

OOH Effectiveness: Sales & Brand Metric ROI Analysis

Automotive Category Summary

December 2023

Automotive

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



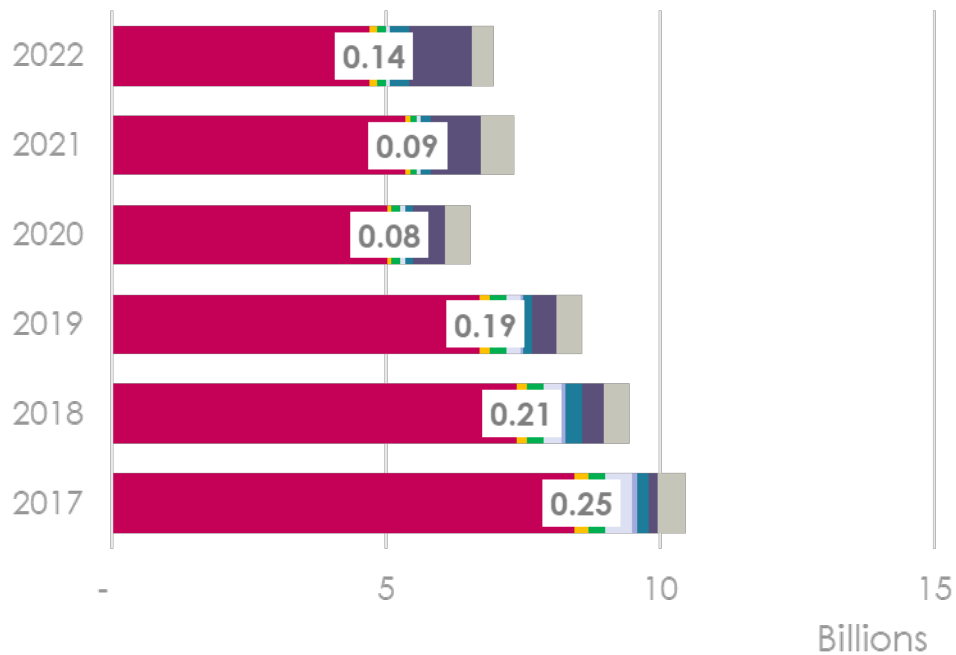


Vivix Automotive Spend by Year

OOH increased in 2022 but is not back to 2019 (pre covid) levels

Vivix \$bn spend by channel by year

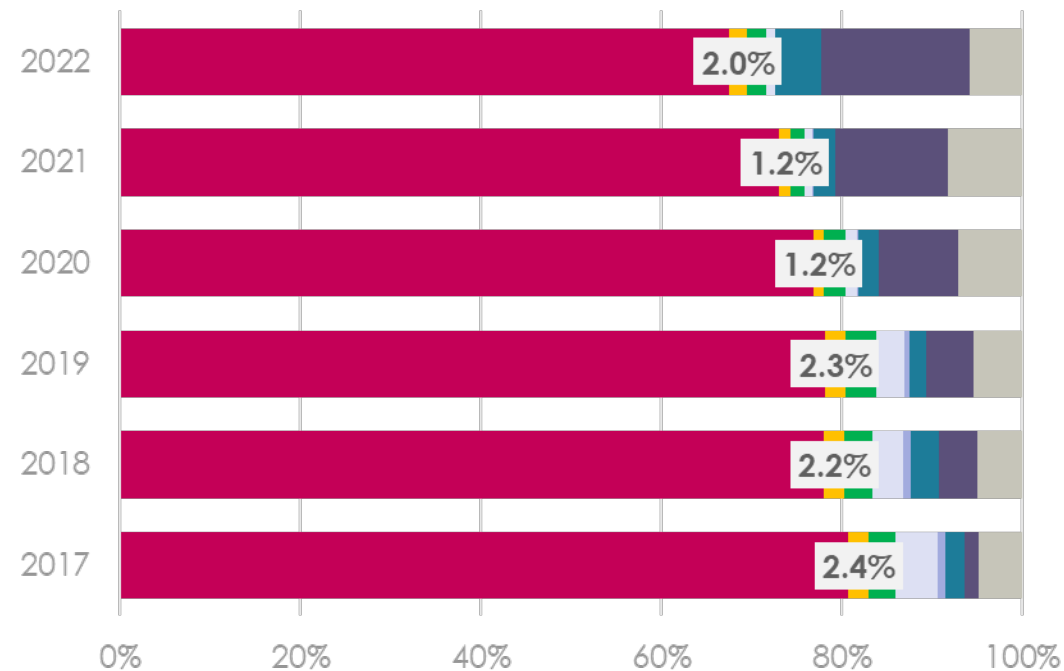
Automotive 2017-2022



- TV
- OOH
- Radio
- Magazine
- Newspaper
- Digital Display
- Digital Video
- Digital Search

Vivix % spend by channel by year

Automotive 2017-2022



- TV
- OOH
- Radio
- Magazine
- Newspaper
- Digital Display
- Digital Video
- Digital Search

OOH includes cinema, Vivix has a 39% uplift applied to OOH (as OAAA estimates Vivix only captures 72% of total OOH spend)

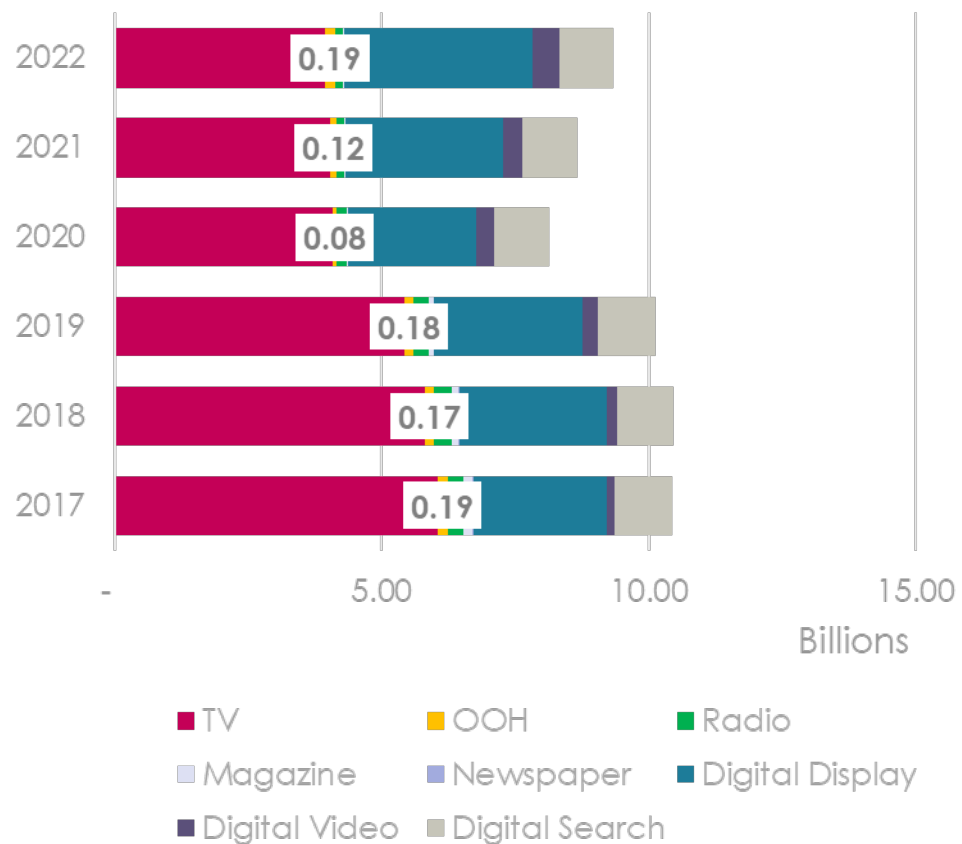


SMI Automotive Spend by Year

SMI shows higher OOH spends in 2022 than 2019 (unlike Vivvix)

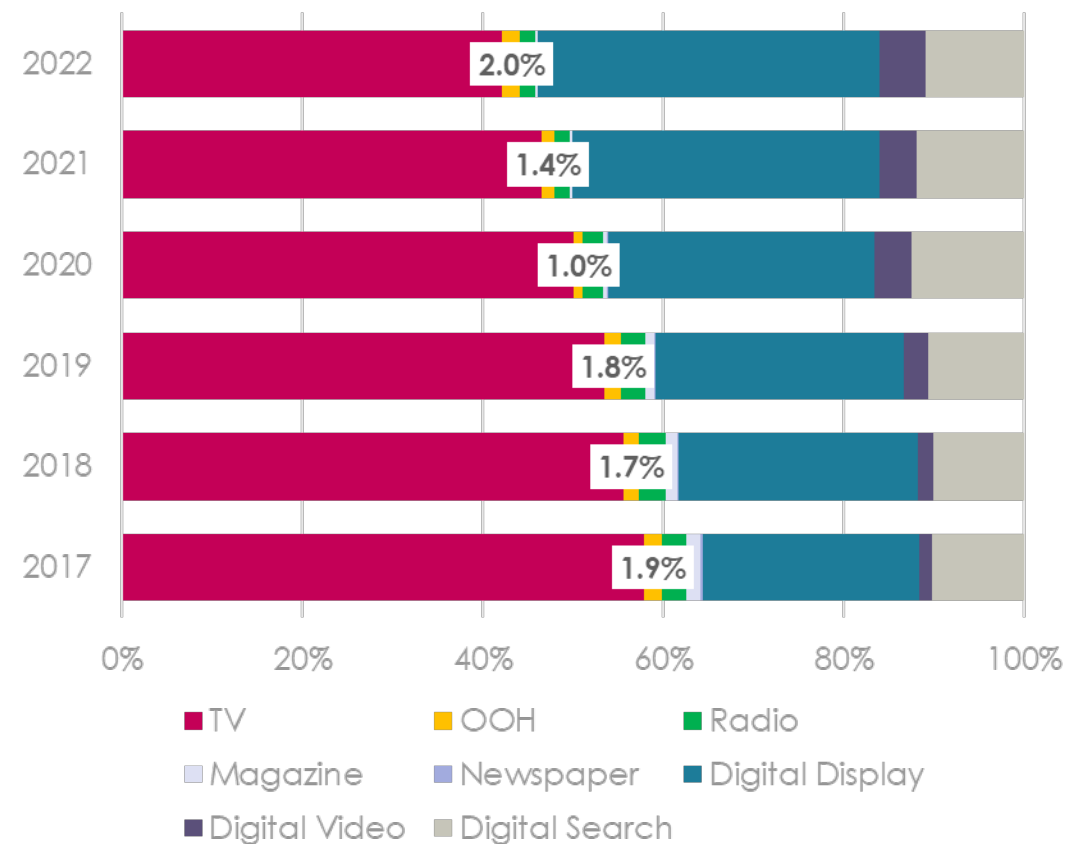
SMI \$bn spend by channel by year

Automotive 2017-2022



SMI % spend by channel by year

Automotive 2017-2022

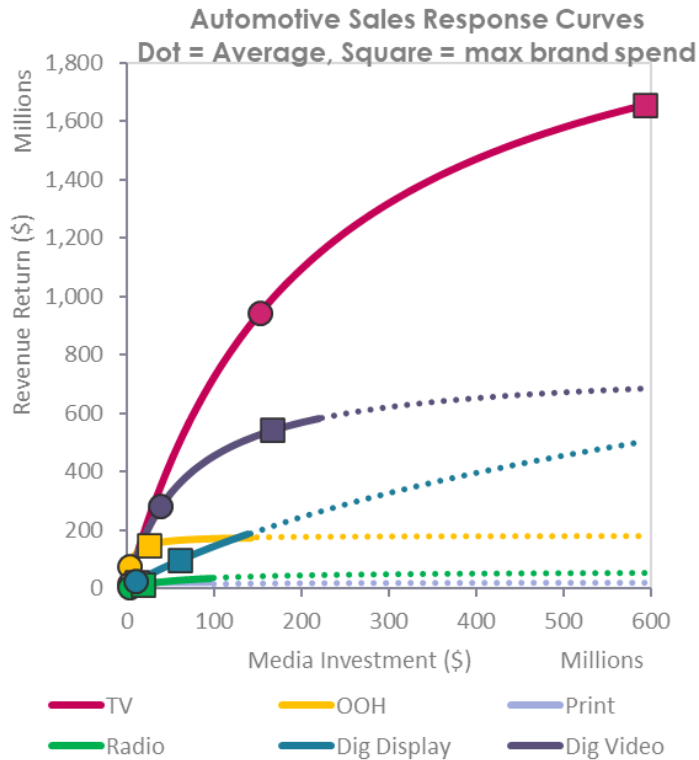




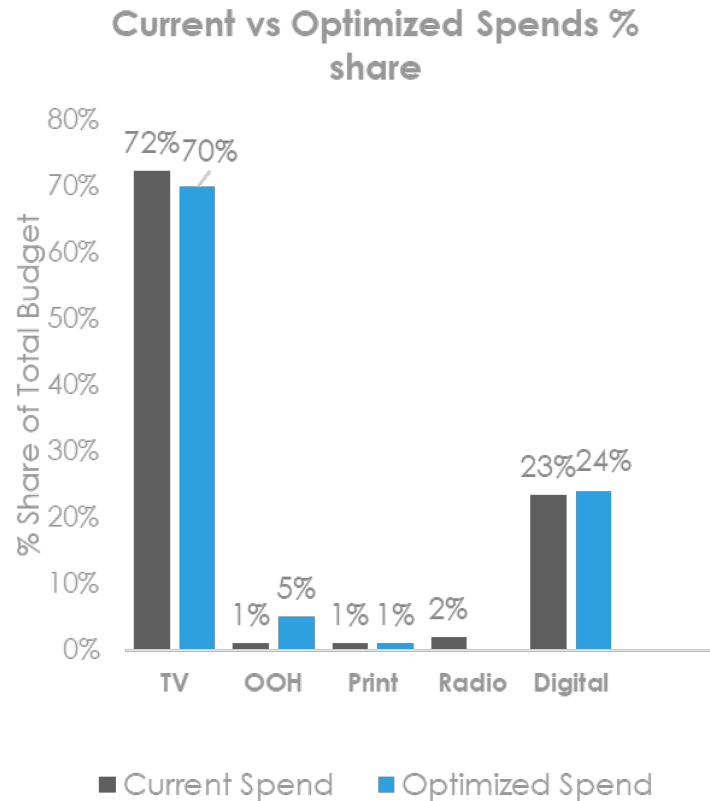
Automotive: Optimizing Sales RROAS using MMM Sales Curves

Increasing OOH allocation up to 5% and downweighting TV to 70% increases ROI by 5%

Sales response curves to identify optimal spend levels



Using the response curves to optimize current spend levels



Recommendations and Results

Decrease TV to 70% and upweight OOH to up to 5%, Digital to up to 24%

Extra \$69.23m revenue generated using the same budget

ROAS increases from 6.25 to 6.57

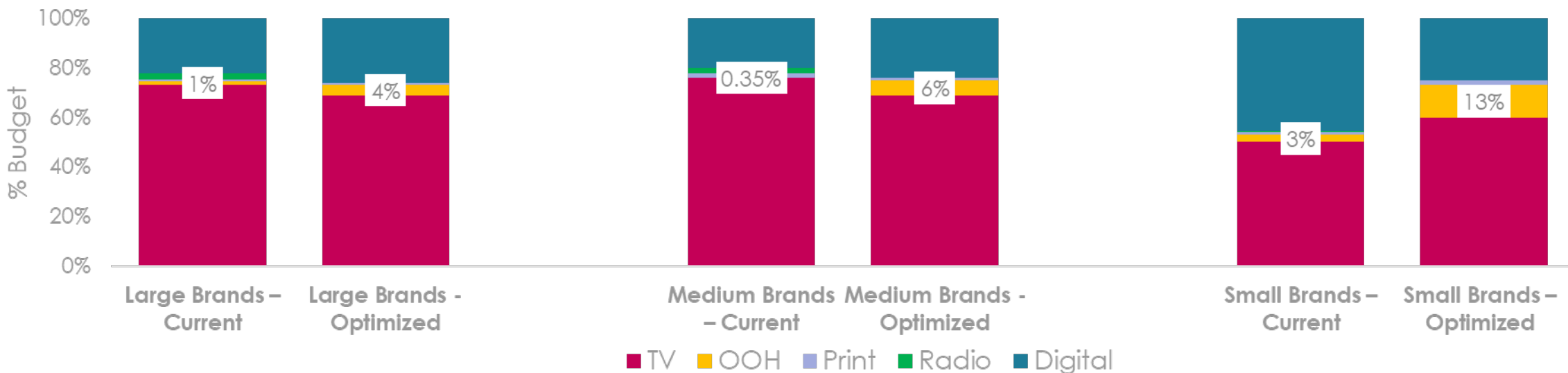
+5% RROAS increase



Automotive: Optimizing Sales RROAS for Small, Medium and Large brands

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

Current vs Optimized Budget Allocation by Brand Size



Large Brands
Spend range: \$317-\$827m
Increase OOH from 1% up to 4%
2% improvement in RROAS

Medium Brands
Spend range: \$83-\$245m
Increase OOH from 0.35% up to 6%
10% improvement in RROAS

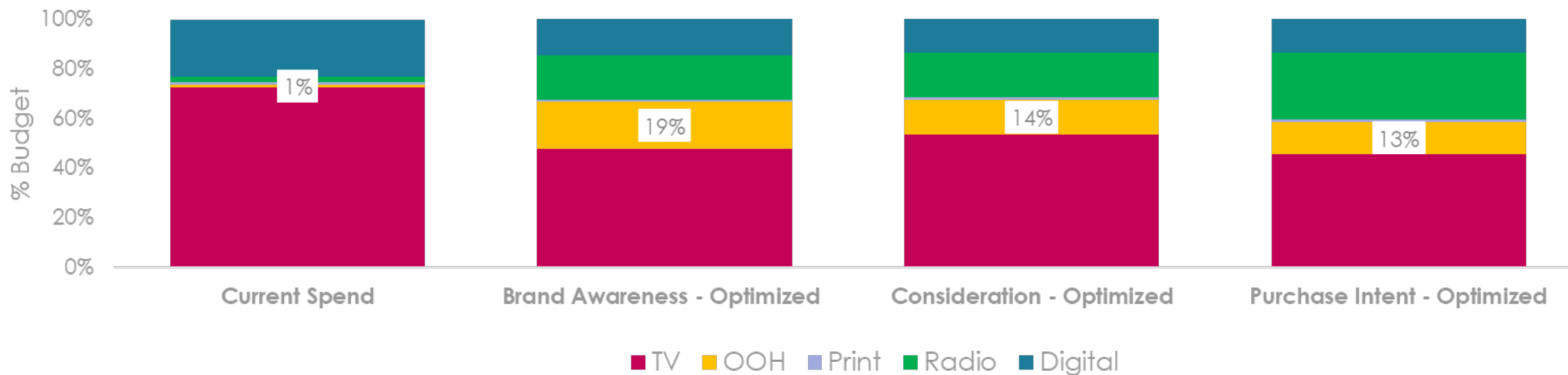
Small Brands
Spend range: \$0-\$78m
Increase OOH from 3% up to 13%
15% improvement in RROAS



Automotive: Optimizing Key Brand Metrics

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

Current vs Optimized Budget Allocation by Brand Metric



Current
OOH 1%

Brand Awareness
Increase OOH from 1% up to 19%
19% improvement in ROAS (Brand awareness points per \$m)

Consideration
Increase OOH from 1% up to 14%
11% improvement in ROAS (Consideration points per \$m)

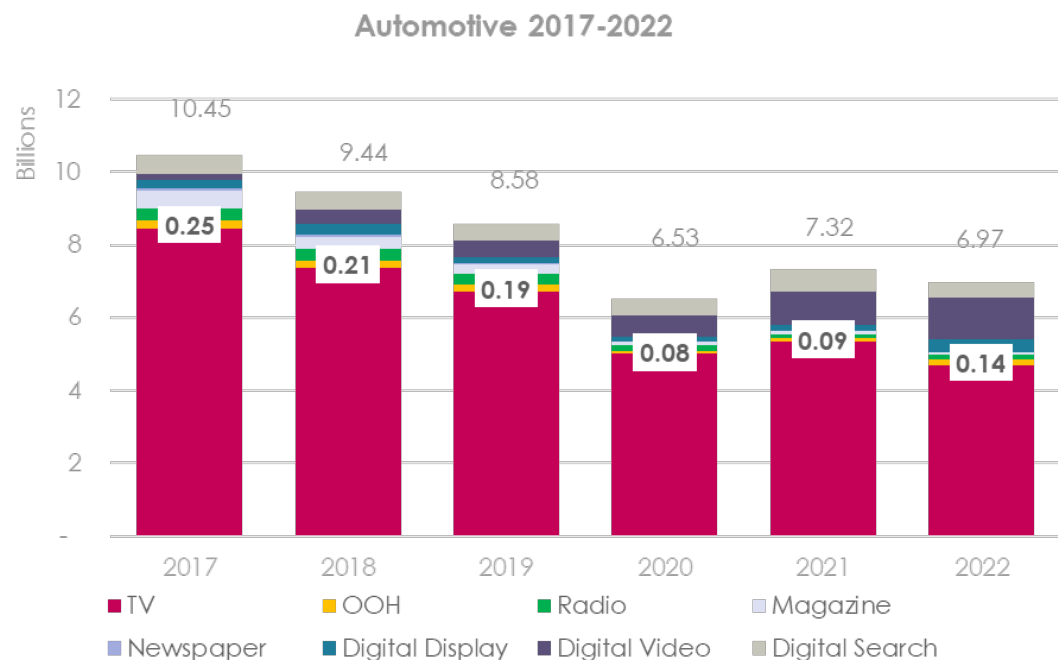
Purchase Intent
Increase OOH from 1% up to 13%
19% improvement in ROAS (Purchase Intent points per \$m)



Automotive Category Summary

To optimize sales ROAS and Brand metrics, OOH allocations should be incrementally increased across all measures

Vivix Automotive spends, mix – current and trend



Automotive best action for OOH (and where from)

	Automotive – Current mix	Brand Awareness - Optimized	Consideration - Optimized	Purchase Intent - Optimized	Sales - Optimized
TV	72%	48%	54%	46%	70%
OOH	1%	19%	14%	13%	5%
Print	1%	1%	1%	1%	1%
Radio	2%	18%	18%	27%	0%
Digital	23%	15%	14%	14%	24%

OOH is currently only at 1% of an average budget for an Automotive brand

The analysis recommends incremental increases to OOH of up to 5% and 19% to optimize sales and brand metrics

The increased allocation for OOH should come from TV, Digital and Print. Radio should be increased for Brand metrics, and TV increased for Sales effects

Appendix

The Benchmarking Modeling 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. Benchmarking 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** 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

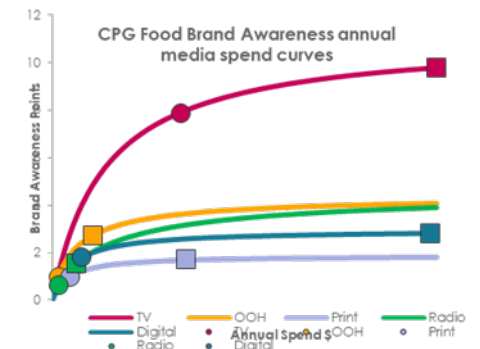
1.) Gather **data** by brand on **key brand metrics** (YouGov BrandIndex) and **media spends** by channel (Vivvix)

YouGov
BrandIndex

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

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