



FOR OUT OF HOME ADVERTISING, TECHNOLOGY IS FRIEND NOT FOE Attendees Optimistic at First Joint Conference From ANA, TAB

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NEW YORK (AdAge.com) -- If the mood at today's first ANA-TAB Out-of-Home Advertising Forum seems more confident than other media conferences of late, it's because the out-of-home industry senses a perfect storm brewing.



ANA-TAB Out-of-Home Advertising Forum Co-Chair François de Gaspé Beaubien, who is also chairman-chief coaching officer of Zoom Media.

"Everything seems to be coming together in a perfect storm of consolidation, new technologies and increased interest from agencies and advertisers," said Joe Philport, president-CEO of Traffic Audit Bureau, which is a co-sponsor of the event. More than 230 out-of-home sellers, buyers and advertisers gathered in New York's heavily secured Grand Hyatt Hotel—Vice President Dick Cheney was also at the hotel for an unrelated event—in the first Association of National Advertisers event dedicated to the medium.

In a pre-forum survey of Association of National Advertisers members, 96% said they would either increase or maintain their out-of-home ad spending and about 31% expected to reallocate dollars from other media to out of home.

Growing area

Indeed, Deutsche Bank analyst Drew Marcus noted on the day's opening panel that for outdoor advertising, "technology is only friend, not foe." Added Merrill Lynch's Laraine Mancini: "[Outdoor] is one of the only growing areas of traditional media right now."

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The survey also found, however, that two-thirds of national advertisers spend less than 5% of their total advertising budgets on out-of-home media. Out of home boasts about a 2.5% share of total advertising expenditures, Mr. Marcus said.

The biggest barriers that limit advertisers' use of out-of-home media appeared to be accountability, measurement data, metrics that can translate to ROI and proof of performance -- all topics of the day's panels hoped to address.

"There is a fear factor with many advertisers in the sense that they're extremely familiar with TV but there's this uncharted territory in out of home," said Forum Co-Chair François de Gaspé Beaubien, chairman-chief coaching officer of Zoom Media, a vendor specializing in indoor out-of-home advertising. "The industry is addressing the issues that they're concerned about and the industry needs to share that it's addressing those."

New measurement system

Perhaps the biggest change in the out-of-home industry -- and the one the TAB is focused on -- is implementing a new measurement system. In the ANA member survey, 71% of the respondents ranged between somewhat dissatisfied and very dissatisfied with the historical system.

Last spring, TAB introduced new daily effective circulation numbers (DECs), based on Department of Transportation traffic data. In May, it hired research consultant NOP World to conduct the second part of the plan -- creating a value adjusted index (VAI) that assigns a "likelihood to see" value to signs. The VAI will adjust traffic and pedestrian counts to reflect not only how many people pass an advertisement, but also how many are likely to notice it. Today TAB issued an RFP for research companies to develop out-of-home demographic data that can be overlaid onto the DEC counts, which will add a "who" to the "how many" the industry currently measures.

One panelist at the event will be John Ellery, a consultant to global out-of-home buying giant Kinetic Worldwide, who will talk about the U.K.'s experiences with a VAI-adjusted measurement system. In the U.K., the share of total advertising dollars devoted to out of home more than doubled with the introduction of a more robust measurement system.

"We want to bring some rigor to it to see who is actually seeing the ads," Mr. de Gaspé Beaubien said. As it is, some media buyers discount outdoor measurement numbers as much as 70%. The industry's major media owners are hoping agencies and advertisers will appreciate a more sophisticated, accurate ratings system, and that the move will foster more confidence in the medium.