Outdoor is dead - well, not yet

Kolja Wehleit, Customer Data Analysis, looks at the prospects for outdoor, with the example of Switzerland's advanced marketplace as a guide

NOT TOO LONG ago, with the intro duction of mobile media to the advertising scene as the very latest and hottest instrument to grab the target group's attention by sending animated films and cartoons right to their cell-phone displays, classic out-of-home communication was said to be as good as dead. Again!

It appears that any new form of communication is considered to be another nail in out-of-home's coffin. In fact, one may consider the King's Herald - an early stage of audio mass communication - to be the first such nail.

Are out-of-home experts coming to their offices every morning to wait for the medium's gravedigger? Certainly not.

Obviously out-of-home, as the oldest form of advertising and mass communication, is still around.

Though new media made their step into the marketplace and got some funding from the advertising community, out-of-home is far from being old-fashioned and out-moded. Not only the new emerging advertising markets in Asia and Russia but also the well established marketplaces in Europe and the US recognise the key role of out-of-home media by including posters and traffic ads, ambient and public screens in most major campaigns. No serious brand will be launched, no new fashion line be worn without including out-of-home media in each communication masterplan.

Who is mistaken then?

Is any out-of-home client just very outdated when it comes to state-of-the-art media buying, or is any inventor wasting time and money, creating new media opportunities?

Depending on whom you ask, you will certainly get answers. The market is flooded with studies and surveys, to prove the value and quality of the new and additional media opportunities compared to any former competitor, in their hunt for just another bit of the industry's advertising spend. But, just as you will always find some research to base a good line of sales arguments on, you will also find some research that gives evidence of the direct opposite.

Who said 'never trust a survey you did not conduct yourself?

Though research does not really bring us much closer to the answer, it keeps a degree of tension and creativity within the media planning and buying process.

Let's return to the relevant question: what does work? Is out-of-home still an adequate instrument within the media mix?

To find some answers, we ought to look into a marketplace that has grown for quite a while among the circumstances today's advertising industry is now facing. Obviously such a laboratory environment is hard to find. Since no one knew 30 years ago about today's fragmented young target groups, which dare to change their media usage every now and then and more or less avoid any predictable track of behaviour, no long-term experiment was previously set up to help to find the best media mix.

The Swiss example

Switzerland is known for quite a bit of panorama, a fancy variety of chocolate, an audience of quite well-educated cows and a rather sophisticated design scene with a strong link to the out-of-home industry.

A closer look at the Swiss situation gives us a picture of a comparatively small but nevertheless highly fragmented marketplace. Due to history, the Swiss nation unites three, or if we are precise and include Romansch in our brief evaluation, four languages. Numerous other aspects differ between ethnic groups and also between local areas. Since neutrality and impartiality always were key issues in the Swiss philosophy, links to other countries and marketplaces are rather unstable and based on irregular occasions.

The difference between Geneva and Zurich might be just as big and faceted as the difference between the snobby banker on the banks of the River Thames and the shepherd in the Scottish Highlands. In comparison with the UK or any other large market, Switzerland, with a population of some 7.5 million, is by size and population just too small to give funds to highly selected target-group campaigns.

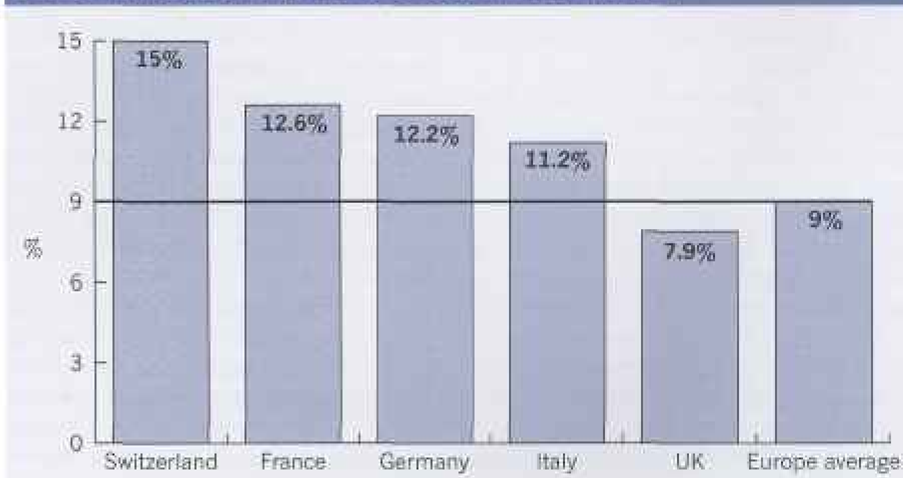
Why bother?

'So what - is there anything to learn from the Swiss market, unless you want to sell snowmobiles, fashionable cowbells or a selection of nuts (to add some more flavours to the variety of chocolate)?' one may ask.

Indeed there is much to learn from the Swiss advertising industry. History gave quite a few characteristics to Switzerland. ^

FIGURE 1

Out-of-home spending as % of total media (2002)



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Whereas the communication, industry in most European and US markets could rely on some very basic but also very essential facts, Swiss advertising people had to develop solutions to deal economically with a highly complex and multifaceted communication situation from day one of the Swiss advertising business.

This starts with something as ordinary as language. Whereas in other markets, a homogeneous code of language could be taken for granted, Swiss advertising planners had to take four, or at least three, languages into account when starting any campaign.

For advertising people in Paris, London, Hamburg or New York some of these challenges are rather new.

It is fairly recently that young con sumers were found to have become disconnected from what was considered as their normal social behaviour. An individual code of language as well as habits and patterns, to be used and to be consistent only in relatively small and not even clearly defined segments of consumer target groups, has to be taken into account for today's communication strategies.

Of course, these new trends within the young and up-for-it audience have been observed, understood and anticipated by communication professionals on the industry side.

Guerrilla marketing, ambient media, sponsorships, viral communication - all kinds of below-the-line communication have been added to the armoury brands are equipped with, before they are sent out to battle their competitors and either survive profitably or disappear faster from the consumer's mind than a media planner can possibly find a new job.

How to get it done?

Having to look to the process of recognising, understanding and finally buying a brand gets us to the right employment of media.

Guerrilla marketing, viral marketing, online banners and all the other means of new and special brand warfare cannot do it all alone.

For the consumer, choosing a brand always includes a process of self-revelation. The codes and values of the brand are added to existing statements about one's own personality.

Especially for young consumers within a fragmented audience, this aspect has an even stronger importance.

The consumers decide recklessly what to buy. Accordingly, the guys from the advertising agency next door will also pitilessly employ all possible means to get their brand crossing the line of profitabiliry.

To be heard - to build up a high brand awareness - is accordingly most important, to prepare the ground for the highly targeted special means of below-the-line communication that are used to liaise brands with consumers.

Classic is dead - long live classic!

Out-of-home holds good answers for some of the media tasks of today's increasingly mobile society. Whereas TV directors need to consider new shows and formats, to continuously attract an audience, it is understood that the *relevant* audience, holding money to spend in their pockets, is spending more and more time travelling in the city.

Though there are always more precise media to target a specific audience, classic out-of-home posters seem still to be a comparatively safe choice to reach a range of good potential customers with a variety of different media formats. Whereas TV, for example, has its strong moments, it still limits the media planner to basically one stream of audio-visual communication. With a comparable brief and budget, a variety of different out-of-home media opportunities can be employed. Traffic advertising, posters, public screens, washroom advertising, trolley ads, petrol-pump ads - they all address the audience on different levels during the day.

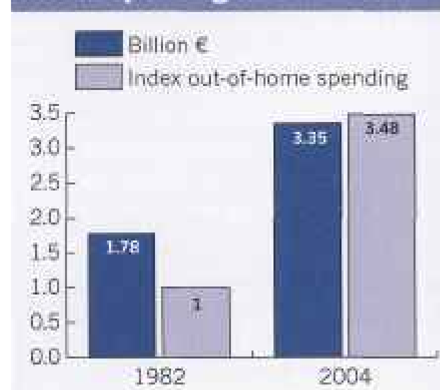
The Swiss advertising community handled a budget of €2.42 bn in 2002; 15% of this money was spent on out-of-home media. Here the Swiss advertising business outscored the European market by far. None of the leading out-of-home marketplaces in Europe - France, Germany or Italy - came near this ratio. On average Europe spent only 9% of its media budgets on out-of-home advertising (see Figure i).

Anybody from the TV planning community might claim that a snapshot of a market situation is hardly able to give evidence about the driving forces behind the picture.

Taking a look at the ongoing development inside the Swiss market reveals a

FIGURE 2

Media spending in Switzerland



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clear picture of the role assigned to out-of-home.

A period of 12 years from 1982 to 2004 gives evidence of the picture in the background. During this period, total advertising spend in Switzerland almost doubled, from €1.78 bn in 1982 to €3.36 bn in 2004.

In the same period, the volume of out-of-home advertising more than tripled (factor 3.48) (see Figure 2).

To put the assignment given by the Swiss to out-of-home media in a more concrete perspective, the city of Zurich, with a population of about 400,000 people, distributes more posters to the public than the city of Los Angeles.

Of course, all types of advertising media have their share in the increasing Swiss media budgets. However, growth is significantly higher for the out-of-home business than for any other segment of the market.

Why out-of-home?

Inquiring into the reasons for this, we should look again at the overall communication situation in Switzerland. Swiss campaign managers face the challenge of penetrating a small market that contains ethnic and cultural as well as language differences. Accordingly the adaptation of mass-media campaigns to regional or even local specifications is essential for success. At this point, the comparatively low level of technology gives some advantage to out-of-home. Obviously it is much easier and cheaper for the media agency to have a poster printed with a claim in different languages than having a TV commercial adapted to local language standards.

'Guerrilla marketing, ambient media, sponsorships, viral communication -all kinds of below-the-line communication have been added to the armoury brands are equipped with before they are sent out to battle their competitors'

Simple is beautiful? Yes and no. Out-of-home makes it as simple as possible to localise a campaign. This works for adapting a campaign for Zurich and Geneva, just as well as adapting for the wealthy City of London or London's down market East End.

To a degree, the surge in advertising funding has come to an end in Switzerland. Between 2004 and 2005 total advertising budgets increased by 1%, from €3.36 bn to €3.39 bn. This relates directly to the increase of the Swiss GDP within the same period. This suggests that advertising spending in Switzerland has reached a limit, where the market is driven by the increase of the general economy, rather than competition between brand owners. Within this advanced stage of market development, we observe spending for out-of-home to have decreased by 2%.

So out-of-home is on the decline?! Certainly not.

Ironically the increasing complexity of out-of-home media campaigns is said to be a reason for a decrease in billings.

This refers to two major observations. Market experts see the increasing market share of ambient media and guerrilla marketing as one reason for a decrease inout-of-home spending. Obviously the employment of below-the-line media takes much less from the general media budget than classic forms of out-of-home communication. Accordingly, any replacement of classic out-of-home campaign elements by below-the-line media formats may cause an increase in the effective use of out-of-home communication, but lead to a decrease in overall out-of-home budgets.

Out-of-home media have a high degree of visibility to the public, but lack some options for interaction or personalisation. Accordingly, direct marketing instruments like specific landing sites or inbound call centres are integrated into out-of-home strategies. Again these budgets are added to the online or direct marketing statistics but deducted from out-of-home spending.

Conclusion: where do we go from here?

Clearly the Swiss market has reached a highly advanced stage. After a decade of rapid growth the market is consolidating. Out-of-home has established itself, far above the European average, as the most adequate instrument to address a traditionally fragmented audience. The next step for out-of-home might be a close link to direct marketing tools, to combine the strength of mass-media communication with the impact of personal one-to-one communication.

From this, other marketplaces, now facing similar problems of fragmentation, may take some inspiration.

However, the 'perfect' media mix still holds many secrets. We recognise that there is a strong relation between brand awareness and final success at the point of sale.

Again, depending on whom you ask, there are many suggestions given as to which media are to be included in a perfect mix. The best arguments are not to be found in just another survey in favour of the one or the other media, but rather in the arguments of really passionate opponents.

In 2003 a group of feminists, calling themselves *La Meute Suisse* (the Swiss pack of hounds) demanded a significant reduction of out-of-home advertising in the region of Lausanne, Switzerland.

As one of their core arguments they put forward the complaint that - unlike advertising in electronic media like TV - it was absolutely impossible to avoid out-of-home advertising.

Well, to some degree, we - the advertising people - can agree on that. •

More on outdoor advertising at WARC.com

Fonte: Admap, v. 42, n. 2, p. 41-43, Feb. 2007.