Timing is Everything...If You're Ready for it.

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Why it's time for the Out of Home industry to participate in the contemporary networked advertising ecosystem.

"It's better to be lucky than good" is a phrase we know well, but "luck" is, more often than not, convenient timing, rather than some mystical force that arbitrarily bestows good fortune.

Military history is littered with examples that reinforce the importance of good (or lucky) timing. During the American Civil War, General Lee's men approached Gettysburg and came across northern troops marching south, but from higher ground. If timing had been different, the Northerners may not have had

the substantial advantage that the higher ground provided and thus may not have been able to hold off the Confederates while General Meade's men gathered reinforcements. The war, and American history, might have been changed all because of an hour or two.

"The harder I work, the luckier I get." This line adds poetry to the theme that we make our own luck through preparation and training. When timing advantages do present themselves, we need to have been previously primed in order to capitalize upon them. Prior to meeting at Gettysburg, the United States Army had been re-armed and was heading south to engage the Confederates. This enabled them to gather their full strength and to take advantage of lucky timing.

While it's interesting to speculate on the different event horizons that may or may not have been possible throughout history, appreciating the pivot moments in current time is even more important. I believe that this is the OOH industry's lucky timing moment. The forces, tools, technology and desires that will enable us to compete, compare and promote our media within the greater advertising landscape, are now present and available. It is up to us to put in the hard work required to turn timing into good fortune.

OOH industry challenges are well understood—we are facing more competition for advertising dollars and transacting business using a cumbersome client experience. As the media world shifts its focus to efficient buying systems, performance-based marketing and dynamic real-time "digital" campaigns, OOH finds itself with some work to do. That great sucking sound we hear is Facebook, Snap and other digital titans taking the vast majority of incremental advertising dollars through more informed and easy-to-use buying systems. Because these more sophisticated systems (using audience data) are constantly adjusting their client propositions to offer better products and more value—their advantage is increasing. We need to build our own digital race cars in order to get onto the track and compete.

Build for the Future

Advertisers do not wake up looking to buy billboards or bus shelters. But, CMOs and small business owner are looking to connect with their customers. They don't care if they buy billboards, TV spots, search words, mobile banner ads or those squiggly roadside plastic people. They do care about the effectiveness of their spend and the buying experience. While media buyers are not all sophisticated today—many are. Facebook and others are teaching even small local businesses how to buy their media more efficiently and effectively—and at the same time highlighting where traditional media, including OOH, is failing. Underestimating brands' needs and/or sophistication in the buying process is dangerous.

Our goal as an OOH industry should be—to help our clients turn audiences into customers and to help them achieve the objectives that they have set for themselves (lift, increased basket size, traffic, brand awareness, etc.) using the unique proposition of location-based OOH media.

We are—marketing solutions providers who should be focused on location-based out of home connections with audiences stitched within the broader context of all media alternatives. We cannot be just sign-sellers.

We must—build platforms and networks that promote and make our assets available to advertisers; in a form that enables them to be easily bought, compared to other media, measured (pre and post campaign) and where client content flows, either to static or digital assets, with ease.

We have—the best canvas in the advertising world. Marketing is a mix of art & science and we will capitalize on the amazing creative aspects of OOH in real life "IRL", as a compliment/alternative to online ("URL") when we build new and more robust buying and delivery platforms.

To be clear, I am not advocating for an OOH industry-wide platform. I am suggesting that all media companies within our industry develop certain unique platform elements. When that happens, it will catapult OOH into the contemporary media world. A larger overall advertising ecosystem is already evolving around us; OOH media companies need to build their individual and unique connections to it, using the same principles as many other providers do today.

In order to capitalize on lucky timing, each OOH media company would benefit from the development of their own Supply Side Platform (SSP) or store front if you will. These should be comprised of certain principle elements—and they must be governed by a set of standards, definitions and protocols. Whether home grown or bought from a network of vendors, missing any of these principle elements will mean relegation to the junior varsity squad.

If OOH doesn't integrate with the wider advertising ecosystem, we will lose out to other media types. Other media sellers are building contemporary toolsets and taking revenue from us as they begin to target location-based ad dollars. Make no mistake, we are in a media war and we are, as of yet, unprepared for the fight. To continue with the lucky military metaphors, Napoleon said, "God (or luck) is on the side with the best artillery."

Fortunately, this SSP model has already been proven to work for desktop and mobile advertising. Google, Snap, Facebook etc. each provide their media to the larger ecosystem via their own unique supply-side-platforms through a set of principle elements. They would not dare give up autonomy or allow any other entity to represent their inventory and proposition to the marketplace. Their storefront is their unique identity—it is who they are. OOH media companies must each do the same. And when we do, we will be better than desktop/mobile in so many ways—finite inventory, great view-ability, no issues with ad-bots, ad-blockers, fraud or measurement. The time is now.

The Required Principle Elements

External forces are in our favor. The following elements are now possible given technology, available data, sophisticated data analytics and—maybe most importantly—a desire on behalf of advertisers (and their agencies) to engage in new trading paradigms. We must get to work building these elements:

1. User Interface—A dynamic way for our sales teams and clients to access our inventory with real-time supply/demand-based pricing. Think of this as DoubleClick for OOH. Once media is bought, this tool should also accept content in a client's preferred format, which can then be rendered to fit any asset with any aspect ratio (static or digital). These tools now exist for other media but need to be built for our industry's asset classes and unique propositions.

2. APIs: Sophisticated clients will want to use their own DMPs, combined with data we provide, in order to direct media buys. Many large agencies and clients are data thirsty. They simply need us to provide audience location information in an acceptable format. Providing access to our platforms via an API enables a broader group of buyers to interact with our media and compare it to other alternatives, thus increasing the available pool of dollars available to OOH.

3. Data Management Platform: Geo-spatial data availability has come of age and is now at a point where we can identify audiences at a place and time. This is a three-dimensional measure of audience and a substantial advancement from the typical DMPs for desktop or other linear media. Location data is the missing element from more traditional data sets as time and location information provides higher fidelity signals to an audience's psycho-graphic mindset, fills in the gaps for intent, and fulfills Erwin Ephron's recency theory.

4. Pricing & Yield Management Engines: Data collected from many buying points can be aggregated to give a company's centralized system a view towards demand trends, thus enabling real-time pricing efficiency. Think of the way an airline sets seat pricing—all in real-time and based on actual demand and projected trends. Airlines and OOH each have perishable inventory that sets a time-based expiration date for each sale opportunity. Adopting these tools is essential to our success. Managing inventory using office walls with large scale color-coded charting … is not even junior varsity, it's grade school.

5. Dynamic Content Management System—Content intended for static boards and digital displays should be delivered to a central system in a digital format. It will then be distributed either to a cloud-based repository awaiting audience triggers and conditions for digital displays; or to a printer for a static board or transit location when that location is identified as being able to fulfill a campaign's objective. The CMS must be able to accommodate all assets (static or digital) and if digital, it will insert content into a play-stream, as appropriate, based on the instructions dictated from the buyer (for instance: only if the sun is shining, after 5pm, and when a millennial audience is present.). In advanced digital media, there are no standard play loops.

6. Smart Hardware—Our digital displays must accept content in multiple formats and in real-time. More and more ads are going to be bought for targeted audiences against a set of purchased campaign impressions. The traditional cached loop will fade away (R.I.P.) as we chase transient audiences throughout their journeys across multiple assets.

7. Reporting: Users (sales, management, clients, agencies, landlords, municipal authorities, etc.) must have appropriate and real-time access to campaign data—via API or dashboard.

8. Standards, Definitions & Protocols: As I mentioned above, a commonly accepted and adhered to set of standards, definitions and protocols is essential to our success with advertisers. We must define impression counts, dwell time, etc. with MRC accreditation and a high sense of moral awareness. Those standards must also relate and allow easy comparisons to all other media. Special OOH-only measurement

guidelines are hurtful. I believe this should be the primary function of Geopath. We must set the OOH industry's buying criteria now, before other sophisticated, motivated and well-capitalized players do it for us. IAB set these standards for the online world. Learning from their experiences (good and bad) will give us a faster path to publishing thoughtful standards.

Why OOH Should Join the Platform Revolution

While the fear of being left behind is a great motivator, I prefer to think in terms of upside. The ever more connected world will provide for opportunity beyond that which we can imagine. The futurist Ray Kurzweil (a hero of mine) predicts exponential growth for industries and businesses that embrace technology and its many advantages. Second star to the right, 3% industry growth and on until morning may work for Peter Pan, but for the new advertising ecosystem, we are going to need seatbelts.

When we build the supply-side platforms above, market forces take over.

A. Making location-based media available to all buying points within a connected world opens our assets to the full $180 billion US ad market rather than just the $7 billion OOH market.

B. The increased demand, placed against our limited inventory-set, will drive economics with a supply/demand function focused on yield.

C. CPMs in our media, once firmly established through new metrics and standards, will prove OOH to be a much more cost-efficient buy for marketers as they compare our audience access to other alternatives (with no bots, blockers, viewability or fraud issues). Our eCPM (effective) will be a powerful weapon.

D. We will "light up" and turn these locations ON using data and targeting capabilities in order to bring meaning and value to our clients. Reach, frequency and of course recency are all better with a dynamic connected network across many assets (billboards, transit, malls, gas stations, elevators, etc.) and integrated with other media types (desktop, TV, cinema mobile, etc.).

E. ROI and attribution models, using mobile as a complimentary medium to add a data pool and an additional market signal, will prove the efficacy of our media. Technology enabled feedback loops will report on target audiences and their behaviors (on and off-line) using in-store data, purchase information and foot traffic to "close the loop" with audience journey maps.

This is powerful stuff—it is the reason we are all here and the focus of our endeavor to transform this industry into a contemporary marketing solutions provider.

Final Word

The advertising world is becoming more sophisticated every day, presenting an escalation and a direct assault on our media in the battle for ad dollars. We must "weaponize" OOH media for this fight and the way we present it in the larger marketplace. Adopting this platform architecture will establish a significant amount of operating leverage in our businesses and release dormant equity, which I believe, exists within each OOH media company and our industry as a whole.

As Jodi Senese, OUTFRONT Media's CMO, likes to say, "All things are true at once". That's a perfect description during this transition from traditional OOH sales to advanced digital advertising. We must continue to offer our clients and buying channels a compelling product and proposition, while building the pipes of the future. This is an evolution not a revolution. But it's one in which all parts of our companies must participate—sales, operations, technology, management, finance, legal etc...and maybe the biggest

advancement—to HR and culture.

I read Jeff Bezos' annual letter last week. In it he implores Amazon employees to focus obsessively on the customer experience, resist proxies, embrace powerful external trends, and make high-quality, high-velocity decisions. By proxies he is referring to embedded process for process' sake, rather than thinking differently and advancing the ball with results for customers, and for Amazon, as the ultimate measure of success.

We need to believe in this direction to our marrow. A dissenting chorus of nostalgia merchants will try to dissuade us from moving quickly, and they will highlight all of the obstacles in our path. To them I say "thank-you". Identifying the challenges early on will be helpful; as the world will never be this slow again.

We will make mistakes and bloody our knees when we fall down. On the other hand, we will gain strength and earn first-hand knowledge from being in the arena. Luck (and timing) may favor the bold, but it certainly does not favor those unprepared souls on the sideline.