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State of the Nation

Programmatic OOH 2023
UK white paper

partnered with research partner

EXECUTIVE SUMMARY

- The UK exhibits **high adoption** of programmatic digital out-of-home (prDOOH)
- **Growth is set to continue**, with the vast majority of the UK survey respondents saying that they will increase spend in the next 18 months, by a third on average
- UK advertisers surveyed believe that prDOOH offers some of the **most innovative and exciting opportunities** in the market in 2023
- UK advertisers use prDOOH for both brand awareness and performance objectives. However, they are increasingly using prDOOH for performance marketing, as it offers a **unique opportunity to reach consumers** at scale and drive measurable results
- UK advertisers plan to prioritise integrating prDOOH with other channels, working towards **highly integrated multi-channel campaigns**
- UK advertisers are **still facing challenges** in measuring the effectiveness of prDOOH in their cross-channel marketing campaigns. They want to see concrete data that proves the value of prDOOH and its impact on other marketing channels
- Environmental factors have become an increasingly important consideration for UK advertisers in their media planning and buying, making the one-to-many format of prDOOH an **increasingly attractive solution**
- Providing training and resources to a wide range of teams about the value of prDOOH, as well as sector-specific insights and case studies, **will help to increase adoption in the UK**

VIOOH partnered with research and strategy agency, MTM, to survey 1,200 advertisers and agencies across the US, UK, Australia, Germany, France, and Spain to learn about the current state of the nation of programmatic digital out-of-home (prDOOH) advertising.

Participants in this research have already purchased prDOOH in the past 12 months, are planning to purchase it in the next 12 months or are digital buyers open to purchasing it.

This report covers the highlights of the UK market. The full global report can be found here.

WHAT IS THE CURRENT STATE OF THE NATION OF PROGRAMMATIC DIGITAL OUT-OF-HOME IN THE UK?

Programmatic digital out-of-home (prDOOH) is very popular amongst advertisers in the United Kingdom (UK). Survey results show that out of the campaigns UK advertisers have worked on in the past 12-18 months, on average nearly a third (31%) have included prDOOH in the media plan[1]. This positive outlook is set to continue, with the average increasing to 39% of media plans likely to include prDOOH in the next 18 months[2].

39%

ON AVERAGE, ADVERTISERS WILL **INCLUDE prDOOH** IN 39% OF MEDIA PLANS IN THE NEXT 18 MONTHS

Programmatic DOOH still has room to grow though, as many digital out-of-home campaigns are still purchased directly. Currently 38% of UK advertisers usually or always purchase their DOOH campaigns through a mix of both direct buys and programmatic buys, followed by 30% who say they usually or always use programmatic buys only[3].

1. C10: Think of the campaigns you've worked on in the past 18 months, for what proportion have you placed, planned, or bought programmatic digital out-of-home advertising?
2. C11: Now think of the campaigns you'll be working on in the next 18 months, for what proportion do you think you will place, plan, or buy programmatic digital out-of-home advertising?
3. B11: In the past 12 months, how have your digital out-of-home campaigns typically been bought?

31%

UK ADVERTISERS PLAN TO **INCREASE SPEND** IN PROGRAMMATIC DIGITAL OUT-OF-HOME BY AN AVERAGE OF 31% OVER THE NEXT 18 MONTHS

Survey respondents in the UK suggest that they plan to continue placing spend on prDOOH, and in the vast majority of cases, this means increasing spend (by an average of 31% over the next 18 months)[4].

"Omni-channel digital video works really well in alignment with [prDOOH]. The way that prDOOH is viewed alongside connected TV and broadcast video will either help to increase budget or may hinder in the sense of taking away budget from that"

AZAD ALI, PARTNER, DIGITAL CHANNEL MANAGEMENT, MINDSHARE

"There is much headroom to grow, and more of the quality DOOH inventory accessible programmatically"

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

4. B7: How do you think your advertising investment in the following media will change in the next 18 months?

WHAT IS FUELLING THE GROWTH OF PROGRAMMATIC DIGITAL OUT-OF-HOME IN THE UK?

DOOH advertising has a long history in the UK because of its unique ability to reach large numbers of people, and UK advertisers have been utilising the format in their plans for a number of years.

This growth has been facilitated by a considerable increase in the amount of inventory available in recent years, as more and more media owners invest in programmatically enabled screens.

The increase of screens across the UK has made prDOOH a viable solution for advertisers looking to achieve highly targeted local or nationwide campaigns. As a result, prDOOH has become particularly popular with advertisers in retail, FMCG, and healthcare verticals, who this year cited the ability to leverage location (68%) and audience targeting (67%), and ability to use dynamic creative (62%)[5] as reasons to invest.

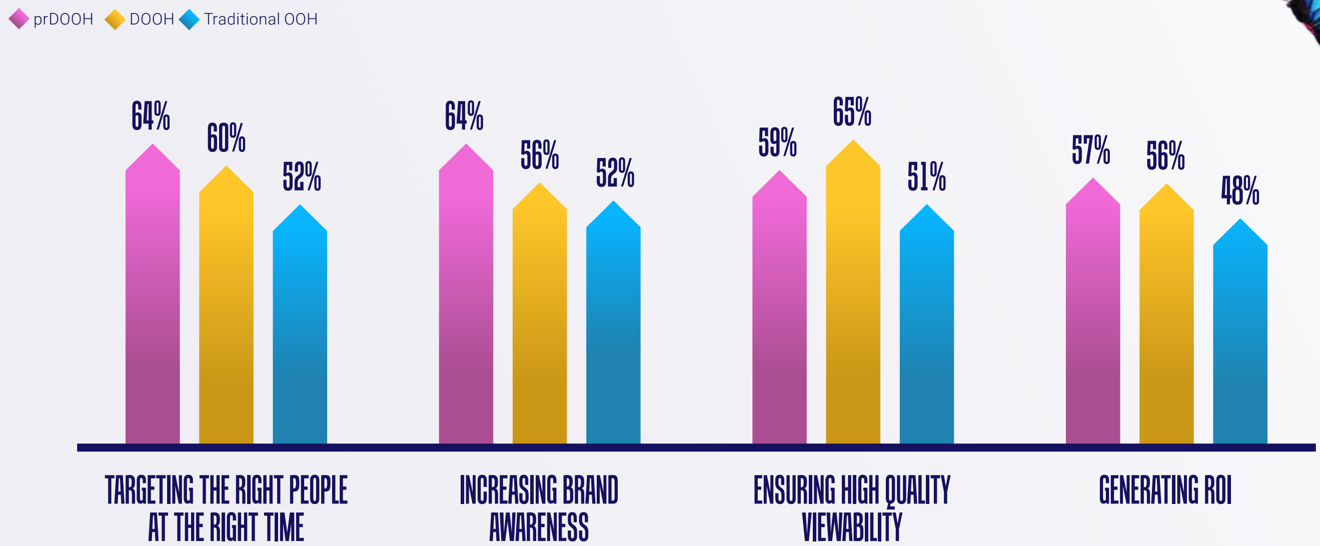
In 2022, the top three reasons for determining investment in prDOOH were stated as trigger-based buying, ability to plan your omnichannel strategy across multiple digital channels, and return on investment (ROI) of prDOOH.

81%

OF UK ADVERTISERS SURVEYED BELIEVE THAT PROGRAMMATIC DIGITAL OUT-OF-HOME **OFFERS INNOVATIVE OPPORTUNITIES**

5. C13: How important are the following in determining your investment in programmatic digital out-of-home?

WE WILL NOW SHOW YOU A LIST OF ATTRIBUTES AND MEDIA TYPES. PLEASE CHOOSE ANY OF THE MEDIA YOU FEEL DELIVER AGAINST THESE ATTRIBUTES.



Source: B1 Base size UK (200)

As the number of advertisers in the UK adopting prDOOH continues to rise, so does awareness of the distinctive advantages that prDOOH can offer around hyper-targeting (64%), increased brand awareness (64%), high quality viewability (59%), and generating ROI (57%)[6].

As such, it's no surprise that respondents from the UK market (81%) feel that, alongside DOOH (83%), prDOOH offers the most innovative opportunities compared to any other channel included in our survey[7].

"The flexibility and agility of investment is an often understated [benefit]. Additionally, measuring prDOOH alongside other channels is critically important for that digital profile whenever we speak to those types of clients"

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

"In theory, innovative activation is something that clients would absolutely love to see, but we also need to make sure that objectives and measurement forms part of that discussion"

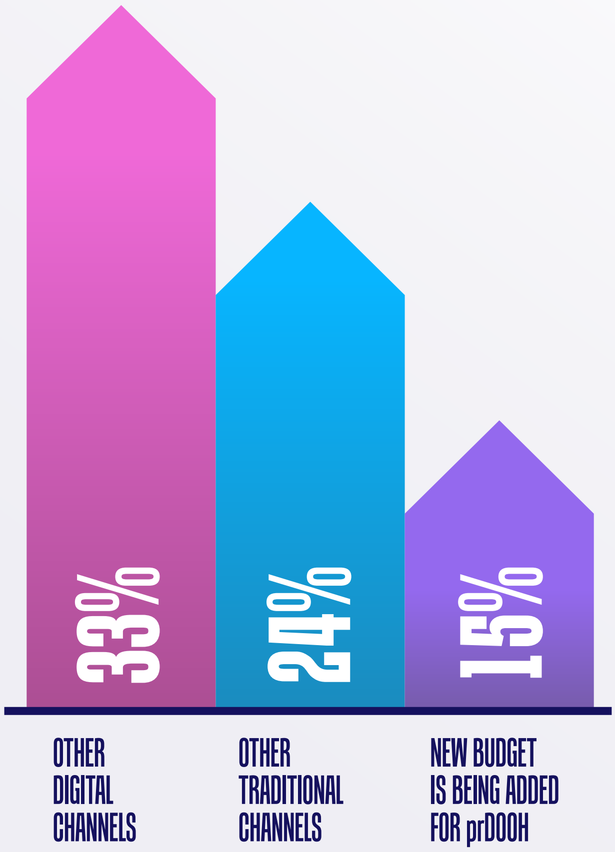
AZAD ALI, PARTNER, DIGITAL CHANNEL MANAGEMENT, MINDSHARE

"Consumer research has reflected that prDOOH is perceived as a highly innovative channel due to its rich creative experiences"

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

6. B1: We will now show you a list of attributes and media types. Please choose any of the media you feel deliver against these attributes
7. B6: Which of these media are developing the most innovative opportunities for advertisers?

IF BUDGET IS GOING TO BE INCREASED FOR PROGRAMMATIC DIGITAL OUT-OF-HOME, WHERE IS THIS BUDGET BEING MOVED FROM?



Source: C5 Base size UK (190)

As programmatic in DOOH inevitably moves towards becoming the new normal, the majority of budget reallocation is coming from existing DOOH and OOH budgets.

However, over a third of the UK advertisers surveyed are reallocating budgets from other digital channels (33%) to take advantage of prDOOH's broadcast, cookieless environment, and more than 1 in 10 (15%) are creating new budgets to grow prDOOH[8].

In the UK, only 4% of main OOH teams are likely to be accessing new budget for prDOOH. However, when buying is diversified, they are more likely to be adding new budget (dedicated prDOOH team 25%, digital or programmatic team 28%, Managed Service DSP team 50%).

Furthermore, as privacy regulations tighten and environmental concerns increase, UK advertisers are increasingly considering the ethical and environmental implications of the media that they plan and buy.

This has prompted advertisers to start examining the carbon footprint of activations and assess how this compares to other channels. While the UK has not implemented mandatory night-time blackout periods aimed at conversing energy, this is happening across other European markets like Germany, and there is a growing expectation from both advertisers and consumers that the advertising sector should proactively adopt more sustainable practices.

> **"A key talking point in the industry is how we can address environmental emissions. Trying to get ahead of those conversations will help demonstrate that [prDOOH] is something that can be forward thinking and innovative"**

AZAD ALI, HEAD OF PERFORMANCE INSIGHT, SPARK FOUNDRY

> **"We have to help clients understand the performance of their investment, from a carbon impact, attention and quality basis"**

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

8. C5: If budget is going to be increased for programmatic digital out-of-home, where is this budget being moved from?

HOW IS PROGRAMMATIC DIGITAL OUT-OF-HOME TYPICALLY BOUGHT IN THE UK

AND WHERE DOES IT SIT ON A MEDIA PLAN?

The UK has a well-established and mature OOH advertising market. Traditional OOH formats have been prevalent in the UK for many years, and as a result, many advertisers and agencies are accustomed to planning and executing OOH campaigns. As such, prDOOH is commonly integrated into broader OOH campaigns (66%)[9]. This typically extends to buying responsibilities, with survey respondents from the UK indicating that OOH teams oversee prDOOH buys in the majority of cases (53%), +12% pts compared to 2022[10]. However, as prDOOH increasingly becomes part of multi-channel strategies, 47% report that the digital/programmatic team is also involved in the prDOOH buys.

Compared to previous years, prDOOH advertising is now less typically bought by dedicated programmatic OOH teams than before (55% in 2021 vs 34% in 2023), indicating programmatic in OOH entering the mainstream.

HOW HAS THE PROGRAMMATIC DIGITAL OUT-OF-HOME ADVERTISING YOU HAVE PLACED, PLANNED OR BOUGHT IN THE LAST 12 MONTHS TYPICALLY BEEN BOUGHT?*

53%
BOUGHT BY OOH TEAM
+12% PTS VS 2022

4%
BOUGHT BY DSP SERVICE
-22% PTS VS 2022

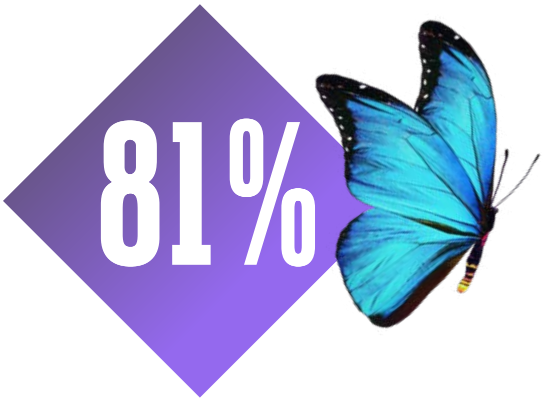
34%
BOUGHT BY DEDICATED prDOOH TEAM
-25% PTS VS 2022

47%
BOUGHT BY DIGITAL / PROGRAMMATIC TEAM
-24% PTS VS 2022

*Please note percentages in graph do not equal 100% due to participants being able to select more than one answer, allowing for overlap of responses

Source: C3 Base size UK (163)

9. C2: How has the programmatic digital out-of-home advertising you have placed in the last 12 months typically been planned?
10. C3: How has the programmatic digital out-of-home advertising you have placed, planned or bought in the last 12 months typically been bought?



81% OF UK ADVERTISERS SURVEYED BELIEVE THAT PROGRAMMATIC DIGITAL OUT-OF-HOME IS IMPORTANT **FOR PERFORMANCE-LED CAMPAIGNS**

Seven out of ten (71%) of the UK advertisers surveyed plan to prioritise integrating prDOOH more closely in multi-channel campaigns[11].

Survey results also suggest that UK advertisers leverage prDOOH both for performance and branding contexts, but have a particular affinity for using performance-led campaigns. Whilst 71% of UK advertisers consider prDOOH important for brand-led campaigns[12], this figure increases for performance-based campaigns (81%), with the gap increasing year-on-year. The larger proportion of advertisers in the survey also emphasise the importance of prDOOH for performance-led campaigns compared to any other channel[13].

Furthermore, the vast majority of UK advertisers surveyed say they would buy display (79%) and digital video (72%) alongside prDOOH in a performance-led activation, whilst a marginally lower proportion say they would use display (77%) and social (73%) as a complement to prDOOH in a brand-based campaigns[14 15].

This is unsurprising given the broad reach that social media, display and prDOOH can deliver, making them a powerful combination to maximise the reach and frequency of a brand's campaign messaging.

"(Brands can) have a joined-up message across multiple screens, multiple formats, without any kind of loss in synchronicity, instead of waiting for one element to finish. You can manage a campaign across DOOH, digital audio, and display through one DSP"

AZAD ALI, PARTNER, DIGITAL CHANNEL MANAGEMENT, MINDSHARE

"The outdoor buyers can have their traditionally bought (OOH), whether that's classic paper or non-programmatic digital, which can be complemented by the addition of tactical elements via Sightline and programmatic"

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

"Whenever we run any kind of brand activity, there's always some level of objective or output that is still required"

AZAD ALI, PARTNER, DIGITAL CHANNEL MANAGEMENT, MINDSHARE

"The closest synergy with [prDOOH] is mobile in terms of being bought together, because they are using similar data sets and they can be accessed in the same environment as well"

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

"When we run it [prDOOH] as an omni-channel play, it's been alongside digital audio, digital high impact display, and video"

AZAD ALI, PARTNER, DIGITAL CHANNEL MANAGEMENT, MINDSHARE

11. C14: Thinking about how you expect to place, plan, or buy programmatic digital out-of-home advertising in the next 18 months, to what extent do you agree or disagree with the following statements?
12. B5: What channels do you see as important for brand-led campaigns?
13. B4: What channels do you see as important for performance-led campaigns?
14. D1: Thinking about performance-led campaigns, which channels would you consider running programmatic digital out-of-home alongside?
15. D2: Thinking about brand-led campaigns, which channels would you consider running programmatic digital out-of-home alongside?

WHAT CHALLENGES DO ADVERTISERS IN THE UK NEED TO OVERCOME

IN ORDER TO UNLOCK THE FULL POTENTIAL OF PROGRAMMATIC DIGITAL OUT-OF-HOME?

According to the research, the biggest challenge facing UK advertisers with prDOOH is the lack of universal standards to measure the value of prDOOH. Without these, advertisers are facing a challenge in demonstrating the ROI and comparing performance of prDOOH campaigns versus other channels.

As much as advertisers want to include prDOOH in multi-channel campaigns, they're still having difficulty determining the value of prDOOH in cross-channel campaigns, and quantifying its value compared to DOOH and traditional OOH. In some cases, despite the increased flexibility of prDOOH and the ease of integration alongside other channels, this perceived difficulty in proving the ROI is slowing adoption, as advertisers need to understand the value they receive from the channel in order to justify the price premium attached to prDOOH.

"We generally encourage conversations on the benefits of prDOOH as opposed to traditional OOH buys, but we are still working on the ideal attribution models for each situation"

AZAD ALI, PARTNER, DIGITAL CHANNEL MANAGEMENT, MINDSHARE

As a result, UK advertisers want to see more concrete data that proves the value of prDOOH (32%)[16] and standardisation in KPIs and measurement techniques (41%)[17]. This will help them to determine the channel's true value and gain better visibility of how prDOOH affects other digital channels. Cost efficiency from the market is less of a concern compared to a few years ago (69% in 2020 vs 28% in 2023), as marketers become more familiar with the prDOOH buying opportunities and advantages.

Consistent with previous years, standardisation of measurement techniques will make UK advertisers invest more, while audience-specific insights (50% in 2020 vs 32% in 2023) and training on the benefits of prDOOH (60% in 2020 vs 34% in 2023) are decreasing in priority.

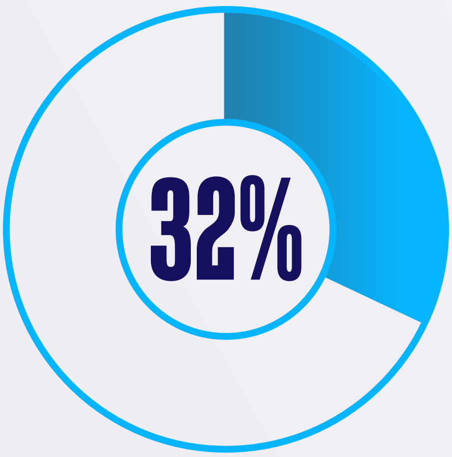
"Typically, the top challenges for prDOOH include which budgets the prDOOH elements come from, getting that hybrid level of expertise across the market, and of course education"

AKAMA DAVIES, VP GLOBAL SOLUTIONS AND OPERATIONS, XAXIS, PART OF GROUP M NEXUS

16. C8: Which of the following would you like to see in order to give programmatic digital out-of-home campaigns more value and make you invest more?
17. D4: Which, out of the following, would help you learn more about programmatic digital out-of-home advertising?

WHICH OF THE FOLLOWING WOULD YOU LIKE TO SEE IN ORDER TO GIVE PROGRAMMATIC DIGITAL OUT-OF-HOME CAMPAIGNS MORE VALUE AND MAKE YOU INVEST MORE?

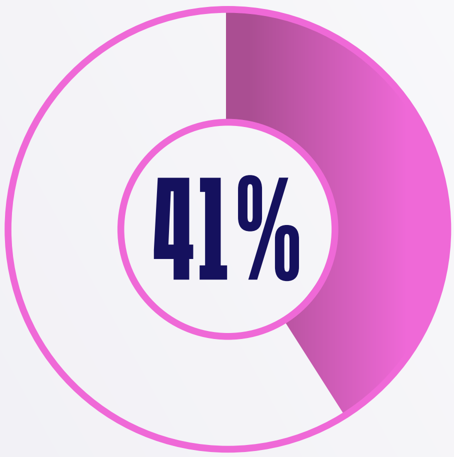
MORE DATA TO DRIVE DIRECT RESPONSE



% WHO AGREE WITH STATEMENT

WHICH, OUT OF THE FOLLOWING, WOULD HELP YOU LEARN MORE ABOUT PROGRAMMATIC DIGITAL OUT-OF-HOME ADVERTISING?

STANDARDS FOR PROGRAMMATIC IN DOOH



% WHO AGREE WITH STATEMENT

Source: C8/D4 Base size UK (200)

For more insights and to understand how the UK compares in the global prDOOH landscape, access the VIOOH State of the Nation 2023 Global White paper.

SAMPLE PROFILE

VIOOH partnered with research and strategy agency, MTM, to survey 1,200 advertisers and agencies across the US, UK, Australia, Germany, France, and Spain. Participants in this research are either joint or sole decision maker for advertising within their business, work at an agency or advertisers; and have already purchased prDOOH in the past 12 months, are planning to purchase it in the next 12 months or are digital buyers open to purchasing it.

Below is a breakdown of UK participants based on various factors.

PLEASE ESTIMATE YOUR ORGANISATION'S ANNUAL ADVERTISING BUDGET / BILLINGS AS OF 1ST JANUARY 2023

29%
Under
£1m

29%
Between
£1m and £5m

18%
Between
£5m and £20m

21%
Between
£20m and £150m

4%
Over
£150m

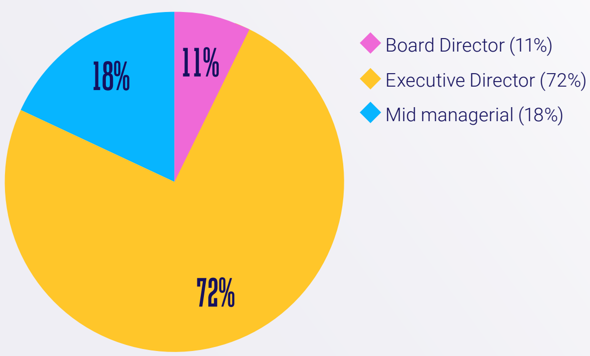
WHAT COUNTRY DO YOU WORK IN?

N=200

WHICH OF THE FOLLOWING BEST DESCRIBES THE SECTOR YOUR COMPANY / YOUR BIGGEST CLIENT IS IN?

Sector Net	Percentage
Retail, luxury, clothing, FMCG	26%
Finance, advertising, consulting	22%
Food, drink, hospitality	12%
Academic, gov, non-profit, healthcare	11%
Automotive, transport	9%
Tech, telco	9%
Property, utilities	7%
Entertainment, gambling	6%

WHICH OF THE FOLLOWING, IF ANY, BEST DESCRIBES YOU?



THINKING ABOUT YOUR ORGANISATION, WHICH ONE OF THE FOLLOWING BEST DESCRIBES IT?