

What is the ROI of Out-of-Home (OOH) advertising?

An Economic Impact Study

The Biggest Challenge

Previously we asked marketers and consumers about their experiences with digital fatigue and the post-pandemic marketing renaissance.

They confirmed that folks are not only out and about now, they are paying attention to their surroundings like never before. Thanks to that heightened outdoor awareness and a distinct consumer desire to reduce screen time, OOH has never been better poised for growth.

But what does that mean in economic terms for OOH media sellers and advertisers?

We wanted to know why companies are investing in OOH, and where they're spending their budget. And we wanted to know how well the process is working – from planning and execution to results.

OneScreen.ai is built on the basis of making life simpler and easier for OOH buyers and sellers, and while we're well on our way to achieving that reality, we wanted to know what else is needed to make the adoption of OOH more efficient and more profitable for suppliers, advertisers and consumers.

Respondents gave us plenty to think about. Much of what they had to say excited us. Some things surprised us. I believe you will find this report an eye-opener, too.

Charlie Riley - Head of Marketing, OneScreen.ai

78%

of companies using OOH plan to increase their OOH budget over the next 12 months.

Key Findings

1. Nearly all (96%) of respondents are satisfied (50%) or very satisfied (46%) with the ROI of their current OOH marketing campaigns. On average, these companies have seen monthly revenue increase by more than 50%.
2. The very qualities that make OOH a rich, impactful and targeted marketing channel are also the source of headaches for those who buy OOH. They struggle primarily with determining the right medium (84%), but also with navigating other aspects of the OOH buying and management process.
3. Companies are allocating a significant portion of OOH budget for additional marketing and creative hires and for additional tech/tools to support OOH ad planning and creation.
4. Billboards – traditional or digital – remain the most popular medium among all OOH advertisers. Those who invest in digital OOH show a higher propensity to test emerging and interactive technologies.
5. Companies successfully using OOH are using the proceeds to fund additional OOH advertising.



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Why Invest in OOH?

Outdoor advertising is notorious for being a brand awareness or vanity play. But more than half of companies in our survey now realize that out-of-home advertising can introduce their brand to new audiences. Specific new audiences, such as people dining in restaurants or attending public events.

- 58% invest in OOH to increase brand awareness and recognition
- 55% want to capture a new customer demographic, and those who invest in both traditional and digital OOH were 18% more likely than average to say this
- 38% want to take advantage of the increase in restaurant and public event attendance

55%

buy OOH to capture a new customer demographic.

Real world ads
can't be blocked
or skipped.

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What Else Motivates Companies to Invest in OOH?

They want to diversify their marketing and explore new promotional opportunities, in response to declining digital ad performance.

With air travel rising, **22% of those who buy OOH are excited to take advantage of airport advertising.**

And what types of OOH are they investing in?

51%

use traditional OOH

41%

use digital OOH (DOOH), though this is less true for companies with limited marketing budgets

8%

use both OOH and DOOH, investing almost equally in each area

When it comes to ROI, Billboards are still #1 with OOH marketers

Digital or traditional, billboards are the hands-down winner when it comes to return on investment.

Respondents saw the strongest ROI from billboard advertisements— for users of traditional OOH, junior bulletin/junior poster billboards showed the those who use both digital and traditional see the strongest ROI with digital billboards (38%).

- Traditional OOH users prefer posters (50%) and junior billboards (48%) over bulletins (38%). A third of them are also using wallscapes or murals or bus advertising.
- Digital-only OOH users and those who use both OOH and DOOH prefer digital billboards (62%).

Those that invest in both digital and traditional OOH are testing more emerging and interactive technologies:

- 44% use digital kiosks
- 48% invest in QR codes
- 35% use place-based media e.g. supermarkets, restaurants, gas stations, etc.

Nonetheless, fewer than 1 in 4 of these companies have expanded OOH to incorporate options such as street furniture, mobile messaging and programmatic automation.

This could offer a competitive advantage for suppliers to expand or better promote their inventories and for buyers to achieve their goal of exploring new promotional opportunities.



“Billboards were a first for us. We’ve 5x-ed our investment on every single campaign this year thanks to OneScreen.ai’s advanced targeting and measurement suite.”

*Growth Marketing Manager,
Leading Sports Wagering App*

Budgeting and Rollout Present Major Challenges

How much do companies spend per year on OOH placements?

On average, \$268,040.

Is that the amount they budgeted?
Well, not exactly.

- **42% spent less than anticipated**
- **10% spent more**

Whether companies spent more or less than expected, **their budget number was off by an average of 53%!**

\$268,040

average annual
OOH spend

Picking the Right Format is a Top Concern.

Marketers love the vast diversity of media and targeting options, but pulling together the details for a specific campaign can be confusing and frustrating. In fact, **68% describe the process of finding and managing OOH advertising as “chaotic!”**

Two-thirds cite difficulties determining:

- **The best locations for ads (60%)**
- **The best company to buy ad space from (68%)**
- **Tangible impact of ads and campaigns (64%)**

Marketers are desperate for greater clarity.
And greater efficiency.

“OOH was by far our best ABM channel, but we literally couldn’t buy it because the platform we were using was such an operational nightmare. We wanted to spend more money, we just couldn’t until we discovered OneScreen.”

On average, companies are spending an additional 17 hours per week just to find and manage OOH inventory.

With access to a one-stop technology platform such as [OneScreen.ai](#), the efficiencies could reduce the need to hire so many new people.

So, what do companies need to succeed with OOH? On this they are quite clear - they need two things:

1. **70% say a single point of contact would increase the value of their OOH investment**
2. **76% say greater visibility into inventory availability would make their company more likely to increase marketing budget allocation to OOH advertising**

They say these two improvements would boost the value of OOH and increase the likelihood their company will allocate more of its marketing budget to out of-home. Greater efficiencies could free up time and budget to spend on actual ads.

“When all the selling, inventory management and billing is centralized in one place and hosted through OneScreen.ai’s online platform, it makes life a lot easier.”

Outdoor Media Company Owner



Many Happy Returns on Investment

How does your company measure success?
Out-of-home advertisers want their ads to
generate:

- More social media engagement (67%)
- More website traffic (54%)
- Stronger brand recognition (44%)


And nearly all of them – 96% – report they are
reaching those goals. Plus, their revenue is up.
Way up.

96%

are satisfied with
the ROI of their
current OOH
marketing
campaigns.

Be the
brand they
all talk about.

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OOH + DOOH Users are Reducing Customer Acquisition Costs (CAC)

OOH users who are satisfied (or more than satisfied) with OOH credit these ads for a 51% average growth in monthly revenue.

That's an average gain of **\$402,252 per month** over the past year.

Compare that to the average OOH spend noted earlier of just **\$268,040 per year.**

No wonder **8 in 10 companies** express confidence in their OOH marketing campaigns. Those who invest in both OOH and DOOH are even more confident.

But, what about customer acquisition costs (CAC)? Many advertisers worry that CACs are rising. On the other hand, companies that use both OOH and DOOH are **400% more likely to see CAC reductions.**

With access to streamlined planning and execution technology, any OOH user can reduce customer acquisition costs.

What's Next?

Companies that use out-of-home are well-pleased, and they want more. When asked if they plan to change their OOH advertising budget:

- **78% plan to increase OOH investment over the next 12 months**
- **Only 2% plan to spend less on OOH**

To beef up their OOH efforts, 99% say they plan to hire more staff. Funding for that is likely to come from other advertising categories or other departments.

However, 1 in 3 companies will use profits generated by the previous year's OOH campaigns. Those who use OOH and DOOH are almost twice as likely to say this.

OOH is
the missing
piece to your
marketing mix

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Boost your reach and ROI with OOH Ads: the Missing Piece to Your Marketing Plan

Don't let confusion and frustration keep your company from enjoying all the economic benefits of out-of-home advertising. Whether you're a media company, an agency, or a marketing decision-maker, OneScreen.ai's marketplace brings everyone together on one platform that makes the buying and selling of OOH easier and more accessible – from planning and purchasing to managing inventory and invoicing. We designed it for real people in the real world, so it's not only comprehensive, it's easy to use. Did we mention it's also free?


Let us help you get started today.

“The working relationship my company and I have with OneScreen.ai is irreplaceable. They are a resource that allow my company to run both more efficiently and effectively.”

Media Buying VP

Our Methodology

The findings reported here summarize a study conducted by our partner Kickstand Communications. They surveyed 622 marketing professionals in 46 states across the US. All are employed full-time in a company that uses digital and/or traditional OOH advertising, and all are responsible for making buying decisions about marketing campaigns within their company. Of that group, 56% were male and 44% female, with an average age of 37. Survey results have a margin of error of just +/- 4% and a confidence rating of 95%.



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the brand
they all talk about?

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