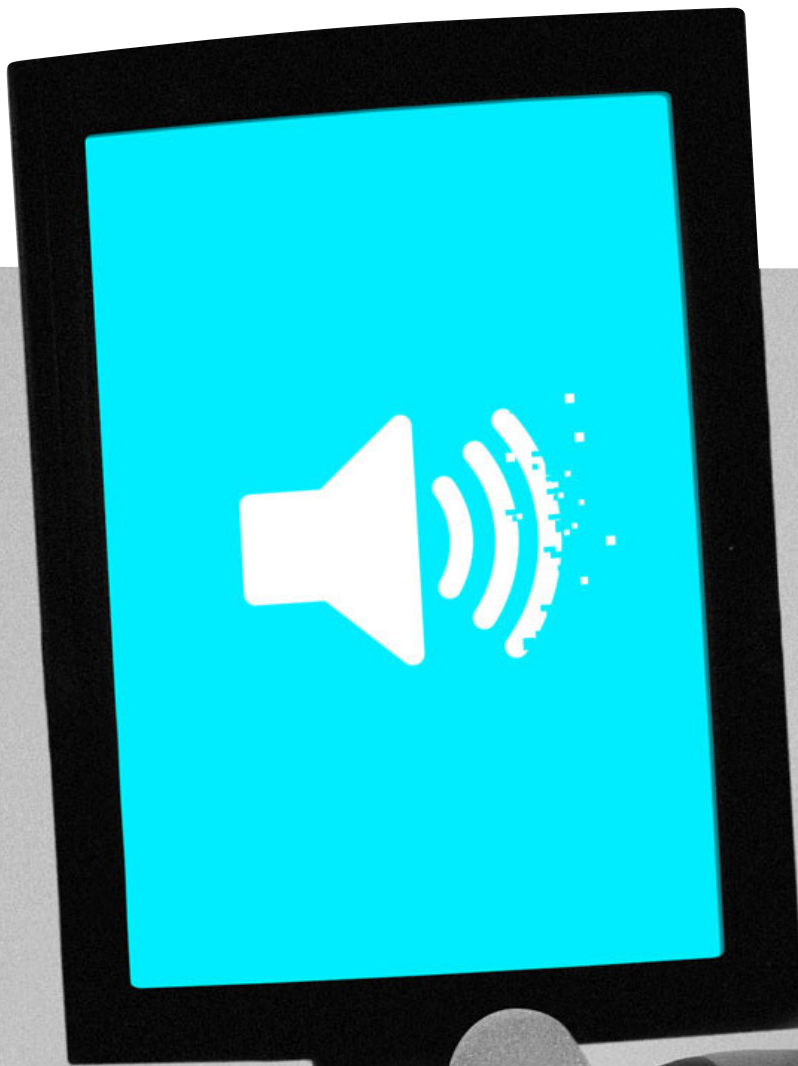


VIOOH

STATE OF THE NATION

SIX MONTHS ON



THE FUTURE OF
DIGITAL OUT OF HOME
—
2019

OUR POINT OF VIOOH

If 2019 was the year that advertisers and agencies increasingly became aware of the benefits of programmatic in digital out-of-home (OOH) then 2020 is the year it becomes a staple in digital campaigns as the scope of what is possible becomes apparent.



Programmatic in this channel is still in its early days and there are challenges with how to bring the best of this technology to the OOH industry. Luckily, we're able to learn from the mistakes of other channels within the programmatic ecosystem to ensure a smoother integration.

Just looking at our own data over the past six months shows the increase in the use of such technologies in OOH:

- + **30%** of campaigns were proximity-based, leveraging the opportunity for smart cross-channel campaigns.
- + **85%** were based on triggers, with many advertisers taking contextual advantage of events and situational triggers such as the weather, times throughout the day, occasions and locations.
- + Bid requests sent for **1.9bn** available impressions
- + **100+** deals have been traded via the platform.

We can see that buyers, planners and creatives have started looking anew at OOH and how it can provide more meaningful outcomes for advertisers, with programmatic technology fuelling creative solutions.

Don't just take our word on this - our report shows the industry at large indicating their belief that programmatic, or 'intelligent', digital OOH will become a staple within digital campaigns next year.

We do need to work together as an industry. It is clear that enabling programmatic trading in OOH is a multi-speed process, with some players moving more quickly than others. We need to continue to push the digital OOH ecosystem to work together and drive change to really grow this medium, and truly showcase its unique capabilities to advertisers.

Jean-Christophe (JC) Conti
Chief Executive Officer, VIOOH

OVERVIOOH

- In early 2019 VIOOH conducted a major piece of qualitative research into digital OOH. It revealed the excitement about, and enthusiasm for, digital OOH - how technology could help shape this most traditional of medium's future for both brand building and activation purposes.

It also revealed how as an industry there remain challenges including attribution, measurement and understanding on how OOH differs from the one-to-one nature of other programmatic metrics. Furthermore, the research also highlighted that more education is the key to bridge the knowledge gap of this new trading channel.

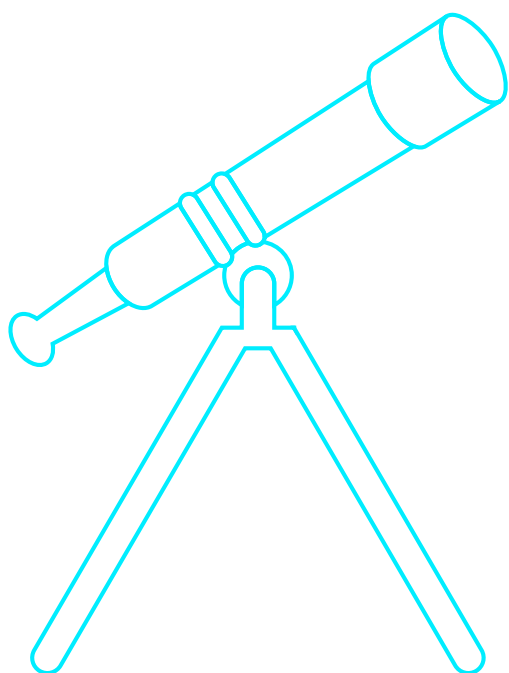
We now revisit the experts who helped shape the first State of the Nation report to see what has changed in the past few months - and, crucially, what we can hope or expect to see in 2020 onwards.

It is encouraging to see the progress already made in these few months. Agencies are excited and their clients are demanding more digital OOH, particularly which is delivered programmatically.

This is evolution, not revolution. It is apparent that this year has been one of experimentation, of test-and-learn - and that's no bad thing. If digital OOH is to continue as a permanent and growing part of the programmatic landscape it must earn its spend. Therefore a more mature and calculated approach is surely better than the over promise and under deliver we invariably see in other parts of the ecosystem.

Significantly, our respondents overwhelmingly agree that 2020 is the year that digital OOH, specifically programmatic digital OOH, goes mainstream.

That is not to say that it will increase exponentially in terms of ad spend, right away. More, that budgets will grow, and that it will progressively become a fixture in media plans and strategies. Clients, especially, demand this.



KEY FINDINGS



*It's all about
the client.*

- + It's all about the client. We should be using programmatic, not because you can but because it can more effectively deliver towards a client's KPIs.
- + Programmatic must continue to prove its value and showcase why OOH deserves to be an established player in the digital ecosystem. The focus should be on underlining why digital budgets should be transferred to this channel.
- + Significant growth in digital OOH will require more inventory to be traded simply and efficiently in order to access new budgets and buyers.
- + Data will increasingly enrich campaign targeting, optimisation and attribution.
- + Building cross-team functions is a focus - respondents reported that they were building teams with digital and OOH experts.
- + Creativity is crucial: programmatic technology should enhance the opportunity for creative execution rather than limit it.

OUR EXPERTS' KEY PREDICTIONS FOR 2020

01

Digital OOH, specifically programmatic digital OOH, will go mainstream as agencies and advertisers transition from test-and-learn to a media plan must-have. Confidence is increasing and is expected to continue.

02

Growth is happening as more programmatic-trading of FMCG and direct-to-consumer (DTC) goods look to build brand awareness and reach. Budgets will grow, and flow from new sources as advertisers increasingly see it as a digital medium, and the likes of DTC players see it as a brand-building opportunity.

03

Trust will continue to convert new players: digital OOH delivers contextual, brand-safe environments as well as business results.

04

Advertisers and agencies continue to see the synergies between digital OOH and other mediums - such as mobile, with social and broadcast (such as podcasts) future big drivers

05

Agencies and platforms will increasingly change their structures to accommodate digital OOH (as well as audio/addressable TV).

06

Media owners will continue to convert inventory, though at a pace too slow for many buyers.

Methodology

We conducted in-depth interviews with:

1. Jon Mew (IAB)
2. Steve Ray (Mindshare UK)
3. Emily Scovell (Mindshare UK)
4. Joel Livesey (The Trade Desk)
5. Cécile Blanc (Xaxis)
6. Stuart Hall (GroupM)
7. John-Paul Major (MediaCom)
8. Adrian Witter (Kinetic)
9. Ben Wilkins (Regital).

Between them they represent media and digital agencies and buying houses, out-of-home specialists and those who are looking to add OOH to their suite of programmatic capabilities. Their opinions and predictions have helped shape this report.



01



02



03



04



05



06



07



08



09

ESTABLISHING DIGITAL OOH'S ROLE WITHIN THE DIGITAL LANDSCAPE

In the six months since we launched our State of the Nation report so much has changed in terms of attitude and understanding of programmatic digital OOH, even if this has not yet (understandably) resulted in significant budget movement.

Stuart Hall, Managing Partner, Product, GroupM UK, says digital OOH now deliver a number of campaigns that are programmatic only and that has led to internal changes "to deliver what we feel is a market-leading service, that brings together our expertise across digital buying, OOH trading and data driven planning".



Stuart Hall
Managing Partner, Product,
GroupM

The message is clear though: our respondents overwhelmingly believe that 2020 will be the year that programmatic digital OOH becomes a well-established medium within the digital ecosystem.

Ben Wilkins is Managing Director of Regital, a programmatic specialist. "Programmatic cannot be viewed as an add-on," he says, "and digital OOH should not be planned in isolation". For him and his team the introduction of OOH has been transformational.

Not only are agencies beginning to shape their offerings to more fully respond to the benefits that programmatic digital and digital OOH brings, but their clients are demanding it through their expectations of digital OOH within their campaigns. Some even say it is shaping the way their teams and departments work; others that it is changing the way they think about campaigns in the early planning stages.

Steve Ray and Emily Scovell, joint Heads of Planning at Mindshare UK, concur. Ray says: "Ultimately, OOH is one of the most exciting channels to work with, one that has embraced the potential of digital and allows us the flexibility to plan creatively."



Another clear benefit for all of our respondents is flexibility. John-Paul Major, Head of Programmatic Futures at MediaCom, explains why: "Clients now have an overall holistic view of OOH, including traditional ways of buying, audience granularity and contextual data-led buying in real time. These three options give us much more flexibility to put OOH forward as a solution to clients' briefs."

John-Paul Major
Head of Programmatic Futures,
MediaCom

MORE MEANINGFUL OUTCOMES⁺ FOR ADVERTISERS

Other key drivers of programmatic include limiting wastage, as well as supercharging outdoors already established ability to both augment and amplify other media.

For Scovell, how we connect mobile and OOH has moved away from being a technology-focused connection and more towards their co-dependency; [for example how one channel may prime action in another.](#)

Now the responsibility is no longer just with the OOH specialists: data and technology have given digital buyers the access and ability to effectively plan, trade and measure digital OOH. And that means that they can more seamlessly include the medium within their overall digital strategies. It has all the benefits of tried-and-tested heritage media, with all the accountability and addressability that today's digital marketing natives demand and expect.

"We need to fit into digital plans," says Adrian Witter, Head of Digital, Kinetic. "People are willing to come to the table because it is tangible. It is substantial enough and is becoming more frictionless."

Cecile Blanc
Senior Director, Global Solutions
and Innovation, Xaxis



"For brands, programmatic can limit waste in the OOH space, just as it does elsewhere. It also boosts the potential of finding relevant users rather than wasting spend by showing ads when users simply aren't there. The dynamic creative opportunity is also a boost for brands looking to entice consumers with exciting, spot-on content."

FLEXIBILITY IS DRIVING CAMPAIGN CREATIVITY



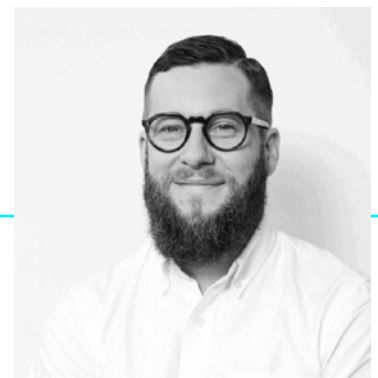
It is heartening that so many of our respondents are excited by technology's ability to leverage the best of OOH's qualities. This is illustrated by both their keenness to build best-in-class creativity to fit the medium and amplify activity in channels such as mobile, audio and social, as well as their desire for more sites, particularly hero locations, to be made available.

Jon Mew, Chief Executive of IAB UK concurs, citing growing awareness of what can be achieved via contextually relevant targeting and tactical creative and a bigger take-up of full motion video formats and how they can be used impactfully and strategically as part of wider campaigns for future growth. Though more must be done: "Educating marketers and brands as to what can be achieved in this sector is fundamental to future growth and more sophisticated use of digital OOH," he says.

Connectivity is key, as is smarter thinking and activation - something even more powerful when applied to "heritage media". According to Witter, "it [digital OOH] brings all the brand and prestige elements it's known for but also best-in-class buying efficiencies and processes. It's a known quantity - revamped and rebadged for the age that we're in now."

Joel Livesey, Director of Partnerships, EMEA, The Trade Desk, believes that programmatic will be a "shot in the arm" for dynamic creative. "Whether it's different creatives for different weather conditions or bespoke offers at specific times of day, we'll see a lot more out-of-home ads responding directly to the local environment - varying even within the same campaign," he says.

Joel Livesey
Director of Partnerships, EMEA,
The Trade Desk





JCDecaux



“Shifting our thinking from one-to-one audience planning to incorporate one-to-many broadcast channels such as OOH has actually helped us adopt a more holistic approach to effective location planning,” says Wilkins. “As such our focus is now on harnessing unique location-based data sets, in particular those which explain the movement of people, to enrich our campaigns.”

Ben Wilkins

UK & Ireland Managing Director,
Regital



GROWTH — THE BUYERS ARE COMING, WHAT WE NEED IS INVENTORY

Hall says GroupM now has a “good number of clients” buying programmatic campaigns, with a strong pipeline going into 2019’s final quarter. “We have been impressed with the speed that our specific proposition has grown,” he says, adding that with more media owners getting their integrations with SSPs fleshed out there will be a much larger range of panels available programmatically by the same time next year.

Ray and Scovell implore media owners to commit more to digitising “iconic and standout” sites. Ray says: “Really, the essence of this wish is about reimagining what OOH looks like for our audience. Not everything has to be a rectangle or in fact one big screen.”

More investment in high-quality screens will provide massive potential for innovation, they say, citing the London Underground’s digital escalator ribbons as an example of a more fluid interaction between screen and audience.

Scovell believes we need to look outside London. She says: “We want to see a massive increase in the digital network outside of cities. We are currently having to limit our innovative digital OOH planning to urban locations, but at Mindshare, we believe the audience is our number one client, and we want to unlock the same experiences and interactions for our entire audience, not just urban dwellers. Get on board and commit to unlocking this for us.”

Little wonder that new and emerging brands such as those in the DTC space are turning to outdoors. Blanc says:

“We’re seeing smaller, direct-to-consumer brands turning to OOH because search and social is getting expensive and because OOH is great for brand building. As these new sources of revenues flow in, it will be easier for outdoor media owners to make the necessary investments to enable the next wave of programmatic OOH.”

Cecile Blanc
Senior Director, Global Solutions
and Innovation, Xaxis



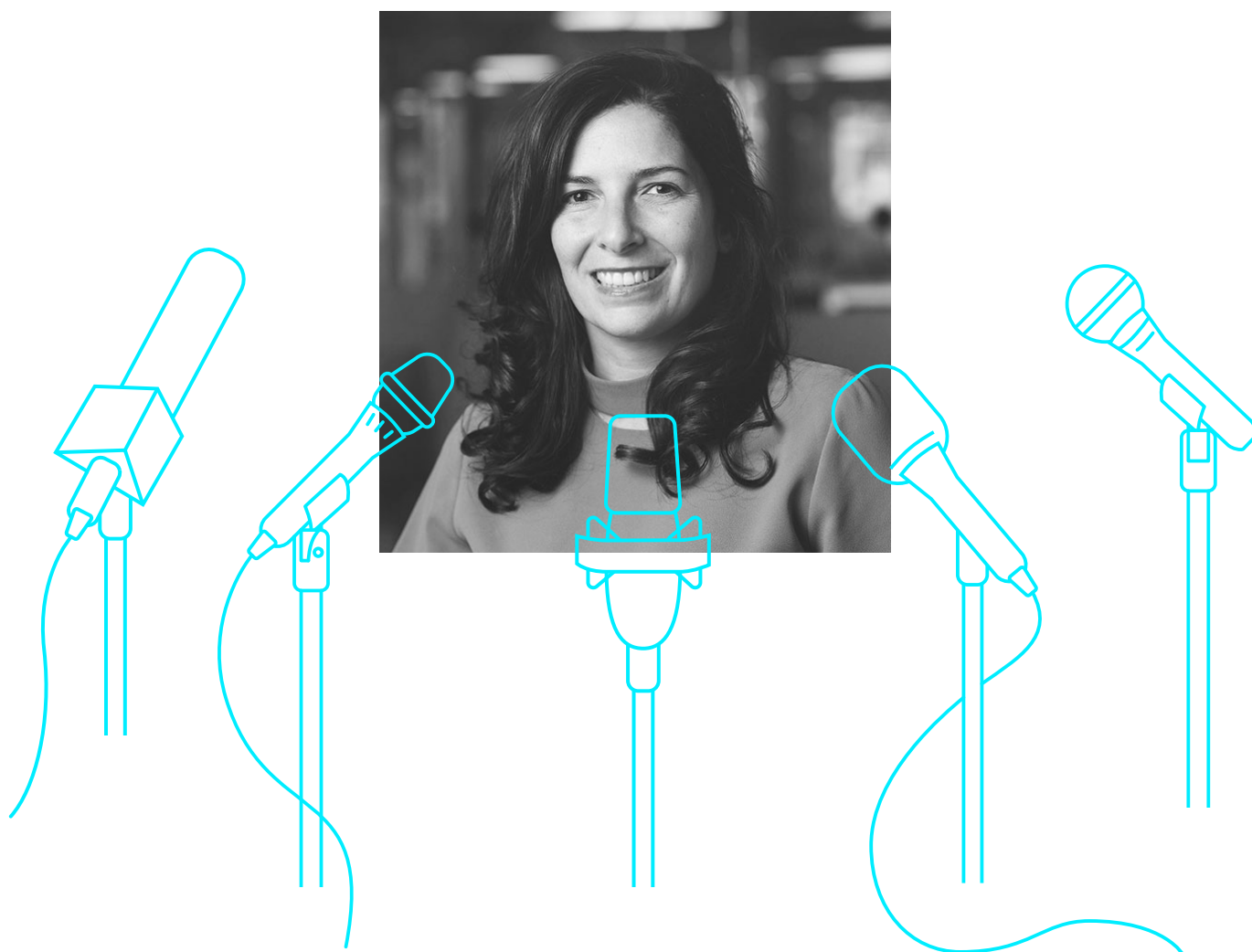
It is harder, perhaps, in OOH compared to an environment where ads can be piped directly to handsets and laptops. As Livesey acknowledges: "Unlike any other channel, OOH devices aren't bought and replaced by consumers themselves - it's a lot more costly to install and update than a mobile phone."

For others, client interest is naturally maturing as conversations around programmatic "move away from the pipes" and, says Blanc, into smart planning in the age of automation.

Livesey agrees. "Programmatic pipes will become normal for digital OOH [in 2020]," he predicts. "That's not to say it'll become the go-to technology - we're still a way from that - but we'll be far beyond the 'industry-first stage we find ourselves in now.'"

"As with all things, different media owners move at different speeds. In general the industry has embraced the need to move forward at a decent pace, but some players are lagging well behind and are going to miss out on the opportunities afforded by the changing nature of the market."

John-Paul Major
Head of Programmatic Futures,
MediaCom



It's an exciting time!

OOH is in growth mode, driven by digital, and has the potential to grow faster, acquiring a share of the budget currently allocated to digital and social.

We should value and concentrate on the opportunities programmatic in OOH brings - a valuable new channel of flexible, creative, data-rich and affordable OOH inventory benefitting advertisers, agencies and consumers.

To help drive this, we need to focus on this technology's strengths - to easily buy digital OOH inventory from the same buyers trading online, mobile and other digital channels, delivering the possibility of more unified and memorable consumer experiences.

This will help take the promise of programmatic digital OOH into a frictionless reality. Advertisers don't want more silos, but a one stop shop for their digital campaigns. If we can do this, then expect to see more digital budgets transfer to the channel.

To ensure advertisers get the medium they deserve and expect, education is crucial to combat misconceptions around the medium and confusion over how to integrate this one-to-many opportunity.

With agencies expecting to make OOH a staple in their digital strategies and campaigns in 2020 we expect to see even more holistic campaign planning and more cross-team functionality.

Because, let's not forget, in the end everything we do must focus on serving the client - advertisers. Programmatic in OOH should have one goal, to improve digital campaigns and help deliver more effective outcomes for advertisers.

Natalia Escribano

Chief Commercial Officer, VIOOH