

Introduction

This report is for the benefit of Adload Technologies (adloadinc.com), a DOOH advertising business specializing in digital displays behind semi trailers. It's the first of its kind in the market and designed patented. The company has 25 trailers with these displays on the road and have plans to add between 250-500 in this upcoming year.

Adload would like to understand the current shape of the digital out of home advertising market; what the current options are, what their prices are and how heavily they're used. It's understandable, it's a lucrative market and one where innovation has extended to billboards but few other placements.

This report will investigate the market that according to PQ Media, [accounted for 28.3% of all out-of-home \(OOH\) ads in 2019](#) and this is predicted to rise to 38.3% by 2023. The same report also indicated that [DOOH was the main driver of growth in OOH advertising worldwide](#) in 2019 – which was 10% or \$16.75 billion for the year!

Market Trends

1. Consistent Increase in Digital Outdoor Advertising

Just like many other industries, the outdoor advertising sector is also affected by the digital marketing trend. The trend towards this digital sphere is in-line with the existing demand where consumers are already accustomed to viewing 4K quality adverts. If implemented correctly, digital technology can facilitate outdoor advertisements because it uses 4K quality boosting high resolution and bright colorful visuals that can attract user's attention for longer periods.

The digital advertising and large digital billboards will continue to increase in the coming year because they are much easier and convenient to move, which helps cut the unnecessary expense. The dynamics of cost are also evident in the ability to run multiple digital outdoor advertisements on a single screen. Compared to the static ads, multi-image advertisement provides owners more control over the medium and on the final ad results. For instance, some adverts perform better in a static form whereas others may require visuals. In fact, digital outdoor advertising can do wonders for brands that understand how to use it to their advantage.

Recent research suggests that digital outdoor advertising contributes to almost 30% of OOH revenues worldwide. Under these circumstances, advertisers who continue to reinvent themselves will likely succeed in subsequent years.

2. Brands are Embracing the Power of Storytelling

The human mind is designed to latch on to facts and opinions that are narrated in the form of a story. The storytelling improves retention and helps consumers recall events. For instance, it will be hard to remember a new brand of toothpaste that does not differentiate itself from its competitors; however, introducing the same toothpaste in the form of a riveting story will likely get the response. Any brand that has a compelling story to relate to its context is likely to make an impact subconsciously if the ad is narrated vividly.

According to experts, this storytelling trend will be witnessed a lot more in 2021. Using this strategy, outdoor advertising is embracing the concept by designing ads that only tells a part of the story, which makes the audience wait for the next ad in the storyline.

Recently, there has been a lot of buzz around ingredients of a good storytelling. Among these features is building a story character. In this scenario, the character faces a problem and then seeks its resolution. In the end, the brand comes to the rescue as a problem solver.

It is imperative that brands pay close attention to generating creative out-of-the-box ideas for storytelling. This will improve engagement with the adverts. Merely putting out a story is not enough. The user must be able to connect with the story in an authentic manner before they can trust the story subconsciously.

3. Growth in Advertising Opportunities

Latest innovations in technology have broadened the scope of placements of outdoor advertisements, particularly digital advertisements. Instead of large billboards, advertisers are using smaller advertisements in busy public places such as airports, waiting areas, public transport, and playgrounds. In fact, blank walls have also emerged as a good alternative to traditional billboard advertising because these can be used to project advertisements.

A KMPG advertising report suggested that advertising outside the airport is a significant contributor to the growth of outdoor advertising in 2019 as it accounted for 27% of revenue share, which is very likely to grow in 2021 as well.

4. Advertisements have a Mind of its Own

2020 will be a year of improved and smarter outdoor advertisements.

In the recent past, most advertisements only marketed the product and the service. In 2021, advertisements will not only show information about a particular business, product or service, it will also predict the user profile of those audiences who interacted with it.

This feat will be accomplished by the use of sensors, facial recognition software, and other AI smart features.

The smart advertisement will aid in enabling outdoor billboards to interact with the target audience. As a result, augmented reality and virtual reality will make outdoor advertising campaigns more visceral and engaging.

5. Mobile Integration in Outdoor Advertising

Outdoor marketing is all about enhancing the user experience. To increase customer interaction, certain brands have integrated mobile and outdoor advertisements. The use of technology helps potential customers interact with advertisements and share valuable data in real-time with the brand. The feedback from the customer helps provide a more customized user experience. Examples of such interactions are instant connections with customer's mobile when they come in the range of advertising billboards. The use of a beacon is also becoming commonplace because beacons enable advertisements to literally jump inside the customer's phone.

6. Multi-Channel Integration

In 2021, the outdoor advertisement will also integrate with social media and the television. The integration will also help grow other mediums using motion capability in digital out-of-home advertising and scalable content. The multi-channel integration is instrumental in ensuring that the message delivered across all mediums is coherent and consistent with the brand's image. It means that the brand's TV adverts will fall in line with their DOOH efforts leading to a clear communication platform of brands with their audiences.

7. Focused Reach will Lower Expenses

In the past, out-of-home advertising focused on a broader audience to get access to specific demographics. The "fishing" approach doesn't work anymore. In the future, outdoor advertising will be able to reach target customer who brands want to reach and whenever they want to reach them.

This is all possible due to improved media measurement tools allowing brands to get in-depth insights of their consumers. Large quantities of data will be analyzed and leveraged by brands without wasting the advertisement budget and time.

In 2021, outdoor advertising ads will be equipped with Bluetooth beacons to broadcast information of the audience who interacted with the ad. Using the information, advertisers would make adjustments to tailor the ad according to the needs and wants of the consumers in that particular location. Such changes will significantly increase the

chances of an outdoor ad to be noticed by the targeted audience. Overall, the data will be collected to improve campaign targeting and for delivering a more contextually relevant advert.

8. Outdoor Advertising will get more Creative

This year, managers will need to take a data-driven approach to advertisement. Using the power of data science, companies can laser-target their desired demographics to use campaign budgets, effectively. Just like digital marketing technology, beacons, radio beams, and the Internet can be used to understand the pattern of interaction for outdoor advertisements. Ultimately, managers will need to come with innovative ideas on how they can use the “big data” to streamline outdoor advertising models.

9. Further development of programmatic DOOH

Programmatic is still developing with DOOH advertising – and it didn't quite develop as expected in 2019. Yet, we fully expect it to advance further in 2020.

Indeed, Programmatic DOOH is the vision of bringing real-time bidding to DOOH. This is where an advertiser can bid for an audience on a marketplace (much like in display). This is not something the industry is currently able to deliver.

Some of the out-of-home ad industry's biggest players have signaled their intent to deliver more programmatically executed campaigns in real-time by partnering with Adsquare, a mobile-first data exchange with integrations with some major DMPs.

This technology enables advertisers to choose DOOH ads, like digital ad inventory, with poster frame locations based on audience, as well as spatial and movement data.

Though a note of caution! While this is a step in the right direction, programmatic DOOH in 2020 will ultimately be what advertisers want and need once more digital signage is made accessible as digital ad inventory, across a variety of ad tech providers.

10. The growing profitability of DOOH

Digital out-of-home is starting to offer brands brilliant ROI. Results from a recent Talon and Benchmarketing study, of 112 brands over five years, found that DOOH delivers “strongly” against its premium price point.

The study indicates that when performing an OOH campaign, and using DOOH as part of it, there is an incremental return on investment of 46c for every \$1 spent. Thus, there was an increase in profit when campaigns used a higher share of DOOH. What's more, if using advanced agnostic ad creators, such as Bannerflow Studio, you can create digital signage ads at the same time as your display and social campaigns. Further improving the ROI for your brand.

11. Remembering it's all about location location, location!

Sounds obvious, right?! Wrong. In the rush to develop and get DOOH advertising up and running, some brands and agencies have forgotten a fundamental element of OOH: location!

The very best OOH ads interact and compliment their environment through copy, imagery and creative endeavors. Innovation coach at SKY, Dino Burbidge, gets to the heart of the matter in an interview with The Drum. “[They] sit in the heart of the community. If you start going down the same route as online did, you tend to start having generic adverts that move away from smart local thinking”.

Just like the best dynamic creative optimization (DCO) campaigns in online display, generic ads do not connect with viewers. No matter the sheer size of your ad! DOOH offers the opportunity for the easy use of location data or tailoring of OOH ads – not lazy mass- production of the same ad.

12. Creativity and digital out-of-home

Early adopters of digital out-of-home produced some of the most creative and effective ads in the industry. Yet, somewhere along the line as more brands and programmatic players came into the DOOH market, everything got a bit bland and samey. Just like

display advertising, “easier to produce” doesn’t necessarily result in better or more effective ads.

2020 we believe will see brands remember that DOOH is a completely different channel. The same ad online (or static and in print) does not translate automatically into an engaging DOOH ad. DOOH is one of the most creative media outlets available for marketers and the addition of actionable data opens up new possibilities to be creatively effective.

Indeed, according to Neil Morris, founder and CEO of Grand Visual & QDOT:

“dynamically optimized creative goes hand in hand with better audience targeting and programmatic trading [...] these three will move DOOH effectiveness and efficiency to a completely different level”. DOOH, much like display advertising, will adopt DCO strategies to produce ads that are best creative, at the best moment, in the best location.

Existing Out of Home Advertising Rates in

LA

Los Angeles

Billboard Ads	Range of \$1,900 - \$25,000 per display per 4 week period.
Bus Ads	Range of \$500 - \$6,500 per display per 4 week period for bus exterior and range of \$20 - \$50 per display per 4 week period for bus interior.
Bus Stop Shelter Ads	Range of \$1,500 - \$3,500 per display per 4 week period.
Bench Ads	Range of \$300 - \$500 per display per 4 week period.
Mall Ads	Range of \$1,250 - \$2,500 per display per 4 week period.
Airport Ads	Range of \$9,500 - \$34,500 per display per 4 week period.
Taxi Ads	Range of \$400 - \$500 per display per 4 week period.
Train-Rail Ads	Range of \$95 - \$750 per display per 4 week period.

Other Locations

San Francisco

Billboard Ads	Range of \$6,500 - \$19,000 per display per 4 week period.
Bus Ads	Range of \$650 - \$6,900 per display per 4 week period for bus exterior and range of \$40 - \$80 per display per 4 week period for bus interior.
Bus Stop Shelter Ads	Range of \$950 - \$3,500 per display per 4 week period.
Mall Ads	Range of \$1,450 - \$3,500 per display per 4 week period.
Airport Ads	Range of \$9,900 - \$74,500 per display per 4 week period.
Taxi Ads	Range of \$395 - \$525 per display per 4 week period.
Train-Rail Ads	Range of \$150 - \$2,450 per display per 4 week period.

Dallas

Billboard Ads	Range of \$2,900 - \$19,000 per display per 4 week period.
Bus Ads	Range of \$490 - \$4,900 per display per 4 week period for bus exterior and range of \$35 - \$75 per display per 4 week period for bus interior.
Bus Stop Shelter Ads	Range of \$950 - \$2,200 per display per 4 week period.
Mall Ads	Range of \$850 - \$1,900 per display per 4 week period.
Airport Ads	Range of \$7,800 - \$39,900 per display per 4 week period.
Taxi Ads	Range of \$315 - \$525 per display per 4 week period.
Train-Rail Ads	Range of \$125 - \$1,750 per display per 4 week period.

Atlanta

Billboard Ads	Range of \$2,500 - \$15,000 per display per 4 week period.
Bus Ads	Range of \$350 - \$4,500 per display per 4 week period for bus exterior and range of \$35 - \$75 per display per 4 week period for bus interior.
Bus Stop Shelter Ads	Range of \$500 - \$1,000 per display per 4 week period.
Mall Ads	Range of \$950 - \$1,900 per display per 4 week period.
Airport Ads	Range of \$8,900 - \$29,500 per display per 4 week period.
Taxi Ads	Range of \$300 - \$500 per display per 4 week period.
Train-Rail Ads	Range of \$75 - \$1,250 per display per 4 week period.

Chicago

Billboard Ads	Range of \$4,500 - \$25,000 per display per 4 week period.
Bus Ads	Range of \$450 - \$7,500 per display per 4 week period for bus exterior and range of \$40 - \$80 per display per 4 week period for bus interior.
Bus Stop Shelter Ads	Range of \$950 - \$5,500 per display per 4 week period.
Bench Ads	Range of \$400 - \$600 per display per 4 week period.
Mall Ads	Range of \$950 - \$2,500 per display per 4 week period.
Airport Ads	Range of \$9,500 - \$54,500 per display per 4 week period.

Taxi Ads	Range of \$350 - \$550 per display per 4 week period.
Train-Rail Ads	Range of \$100 - \$1,250 per display per 4 week period.

Seattle

Bulletin (Large Billboard)	\$4,000
Digital Bulletin (Large Digital Billboard)	\$5,000
Poster (Medium Billboard)	\$1,450
Digital Poster (Medium Digital Billboard)	\$2,000

Recommended Price

We estimate that the digital trailer advertising could be sold between \$1,250 - \$3,600 per truck per 8 hour period with a minimum booking spend of \$5000.

Earnings Potential

Based on the prices above and a small anticipated market share we expect the following revenue. Note, this is the maximum earnings potential and doesn't make any consideration for the difficulty in acquiring customers:

Region	Current Levels	Expanded Levels
Los Angeles	-\$800,000	-\$2.5million

San Francisco	-\$875,000	-\$2.5million
Dallas	-\$500,000	-\$1.5million
Chicago	-\$500,000	-\$1.5million
Atlanta	-\$425,000	-\$1million
Seattle	-\$355,000	-\$1million
Total Revenue	-\$2,655,000	-\$7.5million