



TAB/ANA Survey of National Advertisers' View of Out of Home Advertising November, 2005

The TAB (The Traffic Audit Bureau for Media Measurement, Inc.) recently conducted a survey of ANA (Association of National Advertisers, Inc.) members to determine their views on the current state of Out of Home advertising. The results were presented at TAB's Out of Home Advertising Forum, held on Nov 14th, 2005 at the Grand Hyatt Hotel in New York City. The responses are detailed in this report.

The commentary was drawn from Mark Kaline's speech given on Nov 16th. Mark is Media Manager, Ford Motor Company and served as Conference Co-Chair for the event.

The TAB would like to thank Bill Duggan and his staff at the ANA for their help in executing this survey. The results clearly point to a need for the Out of Home industry to keep national advertisers informed about the exciting new innovations in the medium and the research that will make Out of Home easier to plan, buy and be more accountable.

If you would like more information about the TAB's research initiatives, please visit our website; www.tabonline.com, or contact me directly at joephilport@tabonline.com.

A handwritten signature in black ink that reads "Joseph C. Philport". The signature is written in a cursive, flowing style.

Joseph C. Philport
President & CEO
The Traffic Audit Bureau for Media Measurement, Inc.

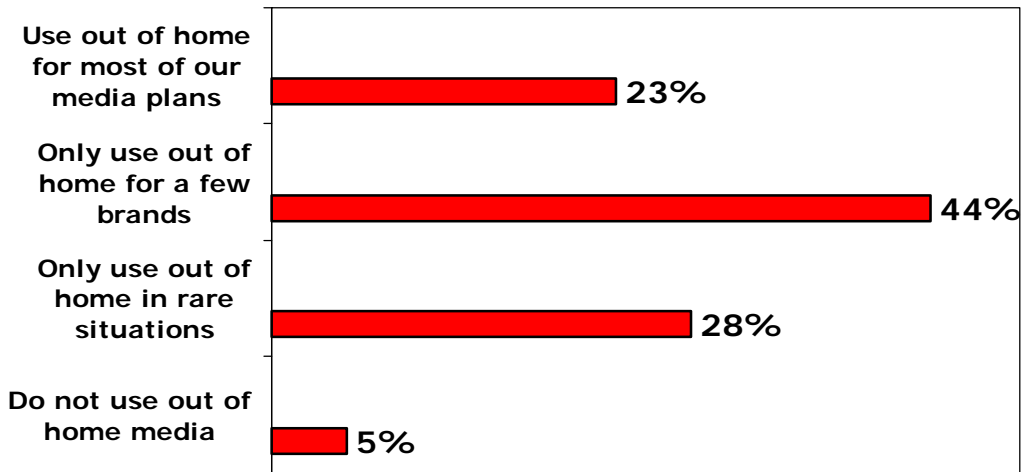
Methodology:

Results were generated from a cross section of 75 ANA members who have media or advertising responsibilities in their organizations. While the size of the sample limits projection to the entire universe of national advertisers, the results offer clear directional value and important insights into their view of the Out of Home industry.

Results:

Use of Out of Home Media

Q1: How would you describe the current use of Out of Home advertising by your brands?

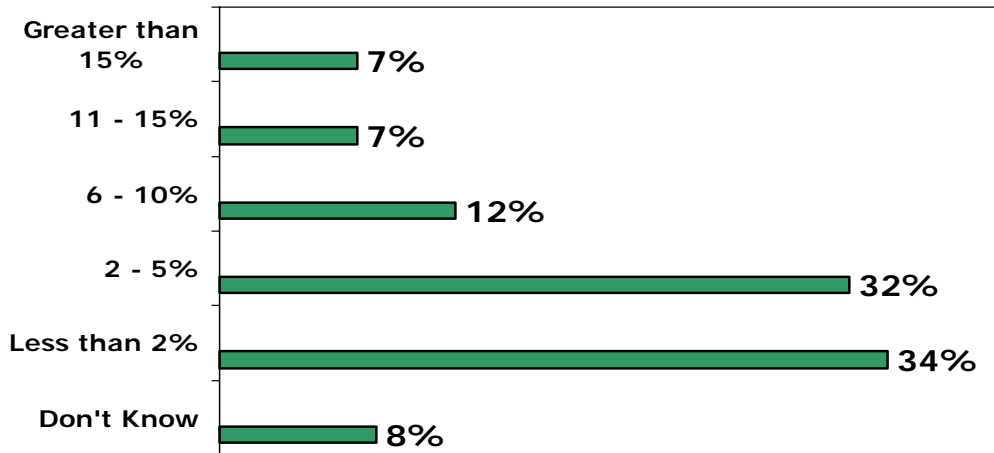


Observation:

Nearly one quarter are heavy users of OOH, while about 40% of companies are medium to light users. No surprises here.

Ad Budgets

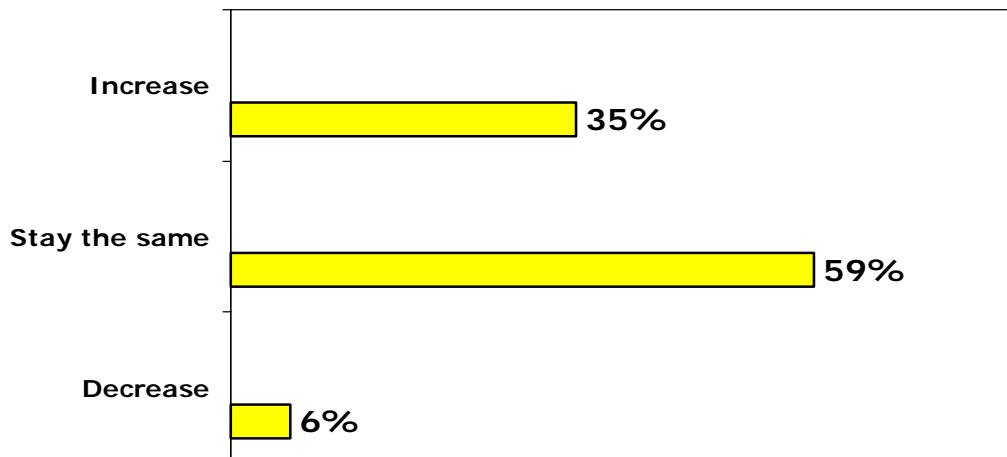
Q2: What percentage of your overall ad budget (all media) is dedicated to Out of Home media?



Observation:

About one third of advertisers invest less than 2% of their budgets in OOH and another one third spend in the 2-5% range... but a growing number (~15%) spend over 11% of their budgets in OOH media. This growth trend mirrors what was experienced in Europe and represents the upside potential of Out of Home media when accountability issues are addressed.

Q3: Next year, do you expect your advertising budget in Out of Home media to:

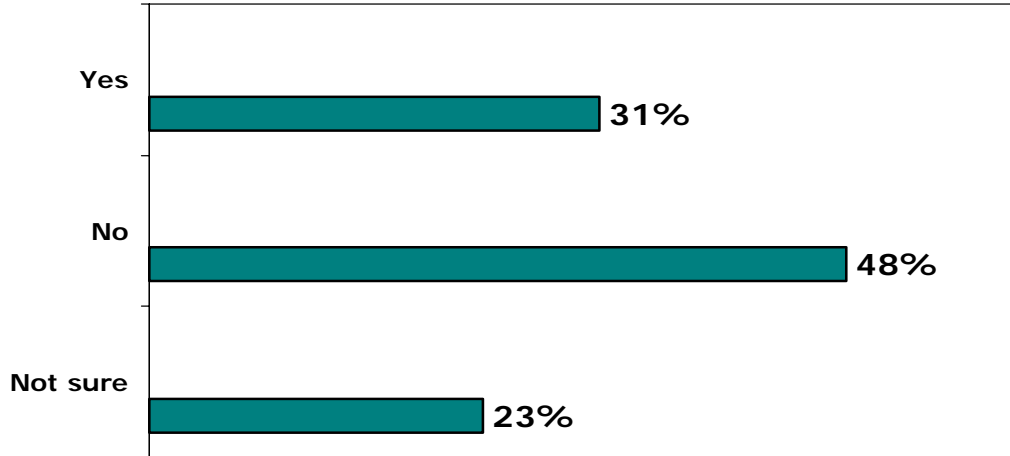


Observation:

While over half of respondents plan to spend in line with last year, over one third expect 2006 OOH ad spending to increase.

Ad Budgets (Continued):

Q4: Do you anticipate reallocating dollars away from other media to Out of Home media in the upcoming year?

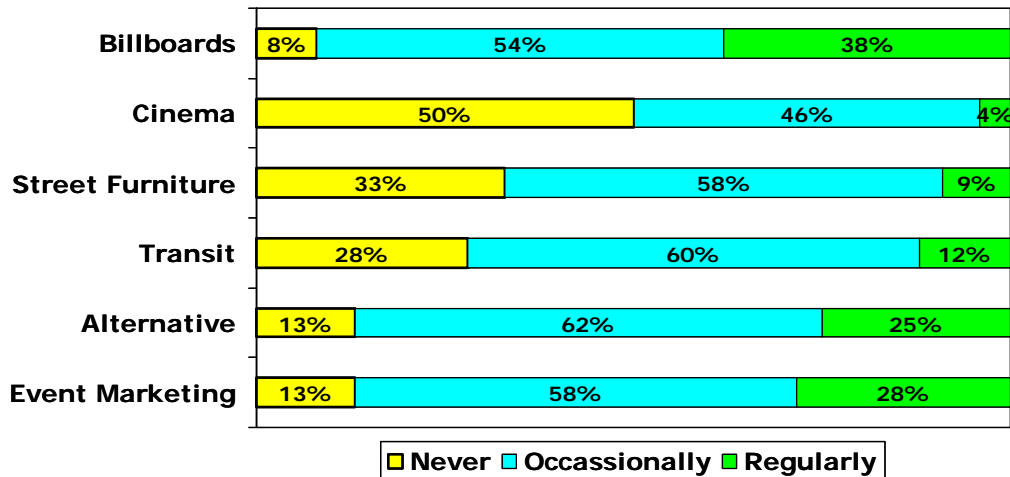


Observation:

Again, about one third of advertisers intend to up their use of Out of Home in 2006.

Frequency of Use

Q5: How often do you use the following types of Out of Home media?



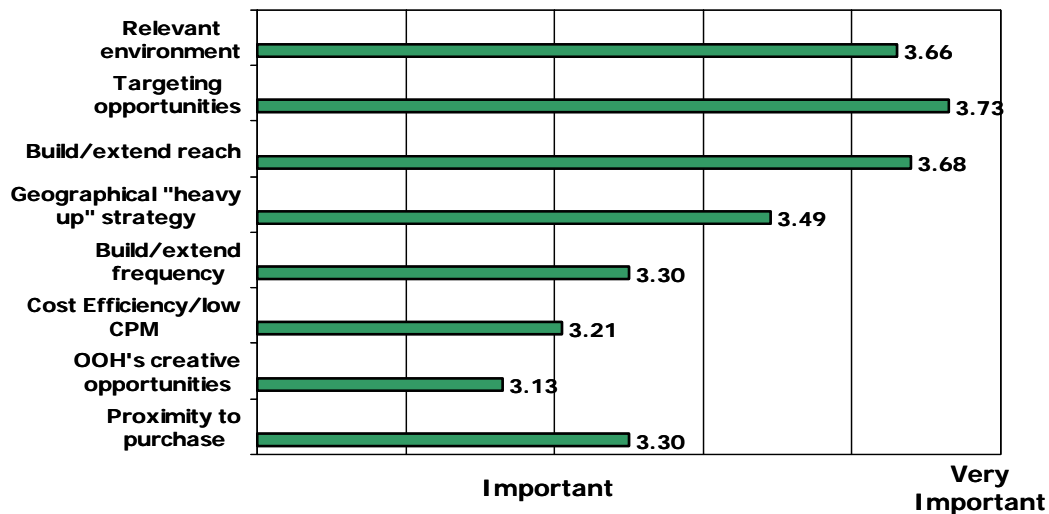
Note: Alternative media includes in-store

Observation:

While all major OOH formats receive similar “occasionally used” scores, it is no surprise that Billboards (which also includes Posters) earn the highest “regularly used” score. Alternative Out of Home and Event Marketing are tied with approximately one quarter “regularly used” mentions.

Reasons for Using OOH

Q6: How important are the following factors in determining your use of Out of Home media?



Observation:

Question 6 clearly delineates what drives Out of Home usage for buyers and in turn what the industry's strongest selling suits are:

- ▶ *Targeting opportunities*
- ▶ *Geographic "heavy up" strategy*
- ▶ *Build/extend reach*
- ▶ *Relevant environment*
- ▶ *Proximity to purchase*

These assets clearly represent an underleveraged opportunity for OOH media, especially as the advertising industry is rushing to define metrics for "engagement". One could argue that "relevant environment" and "proximity to purchase" become key ingredients for such a definition in Out of Home media.

Q7: What are the key reasons you use Out of Home media?

- Tactical – surprise and delight our audience
- Geographic and demo targeting
- Build local presence - community
- Take advantage of receptivity at events
- Mass reach
- Proximity to retailers/malls/POP
- New product launches

Observation:

Overall, 7 main reasons kept surfacing. Again, no real surprises here.

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Barriers to Using OOH

Q8: List a few of the major barriers that limit your use of major Out of Home Media?

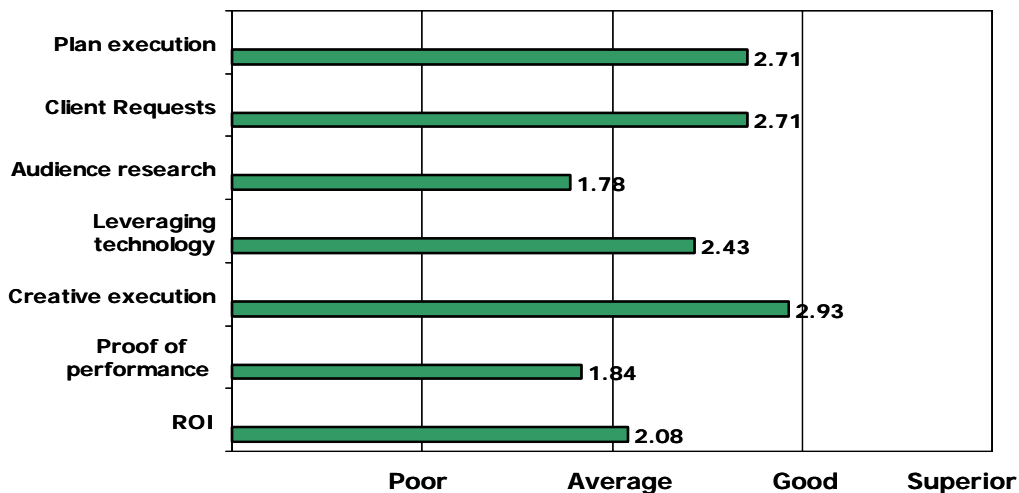
- Accountability/Measurement
- Metrics for inclusion in ROI evaluation
- Proof of performance
- Audience research
- Production costs relative to space costs
- Costs – some formats/National campaigns
- Availabilities and locations
- Lack of cross media currency comparability- OOH currently dealt with as a separate line from other media

Observation:

These are the main challenges advertisers want addressed by the Out of Home industry.

Performance

Q9: Rate Out of Home media's performance on each of the following relative to other media:



Observation:

Clearly the perceived relative strengths of OOH versus other media underline the critical importance of collaboration between buyer & seller:

- ▶ *Creative execution*
- ▶ *Ability to execute against plan*
- ▶ *Ability to respond to client requests*
- ▶ *Leveraging technology*

However it is the lower scoring factors that mark the needs requiring attention

- ▶ *lack of appropriate Audience research*
- ▶ *“ROI” and “Proof of performance”*

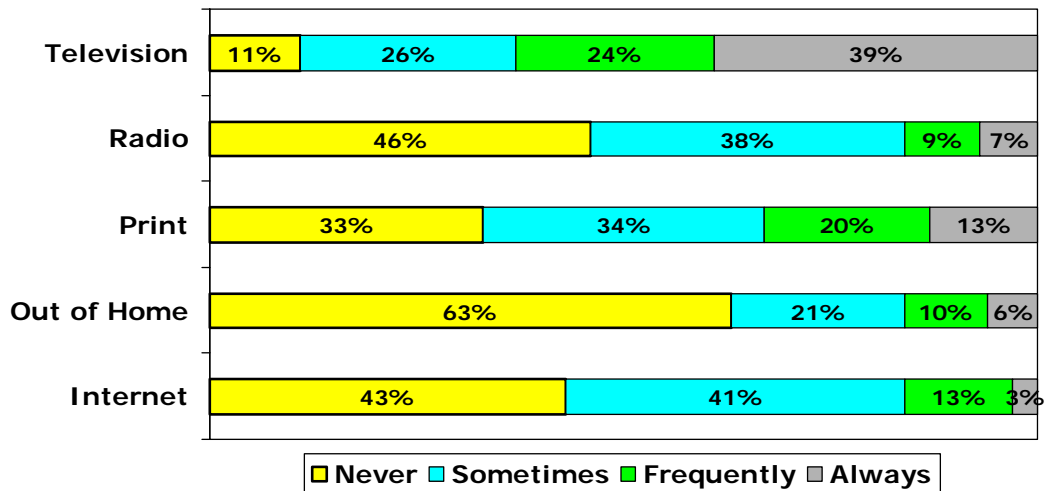
While the latter is being addressed with some very sophisticated new technology and reporting software, few advertisers put OOH in their media mix models due to incompatible information needed to build these analyses.

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Pre-testing

Q10: How often do you pre-test creative for each of the following media?

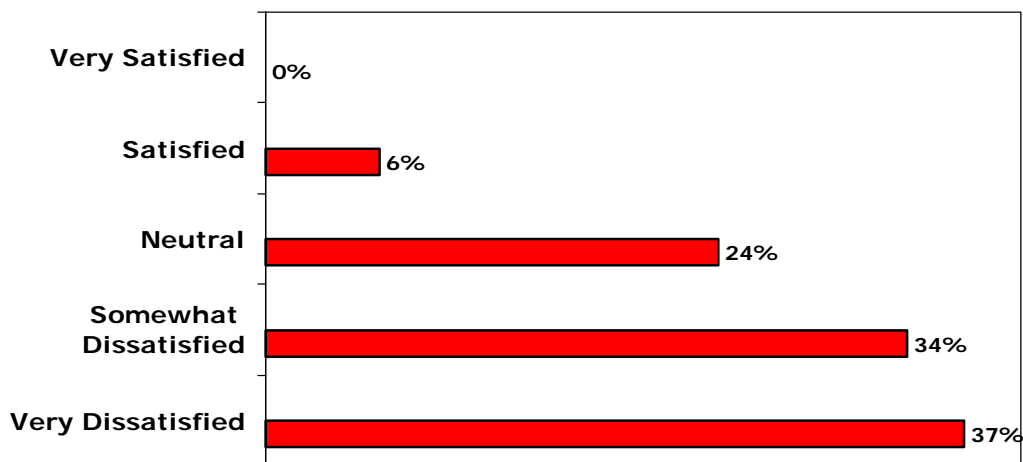


Observation:

Advertisers see creative execution as one of the great strengths of OOH. With the exception of TV or possibly magazines, not testing is fairly common, with 6 out of 10 advertisers “never” testing OOH, and about half “never” testing radio or the internet.

Audience Measurement

Q11: How satisfied are you with the audience measurement data currently available for Out of Home?



Observation:

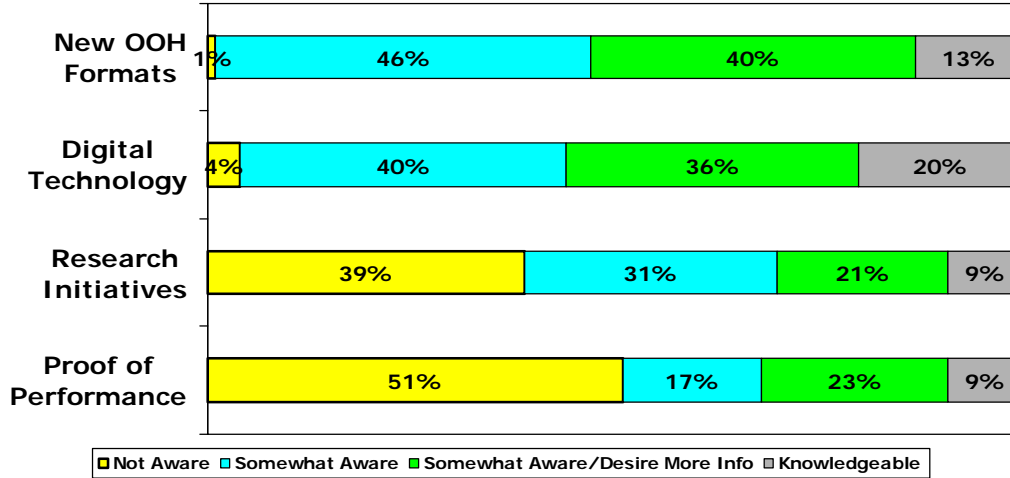
An overwhelming two thirds of advertisers said they were either “very” or “somewhat dissatisfied”. While these responses are likely tied to the old legacy measurement methods, it is clear that any new measurement data methods employed by the industry must address advertiser needs. This issue is expanded on in the next question.

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Advertiser Awareness

Q12: Out of Home media are changing dramatically. How aware are you of the following?



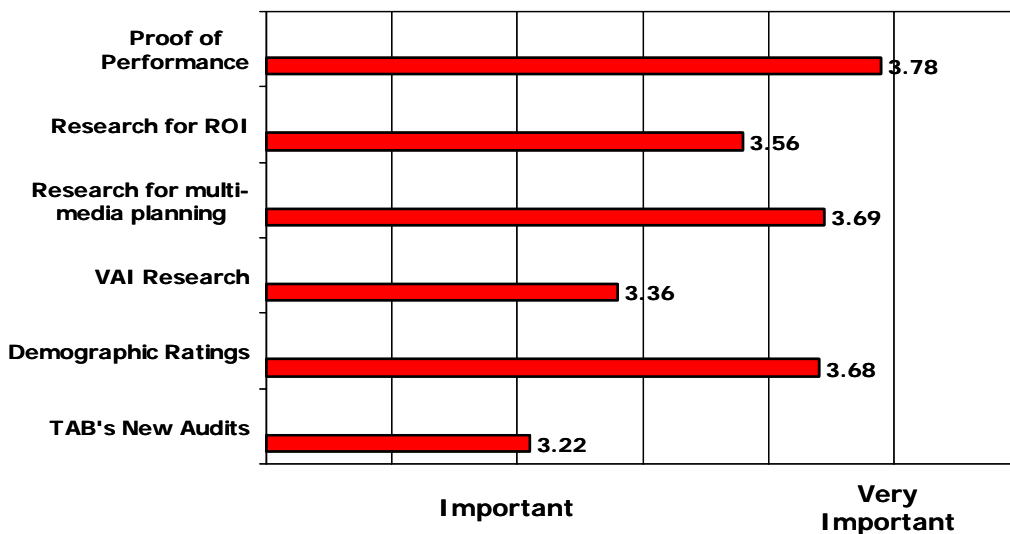
Observation:

Question 12 identified some concerns that can be remedied quickly. Nearly half of the respondents were not aware of the new proof of performance tools that are available while about 2 out of 5 were not aware of the new Out of Home research initiatives. Around 40% were only somewhat aware of enhanced digital/technological capabilities and new OOH formats and venues.

Clearly the Out of Home industry needs to inform advertisers of new initiatives that can have a positive impact on their ability to effectively use the Out of Home medium with confidence.

Research Priorities

Q13: The Out of Home industry is currently investing in the development of new research tools. How important are each one of these to you?



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Observation:

Four factors received close to or above 3 out of 4 votes as being "very important". These factors all reinforce compatibility and a better understanding for how Out of Home fits into the overall media mix as important goals for the industry to pursue.

Two other factors that were rated as "important" were TAB's newly completed audit methodology which provides circulation estimates for Persons 18+ with board by board detail, and VAI research that converts audiences from gross "opportunity to see" to refined "likely to see" audiences. The survey seems to indicate that the VAI concept is not well known at this time.

The real value for OOH lies in its ability to deliver 21st century metrics to advertisers and their agencies as part of a sustained drive to increase the accountability for billions in ad investments. If these new tools and techniques are addressed, the potential to increase OOH's share of budgets will grow substantially.

Most Important Priorities

Q14: What are the three most important issues Out of Home must address to serve your needs?

- ROI
- Performance Metrics
- Flexibility & Timing
- Systems Integration
- VAI

Observation:

Our last question asked advertisers to identify their three most important concerns. Confirming that the focus today really is about accountability to shareholders and consumers, ROI was clearly the most mentioned issue. This was closely followed by performance metrics, which includes audience measurement with demo ratings as well as proof of performance.

Flexibility and timing were also deemed critical. This is obviously important to advertisers and no doubt to their agencies.

The other two most common mentions were systems integration and VAI which was also expressed as an 'engagement' or 'perception' measure for OOH.