

State of the Nation

Programmatic OOH 2021

US whitepaper





Executive summary

VIOOH partnered with MTM to survey 1,000 senior agency and advertising executives across the US, UK, Germany, France and Australia on their perceptions of programmatic out of home (OOH), comparisons to other media, approaches to planning and buying, and the future of programmatic OOH.

Drawn to the flexibility offered by programmatic channels during the COVID-19 pandemic, agency and advertising executives are positive about the role programmatic OOH can play and expect to increase their investment in future.

Programmatic OOH investment is being driven by strengths in targeting, measurement and ROI, the latter increasingly important as marketing budgets come under more scrutiny. Further, programmatic OOH is seen as a truly versatile channel, able to support brand and performance goals, and executives rank it competitively against other digital channels.

As the buying audience for programmatic OOH expands, there is more work to do, with knowledge gaps and a lack of consistency in how programmatic OOH is planned and bought, which risks it being overlooked or used inefficiently.

The overall outlook is positive however, with executives planning to invest in programmatic OOH expertise and integrate this new media buying method more frequently into multi-channel campaigns, which will drive further innovation and growth.

Programmatic OOH – The future is promising



As we covered in our previous State of the Nation reports, programmatic has been a major theme in digital advertising over the last decade. In this new report, we see that programmatic has proved increasingly important during the COVID-19 pandemic, as advertisers continue to seek more flexibility in their marketing.

Programmatic has continued to gain traction in out of home advertising as advertisers, agencies, DSPs and media owners embrace the digitization and programmatic capabilities of OOH: more control and flexibility offered to budget holders, greater opportunities to complement multi-channel campaigns, and the ability to target desirable audiences at key moments.

This year's whitepaper, expanded to include additional markets, explores key questions about programmatic OOH and its future: How widely has it been adopted and how is it being used? How is programmatic OOH planned and bought, and how is it integrated into multi-channel campaigns? What is driving investment and what would unlock further spend?

VIOOH partnered with MTM to survey 1,000 senior executives from media agencies and brands across the US, UK, France, Germany and Australia, and also conducted interviews with key media agency executives, to understand the industry's perceptions of programmatic OOH, how it is being used and where there are opportunities for greater adoption.

This year, we expanded the sample to include more people with a programmatic background, regardless of whether they have prior experience in OOH, to reflect how programmatic OOH is viewed by both digital and OOH buyers.

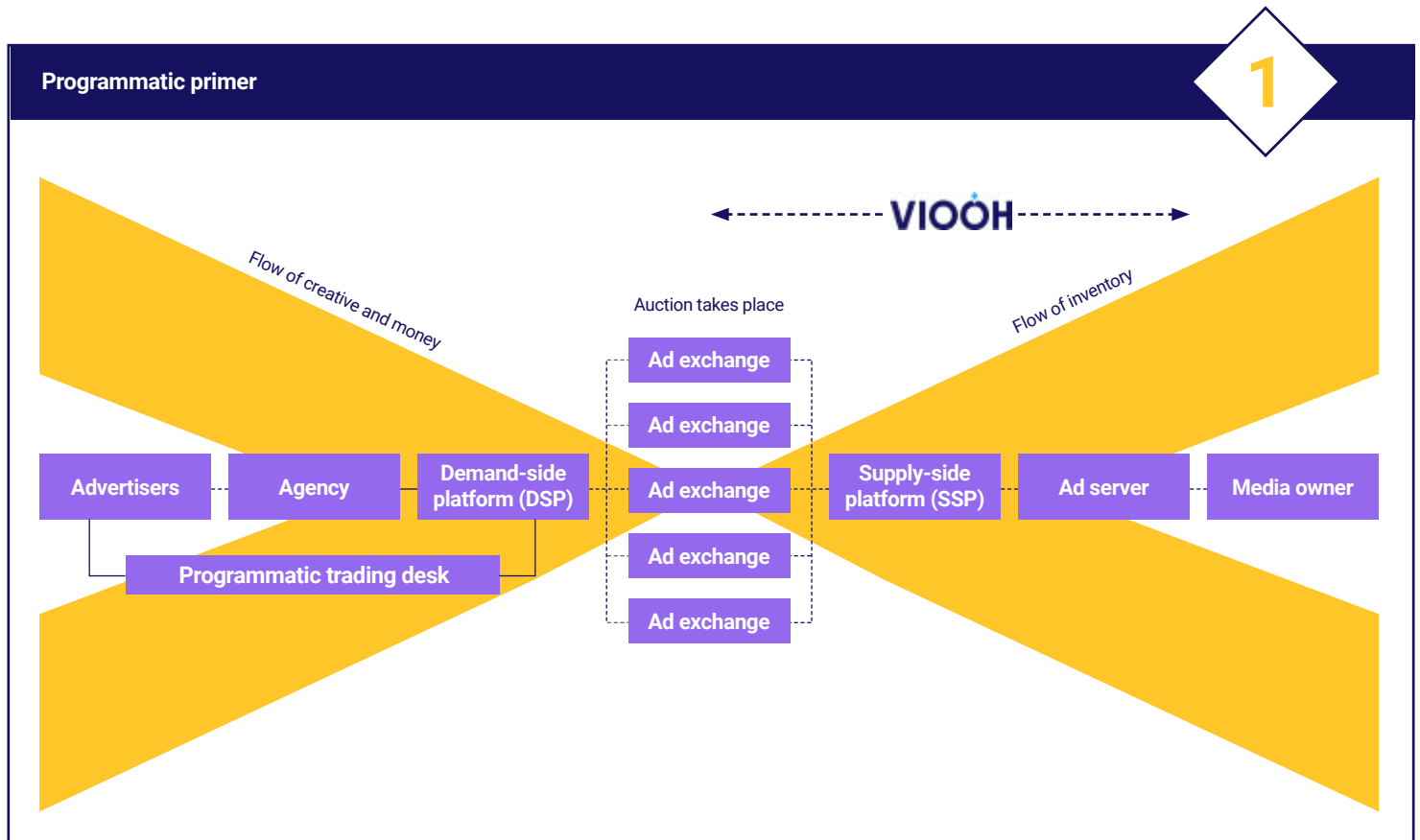
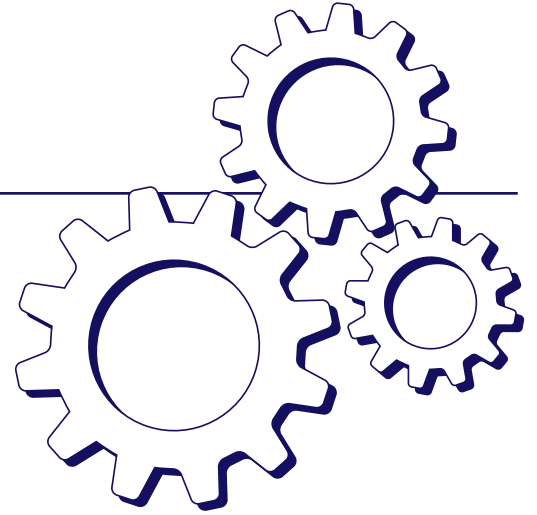
This multi-market approach provides an unparalleled perspective from five major advertising markets to understand the State of the Nation of programmatic OOH. This version focuses specifically on the US results and looks at how the US compares with the global averages.

How programmatic OOH works

Firstly, what is programmatic? Simply put, it's an automated buying and selling process using various technology platforms and data to transact in real-time, enhance flexibility and reduce barriers to entry.

Programmatic OOH is a subset of digital OOH, and refers to a method of trading digital out of home inventory rather than the broader media channel definition.

For more details on programmatic technology in OOH check out our informative video ['How to buy programmatic OOH'](#).





The state of play

Programmatic advertising is increasingly important following COVID

As the COVID-19 pandemic took hold in early 2020, businesses had to rapidly adapt their marketing strategies, with many cutting or reallocating budgets across brand and performance marketing. In our Q4 2020 report, executives reflected on the uncertainty around advertising in general but were positive about programmatic channels and the role they could play in the next 12 months.

They predicted correctly, with executives reporting programmatic advertising as increasingly important to their businesses in the last 12 months.

In the US, 87% of executives see programmatic channels as more critical to their business in the context of the COVID-19 crisis, marginally below the global average (89%), and up 6% compared to our 2020 US results. US board directors show even stronger support for programmatic (86%, slightly below the global average of 93% - see Exhibit 2).

A key reason for this is a need for flexibility in planning and running advertising campaigns. Most US executives (84% agency, 81% advertiser) agree that they are more likely to use programmatic advertising in general due to the flexibility it offers. This is in line with the global averages (84% agency, 82% advertiser).

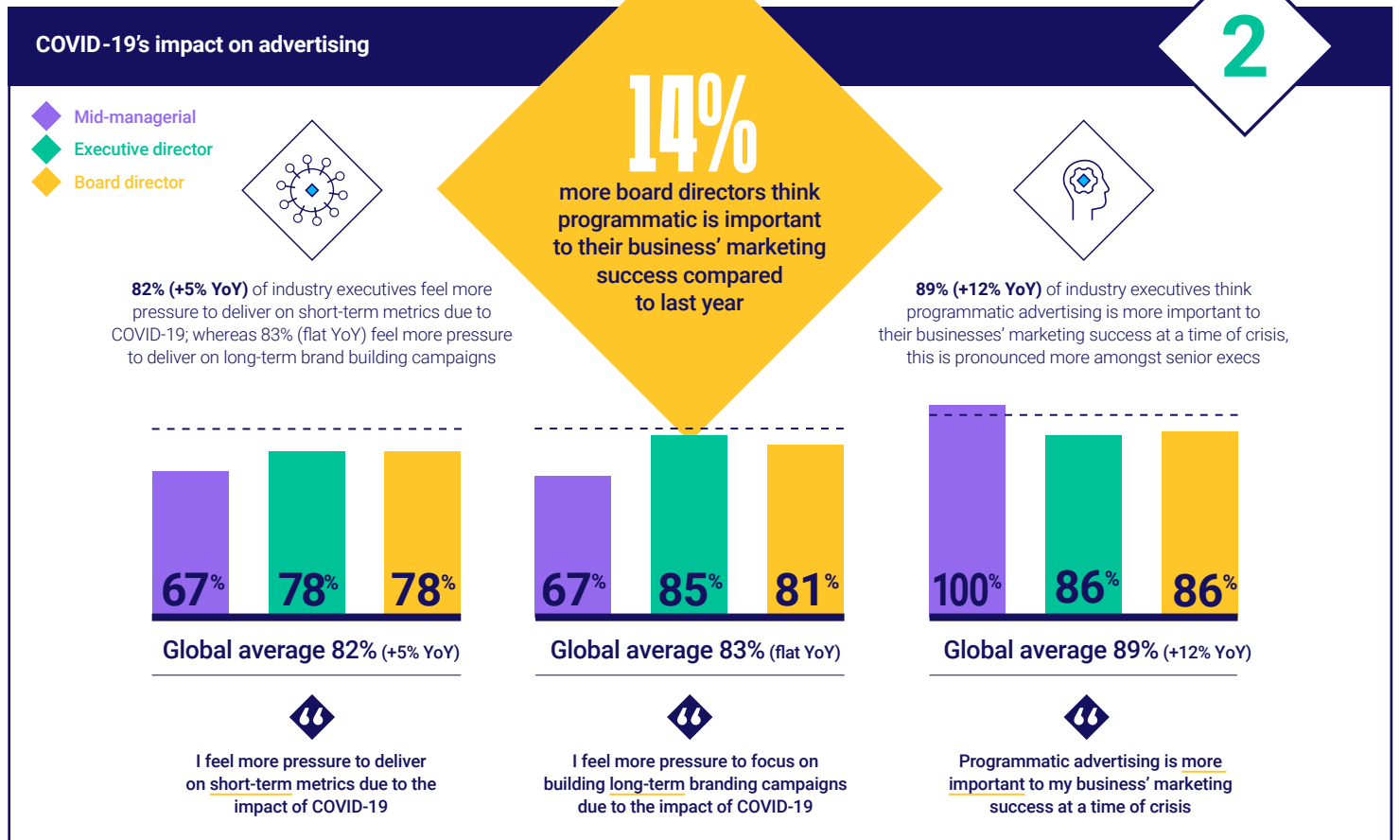


Exhibit 2 Survey question: Now thinking about this year's developments around COVID-19, to what extent do you agree or disagree with the following statements? Numbers shown represent respondents who chose 'strongly agree' or 'slightly agree'.

Agency and advertiser respondents varied slightly on how they are adapting to the impact of COVID-19 on planning media (see Exhibit 3. Key aspects for agency executives include the ability to change creative messaging in real-time and **the ability to reallocate and optimize media spend at short notice**.

For advertisers, flexibility is key and the **ability to increase/decrease or optimize spend at short notice** and being able to start, stop or pause campaigns is driving their media spend.

In interviews, the US executives we spoke to agreed that flexibility has become a major consideration and has helped accelerate programmatic OOH adoption.



The pandemic helped drive programmatic OOH forward... it allowed more time to educate clients; people who were sceptical are more open to it after the disruptions of lockdown.

OOH Lead, Media Agency, US

They also predict that this behavior will stick even as the world returns to normal.



People now see the benefits of programmatic OOH, the flexibility it gives you, and they'll keep on using it [post-pandemic].

OOH Lead, Media Agency, US

Exhibit 3 Survey question: We now want you to think about how adapting to the impacts of COVID-19 may have changed the way you plan media in the future. To what extent do you agree or disagree with the following statements? Numbers shown represented respondents who checked 'strongly agree' and 'slightly agree'.

Targeting, measurement and ROI are key drivers of investment in programmatic OOH



The increasing importance of programmatic technology in general also applies to OOH media specifically. Digital OOH now has widespread adoption with 66% of US executive respondents (and 62% globally) saying they had planned, bought, or placed digital OOH in the last 12 months¹. Of those, 67% had traded OOH programmatically, higher than the global average (61%)².

With the technologies we have [access to], we can track activity as closely to real time as possible, in hours if not seconds, and being able to respond at this level is very powerful.

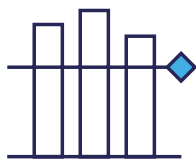
VP Product & Innovation, Media Agency, US

Echoing our 2020 results, executives identified the same key reasons for investing in programmatic OOH (see Exhibit 4).

The precision offered by trigger-based buying is one of the key attributes programmatic buying offers. Importantly, these results also say that **programmatic OOH is a channel that can help deliver strong business results** (ROI) and crucially, executives are confident that they can measure and prove this. These strengths were reflected in our discussions with executives.

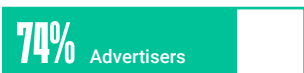
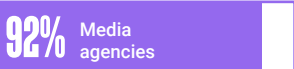


Most important factors in determining investment in programmatic OOH



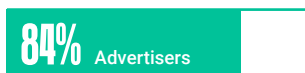
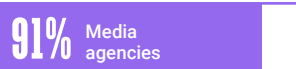
Measurement

The ability to measure campaign performance across multiple digital channels



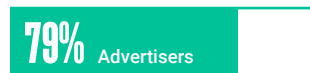
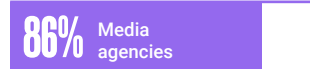
Value

Providing value for money or effective returns on investment



Trigger-based buying

Buying impressions based on events, news, promotions, moments in time, locations, audiences as they move, weather, and environmental conditions



¹Survey question: Which of the following media have you planned, bought, or placed in the last 12 months?

²Survey question: Now thinking about programmatic advertising, which of the following media have you placed/planned or bought programmatic advertising for in the last 12 months?

Exhibit 4 Survey question: How important are the following in determining your investment in programmatic OOH? Results shown: Top three ranked out of 14 options by those who selected 'Very important' or 'Quite important'.

Exploring what would unlock even further investment in programmatic OOH, executives pointed to cost efficiency, more behavioral data (e.g. movement) and more options around the precision of campaigns (e.g. being more granular on the data used) - see Exhibit 5.

This indicates that while positive on the value (ROI) programmatic OOH provides, executives believe there are opportunities to improve efficiency and effectiveness.

In interviews, the US agency executives also referred to the need for a consistent supply of programmatic inventory giving them the potential to scale campaigns as and when needed.



With the technologies we have [access to], we can track activity as closely to real time as possible, in hours if not seconds, and being able to respond at this level is very powerful.

VP Product & Innovation, Media Agency, US

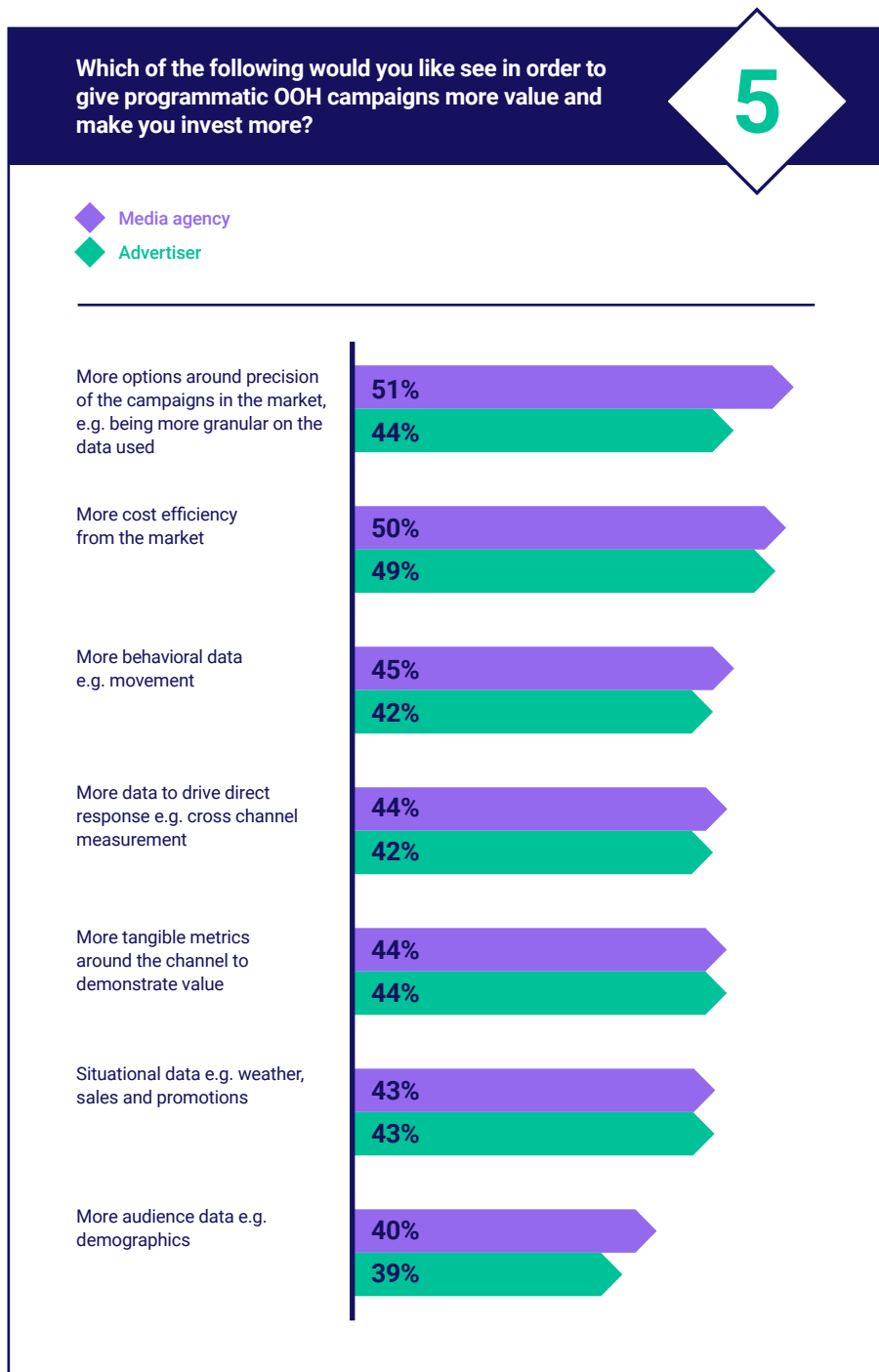
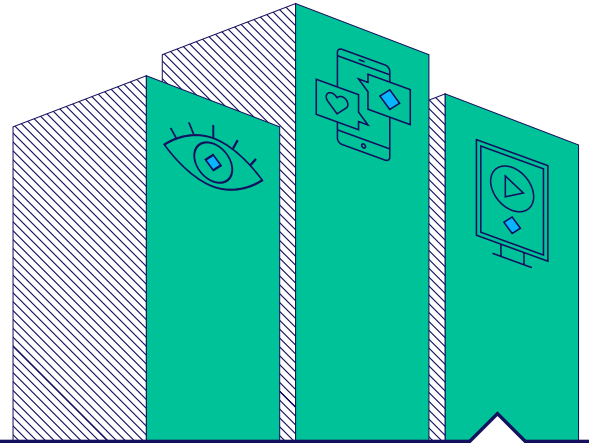


Exhibit 5 Survey question: Which of the following would you like see in order to give programmatic Out-of-Home campaigns more value and make you invest more?

Programmatic OOH ranks highly compared with other digital channels



Programmatic OOH compares well to other digital channels, ranking in the top two when delivering against a wide range of attributes, with only social media scoring more highly.

Perhaps most importantly, US industry executives ranked programmatic OOH first amongst digital media for flexibility and efficiency to display when the right conditions are met. They ranked it second on increasing sales and generating ROI, further reinforcing the view that it delivers strong business results for clients.

Focusing on its capabilities, US executives ranked programmatic OOH second for delivering accurate location targeting, for targeting the right people at the right time, and for providing dynamic creative opportunities (see Exhibit 6).

Together, these points highlight the ability of programmatic OOH to fulfill several roles for advertisers effectively.

We will now show you a list of attributes and digital media types. Please choose any of the media you feel deliver against these attributes.

6

Flexibility/efficiency to display when the right conditions are met

- 1 Programmatic digital OOH
- 2 Social media
- 3 Digital audio
- 4 Digital video advertising
- 5 Search
- 6 Display
- 7 Mobile
- 8 In-app advertising
- 9 Connected TV

Increasing sales / performance

- 1 Social media
- 2 Programmatic digital OOH
- 3 Digital video advertising
- 4 Digital audio
- 5 In-app advertising
- 6 Search
- 7 Display
- 8 Mobile
- 9 Connected TV

Generating return on investment

- 1 Social media
- 2 Programmatic digital OOH
- 3 Digital audio
- 4 Digital video advertising
- 5 Search
- 6 In-app advertising
- 7 Display
- 8 Mobile
- 9 Connected TV

Targeting the right people at the right time

- 1 Social media
- 2 Programmatic digital OOH
- 3 Digital audio
- 4 Search
- 5 Display
- 6 Digital video advertising
- 7 Mobile
- 8 In-app advertising
- 9 Connected TV

Providing dynamic creative opportunities

- 1 Social media
- 2 Programmatic digital OOH
- 3 Digital audio
- 4 Digital video advertising
- 5 Search
- 6 In-app advertising
- 7 Display
- 8 Mobile
- 9 Connected TV

Delivering accurate location targeting

- 1 Social media
- 2 Programmatic digital OOH
- 3 Digital audio
- 4 Search
- 5 Mobile
- 6 Digital video advertising
- 7 Display
- 8 In-app advertising
- 9 Connected TV

Increasing brand awareness

- 1 Social media
- 2 Programmatic digital OOH
- 3 Digital audio
- 4 Digital video advertising
- 5 In-app advertising
- 6 Search
- 7 Mobile
- 8 Display
- 9 Connected TV

Triggering a positive emotional response

- 1 Social media
- 2 Digital audio
- 3 Programmatic digital OOH
- 4 Digital video advertising
- 5 Search
- 6 Display
- 7 In-app advertising
- 8 Mobile
- 9 Connected TV

Exhibit 6 Survey question: We will now show you a list of attributes and media types. Please choose any of the media you feel deliver against these attributes.

1) Social media includes Facebook, Instagram, Twitter etc.; 2) Digital audio includes streaming audio, streaming music, and podcasts; 3) Search includes pay-per-click; 4) Display excludes social media; 5) Mobile excludes in-app advertising

Programmatic OOH is seen as highly versatile

One of programmatic OOH's key strengths is its versatility – reaching broadcast and targeted audiences, and supporting both brand and performance marketing goals.

US executives highlighted that it was key for their advertising to reach both broadcast (86% agency and 81% advertiser executives, similar to 87% agency and 83% advertiser executives globally) and targeted audiences (87% agency and 81% advertiser executives, similar to 87% agency and 81% advertiser executives globally). This was even more important to them after the impact of COVID-19³.

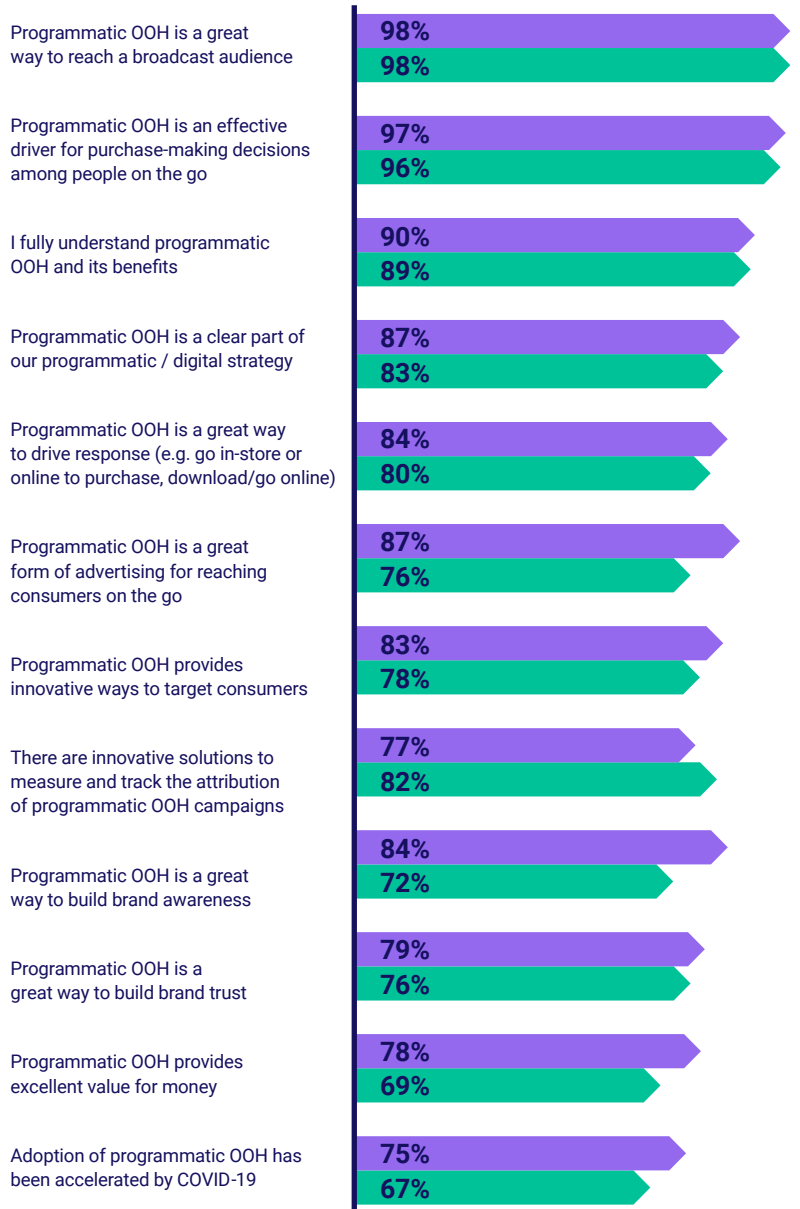
Programmatic OOH delivers on both fronts. Most US executives see it as a great way to reach a broadcast audience (98% agency and 98% advertiser, higher than the global averages of 94% agency, 91% advertiser).

They also see it as an effective driver for purchase-making decisions on the go (97% agency and 96% advertiser, higher than the global averages of 93% agency, 88% advertiser).

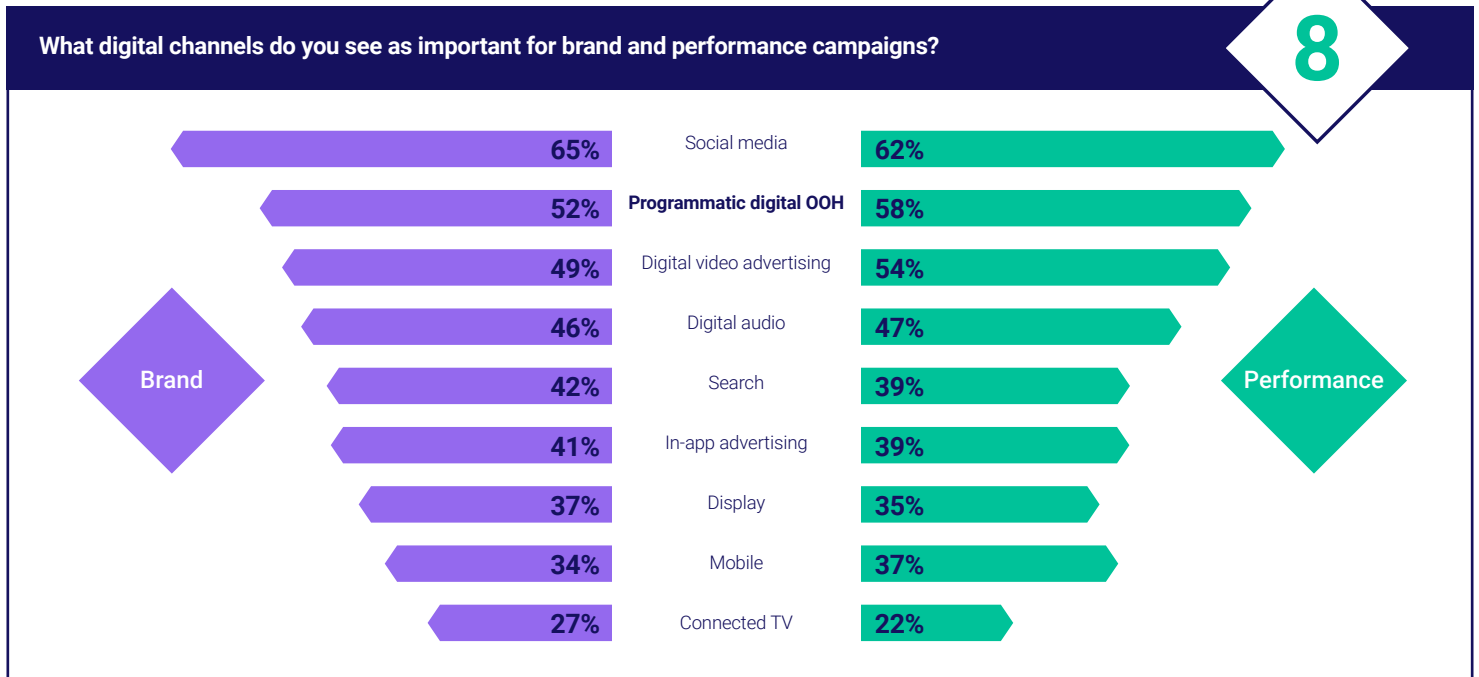
To what extent do you agree or disagree with the following statements about programmatic OOH advertising?



- ◆ Media agency
- ◆ Advertiser



³Survey question: We now want you to think about how adapting to the impacts of COVID-19 may have changed the way you plan media in future. To what extent do you agree or disagree with the following statements: "Our campaign strategies are more focussed on reaching a broadcast audience"; "Our campaigns strategies are more focussed on reaching a targeted audience".
Exhibit 7 Survey question: We will now show you a list of statements. To what extent do you agree or disagree with the following statements about programmatic OOH advertising?



Related to this ability to deliver against campaigns with a targeted or broadcast approach, programmatic OOH is also seen as highly relevant for both brand and performance campaigns, ranking second across digital channels for both (see Exhibit 8). Comparing this to our previous study, programmatic OOH has stepped ahead of digital audio and digital video advertising.

On the brand side, most US executives (84% agency, 72% advertiser) believe that programmatic OOH is a **great way to build brand awareness**⁴, above the global averages of 80% agency and 75% advertiser respectively.

On performance, 84% of US agency and 80% of US advertiser executives see programmatic OOH as a **great way to drive response e.g. driving people to go in store or online to make a purchase or download**⁵, compared with 82% of agency and 78% of advertiser executives globally.

These findings were reflected in our interview sessions, with the US executives explaining how programmatic OOH was well suited to both brand and performance objectives.

This versatility helps explain programmatic OOH's rise in usage and its broad appeal and implies a significant opportunity to tap into both brand and performance budgets, potentially playing numerous roles on multi-channel digital campaigns. It also highlights the degree of complexity in how media agencies and advertisers manage programmatic OOH.



We regularly use programmatic OOH across the whole marketing funnel... [and] to reach broadcast and targeted audiences, it's not just suited to one thing.

VP Product & Innovation, Media Agency, US

⁴Programmatic OOH is a great way to build brand awareness; see Exhibit 13 for numbers by market.
⁵Programmatic OOH is a great way to drive response (e.g. go in-store or online to purchase, download/go online); see Exhibit 13 for numbers by market.
 Exhibit 8 Survey question: Which channels to you see as important for brand-led campaigns? Which channels to you see as important for performance-led campaigns?



Challenges programmatic OOH faces

Who is responsible for programmatic OOH?

Media agencies and advertisers are still adapting to programmatic OOH's rapid rise. That OOH is a traditional media channel with new programmatic capabilities, one that now delivers for both brand and performance campaigns, means that responsibility for programmatic OOH varies in current media agency and advertiser setups.

When asked how they planned and bought programmatic OOH, executives produced a variety of responses.

Firstly, US advertisers are split between operating in-house (25% versus 37% global), outsourcing to media agencies (15% versus 20% global) and a combination of both (60% versus 43% global).

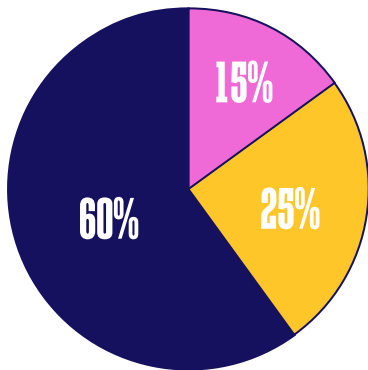
Adding to this, planning and buying programmatic OOH specifically can then sit with OOH teams, digital teams or separate teams altogether (see Exhibit 9).

The responses also show that within a given media agency, US executives are taking multiple approaches – 74% (well above the global average of 57%) have bought programmatic OOH via digital or programmatic teams in the last 12 months and 49% (compared with 55% globally) have done so via OOH teams, highlighting an overlap.



A

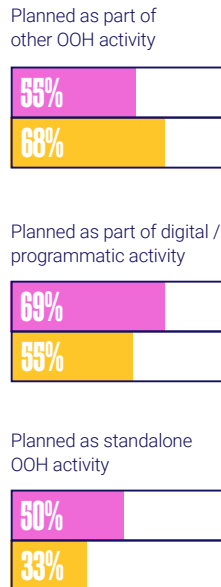
Who has typically been responsible for planning and buying programmatic OOH in the last 12 months? (advertiser only)



- ◆ Both in-house team and media agency
- ◆ In-house team
- ◆ Media agency

B

How has the programmatic OOH advertising you have placed/planned or bought in the last 12 months typically been planned?



C

How has the programmatic OOH advertising you have placed/planned or bought in the last 12 months typically been bought?

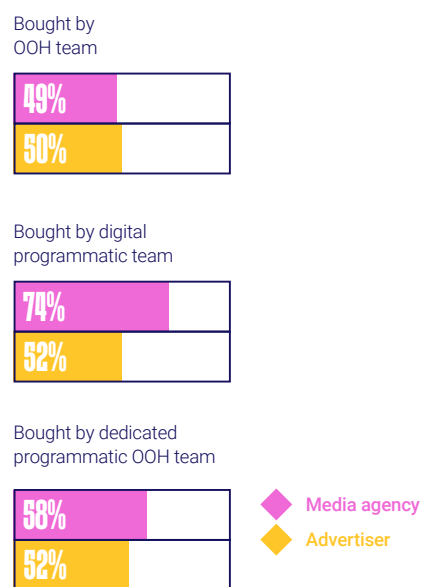


Exhibit 9 Survey questions: Who has typically been responsible for planning and buying programmatic OOH in the last 12 months? How has the programmatic Out-of-Home advertising you have placed/planned or bought in the last 12 months typically been planned? How has the programmatic Out-of-Home advertising you have placed/planned or bought in the last 12 months typically been bought?

This raises several issues.

Firstly, it implies that agencies and advertisers do not have a clear view on programmatic OOH at a strategy and comms planning level, risking it potentially being an afterthought rather than being fully integrated into large multi-channel campaigns.

Secondly, if responsibilities for planning and buying programmatic OOH are unclear (e.g. between OOH and digital teams), it could be overlooked or see activity duplicated, creating inefficiency.

Finally, it will be harder to build programmatic OOH expertise if activity is spread across multiple teams.

In our discussions with executives, we heard the case for buying programmatic OOH through experts in programmatic teams, but that they see variation when it comes to planning.



We sell ourselves on having deep expertise on programmatic across all main channels including specialists for digital OOH... Programmatic OOH is generally planned as part of wider digital activity.

VP Product & Innovation, Media Agency, US





What's coming next

Increased inclusion in multi-channel campaigns will drive widespread adoption of programmatic OOH



We've seen widespread adoption of digital OOH and, more importantly, we're seeing adoption of programmatic OOH grow with over two thirds (67% US versus 62% global) of executives who planned, bought or placed advertising on digital OOH screens doing so programmatically⁶.

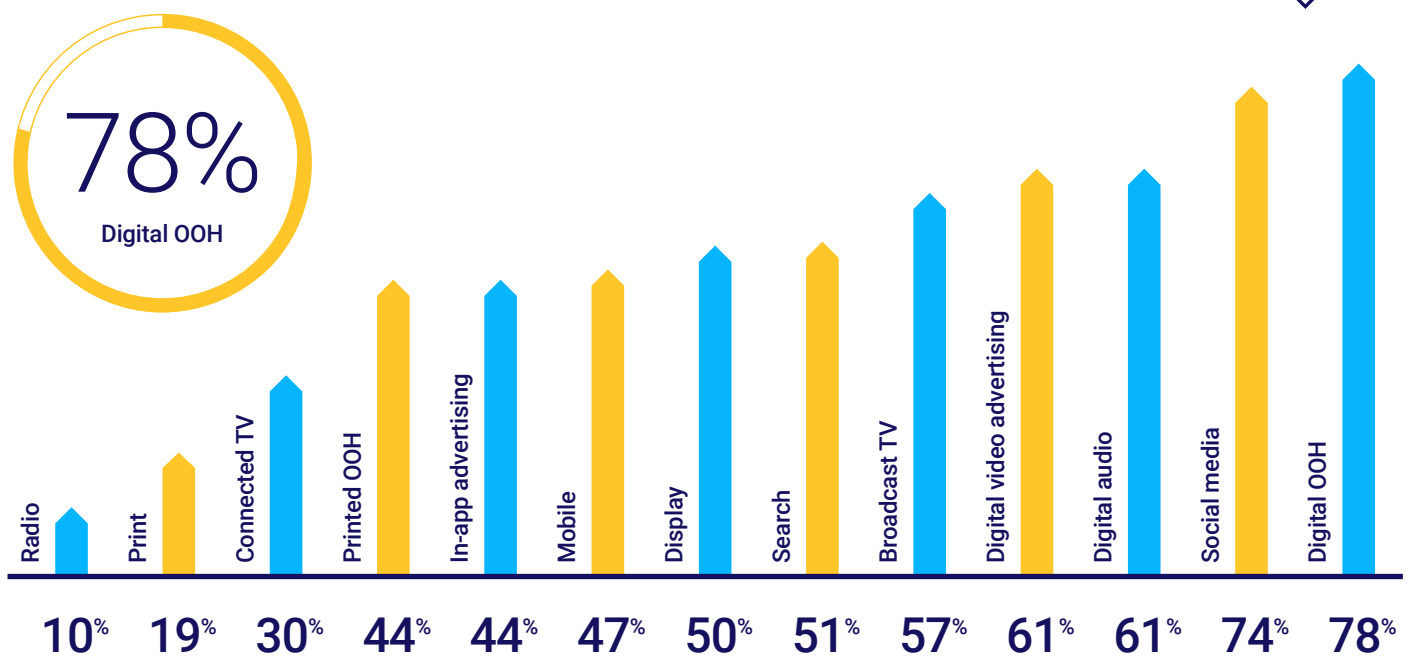
Looking ahead, 78% of US executives (well above the global average of 68%) plan to use digital OOH in the next 12 months, with more saying they plan to use digital OOH than any other channel, signalling significant growth (see Exhibit 10) of both digital OOH and programmatic trading. This was echoed by the US executives we spoke to who see digital OOH and programmatic usage continuing to grow.

With new inventory coming into the market in bars, taxis, gyms, point-of-sale systems, as well as outdoor billboards, I can see digital OOH and programmatic OOH as part of this and believe there will be really strong growth over the next few years.

OOH Lead, Media Agency, US

Which of the following media are you planning to, planning or buying advertising for in the next 12 months?

10



⁶Survey question: Now thinking about programmatic advertising, which of the following media have you placed/planned or bought programmatic advertising for in the last 18 months?
Exhibit 10 Survey question: Which of the following media are you planning to, or are open to placing, planning or buying for advertising in the next 12 months?

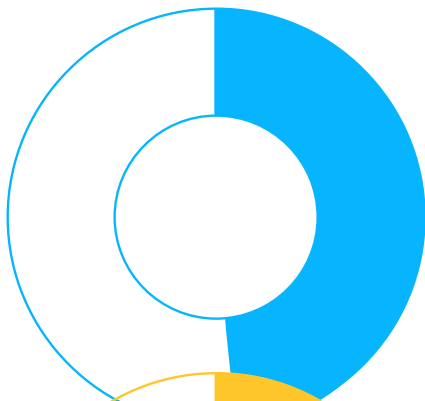
Programmatic OOH specifically was used in approximately 47% of US respondents' campaigns in the last 18 months, marginally down compared to 48% in our 2020 report⁷, an expected decline during the COVID pandemic when OOH campaigns overall were impacted.

The growth lies when looking ahead, with US executives expecting programmatic out of home to feature in 56% of all campaigns in the next 18 months, implying significant growth (see Exhibit 11).

This is a more optimistic outlook than US respondents gave in 2020 where, in a very uncertain market, they predicted programmatic OOH to feature in 51% of future campaigns⁸.

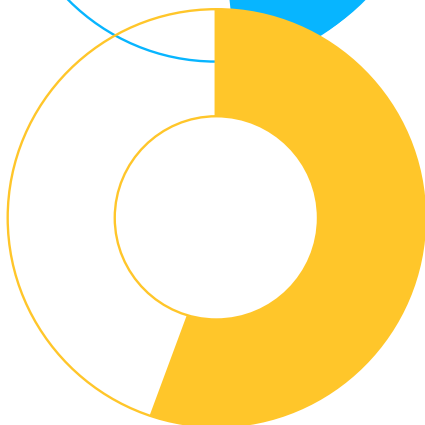
11

Proportion of campaigns in which executives have planned, bought, or placed programmatic OOH in the last / next 18 months?



47%

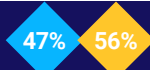
Campaigns involving programmatic OOH in the last 18 months



56%

Campaigns predicted to involve programmatic OOH in the next 18 months


Global average proportion of campaigns involving programmatic OOH



0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



⁷US specific numbers from our Q4 2020 State of the Nation report.
Exhibit 11 Survey question: Think of the campaigns you've worked on in the past 18 months, for what proportion have you planned, bought, or placed programmatic OOH advertising? Now think of the campaigns you'll be working on in the next 18 months, for what proportion do you think you will plan, buy, or place programmatic OOH advertising?



Increased inclusion in multi-channel campaigns is likely to be a key driver of widespread adoption, with 86% of US industry executives agreeing they plan to 'integrate programmatic OOH more closely into multi-channel campaigns', compared with 84% of global respondents.

With programmatic OOH being seen as relevant for multiple roles including supporting brand and performance objectives, it makes sense that executives are looking at better integration into their campaigns.

The executives we spoke to shared some of the ways programmatic OOH is used in multi-channel campaigns today, as well predicting more frequent integration in future.



We know who sees the [programmatic OOH] ads and use device IDs to activate on other channels like social, mobile, digital audio. We get real-time data which means we can be dynamic in our response.

VP Product & Innovation, Media Agency, US

We've been doing more integration of programmatic OOH into larger campaigns and this is the direction of travel... it complements other channels well.

OOH Lead, Media Agency, US

Confidence is growing, but knowledge gaps on programmatic OOH need to be addressed

While US executives are generally confident about their knowledge of programmatic OOH – 90% of agency and 89% of advertiser executives (compared to 92% agency, 92% advertisers globally) agreed that they ‘fully understand programmatic OOH and its benefits’ – they still identify important knowledge gaps and most plan to invest in relevant expertise. In addition, they will likely need to address the issues of where programmatic OOH is planned and bought in their organisations.

When asking executives what they want to learn more about, ‘understanding how programmatic OOH fits within a multi-channel campaign’ was the top response globally. This appears to have become a more pressing concern for executives in the last year, with relatively fewer respondents raising it in our previous study.

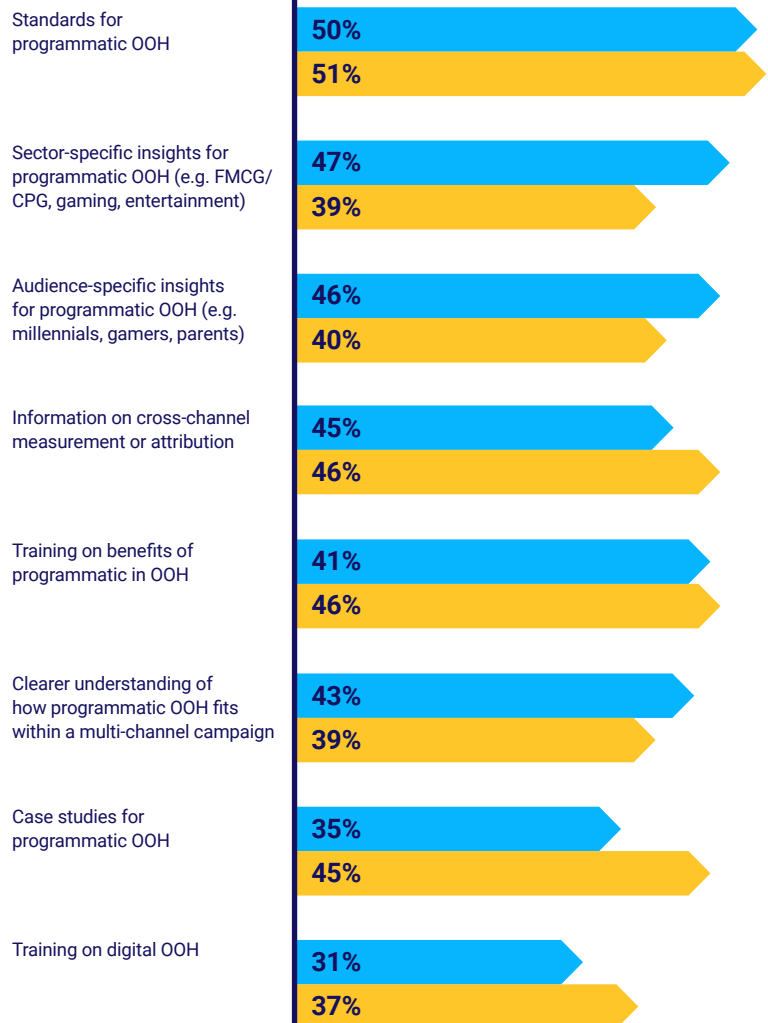
US executives also highlight the importance of standards in programmatic OOH and information on cross-channel measurement or attribution.

Consistent with our previous report, US executives would also like more information and support on training and sector/audience insights (see Exhibit 12).

Which, out of the following, would help you learn more about programmatic OOH advertising?

12

Media agency
Advertiser



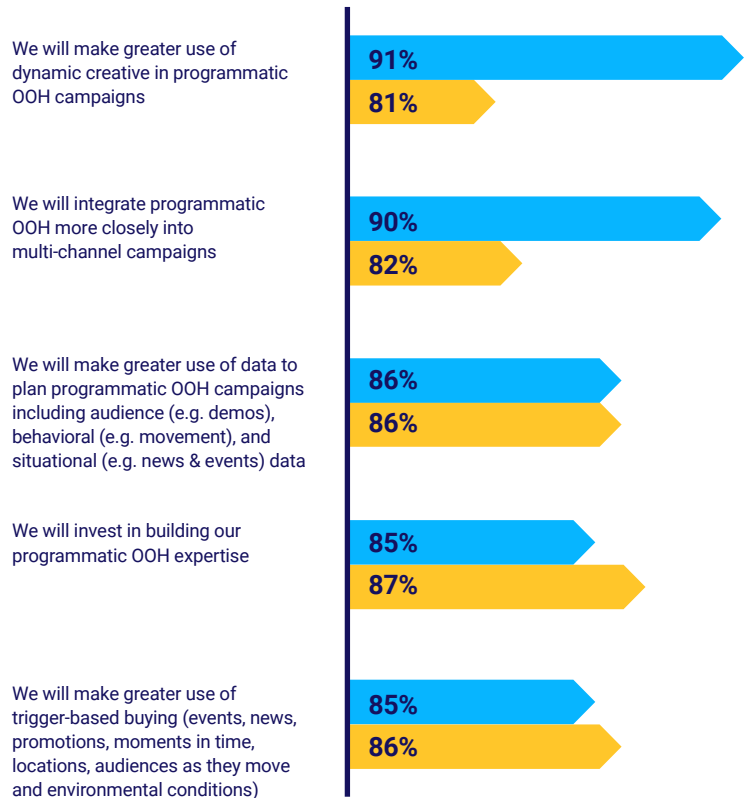
Executives plan to invest in programmatic OOH expertise

Looking ahead, US executives are focused on the creative opportunities that programmatic OOH delivers and predict they will integrate it more closely into their multi-channel campaigns. A key development in the industry is that the vast majority (86% US, 84% globally) of executives plan to invest in programmatic OOH expertise (see Exhibit 13).

Thinking about how you expect to place/plan or buy programmatic OOH advertising in the next 18 months, to what extent do you agree or disagree with the following statements

13

Media agency
Advertiser



86%

US executives plan to invest in programmatic OOH expertise

Exhibit 13 Survey question: Thinking about how you expect to place/plan or buy programmatic OOH advertising in the next 18 months, to what extent do you agree or disagree with the following statements? The numbers represent respondents who selected "strongly agree" and "slightly agree".

Investment in programmatic OOH expertise will help address existing knowledge gaps and may also provide a solution regarding who is responsible for planning and buying programmatic OOH, assuming specialist resources are consistently placed within digital teams.

The executives we spoke with want the US to be at the forefront when using programmatic OOH and see it as important to educate the broader market.

Other areas US executives plan to develop include making greater use of key programmatic OOH features, including trigger-based buying (86% versus 86% globally), and more sophisticated planning approaches such as making greater use of data to plan campaigns (86% versus 85% globally).



Over the next year we'll continue to build out our [programmatic OOH] expertise and our story to clients about the roles it can play for them.

OOH Lead, Media Agency, US





Closing remarks

The future for programmatic OOH in the US and globally looks promising. Growing adoption proves industry executives are positive about the value they get from programmatic OOH and there are truly compelling reasons to expect sustained growth in spend over the next few years.

Versatility will be a key part of this, with programmatic OOH being able to compete for both brand and performance budgets. Another key factor will be the increasing integration of programmatic OOH into multi-channel marketing campaigns, establishing it as a critical component on media plans.

For widespread adoption to happen, media agencies and advertisers will need to clearly establish responsibility for programmatic OOH and build their expertise, most likely within digital and programmatic teams. This will address knowledge gaps and help establish best practices when deploying programmatic OOH in multi-channel campaigns.

Industry executives have shown intent to do this, with our report highlighting their plans to invest in building programmatic OOH expertise as well as taking more sophisticated approaches to planning and executing campaigns. This reflects the buy-side's confidence in programmatic OOH's potential and gives cause for optimism about its future.