

State of the Nation

Programmatic OOH 2021

Global 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.

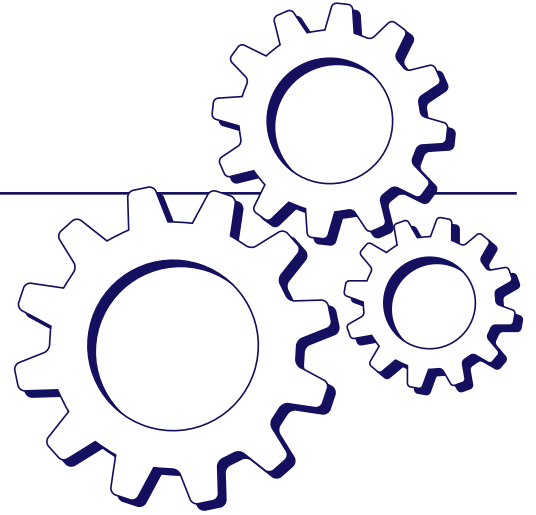
This year's white paper, expanded to include additional markets, explores key questions about programmatic OOH and its future: How widely has it been adopted and how is it being used? How is programmatic OOH planned and bought, and how is it integrated into multi-channel campaigns? What is driving investment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

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.

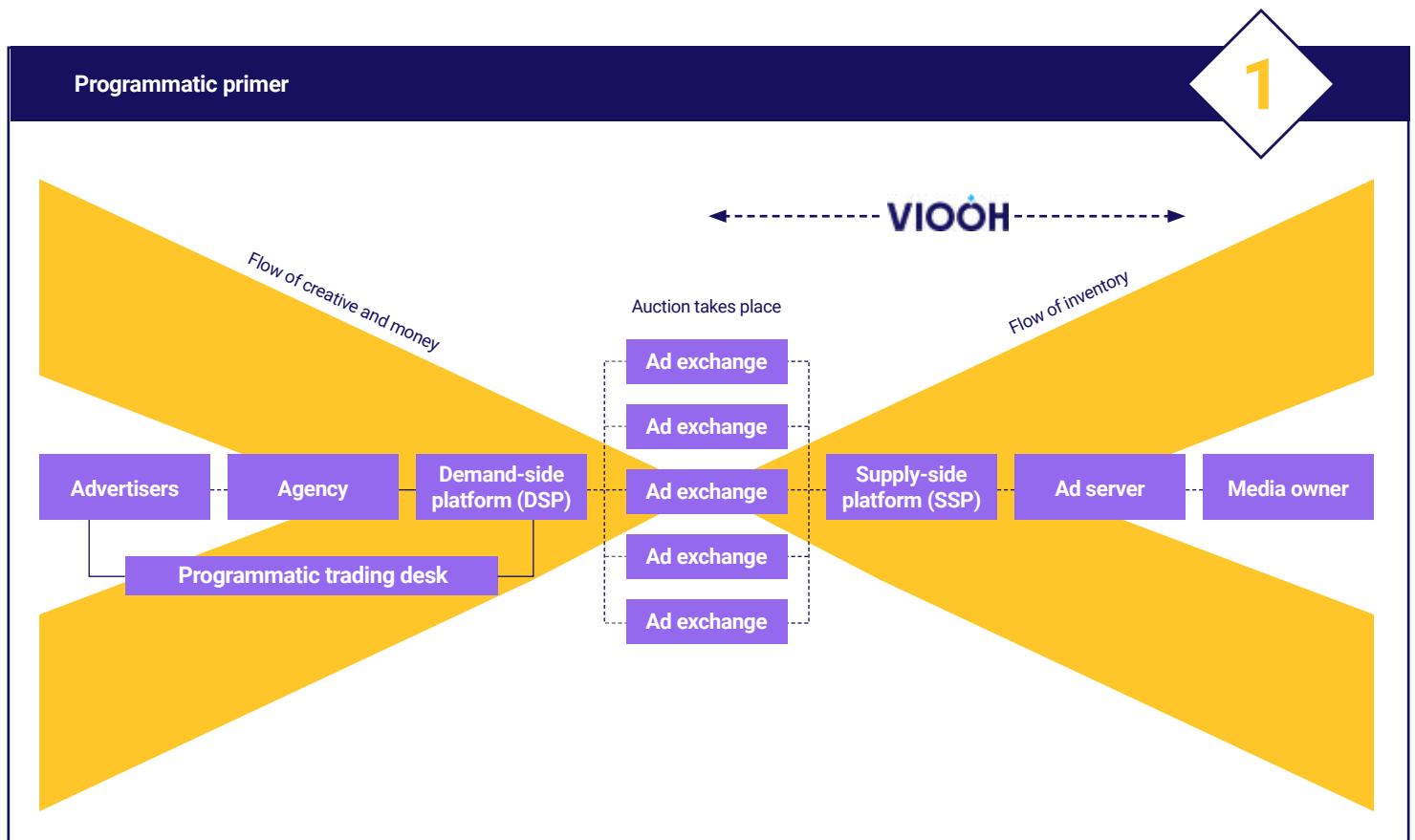
How programmatic OOH works



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.

Nearly nine out of ten (89%) of executives see programmatic channels as more critical to their business in the context of the COVID-19 crisis, up 12% compared to our 2020 report. This increases to 93% for board directors, showing strong senior support (see Exhibit 2).

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

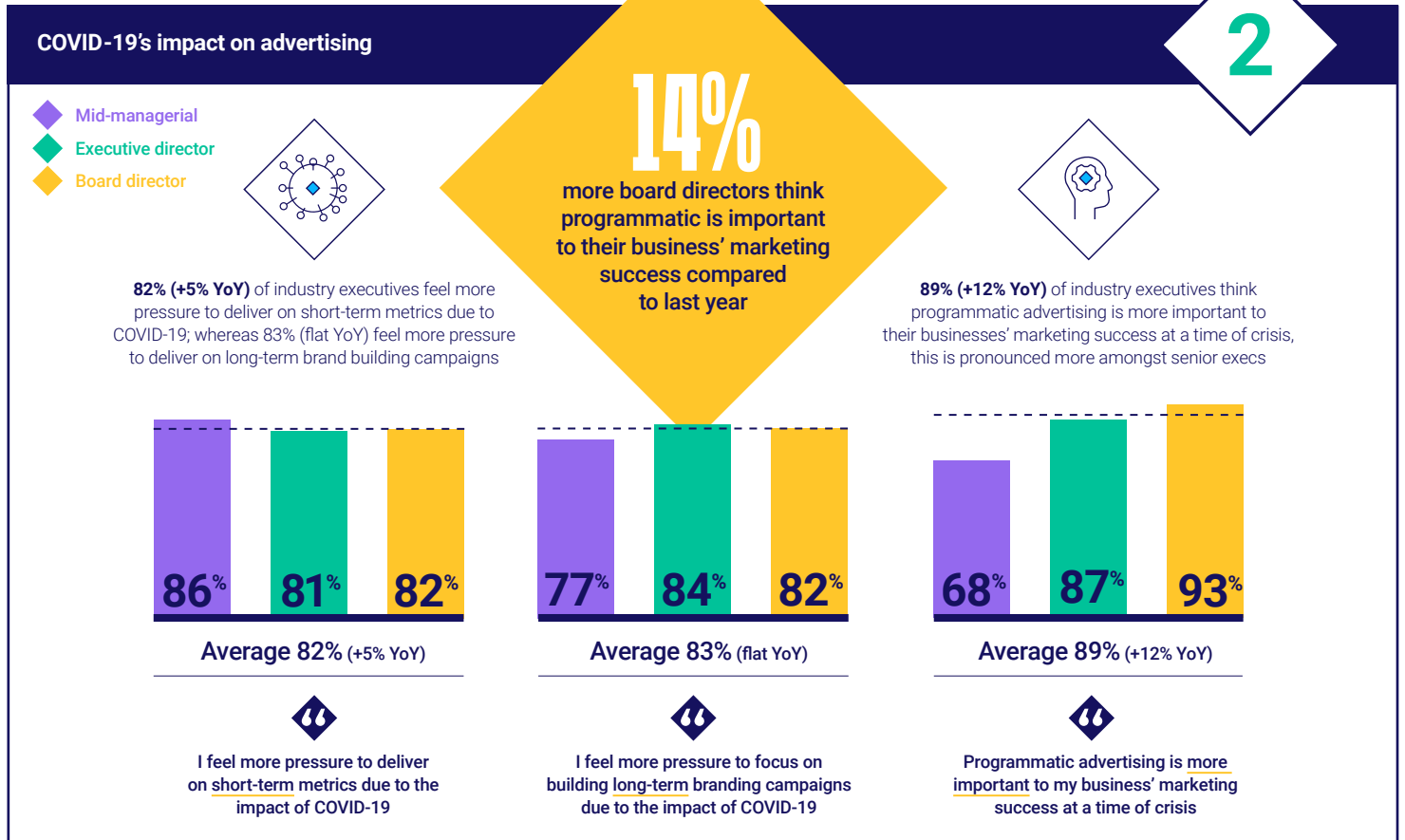


Exhibit 2 Survey question: Now thinking about this year's developments around COVID-19, to what extent do you agree or disagree with the following statements? Numbers shown represent respondents who chose 'strongly agree' or 'slightly agree'. Base size 1,000

The main aspects of flexibility that drive interest include **the ability to stop, start or pause campaigns, and the ability to reallocate and optimise media spend at short notice**, which allows advertisers to respond to market events that are outside their control (see Exhibit 3).

A key factor that executives value is the **ability to adapt creative messages in real-time**.



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



We saw [the adoption of] programmatic OOH really accelerate during the pandemic. You could be more agile, you didn't have to pay penalties if you reneged... buying programmatically took a lot of stress away from placing OOH.

Global Lead for Digital OOH, Media Agency, UK

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

Head of Partnerships, Media Agency, Australia

We experimented with clients who appreciated the flexibility [of programmatic OOH] and since June [2021 when lockdown ended] we've seen a huge amount of demand.

Director of Programmatic, Media Agency, Germany

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



People now see the benefits of programmatic OOH, the flexibility it gives you, and they'll keep on using it [post-pandemic].

OOH Lead, Media Agency, US

People have got used to the agility that buying OOH programmatically gives you, in future if you could buy programmatically and meet your objectives then why wouldn't you.

Global Lead for Digital OOH, Media Agency, UK

We're expecting to use programmatic OOH more and more and won't go back [to state before the pandemic].

Head of Programmatic, Media Agency, France

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 executive respondents saying they had planned, bought, or placed digital OOH in the last 12 months¹. Of those respondents, 61% traded OOH programmatically².

Echoing our 2020 results, executives identified the same key reasons for investing in programmatic OOH (see Exhibit 4).

The precision offered by trigger-based buying is one of the key attributes programmatic buying offers. Importantly, these results also say that **programmatic OOH is a channel that can help deliver strong business results** (ROI) and crucially, executives are confident that they can measure and prove this. These strengths were reflected in our discussions with executives.



Triggering advertising based on set parameters and the precision this gives you in your campaigns is a key appeal [of programmatic OOH] ... the automation of buying and the efficiency this brings is also a big value add.

Head of Programmatic, Media Agency, France

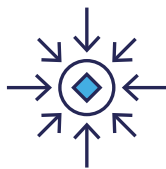
Buying OOH programmatically massively reduces wastage... even if prices can be higher [than buying direct] it offers great value.

Head of Partnerships, Media Agency, Australia

Programmatic OOH offers great precision and also creative flexibility, to adapt to a time, location or event, which goes alongside this.

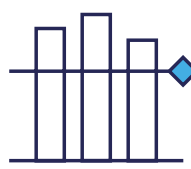
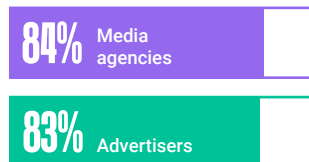
Director of Programmatic, Media Agency, Germany

Most important factors in determining investment in programmatic OOH



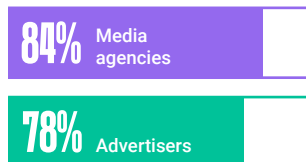
Trigger-based buying

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



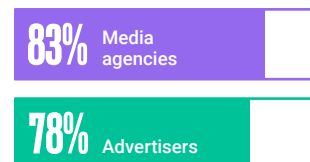
Measurement

The ability to measure campaign performance across multiple digital channels



Value

Providing value for money or effective returns on investment



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

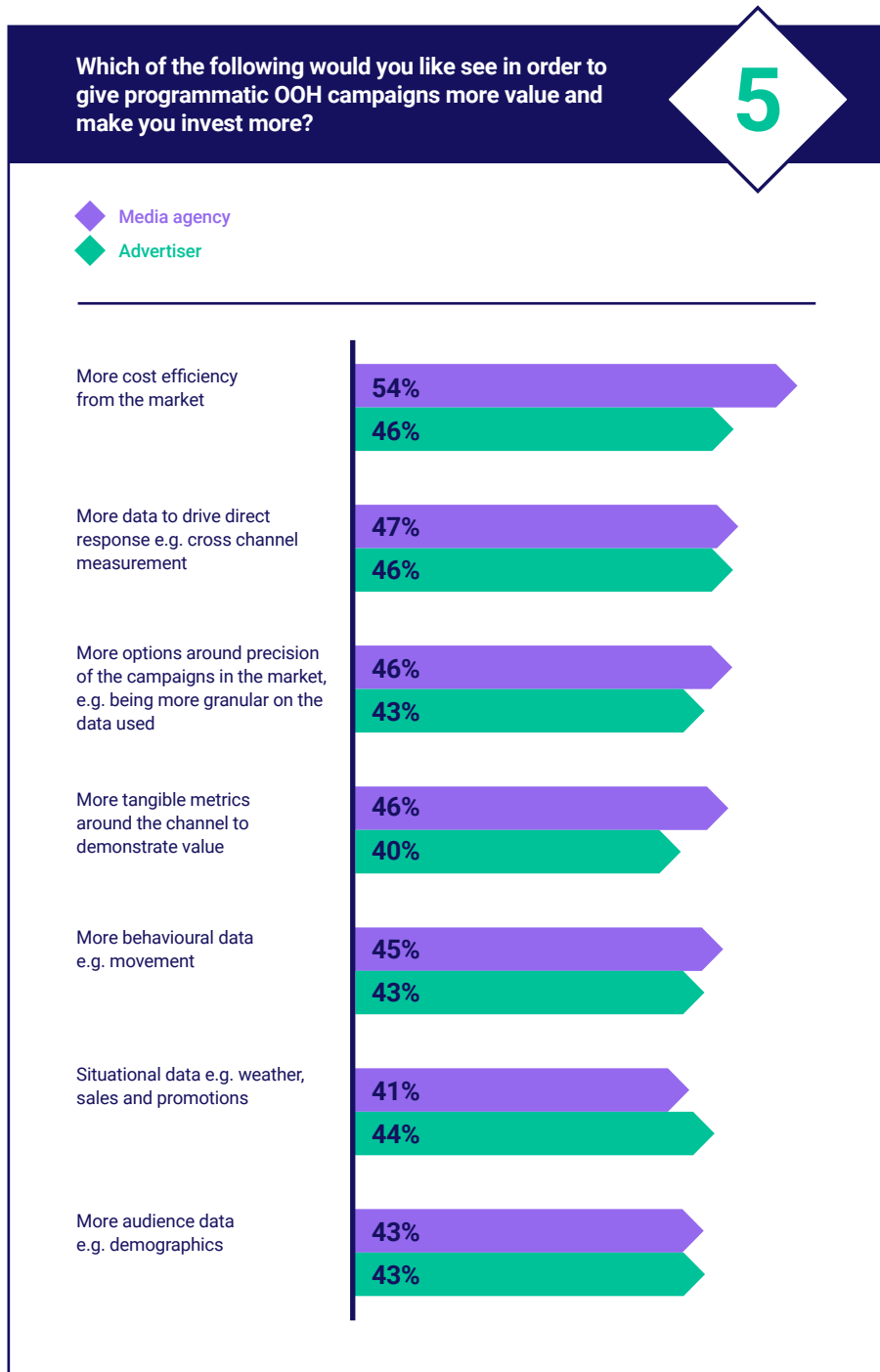
²Survey question: Now thinking about programmatic advertising, which of the following media have you placed/planned or bought programmatic advertising for in the last 12 months?

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'. Base size 1,000

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 options around the precision of campaigns (e.g. being more granular on the data used) - see Exhibit 5.

This indicates that while positive on the value (ROI) programmatic OOH providers, executives believe there are opportunities to improve efficiency and effectiveness.

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



I'd like to see more scale for premium content, I know a lot of this is still sold direct but being able to consistently offer some of this programmatically would have a big positive impact on how clients view [programmatic OOH].

OOH Lead, Media Agency, US

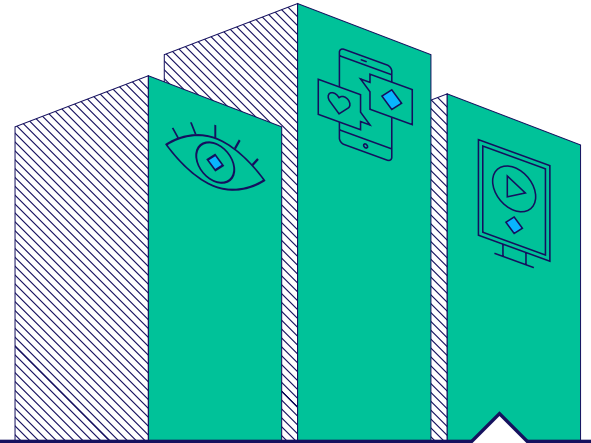
We're at an early stage with programmatic OOH and haven't reached a limit [on ability to scale] yet, but as we want to use it more it's going to be important for quality inventory to be consistently available.

Head of Programmatic, Media Agency, France

Publishers use a waterfall model [when selling OOH] where programmatic has no chance to overrule classic OOH campaigns... I want to see programmatic be given a chance to access this inventory, to be competitive, and this will make it more attractive to our clients.

Director of Programmatic, Media Agency, Germany

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, with generally only social media and digital video scoring more highly.

Perhaps most importantly, industry executives ranked programmatic OOH second on increasing sales and third on generating ROI, again reinforcing the view that it delivers strong business results for clients.

Focusing on its capabilities, executives ranked programmatic OOH second for delivering accurate location targeting and third for flexibility to display when the right conditions are met. Executives also ranked programmatic OOH third for providing dynamic creative opportunities, targeting the right people at the right time and also for triggering an emotional response (see Exhibit 6).

Together, these points highlight the ability of programmatic OOH to fulfil a number of 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

Increasing sales / performance

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

Delivering accurate location targeting

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

Flexibility/efficiency to display when the right conditions are met

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

Providing dynamic creative opportunities

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

Triggering a positive emotional response

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

Increasing brand awareness

- 1 Social media
- 2 Digital video advertising
- 3 Digital audio
- 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. Base size 1,000

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.

Executives highlighted that it was key for their advertising to reach both broadcast (87% agency and 82% advertiser respondents agree) and targeted audiences (87% agency and 81% advertiser respondents agree). This was even more important to them after the impact of COVID-19³.

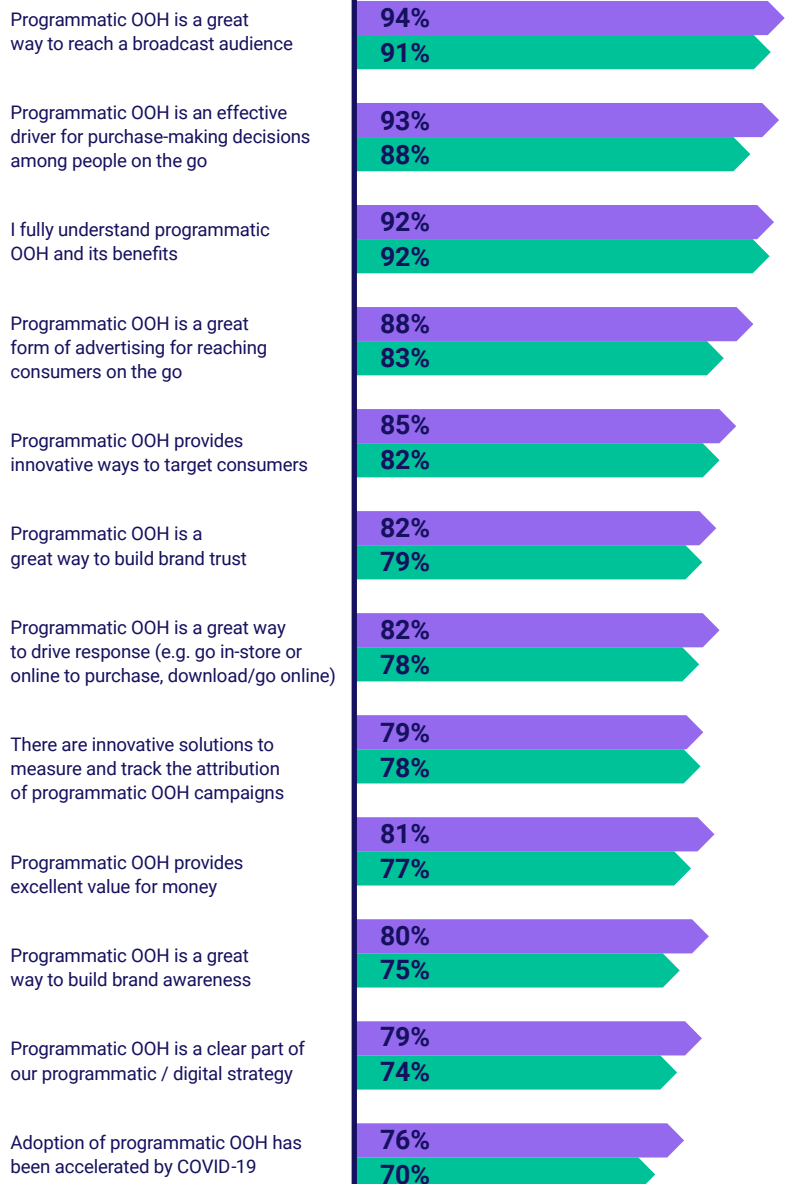
Programmatic OOH delivers on both fronts. Most executives see it as a great way to reach a broadcast audience (94% agency, 91% advertiser).

They also see it as an effective driver for purchase-making decisions on the go (93% agency, 88% advertiser).

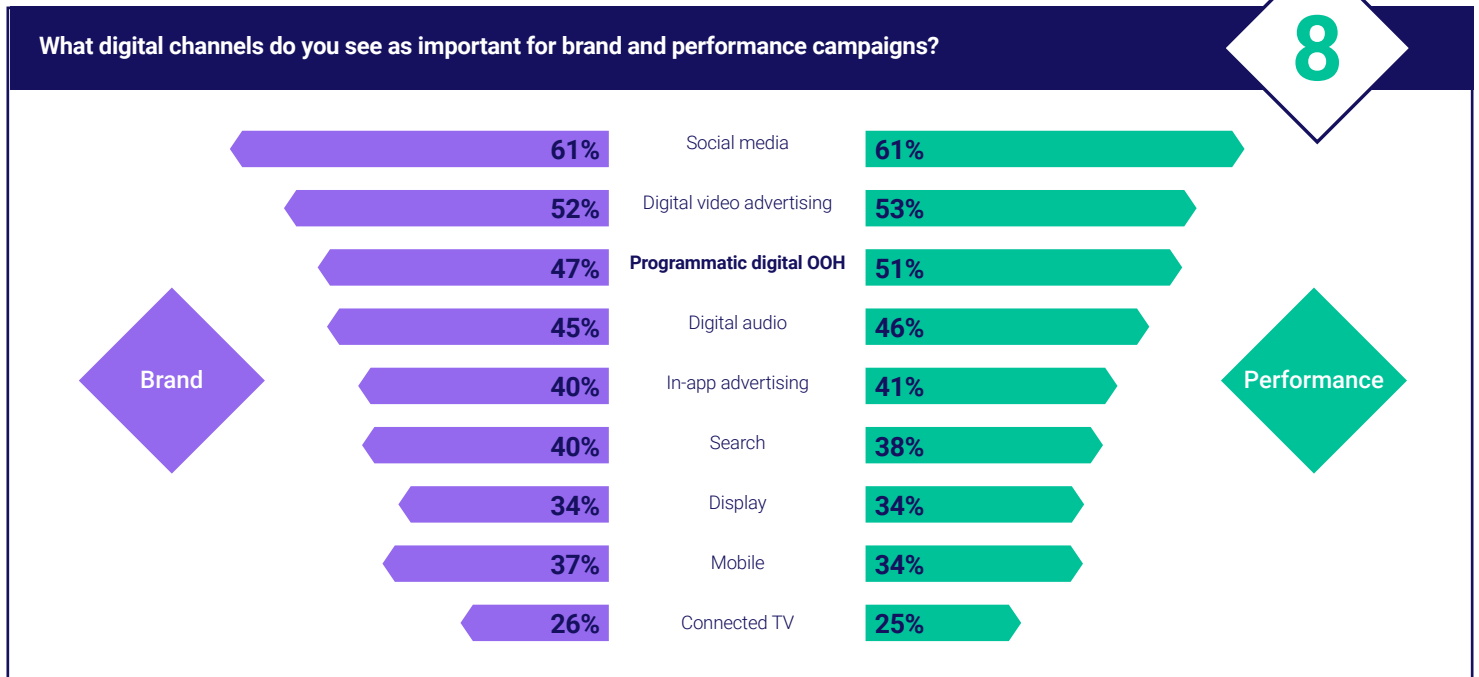
To what extent do you agree or disagree with the following statements about programmatic OOH advertising?

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? Base size 1,000



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 last year's study, programmatic OOH has stepped ahead of digital audio.

On the brand side, most executives (80% agency, 75% advertiser) believe that programmatic OOH is a **great way to build brand awareness**⁴.

On performance, 82% of agencies and 78% of advertisers see it as a **great way to drive response e.g. driving people to go in-store or online to make a purchase or download**⁵.

This was reflected in our discussions with executives who explained how programmatic OOH was well suited to both brand and performance objectives.

Its versatility 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 multiple roles on multi-channel digital campaigns.

It also highlights the degree of complexity in how media agencies and advertisers manage programmatic OOH.

“

We regularly use programmatic OOH across the [marketing] funnel... [and] to reach broadcast and targeted audiences, it's not just suited to one thing.
VP Product & Innovation, Media Agency, US

We use it to build awareness, for example supporting new launches, and as a high-quality alternative to digital video and display. It's also good for performance [e.g.] to drive footfall or app installs.
Global Lead for Digital OOH, Media Agency, UK

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

There's a clear role for programmatic OOH to raise awareness, clients are increasingly using it for performance too, to drive store traffic for instance, which if done well, can drive strong results.
Director of Programmatic, Media Agency, Germany

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 to you see as important for brand-led campaigns? Which channels to you see as important for performance-led campaigns? Base size 1,000



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, advertisers are split between operating in-house (37%), outsourcing to media agencies (20%) and a combination of both (43%).

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, executives are taking multiple approaches – 57% have bought programmatic OOH via digital or programmatic teams in the last 12 months and 55% have done so via OOH teams, highlighting an overlap.

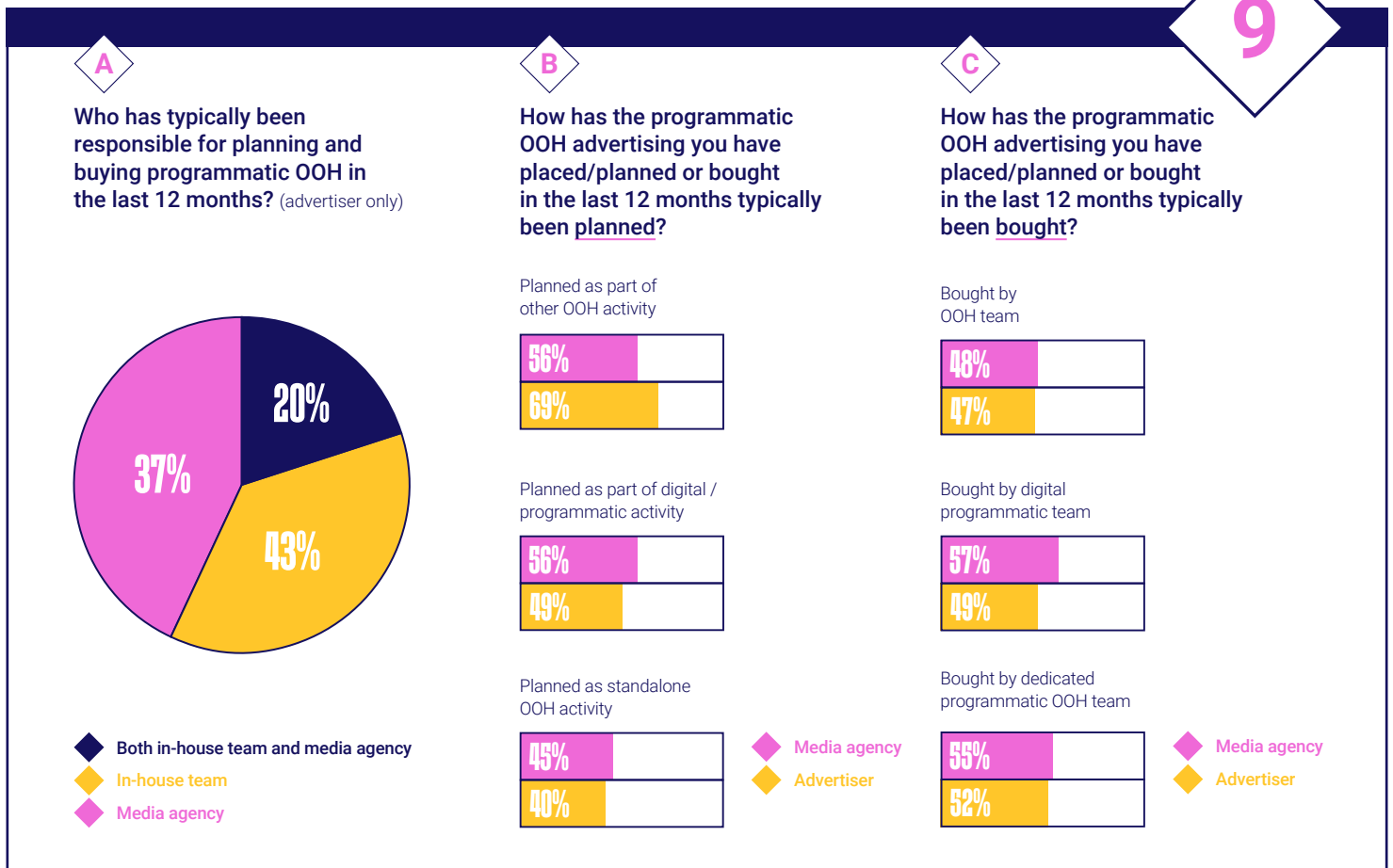


Exhibit 9 Survey questions: Who has typically been responsible for planning and buying programmatic OOH in the last 12 months? How has the programmatic Out-of-Home advertising you have placed/planned or bought in the last 12 months typically been planned? How has the programmatic Out-of-Home advertising you have placed/planned or bought in the last 12 months typically been bought? Base size: 1,000

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.



We sell ourselves on having deep expertise on programmatic across all main channels including specialists for digital OOH... Programmatic OOH is generally planned as part of wider digital activity.

VP Product & Innovation, Media Agency, US

As an agency, we draw on our programmatic team's expertise to support execution on programmatic OOH, but detailed planning is generally done in the OOH team as they know the media and how it fits into plans better.

Head of Programmatic, Media Agency, France

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



We've seen widespread adoption of digital OOH and, more importantly, we're seeing adoption of programmatic OOH grow with almost two thirds (61%) of executives who planned, bought or placed advertising on digital OOH screens doing so programmatically⁶.

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

With new inventory coming into the market in bars, taxis, gyms, point-of-sale systems, as well as outdoor billboards, I can see digital OOH, and programmatic OOH as part of this, seeing really strong growth over the next few years.

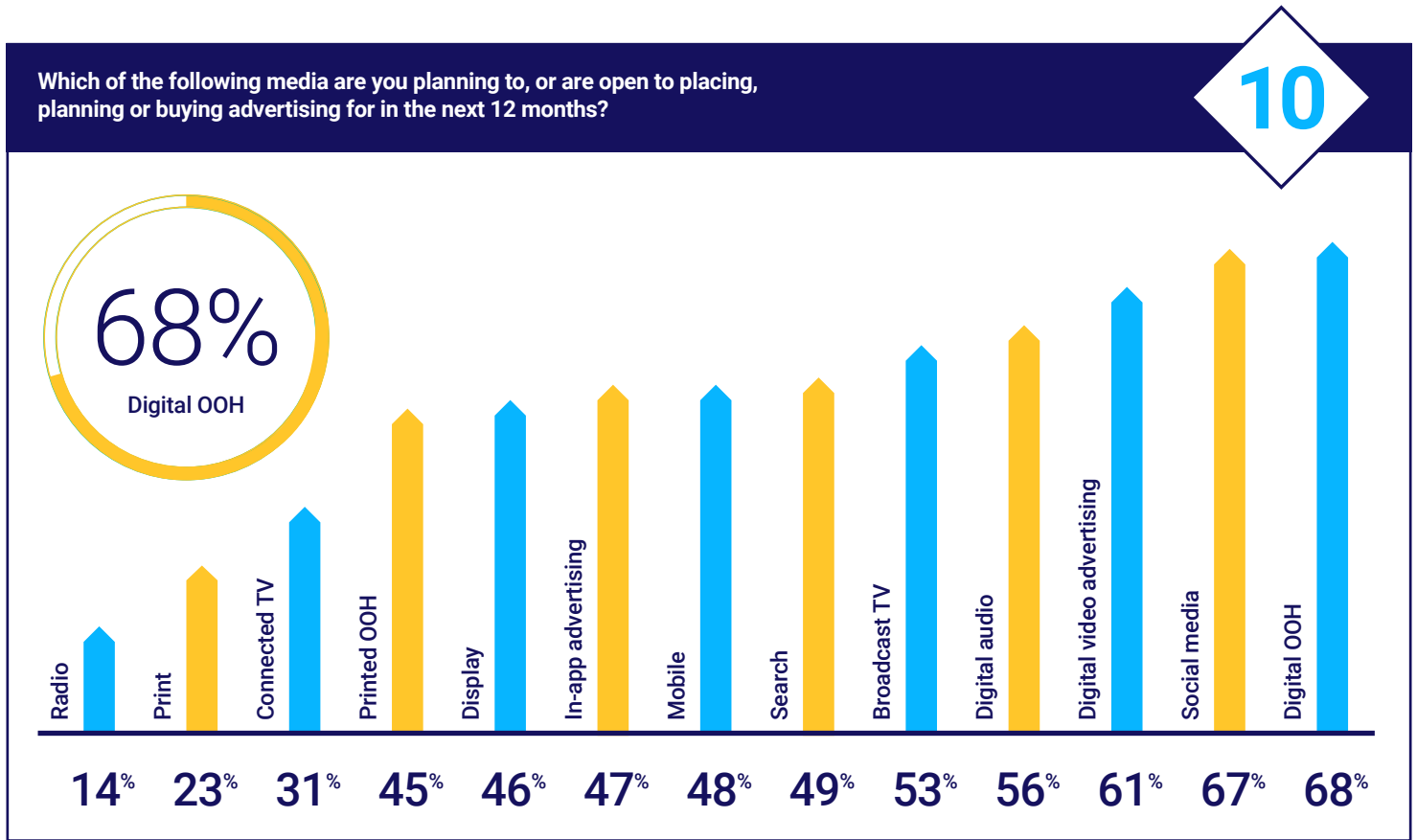
OOH Lead, Media Agency, US

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

The last few months have really accelerated [in terms of programmatic OOH adoption] and this will continue into the next year.

Director of Programmatic, Media Agency, Germany



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? Base size 1,000

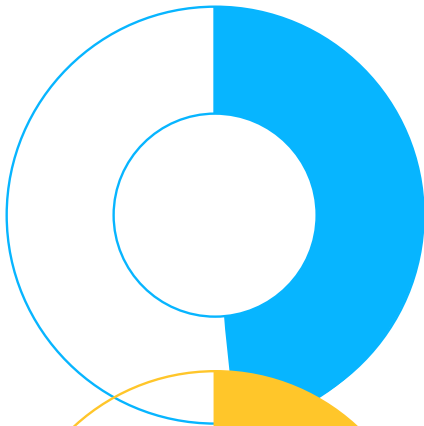
Programmatic OOH specifically was used in approximately 47% of respondents' campaigns in the last 18 months, marginally down compared to 48% in our 2020 report, an expected decline during the COVID-19 pandemic when OOH campaigns overall were impacted.

The growth lies when looking ahead, with executives expecting programmatic out of home to feature in 56% of all campaigns in the next 18 months, implying significant growth (see Exhibit 11).

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

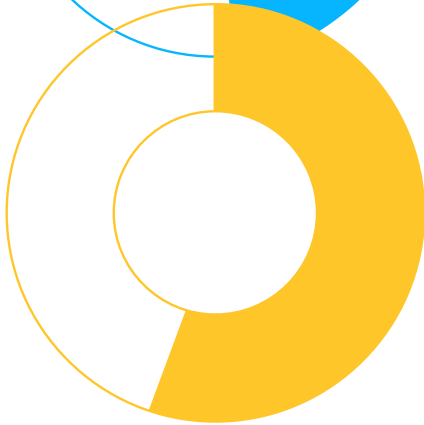
11

Proportion of campaigns in which executives have planned, bought, or placed programmatic OOH in the last / next 18 months?



47%

Campaigns involving programmatic OOH in the last 18 months




56%

Campaigns predicted to involve programmatic OOH in the next 18 months



²⁸UK specific figures.
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? Base size 1,000



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

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 executives 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 know who sees the [programmatic OOH] ads and use device IDs to activate on other channels like social, mobile, digital audio. We get real-time data which means we can be dynamic in our response.

VP Product & Innovation, Media Agency, US

We're finding new ways to use programmatic OOH in multi-channel campaigns, and I expect us to do more of this in future.

Global Lead for Digital OOH, Media Agency, UK

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].

Head of Partnerships, Media Agency, Australia

We use programmatic OOH alongside audio, mobile and connected TV campaigns and are looking at ways to do more [in terms of multi-channel campaigns]. In the future, I expect programmatic OOH to be integrated more and more into multi-channel campaigns.

Director of Programmatic, Media Agency, Germany

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

While executives are generally confident about their knowledge of programmatic OOH – 92% of agency respondents and 92% of advertisers 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.

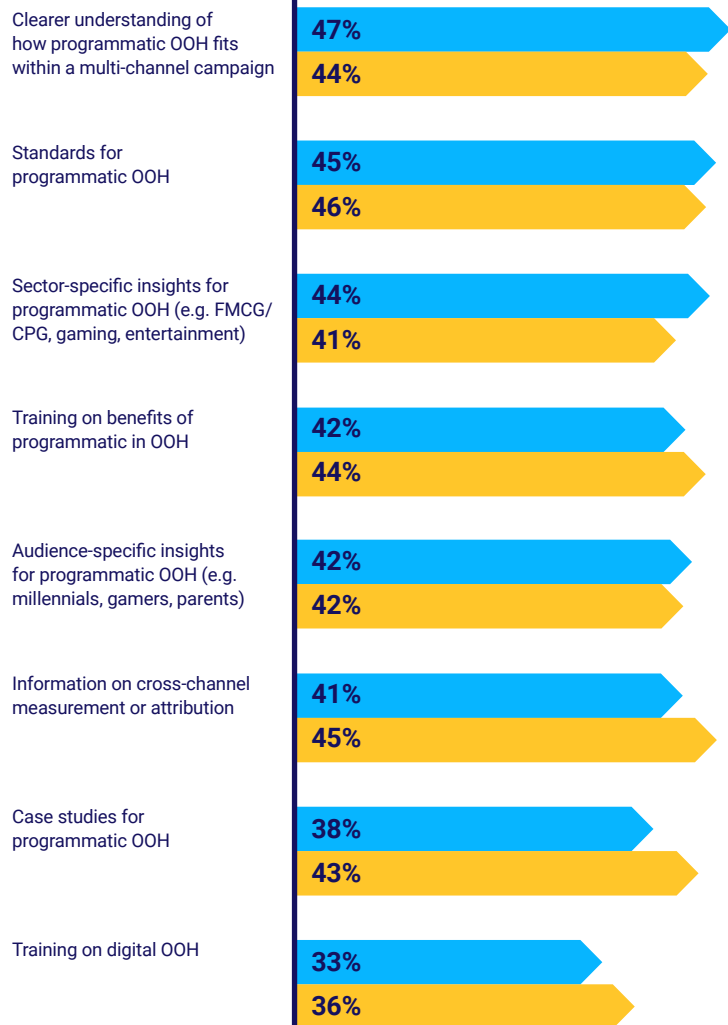
Asking executives about what they want to learn more about, ‘understanding how programmatic OOH fits within a multi-channel campaign’ was the top response. This appears to have become a more pressing concern for executives in the last year, with relatively fewer respondents raising it in our previous study.

Consistent with our previous report, executives would also like more information and support on standards, 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



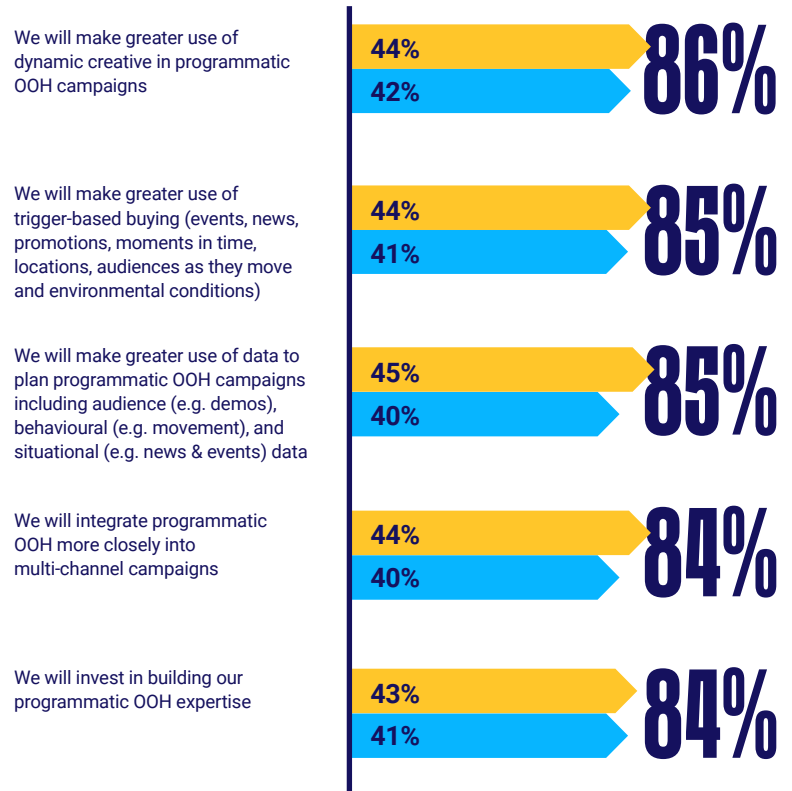
Executives plan to invest in programmatic OOH expertise

Looking ahead, the executives predict they will make greater use of trigger-based buying and the dynamic creative opportunities available via programmatic OOH. A key development in the industry is that the vast majority (84%) of executives plan to invest in programmatic OOH expertise (see Exhibit 13).

13

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

Strongly agree
Agree



84%

Executives plan to invest in programmatic OOH expertise

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 executives we spoke with want to be at the forefront when using programmatic OOH themselves and also see it as important to educate the broader market.

Other areas they plan to develop include making greater use of key programmatic OOH features including trigger-based buying (86%), and more sophisticated planning approaches such as making greater use of data to plan campaigns (85%).



As well as building our expertise, a key thing will be educating clients on the benefits of programmatic OOH... we will be evangelising it, using case studies, best practices [etc] to give clients more confidence.

Head of Programmatic, Media Agency, France

We spend a lot of time educating comms planners in our agency and clients about the role programmatic OOH can play.

Global Lead for Digital OOH, Media Agency, UK

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. I don't see any major barriers, it's just about speaking to people in the market.

Head of Partnerships, Media Agency, Australia

Lockdown was obviously not great for OOH in general, but we used the time to integrate new technologies and develop new concepts for using programmatic OOH... and will continue to do this in future.

Director of Programmatic, Media Agency, Germany





Closing remarks

The future for programmatic OOH looks promising. Growing adoption proves industry executives are positive about the value they get from programmatic OOH and there are truly compelling reasons to expect sustained growth in spend 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.

For widespread adoption to happen, media agencies and advertisers will need to clearly establish responsibility for programmatic OOH and build their expertise, most likely within digital and programmatic teams. This will address knowledge gaps and help establish best practices when deploying programmatic OOH in 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.