ad creative should be refreshed periodically. Please consult the Publisher/Ad Network for refresh rate recommendations. For example, on year-long campaigns, it is recommended that ad creative be refreshed on a quarterly basis, at a minimum.

### **Publishers/Ad Networks May Reject PFP Campaigns If:**

- The Ad creative does not contain a clear call-to-action on all frames of the ad; and,
- If the entire ad area is not clickable.



## ***Proven Practices For Creating Great Pay-For-Performance Ad Creative!***

Think of Online ad creative as similar to that used in Outdoor media.

Messages need to be compelling, benefit-laden, and to-the-point -- as in the Online environment, just like out of doors -- consumers are moving past your ad very quickly, as they perform self-directed tasks such as searching for recipes, information on the latest fashions, travel destinations, headline news stories, etc., etc.

As a result, your Online ad needs to catch the consumer's attention the first time they view it, and if possible, build trust in your brand at the same time.

Brand logos are one of the most important trust-building factors within Online ad creative, and along with messaging tactics are key components of creating great PFP ad creative.

### **Best practices in Online ad creative development include:**

1. Displaying the **product logo (and if possible, product image) as large as possible on the first frame of the ad** (a minimum of 1/3 of the total area of the ad frame is recommended), and **throughout the entire ad animation sequence, from the start of the ad to the finish.**
2. Displaying product logos at **both** at the top and bottom of skyscraper ads (or other custom ads that extend beyond 250 pixels in length).
3. Crafting messaging that gets your point across fast, with few and simple words.
4. Crafting **compelling call-to-action buttons/text**. If you want customers to click or buy, use “click here” or “buy now” etc.; and as per above, **display the call-to-action on all frames of the ad, and make the entire area of the ad clickable.**
5. **Create a compelling, benefit-laden message within the ad**, including the following (where applicable):
  - Product/or brand differentiating message
  - New product/new feature information
  - Product convenience message
  - Product competitive comparison message
  - Product superiority claim



## ***Targeting Considerations***

When Advertisers/Agencies request or supply detailed targeting information to Publishers/Ad Networks in a PFP campaign (such as geographic areas most likely to convert based on past or current campaign performance; markets where competitors are currently offering a similar yet inferior product price offering, etc., etc.), there are two goals to this practice:

- To assist Publishers/Ad Networks in minimizing the number of ad impressions they will need to serve, in order to deliver the agreed-upon campaign results.
- To minimize third-party advertising costs billed by the Agency to the Advertiser.

In these few cases, because this information supplied by Advertisers/Agencies is designed to assist Publishers/Ad Networks in achieving campaign goals, in general, no premiums should be charged for the additional targeting.

At the same time, each targeting parameter that is added to a PFP campaign by the Advertiser/Agency (e.g. geographic, gender, age, behaviour), reduces the size of the ad inventory available for the Publisher/Ad Network to serve the ad campaign on.

In order to optimize PFP ad campaigns, Publishers/Ad Networks prefer to start the program with as large an amount of ad inventory as possible, so that their optimization engines can “learn” what drives results, and as quickly as possible.

- Advertisers/Agencies should therefore discuss targeting rationale with Publishers/Ad Networks in advance of signing campaign Insertion Orders, and only add targeting parameters that are absolutely necessary to achieve, or have proven to drive campaign success.
- If multiple targeting parameters are asked for, Advertisers/Agencies should be aware that some Publishers/Ad Networks may estimate that they will not be left with sufficient inventory to deliver the PFP campaign, and so will decline the order.
- In cases where targeting requirements are not supplied to drive efficiencies, premiums rates may be charged for various-targeting options.

## ***Success Measures + Metrics***

Success measures and metrics should be identified and agreed upon by the Publisher/Ad Network and the Advertiser/Agency BEFORE the Insertion Order is issued or signed.



## **What's Asked By Advertisers/Agencies:**

In order to optimize their PFP ad campaigns for success, Agencies rely on the metrics that third-party ad serving and various types of Ad Tags can give them.

Third-party ad serving assists the Agency in determining:

- The effectiveness of ad creative;
- The effectiveness of various targeting parameters requested (if any);
- Where the Advertiser's ads are being placed, and the editorial quality of that Web real estate; and,
- The effectiveness of the Publisher's/Ad Network's ad inventory/or optimization engine

Third-party Ad Tags are also used to allow the Advertiser/Agency to quickly adapt their offers or messaging in response to a competitor's tactics.

Third-party ad serving costs will be billed to the Advertiser by the Agency, therefore, in advance of booking a PFP ad campaign, Agencies will routinely ask Publishers/Ad Networks for an estimate of the Clickthrough Rate (CTR) that their campaign might expect.

It is understood, that depending on the type of Web inventory available at the Publisher/Ad Network; the type of optimization algorithm or engine used to drive results; the strength of the Advertiser's ad creative; and, the number of times the ad creative is refreshed over the life of the campaign – greater or fewer ad impressions will be needed to achieve the campaign goal, and CTRs will vary.

Nevertheless, the Publisher's/Ad Network's estimated CTR will be used by the Agency to estimate the number of ad impressions that might be needed to achieve the desired campaign results.

Agencies typically multiply this estimated number of impressions by a "safety" factor of additional ad impressions that will need to be budgeted for (often up to 30% of overage), in order to determine the final third-party ad serving costs that the Advertiser should expect to bear for the campaign.

It is understood, that without an estimate of what Agency third-party ad serving costs will be, Advertisers may not be able to approve an Agency's prospective PFP ad campaign.

**\*\*NOTE: In order to make the estimation process as accurate as possible, Publishers/Ad Networks will need to view all ad creative to be used in the PFP campaign, in order to best estimate CTR and impression levels. AND, Publishers/Ad Networks will NOT be held to the CTR or impression levels that are supplied to Advertisers/Agencies in order to estimate third-party ad serving costs of a given campaign.\*\***



## Third-Party Ad Tags:

There are two types of third-party Ad Tags commonly used in PFP ad campaigns:

- **Standard Clicktags**
  - Standard ad clicktags are used to track user activity only after a click of the ad has occurred, and are typically used in Cost-Per-Click (CPC) campaigns.
- **Impression Ad Tags**
  - Impression ad tags are used to track user activity from the moment the ad impression is served, straight through to the desired campaign result, and are typically used for CPC, as well as CPA (Cost Per Acquisition/Action), CPB (Cost Per Booking) or CPS (Cost Per Sale) campaigns (see below).

**When using third-party ad tags in PFP campaigns, the following best practices should be utilized:**

- Standard clicktag variables should be used unless directed otherwise. IAB Canada's Universal ClickTAG code can be used as well.
- Agencies should notify Publishers/Ad Networks if they plan on changing ad creative throughout the campaign (for e.g., in order to refresh ad creative, but also in response to competitors' tactics).
- Agencies should not de-activate adtags in their adserver prior to flight date completion, without notifying the Publisher/Ad Network, as if tags are removed, the Publisher/Ad Network will be serving 'blank' ad calls, which will cause discrepancies at later stages of the campaign.

## Optimizing PFP Campaigns For Actions Or Sales With Tracking Pixels:

Many Publishers/Ad Networks are able to optimize PFP campaigns based on CPA (Cost Per Acquisition/Action), CPB (Cost Per Booking) or CPS (Cost Per Sale) goals.

- Ideally, to assist the Publisher/Ad Network in meeting the Advertiser's CPA/CPS/CPB goal, 1 x 1 tracking pixels (essentially transparent ".gif" files), will need to be placed on the Advertiser's offer/landing pages or the "Thank You" pages that follow the successful completion of an action (such as the successful subscription to an email newsletter; the successful purchase of an item within an e-commerce environment; or the successful booking of a flight).
- The 1 x 1 graphic file will be hosted on the Publisher/Ad Network server, as information regarding the number and rate of the 1 x 1 pixel downloads on the Advertiser's landing or "Thank You" pages is used by the Publisher's/Ad Network's optimization engine, to shift presentation of the Advertiser's ads to only those audiences/verticals that are driving actions, sales, etc.



- Tracking pixels are safe for Advertisers to use, and do not represent a security threat to either the Advertiser or the visitors to the Advertiser’s Website.
- When using a third-party ad server, these pixels will often be placed within “container” or “intermediary” tags (i.e. DART Floodlight or other such tags), in order to give the Advertiser/Agency the ability to quickly place and remove the tracking pixels without having to wait for the Advertiser’s IT department to do this -- when a campaign begins, finishes or begins again.
- NOTE: Discrepancies can increase when container or intermediary tags from companies such as DART, BridgeTrack or Omniture are used by Advertisers/Agencies to track conversions. Agencies must alert Publishers/Ad Networks when they intend to utilize such containers or intermediaries.
- In order to assure that campaign results are in sync -- and to help identify situations where they are not -- Agencies will need to provide Publishers/ Ad Networks with Login access to the Agency’s third-party ad serving system, so that problems can be resolved as quickly as possible.
- NOTE: Data collected by Publisher/Ad Network pixels on the Advertiser’s site is to be used only to optimize the Advertiser’s current ad campaign, and cannot be used in part or in aggregate for other purposes.

## ***Post-Click Destinations/Landing Pages***

- In order to maximize PFP campaign success – regardless of whether the success metric is Clicks, Actions or Sales -- PFP ad creative should clickthrough to an actual “offer” landing page, and NOT just to the Website’s Homepage or other branding page.

### **Publishers/Ad Networks May Reject PFP Campaigns If:**

- The ad creative does not drive through to a landing page that is consistent with the goals of the campaign.

## ***Managing Delivery Discrepancies***

While the ability of buyer and seller ad servers to “talk” to each other has improved over the years, a variety of factors continue to create discrepancies in numbers of clicks/actions/sales reported on the Publisher/Ad Network side, compared to those reported on the Advertiser/Agency side.

**The first step in getting ready to manage discrepancies, is to determine which numbers will be used for delivery, reporting and billing purposes – Publisher/Network numbers OR the Advertiser/Agency numbers – as different monitoring, reporting and remediation processes and procedures will apply (this fact should be indicated on the Insertion Order).**





In order to eliminate the need to monitor discrepancies, Publishers/Ad Networks can simply agree to accept the Agency's third-party adserver's numbers re: delivery, reporting and billing, prior to campaign launch (this fact should be indicated on the Insertion Order as well).

- **If the Advertiser/Agency numbers are to be used**, Publishers/Ad Networks must be given access to Advertiser/Agency third-party aderving reporting platforms, from the beginning to the end of the campaign, in order to be able to monitor campaign performance and take the necessary actions on their end, to ensure successful campaign delivery to Advertiser/Agency numbers.
- **If Publisher/AdNetwork numbers are to be used**, in order to limit discrepancies between adservers, IAB Canada recommends:
  - Agencies again provide Publishers/Ad Networks with Login access to the Agency's third-party aderving system, so that any problems re: delivery discrepancies can be resolved as quickly as possible.
  - Agencies and Publishers/Ad Networks compare stats as soon as possible after the campaign begins, or (at the latest), after the Publisher/Ad Network believes 10% of the desired results have been delivered.
  - In situations where significant discrepancies are found early in a campaign, Publishers/Ad Networks must notify the Advertiser/Agency that the campaign may need to be paused until the issue is resolved.
  - In situations where results on the Publisher/Ad Network adserver and Agency adserver differ significantly, IAB Canada recommends that detailed Click Logs be exchanged between parties in order to resolve the situation as quickly as possible.
  - If no solution to harmonize the results stats can be found, then the Publisher/Ad Network will have the choice to cancel the campaign, or use the Advertiser/Agency numbers.
  - NOTE: Discrepancies of greater than 10% usually involve human error or clickfraud.

## **Reports**

Standard Publisher/Ad Network-issued post-campaign Reports will include:

- Post-campaign results for number of clicks/actions/sales (as agreed upon in original Insertion Order).



- Post-campaign reports regarding best-performing ad sizes, creative messaging, content verticals, optimal ad creative rotation time and optimal ad frequency may also be supplied by individual Publishers/Ad Networks.

## ***Campaign Delivery***

### **What's Guaranteed:**

- Publishers/Ad Networks will make all best efforts to deliver on the campaign Insertion Order, but in cases where Publishers/Ad Networks are unable to deliver the agreed upon levels of Clicks, Leads, Sales, etc., Advertisers/Agencies will only be billed for the number of clicks/actions/sales that the Publisher/Ad Network was able to deliver.
- As well, in a case where the number of Clicks, Leads, Sales, etc. is below what was agreed upon in the IO for the desired duration of the campaign, Publishers/Ad Networks cannot automatically extend or continue the campaign unless directed to by the Advertiser/Agency.

### **Rate Of Delivery Of Results:**

Unless otherwise-directed, Publishers/Ad Networks will run PFP placements as evenly as possible throughout the campaign period.

There are, however, many factors (available inventory, competitive offers, purchase cycles, etc.), which may result in uneven delivery.

Remember, each Publisher's/Ad Network's optimization engine is working to place ads at the right frequency and time of day, in front of audiences who are taking actions -- NOT taking action at the rate of say, 1 Click per day.

Nevertheless, because of product inventory and delivery concerns, pacing is especially important to PFP campaigns that are being used to drive sales of an Advertiser's products.

Therefore:

- If particular campaign delivery timing or pacing is required, the parameters of these requirements must be outlined by the Advertiser/Agency to the Publisher/Ad Network in advance of beginning the ad campaign, and again within the campaign Insertion Order.



## ***\$Rates For PFP Campaigns***

While an Advertiser/Agency may have a specific rate that they would like to pay for each result within their campaign, PFP rates across Publishers/Ad Networks fluctuate based on a number of factors, including:

- Seasonality (rates may go up)
- Current level of demand for a certain vertical or target market (if demand is high, rates may go up)
- Availability of ad impression inventory (if ad impression inventory is low, rates may go up)
- Additional campaign parameters such as geo-targeting or behavioral targeting (if they can be delivered at all, may result in increased rates)
- Number of ad creative supplied (if fewer than the three standard IAB-approved ad units are supplied -- Leaderboard, Big Box, Skyscraper -- rates may increase)