

Unleashing the Power of Reviews in E-commerce Ads:

How AI is Revolutionizing Dynamic Advertising



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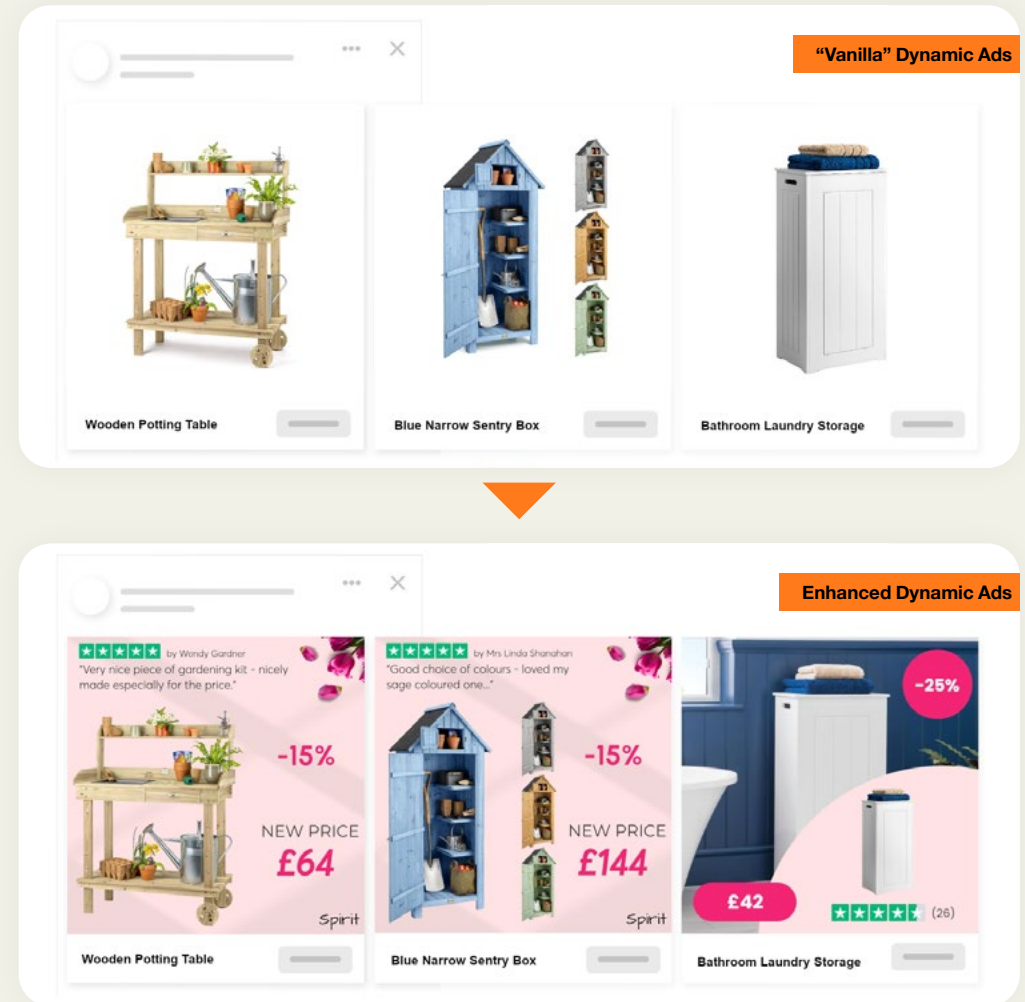


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Introduction

Social proof is a proven asset for e-commerce, crucial for building consumer trust and boosting conversion rates. This paper explores how businesses can extend the impact of reviews – beyond just product pages – into broader performance marketing strategies to automatically promote the full catalogue of products.



*Transform your generic full-catalogue dynamic ads
into trust-building conversion machines*

Be one of the first: AI's Role in Integrating Social Proof into E-Commerce Ads

Leveraging reviews content in e-commerce marketing campaigns is not a huge leap of thought.

However, when considering that full-catalogue Dynamic Ad campaigns are often the cornerstone of most e-commerce marketing strategies, the complexity caused by the large amount of products, reviews and ad formats, become so daunting that it is simply not undertaken. This complexity also explains why customer reviews are seldom included in Dynamic Ad campaigns.

As this report will illustrate, AI and automation together present an effective solution to these challenges, opening up huge opportunities for e-commerce businesses to reach an entirely new level of performance for a very significant part of their total advertising budget, not least proved by the performance increase of AI enhanced e-commerce Dynamic Ad campaigns.¹

+230%

**Overall performance
increase**

-47%

**Cost per
conversion**

+45%

**Increase of
CTR**

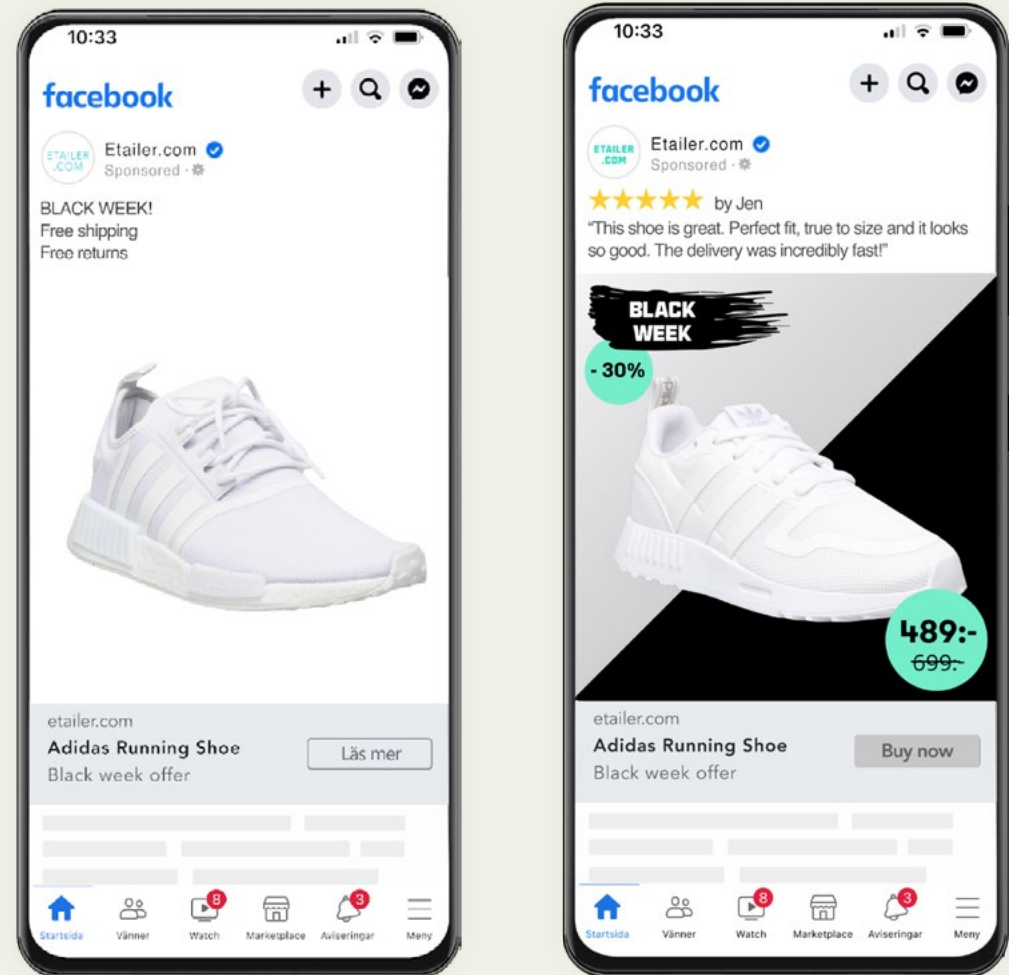
“Vanilla” Dynamic Ads for e-commerce are underperforming

Despite the widespread use of Dynamic Ads campaigns by e-commerce retailers, they come with notable drawbacks.

Firstly, the ads often appear generic. To illustrate, compare a typical Dynamic Ad (left) with a typical manually crafted “hero product” ad (right):

In summary, the basic concept of typical “vanilla” Dynamic Ads, suffer from a handful of rather severe drawbacks that hurt their performance:

- **Ad fatigue & no differentiation.** All ads appear similar across advertisers (and also between products), featuring product images on a plain white background, leading to ad fatigue.
- **The opposite of “on-brand”.** E-commerce businesses are unable to leverage their branding profile (colours, logo etc), making the no-differentiation issue even worse.
- **No “social Proof” or “Authority Bias”.** Absence of social proof and authority bias: User-generated reviews, known as “social proof,” and content from expert sources, termed “authority bias,” are recognized for their positive impact on e-commerce conversion rates. However, standard tools provided by ad networks do not facilitate their inclusion in dynamic ads without extensive manual effort.



Examining these ads, it's evident that the ad on the right will likely outperform the ad on the left, given the same targeting audience.

AI & Automation: Streamlining E-commerce Catalog Ads

So, how can e-commerce companies leverage cutting-edge AI technology to address the challenges mentioned above and make their Dynamic Ad campaigns perform significantly better?

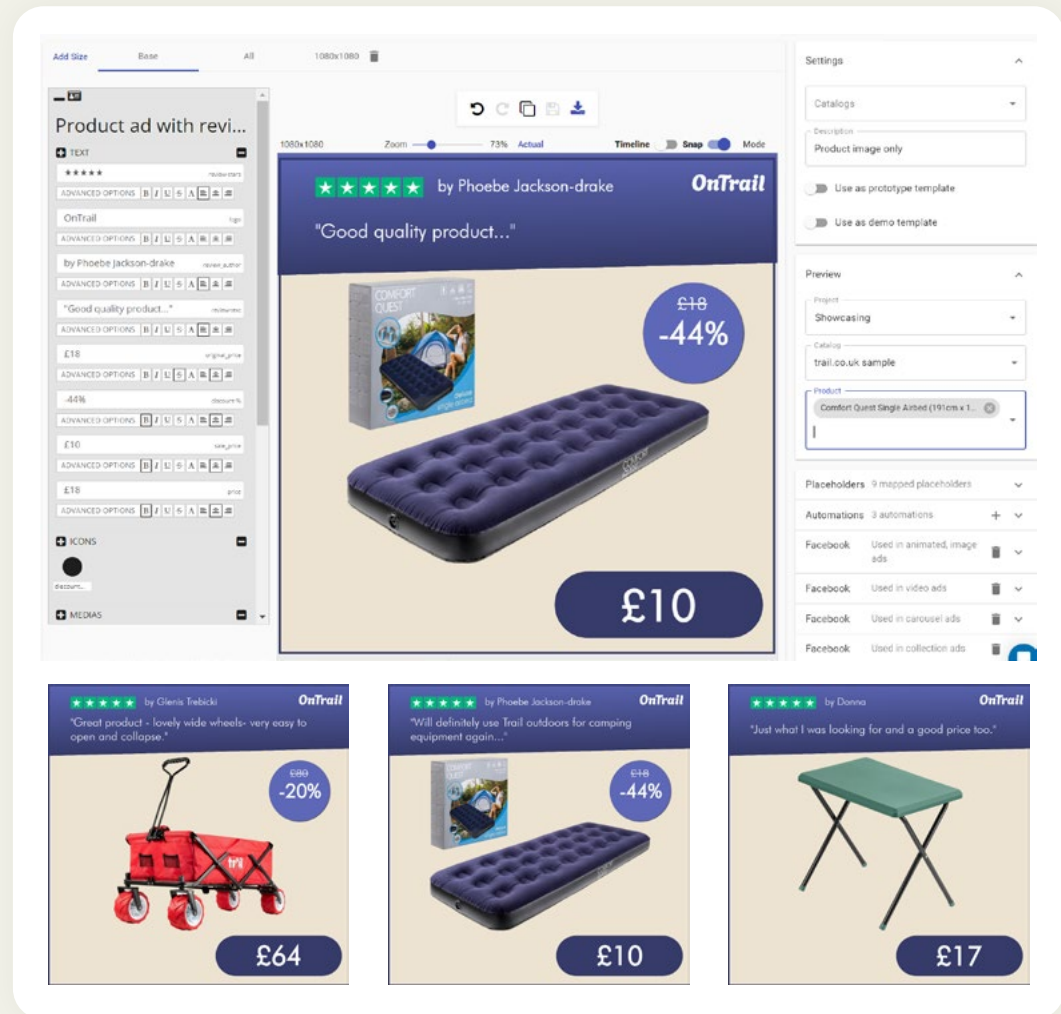
Image templating: A basic requirement to solve the low-differentiation problem of vanilla Dynamic Ads

E-commerce companies that have spent significant resources and time building their brand should be able to leverage this resource in Dynamic Ads campaigns.

In practical terms, this means finding a way to produce on-brand and attention-grabbing ad images for all products in the catalogue, even for product catalogues that have hundreds or thousands of products.

Image templating is the answer here, as even with an armada of designers, it would be very cumbersome to use traditional image editor software to create ads for all products and ad formats.

Image templating editors for full product catalogues can be used to automate the creation of ad images (and videos) that are truly on-brand and customised for each product in the catalogue.



From the template shown above, product-level ad images can be easily generated for every item in a catalogue. For each product, elements such as images, titles, and review content are dynamically replaced to create unique ads that highlight the strengths of each product to viewers.

Image template editor – features required for e-commerce

Automations – What are they, and why are they so important?

Conditional Automations are rules that either show or hide elements in a template depending on whether certain conditions are met. They manage variations in product data within a large catalogue and help ensure that ad images effectively use the available content for each product.

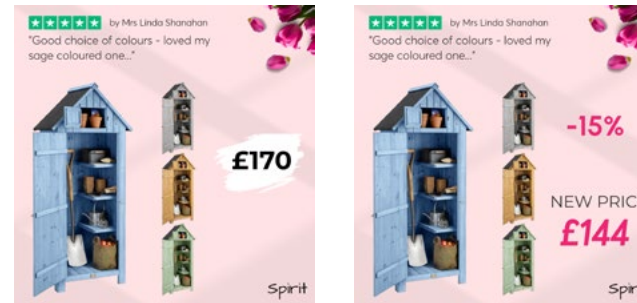
A simple example is a pricing automation, as shown in the two ad images to the right.

Another practical example is automating the switch between Lifestyle and Product-shot images based on their availability. Often, retailers prefer using a Lifestyle image in social media ads, but only some of their products have this type of image. Conditional automations can then show or hide these images as needed, depending on whether they are available.

The conditional automations feature significantly enhances the appeal of product-level Dynamic Ads. Here are several common e-commerce scenarios where conditional automations can automatically enhance Dynamic Ads:

- Display a “Just In” badge for new products, or show a “Back in stock” badge for top-sellers that are replenished.
- For timed campaigns like “Black Week,” display specific graphical elements only during that period.
- Manage various types of product images such as product shots, lifestyle, features, and infographics.
- Use different backgrounds or graphical elements for different product categories.

These automations help make Dynamic Ads more engaging and relevant.



The images above demonstrate how you can automatically show or hide pricing elements based on whether the product is currently on sale.

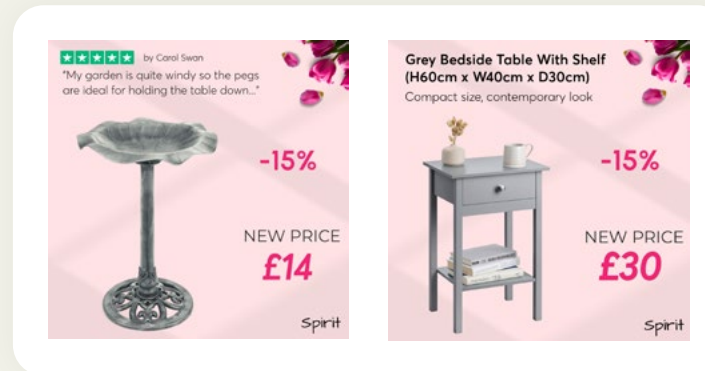


In the example above, the third image lacks a Lifestyle image, triggering a conditional statement that displays a yellow background layer for that product.

Fallback Elements – handling missing content elements.

In e-commerce, the quality and availability of product content can vary widely across a full catalogue, even for retailers with highly consistent data. This is effectively managed by using image editor fallback elements.

For example, with customer reviews, if a product lacks review content, you don't want to leave that space empty in the ad. Look at the images to the right, where you can use a fallback element to fill the empty space for a product missing review content (the one on the far right).



In the above example, the product on the right lacks review content, and instead the product title and a key selling point is displayed.

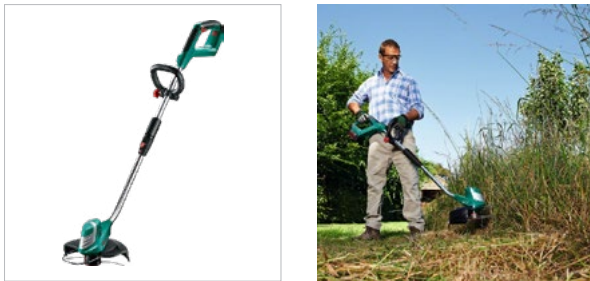
Managing multiple ad networks and ad sizes

Ads vary in size and format. To optimise Dynamic Ads, e-commerce retailers must create images that fit the most popular formats across each ad network. This requires an ad templating editor capable of handling multiple resolutions within the same template. On the right are examples of ad images for the same product, generated from one template for common Google Display ad sizes.



AI needed: Product image classification

A major challenge is that product images can be of different types, for instance the typical “Product-shot” image (below left) and the “Lifestyle” image (below right):



Creating good-looking image templates for full product catalogues is very hard to do if the image type is unknown.

Using a specially trained AI model to classify product images into different types is highly effective, as manually sorting through thousands of products is not practically feasible.

AI needed: Image background removal

Another issue with product images is that most “Product-shot” images have a white background. This must be removed to create a brand-specific image template that uses the brand’s unique colours. Without processing, the product would appear with an unattractive white box around it in the template:

Removing backgrounds from images may seem simple to automate with AI, but achieving high-quality results is actually quite complex. This is particularly true for e-commerce product images, which vary greatly. Only an AI model trained on a vast dataset of product images can effectively handle this task.



The ad image on the left below, featuring a Product-shot with the background removed, looks as polished as a manually crafted ad. However, the ad on the right has a lifestyle image that appears carelessly pasted, negatively impacting the overall quality of the ad.



The image on the right demonstrates how a Product-shot with the background left intact looks in a templated image – it’s not appealing.

Adding customer review content to Dynamic Ads

Building a substantial collection of reviews for an e-commerce product catalogue takes time, the right tools, and considerable effort. However, once established, it becomes an invaluable asset for any e-commerce company. It's time for these companies to also leverage this resource in their marketing, beyond just displaying it on product pages.

Different types of review content to use in ads

There are many different types of review content that can be used in the optimization of Dynamic ads. You can add the number of reviews, the number of stars, the score, a logo of an independent review company (beware of copyright) and of course the written customer review content itself (if you have their approval or make it anonymous).

In recent research from London Research on Trustpilot review content in advertisement, it showed that review content could result in quite an impact on willingness to buy and likelihood to click on ads containing social proof.

Impact of Trustpilot: the anatomy of a co-branded ad



European consumers looking at a banking advertisement are **8.7 times more likely** to click on a Trustpilot co-branded ad with a five-star customer rating, 3,000+ reviews, and a verbatim customer review than an ad with no Trustpilot content.

Customer review

European consumers are 64% more likely to click through on a like-for-like Trustpilot co-branded ad when it contains a customer testimonial (i.e. verbatim customer review).

Trustpilot

EU consumers are 72% more likely to click a Trustpilot co-branded ad with a five-star customer rating, 3,000+ reviews, and a customer testimonial than a Trusted Shops co-branded ad showing exactly the same information.

Trustpilot logo and stars

An online advertisement with the Trustpilot logo and stars is 2.8 times more persuasive than the same ad without them.

TrustScore

European consumers are 14% more likely to click through on a like-for-like Trustpilot co-branded ad when it specifies the TrustScore behind the five-star rating.

Number of reviews

Showing 3,000+ reviews makes the ad 33% more compelling than the same ad just showing the Trustpilot stars and TrustScore without the number of reviews.

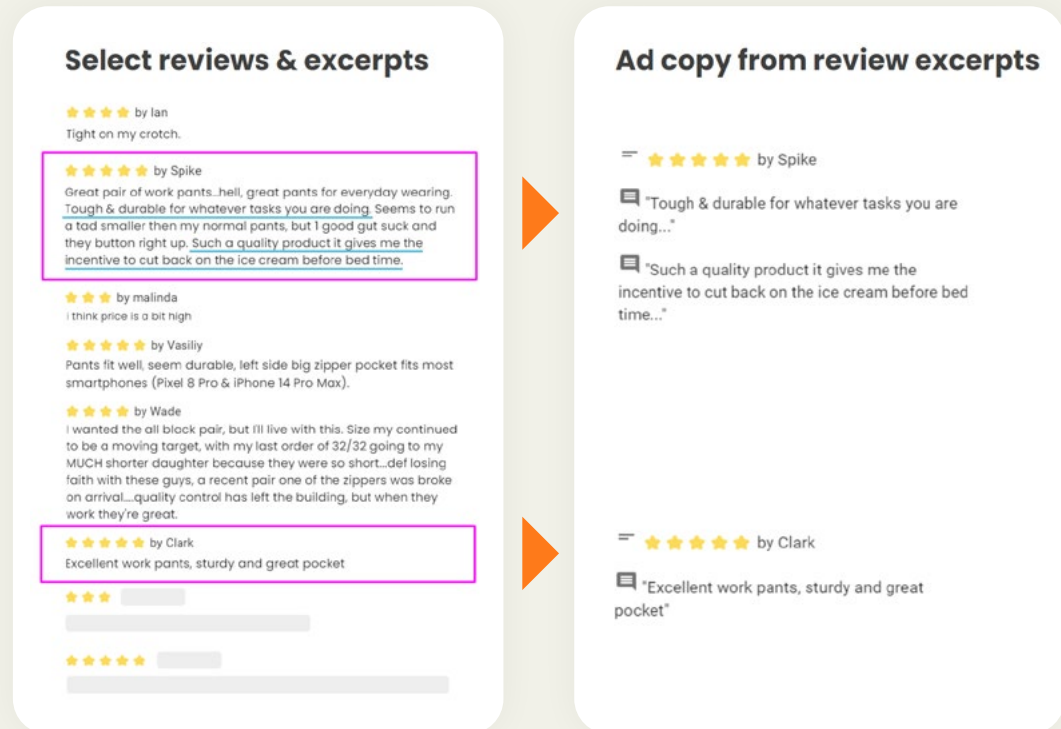
London Research report, March 2024²

In addition to that, you can differentiate this content for three different types of reviews.

- Service reviews – This type of reviews refers to the reviews describing a specific touchpoint they've had with a business anywhere in their customer journey. It can be about the website, or a customer service experience.
- Location reviews – If your business has physical stores or branches, you can collect location reviews to collect service reviews for each location.
- Product reviews – These give customers the opportunity to review specific products they've purchased from your business.

AI review selection & review excerpt selection

An individual product can have hundreds of product reviews and new reviews arrive constantly, it's a living thing. With thousands of products, it quickly becomes unmanageable to manually sort and select reviews and review excerpts on a product level for catalogue marketing. With a specifically trained AI, we can however automate this process.



The above ad copy excerpts from product reviews were selected by a specifically trained AI-model out of hundreds of reviews for this specific product.

Examples of templated ad images for Dynamic Ads that have been generated automatically



Reviews in dynamic ads, the results are in!

To show how various content elements impact the performance of Dynamic Ads, re:nable collected data from their customers and summarised the information in a table. Interestingly, customer review have the greatest effect on ad performance.

This impact that customer reviews have on the European Buying Behaviour was also showcased by the March 2024 London Research report, that showcased that European consumers are 64% more likely to click through on a Trustpilot co-branded ad when it contains a customer review.¹

Customer review /testimonials:



**increased
ROAS of
50 – 100%**

**AI-selected
testimonials from
user reviews**

Customer testimonials typically comprise brief review excerpts that endorse the product and attest to its effectiveness. They are often accompanied by a 5-star rating and are relevant to the product being promoted.

Displaying the average review rating of the product can be achieved in various ways. For example, it may involve presenting the classic 5-star rating alongside the total number of reviews. Another way to display the average rating, is by displaying the score as well as the number of stars. In regards to showcasing the average rating from product reviews in ads, it's also advisable to add the number of reviews for the specific product.

Average rating from product reviews:



**increased
ROAS of
10 – 20%¹**

The average product rating and the number of reviews

Average rating from service reviews:



**increased
ROAS of
10 – 25%¹**

Average service reviews from 3rd party source

“Service reviews” are feedback submitted by consumers after interaction with a company. They often endorse the e-commerce company’s support and delivery conditions. These reviews can be displayed alongside a badge from an impartial third-party service review provider, such as Trustpilot, to enhance credibility. According to the earlier mentioned London Research, adding the Trustpilot logo and stars to an online advertisement makes the ad 2.8 times more persuasive than the same ad without them.

Ad image templating enables retailers to maintain their brand identity (staying “On-Brand”), allowing them to incorporate their brand’s distinct visual elements into Dynamic Ads. This includes features such as brand colours and logos, ensuring consistency and brand recognition across their advertising campaigns.

On-brand image templating:



**increased
ROAS of
10 – 15%¹**

Brand colours



Brand logo



Highlighting of product offers:



**increased
ROAS of
10 – 20%²**

Old price

Rebate in %

New price

Employing diverse graphical elements to emphasise when a product is discounted.

Product highlights, often referred to as “Reasons-to-Buy” consist of concise bulleted ad copy that accentuates the product’s key strengths.

Product highlights:



**increased
ROAS of
20 – 30%²**

AI-generated
“Reason-to-Buys”

Product level animated video:



Frame 1:
Product offer

Frame 2:
Review testimonial

Frame 3:
Product highlights

Until recently, Dynamic Ads were restricted to static images. With Meta’s release of the Product Level Video format (SKU-level), this has changed. It’s now possible to run animated ads for every product in an entire product catalogue. The extra space naturally available by the format makes it easier to provide the ad viewer with many different types of highly appreciated buying information such as average rating and testimonials from customer reviews, product highlights, product offers etc.

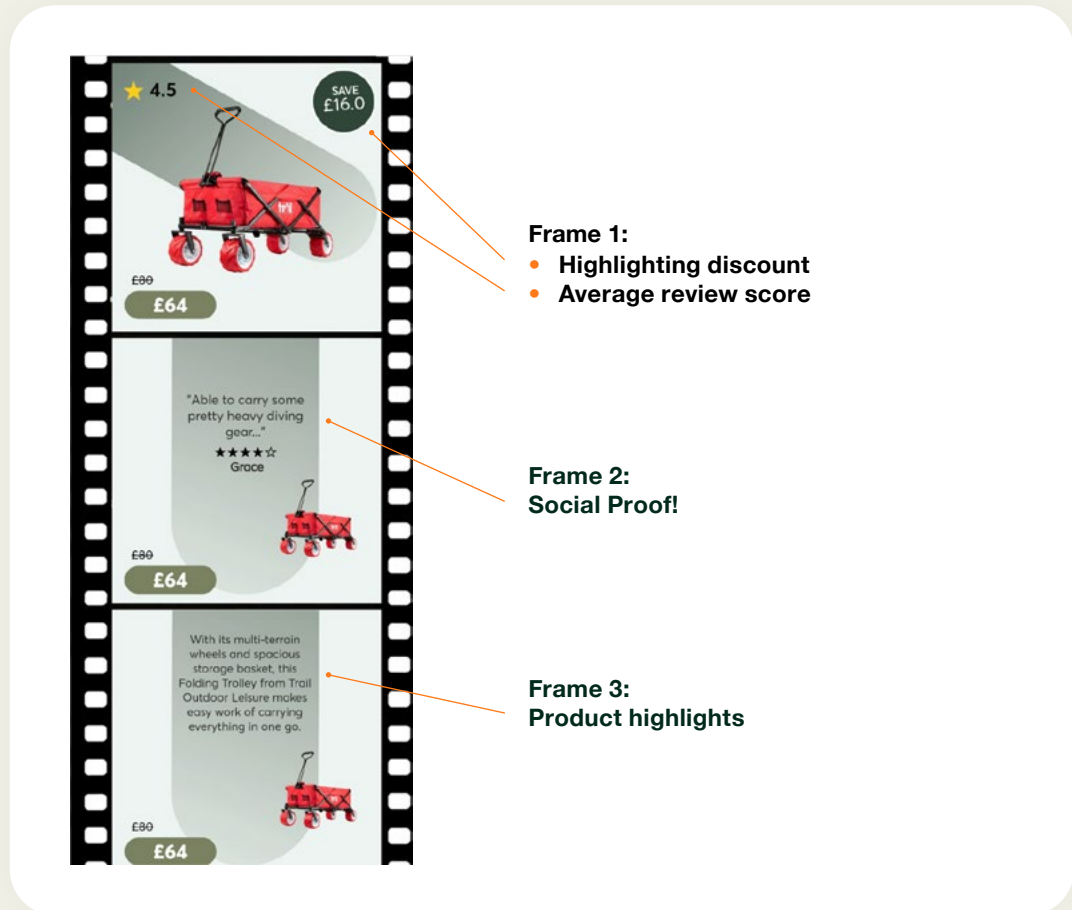
The Next Step is a Leap: Animated ads for Full-Catalogue Dynamic Ads

Meta (Facebook/Instagram) is a very important ad network for e-commerce. Recently, Meta (very quietly) updated its Dynamic Product Ads (DPA) to allow advertisers to use video as media for full-catalogue campaigns (in addition to regular static images). Meta calls this feature Product Level Video.

This is truly transformative because it opens up an entirely new level of opportunity for brands to really connect with consumers through video, which is well-known as a format that catches the attention of consumers to a significantly higher extent than static images. Meta themselves report a boost up to 48%.

AI + Automation + Video = Dynamic Ads on Steroids

Video Dynamic Ads, enhanced by AI and automation, enable retailers to create full-catalogue ads that match the quality of traditionally crafted manual ads. This combination of video format and AI introduces the opportunity to include much richer content in ads than was previously possible:



In the example above, we see still images from a 15-second video ad where the retailer includes key product information that buyers might find useful. This information includes product discounts, the average customer review score, a single customer review testimonial, and the main selling points of the product. This approach significantly enhances buyers' sense of trust (which remains a key element of successful e-commerce).

Tools for Dynamic Video Ads

Achieving the necessary ad quality for full-catalogue campaigns is impossible without the right AI tools and automation. The following features are crucial:

- **AI-supported ad copy generation:** Given the complexity, similar to that of static image ads but often greater, retailers must automate the selection of ad copy from reviews and product descriptions.
- **AI image classification:** Only certain types of product images are appropriate for creating large-scale animated videos.
- **AI image background remover:** The standard white background around product images must be removed, and given the volume of images, this process needs to be automated.
- **Video templating editor/generator:** Essential for creating video templates and producing videos on a large scale.

The use of video in full-catalogue Dynamic Ads establishes a new benchmark in e-commerce advertising, requiring advanced technology and innovative strategies to enhance ad effectiveness.

Key take-aways

- Social proof, such as reviews, plays a vital role in building consumer trust and driving conversions in e-commerce.
- Dynamic ads for e-commerce, offer a powerful tool for promoting entire product ranges and targeting specific consumer segments.
- Despite their potential, dynamic ads face challenges such as ad fatigue and a lack of differentiation.
- A/B testing reveals significant increases in ad performance with the inclusion of review content.
- Other effective strategies for maximising marketing performance in e-commerce include ad image templating, highlighting product offers, and incorporating customer testimonials.
- Leveraging AI and automation can help e-commerce businesses overcome the complexities of managing large product catalogues and ad campaigns.
- Integrating reviews into dynamic ads offers a valuable opportunity to differentiate brands, build credibility, and drive conversions in the competitive e-commerce landscape.