

Media Plan Optimization: Incremental Increases in OOH Share Sales ROI Analysis

October 2024

Project Summary

This report explores the impact of **incremental reallocation of budget** to achieve media plan optimization

- A prior 2023 study confirmed the importance of OOH in the media mix and determined that historical under-allocation of budget to OOH prevented overall media plan optimization. Findings included OOH:
 - Delivered a strong RROAS that can improve overall campaign RROAS
 - Drove improved brand perceptions throughout the marketing funnel
- Comprehensive econometric modelling was conducted on Sales data to understand the role of OOH. Three categories were evaluated within this study: Automotive, CPG Food, and Retail Grocery.
- The 2023 analysis provided RROAS numbers by media channel and optimal allocations by channel, detailing the impact of OOH using Sales data and included guidelines for allocating media channel spend levels to optimize overall improvements mainly focusing on OOH.
- This study builds on the 2023 analysis and examines the impact of **incremental reallocation of budget** on the path to full optimization of the total media plan, and the resulting optimal levels for OOH. This analysis supports the recommendation to use an incremental approach to adjusting OOH media allocations rather than single dramatic increases to full optimization.

This document showcases the results of the impact of incremental reallocation of budget on **sales** ROI analysis across the three categories. Incremental steps analysis across the brand metric models and categories are available in a separate document.

Key Findings

Even minor increases to OOH achieves significant gains for the total media plan

- Optimal budget allocation across **all media channels** demonstrates that **OOH budget** should be **increased** to increase sales revenue
- ROAS increases** with increased **allocation to OOH**
- Optimal budget allocation demonstrates that **OOH** has been an **historically significantly under invested** media channel
- The **majority of the gain** in ROAS is achieved with just the **first incremental increase of OOH**
- Results provide **confidence** that increasing **OOH** investment only slightly, achieves **significant gains**



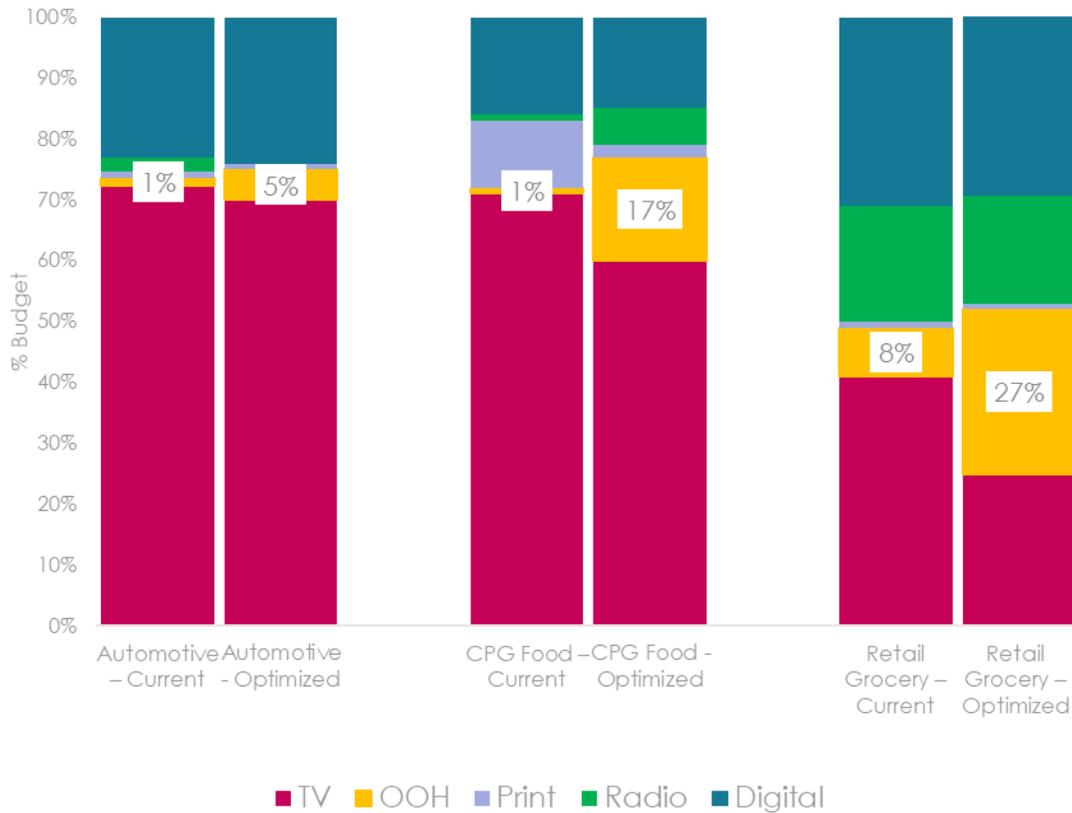
Summary Charts

Brand Awareness by Category: Current vs Optimal Media Allocation and ROAS improvement

OOH is increased in all categories to achieve Optimization

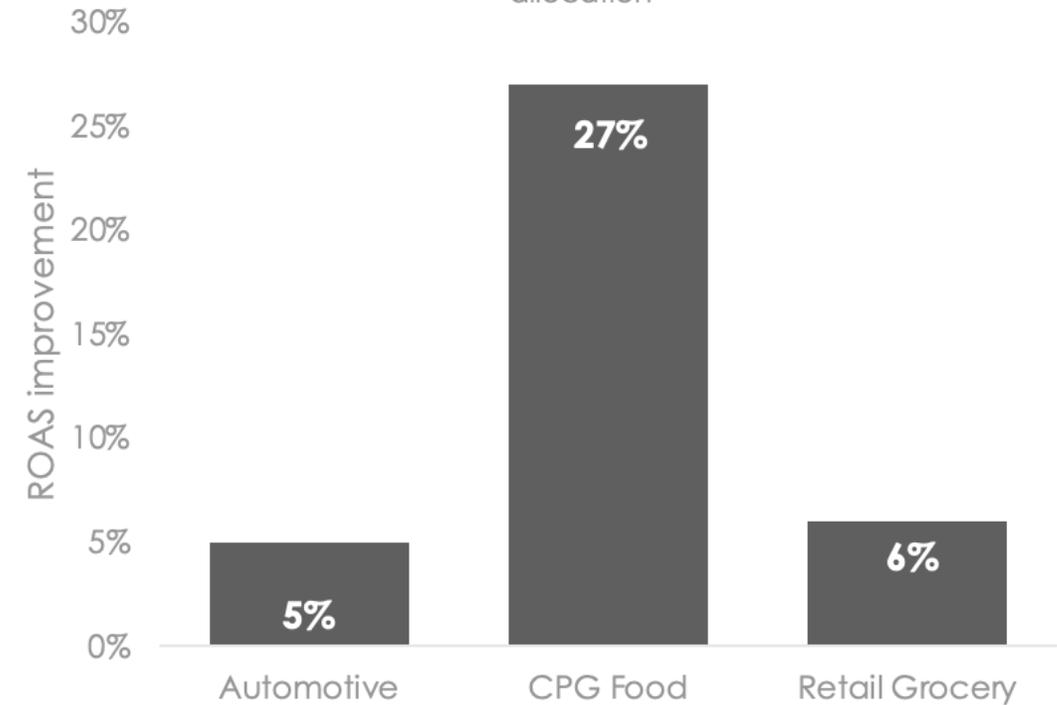
Optimized budget allocations recommends an increase in OOH in all three categories

Sales: Current vs Optimized Budget Allocation by Category



ROAS improves across all categories with an increase in allocation to OOH for optimal budget

Percentage improvement in ROAS with optimal budget allocation



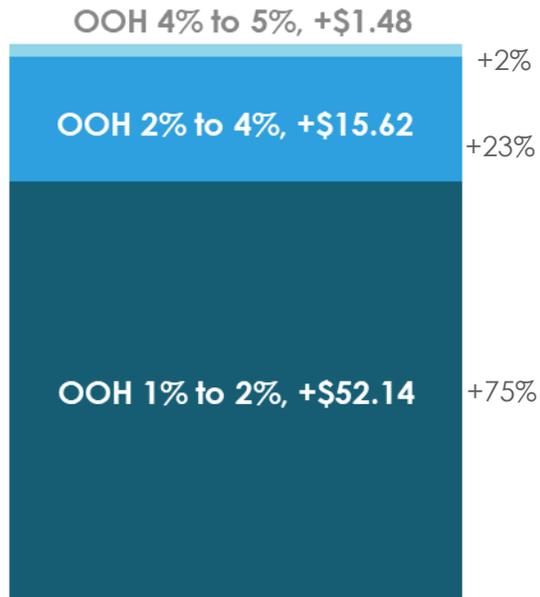
Impact of 3 incremental OOH increases – on incremental income generated by category

The initial incremental increase in OOH allocation generates the largest gain across all three categories



Automotive

Increase in income \$m with incremental increases in OOH for optimal allocation



Full Optimization is 1% to 5%: Total gain **\$69.2m**

75% gain is achieved in the **first incremental step**



CPG Food

Increase in income \$m with incremental increases in OOH for optimal allocation



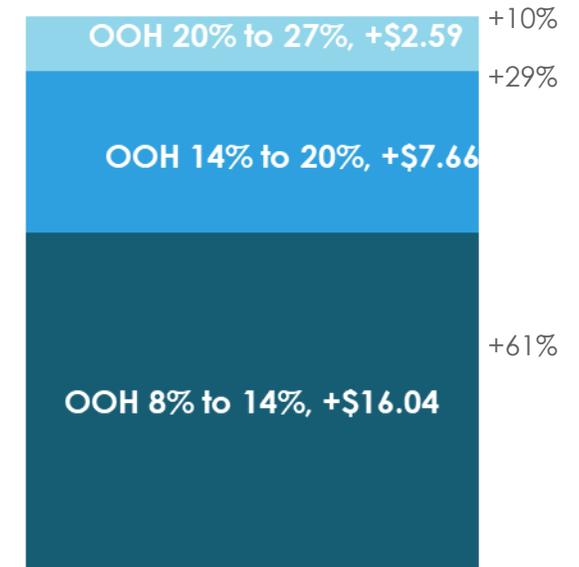
Full Optimization is 1% to 17%: Total gain **\$3.5m**

70% gain is achieved in the **first incremental step**



Retail Grocery

Increase in income \$m with incremental increases in OOH for optimal allocation



Full Optimization is 8% to 27%: Total gain **\$26.3m**

61% gain is achieved in the **first incremental step**

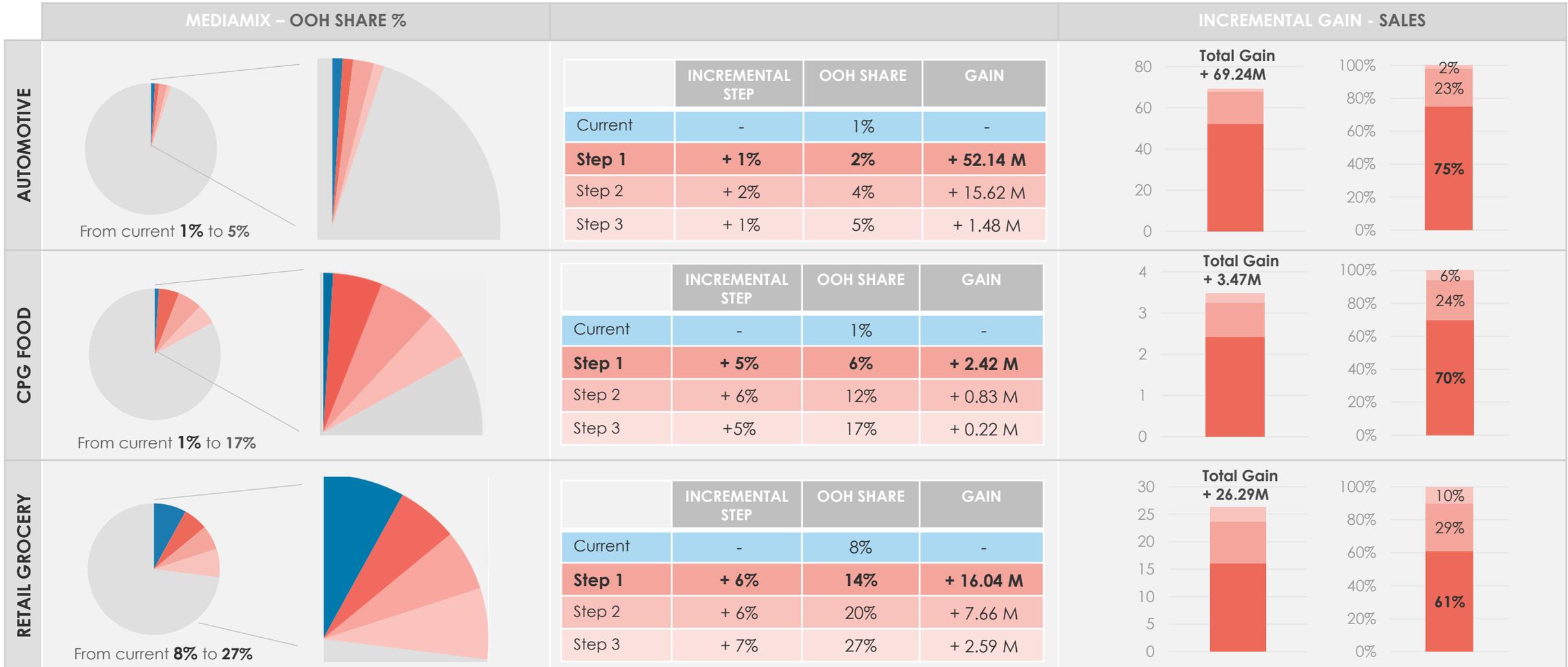
Income: incremental steps results summary table – all three categories

Majority of gain is achieved in step 1 for all categories

Income	Automotive			CPG Food			Retail Grocery		
	% OOH allocation step increase	Increase in Income \$m	% of total gain in step	% OOH allocation step increase	Increase in Income \$m	% of total gain in step	% OOH allocation step increase	Increase in Income \$m	% of total gain in step
Step 1	OOH 1% to 2%	52.14	75%	OOH 1% to 6%	2.42	70%	OOH 8% to 14%	16.04	61%
Step 2	OOH 2% to 4%	15.62	23%	OOH 6% to 12%	0.83	24%	OOH 14% to 20%	7.66	29%
Step 3	OOH 4% to 5%	1.48	2%	OOH 12% to 17%	0.22	6%	OOH 20% to 27%	2.59	10%
Total - Optimal	OOH 1% to 5%	69.24	100%	OOH 1% to 17%	3.47	100%	OOH 8% to 27%	26.29	100%

SALES GAIN through Incremental OOH Share

Majority of gain is achieved in step 1 for all categories



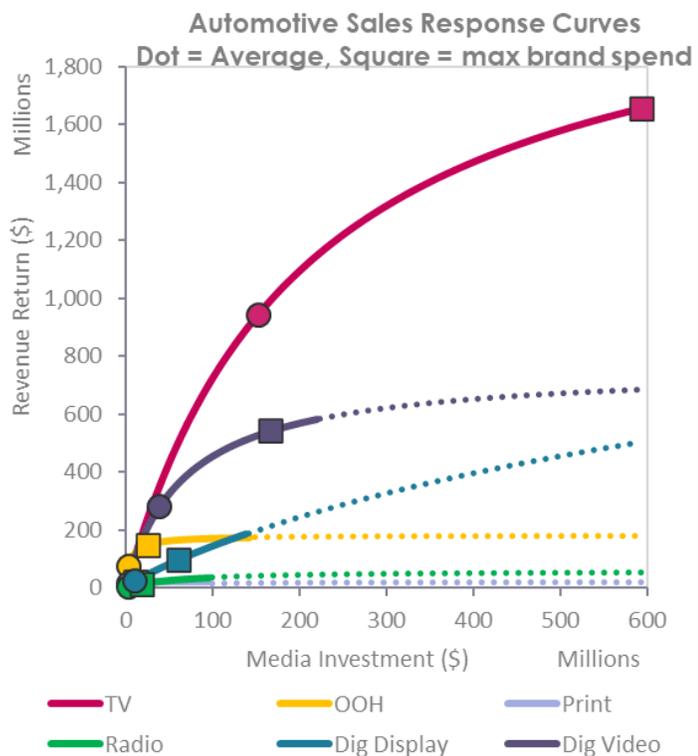
Automotive Budget Allocation: Incremental Steps



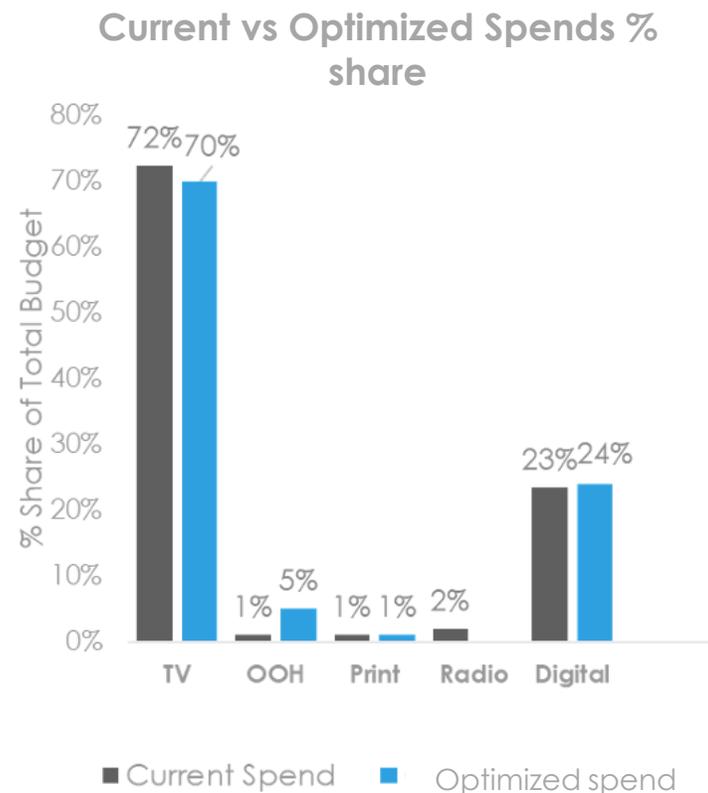


Automotive OPTIMAL OOH allocation for sales RROAS: increase OOH from 1% to 5%

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 5%**, **Digital to 24%**
(Downweight TV and Radio)

Extra **\$69.23m** revenue generated using the same budget

Total Media ROAS increases from **6.25** to **6.57**

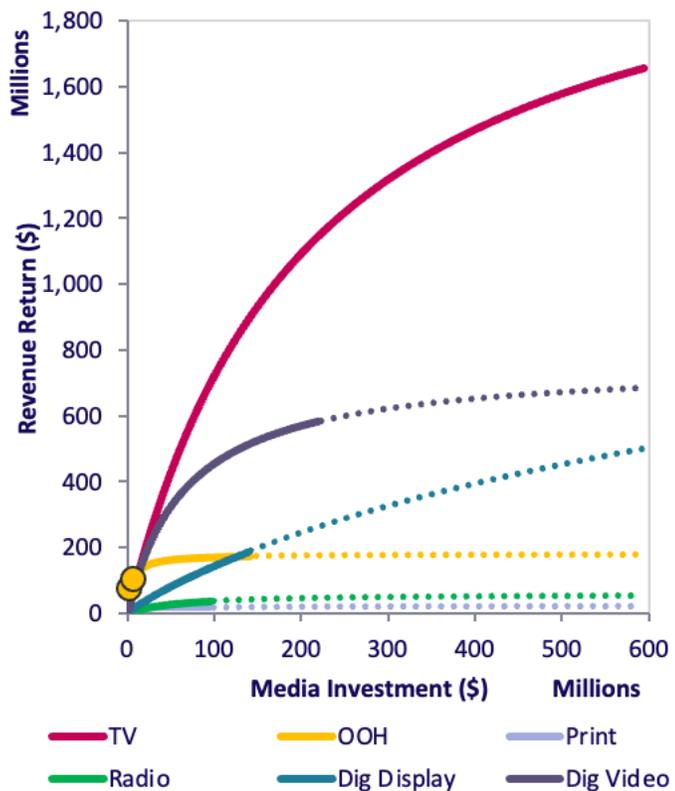
+5% Total Media RROAS increase



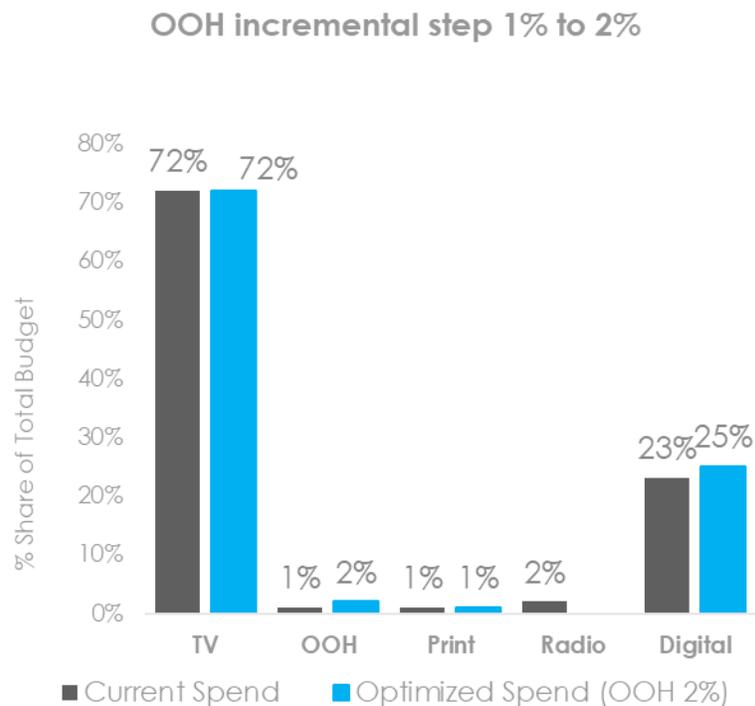
Automotive INCREMENTAL OOH increase for sales RROAS: increase OOH from 1% to 2%

(Optimal OOH is 5%)

Sales response curves: dots show incremental OOH increase 1 - 2 %



Reallocation of current budget to optimize – incremental step for OOH



Recommendations and Results

Incremental upweight OOH from 1% to 2%

(Downweight Radio)

Extra **\$52.14m** revenue generated using the same budget

Total media ROAS increases from **6.25** to **6.49**

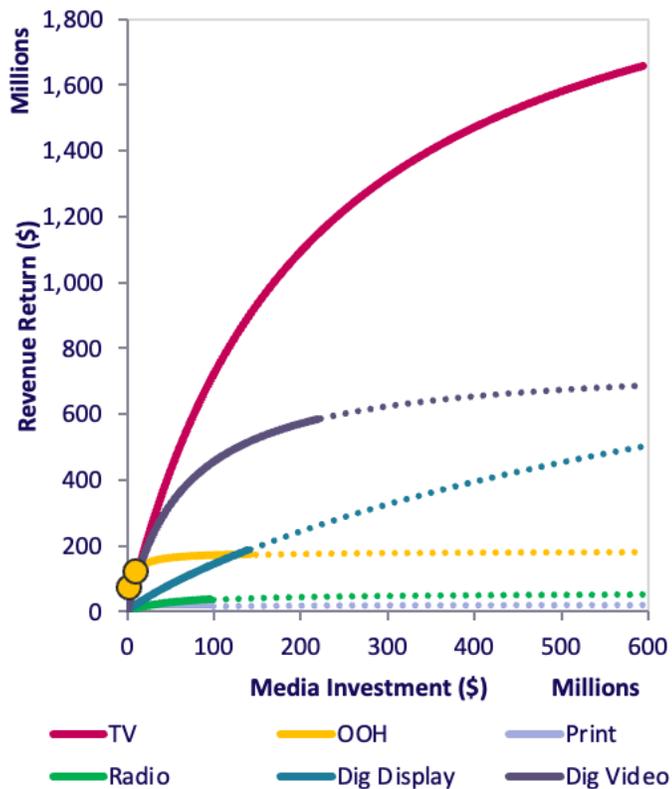
+4% Total media RROAS increase



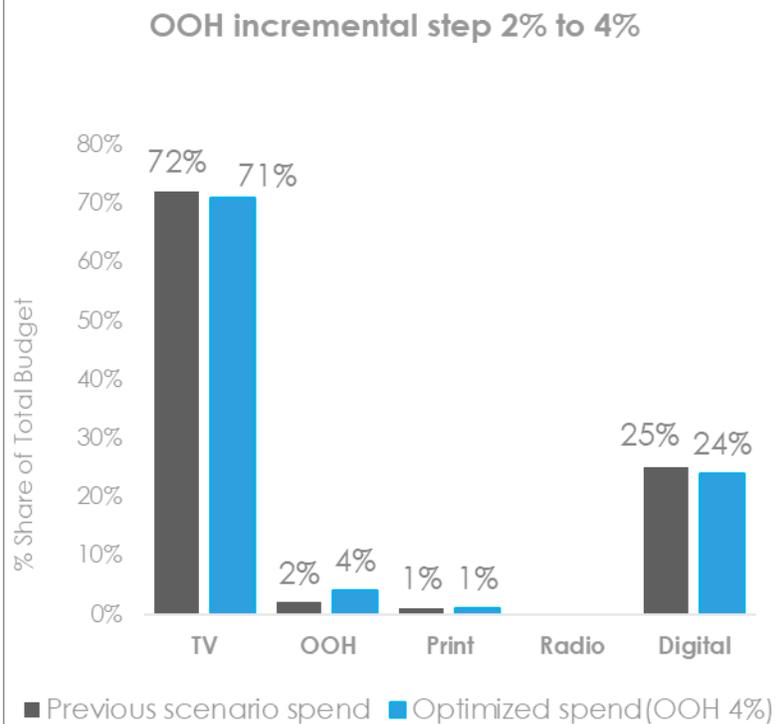
Automotive INCREMENTAL OOH increase for sales RROAS: increase OOH from 2% to 4%

Based on average 2022 brand spend (optimal OOH is 5%)

Sales response curves: dots show incremental OOH increase 2 - 4%



Reallocation of current budget to optimize – incremental step for OOH



Recommendations and Results

Incremental upweight OOH from 2% to 4%
(Downweight TV, Digital and Radio)

Extra **\$15.62m** revenue generated using the same budget

Total media ROAS increases from **6.49** to **6.57**

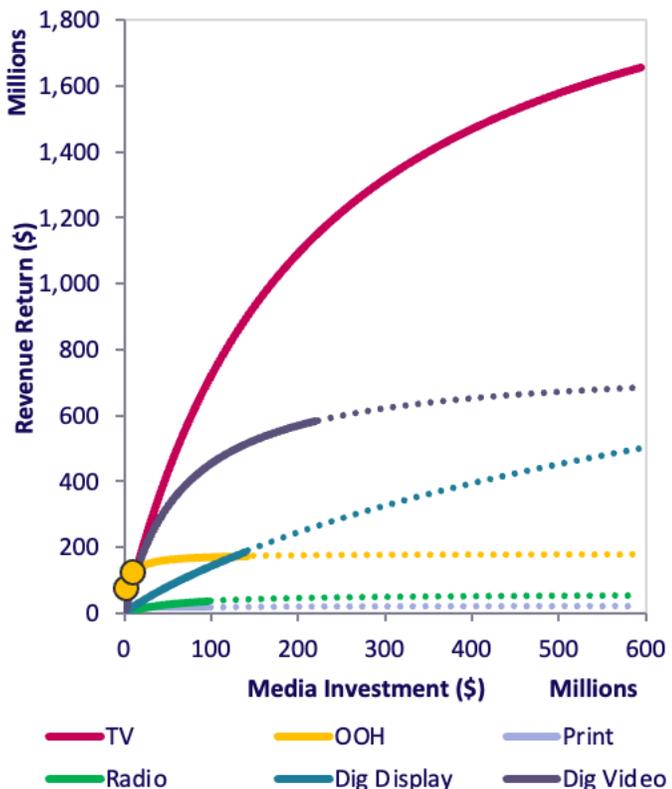
+1% Total media RROAS increase



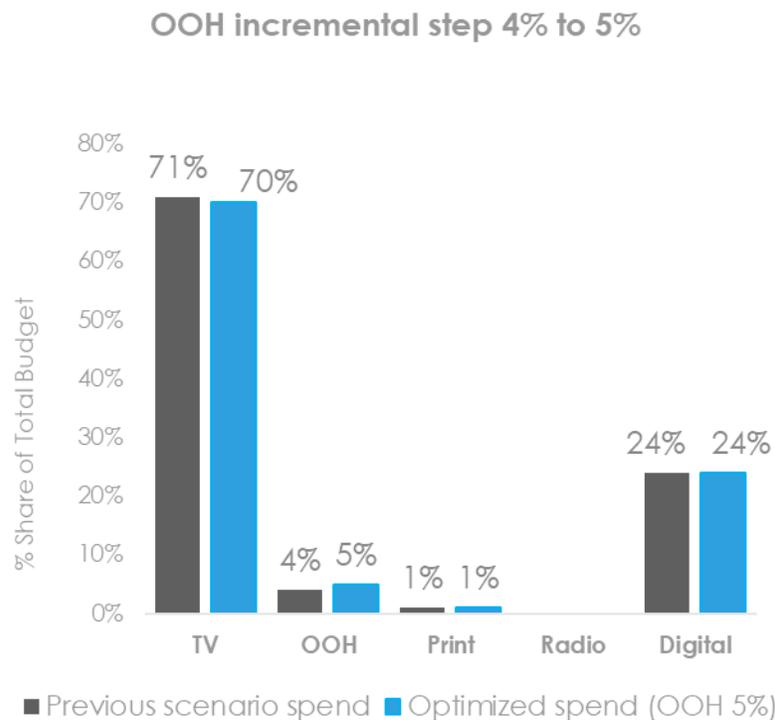
Automotive INCREMENTAL OOH increase for sales RROAS: increase OOH from 4% to 5%

(Optimal OOH is 5%)

Sales response curves: dots show incremental OOH increase 4 - 5%



Reallocation of current budget to optimize – incremental step for OOH



Recommendations and Results

Incremental upweight OOH from 4% to 5%

(Downweight TV)

Extra **\$1.48m** revenue generated using the same budget

Total media ROAS increases from **6.567** to **6.573**

+0.11% Total media RROAS increase

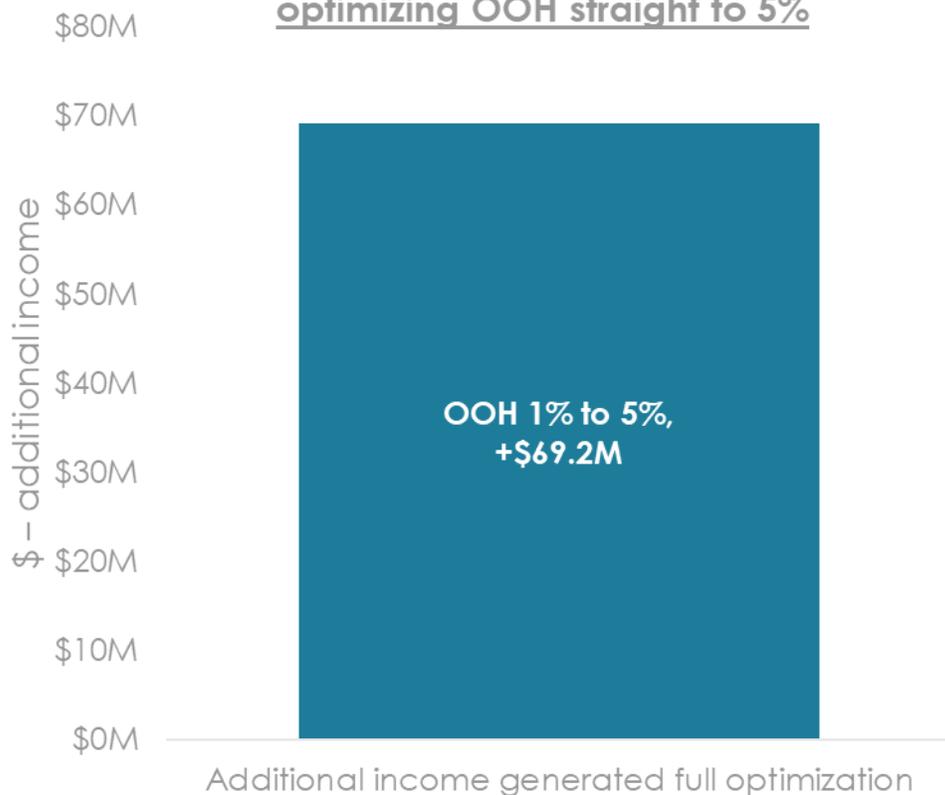


Full optimization vs the three incremental steps in increasing OOH% allocation

The first incremental increase from 1% to 2% generates the largest part of the total optimized income increase

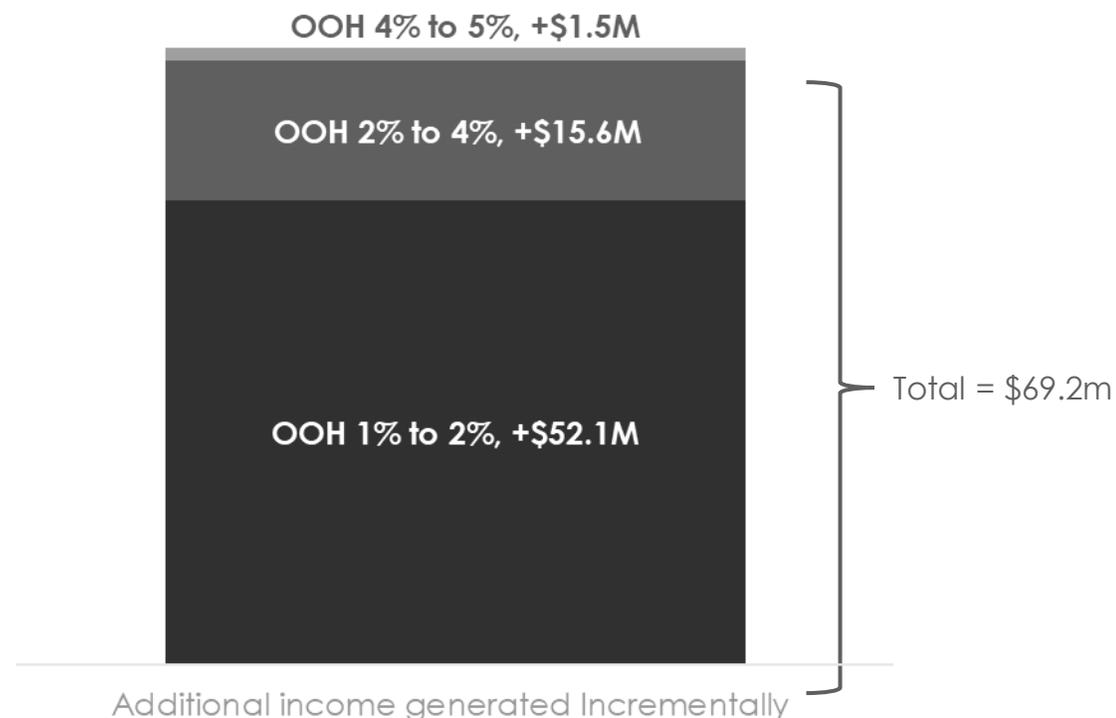
Full Optimization

Additional income \$m generated from optimizing OOH straight to 5%



Incremental Optimization

Additional income \$m generated from incremental increases in OOH

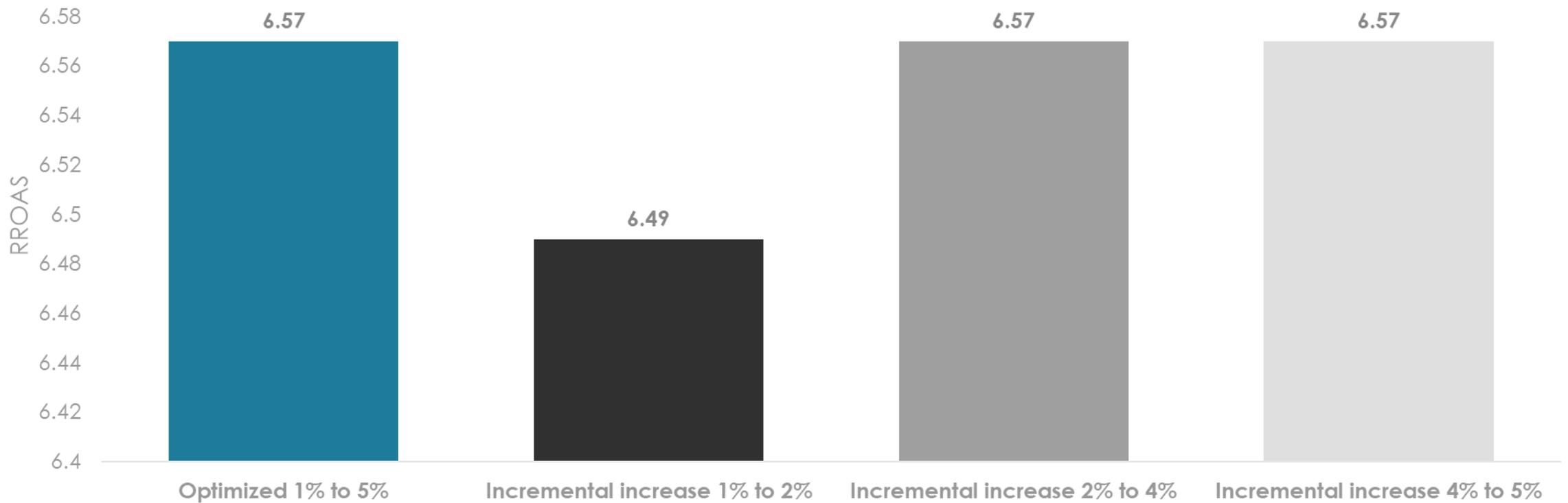




Full optimization vs Incremental increases in OOH allocation: RROAS

RROAS of 6.57 with optimal 5% OOH allocation is fully achieved within the incremental 2-5% OOH allocation

Total Campaign RROAS



CPG Food

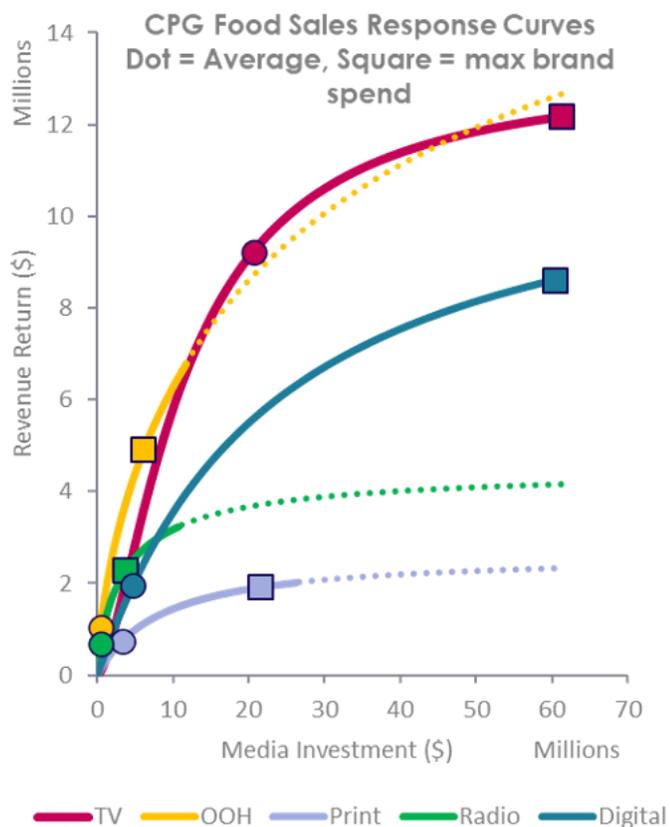
Budget Allocation: Incremental Steps



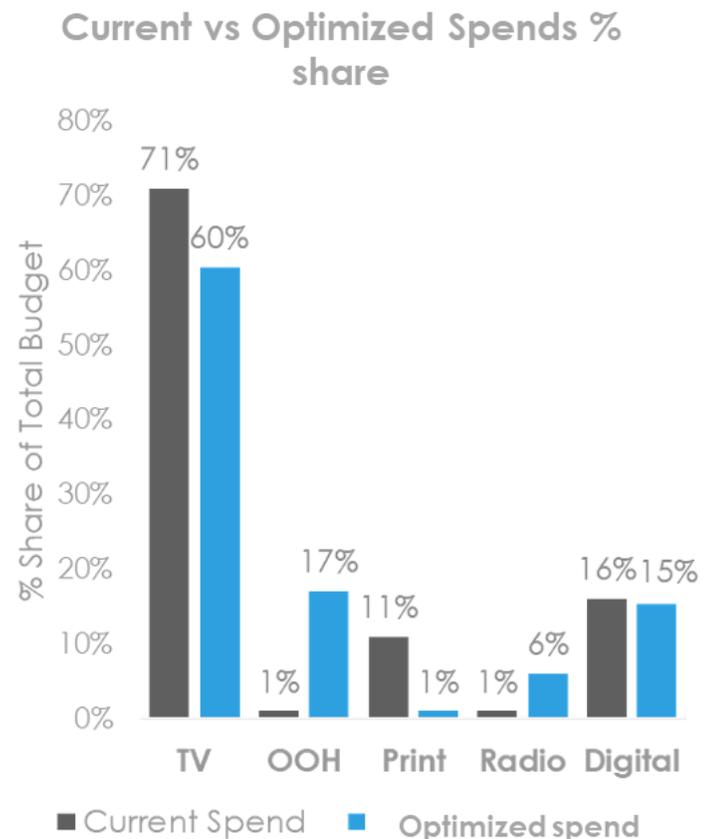


CPG Food OPTIMAL OOH allocation for sales RROAS: increase OOH from 1 to 17%

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 to 17%**
Also increase Radio

Extra \$3.47m revenue generated using the same budget

Total media RROAS increases from **0.45** to **0.57**

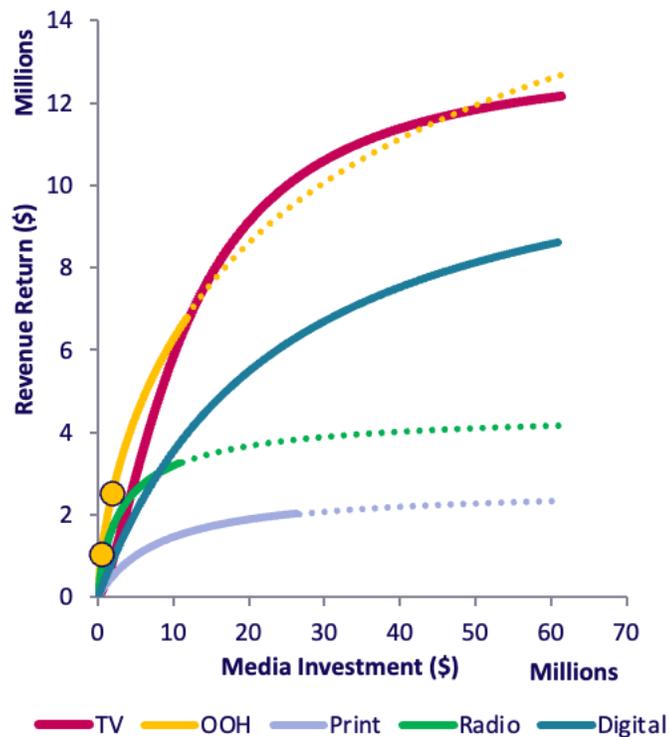
+27% Total media RROAS increase



CPG INCREMENTAL OOH increase for sales RROAS: increase OOH from 1% to 6%

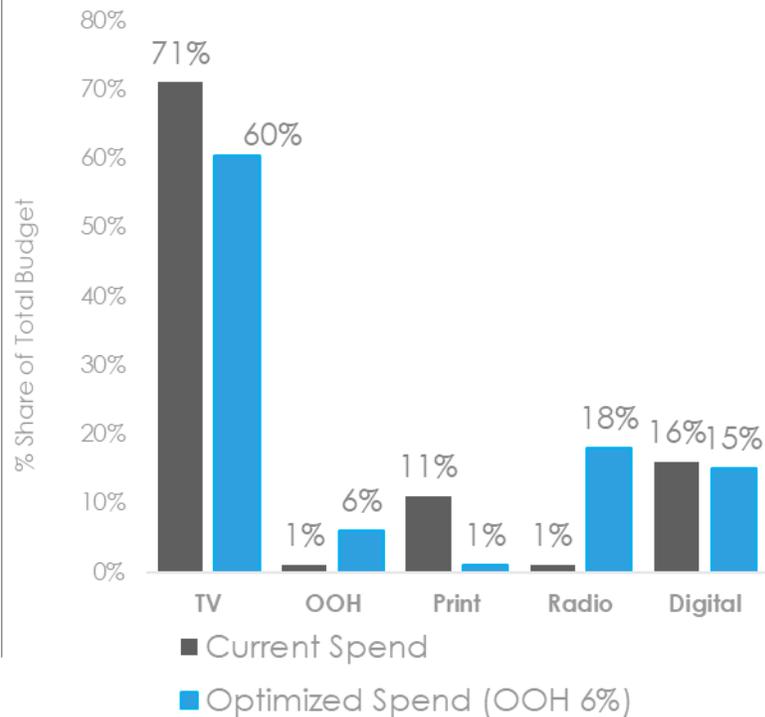
(Optimal OOH is 17%)

Sales response curves: dots show incremental OOH increase 1 - 6 %



Reallocation of current budget to optimize – incremental step for OOH

OOH incremental step: 1% to 6%



Recommendations and Results

Incremental upweight OOH from 1% to 6%
(Downweight TV and Print)

Extra \$2.42m revenue generated using the same budget

Total media RROAS increases from **0.45** to **0.54**

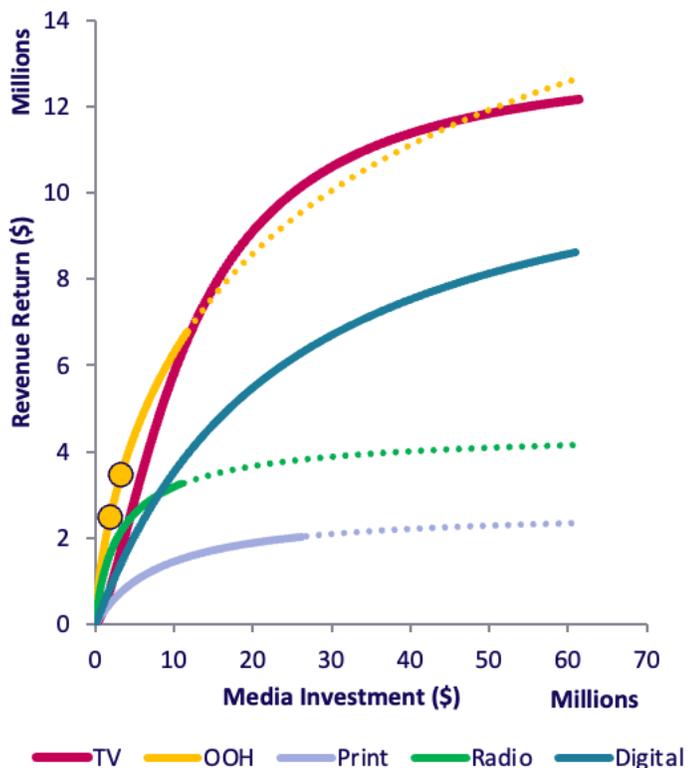
+19% Total media RROAS increase



CPG INCREMENTAL OOH increase for sales RROAS: increase OOH from 6% to 12%

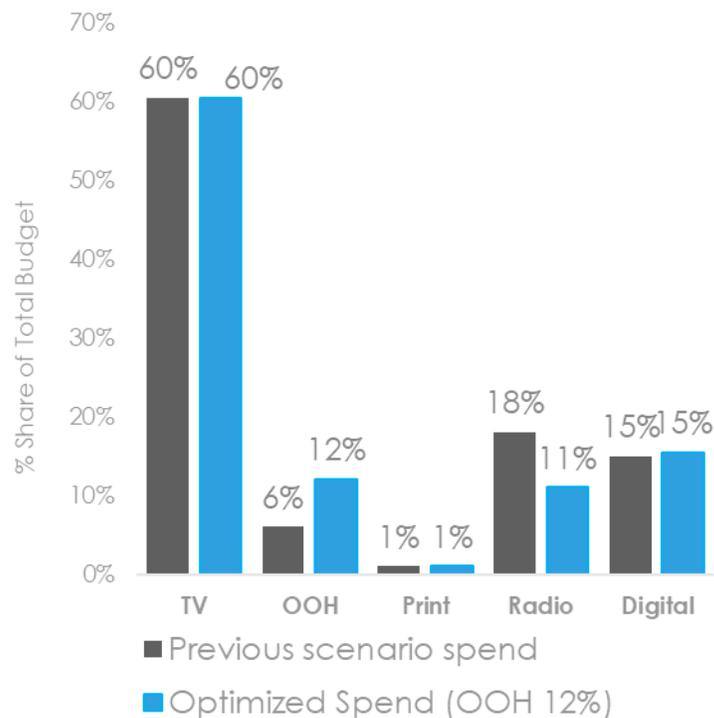
(Optimal OOH is 17%)

Sales response curves: dots show incremental OOH increase 6 - 12 %



Reallocation of current budget to optimize – incremental step for OOH

OOH incremental step: 6% to 12%



Recommendations and Results

Incremental upweight OOH from 6% to 12%
(Downweight Radio and Digital)

Extra \$0.83m revenue generated using the same budget

Total media RROAS increases from **0.54** to **0.57**

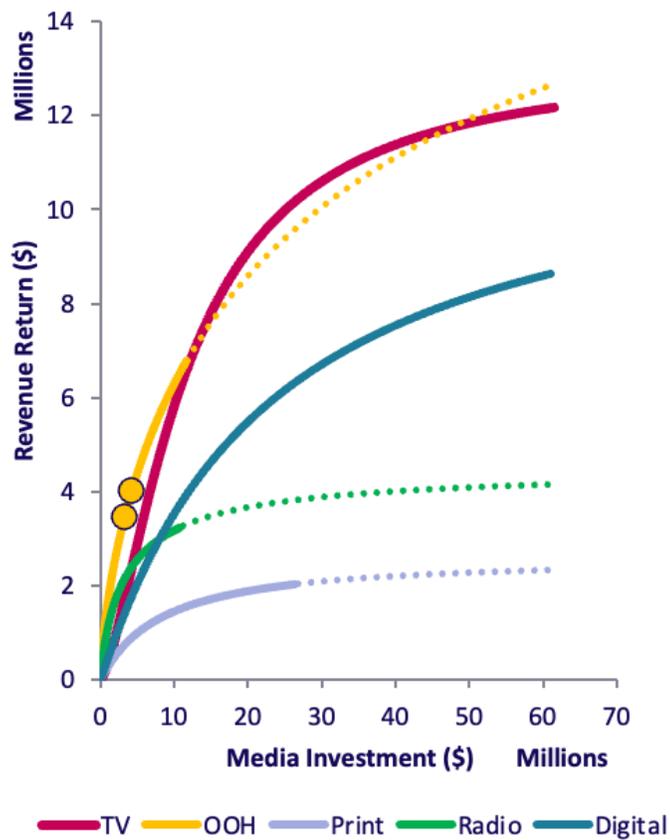
+5% Total media RROAS increase



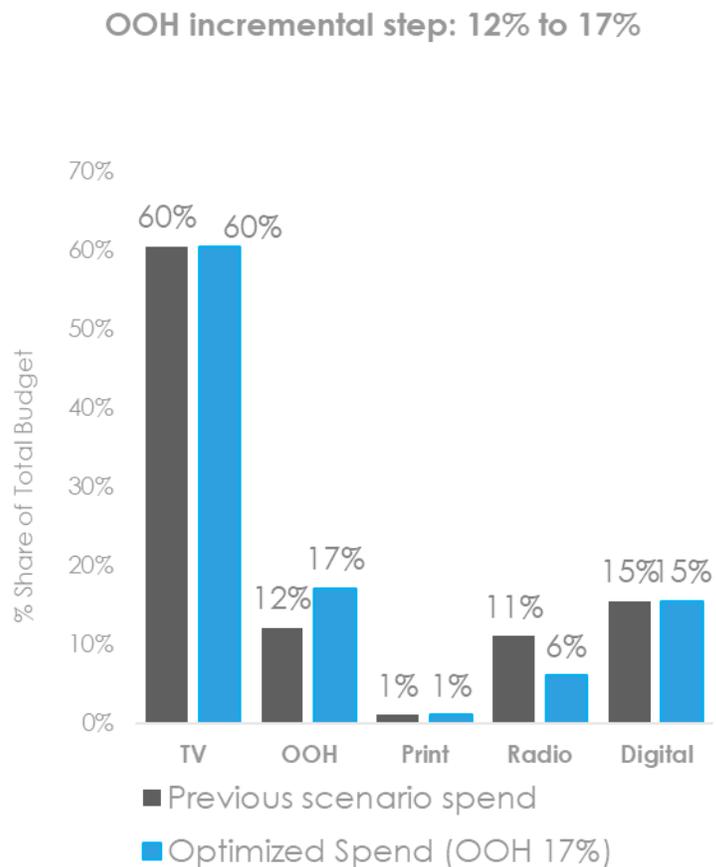
CPG INCREMENTAL OOH increase for sales RROAS: increase OOH from 12% to 17%

(Optimal OOH is 17%)

Sales response curves: dots show incremental OOH increase 12- 17 %



Reallocation of current budget to optimize – incremental step for OOH



Recommendations and Results

Incremental upweight OOH from 12% to 17%
(Downweight Radio and Digital)

Extra \$0.22m revenue generated using the same budget

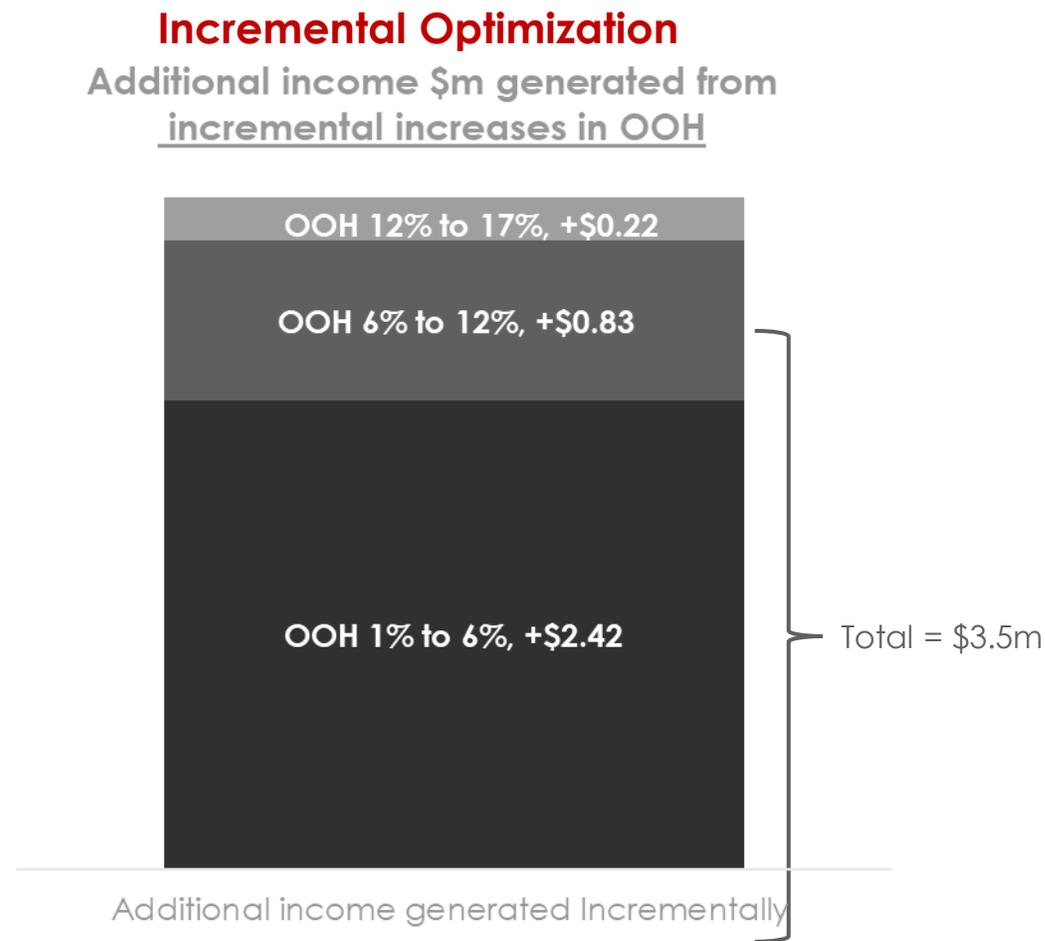
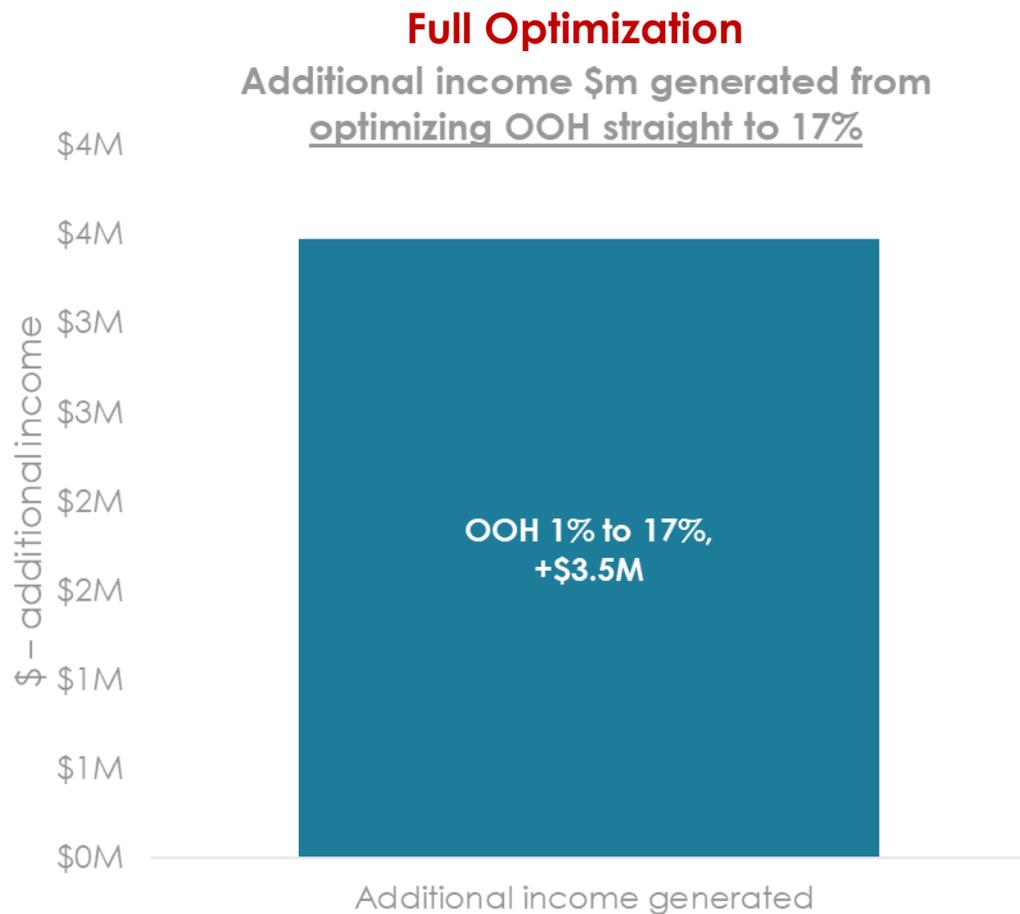
Total media RROAS increases from **0.567** to **0.575**

+1% Total media RROAS increase



Full optimization vs the three incremental steps in increasing OOH% allocation

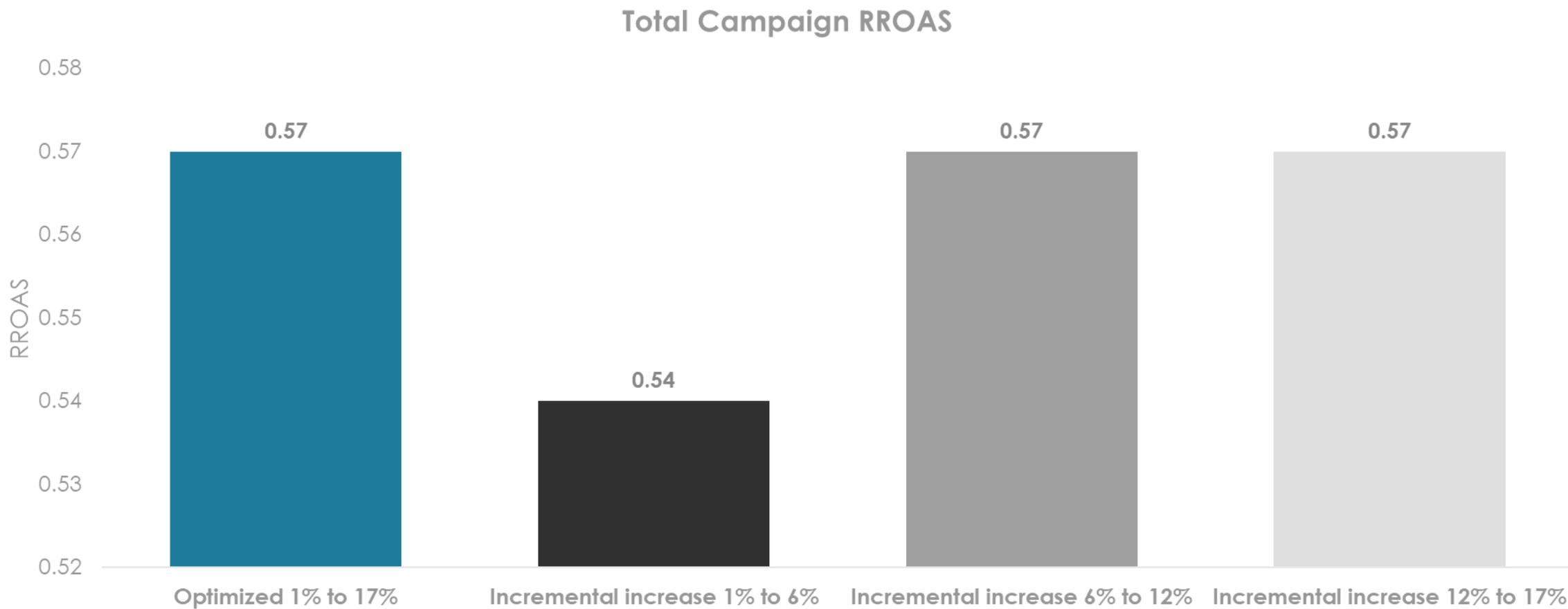
The first incremental increase from 1 to 6% generates the largest part of the total optimized income increase





Full optimization vs Incremental increases in OOH allocation RROAS

ROAS of 0.57 with optimal 17% OOH allocation is fully achieved within the incremental 6-12% OOH allocation



Retail Grocery

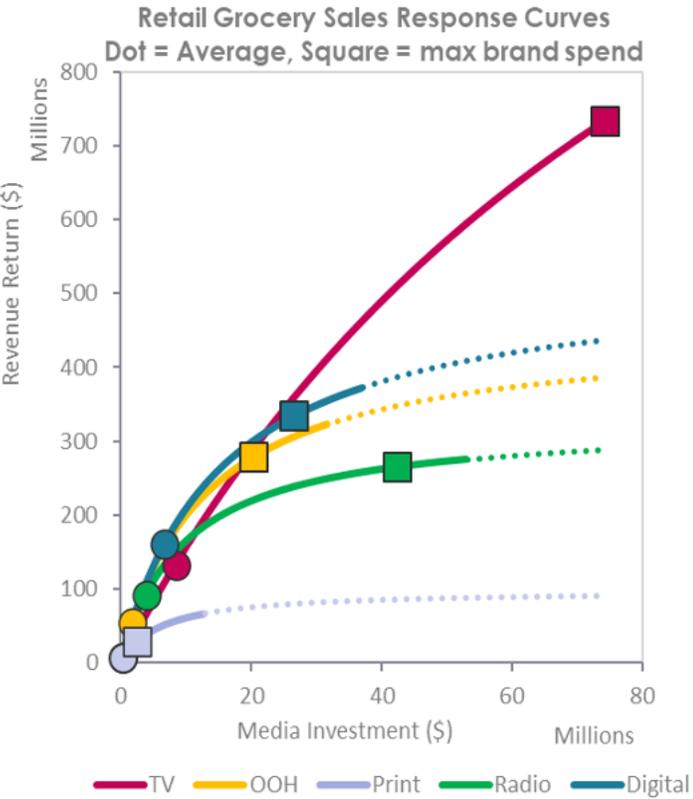
Budget Allocation: Incremental Steps



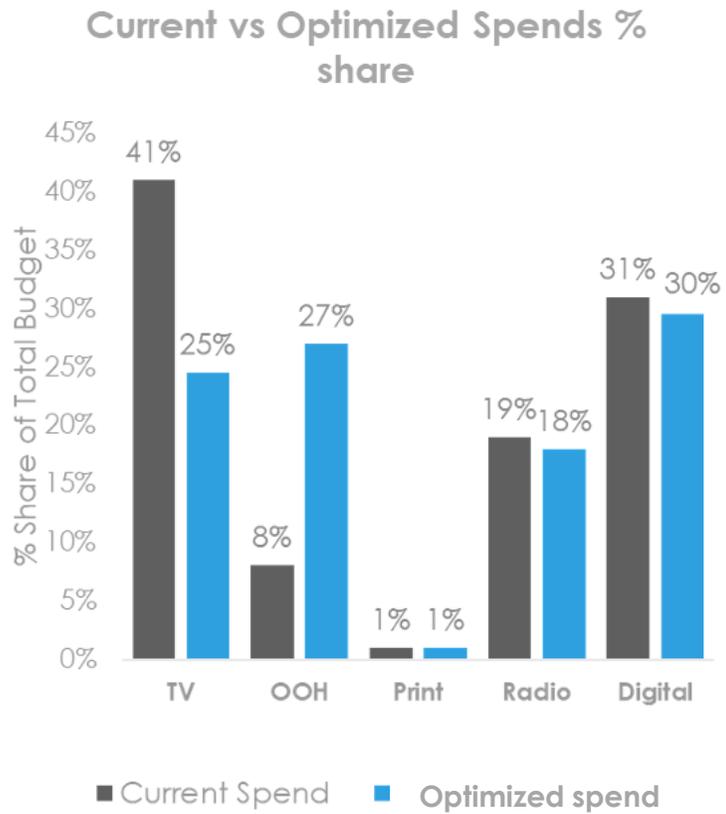


Retail Grocery OPTIMAL OOH allocation for sales RROAS: increase OOH from 8 to 27%

Sales response curves to identify optimal spend levels



Using the response curves to optimize current spend levels



Recommendations and Results

Decrease TV to 25% and upweight OOH to 27%

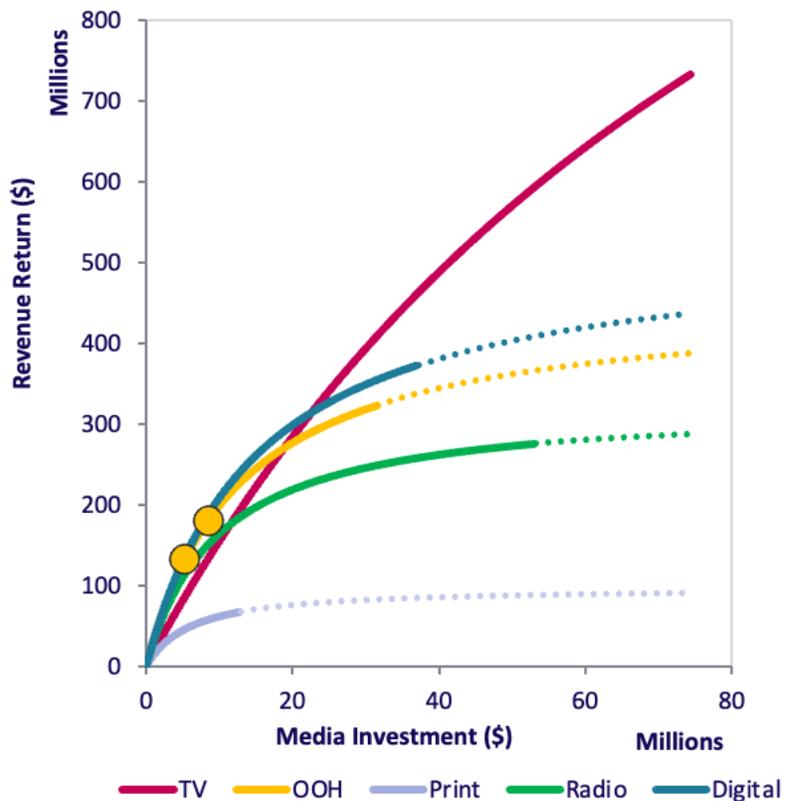
Extra \$26.29m revenue generated using the same budget

Total media RROAS increases from 21.08 to 22.33
+6% total media RROAS increase



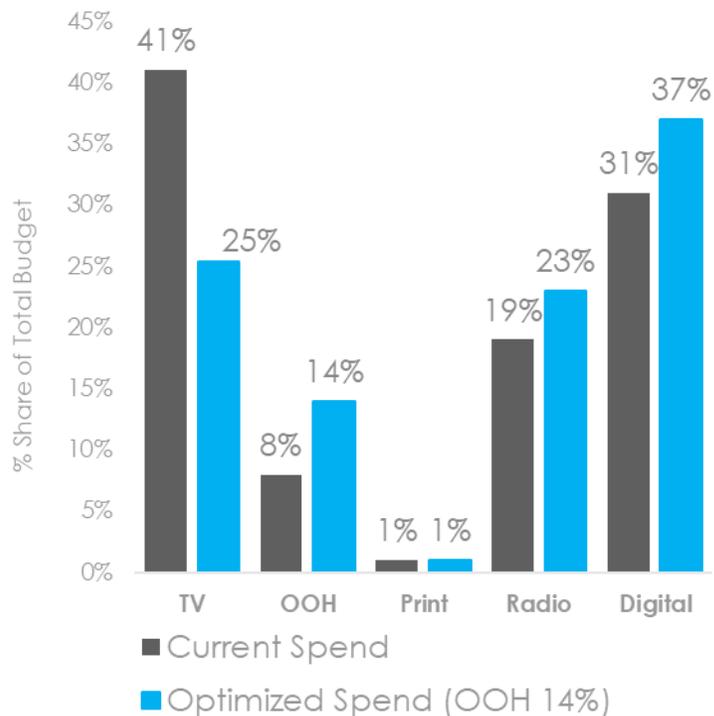
Retail Grocery INCREMENTAL OOH increase for sales RROAS: increase OOH from 8% to 14% (Optimal OOH is 27%)

Sales response curves: dots show incremental OOH increase 8 - 14 %



Reallocation of current budget to optimize – incremental step for OOH

OOH incremental step: 8% to 14%



Recommendations and Results

Incremental upweight OOH
from 8% to 14%
(Downweight TV)

Extra \$16.04m revenue
generated using the same
budget

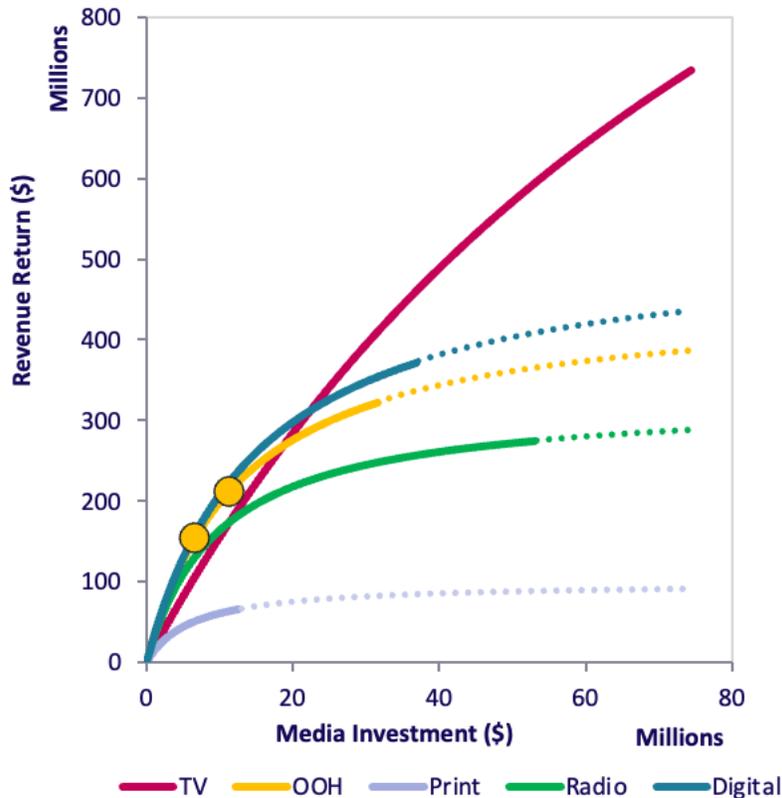
Total media RROAS increases
from 21.08 to 21.84

+4% Total media RROAS
increase



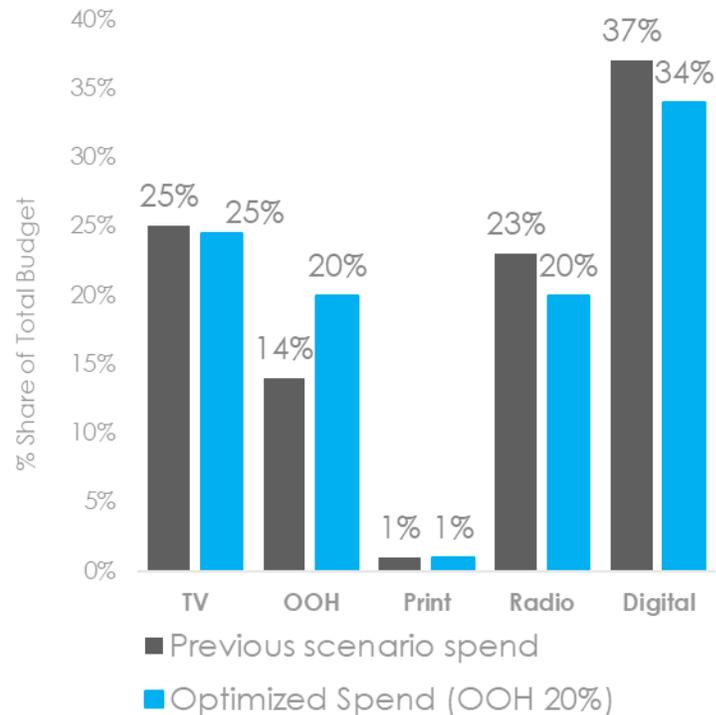
Retail Grocery INCREMENTAL OOH increase for sales RROAS: increase OOH from 14% - 20% (Optimal OOH is 27%)

Sales response curves: dots show incremental OOH increase 14 - 20 %



Reallocation of current budget to optimize – incremental step for OOH

OOH incremental step: 14% to 20%



Recommendations and Results

Incremental upweight OOH from 14% to 20%
(Downweight TV, Radio and Digital)

Extra \$7.66m revenue generated using the same budget

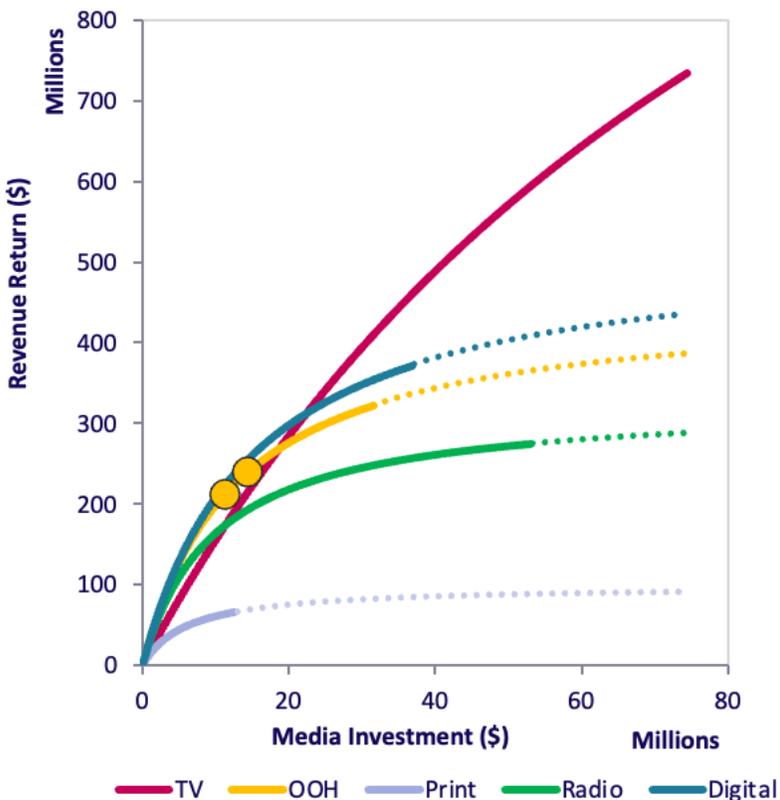
Total media RROAS increases from **21.84** to **22.21**

+2% Total media RROAS increase

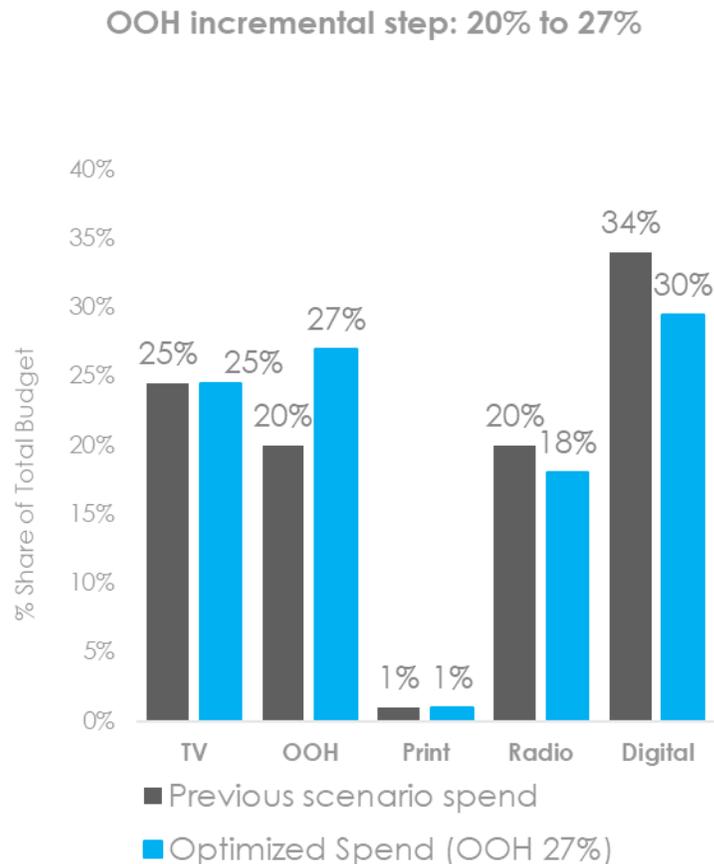


Retail Grocery INCREMENTAL OOH increase for sales RROAS: increase OOH from 20%-27% (Optimal OOH is 27%)

Sales response curves: dots show incremental OOH increase 20 - 27 %



Reallocation of current budget to optimize – incremental step for OOH



Recommendations and Results

Incremental upweight OOH from 20% to 27%
(Downweight Radio and Digital)

Extra \$2.59m revenue generated using the same budget

Total media RROAS increases from **22.21** to **22.33**

+1% Total media RROAS increase

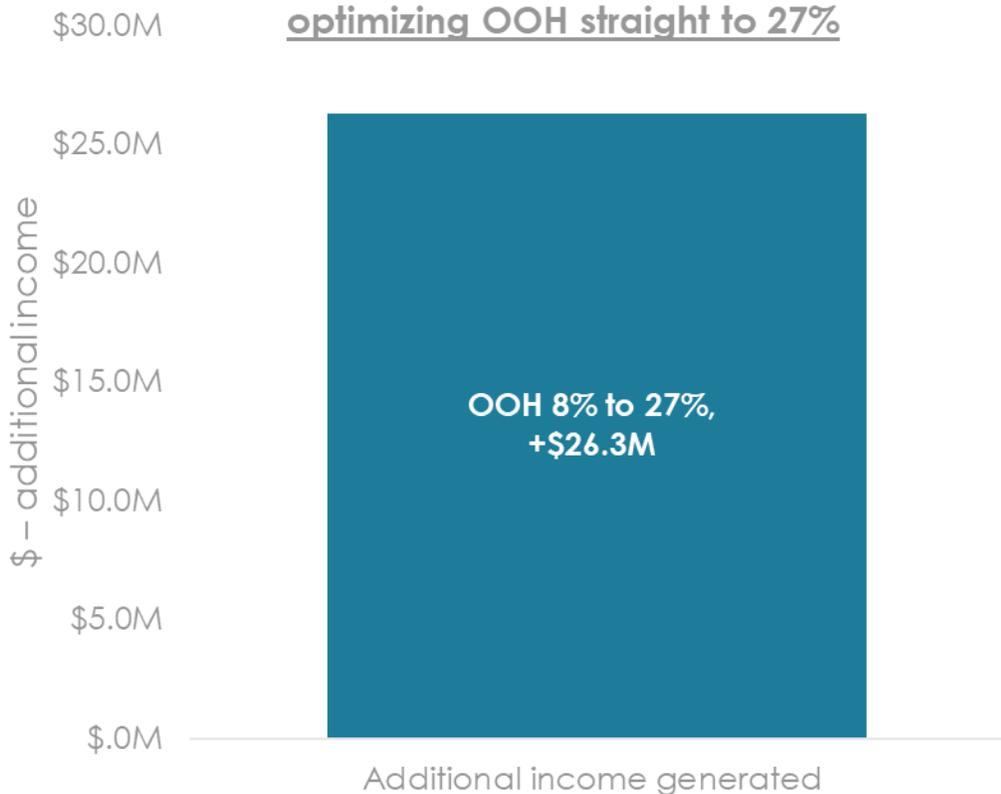


Full optimization vs the three incremental steps in increasing OOH% allocation

The first incremental increase from 8 to 14% generates the largest part of the total optimized income increase

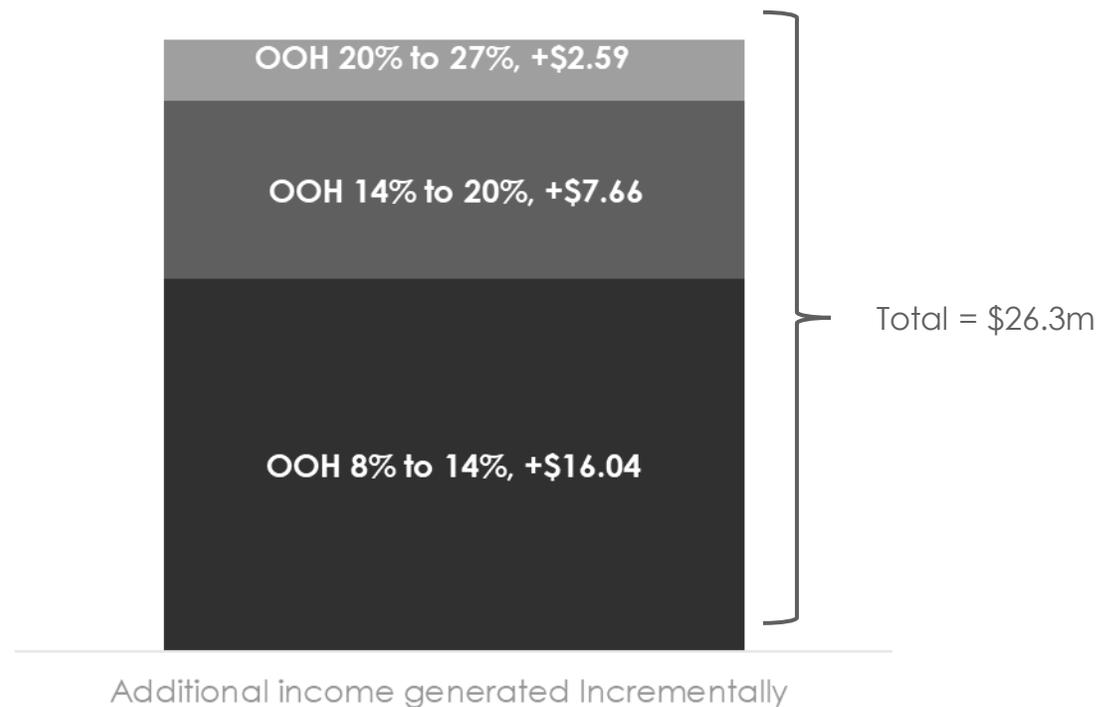
Full Optimization

Additional income \$m generated from optimizing OOH straight to 27%



Incremental Optimization

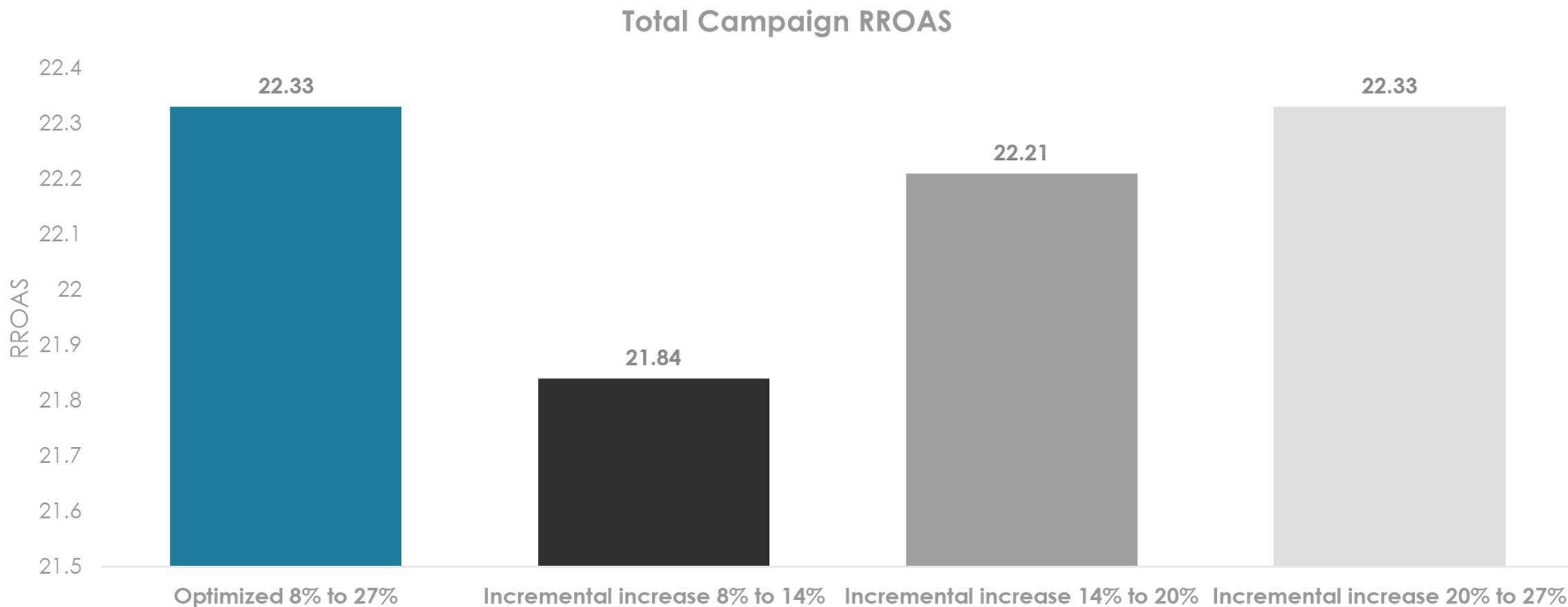
Additional income \$m generated from incremental increases in OOH





Full optimization vs Incremental increases in OOH allocation RROAS

RROAS of 22.33 with optimal 27% OOH allocation is fully achieved within the incremental 20-27% OOH allocation





Appendix

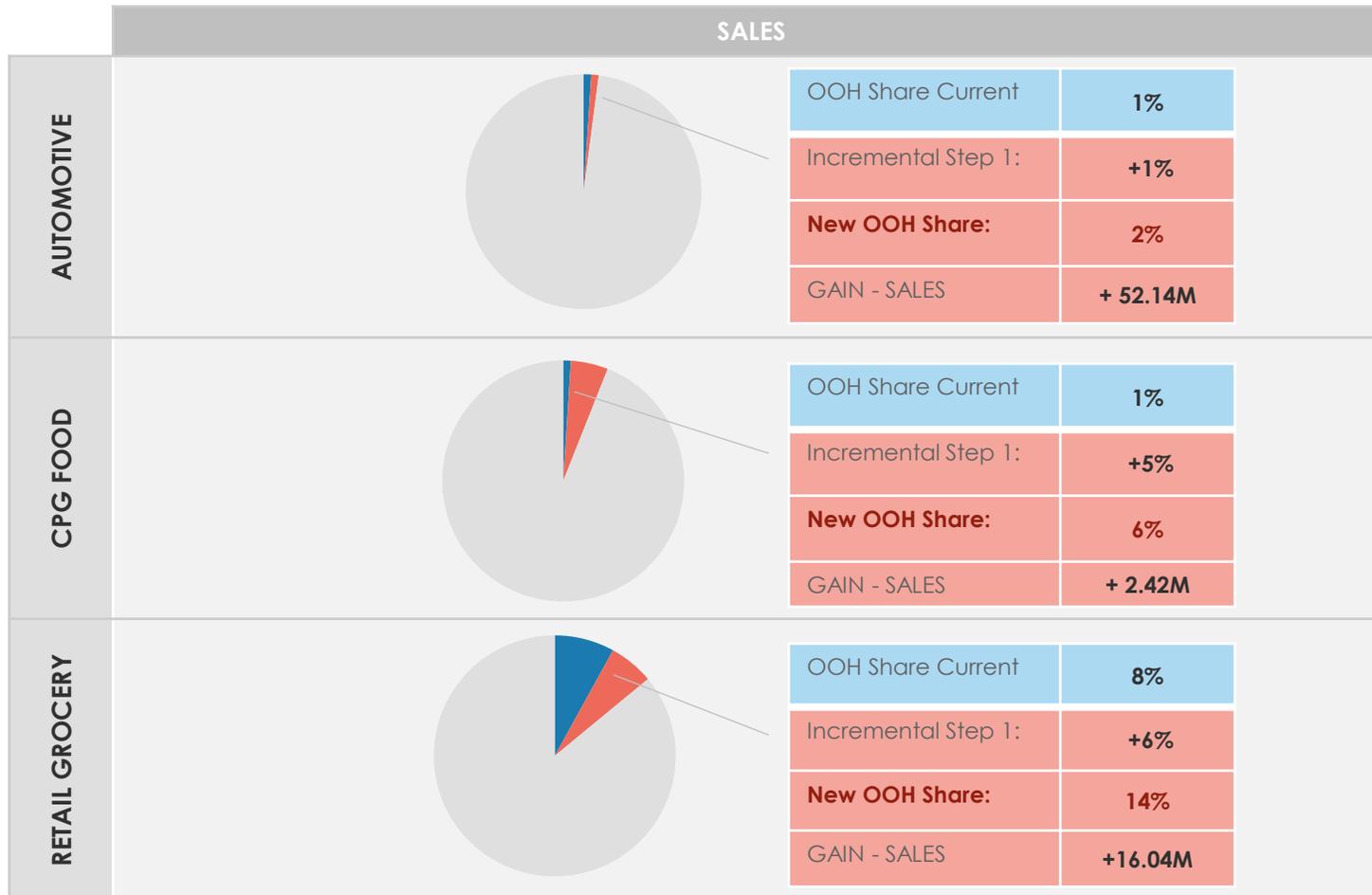
Optimized Media Plan through Incremental increases in SALES OOH Share

Incremental Steps Summary Chart across all 3 categories and across all 4 KPIs



The first incremental increase in SALES OOH achieves Significant Gains

Across sales - Summary Chart for Step 1



2022 Average Spend for all categories by channel

Automotive category has the highest spend

Channel	Automotive Average Annual Spend per brand 2022 \$m	CPG Food Average Annual Spend per brand 2022 \$m	Retail Grocery Average Annual Spend per brand 2022 \$m
TV	153.58	20.07	8.54
OOH	2.57	0.17	1.65
Print	2.32	3.20	0.30
Radio	4.63	0.29	4.03
Digital	49.04	4.39	6.51
TOTAL	212.14	28.12	21.03

Optimising Sales RROAS – OOH spend ranges current vs optimized

By category, for Small vs Medium vs Large Brands

Current OOH spend range:

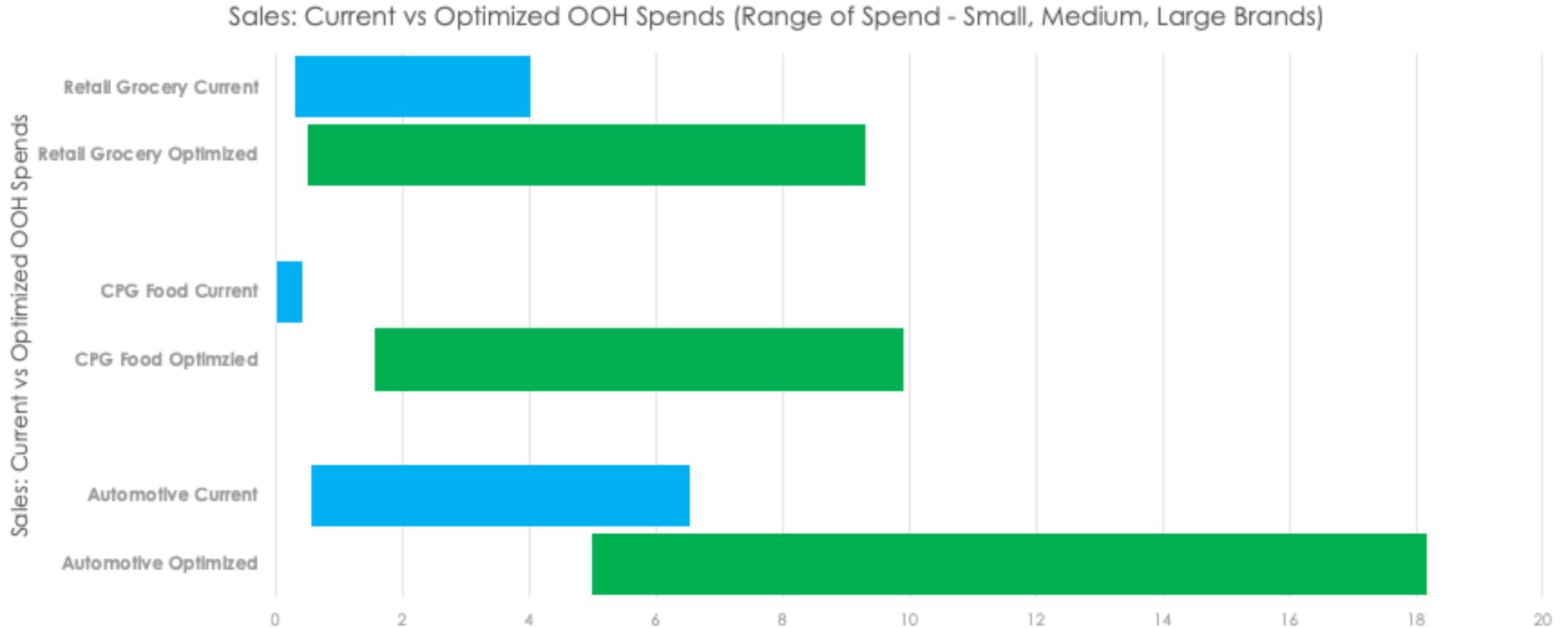
OOH Spend Range current \$m	Small	Medium	Large	Spend range current
Automotive	1.00	0.58	6.53	\$0.58m to \$6.53m
CPG Food	0.06	0.02	0.42	\$0.02m to \$0.42m
Retail Grocery	0.31	0.61	4.04	\$0.31m to \$4.04m

Optimized OOH spend range:

OOH Spend Range optimized \$m	Small	Medium	Large	Spend range optimized
Automotive	5.01	10.08	18.16	\$5.01m to \$18.16m
CPG Food	1.58	3.85	9.90	\$1.58m to \$9.90m
Retail Grocery	0.52	3.27	9.31	\$0.52m to \$9.31m

Optimising Sales RROAS – OOH spend ranges current vs optimized

By category, across small, medium and large brands



Note: spend ranges based on average 2022 Vivvix brand spend