

Out-of-Home Advertising Is Becoming More Digitally Driven

But most outdoor ads are still static

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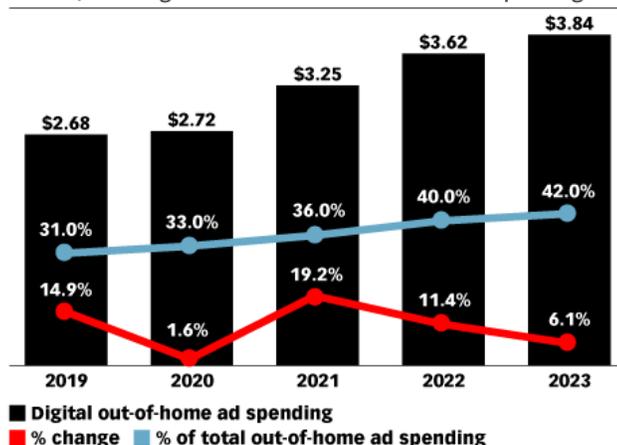
Ross Benes

This year, digital out-of-home (DOOH) ad spending will increase by 1.6%, and in 2021 it will rise by 19.2%. We expect DOOH ad spending to increase from \$2.72 billion in 2020 to \$3.84 billion in 2023.

We define DOOH as any out-of-home (OOH) advertising that is dynamically and digitally displayed. It includes digital billboards, digital street furniture, digital transit and digital place-based display. We categorize DOOH as a subset of OOH, not as a subset of digital advertising, which means that our DOOH estimates are excluded from our digital advertising forecast.

In 2020, DOOH will account for one-third of total US OOH ad spending. While that share might not seem impressive, consider that back in 2015, DOOH's share of total OOH was just 17.0%, about half of what it is today. By 2023, 42.0% of all US outdoor ad spending will come from DOOH.

US Digital Out-of-Home Ad Spending, 2019-2023
billions, % change and % of total out-of-home ad spending



Note: any out-of-home advertising that is dynamically and digitally displayed; includes digital billboards, digital street furniture, digital transit and digital place-based displays
Source: eMarketer, June 1, 2020

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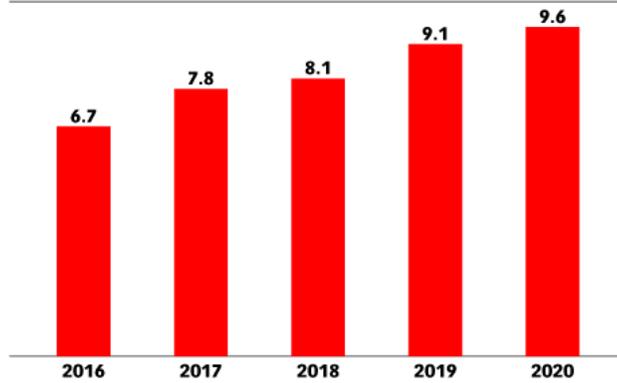
The number of outdoor displays that are digitized is growing quickly. From 2017 to 2019, the number of total digital displays in Outfront Media’s US portfolio increased from 1,693 to 7,266, according to its financial fillings. Lamar Advertising reported that it added 335 digital outdoor ad units in 2019. Lamar intended to add another 250 DOOH displays in 2020.

Estimates from trade group Outdoor Advertising Association of America (OAAA) showed that in the US, there were 5,742 digital street furniture outdoor ad placements, 7,847 digital transit displays, and 5,830 digital shopping mall place-based ad units in H1 2020.

Digital billboards are the most common type of DOOH advertising. Per OAAA, the number of digital billboards in the US reached 9,600 in H1 2020. In 2016, there were just 6,700 digital billboards in the US. That’s a 43.3% increase over a handful of years.

US Out-of-Home Digital Billboards, 2016-2020

thousands



Source: Outdoor Advertising Association of America (OAAA), July 15, 2020
256975 www.eMarketer.com

Outdoor advertising has historically been about awareness and upper-funnel branding. Now that outdoor is becoming more digitized and data-driven, it has become more common for direct-response and direct-to-consumer (D2C) advertisers to use OOH to acquire customers. D2C advertisers are investing in OOH, as well as TV, because they need more reach than what they can get from social and other digital display.

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Report by Ross Benes Aug 06, 2020

US Digital Out-of-Home Ad Spending 2020

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