

Study of Improving the Success of Outdoor Advertising

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ABSTRACT:

The out-of-home advertising (OOH) market consists of advertiser spending on OOH media such as billboards, street furniture (for example bus shelters, transit displays such as bus sides, on-train print, wraps on taxis and private vehicles), displays at sports arenas, airports, shopping malls, inside retail stores, wash rooms and other OOH spaces. The OOH market includes the so-called digital out-of-home advertising market, which has become a key growth area for the overall OOH market. In today's media landscape where it's very difficult to shape consumers attitude and intentions and move them to next level of buying process, advertisers find it even more difficult and challenging to break through the clutter of competing advertisement. The advertising industry has experienced dynamic changes over the last several decades. The changes have been good in terms of Technology advancement, Medium and more methods to attract consumers and on Creativity.

KEYWORDS: Out-of-home advertising, shopping malls

INTRODUCTION:

The OOH advertising industry in the USA includes more than 2,100 operators in 50 states representing the major out of home format categories. These OOH media companies range from public, multinational media corporations to small, independent, family-owned businesses. Outdoor advertising works well for promoting your product in specific geographic areas. While billboards, bus benches, and transit advertising can be very effective for the small-business owner, any successful outdoor campaign begins with your own location's signage. Your outdoor sign is often the first thing a potential customer sees. Your sign should be sufficiently bright and conspicuous to attract attention (without being garish) and sufficiently informative to let prospective customers know what's sold there.

Ride around town and observe which signs catch your eye. Note which ones don't. Then think of the impression each sign gives you. Remember that you never get a second chance to make a first impression, so give this important marketing tool your best efforts. If you're involved in a business that has a fleet of vehicles conducting deliveries or providing a service, your company's name, logo, and phone number should be clearly visible on the vehicles. It's free advertising that allows you to increase your exposure in your market. Billboards are most effective when located close to the business advertised. Because of their high cost, they're usually used to reach a very large audience, as in political campaigns. They're likely to be too expensive for most small firms, and some communities have strict ordinances governing the placement of billboards. In Vermont, for example, they're prohibited. Bus-bench advertising is an excellent medium because it's highly visible, like a billboard. Essentially, bus-bench advertisers have a huge audience, held captive at red lights or in slow-moving traffic. An account executive of a Los Angeles-based bus bench manufacturing company said that an advertisement on one bus bench at a busy Los Angeles intersection would be seen by 35,000 to 50,000 people per day.

Usually, the advertising consists of simple two-color artwork with your company's name, brief copy describing the product or service, address and phone number. Rates and terms vary depending on the city

you're in. Call your city's mass transit department or local bus company to find out who rents advertising space on their bus-stop benches. Some outdoor advertising companies also handle this type of advertising. Transit advertising on buses and taxicabs reaches lots of people, especially commuters. Your ad is highly visible, and market research on transit advertising shows that it's very effective. Out of home advertising is focused on marketing to consumers when they are "on the go" in public places, in transit, waiting (such as in a medical office), and/or in specific commercial locations (such as in a retail venue). OOH advertising formats fall into four main categories: billboards, street furniture, transit, and alternative. The OOH advertising industry in the USA includes more than 2,100 operators in 50 states representing the major out of home format categories. These OOH media companies range from public, multinational media corporations to small, independent, family-owned businesses. Billboard advertising is a traditional OOH advertising format, but there has been significant growth in digital OOH (digital billboards and place-based networks) in recent years; for example, about 4,900 digital billboard displays have been installed in the United States.

Traditional roadside billboards remain the predominant form of OOH advertising in the US with 66 percent of total annual revenue. Today, billboard revenue is 73 percent local ads, 18 percent national ads, and 9 percent public service ads. Street furniture is made up of formats such as bus shelters, news racks, mall kiosks, and telephone booth advertising. This form of OOH advertising is mainly seen in urban centers. Additionally, this form of advertising provides benefits to communities, as building and maintaining the shelters people use while waiting for the bus.

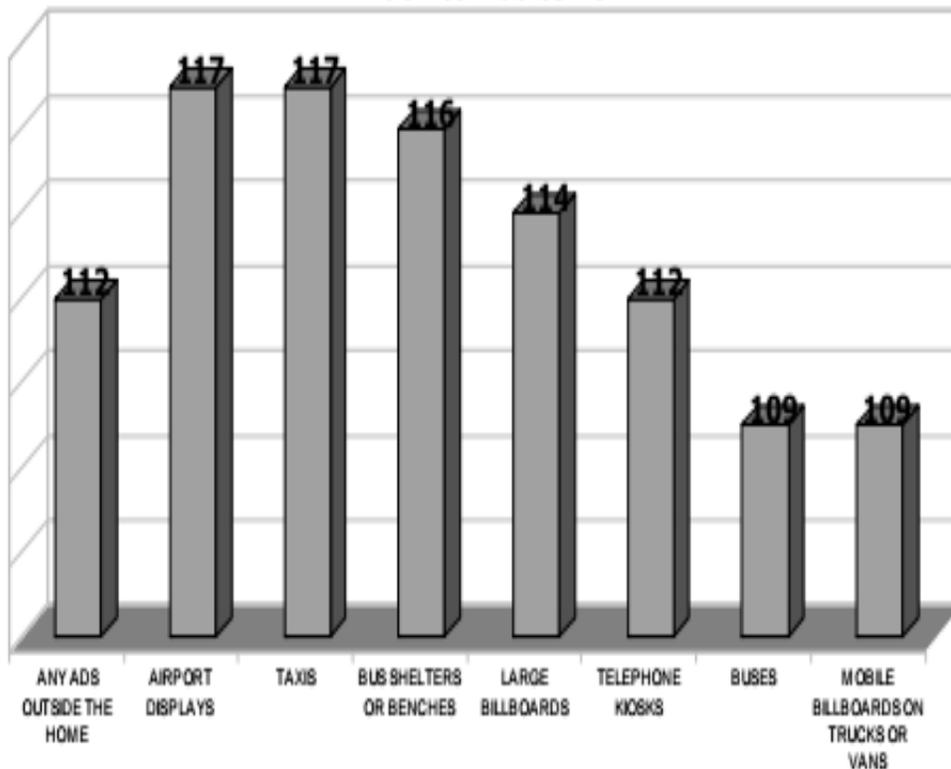
Transit advertising is typically advertising placed on anything which moves, such as buses, subway advertising, trackside, food trucks, and taxis, but also includes fixed static and electronic advertising at train and bus stations and platforms. Airport advertising, which helps businesses address an audience while traveling, is also included in this category. Municipalities often accept this form of advertising, as it provides revenue to city and port authorities.

EARLY POTENTIALS OF OUT-OF-HOME ADVERTISING BY ELLEN ROMER:

Outdoor advertising is as old as advertising itself, but new life is being breathed into the old medium. In fact, as digital, video and wireless technologies redefine the sector over the next few years, it will rank second only to Internet advertising in ad spending growth. "The trends impeding traditional media-consumer fragmentation and control, advertising accountability and the emergence of digital technology-are the very catalysts stimulating the tremendous growth in alternative out-of-home advertising," said Patrick Quinn, President and CEO of PQ Media. "Unlike its mass media peers, alternative out-of home advertising is impervious to channel or web surfing and is immune to audience fragmentation." Experian Consumer Research data shows when it comes to TV advertising, even adults who are self-proclaimed "channel switchers" notice out-of-home advertising at higher than average rates.

Furthermore, out-of-home advertising seems to have a more positive image among consumers, especially those who tend to rely on advertised products when they shop. As displayed in the figure below, adults who remember advertised products while shopping are more likely than the average adult to notice billboards and feel they can improve urban landscapes. At the same time, they are more likely than average to have negative feelings towards TV advertising.

**Channel Switchers* Who Notice OOH Ads
 Index to Adults 18+**



eMarketer forecasts that out-of-home video advertising spending in the US will total \$2.25 billion in 2011, up from \$1.26 billion in 2007.ⁱⁱⁱ Mark Kaline, global media manager for Ford, said this about the industry potential: “Out of-home is a sleeping giant. It is being kicked by technology. It’s being rustled by measurements. It’s being awakened in a way that’s very close to what the Internet is experiencing right now. It provides us with an event in a local market that we’re able to build launches around. It’s got the best of both worlds. It’s a national medium that can be localized in a way that allows you to geo-target. You can now tailor your ads using digital boards in a way that’s never been done before. With day parting, there is now the opportunity to reach a certain audience while they’re traveling in close proximity to whatever it is you’re selling—it’s great. You can tell a story over time with a lot of little simple messages that add up to a big story.”^{iv} After compiling the results of online surveys conducted with nearly 1,800 U.S. residents between the ages of 13 and 55.

OUT DOOR ADVERTISING CHARACTERISTICS:

“Outdoor” advertising includes all forms of advertising that provide exposure out-of doors. These forms may be pictured, written or spoken [Nelson & Sykes, 1953]. The most prevalent forms of outdoor advertising are billboards, street furniture, transit and alternative forms. Billboards are the predominant form of outdoor advertising and are further classified into bulletins, 80 sheet posters, 30 sheet posters, wrapped 30 sheet posters, squared wrapped posters, spectaculars and wall murals. Technology has provided outdoor advertisers with myriad options. ⁵ Most recently, the liberal use of electronics with “outdoor” has created “spectacular” billboards that are more like giant screen televisions, some even with sound.

Street furniture also provides very interesting options for out-of-home media usage. Some of the most prominent forms of street furniture consist of bicycle racks, bus bench / bus shelter advertising, kiosks, sidewalk posters, shopping mall displays, in-store displays and one sheet posters. Transit advertising options in outdoor media revolve around media on transit or places of transit in airports and subway stations, as well as on buses, taxicabs, trains, etc. Advertising on movable type media like taxicabs and trucks has been shown to provide high recall rates. Finally, there is an “alternative” form of outdoor media that comprises almost all options not covered in the above three forms. This is probably the fastest evolving category and includes such options as trash receptacle advertising, airborne displays, digital displays, carton and cup advertising, movie theater advertising and stadium and arena displays. Outdoors today has the capabilities of reaching an audience on a national scale or on a market-by-market basis [Association of National Advertisers, 1952]. Outdoor advertising has evolved to the extent that it can be almost as useful as some traditional forms of advertising like newspaper, radio and TV. Outdoor is strikingly different from other media in one essential aspect – the medium does not circulate the message to market but the market circulates around the medium, “the medium delivers its message to people on their way to work, play or shop. [Association of National Advertisers, 1952]” For instance, an executive going to work to deal with a full day of computer related problems would probably “look out for” messages from Dell, Hewlett Packet or Epson. It may seem like a trivial distinction, but if one takes into account the psychological frame of mind of people at the time the message is delivered, it is surely a 6 powerful medium to access.

OUTDOOR & BUSINESS TO BUSINESS MARKETING:

Despite the infrequent mention of outdoors as a medium for industrial advertising, the use of such medium can be very effective. The key characteristic of outdoor ads that give this medium the flexibility for use in business-to-business (BTB) advertising is the ability to deliver the message constantly and consistently to a select target market. Such a constant reminder could be the differentiating factor that enables the “brand to surpass the threshold level of awareness thus achieving meaningful additions in the brand preference share” [Hutt & Speh, 2001]. While a “larger-than-life” billboard could be an effective means of building the brand, outdoor media is also the most localized of all mass media, thus giving the advertisers the freedom to place it appropriately within the vicinity of the target market.

DIGITAL OUT OF HOME:

Digital out of home (DOOH) refers to dynamic media distributed across placed-based networks in venues including, but not limited to: cafes, bars, restaurants, health clubs, colleges, arenas, gas stations, convenience stores, barber shops, and public spaces. DOOH networks typically feature independently addressable screens, kiosks, jukeboxes and/or jumbotrons. DOOH media benefits location owners and advertisers alike in being able to engage customers and/or audiences and extend the reach and effectiveness of marketing messages. It is also referred to as Digital Signage.

The overall industry grew 19 percent to \$8.3 billion between 2011 and 2012 according to Patrick Quinn, CEO and founder of PQ Media, a Connecticut-based research and consulting firm. Quinn said gas station television is one of the largest and fastest growing segments of that category, based in part on its verifiable audience. With digital TVs in gas stations, nearly 52 million customers are getting snippets of weather, sports highlights, celebrity gossip and commercials with their gas each month, according to Nielsen. The weekly reach is actually larger than most of the prime-time TV shows. The largest company in the space is Gas Station TV with 27.5 million monthly viewers at more than 1,100 stations across the U.S., according to Nielsen. In addition to the large number of viewers, the audience profile of TVs at gas stations is unique. 100 percent are drivers. 76 percent are adults from age 18-49 with a median age of 40 and Median HHI \$70k+. According to the Nielsen Intercept Studies, 89 percent of the consumers are engaged and watching TV at the gas station and 88 percent love watching every time they fuel because they have nothing else to do.

The reason that this category is growing so rapidly is because busy people are typically busy at home and with the introduction and acceptance of digital video recorders, it has diluted the frequency with which traditional television commercials are viewed. Every day more TV viewers are skipping past commercials with their DVRs which in turn has made out-of-home advertising all the more appealing. A Nielsen media research study in 2009 showed that 91 percent of DVR owners skipped commercials. As a result, traditional TV advertisers are hungry for an effective substitute, and digital out-of-home ads appear to be one of the solutions.

DOOH also includes stand-alone screens, kiosks, and interactive media found in public places. The availability of inexpensive LCD screens with built-in media players has opened the door for companies to add interactive video messages in Point of Purchase (POP) Displays. The displays allow consumers to get additional information at the moment of decision on a product or service. Growth in the DOOH industry has been increasing in 2009, with more POP manufacturers, advertisers, and content developers moving to digital.

KEY INSIGHTS AT A GLANCE OF OUT-OF-HOME ADVERTISING:

1. Global out-of-home (OOH) advertising revenue will grow at a CAGR of 4.7% to exceed US\$40bn by 2018. The global OOH advertising market is forecast to reach US\$44bn by 2018, with the US, China and the UK key growth markets. Depending on the territory, growth will be fuelled by a combination of infrastructure expansion and the benefits offered by digital OOH (DOOH) advertising.
2. DOOH advertising revenue will see significant growth in emerging markets. DOOH advertising is driving overall OOH advertising growth globally at a CAGR of 16.2%. However, in certain emerging markets DOOH advertising revenue is forecast to grow even more rapidly, with CAGRs in excess of 30%, and China set to become the largest DOOH advertising market in the world by 2017
3. The increasing sophistication of measurement tools will help drive OOH advertising revenue growth. One of the major inhibitors of OOH advertising adoption has been the lack of tools, compared with other types of advertising, to measure audience and campaign effectiveness. As OOH advertising providers improve these tools, the business will see growth.
4. OOH advertising will be part of an m-commerce revolution. With the advent of mobile banking apps and near-field communications (NFC)-enabled phones, digital billboards have the potential to evolve from providing brand-building opportunities to becoming a point of sale. Innovation in mobile technology will enable OOH advertising to have a role in the development of m-commerce.
5. Growth in OOH advertising is dependent on regulatory challenges over billboards. Billboards are a crucial platform for the future growth of OOH advertising, but increasing the inventory available to advertisers will depend on approval from regulators.
6. Rapid expansion of airports in certain key markets will provide new OOH advertising opportunities. Airports provide advertisers with high dwell time and a captive audience, and as these transit hubs expand across the world, especially in China and the Middle East, they will be increasingly important outlets for OOH advertising.

CONCLUSION:

In today's media environment, the exposures to a message provided by outdoor advertising are more valuable than ever. Because it is increasingly difficult to get messages noticed and/or remembered, the uncluttered environment in which outdoor ads are seen (often with high frequency) helps to overcome problems of media fragmentation and selective perception. We aimed to analyze the impact of new forms of advertising on current society. We determined that technology is causing an arms race between consumers and advertisers. Furthermore, we determined that amateur-generated advertising and fan culture provides opportunities to change creative motivations, which leads to an increasing dependence on the consumer to create content for the advertiser.

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