

Out of home on steroids

By  Danette Breitenbach

30 Nov 2015

A high 79% of consumers have taken action after seeing an out-of-home (OOH) advertisement, with 62% doing so after seeing a digital out-of-home (DOOH) advertisement.

This is according to a new study by the Future Foundation on behalf of the Federation European Publicite Exterior or FEPE International, a global organisation representing the world's major OOH media owners and leading OOH agency specialists and suppliers.

At the same time, Google states that 50% of searches on mobile utilise local content and 17% are made on-the-move. In a recent study where South Africa was included as one of the countries researched, 40% of consumers have looked up information online immediately as a result of seeing an OOH advertisement. This figure rose to 62% for urban consumers engaging with their smartphones while travelling.

PwC's latest Entertainment and Media outlook: 2015 - 2019 (South Africa - Nigeria-Kenya) PwC Outlook, defines digital out-of-home as media that includes any OOH advertising media that is internet-connected (e.g. smart billboards or digital screens at airports, stations, taxi ranks and retail malls).



Peter Lindström

In 2010, the year the World Cup was held in the country, the industry's DOOH revenue was R293m. The next year this revenue fell to R16m (growth the previous year was due to the World Cup); but in 2013 DOOH made a strong comeback and revenue leapt to R666m. A key reason for this was the investment by South African providers into the domestic market for the first time. In 2014 total revenue was R821m, a strong growth of 23.2%. PwC's Outlook says this will continue over the next five years, growing by 15.4%, to reach R1.68bn in 2019.

This will give South Africa the highest digitisation rate in Africa, with a digital revenue penetration of 33.1%. Despite being behind the global average rate of 39.7%, the PwC Outlook says that it is within the top 30 globally, and that the rate will even exceed that of several mature European markets, including Italy and Germany.

Digital convergence

It is clear that the biggest opportunity for OOH media is digital. Already there is a massive shift worldwide to digital platforms, with South Africa following this trend and many local media owners embracing this as the next evolution of OOH in the SA landscape, says Out of Home Media South Africa (OHMSA) chairman, Peter Lindström, who hails from Primedia Outdoor. "These come in a wide variety of options ranging from screens installed into venues such as pubs and restaurants, right through to massive screens on busy roads or intersections."

There is no doubt that more robust and graphically enhanced technologies, which offer smarter interfaces, coupled with reducing capital outlay, are driving the conversion of static faces to superior digital display options, reiterates Taryn Naledi Hood, executive: marketing, for Primedia Unlimited's Mall Division.

"With these advancements we can expect the traditional digital display space to really start evolving in OOH. Digital channel convergence, creative optimisation and real-time bidding (RTB) platforms across DOOH networks will be the future of OOH, as is currently emerging in the United States and Europe," she says. The return on investment (ROI) for media owners is exponential and the benefits



Due to their enhanced capabilities, digital screens lend advertisers multiple advantages, which include:

- Lower production costs.
- Quicker turnaround times.
- The opportunity to leverage existing digital, TV or cinema creative assets.
- The ability to enhance, animate and interact with the creative work.

This, coupled with the fragmentation of traditional media channels such as TV, radio and print, is contributing to the repositioning of the OOH media channel locally, says Jacques du Preez, MD and founder of Provantage Media Group.

"Consumers have changed the way they consume media and have essentially developed an 'on demand' mentality. They have unlimited choice and control over traditional media types and are therefore harder to reach with advertising messaging."

Programmatic

A few mediums are excluded from this trend, including cinema and OOH mediums where the consumer does not have the ability to exercise choice, Du Preez adds.



Jacques du Preez

"Technology will drive advertising rands to OOH channels - on-demand television and radio technologies, ad-blocking on smartphone devices and platforms coupled with more and more modern DOOH media types will contribute to making OOH more powerful and more effective in reaching modern consumers," Du Preez says.

He predicts that more DOOH formats will be deployed. "We will see the digitisation of more and more traditional OOH media formats. We will see digital washroom ads, sampling pods, pillars and large-format digital mall ads, to name but a few, and these formats will be integrated with i-beacons and smartphones that will offer some really awesome engagement ability."

Andrew Franks of TAG 8 Media, believes that while the development of DOOH will be fundamental to the rise of OOH advertising, by itself, digital OOH will not be enough. "Digital plus programmatic will give us OOH on steroids," he says.

Recently in Australia, TubeMogul recently announced its tie up with DOOH ad exchange Site Tour, enabling advertisements on thousands of digital screens across Australia to be bought programmatically.

Programmatic makes buying ad messages easier and more accurate through the use of multiple data sets, and ultimately it will make it easier for agencies to plan and buy DOOH media on behalf of clients, Franks explains.

"The medium has the reach and proximity to the point-of-sale (POS), that advertisers are looking for. Both location-based mobile and DOOH media carry similar targeting and audience capabilities, the platforms can be bought in tandem, helping brands amplify their message. Consolidating brand advertising through software means we can plan holistically with one set of reporting and insights to inform optimisation."

Franks recently met with the US-based DO media team. "They are on a mission to change the way OOH media is bought and sold with cloud-based applications that connect buyers and sellers to leverage marketplace effects and improve reporting and analytics."



Andrew Franks

He says it's a great platform and he is interested to see who will launch the first South African programmatic solution. Lindström agrees with him, saying that critical mass in this digital evolution will make hot topics like programmatic buying possible. "However, this will require a level of cooperation between media owners, something that has eluded the OOH industry to date."

ABOUT DANETTE BREITENBACH

Danette Breitenbach is a marketing & media editor at Bizcommunity.com. Previously she freelanced in the marketing and media sector, including for Bizcommunity. She was editor and publisher of AdVantage, the publication that served the marketing, media and advertising industry in southern Africa. She has worked extensively in print media, mainly B2B. She has a Masters in Financial Journalism from Wits.

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