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PS

News and comments on the outdoor industry from Posterscope

Forum

The Power of the Big Canvas

48/96 sheets still provide big impact, but with coverage too!

If it wasn't for the intrusion of the internet, Out-of-Home would have sole ownership rights to the top spot in the fastest-growing medium chart. Helped by a rash of innovative new formats, it has continued to attract more cash from clients. There has been the growth of giant banners, a new generation of spectaculars, as well as constant innovation in the 6 sheet arena. Add in the arrival of digital technology and plasma screens and you've got a very vibrant medium. But in the quest for the new, is outdoor in danger of diverting attention away from its core products? Demand for 48 and 96 sheets is down by 5-10% this year and occupancy is also lower than it has been for some time. Is the advertising market forgetting the fact that great creative work can find a happy home on these more traditional formats?

Stevie Spring, chief executive at Clear Channel UK, says one reason demand appears down is that the outdoor business has been so good at developing supply. "Look at how well outdoor's been doing in growth terms. Supply development is currently running ahead of the demand curve," she says. "You only need a few clients to either move away from large formats to smaller formats or spend their money on specials and banners to make the rather marginal change you are seeing. Outdoor budgets have gone up, but they are being spread across more and more products."

Suggestions that banners and specials are taking over the shop are merely an example of media's continual quest for the new. "If you've ever sat in a client meeting of any description most of the conversations are about innovation, new, different. The icing on the cake rather than the cake itself," she says.

"96 sheets are still the only totally national answer," she says. "Ninety-nine per cent of specials development is based in London. So outside London 96s are the prime high impact format and still deliver fantastic campaigns."

Peter Thomson, managing director of M2M, says the traditional formats are still fighting against their old reputations. "The inventory is massively improved, but perception is lagging 18 months to two years behind it," he says.

And, he suggests, recent changes in Postar will also help the larger formats justify their place on the schedule. Until recently the research currency treated an opportunity to see on a 6 sheet as the same as a 48 sheet. "The introduction of duration-adjusted cover will go some way towards remedying that," he says.

Thomson adds that the continuing fragmentation of the TV audience can only boost the appeal of the larger formats. "I do think as TV becomes more and more fragmented 48 sheets and 96 sheets will come back into their own, although I do think there's been a dearth of creativity in the last few years," he says.

Justin Tindall, head of art at DDB London, suggests that any downturn is due to the development of new formats by the industry. "If there's a downturn it's due to what are perceived to be sexier formats and they're all backlit. Media buyers are seeing an opportunity to place ads in what could be argued are fresher formats," he says. Tindall says the message for these formats should be based on their ubiquity. "Broadcast, by definition, is about reach," he says. "48s and 96s are now the best way to talk to a lot people over a wider area, which used to be the domain of TV. But not any longer because there's millions of channels. And you can't TiVo a poster."

Jeremy Male, UK and Northern Europe chief executive at JC Decaux, says that anyone analysing the drop in usage of traditional billboard formats needs to remember that many of the special sites were once 48s or 96 sheets.

"Most good backlit locations come out of a previous site," he says. "That means that generally your growth, in that area of the market, is always going to be lower than any other area because you are doing it within a decreasing inventory." Although

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>
> "If you are looking to deliver coverage you need to use 96 and 48-sheets"
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>
> "You can't TiVo a poster."
> Justin Tindall, DDB London

Forum

he stresses that the success of the medium means the current drop in demand for traditional formats should be seen as a minor blemish on its otherwise excellent record, there may be things that can be done. “As an industry we could be accused of not driving home sufficiently the importance of the broadcast nature of our medium in terms of getting that really high reach and frequency. A couple of banners can make a statement about a brand but it isn’t a media campaign,” he says.

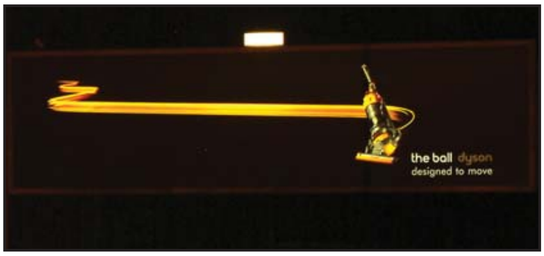
Jacqui Kean, brand marketing manager at The Economist, which has been a stalwart of the traditional formats and is about to launch a new campaign in this month (April) agrees. “If you are looking to deliver coverage you need to use 96 and 48 sheets. Banners and specials do not deliver coverage they deliver impact,” she says. “You need to get your base campaign delivering optimum levels of coverage and then you can think about whether there is a special we can use to maximize effect.” And she adds that 96 sheets can deliver impact as well. “I still think a 96 sheet with a two word headline is massively impactful.”

David Kershaw, chief executive at M&C Saatchi, says that creatives love big canvasses and certainly haven’t gone off them. “The 48 and 96 sheet is still the most impactful creative canvas you could ask for,” he says. He argues that if anyone’s been tempted away by the lure of the new format it’s likely to be the media agencies. “Media people are more prone to novelty,” he says. “Sometimes new formats can give you great creative impact but in no way does that take away from 48s and 96 sheets. Creative people love big canvases. They love DPS, 90-second TV ads and they love 48s and 96 sheets,” he says.

And he says that we can expect to see traditional outdoor formats featuring in the political parties’ ad campaigns in the run up to the election, given the rival parties’ need for short, sharp and highly impactful advertising. “As we speak copy is being pasted up on 48s and 96 sheets,” he says. “You can get big stature and it’s public. It’s also a message that exudes confidence. It’s hard not to look like a big confident brand when you’re plastered all over 48 sheet sites across a city.”

Case studies

Client: Dyson Project: Launch of The Ball



Dyson returned to Outdoor after an absence of a few years to launch its new model, The Ball – and with spectacular results.
The campaign was 100% backlit, and involved a special production technique to ensure that the black background was really, really black, thus making the distinctive creative work as powerful as possible, and emphasizing the tease element of the campaign, which showed only the ball itself - with the reveal displaying the whole model.
The campaign ran for a month on hand-picked sites in key cities: London, Manchester, Birmingham and Glasgow.

Media agency: Walker Media

Client: Condé Nast Project: Easy Living

A creative brainstorm at Posterscope led to a new campaign for Condé Nast’s Easy Living, which leveraged the magazine’s distinctive design and visually underlined its “for all the women you are” tag-line.

We designed a special frame for the 96 sheet sites which featured the striped colours of the magazine’s own tabs, that lead readers to the different sections. This striking frame was given further impact by being lit (separately from the lighting on the sites themselves). The campaign ran for a month in key cities.

Media agency: MGOMD

Client: C4 Project: Jamie’s School Dinners

Posterscope’s work for C4’s series Jamie’s School Dinners cleverly exploited the potential of the “Chameleon” technique that allows creative work to change from day to night.
The campaign – the biggest ever to use the Chameleon technique – showed an apparently straightforward shot of Jamie Oliver during the day; but at night, “graffiti” appeared displaying the schoolkids’ initial reaction to his food, with comments such as “this bloke can’t cook” and “stick your carrots up your…”
The night-time creative was activated by the street lights coming on, ensuring that the changeover occurred at the right time. The campaign helped build an initial audience for the show, which went on to become a national talking point.

Media agency: OMD

Worldwide

The Evolution of JNOR in Ireland

New research should be worth the wait

As in many other countries Out-of-Home advertising is becoming an increasingly big player in Ireland's media landscape. Apart from its unique qualities in reaching a diverse audience, additional factors such as fragmentation of other media, increasing urbanisation and lifestyle changes have all played their part in pushing it to front of mind for media planners and advertisers. Traffic gridlock has increased exposure to OOH both in terms of number and duration of sightings. There are now over 2 million vehicles on Irish roads, a 60% increase in the last decade. The most recent census in 2002 showed that workers travelled on average 9.8 miles from their homes to their workplaces, a rise of 33% from six years earlier. As the audience has grown so has the medium. Last year OOH accounted for 8% of the total media spend of €1.37 billion, up from 5% share in 1995 when advertising spend was only a quarter of what it is now. Developments within the sector over that time have included the full incorporation of the fortnightly cycle, posting validation inspections and reporting, and major investment by the contractors in presentation. As in other markets outdoor in Ireland has seen both consolidation of ownership in the standard formats and a vast number of new ambient opportunities coming on-stream.

OOH's increased importance has only served to highlight the absence of an industry-wide audience measurement system. Research is already well established in many European markets and others are on the way. In Ireland, Joint National Poster Research, which was initially launched here in the early 1990s, was thought to be the solution. Unfortunately this research was not properly incorporated by the industry in its day to day processes and as the data became dated, confidence in the whole programme diminished. Otherwise, much of the research was awareness based and while bespoke campaign effectiveness studies have their uses they did little to facilitate better media planning going forward. It was recognised within the industry that any new audience research must be fully inclusive and take advantage of international learnings on the subject.

From this starting point and under the auspices of the Outdoor Media Association (OMA) the main outdoor media owners and specialists committed to the development of Joint National Outdoor Research (JNOR), comprising the major media owners, OOH specialists, and with key advertising bodies such as the Advertising Association of Ireland (AAI) and the Institute of Advertising Practitioners in Ireland (IAPI) consulted at every stage. Neil Eddleston, Managing Director of London-based JCDecaux WorldLink who sits on the POSTAR board in the UK and Simon Cooper, a Senior Technical Consultant with POSTAR, have both worked on the project from its earliest stages. Now five years on and much painstaking work later, the project is near completion.

We believe that JNOR will revolutionise the OOH market, with advertisers seeing a clear return on investment for their OOH spend; posters will be sold on the basis of audience rather than sites, with demographic profiling allowing better targeting; improved accountability will help justify its inclusion on mixed media schedules and allow cross-media comparison, analysing both roadside and non-roadside formats, based on Visibility Adjusted Contacts, rather than the more simplistic OTS measurement. There will be a number of other special features in JNOR which will highlight the weaknesses of other industry media research in delivering true audience data. The challenge now for the outdoor industry is to effectively demonstrate the strength of the medium over other media and rightfully claim a greater share of spend.

Posterscope in Ireland has been very involved in, and committed to, JNOR and has been able to bring to the table our experience from POSTAR and other industry research systems that we participate in from Posterscope Worldwide. JNOR is the final piece of the jigsaw for our existing suite of PRISM tools, which, until now, we have been unable to fully exploit due to the absence of audience data. We can't wait!

Michael O'Mahony
Managing Director,
Posterscope Ireland

hyperspace

Some of the latest developments in the world of digital OOH

Ride on Time
Theme park media have installed screens at some of the country's largest theme parks, owned by The Tusssauds Group. Plasma/LCD screens are located in the queues as you wait to board the rides within Madame Tussauds, Alton Towers, Chessington World of Adventure and Thorpe Park.

Local screens for local people
Firebrand Media are installing a network of convenience store plasma screens showing entertainment, news and weather, plus ads, within Sainsburys Local joint venture stores. The initial rollout will be in the "Sainsburys at Jacksons" estate in Yorkshire and the East Midlands, giving a network of 115 stores by the beginning of April.

Sainsburys TV

Gala Group bingo clubs and casinos now have digital screens

Pukka!
Separately, Sainsburys are trialing a Tesco TV style network within main supermarkets. The test will cover 6 stores and at present they are requesting that advertisers make a 6 month paid-for booking. Rates requested are the subject of much dispute, but your Posterscope contact will be able to assist with evaluation.

Screens have bingo-ing mad
From 1st April, screens with advertising will be launched in 166 bingo clubs and 29 casinos operated by Gala Group. Brightspace will be handling content including music videos plus non-audio advertising.

DEP's - Digital Escalator Panels
As first mentioned in the Hyperspace newsletter 'Don't Believe the Hype' back in August 2004, Viacom have now installed their trial of digital screen escalator panels. 66 screens will line either side of the main escalator at Tottenham Court Road station with space being shared by five advertisers together with London Underground's own information. Each screen can be individually remotely addressed hence animated copy can be synchronised to allow the ads to 'follow' passengers up or down the escalators. On-site testing has already started, with the official trial commencing from 2nd May. This is a long term trial to assess how best to use the medium and will also look at the effect on passengers from London Underground's perspective. There are no immediate plans to roll this out to other stations but if the trial is sucessful, expansion is inevitable.

Other Digital Developments
Cabvision are upgrading their screens in the backs of London taxis and will be rolling out to 1000 cabs shortly, showing passengers a combination of programming and ads.

AvantiScreenmedia, the operator of bar screen networks are extending their porfolio to include shopping centres and these screens will also have sound. Screens have been in place inside buses across central London for a number of years now and this concept is now rolling out to Glasgow with 20 buses running on city centre based routes.

Digital Escalator Panels

Theme park media

Opinion

It's the research, stupid

The drive towards industry wide OOH research worldwide will pay rich dividends

We've just returned from our second Worldwide seminar attended by more than 50 business leaders from our 30+ offices across the globe. Not surprisingly, there were many hot topics. And perhaps also not surprisingly, there were strong threads in common between the most mature and most emergent markets.

One of them is most definitely research. We are firmly on record in our advocacy and support of industry-wide, industry-sponsored research as being one of the prime movers in growing spend and advertiser confidence in the Out-of-Home medium. And the more markets that it applies to, the more that multi-market or global brands, wherever they are headquartered, will feel confident that they have comparable currencies and performance benchmarks.

It is unrealistic to expect the same level of research sophistication as we find in many Western European markets to be emulated throughout the world. There simply isn't the same level of consolidation among media owners, and without that consolidation the necessary level of investment is not readily forthcoming – the concept of harnessing the many hundreds of contractors in the Asia Pacific region with the same degree of agreement and financial commitment is unrealistic at this stage. However, even there the first steps towards a more rudimentary system could be taken. By contrast, the massive – but still under-spending (as a proportion of total adspend) – US market needs to catch up with Europe, and it needs to do so quickly, if its potential is to be fully realised.

GOOD RESEARCH MAY NOT BE CHEAP, BUT THIS REPRESENTS AN INCREDIBLE RETURN ON INVESTMENT

If anyone doubts that it's worth the effort, we would just offer the UK experience as an example. Between 1996, Postar's first full year of operation, and 2004 Out-of-Home in the UK aggregated revenue of £5.8 billion, and grew its share of display ad spend from 6% to in excess of 9%. We are often asked what part research played in this very considerable growth in share and, therefore, revenue. Our view is that it accounted for perhaps 20%. The value of Postar can thus be expressed as more than £250 million additional revenue to the industry – good research may not be cheap but this represents an incredible return on investment.

Even if this effect cannot be guaranteed to be replicated universally with exactly the same success, the strong indications would be that, supported by all parties, real progress could be achieved in OOH measurement.

News

The OAA has announced that total UK OOH revenue rose by 7.8% in 2004 v's 2003, to a total expenditure of £847,778,137. This pushed OOH's share of display advertising up to 9.3%

Maiden have announced their preliminary results for 2004.
The headlines are:

- Turnover up 4.5% to £92.1 million
- Profit before amortisation, goodwill, and exceptionals up 33% to £7.0 million
- Pre Tax profit rises to £0.9million
- Total dividend held at 6.0p per share

Revenues for the first quarter of 2005 were reported to be 5% ahead, over the same period last year.

Maiden have renewed their contract with Lend Lease for advertising in four prestigious malls. The contract worth £22,million is for a 10 year period, and allows the management of 271x 6 sheet sites across Bluewater in Kent, Touchwood in Solihill, Overgate in Dundee and Golden Square in Warrington.

Maiden have also raised £10million (net of costs) through a 2 for 19 rights issue at £2.10 per share. This will fund capital investment in their roadside, transport and retail estates.

Viacom Group has announced its results for 2004. Outdoor revenue accounted for 8.3% of total revenue, and was up 8% at $1,880,200,000.

In the UK Viacom has been awarded a 5 year contract for OOH on the Tyne & Wear Metro by Nexus. This contract was previously operated in house, and is estimated to be worth £10m.

Clear Channel Comunications have announced their 2004 results. Outdoor revenue was up 13% to $2,447,040,000, and accounted for 26% of total revenue. In the UK street furniture performed well, whilst a difficult competitive environment was reported for billboards.

A new industry association is being formed to represent those operating in the digital screen OOH sector.

The body, entitled 'The Screen', will have representation from a range of interested parties, including Hyperspace, media owners, and technology providers.

JC Decaux has reported a 6% increase in revenues for Q1 2005 @ €379.7m vs Q1 2004.

In the UK double digit growth was indicated for street furniture and transport, with a moderate increase in the billboard sector.

The market

OOH is an incredibly dynamic market. The breadth of environments and the diversity of communication platforms ensure that there is a wide range of market segments. These are brought to market by approximately 200 media owners.

Some of these discrete areas and site types continue to perform solidly, but in the mainstream of market demand 2005 has so far been a bit of a roller-coaster. First quarter results are still to be published, but the PRISM Price index indicates that demand has generally been strong, and real growth will have been achieved in this period. Our current estimate is 11%. It is expected however that this will be followed by a sharp fall across April, and the early part of May, before another upswing takes effect into June. PRISM Forecast currently indicates that demand is strengthening into the summer, although average leadtimes across the market remain short at 8 weeks prior to in-charge.

Our second quarter full year forecast is for an industry growth of 6% vs 2004.

Unit price index (Q1 2005)

6-sheet	+9%
48-sheet	+1%
96-sheet	+6%

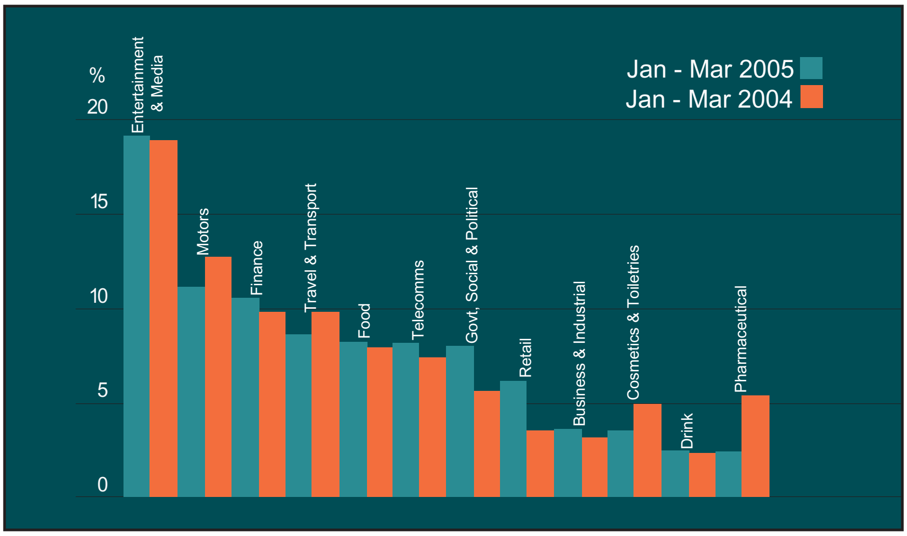
Source PRISM

Percentage of revenue by format Jan - Mar 2005 and 2004

Bus	13.1%	11.1%
Tube	12.8%	14.3%
6 sheets	38.4%	36.2%
48 sheets	14.9%	19.8%
96 sheets	5.2%	9.9%
Specials	15.6%	8.7%

Source: Nielsen Media Research

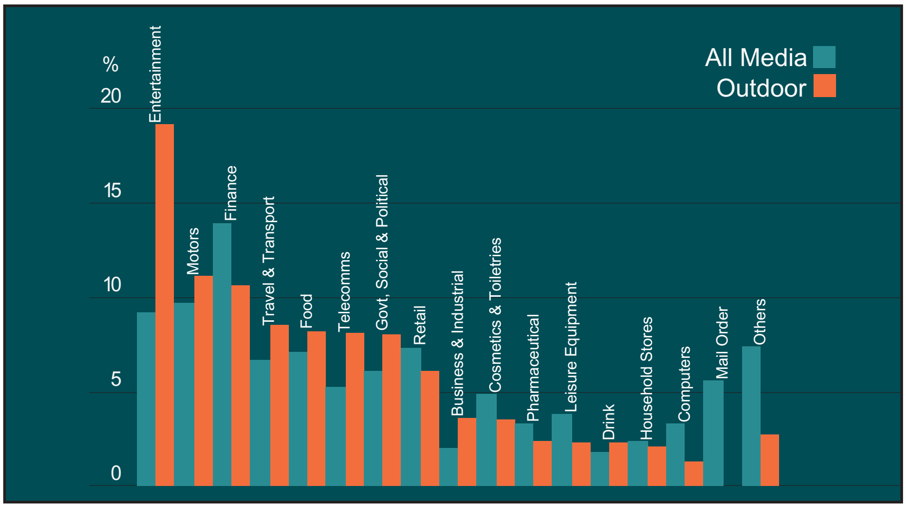
Outdoor expenditure by sector (year on year)



Source: Nielsen Media Research

The growth in the 1st Quarter 2005 for Out-of-Home has come from Finance, Food, Telecomms, Retail and unsurprisingly Government, Social & Political. The mobile network providers are all represented – Vodafone, O2 , Orange and T Mobile – alongside the mobile manufacturers Nokia, Sony and Samsung. Motoring at 11.1% of the Out-of-Home spend is the second most important category for the medium and while the large roadside formats are central to car campaigns, advertisers have been using 6 sheets to communicate more product information. Looking at share of spend, Finance accounts for 13.9% of total advertising across Jan-Mar 2005, but only 10.6% in Out-of-Home; but period-on-period Finance has grown for the medium.

Outdoor expenditure vs Total Media expenditure (Share by category Q1 2005)



Source: Nielsen Media Research

Growing the Out-of-Home medium

Posterscope is the UK's leading OOH communications agency.

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