

PepsiCo's 3 considerations for digital out-of-home

Article

PepsiCo's approach to digital out-of-home advertising (DOOH) is rooted in regional connections, timeliness, and a deep understanding of its distinct brand audiences.

"It's really easy to think about DOOH as just being billboards," Megan Richardson, associate manager of global media innovation at PepsiCo, said at Programmatic I/O last week. "But there are so many other elements, and so many ways for [advertisers] to be a part of the

consumer journey from start to finish, whether that's just initial awareness-driving to actually being there when they're making that purchase.”

Although DOOH isn't well-known for its personalization capabilities, PepsiCo has discovered ways to reach their consumers without it feeling invasive. The company has avoided “the creep factor,” Lucy Markowitz, said senior vice president of US demand at Vistar Media. “There's so much data that's being used in programmatic as well as the advertising space at large, that you don't ever want the consumers to feel like they've been personally targeted. It's more about creating relationships between brand and consumer... and creating a memory that will be with them while they're shopping.”

PepsiCo's DOOH focus comes at an opportune time. DOOH ad spending is expected to recover from its pandemic decline, according to our forecast, growing double digits annually through the end of our forecast period in 2027.

Here are three ways PepsiCo got DOOH right, striking the right balance between high-impact and relevance.

Flavor profiles: “We can actually tailor the creative itself to be relevant to the group that we're targeting or the region,” Richardson said.

- Pepsi's DOOH ad creative was featured alongside different styles of pizza based on the region. Placements in Chicago, for example, included photos of deep-dish pizza, and in New York, included its iconic wide, flat, and foldable slice.
- “To a consumer in Chicago or New York, it means a lot to them. It not only shows that Pepsi knows the difference, but that personalization, even if it's for a large group of people, is a priority.” Richardson said.
- Beyond regional-specific messaging and creative, PepsiCo looks at its DOOH opportunities with respect to their proximity to major retailers, especially when promoting special offers or exclusive flavors. For example, “we put DOOH around 7-Elevens rather than putting an arbitrary billboard up and hoping they'll sell somewhere. It's huge for getting actual sales out of these media placements,” Richardson said.

The right time: Digital screens enable PepsiCo to adapt its ad creative based on the time of day.

- Taking a time-sensitive approach to the Starbucks' ready-to-drink product portfolio, PepsiCo, which has a partnership with the coffee brand, "synced up with how consumers are drinking," Richardson said.
- Consumers gravitate to the Starbucks bottled Frappuccino as a pick-me-up treat, so her team made sure to align their DOOH buys with those patterns of daytime consumption.

Context matters: PepsiCo's consumer DNA (CDNA) dataset, which consolidates first-party and third-party data, as well as sales, demographics, and interest data, is at the heart of its marketing strategy, allowing the company to envision—and speak to—its target consumer.

- The food and beverage giant's diverse range of brands are matched with a CDNA profile, guiding everything from campaign ideation to execution.
- The brands, each with a distinct personality, show up in different ways. Bubly sparkling water, for example, represents positivity, Richardson said. "It's about cracking a smile in moments that may not typically be in moments of happiness." That means having DOOH in spaces that are typically less enjoyable for people, like the DMV or the airport.

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