

State of the Nation

Programmatic OOH 2021

Australia white paper





Executive summary

VIOOH partnered with MTM to survey 1,000 senior agency and advertising executives across the US, UK, Germany, France and Australia on their perceptions of programmatic out of home (OOH), comparisons to other media, approaches to planning and buying, and the future of programmatic OOH.

Drawn to the flexibility offered by programmatic channels during the COVID-19 pandemic, agency and advertising executives are positive about the role programmatic OOH can play and expect to increase their investment in future.

Programmatic OOH investment is being driven by strengths in targeting, measurement and ROI, the latter increasingly important as marketing budgets come under more scrutiny. Further, programmatic OOH is seen as a truly versatile channel, able to support brand and performance goals, and executives rank it competitively against other digital channels.

As the buying audience for programmatic OOH expands, there is more work to do, with knowledge gaps and a lack of consistency in how programmatic OOH is planned and bought, which risks it being overlooked or used inefficiently.

The overall outlook is positive however, with executives planning to invest in programmatic OOH expertise and integrate this new media buying method more frequently into multi-channel campaigns, which will drive further innovation and growth.

Programmatic OOH – The future is promising



As we covered in our previous State of the Nation reports, programmatic has been a major theme in digital advertising over the last decade. In this new report, we see that programmatic has proved increasingly important during the COVID-19 pandemic, as advertisers continue to seek more flexibility in their marketing.

Programmatic has continued to gain traction in out of home advertising as advertisers, agencies, DSPs and media owners embrace the digitisation and programmatic capabilities of OOH: more control and flexibility offered to budget holders, greater opportunities to complement multi-channel campaigns, and the ability to target desirable audiences at key moments.

This year's white paper, expanded to include Australia and France, explores key questions about programmatic OOH and its future: How widely has it been adopted and how is it being used? How is programmatic OOH planned and bought, and how is it integrated into multi-channel campaigns? What is driving investment and what would unlock further spend?

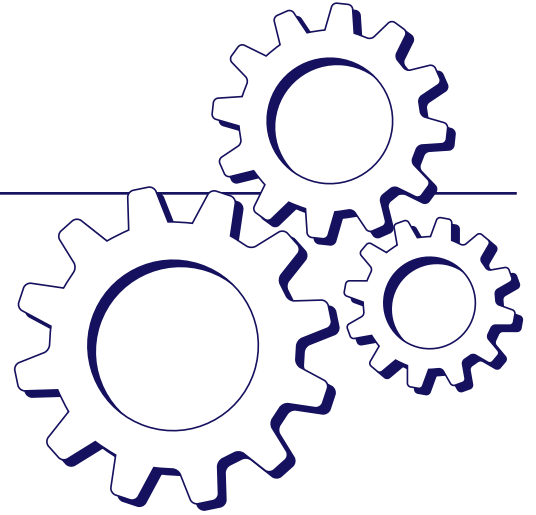
It should be noted we decided to include Australia in this report because although a newcomer to programmatic OOH, they have shown strong initial adoption and we believe this market will continue to grow significantly in the coming years.

VIOOH partnered with MTM to survey 1,000 senior executives from media agencies and brands across Australia, France, Germany, the UK and USA, and also conducted interviews with key media agency executives, to understand the industry's perceptions of programmatic OOH, how it is being used and where there are opportunities for greater adoption.

This year, we expanded the sample to include more people with a programmatic background, regardless of whether they have prior experience in OOH, to reflect how programmatic OOH is viewed by both digital and OOH buyers.

This multi-market approach provides an unparalleled perspective from five major advertising markets to understand the State of the Nation of programmatic OOH. This version focuses specifically on the Australian results and looks at how Australia compares with the global averages.

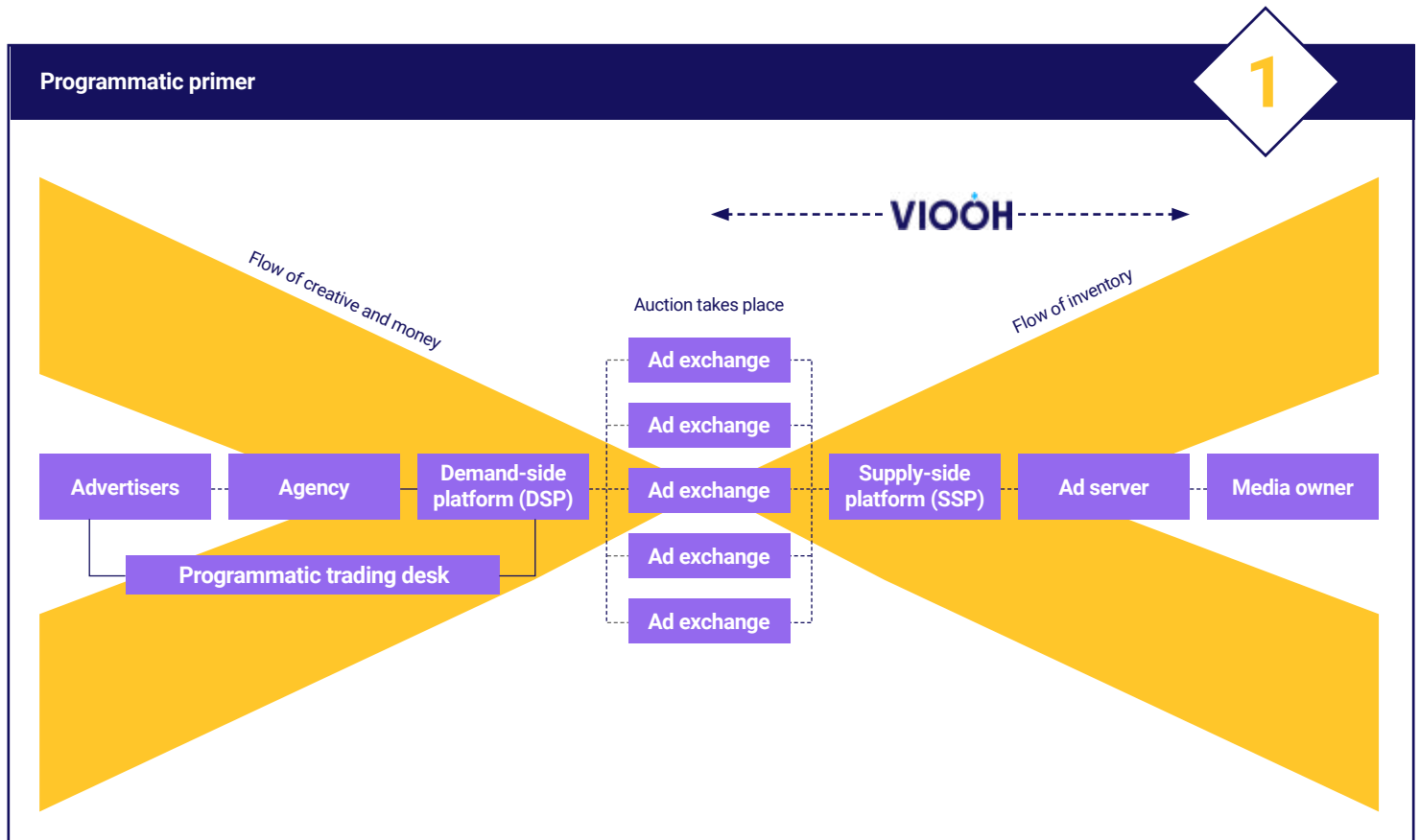
How programmatic OOH works



Firstly, what is programmatic? Simply put, it's an automated buying and selling process using various technology platforms and data to transact in real-time, enhance flexibility and reduce barriers to entry.

Programmatic OOH is a subset of digital OOH, and refers to a method of trading digital out of home inventory rather than the broader media channel definition.

For more details on programmatic technology in OOH check out our informative video ['How to buy programmatic OOH'](#).





The state of play

Programmatic advertising is increasingly important following COVID

As the COVID-19 pandemic took hold in early 2020, businesses had to rapidly adapt their marketing strategies, with many cutting or reallocating budgets across brand and performance marketing. In our Q4 2020 report, executives reflected on the uncertainty around advertising in general but were positive about programmatic channels and the role they could play in the next 12 months.

They predicted correctly, with executives reporting programmatic advertising as increasingly important to their businesses in the last 12 months.

In Australia, 90% of executives see programmatic channels as more critical to their business in the context of the COVID-19 crisis, broadly in line with the global average (89%). This increases to 93% for Australian board directors, mirroring the global average (93%), showing strong senior support (see Exhibit 2).

A key reason for this is a need for flexibility in planning and running advertising campaigns. Most Australian executives (83% agency, 85% advertiser) agree that they are more likely to use programmatic advertising in general due to the flexibility it offers. This aligns closely with the global averages (84% agency, 82% advertiser).

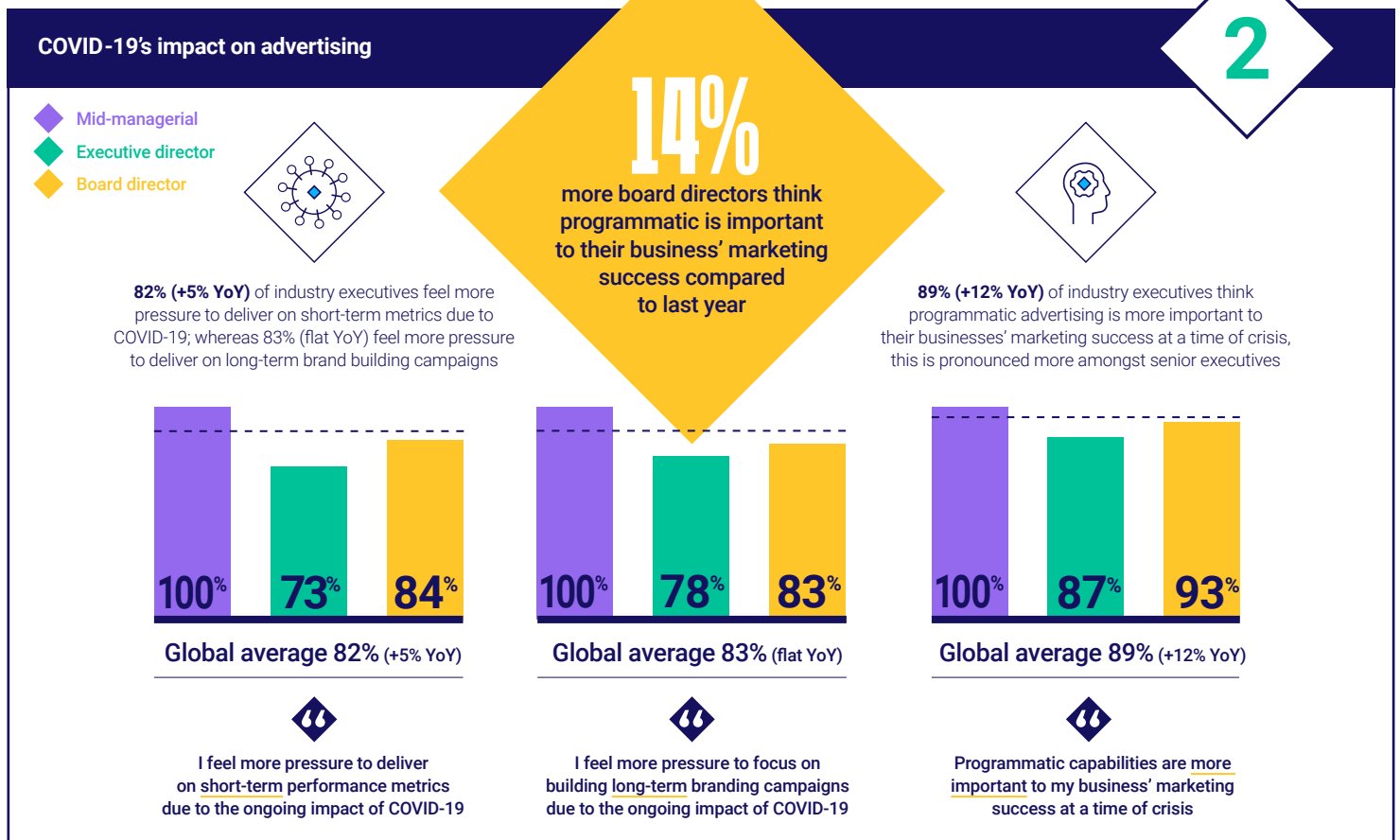
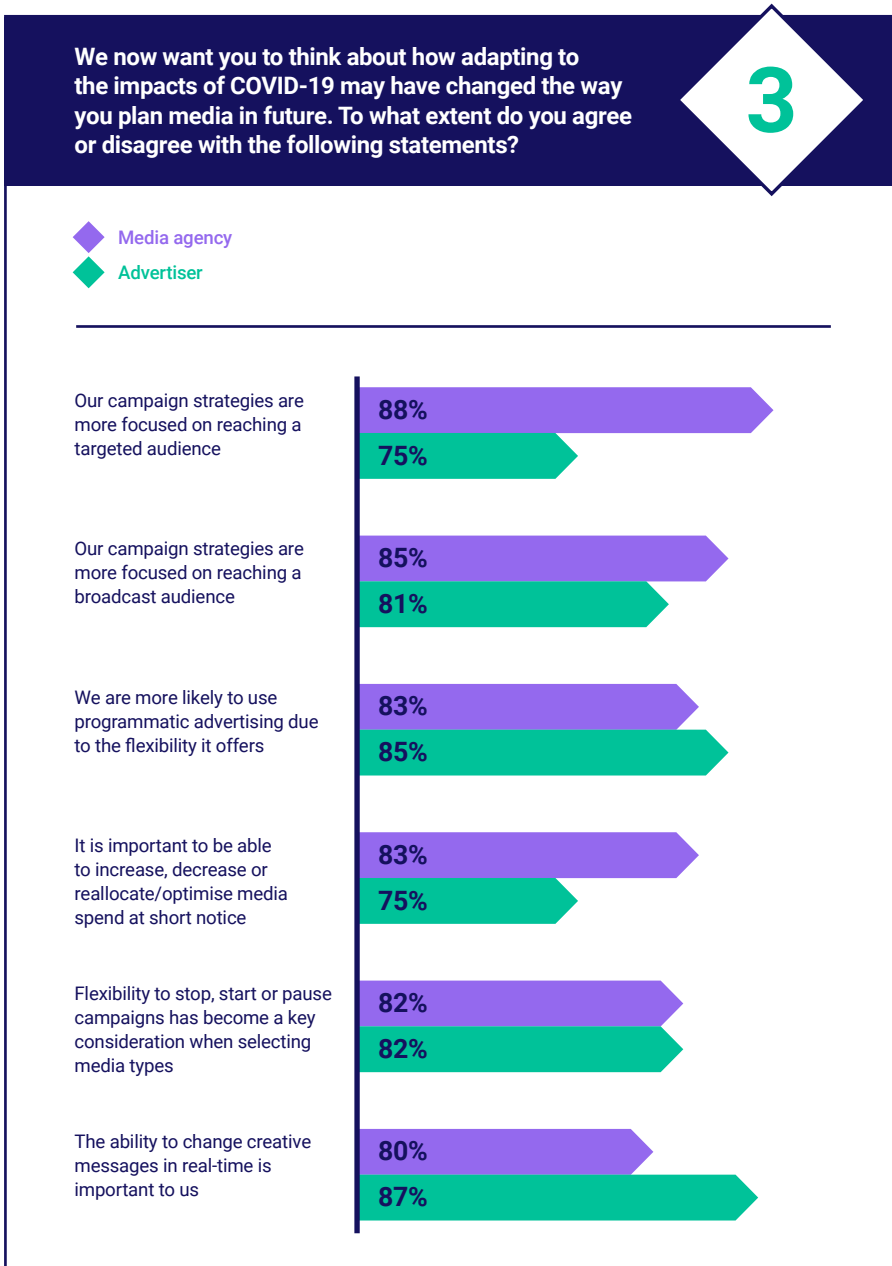


Exhibit 2 Survey question: Now thinking about this year's developments around COVID-19, to what extent do you agree or disagree with the following statements? Numbers shown represent respondents who chose 'strongly agree' or 'slightly agree'.

As shown in Exhibit 3, Australian executives are **focused on strategies which reach targeted and broadcast audiences.**

As they adapt to the impact of COVID-19, the majority (83%) also agree they are more likely to use programmatic due to the flexibility it offers.

The Australian executive we spoke to agreed that flexibility has become a major consideration and has helped accelerate programmatic OOH adoption.



The pandemic has made people recognise the benefits of buying OOH programmatically and this has helped drive uptake.

Head of Partnerships, Media Agency, Australia

They also predict that this behaviour will stick even as the world returns to normal.



These benefits will apply when we get back to normal and yes, I think people will stick with it.

Head of Partnerships, Media Agency, Australia

Targeting, measurement and ROI are key drivers of investment in programmatic OOH



The increasing importance of programmatic technology in general also applies to OOH media specifically. Digital OOH now has widespread adoption, with 62% of Australian executive respondents (and 62% globally) saying they had planned, bought, or placed digital OOH in the last 12 months.¹ Of those, 62% had traded OOH programmatically, in line with the global average (61% globally).²

Buying OOH programmatically massively reduces wastage... even if prices can be higher [than buying direct], it offers great value.

Head of Partnerships, Media Agency, Australia

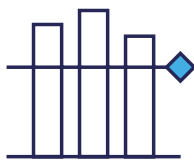
Similar to the global 2020 results, the Australian executives highlighted two of the three same drivers for investing in programmatic OOH (see Exhibit 4). Unique to this market, the ability to use dynamic creative is a key driver for investment.

These results reiterate that the ability to use **dynamic creative and flexibility in planning and buying, alongside the precision offered by trigger-based buying, are integral to driving programmatic investment.** These strengths were reflected in our discussions with executives.

Crucially, executives are confident they can measure and prove the value of programmatic OOH within multi-channel campaigns.

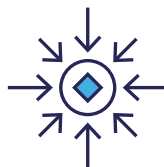
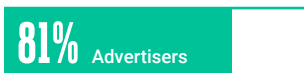
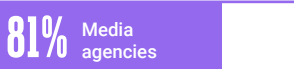


Most important factors in determining investment in programmatic OOH



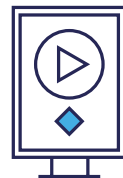
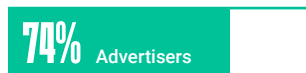
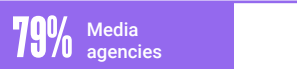
Measurement

The ability to measure campaign performance across multiple digital channels



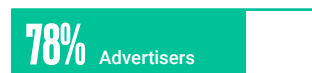
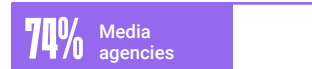
Trigger-based buying

Buying impressions based on events, news, promotions, moments in time, locations, audiences as they move, weather, and environmental conditions



Dynamic creative

The ability to use dynamic creative



¹Survey question: Which of the following media have you planned, bought, or placed in the last 12 months?

²Survey question: Now thinking about programmatic advertising, which of the following media have you placed/planned or bought programmatic advertising for in the last 12 months?

Exhibit 4 Survey question: How important are the following in determining your investment in programmatic OOH? Results shown: Top three ranked out of 14 options by those who selected 'Very important' or 'Quite important'.

Exploring what would unlock even further investment in programmatic OOH, executives pointed to cost efficiency, more data to drive direct response (e.g. cross-channel measurement) and more tangible metrics around the channel to demonstrate value - see Exhibit 5. This indicates that while positive on the creative benefits of programmatic OOH, executives believe there are opportunities to improve measurement, efficiency and effectiveness.

In interviews, the Australian executive also referred to the need for a consistent supply of programmatic inventory giving them the potential to scale campaigns as and when needed.



There's limited scale of programmatic OOH in the market... I'm sure this will flex as demand grows but it's important that when clients want to go bigger, they can.

Head of Partnerships, Media Agency, Australia

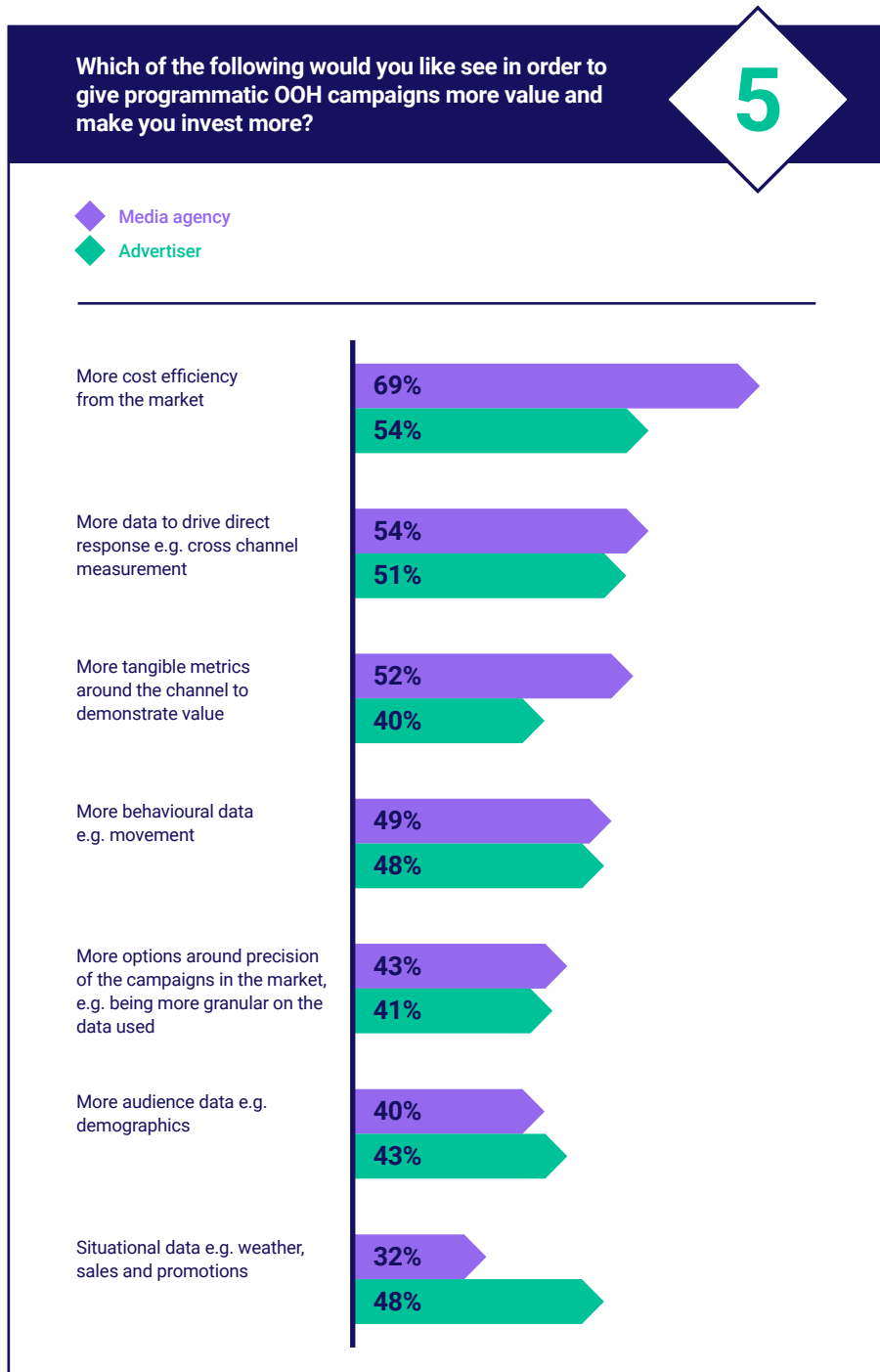
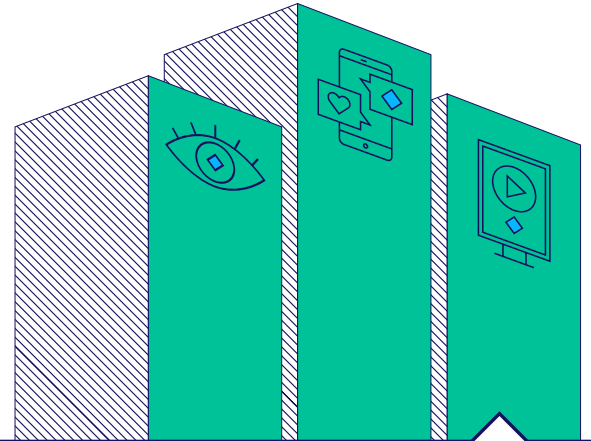


Exhibit 5 Survey question: Which of the following would you like see in order to give programmatic Out-of-Home campaigns more value and make you invest more?

Programmatic OOH ranks highly compared with other digital channels



Programmatic OOH compares well with other digital channels, ranking in the top three on a wide range of attributes.

Most importantly, Australian executives ranked its ability to trigger an emotional response second only to social media, highlighting the true reason for advertising - the ability to engage with consumers. Programmatic technology is enhancing OOH's established strength of delivering high impact and meaningful messaging to consumers.

Focusing on its capabilities, executives ranked programmatic OOH third for delivering accurate location targeting, generating return on investment, increasing brand awareness and providing dynamic creative opportunities.

Together, these points highlight the ability of programmatic OOH to fulfil several roles for advertisers effectively.

We will now show you a list of attributes and digital media types. Please choose any of the media you feel deliver against these attributes.

6

Triggering a positive emotional response

- 1 Social media
- 2 **Programmatic digital OOH**
- 3 Digital video advertising
- 4 In-app advertising
- 5 Digital audio
- 6 Search
- 7 Display
- 8 Mobile
- 9 Connected TV

Delivering accurate location targeting

- 1 Digital audio
- 2 Social media
- 3 **Programmatic digital OOH**
- 4 Digital video advertising
- 5 In-app advertising
- 6 Search
- 7 Mobile
- 8 Display
- 9 Connected TV

Flexibility/efficiency to display when the right conditions are met

- 1 Digital video advertising
- 2 Social media
- 3 In-app advertising
- 4 **Programmatic digital OOH**
- 5 Digital audio
- 6 Mobile
- 7 Search
- 8 Display
- 9 Connected TV

Generating return on investment

- 1 Social media
- 2 Digital video advertising
- 3 **Programmatic digital OOH**
- 4 Digital audio
- 5 In-app advertising
- 6 Mobile
- 7 Search
- 8 Display
- 9 Connected TV

Providing dynamic creative opportunities

- 1 Social media
- 2 Digital audio
- 3 Digital video advertising
- 4 **Programmatic digital OOH**
- 5 In-app advertising
- 6 Search
- 7 Mobile
- 8 Display
- 9 Connected TV

Targeting the right people at the right time

- 1 Social media
- 2 Digital video advertising
- 3 Digital audio
- 4 In-app advertising
- 5 **Programmatic digital OOH**
- 6 Search
- 7 Display
- 8 Mobile
- 9 Connected TV

Increasing brand awareness

- 1 Social media
- 2 Digital audio
- 3 **Programmatic digital OOH**
- 4 Digital video advertising
- 5 In-app advertising
- 6 Mobile
- 7 Search
- 8 Display
- 9 Connected TV

Increasing sales / performance

- 1 Social media
- 2 Digital audio
- 3 Digital video advertising
- 4 **Programmatic digital OOH**
- 5 In-app advertising
- 6 Mobile
- 7 Search
- 8 Display
- 9 Connected TV

Exhibit 6 Survey question: We will now show you a list of attributes and media types. Please choose any of the media you feel deliver against these attributes.
1) Social media includes Facebook, Instagram, Twitter etc.; 2) Digital audio includes streaming audio, streaming music, and podcasts; 3) Search includes pay-per-click; 4) Display excludes social media; 5) Mobile excludes in-app advertising

Programmatic OOH is seen as highly versatile

One of programmatic OOH's key strengths is its versatility – reaching broadcast and targeted audiences, and supporting both brand and performance marketing goals.

Australian executives highlighted that it was key for their advertising campaigns to reach both broadcast (**85% agency, 81% advertiser**, reflecting the 87% and 82% of respondents globally) and targeted audiences (**88% agency, 75% advertiser**, similar to the 87% agency and slightly lower than the 81% advertiser respondents globally) as very important to them, particularly after the impact of COVID-19³.

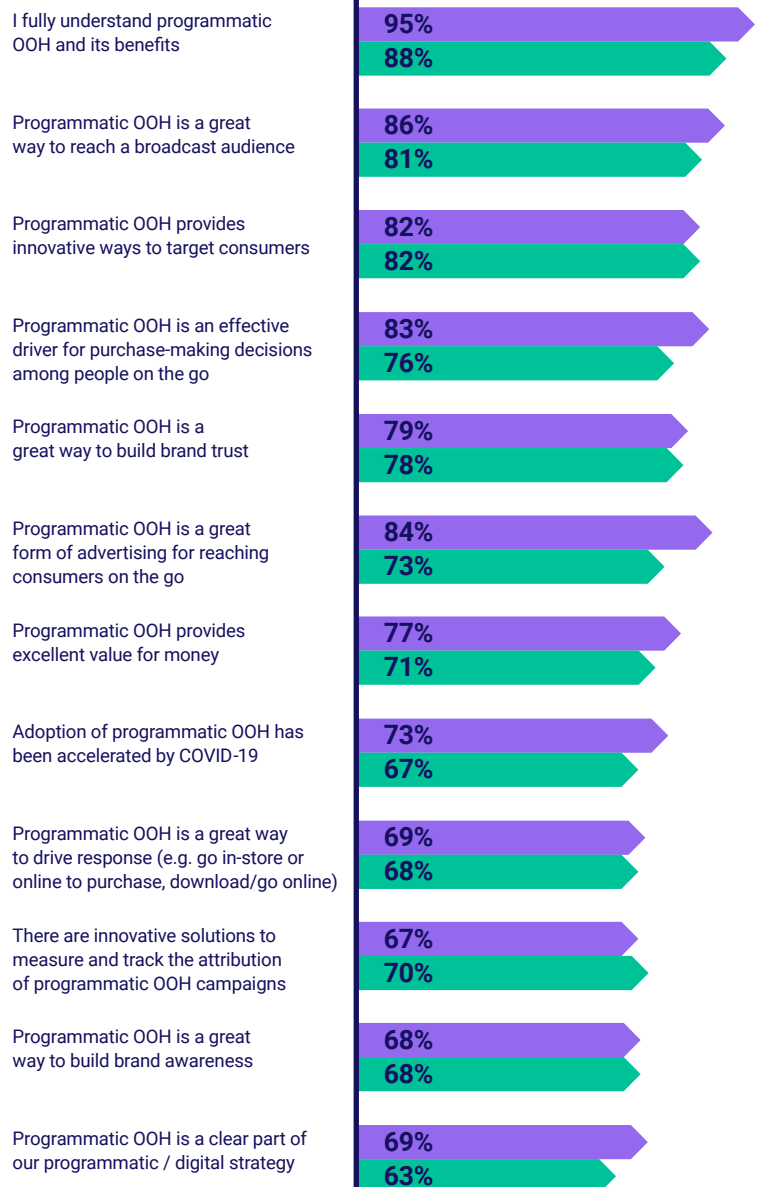
Programmatic OOH delivers on both fronts. Most Australian executives see it as a great way to reach a broadcast audience (**86% agency and 81% advertiser**, slightly below with global averages of 94% agency, 91% advertiser).

A majority also see it as an effective driver for purchase-making decisions on the go, though this measures below the rest of the markets (**83% agency and 76% advertiser**, compared with global averages of 93% agency, 88% advertiser).

To what extent do you agree or disagree with the following statements about programmatic OOH advertising?

7

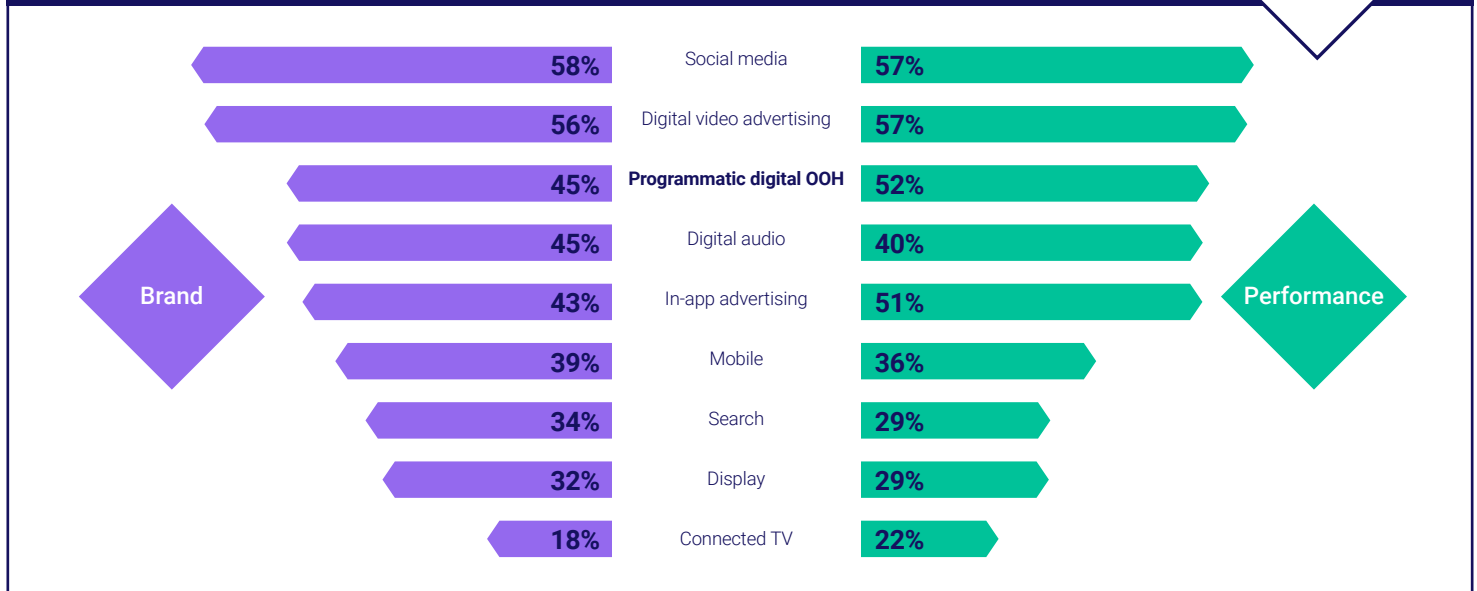
Media agency
Advertiser



³Survey question: We now want you to think about how adapting to the impacts of COVID-19 may have changed the way you plan media in future. To what extent do you agree or disagree with the following statements: "Our campaign strategies are more focussed on reaching a broadcast audience"; "Our campaigns strategies are more focussed on reaching a targeted audience".
Exhibit 7 Survey question: We will now show you a list of statements. To what extent do you agree or disagree with the following statements about programmatic OOH advertising?

What digital channels do you see as important for brand and performance campaigns?

8



Related to this ability to deliver against campaigns with a targeted or broadcast approach, programmatic OOH is also seen as highly relevant for both brand and performance campaigns, ranking third across digital channels for both (see Exhibit 8). Comparing this to our previous study, programmatic OOH has stepped ahead of digital audio advertising.

On the brand side, many Australian executives (**68% agency, 68% advertiser**) believe that programmatic OOH is a **great way to build brand awareness**⁴, below the global averages of 80% agency and 75% advertiser respectively.

On performance, the majority of Australian executives (**84% agency, 80% advertiser**) see programmatic OOH as a **great way to drive response** e.g. driving people to go in-store or online to make a purchase or download⁵, compared with 82% of agencies and 78% of advertisers globally.

It should be noted that Australia scoring below the global average reflects the market's infancy in programmatic OOH. Although a relative newcomer to this channel of trading, Australia is experiencing significant early adoption and will only see strong growth over the coming years as the industry sees first-hand how it delivers on performance and brand driven campaigns.

The findings were reflected in our discussions, with the Australian executive explaining how programmatic OOH was well suited to both brand and performance objectives.

This helps explain programmatic OOH's rise in usage and its broad appeal and implies a significant opportunity to tap into both brand and performance budgets, potentially playing numerous roles on multi-channel digital campaigns. It also highlights the degree of complexity in how media agencies and advertisers manage programmatic OOH.



We use programmatic OOH mostly for brand-based activity, but more clients are using it for performance too, like driving footfall in-store which has worked really well.

Head of Partnerships, Media Agency, Australia

⁴Programmatic OOH is a great way to build brand awareness; see Exhibit 13 for numbers by market.

⁵Programmatic OOH is a great way to drive response (e.g. go in-store or online to purchase, download/go online); see Exhibit 13 for numbers by market.

Exhibit 8 Survey question: Which channels do you see as important for brand-led campaigns? Which channels do you see as important for performance-led campaigns?



Challenges programmatic OOH faces

Who is responsible for programmatic OOH?

Media agencies and advertisers are still adapting to programmatic OOH's rapid rise. That OOH is a traditional media channel with new programmatic capabilities, one that now delivers for both brand and performance campaigns, means that responsibility for programmatic OOH varies in current media agency and advertiser setups.

When asked how they planned and bought programmatic OOH, executives produced a variety of responses.

Firstly, Australian advertisers are split between operating in-house (46% versus 37% global), outsourcing to media agencies (10% versus 20% global) and a combination of both (44% versus 43% global).

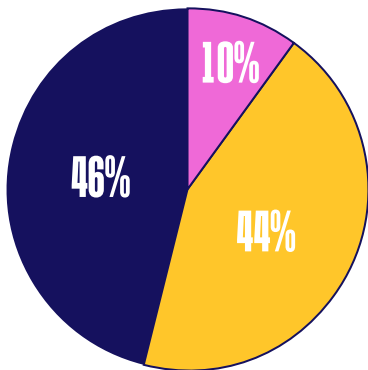
Adding to this, planning and buying programmatic OOH specifically can then sit with OOH teams, digital teams or separate teams altogether (see Exhibit 9).

The responses also show that within a given media agency, Australian executives are taking multiple approaches – in the last 12 months, 66% (compared with 55% globally) have bought via a dedicated programmatic OOH team, 48% (compared with 57% globally) have bought programmatic OOH via digital or programmatic teams, and 44% (55% globally) have done so via OOH teams, highlighting an overlap.

9

A

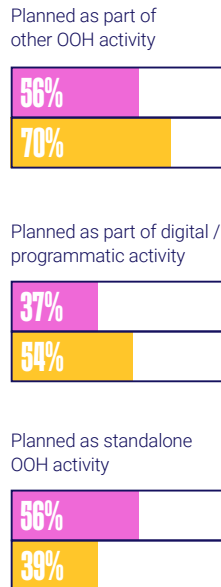
Who has typically been responsible for planning and buying programmatic OOH in the last 12 months? (advertiser only)



- ◆ Both in-house team and media agency
- ◆ In-house team
- ◆ Media agency

B

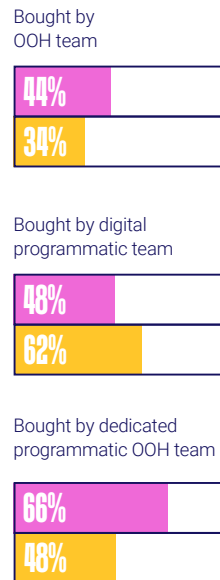
How has the programmatic OOH advertising you have placed/planned or bought in the last 12 months typically been planned?



- ◆ Media agency
- ◆ Advertiser

C

How has the programmatic OOH advertising you have placed/planned or bought in the last 12 months typically been bought?



- ◆ Media agency
- ◆ Advertiser

Exhibit 9 Survey questions: Who has typically been responsible for planning and buying programmatic OOH in the last 12 months? How has the programmatic Out-of-Home advertising you have placed/planned or bought in the last 12 months typically been planned? How has the programmatic Out-of-Home advertising you have placed/planned or bought in the last 12 months typically been bought?

This raises several issues.

Firstly, it implies that agencies and advertisers do not have a clear view on programmatic OOH at a strategy and comms planning level, risking it potentially being an afterthought rather than being fully integrated into large multi-channel campaigns.

Secondly, if responsibilities for planning and buying programmatic OOH are unclear (e.g. between OOH and digital teams), it could be overlooked or see activity duplicated, creating inefficiency.

Finally, it will be harder to build programmatic OOH expertise if activity is spread across multiple teams.

In our discussions with executives, we heard the case for buying programmatic OOH through experts in programmatic teams, but that they see variation when it comes to planning.



Our [programmatic] team buys all programmatic OOH as we have the relevant expertise. It gets planned with the media agency teams [in the same agency group] and tends to come to us through digital teams, although that can vary.

Head of Partnerships, Media Agency, Australia





What's coming next

Increased inclusion in multi-channel campaigns will drive widespread adoption of programmatic OOH

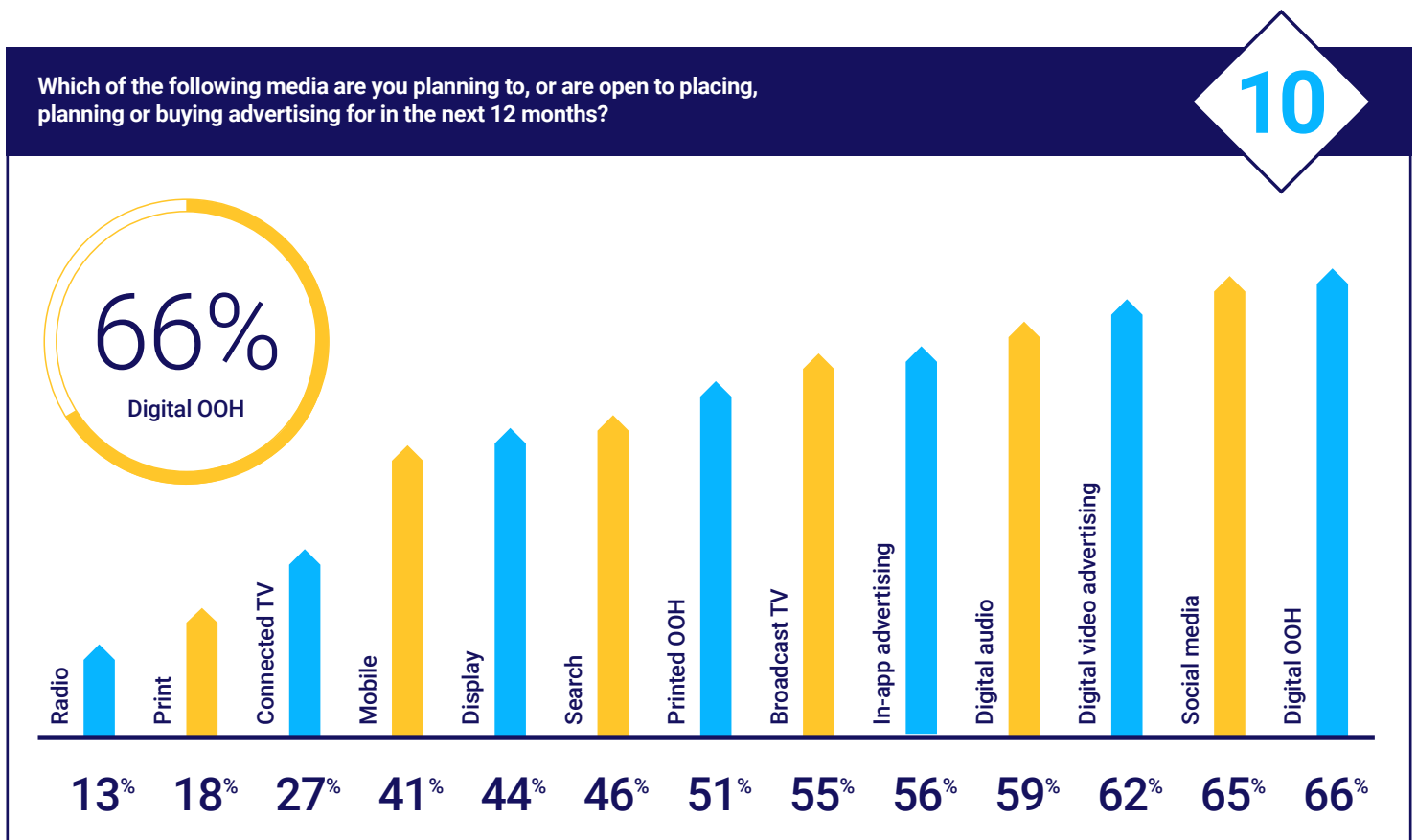


In Australia we've seen widespread adoption of digital OOH and, more importantly, we're seeing adoption of programmatic OOH grow with almost two thirds (62% versus 62% global) of executives who planned, bought or placed advertising on digital OOH screens doing so programmatically⁶.

I think we're still at a relatively early stage and I expect to see programmatic OOH to continue to grow quickly.

Head of Partnerships, Media Agency, Australia

Looking ahead, 66% of Australian executives (68% globally) plan to use digital OOH in the next 12 months, with more saying they plan to use digital OOH than any other channel, signalling significant growth (see Exhibit 10) of both digital OOH and programmatic trading. This was echoed by the Australian executive we spoke to who sees programmatic usage continuing to grow.

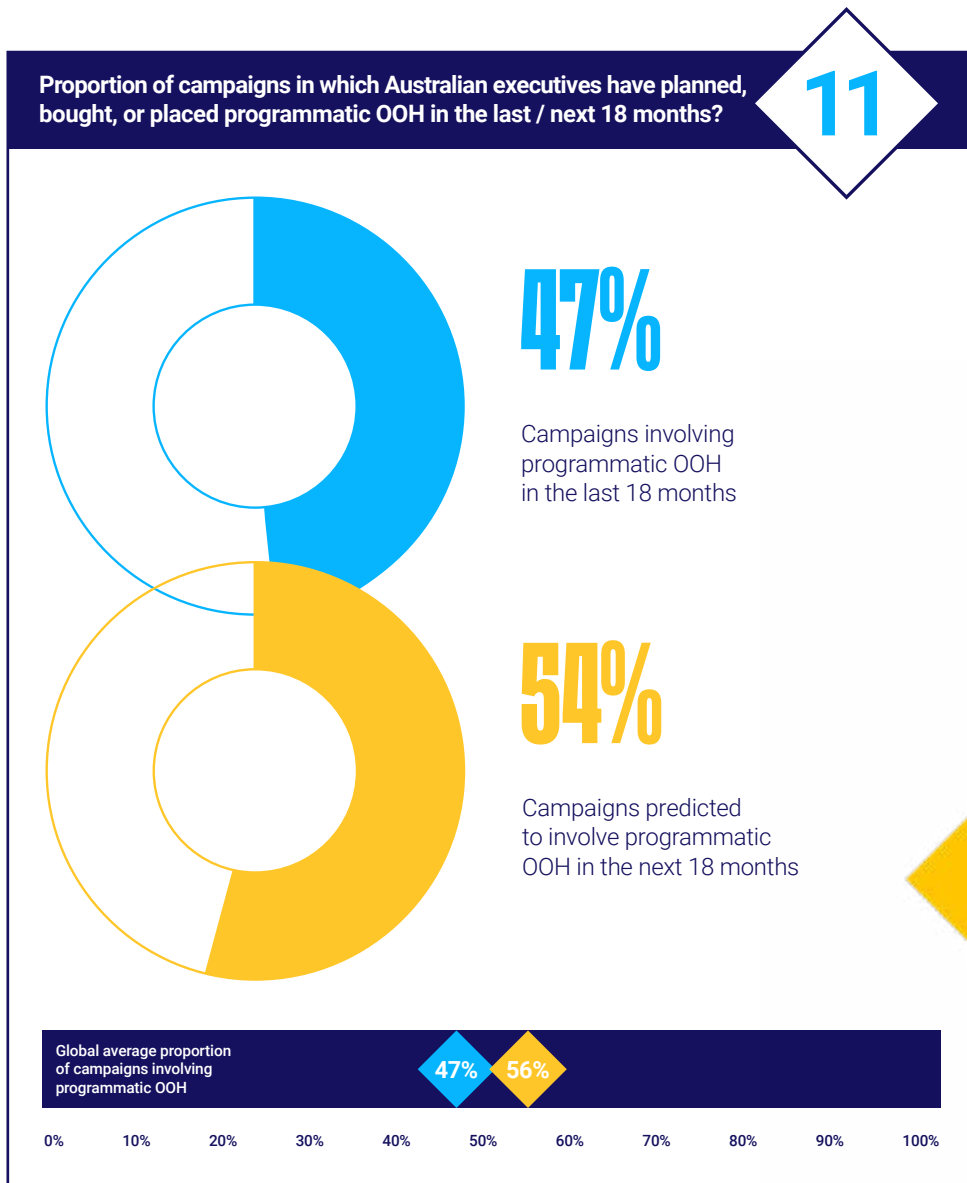


⁶Survey question: Now thinking about programmatic advertising, which of the following media have you placed/planned or bought programmatic advertising for in the last 18 months?
Exhibit 10 Survey question: Which of the following media are you planning to, or are open to placing, planning or buying advertising for in the next 12 months?


Programmatic OOH specifically was used in approximately 47% of Australian respondents' campaigns in the last 18 months, marginally down compared to 48% globally in our 2020 report⁷, an expected decline during the COVID pandemic when OOH campaigns overall were impacted.

The growth lies when looking ahead, with Australian executives expecting programmatic out of home to feature in 54% of all campaigns in the next 18 months, implying significant growth (see Exhibit 11).

This is a slightly more optimistic outlook than global respondents gave in 2020 where, in a very uncertain market, they predicted programmatic OOH to feature in 53% of future campaigns⁸.



⁷Averaged across UK, Germany and US in our Q4 2020 State of the Nation report.
 Exhibit 11 Survey question: Think of the campaigns you've worked on in the past 18 months, for what proportion have you planned, bought, or placed programmatic OOH advertising? Now think of the campaigns you'll be working on in the next 18 months, for what proportion do you think you will plan, buy, or place programmatic OOH advertising?



Increased inclusion in multi-channel campaigns is likely to be a key driver of widespread adoption, with 82% of Australian industry executives agreeing they plan to 'integrate programmatic OOH more closely into multi-channel campaigns', compared with 84% of global respondents.

With programmatic OOH being seen as relevant for multiple roles including supporting brand and performance objectives, it makes sense that executives are looking at better integration into their campaigns.

The executive we spoke to shared some of the ways programmatic OOH is used in multi-channel campaigns today, as well predicting more frequent integration in future.



We tend to use programmatic OOH at the start of [multi-channel] campaigns and then retarget people on mobile and other digital channels [using device IDs].

Whether [programmatic OOH] is used in multi-channel campaigns depends on the maturity of the client, but generally I expect us to be doing more of this in future.

Head of Partnerships, Media Agency, Australia

Confidence is growing, but knowledge gaps on programmatic OOH need to be addressed

While Australian executives are generally confident about their knowledge of programmatic OOH – 95% of agency respondents and 88% of advertisers (compared to 92% agency and 92% advertisers globally) agreed that they ‘fully understand programmatic OOH and its benefits’ – they still identify important knowledge gaps and most plan to invest in relevant expertise. In addition, they will likely need to address the issues of where programmatic OOH is planned and bought in their organisations.

When asking executives what they want to learn more about, ‘understanding how programmatic OOH fits within a multi-channel campaign’ was the top response globally.

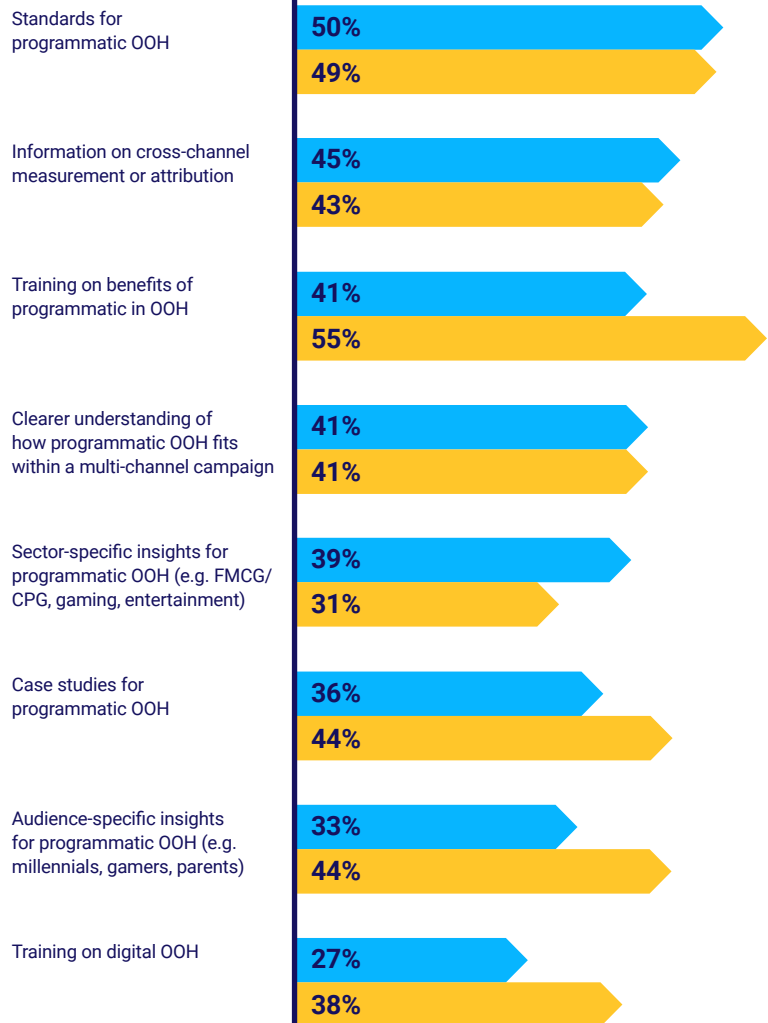
Although important, there was a difference in the Australian market, where executives are making a clear call for more support on standards and training, which is in-line with a market in the introductory phase of programmatic OOH.

Consistent with the global reports, Australian executives would also like to learn more on cross-channel measurement and attribution, and sector specific insights (see Exhibit 12).

Which, out of the following, would help you learn more about programmatic OOH advertising?

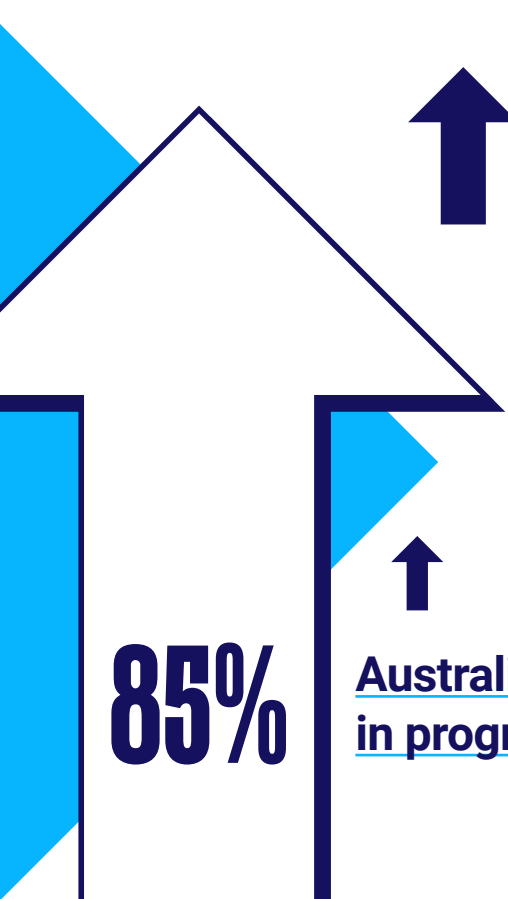
12

Media agency
Advertiser



Executives plan to invest in programmatic OOH expertise

Looking ahead, Australian executives are focused on the creative opportunities that programmatic OOH delivers and predict they will integrate it more closely into their multi-channel campaigns. A key development in the industry is that the vast majority of Australian executives (85%, just above to the global average of 84%) plan to invest in programmatic OOH expertise (see Exhibit 13).



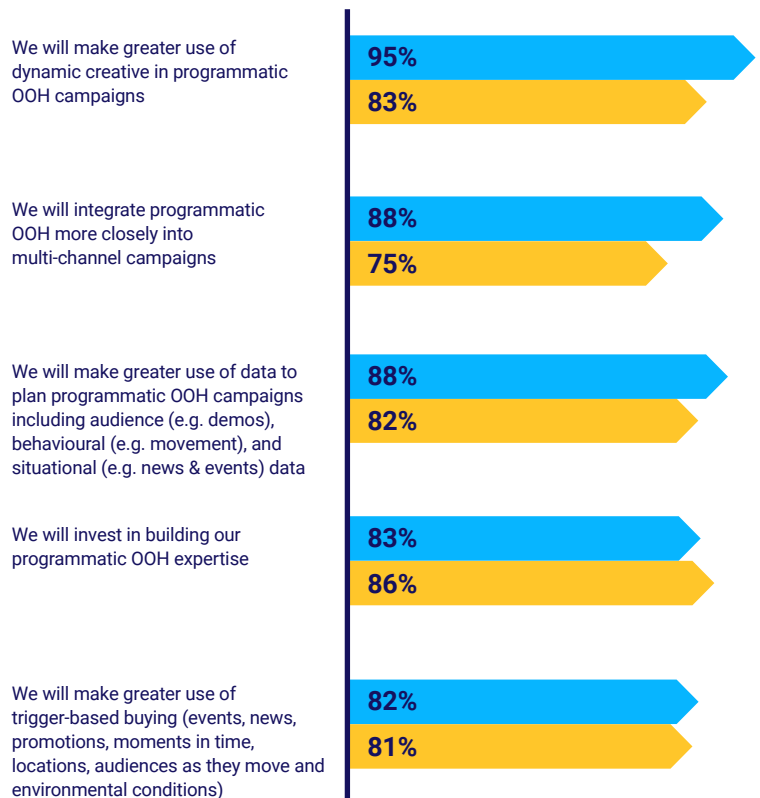
85%

Australian executives plan to invest in programmatic OOH expertise

Thinking about how you expect to place/plan or buy programmatic OOH advertising in the next 18 months, to what extent do you agree or disagree with the following statements

13

◆ Media agency
◆ Advertiser



Investment in programmatic OOH expertise will help address existing knowledge gaps and may also provide a solution regarding who is responsible for planning and buying programmatic OOH, assuming specialist resources are consistently placed within digital teams.

The executive we spoke with wants Australia to become a leader when using programmatic OOH and see it as important to educate the broader market.

Other areas Australians plan to develop include making greater use of key programmatic OOH features, including trigger-based buying (82% compared with 86% globally), and more sophisticated planning approaches such as making greater use of data to plan campaigns (85%, the same as the global average).



We've built OOH expertise in our [programmatic] team and we'll continue to experiment.

Externally, there's also a need to educate the market about programmatic OOH. Lots of companies and lots of locales are not using it yet... I don't see any major barriers, it's just about speaking to people in the market.

Head of Partnerships, Media Agency, Australia





Closing remarks

The future for programmatic OOH in Australia and globally looks promising. Early adoption proves industry executives are positive about the value they get from programmatic OOH and there are truly compelling reasons to expect significant growth in spend as the Australian market matures over the next few years.

Versatility will be a key part of this, with programmatic OOH being able to compete for both brand and performance budgets. Another key factor will be the increasing integration of programmatic OOH into multi-channel marketing campaigns, establishing it as a critical component on media plans.

In Australia in particular, there is a clear focus on how programmatic technology can improve dynamic creative opportunities.

For quicker adoption, media agencies and advertisers will need to clearly establish responsibility for programmatic OOH and build their expertise, most likely within digital and programmatic teams. Education and training will also help to address knowledge gaps and help establish the best practices in deploying programmatic OOH in and out of multi-channel campaigns.

Industry executives have shown intent to do this, with our report highlighting their plans to invest in building programmatic OOH expertise as well as taking more sophisticated approaches to planning and executing campaigns. This reflects the buy-side's confidence in programmatic OOH's potential and gives cause for optimism about its future.