PROGRAMMATIC 101 FOR OOH
WHAT IS IT AND WHY DOES IT MATTER?

IAN DALLIMORE
LAMAR ADVERTISING
VP, DIGITAL GROWTH

LESLIE LEE
VISTAR MEDIA
VP, MARKETING

MARC BARTHOLOMEW
POSTERSCOPE
VP, GROUP DIRECTOR

MODERATED BY:
STEPHEN FREITAS
OAAA
EVP, INDUSTRY INITIATIVES
WHAT IS “PROGRAMMATIC”? 
“Programmatic” refers to the automation of buying and selling advertising through software.

Programmatic technology was developed for display (online browser ads) initially.

1:1 users were targeted with ads using cookies to identify their behavioral patterns.

Bids were placed on impressions where audience and targeting parameters were met.
PROGRAMMATIC IS EVOLVING

The technology extended into mobile and video advertising, and developed into multiple ways of transacting.

The latest evolution of programmatic is extending into traditional channels; TV, Radio and Out of Home

Devices have taken center stage as advertisers look to improve their targeting capabilities

Source: MAGNA Global Programmatic Ad Spend Report
THE EVOLUTION OF OOH BUYING

PER PANEL
COST

THE PRICE OF AN OOH UNIT OR SCREEN BASED ON ITS LOCATION AND DEMAND FROM MEDIA BUYERS.

SOV
SHARE OF VOICE

THE PRICE FOR A DEFINED NUMBER OF MINUTES OR % OR AIRTIME ON A DOOH SCREEN OR NETWORK.

CPM
COST PER THOUSAND

THE PRICE PAID PER 1,000 IMPRESSIONS DELIVERED AGAINST A SPECIFIC TARGET AUDIENCE.
“Programmatic” refers to the **automation of buying and selling** advertising through software.

This is often executed via an auction-based **marketplace or exchange**.

Publishers (media vendors) provide available inventory, discoverable by the buyer at the individual **impression or spot level**.

Buyers can evaluate and bid on inventory in real-time (RTB), based on pre-agreed business rules such as **audience, targeting criteria and price**.
WHAT IS THE STATE OF PROGRAMMATIC TODAY IN THE OOH INDUSTRY?
STRONG ADOPTION BY BOTH BUYERS AND SELLERS

$8.6 Billion
TOTAL US OOH SPEND
- 7% GROWTH YOY

$2.7 Billion
TOTAL US DIGITAL OOH SPEND
- 31% SHARE

$180 Million
TOTAL US PROG OOH SPEND
- 6.7% OF DOOH

Source: OAAA
Programmatic workflows have been adopted by all kinds of publishers in the OOH industry, from publicly-traded companies to place-based networks and independent billboard operators.

This is an opportunity to educate and “re-skill” existing talent, while opening doors to new positions and employees of diverse backgrounds into the space.

In addition to enhancing the role of Sales, Product and Tech teams can form an “Ad Ops” department to assist with inventory management, trafficking and platform integrations.
BENEFITS OF PROGRAMMATIC
Buyers can access a full ecosystem of inventory - thousands of screens, hundreds of vendors & screen formats - through a single access point.

Removes the need for manual RFPs and individually navigating transactions across a fractured media landscape.

Buyers can get a centralized purchasing process & better transparency into budgets & campaign performance.
The streamlined buying process eliminates the need to manage multiple individual contracts and IOs, and buyers can execute large-scale programs with much smaller teams.

The time this saves allows buyers to focus on what we are all here to do - sell OOH media solutions to advertisers!
Programmatic allows for the use of data to inform buying decisions for every ad placement at the impression/spot level.

This begins with the creation of a meaningful target audience based on real-world behaviors.

Additional targeting criteria is selected, such as key locations or formats, day-parting, triggers etc.

Bids are placed on impressions based on where and when your audience is most likely to be, within the guard rails of your targeting criteria.

USES MOBILE LOCATION DATA TO INCREASE THE CHANCES OF REACHING OUR AUDIENCES IN THE PHYSICAL WORLD.
BENEFIT TO BUYERS - Increased Buying Flexibility

Buying OOH Programmatically offers buyers an increased layer of flexibility.

Paying only for delivered impressions gives advertisers assurances during uncertain times.
Centralized buying allows marketers to apply an overarching measurement solution to understand the impact of digital out-of-home campaigns across all inventory types.

AWARENESS / PERCEPTION

FOOT TRAFFIC

WEB/APP VISITS

SALES UPLIFT
Media owners can make their inventory discoverable to a large set of buyers instantaneously.

This is hugely beneficial to new networks or networks that previously did not support advertising, allowing owners to build a media business without requiring significant salesforce investment.

For networks with established media businesses, programmatic provides an aggregate point of access to digital buyers.
Programmatic helps media owners maximize the yield on their network by effectively monetizing all available inventory via an additional sales channel that requires little direct effort.
The use of data to identify audiences & the inventory that aligns with audience movement patterns allows media owners to segment target audiences more effectively and justify increased advertiser spend.
Programmatic technology allows media owners to tap into advertising groups beyond the standard channel-based buyers, including trading desks and programmatic teams.
CORE TECHNOLOGY
COMPONENTS
CORE TECHNOLOGY COMPONENTS OF A PROGRAMMATIC ECOSYSTEM

MARKETERS

DEMAND SIDE PLATFORM

EXCHANGE

SUPPLY SIDE PLATFORM

MEDIA OWNERS
DSP = A platform for media buyers (brands, agencies, trading desks) to plan, purchase and manage ad campaigns.
SUPPLY-SIDE PLATFORM (SSP)

MAKE INVENTORY AVAILABLE FOR PURCHASE VIA AN EXCHANGE

MANAGE & REPORT ON PROGRAMMATIC CAMPAIGN DELIVERY

SSP = A platform for media owners to sell and manage inventory.
AD EXCHANGE

RECEIVES & BROADCASTS INVENTORY DETAILS

RECEIVES & BROADCASTS BIDS

OPEN EXCHANGE

PRIVATE MARKETPLACES
HOW MONEY AND INVENTORY FLOW
HOW MONEY AND INVENTORY FLOW

MARKETERS

DEMAND SIDE PLATFORM

EXCHANGE

SUPPLY SIDE PLATFORM

MEDIA OWNERS
HOW MONEY AND INVENTORY FLOW

MARKETERS

DEMAND SIDE PLATFORM

EXCHANGE

SUPPLY SIDE PLATFORM

Media Owners
HOW MONEY AND INVENTORY FLOW

MARKETERS

DEMAND SIDE PLATFORM

EXCHANGE

SUPPLY SIDE PLATFORM

MEDIA OWNERS
HOW MONEY AND INVENTORY FLOW

MARKETERS

DEMAND SIDE PLATFORM

EXCHANGE

SUPPLY SIDE PLATFORM

MEDIA OWNERS

Bid: $3.50
Bid: $5.35
Does not qualify
Bid: $2.40
HOW MONEY AND INVENTORY FLOW

MARKETERS

DEMAND SIDE PLATFORM

EXCHANGE

SUPPLY SIDE PLATFORM

MEDIA OWNERS
HOW IS OOH DIFFERENT?
PROGRAMMATIC OOH IS NOT JUST ABOUT AUDIENCE

AUDIENCE
- Behavioral (Online/Offline)
- Household
- 1st & 3rd Party

LOCATION
- State / DMA / City / Town
- Zip Code / Lat-Long
- POI

CONTEXT
- Environment / Venue Type
- Day of Week / Day-Part
- Triggers e.g. Weather
In the online world, one ad placement equals one impression. In OOH, a single ad placement can reach multiple people.

Third-party auditing groups such as Geopath and others provide media owners with impression data to ensure they are credited appropriately for each spot that delivers.
WHY DOES PROGRAMMATIC MATTER FOR OOH?
INCREMENTAL GROWTH FOR THE INDUSTRY

RAPIDLY GROWING PROGRAMMATIC INVESTMENT, THAT ADDS TO THE CONTINUING GROWTH OF OVERALL SPEND IN OOH.
Q&A
Programmatic will grow exponentially

2018
- Programmatic: 21.2% ($47.37B)
- Digital Display: 25.7% ($57.42B)
- Total Media Ad Spending: $223.70B

2020
- Programmatic: 26.2% ($68.87B)
- Digital Display: 30.4% ($79.85B)
- Total Media Ad Spending: $263.05B

US OOH Ad Spend (Millions)

- 2016: $28, $7,600
- 2017: $40, $7,700
- 2018: $70, $8,000
- 2019: $125, $8,100 estimate

- Traditional OOH investment (OAAA)
- Programmatic OOH investment (Vistar Media surveys of media owners, buyers & programmatic platforms)