

INSIGHTS REPORT



ISSUE #3:

IMPACT, GROWTH & CHANGE IN OOH

July 2021 Results

President's Note

In the midst of rolling heatwaves across the country and in the heart of summer activities, this issue of our COMMB Insights Report shows steady progression to pre-pandemic movement in both major and regional markets. Many consumers are heaving a sigh of relief and taking a literal breath of fresh air as retail, indoor dining and outdoor and indoor gatherings shed their heaviest restrictions.

We are seeing the return of festivals, live crowds at Blue Jays games and [Toronto Football Club hosting home games](#) and many other social events and gatherings we have been longing for. The vibrancy of our cities, parks and recreation facilities returns; local, national, and international travel is seeing rejuvenation with many of us eager to get those family vacations in before the start of a new school year.

Businesses are planning their return-to-work strategies in a mindful fashion. Many major [Canadian organizations such as Desjardins, TD, CIBC, Cenovus Energy](#), and others that employ thousands of Canadians are committing to providing greater work-life balance, offering flexible options for in-office and hybrid approach work environments, encouraging a healthy return to work, whilst providing flexibility for its employees. Many organizations are planning to have significant numbers of team members back in the office starting in September. A recent survey by [McKinsey](#) found that prior to the pandemic most employees spent 62 percent of their time fully on-site at their place of employment, while 30 percent worked for a hybrid approach and only 8 percent were fully remote.

The survey indicated that the evolution of a more flexible working model post-pandemic will bring 52 percent of employees into a hybrid model and only 37 percent remaining as full-time in the office. Many of those surveyed expressed

a desire to return to the office, as working from home through the pandemic has caused fatigue, difficulty in disconnecting from work and weakening of their social networks.

Google is taking a bold approach to encouraging a return to the office, both in the US and in Canada, leveraging its location-based compensation structure which considers the employee's primary work location to gauge fair compensation according to market value and cost of living. The organization indicated that if employees decide to change their work location, they will see an adjustment – up or down – depending on where they go, indicative that if an employee was commuting from outside of a major metro like Toronto or Montreal they may see a decline in salary if they choose to work from home the majority of time, thus encouraging them to return to office commuter life, or perhaps move back into the core.

The report's perspective on the tech-giant's approach is that major organizations are developing various return to work strategies which is widely beneficial to the OOH industry. Also, we'll see a continued uptick in consumer movements, particularly in urban cores, in the months to come.

As mentioned in Issue #2, the report anticipated July to be a strong recovery month with many key markets moving into Stage 3 of reopening at the end of June. We're certainly seeing these positive uptakes in this issue. It's always exciting to dive into the data and unpack the details for these compelling monthly reports. Let's look at July's results.



Amanda Dorenberg

President, COMMB

Canada Market Overview

Overall, OOH activity showed positive gains across the board from June to July, with most provinces and metropolitan areas continuing to approach or exceed the 2019 pre-pandemic baseline. Those areas that entered Stage 3 reopening protocols the earliest are among the closest to achieving a return to “full normal” as measured by pre-COVID-19 inventories. The graph below plots the increase in activity over the last month as a percentage of the 2019 benchmark.

As we anticipated in Issue #2 of the COMMB Insights Report, July would provide a key indicator of whether the OOH industry could expect a quick return to pre-outbreak conditions. This has proved to be the case; every market saw a July index in contrast to 2019 that increased from the June index. The numbers not only reveal an uptick from June to July, but also another step toward baseline capacity. The fact that a few areas have already exceeded the 2019 mark give us confidence in a robust recovery.

July was, in many ways, the beginning of summer in Canada. Provinces entered Stage 3 of reopening across the country at the end of June/start of July. Those that progressed to Stage 3 only at mid-month (the Atlantic Bubble and Ontario) continue to trail Quebec and the central/western provinces. We expect these areas to generate larger gains in August, as the full impact of less restrictive guidelines are in effect for the entire month.

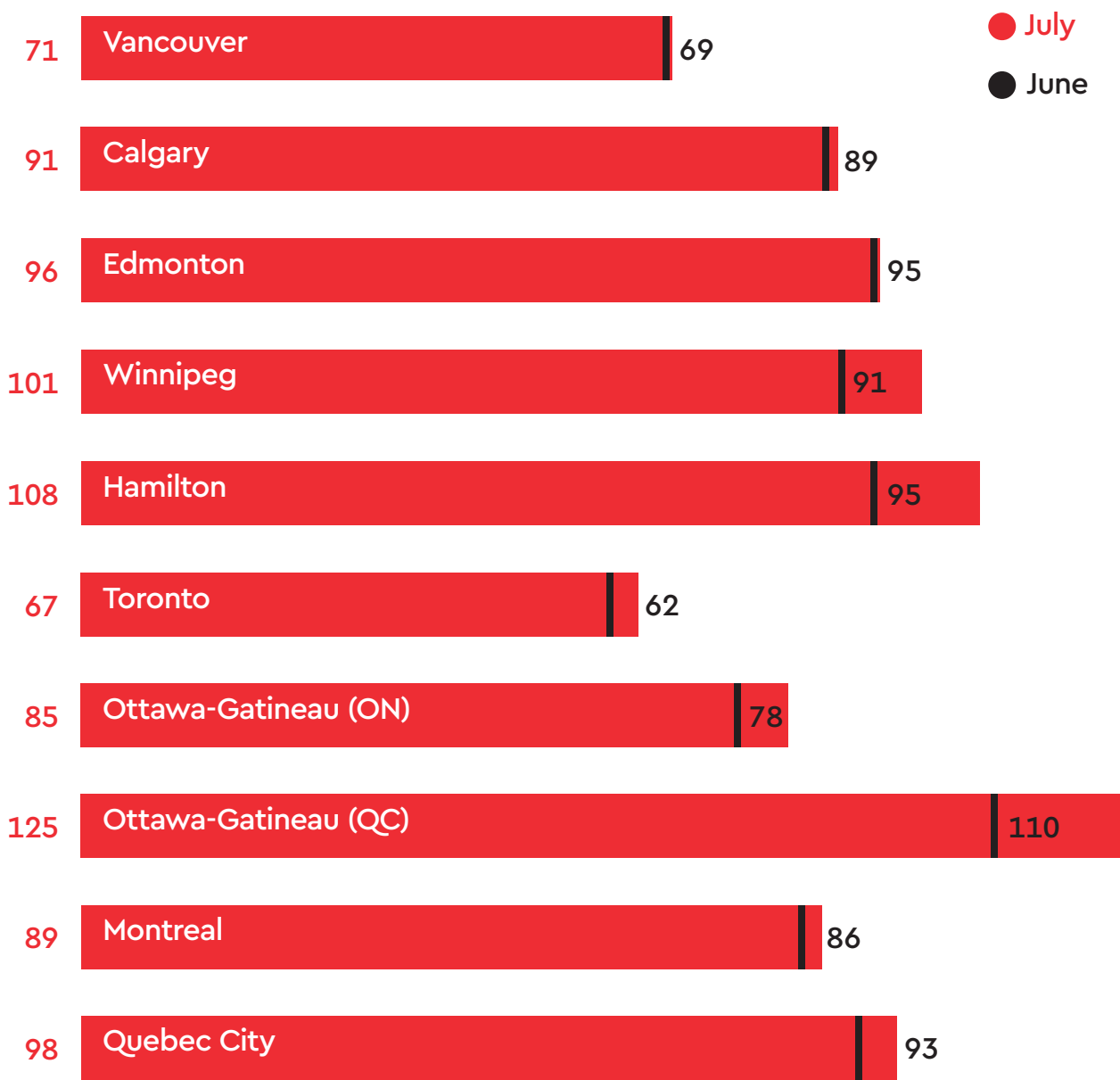
Much of the credit belongs to the Canadian people and the government's information campaign to increase vaccination rates. Nearly all of the country's 38 million citizens have received their shots, allowing more businesses and recreational venues to open while keeping the risk of infection low.

In this issue, we'll review July 2021 to provide a pulse on the consumer movement recovery, incorporating key elements from our new measurement methodology,

including Opportunity To See (OTS). Readers should note that these metrics provide the average activity conditions for each market based on distance visibility zones and other criteria, and these results will vary by operator and specific sub-geographies within a market based on the dynamic weighting built into the COVID dashboards.

Market Overview

% of OOH Activity with OTS (opportunity to see, or viewshed)
Inventory | June & July 2021 vs. same period 2019



Western & Central Canada Update

Alberta

Both Calgary and Edmonton have been leaders on the path back to 2019 norms from the onset, consistently indexing above 80 since March. Because both cities quickly approached the 2019 index, growth in OOH activity has grown organically at a comparable pace. Unlike other regions, the province's Stage 3 opening on July 1 is its final milestone. With all restrictions removed, the pace may even increase more rapidly in Alberta than the rest of the country.

This is especially true as Canada [opens its borders](#) to the U.S. and other travelers just in time for the Flames and Oilers to drop the puck. Should U.S. tourism approach 2019 levels, [Alberta can expect](#) close to half a million visitors and \$400 million in spending before the end of the year.

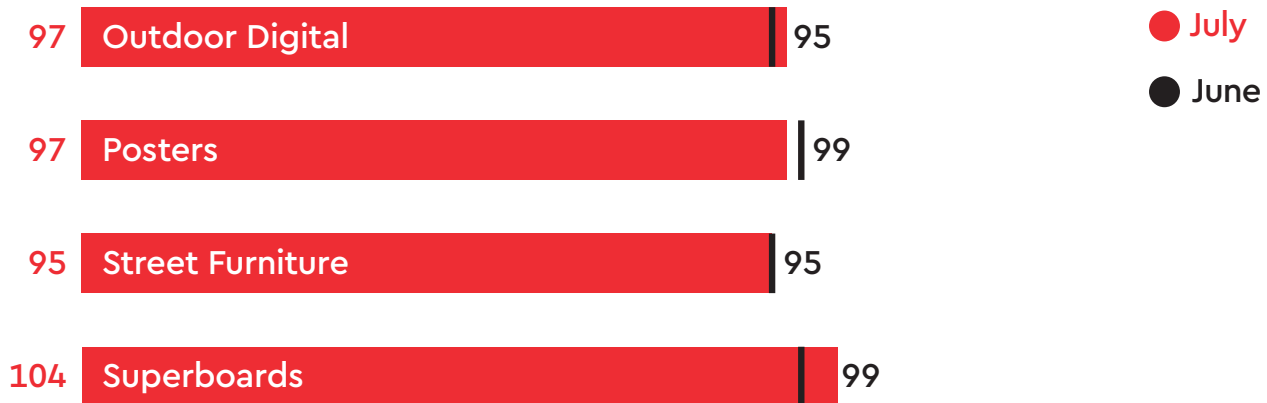
Calgary Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



Edmonton Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



British Columbia

Vancouver overall saw a modest index increase of two points (71 in July vs 69 in June), with posters and street furniture being the contributing product groups to this increase while outdoor Digital remained flat. Perhaps the hardest hit of Canada's major cities owing to its status as a vacation destination and cruise ship stop, British Columbia's comeback is poised to rally as foreign tourism returns. During the booming baseline year of 2019, tourists spent 6.3 million nights in British Columbia, with the U.S. accounting for nearly 4 million overnight stays. After the travel industry ground to a halt early last year, it will take some time to achieve liftoff and reach cruising altitude.

Vancouver Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



While [vaccinated U.S. citizens](#) still can't enter B.C. (as of August 9) this could be a contributing factor to Vancouver's slower recovery, contributing to the July numbers reflected in this report. With the Canadian Government adjusting its cross-border, post-arrival testing as of August 9, we are optimistic that US travel into British Columbia will have a positive uptick in the Vancouver market for the release of our August report. Additionally, overseas guests will finally be able to come ashore in B.C. after September 7, which we anticipate will have a further positive effect on Vancouver CMA in the months to come.

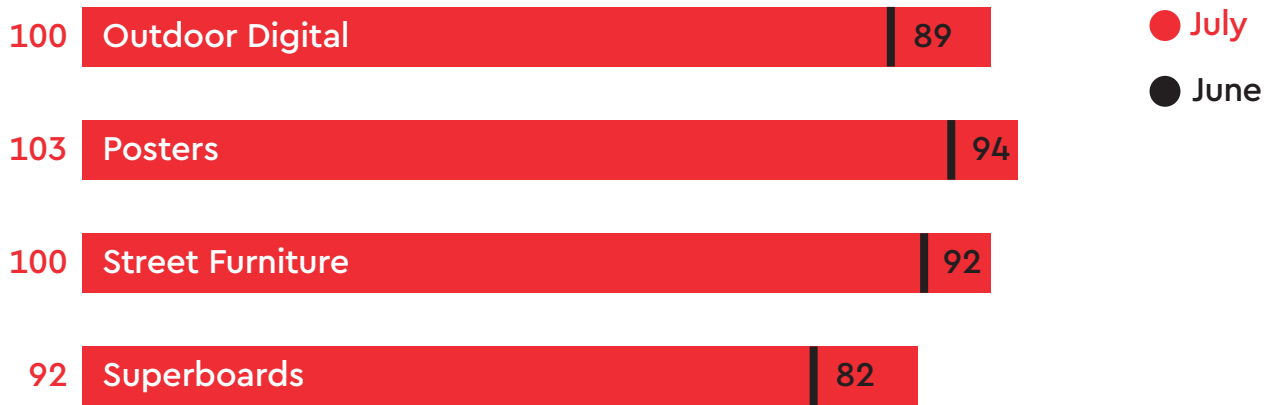
Still, Vancouver businesses continued to open their doors wider during the month, with capacities raised to 50 percent and summer festivals, fairs, and trade shows [welcoming](#) revelers and business guests. With so much working against it, the province still moved the needle in the right direction.

Manitoba

Nearly all OOH sectors in Winnipeg have recovered to pre-pandemic levels, thanks to strong performance across the board in July. Overall numbers rose a respectable five points to 101, led by double-digit gains in outdoor digital (89 percent to 100 percent). Superboards gained ground in July with an impressive double-digit improvement to reach 92 percent of the 2019 levels. Posters and street furniture performed reached 103 percent and 100 percent, respectively on gains of nine and eight points. The surge may owe some of its strength to Manitoba's aggressive push to get its people vaccinated. With about 64 percent of the population inoculated, perhaps more citizens are willing to venture out to movie theaters, casinos, restaurants, fitness facilities and public venues – most of which opened fully on [July 17](#) – giving a much-needed boost to the economy. Officials are confident enough that the CFL's Blue Bombers and NHL's Jets will open their seasons at [full capacity](#) for fully vaccinated fans.

Winnipeg Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019

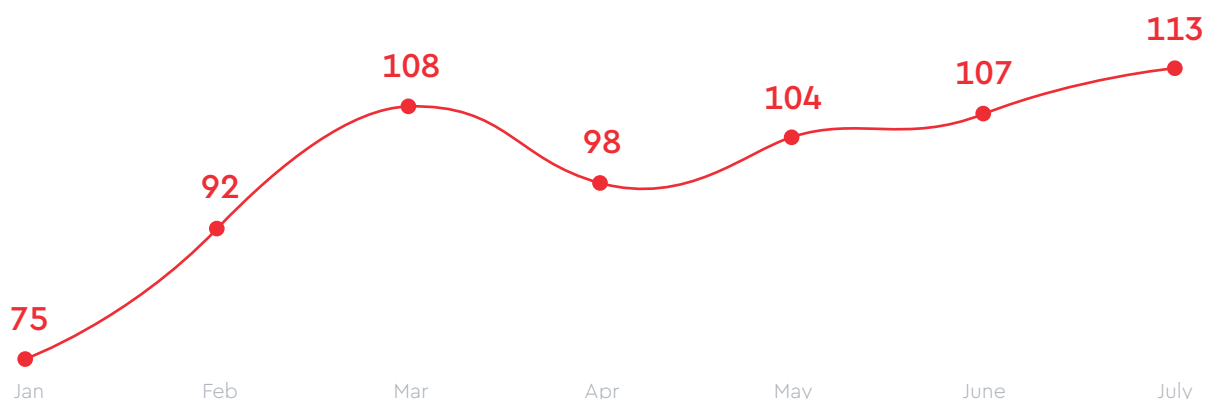


Saskatchewan

Regina and Saskatoon have battled neck-and-neck in the race to recovery throughout the reopening season, with both turning in impressive scores month after month. July was no exception, as Regina's outdoor digital (the only media reported in these markets to ensure aggregation of multiple media owners) index gained six points while Saskatoon's flat performance reached its third consecutive month. Saskatoon retained a thin margin, outperforming Regina 114–113, and we expect it to regain its momentum next month since, Saskatchewan only entered Stage 3 [on July 11](#). Stage 3 is the province's final level of reopening, so all restrictions are [no longer in effect](#). Maintaining their current levels is a worthy goal, but with momentum on their side and a full month of unlimited access in August, we would not be surprised to see even higher numbers for Regina and Saskatoon.

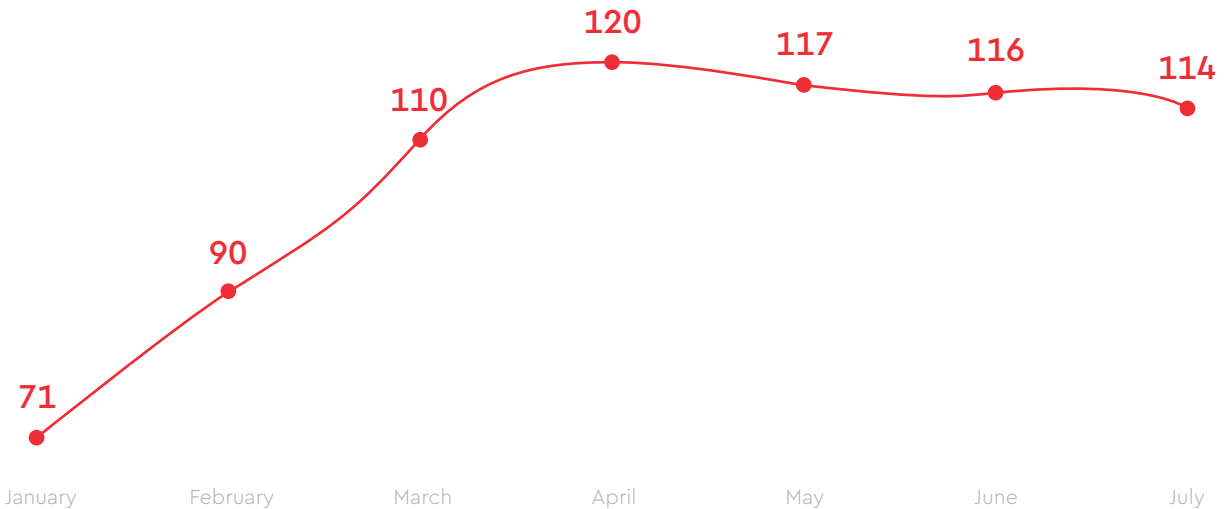
Regina Outdoor Digital

% of OOH Activity with OTS Inventory | Monthly 2021 vs. same period 2019



Saskatoon Outdoor Digital

% of OOH Activity with OTS Inventory | Monthly 2021 vs. same period 2019



The performance of the OOH assets examined in this report somewhat belies Saskatchewan's overall economy. Though it is at 55 percent and rising, the vaccination rate remains among the lowest in Canada. Still, it is showing signs of rebounding from a tough 2020 and looking forward to a "normal" 2021 and [a prosperous 2022](#).

Eastern Canada Update

Atlantic

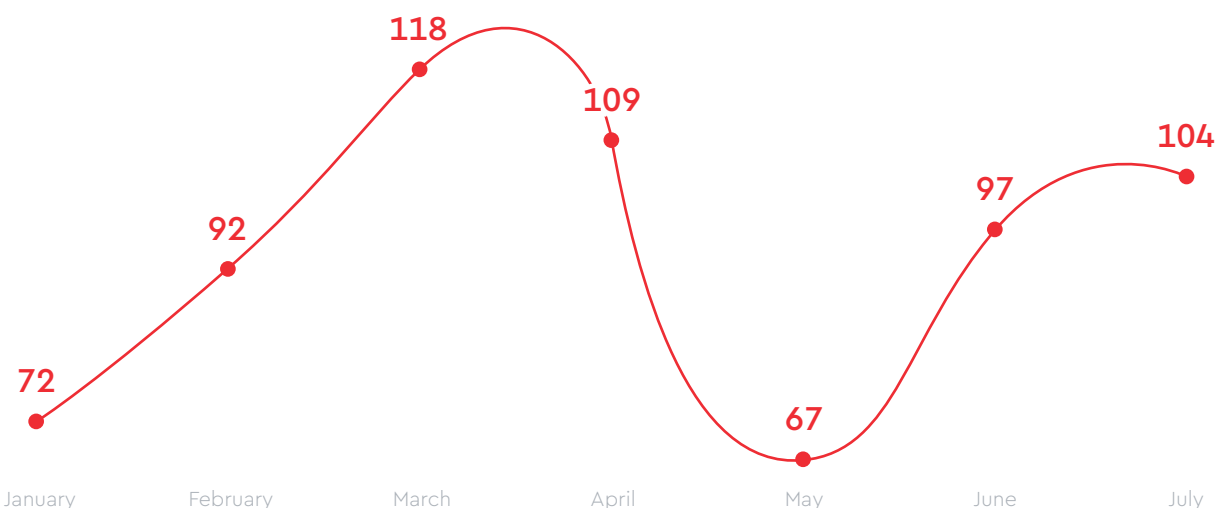
Halifax, a part of the Atlantic bubble, is a little different from the other markets we previously discussed. Operating under different rules and regulations that allowed some travel within the bubble during the heart of the lockdown, it has maintained a strong index throughout much of the pandemic. After sinking precipitously to an anomalous 67 in May, Halifax has rebounded to pre-pandemic levels and has an index of 104 in July for Outdoor Digital.

Nova Scotia entered [Phase 4](#) of its reopening plan on July 14, with restaurants and retail able to resume normal hours and capacity while employing mask and social distancing precautions. A sure sign that things are turning positive, [Splashifax water park](#) recently opened. Nothing says "normal" like a bellyflop and the smell of sunscreen.

Many credit Nova Scotia's [\\$1.1 million campaign](#) to recruit remote workers to move to the province. The added working population inflated its tax base and infused critical disposable income into the community. If the proof is in the pudding, one of COMMB's very own has taken flight back to her hometown of Halifax.

Halifax Outdoor Digital

% of OOH Activity with OTS Inventory | Monthly 2021 vs. same period 2019



Ontario

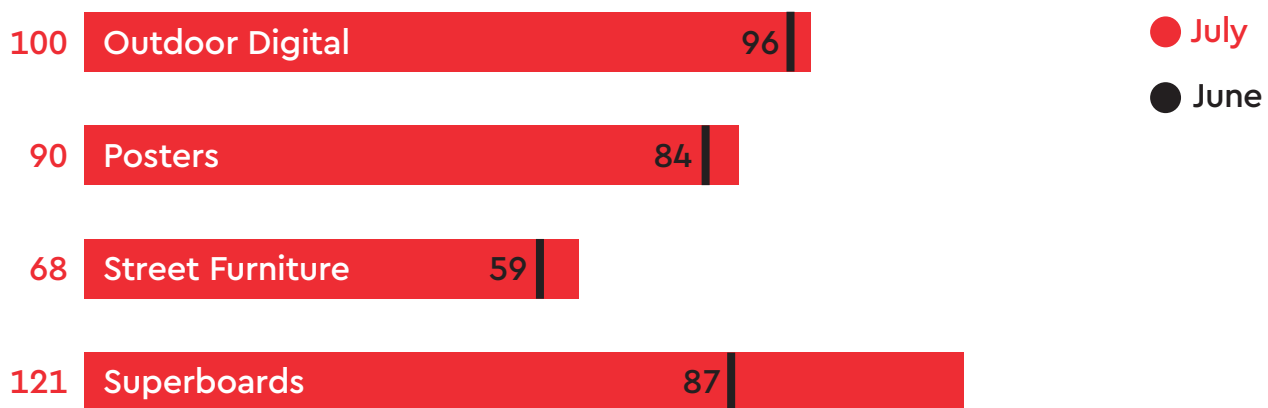
While both sides performed admirably in July, the Ottawa-Gatineau metropolitan area provides stark evidence that reopening protocols play a huge role in Canada's COVID-19 recovery. The section of the metroplex located in Quebec soared 15 points and set the pace for the nation at 125 percent of the 2019 baseline, the largest index increase observed by COMMB in Canada. Ontario's section, which [entered Stage 3](#) more than two weeks after Quebec, jumped a robust seven points during the month and sits at 85 percent to baseline.

As OOH sectors returned to substantial numbers, superboards led the way, rocketing 34 points to 121, 21 percent above pre-pandemic levels.

The earlier Stage 3 opening in Quebec, especially the bars, almost certainly contributed to the off-the-chart performance. The legal drinking age is 18 (it's 19 in Ontario) so it is reasonable to assume that many young Ontarians crossed the provincial line to enjoy the nightlife on the other side. Vaccination rates reaching 75 percent is another reason the area's economy is booming and has allowed officials to greenlight many of Ottawa's cultural attractions. The city is also a hub for museums, boutiques and more. **Ottawa's product groups performed strongly, with digital now indexing at 100 and posters coming in at 90.**

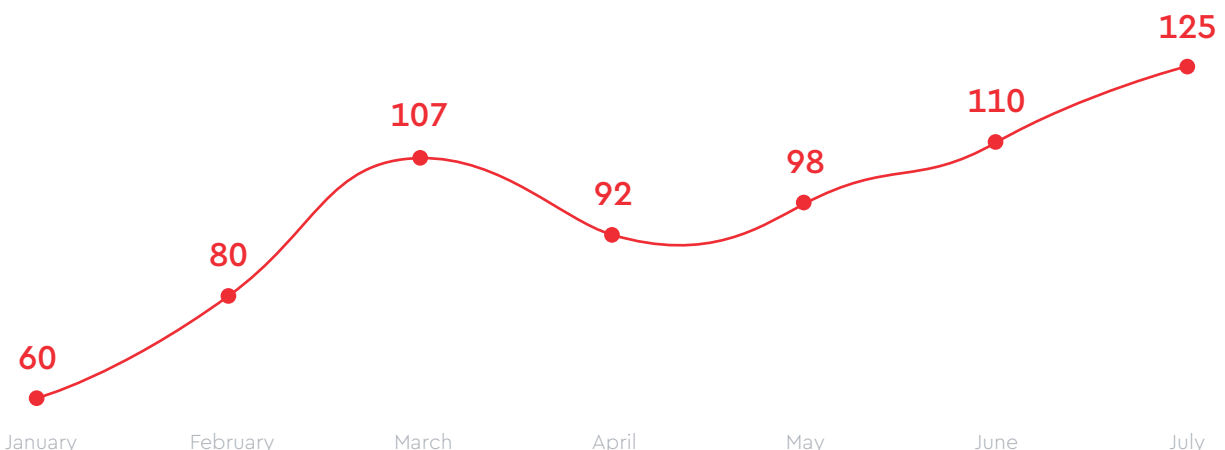
Ottawa-Gatineau (ON) Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



Ottawa-Gatineau (QC) Posters

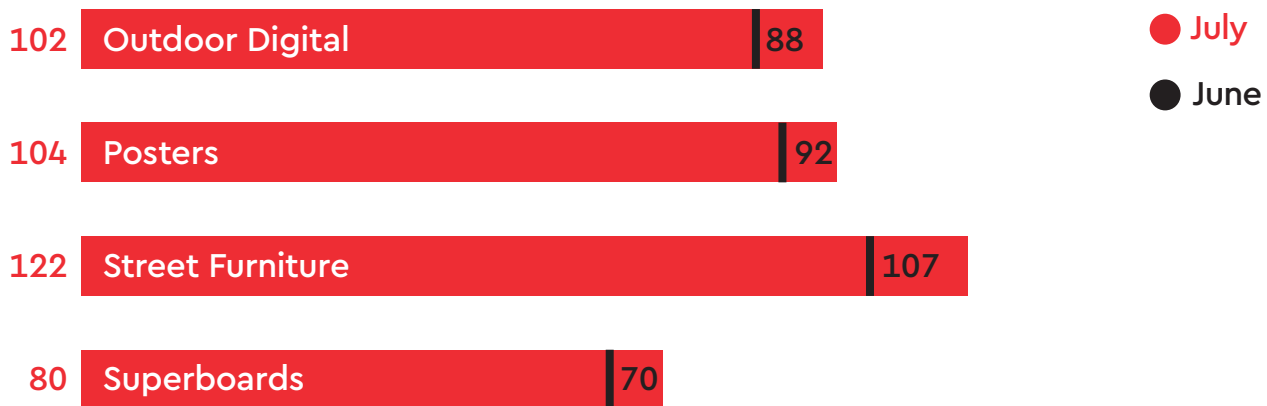
% of OOH Activity with OTS Inventory | Monthly 2021 vs. same period 2019



As the gateway to the rest of Ontario, the Hamilton/St. Catharine/Niagara region is home to a variety of activities – winery and craft brewery tours, waterfall excursions, botanical garden concerts, patio dining, pedestrian shopping districts, and more. So much to do in relatively safe outdoor environments undoubtedly has helped the area's economy get back on its feet. Visitor volume here, too, should receive a nice jolt with the opening of the U.S. border and [local casinos](#). Boosted by St. Catharines-Niagara's 136-point rating – among the highest observed – the Hamilton region's overall index climbed 13 points to 108. All four major categories logged double-digit gains in July.

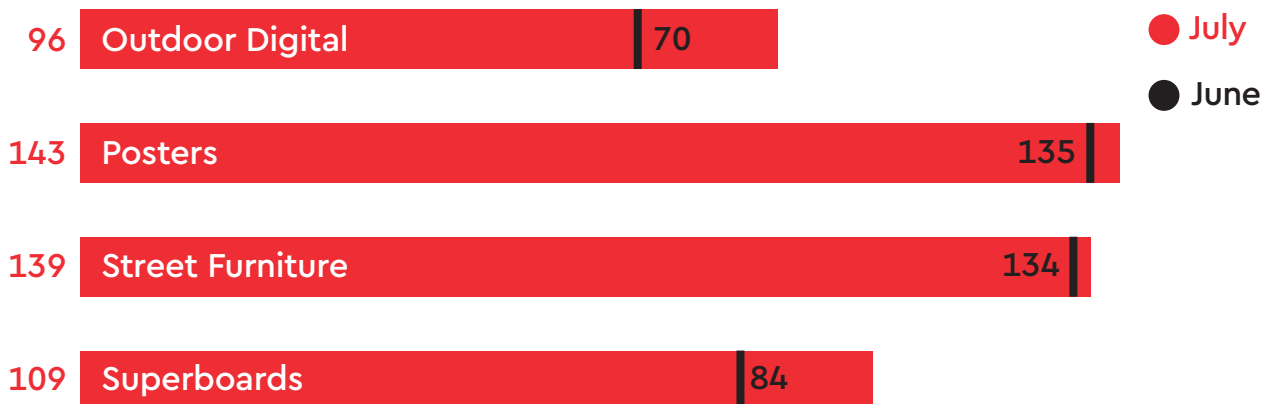
Hamilton Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



St. Catharines-Niagara Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019

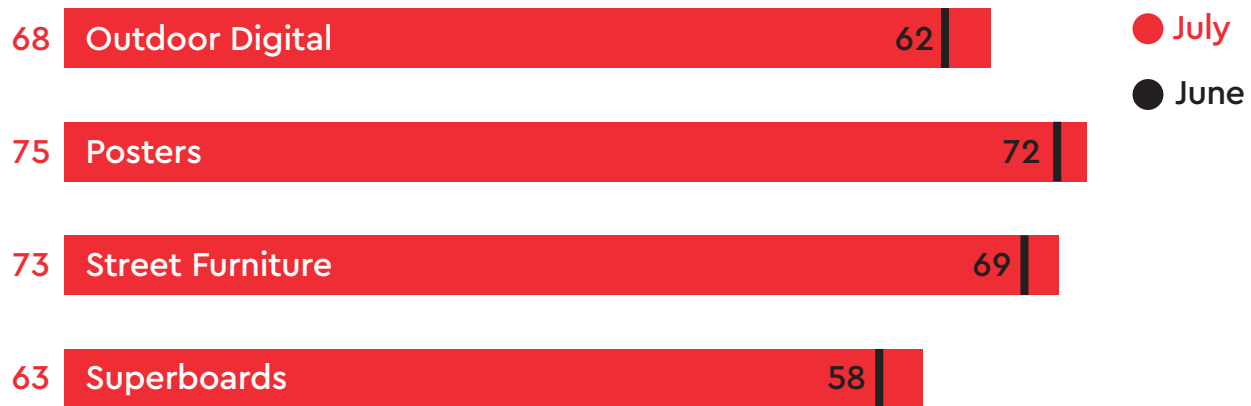


Toronto again saw a modest increase of five points, rising from 62 in June to 67 in July. That's quite an improvement from the January index of 46 during the heart of the pandemic. With fitness facilities, stores, restaurants and other indoor venues [opening in mid-July](#), the full effect of loosened restrictions was not fully felt during the month of July – but great results are anticipated for the August report.

Digital outdoor performance notched a respectable six-point jump to lead all OOH media formats reported, perhaps reflecting the increase in highway traffic as workers begin their return to offices and families venture out for meals. The cancellation of many summertime events such as Canada Day celebrations, no doubt dampened Toronto's recovery. Still, absorption of other inventory showed signs of life in July. August music festivals, true [Blue Jays home games](#) and the fall openings of the Raptors and Maple Leaf's seasons bode well for an acceleration in the recovery within the months to come.

Toronto Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



Quebec

Montreal inched up three points to 89. While this is a modest increase, extending a strong bounce back from its Q1 index of 71. Quebec City shares a similar path and posted solid 5-point gains to put it on the cusp of 2019 norms with an index of 98, a shining light from the 72 it recorded in Q1. Three of Quebec City's major product groups indexed at least eight points higher than their June totals. Posters, which were already boasting a 99 index, eclipsed the 2019 benchmark, rising two points to 101.

Both cities remain in the "green zone", with increased capacities at festivals, stadiums, and entertainment halls. Additionally, alcohol sales are now permitted until 1 am, which shows that people are likely getting out and staying out longer.

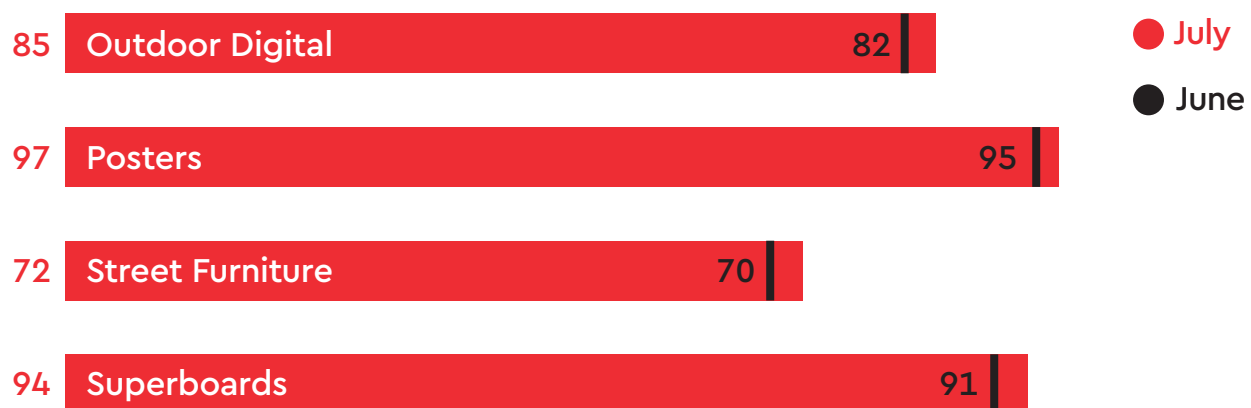
Montreal is embracing reopening with the 2021 Summer Festival season – a lineup of different festivals (like the Just for Laughs comedy fest) running until the end of August. A musical city, Montreal will also look to host performances from visiting artists and their famous jazz, soul, and blues performers as local venues continue to open.

According to the Office du tourisme de Québec, recent hotel occupancy in Quebec City ranks highest of all the major cities in Canada. While not quite at pre-pandemic levels, there are indications that people are flocking back to the tourist hotspot with queues the norm at brewpubs and restaurants, especially during Quebec's Construction Holiday (July 18–31). Tourism only looks to grow stronger with the opening of the U.S. border.

Quebec officials remain cautiously optimistic that employees eventually will be able to return to work. Still, marketers may be best served by hedging their bets and planning OOH campaigns that include both commuter routes and residential neighbourhoods as part of their media strategies.

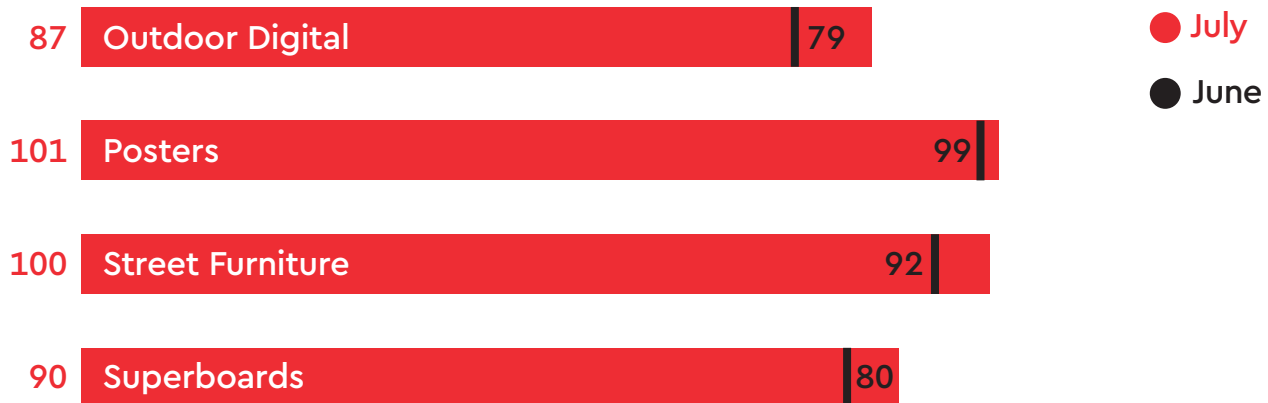
Montreal Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



Quebec City Product Groups

% of OOH Activity with OTS Inventory | June & July 2021 vs. same period 2019



July Findings

Canada's economic recovery from COVID-19 is well underway. Many of the country's regions and OOH market offerings have already met or exceeded 2019's pre-pandemic levels. The rest are on their way to hitting those marks. At the end of July, all sections were well into Stage 3 of the COVID protocol, allowing greater occupancy, later hours, and more venue openings. Coupled with the summer weather and outdoor events, more and more Canadians are heading out to enjoy nature, culture, and each other's company. It is a welcome sight for restaurants, hotels, bars, personal service providers, and office managers because they can put people back to work and welcome clientele that can put dollars in their tills.

Vaccination rates are increasing from coast to coast, allowing greater custom, less contamination risk, and encouraging Canada to open the southern border to fully vaccinated Americans. Increased tourism means more marketing, and that means more business for Canada's OOH industry.

As more regions of the country accrue full months of greater freedom from virus restrictions, we are confident the exposure to OOH numbers will only go up. Students returning to school mark yet another sign that we are getting back to normal. As families, workplaces, schools, and entertainment venues settle in, commerce will follow. And the OOH industry will be right there, taking its rightful spot as a major component of any marketer's strategy.

Stay positive and safe, #loveOOH.

For more details, please visit www.commb.ca.



Thank You!



↙ **Get in touch!**

111 Peter St., Suite 605

Toronto, ON, M5V 2H1

(416) 968-3823

Imenzies@commb.ca

