

Out of Home ROI and Optimization in the Media Mix Summary Report



2017



Key Research Findings:

OOH is a significant media channel in the mix

OOH has good ROI

OOH improves campaign ROI

OOH drives brand perceptions

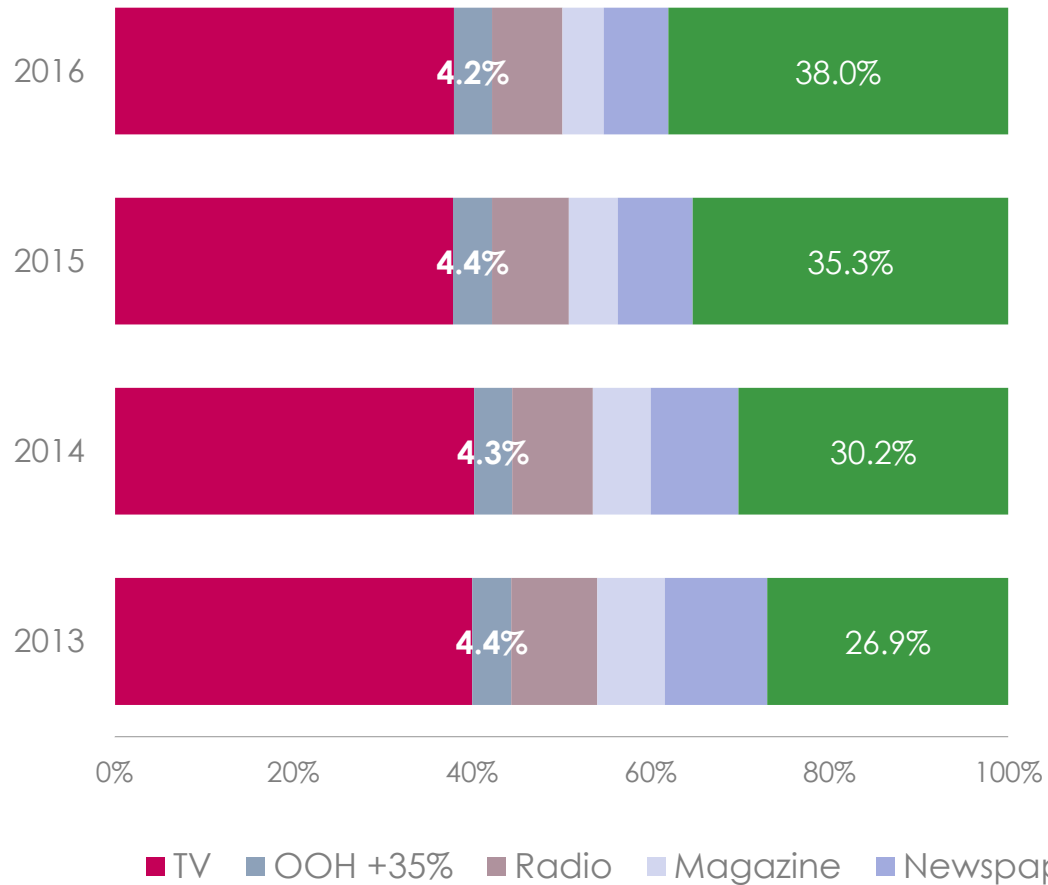
More should be spent on OOH in every category analyzed

What do we know about the ROI for OOH?

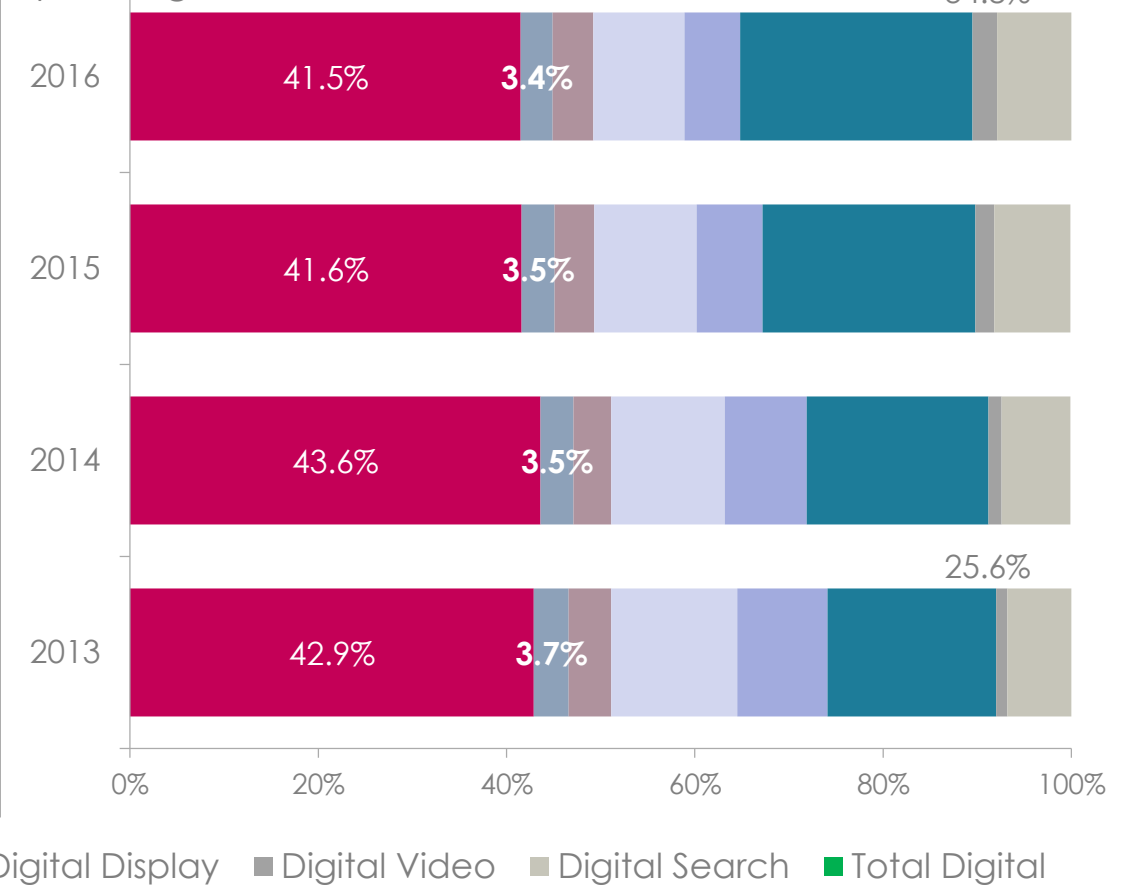
US – we can now report % of all media spend including digital, total & by category

All traditional channels have been squeezed by the growth of digital display

MAGNA Total US picture covers all ad spend by channel, but not by product category or advertiser



Kantar plus SMI Pool Total US picture combines Kantar's view of all US advertisers' offline spending, with SMI's Pool insight into digital spending



Our brand metrics effect study focussed on four areas



Automotive

Consumer Electronics



Retail (Non-Grocery)

CPG Food/Drink

MA BOYLE SAYS:
COLD?
BOO-FREAKIN'-HOO.

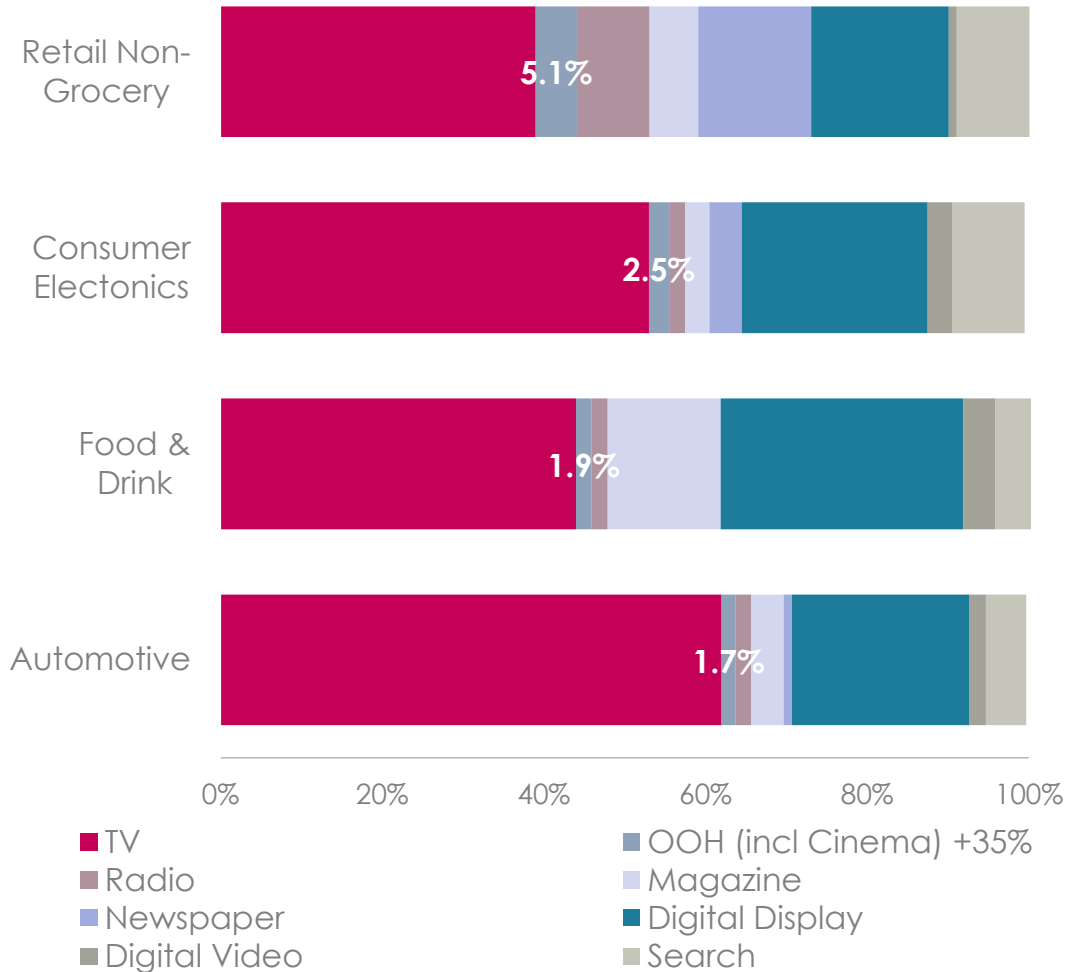
Columbia



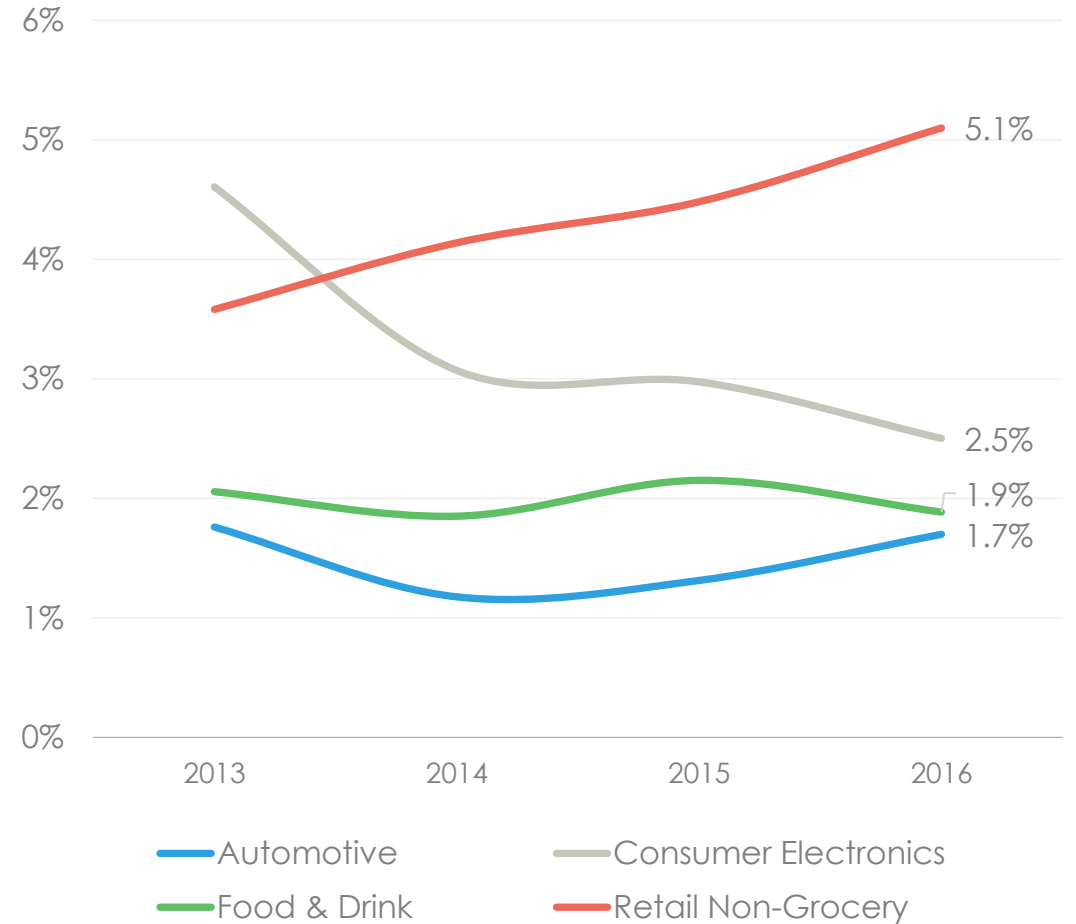
OOH's share of media spend for our four categories.

Three of the four categories show stability or growth

2016 full mix for our four categories



OOH % over the last 4 years



Our **Sales Revenue ROI** knowledge in the US market

Our US multi-media mix cases

100

We have 100 cases in our US SALES results vault

(Omnicom Media Group)

25

Of these 100 cases, 25 use OOH in their media mix

The largest OOH% is 32%, smallest 2%. Average is 9%

This is of total media mix including digital display, video and search

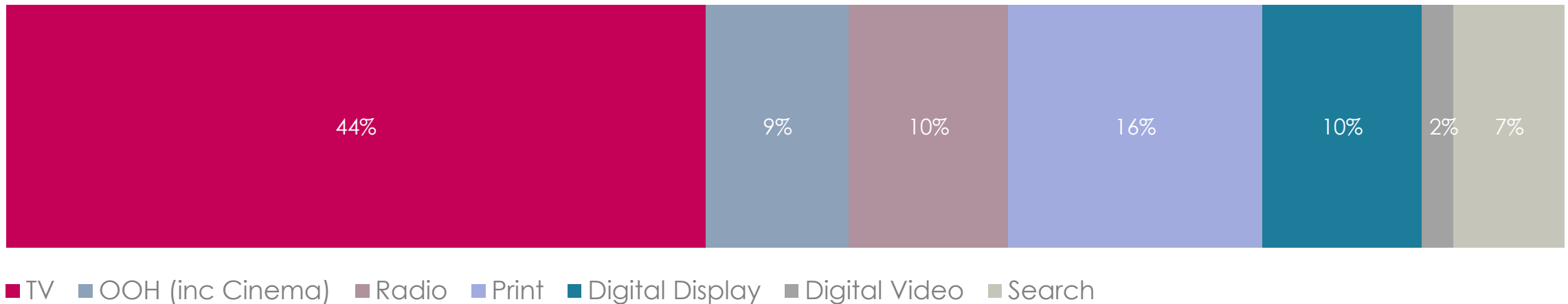
20

20 of those 25 have a reported OOH sales revenue ROI

Mix of spend in our US marketing mix modeling cases

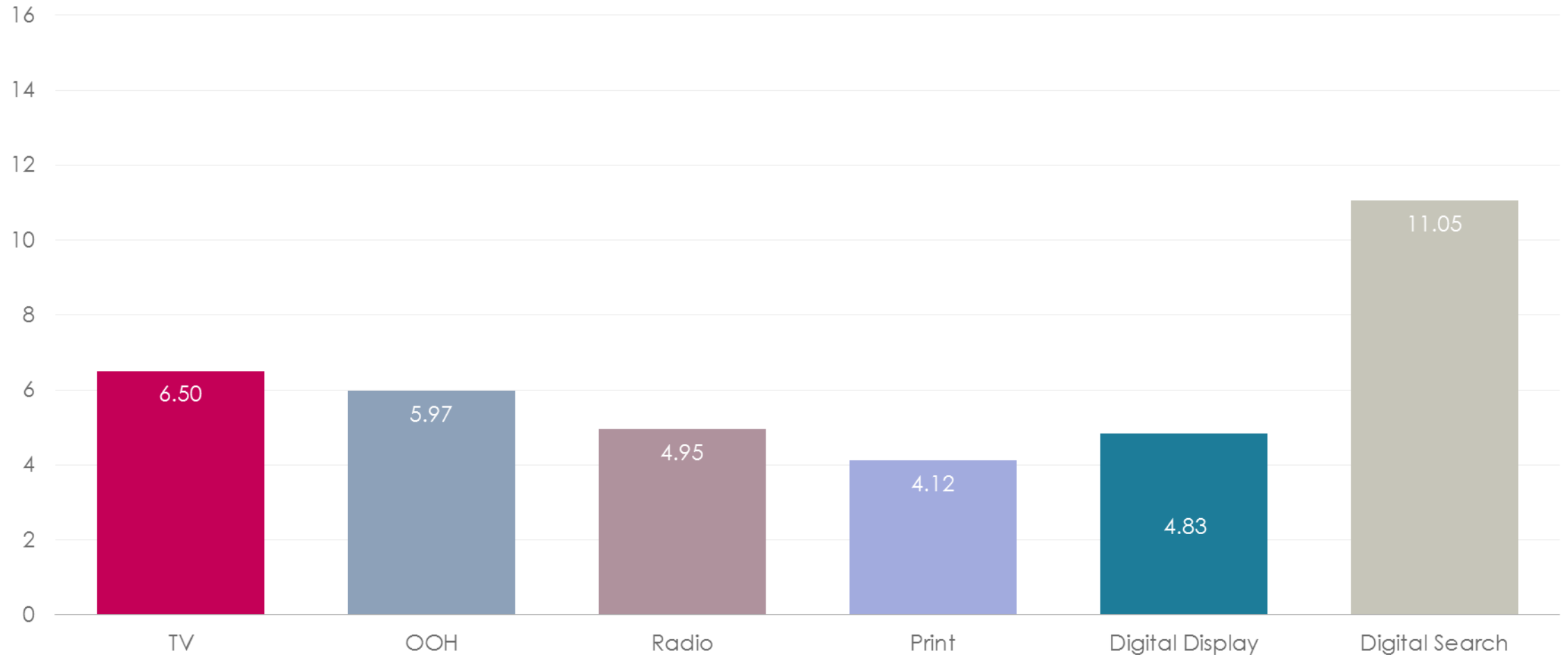
Our US multi-media mix cases span the last 10 years, are mostly service brands, and OOH at an average of 9% in the mix

Average spend mix, our marketing mix modeling cases



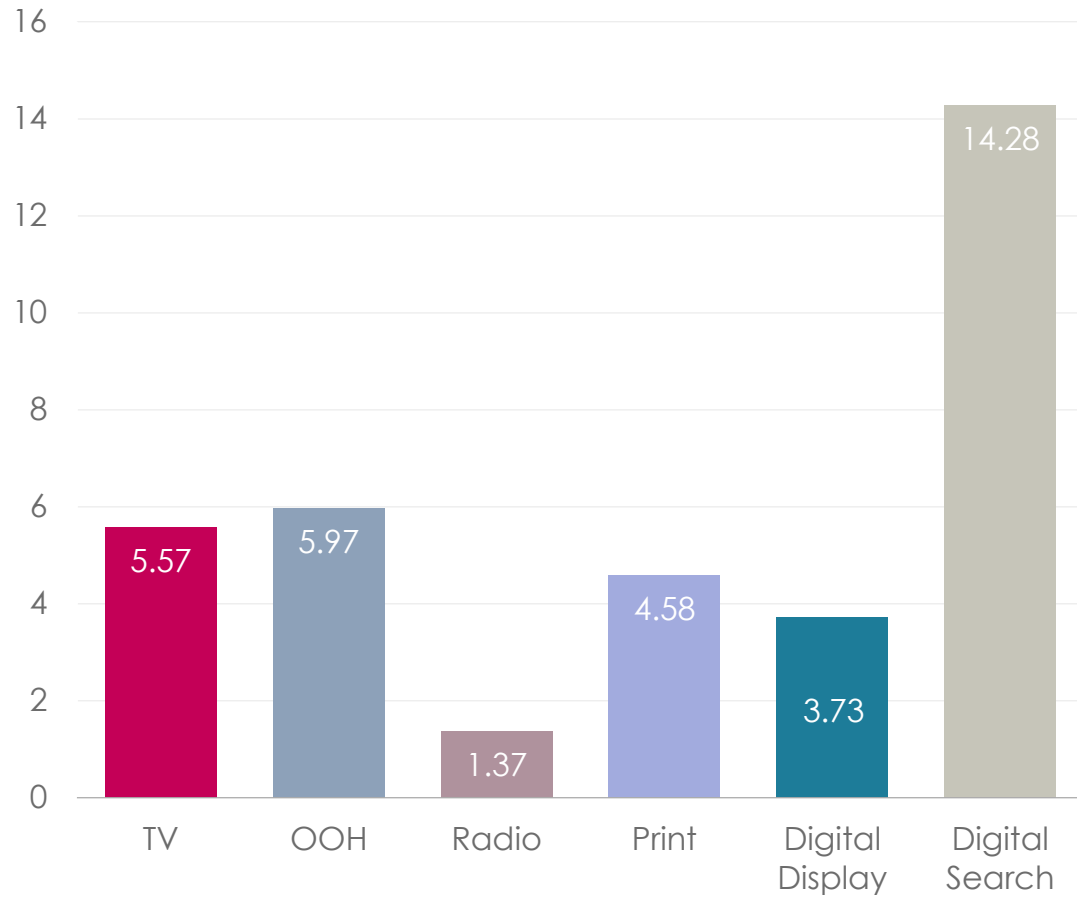
Average sales revenue ROI by channel for our US marketing mix modeling cases

OOH delivers the second best sales ROI of traditional media, after TV. OOH also beats digital display.

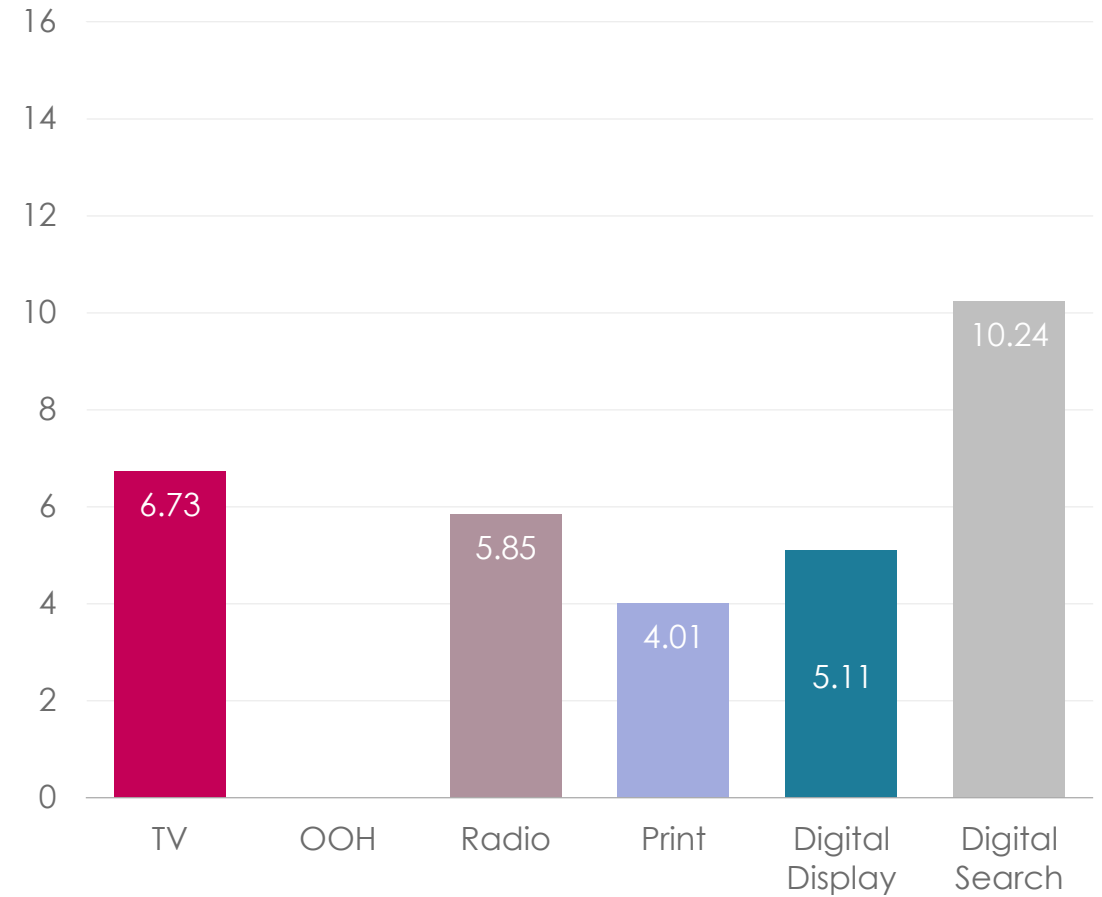


Including OOH in the mix increases sales revenue ROIs for search +40% and print +14%

Using OOH



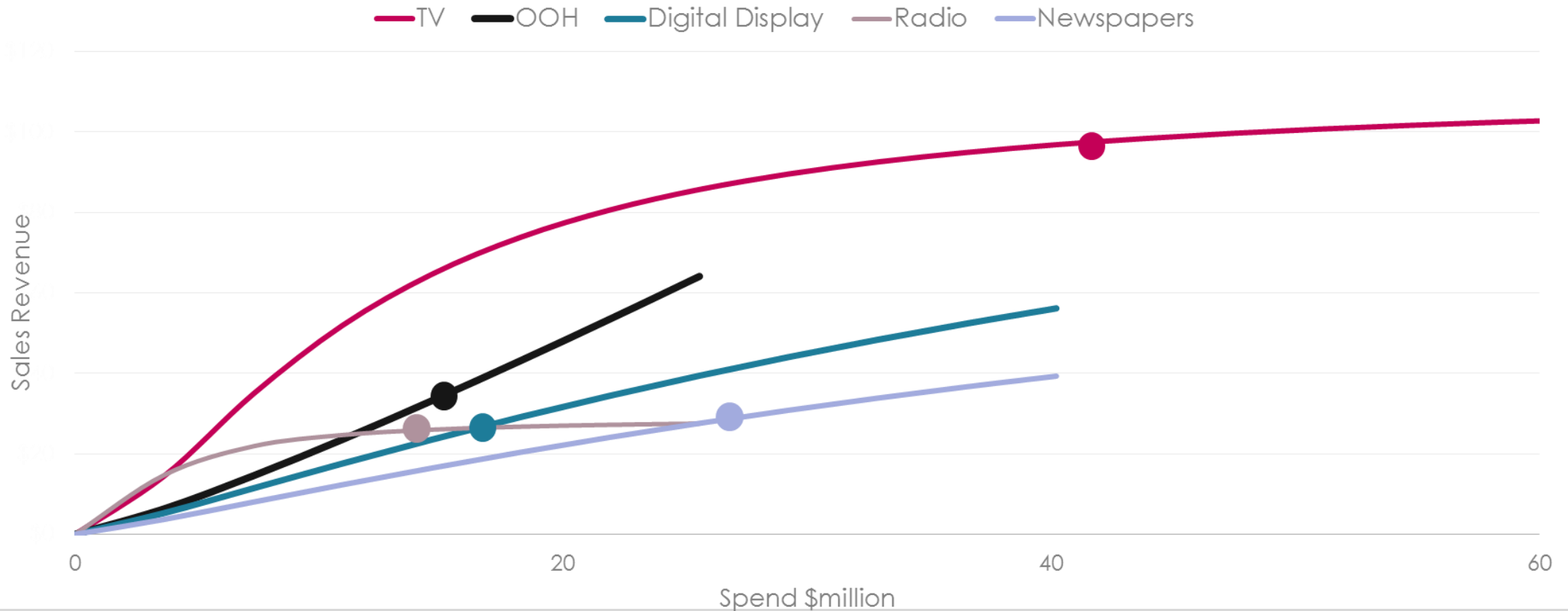
Not using OOH



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

Example Sales Response curves for a category and campaign burst

The Revenue ROIs are similar but the curves are very different

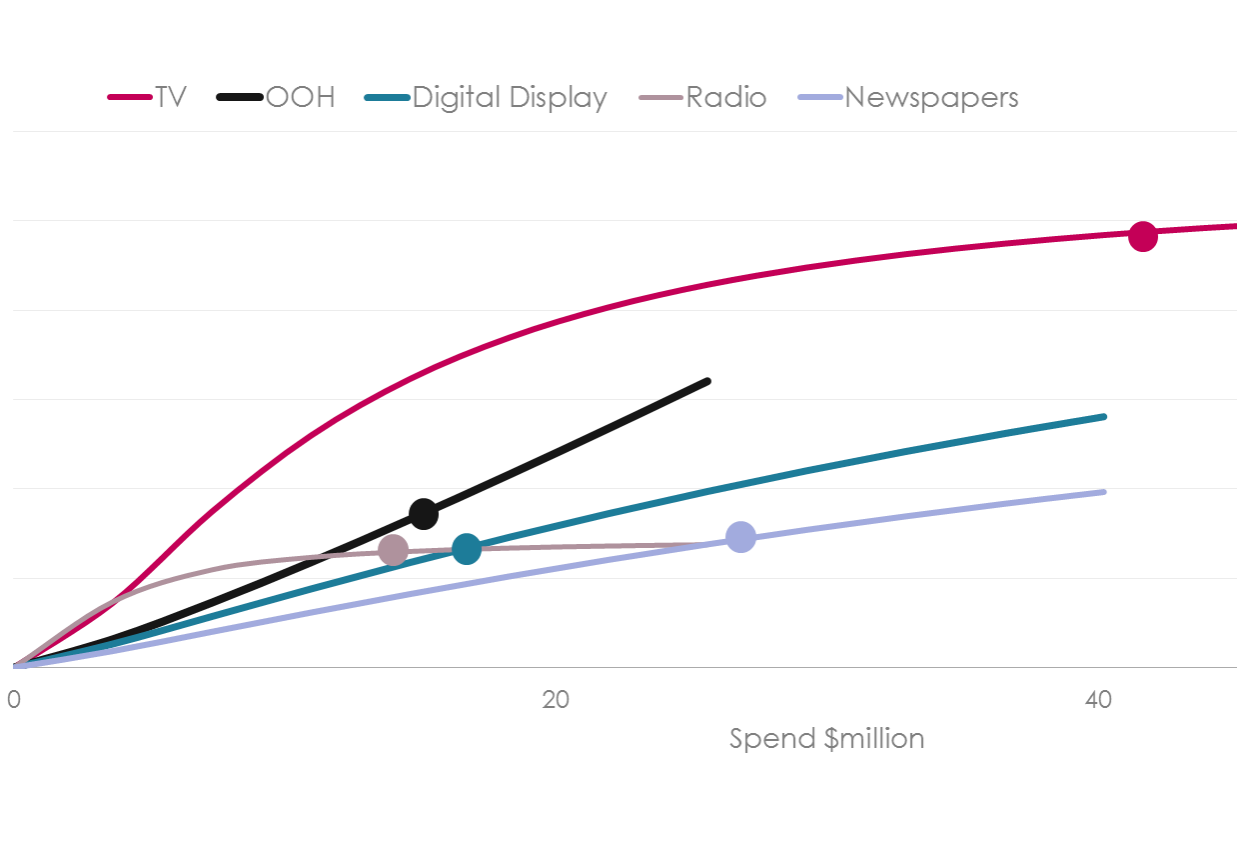


TV and Radio are in high diminishing returns

If sales are the only objective, money should come out of Radio first, TV next, and allocated to OOH

OOH provides linear returns, while TV and Radio begin to diminish

The Revenue ROIs are similar but the curves are very different



- TV and Radio produce diminishing returns, but OOH continues to deliver incremental returns
- If sales are the only objective, budget should be allocated to OOH and taken from:
 - Radio first
 - TV next
- If new budget is available, it will best be used in OOH
- If budgets are to be cut, OOH should be protected and budget should be taken from Radio, TV, Newspapers, and Display first

OOH's Role in Driving Brand Metrics Across Four Product Categories

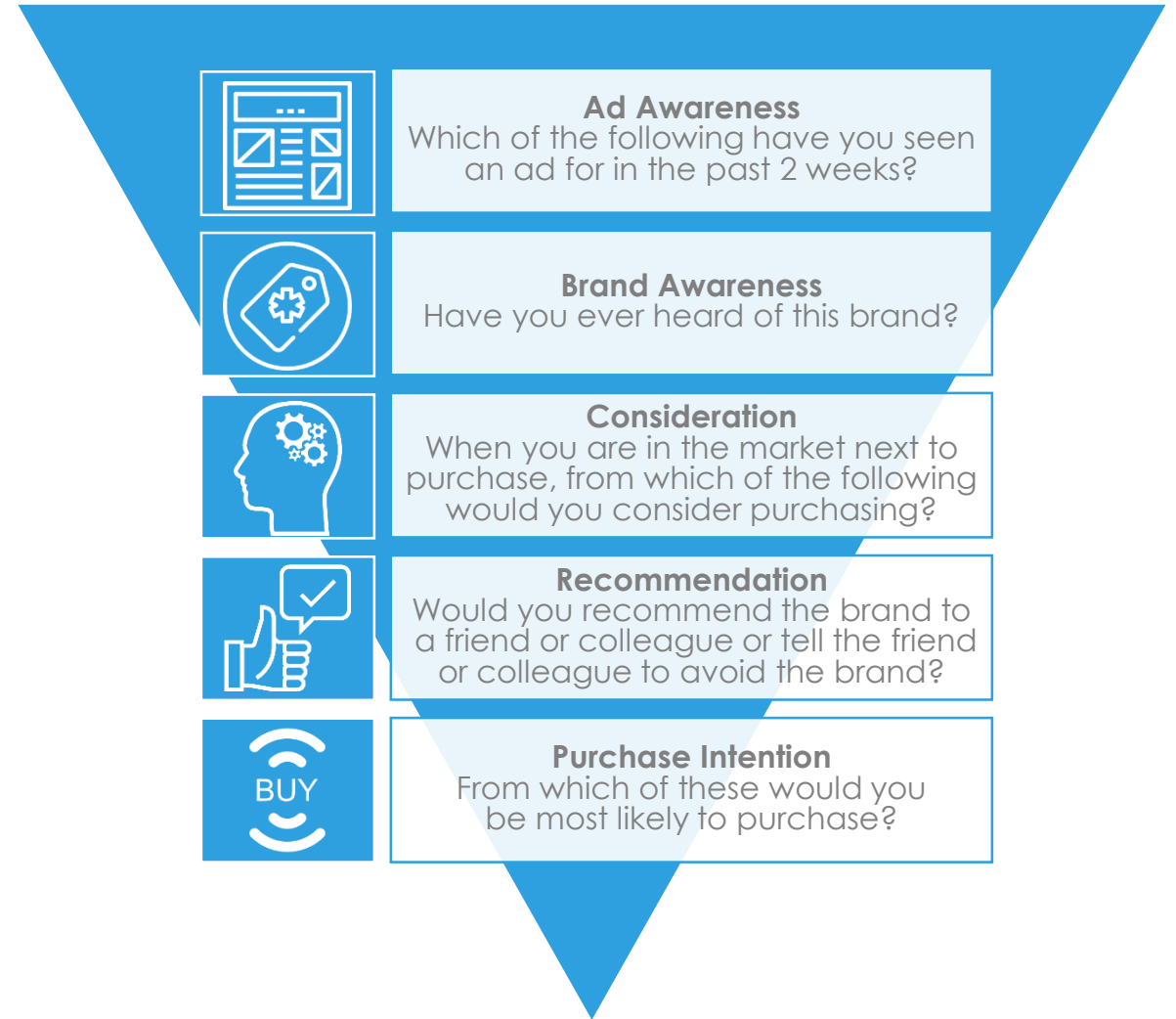
Our project - to prove how media drive brand perceptions in 4 categories

Consumer purchase funnels deconstruct consumer purchase journeys from the point of advertising spend through to sales, and identify the stages of most importance, and most dynamism

We have generated response curves for these effects, for each main media channel by modelling the brand metric over time (weekly) vs media spends in six reported media channels (weekly)

OOH spend has a proven (statistically significant) effect in driving each of the brand metrics, different by category and by brand metric and we can quantify the OOH recommended media % to maximize each brand metric

YouGov BrandIndex



Working out the optimal OOH use

Data – BrandIndex matched to reported media

400 brands across 8 categories in USA

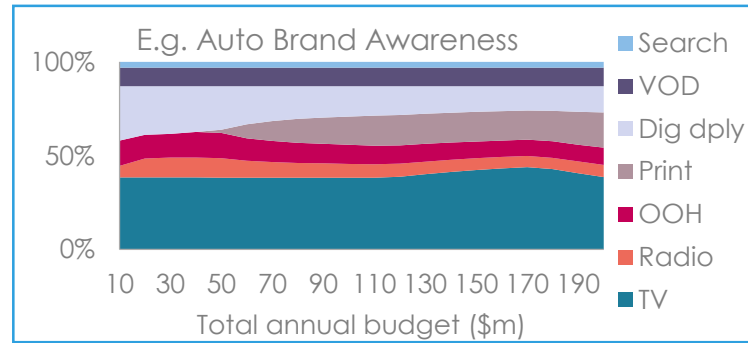
BrandIndex deconstructs consumer purchase journeys from point of advertising spend through to sales



Analysis then Tool – OMG Brand planning

Models of each brand x each metric vs media channels to produce average response curve sets

Tool reports optimal media mix at a given budget for each point of the funnel



Step 2 – produce layer chart

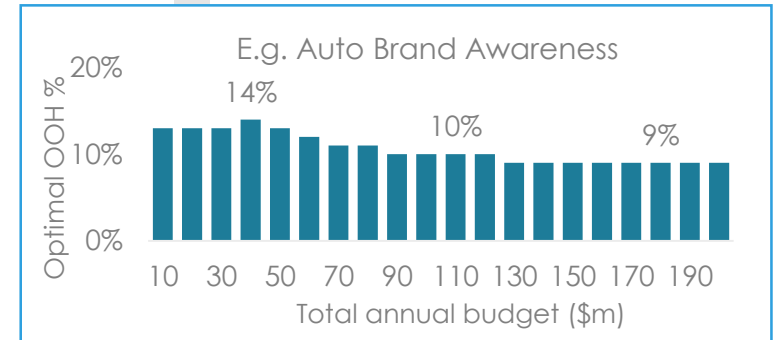
Input these numbers into the tool to calculate ideal distribution of media spend by channel for each element of the purchase funnel

Step 1 – set campaign norms

Identify average annual number, duration and budget of campaigns for typically low, medium and high spenders in each category

Step 3 – highlight OOH

Isolate recommended spend percentage for OOH by budget



Step 4 – repeat 39 times

...for each dimension in each category

Results for USA from our analysis, updated to 2017 media landscape



Automotive results. Current OOH in mix is 2%. **Recommendations range is 6-14%**

	Ad Awareness	Brand Awareness	Consideration	Recommendation	Purchase Intent
Budget \$40m	Spend much more Put 11% into OOH Take from TV Search Print	Spend much more Put 14% into OOH Take from TV Search Print	Spend much more Put 14% into OOH Take from TV Search Print Radio	Spend much more Put 10% into OOH Take from TV Search Print	Spend much more Put 10% into OOH Take from TV Search Print Radio
Budget \$100m	Put 6% into OOH Take additionally from Display	Put 10% into OOH Take additionally from Display Radio	Put 7% into OOH Take additionally from Display	Put 7% into OOH Take additionally from Display	Put 6% into OOH Take from TV Search Print Radio
Budget \$150m	Put 6% into OOH Take additionally from Display	Put 9% into OOH Take additionally from Display Radio	Put 6% into OOH Take additionally from Display	Put 7% into OOH Take additionally from Display	Put 5% into OOH Take from TV Search Print Radio

* Automotive budgets are the Masterbrand budget e.g. all Ford, all Nissan

Results for USA from our analysis, updated to 2017 media landscape



Consumer Electronics results. Current OOH in mix is 3%. **Recommendations range is 4-17%**

	Ad Awareness	Brand Awareness	Consideration	Recommendation	Purchase Intent
	Spend more	Spend more	Spend much more	Spend much more	Spend more
Budget \$20m	Put 4% into OOH Take from TV Display Search Print	Put 4% into OOH Take from TV Display Search Print	Put 9% into OOH Take from TV Display Search Print Radio	Put 17% into OOH Take from TV Display Search Print	Put 4% into OOH Take from TV Display Search Print Radio
Budget \$50m	Put 4% into OOH Take additionally from Radio TV	Put 4% into OOH Take additionally from Radio TV	Put 11% into OOH Take additionally from Radio TV	Put 18% into OOH Take additionally from Radio TV	Put 4% into OOH Take additionally from Radio
Budget \$100m	Put 4% into OOH Take additionally from Radio Digital	Put 5% into OOH Take additionally from TV Radio Display	Put 12% into OOH Take additionally from Radio TV	Put 16% into OOH Take additionally from Radio	Put 5% into OOH Take additionally from Radio TV

Results for USA from our analysis, updated to 2017 media landscape



CPG Food and Drink results. Current OOH in mix is 2%. **Recommendations range is 5-15%**

	Ad Awareness	Brand Awareness	Consideration	Recommendation	Purchase Intent
Budget \$10m	Spend much more Put 8% into OOH Take from TV Print Radio	Spend much more Put 11% into OOH Take from Radio	Spend much more Put 14% into OOH Take from TV Display Print	Spend much more Put 8% into OOH Take from TV Display Print	Spend much more Put 15% into OOH Take from TV Display Print
Budget \$40m	Put 6% into OOH Take additionally from TV Radio Display	Put 10% into OOH Take additionally from Radio TV	Put 9% into OOH Take additionally from TV Display Print	Put 7% into OOH Take additionally from TV Display Print	Put 9% into OOH Take additionally from TV Display Print
Budget \$80m	Put 5% into OOH Take additionally from Radio Display	Put 10% into OOH Take additionally from Radio TV	Put 8% into OOH Take additionally from TV Display Print	Put 7% into OOH Take additionally from TV Radio Display	Put 8% into OOH Take additionally from TV Display Print

Results for USA from our analysis, updated to 2017 media landscape

Retail Non Grocery. Current OOH in mix is 5%. **Recommendations range is 8-24%**



	Ad Awareness	Brand Awareness	Consideration	Recommendation	Purchase Intent
Budget \$30m	Spend much more Put 15% into OOH Take from TV Print	Spend much more Put 15% into OOH Take from TV Print	Spend much more Put 17% into OOH Take from TV Print Radio	Spend much more Put 17% into OOH Take from TV Print Radio	Spend much more Put 24% into OOH Take from TV Print Radio
Budget \$100m	Put 11% into OOH Take additionally from TV Print	Put 14% into OOH Take additionally from TV Display Radio	Put 12% into OOH Take additionally from TV Print Radio	Put 17% into OOH Take additionally from TV Print Display	Put 15% into OOH Take additionally from TV Print Radio
Budget \$200m	Put 8% into OOH Take additionally from TV Print	Put 13% into OOH Take additionally from TV Display Radio	Put 11% into OOH Take additionally from TV Print Radio	Put 16% into OOH Take additionally from Display	Put 13% into OOH Take additionally from TV Print Radio

In summary: Proof for the US (and where to find it in this deck)

- 1** OOH is a significant media channel in the mix
- 2** OOH has good ROI
- 3** OOH improves campaign ROI
- 4** OOH drives brand perceptions
- 5** More should be spent on OOH in every category

The grid contains 25 slides, each with a red number indicating its relevance to the summary points:

- Slide 11:** What's currently normal? (Relevance: 1)
- Slide 12:** US - OOH is 2x media spend when we consider the video mix including digital. (Relevance: 1)
- Slide 13:** Our brand media effort study focused on four areas. (Relevance: 2)
- Slide 14:** Summary of OOH's share of media spend over time, by category. (Relevance: 3)
- Slide 15:** Our RRO knowledge in the US market. (Relevance: 2)
- Slide 16:** Spend across the US. (Relevance: 3)
- Slide 17:** Mix of spend in our US video spend. (Relevance: 4)
- Slide 18:** Average in-store ROI: program for our US video spend. (Relevance: 4)
- Slide 19:** ROIs by program for those using OOH in those ad. (Relevance: 5)
- Slide 20:** Spending share by category for a category of advertising. (Relevance: 5)
- Slide 21:** OAAA new research: OOH's role in driving Brand Metrics US 4 categories. (Relevance: 5)
- Slide 22:** Driving brand effects... YouGovBrandIndex. (Relevance: 5)
- Slide 23:** Making out the optimal OOH use. (Relevance: 4)
- Slide 24:** Results for USA from our analysis, updated to 2017. (Relevance: 5)
- Slide 25:** Results for USA from our analysis, updated to 2017. (Relevance: 5)

About Benchmarketing

A division of the Omnicom Media Group, Benchmarketing creates marketing effectiveness knowledge and benchmarks on brands, businesses and categories to power strategic marketing decisions

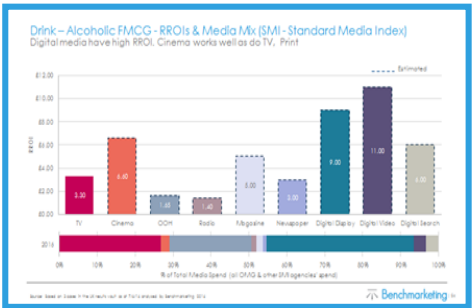


Data

Organising data to understand market, category and brand dynamics

Benchmarks

What is normal?
What does good look like?



Consultancy

Consultancy projects to leverage our category and media channel knowledge

Learning

Case studies and insights on what works for other brands in your category

CASE STUDY Beer - relationship between market share and preference
A market wide study identified the different relationships for different brands, and how content impacts

THE QUESTIONS

- Does consumer preference drive market share or does market share drive consumer preference?
- How does the content content influence the level of budget request?

ANALYSIS UNDERSTANDING

Analysis of correlation between preference and market share
Analysis of ED needed month-to-month, adjusting for creativity

THE ANSWERS

- For 75% of the brands analyzed preference drove market share, for 25% of the brands market share drove preference. Brands aligned with the Google category 'real'.
- The 25% market share drive preference brands were generally mass - 'budget' brands, the 75% preference drive market share brands were generally more specialist premium brands.

NEW LEARNING

More work needed but there is a suggestion that for premium brands, factors to focus on brand perceptions leading to increased preference, whereas for standard brands the ED should be market share, focus on promotion and media planning.