

# Out-of-home advertising

## Key insights at a glance



# 1

**Infrastructure investment will drive global out-of-home (OOH) advertising growth.** Global total OOH advertising revenue stood at US\$36.32bn in 2014 and is set to grow at a 4.6% CAGR to reach US\$45.37bn in 2019. The key growth driver will be infrastructure investment creating increased and improved OOH advertising space. The strongest growth will be seen in countries with high levels of infrastructural development, including Turkey, China and Brazil, which have forecast CAGRs of 12.8%, 9.8% and 9.1%, respectively.

# 2

**Digital OOH (DOOH) revenue will replace physical OOH revenue in countries with mature OOH markets.** DOOH advertising revenue totalled US\$9.71bn globally in 2014. This will grow strongly to reach US\$18.04bn in 2019. However, in mature markets like Belgium and the UK, this growth will largely come at the expense of physical formats: physical OOH advertising revenue will decline by CAGRs of -8.2% in Belgium and -6.3% in the UK.

# 3

**Major cities will be the most lucrative markets for DOOH advertising.** With the cost of upgrading to digital formats high, DOOH advertising will be concentrated in large cities, with the most urbanised markets seeing the highest digital penetration. By 2019, the city state of Singapore will see DOOH advertising revenue account for 60.4% of total OOH advertising revenue, while exceptional growth in London will help the UK reach 53.7%.

# 4

**Interactivity with consumers will become a key part of OOH advertising.** OOH advertising will increasingly feature interactive elements to engage with consumers. By 2019, there will be 3.85bn smartphone connections and 1.46bn tablet active devices worldwide. This growth, combined with that of DOOH advertising, will offer opportunities to interact with these devices, increasingly including technologies such as near-field communications (NFC), allowing advertisements to act as points of sale.

# 5

**OOH is the “traditional” advertising medium benefitting most from digitisation.** Digitisation has affected many traditional advertising media. For instance, global newspaper advertising revenue is set to decline at a CAGR of -1.0% over the next five years. Digitisation in OOH, however, has made a positive impact. By converting panels to digital, providers can vastly increase their revenue by displaying multiple ads of higher quality in the same space. This process will drive an impressive CAGR of 13.2% in DOOH advertising revenue.

# 6

**Stricter regulation will be a growing challenge.** Regulatory challenges will continue to affect OOH advertising revenue. Controls on OOH advertising content are being tightened in markets such as South Africa, which plans to ban alcohol advertising. Meanwhile, blanket bans on billboards, such as that imposed by the French city of Grenoble in 2014, are set to become more common. Both countries will see below-average growth, of 3.5% and 2.5% respectively, to 2019.