

New effectiveness evidence

FROM BRANDSCIENCE



Talon
leadership BrandScience



To demonstrate the effect that OOH has, plus metrics such as how OOH works with other media in an increasingly digital media landscape.

How *digital OOH* works as part of a multi-format campaign alongside traditional OOH.



Our Approach



WE'VE RUN META ANALYSIS USING THE RESULTS FROM >200 RECENT ECONOMETRIC MODELS

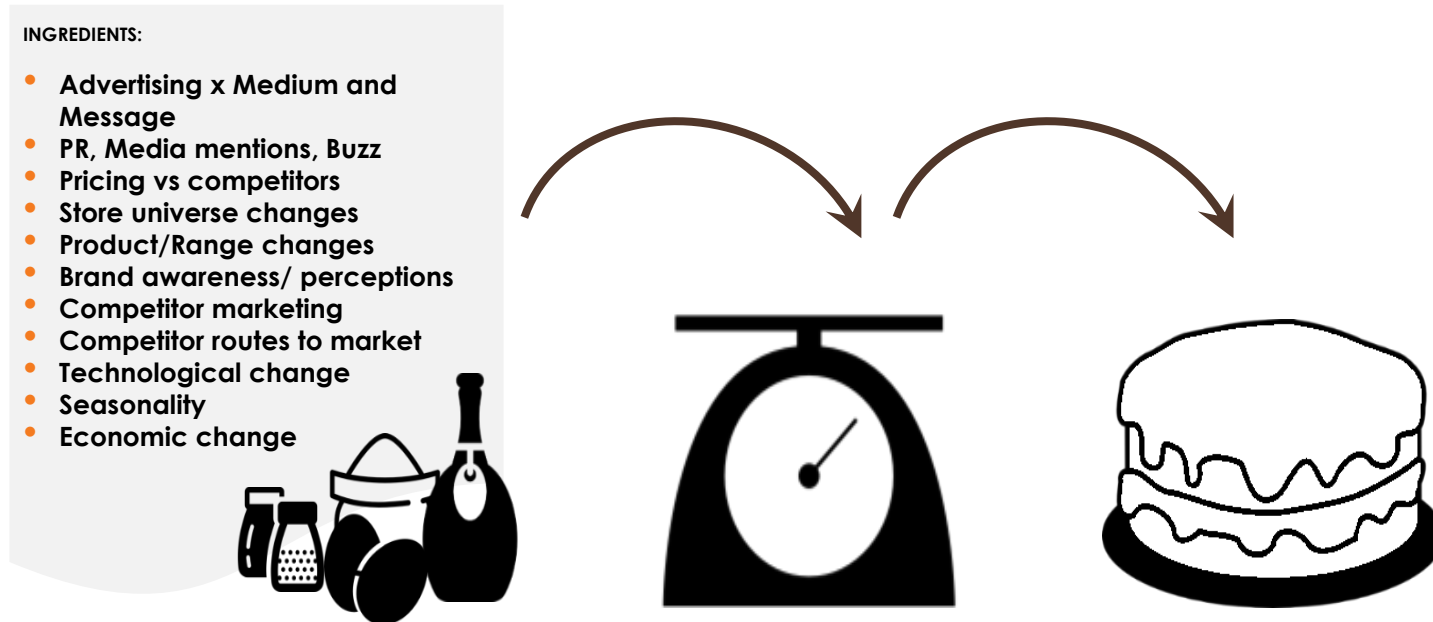
- We are focusing on 211 cases, 160 of these have OOH in their media mix
- All cases are from the UK and from 2012 onwards
- Most cases have used ROUTE data for OOH measurement
- A case is either a campaign or a year of advertising activity for which BrandScience has analysed and generated an econometric model
- Brands included span FMCG, Travel, Technology, Finance, Charity, Grocery and Retail



ECONOMETRICS

If sales are a cake, econometrics determines the recipe

Identifying and quantifying ALL key drivers



The technique assigns a weight to each ingredient

Once the 'recipe' is known, past volume is explainable and future volume is predictable



WHAT IS META ANALYSIS?

- Meta analysis is analysis of analysis results – the “meta data”
- It's common in pharmaceuticals, clinical drugs trials
- One trial isn't enough, you need hundreds so as to be sure of your results
- If all the trials come up with the same answer, that's a very strong result
- If the trial results are different, then being able to explain robustly why they are different – different dosage, different demographic sample - is again a result and new learning



Showing our results

3 ways to present the analysis

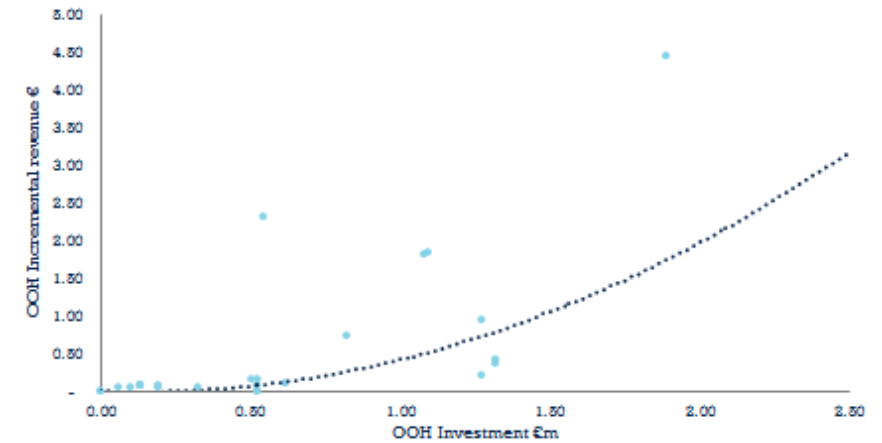


1. SCATTER PLOTS

- Each data point represents a model result
 - We plot OOH investment on the x axis, the model result (here Sales revenue estimated from the investment) on the Y axis
 - We fit a curve of best fit through the points
- The curve is robust where there are lots of data points along the x axis
- In zones where there's fewer points, the curve is less robust, so in this case after a spend of about 1million

OOH REVENUE VS. OOH SPEND - FMCG

UK

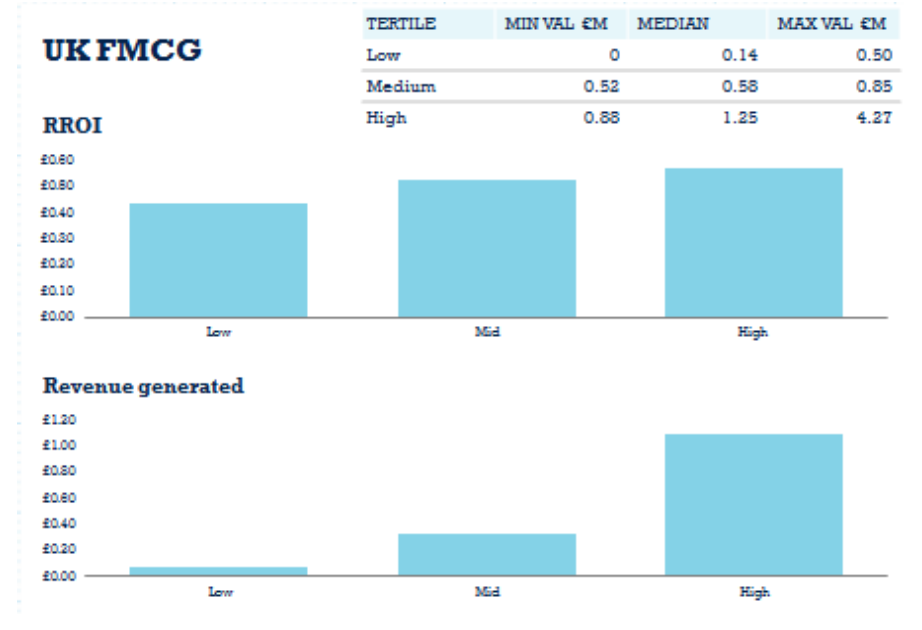


2. QUANTILE ANALYSIS. WE FOCUS ON TERTILE ANALYSIS FOR THIS PROJECT



The same data as the scatter plots but this time

- We divide the sample of model results into three equally sized groups based on the x axis variable. These are labelled Low Medium High
- We plot the revenue average for each tertile – the bottom chart
- The top chart shows the effectiveness per £ spent. It's Revenue divided by Average investment, RROI
- This example shows that increased spend on OOH delivers higher ROI, with no sign of diminishing returns



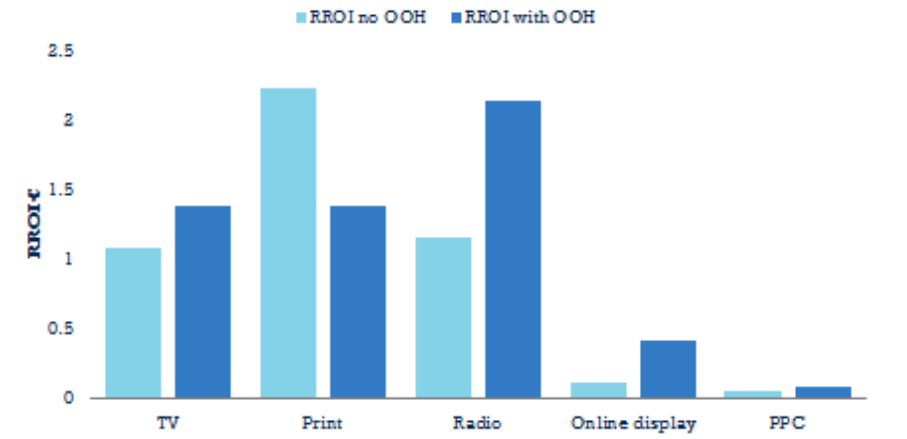
3. COMPARING OUR CASES WITH OOH WITH MATCHED BRANDS WHO DON'T USE OOH

This gives us an understanding of how OOH helps within an integrated media campaign

- The dark blue bars are cases that use OOH, we report media RROI for those, so we see that for FMCG UK, Radio has highest RROI, and Digital media have very low RROIs
- The light blue bars are cases that didn't use OOH. These brands have lower RROIs for TV Radio and Digital media
- We infer that OOH is the factor that makes the difference. I.e. that adding OOH to the mix will improve the effectiveness of the other media in the campaign (unless those media are print)

UK FMCG

All media except Print improve RROI when OOH is in the mix



Section one

OUR NEW ANALYSIS WITH RECENT DATA: OOH
EFFECTIVENESS BY ITSELF, AS PART OF AN INTEGRATED
CAMPAIGN

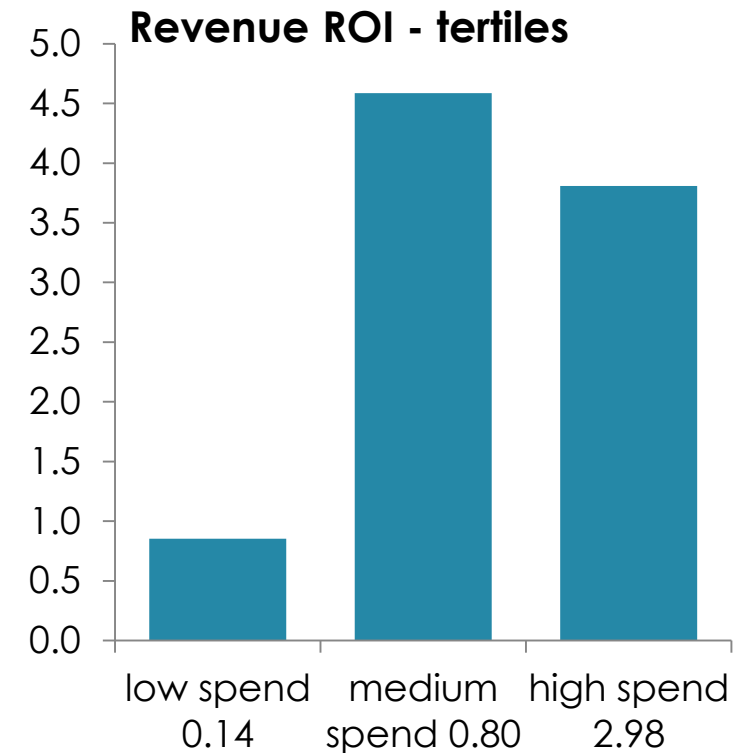
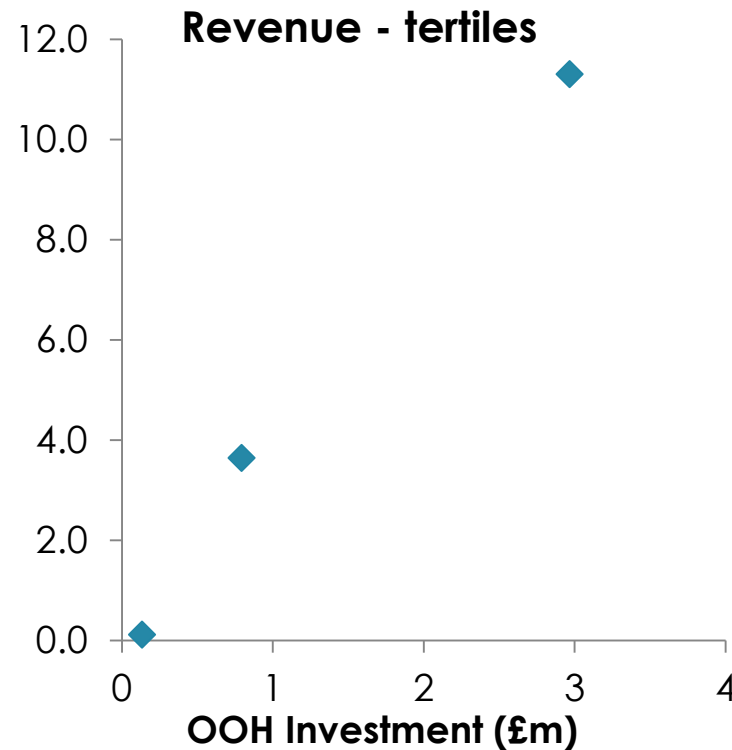
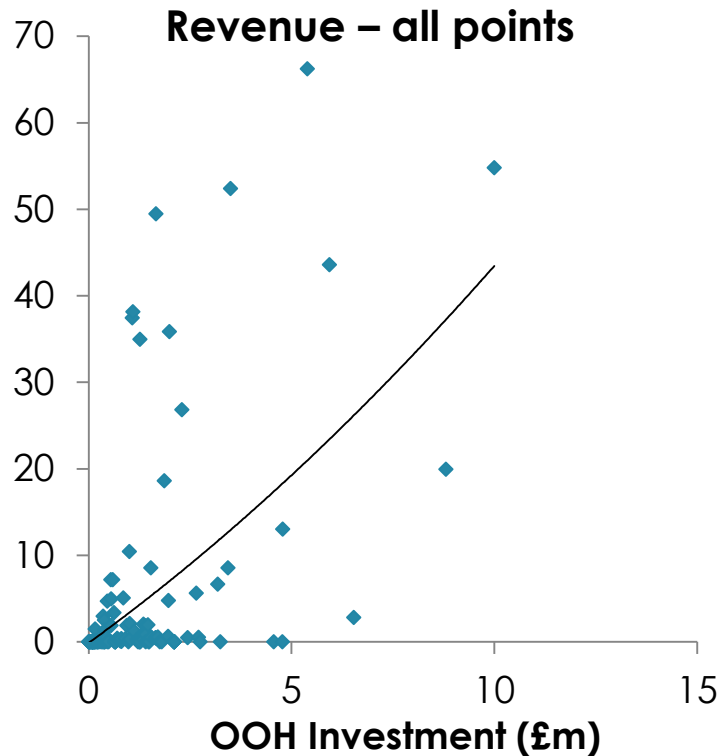


New dataset analysis: OOH direct sales effects, OOH RROI



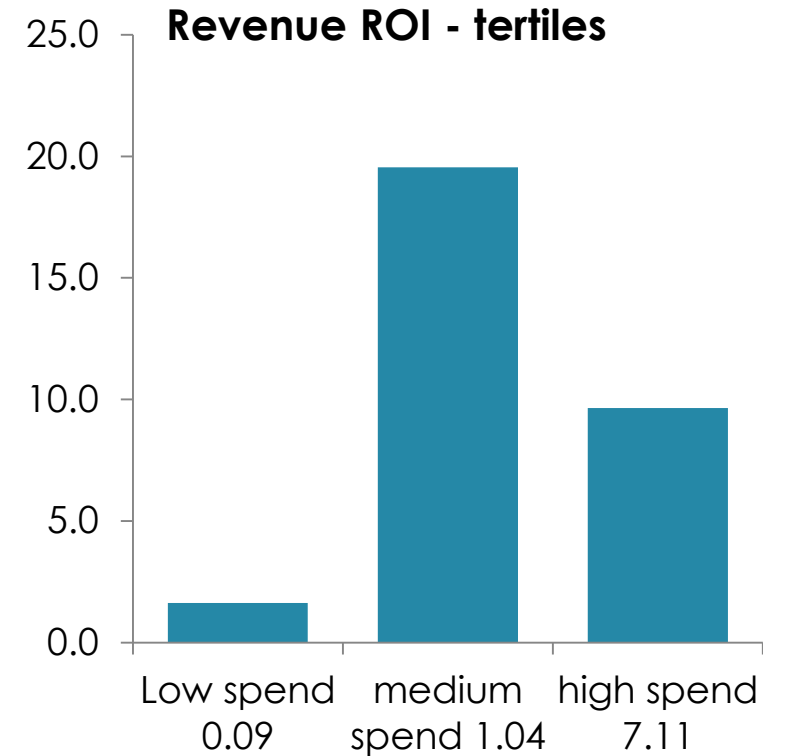
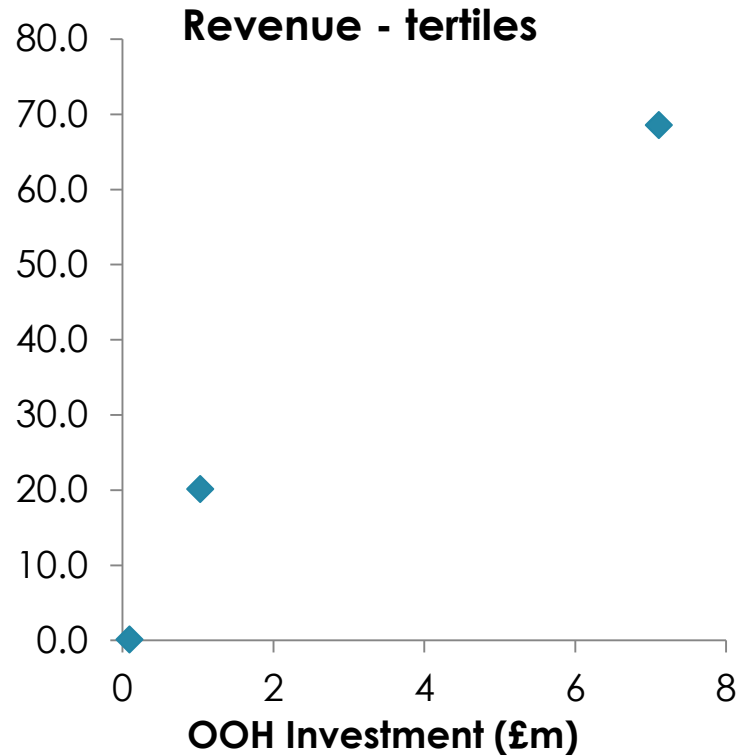
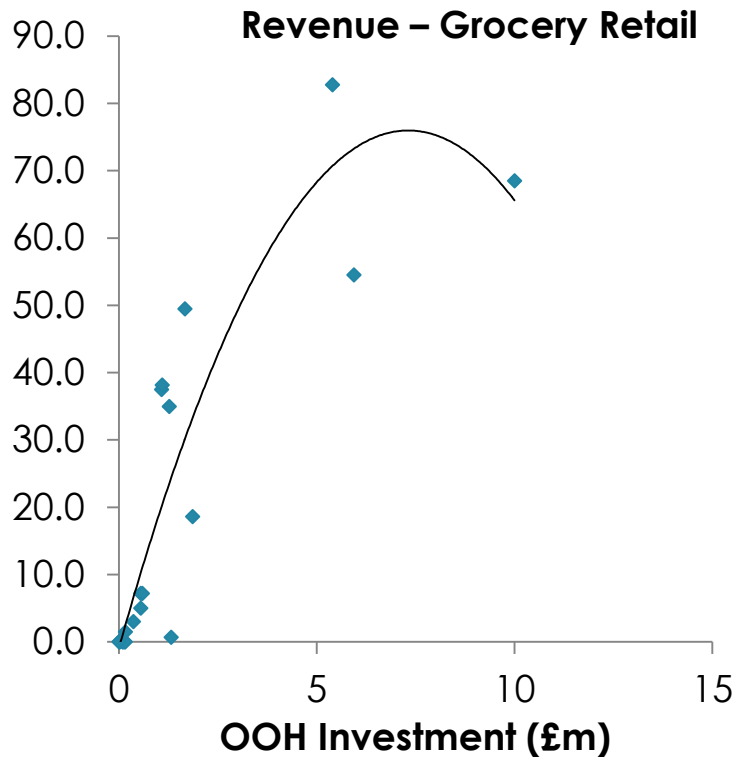
OOH INVESTMENT V OOH INCREMENTAL REVENUE – TERTILE ANALYSIS, OUR TOTAL SAMPLE

The tertile analysis summarises the data and shows us that RROI increases with OOH investment but is slightly reduced if spend is too high



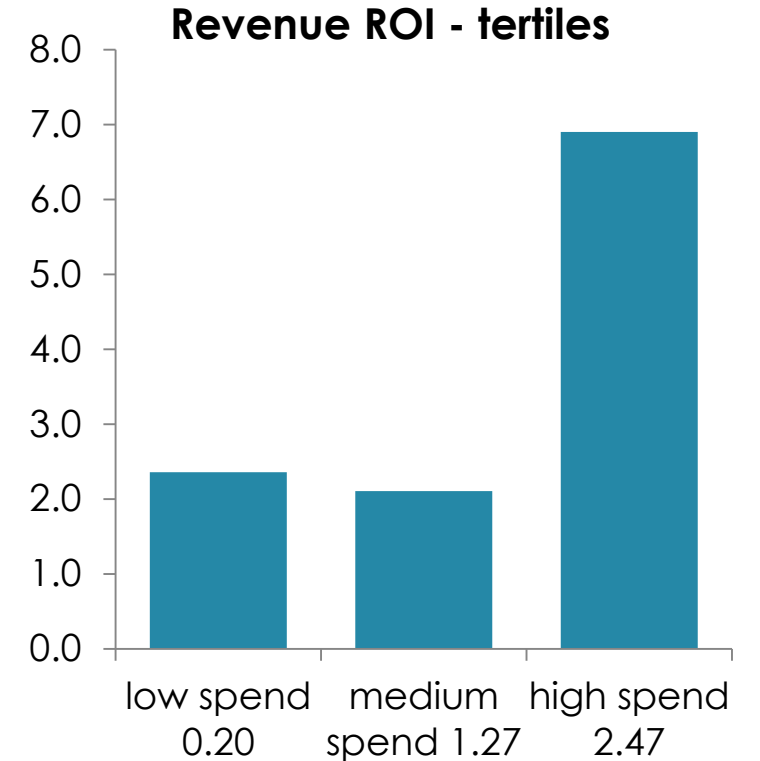
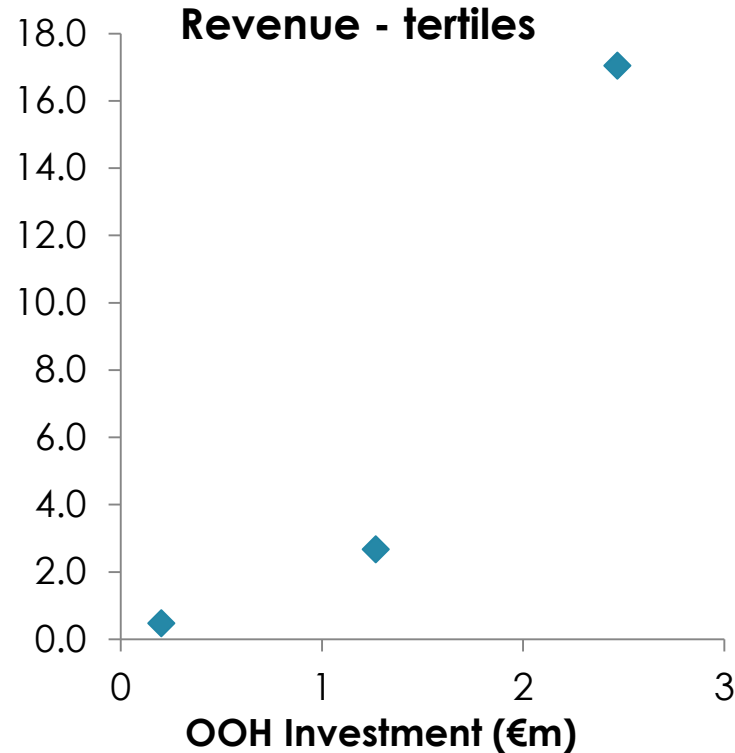
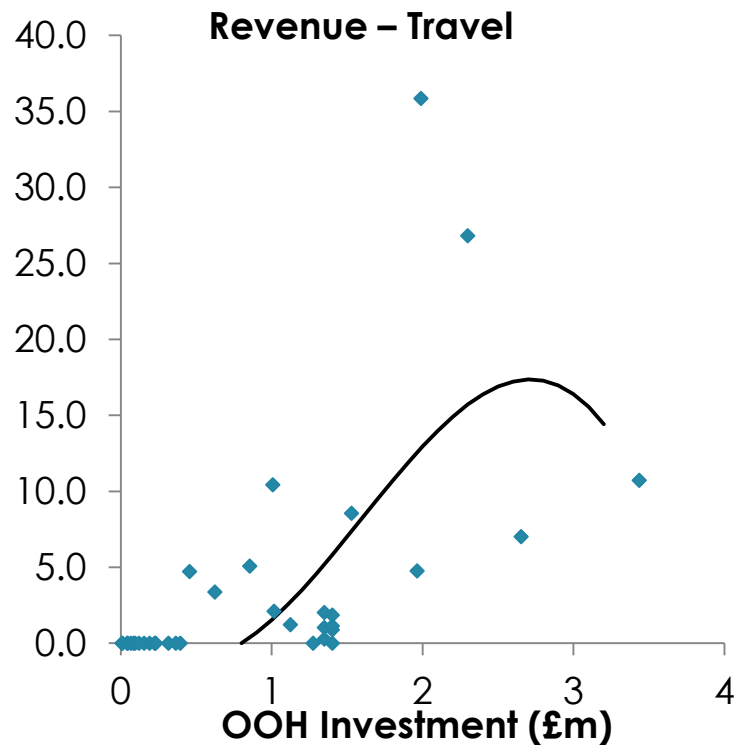
OOH INVESTMENT V OOH INCREMENTAL REVENUE – GROCERY RETAIL ONLY

Too low spend is wasteful. Diminishing returns seen at high spends



OOH INVESTMENT V OOH INCREMENTAL REVENUE – TRAVEL ONLY

Significant benefits to spending at higher levels. Smaller tactical campaigns can work better than a medium sized campaign.

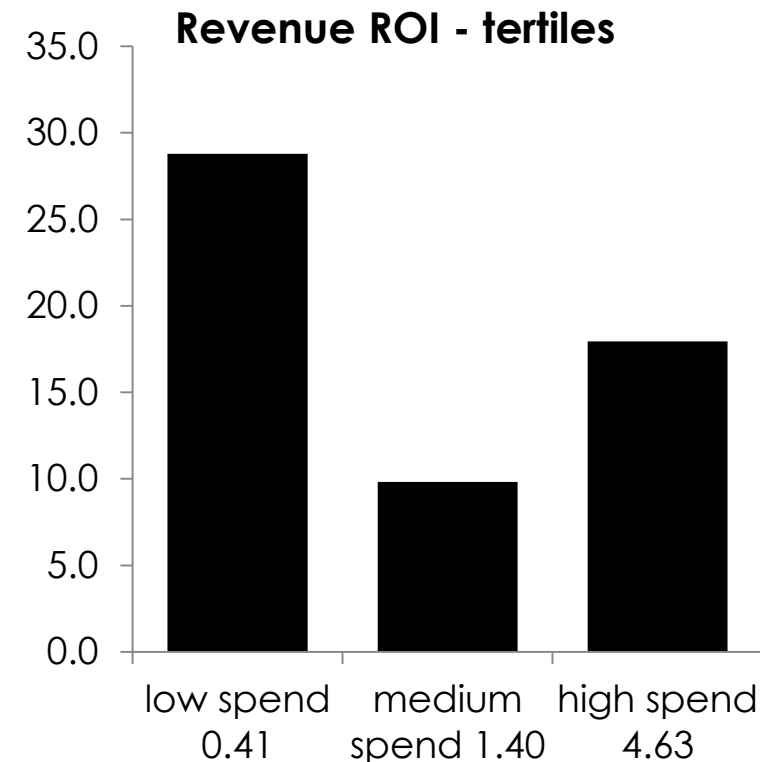
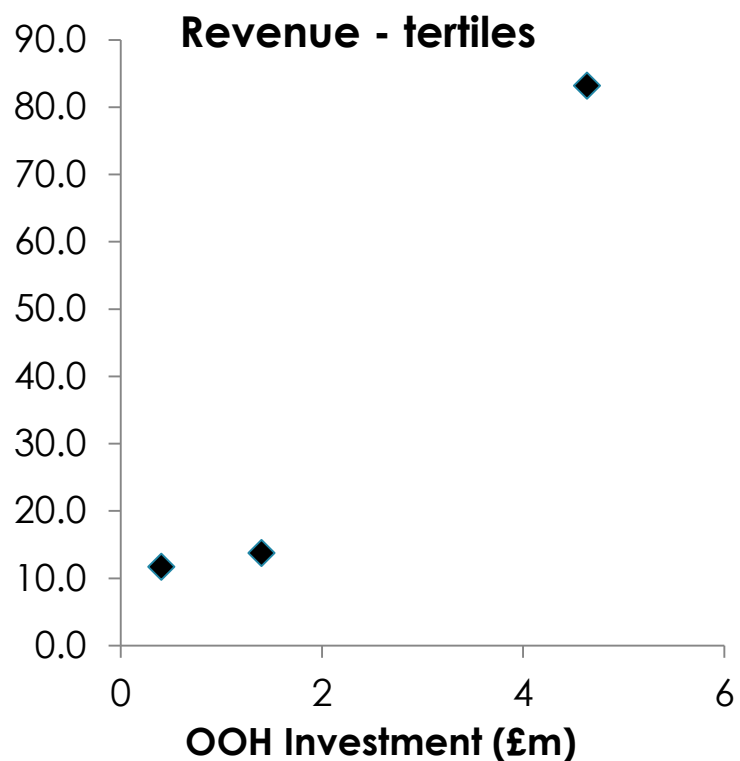
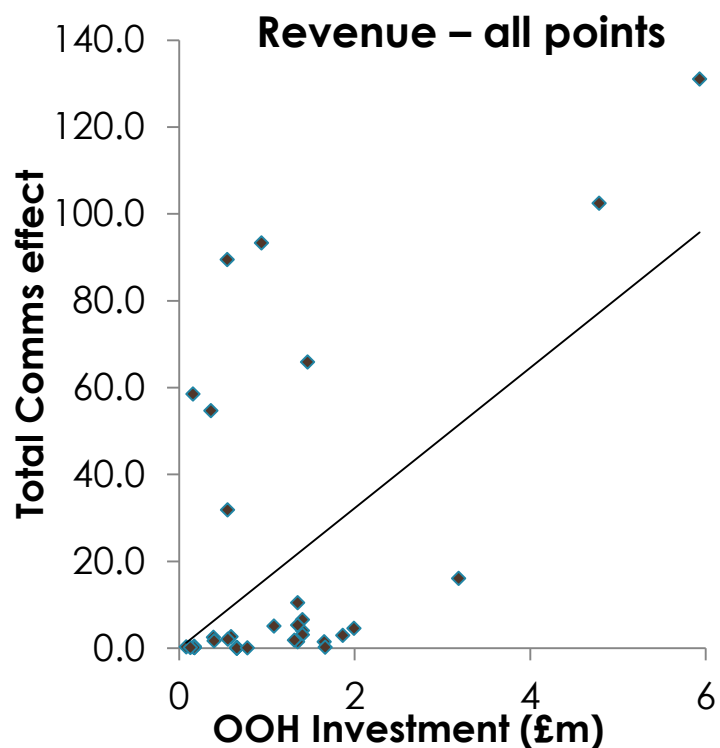


New dataset analysis: Total Comms Revenue



OOH INVESTMENT V TOTAL COMMS REVENUE – CAMPAIGNS WITH OOH IN THE MIX

Low OOH spend tactical campaigns can be very effective at boosting total comms RROI. Spending higher levels of OOH is better than spending medium amounts



Section two

FULL RESULTS VAULT ANALYSIS, OTHER MEDIA ROIS
WITH OR WITHOUT OOH



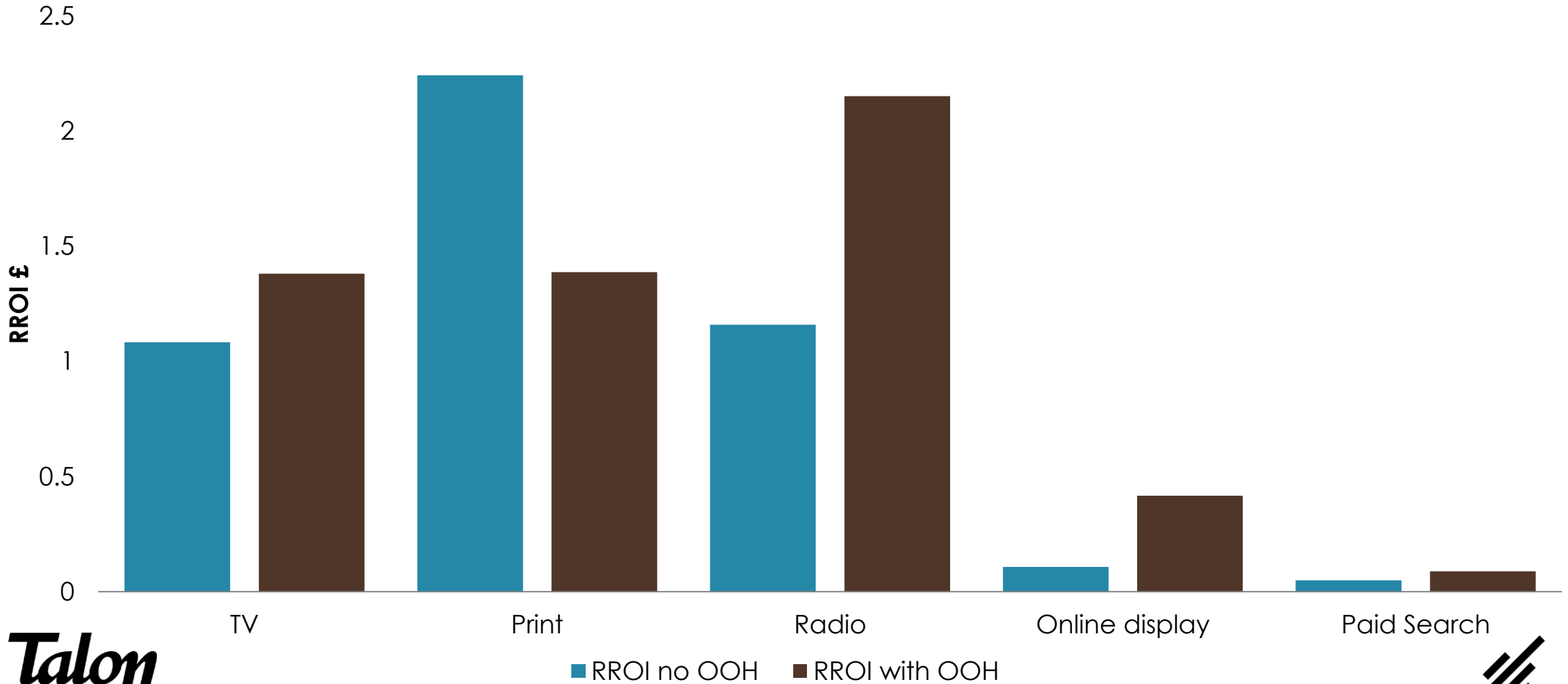
This section takes our full results vault and compares brands who used OOH vs those who didn't, for other media channels' effectiveness

We also include two specific cases



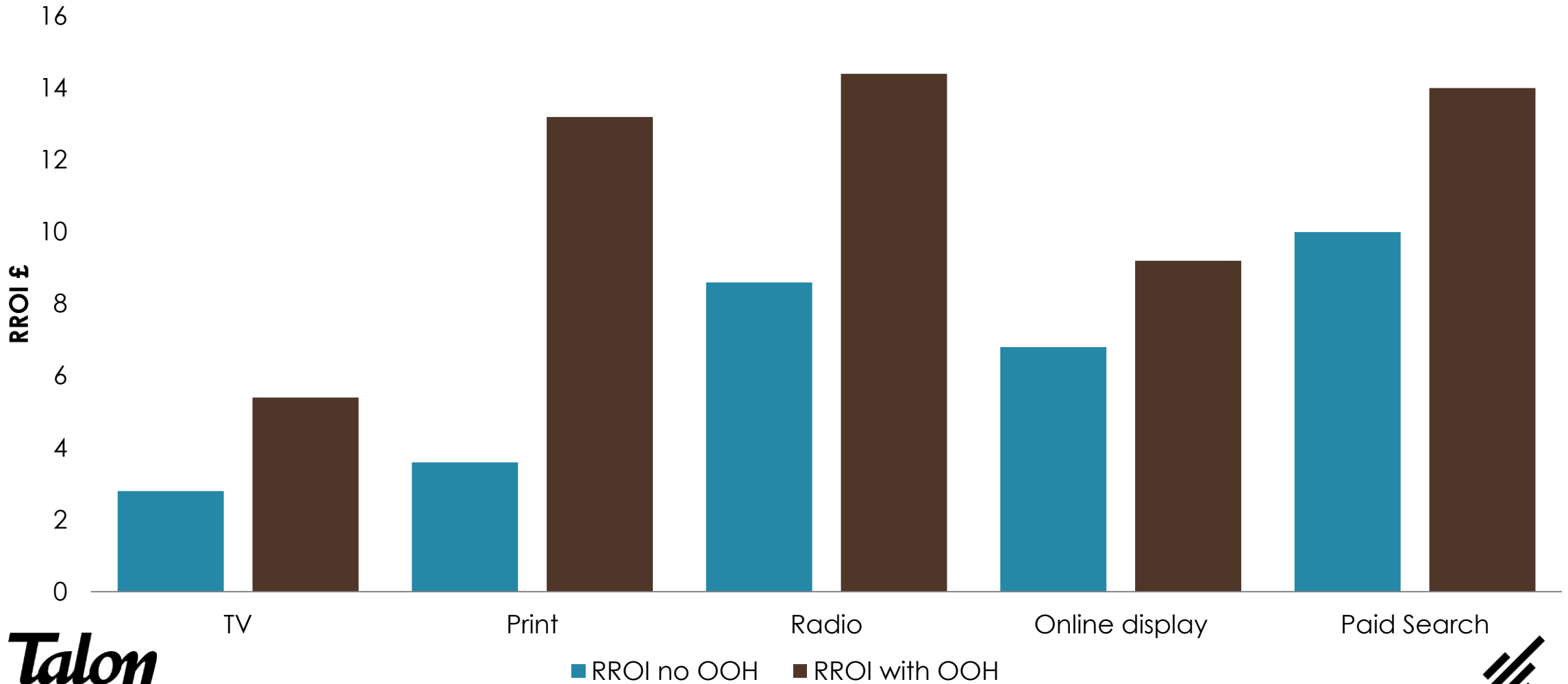
AVERAGE RROIS BY CHANNEL – WITH AND WITHOUT OOH, FMCG

All media except Print improve RROI when OOH is in the mix



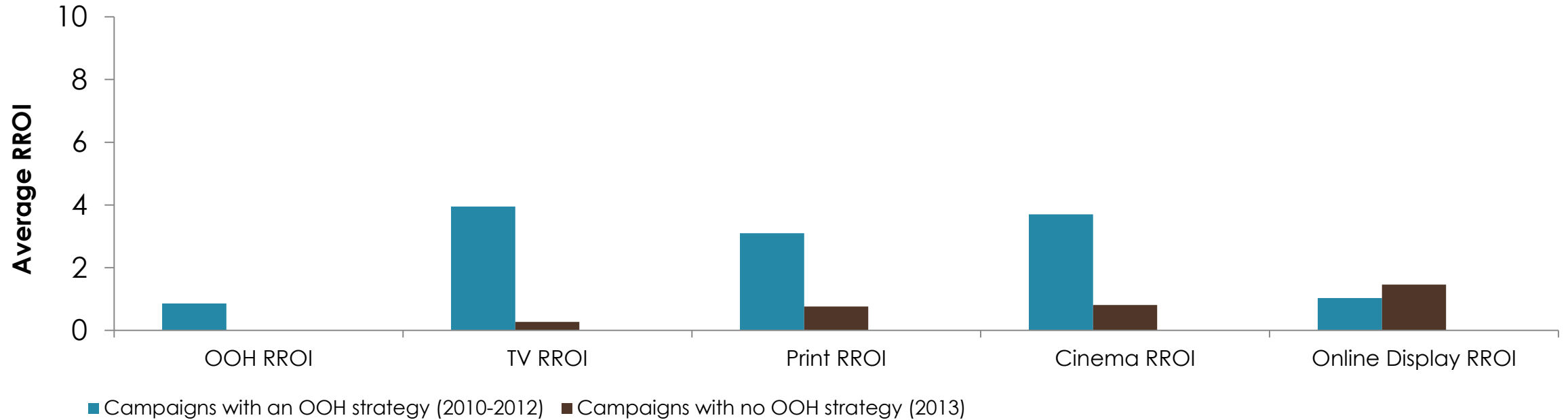
AVERAGE RROIS BY CHANNEL – WITH AND WITHOUT OOH, NON RETAIL SERVICES

Brands who use OOH in the mix have higher RROIs than those who don't for all media channels



DROPPING OOH FOR OUR LARGE TECHNOLOGY CLIENT

Dropping OOH from the media mix was a mistake for our large technology client

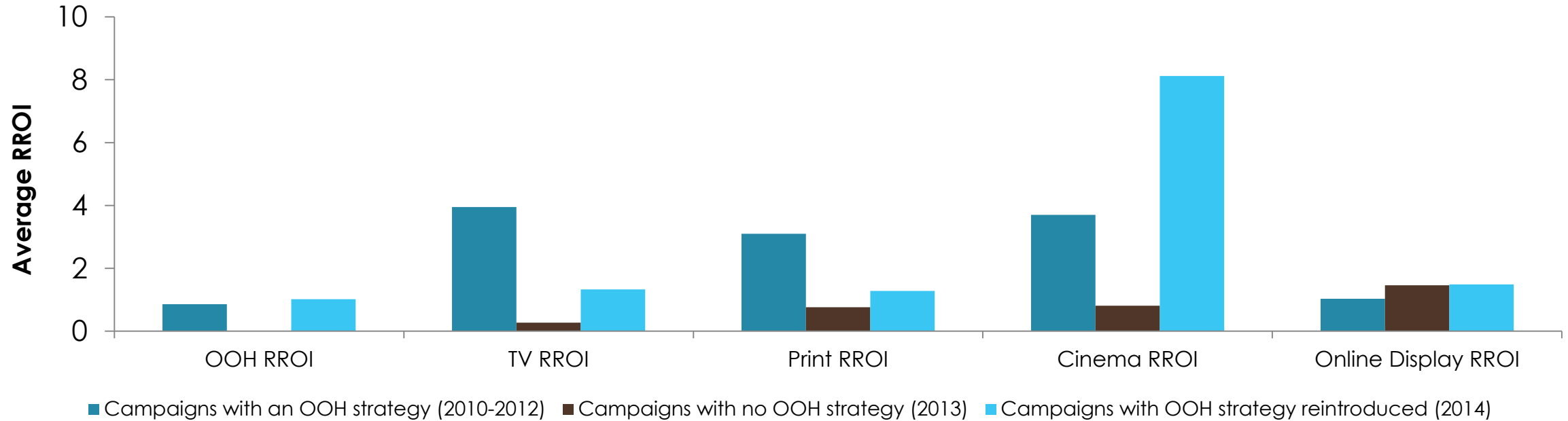


Our large technology client stopped using OOH in their media mix, because it had a low direct RROI vs other channels; they saw drops in all their offline media channel RROIs



DROPPING OOH FOR OUR LARGE NON RETAIL SERVICES CLIENT

Dropping OOH from the media mix was a mistake for our large services client



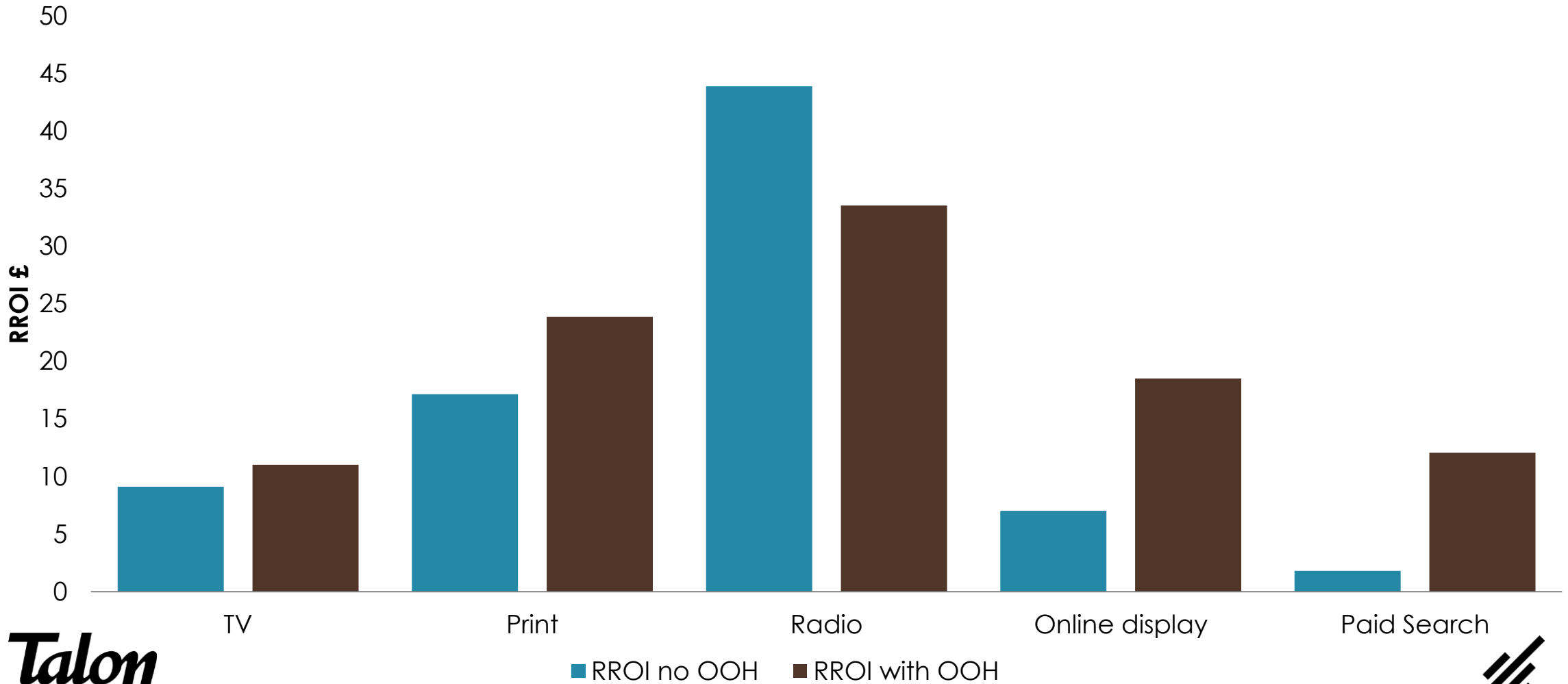
When they added OOH back into the media mix they saw improvements in RROIs for every channel, although most not back to the levels they were before they dropped OOH

OOH had a lower direct RROI but this “experiment” proved the value of the medium for the total campaign effect



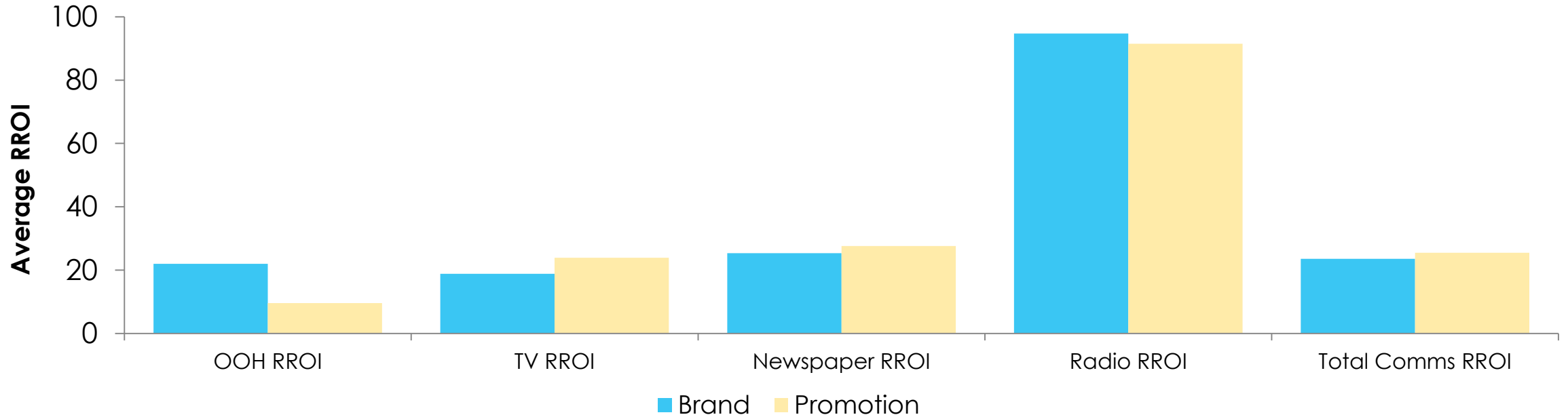
AVERAGE RROIS BY CHANNEL – WITH AND WITHOUT OOH, GROCERY RETAIL

All media channels except radio improve RROI when OOH is in the mix



BRAND V PROMOTIONAL MESSAGE FOR LARGE GROCER

Brand message OOH activity works efficiently for our large national grocer



For our large grocer most channels are similarly effective between brand messages and promotional messages. This is not the case for OOH where brand messages are twice as effective

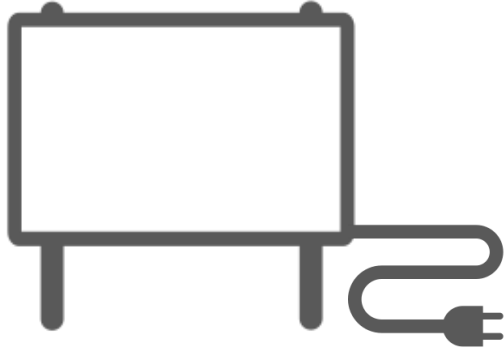


Section three

EMERGING LEARNINGS ON DIGITAL OOH



DOOH ANALYSIS SCATTER PLOTS AND TERTILE ANALYSIS



- We've taken 20 cases across our services brands where data on DOOH usage and format is available
- We modelled total OOH but can now analyse the OOH effectiveness against the amount of DOOH in the mix – as a meta analysis

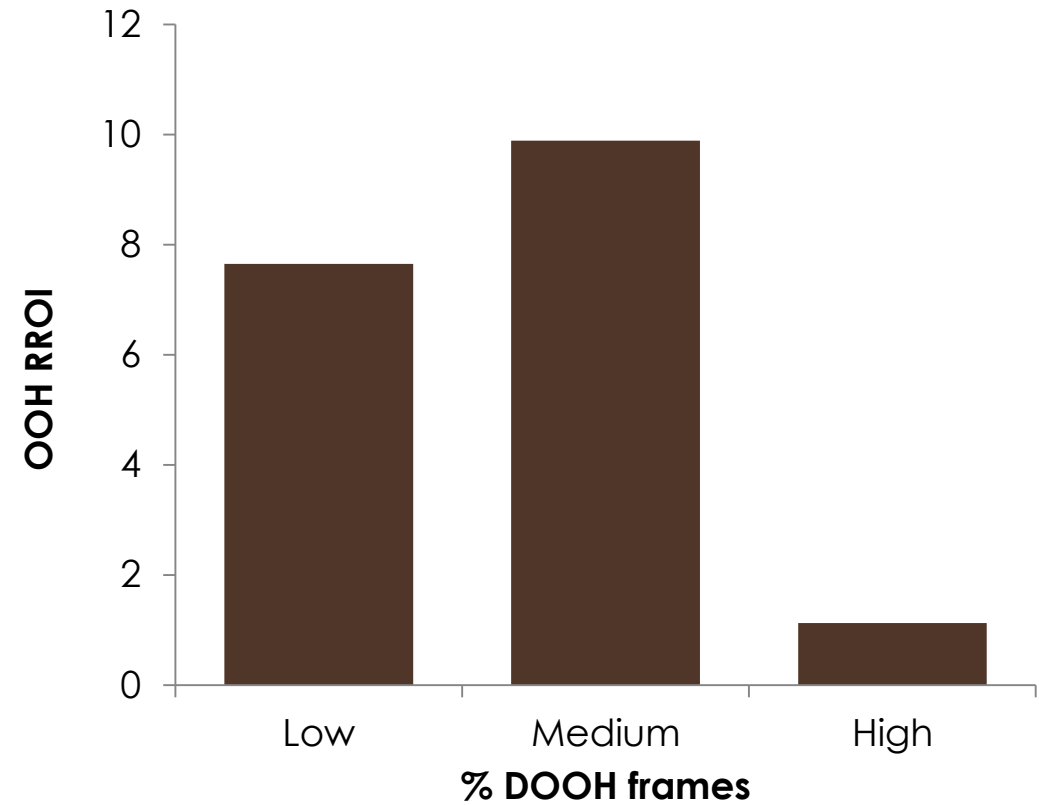
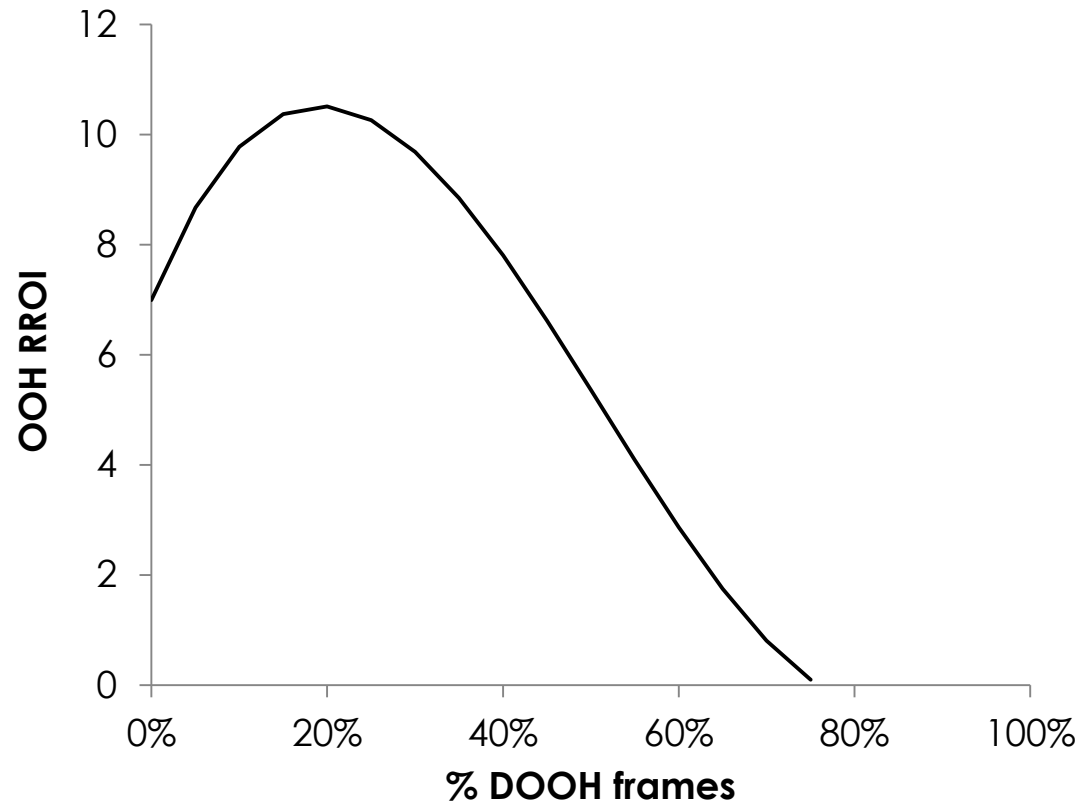


- In future we want to drill into DOOH vs TOOH and format size for specific brands
- This is an extension/ deeper dive project to a standard marketing mix/ econometric model. For the analysis to work we need to have variation in DOOH usage over time and across campaigns



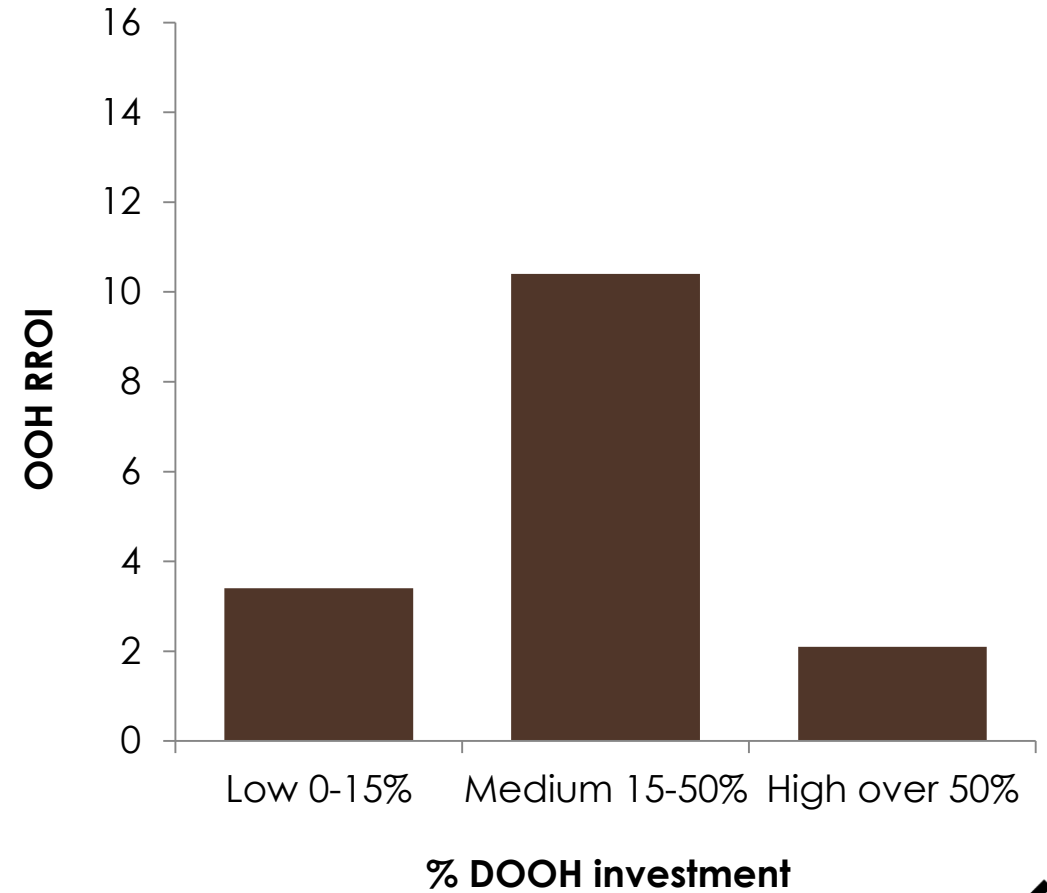
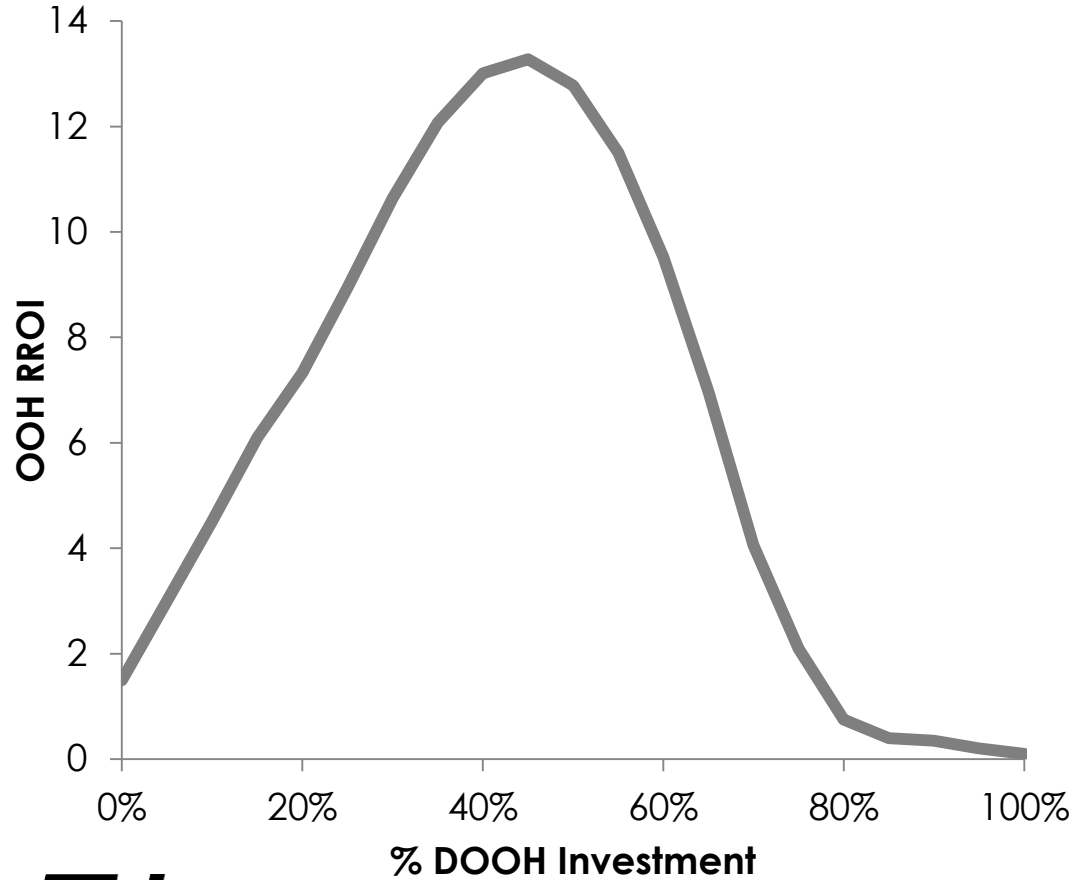
TRADITIONAL AND DIGITAL OOH FRAMES V OOH REVENUE

Optimal proportion of DOOH is 20 to 25% **in terms of Frames**. Indications are that a very DOOH focussed campaign could have too low reach to generate ROI



TRADITIONAL AND DIGITAL OOH INVESTMENT V OOH REVENUE

When the costs of digital and traditional OOH are taken into account, the **optimal proportion of DOOH is around 45%**



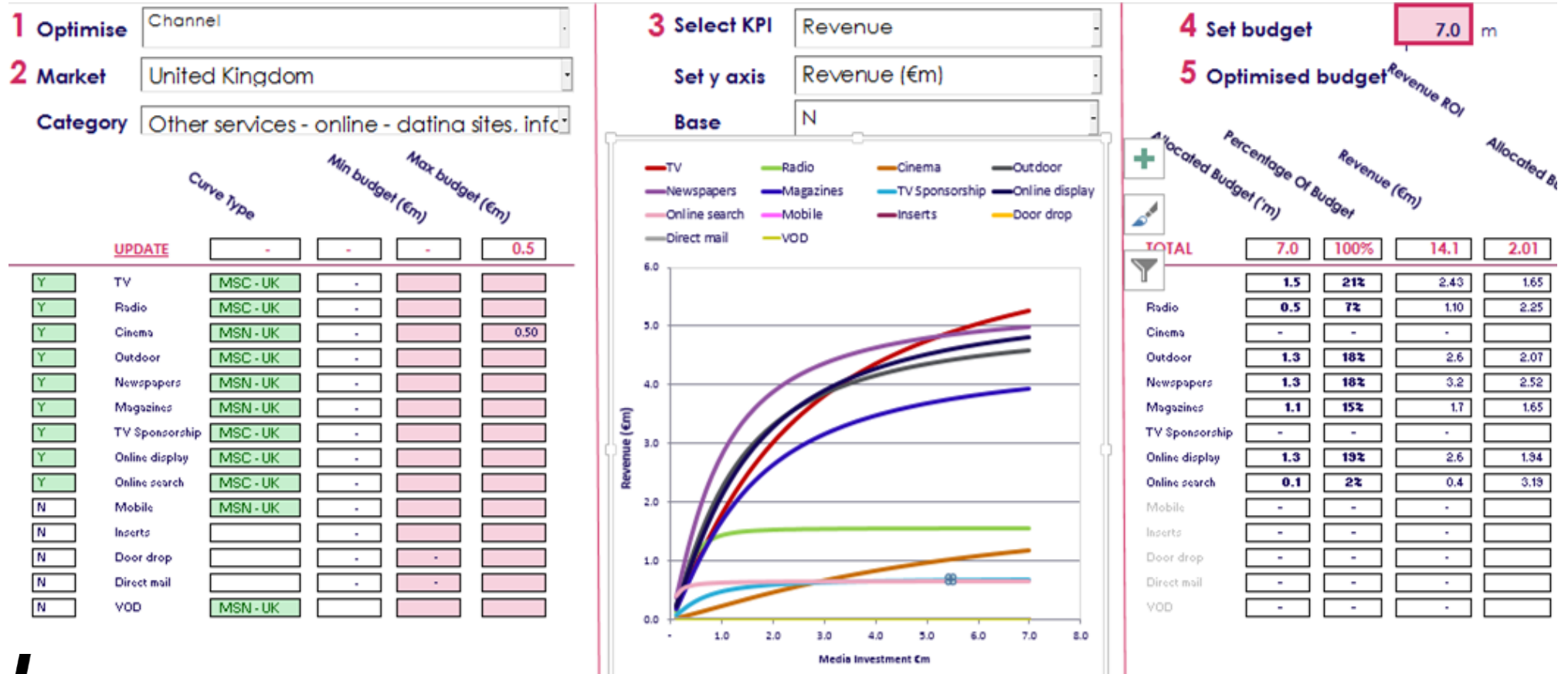
Section four

OOH % OF MEDIA MIX GUIDELINES BY UK CATEGORY
FROM OUR NEW CHANNEL PLANNING KNOWLEDGE



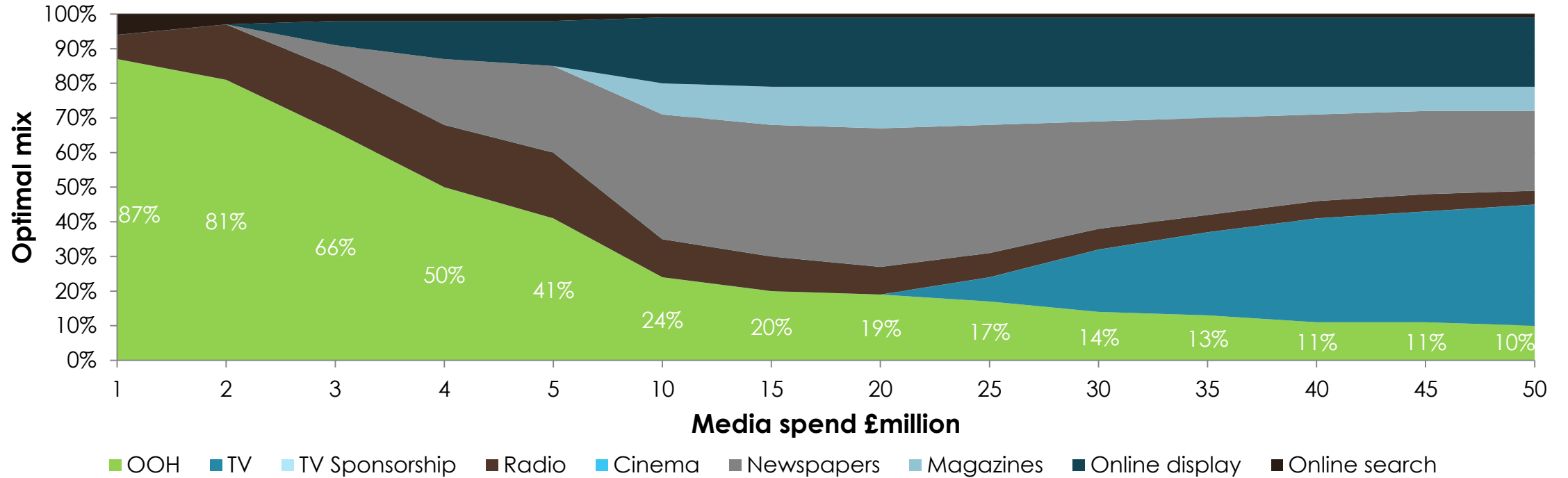
BRANDSCIENCE HAVE LOADED ALL MMM KNOWLEDGE INTO A CHANNEL PLANNING SYSTEM

This gives general insight as to media mix and budget levels for most effective investment, across markets and multiple categories



GROCERY RETAIL/ SUPERMARKETS

The system suggests OOH should dominate the plan at spends less than £10m

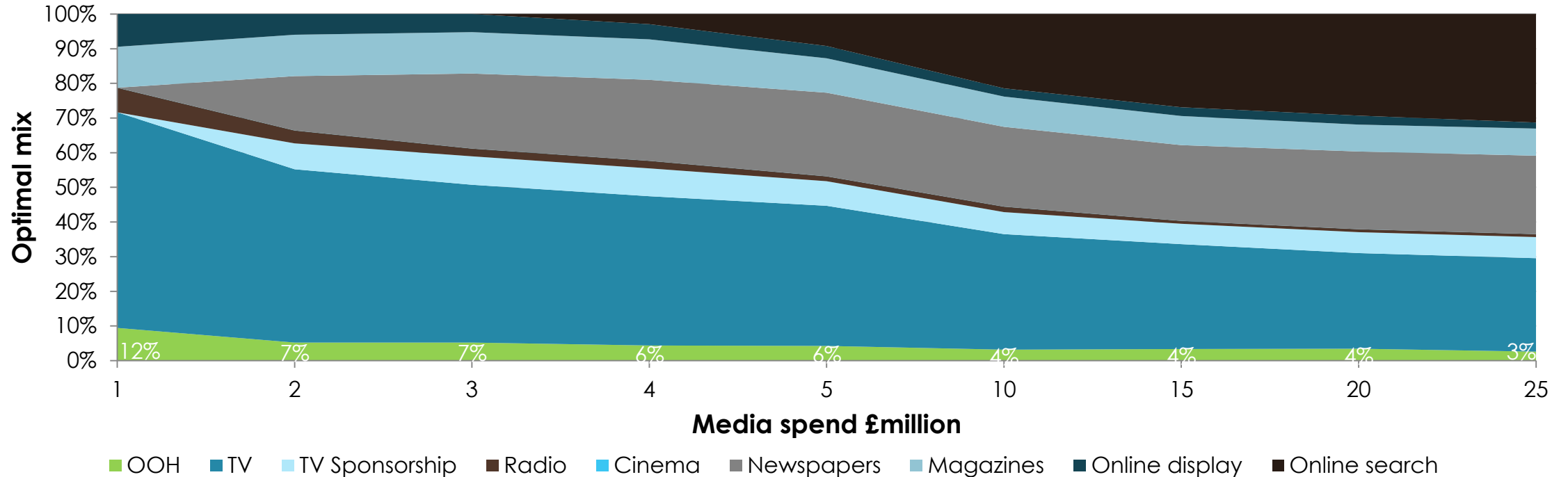


Our system says that with lower spends, outdoor should be the majority medium



RETAIL EXCLUDING GROCERY

Lower spends in this category, total Retail OOH is 6% in 2014, system recommends 6 or 7%

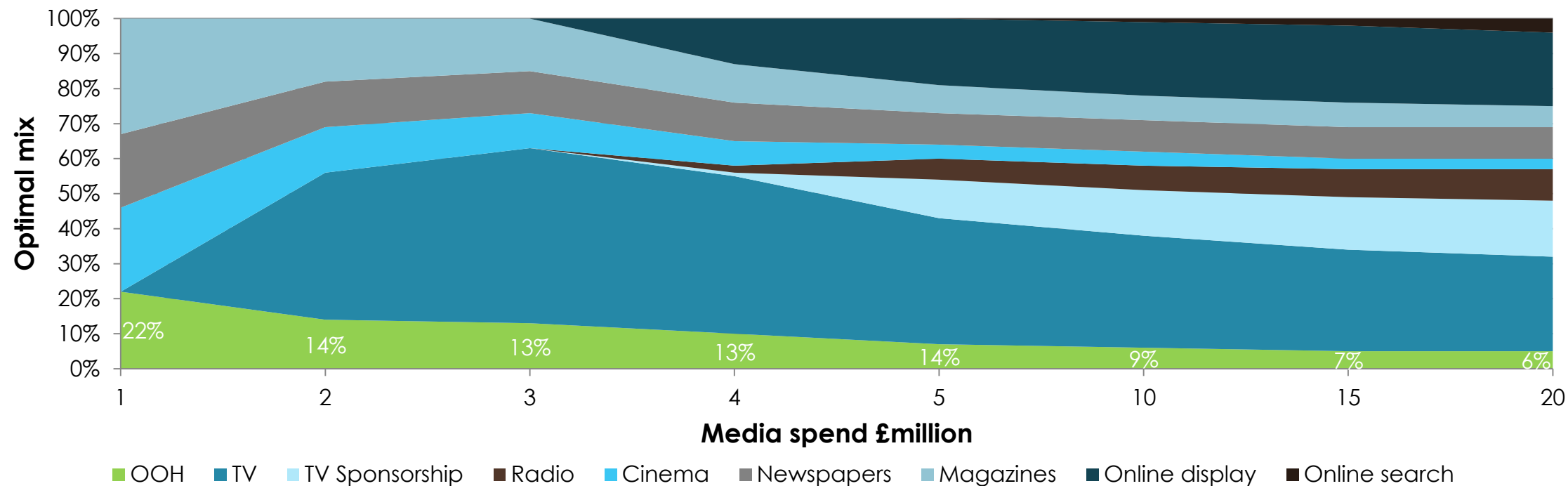


In non grocery Retail, Outdoor comes after TV, Newspapers as part of the mix. At low spends, Outdoor is #2 medium after TV



FMCG GROCERY

At smaller spends, OOH should be double digit % of the mix. OOH in FMCG is currently 7%



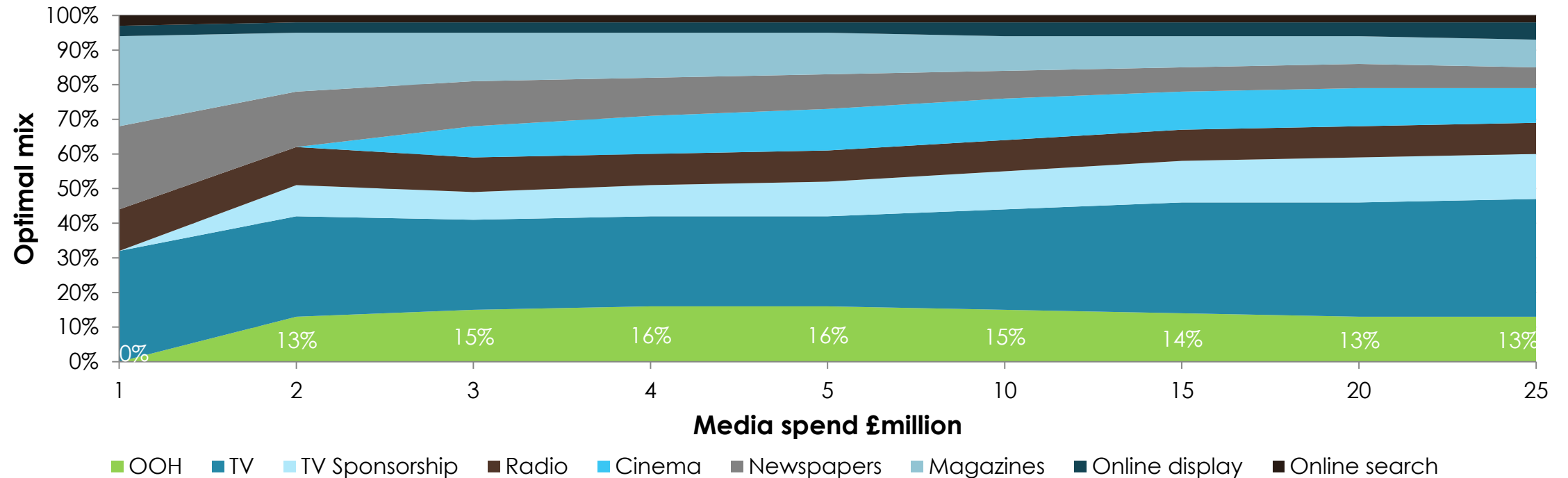
With smaller spends, Outdoor should be a significant medium, part of an integrated campaign with print, cinema, and apart from at the lowest spends, TV.

At higher spends, Outdoor's % reduces slowly for maximum effect, with online being added into the mix.



FMCG HEALTH AND BEAUTY ORALCARE/TOILETRIES

OOH should be over 15% for most campaigns, it's currently 8%



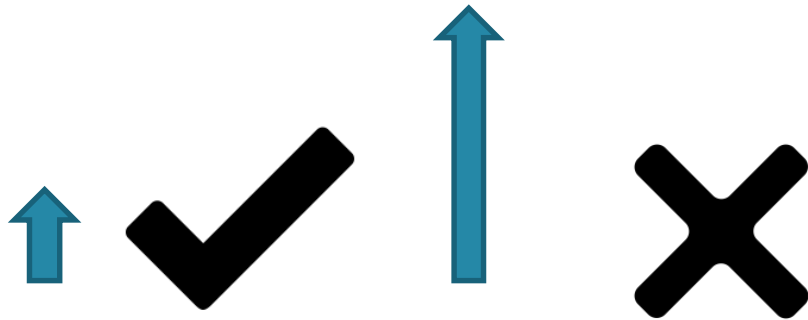
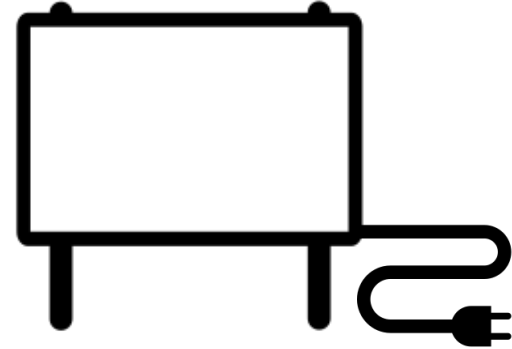
Outdoor should be the #2 medium apart from at the very lowest spends



Conclusions



CONCLUSIONS

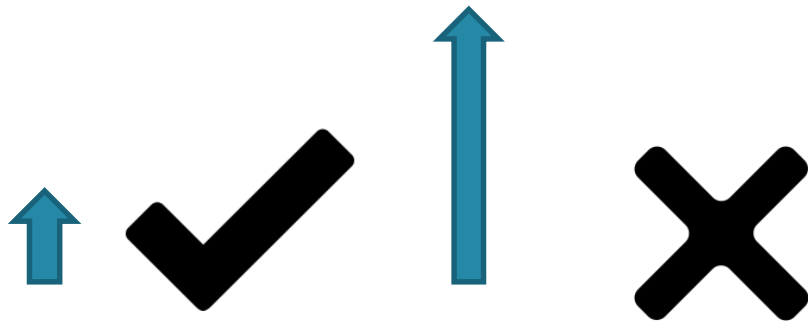


CONCLUSIONS

OOH is not being side-lined by digital media

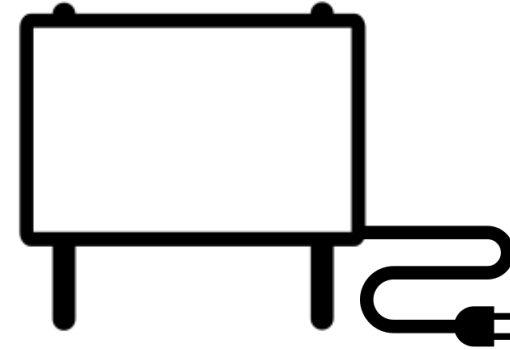


Further investment in OOH pays back



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DOOH drives additional ROI



But we want more evidence...



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