

Making sense of 'out of home'

Out of home advertising (OOH) essentially reaches the consumer while he or she is outside the home. This is in contrast to broadcast, print and internet advertising. OOH, therefore, is focused on marketing to consumers when they are 'on the go' in public places, in transit, waiting (such as in a medical office), and/or in specific commercial locations (such as in a retail venue). Outdoor advertising formats fall into four main categories: billboards, street furniture, transit and alternative.

OOH LA LA!

**Wassup
Twenty10**

The second of a five-part series on what media and advertising experts foresee for the year 2010

The space is inviting and open to innovations

Ishan Raina

The out-of-home TV medium itself in India is three years old and still in its infancy. But the medium has grown a lot as compared to what it was three years back. Today, people understand this medium and its future prospects. The need for reaching out to consumers where they go, the changes in the consumer lifestyles, the increase in time spent out of home and media fragmentation has led to the growth of this industry.

The digital format is focused on marketing to consumers when they are 'on the go' in public places, as a majority of this population spends most of its time out of home in places like malls, multiplexes, offices, restaurants, gymnasium, bookstores, clubs etc.

OOH media plays the role of a strong emerging medium in all these places.

The economic slowdown had its effect on both the global as well as Indian market. This has led to several changes in the industry, media and the advertising spends. There was uncertainty about spending due to the slowdown. Companies started getting constrained with ad spends and made sure that they are spending the money effectively. They started looking at various media options to get maximum value for their money.

Companies felt the pinch of spending on advertising, which led them to experiment with new mediums. The industry did suffer in 2009, and clients and media agencies started moving out of their comfort zone and looking at focused and cost-effective options for reaching consumers, and that's where we became an important media vehicle for the clients.

The OOH medium adds dynamism to advertisers' existing media plan, and offers reach amongst dark and fragmented media users. The economic slowdown had its effect on OOH Media as well like any other media company. We have had an increase in the number of clients, but have had to decrease our prices by almost 30% to stay competitive.

The OOH space seems to be a lot more inviting, and open to innovations. However, many more clients and categories will have to be added. In general, the space is expected to see tremendous growth in the future, given the expected infrastructural growth, increased amount of time spent outside home, and the general economic boom in the coming years.

Of course, OOH has its own limitation to provide. Audience-led research on a similarity with other media to generate traffic, cover and frequency estimates. We as an OOH company understood the gap in the understanding of the medium and initiated OOH Metrics, which is today India's first-ever large-scale digital out-of-home TV research. We conducted this research in association with Nielsen, with a sample size of 15,000 — the largest ever taken for any study done so far.

The objective was to understand the demographic profile and audience reach across our locations. While the world is moving from broadcasting to narrowcasting, we at OOH Media believe in Flexicasting. That's the new media planning tool innovated by OOH Media. Flexicasting helps advertisers to communicate differently to the different target audience, depending on their product offering. It provides the flexibility to advertisers to telecast brand communication on OOH Media screens as per their choice of city, location, target audience, creative and language.

We always believe in experimenting to provide more value to advertisers. We try and customise the media plan for every advertiser so as to provide maximum value to the brand. We also try and experiment to create more hype for the brand. For instance, Maruti made the best use of Flexicasting to run ads suiting the target audience for each brand.

Tata Sky used us for contextual advertising i.e., we created different creatives for multiplexes, malls, etc. For the launch of the Nokia E75, we had converted many of our screens into the Nokia E75 phone. The conversion was done in such a way that consumers actually got a complete idea about the look of the E75.

2010 will also be a challenging year, but our role as leaders of this industry will be to keep building relevance of this medium to clients, so that not just OOH Media but the entire industry benefits.

The writer is CEO, OOH Media

The Indian outdoor market has been very fragmented, with little enforcement of regulations. Only in recent years has this market become more systematic and streamlined in operations, with particular bright spots in ambient displays and airports. Because the market is so fragmented, pricing tends to remain low and competitive. Although the majority of outdoor advertising spend is concentrated in the major cities, Tier 2 markets will also be seeing growth as advertisers, especially telcos, look to expand into those markets. Digital outdoor advertising exists, but is still in its developmental stages. According to the Magna Global Advertising Forecast Report, outdoor advertising in India is set to grow by 17% between 2010 and 2015. **Anoop Chugh** asks experts to predict the scenario in India in 2010.



Billboards turn sexy!

Mandeep Malhotra

The current economic downturn will have little or no impact on most of the driving forces that have made outdoor advertising so popular and valuable today. One of the key reasons for the rise in popularity of outdoor advertising has been the drastic decline in value of all other forms of advertising media. In the presence of vast entertainment options right — from mp3 players to youtube — the entire business models for most media are in jeopardy and there does not seem to be light at the end of the tunnel. As the competition for advertising dollars declines, it just naturally buoys up the outdoor industry.

In India: Telecommunication (OOH's largest consumer at 43%) will play a very important role in outdoor advertising because this year, a host of new players like Datacom, Tata Docomo, MTS, Reliance GSM, Unitech, etc have launched services. In 2008, the total OOH advertising expenditure was Rs 1,455 crore and is projected to grow to Rs 2,100 crore by PricewaterhouseCoopers

Ever increasing: From longer commutes to more cars on the road, outdoor advertising just seems to be in the right place at the right time. It's amazing that after about 100 years of out-of-home, old & gothic outdoor advertising has emerged as best positioned amongst of all media. I believe a major credit goes to the internet — which has permanently disabled various media options

Most cost-effective: Nothing else can reach customers as affordably. Evaluating on the basis of cost per thousand (CPT) exposures, outdoor advertising is still the big winner over the other media. This is an excellent trait during the recession, as advertisers try to cut back on advertising that is considered too costly for the number of impressions it makes.

It's adaptable: When tobacco pulled out of outdoor advertising and overnight, about 50% of all billboard revenues vanished, people hit the streets and developed newer outdoor clients and immediately the vacancy vanished — tobacco's absence was no longer lamented. This reflects the volatile nature of the market.

When national ads pull back, locals fill the space. When locals pull back, the nationals step in. Now, signs can change and tell a story, and attract a whole new set of advertisers. Unlike other conventional media, which are effectively static, outdoor can morph into whatever is necessary to survive and thrive.

Outdoor advertising is sexy: With new forms of digital media like LCD & LED, ambient advertising is applauded as very creative. For the first time in its history, those old clunker billboards are strutting their stuff with the best of them.

The writer is senior vice-president, Primesite, Mudra Group

While a rebound is certainly being seen in the OOH sector, advertisers have looked carefully at their own policies and processes during the slowdown, and are far more cautious and return-on-investment focused.

Hence, while spends on the OOH sector are likely to increase in 2010 as compared to 2009, it would require media owners to substantially change the way the sector operates in order to take OOH to the next level.

OOH revenues will (as always) depend on the growth in telecom operators, the success of the IPO market, growth in the banking sector, construction, and in media companies promoting their content. But in order to really grow revenues, the sector needs to focus on three main areas. These include becoming a lead medium, ensuring a way to properly measure performance and gaining the trust of advertisers. We shall cover them in detail:

Graduate from a reminder medium to a lead medium: OOH continues to be used as a reminder medium, rather than a lead medium. Asset owners (and agencies) need to demonstrate the power of the medium to advertisers. There is a need to showcase large OOH-led campaigns (how many can you remember?), and prove the returns from the same, by getting the right creative people to harness the immense potential that OOH lends to creativity. The new street furniture contracts and modern transient media options provide a great opportunity to assist with the transition of the sector's image.

Enhance measurability: Most OOH is currently sold based on perception. As noted in the case of TV, print and radio, when measurability of performance is made available, spends on the medium increase. In the long run, data enables media buyers to demonstrate the return they achieved on their ad spends, and therefore increases their confidence and willingness to invest in that medium. The first few steps have been taken in this regard, but a lot more needs to be done.

Build transparency and trust: OOH has been plagued by issues pertaining to billing and delivery. This tends to reduce confidence in the sector. The ability to demonstrate delivery with a robust cost-plus billing approach (and a fair rate of commission) would be a catalyst in increasing the number of large national level campaigns.

The writer is segment champion-OOH, Ernst & Young's media & entertainment practice

In 2010, think big and put out a killer campaign

Ashish Pherwani

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The writer is chief operating officer, Navia Asia

Roads, power & smaller cities will provide support

Sriram Iyer

The global slowdown that began in the last quarter of 2008 continued till the end of the first two quarters of 2009. As a result, the economic situation in India too faced a downturn; not as dismal as opposed to some of the other markets, but the general market sentiment continued to be negative.

This was in part due to the global linkages of several key Indian players who were impacted by parent performance in other markets.

Historically, in times of recession, advertisers desist from experimenting with media and fall back on the medium which has traditionally offered them the best results. It was no surprise that when the slowdown hit India, most advertisers were treading cautiously and were wary of committing to marketing spends across untested new media. Thus, the OOH industry will end the year with a lacklustre performance due to lower occupancy levels in major metros, which are the major contributors.

The general elections in 2009 turned out to be saviour in propelling the occupancy levels for

the last quarter of 2009; as a result, India's GDP has seen a growth rate that is faster than the expected pace and analysts claim now that the Indian economy may have passed the worst. The Indian equity market is also getting back on track and during the third quarter, several listed companies reported profits.

The OOH industry is expected to grow at a cumulative 10.8% CAGR to reach Rs 2,500 crore in 2013. Growth would come from increasing infrastructure development projects and more contribution from tier1 and tier 2 cities to the overall OOH revenue mix.

The writer is chief operating officer, Navia Asia

FedEx Express unveils new global campaign

Two years after its last global advertising campaign, "Behind the Scenes", FedEx Express has launched a new global advertising campaign talking about the changing face of the global marketplace.

Titled "FedEx Delivers to a Changing World", the campaign highlights the brand's access to new markets, innovative solutions, support to local communities and connections to the world.

"We live in a world where the pace of change is unprecedented," said Andrew Self, vice-president, marketing & communications, FedEx Express Europe, Middle East, Indian Subcontinent and Africa. "At FedEx Express, we're aware that the needs of our customers are changing and we're committed to evolving our products and services to best meet the dynamic pace of the global marketplace. This new advertising campaign extends the strong legacy of the FedEx Express brand globally, illustrating how customers can count on FedEx to help them achieve business success."

Set against the backdrop of the world's financial markets and the pace of change in emerging markets, the creative platform for the new advertisements is built around visuals which help customers understand the need to benefit from the upturn in the economy to stay in business and survive.

The campaign includes five print and online advertisements that will run across the UK, Germany and India as well as Japan, China, South Korea, Mexico and Brazil.

Developed by BBDO Worldwide, the advertisements will run until the end of May 2010 in the Europe, Middle East, Indian Subcontinent and Africa region.



KNOW ME

NIPUN KAUSHAL
head - marketing,
ICICI Prudential Asset
Management

BIG IDEA

The big idea is to leverage the expertise & heritage of ICICI Prudential Mutual Fund to establish a dialogue with the target audience that addresses a latent need and makes the brand more financially inclusive.

With the slogan 'Aap ki tarakki, aap ke haath mein hai. Sahi investment karein. Tarakki karein', we are trying to convey that each one of us has an underlying need and we can achieve them by making the right investments. We don't have to depend upon others for our own progress.

Mutual fund investments should not be viewed as short-term investments. Our current campaign has been launched on television (GEC and regional channels) and on the internet as well. The message of progress would be carried in our product ads.

ROAD AHEAD

In the mutual fund industry the 'pull' factor is going to play a very important role. With the platform of 'Tarakki karein', our intent is to make mutual funds a more relevant product category to investors. Going ahead, 'Tarakki karein' will be cascaded across all our product communications.

EDUCATION

- MBA marketing, International Management Institute, New Delhi
- BE Mechanical, Karnataka University

CAREER GRAPH

ICICI Prudential AMC - Nov 2009 till date

Future Capital Holdings - Feb 2007-Nov 2009

CitiFinancial - March 2005-Feb 2007

Maruti Udyog - Jan 2003-March 2005

AutoMart India - June 2002-Jan 2003

Honda Motorcycle & Scooter India - Jan 2000-June 2002

BRAND I ADMIRE

ICICI Bank, Google, Honda, Maruti Suzuki, Apple