OOH Media Effectiveness: Sales and Brand Metric ROI Analysis
Automotive, CPG-Food and Retail Grocery Categories

Q & A

1. **What is econometric modeling?**
   a. The use of statistical and mathematical models to develop theories and test existing hypotheses to forecast future trends from historical data. It subjects real-world data to statistical trials and then compares the results against the theory being tested. An example many consumers are familiar with are real estate apps that estimate the selling price for their home based on current economic conditions (which are made up of a number of variables).

2. **What time span does the research cover – was it recent data?**
   a. Historical ad spend trends from 2017 – 2022 were used in part of the analysis.
   b. The most recently available data (2022) was used to formulate the brand metrics analysis.

3. **What data sets were used to inform the analysis?**
   a. Hundreds of actual brand case studies, along with their campaign media mixes, were pulled from the Omnicom library. All were MMM cases produced within the last six years.
   b. For the ad spend analysis, two data sets were incorporated:
      i. SMI: for national ad spend and category level analysis (representing an estimated 90% of total national ad spend)
      ii. Vivvix: for both national and local ad spend, plus category and advertiser level detail. Vivvix under-reports total OOH ad spend, so the data was adjusted to reflect the reporting deficit.
      iii. It's important to keep in mind neither of these data sets are exact. They are, however, the best data sets available to estimate actual ad spend in the real marketplace.

4. **How are the research findings best summarized?**
   a. OOH improves the overall performance of multi-channel media mix campaigns.
      i. It delivers a strong revenue return on ad sales (RROAS) that can improve overall campaign RROAS for the total media mix.
      ii. It drives improved brand perceptions throughout the marketing funnel.
   b. For the three product categories studied, and independent of ad budget size, no matter the KPI or current RROAS (revenue return on ad sales investment), current media mixes are not being optimized because OOH is not being planned at a sufficient allocation.
   c. Underfunding OOH prevents total media plan optimization because share is being allocated to other channels beyond their point of diminishing returns. TV and Digital tend to be over-spent, and Print typically does not perform well for improved sales or brand metrics.

5. **How were the analysis recommendations generated?**
   a. For each category, sales and brand metric response curves were created by media channel. These response curves allow optimized investment across each media channel.
   b. There are two critical data points used for each of the three product categories to determine the shape of the response curves illustrated in the analysis:
      i. Current average spend based on the six years of data, 2017 – 2022.
      ii. Current maximum spend based on the same 2017 – 2022 set of data.
   c. The highest, most robust of the response curves is the "best" channel, highest ROI, but all channels eventually hit diminishing returns. Once each channel's curve begins to flatten, the model recognizes and shifts allocation to other channels to achieve overall plan optimization.

6. How should brands and agencies use this analysis?
    a. The report provides optimal media mix allocations by ad channel to drive sales and improve key brand perceptions. Using the product category, budget size, and KPI guidelines provided in the report, brands and agencies should examine their existing allocations for OOH. Where there is significant variance from the recommended optimal OOH investment, OOH allocations should be increased incrementally and then results re-evaluated. If the adjusted results reflect improvement, they more incremental OOH spending should be added.

7. In some of the product categories, the OOH allocations are quite small, especially in comparison to the other ad channels. Additionally, there doesn't appear to be a significant difference between the average and maximum spend points on some of the sales and brand metric response curves. Does this mean OOH is not as effective as the other channels?
    a. The response curves in the analysis are built on historical data. They reflect current levels of investment in OOH, not the recommended levels of OOH allocation.
    b. The analysis identified in all scenarios examined that by increasing OOH, the performance of the overall media plan can be improved, and dramatically so in some cases. For example, with both CPG Food and Retail Grocery sales response curves, OOH produces quite steep response curves, which reflects its ability to rapidly build return on increased channel investment.

8. The study says that overall OOH spend should be increased for each product category, but across what OOH formats?
    a. The five-year ad spend trend data from Vivvix provides spend by product category and brand, but not by OOH format. The SMI data, which mostly provides OOH spend by format, doesn't provide spend by brand. OOH format couldn't be included in the recommendations because the analysis had to rely on Vivvix for the brand-level spend and it didn't include OOH format.
    b. The best use case of the analysis is for brands and agencies to use the guidelines to examine their overall OOH allocations and consider increasing them where they are insufficient. As stated in the recommendations, brands and agencies should make incremental changes and then evaluate their impact. The analysis shouldn't be considered a "one size fits all". Instead, agencies and brands should consider these as general guidelines, apply their business conditions, including use of specific OOH formats, and then implement incremental changes.

9. Was the study based on information from defined markets or focused on specific target audiences?
    a. Benchmarketing was constrained by the data in the Omnicom case study library, so results were segmented by the three parameters available based on sample size:
        i.   Product category
        ii. Budget size of the brand (small, medium, large)
        iii. KPIs (sales, awareness, consideration, purchase intent)
    b. There were not sufficient studies in the library to create a sample large enough to add specific markets, but budget size, which was an option, is included as a general parallel proxy.

10. What are the confidence intervals from the econometric/statistical modeling used in the analysis?
    a. Each individual model within the meta-analyses by KPI and Category has factors statistically significant at at least 90% confidence.

11. What is Benchmarketing?
    a. A strategic marketing effectiveness consultancy and part of the Omnicom Media Group.

12. Who funded the research analysis?
    a. OAAA and The Foundation for Outdoor Advertising Research and Education (FOARE), a 501 (c) (3) not for profit, charitable organization.