

## Digital Out-of-Home (DOOH) Advertising Gaining Momentum

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Steady and rapid progress is being made in the area of advertising on Digital Out-of-Home networks (call it digital signage, In-Store TV, place-based dynamic media, etc).

Advertising growth is being driven by proof of performance, increasing display inventory, ease of ad planning and placement, engagement by a range of media buying divisions, the economies of a fully “digital” communications supply chain and other factors.

While Out-of-Home budgets have been the initial source of ad funding, the positioning of DOOH as “Out-of-Home TV” is allowing access to TV budgets and its positioning as the “OuterNet”, (internet in out-of-home locations) is allowing DOOH to tap into internet ad budgets.

The Out-of-home Video Advertising Bureau ([www.ovab.org](http://www.ovab.org)) whose members comprise many of the largest DOOH networks, state that Video Advertising Networks and Screens is a \$1.01 B industry growing at 25.4% annually to a projected \$3.2 billion by 2011. Industry growth translates to a rapidly growing base of displays in a growing number of locations reaching a growing number of viewers.

“Out of home video and digital advertising networks offer advertisers a way to dynamically message to their target consumers that is contextually relevant to where they are” says Suzanne Alecia, President of OVAB. Alecia adds “Upgrades in technology and target-ability make this sector increasingly more powerful and hard to ignore. As the DOOH industry continues to work together in establishing common metrics, the advertising community will continue to embrace this platform.”

Dale Smith, Sr. Director of Business Development of Peerless Industries, Inc. in reflecting that Frost and Sullivan, DisplaySearch and other analysts predict 900,000 displays to have been displayed by end of 2009, notes that “if these were all 40” displays, they would total 6.3 million square feet of dynamic digital display area, an area equivalent to 140 football fields!”

Digital display is proving its value. In September 2008 Walmart executives unveiled “the new Walmart Smart Network that will provide shoppers relevant and useful information via in-store TV”. While they dub it “The first “shopper-intelligent network at retail” the Smart Network stands on the shoulders of over a dozen years of Wal-Mart In-Store TV experience and a further two years and \$10 million in research and development to identify the optimal locations, applications and programming. The network will further improve sales lift, shopper engagement and deliver analysis that can power ongoing optimization.” Digital signage is clearly working at Wal-Mart, as is reflected by the analytics of other networks.

Ad revenues for DOOH are also being fueled by the focus and increase of energies aimed at increasing advertising on this medium. Momentum has been building over the past several years as network operators have held “upfronts,” tuned their media kits, produced analytics, honed their proposal skills and met many of North America’s key media planners and buyers, as well as brand themselves.

The ad sales organizations of NBC, ABC and CBS have been promoting DOOH ad placement to their advertising clients, often bundled with TV network proposals. Cable system and billboard ad sales organizations have been ramping up and print media is expected to become engaged in DOOH ad sales as a way of leveraging their sales organizations.

“A fact of modern life and commerce is that better approaches will be used” said Shelley Palmer, media guru and author of the best-seller “Television Disrupted” when addressing a packed house at the NEC Digital Solutions Summit in late August. He continued, “Digital Out-of-home is powerful because of its placement at point of event such as purchase, decision or attention. As an “addressable media” it exploits the digital communications supply chain to provide better message targeting capability – the holy grail of the advertising”.

The media planners and buyers that comprise part of the “marketing industrial complex” that include brand managers, agencies, creative houses, researchers and message distributors, have been frustrated by efforts required to plan and place ad campaigns to take fullest advantage of the media.

DOOH network ad sales people could fill a media buyer’s calendar, but ad placement is becoming increasingly easy. Industry associations such as [www.OVAB.org](http://www.OVAB.org) and [www.OOHDigital.ca](http://www.OOHDigital.ca) offer direction to many networks.

And DOOH ad sales agencies such as Adcentricity, SeeSaw Networks, Charter Media, and MediaPlace offer convenience to media planners and buyers. And new entrants to this service area such as rVue, UnSoldSpace.com and AdSemble suggest that the administration in using DOOH for advertising will become more streamlined.

Adcentricity CEO Rob Gorrie says “today there’s a better understanding of the Digital OOH medium and folks are more comfortable with how to use it. This is what’s driving demand for Digital OOH. And it’s about time. At ADCENTRICITY, we try to be as hands-on as possible with everyone in the Digital OOH value chain – planners, buyers, brands, agencies, and we work within their existing framework to create a better understanding of Digital OOH and educate on how and why hyper-targeting venue types and audiences is so important to the success of their campaign objectives. So far it’s been a great experience for everyone involved. In addition, we’ve all learned a lot from our previous experience in Digital OOH that Agencies and Brands can leverage to support truly innovative initiatives not only at the Point of Purchase (POP) but also on the Path to Purchase (P2P).”

Gorrie points to a further reason that DOOH is gaining momentum. “I’m getting really

excited” he said “by Senior Marketers, Creative Agencies and Media Agencies who are delivering some truly creative concepts and campaigns designed to tap the medium’s full potential to tell very relevant, contextual and consistent stories across multiple consumer touch-points. As these marketers and creative thought leaders get their arms wrapped around “what works” in the medium, we’re going to really see the opportunity in Digital OOH. Creative ideas and campaigns that use the venue types across the medium to tell a relevant and updateable story across multiple consumer touch-points are starting to emerge. We’re glad to be a partner of this creative revolution in Digital OOH and expect to see a lot of innovative executions in the next few years, which is only going to drive excitement, more clients and more revenue to the entire medium.

Rocky Gunderson, VP of SeeSaw Networks observes, “As SeeSaw Networks grows, we become even more bullish on the future prospects for advertisers utilizing digital out of home networks to engage their clients. Through the research we conducted with OTX, it was reported that digital signage advertising was second only to TV in its entertainment and unique value”.

Gunderson adds “We are seeing companies using the media in much more strategic ways than ever before . . . it is moving beyond place based advertising, into more strategic communications, like building brand awareness. That’s really exciting, particularly when, from a creative perspective, you see how effectively, digital signage can deliver a relevant, timely message. When you add to that the explosive growth in digital signage companies, increasing the venue choices brands have to advertise in, this media now has the reach of TV with the target-ability of the internet. Planning teams are beginning to stand up and take notice”.

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