

# The cocktail party effect: How salience in out-of-home affects the bottom line

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The cocktail party effect is a well-known behavioural bias, whereby humans ‘selectively attend’ to stimulus they deem familiar or important. Kinetic UK and MediaCom looked into the possibility of its effect for use in out of home advertising. Here’s what they found.

Have you ever been in the middle of a conversation when your ears suddenly pricked up at the mention of something familiar from across the room? What you experienced is the cocktail party effect, a term coined in 1953 by British cognitive scientist Colin Cherry. Whilst the theory may not be familiar, Cherry’s insights have already been put to use on billboards across the UK – driving sales and boosting the bottom line of brands in the process.

What Cherry was articulating is the ability to “selectively attend” to stimulus that we deem important or familiar, such as our name, over and above other distractions. Not only do these kinds of stimuli grab our attention but neuroscience research also tells us that personally relevant information is more likely to be stored away into our long-term memory – essential for influencing any future decision-making that follows exposure to an advert or piece of communication.

For brands trying to get noticed, an understanding of this phenomenon is invaluable. The latest IPA Touchpoints research revealed that we are a nation obsessed with media multi-tasking, and in such a cluttered media environment, cutting through the noise is more important than ever.

So how can Out-of-Home (OOH) advertisers use Cherry’s insights to drive salience amongst consumers?

On first glance, the takeaway for Out-of-Home advertisers seems clear: messages that are more personally relevant will reap the benefits of greater cut-through. But does this logic necessarily follow? Indeed, where brands have experimented with personalisation both online and on mobile, universal success is far from guaranteed and campaigns have often attracted concern over their ‘creepiness’. So, what is the evidence for the effectiveness of increased audience targeting for a broadcast medium, such as OOH?

To gain greater understanding in this area, Kinetic conducted an experiment with client SUBWAY® and agency partners MediaCom and McCann London to explore the question of ‘how relevant is too relevant for OOH advertising?’ As part of a series of creative tests, three different posters were created, each with a different call to action that had been localised to varying degrees. The first poster had been localised at a regional level, the second to city level, and the third was hyper-localised to specific areas within a city. The control group was constructed using causal impact analysis, which identified those SUBWAY® stores whose performance most closely matched the test stores, prior to the inception of the test activity. The performance of these stores was then compared to those

stores that were in proximity to our test panels.

Analysis of SUBWAY®'s sales data provided evidence of which posters were most effective. Over the course of two weeks we found that, in comparison to the control stores, the regional poster drove an increase in sales of 8% while the city-level creative performed marginally better, boosting sales by 9%. The hyper-localised version of the creative, however, was found to barely move the needle, registering an uplift of just 1% compared with the control.

Results were similar when analysing traffic to store (as opposed to sales.) Stores in proximity to the city- and region-level posters achieved 10% and 7% uplifts in customer count respectively, over the test period, versus the control group.

For advertisers labouring under the belief that hyper-relevance is preferable *in all situations*, it may come as a surprise that broader, regional localisation was significantly more effective than hyper-targeting passers-by.

Questions remain over why this was the case; it may well be that passers-by did not feel as strong a connection to the local area (e.g. Walton in Liverpool) as they did to the broader region. Arguably the county and town messaging performed particularly well because the target audience had a stronger sense of shared identity. There is also the question of whether hyper-localised messaging might perform better in conurbations where particular neighbourhoods or districts have an established heritage and particularly strong sense of community (e.g. Leith in Edinburgh, Hackney in London.)

In conclusion, for OOH creatives, this experiment underlines the fact that there is a sweet spot for a targeted broadcast approach that can be achieved with localisation of copy at the right level. For planners, it reveals that an understanding of location has never been more important: it's not enough to know the footfall, or profile of a typical passer-by; it is also important to have an understanding of their feelings towards a certain location.

Using the cocktail party effect to inform digital Out-of-Home creative can help advertisers cut through the noise of a saturated media environment. Digital innovation and the rapid

addition of new inventory mean that these insights are more important now than ever before.

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