

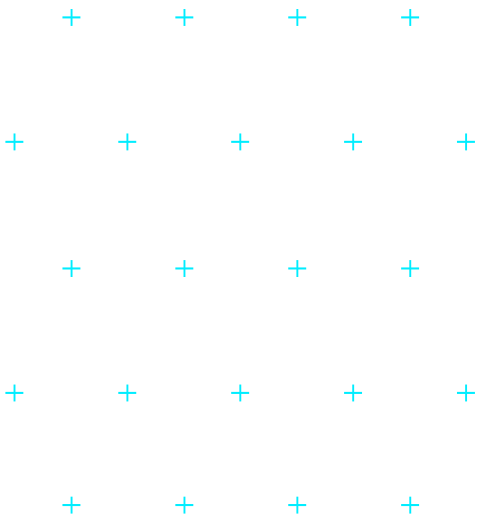
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STATE OF THE NATION

THE FUTURE OF DIGITAL OUT OF HOME 2020

EXECUTIVE SUMMARY

VIOOH partnered with MTM to survey 600 senior agency and advertising executives across the UK, US and Germany on their perceptions of programmatic out of home, how it compares to other media, and their wider planning and buying decisions.



Amongst those who were planning to buy or place advertising on digital OOH inventory, programmatic has received a positive response with many considering it one of the most innovative areas of advertising. Most executives expect to increase their investment in programmatic OOH and the proportion of omni-channel campaigns it features in.

Despite the macro-economic uncertainty caused by COVID-19, respondents were optimistic about the opportunities that programmatic OOH offers. Whilst most executives expect COVID-19 to impact overall ad spend, over a third (35%) expect to more than double their spend on programmatic OOH in the next 18 months, acknowledging that programmatic advertising is more important to their business' marketing success at a time of crisis.

Perceptions of consistent and robust measurement and reliable targeting methods need to be addressed to help programmatic OOH reach its full potential across the wider digital ecosystem. VIOOH is working to address these issues and - given the findings in this report - is excited about what the 2020s will offer in the programmatic OOH space.



FOREWORD

We asked two of the leading experts in digital OOH to deliver a foreword to our report, stating in their own words, their perception on the state of the nation of programmatic OOH in the US market.



It is my contention that new approaches to data, improved transparency, and programmatic buying will advance OOH's inclusion in the omni-channel ecosystem and ultimately contribute to greater revenue growth for the sector.

Given the enhanced targeting of digital OOH via omni-channel demand-side platforms, the medium can now be planned, bought and measured alongside other digital media. More standardized audience-based, contextual, and geographical planning approaches with shared metrics of attribution will allow agencies and brands to recognize the contribution that OOH delivers against all major KPIs— as such, the entire OOH channel stands to benefit.

While much of OOH's value is steeped in location, new approaches to audience data in OOH will help buyers evaluate it using analytics similar to those of other channels, which is imperative for marketing-mix models as well as for cross-channel attribution analysis.

Coming out of COVID, we expect programmatic OOH to receive a big boost given its demonstrable flexibility which bolsters confidence and investment in the medium. With the fluidity to shift or pause impressions or spend across formats, coupled with data-driven decisioning in real time, programmatic is reframing OOH's value proposition and will be a key driver as we move into 2021 and beyond.

Contributor
Ryan Laul, President
Outdoor Media Group / Omnicom



FOREWORD



DOOH has reached critical mass in the US marketplace with audience penetration amongst all adults reaching ~40% coverage of the US adult population with significantly higher volumes in larger DMAs like NYC, CHI etc. Added to this we have seen the following significant improvements which better facilitate this new positioning,

- + Volume** – as of Q2 2020 there are now in excess of 200,000 programmatically available DOOH screens in multiple formats, across diverse environments such as Pedestrianised and Vehicular Roadside, Transit, Taxis, Malls, Gyms and Offices.
- + Data** – the Geopath measurement panel is continually being enhanced and just recently relaunched (Q2 2020) to further expand the granularity and robustness of its measurement increasing in data points exponentially through the integration of device ID level insights.
- + Technology Infrastructure** – the wider industry has addressed many of the technical and operational bottlenecks which impacted the scale of advertising solutions for our clients enabling an even more seamless and scalable solutions.
- + Online challenges** – cookie-based digital channels are in the midst of a sea change in addressability owing to changes in the digital ad eco-system. This and other factors are muddying their outlook going forward but programmatic OOH provides a scalable, viable additive or alternative as one of the only channels largely unaffected by the coming data and privacy compliance changes.

Programmatic OOH has matured from a burgeoning channel to a firmly established omni-channel media option on campaigns encompassing both brand awareness and performance. Digital OOH inventory is increasingly connected allowing it to play an important role in integrating with and amplifying messages across other digital channels.

A plethora of quality geo-location and digital OOH specific data is allowing us to be much more powerful, precise and personalized in our messaging.

Technology is driving creativity in digital OOH, it enables the synchronization of screens, driving interactions between digital OOH and audio, video, social and display campaigns. This synergy between channels is producing exciting results where OOH is being attributed to positive campaign performance on an app-install, CPA and brand uplift basis.

In future the use of programmatic OOH to augment existing omni-channel campaigns will come as standard practice in media planning as being pioneered at WPP through the Sightline proposition.

Contributor
Adrian Witter, Head of Digital Kinetic/Sightline



INTRODUCTION

THE BUZZ OF PROGRAMMATIC OOH

Programmatic is digital advertising's buzzword of the last decade. The technology automates transactions of ad inventory, enabling precise targeting and scaling of specific segmented audiences cost-effectively.

Programmatic is the driving force behind the growing demand for customer and contextual data, enabling media owners to provide more accurate targeting and increase the value of their inventory.

This technological transformation is now gaining traction in out of home (OOH) advertising. Advertisers, agencies, demand-side platforms (DSPs) and media owners are embracing the digitization and programmatic capabilities of OOH; with 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.

However, despite the many benefits to programmatic OOH, barriers to widespread adoption, in some areas, remain. There is still a lack of consensus on how it should be measured, with issues around accurate data raising questions about transparency. However, at VIOOH we are committed to improving the approach the industry takes when it comes to transparency, standards and measurement to increase the value of programmatic OOH.

This white paper, based on an extensive survey of media executives, discusses some of the big questions for programmatic advertising in the 2020s: What does the future of programmatic OOH hold? How will the COVID-19 pandemic impact the industry? How comfortable – and knowledgeable – are media executives on programmatic OOH and its benefits? How will ad spend change for this channel? How can programmatic demonstrate that it is reliable and transparent as we head into the next decade? Should brands adopt programmatic OOH just for brand marketing or for performance-led campaigns also?

VIOOH partnered with MTM to survey 600 media executives from media agencies and advertisers across the UK, US, and Germany in August 2020, to understand the industry's perceptions of programmatic OOH compared to other media channels and how it contributes to omni-channel strategies. [This multi-market approach, with input from senior executives across the industry, provides an unparalleled perspective from three major advertising markets to understand the State of the Nation of programmatic OOH.](#)



HOW IT WORKS:

A PRIMER ON PROGRAMMATIC OOH AD BUYING

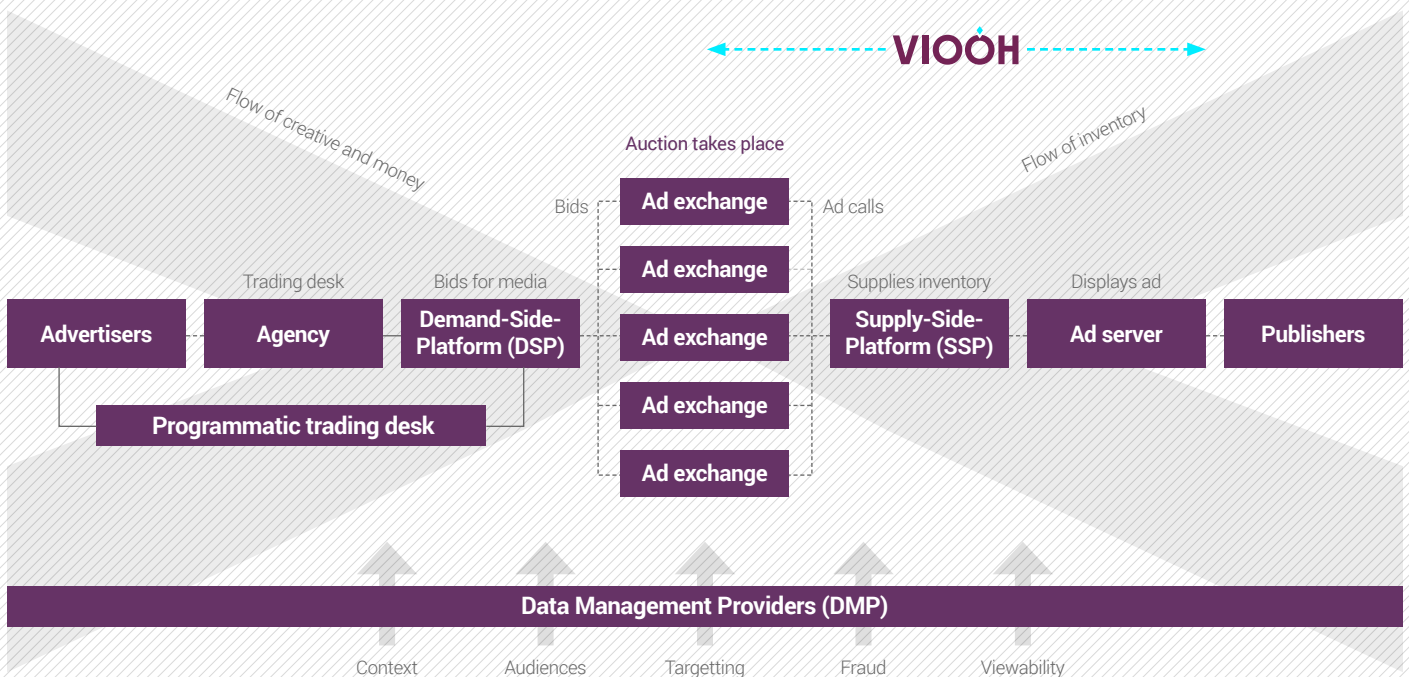
Programmatic refers to the automated transaction of advertising inventory. Previously traded and allocated manually by executives; the trading process is now possible via a complex combination of digital technologies supported by a constant supply of data.

At one end of the programmatic supply chain is the buyer – an advertiser either working with an agency or independently. The buyer develops an advertising campaign with its associated creative and a set of targets which often include reach across certain demographics, volume of impressions, and other KPIs such as traffic and conversions.

At the other end of the supply chain is the media owner, or publisher. The media owner supplies inventory that meets the buyer's predetermined criteria. Data management providers (DMPs) use a variety of contextual and audience data to independently verify that the publisher meets the buyer's targets.

Supply of creative from the client is paired with inventory from the media owner, often in an auction (also known as an exchange), where the properties of the inventory are matched to the client's criteria. This auction can be private, with a predetermined set of buyers, or it can be public. Once a price is agreed, either in advance or with real-time bidding (RTB), the ad is placed by an ad server. The buy-side employs a demand-side platform (DSP) to deliver against the buyer's targets as cost effectively as possible, with a supply-side platform (SSP) working to optimize price (and therefore revenue) for publishers.

+ Exhibit 1: Programmatic primer



PRECISION MEETS SCALE: CHANNEL TARGETING, TRACKING AND CROSS-DEVICE AUDIENCE TARGETING

This automation of advertising has spearheaded a rise in digital advertising revenues. Digital giants (especially Facebook and Google) earn billions of dollars annually by leveraging the data provided by their platforms, using programmatic advertising solutions that combine precision and scale.

When applied to out of home advertising, the paradigm slightly shifts but the mechanisms are the same. The main drivers of spend for programmatic OOH, according to the media executives we surveyed are flexibility, price, and accurate targeting.

Small advertisers can produce creative inexpensively and target a specific local audience, without relying on national channels. Large advertisers no longer need to adopt a one-size-fits-all approach and can scale specific audiences – e.g. 16-24-year olds who enjoy running – globally.



+ **Exhibit 2:** Most important factors in determining investment in programmatic OOH



TRIGGER-BASED BUYING

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



CAPABILITIES

Programmatic general capabilities, including precise audience targeting and scale



VALUE

Providing value for money or effective returns on investment



FLEXIBILITY

Being able to adjust budgets and buying parameters, no pre-determined commitment

Notes: Top 4 ranked out of 14 different options - Source: C7; Bottom 2; Box Summary - C7: How important are the following in determining your investment in programmatic OOH? Base size: total (600), agency (300), advertiser (300)

THE STATE OF PLAY

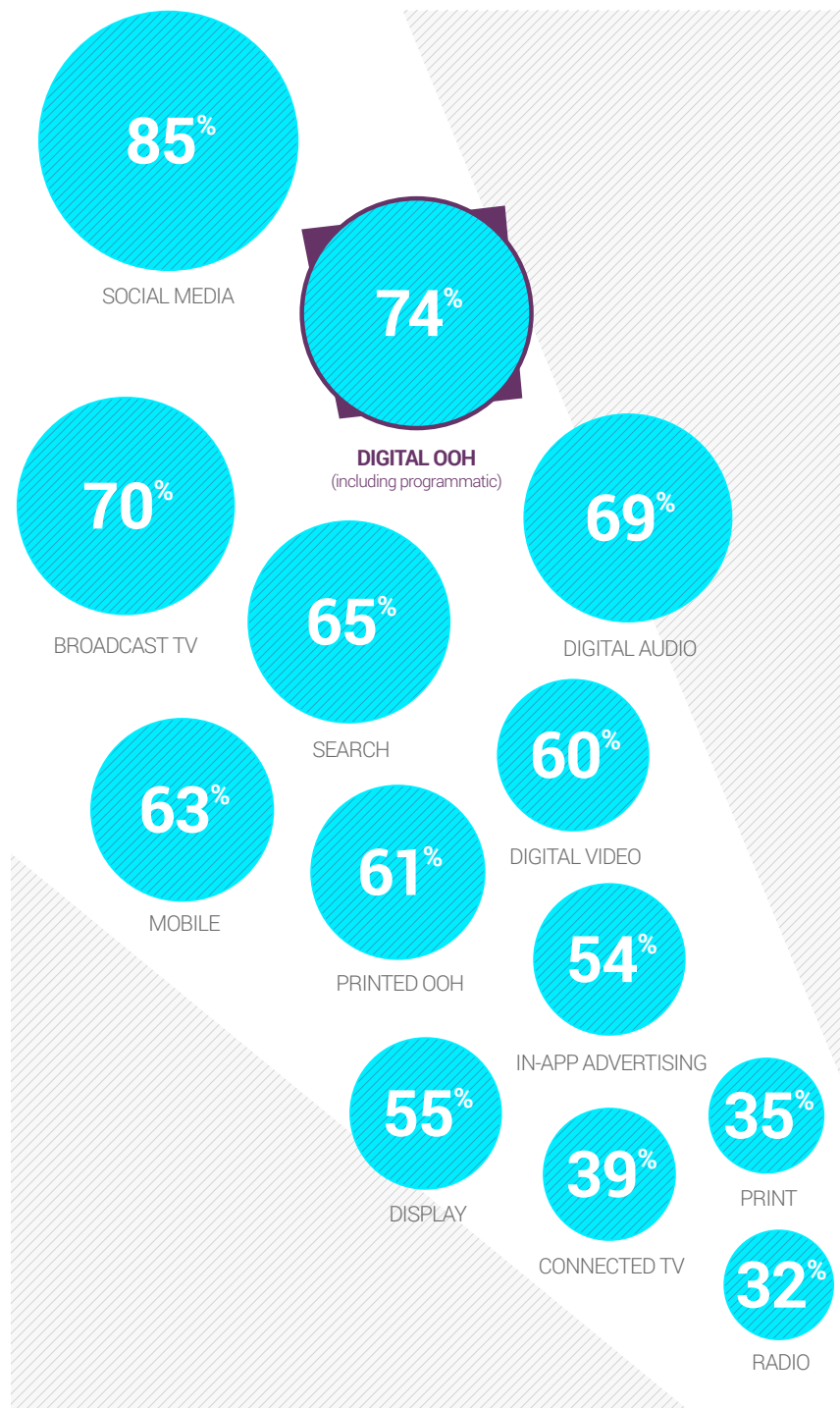
ADOPTION OF DIGITAL OOH AND PROGRAMMATIC OOH IN THE US

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

When we asked US executives about where they plan to allocate spend in the future, digital OOH emerged as the second most popular media channel (see Exhibit 3) that they were open to investing in.

When you look at the results from executives across all three markets, 87% are open to invest in digital OOH (including programmatic) in the future, well above the US average.

Enthusiasm for digital OOH appears to be driven, at least in part, by enthusiasm for programmatic OOH. Already, programmatic OOH is widely adopted amongst executives who have previously bought or planned digital OOH inventory. When looking at the combined results of all media executives surveyed across the three markets, three quarters reported having bought, planned, or placed OOH programmatically in the last year; only programmatic advertising on social media was more widely adopted.



+ **Exhibit 3:** Media channels US executives are open to invest in the future (% of executives who chose each channel)

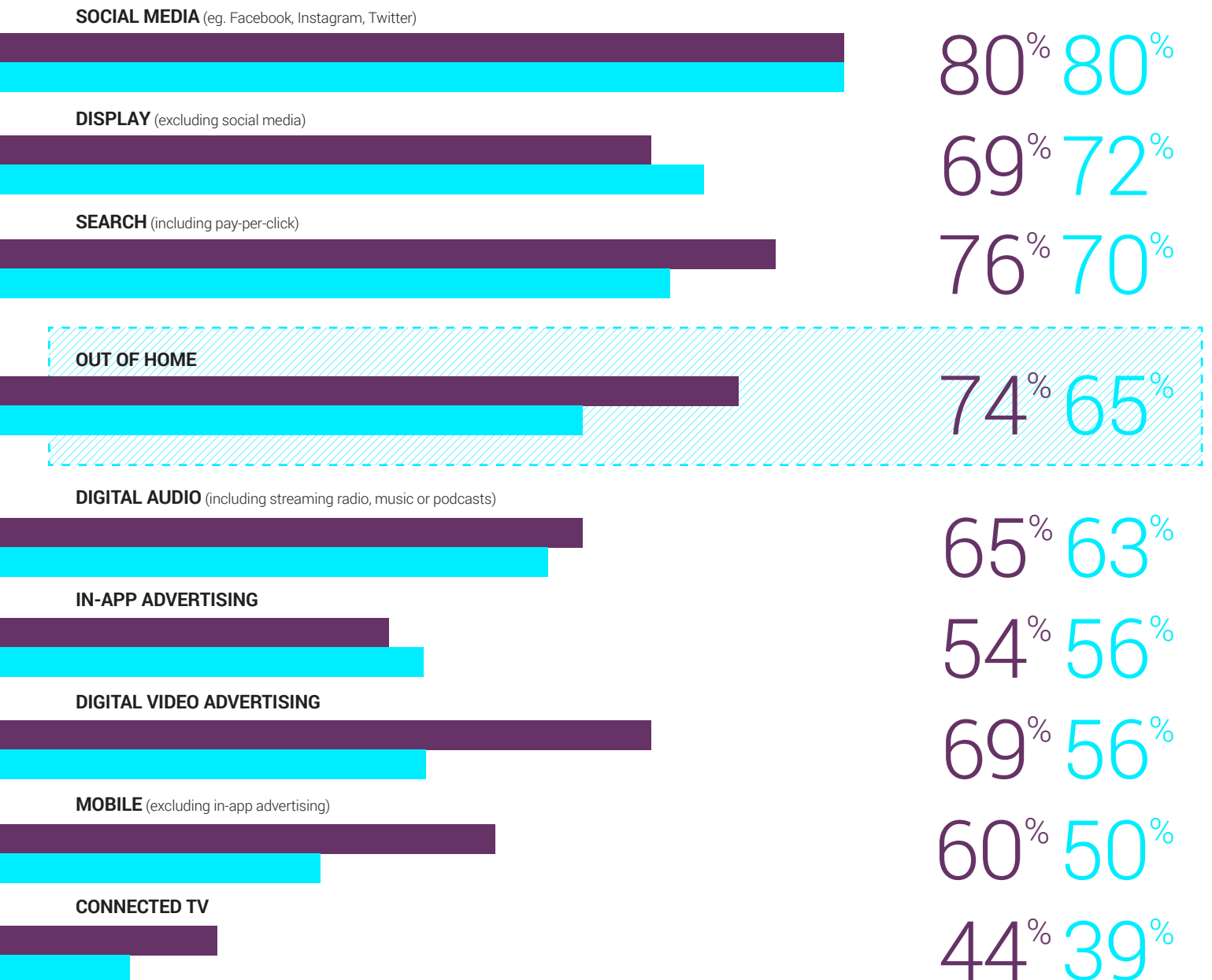
Source: A9: Which of the following media are you planning to, or open to, planning or buying advertising for in the next 12 months? Base size: total (600); agency (300); advertiser (300)

Looking at where OOH ranks in comparison with other media, we see slightly different results amongst advertisers in the US market versus the global average (76% agencies and 75% advertisers).

Programmatic spend on social media, display and search were more widely adopted with just under two thirds (65%) of advertisers having invested in OOH in the last 12 months.

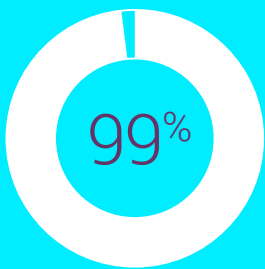
+ **Exhibit 4:** Media channels that US executives programmatically bought, placed, or planned in the last 12 months (% of executives who chose each channel)

Agency
Advertiser

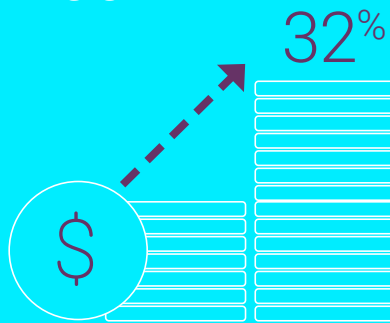


Source: B1: Now thinking about programmatic OOH advertising, which of the following media have you placed, planned, or bought in the last 12 months? Base size total (200); agency (100); advertiser (100)

When US respondents were asked specifically about programmatic OOH, and despite asking in the context of a COVID-19-induced recession, 99% of executives responded that they are looking to increase spend on programmatic OOH in the next year. Within this, almost one third (32%) are looking to more than double their spend, ranking OOH in the top three media channels.

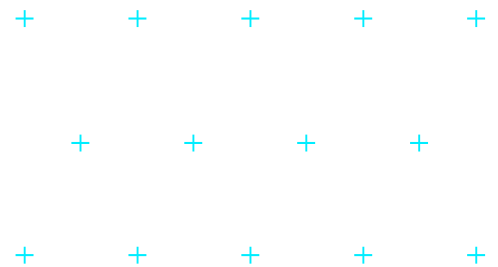


99% are looking to increase spend on programmatic OOH in 2021



32% are looking to more than double their spend

When we look at the average across the three markets (UK, US and Germany) the US is ahead in relation to executives looking to increase their spend on programmatic OOH (92%) although they are slightly below par when it comes to executives looking to more than double spend (35%).



PERCEPTIONS OF PROGRAMMATIC OOH AMONGST ITS CURRENT USERS

Programmatic OOH offers benefits across both brand and performance-led campaigns. Over half of all executives (52%) think programmatic OOH is important for brand-led campaigns, with even more (55%) selecting programmatic OOH as important for performance-led campaigns.

IN THE US MARKET

- + **55%** of agencies and **51%** of advertisers believe that programmatic OOH is important for brand-led campaigns, slightly above the global average.
- + **53%** of agencies and **65%** of advertisers believe that programmatic OOH is important for performance-led campaigns, with advertisers sitting well above the global average.

Programmatic OOH combines brand-focused benefits, such as awareness, with the advantages of more performance-focused media (flexibility, ROI, and targeting), and all in a brand-safe, premium environment.

To put these findings into context, in Exhibit 5 on the following page we have compared perceptions of programmatic OOH, digital OOH, digital video advertising, and social media advertising. Programmatic OOH is roughly equal to digital video advertising but sits behind social media. As a more nascent channel, programmatic OOH has a long way to go to match the perception of social media amongst media executives but we consider these findings to represent a strong foundation for programmatic OOH, whilst acknowledging that more can be done to further boost its position as one of the top choices for advertising spend.

52% think programmatic OOH is important for brand-led campaigns

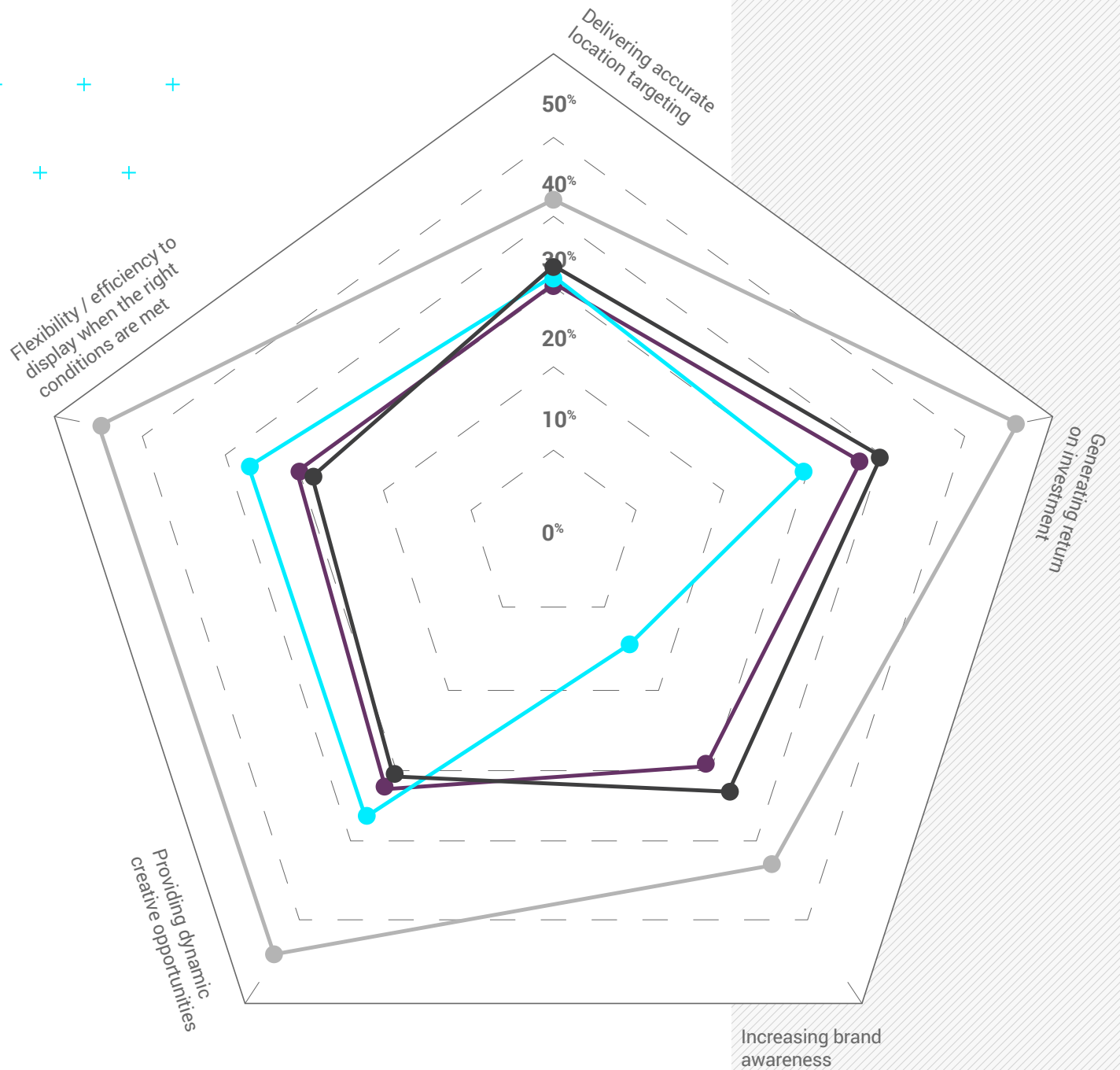


55% selected programmatic OOH as important for performance-led campaigns



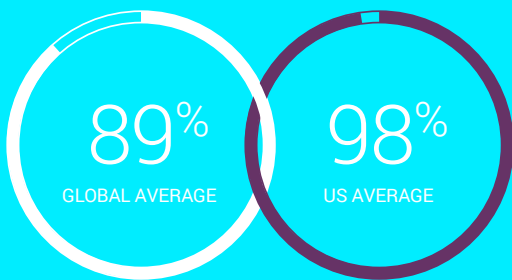
+ Exhibit 5: What channels do you associate with the following attributes? (% of US respondents who selected each attribute for each channel)

- Programmatic OOH
- Digital OOH
- Social Media
- Digital video



Source: B3: We will now show you a list of attributes and media types. Please choose any of the media you feel deliver against these attributes. Base size: 200.

Despite falling slightly behind social media, almost nine-tenths (89%) of all media executives either agree or strongly agree that programmatic OOH is a clear part of their programmatic and digital strategy, and a similar number (87%) agree programmatic OOH provides excellent value for money.



Agency and advertising executives agree that programmatic OOH is a clear part of their programmatic and digital strategy

Looking more closely at the US market, 98% agree that programmatic OOH is a clear part of their programmatic and digital strategy, well above the global average.



IMPACT OF COVID-19 IN THE US MARKET

The impact of the COVID-19 crisis has undoubtedly added to uncertainty around the ad market, however our executive respondents reflect optimism for programmatic OOH.

Whilst most US executives (84%) expected COVID-19 to impact adoption of programmatic OOH in general, many still expect to increase their spend on programmatic OOH in the next 18 months, acknowledging that programmatic advertising is more important to their business' marketing success at a time of crisis. This theme is particularly pronounced amongst more senior executives.

Mirroring the US results, the global trend showed 82% of all executives expect COVID-19 to impact the adoption of programmatic OOH.




+ Exhibit 6: Impact of COVID-19 on programmatic OOH in the US

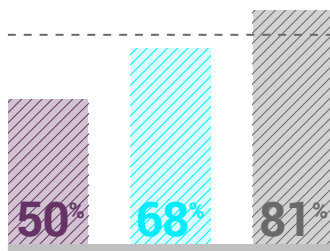


74% of industry executives feel more pressure to deliver on short-term metrics due to COVID-19; whereas **77%** feel pressure to deliver on long-term brand building campaigns

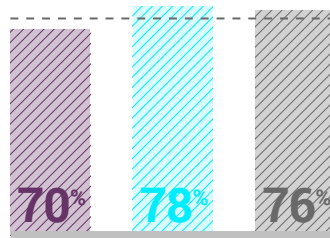


81% of industry executives think programmatic advertising is important to their businesses' marketing success at a time of crisis, this is more pronounced amongst senior executives

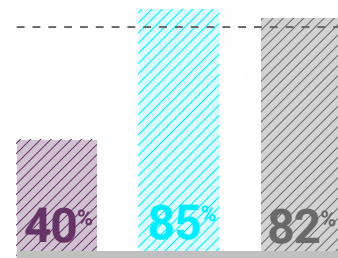
-  Mid-managerial
-  Executive director
-  Board director



“ I feel more pressure to deliver on short-term metrics due to the impact of COVID-19



“ I feel more pressure to focus on building long-term branding campaigns due to the impact of COVID-19



“ Programmatic advertising is more important to my business' marketing success at a time of crisis

Source: B2: Now thinking about this year's developments around COVID-19, to what extent do you agree or disagree with the following statements. Summary of top two statements: agree and strongly agree. Base size: (200), mid-managerial (25), executive director (101), board director (74)

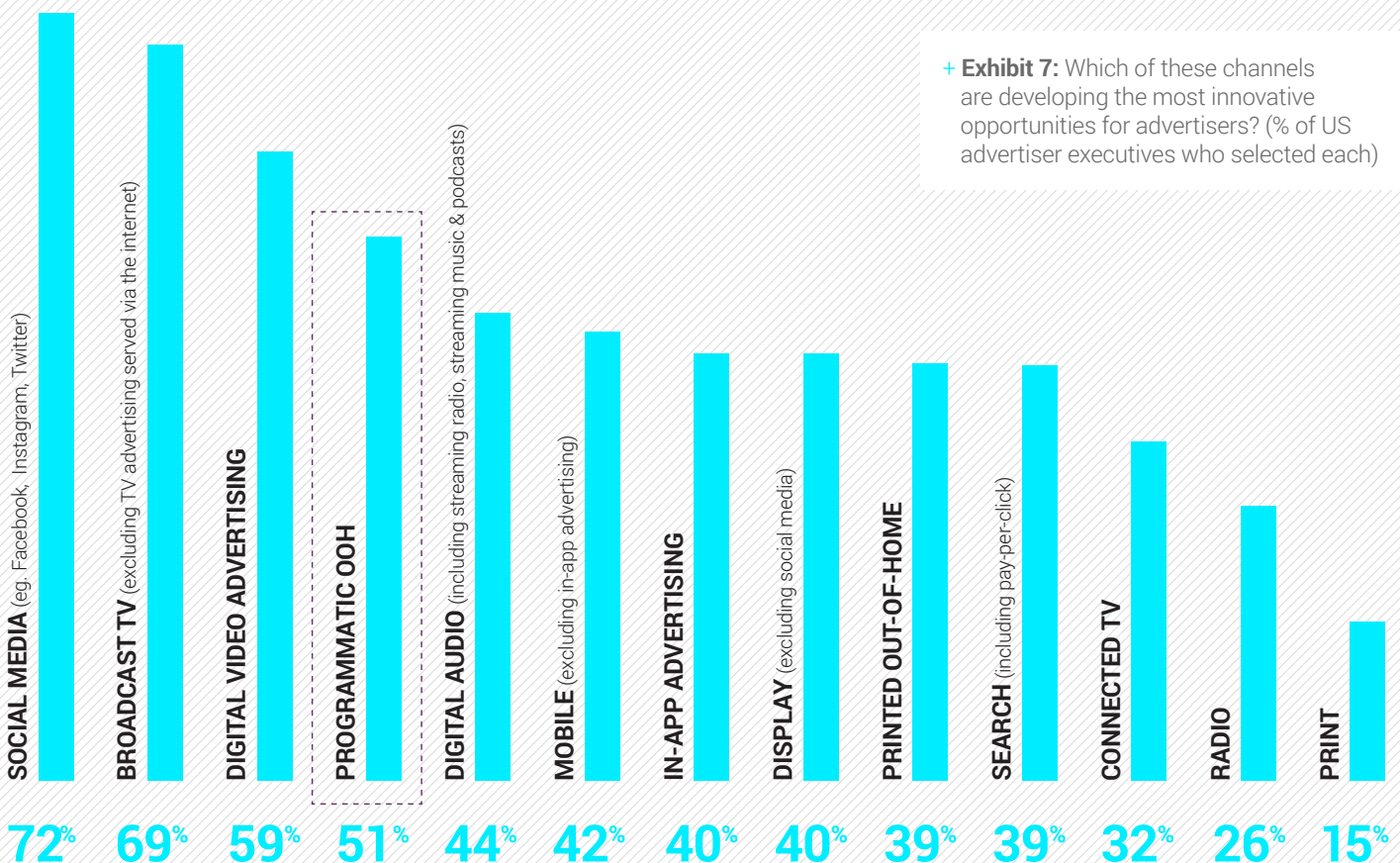
DEFINING THE NEW LANDSCAPE

WHAT'S NEXT FOR PROGRAMMATIC OOH?

Considering the importance of programmatic to marketers' needs in times of crisis, a post-COVID-19 landscape is intriguing.

Across the markets, 79% of marketers planned, bought, or placed programmatic OOH in 2020 due to its flexibility. Given the uncertainty of local and national lockdowns caused by the pandemic in the coming months, this flexibility is likely to remain important for agencies and advertisers when planning campaigns. Sitting well above the global average, 93% of US executives planned or bought programmatic OOH due to its flexibility.

In addition, innovation in times of crisis is crucial, with the COVID-19 pandemic providing an opportunity to accelerate digital transformation amongst media buyers' operations. Over half of all advertiser executives (ie the budget holders) across the three markets think programmatic OOH provides innovative opportunities for advertisers. Amongst advertisers in the US, 51% believe programmatic OOH is providing the most innovative opportunities with social media, broadcast TV and digital video being considered more innovative.



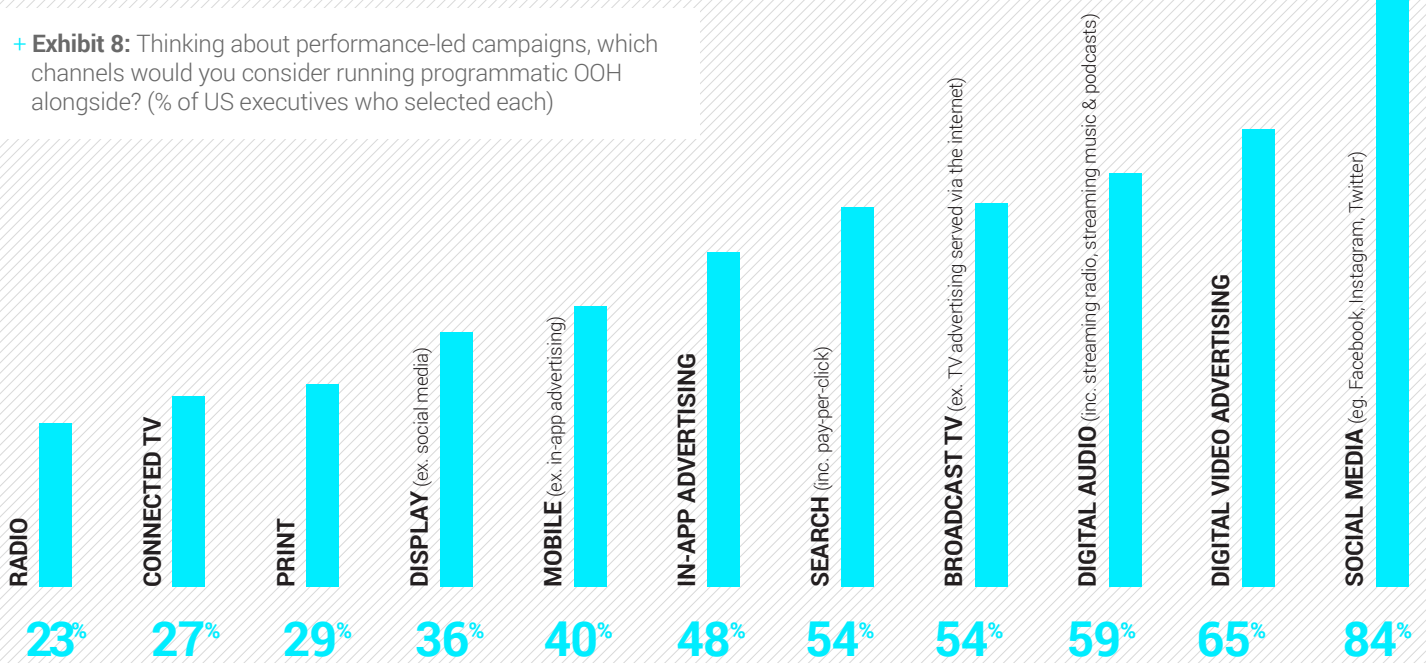
+ Exhibit 7: Which of these channels are developing the most innovative opportunities for advertisers? (% of US advertiser executives who selected each)

Source: B7: Which of these media are developing the most innovative opportunities for advertisers? Base size: advertiser (100)

A BIGGER PICTURE: OOH AS A KEY PART OF THE PROGRAMMATIC MIX

Getting the most out of programmatic OOH often involves combining it with other digital channels. More than half of all executives would consider combining programmatic OOH with other digital channels for performance-led campaigns with social media and digital video the most common pairings.

+ **Exhibit 8:** Thinking about performance-led campaigns, which channels would you consider running programmatic OOH alongside? (% of US executives who selected each)



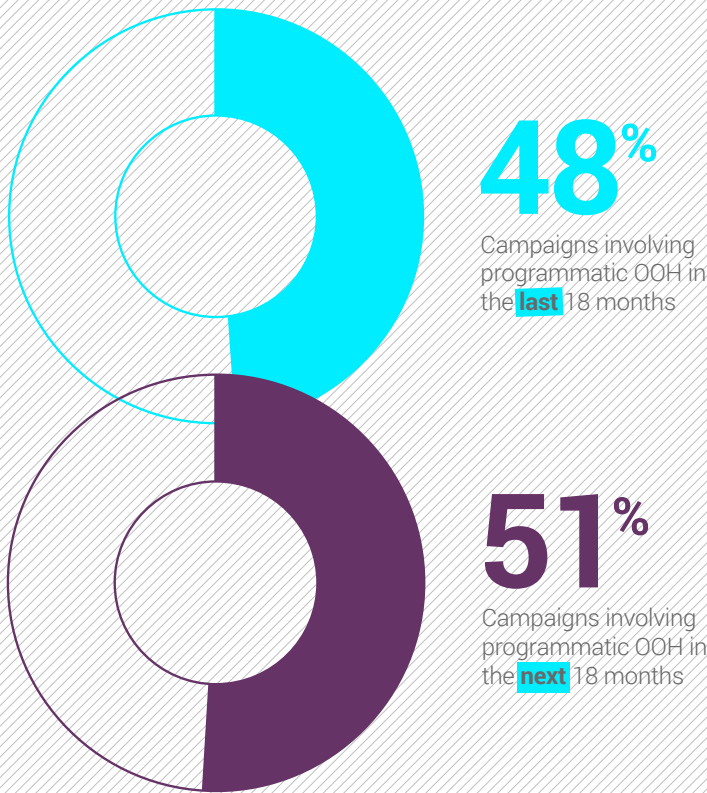
Programmatic technology in a broadcast channel opens up a world of possibilities and should play a pivotal role in omni-channel strategies. In such uncertain times, where marketers are looking to maximize the value of their advertising budgets, the agility, flexibility and trigger-based decisioning intrinsic to programmatic OOH are crucial”

Jean-Christophe Conti - VIOOH CEO

Source: D1: Thinking about performance-led campaigns, which channels would you consider running programmatic OOH alongside? Base size: 200

EXPECTED DEMAND FOR PROGRAMMATIC OOH

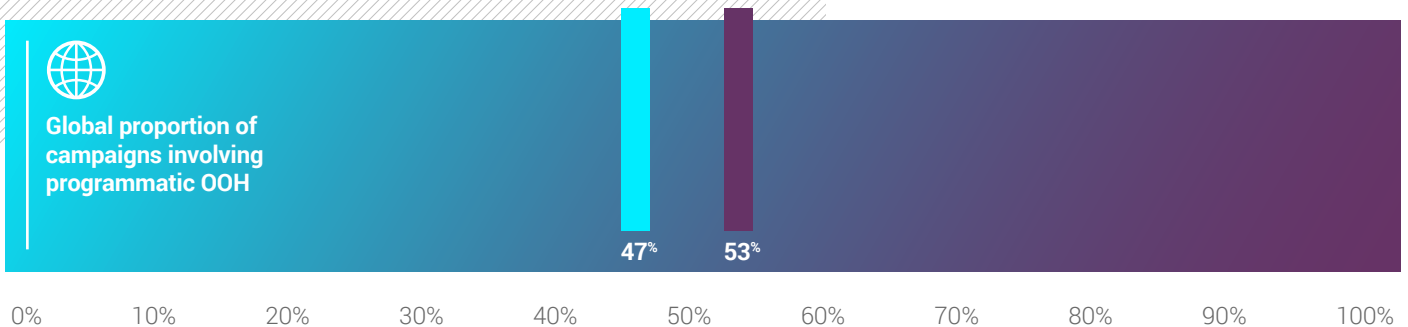
+ **Exhibit 9:** Proportion of ad campaigns in which programmatic OOH will be planned, bought, or placed in the last / next 18 months (as determined by US executives)



Overall, across the UK, US and German market advertisers and agencies expect their demand for programmatic OOH to increase.

Those who already use programmatic OOH stated they are likely to increase their investment, with programmatic expected to be part of an additional 6% of digital campaigns over the next 18 months, increasing the proportion of campaigns involving programmatic OOH to 53% of all omni-channel campaigns.

Whilst still showing growth, the US market delivered only slightly lower predictions for the next 18 months versus the global average, expecting 51% of omni-channel campaigns to involve programmatic OOH.



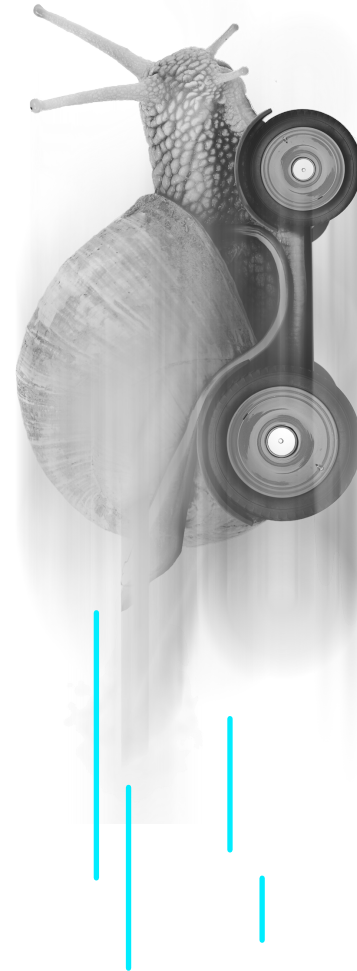
Notes: 1) Expected by executives. Source: C5: Think of the campaigns you've worked on in the past 18 months, for what proportion have you planned, bought, or placed programmatic OOH advertising? Base size: 200; C6: Now think of the campaigns you'll be working on in the next 18 months, for what proportion do you think you will plan, buy, or place programmatic OOH advertising? Base size: 200

UNLOCKING BARRIERS TO ADOPTION

Despite the positivity surrounding programmatic OOH, there are certain barriers to its widespread adoption.

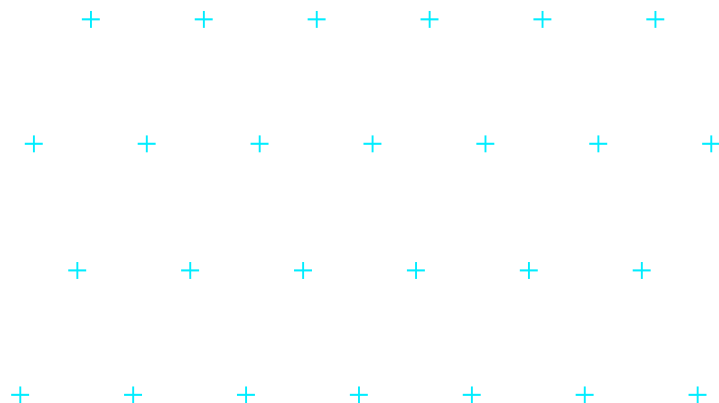
There is still a lack of consensus over measurement; programmatic OOH is complex, with multiple suppliers offering individual solutions. Ensuring executives are up to date with the latest progress and have a full understanding of the benefits will be crucial in order to capture spend moving into the 2020s.

Also, targeting – one of the key benefits of programmatic OOH – needs to continue to develop and offer real precision in order to unlock the final barrier to full adoption across the wider digital ecosystem.



“As an industry we should be investing in ensuring programmatic OOH is more transparent and measurable”

Jean-Christophe Conti - VIOOH CEO



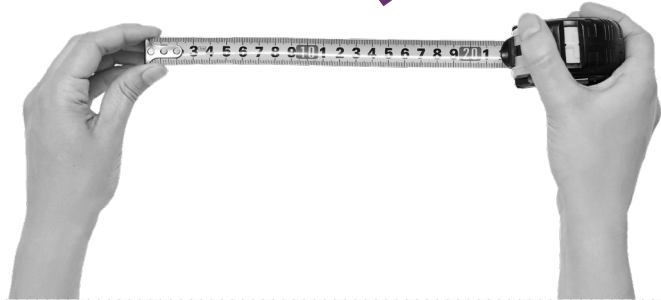
MEASUREMENT

There is little consensus amongst US executives on measurement, though performance-based metrics are considered the most effective way of measuring and attributing value to programmatic OOH (see Exhibit 10). Overall, US executives are excited about the possibilities with 84% agreeing there are innovative solutions to measure and track the attribution of programmatic OOH, although well over half (62%) would like more information about cross-channel measurement and attribution.

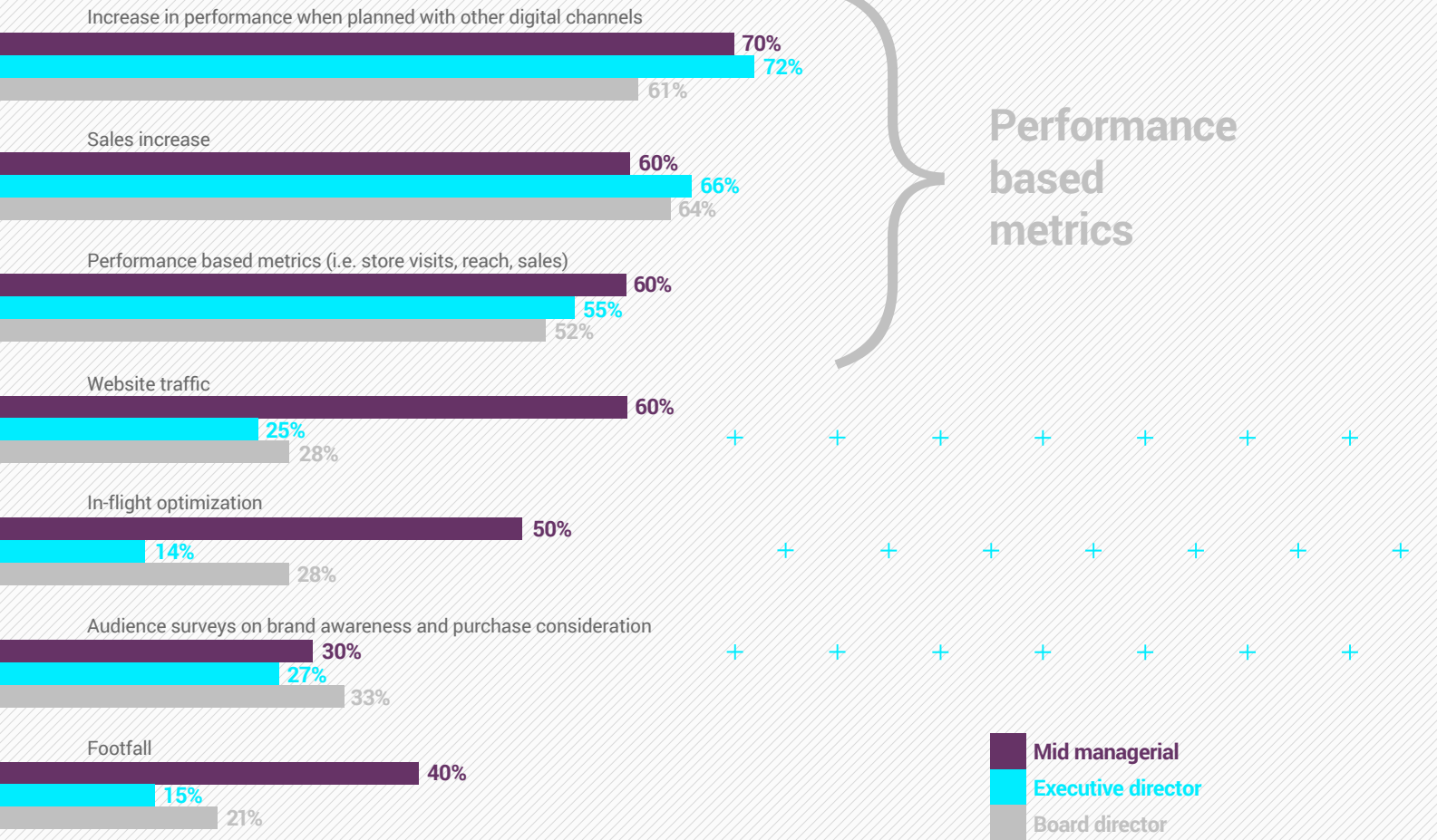
Reducing the variation in measurement approaches and agreeing more common standards for reporting, will help to increase the confidence of executives in programmatic OOH. Standardization is crucial to growing adoption and unlocking more value for agencies and advertisers.

At VIOOH, we are committed to establishing these solutions in order to provide the industry with a clear vision of how to measure and attribute programmatic OOH into the 2020s.

The US trends are reflected globally with **85%** of all executives agreeing there are innovative solutions to measure and track attribution, while **57%** are looking for more information about cross-channel measurement and attribution.



+ Exhibit 10: Measurement solutions (% of US executives who selected each solution)



Source: D5: How do you see measurement/attribution in programmatic OOH being measured? Base size: total (200), mid managerial (25), executive director (101), board director (74)

UNDERSTANDING AND EDUCATION



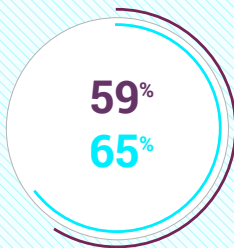
Although over half (56%) of US executives strongly agree with the statement: 'I fully understand programmatic OOH and it benefits', that leaves 44% not fully understanding, which is more pronounced amongst senior executives who may be less involved in day-to-day operations.

Globally, education is a key factor for adoption and the US mirrors the global average. Whilst 56% of executives believe they fully understand programmatic and its benefits, 44% admit they do not.

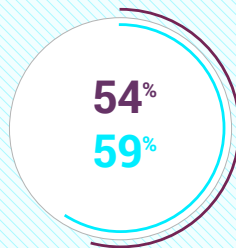
Adoption and usage of programmatic OOH is likely to increase with more education and the ongoing recognition of the key benefits, coupled with use cases of programmatic OOH. In the US, just under half of executives (47%) want training on the benefits of programmatic OOH advertising to learn more and, as outlined in Exhibit 11, desire for materials to aid understanding is more pronounced amongst advertisers than agencies.

+ Exhibit 11: Resources to help agency and advertising executives learn about programmatic OOH advertiser (% of US respondents who selected each)

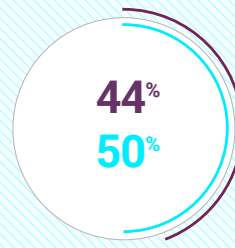
— Agency
— Advertiser



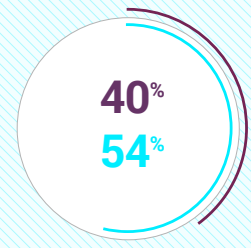
Information on cross channel measurement or attribution



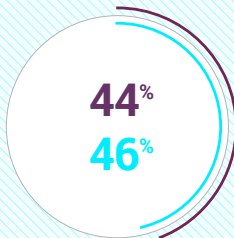
Standards for programmatic OOH



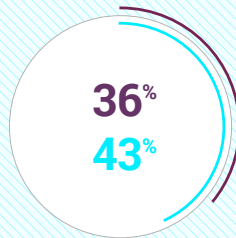
Training on benefits of programmatic OOH



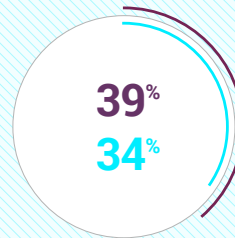
Sector-specific insights for programmatic OOH (eg FMCG/CPG, gaming, entertainment)



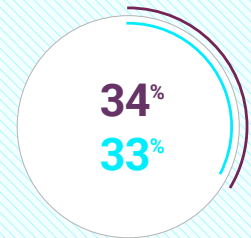
Clearer understanding of how programmatic OOH fits within an omni-channel campaign



Audience-specific insights for programmatic OOH (eg millennials, gamers, parents)



Case studies for programmatic OOH



Training on digital OOH

Source: D4: Which, out of the following, would help you learn more about programmatic OOH advertising? Base size: total (200); agency (100); advertiser (100)

TARGETING

A core area where programmatic OOH could improve in order to capture more spend is targeting, or at least the perception of its ability to target audiences. Currently, it is not widely known for its ability to target the right people at influential moments, relative to other media channels and programmatic paths.

One potential solution is to utilize mobile data at the DSP level as part of the auction bid triggers, to ensure real-time audience proximity for the activation of creative. [Trigger-led buying, incorporating contextual signals such as weather, transit or footfall events will also help shift perspectives on the range of possibilities offered by programmatic campaigns.](#)



CLOSING REMARKS

There is a lot to be excited about in programmatic OOH, as executives across the UK, US and German markets look to increase both the proportion of omni-channel campaigns involving programmatic OOH (to over half) and volume of spend (with over a third of executives looking to double spend).



Flexibility is a key driver of spend amongst executives, and the ability to dynamically make decisions and adapt is even more important in this COVID-19 landscape. With uncertainty around future restrictions, and countries and regions entering in and out of lockdowns, this will be crucial moving forward. Furthermore, as budgets are continually reviewed due to the COVID-19-induced recession, the ability to switch campaigns on and off, with no predetermined commitments, is attractive to senior marketers.

Finally, it is alongside other channels where programmatic OOH will likely play its most important role. Due to the different benefits it provides brand-led and performance-led campaigns, as well as the flexibility, it is amongst omni-channel campaigns where programmatic OOH will be most valuable. Used to enhance all types of campaigns, programmatic OOH provides flexible and incremental reach, in a cost efficient way.

Programmatic OOH is considered to offer benefits in both brand-led and performance-led campaigns. It is thought of as one of the strongest channels for accurate location targeting and ROI, as well as brand awareness and reaching consumers on-the-go. Programmatic OOH offers a wide range of benefits that are rivalled only by social media.

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METHODOLOGY

MTM surveyed 100 agency senior executives and 100 advertiser senior executives in three separate markets, collecting responses and cutting by size, type of audience, and seniority.

Below is a table outlining the type and location of the respondents.

+ Exhibit 12: Respondents by type and country

+	UK	GERMANY	US	TOTAL
Agency	100	100	100	300
Advertiser	100	100	100	300
Total	200	200	200	600

