OOH Effectiveness: Sales & Brand Metric ROI Analysis
CPG Food Category Summary

December 2023
CPG Food
- Ad Spend Trends
- optimizing Sales RROAS
- optimizing Brand Metric ROAS
Vivvix CPG Food Spend by Year

OOH spend has increased since 2020 but not back to pre Covid levels

OOH includes cinema. Vivvix has a 39% uplift applied to OOH (as OAAA estimates Vivvix only captures 72% of total OOH spend)
SMI CPG Food spend by year

SMI shows growth in OOH spend in 2022 and stronger growth in Digital than seen in Vivvix data

SMI $bn spend by channel by year

SMI % spend by channel by year
CPG Food: Optimizing sales RROAS using MMM sales curves

Increasing OOH allocation up to 17% and decreasing TV allocation to 60% increases RROAS by 27%

Scenario based on average brand 2022 Vivvix spend
Constraints applied: Minimum 60% spend has been allocated to TV, minimum 15% Digital allocation and minimum 1% Print allocation

Sales response curves to identify optimal spend levels

Using the response curves to optimize current spend levels

Recommendations and Results

Decrease TV to 60% and upweight OOH up to 17%
Also increase Radio

Extra $3.47m revenue generated using the same budget

RROAS increases from 0.45 to 0.57
+27% RROAS increase
CPG Food: Optimizing Sales RROAS for Small, Medium and Large brands

Optimization recommends incremental increases to OOH allocation for all brands regardless of size.

Vivvix average 2022 brand spend

Constraints applied: Minimum 60% spend has been allocated to TV, minimum 15% Digital allocation and minimum 1% Print allocation

### Large Brands
- Spend range: $30-$94m
- Increase OOH from 1% up to 18%
- 26% improvement in RROAS

### Medium Brands
- Spend range: $13-$29m
- Increase OOH from 0.10% up to 17%
- 32% improvement in RROAS

### Small Brands
- Spend range: $5-$13m
- Increase OOH from 1% up to 17%
- 27% improvement in RROAS

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Current vs Optimized Budget Allocation by Brand Size

- **TV**
- **OOH**
- **Print**
- **Radio**
- **Digital**
CPG Food: Optimizing OOH% for Key Brand Metrics

Optimization recommends incremental increases to OOH allocation to improve brand metric scores

Vivvix average 2022 brand spend
Constraints applied: Minimum 60% spend has been allocated to TV and minimum 15% Digital allocation

Current vs Optimized Budget Allocation by Brand Metric

- **Current Spend**: OOH 1%
- **Brand Awareness - Optimized**: Increase OOH from 1% up to 11%
  - 17% improvement in ROAS (Brand awareness points per $m)
- **Consideration - Optimized**: Increase OOH from 1% up to 11%
  - 16% improvement in ROAS (Consideration points per $m)
- **Purchase Intent - Optimized**: Increase OOH from 1% up to 15%
  - 24% improvement in ROAS (Purchase Intent points per $m)
CPG Food Category Summary

To optimize sales ROAS and brand metric ROAS, OOH allocations should be incrementally increased up to 11%.

Vivvix CPG Food spends, mix – current and trend

CPG Food 2017-2022

<table>
<thead>
<tr>
<th>Year</th>
<th>TV</th>
<th>OOH</th>
<th>Radio</th>
<th>Print</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>5.12</td>
<td>0.08</td>
<td>1%</td>
<td>11%</td>
<td>16%</td>
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<tr>
<td>2018</td>
<td>5.33</td>
<td>0.10</td>
<td>8%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>2019</td>
<td>4.65</td>
<td>0.08</td>
<td>9%</td>
<td>5%</td>
<td>15%</td>
</tr>
<tr>
<td>2020</td>
<td>4.28</td>
<td>0.03</td>
<td>1%</td>
<td>8%</td>
<td>15%</td>
</tr>
<tr>
<td>2021</td>
<td>4.08</td>
<td>0.06</td>
<td>5%</td>
<td>1%</td>
<td>15%</td>
</tr>
<tr>
<td>2022</td>
<td>3.12</td>
<td>0.05</td>
<td>9%</td>
<td>1%</td>
<td>15%</td>
</tr>
</tbody>
</table>

CPG Food best action for OOH (and where from)

<table>
<thead>
<tr>
<th>CPG – Current mix</th>
<th>Brand Awareness - Optimized</th>
<th>Consideration - Optimized</th>
<th>Purchase Intent - Optimized</th>
<th>Sales - Optimized</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV</td>
<td>71%</td>
<td>60%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>OOH</td>
<td>1%</td>
<td>11%</td>
<td>11%</td>
<td>15%</td>
</tr>
<tr>
<td>Print</td>
<td>11%</td>
<td>5%</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Radio</td>
<td>1%</td>
<td>8%</td>
<td>9%</td>
<td>1%</td>
</tr>
<tr>
<td>Digital</td>
<td>16%</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
</tr>
</tbody>
</table>

OOH is currently only 1% of total spend for the average brand.

The analysis recommends incremental increases to OOH of up to 11% - 17% to optimize sales and brand metrics.

The increased allocation for OOH should come from TV, Print, and sometimes Radio.

OOH includes cinema. Vivvix has a 39% uplift applied to OOH (as OAAA estimate Vivvix only captures 72% of total OOH spend).

Constraints applied: Minimum 60% spend has been allocated to TV, minimum 15% Digital allocation and minimum 1% Print allocation.
Appendix

The Benchmarketing OOH Media Effectiveness analysis was sponsored by The Foundation for Outdoor Advertising Research and Education (FOARE), a 501 (c) (3) not for profit, charitable organization. Benchmarketing is a UK-based strategic marketing effectiveness consultancy and part of the Omnicom Media Group.
Methodology: Optimizing Sales Revenue ROAS
Harnessing the power of multiple MMMs to create response curves which demonstrate RROA at different spend levels

1.) **Gather multiple brand MMM results** – combine to create average **response curves** by media channel for each category

2.) Use those **response curves** to estimate the impact (Revenue ROAS) for the ‘average brand’ spend by channel in a category

3.) Then, taking that same ‘average brand spend’ – run an optimisation using the curves, which **optimise diminishing returns** to give us an optimal Revenue ROAS

We have access to hundreds of brand MMMs (market mix models of sales vs media activity by channel). We have anonymised and aggregated results from USA brand MMMs to provide category level response curves

For each category we have created response curves by media channel. These response curves allow us to optimise investment across media channels, both theoretically and practically, applying realistic constraints as to the maximum usage of each channel

We can show the average and maximum spend levels generally achieved in the category to guide the safe zone for optimisation
Methodology: Optimizing Brand Metrics

Pooled modelling of key brand metrics to create response curves to run optimisations

1.) Gather data by brand on key brand metrics (YouGov BrandIndex) and media spends by channel (Vivvix)

2.) Create a large dataset to allow for ‘pooled modelling’. Data is collated for all brands available within a category. Data is monthly - over the period 2019-2022

3.) Econometric models are then built for each of three key brand metrics using the pooled dataset:
   - Brand Awareness, Consideration, Purchase Intent

4.) Response curves are also reported by the models, and from those response curves we are able to optimise total media spend by channel for each of our three key brand metrics
OOH’s Four Media Categories

SMI attributes OOH spends into these categories plus an ‘Other’ category
(Other = spend that could not be definitively assigned to one of the four primary categories)