OOH Effectiveness: Sales & Brand Metric ROI Analysis
Retail Grocery Category Summary

December 2023
Retail Grocery
- Ad Spend Trends
- Optimizing Sales RROAS
- Optimizing Brand Metric ROAS
Vivvix Retail Grocery Spend by Year

OOH increased in 2022 to $0.18bn

Vivvix $bn spend by channel by year

Vivvix % spend by channel by year

OOH includes cinema. Vivvix has a 39% uplift applied to OOH (as OAAA estimates Vivvix only captures 72% of total OOH spend).
SMI Retail Grocery Spend by Year

SMI shows higher OOH spends in 2022 compared to the rest of the years, but less spend overall than Vivvix.

**SMI $bn spend by channel by year**

**SMI % spend by channel by year**
Retail Grocery: Optimizing Sales ROAS using MMM Sales Curves

Increasing OOH allocation up to 27% and decreasing TV to 25% increases ROAS by 6%.

Sales Response Curves to identify optimal spend levels

Using the response curves to optimise current spend levels

Constraints have been applied to the model.

Recommendations and Results

- Decrease TV to 25% and upweight OOH to 27%
- Extra $26.29m revenue generated using the same budget
- RROAS increases from 21.08 to 22.33
  +6% RROAS increase
**Retail Grocery: Optimizing Sales RROAS for Small, Medium and Large brands**

Optimization recommends incrementally increasing OOH allocation by large amounts for all brands of all sizes.

### Current vs Optimized Budget Allocation by Brand Size

**Large Brands**
- **Current**: 8% OOH
- **Optimized**: 19% OOH

- **Spend range**: $24-$158m
- **Increase OOH from 8% up to 19%**
- **4% improvement in ROAS**

**Medium Brands**
- **Current**: 5% OOH
- **Optimized**: 27% OOH

- **Spend range**: $5-$23m
- **Increase OOH from 5% up to 27%**
- **9% improvement in ROAS**

**Small Brands**
- **Current**: 24% OOH
- **Optimized**: 39% OOH

- **Spend range**: $0-$4m
- **Increase OOH from 24% up to 39%**
- **8% improvement in ROAS**

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**Vivvix spend Scenario based on average brand 2022**

Constraints have been applied to channels.
Retail Grocery – Optimizing Key Brand Metrics
Optimization recommends incremental increases to OOH allocation to improve brand metric scores

Current vs Optimized Budget Allocation by Brand Metric

- **Brand Awareness**
  - Current OOH: 8%
  - Optimization: Increase OOH from 8% up to 21%
  - 4% improvement in ROAS (Brand awareness points per $m)

- **Consideration**
  - Current OOH: 8%
  - Optimization: Increase OOH from 8% up to 11%
  - 3% improvement in ROAS (Consideration points per $m)

- **Purchase Intent**
  - Current OOH: 8%
  - Optimization: Increase OOH from 8% up to 10%
  - 9% improvement in ROAS (Purchase Intent points per $m)

Vivix spend Scenario based on average brand 2022
Constraints have been applied to models
Retail Grocery Category Summary

Vivvix spend defines this category as the largest in OOH spend of the three analyzed at $0.18 billion in 2022.

Vivvix Retail Grocery spends, mix – current and trend

Retail Grocery 2017-2022

OOH is currently 8% of total spend on average
The analysis recommends incremental increases to OOH of up to 10% and 27%, highest for Sales KPI
The increased allocation for OOH should be taken from TV, and Digital (less so Digital for Sales KPI)

OOH includes cinema. Vivvix has a 39% uplift applied to OOH (as OAAA estimates Vivvix only captures 72% of total OOH spend.)
Constraints have been applied to models

Retail Grocery best action for OOH (and where from)

<table>
<thead>
<tr>
<th></th>
<th>Retail Grocery – Current mix</th>
<th>Brand Awareness - Optimized</th>
<th>Consideration - Optimized</th>
<th>Purchase Intent - Optimized</th>
<th>Sales – Optimized</th>
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</thead>
<tbody>
<tr>
<td>TV</td>
<td>41%</td>
<td>30%</td>
<td>36%</td>
<td>41%</td>
<td>25%</td>
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<td>OOH</td>
<td>8%</td>
<td>21%</td>
<td>11%</td>
<td>10%</td>
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<td>Print</td>
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<td>Radio</td>
<td>19%</td>
<td>22%</td>
<td>28%</td>
<td>20%</td>
<td>18%</td>
</tr>
<tr>
<td>Digital</td>
<td>31%</td>
<td>27%</td>
<td>25%</td>
<td>25%</td>
<td>30%</td>
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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)

### NUMBER OF OUT OF HOME DISPLAYS

<table>
<thead>
<tr>
<th>BILLBOARDS</th>
<th>STREET FURNITURE</th>
<th>TRANSIT</th>
<th>PLACE-BASED</th>
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<tbody>
<tr>
<td>Bulletins</td>
<td>Bus Shelters</td>
<td>Airport</td>
<td>Arenas/Stadiums</td>
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<tr>
<td>173,985</td>
<td>64,838</td>
<td>27,970</td>
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<tr>
<td>Digital Billboards</td>
<td>Urban Street Furniture</td>
<td>Digital Airport</td>
<td>Cinema</td>
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<tr>
<td>11,500</td>
<td>57,866</td>
<td>3,150</td>
<td>34,800</td>
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<td>Posters</td>
<td>Bus Benches</td>
<td>Buses</td>
<td>Digital Place-Based</td>
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<td>145,000</td>
<td>Bike Kiosks</td>
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<tr>
<td>Junior Posters</td>
<td>Newstands</td>
<td>Rail/Subway</td>
<td>Interior Exterior Printed</td>
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<td>Outdoor Kiosks</td>
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<td>Wall Murals</td>
<td>Urban Panels</td>
<td>Digital Rail/Subway/Transit</td>
<td>Gas Stations</td>
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<td>2,310</td>
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<td>Convenience Stores</td>
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<td>Digital Street Furniture</td>
<td>Mobile Billboards</td>
<td>Restaurants/Bars</td>
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<td>10,815</td>
<td>4,515</td>
<td>Medical Point of Care</td>
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<td>Bus Shelters</td>
<td>Taxis</td>
<td>Office Buildings/Elevators</td>
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<td></td>
<td>Newstands</td>
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<tr>
<td></td>
<td>Outdoor Kiosks</td>
<td>Digital Taxis/Rideshare</td>
<td>Shopping Malls</td>
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<td></td>
<td>Vehicle Wraps</td>
<td>Digital Shopping Malls</td>
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