

DOES OUT-OF-HOME ADVERTISING WORK?

Debbie Solomon

The Out-of-home marketplace is exploding. There are few places people go that do not have some opportunity for a commercial message. But do the vehicles in these places accomplish their goals? This paper examines the effectiveness of Out-of-home advertising from billboards to cinema. Studies from the classic “Who is Miss America?” to more recent sales modeling efforts show that these vehicles can be impactful (although impact will vary by target, by brand, by vehicle and by location). MindShare research shows that Out-of-home can even work with children. We also posit some theories about why Out-of-home works.

Out-of-home (OOH) advertising is ubiquitous. Everyone is exposed to billboards and transit advertising. There are many other forms of OOH. Wild postings, ads in airports, bathroom stalls, locker rooms, on postcards, taxi cabs, coffee cups, the backs of tickets, even on the sides of dogs being walked. Ads inside fortune cookies. There are few places people go where they are not exposed to commercial messages. And new opportunities are coming into existence every day. But do these vehicles work?

MEASURING OOH EFFECTIVENESS

Out-of-home advertising must be working or it wouldn't be proliferating the way it is. It can be a useful advertising tool. However, as is the case with any medium, problems exist with measuring its effectiveness. There are a number of issues. First of all, many OOH vehicles are seen by consumers when they are on the go, making it difficult to know what they are actually exposed to. And since much of OOH is seen from a vehicle, pedestrian viewing often goes unmeasured.

OOH generally exists with other forms of advertising, making it difficult to isolate its effects in recall and awareness studies. And people can misidentify where they have seen the advertising (even when outdoor is the only medium used). Continuing presence, a strength of OOH, makes it harder to measure. The U.S. industry standard lease time for billboards and many other forms of OOH is a minimum of four weeks so they generally run at consistent levels over a lengthy time period. This makes it difficult to isolate OOH effects in modeling.

Despite these caveats, there have been a number of studies that examine out-of-home's effectiveness and they have found that this medium does indeed work. Billboards traditionally have been the only type of OOH measured, although studies of other vehicles are starting to appear.

This paper discusses the effectiveness research for OOH. It is up to the media planner to determine if OOH is appropriate for a brand's communication efforts. Factors such as target reach and cost efficiencies must also be considered.

RESEARCH STUDIES

Unfamiliar Information Studies

Some of the most compelling studies on out-of-home effectiveness are those that take an unknown or little-known fact (or fiction) and test the ability of OOH to teach this information to a group of people.

Who is Miss America?

One of the classic OOH studies in the United States, conducted by the Institute of Outdoor Advertising (1975), used an American icon, Miss America. People were interviewed on their knowledge of the reigning beauty queen. Only a small percent were able to name her. After billboards were erected with her name and picture, awareness shot up. The results were very compelling that outdoor advertising can create awareness and stimulate recall.

This study was replicated by the Institute for Outdoor Advertising in 1985. Miss America 1984, Sharlene Wells, appeared on four major TV shows, was featured in national magazines and newspapers, and was interviewed on local radio and TV programs throughout the country. However, when respondents were asked to name the current Miss America, less than 2% could do so. After the Outdoor advertising ran, 12% could answer that same question, and aided awareness increased to 45%.

Who was the 23rd President? The 30th?

There have also been studies using U.S. Presidents to examine OOH effectiveness. Hewett (1972) used a 100 showing (the number of boards it takes to reach 100% of the population of a market) with the copy "Who was the 23rd President?" Before the billboards went up, only two respondents could identify the 23rd President. One week after the billboards went up, there was a second wave of interviewing and 8% correctly identified Benjamin Harrison. When asked why they knew this, some respondents replied, "I saw the billboard and went home and looked up the answer." Shortly after the second wave was completed, the billboard copy was changed to "Who was the 23rd President? Benjamin Harrison." Correct identification in the third wave of interviewing went up to 36%.

In 1987, this study was replicated using the 30th President, Calvin Coolidge, with similar results (King and Tinkham, 1998/90). Pre-testing found that only 7% of respondents could name the 30th President. After the boards were up for 30 days, 36% of respondents correctly identified Calvin Coolidge. This study also evaluated message retention. While awareness increased in the first month of the campaign, it began to decline in the second month while some boards were still up. The decline continued at a slower rate in the month following the campaign. However, for at least two months after the billboards came down, response to the campaign was maintained at a substantial level. The authors of this study hypothesized that the test campaign's novelty may have contributed to the increased recall levels and lowered wearout over time.

Tucker (1999) examined the effectiveness of 30-sheet posters (the smaller size outdoor unit in the United States), also using boards that identified the 30th President. In her study, the boards included the website address, www.calvincoolidge.com. Again, few respondents could correctly name the 30th President in the pre-wave, but after the boards were up for 60 days, 16% could name him. A few weeks after the test, 20% could still correctly identify the 30th President, demonstrating that the message was retained. When asked if they had seen the billboards, 60% said, "yes." The boards were also effective in driving website traffic. Over 36,000 unique visitors (5% of the population of the market where the test was conducted) visited the site.

I Like that Beer!

A 1992 study in Australia analyzed the effectiveness of outdoor advertising using a fictitious beer brand, Haka Bitter. Two waves of 300 respondents were interviewed at four-week intervals. In Wave 1, 45% of respondents recalled seeing the billboard while 76% correctly identified the brand. Comparatively, in Wave 2, 49% recalled seeing the billboard while 67% correctly identified the brand. This study corroborated King and Tinkham's finding that an outdoor ad can start to wear out in the second month its running. This study also showed that consumers are aware of seeing OOH advertising. Of all respondents who could correctly identify a billboard, 87% could correctly identify where they had seen the board. In addition, 56% went past those particular billboards at least three times per week, suggesting that frequency is important. Furthermore, illuminated sites (those that are lit up at night) proved to be about three times more effective than non-illuminated sites. In a testimony to the impact of this campaign, a beer company licensed the name Haka Bitter after the study so they could brew and distribute the beer.

Other Recall/Awareness Studies

Another way to measure the impact of OOH is through recall and awareness studies of existing campaigns. These studies generally use a pre-post methodology to see what kind of lift occurs after OOH is used.

Perception Research Services (1997) conducted a recall and awareness study for Kellogg's Rice Krispies Treats. Billboard advertising increased unaided brand awareness by 25% and ad awareness by 20% (which was stable across all four studied markets). Six out of ten commuters accurately described the campaign theme. Purchase intent increased from 48% (Pre-test) to 54% (Post-test).

A MediaEdge study (1999) for the launch of a personal care product examined the awareness of OOH, TV and magazine ads. Unaided awareness was measured and respondents were asked where they saw advertising for the

brand. In the three markets using outdoor, the outdoor ads were second to TV as a source where the advertising had been seen/heard. Through sharing creative executions across all media, a communication synergy was created. This study concluded that outdoor can operate as a support mechanism for a variety of combinations of media which may have a weaker local market presence. In addition, individual market characteristics appeared to have an effect on results.

Butler Gum dental products were the subject of a 2000 Perception Research study. Based on unaided recall, Butler GUM awareness rose from 3% (Pre-test) to 18% (Post-test). Aided recall rose from 13% to 37%. The level of purchase intent also increased.

Case studies from JCDecaux Review (JCDecaux is a leading OOH company in Europe) revealed that the average prompted awareness increased 23% (though this can vary for different audiences) McEvoy (2001).

There are a number of variables that can effect recall scores. Donthu et al (1993) questioned which elements in an outdoor ad made it effective. They found that unaided recall was affected by ad location and ad simplicity. The ads on the right-hand side were found to be more effective than those on the left-hand side. Outdoor ads on the highway were more often recalled than those on surface streets. Black and white ads were recalled more often than color ads (possibly because they are seen less often than colored ads). Ads with fewer words were recalled more than ads with many words.

Bhargava et al (1994) analyzed the results of 282 outdoor campaigns. While the median recall score for these campaigns was 33%, there were variations:

- Recall scores differed by product category.
 - Recall scores were significantly higher for lower priced products.
 - New products had significantly higher recall scores (most likely due to novelty).
 - The use of humor and intrigue was positively related to recall scores.
 - Simpler is better. Recall was highest with one focused concept.
 - As number of concepts increased, recall scores went down.
 - Increasing copy length decreased recall scores.
 - Artwork yielded higher recall scores than photographs.
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Outdoor Advertising and Children

Most of the studies examine the effectiveness of OOH among adults. Many would question whether OOH would be a viable medium for non-adult targets. MindShare conducted a study for Fox Kids Network evaluating this proposition. Billboards for Fox Kids programs were placed in strategic locations in two markets and we found that outdoor does have an impact on children. Sixty-eight percent of children in the test markets said they saw a Fox billboard compared with only 41% in the control markets. Interestingly, a number of children mentioned specific board locations. We concluded that children are more responsive to outdoor advertising for familiar brands. We also felt that, for children at least, outdoor was best used as a complimentary medium to a more traditional campaign. In addition, it is especially important to place out-of-home media for children in locations where the target will see them (e.g. near schools, malls, parks, etc.)

Misidentification

Recall scores can underestimate the impact of outdoor advertising. A seminal study in media research (Bucci, 1973) demonstrated that people can misidentify where they saw or heard an advertising message. A campaign for a utility company used outdoor advertising to introduce “sunshine people.” Over half of respondents recalled the campaign. However, many of them incorrectly attributed the advertising to TV.

Based on this and the recall studies, we also concluded that, as a reminder medium, outdoor is more effectively measured by aided awareness rather than unaided awareness.

Eye Tracking Studies

There have been numerous eye-tracking studies of OOH. Perception Research Services (PRS) has been conducting evaluations of the medium since the 1970s. A 1983 study utilized the PRS eye movement recorder to examine respondents’ viewing patterns of a TV screen showing a driving sequence. They found that on average, a billboard is seen by 53% of drivers and 75% of those drivers see the advertiser’s name on the billboard. Billboards positioned on the right-hand side of the road generated 65% more visibility and painted spectaculars created 28% more attention compared to a 30-sheet poster.

In a separate 1983 study, PRS looked at 200 drivers and analyzed, through eye movements, the stopping power and attention generated by outdoor advertising. This study also included a follow-up questionnaire to assess respondent recall. They concluded that recall scores understate outdoor’s effectiveness because outdoor generated nearly two and a half times as much

attention as recall scores indicated (53% noticed an average board while only 19% recalled a billboard). This study also examined other factors. Some of the findings included:

- three-fourths of individuals who see an outdoor board are likely to direct their eyes right to the advertiser's name;
- individuals are likely to look at a board more than once as he or she approached and passed the ad;
- outdoor advertising located near highway signs often attract greater attention;
- boards with cutout extensions generated greater attention, as individuals tended to examine the board and read copy more often.

Two more Perception Research Studies (1999) examined the attention level from a passenger's perspective using PRS ShopperVision eyeglasses. These corroborated the earlier studies:

- Levels of visibility of billboards are three times higher than aided recall scores indicate.
- 65% of boards were noted, while 7% were recalled (unaided), and 22% were recalled (aided)
- In one study, 65% of the billboards in the passenger's field of vision were noted while 39% were read.
- On average, passengers were likely to see 23% of billboards passed in a 30-minute drive.
- Hispanic respondents were more likely to be influenced by outdoor advertising (76%) vs. non-Hispanics (41%).

Another 1999 PRS survey conducted in New York, Los Angeles, and Minneapolis found:

- 70% of boards within a driver's field of vision were examined while 63% were likely to be read.
 - Younger riders (age 18-34) were more likely to take in the visuals, while adults 35-49 were more likely to read outdoor copy.
 - 26% of respondents indicated that outdoor advertising would influence their purchase decision.
 - 59% of bus shelters were examined by a passenger traveling past the shelter, while 38% of these were likely to be read.
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Sales Effect Studies

Another way to look at effectiveness is by examining sales response. Patrick Media Group (1991), a leading OOH company in the United States, conducted two studies analyzing the effect of outdoor advertising on sales via scanner information at retail registers. In the first study, Hormel placed 75 panels (25 showing) in Los Angeles for 30 days. In that period of time, 12,605 units were sold in locations with posters compared to 10,636 units sold in areas without outdoor advertising (an 18.5% difference).

In the second study, Gatorade added a 50 showing (50 GRPs) of billboards to their existing media mix in five major markets in hopes of defending their market share. Results varied by market, but analysis revealed that in three of four tested markets, sales of Gatorade increased during the period when outdoor advertising was used. In this study, outdoor was determined to have a definite impact on point-of-purchase decisions.

Bhargava and Donthu (1999) also looked at sales response to outdoor advertising. One study utilized 30 billboards for a museum in various locations for a four-week period. Some billboards contained a promotional message offering a free cappuccino as an incentive to visit the museum. The average daily attendance increased 58%, while a month after the campaign, the average attendance increased 64%. The sales response to the campaign was immediate and did not decline over the testing period. More than 70% of the traffic was found to be from the same zip codes as the billboard locations.

The second study, for a sports center company, divided a market into four zones: one zone with only outdoor advertising, another with only newspapers, a third with both, and the fourth with no advertising acting as the control. Attendance increased five times for the facilities in the advertised zones vs. the control facilities. Both outdoor and newspaper advertising were found to be statistically significant in contributing to this increase.

MindShare Canada examined the effect a multimedia approach would have on sales. In a test for an FCMG, various combinations of TV and transit shelter advertising were used in three markets, with a fourth control market receiving no media support. This study showed an increase in sales of 11% for transit alone, 27% for TV alone and a 52% increase for TV plus outdoor, demonstrating that the synergistic effect of two media is stronger than one medium alone.

Taxi Advertising

Phillips (1998) analyzed a selection of ongoing campaigns from the United Kingdom's leading taxi advertising company. Respondents were interviewed for unaided and aided campaign recall and opinions about the advertising. When given a brand prompt, unaided campaign awareness was generally low, but levels up to 15% were recorded. Brands with the longest association with the medium were most likely to be cited spontaneously. Awareness levels were on par with other forms of traditional media (many brands achieved a 50% awareness level). Opinions varied by brand. The most eye-catching executions were not necessarily the best recalled. Taxi advertising did prove to be an awareness building medium. One of the brands studied, Elonex, was known by only a handful of respondents, yet 39% of all respondents could recognize the ad campaign.

In-Store Media

There are a variety of vehicles in stores (on-shelf, end aisle displays, hanging ads, floor ads, in-store radio, etc.) and their contribution is getting a message to the consumer at the point of purchase. Point of Purchase Advertising International (POPAI) has been involved in several studies on the effectiveness of in-store vehicles in the United States. The POPAI studies looked at sales lifts related to different types of instore media. In convenience stores (POPAI, 2002), in-store vehicles lifted sales an average of 9%. This varied by product category and type of vehicle. The more unusual vehicles, such as inflatables and other props tended to generate larger lifts.

In the POPAI Study of Supermarkets (2001), half of the measured brands experienced a sales lift when in-store vehicles were used. There were variations by category with hair care, beer and laundry products more likely to be impacted and cereal less likely. In addition, the vehicles were not equally effective for all brands within a category. For example, the Upper Respiratory category saw sales lifts ranging from 2% to 19%, depending on the brand and the vehicle.

MORE Results

People are aware of advertising in grocery stores. Members of MindShare's Online Research (MORE) Panel were interviewed about their awareness of two in-store vehicles, floor ads and shelf ads. Nearly 75% of respondents said they noticed shelf ads while a little less than half noticed floor ads. Of those who noticed the ads, about 32% felt that the shelf ads were influential in their decision to buy the product advertised while 15% felt the floor ads were influential.

Cinema Advertising

In the United States, Cinema is considered a form of OOH advertising. It runs the gamut from on-screen rolling stock (commercials) to ads in the lobby to messages on popcorn bags. The rolling stock has obvious impact.

Several studies show varying recall levels for rolling stock. In 20 studies conducted by the Cinema Advertising Association in the United Kingdom (1997), aided day after recall averaged 60%. Screenvision (2002) reported an average 46% unaided recall for their U.S. tests in 2002. Regal CineMedia (2002) tested the brand and found 51% aided and 13% unaided recall.

A 2001 South African study (Ewing et al) analyzing cinema and TV commercials found that recall rates are higher for commercials that appeared concurrently in cinema and on television across all demographics. This is most pronounced among the younger group (age 16 - 24). Based on their work, they concluded that cinema advertising can help support lesser levels of TV advertising. In this study, a campaign of 201-300 TV GRPs along with cinema advertising resulted in 28% recall. To reach that with TV alone, Ewing et al determined that an additional 220 GRPs for TV would be required.

National Cinema Network (2001) in the United States has found recall scores for various types of in-theater advertising ranging from 78% for brands advertising in the pre-show countdown to 30% for those on popcorn buckets.

Arbitron (2003) examined awareness of advertising media at movie houses during the 2002 holiday season. On average, last month movie goers reported that they arrived at the theater 19 minutes in advance of the movie's start time, giving them ample time to be exposed to the media in the theater. This study investigated moviegoers' exposure to each advertising opportunity in the theater including the ticket line, lobby, concession area and auditorium. In the lobby, 83% of last month movie-goers remembered looking at posters, 40% remembered hearing music programming, 24% remembered seeing or using a kiosk and 18% remembered seeing video programming in the lobby. Keep in mind that not all theaters have these media elements. Sixty percent reported consuming concessions, indicating that the exposure to concession advertising is high. In the auditorium, 76% remembered hearing music programming and 86% remembered seeing on-screen advertising before the movie began.

Cinema advertising is unique in that it provides an opportunity to reach a captive audience of consumers while they are fully engaged with the medium. Because of the nature of movie, cinema audiences have uninterrupted, forced time with both the advertising and the movie.

WHY DOES OUTDOOR WORK?

OOH advertising provides an opportunity to make a connection with consumers after they leave their homes. It can reach consumers all day where they work, shop and play. It is also unique among the media, being strictly advertising and not content. Thus, processing by the viewer may be much more direct.

OOH can reach people at appropriate locations for the brand and the message. Billboards and other forms of OOH can provide information when people are on their way to purchase a product. In other words, it reaches people “at the ‘moment when they might’ carry out a particular action or be in a particular frame of mind “(Jonas, 2001).

Outdoor may maintain awareness levels because of its high frequency. It can also create an immediate response based on high coverage levels.

The nature of the medium requires simple, concise messages. This may also help message processing.

More unusual ads have more impact, probably because they are less familiar and less often seen. Also, many outdoor vehicles are large and size can drive memorability as well.

Some forms of outdoor deliver a captive audience (especially transit and cinema).

Outdoor works synergistically with other media. Results from the JCDecaux Review suggest that once a brand establishes visibility through outdoor advertising, when a similar creative is run, the similarity will act as a visual trigger.

The Fraser et al 1999 study, conducted in both the United Kingdom and Madrid, revealed:

- Younger people and women were more likely to look at outdoor advertising.
- Consumers are more likely to look at posters for products they either already consume or are interested in consuming.
- Consumers tend not to look at advertising for products they are not interested in.

The evidence shows that OOH advertising does work. The results are variable, depending on the vehicle, the product and the target.

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