

Digital Out-of-Home Marketing Space Race

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“I think that I shall never see a billboard lovely as a tree. Perhaps unless the billboards fall, I’ll never see a tree at all.”

Ogden Nash's wry take on outdoor advertising is becoming apt indoors as well.

Subways, shopping malls, buses, airports, taxis, office buildings, gyms, elevators, public bathrooms and just about anywhere there is a captive audience, you'll find an ad.

These ads, which have traditionally fallen into the "Outdoor" category, are now better described as "Out-of-Home (OOH)."

TNS Media Intelligence data released in March 2008 put outdoor ad spending at more than \$4 billion in 2007.

US Advertising Spending, by Media, 2006 & 2007 (millions and % change)

	2006	2007	% change
TV	\$65,552.3	\$64,421.0	-1.7%
Network TV (1)	\$22,887.8	\$22,430.7	-2.0%
Spot TV (2)	\$17,355.7	\$15,589.4	-10.2%
Cable TV	\$16,746.1	\$17,842.2	6.5%
Spanish-language TV (3)	\$4,327.6	\$4,385.9	1.3%
Syndication (national)	\$4,235.1	\$4,172.9	-1.5%
Newspapers	\$27,918.7	\$26,362.5	-5.6%
Newspapers (local)	\$24,014.4	\$22,660.6	-5.6%
National newspapers	\$3,540.0	\$3,346.6	-5.5%
Spanish-language newspapers	\$364.2	\$355.3	-2.5%
Magazines (4)	\$28,742.5	\$30,327.5	5.5%
Consumer magazines	\$22,830.0	\$24,431.2	7.0%
B2B magazines	\$3,501.0	\$3,355.3	-4.2%
Sunday magazines	\$1,751.9	\$1,878.0	7.2%
Local magazines	\$453.5	\$435.5	-4.0%
Spanish-language magazines	\$206.1	\$227.5	10.4%
Radio	\$11,084.6	\$10,691.7	-3.5%
Local radio (5)	\$7,385.1	\$7,187.0	-2.7%
National spot radio	\$2,695.0	\$2,502.6	-7.1%
Network radio	\$1,004.5	\$1,002.2	-0.2%
Internet (6)	\$9,754.6	\$11,309.4	15.9%
Outdoor	\$3,831.2	\$4,020.4	4.9%
FSIs (7)	\$1,828.6	\$1,861.0	1.8%
Total	\$148,712.4	\$148,993.5	0.2%

Note: Figures are based on the TNS Media Intelligence Strategy multimedia ad expenditure database across all TNS MI measured media, including: network TV, spot TV (101 DMAs), cable TV (45 networks), syndication TV, Hispanic network TV, consumer magazines (210 publications), Sunday magazines (5 publications), local magazines (28 publications), Hispanic magazines (29 publications), business-to-business magazines (317 publications), local newspapers (144 publications), national newspapers (3 publications), Hispanic newspapers (52 publications), network radio (5 networks), spot radio, local radio (34 markets), Internet and outdoor. Figures exclude public service announcement (PSA) data. Numbers may not add up to totals due to rounding. (1) includes the WB, UPN, CW and MyTV networks, which launched in September 2006; (2) excludes Hispanic spot TV data; (3) includes 4 national networks and 43 local stations; (4) includes Publishers Information Bureau (PIB) data; (5) includes expenditures for 34 markets in the US; (6) excludes paid search advertising and broadband video advertising; (7) FSI data represents distribution costs only.

Source: TNS Media Intelligence as cited in press release, March 25, 2008

Not only are OOH ads becoming ubiquitous, they're going high-tech. More billboard networks are adding digital signage, which may be changed often and remotely. Plasma screens in malls are changed regularly with current offers.

A joint study by the Outdoor Advertising Association of America, PriceWaterhouseCoopers and Wilkofsky Gruen Associates entitled "Global Entertainment and Media Outlook, 2007-2011" categorized such emerging OOH ads as "alternative," and said that along with street furniture and transit ads they would account for more than \$3.3 billion in 2011 revenue.

US Out-of-Home Media Advertising Spending, by Segment, 2006 & 2011 (millions and CAGR*)

	2006	2011	CAGR 2007-2011
Billboards	\$4,440	\$6,800	8.9%
Street furniture, transit, alternative	\$2,400	\$3,330	6.1%
Total	\$6,840	\$10,130	8.2%

*Note: includes traditional and non-traditional billboards, transit advertising, advertising on street furniture, video-networks in-store, stadium advertising and ambient advertising; *compound annual growth rate*
 Source: Outdoor Advertising Association of America (OAAA), PricewaterhouseCoopers (PwC) and Wilkofsky Gruen Associates, "Global Entertainment and Media Outlook: 2007-2011," June 20, 2007

Some OOH media are going beyond constant updates and flashy digital graphics.

Mike Ribero is CEO of Reactrix, which makes a digital OOH installation that's a cross between Dance Dance Revolution and a movie trailer. Consumers step onto the motion-and-gesture-sensing installations in movie theaters and malls, playing games, manipulating images and otherwise interacting with brands.

Mr. Ribero told eMarketer that the space for such elaborate OOH marketing is limited.

"It's a real estate business first, and a media business second," he said. "OOH will become a high-stakes game of musical chairs, with the 16 largest media companies competing for four or five viable chairs."

There is good basis for the interest. Several research companies, eMarketer included, project that the outdoor ad spending, including video ad networks and other emerging OOH media, will surpass \$10 billion by 2011.

Comparative Estimates: US Outdoor Advertising Spending, 2011 (billions)

Veronis Suhler Stevenson*, August 2007

\$13.0

eMarketer**, December 2007

\$10.2

PricewaterhouseCoopers (PwC)/Wilkofsky Gruen Associates***, July 2007

\$10.1

*Note: *includes billboards and traditional displays located in, at or on conventional roadside, transit, retail and entertainment sites/vehicles; ambient advertising; video advertising networks/screens and digital billboards/displays positioned in or at theater, office, retail, transit, roadside and event venues; **eMarketer uses the Outdoor Advertising Association of America (OAAA) as its benchmark source for 2006; includes traditional and digital billboards at-road, at-retail, at-transit, at-events; transit advertising; advertising on street furniture; video advertising networks in-retail, in-office, in-transit, in-theaters, in-elevators etc; stadium advertising and ambient advertising; ***includes billboards, street furniture, transit and alternative*

Source: eMarketer, December 2007; PricewaterhouseCoopers (PwC) and Wilkofsky Gruen Associates, "Global Entertainment and Media Outlook: 2007-2011," June 20, 2007; Veronis Suhler Stevenson, "Communications Industry Forecast 2007-2011," August 7, 2007

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The profusion of OOH media suggests a postmodern problem. If digital billboards and installations become totally immersive, attention-getting and ever-present, will they block other ads the way billboards block trees?

Learn more about how marketers are changing the definition of "outdoor." Read eMarketer's [Outdoor Advertising: A New Look](#) report.

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