

Why T-Mobile is spending \$600 million to acquire a digital OOH firm

Article

The news: T-Mobile is acquiring digital out-of-home (DOOH) advertising firm **Vistar Media** for \$600 million, the companies announced Monday, signalling a broad push into new advertising sectors for the mobile broadband provider.

- Vistar controls more than 1.1 million DOOH placements including in high-traffic areas like Times Square.
- This isn't T-Mobile's first advertising rodeo. The company has increased its advertising efforts in recent years, acquiring rideshare screen advertiser **Octopus Interactive** in 2022 and launching a retail media network last year.

DOOH's power: Digital billboards are the main ad space driving out-of-home advertising's growth, making T-Mobile's acquisition one that will give it control of in-demand ad space.

- US OOH ad spending will total \$9.43 billion this year, up 3% from 2024, per our November 2024 forecast. Much of that growth comes from DOOH advertising, which will rise 11.5% this year to \$3.54 billion. Traditional OOH will make up a larger share of overall OOH spending at \$5.9 billion, but its share will decline 1.5% this year.
- DOOH's growth is driven by the opportunity to sell the same ad space to multiple brands, but also by its ability to implement real-time context like the weather into what it displays. **Fifty-one percent of people who have noticed a DOOH ad have visited the business**, according to the Outdoor Advertising Association of America.

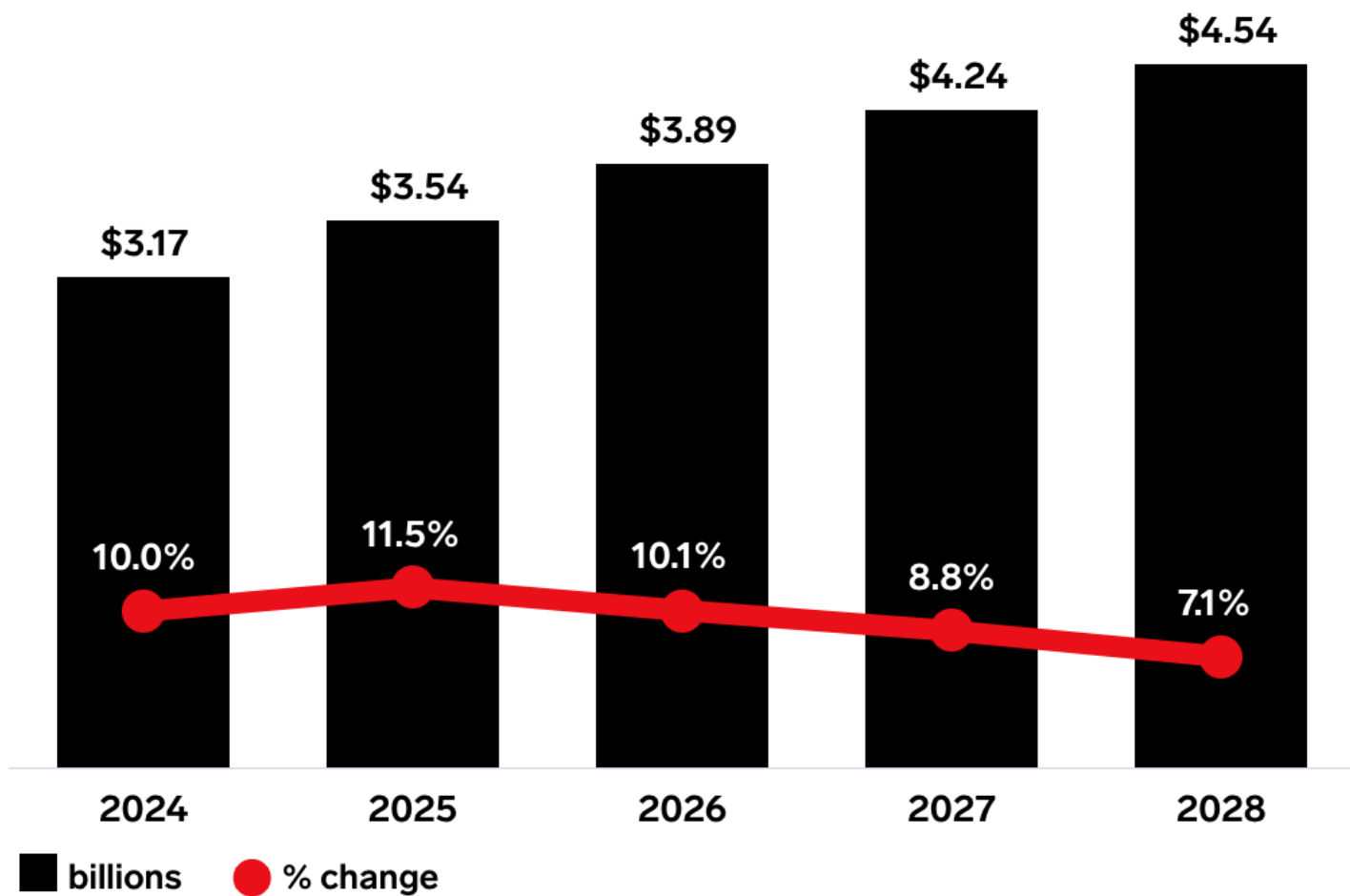
Despite DOOH's unique advertising opportunities, it is still a somewhat underused ad channel. **With 10% of brands and agencies prioritizing DOOH for 2025**, per InMarket, that's a sign that some brands could seize valuable space and forge relationships with providers.

Our take: T-Mobile's push into advertising aligns with the trend of industries like retail and grocery plunging into the sector. The company sees an opportunity in DOOH's growth as more billboards transition to screen-based advertising.

The deal is also the latest in a flurry of advertising mergers and acquisitions announced in the wake of **Donald Trump's** election win, a sign that industry players see an opportunity to consolidate and seize market share.

Digital Out-of-Home Ad Spending

US, 2024-2028



Note: includes any out-of home advertising that is dynamically and digitally displayed; includes digital billboards, digital street furniture, digital transit, and digital place-based displays; excludes cinema

Source: EMARKETER Forecast, November 2024