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

December 2023

Retail Grocery
- Ad Spend Trends
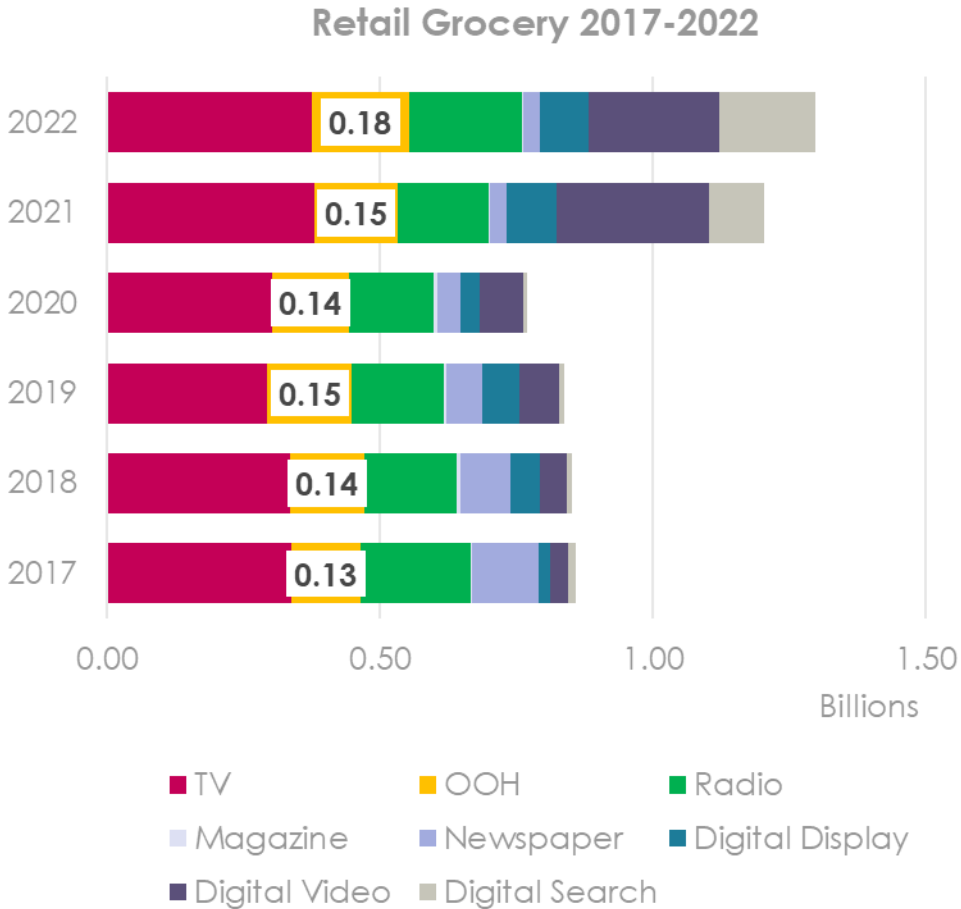- Optimizing Sales RROAS
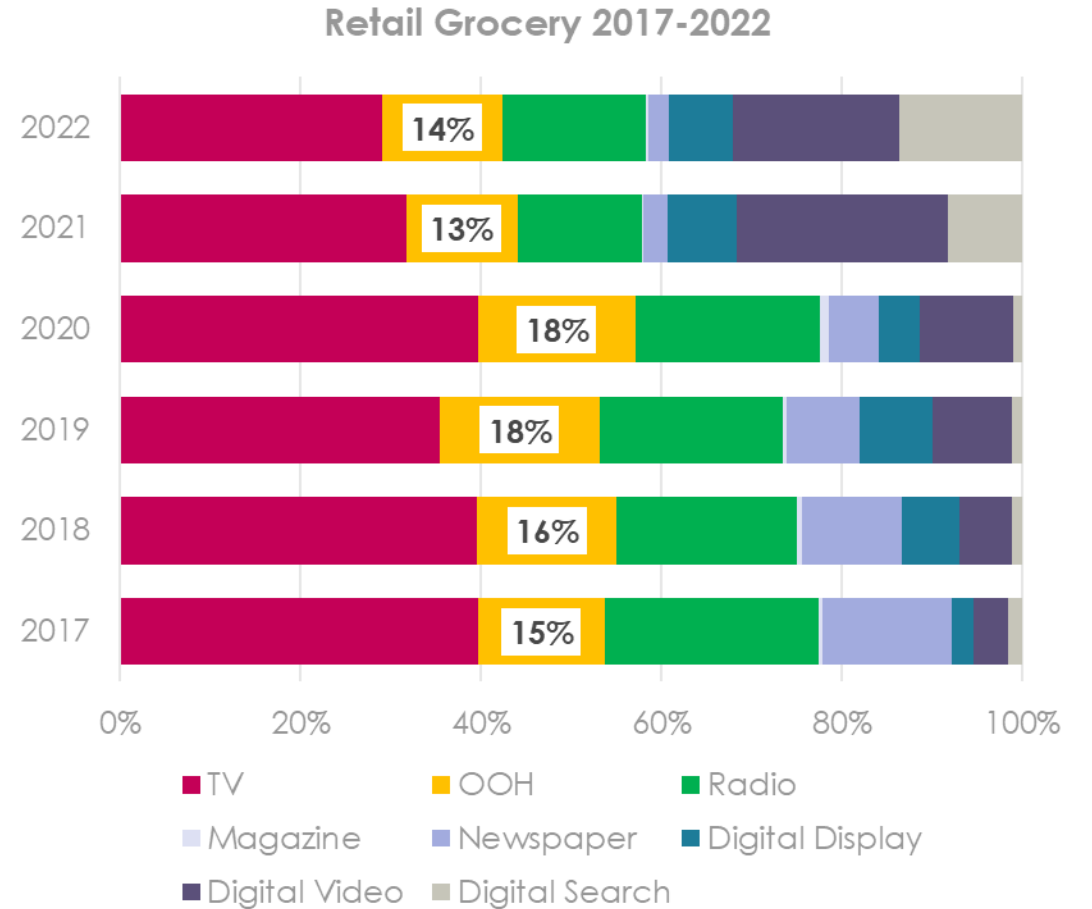- Optimizing Brand Metric ROAS

Benchmarketing

Vivvix Retail Grocery Spend by Year

OOH increased in 2022 to $0.18bn

Vivvix $bn spend by channel by year

Retail Grocery 2017-2022

Chart showing $bn spend with OOH values labelled:
- 2022: 0.18
- 2021: 0.15
- 2020: 0.14
- 2019: 0.15
- 2018: 0.14
- 2017: 0.13

X-axis: 0.00, 0.50, 1.00, 1.50 Billions

Vivvix % spend by channel by year

Retail Grocery 2017-2022

Chart showing % spend with OOH values labelled:
- 2022: 14%
- 2021: 13%
- 2020: 18%
- 2019: 18%
- 2018: 16%
- 2017: 15%

X-axis: 0%, 20%, 40%, 60%, 80%, 100%

Legend: TV, OOH, Radio, Magazine, Newspaper, Digital Display, Digital Video, Digital Search
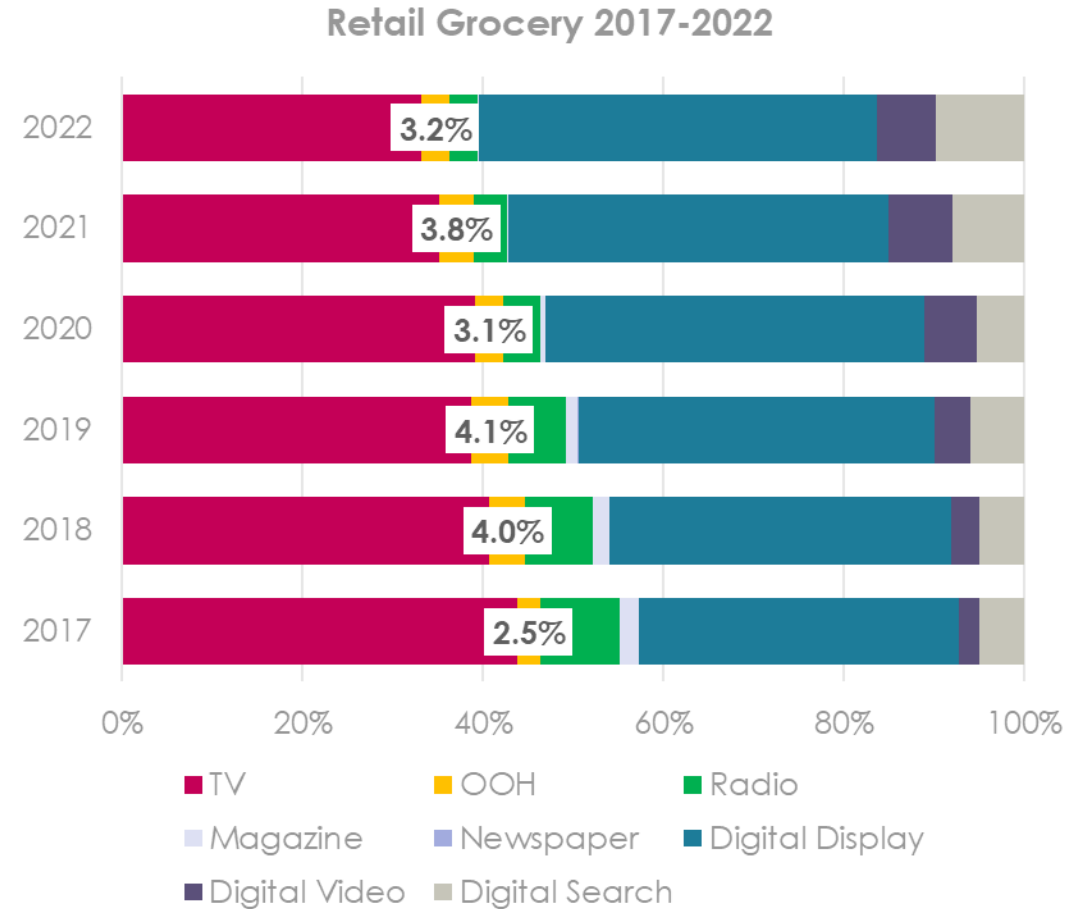
SMI Retail Grocery Spend by Year

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

Retail Grocery 2017-2022

Year	TV value
2022	0.09
2021	0.08
2020	0.05
2019	0.06
2018	0.06
2017	0.03

Axis: - , 1.00 , 2.00 , 3.00

SMI % spend by channel by year

Retail Grocery 2017-2022

Year	TV %
2022	3.2%
2021	3.8%
2020	3.1%
2019	4.1%
2018	4.0%
2017	2.5%

Axis: 0% , 20% , 40% , 60% , 80% , 100%

Legend: ■ TV ■ OOH ■ Radio ■ Magazine ■ Newspaper ■ Digital Display ■ Digital Video ■ Digital Search
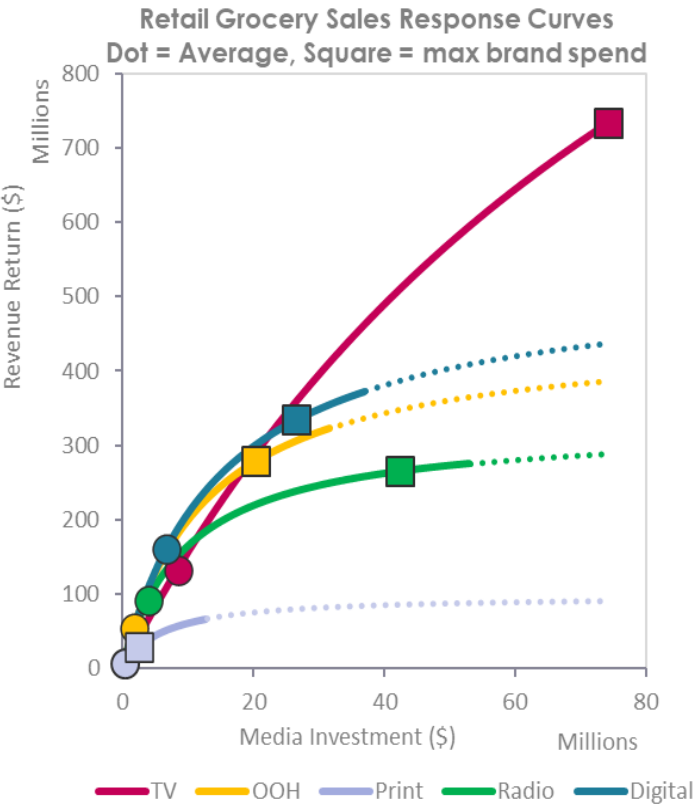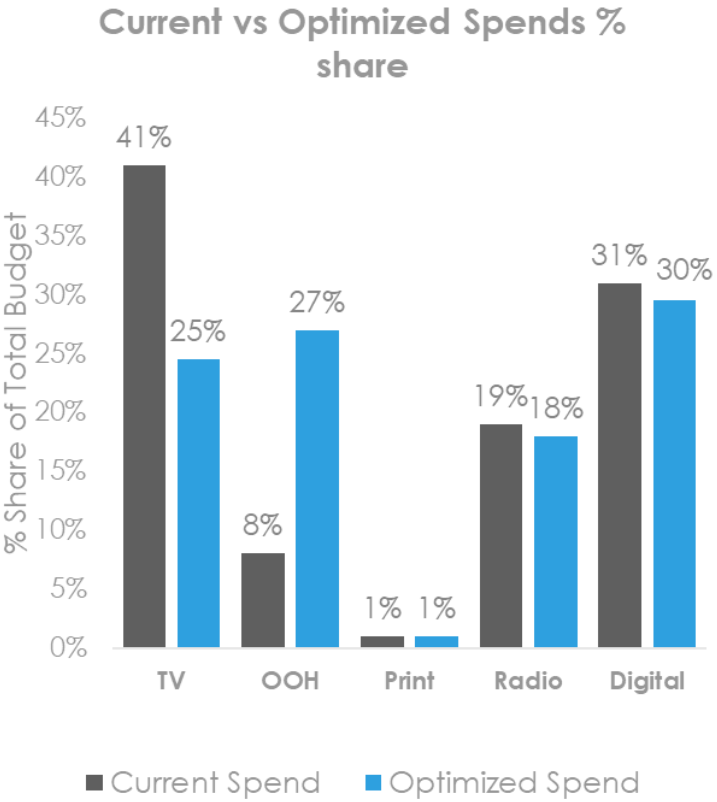
OOH includes cinema
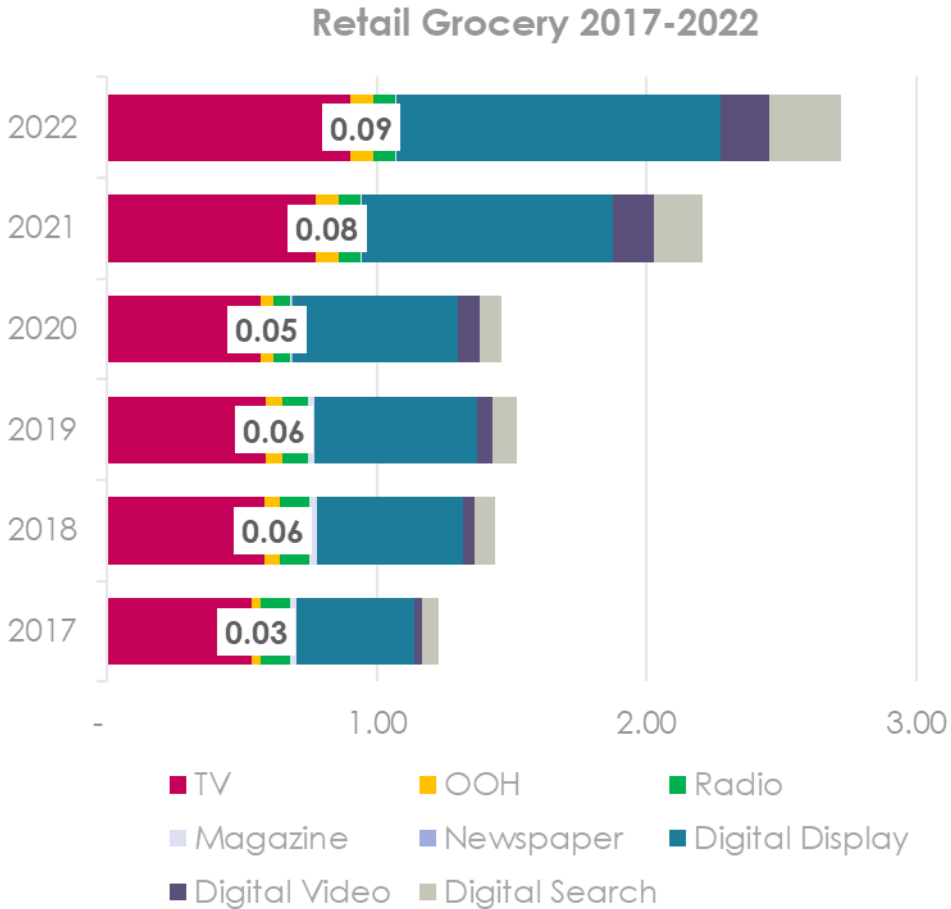
Retail Grocery: Optimizing Sales ROAS using MMM Sales Curves

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

Sales Response Curves to identify optimal spend levels

Retail Grocery Sales Response Curves
Dot = Average, Square = max brand spend

Legend: TV, OOH, Print, Radio, Digital

Using the response curves to optimise current spend levels

Current vs Optimized Spends % share

	Current Spend	Optimized Spend
TV	41%	25%
OOH	8%	27%
Print	1%	1%
Radio	19%	18%
Digital	31%	30%

Recommendations and Results

Decrease TV to 25% and **upweight OOH to 27%**

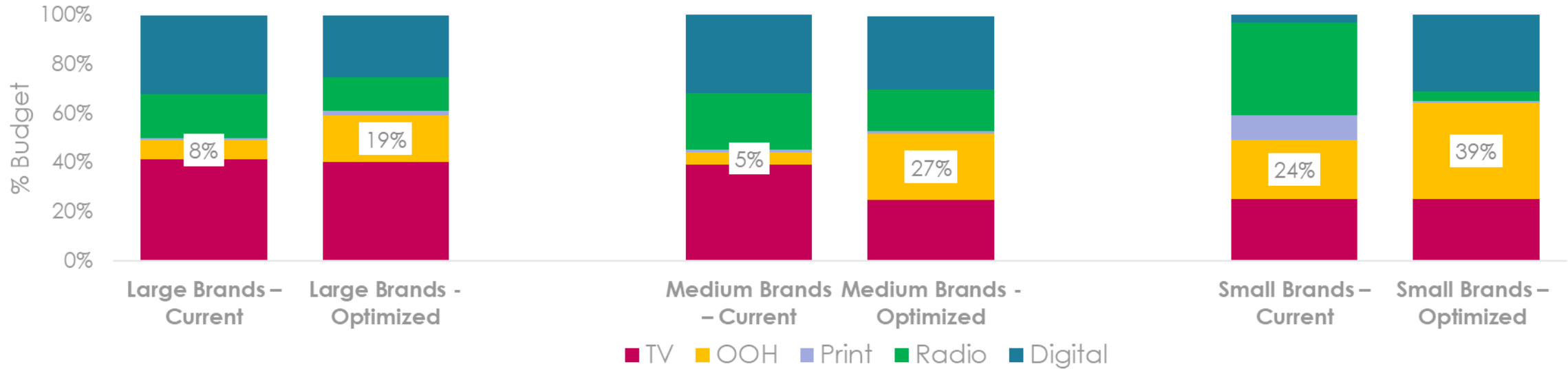Extra **$26.29m** revenue generated using the same budget

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

Legend: TV, OOH, Print, Radio, Digital

Large Brands – Current: 8%
Large Brands - Optimized: 19%
Medium Brands – Current: 5%
Medium Brands - Optimized: 27%
Small Brands – Current: 24%
Small Brands – Optimized: 39%

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

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

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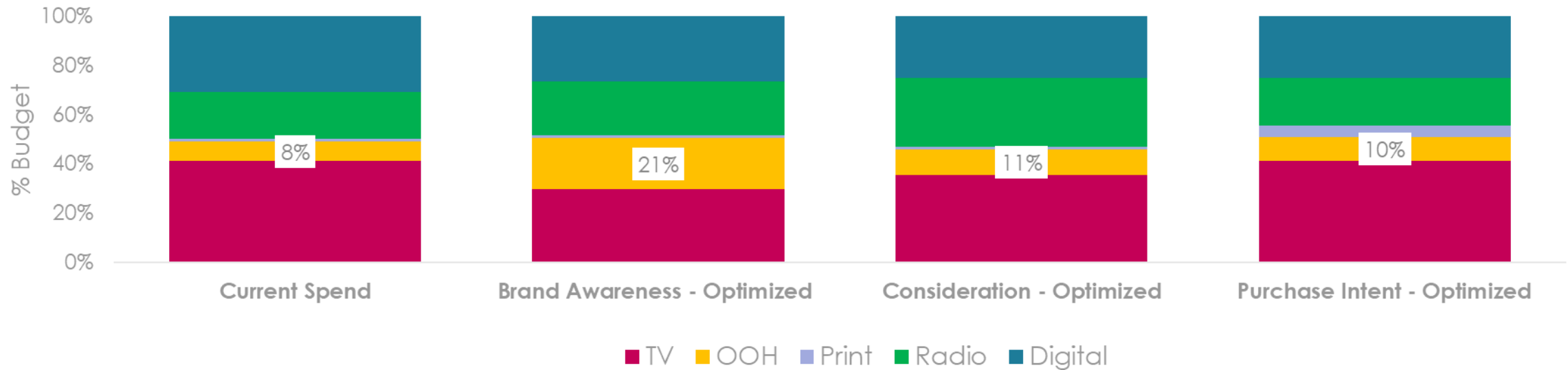Increase OOH from 24% up to 39%
8% improvement in ROAS

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

Legend: ■ TV ■ OOH ■ Print ■ Radio ■ Digital

Categories: Current Spend | Brand Awareness - Optimized (21%) | Consideration - Optimized (11%) | Purchase Intent - Optimized (10%) — Current Spend shows 8%

Current
OOH 8%

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

Consideration
Increase OOH from 8% up to 11%
3% improvement in ROAS (Consideration points per $m)

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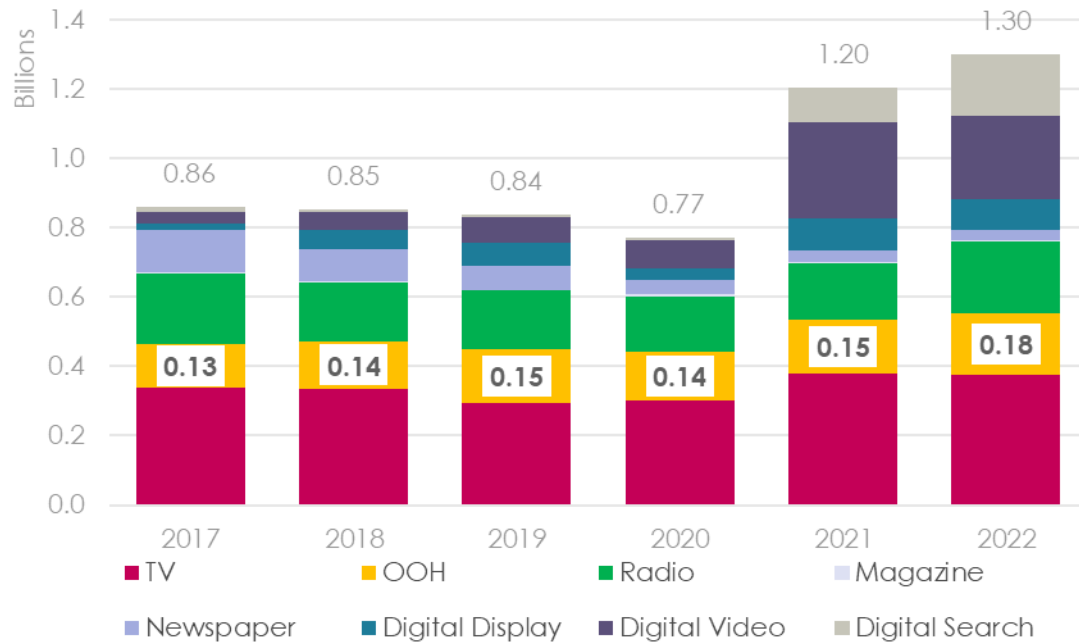**9% improvement in ROAS** (Purchase Intent points per $m)

Retail Grocery Category Summary

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

Vivvix Retail Grocery spends, mix – current and trend

Retail Grocery 2017-2022

Retail Grocery best action for OOH (and where from)

	Retail Grocery – Current mix	Brand Awareness - Optimized	Consideration - Optimized	Purchase Intent - Optimized	Sales – Optimized
TV	41%	30%	36%	41%	25%
OOH	8%	21%	11%	10%	27%
Print	1%	1%	1%	5%	1%
Radio	19%	22%	28%	20%	18%
Digital	31%	27%	25%	25%	30%

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

Benchmarketing | 8

Appendix

Benchmarketing

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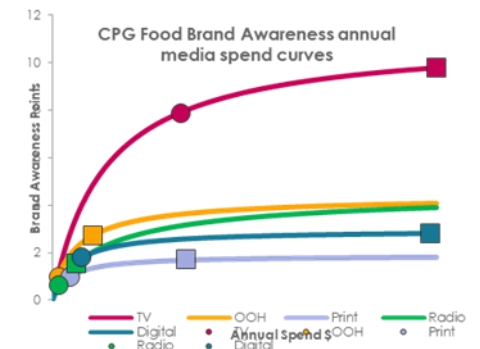
4.) **Response curves** are also reported by the models, and from those response curves we are able to **optimise total media spend** by **channel** for each of our three **key brand metrics**

CPG Food Brand Awareness annual media spend curves

Benchmarketing

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

BILLBOARDS	STREET FURNITURE	TRANSIT	PLACE-BASED
Bulletins 173,985	**Bus Shelters** 64,838	**Airport** 27,970	**Arenas/Stadiums** 1,338
Digital Billboards 11,500	**Urban Street Furniture** 57,866	**Digital Airport** 3,150	**Cinema** 34,800
Posters 145,000	Bus Benches	**Buses** 1,354,842	**Digital Place-Based** 750,000
Junior Posters 19,000	Bike Kiosks Newstands Outdoor Kiosks Urban Panels	**Rail/Subway** 356,773	**Interior Exterior Printed** 550,406
Wall Murals 2,310	**Digital Street Furniture** 10,815	**Digital Rail/Subway/Transit** 16,466	Gas Stations Convenience Stores Restaurants/Bars Medical Point of Care Office Buildings/Elevators Grocery Stores
	Bus Shelters Newsstands Outdoor Kiosks Urban Panels	**Mobile Billboards** 4,515	**Shopping Malls** 24,255
		Taxis 21,000	**Digital Shopping Malls** 12,507
		Digital Taxis/Rideshare 71,400	
		Vehicle Wraps 441,0000	