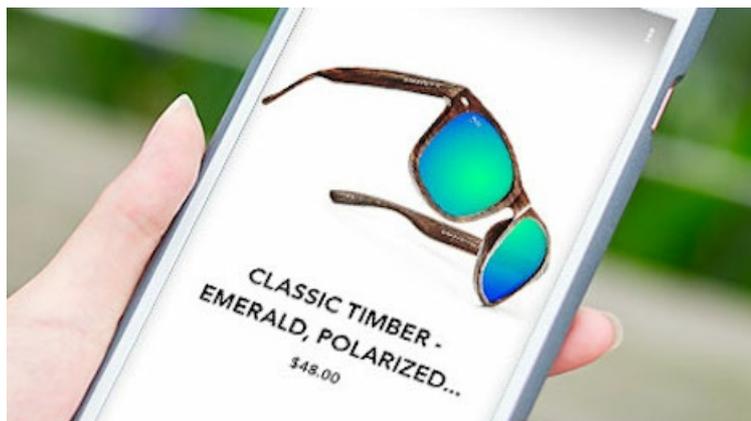MARKETING

Snapchat tests automated ads to ramp up relevancy, ROI

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Snapchat's Dynamic Ads are designed to serve up more relevant products to consumers. Image credit: Snap

By SARAH JONES

Social media platform Snapchat is expanding its product-focused advertising offerings with the launch of a feature designed to more effectively match marketers' content with the right audience.

Snapchat's Dynamic Ads, currently in an open beta test, use an automated approach to serve users imagery from brands' catalogs in real time. This latest rollout follows Snap Inc.'s earlier investments to drive business for marketers among its valuable millennial and Gen Z audience.

Snap was reached for comment.

Automated ads
Dynamic Ads enable advertisers to upload a catalog of product imagery and choose what audience they are targeting to automatically generate creative. The ads use a variety of templates, allowing for varied mobile-centric looks.

As advertisers' catalogs change, such as product availability or prices, the ads will update accordingly.
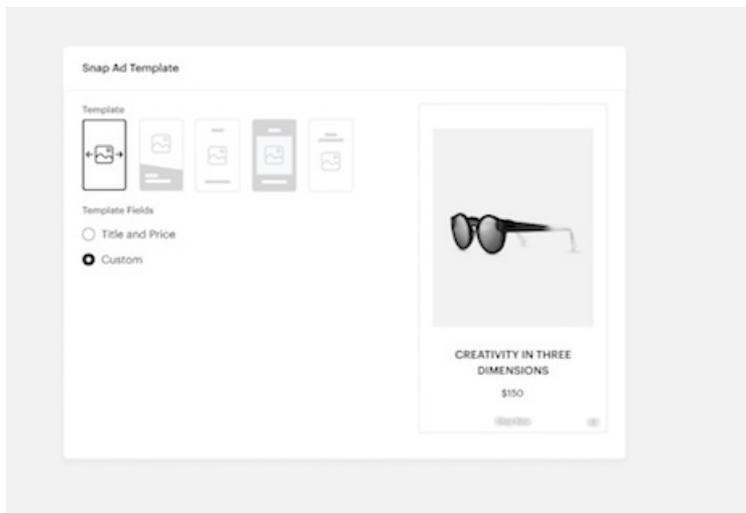
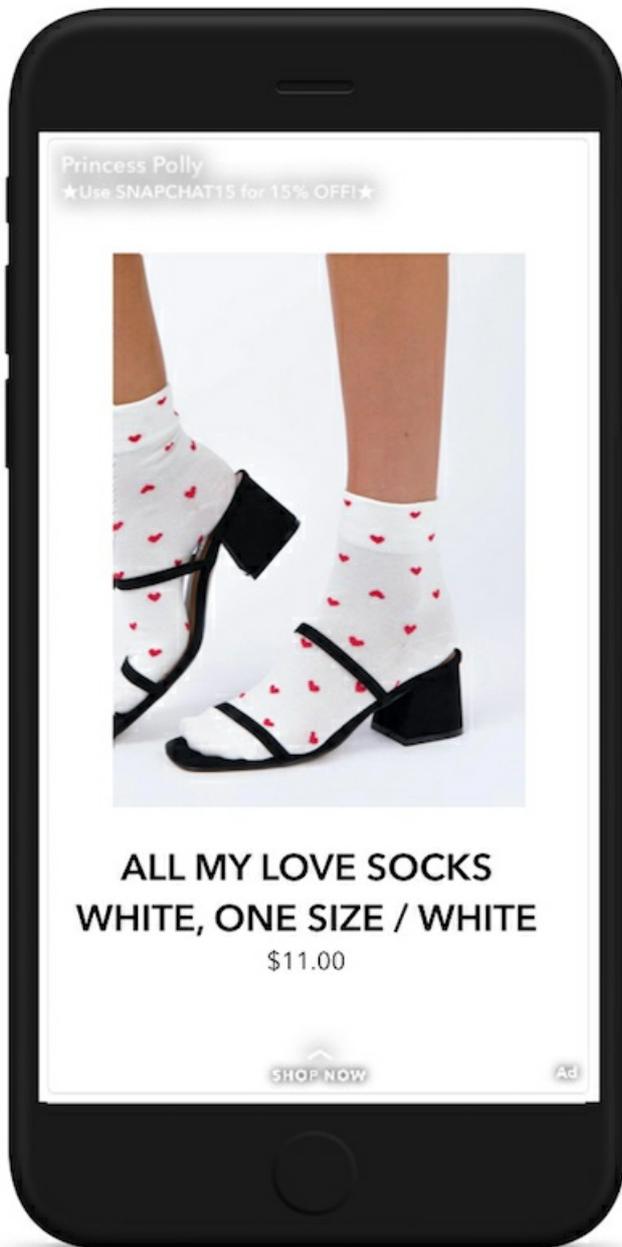*Dynamic Ads template. Image courtesy of Snapchat*

In addition to reducing the amount of time that advertisers need to spend physically creating ads, Dynamic Ads are designed to improve marketers' return on investment.

Snapchat intends for this ad feature to increase the volume of marketing content available, raising the likelihood of being able to match a user with a specific brand or product that matches their preferences.

Users are given the power to opt out of targeted ads if they wish, but serving up relevant content may help to persuade them to enable profile-based advertising.

Along with improving the potential advertiser results, this is also expected to improve users' experiences with ads on the platform.

Snap kicked off the beta test for Dynamic Ads on Oct. 17 in the United States, opening it up to all interested advertisers. The first ads created using this product will begin to appear in the next one to two weeks, and Snap plans to expand the feature to other countries in the coming months.

Example of a Dynamic Ad. Image courtesy of Snapchat

This latest introduction follows Snap's other efforts to simplify advertising for marketers.

In July, the platform debuted Instant Create, which generates mobile-friendly ads for advertisers based on their Web site content and campaign objective.

Snapchat has also targeted retailers with commercial ad options. Launched last year, Collection Ads enable retailers to share a series of product thumbnails with clickable links that send consumers to learn more and shop.

Through a partnership, Snap is also enabling retailers on the Shopify platform to manage and run campaigns through the Shopify ecosystem. They can also incorporate Snap Pixel code into their Shopify store to measure the impact of their campaigns.

Snapchat has been touting its potential for reaching millennials and Gen Zers, who show a greater propensity for mobile shopping than older generations.

"Snapchat has become a go-to destination to reach the largest and most economically influential generations in history: millennials and Gen Z," said Kathleen Gambarelli, group product marketing manager, direct response at Snapchat, in a statement. "Snapchat Dynamic Ads now allow brands to create real-time optimized mobile ads quickly and at scale, with products showcased in visually appealing templates that feel native to the app.

"More than 75 percent of the 13 to 34 year-old U.S. population is active on Snapchat, and daily Snapchat users open the app over 20 times each day, offering brands major opportunities to reach the right person with the right message at the right time," she said.

Shopping on social

Social media and commerce are increasingly converging, as platforms aim to help brands turn followers and users into customers.

For instance, Instagram is streamlining the shopping journey for users, allowing them to purchase items from brands directly without leaving its application.

Several luxury brands are among the first to roll out Instagram Checkout, including Dior and Prada. After making itself nearly invaluable for brands with the help of an expansive audience and a suite of advertising tools, the Facebook-owned platform is looking to facilitate an end-to-end purchase journey from discovery to conversion (see story).

Social platform Pinterest is also introducing new shopping tools for brands, as it continues to position itself as an advertising alternative to Facebook, Instagram and YouTube.

New offerings including "Shop the Look" ads and Shop tabs for business profiles are consistent with Pinterest's identity as a discovery platform. Social commerce is a priority for Pinterest, and the platform steadily continues to unveil new features for advertisers to drive consumers down the purchase funnel (see story).

Snap's latest move similarly targets retailers and direct-response marketers, continuing the growing trend towards social commerce.