

The Great Outdoors

An Investigation into the Value of
Out-of-Home Advertising

Danielle Talbot

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Supervision Team:

Dr Cathy Nguyen

Dr Margaret Faulkner

Professor Byron Sharp

Professor Steven Bellman



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Declaration

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I declare that this thesis presents work carried out by myself and does not incorporate without acknowledgment any material previously submitted for a degree or diploma in any university; to the best of my knowledge it does not contain any materials previously published or written by another person except where due reference is made in the text; and all substantive contributions by others to the work presented, including jointly authored publications, is clearly acknowledged.



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Abstract

Determining the effectiveness of any advertising medium is a complex problem for media and advertising practitioners. They face a growing number of media vehicles within each platform, which are all fighting for both the attention of consumers, and the budgets of advertisers. The abundance of academic research to date has provided little guidance in making evidence-based selection of media, especially for out-of-home (OOH).

Thought to be the oldest advertising medium (Lopez-Pumarejo & Bassell 2009; Veloutsou & O'Donnell 2005), OOH advertising has evolved beyond just billboard advertising, accounting for many other advertising channels encountered outside the home. Although advertisers are spending billions on the medium (Guttmann 2020), research into the changing landscape of the OOH industry (e.g., the introduction of digital), and the media planning decision-making associated with such changes, have been largely neglected (Roux, van der Waldt & Ehlers 2013; Taylor 2012). Further, there is also currently a lack of transparency, trust, and standardised knowledge across the industry (Hill 2018), which means use of OOH may not be optimised.

The few studies that have attempted to explore OOH advertising typically utilised consumer surveys (involving recognition, recall, and attitudes), eye-tracking research, sales effects, and even Bluetooth audience measurement. The limited studies that have explored OOH advertising effectiveness through the perspective of advertisers (i.e., Fortenberry & McGoldrick 2020; Taylor & Franke 2003; Taylor, Franke & Bang 2006), have only explored billboard advertising and only in limited contexts (e.g., in a single market). Many are also industry studies that portray OOH advertising in a positive light, being reported by the very people who own and sell OOH inventory to advertisers. Therefore, further investigation on the topic by an external third-party is needed to verify the validity of results.

The broad objectives of this research are to: (1) understand the key reasons why practitioners use OOH and its varying formats; (2) evaluate the execution tactics found to contribute to OOH advertising effectiveness across formats; and (3) understand the current measurement methods considered important to evaluating OOH advertising.

The study involved a survey of 118 media decision-makers, predominately from Oceania and Europe, and from a diverse background of roles, sectors, and experience levels. The findings show:

Key Finding 1: Advertisers are most likely to use OOH advertising due to its characteristics of having Local Presence and Visibility. Of all advertising channels, OOH is the medium most associated with Local Presence. Media Efficiency and Tangible Response is less associated with OOH, compared to other mediums.

Key Finding 2: Achieving Awareness, followed by Brand Growth, are the key objectives advertisers aim to achieve through using OOH. Awareness-based objectives are the most common objectives advertisers aim to achieve by using OOH.

Key Finding 3: Different formats of OOH advertising are thought to be used for different reasons and achieve different objectives. Roadside Billboards are most associated with Visibility, while Place-based advertising is most associated with having Local Presence and achieving Brand Growth. No OOH formats are highly associated with having Media Efficiency, while Place-based is most associated with OOH's ability to elicit a Tangible Response.

Key Finding 4: Digital OOH advertising is more likely to be linked to its ability to achieve a Tangible Response than static OOH advertising.

Key Finding 5: Brand Name Identification is important; perceived as the most important execution tactic in a successful OOH advertising campaign. Readability and Clarity of the advertisement, as well as the use of Visual images, are also deemed important.

Key Finding 6: Having detailed Information is considered the least important execution tactic in a successful OOH advertising campaign.

Key Finding 7: The execution tactics perceived as being important for OOH advertising success largely does not differ across OOH formats, nor digital versus static formats.

Key Finding 8: Awareness-based and Financial-based metrics are most used to evaluate OOH advertising effectiveness. Equity-based and Behavioural-based are used least.

This thesis contributes to marketing academia by providing insight into the commonly used, yet under-researched, formats of OOH advertising. The findings extend the established benefits and limitations of billboard advertising to different formats, including digital, thereby providing a broader, more relevant, picture of OOH effectiveness. The study also contributes to the growing exploratory research into marketing practitioner decision-making, contributing to more informed comparisons between different media types. Using the knowledge derived from this thesis, advertisers gain insight into how to make more informed OOH advertising choices that best complement their advertising budgets. The research provides insights into where there are misunderstandings in practitioner perceptions. Therefore, the findings can be used by the OOH industry to address these misunderstandings, and adopt more transparent and trustworthy practices.

Future research would benefit from a larger sample of media decision-makers across many markets and regions to determine the generalisability of findings found in this study. Additionally, future studies could apply different methods to gain an evidence-based understanding of OOH effectiveness, prior to pursuing even more challenging areas, such as cross media and synergistic research involving OOH advertising.