

# The Long View

## Automotive How to use Out of Home effectively

Welcome to the latest edition of The Long View.

Stock shortages, conflicting state government electric vehicle (EV) policies, and changing consumer spending habits are ongoing challenges for the Auto industry. In the face of these macro issues, how can brands easily adapt their Out of Home strategy to make it effective?

We're going to share practical tips on how to use Out of Home, for creating effective campaigns and hopefully giving you time back to tackle everything else.

But first, let's look at recent car sales...



# Just the VFACTS

2021 continues to be an extraordinary year for the Automotive industry. Despite the unpredictable global circumstances, the Auto industry is gaining traction with more customers eager to buy a new car.

## New Vehicle Sales

New vehicle sales have increased by 38% YTD to May 2021 which means that more than 124,000 new vehicles have been sold in the last five months in 2021 compared to 2020. In May alone, there were 40,000 new car sales YoY.

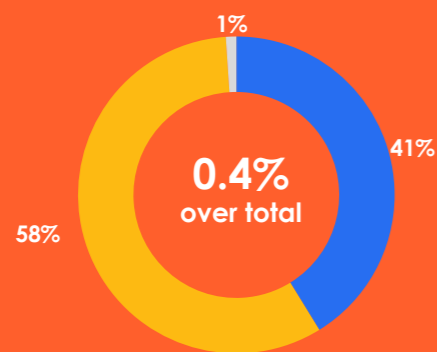
Sydney and Melbourne continue to hold majority share of sales, however SA and WA are showing potential with the largest increases 74.8% and 78.2% respectively in May against the same period in 2020.

## Electric Vehicles

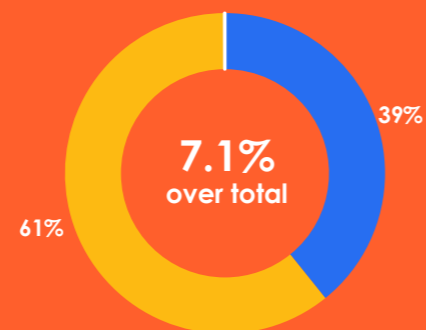
Demand for electric cars continues to grow, with more than 1,600 EVs sold in 2021. YTD sales across electric SUVs have increased 4.0 times than in previous years.

EVs only represents 0.4% of sales, with EV+Hybrids totaling 7.1%

### EV share mix



### EV and HV share mix



■ Passenger ■ SUV ■ Light Commercial

Source: VFACTS New Vehicle Sales Data May 2021, Consumer confidence Westpac Banking

## Brand

Toyota is the brand selling the most cars with almost 100,000 sold in the last five months, two times more than Mazda.

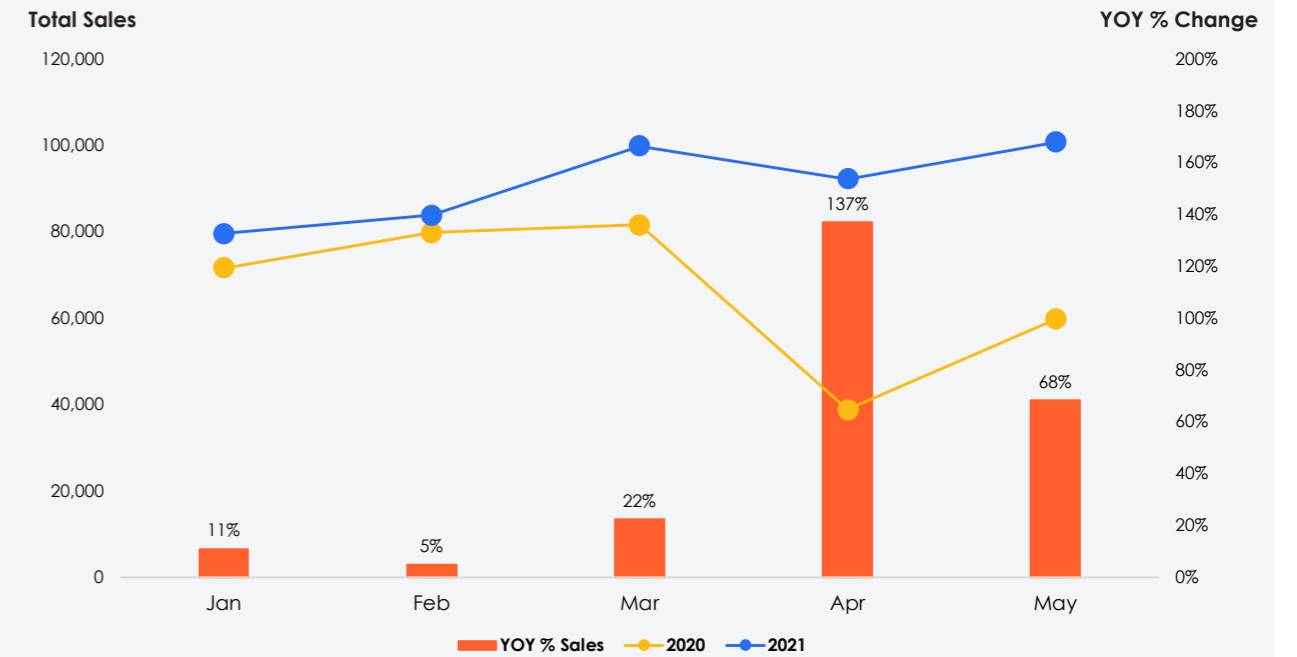
Among the top ten brands, MG is sitting as one of the fastest growing brands in Australia. MG sales are rapidly growing, increasing by 247% with 15,000 cars sold in the last five months of the year.

## Consumer Confidence

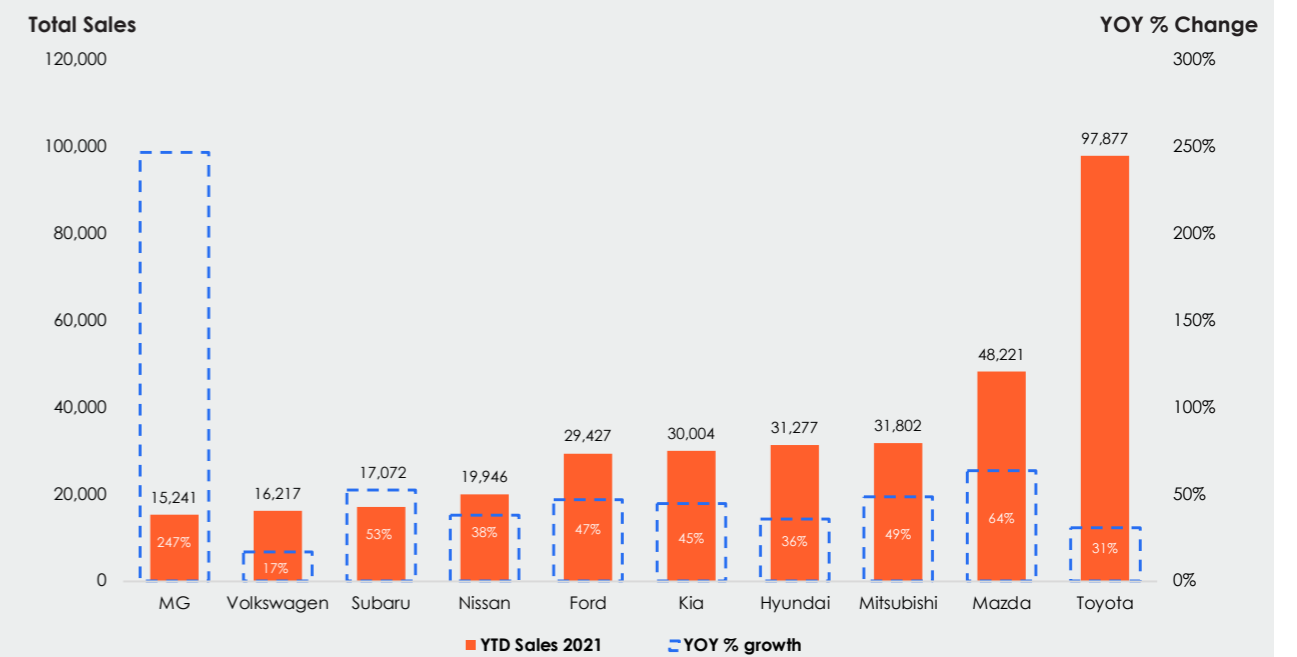
Despite the Federal Budget delivering disappointment for some sectors, overall consumer confidence continues its upwards trend for 2021.

A big portion of Australians (41%) say now is a good time to buy a major household item, according to latest ANZ- Roy Morgan consumer confidence research.

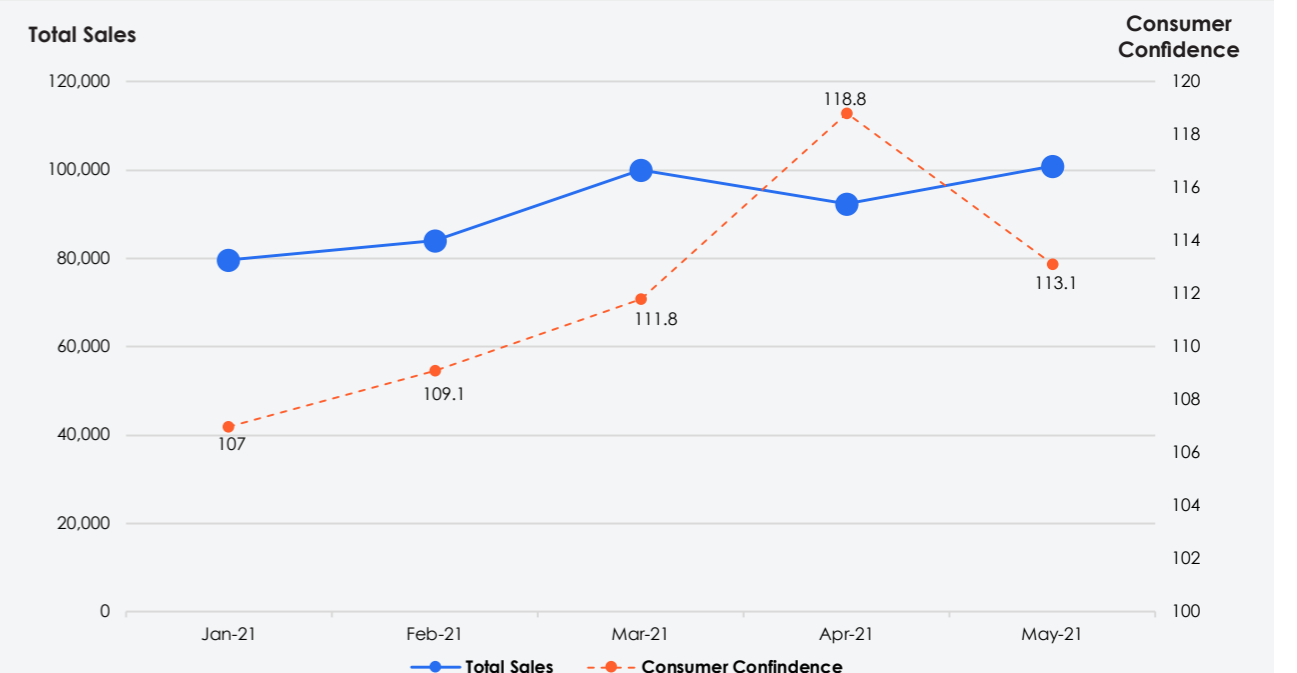
Total Vehicle Sales

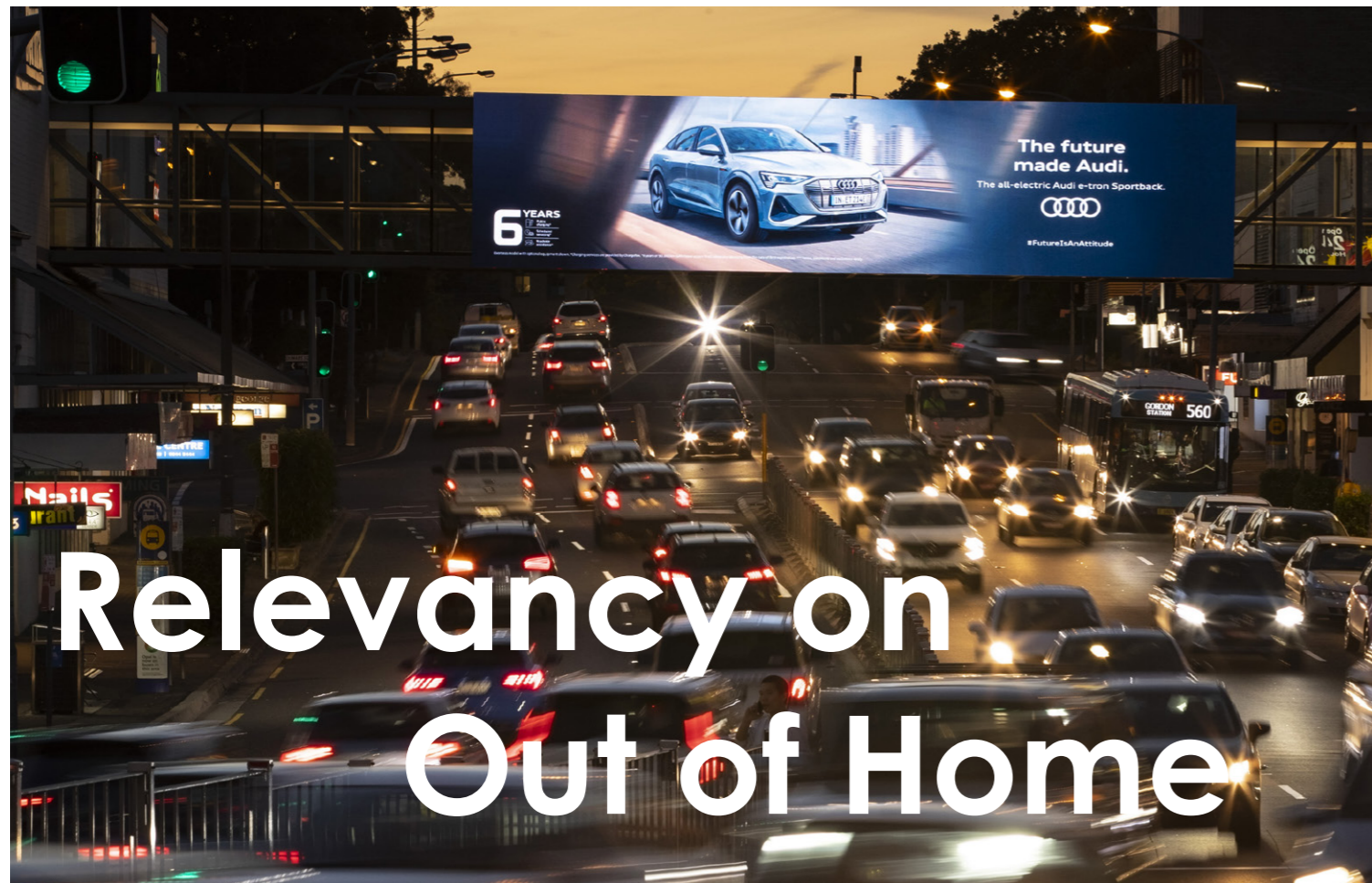


Brand Volume Sales Growth



Total Vehicle Sales vs. Consumer Confidence





## Leverage emerging behaviours

Over 1-in-5 Australians are keen to purchase their next car virtually or partially virtual, the main reasons being convenience (39%) and speed of transaction (22%). VW recently announced sales of 600 cars online in the last 18 months<sup>4</sup> and are capitalising on this changing consumer behaviour.

### What this means for brands

Renault were quick to take advantage of the QR code emergence, featuring a code on their street campaign and helping consumers to quickly learn more about the Captur. This is the only Auto campaign we've seen this quarter use this approach, so well-done Renault for integrating this tactic into their creative.



## Align to local policy

A patchwork of EV policies are in place across Australia<sup>1</sup>. The Australian Capital Territory are offering registration and loan incentives alongside infrastructure investment, however over in Victoria EV and hybrid drivers are now taxed per kilometre driven.

With the federal government focusing on EV infrastructure, and each state taking a different approach, there is consensus from EV advocates that this inconsistency is holding back consumer adoption. It's also impacting consumer choice, as confirmed by Nissan's

national manager for electrification, Ben Warren, disclosing their best models are not coming to Australia<sup>2</sup>.

### What this means for brands

Out of Home is a mass impact medium that allows localised state-level messaging. Brands can help consumers understand available incentives and remove hesitation barriers with state-specific OOH copy.



## Speak to consumer concerns

There is consumer appetite for EVs with 25% of Australians expecting their next car to be battery or hybrid<sup>3</sup>. However, the top 3 concerns for an all-battery EV are price (28%), lack of infrastructure (22%) and range anxiety (19%). At least there is alignment on the hot topics between consumers and government.

In the last 3 months we're seeing EV messaging aligned to brand values, communicated across our network. This suggests there is opportunity to talk to utility and address consumer concerns directly in high-dwell, high-consideration environments such as airports and offices.

# Planning to maximise

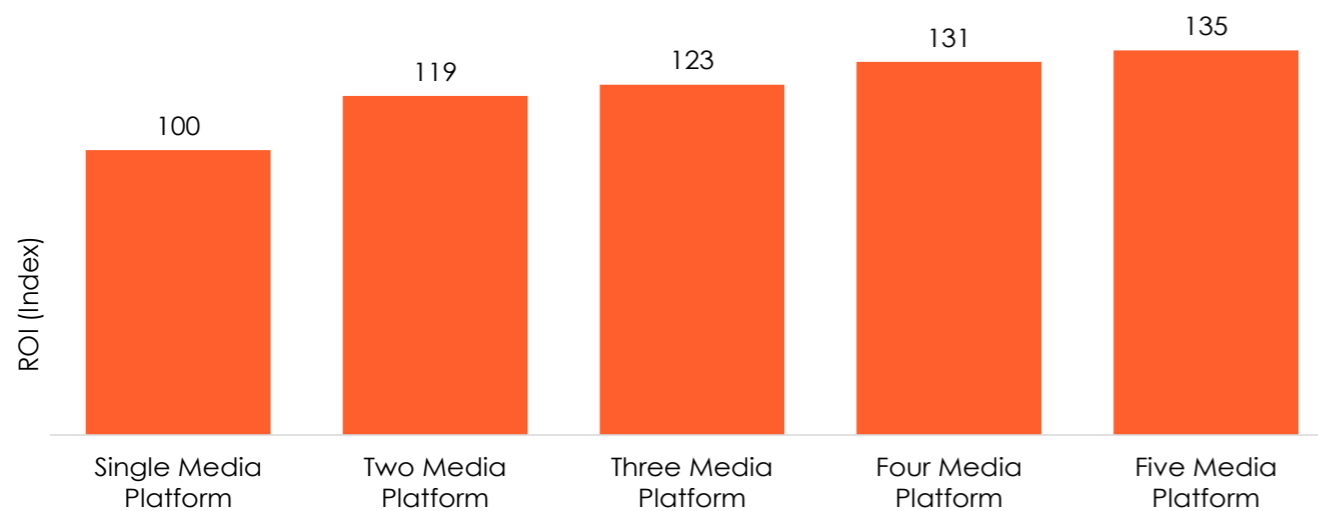
# ROI

Advanced mixed market modelling by Analytic Partners tells us how ROI is affected and offers practical tips which may make your planning easier and improve campaign performance<sup>5</sup>.

- 1. Plan by category-buyers.** Out of Home will always be a one-to-many medium, however planning by category-buyer allows you to reach more of an audience who are already displaying purchase behaviour habits relevant to you. We call this one-to-better-many.
- 2. Activate across multiple Out of Home channels** to reach consumers at different moments, driving campaign synergy and increasing ROI. Once you reach a point of diminishing returns on one Out of Home channel, introduce a second, third, fourth channel etc.
- 3. 41% of your campaign effectiveness comes from your creative,** so think about dynamic triggers and contextually relevant messaging to lower cognitive load and ease your message home.

Multimedia campaigns have a higher ROI than single media campaigns

ROI strategy comparison



SOURCE: Analytic Partners -ROI Genome Marketing Intelligence Report 2016 Analysis based on over 3,200 campaigns from 2010-2015; Platforms include TV, Print, Radio, Display, Paid Search, Online Video, PR, Out-of-Home and Cinema

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## Case Study: BMW



BMW took on board these insights while planning their 2019 2 Series campaign.

Launching the first ever 2 Series Gran Coupé into Australia, BMW wanted to hero futuristic design in an increasingly competitive landscape. We were briefed to help BMW drive national aspiration and consideration.

### Solution

oOh! identified a Q.Segment that aligned with BMW's target audience, allowing us to adopt a category-buyer planning strategy.

Smart Reach was used to identify Billboard sites nationally which over-indexed on this specific audience. The planning approach was extended and identified street and rail as channels which also delivered the right audience.

This multi-channel approach, in addition to maximizing ROI, reached 99% of affluent Australians delivering an effective and impactful campaign for BMW.



# The rear-view mirror

We're looking into our rear-view mirror and sharing insights from the last few months of Auto briefing with oOh! and how the category is thinking of using Out of Home.

The market continues to be short, with the average lead time from brief to activation only 8 weeks, with a lot of demand for already occupied formats and locations.

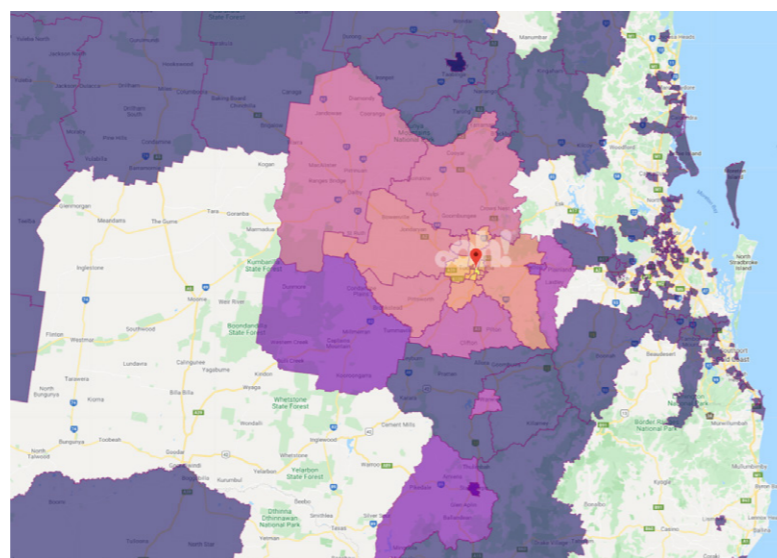
80% of briefs specified billboards, and 35% specified small format. This is no surprise as these channels deliver mass awareness and frequency. The campaign that we'll highlight is the one that spoke to the white-collar audience during their working week. Land Rover Discovery were live across oOh! Office reaching an affluent audience in close proximity to their desktops for online research. DSpark mobility data<sup>6</sup> tells us the national office network delivered 85% of 2019 contact volumes in week ending 24th May, demonstrating how the return to office continues as professionals spend increasing amounts of time in the CBD.

Only 30% of briefs specified Regional, aiming to reach some of the 9.1m Australians living in Boomtown. Half of these briefs requested Regional to deliver their national reach objective, with the other half requesting Regional to deliver on a dealership proximity objective.

We used DSpark analysis<sup>7</sup> to understand how far people travelled for weekend visits to dealerships. In Regional Australia the travel distance is up to 20km so consider a larger radius when thinking Regional compared to Metro.



Nissan were one of the few Auto brands to run on Regional Billboards in Q2, ensuring reach against Boomtown residents who have high discretionary income.



Less likely to live

More likely to live

## Outside of the frame

Spare a thought for "Valet Guys" who may have to get their kicks somewhere else, as Mercedes Benz has fun promoting the S-Class. [Click here to watch the video on YouTube.](#)



Technology moves in leaps and bounds. Ford have patented a new system using a cars camera to detect upcoming billboards and trigger in-car adverts. [Read about it here.](#)

We love the VW ID.4 'Living Outdoor Billboard' campaign from the UK. This team have a track record of inspiring creativity, as showcased by their 'Pollution Eating' murals from October 2020.



# How oOh! can help

## Reach and Engagement

As Australia's leading Out of Home media company with over 35,000 panels across 9 environments and market-leading insights powered by oOh!DataScience, we can help you reach your audience efficiently.

## Creative

Creative has a huge impact on campaign performance, delivering 41% of Out of Home ROI. Through creative ideation, artwork development, digital innovation, special builds and creative production, our creative service team provides expertise in solving business challenges while bringing innovative ideas to life.

## Contact Us

For more intel around these insights and support getting ahead of the curve, please reach out to your account manager or contact us directly at:

[TheLongView@oohmedia.com.au](mailto:TheLongView@oohmedia.com.au)

## Sources

1. <https://www.theguardian.com/environment/2021/may/30/electric-vehicle-vacuum-leads-to-confusion-between-states-and-territories>
2. <https://www.abc.net.au/news/2021-05-30/nissan-says-australia-missing-out-electric-vehicle-market/100173124>
3. <https://www2.deloitte.com/us/en/pages/manufacturing/articles/automotive-trends-millennials-consumer-study.html>
4. <https://www.mi-3.com.au/31-05-2021/nearly-fired-australian-first-how-volkswagen-and-ddbs-tribal-launched-brands-first>
5. Analytic Partners 2019
6. oOh! Smart Reach, DSpark, aggregated weekly total volumes Office locations nationally, period week-ending 24th May
7. Nielsen CMV 2019; DSpark SA1 Toowoomba, where people live 8-9 May 2021.