

Global Ad Trends

November 2018 – DOOH [SAMPLE]

Other key media intelligence:

Amazon Prime Day more valuable than Black Friday/Cyber Monday

Global programmatic market to reach \$75bn this year

Brand knowledge and cost efficiencies are main in-house agency benefits

Evaluating digital spend has become more difficult in the UK

WARC Data

In this report

WARC Data

1 Media analysis

DOOH

- ✓ DOOH adspend and share of total OOH investment in key markets
- ✓ DOOH panel penetration, impacts and cover
- ✓ DOOH's relationship with mobile activations and OOH's impact on ROI
- ✓ Consumer perception of facial recognition and DOOH messaging
- ✓ CMO perception of DOOH's importance in relation to other media

Next edition:
TV

2 Key media intelligence

New on WARC Data

- ✓ Amazon Prime Day more valuable than Black Friday/Cyber Monday
- ✓ Global programmatic market to reach \$75bn this year
- ✓ Brand knowledge and cost efficiencies are main in-house agency benefits
- ✓ Evaluating digital spend has become more difficult in the UK

3 Latest WARC research

The state of the global ad market

- ✓ The latest practitioner sentiment towards marketing budgets and trading conditions around the world
- ✓ Adspend projections from WARC's Consensus and International Ad forecasts

1

Media analysis DOOH

10.1%

compound annual growth rate for DOOH to 2021

15%

increase in mobile click through rates when used with OOH

21%

billboards in America which are now digital

37%

Americans who see a digital billboard at least once a week

50.1%

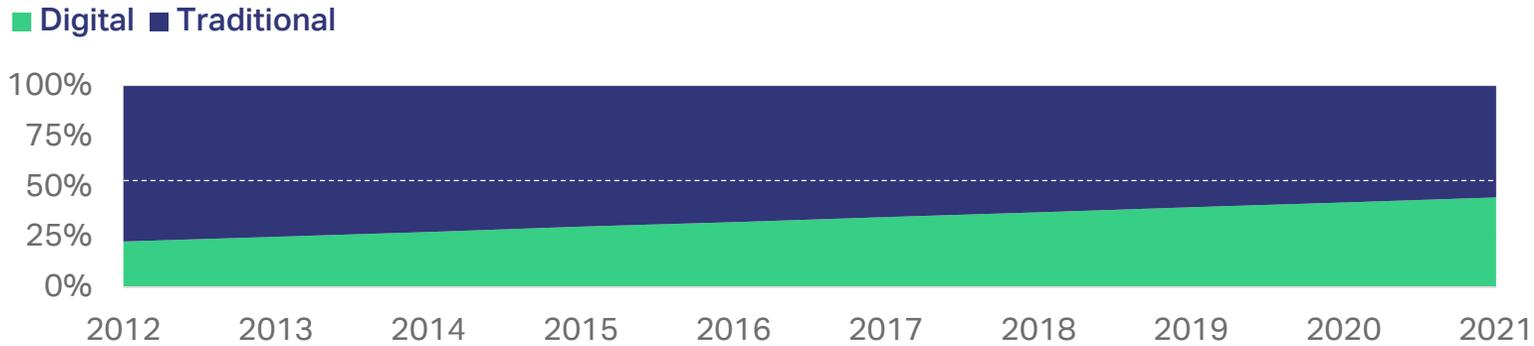
DOOH's share of UK OOH adspend this year

66.9%

consumers who are unaware that facial recognition technology can be used to measure mood

Digital is expected to account for the entirety of OOH growth in the coming years

Global, Share of out of home advertising expenditure by format, current prices



Global, Growth in out of home advertising expenditure by format, current prices



SOURCE › PwC Global Entertainment and Media Outlook, Ovum

Media Analysis: DOOH

- ☑ Data from PwC show that spend on digital out of home (DOOH) advertising is expected to grow at a compound annual growth rate (CAGR) of 10.1% between 2018 and 2021, accounting for all growth in the OOH market as spend on traditional sites is expected to decline from next year.
- ☑ Digital's share of total global out of home adspend reached 34.8% in 2017, up 2.4 percentage points (pp) from 32.4% in 2016 and 12.1pp from 22.7% in 2012. That share is expected to rise by 2.5pp to 37.3%, or \$14.6bn, this year, while long-term projections suggest its share will grow closer to 45% by 2021.
- ☑ DOOH spend expanded at a CAGR of 13.8% between 2012 and 2017. This compares to a CAGR of 0.9% for spend on traditional panels and 4.4% for the out of home sector as a whole.
- ☑ Some of the digital growth will be driven by the higher CPM the format commands, as well as the rising penetration of digital panels. But DOOH is growing at such a rapid rate because it also combines data-driven targeting and the potential for frictionless programmatic trade without the **pitfalls often associated with online marketing.**

60% of US consumers see a digital billboard each month, 37% each week

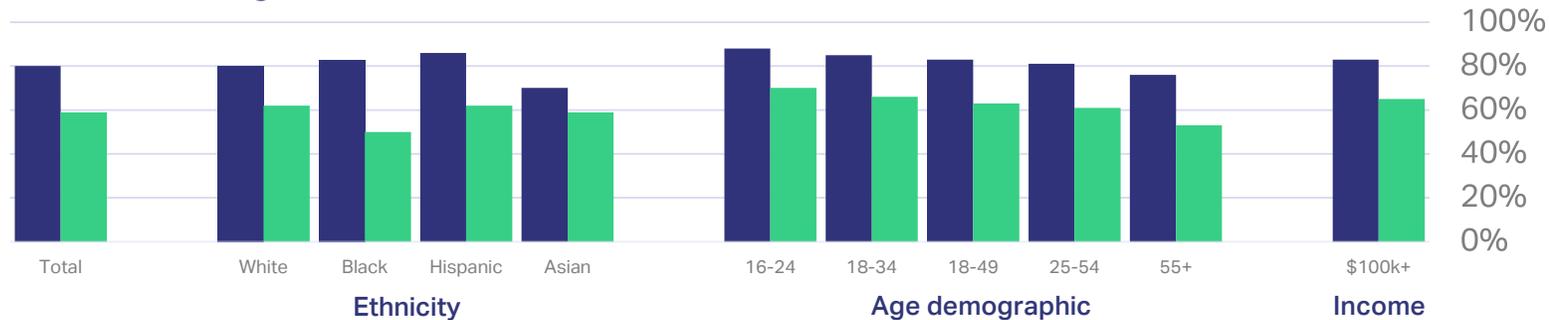
US, Share of respondents who have seen OOH format

■ Past month ■ Past week



US, Share of respondents who has seen billboard in past month

■ Billboard ■ Digital billboard



Note: N=1,006.

SOURCE › Nielsen, *Digital Billboard Study*

Media Analysis: DOOH

- Research by Nielsen shows that approximately 60% of Americans see a digital billboard each month, while the same is true for 37% each week. Data from the Outdoor Advertising Association of America (OAAA) show that digital billboards now account for 21% of all billboards in the country, equivalent to 7,800 faces (up from 7,000 in 2017).
- Effectiveness can be measured in many ways. Video advertising delivered via digital panels conforms to Nielsen's established measurement framework, but digital delivery enables innovative approaches too: Google used a 1x1 pixel tag in its **DOOH creative to measure impact**. Tunify allows users to hear audio from otherwise muted DOOH ads on their smartphone, enabling advertisers to use the associated mobile measurement metrics. Qvidi offers facial recognition functionality which can ascertain mood, among other indicators.
- But the outdoor ad revolution is not problem-free. The collection of mobile phone data – both for targeting and measurement – raises privacy concerns. This is **cited as a particular issue by mobile marketers**. And criticisms of the online-ad business for being opaque, and occasionally fraudulent, may also be directed at the OOH business as it becomes bigger and more complex.

2 Key media intelligence

New on WARC Data



Amazon Prime Day more valuable than Black Friday/Cyber Monday



Global programmatic market to reach \$75bn this year



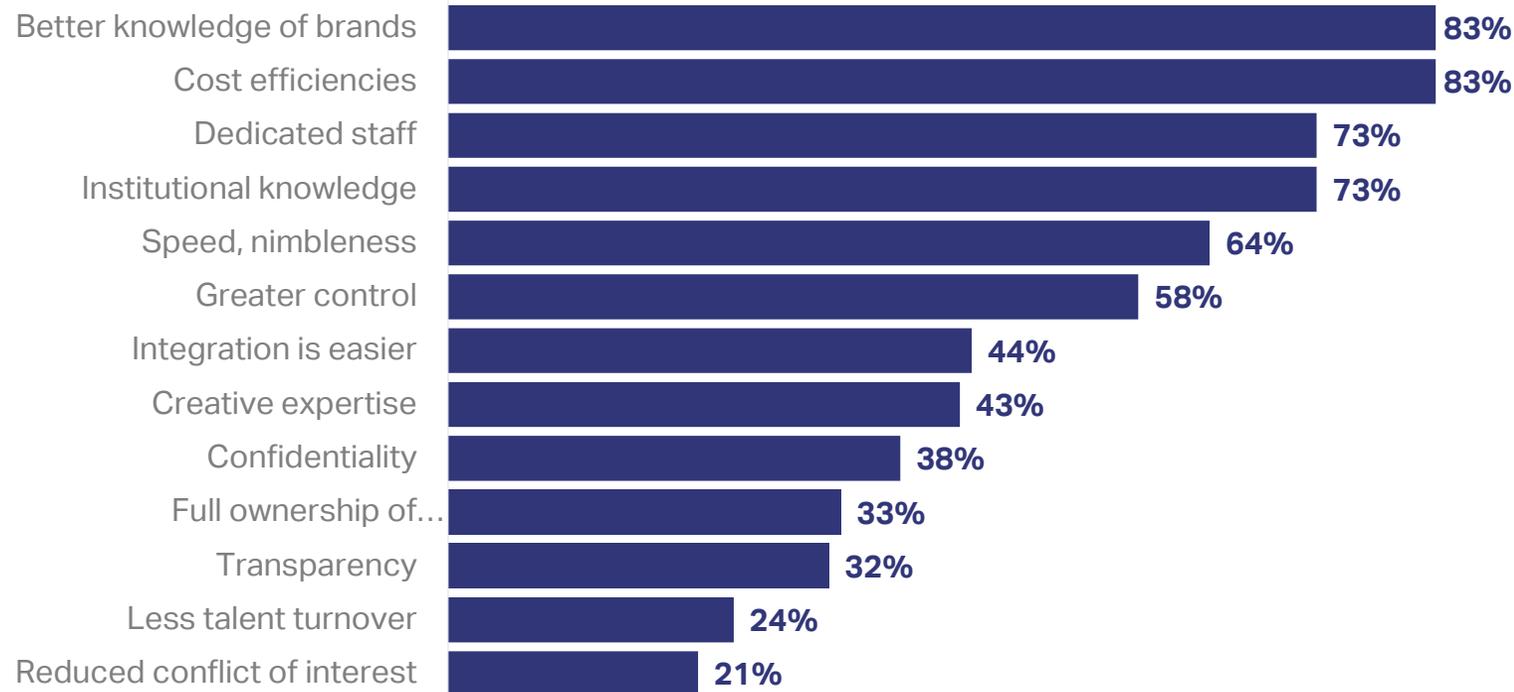
Brand knowledge and cost efficiencies are main in-house agency benefits



Evaluating digital spend has become more difficult in the UK

Brand knowledge and cost efficiencies are main in-house agency benefits

US, % share of respondents



Note: Client-side marketers (n=291). Question: Thinking about your in-house agency overall, what are the benefits to your company of having an in-house agency?

SOURCE › ANA 'The Continued Rise of the In-House Agency' 2018 Report

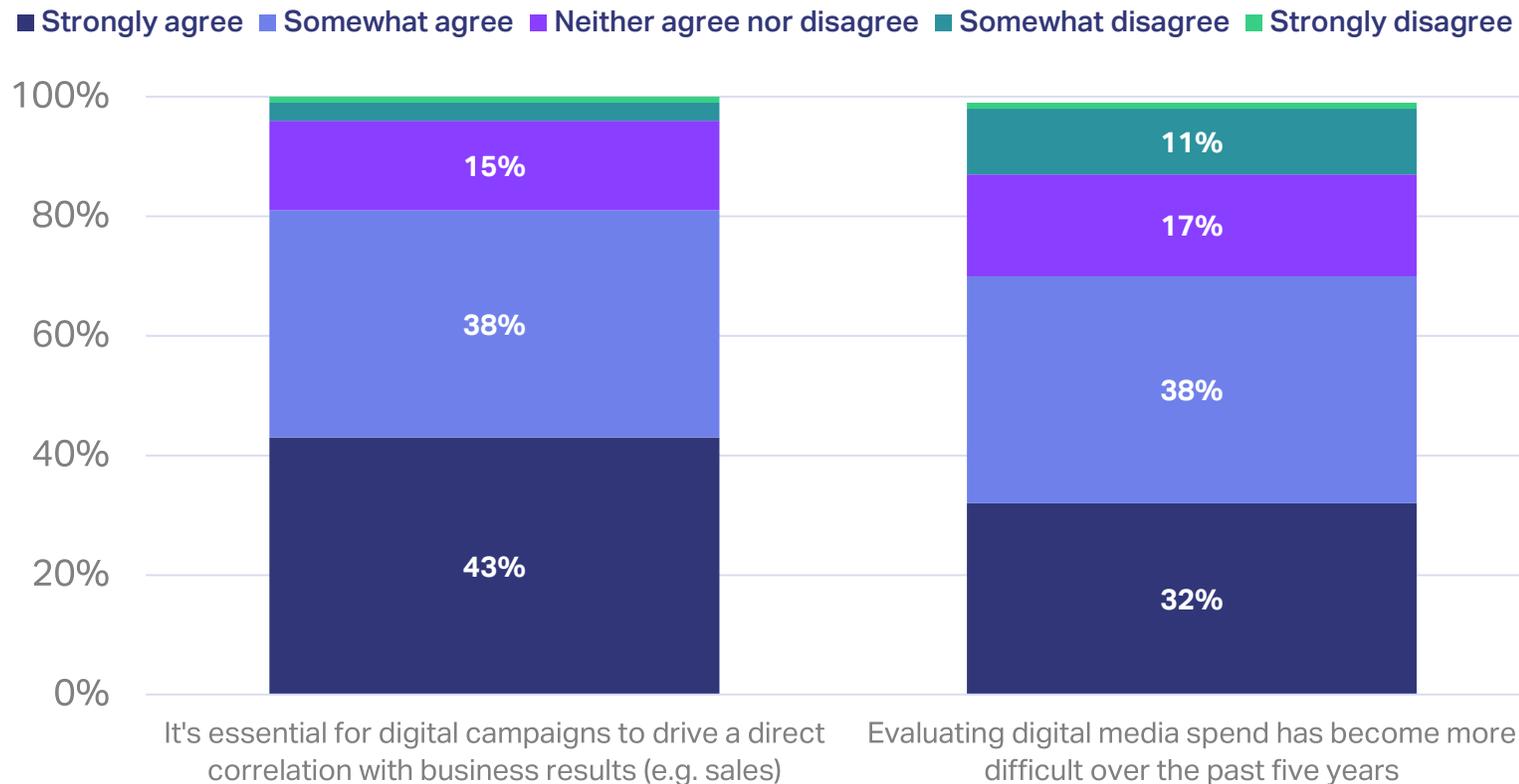
Get the data

Media intel

- ✔ Better knowledge of brands and cost efficiencies are the most common benefits associated with in-house agencies, according to the latest research from the Association of National Advertisers. Of the 291 US client-side marketers with in-house agencies surveyed, 83% listed both better brand knowledge and cost efficiencies as key benefits.
- ✔ The next most widespread benefits were the presence of dedicated staff and institutional knowledge (at 73% of respondents), indicating marketers value the contextual and personalised knowledge that in-house agencies can offer. The benefits that were least reported were lower talent turnover (24%) and reduced conflict of interest (21%).
- ✔ These benefits can partly explain the growth of in-house agencies over the past ten years, **up by 36 percentage points since 2018**. However, external agencies continue to play a pivotal role, particularly when smaller in-house teams are **unable to replicate their expertise**. In-house marketing technology is generating particular interest in North America, with 15% of budgets allocated to **in-house martech** this year.

Evaluating digital spend has become more difficult in the UK

UK, % of respondents



Note: UK digital marketers (n=250). Totals may not equal 100% because of rounding.

SOURCE > Xaxis

Get the data

Media intel

- ✔ Digital campaigns must directly correlate with business results at a time of increasing difficulty over evaluation, according to the latest research from Xaxis – GroupM's programmatic buying arm. In a survey of 250 brand marketers in the UK, over 80% think it is essential for campaigns to drive a direct correlation with sales. However, nearly three-quarters (70%) believe evaluating digital spend has become more difficult in the past five years.
- ✔ Agreement was particularly salient over the need for digital campaigns to directly correlate with business results, with nearly half (43%) strongly agreeing. This contrasts with only 1% who strongly disagree and 4% who expressed any level of disagreement.
- ✔ Indeed, **ad fraud and website traffic verification** is the second greatest concern for digital marketers worldwide. This follows wider concern about an **over-emphasis on short-term metrics** at the expense of brand building, during a period of emphasis on digital **ROI**.

3 Latest WARC research

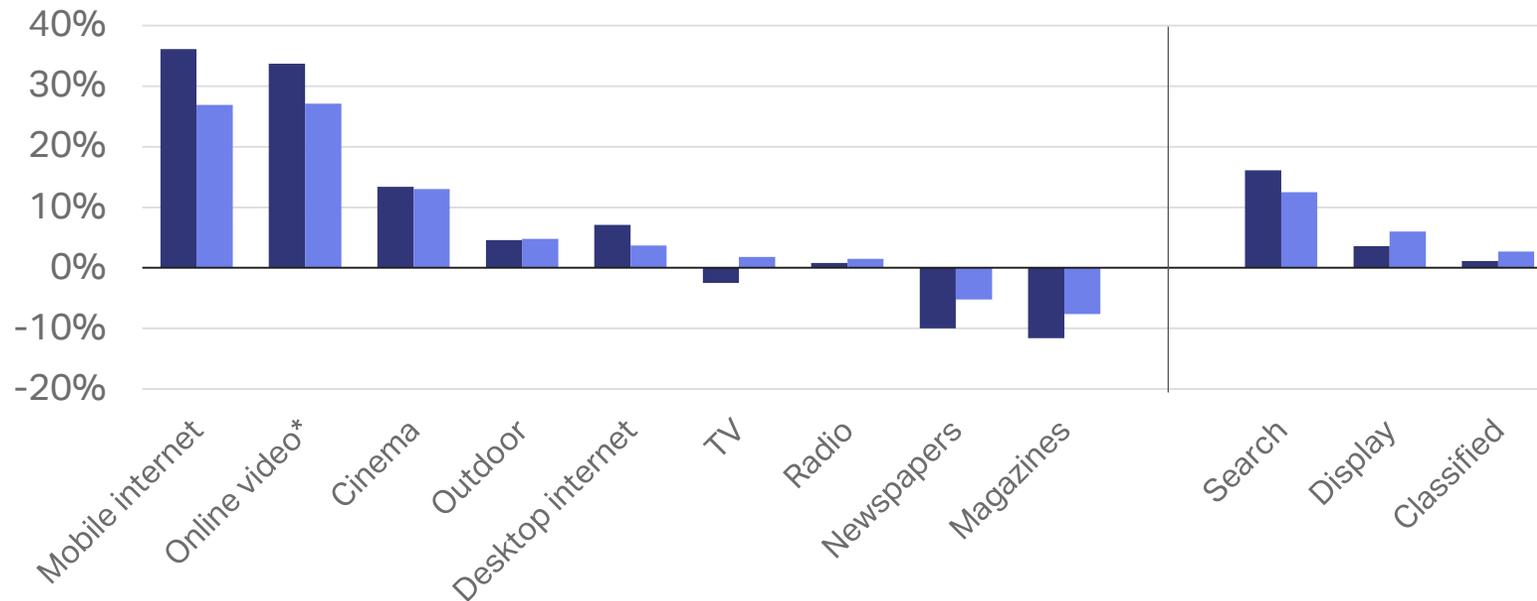
The state of the global ad market

- ✔ **WARC GMI:** European budgets slip further into contraction and global growth slows
- ✔ **WARC GMI:** TV budgets drop while mobile and digital continue rapid expansion
- ✔ **WARC Consensus Forecast:** Global adspend to rise 5.2% this year
- ✔ **WARC International Ad Forecast:** Global growth upwardly revised to 7.3% this year
- ✔ **WARC International Ad Forecast:** Mobile internet set to record strongest growth this year

WARC International Ad Forecast: Mobile internet set to record strongest growth this year

Year-on-year % change in advertising expenditure, Purchasing Power Parity (PPP), current prices

■ 2017 ■ 2018



Note: *Online video is included in internet growth totals. Chart ranked by expected growth this year.

SOURCE › WARC Data, *International Ad Forecast, November 2018*

[Get the data](#)

Latest WARC research

- Mobile internet is expected to be the fastest-growing ad medium this year, with spend rising by approximately 26.9% on a PPP basis, according to data included in WARC's latest [International Ad Forecast](#).
- Much of the mobile internet growth will come from increased spend on online video, which is also anticipated to record rapid growth (+27.1%) this year. However, this does represent a slowdown from the 33.7% rise recorded in 2017.
- Cinema (+13.0%) is also expected to record double-digit growth this year, **driven by a buoyant Chinese market**. Cinema growth excluding China is expected to be 4.1% this year, versus an estimated 0.7% rise in 2017.
- Outdoor (+4.8%), desktop internet (+3.7%), TV (+1.8%), and radio (+1.5%) are the other media expected to record growth this year. The decline in advertising spend for print press is forecast to continue, though at a lesser rate than was recorded in previous years.
- In terms of ad formats, paid search is expected to rise 12.5% this year, display by 6.0%, and classified by 2.7%.

More from WARC Data

About WARC Data

WARC has published independent and objective advertising research since 1982.

Our data products are trusted by the world's leading brands, ad and media agencies, media owners, research bodies, academic institutions and market analysts.

www.warc.com/data

Benchmarks

Utilise WARC's suite of benchmarks to measure your ROI against industry sector and geography, decide on the right media mix for your campaign, and compare your ad/sales ratio with the sector's wider performance.

Databases

Instantly access advertising spend data in 96 markets across major media and formats.

Check CPM and GRP costs by media and target audience in 63 markets.

Data points

Access hundreds of pre-made charts and datasets on media consumption, spend and costs.

Forecasts

WARC produces detailed adspend forecasts for 12 key markets, which between them account for two-thirds of global advertising expenditure, atop a biannual forecast for media inflation drawn from a consensus of exclusive agency data.

Global Marketing Index

Established in 2011, the Global Marketing Index (GMI) is designed to provide a unique monthly indicator of expenditure and business conditions for marketers worldwide.

Our panel of 10,000 marketing professionals is invited to give its views of current business conditions, including marketing spend, media budgets and staffing. The results provided exclusively to WARC Data subscribers each month.

Contact Us

London
85 Newman Street
London
W1T 3EU
United Kingdom
+44 (0) 20 7467 8100
enquiries@WARC.com

Washington
DC 2233 Wisconsin Ave NW Suite
535 Washington
DC 20007
United States
+1 202 778 0680
americas@WARC.com

Singapore
OUE Downtown 1, #44-03
6 Shenton Way
Singapore
068809
+65 3157 6200
asiapacific@WARC.com



WARC