

The State of Out-of-Home Digital Signage

DVRs, the Internet and social networking are all changing the way advertising is conducted. What do the numbers really say about DOOH?

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The past few years have been difficult ones for the advertising industry. If there's a bright spot, however, it's with digital out-of-home advertising.

According to the Digital Place-based Advertising Association (DPAA), growth rates for the industry sector are accelerating, with a double-digit revenue gain in the first half of 2010.

Using information collected by Miller Kaplan Arase, the DPAA announced that advertising revenue for the digital place-based advertising sector has grown a very strong 25 percent during the first half of 2010. That double-digit growth rate builds on a growth rate of only 1 percent in 2009 — which was still a success for digital place-based, or digital out-of-home, advertising, since it came at a time when most major media formats suffered steep declines in ad revenue.

It's worth noting, the DPAA said, that the 25 percent ad revenue spike took place without benefitting from the short-term infusion of political advertising dollars which other media enjoy, and that it's

further evidence of strong momentum in the digital place-based market. Overall, advertising revenue in the digital place-based sector is estimated to be in excess of \$1 billion today, the DPAA said.

“This industry is coming together and increasingly advertisers are embracing the ability to engage consumers on the go, where they work, shop, dine, travel and play, closer to the point of purchase than the sofa in their living rooms,” said Mike DiFranza, DPAA chairman and president of Captivate Network. “This sector enables



Despite a tough economy, digital out-of-home advertising is still a potent weapon for retailers.

The numbers

Arbitron measures the sector annually with its Digital Place-based Video Study.

According to the study:

- **Reach.** The availability of digital place-based video has reached a critical mass. Seventy percent of U.S. residents aged 12 or older have seen a digital video display in a public venue in the past month; 52 percent recall seeing one in the past week.
- **Comparison to other media.** Digital video in public venues reaches more Americans each month (70 percent) than video over the Internet (43 percent) or Facebook (41 percent).
- **Top venues for overall viewers.** The top five places to reach consumers with digital video are grocery stores

(28 percent of the U.S. population aged 12 or older), shopping malls (27 percent), large retail or department stores (20 percent), medical offices (20 percent) and movie theaters (19 percent).

- **Advertising engagement.** Viewers are engaged with the content; nearly half (47 percent) of those who have seen a digital place-based video in the past month specifically recall seeing an ad.
- **Effect on purchase patterns.** Digital video ads have an effect on purchase patterns. Nearly one in five (19 percent) of those who have seen a digital video ad say they have made an unplanned purchase after seeing an item featured on the screen

Source: Arbitron Inc.

advertisers to replace TV impressions lost to DVRs as well as engage light TV viewers with content relevant to their activities outside the home.”

The growth rates and activity in this sector are very encouraging, says Kris Magel, executive vice president, director of national broadcast at Interpublic Group’s Initiative, a global media agency.

“It’s an indication that place-based media is moving beyond the ‘start-up’ phase and becoming a viable medium that is here to stay — and one that is very complementary to more traditional video media options,” Magel said.

The forward movement in ad revenue for digital out-of-home (DOOH) or digital place-based (DPM) media advertising should continue, said DPAA president Sue Danaher, given the wealth of research done over the past two years that has validated the engagement of consumers with the medium and helped advertisers understand its impact and justify increasingly greater investments.

It’s no secret that there are very significant

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Source: DPAA

crosscurrents going on in the media business these days, between the Internet, social media, mobile and DVRs allowing consumers to “zap” commercials, which makes it an exciting time for DPM, Danaher said.

“There’s a lot confronting a marketer today in getting their message to connect with consumers, and so it sets up a process where an advertiser is a lot more open-minded about what other means they might have to connect,” Danaher said in a recent interview with DigitalSignageToday.com. “Wouldn’t you, as a credit card, love the opportunity to advertise to a consumer who’s sitting at the table in the restaurant when the bill gets presented? That’s a beautiful thing, and that’s just one example. That is a wonderful environment to be able to connect your message to the consumer in the right frame of mind.”

About the sponsor: LG excels in bringing innovative technology advancements to the digital signage market with its award-winning LCD and plasma displays. With the explosive growth of digital signage applications, interactive displays connect with consumers more than ever before: for wayfinding, travel information, dynamic advertising, message boards and corporate communications. LG offers LCD and plasma displays designed to engage the customer in a variety of venues and understands the complexity involved with implementing and deploying a dynamic digital signage network.