

State of the Nation

Programmatic DOOH 2023

US white paper



partnered with research partner

mtm

EXECUTIVE SUMMARY



- ◆ The US exhibits high adoption of programmatic digital out-of-home (prDOOH)
- ◆ Growth is set to continue, with the vast majority of the US survey respondents saying that they will increase spend in the next 12 months, by a third on average. The hyper-targeted nature of prDOOH is a key factor in driving adoption in the US
- ◆ While US advertisers are more likely to relocate budgets from DOOH to prDOOH than from other channels, a significant proportion is being reallocated from other digital and traditional media budgets
- ◆ US advertisers surveyed believe that prDOOH offers some of the most innovative and exciting opportunities in the market in 2023
- ◆ PrDOOH is being integrated alongside other digital channels for multi-channel campaigns, as opposed to siloed planning/ buying
- ◆ US advertisers are still facing challenges in measuring the effectiveness of prDOOH in their cross-channel marketing campaigns. They want to see concrete data that proves the value of prDOOH and its impact on other marketing channels
- ◆ Providing training and resources to a wide range of teams about the value of prDOOH will help to increase adoption in the US



VIOOH partnered with research and strategy agency, MTM, to survey 1,200 advertisers and agencies across the US, UK, Australia, Germany, France, and Spain to learn about the current state of the nation of programmatic digital out-of-home (prDOOH) advertising.

Participants in this research have already purchased prDOOH in the past 12 months, are planning to purchase it in the next 12 months or are digital buyers open to purchasing it.

This report covers the highlights of the US market. The full global report can be [found here](#).

WHAT IS THE CURRENT STATE OF THE NATION OF PROGRAMMATIC DIGITAL OUT-OF-HOME IN THE US?



Programmatic digital out-of-home (prDOOH) is very popular amongst advertisers in the US. Survey results show that out of the campaigns US advertisers have worked on in the past 12-18 months, on average nearly a third (31%) have included prDOOH in the media plan¹. This positive outlook is set to continue, with the average increasing to 39% of media plans likely to include prDOOH in the next 18 months².




ON AVERAGE, ADVERTISERS WILL **INCLUDE** prDOOH IN 39% OF MEDIA PLANS IN THE NEXT 18 MONTHS

The channel still has room to grow, as many digital out-of-home campaigns are still purchased directly. Currently, 43% of US advertisers usually or always purchase their DOOH campaigns through direct buys, followed by 32% who say they usually or always use a mix of direct and programmatic buys³.

Survey respondents in the US suggest that they plan to continue placing spend on prDOOH, and in the vast majority of cases, this means increasing spend (by an average of 33% over the next 18 months)⁴.

1. C10: Think of the campaigns you've worked on in the past 18 months, for what proportion have you placed, planned, or bought programmatic digital out-of-home advertising?
2. C11: Now think of the campaigns you'll be working on in the next 18 months, for what proportion do you think you will place, plan, or buy programmatic digital out-of-home advertising?
3. B11: In the past 12 months, how have your digital out-of-home campaigns typically been bought?
4. B7: How do you think your advertising investment in the following media will change in the next 18 months?





33%

US ADVERTISERS PLAN TO **INCREASE SPEND** IN PROGRAMMATIC DIGITAL OUT-OF-HOME BY AN AVERAGE OF 33% OVER THE NEXT 18 MONTHS

In contrast with other markets, US advertisers and agencies have introduced specialists to upskill teams and ensure that prDOOH gets included on plans where relevant.

“Our job as OOH buyers is to ensure that everyone across the network is aware and educated on the capabilities and how to go about planning and buying programmatic”

MARC BARTHOLOMEW, SVP OOH, DENTSU

“The OOH Investment team has deep knowledge within the programmatic DOOH space. We share the value to our clients so they understand how to incorporate it into their advertising efforts in a way that benefits their business goals”

RANDI PESSO, GROUP DIRECTOR, GROUPM



WHAT IS FUELLING THE GROWTH OF PROGRAMMATIC DIGITAL OUT-OF-HOME IN THE US?

PrDOOH has gained substantial traction as an effective and efficient advertising medium due to its ability to combine the reach and impact of traditional out-of-home advertising with the precision and targeting capabilities of programmatic advertising.

Advertisers are leveraging real-time data, audience insights, and automation to deliver highly targeted and contextually relevant campaigns across a vast network of DOOH screens. Key for the US market has been the unity that programmatic enables across a fragmented DOOH landscape. This, coupled with a considerable amount of inventory and data availability, has been instrumental in driving the growth of prDOOH advertising.



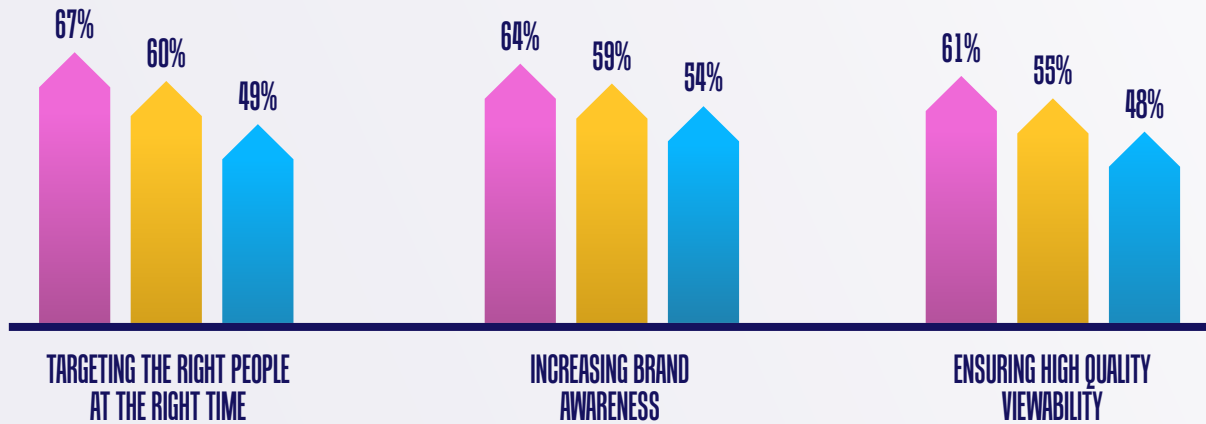
80%

OF US ADVERTISERS
SURVEYED BELIEVE THAT
PROGRAMMATIC DIGITAL
OUT-OF-HOME **OFFERS**
INNOVATIVE OPPORTUNITIES



WE WILL NOW SHOW YOU A LIST OF ATTRIBUTES AND MEDIA TYPES. PLEASE CHOOSE ANY OF THE MEDIA YOU FEEL DELIVER AGAINST THESE ATTRIBUTES.

◆ prDOOH ◆ DOOH ◆ Traditional OOH



Source: B1 Base size US (200)

The increase of screens and available data touch points across the US has made prDOOH a viable solution for advertisers looking to achieve highly targeted local or nationwide campaigns.

As a result, US advertisers are becoming more open to what prDOOH can deliver across the funnel, particularly in the mid-funnel, especially in the automotive, retail and consumer packaged goods (CPG) verticals. Two-thirds of US advertisers believe that prDOOH targets the right people at the right time (67%)⁵.

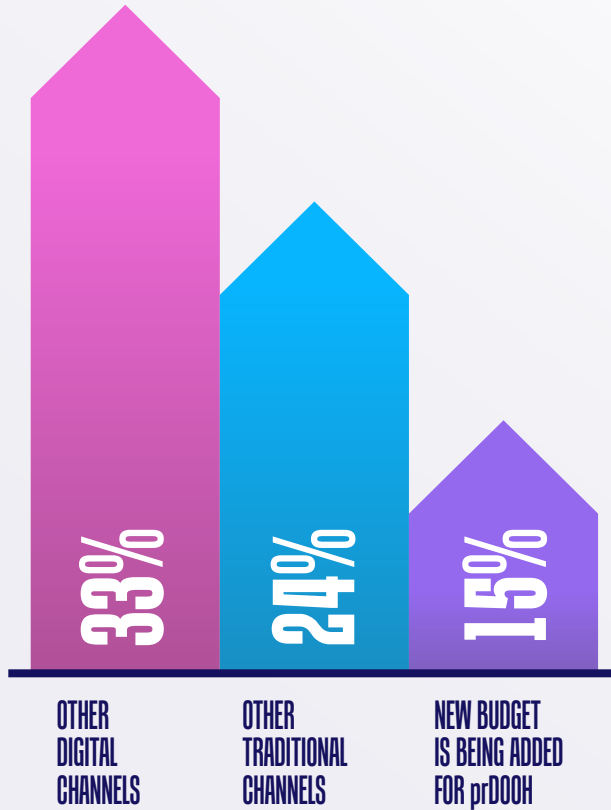
As the number of advertisers in the US adopting prDOOH continues to rise, so does awareness of the distinctive advantages that prDOOH can offer – targeting the right people at the right time (67%), increasing sales and performance (64%), brand safety (61%)⁶.



5. C13: How important are the following in determining your investment in programmatic digital out-of-home?

6. B1: We will now show you a list of attributes and media types. Please choose any of the media you feel deliver against these attributes.

IF BUDGET IS GOING TO BE INCREASED FOR PROGRAMMATIC DIGITAL OUT-OF-HOME, WHERE IS THIS BUDGET BEING MOVED FROM?



Source: C5 Base size US (190)

As such, it's no surprise that respondents from the US market (80%) feel that prDOOH offers the most innovative opportunities compared to any other channel included in our survey⁷.

As programmatic in DOOH inevitably moves towards becoming the new normal, the majority of budget reallocation is coming from existing DOOH and OOH budgets. However, over a third of the US advertisers surveyed are reallocating budgets from other digital channels (33%) to take advantage of prDOOH's broadcast, cookieless environment, and more than 1 in 10 (15%) are creating new budgets to grow prDOOH.⁸

In the US, only 10% of main OOH teams are likely to be accessing new budget for prDOOH. However, when buying is diversified, they are more likely to be adding new budget (digital or programmatic team 19%, dedicated prDOOH team 23%, Managed Service DSP team 30%).

7. B6: Which of these media are developing the most innovative opportunities for advertisers?

8. C5: If budget is going to be increased for programmatic digital out-of-home, where is this budget being moved from?



“We think about [our clients] in three different ways. Those who want smarter targeting and reach, those who want to go to market with speed, and those who want the flexibility to target key moments, events, stores or to pause the campaign if needed”

MARC BARTHOLOMEW, SVP OOH, DENTSU

“The programmatic landscape provides flexibility to quickly activate campaigns that utilize contextual relevance and hyper-local targeting at a national scale”

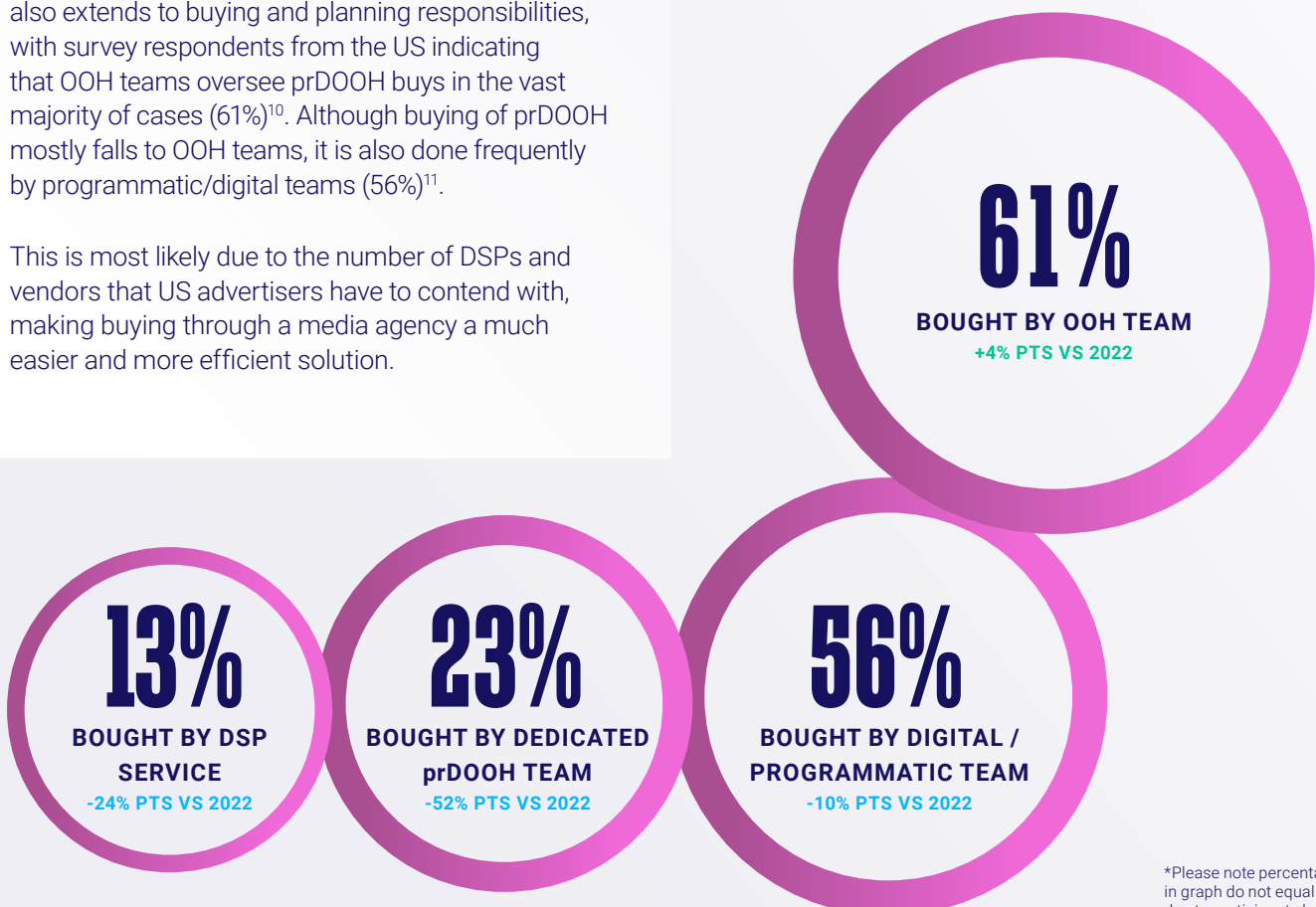
RANDI PESSO, GROUP DIRECTOR, GROUPM

HOW IS PROGRAMMATIC DIGITAL OUT-OF-HOME TYPICALLY BOUGHT IN THE US AND WHERE DOES IT SIT ON A MEDIA PLAN?

The US has a well-established and mature OOH advertising market. Traditional OOH formats have been prevalent in the US for many years, and as a result, many advertisers and agencies are accustomed to planning and executing OOH campaigns. As such, prDOOH is commonly integrated into broader OOH campaigns (64%)⁹. This also extends to buying and planning responsibilities, with survey respondents from the US indicating that OOH teams oversee prDOOH buys in the vast majority of cases (61%)¹⁰. Although buying of prDOOH mostly falls to OOH teams, it is also done frequently by programmatic/digital teams (56%)¹¹.

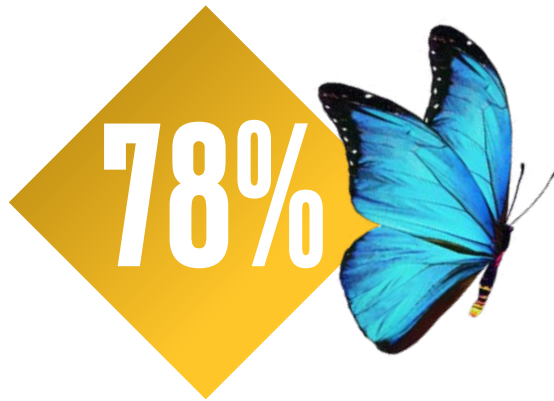
This is most likely due to the number of DSPs and vendors that US advertisers have to contend with, making buying through a media agency a much easier and more efficient solution.

HOW HAS THE PROGRAMMATIC DIGITAL OUT-OF-HOME ADVERTISING YOU HAVE PLACED, PLANNED OR BOUGHT IN THE LAST 12 MONTHS TYPICALLY BEEN BOUGHT?*



*Please note percentages in graph do not equal 100% due to participants being able to select more than one answer, allowing for overlap of responses

9. C2: How has the programmatic digital out-of-home advertising you have placed in the last 12 months typically been planned?
10. C3: How has the programmatic digital out-of-home advertising you have placed, planned or bought in the last 12 months typically been bought?
11. C3: How has the programmatic digital out-of-home advertising you have placed, planned or bought in the last 12 months typically been bought?



78% OF US ADVERTISERS SURVEYED BELIEVE THAT PROGRAMMATIC DIGITAL OUT-OF-HOME IS IMPORTANT FOR BRAND-LED CAMPAIGNS

Survey results also suggest that US advertisers leverage prDOOH both in performance and branding contexts, but have a slight affinity for using it for brand-led campaigns. Whilst 76% of US advertisers consider prDOOH important for performance-led campaigns¹², this figure increases marginally for brand-based campaigns (78%), with the larger proportion of advertisers in the survey emphasizing the importance of prDOOH for brand-led campaigns, second only to display (81%)¹³.

Over time, US advertisers have ranked prDOOH with increasing importance for both performance-led and brand-led activity. Programmatic DOOH ranked third among other channels as important for performance-led campaigns in 2020, now it ranks first; prDOOH ranked fourth for brand-led campaigns in 2020, now it comes in second.

Furthermore, display is used to complement prDOOH both in performance and brand campaigns (80%), while search (74%) is leveraged alongside prDOOH for performance-led activation, and social (79%) for brand-led activation^{14/15}.

This is unsurprising given the broad reach that social media, search and prDOOH can deliver, making them a powerful combination to maximize the reach and frequency of a brand's campaign messaging.

In the US, prDOOH advertising is now being integrated more closely in multi-channel campaigns (64%)¹⁶, especially alongside other digital channels (41%)¹⁷. This reflects the maturity of the prDOOH in the US market, as it is not just seen as an extension of OOH budgets but as a digital channel of its own.

“

“We have tried to bring the programmatic capability into our out-of-home team, but we don't need to be the exclusive buyers”

MARC BARTHOLOMEW, SVP OOH, DENTSU

“

“It is the upper-funnel awareness play, though there is this really interesting mid-funnel solution where programmatic out of home can play”

MARC BARTHOLOMEW, SVP OOH, DENTSU

“Within the programmatic digital space, advertisers can effectively execute campaigns that lead to increased brand awareness to conversion. Whatever the KPIs are, they can be met and exceeded in programmatic DOOH”

RANDI PESSO, GROUP DIRECTOR, GROUPM

12. B5: What channels do you see as important for brand-led campaigns?

13. B4: What channels do you see as important for performance-led campaigns?

14. D1: Thinking about performance-led campaigns, which channels would you consider running programmatic digital out-of-home alongside?

15. D2: Thinking about brand-led campaigns, which channels would you consider running programmatic digital out-of-home alongside?

16. C14: Thinking about how you expect to place, plan, or buy programmatic digital out-of-home advertising in the next 18 months, to what extent do you agree or disagree with the following statements?

17. C2: How has the programmatic digital out-of-home advertising you have placed in the last 12 months typically been planned?

WHAT CHALLENGES DO ADVERTISERS IN THE US NEED TO OVERCOME IN ORDER TO UNLOCK THE FULL POTENTIAL OF PROGRAMMATIC DIGITAL OUT-OF-HOME?



Survey respondents from the US recognize that there is still room for further education across wider agency teams and cross-channel planning desks. In addition, a number of US advertisers surveyed are facing challenges in proving the value of prDOOH to justify its higher price.

As a result, a majority of survey respondents from the US (64%) say they want to invest in educating their teams about prDOOH and its benefits, and to receive training on DOOH (47%)^{17/18}. This will help them to determine the channel's true value and better understand how prDOOH can be leveraged to enhance their existing and future campaigns.

“We frequently share successful examples and case studies with our clients so they can understand the cumulative growth happening across the space. There are ever-evolving capabilities and advancements, and we want to make sure our partners know how they can be used in ways that benefit their businesses”

RANDI PESSO, GROUP DIRECTOR, GROUPEM

17. C14: Thinking about how you expect to place programmatic digital out-of-home advertising in the next 18 months, to what extent do you agree or disagree with the following statements?

18. D4: Which, out of the following, would help you learn more about programmatic digital out-of-home advertising?



Though the CCPA has posed some privacy challenges for marketers, a large part of the US market is relatively sheltered from privacy challenges compared to the EU markets. To invest more in prDOOH, US marketers want to see more data to drive direct response and cross-channel measurement (39%), and always-on deals made available (39%)²⁰.

Historically, US advertisers wanted to see more cost efficiency from the market (73% in 2020 vs 35% in 2023) and real-time audience data (56% in 2020 vs 30% in 2023); these are still concerns but reducing in priority as they've become more familiar with the prDOOH buying opportunities and advantages.

20. C8: Which of the following would you like to see in order to give programmatic digital out-of-home campaigns more value and make you invest more?

"Education is the most immediate challenge. The biggest challenge is the ability to prove that programmatic digital out-of-home delivers across the funnel alongside other channels"

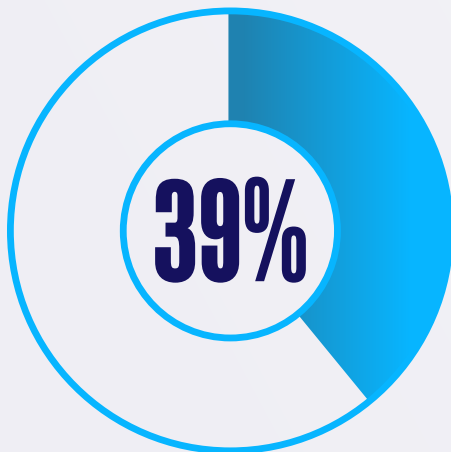
MARC BARTHOLOMEW, SVP OOH, DENTSU

"We consistently engage with various measurement partners to prove the impact and efficacy of campaigns executed across the programmatic DOOH space. Newer techniques and innovative amplification move the needle"

RANDI PESSO, GROUP DIRECTOR, GROUPM

WHICH OF THE FOLLOWING WOULD YOU LIKE TO SEE IN ORDER TO GIVE PROGRAMMATIC DIGITAL OUT-OF-HOME CAMPAIGNS MORE VALUE AND MAKE YOU INVEST MORE?

- MORE DATA TO DRIVE DIRECT RESPONSE
- ALWAYS-ON DEALS MADE AVAILABLE

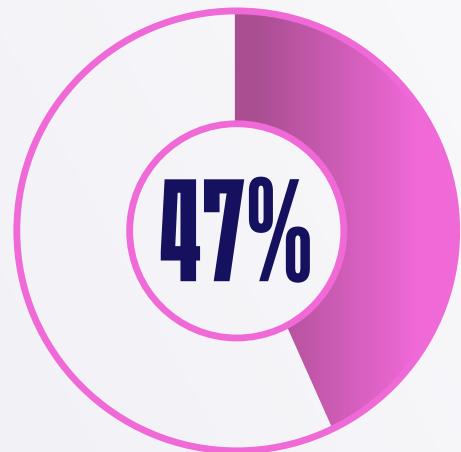


% WHO AGREE WITH STATEMENT

Source: C8/D4 Base size US (200)

WHICH, OUT OF THE FOLLOWING, WOULD HELP YOU LEARN MORE ABOUT PROGRAMMATIC DIGITAL OUT-OF-HOME ADVERTISING?

TRAINING ON DOOH



% WHO AGREE WITH STATEMENT

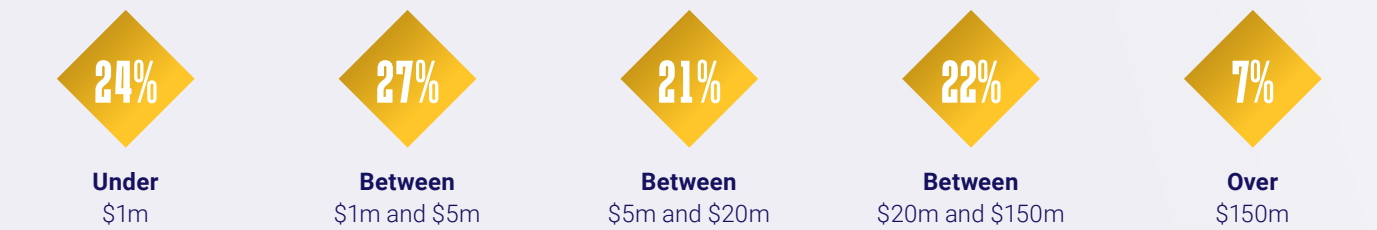
For more insights and to understand how the US compares in the global prDOOH landscape, access the VIOOH State of the Nation 2023 Global White paper.

SAMPLE PROFILE

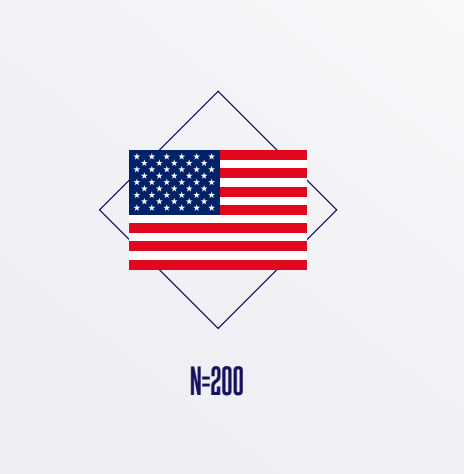
VIOOH partnered with research and strategy agency, MTM, to survey 1,200 advertisers and agencies across the US, UK, Australia, Germany, France, and Spain. Participants in this research are either joint or sole decision maker for advertising within their business, work at an agency or advertisers; and have already purchased prDOOH in the past 12 months, are planning to purchase it in the next 12 months or are digital buyers open to purchasing it.

Below is a breakdown of US participants based on various factors.

PLEASE ESTIMATE YOUR ORGANISATION'S ANNUAL ADVERTISING BUDGET / BILLINGS AS OF 1ST JANUARY 2023



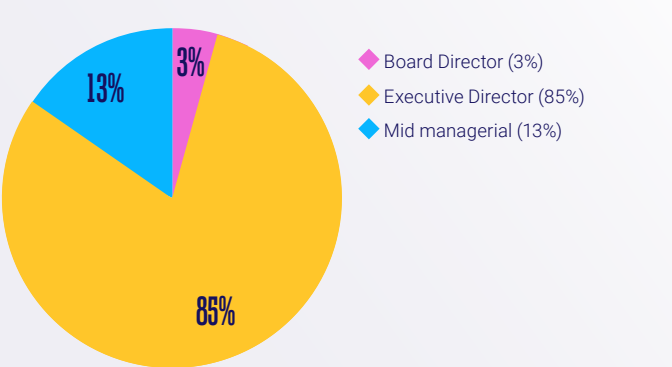
WHAT COUNTRY DO YOU WORK IN?



WHICH OF THE FOLLOWING BEST DESCRIBES THE SECTOR YOUR COMPANY / YOUR BIGGEST CLIENT IS IN?

Sector Net	Percentage
Retail, luxury, clothing, FMCG	29%
Finance, advertising, consulting	22%
Tech, telco	12%
Food, drink, hospitality	11%
Entertainment, gambling	9%
Academic, gov, non-profit, healthcare	8%
Automotive, transport	8%
Property, utilities	3%

WHICH OF THE FOLLOWING, IF ANY, BEST DESCRIBES YOU?



THINKING ABOUT YOUR ORGANISATION, WHICH ONE OF THE FOLLOWING BEST DESCRIBES IT?

