

WTF | is programmatic digital out-of-home?

VIOOH | DIGIDAY

DOOH

PROGRAMMATIC

MARKETERS

DATA

A.I.

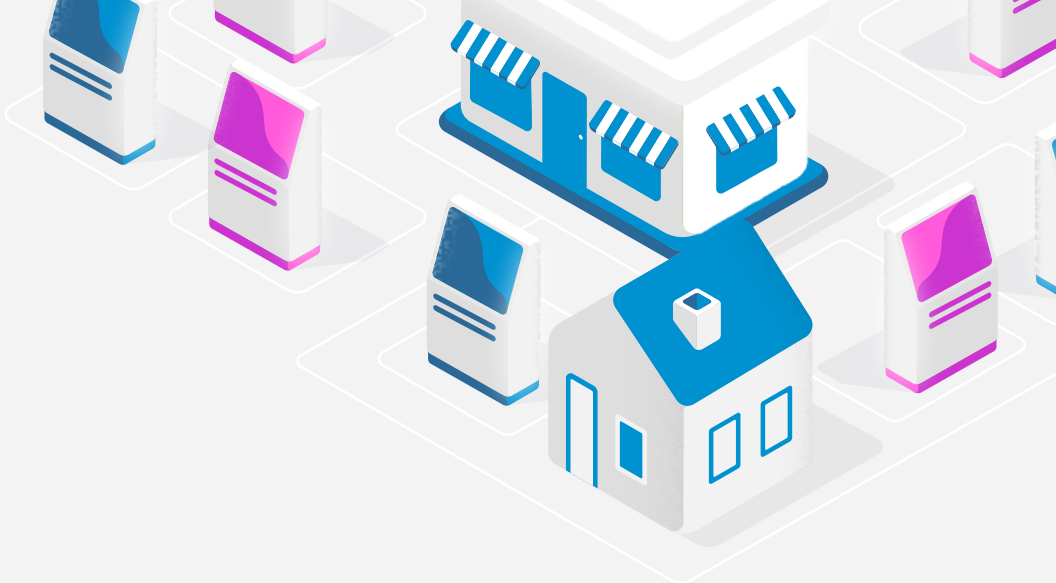
MEDIA

OWNERS

TARGETING

KPIs

ROI



WTF is programmatic digital out-of- home?

No other advertising channel saw a time of trial like digital out-of-home during the pandemic. As the world shut down, the very spaces consumers encountered DOOH fell silent, stayed empty for long stretches and only recently have begun to look something like pre-pandemic times in terms of foot traffic volume and shopping.

At the same time, DOOH found an opportunity in the middle of adversity. For a moment, it reinvented itself as a conduit to people in need, and now, as the world reopens, marketers are focusing on its status as a brand- and data-safe channel and an increasingly essential option as the data-privacy landscape continues to change and evolve toward increased complexity.

The digital evolution of OOH has allowed it to carve its niche in an integrated marketing strategy. With the recent innovation of programmatic trading, digital out of home (DOOH) can be more targeted and relevant to key audiences — now a more powerful approach than ever before.

In this new WTF guide, Digiday and VIOOH dive into the elements of programmatic digital out-of-home advertising, from the basics to when and how it should be added to an integrated marketing strategy — and what sets this advertising apart. This guide highlights why the “programmatic” aspect of DOOH is crucial and how programmatic DOOH will play significant roles in advertisers’ omnichannel strategies in 2021 and beyond.

What’s in this WTF guide?

- [How out-of-home advertising has evolved and how “programmatic” has changed the channel](#)
- [How the pandemic impacted DOOH and how programmatic advertisers have responded](#)
- [The most important questions to ask when adding programmatic DOOH to the marketing mix](#)
- [A look at how programmatic DOOH can play a part in integrated, multi-channel advertising campaigns programmatic DOOH](#)
- [What media owners and buyers need from technology partners working with programmatic DOOH](#)

First things first: A quick primer on out-of-home

Out-of-home advertising is (almost) self-explanatory.

Is the advertising found outside of the household, on a sign, billboard, poster in a transit station, bus shelter, store, gym, office, inside of public transit vehicles, even the top of a taxi?

That's out-of-home advertising, typically shortened to OOH.



In a digital advertising world, OOH has moved to the digital screen, right?

Exactly.

The speed and targeting limitations of traditional OOH have been eased by the advent of digital out-of-home advertising (DOOH), which is found in many of the same places as static OOH, but on digital screens. When working with OOH, at least in its traditional static format, there was always pre-planning and the time needed to deploy a campaign. Advanced bookings for OOH were often made 60–90 days beforehand, and it was limited in its ability to be targeted and contextual.

However, by its nature, DOOH provides flexibility for brands and media owners. Multiple brands can utilize an advertising location, and the content of the ads can be targeted to the specific surroundings or expected audience. It works fast, and it can change often.



How does programmatic tech come into play with DOOH?

In the advertising world, programmatic refers to the automated buying and selling of ad inventory using software – a supply-side platform (SSP) on the media owner’s side and a demand-side platform (DSP) on the agency or brand side.

Programmatic platforms use data to allow targeting to ensure that the right people see ads at the right time. All of this can

happen in near-real-time. The result is a more efficient process and less wasteful spending. And virtually every marketer is doing it.

So, when it comes to programmatic DOOH, the data used to purchase inventory relates to the audience itself, the location of the individual frame, and contextual triggers.

According to Gavin Wilson, Chief Revenue Officer at VIOOH, these triggers can be “things like weather, temperature or something like emission levels in the atmosphere. They can all be intertwined into the strategy that allows a DSP to decide if they’re going to buy the inventory.”

Programmatic and DOOH are working together; what’s different?

One of the key differences the programmatic element adds to DOOH is flexibility.

Rather than having to forward book out-of-home media for the most optimal spots, programmatic DOOH, Wilson said, “can be reactive to a trigger, or it can be proactive to a trigger. The reactivity could be that the weather is warm, so advertising ice cream is relevant, while the proactive element could be that you know there will be 60,000 fans leaving a stadium at 9 p.m., so let’s make sure we’re creating

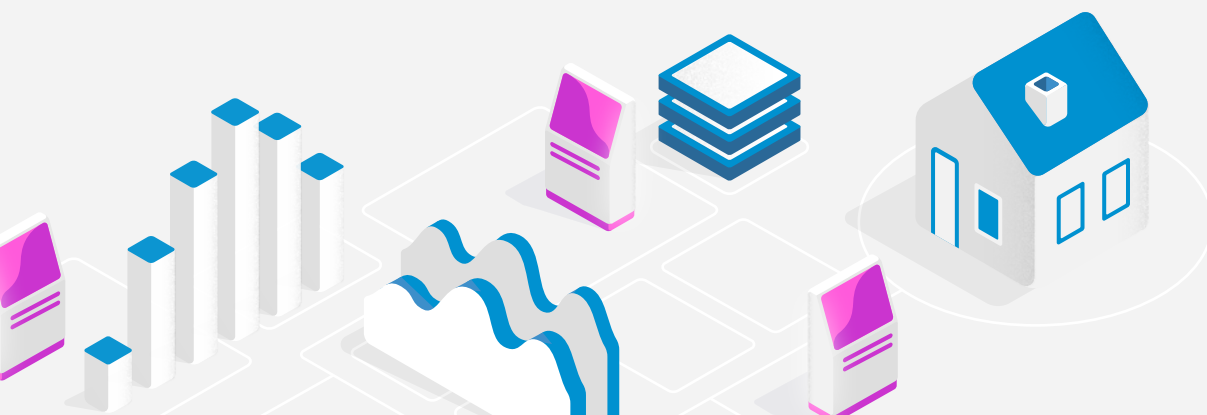
a tailored message that they will see as they’re leaving.”

Programmatic is also adding dynamics to the DOOH campaign that weren’t there before.

As Wilson explains, “What we’re finding, and an approach that marketers are really getting right, is that they might run an always-on campaign on digital screens, but then they might use programmatic for ads during optimal times – and that really gets the message to the right person.”

Consider a large sporting event, for example.

A non-programmatic digital ad in the stadium could be helpful to display for a few hours before and during the game. Programmatic digital ads could then come into play during the hour when fans are leaving the stadium, and, to make the message even more relevant, it could be tailored to the game’s result, which the near-real-time trading makes possible.



“

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Gavin Wilson
Chief Revenue Officer, VIOOH



How did programmatic DOOH survive as a channel during quarantine?

The short answer: Things got tough, and then things got better for DOOH.

“We depend on people to be in the locations where our screens are,” said Mark Costa, Chief Digital Officer, North America, at JCDecaux, the world’s largest out-of-home media owner and a VIOOH partner. “They provide the eyeballs for our advertisers who are spending on those screens, whether static or digital. Obviously, the pandemic caused a disruption to where those audiences were.

If you were looking at key areas in New York, as an example, during certain time frames of the pandemic, Times Square was basically empty,” he continued. “And certain environments like subway stations weren’t being used to the extent they usually are.”

Bottom line, empty streets and subway cars led to a reduction in spending on the channel. However, this cut didn’t only occur in the OOH channel but across advertising in general, and each channel has had its own recovery journey.

However, for DOOH, it turned out there was a special role to play, one tied to the rise of pandemic-specific campaigns, made possible by programmatic technology and near-real-time decision-making.

“As an industry, we were the communication channel to the citizens to relay everyone’s thanks to healthcare workers, for example,” Costa said. “We saw a plethora of advertising from brands and cities to say thank you to them.”

Programmatic DOOH has also found a unique niche when it came to sharing information related to COVID precautions and vaccinations: “As vaccination availability started and the messaging about that became important, out-of-home was used as a vehicle to help people understand where vaccines were available and why people should get them,” said Costa. “That was another way that out-of-home rose above the surface through the pandemic.”

Is programmatic DOOH back on track for growth in 2021 and 2022?

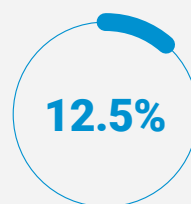
Yes.

According to [forecasts by eMarketer](#), programmatic will make up 12.5% of all DOOH ad spending this year, and that is expected to increase to 16.4% in 2022.

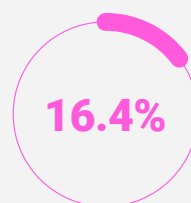
At its worst, a crisis like COVID also illustrated the importance of the programmatic element of DOOH to advertisers. Helen Miall, VIOOH’s Chief Marketing Officer, explains that before DOOH became available in a programmatic fashion, campaigns were typically guaranteed once they were bought far in advance, meaning advertisers were unable to pull out without heavy penalties if circumstances changed.

“If something happened like COVID, where audience changes meant that people weren’t traveling, in a non-programmatic situation, the media owner is potentially within their rights to continue running that campaign. Using programmatic DOOH, the advertiser has much more flexibility to pause or adjust their campaign and reallocate budget for when the conditions are right,” Miall said.

In light of recent events and how they can change advertising calendars and consumer expectations in the most dramatic ways, programmatic has given the DOOH advertiser more flexibility and time to avoid commitments that they may later regret.



Expected % of DOOH ad spend traded programmatically in 2021



Expected % of DOOH ad spend traded programmatically in 2022

Source: eMarketer, August 2021

OK, programmatic DOOH is back.

If the marketing team is going to bring it into the mix, who's involved?

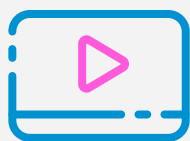
There are four main stakeholders involved in programmatic DOOH: Media owners, SSPs, DSPs and agencies or brands.

Media owners are equivalent to the publisher in the digital display world of advertising. The media owner is the party that owns digital screens that they want to monetize.

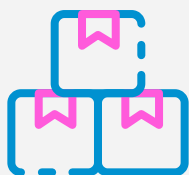
Media owners work with a supply-side platform (SSP), which makes the inventory available through an ad exchange, which is either through a private marketplace or an open auction.

SSPs are connected to another key player: DSPs or demand-side platforms. The DSP buys DOOH inventory on behalf of their clients, usually agencies, and sometimes brands themselves. Some DSPs specialize in DOOH, and others include different channels such as digital display or video.

Four main stakeholders involved in programmatic DOOH



Media Owners



SSPs



DSPs



Agencies or brands

And where does programmatic DOOH fit in the team's campaign planning process?

Adding programmatic DOOH to the marketing mix is a step to take at the beginning of campaign planning.

"It's one audience that's going to be experiencing ads from a brand on each channel," Miall said, "So it's the same consumer, whether they're getting your ad on a mobile phone, or they're seeing a billboard in Times Square, or outside a store right before they go in to make a CPG purchase. If you have that mindset of connecting all these elements and using data intelligently across all of these channels, it naturally draws you

toward programmatic out-of-home."

As the pandemic loosens its hold on people's ability to move, shop, work and play outside their homes, "I think there is a genuine time now where advertisers should consider how the outdoor narrative positively affects customers now that they're going about everyday life a little more, and how does it engage the consumer as they're moving around more in everyday life?" said Wilson at VIOOH.

Media is almost always complicated, most of the time.

What's hard when it comes to getting programmatic DOOH right?

1

To begin, marketers need to set clear objectives. "It might sound basic, but what do marketers and brands want to get from a campaign?" Wilson said. "They really need to think about what kind of audiences they want to engage with and where in the customer funnel they want to affect. Setting those clear upper- or lower-funnel goals is really important, although programmatic DOOH is effective across both."

2


Next, they need to take stock of the data that they can use to take full advantage of programmatic DOOH's contextual and targeting capabilities. "Is it location? Is it weather? Is it the time of day or the audiences? You can even use the brand's first-party data for this," said Miall.

2

Finally, programmatic DOOH is a test-and-learn scenario. Each campaign is an opportunity to measure and perfect the next. "Previously, out-of-home was bought and planned and sometimes even measured in a silo, as a stand-alone channel," Miall said. "With programmatic, you're really getting that opportunity to see how the different elements within your campaign mix and are interacting with each other, in real-time, while the campaign is running."

While programmatic makes DOOH more accessible, it's still important to go into it prepared and ready to make the most of the format. According to Wilson and Miall at VIOOH, there are three essential details that marketers need to consider before jumping into programmatic DOOH.

Getting the most out of programmatic DOOH means thinking about it as one part of an omnichannel strategy. As Wilson noted, "As a marketer or an agency, you don't plan in isolation. So how might you intertwine a programmatic outdoor strategy alongside any other channel? And then how do you measure that and make sure that you're really getting the best out of all those media channels? I think that is really essential when you're considering programmatic outdoor: Where does it sit in that whole customer influence sphere?"



What's going to be easier to accomplish once DOOH is in the mix?

Before OOH went digital, it was often planned in a siloed fashion, away from other channels. At the very most, OOH was useful to amplify other channels by including a website URL to visit or a QR code to scan.

However, digital evolution in out-of-home made it easier to integrate DOOH campaigns with other channels, and the programmatic element makes that integration even more sophisticated and targeted.

According to Miall at VIOOH, "Where we've seen particular success, and where out-of-home tends to align very strongly, is with mobile and social. Whether it's using mobile data to help with audience targeting, or from an execution perspective, having a call-to-action on the out-of-home screen that is then driving the mobile and social activity."

Wilson added, "As the consumer moves around, their mobile goes with them. So there's a really good synergy there between population movement and the outdoor screens that they're seeing."

As technology advances, marketers can use programmatic DOOH as a vital part of a highly integrated campaign. Recent

examples of this include sequential campaigns, in which targeted mobile ads are run at peak commuting hours, starting with, for instance, ads on phones during the times when people are sitting on trains looking through their favorite feeds and pages. Then, related ads appear on digital screens at the train stations when they arrive so that the same people will experience an integrated campaign at targeted times.

An integrated, omnichannel campaign like this can even be tied to in-store shopping and advertising. For example, a campaign that VIOOH was involved in [for Nespresso](#) used in-store footfall data to trigger creative on screens in the store's vicinity to show things like the current queue time and special offers to make store visits more predictable and consistent.

A campaign like this utilizing programmatic DOOH as a piece of the puzzle allows brands to hone in on what is explicitly driving the KPIs they have in mind and to adjust and optimize accordingly. "I think as more and more brands do things like that, they realize the channel can be really intelligently planned with other channels," Wilson said. "I'm sure other channels will appear as being really positive in that sequential narrative over time as well."

What should media owners and marketers look for in their technology partners?

According to Costa at JCDecaux, for media owners, one of the essential features of an SSP is how it helps them effectively manage their inventory and how it is sold.

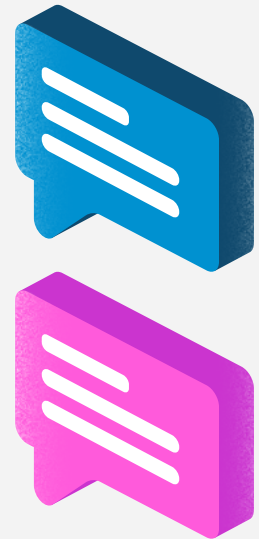
“The system needs to help us understand the inventory we have, how best it’s being sold, and how we can best optimize it from an occupancy and yield perspective,” Costa said. “It needs to help streamline our interaction with the buying community or the demand side.”

A key piece of this system, he said, is the number and type of DSPs to which they are connected. The greater the number, the easier it is for an agency or brand to find the media owner’s inventory. Then there are omnichannel DSPs, which focus on multiple media channels such as display, mobile and OOH, while others focus only on OOH. Some SSPs, like VIOOH, are DSP agnostic, so a media owner’s inventory is made available even to buyers who might not have programmatic DOOH on their radar.

Once the inventory is discoverable, SSPs can show their value through the deal management capabilities. Costa provided a few examples: “How does the platform help me create and publish my deals? Help others discover my deals? Activate those deals? How do I create packages? How do I leverage data to create those packages? How do I fulfill reporting capabilities and analytics around programmatic trades and executions? These are all things that are important on the media owner’s side, and the SSP plays a major role in them.”

For brands and agencies looking to play in the programmatic DOOH space, Costa suggested looking at the capabilities of their existing DSPs when it comes to the channel, a critical factor in efficiently integrating DOOH into an omnichannel strategy. On the other side, DOOH-focused buying platforms often have channel-specific capabilities available, and they shouldn’t be discounted for streamlining alone.

“Buyers should be looking for a DSP platform that helps them execute audience-based buys, where the audiences are specific to out-of-home because the data used in this channel doesn’t translate over to cookies and mobile IDs,” Costa explained. An ideal DSP for programmatic DOOH should make it easy to activate campaigns, holistically discover inventory and report results.





Last question: Why now — why focus on programmatic DOOH in 2021 and 2022?

It's a pivotal time to contemplate programmatic DOOH because of the challenges that other channels face and will face in the near future regarding data privacy restrictions and the end of third-party cookies. One big difference: Programmatic DOOH will not be impacted by these challenges as a broadcast media format.

As JCDecaux's Costa put it, "We're moving from a personalized approach in data-driven marketing to a mass-personalized approach. Think about cohorts as Google's solution to cookies. What many people don't realize is that mass personalization is what out-of-home has always been based on."

And the market is responding to these changes by paying more attention to programmatic DOOH. Within the last year, many of the major omnichannel DSPs, including The Trade Desk, Yahoo, and MediaMath, [have announced](#) the addition of programmatic

DOOH, or heavier investments in the channel, to their platforms. "That's a big market shift," Wilson said, "because, without that, agencies and brands using those DSPs would historically plan their campaigns on display, video, and mobile channels only."

The shift, as Wilson noted, is underway. Programmatic DOOH has emerged from a time of quarantine as one more pillar in the omnichannel marketing mix, and data tells us it's a growth channel. For marketers now learning what programmatic in the digital out-of-home approach can do, advantages such as dynamic, flexible, contextual and privacy-forward ways to reach people in the places where they're working, playing, and living, are driving that spend. At the close of 2021, and at the start of a year in which out-of-home is increasingly a part of lifestyles again, programmatic DOOH is at the heart of advertising's recovery story.

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