Agenda

1/ Out-of-Home media – today's perception and planning practices

2/ Our market - key trends

3/ How we change our business

4/ What we expect from OoH vendors
Out-of-Home Media

Today's main perception…
Out-of-Home Media
Todays main perception…is changing

High quality positioning + Video + Interaction
WHEN YOU ASK MEDIA PLANNERS ABOUT OOH

Some fundamental issues

- Business is driven by specialists - limited information about all potential OoH options
- Choice of different options within OoH often more a result of personal preferences than of detailed knowledge
- Decisions in OoH media are often based on pure tactical decisions, not on the basis of a strategic framework
- Lack of knowledge / data regarding
  - optimal performance levels
  - interaction with other channels
  - RoI contribution
WHEN YOU ASK MEDIA PLANNERS ABOUT OOH

Some fundamental issues

- Black box in the process between planning and implementation / buying
- Very limited flexibility – if a campaign is booked the money is locked
- Delivery of performance / controlling not sufficient
Our market – key trends
Fundamental change of our industry

The advertising industry is still on the way of **fundamental transformation** – and the speed of change will not decrease.

The digitalization of our industry has just started!
Transformation

The transformation has an impact on everything and everyone in our industry – clients, ad agencies, media agencies, vendors, tech companies, talents, the value chain …
Data

Automation and speed become critical success factors.

“Big data” creates a new dimension in the way how consumers can be addressed in the future - faster, targeted and context-neutral.
Consumers change their expectation towards marketers – and they talk actively about experiences and perceptions of products and services.
Brand experience

In a more fragmented world, brands need a strong and distinctive identity towards customers in their social environment.

Creativity is key for a successful break-through communication.
No limits

The increasing mobility is a global megatrend – more people are travelling more frequently.

Mobile communication devices offers the modern society unlimited access to all type of content, media, friends, brands - and to a “glocal” shopping mall.
The triumph of screen media
Connected and addressable
Advertising investments
Traditional media are in a crisis

The marketing budgets for traditional campaigns are stagnating – or decreasing, while investments in digital media - including owned media - are further growing.

IP based delivery of commercial communication on screen and connected media is the winner within this unfair competition.
Measurement

Traditional media KPIs will lose dominance – much harder, performance driven measures get a greater relevance
How we change our business
The Adaptive Model
A change of the traditional planning concept

**From:** Binary Approach to Media
- Planning paid in isolation from owned and earned
- Brand or demand campaigns
- Offline channels, online channels
- Campaign KPI’s

**To:** Connected Approach to Media
- Maximizing earned by planning it with paid and owned
- Leading consumers from brand to purchase to advocacy
- Planning for a multi-screen experience
- Establish KPI’s for each channel across all media
The Adaptive Model
A change of the traditional planning concept

From: A Passive Consumer Purchase Funnel

- Targeting a consumer
- Contextual media plans
- Buying media sites
- Advertisements
- Distributing ads

To: Dynamic Consumer Journeys

- Targeting niche audience segments
- Behavioural targeting rules
- Buying audiences
- A library of advertising assets
- Dynamically assembling advertising assets
The Adaptive Model
A change of the traditional planning concept

From: A Monthly Report

- One-off A/B tests
- Post-campaign analysis
- Last-click wins

To: Real-time Optimization and Experimentation

- Continuous, comprehensive testing program
- Always-on optimization of performance
- Fair credit based on attribution modeling
What we expect from OoH vendors
The new world order
Recap

Adaptive + Data
Connected
Addressable
Screens
Mobile

Measurement + KPIs
The good message
OoH is on the way to successfully re-invent the business…

BUT IS THAT TRANSFORMATION ENOUGH?

„printed“ to digital
static surface to video
passive to interactive and connected
single message to flexible messaging
EXPECTATIONS OF MEDIA PLANNERS
What OoH vendors / specialist companies need to do

▪ ADAPTIVE
  ▪ better targeting
  ▪ higher flexibility
  ▪ point of interactive should be seriously taken – more efforts to create interactive solutions
  ▪ strong expansion of “digital on the road”

▪ EFFECTIVENESS
  ▪ better proof of advertising effectiveness, especially in the mix with other media
  ▪ improved data for campaign evaluation required, and much quicker
  ▪ proof of interaction with other media
  ▪ “hard” KPIs
EXPERIENCE OF MEDIA PLANNERS
What OoH vendors / specialist companies need to do

▪ PRICING
▪ higher transparency needed
▪ realistic pricing – premium pricing is ok for high quality sites, but it should be a clear rational behind pricing strategies
▪ Still, affordable pricing required for “bread-and-butter-campaigns”
▪ becomes critical, if effectiveness data are not sufficient
BUT STILL SOME BASICS TO BE DONE

- booking / cancellation deadlines to be optimized (CLP/CLB)
- greater flexibility in the way of planning / buying poster networks
- improved evaluation data
- higher transparency, better documentation of activities
“While agencies, planners and clients have “emotional” relationships to some media channels because of personal experiences, it is hard “to love” a special site.”

- A media planner
Thank you!