

Media & Marketing Europe: Comment Article Outline - 3rd September 2003

What makes successful Out of Home TV (OHTV)?

As more and more OHTV networks appear in both the US and Europe, the debate over what makes a successful outdoor media network has grown more intense.

Important too, is to recognize the two different categories of network – outdoor advertising networks and private retail or brand promotion channels.

The range of these new networks today is already large and the potential for more endless – the first networks in retail chains, public transport, petrol forecourts, hairdressers, surgeries, pubs and clubs, and washrooms have been done and other locations such as lifts, airports, taxis, schools, hospitals, public buildings, hotels, kiosks and vending machines will inevitably follow.

The benefits to advertisers of these kinds of network are unique:

- Accuracy of delivery – right to the point of purchase
- Direct response - the ability to activate direct response to advertising content and turn messaging into sales
- Flexibility – the ability to dynamically update and change messages throughout the day and by location, keeping branding fresh and relevant
- Measurement – the ability through motion sensors, touch screen and bar code scanning accessories to accurately measure how many people saw and investigated what
- Leverage wider brand spend – the ability to improve ROI on wider brand advertising campaigns by re-messaging and prompting in-store right at the point of purchase
- Lifestyle continuity – the ability to “track” consumers through their working and personal lives by building and delivering campaigns across a number of different networks from home to work to the shops and back home again, maximizing the impact of different brand messages at different points in the target consumer's day.

All in all, OHTV networks add up to a new, dynamic and cost-efficient execution channel for creative brand campaigns.

It is too early to gauge the success of many of these networks but there are already some powerful indicators of their performance in terms of brand recall and their ability to influence customer-buying behaviour at the point of purchase.

In the area of private retail and brand channel networks, a recent Mintel report in the US showed that on average customers visited stores with digital media twice as often as stores without it, they spent an average 5% more time in stores with digital media, spent an average 10% more and impulse purchasing was twice as high as normally expected. Equally, the attraction of outdoor advertising networks to investors was recently demonstrated by the ability of Captivate, a US elevator network, to raise US\$100m in funding. However, there have also been the first failures with Forecourt TV closing at the end of last year.

The answer to what makes a successful OHTV network of either type lies in the same fundamentals of all successful advertising: **attractiveness and relevance of the message, achieving a critical mass of viewers, a cost-effective and robust delivery mechanism and accurate, transparent accountability and measurement of results.**

Those networks that fail are likely to have failed to deliver against one or more of these key success factors. It is important for all potential network owners to realize that just because new digital media systems allow them to advertise just about anywhere, anytime this in itself is no recipe for success. Advertising on recycling bins may seem a good idea to some but many brands will not want to be associated with bins – of any type!

Each network environment is unique with different customer footfall and products on offer. A successful network, of whichever type, is a combination of good locations and positive associations, the profile of the audience, how captive it is and how long it is captive for and of course, the right video delivery system. It is this combination that determines the value of the captive moment to advertisers and getting the revenue to cost ratio right for network owners.



So what are some of the watch-outs for a new OHTV network?

Attractiveness and relevancy of the message – It is critical to develop a dynamic and environment-consistent communications strategy. Customers are increasingly “mode” orientated and favour media channels that engage rather than interrupt them. Pure advertising content can be seen as repetitive and intrusive when what customers are seeking is 1 to 1 **relevant** interaction and demonstration or simulation of brand benefits. What is relevant information in a supermarket aisle is often very different to what is relevant on a station platform. Often the most successful content is a mix of advertising and entertainment. Successful networks will focus on getting that mix right, communicating engaging information relevant to the environment.

Achieving critical mass – although OHTV networks are more highly targeted marketing tools than many ATL media formats, they still need to achieve the minimum audience requirements demanded by media planners and buyers. Networks should look at complimentary link ups and broker network space to maximize their reach and impact - in the morning at the supermarket, in the afternoon on the high street, in the forecourts on the way home, in the hairdressers at the weekends – enabling media buyers to build powerful lifestyle campaigns.

Cost-effective and robust delivery mechanisms – potential network owners should carefully consider the pros and cons of different technology options. Successful networks need their content to be remotely controlled and updateable via a range of connectivity options including fixed line, wireless and satellite, enable accessories such as motion sensors and bar code scanners to be fitted and handle all VHS, MPEG, JPEG, FLASH and HTML file formats.

PC-based systems offer the widest functionality but are expensive, often hang and rarely is more than a fraction of their functionality required. DVD-or video player-based systems can be very cheap but are not designed for continual play, often requiring cooling down periods each day and regular component replacement. The most successful media systems combine solid state, no moving part technology.

Accountability and measurement – like any advertising medium, OHTV networks need to accurately measure their audience reach, CPM, number and type of consumer interactions and system performance. In the future the best may offer compatibility with existing retail EPOS and loyalty card schemes to improve the ability to measure the sales impacts of different campaigns.

Consumers are looking for new communication mediums that bring product and service offerings alive – more personalised information and demonstration at particular places at particular times. The unique mix of video, time, location and relevance possible with OHTV networks will make them a viable alternative to traditional ATL media but they will have to get the fundamentals right too.