

TODAY'S COMMENTARY by [Jack Myers](#) — Monday, November 14th 2005

**Jack Myers**

# Media Business Report

## Perfect Storm for Out-of-Home

Advertisers Gather To Explore New Opportunities in Out-of-Home Media

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In a first for both organizations, the Association of National Advertisers and the Traffic Audit Bureau are hosting a joint event today designed to educate advertisers about changes in the expanding out-of-home medium and to present the results of a new "State of Out-of-Home" survey conducted among ANA members.

François de Gaspé Beaubien, Chairman of Montreal based Zoom Media, who is chairing the one-day event with Mark Kaline, Global Media Manager for Ford Motor Company, told *Jack Myers Media Business Report* "I have never seen such a perfect congruence of events that yield such an opportunity. It's a perfect storm for out-of-home. Our industry has an opportunity to be a key part of the media mix. We are the unzappable medium. Recall is strong. An ANA study being presented says advertisers will increase their out-of-home budget and they want better information. We are already addressing research issues head on. Advertisers admit they are not knowledgeable about advances being made in out-of-home, and as an industry, we are responding."

"The out-of-home industry is at a turning point," Jean-Luc Decaux, co-CEO of J.C. Decaux North America commented to *Jack Myers Media Business Report*. "More and more good creative concepts are being developed. More companies and advertisers have a stake in the medium. Even though we capture a small share of marketers' dollars, in the next five to ten years it will grow rapidly and will outgrow all other media except the Internet." (*Jack Myers Media Business Report* projects out-of-home growth at five percent for 2006, with cinema advertising growing at a much faster pace.)

Decaux acknowledges the industry "needs to do more than we are currently doing to make it more appealing, reliable, dynamic in our product offerings, and accountable. Decaux suggests the ANA/TAB meeting will provide an opportunity to hear back from advertisers on what they want from us as an industry. The platform for a dialogue is valuable. There is always a degree of disconnect between what advertisers are saying and what ultimately filters down to our organizations." Decaux adds that out-of-home media buyers at agencies often have very little contact with media planners, a challenge shared by industry sales executives. A significant goal for the industry, he points out, is to move out-of-home into the mainstream of media planning by generating more awareness among advertisers and media planners about advances being made in the industry.

Cliff Marks, president of marketing and sales for National Cinemedia, points out companies like his and PRN, which manages the Wal-Mart Network, have an opportunity to attract television budgets and serve as a bridge for marketers who are becoming increasingly comfortable with place-based and out-of-home media. Operating quietly for the past two years, former agency executive Martin Puris has been working closely

with several major advertisers through his Not Traditional Media company to introduce them to place-based and alternative media options. Zoom Media has built an active out-of-home network in malls, health clubs and other venues, and Decaux points out that street furniture, a major business in Europe, is just beginning to gain traction in the U.S.

"We are launching initiatives that get people to interact with street furniture," says Decaux. "Next year we will roll out our polling stations at bus shelters, which is an example of the creative opportunities we offer. In the U.K," Decaux advises, "people can actually watch movie trailers at bus stops and they can select scenes they want to see more of." These formats are being rolled out by J.C. Decaux in Chicago and are expanding into Boston and San Francisco. Cemusa, a Spanish company, was recently granted a 20-year license to build street furniture and bus shelters in New York, for which they are reported to have committed \$1.3 billion to the city. If accurate, this would require Cemusa to triple ad revenues generated by existing city bus shelters.

Both Decaux and de Gaspé Beaubien believe advertisers will be impressed by several new research initiatives developed by the out-of-home industry. "TAB has taken a leadership position on confirming the number of vehicles going by outdoor boards," Beaubien comments. "But we are going to bring down our boxcar numbers by a 'Visual Adjustment Index,' which is already used in Europe, and that adjusts exposure for how many people are actually likely to see an outdoor ad. We are the only medium to adjust our numbers based on likelihood of viewing."

Decaux adds, "we are trying to enable agencies to recommend larger budgets coming into the medium by better substantiating the investments. One way is by delivering good accurate measurement. Our goal is to deliver demographic gross rating points" enabling out-of-home to compete with traditional media.

Responding to a concern that advertisers are emphasizing engagement of audiences over mass circulation, Decaux adds, "there are ways for our medium to create engagement and we as an industry are addressing it through innovation. We have a medium that is growing vs. other media where audiences are declining by the day. We have to demonstrate we really are gaining audiences."

"Out-of-home is perceived as a bit of a dinosaur and it takes a lot to get an industry moving forward," Beaubien says. "The challenge lies in our own hands. There are issues related to other media that benefit out-of-home, but we cannot wait for others to fail. We need to be more proactively in front of advertisers with our benefits." He adds, "when Zoom Media exited the radio business in 2002, we looked around the world of media and concluded two fields would have dramatic growth, the Internet and out-of-home. In the alternative category, we are growing in the high double digits annually. A lot of the reporting on the growth of our industry understates our actual success. As an industry, we need better reporting on actual dollars spent on out-of-home."

For more information on Zoom Media, contact François de Gaspé Beaubien at [fdegb@zoommedia.com](mailto:fdegb@zoommedia.com). For more information on J.C. Decaux, contact Jean-Luc Decaux at [jld@jcdecauxna.com](mailto:jld@jcdecauxna.com).

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