

# OOH Proven effectiveness

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26<sup>th</sup> February 2019

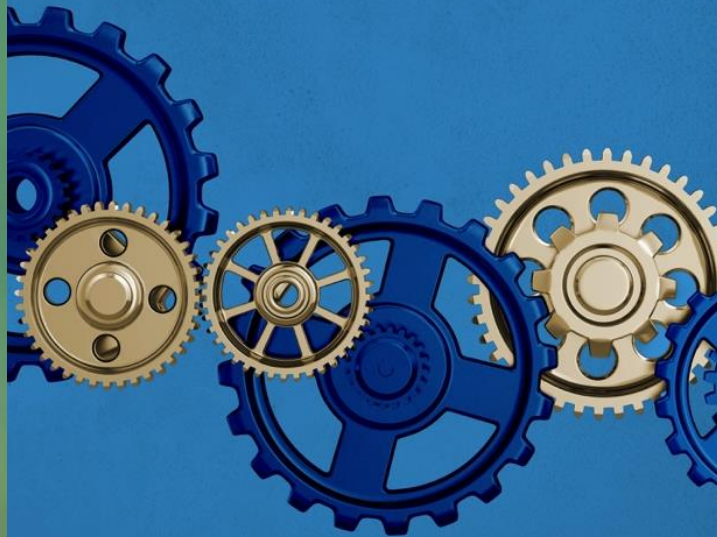
# Benchmarking is a Consultancy division of OMG\*

We provide Knowledge, Benchmarks for the media agencies OMD, PHD, Hearts and run Consultancy projects for clients on brand growth, and media owners on proof of effect of their channel

**Knowledge**



**Benchmarks**



**Consultancy for Clients  
and Media Owners**



# KNOWLEDGEHUB: Five key areas of knowledge/information

Accessed online by half of OMG UK's staff to provide better strategic knowledge, collaborate and save time

## BRAND FACTS



## CATEGORY FACTS



## CASE STUDIES



## ISSUE EVIDENCE



## IMPORTANT DOCUMENTS



Spends by channel  
Brand perceptions  
Sales  
PROIs  
Adstocks

Individual  
study  
results for a  
brand or  
media  
channel

Combined  
learning  
across case  
studies

Methods,  
data  
sources,  
summary  
documents  
etc.



UK trends  
OOH in the mix



# We have top level knowledge across categories, in the UK

And shortly across major markets across the world via the OMG Intelligence Engine project

- 30 categories from Automotive to Toys Games and Consoles
  - Aggregated into Super Categories of FMCG Goods and Services
  - And also into similar (consumer) behaviour categories of FMCG - Everyday Pickups, FMCG – Refresh and Revive, Goods/Services Shiny New things, Goods Services Grown up stuff, and Goods Services Leisure and Pleasure
- Facts from syndicated data
  - Media spends by channel including good estimates of Digital display, video and Search
  - YouGov BrandIndex brand perceptions (only 24 categories)
  - Sales from Euromonitor (only 13 categories)
- Facts from Omnicom Media Group's database of MMM (Sales econometric model) findings
  - Profit ROIs by Channel
  - Adstock/ carryover effects by Channel

# Super category segments

Segmented on their consumer behaviours and also their media usage and effectiveness by channel



## 1. EVERYDAY PICK-UPS

Frequent, habit driven purchases. Brands are favoured by default rather than thought, including Household Supplies, Confectionery & Snacks and Media



## 2. REFRESH & REVIVE

Choice is often welcomed and purchases are more considered, providing valued moments of me time or family time. E.g. Health & Beauty, Restaurants & Coffee shops



## 3. REGULAR FREE TIME ACTIVITIES

Good and services that are bought weekly (more or less) including Retail - Grocery and Entertainment & Leisure



## 4. SHINY NEW THINGS

Goods and services mostly purchased or reviewed on an ad hoc basis, the use of which often brings enjoyment, e.g. Clothing & Accessories and Consumer Electronics



## 5. GROWN UP STUFF

Usually purchased annually or less, varying degrees of interest but often significant spends and therefore often highly researched. Not necessarily fun purchases

# The five super categories and their category components





## 1. EVERYDAY PICK-UPS

-  Confectionery e.g. KitKat
-  Household Supplies FMCG e.g. Domestos
-  Media e.g. Heat magazine






## 2. REFRESH & REVIVE

-  Restaurants & Coffee Shops
-  Drink – Non Alcoholic FMCG e.g. Pepsi
-  Food FMCG e.g. Weetabix
-  Charities
-  Beauty & Pers Care FMCG e.g. Dove, Sensodyne
-  Health & Medical FMCG e.g. Nurofen, Sanatogen
-  Pharmaceuticals




## 3. LEISURE & PLEASURE

-  Drink – Alcoholic FMCG e.g. Smirnoff
-  Gambling e.g. Betsafe, National Lottery
-  Retail – Grocery e.g. Tesco, Co-op
-  Entertainment & Leisure e.g. Odeon, Center Parcs

## 4. SHINY NEW THINGS

-  Computers & Software e.g. Dell, Android
-  Toys, Games & Consoles e.g. Nerf, Playstation
-  Clothing & Accessories e.g. Nike Coach
-  Consumer Electronics e.g. Nokia
-  Telecoms e.g. EE Plusnet
-  Retail – Non-Grocery e.g. Boots, Argos

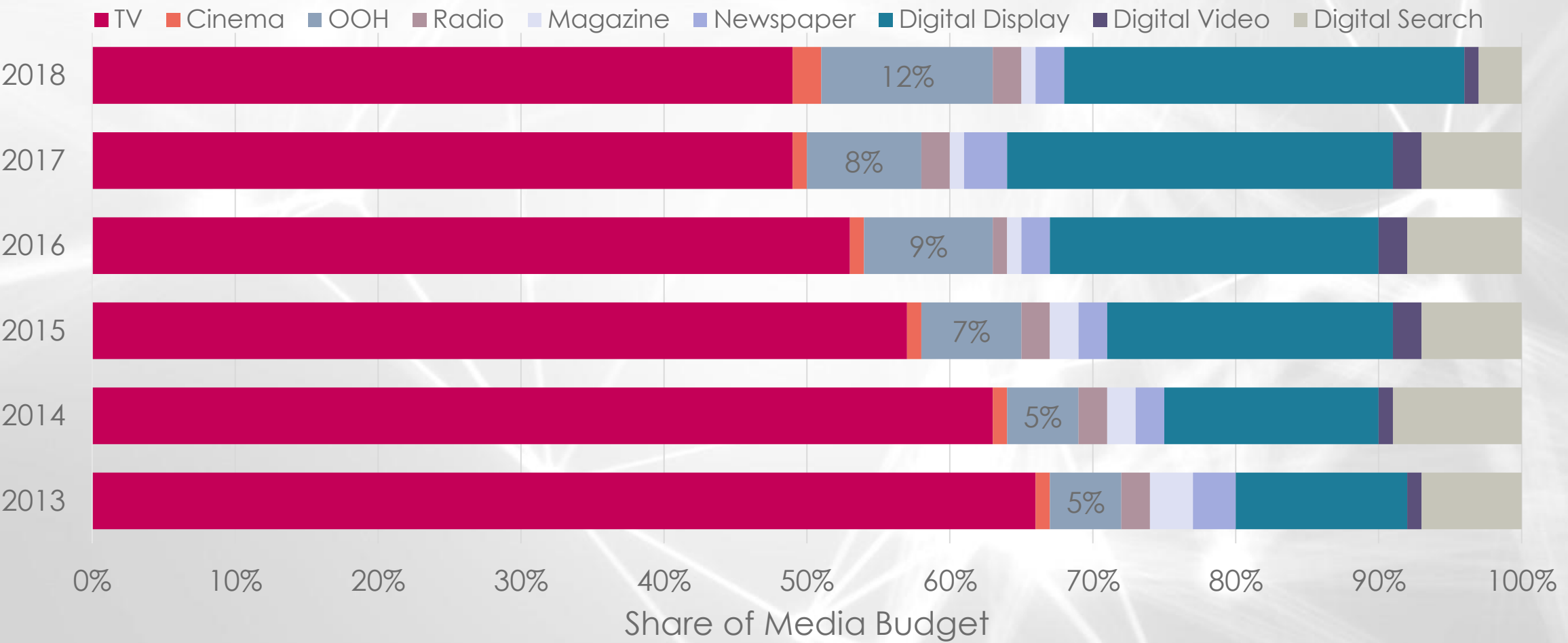
## 5. GROWN UP STUFF

-  Automotive eg. Nissan
-  Finance – BSILC e.g. Barclays
-  Finance – Insurance e.g. Aviva
-  Government & Public Sector
-  Other Offline Services (RAC, DHL, Kwifit)
-  Other Online Services (justeat, Match)
-  Travel & Transport (GWR, Virgin Atlantic)
-  Energy & Utilities (E.on Esso)



# EVERYDAY PICK-UPS Category Actual Media Spend by Channel (%)

Strong growth for OOH in this category as TV becomes less than 50% of the mix



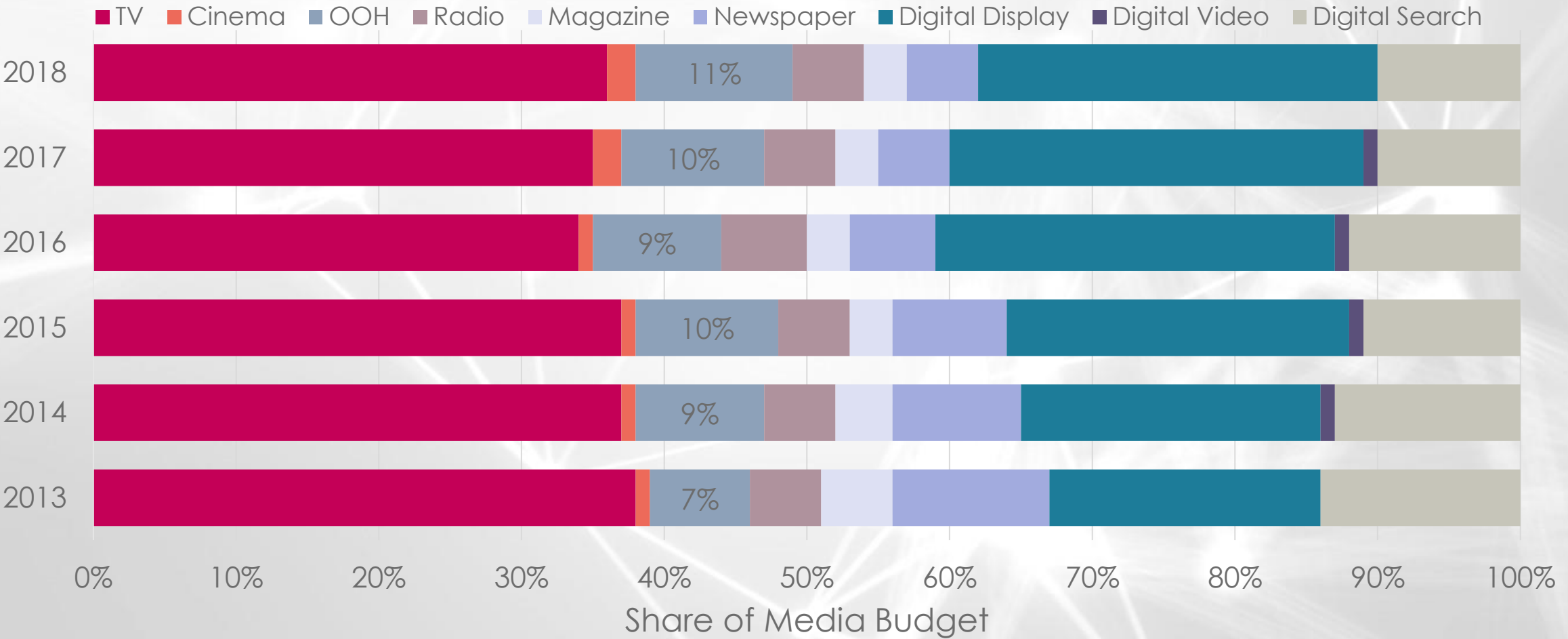
Source: Standard Media Index UK Pool (1st Jan 2013 to 31st Dec 2018)





# GROWN UP STUFF Category Actual Media Spend by Channel (%)

Growth for OOH in this category

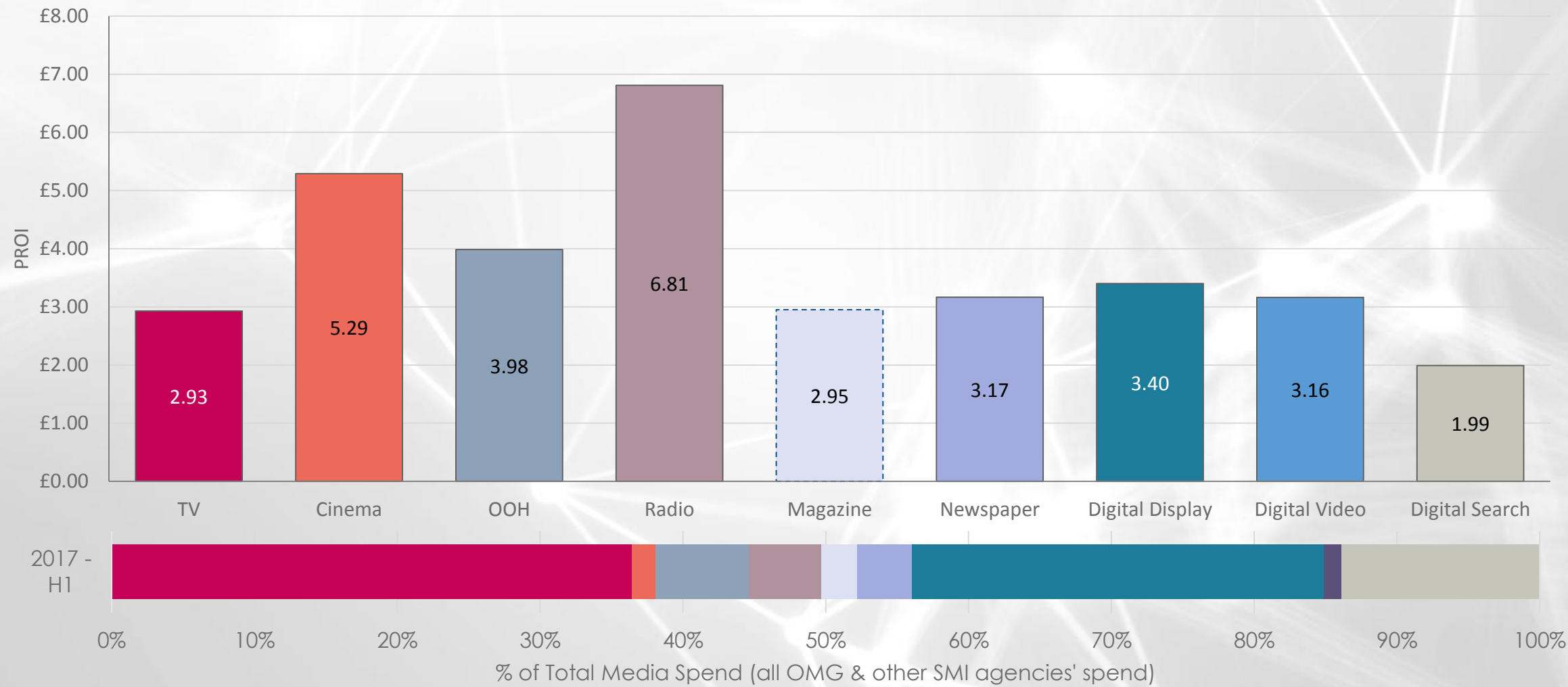


Source: Standard Media Index UK Pool (1st Jan 2013 to 31st Dec 2018)



# GROWN UP STUFF PROIs UK, averages from the Results Vault

These results say that money should be diverted from Digital and TV to Radio, OOH and Cinema



Source: Based on 221 cases in the UK results vault as at Jan 19



# We can estimate CA ROIs from UK ROIs + OMG agency CPMs & Reach

The CA results say that Grown Up Stuff brands should be diverting money to OOH from all other channels

UK Grown up Stuff PROIs



Transformed via 4 metrics

UK CPM	CA CPM	UK Reach	CA Reach

CA Grown up stuff PROIs





# OOH ROI & Media Mix Optimization

## USA summary report Spring 2018

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# Review of ROI Findings, USA



# Growing the body of evidence on the effectiveness of OOH

Key findings from the past two years

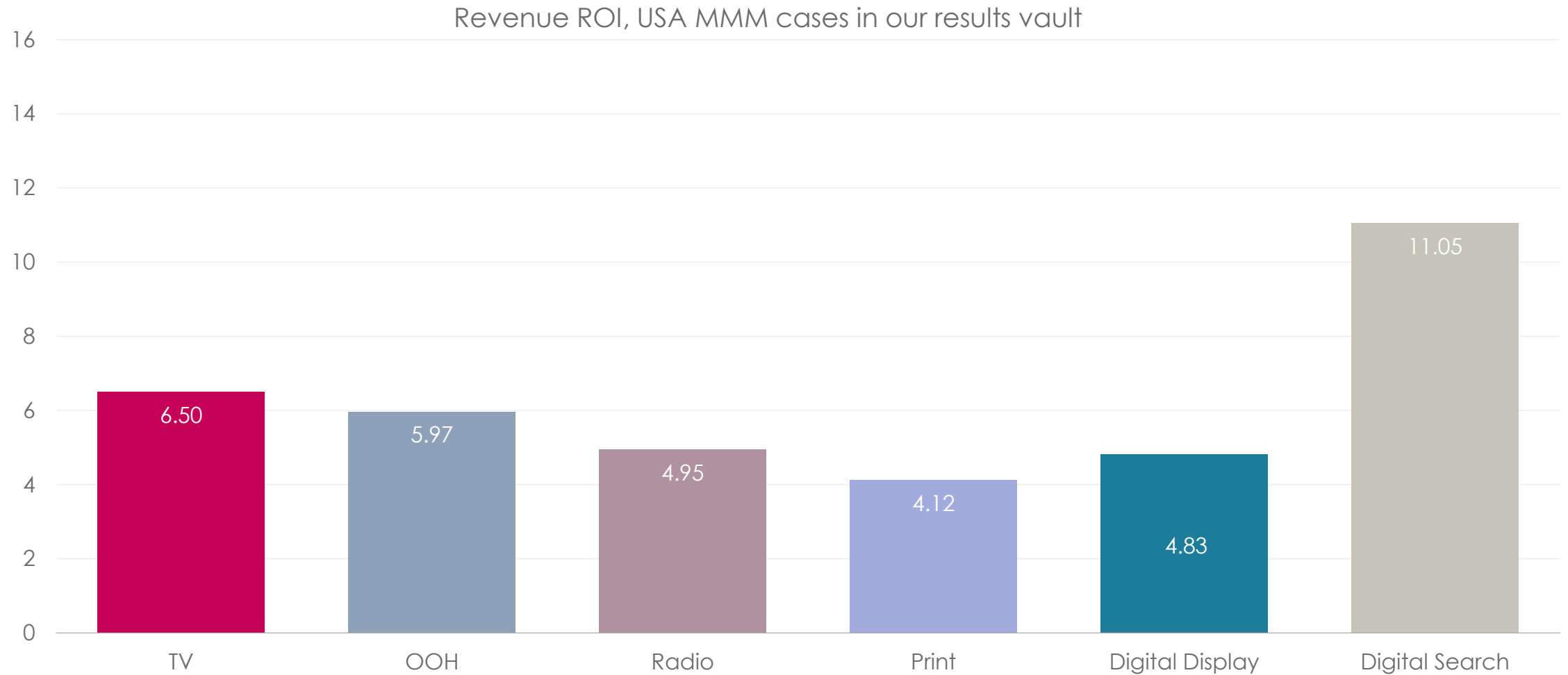


Over the last two years we created evidence from a range of categories including Automotive, Consumer Electronics, Retail - Non Grocery and Food & drink CPG Finance - Banking, Retail - Grocery and Restaurants and Coffee Shops to show:

- OOH is a significant media channel in the mix now increasing in some categories
- Digital channels are decreasing in the same categories
- OOH has good ROI
- OOH drives brand perceptions
- More should be spent on OOH

# OOH – Effective with Strong ROI

OOH outperforms all traditional media except TV, and beats digital display per ad dollar invested





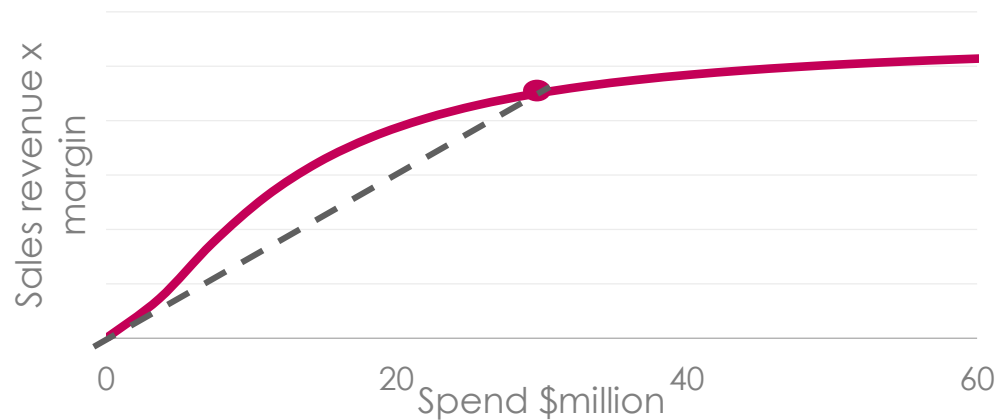
# What is Revenue ROI ? Profit ROI ?

## Revenue ROI - RROI

- The amount of sales value generated by a £ or \$ of investment
- Varies widely between categories
  - FMCG average would be around 0.75
  - Retail Grocery may be around 50.00
- Almost always determined for media channels by market mix modelling (MMM)/ econometric modelling
  - So by definition is a shorter term measure

## Profit ROI – PROI or ROI

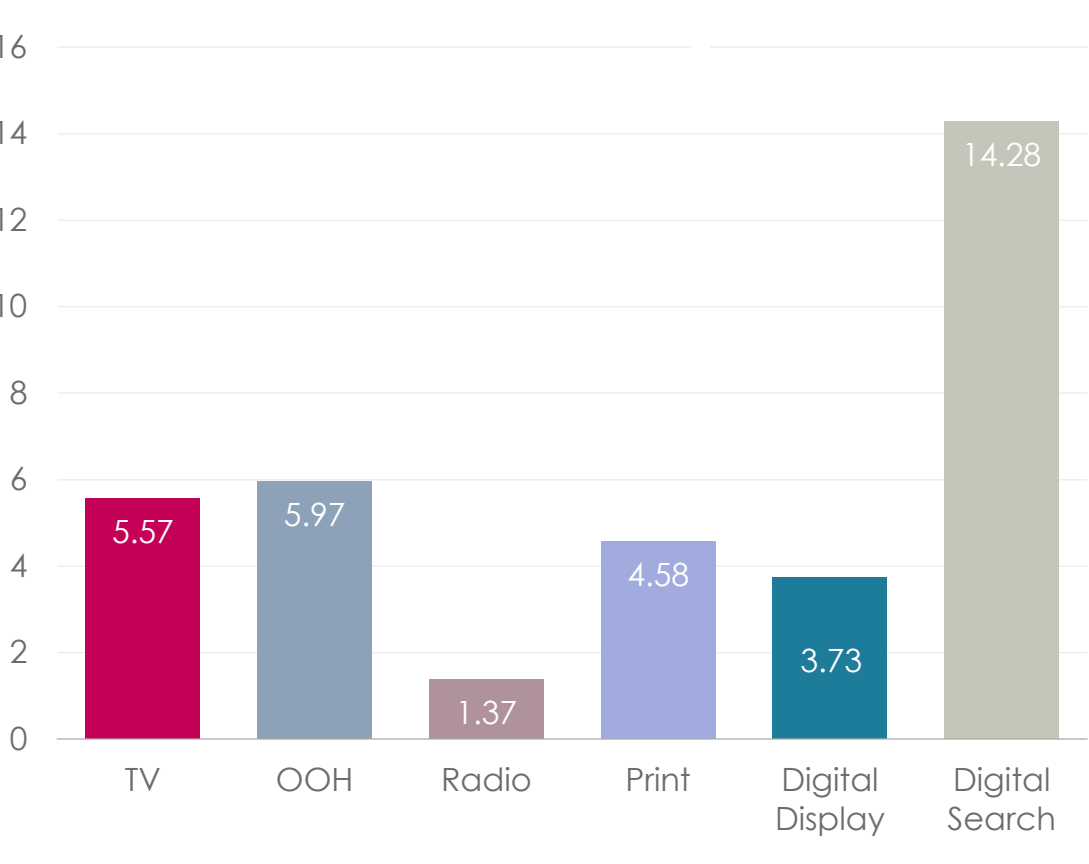
- The amount of profit generated by a £ or \$ of investment
- Is calculated as  $RROI \times \text{Gross margin}$ 
  - FMCG gross margins are around 40%
  - Retail Grocery gross margins around 5%
- A value over 1.00 means that the investment pays back immediately
- PROI is the gradient of the dotted line shown, where the purple dot is the spend on the campaign



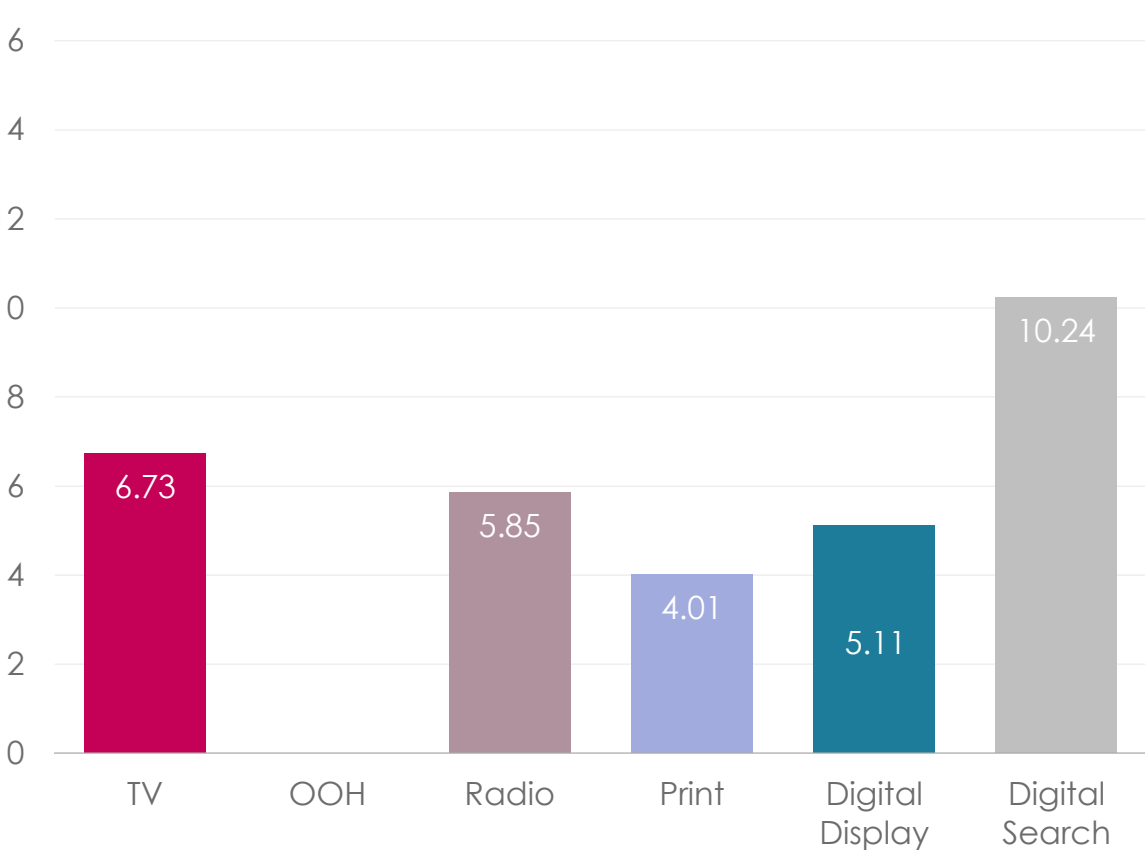


# Including OOH Increases Revenue ROIs for Search and Print

Using OOH

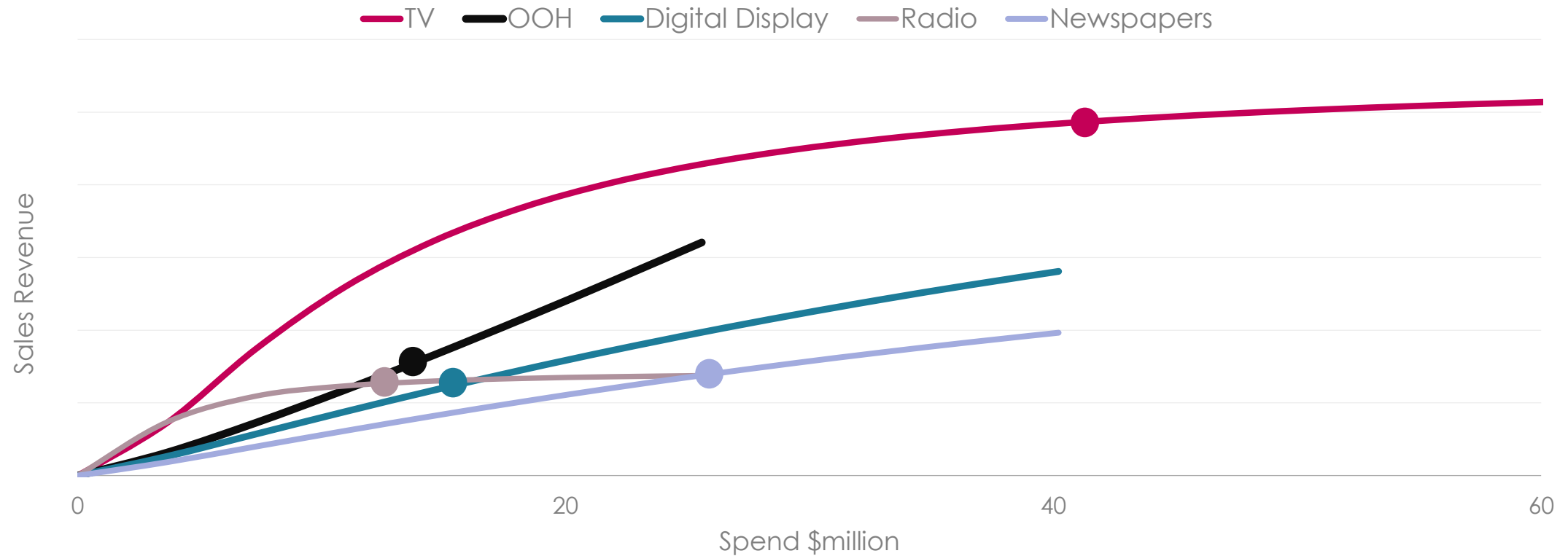


Not using OOH



Using OOH makes Search and Print work harder. OOH seems to compete with Radio and to lesser extent Display

# OOH Provides Linear Incremental Returns



- TV and radio are in high diminishing returns
- If sales are the only objective, budget should be added to OOH and taken from radio first and TV next
- If new budget dollars are available, it would best be allocated to OOH
- If budgets are to be cut, OOH should be kept and money should be taken from radio, TV, newspaper, and display



USA project to  
understand OOH driving  
Brand perceptions



# OOH's effect on Brand perceptions – USA

## Objectives & key questions

1.

### **What is the normal % of OOH of total media spend?**

Combining Kantar's comprehensive overview of all US advertisers' offline spending in each category, with SMI's accurate insight into digital spending (incl. search) providing vital context for recommendations for changes

2.

### **How does OOH work to drive brand measures?**

Based on the results of Brand MMM results and response curves for major categories, the OMG Brand Planning Tool reports the optimal media mix at typical campaigns to suggest the ideal distribution of OOH, providing forward looking advertisers with "Brand" measures as KPIs rather than just short term sales or response.

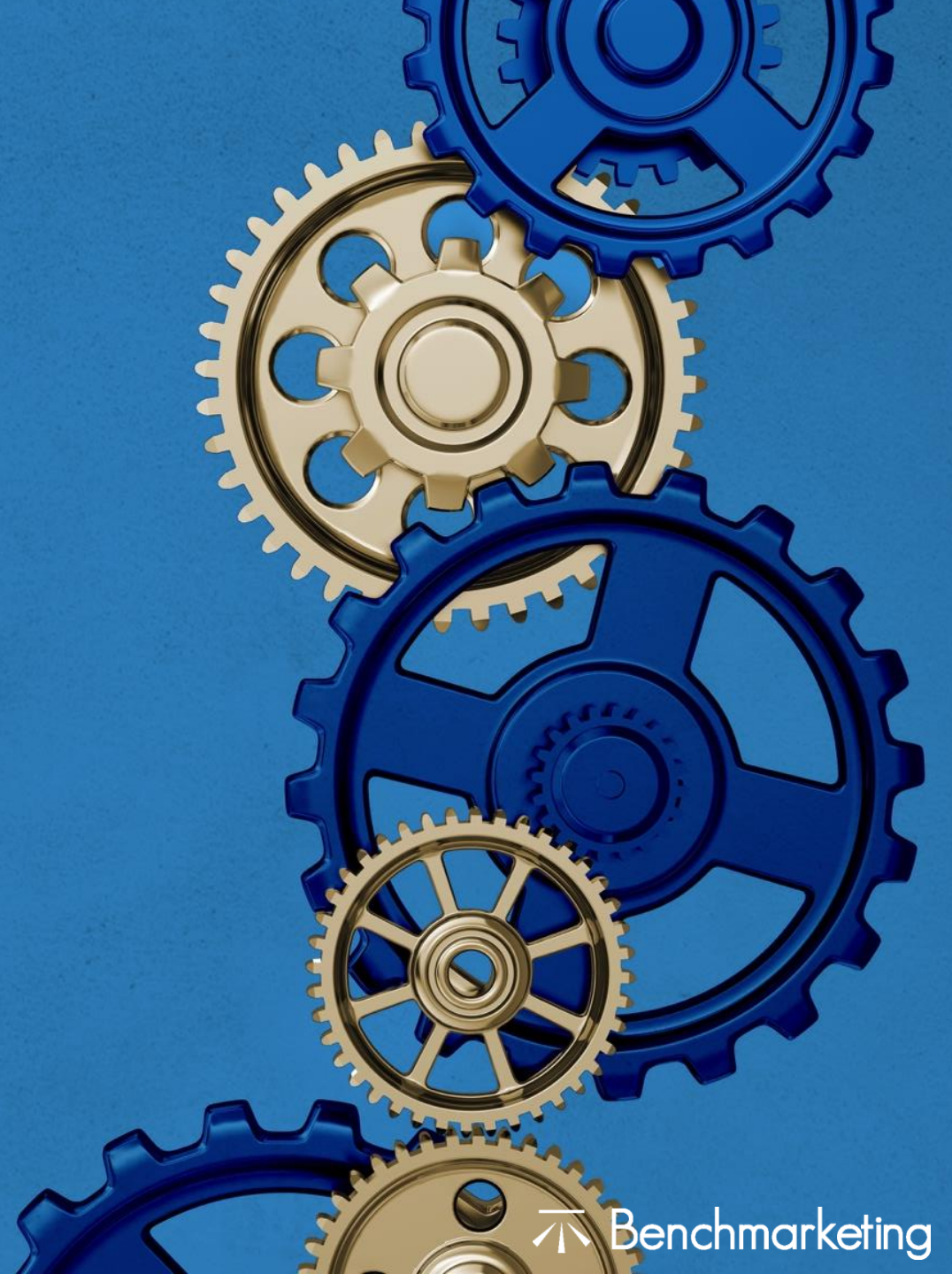
3.

### **Where ought budget to increase OOH come from?**

Where the change in % media mix of each channel (e.g. OOH) is being reallocated to/from (e.g. the loss of TV is being redistributed to OOH).

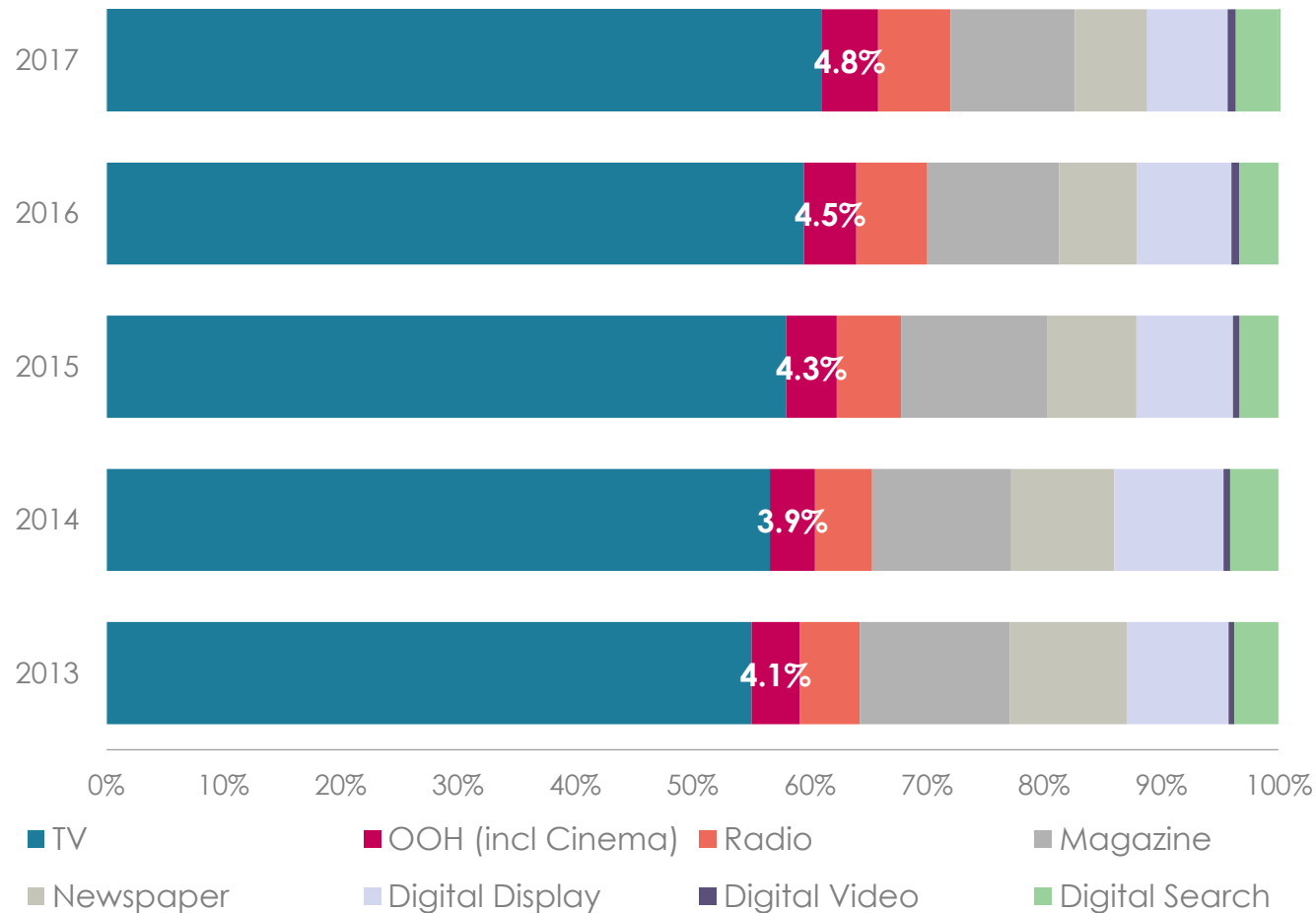


# 1. Media mix trends



# US Actual Spend profile 2013-2017 – All media channels, all advertisers

We have more detailed charts available on Autos, Electronics, Food, Drink CPG, QSR, and Retail



**TV** is the predominant media type across all categories and in slight growth, 61% up from 55%

**OOH** has grown to 4.8% of the mix

**Radio** is steady at 6%

**PRINT** has declined from 23% to 17%

## **DIGITAL**

Digital Display is in slight decline. Search is steady



# Focus on Automotive, QSR and average category – Spend / Mix detail

Automotive is an example of a low OOH category, QSR of a high OOH category

## Automotive

- **2017 spend** : 2.4%
- **AVG spend (2013-17)**: 2.0%
- **Key Insights:**
  - Media spend is offline focus, TV dominate
  - Gradual increase in % OOH from 2014

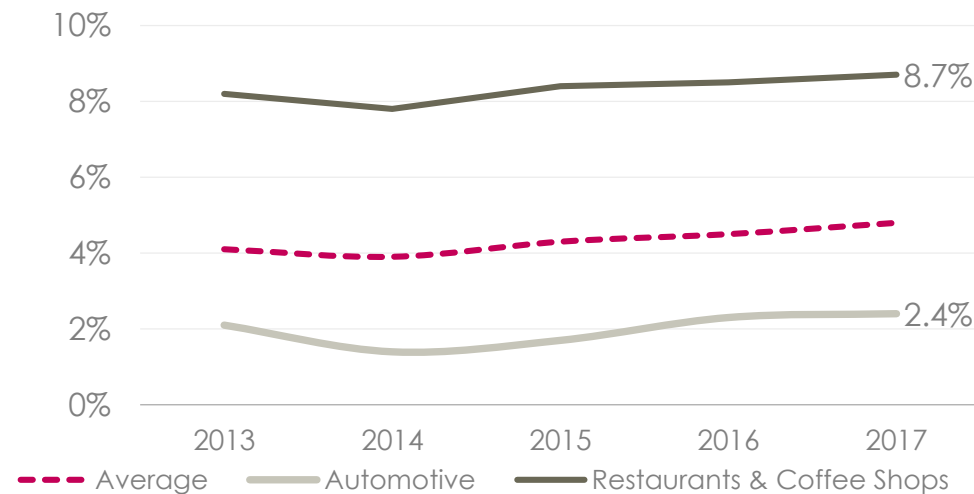
## Restaurants & Coffee Shops

- **2017 spend** : 8.7%
- **AVG spend (2013-17)**: 8.3%
- **Key Insights:**
  - TV dominant, minimal digital
  - Stable % OOH (from 2015)

## Average category

- **2017 spend** : 4.8%
- **AVG spend (2013-17)**: 4.3%
- **Key Insights:**
  - Retail-Grocery highest % OOH
  - All categories TV dominant

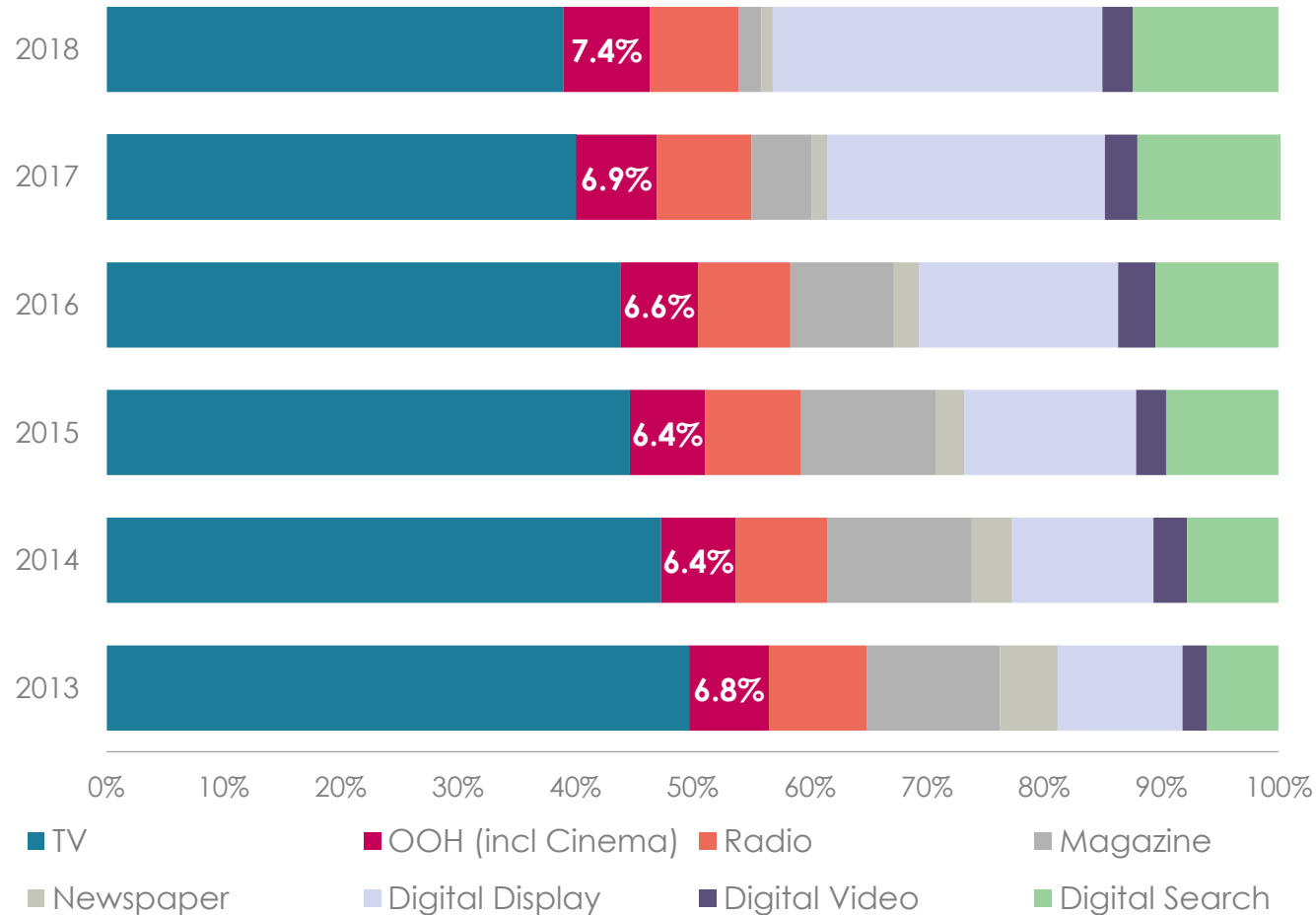
### OOH % trends





# CA Actual Spend profile 2013-2017 – All media channels, all advertisers

This new source reports faster than previous statistics, and includes search. Matches our UK US picture



**TV** is the predominant media type and is in decline, down below 40% now

**OOH** has grown to 7.4% of the mix

**Radio** is steady at 8%

**PRINT** has declined horribly

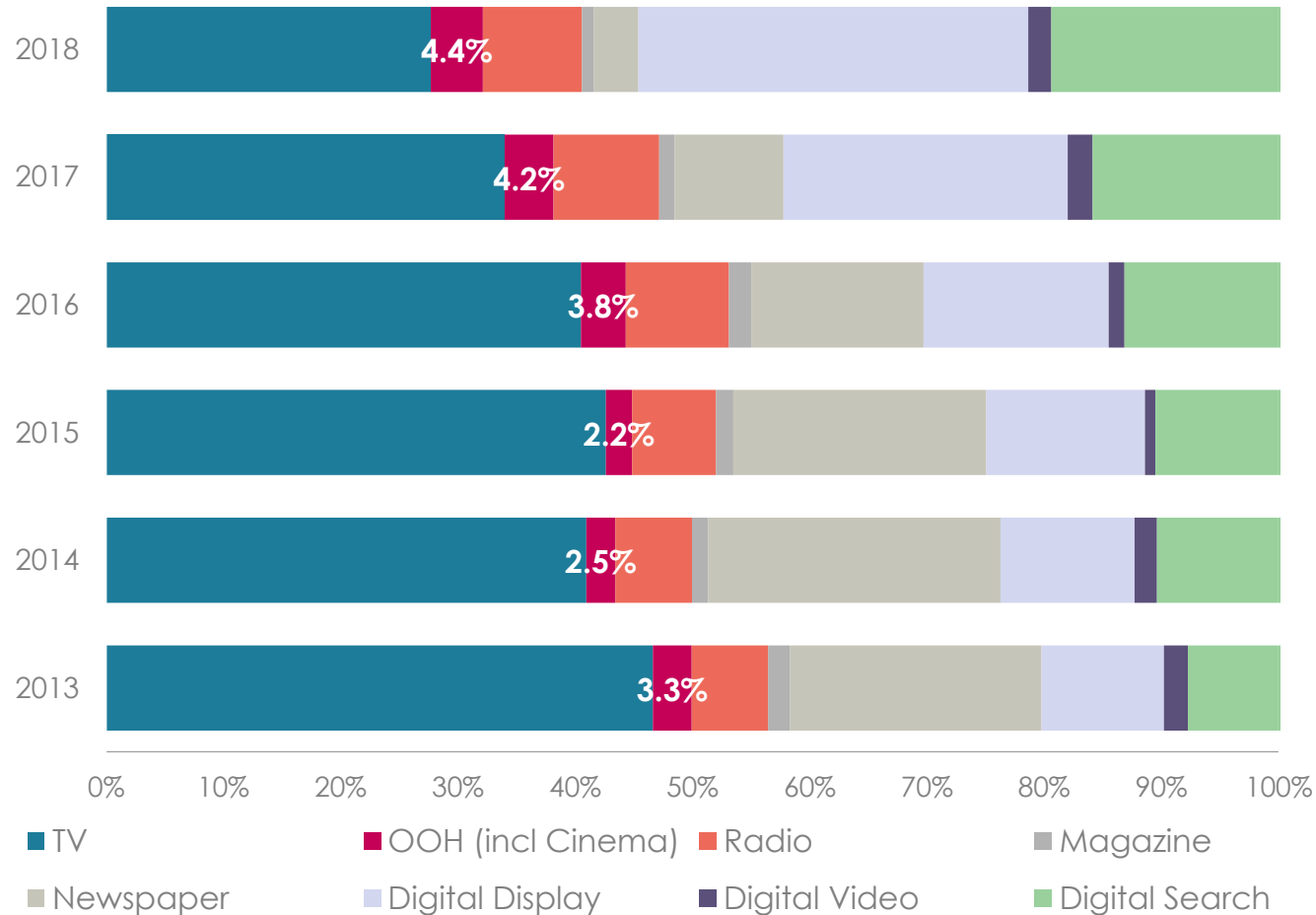
**DIGITAL** Display is growing, more than double since 2013, now 28%

**SEARCH** has doubled since 2013 now at 12%



# CA Automotive Actual Spend profile 2013-2017 – All media channels

This new source also reports by category. OOH is small but growing in this category



**TV** has become the #2 channel after Digital Display, only 28% of spend

**OOH declined then grew now at 4.4%**

**Radio grew then declined now at 8%**

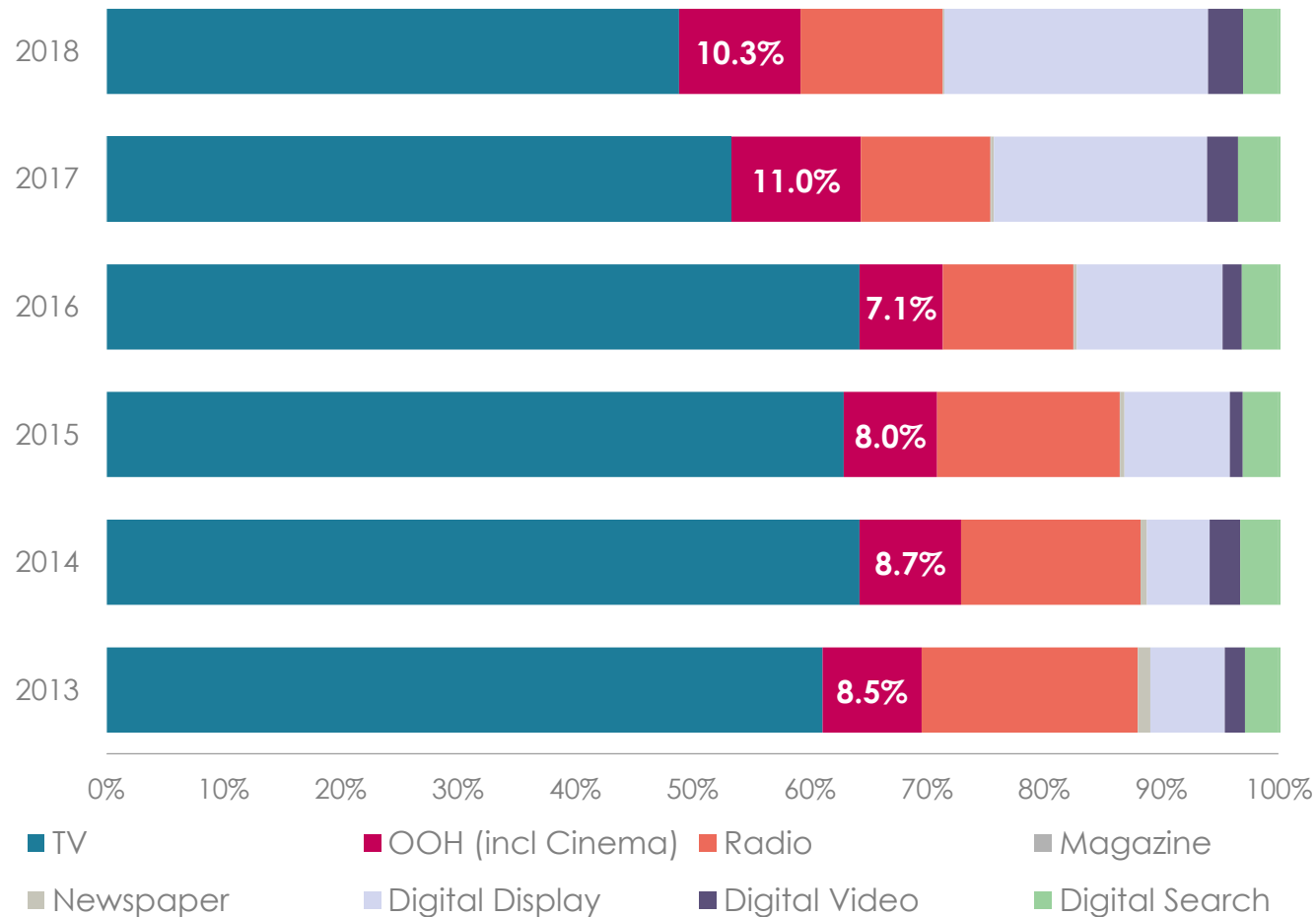
**PRINT has declined horribly**

**DIGITAL** Display is growing, more than triple since 2013, now 33%

**SEARCH** has more than doubled since 2013 now at 19%

# CA Restaurants Actual Spend profile 2013-2017 – All media channels

OOH is large in the Restaurants category, double digits, though higher in 2017 than 2018



**TV** is the predominant media type and is in decline, down below 50% now

**OOH** has grown to 10.3% of the mix

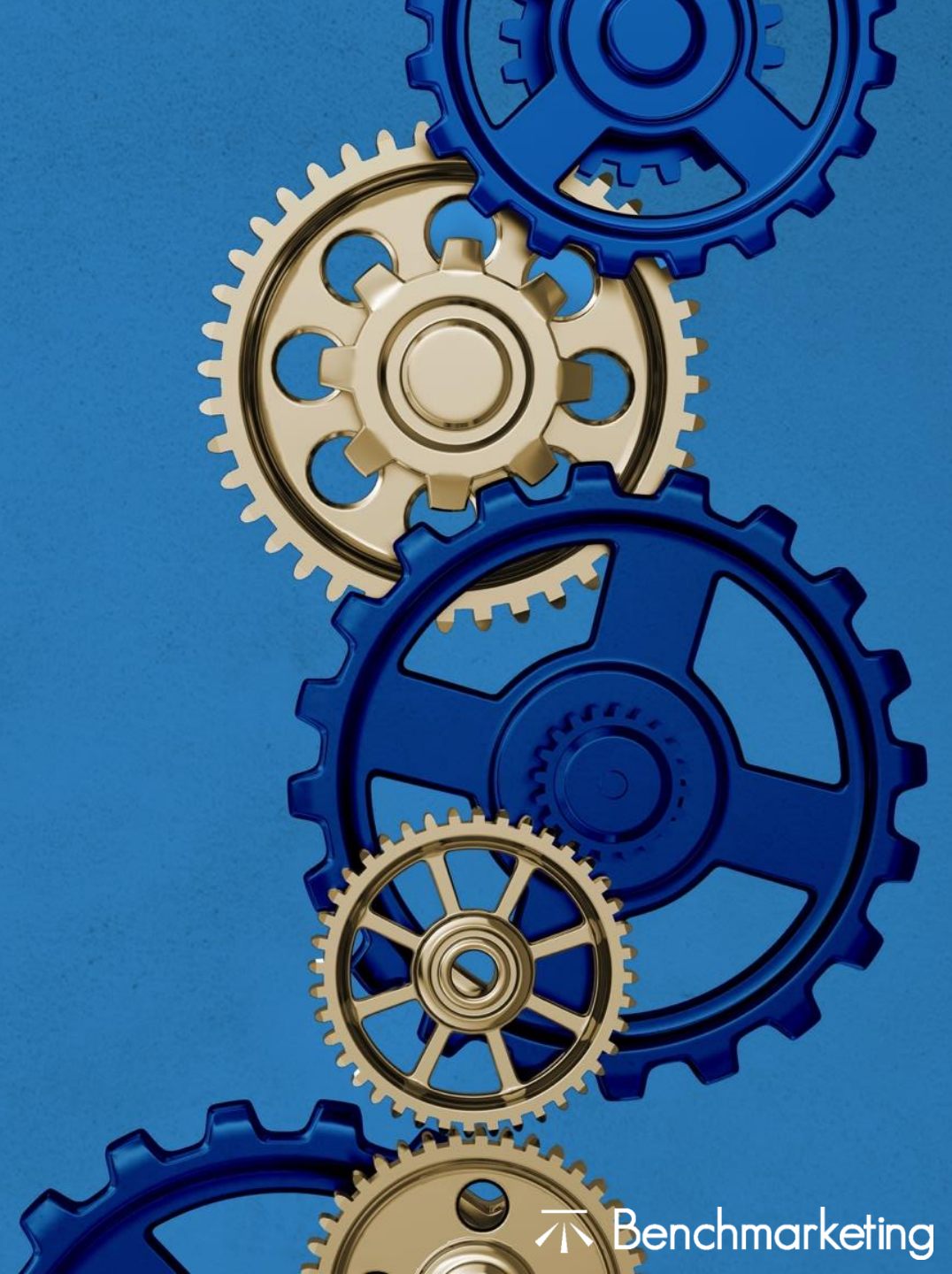
**Radio** has declined from 18 to 12%

Only tiny spends on print

**DIGITAL** Display is growing, more than triple, now 23% and #2

**SEARCH** is small in this category

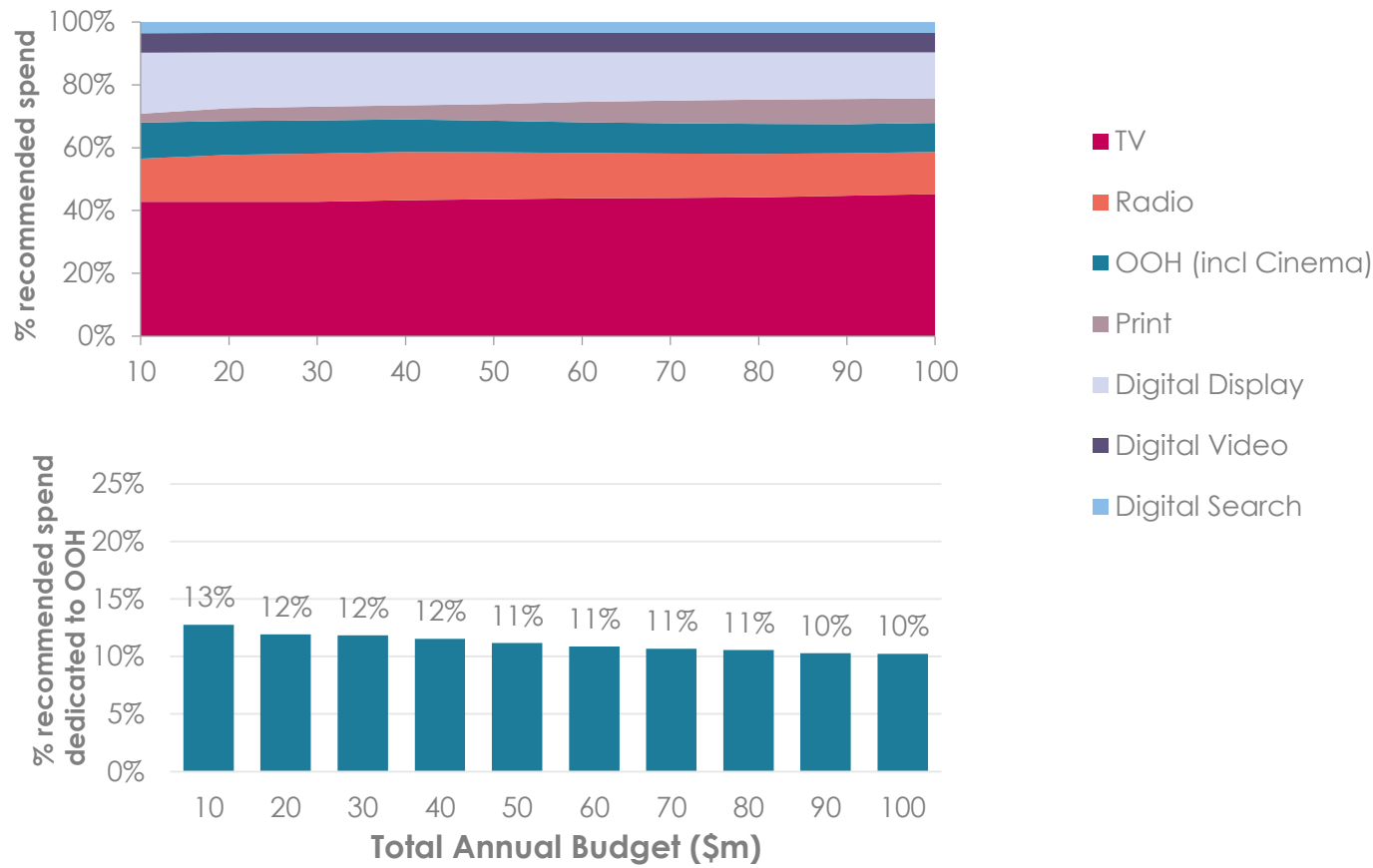
# Recommended Out of Home Spend Benchmarks





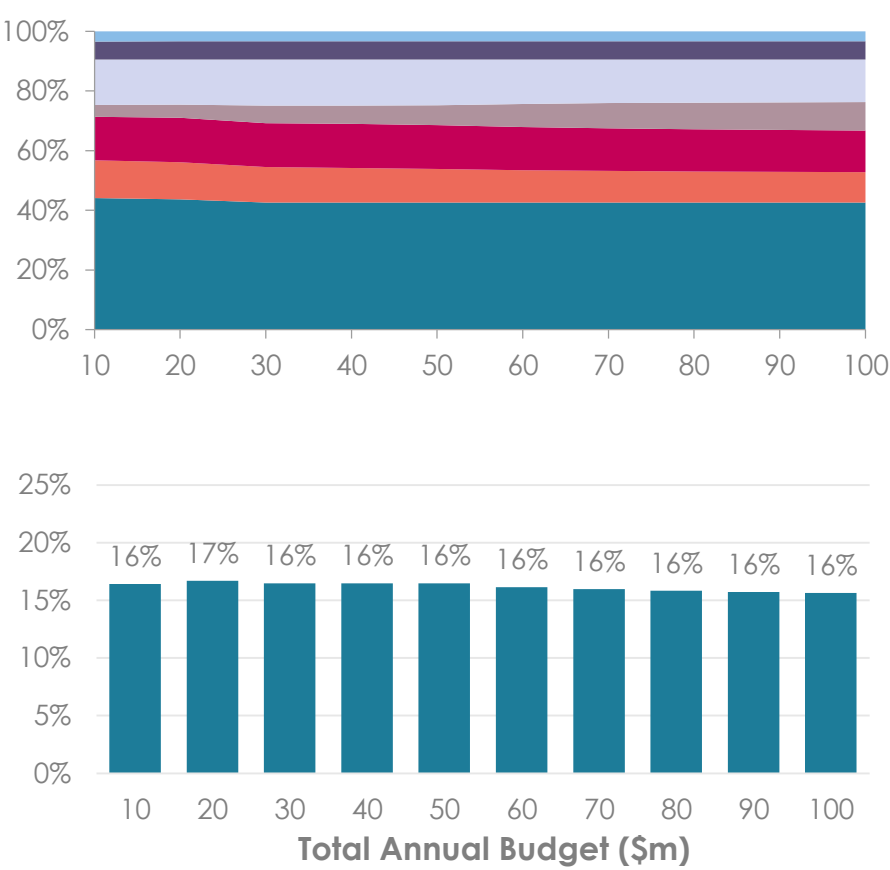
# Benchmark Average Optimal Mix

## AD AWARENESS



A typical brand ought to invest at least 11% in OOH

## BRAND AWARENESS



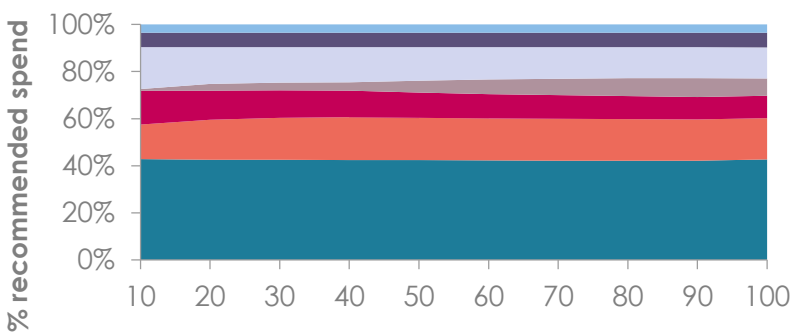
A typical brand should invest 16% into OOH



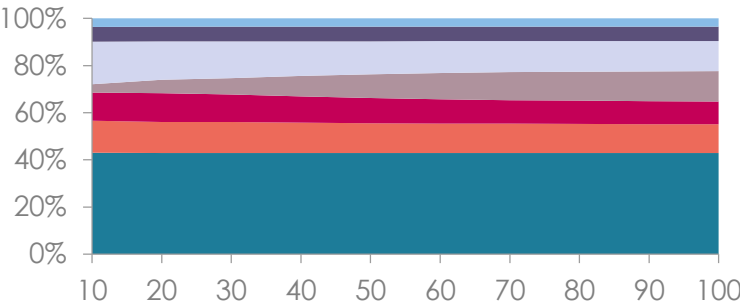


# Benchmark Average Optimal Mix

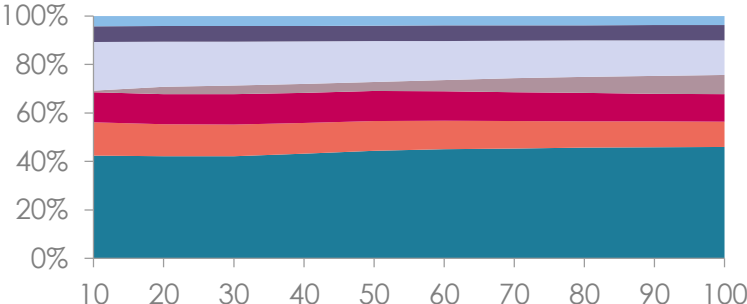
CONSIDERATION



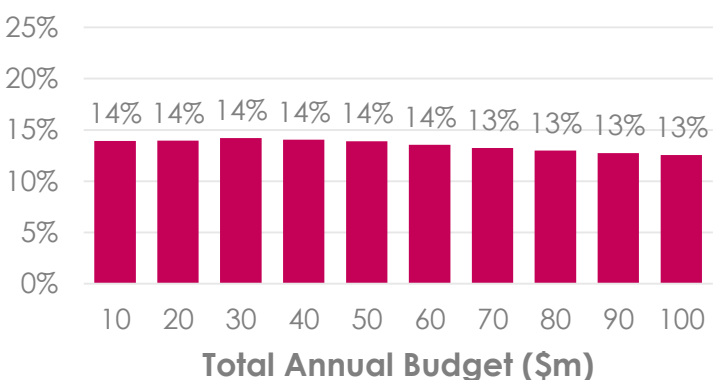
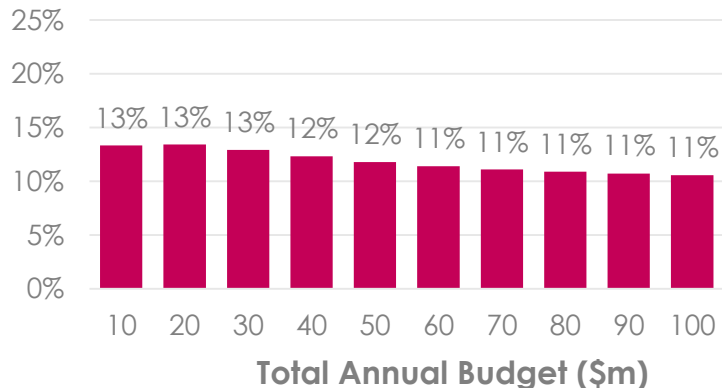
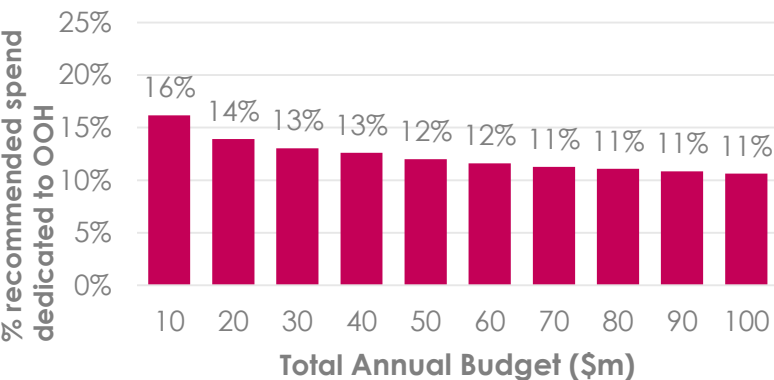
RECOMMENDATION



PURCHASE INTENT



■ TV ■ Radio ■ OOH (incl Cinema) ■ Print ■ Digital Display ■ Digital Video ■ Digital Search



A typical brand ought to invest 12% of media on OOH. Smaller brands should slightly increase their allocation to OOH

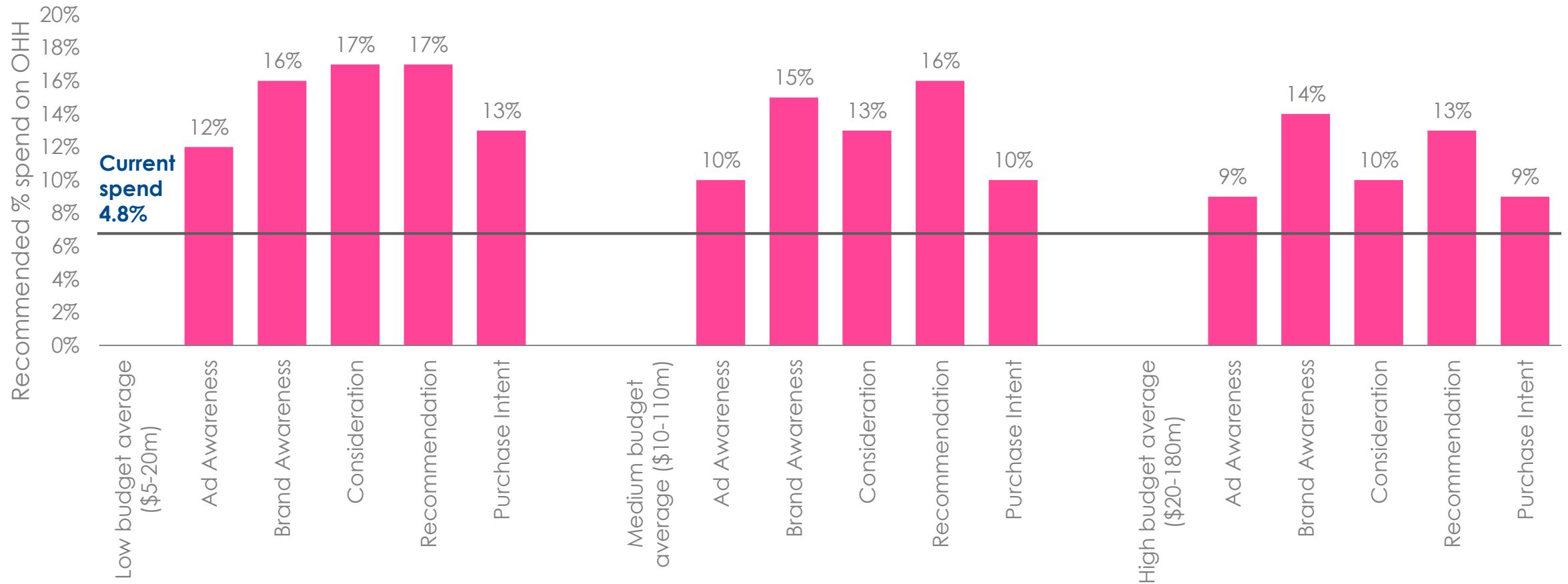
A typical brand ought to invest 11% of media on OOH. Smaller brands should slightly increase their allocation to OOH

All brands should invest 13-14% of their media budget in OOH



# Recommended Spend on OOH

The market on average should be spending more on OOH at all budget levels



# Recommended Spend Benchmarks

Current OOH AVG in mix is **4.8%**. Recommended range of AVG spend is **9-17%**

Budget	AD Awareness	Brand Awareness	Consideration	Recommendation	Purchase Intent
	Spend much more	Spend much more	Spend much more	Spend much more	Spend much more
LOW	Put <b>12%</b> into OOH	Put <b>16%</b> into OOH	Put <b>17%</b> into OOH	Put <b>17%</b> into OOH	Put <b>13%</b> into OOH
MED	Put <b>10%</b> into OOH	Put <b>15%</b> into OOH	Put <b>13%</b> into OOH	Put <b>16%</b> into OOH	Put <b>10%</b> into OOH
HIGH	Put <b>9%</b> into OOH	Put <b>14%</b> into OOH	Put <b>10%</b> into OOH	Put <b>13%</b> into OOH	Put <b>9%</b> into OOH





# Category detail, automotive and QSR



# Recommended spend summary by category

## Automotive

- 2017 spend : 2.4%
- AVG spend (2013-17): 2.0%
- Key Insights: BA Focus
- LOW – BA (14%)
- MED – BA (10%)
- HIGH - BA (9%)

## Restaurants & Coffee Shops

- 2017 spend : 8.7%
- AVG spend (2013-17): 8.3%
- Key Insights: PI Focus
- LOW – PI (19%)
- MED – PI (19%)
- HIGH – PI (18%)

## Average category

- 2017 spend : 4.8%
- AVG spend (2013-17): 4.3%
- Key Insights:
- Brands tend to benefit from increasing their % OOH to improve **Brand awareness, Recommendation, Purchase Intent**



# If we increase OOH where should we take budgets from ?

The order of the blocks in the columns shows where we should take from first

	Automotive	Restaurants & Coffee Shops	Average Brand
Current OOH Spend	2.4%	8.7%	4.8%
AVG % OOH Spend (2013-17)	2.0%	8.3%	4.3%
AD Awareness			
Brand Awareness			
Consideration			
Recommendation			
Purchase Intent			
	OOH gains mostly from TV, print, digital display	OOH gains from all media types at the lower end of funnel	OOH mostly improves from TV and Print

# Where OOH works hardest in the brand funnel

By category and size of budget

- OOH works hardest at different ends of the brand funnel depending on the category:
- Automotive: OOH recommended most for driving awareness at the upper end – particularly for smaller budgets, before TV and print are increased
- QSR: use OOH the most to drive consideration, recommendation and purchase intent at the lower funnel end
- CPG: the pattern differs by budget – smaller should use OOH to drive awareness. For medium and large budgets it will work equally hard at both the lower and upper ends of the brand funnel

	Small budgets		Medium budgets		Larger budgets	
	Upper funnel	Lower funnel	Upper funnel	Lower funnel	Upper funnel	Lower funnel
<b>Restaurants &amp; Coffee Shops</b> 9%	10-11%	9-19%	11%	8-19%	12%	9-18%
<b>Automotive</b> 2% now	11-14%	10%	6-10%	6-7%	6-9%	5-7%

 OOH works hardest

# Automotive Summary



To optimize **AD Awareness** brands should up OOH to 6-11%



Brands should spend up to 9-14% on OOH to drive **Brand Awareness**



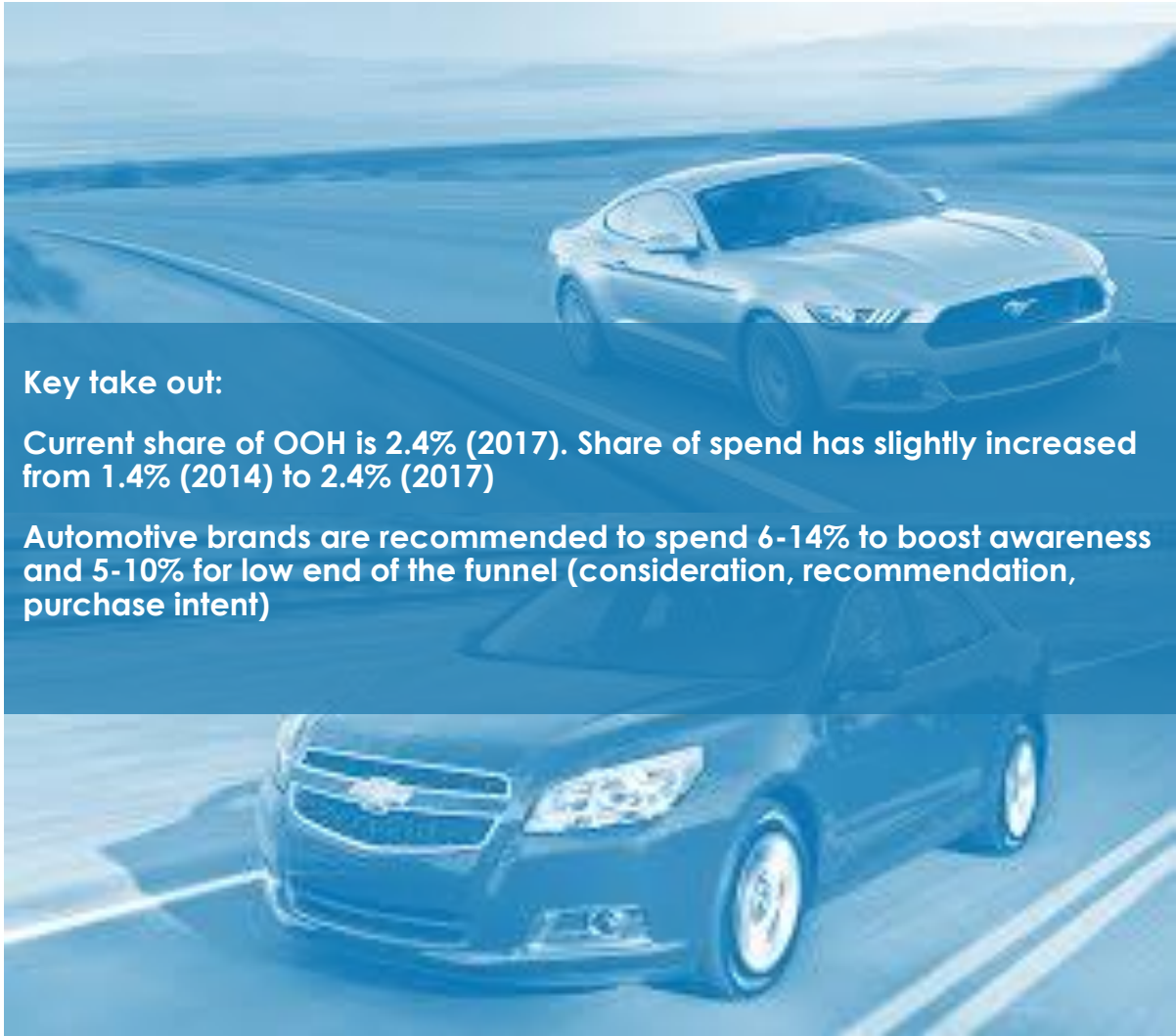
Advertisers should increase their spend 6-10% to boost **Consideration**



To optimise **Recommendation** brands increase OOH share to 7-10%



Brands should spend 5-10% on OOH to drive **Purchase Intent**



**Key take out:**

**Current share of OOH is 2.4% (2017). Share of spend has slightly increased from 1.4% (2014) to 2.4% (2017)**

**Automotive brands are recommended to spend 6-14% to boost awareness and 5-10% for low end of the funnel (consideration, recommendation, purchase intent)**





# Restaurant & Coffee Shops summary



To optimise **AD Awareness**, brands should up OOH spend to 10-12%



Brands should spend up to 11-12% on OOH to drive **Brand Awareness**



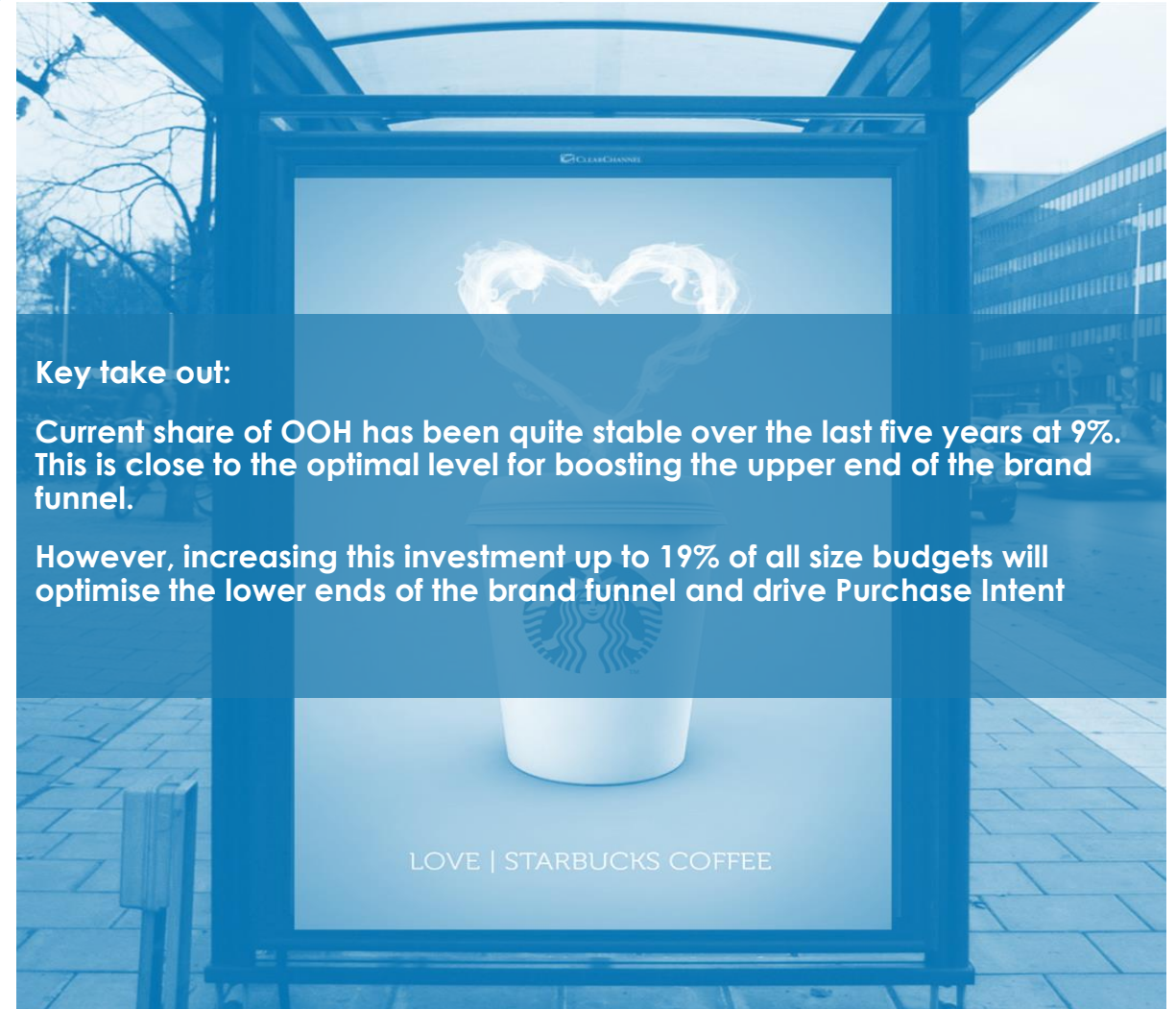
To drive **Consideration**, Restaurants & Coffee Shops should maintain spending 8-9% on OOH



Brands of all sizes should up their OOH spend to 16-17% to boost **Recommendation**



Brands should spend 18-19% on OOH to optimise **Purchase Intent**



## Key take out:

Current share of OOH has been quite stable over the last five years at 9%. This is close to the optimal level for boosting the upper end of the brand funnel.

However, increasing this investment up to 19% of all size budgets will optimise the lower ends of the brand funnel and drive Purchase Intent



# Average Category Summary



To optimise **AD Awareness**, brands should up OOH spend to 9-12%



Average brands should increase OOH spend up to 14-16% to boost **Brand Awareness**



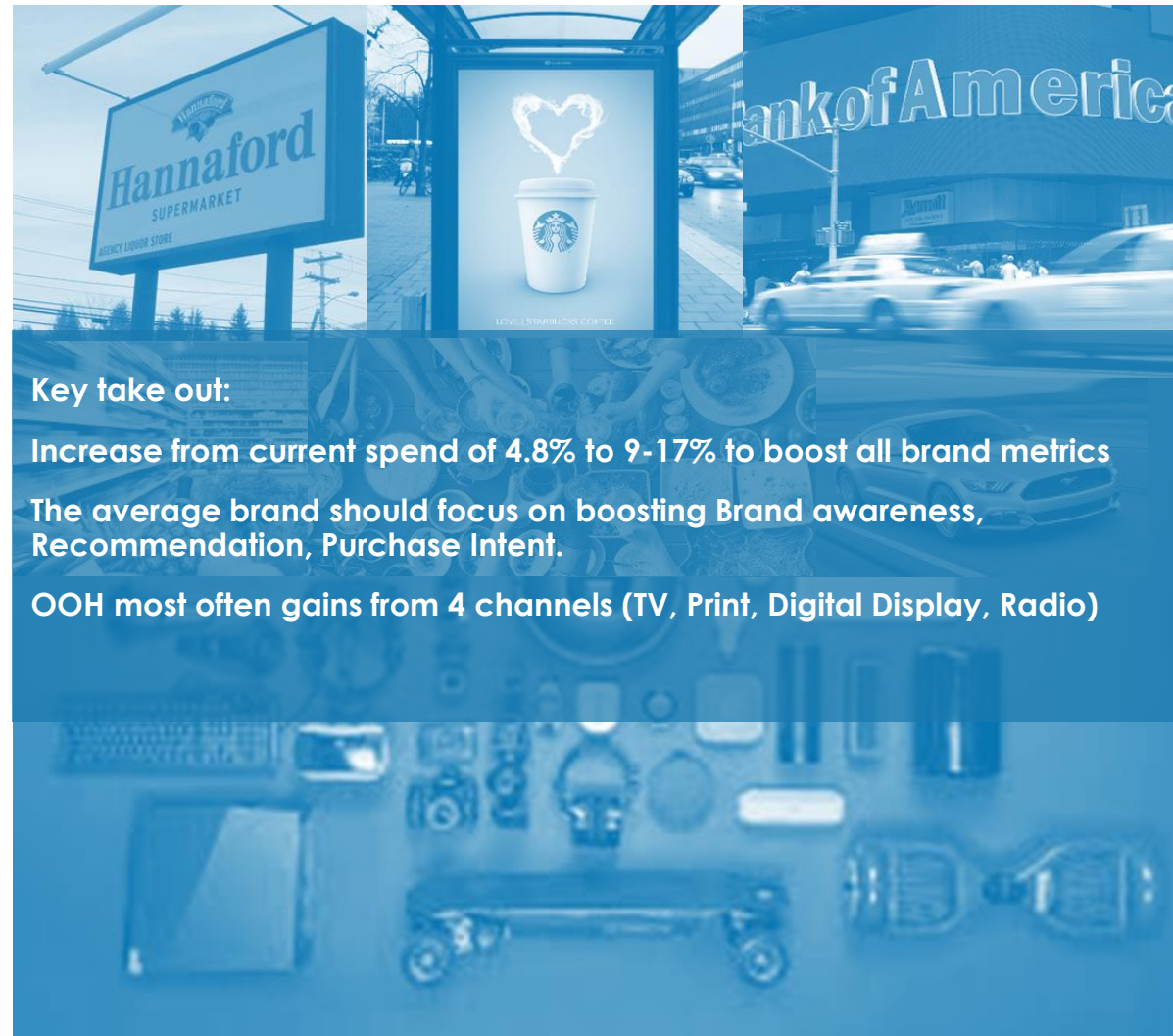
To optimise **Consideration**, low should spend 17% and high 10%



Average brand should invest 13-17% on OOH to optimise **Recommendation**



Need to spend 9-13% on OOH to optimise **Purchase Intent**



## Key take out:

Increase from current spend of 4.8% to 9-17% to boost all brand metrics

The average brand should focus on boosting Brand awareness, Recommendation, Purchase Intent.

OOH most often gains from 4 channels (TV, Print, Digital Display, Radio)





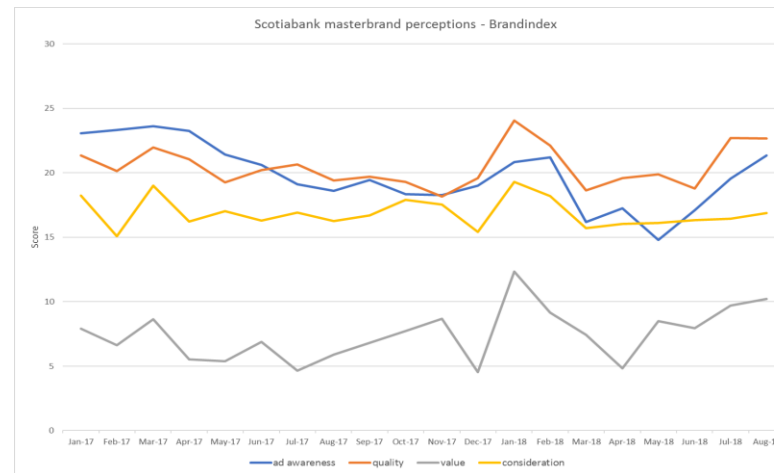
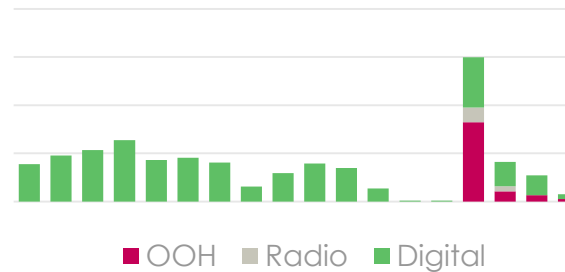
# Canada case studies



# Scotiabank Momentum Plus

- Focus was on a youth audience
- DOOH used with changing messages for different times of day and different passing traffic
- OOH was a large component of the mix, Digital was the lead channel and radio was also used
- MMM identified that OOH was the best performing channel at getting account signups
- Brandindex also metrics rose during the campaign, faster than when there was just digital spend

Scotiabank Credit card acquisition spend Canada



No monthly fee  
No minimum balance  
Unlimited transfers

270 days

Start from 0.9%

1.65%

Momentum Plus Savings Account

180 days

1.7%

Free  
Flexible  
First-rate

360 days

1.8%

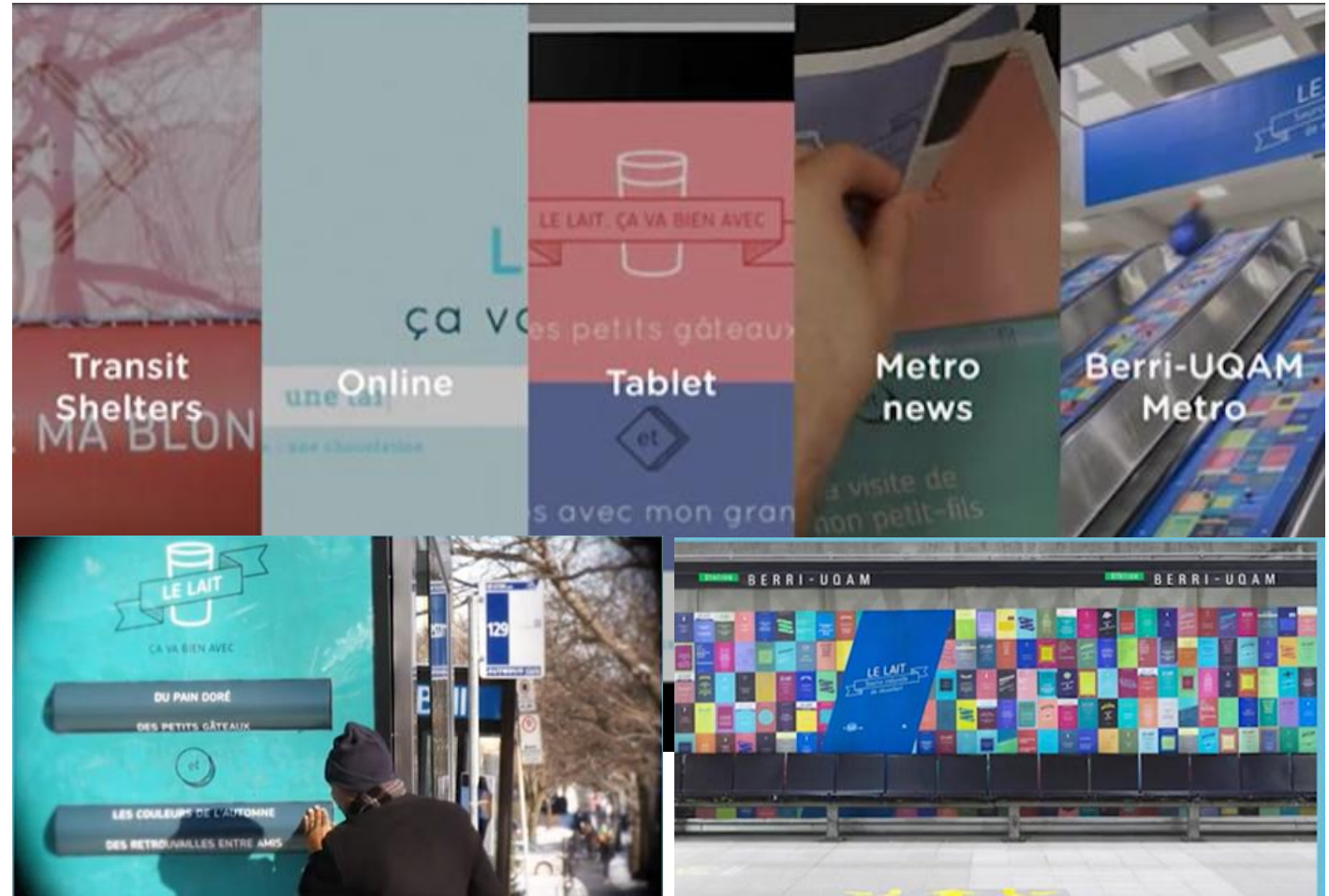
Scotiabank





# Case study “Milk goes well with...” campaign, Quebec

- User Generated content campaign
- Interactive posters on transit shelters, allowing pairings of courses within meals
- Consumers designed their own posters/prints which were then exhibited across the Metro system
- Sales growth in Quebec was 20% higher than other regions of Canada



Other case studies are available  
or can be created from Brandindex +  
Spend + campaign detail

Thank you. Any questions?

Please don't ask me what sort of owl this is.....





# Case study – Via Rail Canada

Real time delays to specific destinations were displayed on Online, DOOH channels.  
Analysis attributed a 12 to 14% improvement to the campaign

## Real-time display of time to destination at specific locations



### Before Travelling

We identified drivers about to travel by targeting those who looked up for weather or traffic information for a destination outside their home town with digital banners and SEM communicating real-time travel times for car versus train.



### During Travelling

With digital out-of-home, we covered all of the major highways between Quebec City and Toronto. The message was adapted in real time, displaying the estimated arrival time based on the location of each sign and current traffic conditions. Because it was based on the geo-location of each board, the message was always customized.

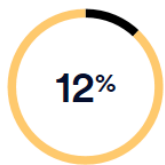


### After Travelling

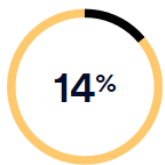
We leveraged our out-of-home partnership to collect all the mobile deviceIDs of drivers exposed to the advertising as well as drivers who were stuck in traffic jams. We then retargeted these drivers as they arrived at their destination, displaying a personalized message that reminded them of the frustration of being stuck in traffic and the benefits of taking the train.



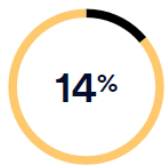
## Results exceeding expectations



Increase in train ridership



Increase in revenues



Increase in conversion rate

# Case study – Mark's Winter 2017

% discount in store was matched to local weather forecast, communicated OOH and online

results that go beyond the objectives

