

# **DOOH – Breakdown or Breakthrough ?**

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**Amsterdam, 01.02.2010**

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WELCOME TO THE 'DOWN WITH OUTDOOR ADVERTISING' CLUB! HOW DID YOU HEAR ABOUT US?

I SAW YOUR BILLBOARD.



**How was 2009  
for you ?**



# 2009 – year of Consolidation

- One of the biggest recessions the media industry has faced
- Consolidation amongst DOOH industry which started 2009 will continue in 2010
- Less investments in networks – companies require capital
- Companies will try to secure massive funding in 2010
- DOOH is on the way into the mindset of media people – but far away to be in the media mix



**Consolidation will continue in 2010 but .....**

# Consolidation



asg media  
VMG  
TITAN  
ADWALKER®



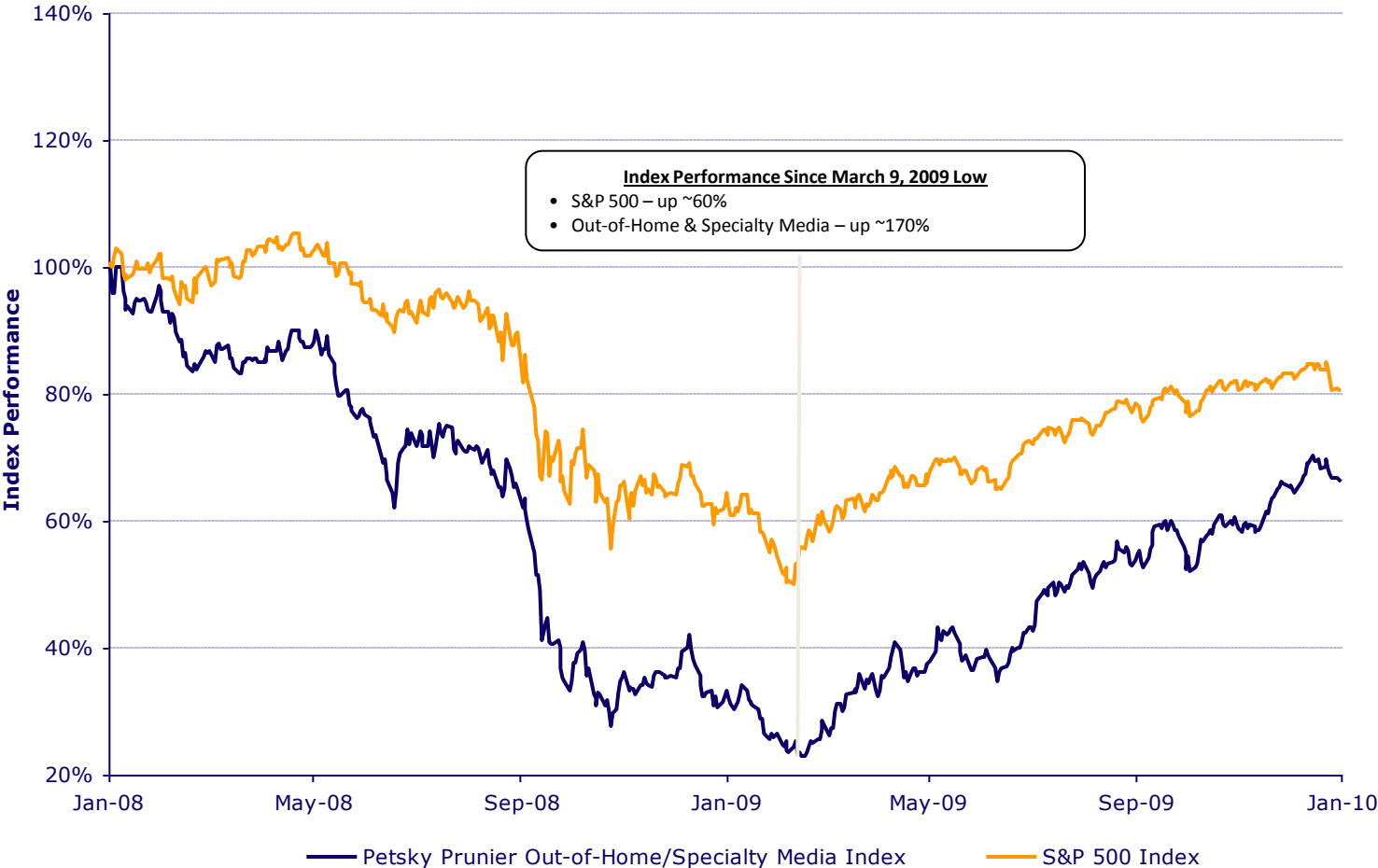
Breakdown

Breakthrough



PLAY NETWORK  
channel m  
IDEACAST  
danoo  
WHEN  
ZOOM MEDIA  
Wellness Health Education Network

# Out-of-Home/Specialty Media Index Performance



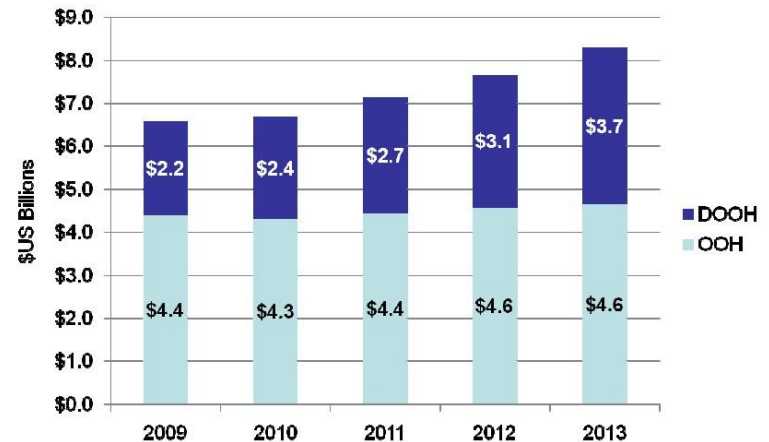
**Note:** Petsky Prunier’s Out-of-Home/Specialty Media index includes Astral Media, Clear Channel Outdoor, JCDecaux, Lamar Advertising, National CineMedia and Valassis Communications.

## AD Revenues

- Global DOOH spend is projected to reach 10.65B USD by 2012 (CAGR 14,5%)
- DOOH is the fastest growing media

## Networks / Market

- Traditional OOH companies will increase their footprint in DOOH
- Continues M&A activities with acquirers expand their network reach and stepping into new verticals



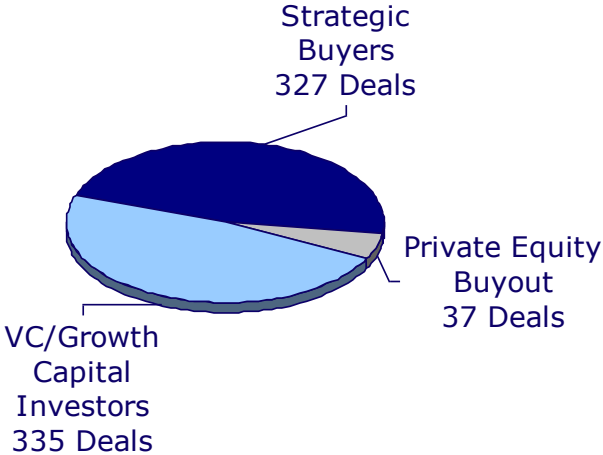
DOOH revenues will increase at a compound annual growth rate of 13.5% vs. 1.4% CAGR for OOH from 2009 to 2013.

# Marketing Sector M&A Activity

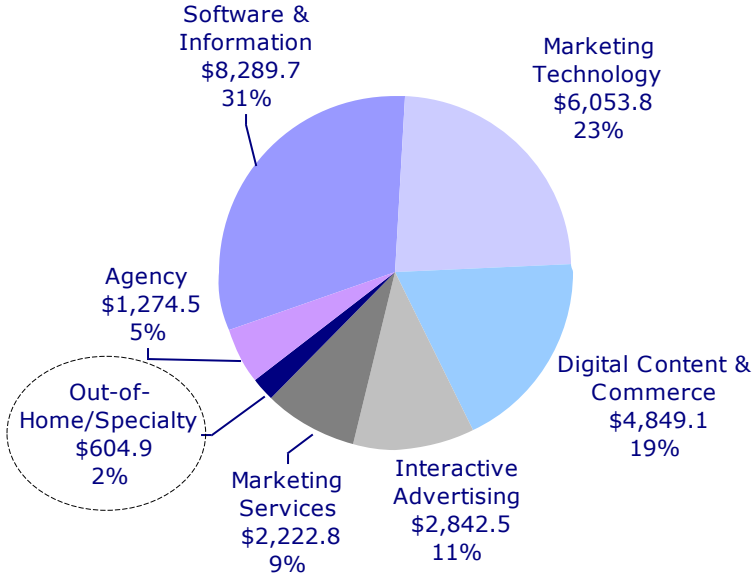


# Marketing Sector M&A Activity

2009 Deals by Type of Buyer



2009 Transaction Value Distribution by Segment (\$ in millions)



# Key Findings

- **Transaction activity is picking up: 4Q09 exceeded the cumulative deal value for the first three quarters of the year and 3Q exceeded 1Q and 2Q together**
- **Strategic buyers with strong balance sheets continue to evaluate their business models, and announce transactions that expand their capabilities or vertical market coverage**
- **Improved stock markets are allowing strategic buyers to leverage their shares as a valuable currency for completing deals**
- **Private equity buyout firm's who were modestly active during the first three quarters of the year, announced 18 transactions in 4Q for \$7.5 billion**
- **VC/Growth Capital investors accounted for the largest portion of the deal activity with 335 announced transactions**

## Technological Challenges

- **Mobile integration will drive new business models and revenue streams**
- **Two of the fastest growing media DOOH and Mobile offers new potentials**
- **Interactivity which engage the customer/viewer will enhance DOOH**

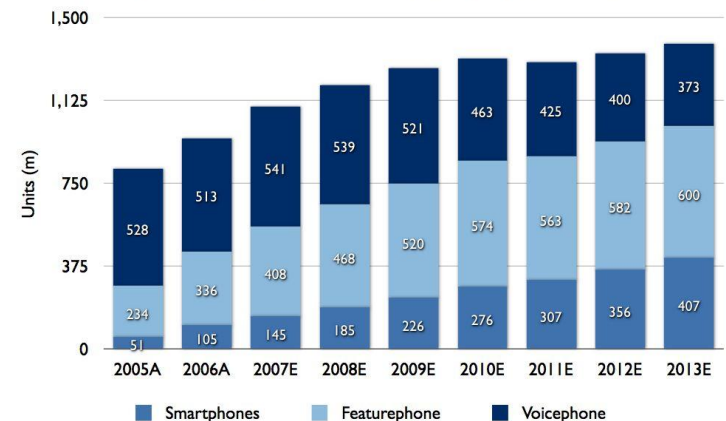


# Mobile Integration

- 1,31 Bio. Mobile Phones (+9% in 2010) <sup>1</sup>
- 80% of the handsets have Internet access <sup>2</sup>
- 30 countries exceeded 100% mobile phone penetration
- Mobile is One-to-One mass media
- Mobile knows customer behavior
- Mobile knows where the customer is
- DOOH companies extend dialogues by building a database
- Google acquired Admob (750M \$) and Apple acquired Quattro (300M \$)



## Mobile Phone Market



Source: Nomura

<sup>1</sup> Source: Gartner Research

<sup>2</sup> Source: IDC

# Challenges of the Industry

- **DOOH is still fragmented and difficult to book and aggregators haven't take off yet**
- **Network reach needs improvement – bigger networks with bigger reach are required, but that means increased investments**
- **Find common standards and metrics to help brands and agencies to understand the media**



**DOOH Industry need make their homework !**

*Growth of this new advertising medium is currently **hindered by the lack of standardized audience measurement, the small reach of the current screen networks**, and a reluctance of media-buying agencies and advertisers to use it.*

**Goldmedia, 2009**

*DOOH, on the other hand, is **complicated to plan and buy** — the ecosystem is still emerging but the rise of aggregators has facilitated the process. **DOOH must get easier to plan, buy and measure in order to reach scale.***

**BIA Kelsey, 2009**

*... the DOOH industry still has a number of challenges to overcome, such as **larger scale and better metrics** before all brands and agencies shift additional spending to this emerging media.*

**PQ Media, 2010**

# Homework



- **Consistency and industry standards are needed to secure the growth of the DOOH industry**
- **Advertiser need to know what they buy and what they get**
- **Deliver what the Advertiser bought and proof that to him**
- **Don't promise what you can't deliver**



**Trust, Consistency and Credibility is the Key**

- **First independent pan European DOOH association**
- **Initiatives in 2009**
  - **Set-up DBCI**
  - **Nielsen Study**
  - **Kick-of Metrics Workshop**
  - **Set-up Agency Advisory Board**
- **15 Member companies in six European countries**



African proverb

If you want to go quickly, go alone.  
If you want to go far, go together

**We need to go far ..... Quickly.**

# Contact



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