

Out-of-Home Media

Now and Tomorrow

Christof Baron

Berlin, June 20, 2013

Agenda

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

Today's 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

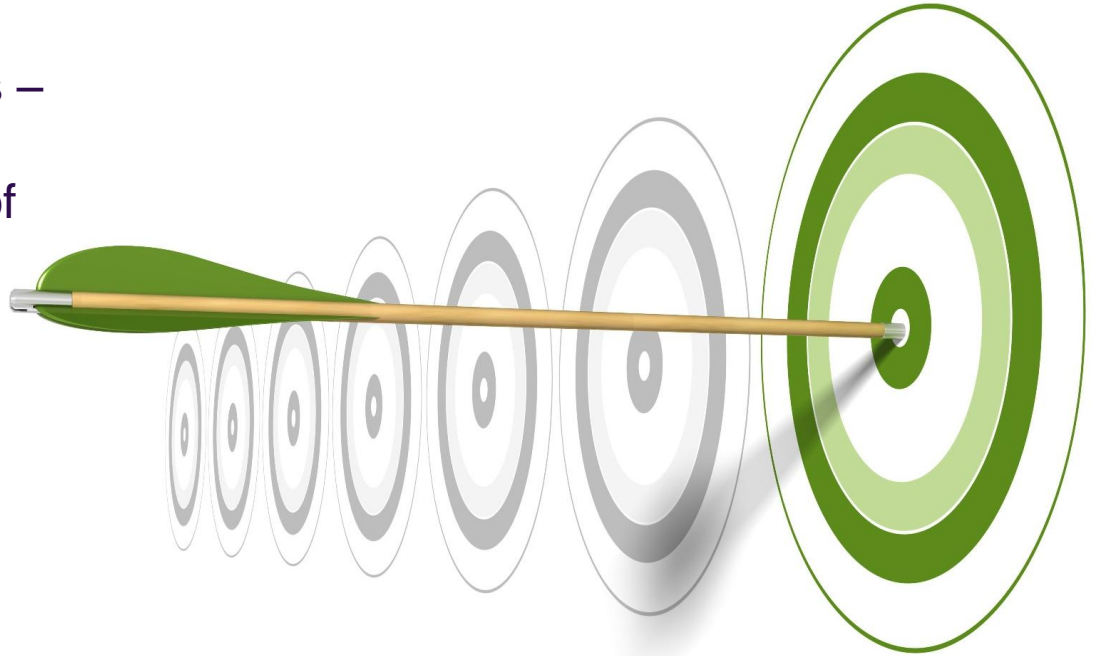
Automation and speed become critical success factors.

“Big data” creates a new dimension in the way how consumers can be addressed in the future - faster, targeted and context-neutral.



Engagement economy

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

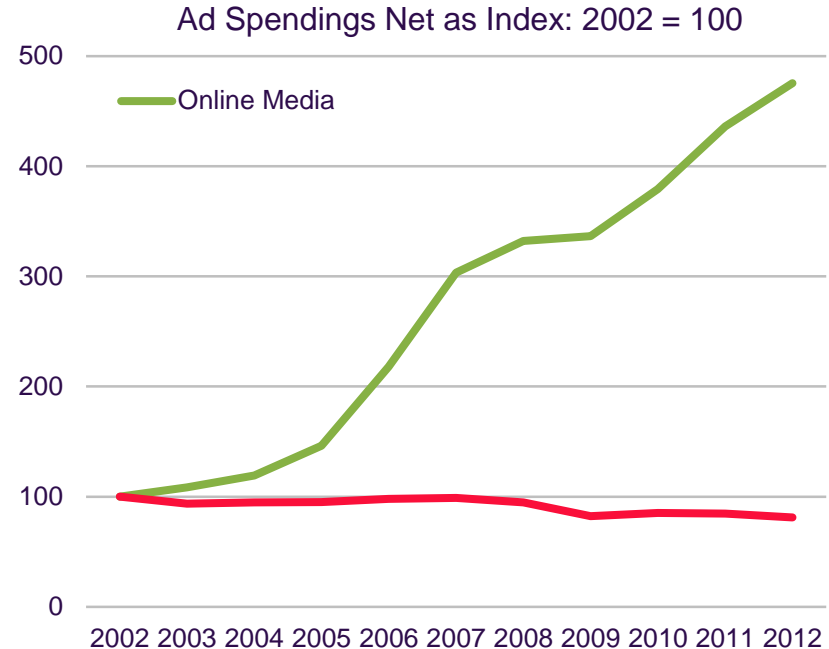


Advertising investments

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



The background of the slide is a vibrant blue with a pattern of horizontal, slightly blurred lines, giving it a sense of motion or digital data. A solid, dark purple horizontal band runs across the center of the image, serving as a backdrop for the text.

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



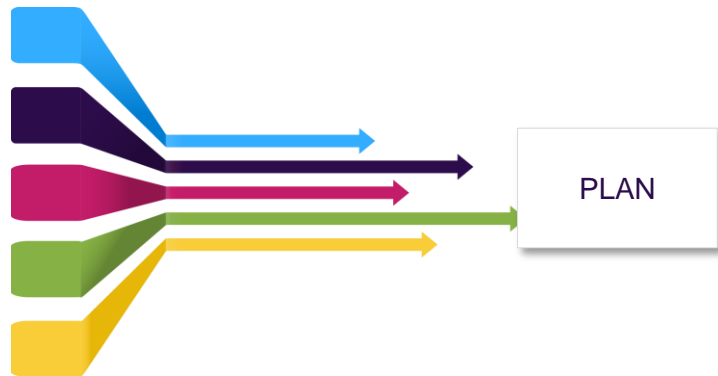
To: Connected Approach to Media

Maximizing earned by planning it with paid and owned

Leading consumers from brand to purchase to advocacy

Planning for a multi-screen experience

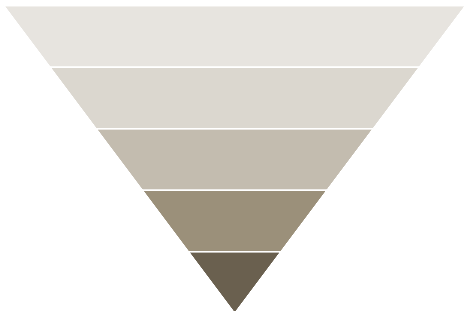
Establish KPI's for each channel across all media



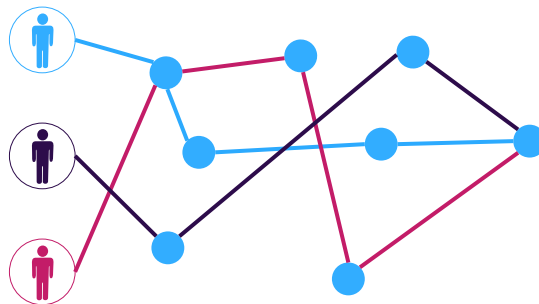
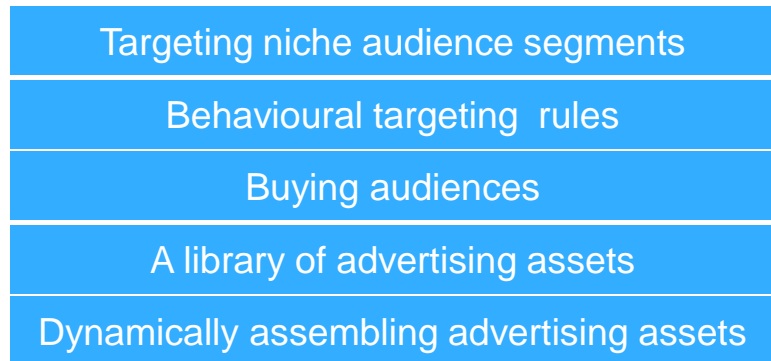
The Adaptive Model

A change of the traditional planning concept

From: A Passive Consumer Purchase Funnel



To: Dynamic Consumer Journeys



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

Old Approach



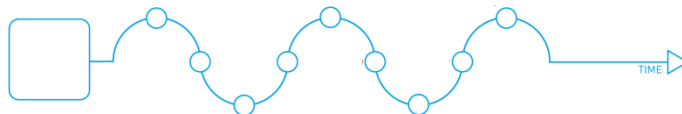
To: Real-time Optimization and Experimentation

Continuous, comprehensive testing program

Always-on optimization of performance

Fair credit based on attribution modeling

Adaptive Approach



EXPECTATIONS

What we expect from OoH vendors

REALITY

The new world order

Recap

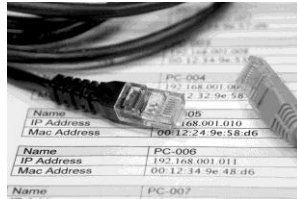
Adaptive + Data



Connected



Addressable



Screens



Mobile



Measurement + KPIs

The good message

OoH is on the way to successfully re-invent the business...

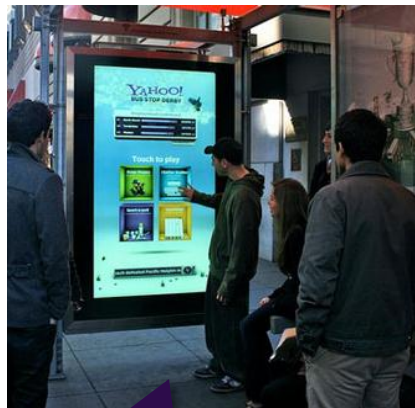
BUT IS THAT TRANSFORMATION ENOUGH?



„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

EXPECTATIONS 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 rationale 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

The emotional challenge

“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!

