

# Digital signage fuels ad growth

Out-of-home advertising – led by digital signage – is outperforming most other media, and the trend is set to continue. **Paddy Baker** reports

Revenues from out-of-home advertising in the EMEA region will increase by 5.6% annually over the period 2007–2011, with digital signage being the major driving factor, according to PricewaterhouseCoopers (PwC). The consultancy's Global Entertainment and Media Outlook 2007–2011 also finds that European growth will be outstripped by that in the USA, averaging 8.2% over the same period.

Looking more closely at the European picture, the UK, France and Germany together comprise nearly 60% of the EMEA out-of-home market. In 2006, the overall growth figure of 6% masks varied performance: 3% in western Europe compared with double-digit growth elsewhere in the region.

Andrew Sharp, director of brand and advertising economics at PwC, paints an optimistic future for digital signage: "There are no downsides – it's very exciting and growth could be quite dramatic." Outdoor advertising is a 'pure' medium, he explains, favoured by advertisers because it doesn't rely on unrelated factors, such as the popularity of a television programme, to deliver its audience.

Moving to digital signage offers advertisers two advantages: first, moving images can be shown for a more compelling experience; and multiple adverts can be displayed in the same position, perhaps tailored towards the audience's interests at different times of day – increasing the revenue opportunities at each site.

Currently, growth in digital signage is restricted on two fronts: the cost of technology is high; and advertising on digital signage does not command a high enough premium to cover the added expense. However, this will change on both fronts. When more research is completed on the impact of high-tech adverts, agencies will be able to charge clients more for the digital medium. Also, prices will continue to fall.

This 'digital premium' will continue to exist even when public displays become commonplace, says Sharp. "As digital signage becomes all-pervasive, and the content becomes more interesting, it will become even more attractive and will win money from other media," he says. Bluetooth connections enabling the downloading of content from signage is one means of delivering a more involved experience that has been trialled, he adds. **IE**

Figure 1: Global out-of-home advertising market (US\$million)



In contrast to radio and other advertising media (apart from the internet), out-of-home advertising is growing steadily – and fastest in the USA (Source: PricewaterhouseCoopers)

Figure 2: EMEA out-of-home advertising market (US\$million)



Growth in western Europe was relatively modest at 3% in 2006, while Eastern Europe and Middle East/Africa showed double-digit gains (Source: PricewaterhouseCoopers)