COMMB

Canadian Out of Home Marketing
and Measurement Bureau

IMPACT, GROWTH & CHANGE IN OOH

November 2024

Introduction

Q4 is here, the leaves are falling, and OOH is thriving.

To start the conversation in this Insights Report for Q4, we will be highlighting the state of the Canadian OOH landscape. From 2023 to 2024 - what types of trends are we seeing specifically from the Gen Z consumer? The good news is, comparing this time last year, **we are seeing an upward trend of exposure to OOH and overall an enhanced positive perception amongst the Gen Z audience, which we will discuss later on in this report.** This is excellent news as we enter the holiday season - now is the time to leverage OOH to reach consumers. Back in July during Canada Day, an interesting statistic was released from Retail Council of Canada, "78.7% of Canada Day purchases will be made in person at a physical store" for 2024 based off of their forecasting survey. There is room for assumption that this strategy will carry over to holiday shopping in Q4 with in-person shopping an experience desired by Canadians. Meaning, exposure to OOH for consumers is in abundance.

One of the most prevalent topics of conversation in the OOH space is the integration of OOH and technology; how we can now personalize and leverage data utilizing AI to create more interactive and data-driven campaigns. This is no surprise, but coming off the COMMB and DailyDOOH AdAi conference, it's inspiring to witness the evolution of where we were just a year ago. With the integration of LLMs (Large Language Models) to assist in answering OOH's burning questions, to creative generation technology (generative diffusion models), which allows you to prompt the platform to generate inspiring creative, to ways you can integrate AI internally to smooth processes - there is an abundance of development happening behind the scenes, which will inevitably skyrocket the OOH media to new heights.

In the last Insights Report where we touched on AI, we honed in on personalized content, how to utilize digital to dynamically integrate creativity at the click of a button. In this Insights Report edition, we are looking to focus more specifically on how Canadians are feeling about OOH, their perception, and how media companies are leveraging AI beyond our imaginations. This edition of the Insights Report is built to inspire you to see the significance AI is having on the OOH industry, and if you weren't able to attend AdAi, give you an inkling of what type of change is happening today, and what is forecasted for years to come.

We hope you enjoy takeaways from this edition of the Insights Report, and here's to a healthy Q4!

Jennifer Copeland
Director of Brand Communications, COMMB
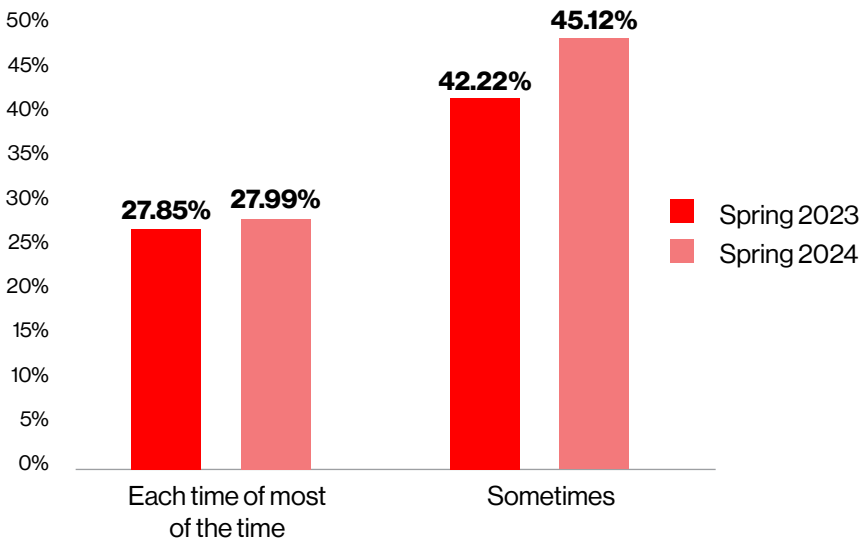
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Gen Z & OOH

With COMMB's new partnership with Vivintel, Vividata's new cross-tabular platform that showcases consumer insights from their SCC Studies and beyond, COMMB has access to showcase out-of-home (OOH) exposure, perception, action taken and commuting details within the Canadian population. To kick off the Q4 Insights Report, we want to highlight one of the nuances of Canadians. Vividata's most recent study provides operators, agencies and brands a deeper understanding of the relationship between the Gen Z audience and OOH, and provides an opportunity to plan campaigns accordingly.

We have discussed Gen Z before and their receptiveness to OOH, but in this Insights Report, we are analyzing the comparative between last Spring of 2023, and this Spring of 2024 within Vividata's SCC Studies. How has the Gen Z audience's perception of OOH changed within the past year?

OOH Exposure

How often do you notice OOH?

Bar chart legend: Spring 2023 (red), Spring 2024 (light red)

Each time of most of the time: 27.85% (Spring 2023), 27.99% (Spring 2024)

Sometimes: 42.22% (Spring 2023), 45.12% (Spring 2024)

**Gen Z index 138 for noticing OOH every time or most of the time they see an OOH ad.**

Each of these exposure statements have seen an upward trend since the Spring 2023 study. This increase indicates that OOH will continue to become a significantly noticeable medium for younger audiences. Knowing that the OOH industry in Canada has pushed the boundaries for more personalized, eye-catching creative may be the culprit for this positive upswing in exposure for OOH.

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OOH Action Taken

Being exposed to an OOH advertisement doesn't necessarily mean you 'take action' after that exposure. However, for Gen Z, we discovered that they are taking action, particularly when it comes to searching online for a product/brand/service after exposure to OOH. This makes sense, as we are continuously discovering opportunities for OOH and online to work in tandem.

This graph showcases the action taken after OOH exposure in just the past week and month, in comparison to last year's Spring 2023 study.

Searched online for a product/brand/service

■ Spring 2023   ■ Spring 2024
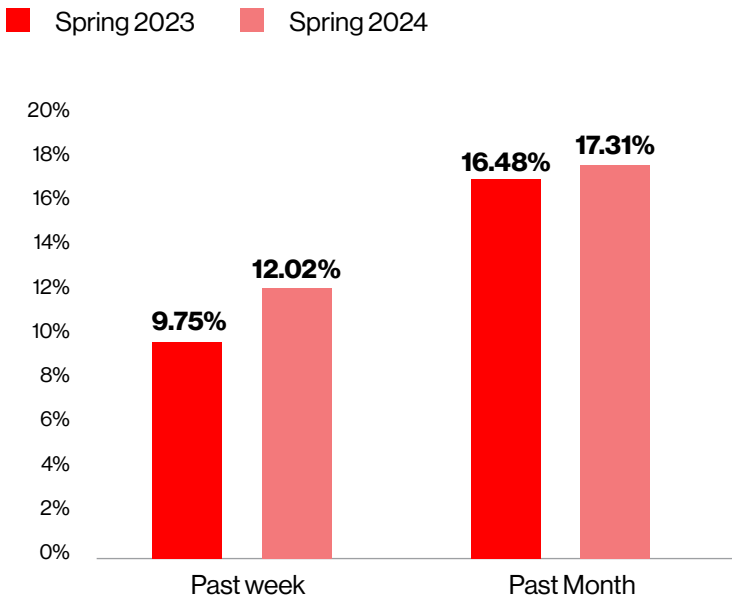
Since Gen Z are often online, OOH in tandem with the online world tends to be impactful and this has increased over the past year!

Source: Vividata SCC Study Spring 2023 & Spring 2024, Gen Z, Searched online for a product/brand/service

As we've mentioned in our prior Out-of-Home in the Media Mix study, out-of-home and online within the media mix work seamlessly together. Bridging the gap between the online and offline world - this strategy tends to be effective, particularly among younger audiences, including Millennials.

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Perception

What do Gen Z **think** of OOH advertising? It's fair to assume that having a positive perception of something, will in-turn make you more receptive to it.

Vividata's most recent study for Spring 2024 reveals that Gen Z tend to have more positive views on out-of-home advertising in comparison to the general Canadian population. Compared to the same time period last year (Spring 2023), it's notable to state that this audiences' perception of out-of-home has grown more positive, meaning out-of-home's perception is continuously improving amongst this audience.

Perception of OOH (Other OOH Ads) (Gen Z)
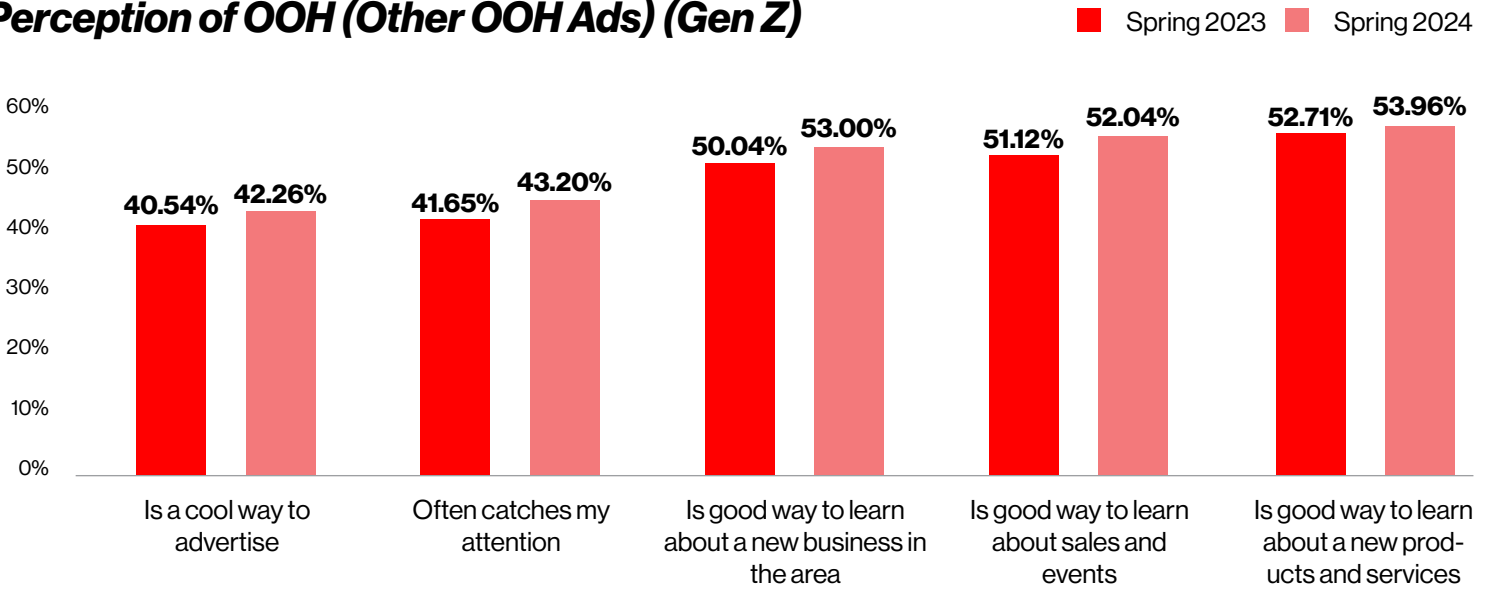
Source: Vividata SCC Study Spring 2023 & Spring 2024, Gen Z, Perception of OOH (Other Ads (Not Digital))

Perception of OOH (Digital OOH Ads) (Gen Z)
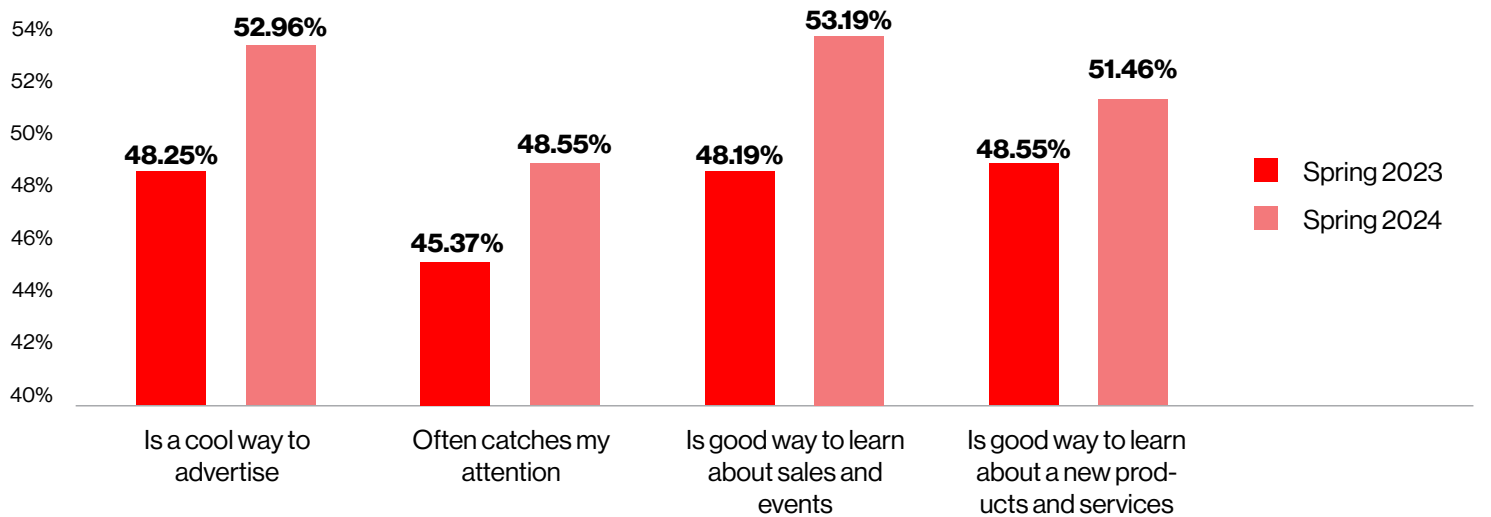
Source: Vividata SCC Study Spring 2023 & Spring 2024, Gen Z, Perception of OOH (Digital Ads)

Digital OOH seems to have the most drastic change in perception. For example, last year 48.19% of Gen Z believed that digital OOH ads are a good way to learn about sales and events, while this past Spring 53.19% believed this sentiment to be true. At a 5% increase from just last Spring, Gen Z are seeing the value of digital OOH more than ever before.

The findings from Vivintel suggests that Gen Z is becoming increasingly receptive to Out-of-Home (OOH) advertising. Gen Z's exposure to OOH ads has risen, with more individuals in this demographic reporting that they notice these advertisements "every time or most of the time". Notably, this exposure is leading to action, with a growing percentage of Gen Z individuals searching online for products or brands after being exposed to OOH advertising. This trend highlights the effectiveness of integrating OOH and online strategies to connect with this digitally-savvy audience.

Gen Z's perceptions of OOH advertising are also evolving positively [5]. Compared to the general Canadian population, Gen Z holds more favorable views of OOH advertising [5], and this positivity has only grown over time [6]. This positive shift is particularly apparent in their perceptions of digital OOH [7].

Overall, these trends strongly indicate that OOH advertising, especially in its digital format, is becoming an increasingly impactful method for reaching and engaging Gen Z consumers.

OOH advertising is becoming an increasingly impactful method for reaching and engaging Gen Z consumers.

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Canadians, AI & OOH

"The future of generative AI is bright, and I'm excited to see what it will bring." ~Bill Gates.

Science says we fear change. With change, comes uncertainty - and naturally that is a sense of discomfort. We have heard an abundance of arguments online about AI, how it will affect us, our jobs, and our day-to-day tasks. Change and uncertainty often go hand in hand, especially when it's at the level of rapid change that AI is bringing to our daily lives. But with change comes growth. The capabilities are endless when we think about the integration of AI in business.

The truth is, we've seen change like this before in many facets of business, and specifically in advertising. Even amongst the rapid changes, in some ways we still celebrate and appreciate the "classic" way of doing things. Static OOH assets are still printed daily - the process, like the ink and printers we use, have just become more efficient.
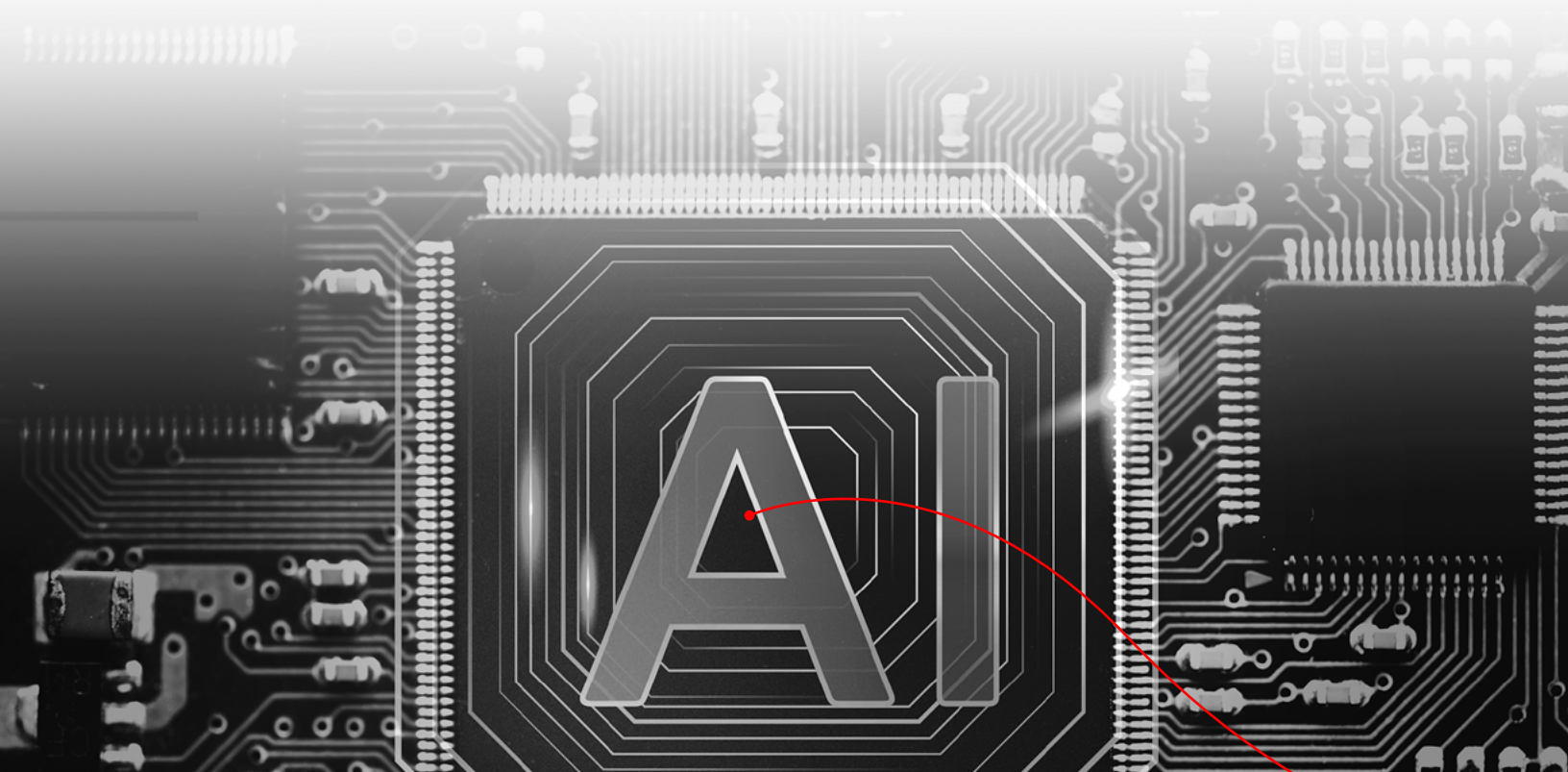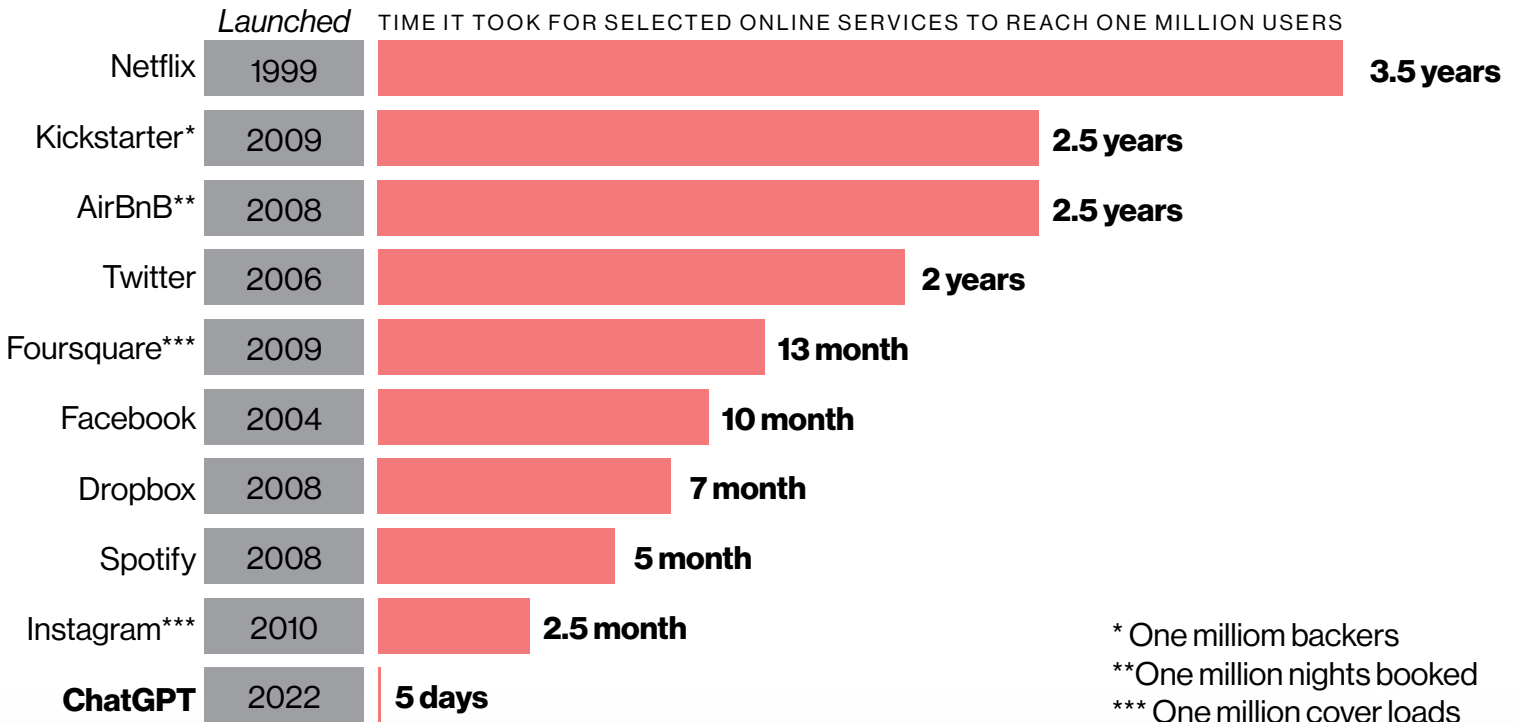
AI is considered 'more efficient.' However, the human element of projects will always be needed, desired, and celebrated. The process of completing projects will be what changes most drastically. People will still need to be creative and educated in their field to understand a good, AI-generated idea. *"Our intelligence is what makes us human, and AI is an extension of that quality. Artificial intelligence is extending what we can do with our abilities. In this way, it's letting us become more human." — Yann LeCun, computer scientist working primarily in the fields of machine learning, computer vision, mobile robotics and computational neuroscience.*

Think of the Internet. Many people did not adapt to the Internet right away - it took education, time and understanding of the benefits. It wasn't adopted by households across the nation immediately - many were cautious and hesitant. In fact, it's probable that there are some of the older generations who don't use it. This could be a similar evolution with AI. Call it the 'second wave' of the Internet. In 1994, we saw the first online advertisement. Today, we are starting to see many AI-generated advertisements. Some incredible ones, and some not-so-good ones - but it's happening. The early adopters are often the ones who thrive - so COMMB is ecstatic to continue the conversation. How will AI affect us? What do Canadians think? How can we use it to our benefit today?
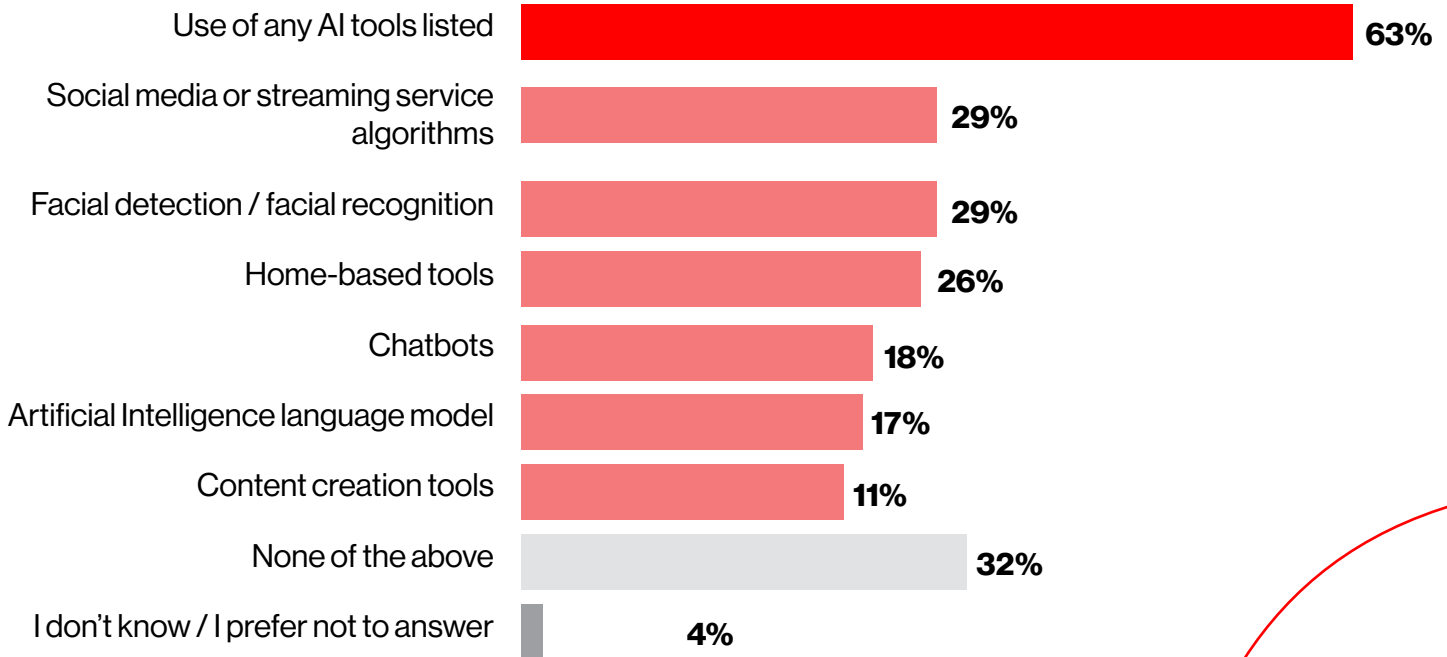
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How Canadians view AI

For the AdAi conference this year, COMMB wanted to better understand how Canadians are currently feeling about AI, and how they are feeling about the OOH industry utilizing it. Partnering with Leger, who are leaders in Canadian market research, allowed COMMB to tap into more than 1,500 Canadians and deeply understand their thoughts and hesitations (if any) on this subject.

ChatGPT springs to one million users

	Launched	TIME IT TOOK FOR SELECTED ONLINE SERVICES TO REACH ONE MILLION USERS
Netflix	1999	**3.5 years**
Kickstarter*	2009	**2.5 years**
AirBnB**	2008	**2.5 years**
Twitter	2006	**2 years**
Foursquare***	2009	**13 month**
Facebook	2004	**10 month**
Dropbox	2008	**7 month**
Spotify	2008	**5 month**
Instagram***	2010	**2.5 month**
ChatGPT	2022	**5 days**

* One milliom backers
**One million nights booked
*** One million cover loads

To set the narrative, it took only 5 days for ChatGPT to get a million users, whereas Netflix - the largest streaming service globally (boasting 269.6 million paid memberships as of March 31, 2024), took 3.5 years to reach a million users. ChatGPT skyrocketed to new heights when it comes to growth in comparison to some of the most popular platforms. AI adoption was quick for a lot of other companies as well. In 2023, only one year later, COMMB launched their own bot modeled off the same large-language model as ChatGPT. COMMB's "OOH-GPT" specializes specifically in Out-of-Home related conversations. Many other companies have now integrated the LLM for their own use-cases.

Use of AI tools

Category	Value
Use of any AI tools listed	63%
Social media or streaming service algorithms	29%
Facial detection / facial recognition	29%
Home-based tools	26%
Chatbots	18%
Artificial Intelligence language model	17%
Content creation tools	11%
None of the above	32%
I don't know / I prefer not to answer	4%

Leger found that 63% of people 'use any of the tools listed' in their daily lives. It's interesting to note that the highest percentage of respondents use social media or streaming service algorithms. You're probably familiar with these algorithms - they've been providing tailored content and suggestions based on browsing and viewing history since as early as 2013 in Facebook's social feeds. We know how significant personalized content has become from our last Insights Report which covers this topic specifically in OOH. People react positively to content that interests them - and AI is allowing OOH to achieve this today!
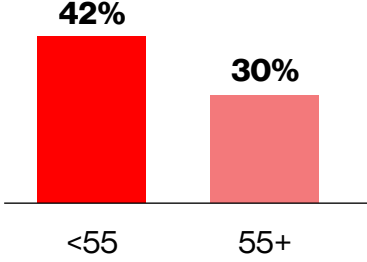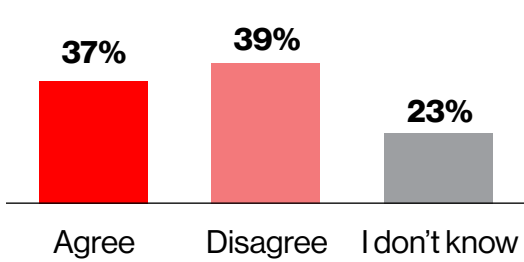
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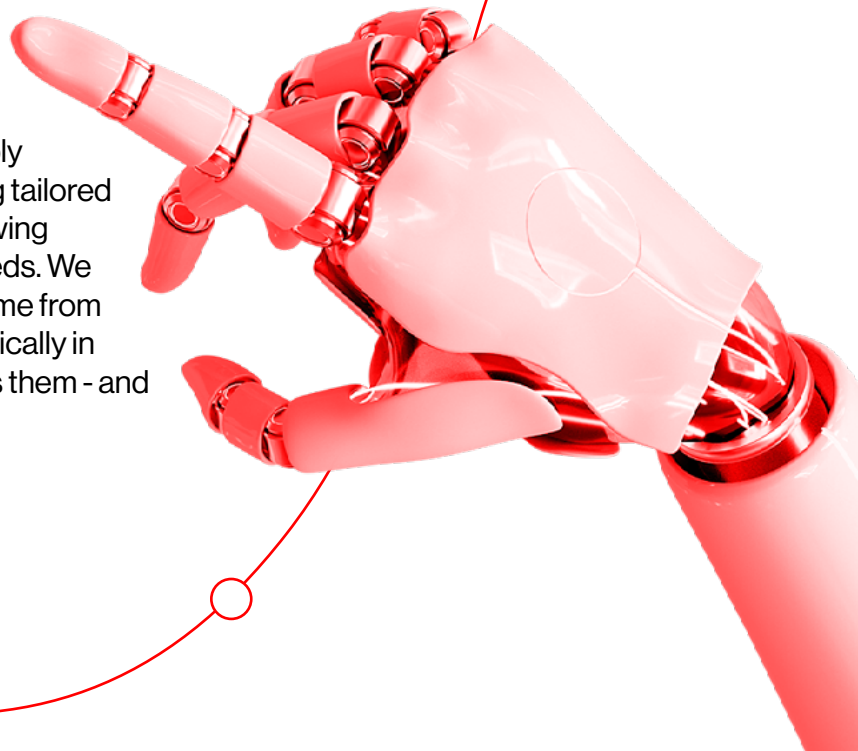
How Canadians view AI in OOH

AI for out-of-home advertisements

*It makes sense to **use** AI to create out-of-home advertisements*

37%	**39%**	**23%**
Agree	Disagree	I don't know

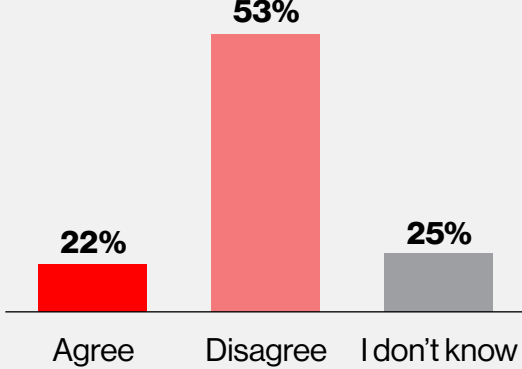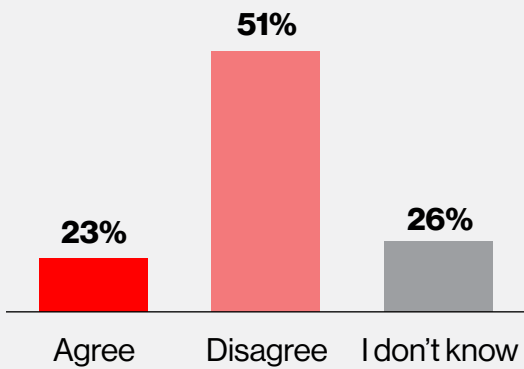*% agree by age*

42%	**30%**
<55	55+

AI advertisements - effectiveness and relevance

*Ai-generated out-of-home advertisements are more **effective** than those created by human designers*
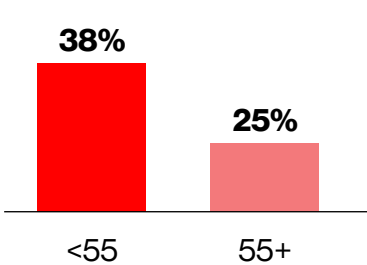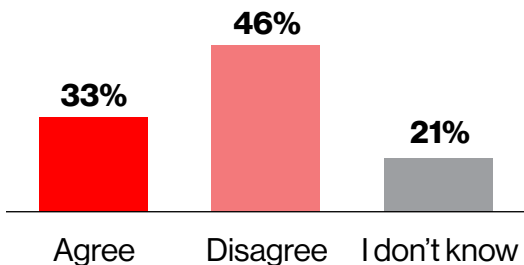
23%	**51%**	**26%**
Agree	Disagree	I don't know

*Ai-generated out-of-home advertisements are more **relevant** than those created by human designers*

22%	**53%**	**25%**
Agree	Disagree	I don't know

AI for out-of-home advertisements

*I trust AI to create **engaging** out-of-home advertisements*

33%	**46%**	**21%**
Agree	Disagree	I don't know

% agree by age

38%	**25%**
<55	55+

When we dive into how the public perceives AI, it is interesting to note some hesitancy. People are still wrapping their heads around the capabilities of AI, with 46% stating that they don't trust AI to make engaging out-of-home advertisements. However, 31% state that it **makes sense** to use AI to create OOH advertisements. Still, 51% responded that they disagree with the following statement: *"AI-generated out-of-home advertisements are more effective than those created by human designers".*

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A lack of understanding causes caution.

As we studied the survey results provided by Leger, we noticed that many individuals may not understand what AI actually is and how it affects them daily. I asked ChatGPT to define what AI is, and what it is not.

What people think AI is:

Superintelligence or Consciousness: Many imagine AI as an intelligent entity that thinks, reasons, and has self-awareness. Pop culture—movies like The Terminator or Ex Machina—contribute to this belief that AI might surpass humans and act autonomously.

An Imminent Threat or Savior: Some people fear AI as a dystopian threat that could take control of human life or lead to mass unemployment. Others view it as a miracle technology that will solve problems like climate change or world hunger.

Magic-Like Capabilities: There's a misconception that AI can solve any problem instantly. People often overestimate its current abilities, imagining AI can fully understand complex emotions, context, or ambiguous situations flawlessly.

What AI actually is:

Advanced Algorithms: AI refers to a wide range of machine learning algorithms such as neural networks that excel at specific tasks like pattern recognition, data analysis, automation and generative tasks but lack the self-awareness or autonomy often attributed to it.

Narrow Intelligence: Today's AI is narrowly focused. It can perform well in specialized areas, such as image recognition, language translation, or playing chess, but it doesn't "understand" in a human sense. It can't generalize knowledge beyond its training or adapt to tasks it's not designed for.

Dependent on Data: AI's power comes from large amounts of data and the patterns it learns from them. It isn't inherently creative or intuitive; it relies heavily on past information (training data) to make predictions or decisions.

This is noteworthy because, discovered later in Leger's survey, people do **enjoy seeing personalized advertisements.** This is where we can intuit that there is a lack of understanding of what AI truly is, and in this instance, how it can allow for more deeper, personalized content.

Enjoyment of out-of-home advertisements

51% Agree   **34%** Disagree   **15%** I don't know
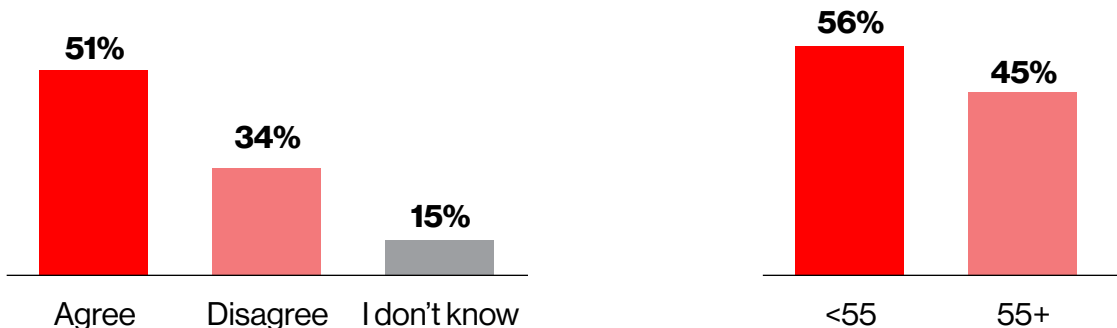
*I enjoy seeing out-of-home advertisements that are **personalized** to me*

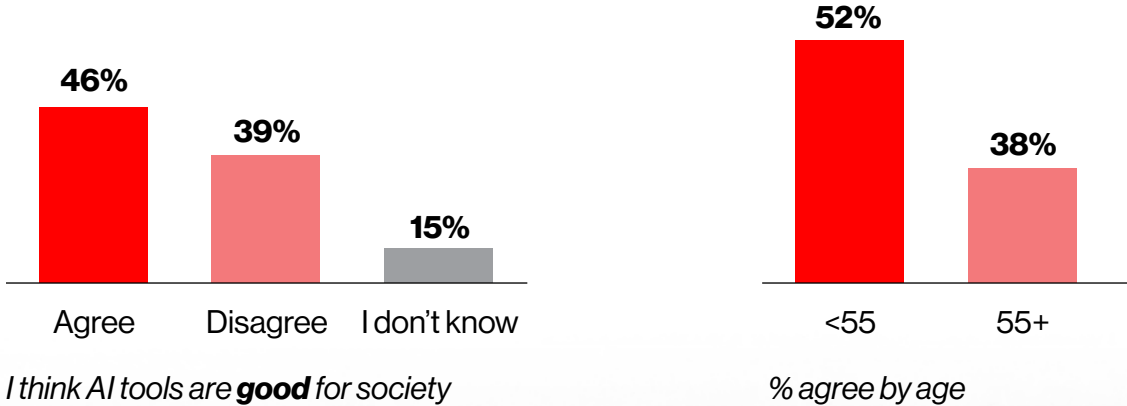**56%** <55   **45%** 55+

% agree by age

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51% of respondents state they enjoy seeing out-of-home advertisements that are personalized to them.

Read about personalized content in OOH in COMMB's last Insights Report.

Leger also found that respondents agreed that AI tools are good for society. So, despite the earlier findings where respondents indicated that they may be hesitant on fully trusting AI and its capabilities, they do understand that it's good for progression in general.

AI tools

```
46%
39%
        15%

Agree   Disagree   I don't know
```

*I think AI tools are **good** for society*

```
52%
      38%

<55    55+
```

% agree by age

Click to view the full Leger report "AI in OOH Advertising: Public Receptiveness and the Future of Innovation.

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AI and OOH in Action
'The Impossibly Smart Billboard'

Juan Tubert took the stage at the AdAi conference for 2024 and showcased an incredible OOH campaign developed by his creative advertising agency, Tombras, that leveraged AI to its maximum. Google Gemini (a generative artificial intelligence chatbot developed by Google), approached Tombras and asked, ***"We want to develop an impossible OOH campaign leveraging Google Gemini. Can you do it?"*** Tombras took on the challenge.

Partnering with PODS, leader in storage and moving trucks across the globe, Tombras & Google Gemini set out to push the limits of capabilities in OOH. With their already iconic moving billboard that has been posted up since 1998, it was time for PODS to try something "outside of the box" and bring their recognizable brand to new heights.

First, by changing their static PODS logo on the side of their trucks to a digital board, they were able to leverage more creative freedom for this 'Impossibly Smart Billboard' campaign. We often hear about Dynamic Creative Optimization (DCO) in OOH; a type of programmatic advertising that allows advertisers to create personalized ads based on real-time data. This campaign leveraged similar strategies with trained AI models.

What does 'trained' mean?

Training an LLM consists of feeding the model large amounts of data. For this campaign, the team uploaded project plans, brand guidelines, videos and transcripts. Then, the model was asked to create unique headlines depending on where it was located on the map. In order for the model to understand the tone of these headlines, it needed to be provided PODS branding information to analyze.

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Where does the 'real-time' data come in?

Google Cloud was then utilized to look at 'real-time' data like location, weather, traffic conditions and beyond. Google Gemini model, which now understood the tone of PODS brand and the objective of the campaign, was combined with Google Cloud's real time data and… magic happened!

299 neighbourhoods in 29 hours, with over 6,000 unique headlines.

Without the use of AI, this type of campaign would not be attainable. According to Calvin Fields, VP of Brand & Media of PODS, it paid off. **"In just a week, we saw 60% increase of website visits and 33% more quote requests. Our biggest YoY growth ever."**

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This campaign is an excellent example of the capabilities of seamless integration of AI

This campaign is an excellent example of the capabilities of seamless integration of AI: the use of data and generative AI intertwined, combined with a clear objective and concept. **This is where AI truly shines with OOH.** This is a narrative that we at COMMB are trying to communicate - the possibilities will become endless as the technology enhances and becomes more accessible. With the desire of personalized content becoming nearly a necessity for advertisers to tap into, this allows for a level of hyperlocal targeting that we have just scratched the service of.

Juan Tubert was an imperative part of bringing this campaign to life, and reflects on his involvement and keynote presentation at the AdAi conference. "Bringing this AI-driven campaign to life has been an incredible experience. Over the past year, we've seen the growing potential of AI in advertising. This collaboration with PODS, Google Gemini, and Tombras has pushed boundaries, transforming what was once considered 'impossible' into reality. Presenting this campaign at the 2024 AdAi conference was truly an honor, and we're excited to launch more campaigns with this approach and technology."

View the YouTube video of the entirety of the campaign.
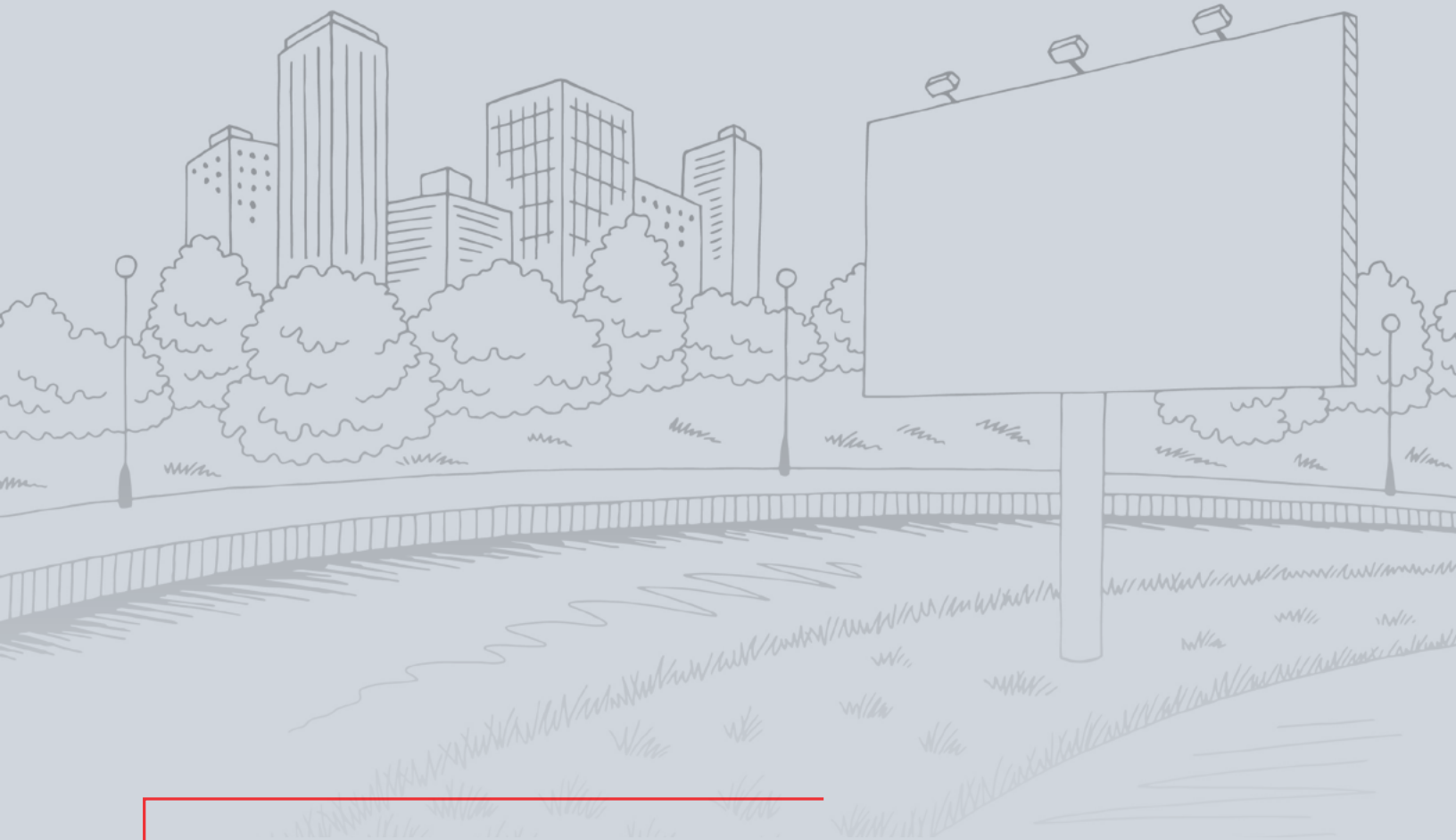
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Conclusion

Q4 presents a pivotal moment for the OOH industry in Canada, driven by evolving consumer behaviors and the integration of advanced AI technologies. As highlighted throughout this report, the Canadian OOH landscape is experiencing growing exposure and positive perceptions within younger audiences, with consumers engaging more actively with advertisements they encounter. This is especially significant as the holiday season approaches, offering brands an opportunity to capitalize on this momentum.

The advancements in AI, as seen in dynamic, personalized campaigns, are reshaping the possibilities within OOH. The seamless integration of data-driven insights and creative applications, as demonstrated by the "Impossibly Smart Billboard" campaign, showcases the potential for AI to revolutionize how brands connect with audiences. While there is still some public hesitation regarding AI in OOH, the overall sentiment reflects optimism about the role AI will play in enhancing the advertising experience.

As we move forward, it is clear that the combination of innovative technology and creative strategy will continue to elevate OOH's impact, providing brands with new ways to engage, inspire, and resonate with consumers. Here's to a prosperous and innovative Q4, as we leverage these insights and continue to push the boundaries of what OOH can achieve.

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Special thanks to all contributors

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