Outdoor Advertising Association of America

What's the media safe haven?

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The president said some stern words about a foreign adversary today, and then the dollar slumped. At the same time, gold went up. When people worry about the world, they start to worry about the dollar. When they worry about the dollar, they simply exchange it for the safety of gold, and this is what causes the inverse ratio in the movement of these two assets. Simple.

The dollar is accepted around the world and can be tracked along an auditable pathway, enabling flexible and accountable international trade. It is seen as the global reserve currency, making it the best bet when it comes to actually spending your money.

Gold on the other hand is not nearly as flexible. Try walking into a Stop & Shop after a financial collapse with a 2kg bar of gold asking to buy the last remaining carton of milk and it will either be the most expensive bowl of cereal of your life, or you'll come out with nothing and a black eye.

Yet there are often scary global developments in which investors begin to contemplate the possibility that dollars, with all of their practical advantages, could become worthless – or that they will no longer fulfill on their fundamental promise to pay the bearer.

In media, there are assets that are affected by similar forces – but what worries people in media is not usually thermonuclear war, at least not in the kinetic sense. So lets break it down.

As expected, digital media is favored highly by advertisers. It turns out that what they love about it is not so much the beauty of the creative, or the emotional connection it creates with their customers, but the flexibility, speed and accountability that it provides.

They acknowledge there are bigger and more beautiful media formats – but all that can be put aside for the time being while advertisers concentrate on the visceral and almost instinctively reptilian desire to drive efficiency (basically bang-for-buck on their media spend).

Digital media is the channel of convenience. It provides visibility from the moment it is served and then follows the consumer all the way to purchase. Those numbers go into a dashboard that renders every conceivable pie chart, with every manner of performance metric possible. Make a tweak, get an extra 50 impressions for the same spend, and you're doing proper cash-saving science. Nothing wrong with this.

So what is the gold in the media industry? Well that's got to be the Out Of Home channel (OOH): billboards and digital screens in elevators and such. Like gold, it was the medium of choice since the start of it all and served advertisers well for decades (I would argue millennia if you consider rock paintings in caves). When billboards go up, consumers buy more stuff. You don't need charts for that; just make sure your shelves are stocked.

Like gold, the growth of OOH has been fairly consistent, even with considerable volatility in other channels (what you could buy for an ounce of gold in 1929, you can buy today for the same amount, in spite of several catastrophic financial crises since).

But let's say something bad happens in the world of media. A recent survey by NewBase (formerly Publicitas International) concluded that 1 in 3 media professionals consider ad tech to be broken beyond repair, and actually 2 in 3 also wanted industry bodies to address the complexity within the digital advertising supply chain. Rumblings like this are coming increasingly thick and fast recently, and a few brave brand leaders have already been sending stark warnings to agencies that they better make it right – or else.

So the media world finds itself in a predicament. In digital, you have a medium that is super-fast, almost realtime and comes with rich analytics that make so many problems for our planning agency friends go away – yet which seems to be coming down with the sniffles given the rising complaints about fraud, veiwability and dwindling engagement rates.

OOH on the other hand, a medium never burdened with having to show dashboards to prove its worth, is the safe-haven equivalent of gold for advertisers who know precisely where to turn if they can no longer trust the exchanges and adservers that connect consumers to brands on digital devices.

Ok, you thought I was finished. But it gets better. If digital banner ads are the dollar, and OOH is gold, then what is the bitcoin?

Remember, bitcoin is like the dollar in that it can act as a medium of exchange between two people, and it can be transferred instantly in micro-increments through wires. Yet, unlike the dollar and more like gold, it's not connected to any fiat-based system, cannot be simply printed into existence by a central bank and is not subject to banking and international transfer fees. This may suggest it is the best of both the dollar AND gold, as global crises will have no negative effect on its worth while it retains the flexibility of electronic international exchange.

DOOH, or Digital Out of Home, paired with mobile behavioral data fits nicely here. It has the engagment and awareness-driving capabilities of OOH, but is not subject to the lengthy period of printing and mounting. It can be turned on in an instant, swapped out if the price changes, can be updated with live feeds and toggled when movement patterns of consumers fluctuate.

To be clear, I have made no assertions as to which financial instrument you should trust with your savings, nor have I recommended what media channel an advertiser should employ. With all that is going on in the real world, it is probably good to store some gold, some bitcoin and transact the rest of your business in dollars. But not recognizing how these mediums play together, compliment and compound each other, choosing instead to align with the medium of highest momentary convenience, will lead to the stagnation of an industry wherein advertisers are forced to shift to the lee of the stone – the place of greatest safety – even if that means giving up a few modern conveniences until the landscape can be cleared of nuclear fallout.