

The rise of digital advertising and what this means for OOH

By [Simon Wall](#), issued by [Tractor Outdoor](#)

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The last year or so has seen a massive increase in the media spend being allocated towards digital and mobile advertising - and South Africa is leading the way with 57% of all internet traffic coming from mobile devices. This ranks SA higher than many other global developing countries on the mobile traffic scale.

This incredible uptake in conjunction with the ability to laser target a consumer based on their browsing profile, is a media planners dream - and the amount of data and platforms currently available makes these decisions incredibly easy and efficient to implement.

While I think we will continue to see a rise in digital advertising spend in the near future, I think it's prudent that we take a step back and drill down a little bit more into the idea that digital and mobile advertising will be responsible for the death of many other "analogue" mediums.

There is no doubt that more and more budgets are being diverted from traditional mediums such as print, radio and television and into digital, but I would like to argue that while we are seeing a spike in digital spend, there are quite a few markers on the horizon that point to the fact that we are heading towards a correction of sorts while digital advertising finds its feet, and that in particular OOH stands to benefit from this recalibration...

There are three main issues that will impede the rapid growth of digital advertising:

1. Limited Physical Digital Real Estate:

It sounds like an oxymoron but it's true - there are thousands of brands trying to get our attention (online) on a daily basis - whether you are checking Twitter, Facebook, Instagram or even your favourite news portal - there is only so much space that can be taken up by an advert on a 12inch laptop screen or a 4.7 inch iPhone screen - all of these are continually jostling for position and even going so far as "stalking" you from site to site trying to get you to go back and buy that pair of shoes that you clicked on three weeks ago.

In addition to the above we have become almost immune to these adverts no matter how invasive they have become, and taken in context with our desire for immediate gratification - a lot of these adverts are simple impediments to the next Youtube clip or Instagram timeline pic, and are deleted as quickly as they appear - so their efficacy is compromised by the user's desire for the next quick digital fix.

2. Ad Blocking Services and the expensive cost of data in South Africa

Tony Shapshank wrote in [rdm.co.za](#) last month - "Visiting the home page of [boston.com](#) [website of The Boston Globe] every day for a month would cost the equivalent of about \$9.50 in data usage just for the ads, Without an ad blocker, there were 389 files, which used 16.3MB, and took 33 seconds to download. Video ads alone were 9MB. With an ad blocker, there were 52 files, using 3.5MB, and it downloaded in seven seconds."

If you use the above example as a representative sample this means that almost 80% of your mobile phones data usage is actually being chewed up and used to serve you ads and tracking information?! That's not even mentioning what downloading these files every time you visit a website does to your battery life. As more and more people are becoming aware of these facts so more and more of them are starting to download and implement Ad Blocking services.



Simon Wall

An ad blocker is a program that will remove different kinds of advertising from a web and mobile user's experience online. These programs target certain kinds of ads, such as pop-ups, banner ads and other common forms of online advertisement, allowing a user to surf the web without annoying distractions or interruptions.

Ad blockers work in many different ways. Some are standalone programs, while others are features of more comprehensive customising services, or add-ons for a particular browser or operating system. Some browser-specific programs, like Crystal for Safari, or other programs for browsers, like Opera, are designed to work well in a particular environment. Others work with Windows or other operating systems to block pop-ups or other kinds of ads.

Some quick Ad Blocking Facts: (Pagefair and Adobe Ad Blocking Report 2015)

- Ad blocking estimated to cost publishers nearly \$22 billion during 2015.
- There are now 198 million active adblock users around the world.
- Ad blocking grew by 41% globally in the last 12 months.
- US ad blocking grew by 48% to reach 45 million active users in 12 months up to June
- UK ad blocking grew by 82% to reach 12 million active users in 12 months up to June

There are no real figures for the effects of Ad Blocking in a South African context, but there is no doubt that it's starting to eat away at local publisher's bottom lines...

3. Subscription Services

More and more platforms are moving away from advertising revenue-based business models towards "ads free" subscription models - digital television services like Show Max, Netflix, HBO NOW etc are all subscription-based and devoid of any advertising whatsoever, in addition to this are a multitude of streaming music services like Spotify, Simfy, Deezer and Rdio that are quietly eating away at local radios market share.

In addition to this, it's worth mentioning that by the middle of next year we will see the migration of broadcasters from analogue to digital terrestrial TV and Radio in South Africa, which will almost certainly result in viewership/listenership losses for many of the existing terrestrial stations...

So what does all this mean for Out of Home?

A perfect storm is heading towards the OOH industry in the future - As technology improves, more and more people are able to opt out of receiving any form of advertising and the opportunities to target these consumers are getting less and less.

All these occurrences happening concurrently mean that the opportunity for advertisers to target consumers are literally disappearing on a wholesale scale - but like that proverbial phoenix rising from the ashes, OOH will survive this media genocide unscathed, and emerge far stronger and more resilient - you cannot run an app to turn off that billboard, nor can you buy a subscription service to ensure that your commute home is free of advertising (although if SANRAL had their way...)

The reality is that there is no escaping OOH, and as more and more people move from rural areas into urban environments, more and more of these people will need to get from A- B and then more and more of them will be exposed to OOH and your brand.

In addition to the above many traditional static sites are being converted to digital displays, enabling advertisers the same

flexibility that they enjoy with online advertising as well as the ability to target specific consumers at different times of the day.

We still have a long way to go as an industry, we need to become far more accountable from a viewership point of view and we need to start educating our clients on not just the benefits of outdoor, but its capabilities as well - the amount of technologies currently available to OOH advertisers is staggering and this needs to be communicated effectively.

We are entering the golden age of billboards, and there has never been a better time to expose your brand to the great outdoors!

ABOUT THE AUTHOR

Simon Wall is the Managing Director at Tractor Outdoor.

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