FEPE International

ALWAYS ON
OUT OF HOME LIVES
2014

FUTURE FOUNDATION

"Nobody can ignore outdoor advertising as you see it everywhere you go, so it's still very influential ... Especially in places where you have to wait, e.g. bus stops, train stations, airports, etc."

Female, 27, Hamburg

"I look at metro advertising the most, mainly because I have nothing else to do. Maybe mobile signal doesn't work for example and if I am travelling alone it is what I look at to pass the time."

Male, 19, Madrid

"Outdoor advertising is becoming more creative. I enjoy it. It is better than ads that try to sell you a product. There is no fun in that."

Female, 24, Istanbul

"Beautiful ads that are well done catch my attention – even if it is not a product that I like."

Female, 39, Rio

INTRODUCTION

Technology is changing brand-consumer communication and engagement at record speed. Economic upheavals seem not to slow the pace of evolution in any way.

Underpinning this study, which has included research among 6,000 urban consumers across both developed – UK, Germany, Spain – and fast growing economies – Turkey, South Africa, Brazil – was a desire to understand and quantify how the landscape and opportunity is changing for Out of Home advertising. How are urban consumers now spending time out of home – particularly at frequent points of interaction with outdoor advertising? How does this compare in developed markets with those which are fast growing?

Given the proliferation of mobile technology – and increasingly innovative brand campaigns online – we also wanted to understand how consumers' relationship with and expectations of Out of Home media are changing. Where does Out of Home now sit in the route to purchase as global shoppers focus on securing the right deal, whatever it takes? What do urban consumers want from brand advertising and communication these days?

Above all, we wanted to identify insights that would help FEPE members to continue to demonstrate Out of Home as the compelling proposition that it is for advertisers, and build a base on which to conduct further research in the future.

We are sharing just a summary of the key findings here. For more detailed information and country specific insights please contact FEPE directly on **info@fepe.com**

Details of the methodology and wide ranging research undertaken are at the back of this brochure.

We hope you find the insights interesting and useful.

Karl Javurek
President of FEPE International, 2014

ALWAYS ON
OUT OF HOME LIVES 2014

Have looked up information online immediately as a result of an OOH ad.

40% of urban consumers

62% of urban consumers who are most engaged with their smart devices while travelling

Mobile is accelerating the impact of Out of Home media – not diverting attention. As a partner to mobile, Out of Home is ideally placed to drive instant response or action.

Interested in digital Out of Home adverts that reward interaction e.g. via money off vouchers or prizes

65%

Increased interaction with Out of Home advertising will depend on perceived value of exchange. Consumers have a growing sense of their time and personal data as valuable currency.

Digital formats are rapidly giving a new thrust to Out of Home media. But creativity needs to stay front of mind: consumers expect more than just moving pictures.

Have taken some form of action as a result of seeing an Out of Home advertistment

79%

Have taken some form of action as a result of seeing a digital Out of Home advertistment

62%

FEPE worked with Future Foundation, a leading global consumer trends and forecasting consultancy, to explore lives on the go and engagement with Out of Home media among consumers living in the largest cities in six markets: UK, Germany, Spain, Turkey, Brazil and South Africa (research undertaken in Johannesburg only). Original research included a 20 minute online survey among a sample of 1000 consumers per country, 18-64, as well as qualitative research across the six markets.

Which types of advertising are most...

	MEMORABLE?	TRUSTWORTHY?
TV	46%	28%
OUT OF HOME	34%	24%

Out of Home continues to amplify and localise the impact of TV campaigns: both TV and Out of Home media are preferred by urban consumers for their trustworthiness and memorability over other channels.

Interested in advertising reflecting specific time of day or location via digital Out of Home adverts

59%

Out of Home is uniquely placed to drive engagement with urban consumers in its growing scope to tailor messages in real-time combined with its position with consumers as a more trusted and memorable medium.

MOBILE LIVING

Universally, for urban consumers across the globe, life out of home is increasingly 'connected'. From our research for this study, the overwhelming majority now own smartphones, half own tablets – and 71% of those who own tablets are using them out of home.

In a world where advance research is now one of the few constants in the purchase journey, the proliferation of mobile devices sees Out of Home advertising in an influential position: nearly 4 in 10 consumers in our study have looked up information online straightaway as a result of Out of Home media; rising to around half in Brazil and Turkey.

At the same time, Out of Home advertising retains the power it has always had to drive spontaneous purchases and actions in the immediate vicinity.

SMARTPHONE OWNERSHIP

TABLET OWNERSHIP

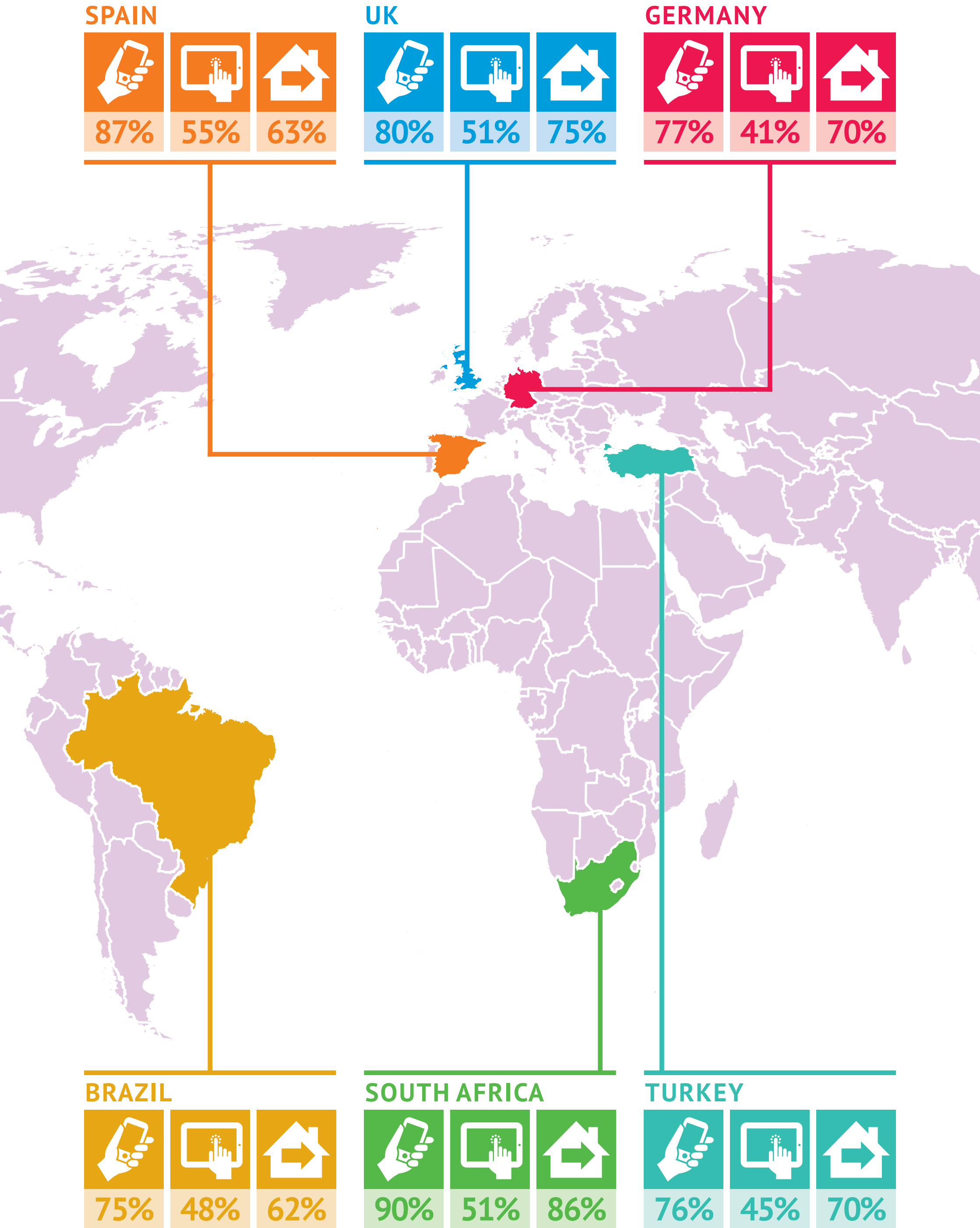
OWNERS USING THEIR TABLET OUT OF HOME

"I bought some beer after seeing a poster on a house wall on my way to the park. It was a sunny day and I was in a good mood, so I wanted a refreshing drink after seeing Mathias Schweighoefer [German actor] **drinking it"**

Male, 29, Hamburg

"I saw the ads in the public transport for the new collection of the season and I visited the store [Mango]. I picked up a few items from the new collection and I checked out the clearance rails too."

Female, 24, Istanbul


SPAIN
87%
55%
63%
UK
80%
51%
75%
GERMANY
77%
41%
70%
BRAZIL
75%
48%
62%
SOUTH AFRICA
90%
51%
86%
TURKEY
76%
45%
70%

COMMUTER PROFILES

In spite of the high usage of mobile devices out of home, in their travels around town many consumers remain highly receptive to Out of Home media.

Detailed analysis of commuters' preferences for activity during their journey to or from work and study (a time when they are likely to be rushing against the clock and particularly focused on their destination) identifies profiles of behaviour in which most people are doing very little or just listening to music, radio or an audio book. Whatever their mode of transport they are not only receptive to Out of Home media, but often enjoy the distraction.

Those who are absorbed in their mobile devices – whether pursuing screen- or conversation-based activities are certainly juggling multiple activities on the go but they still have a hungry eye for entertainment or 'creative feeds' around them.

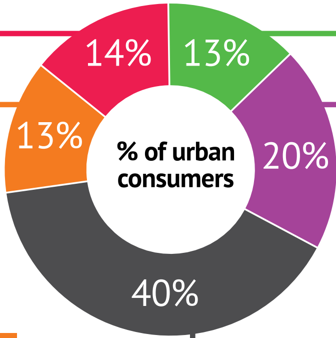
Recent research in the UK* has shown that consumers are 33% more alert when out of home. With mobile 'portals' in their hands consumers are now 'meshing' a range of activities and, critically, empowered to take instant action when an Out of Home advertisement appeals to them.

"If I'm waiting for a train or tube or stuck in traffic, my eye is drawn to posters and billboards. I can be listening to music and still looking at and reading an advertisement."

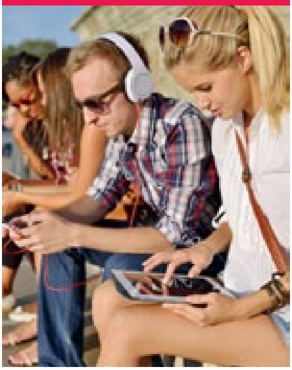
Female, 33, London

*Outdoor Media Centre; COG Research with Dr Amanda Ellison, doctor of Psychology at Durham University, UK.

Through analysis of preferred activities during the daily commute to work or study, we have identified particular profiles of behaviour:



HYPER INDIVIDUALS



Mostly young and ultra sociable, a regular journey to work or study (20% are students) is a frenzy of activity for the Hyper Individual.

Although they tend to have a little less money to spend, daily life is filled with socialising at and away from home – in bars and restaurants – and shopping for fun. And journeys to their destination are a blur of multi-tasking with smart devices. In transit, they immerse themselves in an average of 7.9 different activities – jumping from social networking updates, to gaming, to texting and back again. Perhaps unsurprisingly, while many find their journey-time productive they are also more likely to find it stressful, compared with other profiles. Yet their thirst for constant stimulation sees them still alert to their surroundings and engaging with adverts around them.

Hyper Individuals are prominent among those who travel by train.

COMMUNICATORS

Young – but with a slightly older age profile than Hyper Individuals, this group are also busy extroverts, if not to the same extreme.

With less than half having children and enjoying higher incomes than Hyper Individuals, Communicators shop for pleasure on a regular basis and regularly eat and socialise away from home, but also take advantage of frequent 'downtime' in front of their TV. As likely to be male as female, Communicators use travel time for multiple tasks and diversions – pursuing an average of 5.3 different activities – of which calling or texting friends is a key one.

With an appetite for entertaining content and topics to feed their chatter, they remain alert to their surroundings and soaking up adverts around them too.

NEARLY NOTHING

Daily travel is a comparatively calm and low-stress experience for the 'Nearly Nothing' commuter, despite the fact that many are negotiating traffic – driving a car, motorcycle or cycling - and over a quarter of train, underground or bus commuters also fall into this group. Nearly Nothings are more likely to be male, over 45 and working 30 plus hours a week.

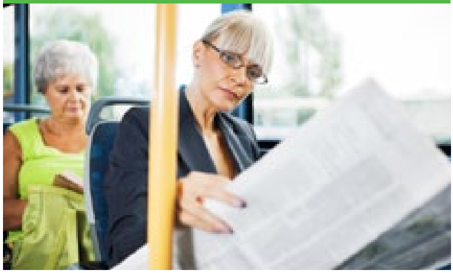
These urban consumers really do go with the flow – engaging in an average of just 1.4 activities en route to their destination. If they do anything at all on their journey, they tend to listen to music, radio or an audio book. Although they are the group who are most likely to have children (of any age) and 40% are in the higher income bracket, they tend to spend less time socialising with friends and family compared to other groups. Shopping is an exception, however, with over a third shopping for pleasure in the city centre at least once a week.

MUSICAL OBSERVERS

Musical Observers are the urban consumers who enjoy their travels around town the most. While travelling, they soak up their surroundings (and the advertising around them) whilst simultaneously tuning in to some of their favourite sounds – whether that's music, radio or an audio book.

Although more active when commuting than some other groups – they clock up an average of 3.9 activities – they generally give off much less of the frantic energy of Hyper Individuals and Communicators. While they enjoy regular socialising with friends and family in and out of the home, low key activities also appeal, hence they are more likely to be found relaxing in front of the TV than going to bars or clubs. This group are not the keenest of shoppers, with less than 3 in 10 shopping for pleasure once a week.

READERS



More likely to be female, Readers tend to be older, with the highest representation amongst the over 45s. This group are less embracing of mobile living and one in five do not own a smartphone.

Leisure pursuits include frequent socialising with friends and family, alongside cultural pursuits such as trips to the cinema or galleries and walks in their local area. Shopping also appeals, with a third shopping for pleasure in the city centre once a week. As their name suggests, daily journeys are characterised by a strong focus on reading – whether in print or digital format, with their level of activity in transit (average of 3.6) on a par with Musical Observers. However, they are considerably less engaged with their surroundings than Musical Observers.

Over 30% of those who commute mainly by underground or train fall into this group.

Commuter profiles by age

	18-24	25-34	35-44	45-54	55-64
HYPER INDIVIDUALS	33%	34%	19%	10%	4%
COMMUNICATORS	27%	28%	23%	17%	5%
MUSICAL OBSERVERS	17%	25%	23%	20%	15%
READERS	16%	24%	22%	23%	15%
NEARLY NOTHING	15%	24%	25%	22%	14%

Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 18-64, 2014

THE OLD AND THE NEW:
A BALANCE TO BE STRUCK

Out of Home media is ideally placed to engage distraction-hungry 21st Century commuters Most agree "I hate to be bored", with three quarters of Communicators saying the same.

"I hate being bored." % who agree strongly/agree by commuter profile

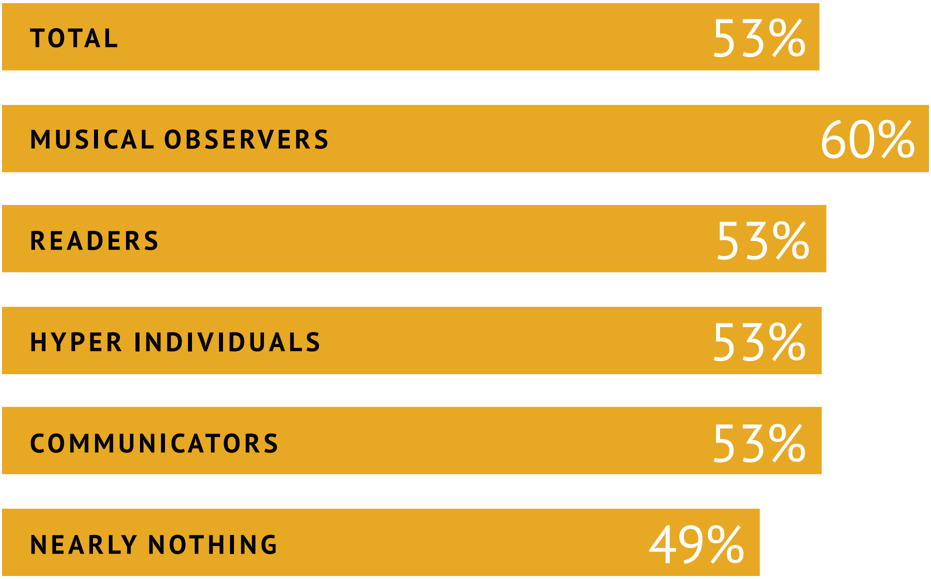
TOTAL	64%
COMMUNICATORS	74%
HYPER INDIVIDUALS	68%
MUSICAL OBSERVERS	67%
READERS	60%
NEARLY NOTHING	59%

Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 18-64, 2014

However, there are signs that a balance of Out of Home 'stimuli', i.e. a balance of digital and/or interactive executions with more traditional, static formats will remain important for effective connections with target audiences.

Most urban consumers are hungry for new experiences and distractions they feel a parallel need for calmer or 'mindful' moments too. A majority of consumers – even among those who are most 'device obsessed' – now agree "Sometimes I feel the need to get way from phone calls, emails and text messages and switch off".

"Sometimes I feel the need to get away from phone calls, emails and text messages and switch off" % who agree strongly/agree by commuter profile



Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 16-64, 2014

And where consumers find themselves with 10 minutes of 'downtime' in the city – for example while waiting for a friend or a bus – they are most likely to just "take in the surroundings" (48%).

In parallel, from some consumers there is a sense that, despite its novelty, new digital formats out of home may not always be a more effective route to cutting through. The simplicity of more traditional formats may provide a moment of comparative calm or respite for digitally-saturated commuters travelling against the clock.

"Adverts have become more digital. Screens replace print. For me, this is more short living. We receive more information but less information is memorized."

Male, 31, Hamburg

"There are more moving ads. For example at some bus stops and in the underground. They can be annoying as they aren't ever interesting... But they are trying to grab your attention as you make your stressful way to or from work."

Female, 29, London

OUT OF HOME: TRIGGERING ACTION AND PURCHASE

Where and how is Out of Home media making most impact now, and with what implications for its role in cross-platform campaigns?

Eight in ten urban consumers have taken some action in response to an Out of Home advert – for example, looking up information immediately or later, discussing it with someone else at the time or later, or proceeding to a purchase, for example. This increases to 91% of Hyper Individuals.

Equally, 62% of Hyper Individuals say they have gone online to look up information immediately as a result of seeing an Out of Home advert – compared to nearly 4 in 10 urban consumers overall.

% who have taken some action (e.g. looking up further information, discussing with others, making a purchase) as a result of Out of Home advertising

TOTAL	79%
HYPER INDIVIDUALS	91%
COMMUNICATORS	89%
MUSICAL OBSERVERS	88%
READERS	78%
NEARLY NOTHING	68%

Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 18-64, 2014

Again, we see the ongoing influence of 'traditional' forms of Out of Home advertising, such as large billboard posters. Indeed, the latter, when compared with other Out of Home formats (static and digital), are most likely to have prompted urban consumers to discuss the advert they have seen with others. Equally, large billboard posters match digital Out of Home formats in terms of triggering further research by the consumer. Urban consumers like the old as much as the new.

The complexity of consumers' multi-channel route to purchase makes it critical to understand the evolving role of Out of Home. More often than not consumers now build multiple elements of research into their decision making. The first trigger – say, an Out of Home advert – needs to drive action through a convoluted chain of events.

"I bought a Jade Fit Me concealer... I needed one and had seen the advert on TV, so checked for reviews online and found a video on YouTube where I got convinced to buy it."

Female, 27, Hamburg

"I regularly use platforms such as Twitter or Facebook to solicit crowd-sourced opinions with regards to shopping decisions."

Female, 28, Johannesburg

"People still use online reviews, despite popular belief. All you have to do is use your computer or smartphone and simply scroll through opinions. It's quicker and more time efficient than figuring it out on your own sometimes."

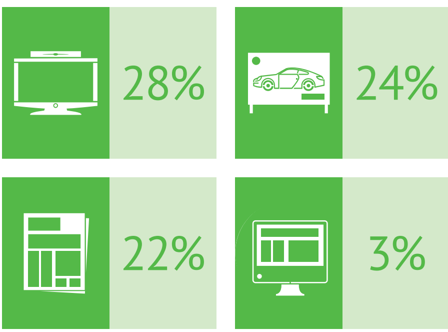
Male, 34, Istanbul

Against this backdrop, consumers hold Out of Home in high regard, as the volume and complexity of messaging across all channels escalates. While online advertising is universally seen as intrusive by urban consumers in our research, Out of Home advertising rivals TV in its perceived trustworthiness.

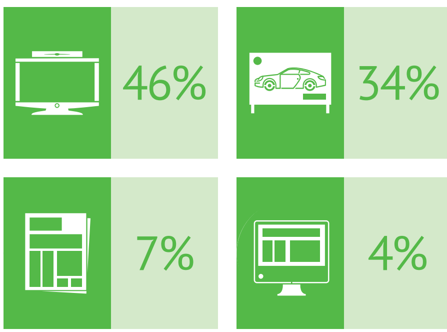
Equally, while second to TV advertising with regard to being most memorable, Out of Home advertising is rated significantly ahead of print or online.

Advertisers who continue to combine Out of Home with TV remain extremely well placed to cut through the growing 'noise' and maximise their impact with target audiences.

"In your opinion, which types of advertising are the most trustworthy?"



"In your opinion, which types of advertising are the most memorable?"



“I bought a pair of shoes from Topshop... I don’t have much money at the moment so sale items are all I can afford. ... I saw ads about the Topshop sale outside the store on Oxford Circus, and that’s the reason I went into the store.”

Female, 29, London

“I bought some Converse Chuck Taylors, in red... I was on the no.47 bus and saw an advert that said ‘buy sneakers, shoes are boring’... I already know the brand well but I thought the advert was cool and it made me laugh, which stuck in my memory.”

Female, 38, Madrid

“I bought Nike Air Max. I saw a digital ad at the main train station and thought they look pretty cool.”

Male, 23, Germany

Out of Home advertising retains its power to drive spontaneous purchases – particularly where messages are received in the immediate vicinity of shopping malls, supermarkets or other retail outlets. But, as global shoppers commit more effort to ‘maximising’ – using technology and expert advice to establish which purchase decision is *the* right one for them – a further role for Out of Home is becoming more significant. Namely: post-purchase reassurance.

It is half of urban consumers who agree “I like it when I see advertisements for products I already own”. This increases to 54% of those aged 18-34. In a world where, increasingly, recognition and validation is a daily pursuit for consumers – particularly those living out their lives via social media – what better boost than a towering billboard that spotlights you as someone who is at the forefront of fashion or a genuinely savvy shopper? Or what better reminder of brands who have already delivered you a great experience?

“It [Turkcell advert] covers the entire outer area of a building. I am a customer of Turkcell and I feel confident about my GSM operator (network), Turkcell, when I see this colourful and big advertisement.”

Female, 50, Istanbul

“[I] bought a new TV from Samsung after I had seen a poster advertising it. It was on sale and I have other Samsung products that I like. I also read reviews online before I decided to buy it.”

Female, 25, Hamburg


Calvin Klein
underwear
SUBWAY
Barcelona
pel Medi
Ambient
Gestió
de residus

CULT OF CREATIVITY: CONSUMERS RAISE THE BAR FOR OUT OF HOME CREATIVE

The 21st Century consumer is an increasingly sophisticated critic. Our study specifically highlights the degree to which urban consumers around the globe have ever sharper expectations of the quality and style of communication which brands need to deliver to merit attention and potential action – including Out of Home. Indeed, brand campaigns across other platforms – particularly digital – are raising the bar for Out of Home executions, in developed and fast growing economies alike.

"Outdoor advertising needs to become more dynamic and innovative ... I feel outdoor has been slow to progress ...."

Female, 56, Birmingham

"Billboards must have something more to draw the attention of the public."

Female, 23, Rio

"Some [Out of Home] adverts are entertaining but most are plain or boring ... Advertising needs to be a bit more creative."

Male, 29, Hamburg

"The ones in Turkey are either too mashed together where you don't know where to even focus, or they are randomly placed and just have too many words."

Female, 30, Istanbul

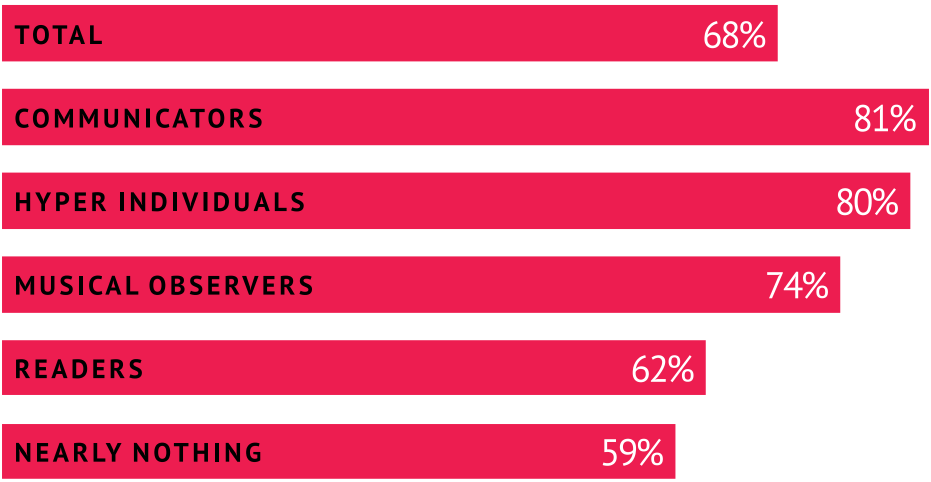
"The standard billboards that remain flat, boring or non engaging will receive less and less attention each day."

Female, 28, Johannesburg

For consumers across the globe, there is new social capital to be achieved in demonstrating one's creative talents and in being seen as a creative individual: over 70% of urban consumers in five of the markets for this study* agree that they feel the need "to fulfil myself as an individual by being more creative".

Considering effective routes to engagement, it is significant that 'Communicators' and 'Hyper Individuals' are most enthusiastic about companies creating "amusing or entertaining" content. They have a voracious appetite for content and eternal news feeds to fill on their social networks.

"I like it when companies create amusing or entertaining content"
% who strongly agree/agree by commuter profile



Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 16-64, 2014

The call to action for Out of Home is loud and clear: more creativity, more humour, more impact. Significantly, consumers are expecting more than just moving versions of static advertising, via new digital assets too.

* Source: nVision/Future Foundation Research; Base: 1,000-5,000 online respondents per country aged 16-64, 2013. South Africa not included.

"I don't like moving ones on the underground as they don't seem to do anything new or interesting with them – they're just like silent versions of the ones on the telly."

Male, 32, London

"I pay attention to... really creative ads that have higher aesthetic value than most."

Female, 49, Dusseldorf

Given the enduring impact and trust that Out of Home enjoys among urban consumers – as we saw earlier – there is huge opportunity for Out of Home to excel here in future. As the industry has seen time and again, fusing sharp creative with striking execution can deliver truly iconic advertising – driving action for years, literally. Consumers are receptive; collectively the industry needs to keep upping its game and delivering more.

" I remember it [Eva Herzigova's Wonderbra advert] because of the huge impact it had at the time (men crashing their cars etc). It also made me go out and by a Wonderbra a few years later (I was only 13 at the time!)."

Female, 33, London

CAPITALISING ON CONTEXT: PERFECTLY ALIGNED WITH CONSUMER NEED FOR ‘LOCALISATION’

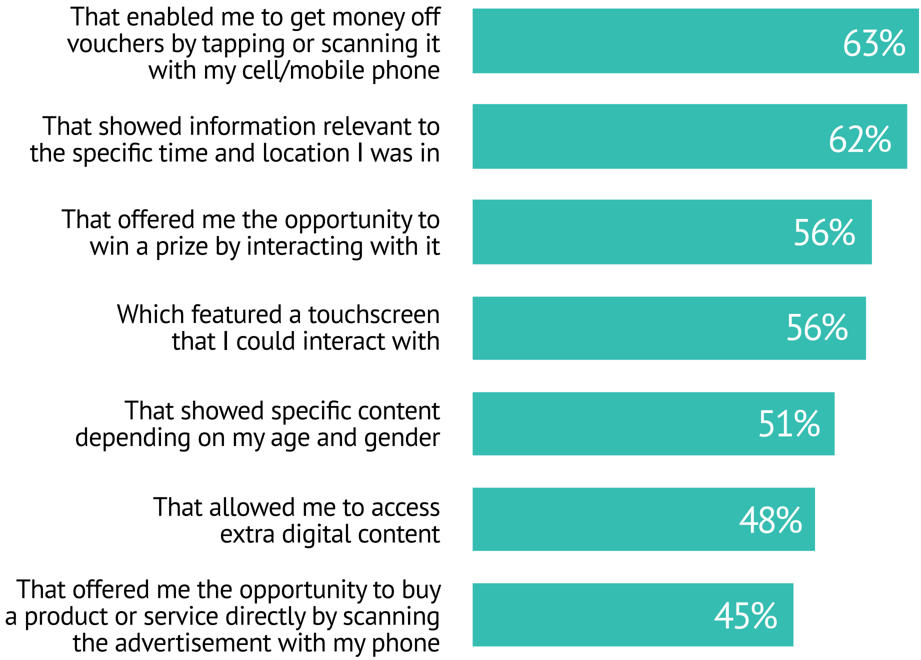
Big Data is the issue dominating global marcomms debates like no other currently. For those with access to relevant data and the tools to interpret its implications, unprecedented capability to personalise messaging to individual consumers is unfolding.

However, out and about, stronger consumer appetite lies in communication that is tailored to context – location and time; a need where Out of Home is ideally placed to deliver in effective, respectful ways.

Our research shows that 62% of urban consumers would be interested in a digital Out of Home advertisement that showed them information relevant to their specific location or time of day. A key driver here is a strong desire among consumers for connection with their local community: 59% agree strongly or moderately that “I like to keep informed about what is happening in my local area (e.g. shop openings, events)”.

Out of Home has traditionally excelled in amplifying campaigns while placing them in local context. The growth of digital assets will extend the opportunity here.

"In the future, how interested would you be in each of the following types of outdoor digital advertisements/services?" % who would be very/quite interested, by total



Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 18-64, 2014

In developed Western European economies particularly, almost as fast as Big Data capability develops, consumers are starting to establish the boundaries that feel comfortable for them in the context of more intimate dialogue with brands.

Whereas information tailored to their context appeals, it is a minority of urban consumers in our research who would be interested in advertising personalised to their interests (this has strong appeal for just 13%) – although appetite is more marked in fast growing economies (around 1 in 5 agree strongly that personalised advertising would be of interest).

Similarly just half of urban consumers are interested in Out of Home digital executions that show content tailored to their age and gender (less than one in five are very interested).

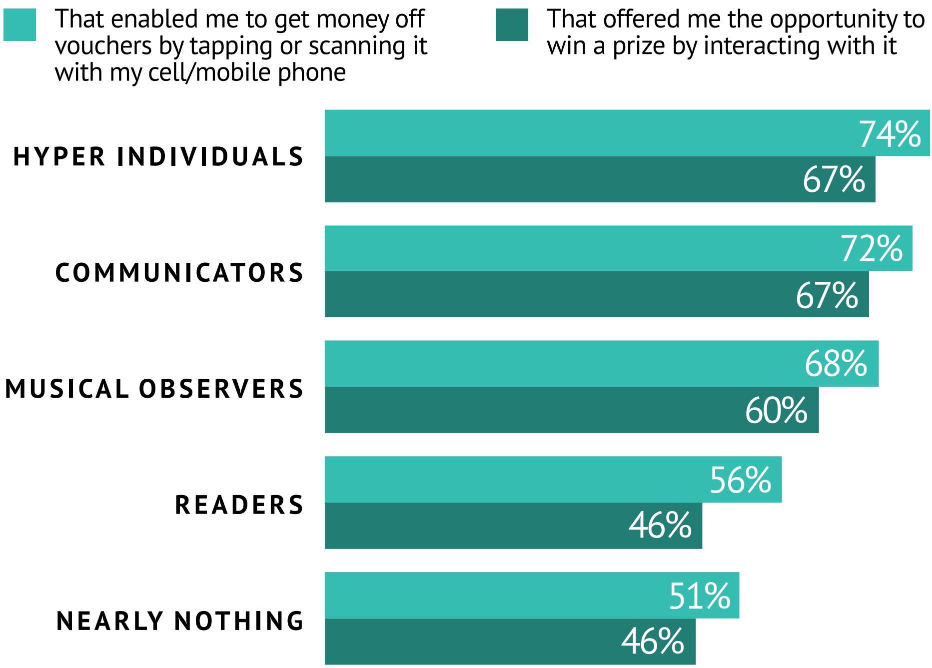
As privacy is propelled into the news headlines by stories such as Edward Snowden vs the US National Security Agency, consumers are becoming aware of the security of their data: 66% of urban consumers are more concerned about their privacy than a year ago and, despite their enthusiasm for many aspects of digital engagement with brands, this is highest among fast growing economies.

"MAKE IT WORTH MY WHILE"

What will encourage future interaction with Out of Home media? Considering digital applications, it is the idea of reward that has particular appeal for consumers: being able to interact with an advert and receive vouchers for money off (63%) or to win prizes (56%).

There is certainly appetite for more interaction via digital assets out of home – particularly in fast growing economies – but consumers will need to feel that it is worth their while. This is the case particularly when it comes to the young, digitally-savvy 'Hyper Individuals' and 'Communicators' who are all too easily distracted by other mobile/screen-based activities.

"In the future, how interested would you be in each of the following types of outdoor digital advertisements/services?" % who would be very/quite interested



Source: FEPE/Future Foundation | Base: 1,000 online respondents per country aged 18-64, 2014

METHODOLOGY

FEPE has worked with Future Foundation, a leading global consumer trends and forecasting consultancy, in the design and delivery of this study.

Initially, drawing on over 100 established and emerging trends tracked by Future Foundation, a workshop prioritised the key trends impacting consumer engagement with Out of Home media to be explored through bespoke consumer research.

A 20 minute questionnaire was undertaken online with a sample of 1000 consumers per country, 18-64, who live and/or work in the largest cities in the UK, Germany, Spain, Turkey, Brazil and South Africa (research undertaken in Johannesburg only).

In parallel, qualitative research was undertaken via Future Foundation's global network of trendspotters. Feedback on a number of questions around Out of Home media was received from 12 urban consumers in each of the six markets, in addition to feedback on tasks (visual diaries of Out of Home media experienced) fulfilled by two urban consumers in each market.

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