

**OOH’s Third Down and Goal To Go**

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Jim Spaeth and Alice Sylvester of [Sequent Partners](http://sequentpartners.com/), wrote an article on their work with Outdoor Advertising and Geopath.  Sequent Partners’ ‘march’ with Out of Home, describes their work, which in their words, “will soon leverage positive ROI model results to increase total OOH budgets.”

If you are wondering who Sequent Partners is and how they are important to you and OOH, this is an opportunity to get to know their work.  I met both Jim and Alice a few years ago at one of our OAAA/Geopath OOH Conventions. They are important behind the scenes figures in OOH as well as other media.  Both are brilliant in understanding media, measurement metrics and building brands. They are true thought leaders recognized and respected within the industry.

As their website says,  “Clients come to us for impartial thought leadership and analytically-oriented consulting to leverage their media investments and build brands.”  Sequent consults “on media and brand metrics for many of the country’s foremost media, associations and marketers.”

At the bottom of the article is a link to their website.  Just viewing the list of their clients, examples of a few are [Geopath](http://geopath.org/), P&G, Time Warner, Microsoft, Kraft, SAB MIller and [Nielson,](http://www.nielsen.com/us/en/about-us.html) is reason to get to know them and read on.

**Please, don’t let what may seem as another ‘tech post’, cause you to brush this article off.  This is the important work which OOH budgets are based for ‘national buys’ *and* local as well.**

**Sequent Partners POV:**

**Touchdown Strategy for Outdoor Advertising**

**Third Down and Goal To Go**

[Sequent Partners](http://sequentpartners.com/) has had the honor of sharing with you the industry’s steady downfield march toward the ROI end zone.  When we first re-engaged with TAB (now Geopath) over four years ago we noted that “ROI has become the basis for media budget allocations.”  TAB had built a strong audience measurement system, helping the OOH industry evolve from circulation to audience, the common metric across all media.  While national media business was, and continues to be, transacted with audience impressions and CPMs, something else was changing further upstream.

**Pre-Game Strategy: Hidden Barriers**

Buys were based on the new audience metric, but OOH budgets were generally locked at the same level, year to year.  Winning a total OOH budget increase was a challenge … and a major victory when it happened!  Despite enviable audience efficiencies and dramatic creative, OOH struggled to earn more dollars from advertisers. What was the barrier?

Over the past 30 years, in another part of the universe, statisticians were developing a method to link marketing investments to financial outcomes. CMOs and CFO were beginning to talk.  Marketing mix modeling was measuring the ROI of every element of the marketing plan and brand managers were excited.  Finally they could evaluate last year’s marketing investments and reallocate funds from under-performers to over-performers. Starting in CPG, CPG this discipline gradually spread to every marketing-driven business.

While OOH media were negotiating cost-per-thousands with agencies, those agencies were working with OOH budgets set by the brand based on marketing mix models.

**New Rules, New Strategy: Preparing To Win The ROI Game**

Recognizing the importance of this sea change, the TAB Board, with the support of the OAAA and the advice of Sequent Partners, started down the long and arduous path to prepare the industry to win in an ROI world.

Data inputs in a model are critical for accurate estimation of a medium’s ROI.  When the medium’s audience data is not well suited for modeling, the medium’s ROI will be UNDERESTIMATED.  Pardon my shouting, but this could not be more important.  This can be proven mathematically and Sequent Partners has demonstrated it in practice.  Studies in magazines, radio and television have shown that when *model-ready data* – more accurate and granular, with a faster tempo – replaced the traditional media metrics in a mix model, the medium’s ROI goes up.   That is, assuming the plan and the creative were effective.  No modeling magic can make a lame campaign look like a winner.

The keys to *model ready data* are tempo and granularity.  The TAB data was highly granular – associated with every measured unit.  The challenge was tempo – TAB produced audience estimates for an *average week in the year*.  Traffic patterns change through the year, but the TAB’s *average week in the year* metric averages out those changes.  Differences we all experience week-days vs. weekends, on holidays, across seasons, during snowstorms, were all averaged out.

**A New Quarterback Takes The Field: Geopath**

Fortunately new mobile-base data collection offered new solutions.  Sequent Partners assisted the industry in setting objectives and strategies for a new measurement system, Kym Frank took the field, Geopath was born and now we look forward to an awesome, totally, *model ready,* data resource for OOH media in the coming months.

Utilizing multiple layers of mobile data and data from connected cars, Geopath will be providing measurement of OOH audiences (defined as people, not devices) throughout the United States.   These highly granular data can be reported down to the census tract level, with precise in-market and out-of-market impressions.   No longer, an average week in the year, measurement will be available by average hour of day for each day of the week for each month of the year.  Audiences can be broken out for thousands of consumer segments including demographics, purchase information and behavioral segments. Audience composition, impressions, reach and frequency will be available across all of the formats measured and can be accessed by API.

Geopath will be releasing a series of features through this year, but this will finally provide the impartial, third-party measurement that advertisers and their modelers require.  It will put all OOH formats, the entire campaign, on the same level playing field.

**Third-Down And Goal To Go: Putting the Technology In Place**

The new *model ready* Geopath data will be a tremendous asset for the industry. Remember, OOH budgets may be carved-up on a CPM basis, but the budgets are set on an ROI basis, generally based on ROI model results.  Better data can yield better ROIs in those models.  But if the OOH industry is going to win larger budgets, Sequent Partners sees two more important tasks remaining – data integration and organizational preparedness.

Data integration is simple to describe, harder to accomplish.  How will the Geopath audience data be integrated into each brand’s actual detailed buys?  This integrated data set will be the actual input representing OOH in ROI models.  How will it be created?

The last time Sequent Partners ventured down this path there was a broad range of approaches.  Sometime the buys were carefully tracked in systems like DoMedia; sometimes they lived in Excel spreadsheets.  Sometimes the units were coded with IDs that enabled them to be linked to the TAB data; sometimes that had to be accomplished manually.

If Geopath’s great *model ready* data is efficient and affordable to access, modelers will be more likely to use it – and OOH ROIs will benefit. Without efficient and affordable data access it’s like being served a mustard and sauerkraut laden hot dog at the game without a bun.  You can eat it, but it’s going to be messy!  The industry needs to wrap the new data in efficient and affordable data access tools.

**Fourth Down And Goal To Go: Touchdown Strategy**

Even with a solution in place for data integration, there will still be issues of organizational preparedness.  A craftsman needs more than the best tools; they also need the skills.  This past year OAAA delivered an ROI training workshop to the industry.  Sequent Partners was delighted to help. But there are other needs.

ROI focused marketing and sales strategies will be needed, some at the company level and others at the industry level.  Winning larger budgets for OOH will take a well-coordinated, multi-tiered, effort.  While each company needs to prepare for success the biggest impact would be derived from a coordinated industry strategy.  This is just classical marketing— generating awareness and consideration at an industry level and closing business at an individual company level.

**GOAL!**

It’s been a long march downfield.  The goal posts are in sight. OOH will soon leverage positive ROI model results to increase total OOH budgets.  There are just a few more yards to go. Let’s get the ball over the goal line!



Let us know if we can help you with your ROI strategy. We take on brand and media measurement and analytics projects that are interesting, important, and intellectually challenging.

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