

# Outdoor really is effective!

We've all believed that outdoor really is effective but the problem has been to prove it. In a recent project for the OAA, and following an earlier interesting study for Clear Channel outdoor, BrandScience were able to reveal further proof. The BrandScience Results Vault collates data from over 400 econometric studies to provide unique insights into how different media drive sales independently and in combination and it shows conclusively just how well outdoor works for FMCG.

First of all, for All Goods, outdoor performs better than TV and better than Print. This is seen in terms of the revenue return on investment (ROI) it generates. For each £1.00 invested, outdoor returns £1.44 in sales [Fig. 1].

BrandScience can break this down by market sector. In FMCG, TV is more efficient than outdoor advertising but only by 5% and, if production costs are included, outdoor becomes the most efficient medium of all [Fig. 2].

Campaigns tend to use more than one medium and BrandScience results show that outdoor is an essential medium in the mix. Not only does it produce a high ROI in itself, but when outdoor is used, TV is 40% more efficient than it is without outdoor.

The results also show that increasing the proportion of spend on outdoor in an FMCG campaign has positive effects on the campaign overall. First of all, ROI from outdoor increases with proportion of spend [Fig. 3].

Secondly, increasing share of spend on outdoor boosts the ROI of the other main media too. The ROI of both print and TV was higher in campaigns that had higher levels of spend on outdoor. Also, higher outdoor spend increases the medium term effect of media spend both for outdoor and for TV. This means that a campaign with higher levels of spend on outdoor is effective for longer.

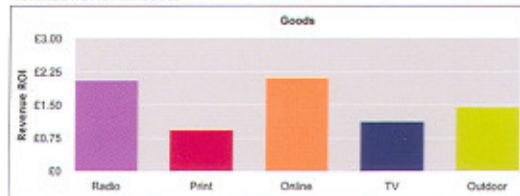
BrandScience results also show that things are changing. The increase in usage and effectiveness of online media over the last few years has been widely reported but, over the same time, outdoor has become more efficient in terms of delivering payback (partly due to better usage and novel formats) while TV has become less efficient [Fig. 4].

We can also look at ROI by medium by year to determine optimal media split for the average FMCG brand. Given the way ROI by medium has changed, FMCG advertisers should increase their share of spend on outdoor - it should have been 12% in 2006 and 16% in 2008.

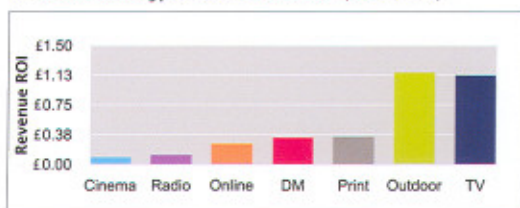
So outdoor delivers high ROI and higher outdoor spend delivers even higher ROI - not only for outdoor but also for TV and Print - as well as increasing the medium term effect of a campaign. As the ROI from outdoor is increasing, it should now make up around 20% of the budget of an optimal FMCG campaign. So outdoor really works and it's getting even better.



[Fig. 1]  
Revenue ROI for All Goods



[Fig. 2]  
Revenue ROI including production costs for FMCG\* (\*Source: WARC)



[Fig. 3]  
Average Outdoor Revenue ROI vs. Outdoor Spend (FMCG)



[Fig. 4]  
Trends in Revenue ROI over time for Television & Outdoor (FMCG)

