

THE RECKONING OF NEW MEDIA: OOH + VIDEO EVERYWHERE BECOMES A REALITY

PART II

A two-part series from
PJ SOLOMON Media & Tech Services

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THIS IS THE SECOND PAPER IN A TWO-PART SERIES.
TO READ PART I, [CLICK HERE](#).



PART II: HOW INNOVATION WILL PROPEL OOH TO BE THE NEW MEDIA & TECHNOLOGY SUPERPOWER

OOH is currently well positioned against digital advertising and potential disruptive future technology trends could spur accelerated future OOH gains in the media wallet. Emerging technologies such as augmented reality (AR), driverless cars, sharing economy models, artificial intelligence (AI), 5G and drones could dramatically transform the status quo media landscape in a manner favorable for the OOH sector.



AUGMENTED REALITY IMPROVES ENGAGEMENT AND ATTRIBUTION CAPABILITIES

AR could offer a unique opportunity for clients to supplement advertisements on OOH assets. Google recently launched a new feature that allows smartphone users to scan a poster via camera to view an additional layer of overlaid digital information. OOH media owners continue to develop software infrastructure that make their assets “scannable” to facilitate the use of AR and link physical assets with further consumer information.

AR is a unique and engaging way to interact with consumers and therefore may also help better maintain audience focus for extended lengths of time. Finally, by linking OOH with concrete scanning action, AR helps advertisers better attribute consumer purchases, allowing asset owners to more effectively communicate ROI to potential buyers.



DRIVERLESS CARS TO ALLEVIATE REGULATORY RESTRICTIONS ON TRADITIONAL ASSETS

Numerous municipalities currently have visual restrictions on OOH assets out of fear that overly-bright, dynamic and animated advertisements could distract drivers. Despite regulatory fears about distracted driving, studies show no negative impact of OOH advertisements on drivers’ vehicle control.* While self-driving technology is relatively nascent, there is a clear long-term trend towards autonomization of vehicles. In a world of self-driving cars, regulators have no need to worry about driver distraction since all passengers become a passive part of the transportation experience. This updated regulatory paradigm unlocks a plethora of opportunities to enhance assets with brighter lights, holograms, video, and more, to attract and retain greater attention from passengers in previously restricted areas.

* "Aussie Study Finds Digital Billboards Don't Impair Driving." Billboard Insider. May 15, 2019.



SHARING ECONOMY BUSINESS MODELS UNLOCK NEW SCREEN MONETIZATION OPPORTUNITIES

Companies such as Uber, Airbnb, Lime, and WeWork have taken assets (including home space, office space, cabs, scooters and bikes) from the private sphere into networks of public, commonly-shared assets.

These asset systems are viewed by sizeable and diverse audiences. Successful sharing economy businesses present opportunities to expand and scale OOH asset / screen networks into new verticals. Specifically for Airbnb and Uber, where renters and drivers respectively earn relatively slim margins on services, there exist strong individual incentives to further monetize one's home or car.

One could imagine a future where drivers on Uber or renters on Airbnb consent to construction of screens in their homes or cars as a means of diversifying their income streams.



ARTIFICIAL INTELLIGENCE COULD DRIVE OOH MEDIA SELF-OPTIMIZATION

Combined with embedded sensor technology, AI has the potential to transform the display of OOH advertisements. Artificially-intelligent advertising systems theoretically could have the ability to self-optimize a creative client campaign depending on real-time audience reactions and data inputs.

Digital screens already track purchase behavior through mobile partnerships and leverage sensor technology (to detect passerby demographic features and track facial expressions).

These network features make excellent inputs for artificially intelligent advertisement delivery systems. Provided with proper data inputs, AI-based algorithms enable “smart advertisements” that adapt to better conform to the preferences of target audiences over time.

The application of AI to OOH substantially enhances the value of these networks to advertisers by reducing the costs associated with creative iteration in the campaign creation process and enabling real-time targeting.



5G TELECOMMUNICATIONS ENHANCEMENTS IMPROVE ASSET CONNECTIVITY

A substantial portion of digital OOH assets are not fully dynamic and are unable to serve live content, but rather display pre-organized flips of advertisements. Implementation of 5G technology substantially improves connection speeds for OOH assets and enables live, real-time advertisement placements, even in remote areas.

Dynamic connectivity affords OOH operators greater ability to monetize last minute inventory and optimize placement during peak hours. For example, if a concert at a prominent venue ends an hour later than expected, advertisers could make a real-time purchase of a higher traffic inventory spot.

More importantly, the asset owner would be able to push more placements at premium peak-hour cost-per-mille (CPM) amounts - even in instances where peaks could not have been accurately predicted in advance.



DRONES TO LOWER LEAD TIMES, MAINTENANCE REQUIREMENTS, AND IMPROVE ASSET MOBILITY

As underlying hardware costs decrease and regulators facilitate adoption, drone technology offers numerous advantages to OOH operators. For both static and digital billboards, drones could remotely and routinely perform maintenance services to limit asset outages and maintain display quality. Moreover, drones improve OOH accountability and proof of play capabilities.

Current media owners rely on software and geo-location data to measure audience and provide proof of advertisement display. Drones are simultaneously able to offer traffic measurement capabilities, as well as verification that the ad was indeed played. In addition, pending regulatory approval, one could envision a future where drones have digital screens embedded and display overhead advertisements.

The long-term roll out of drone OOH advertising networks would provide substantial value to both advertisers and operators by enabling the strategic placement of campaigns in areas and at moments of highest traffic.

OOH continues to benefit from innovative and disruptive technological tailwinds that will provide operators numerous levers to improve media wallet position by optimizing existing networks and expanding to new markets.



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