



# Q&A



March 1, 2021



COMMB caught up with Kinetic Canada's President, Riina Clydesdale, to chat about programmatic digital out-of-home (PDOOH), audience segmentation strategies, common misconceptions of PDOOH and the value of an OOH specialist. We also asked Riina to provide her insights on static vs. digital OOH, and what Kinetic has in store for the industry in the coming months. A compelling read that will keep you flipping the pages!



# How does audience segmentation work when using programmatic OOH? What kind/type of data sources are used?

Audience segmentation for programmatic DOOH is done in the Demand Side Platform (DSP). Usually, DSPs can offer the user three types of audiences:

## **Pre-Defined Audience Segments**

With pre-defined audiences, the platform builds an understanding of how screens index against an established taxonomy of segments. These segments are usually crunched infrequently (eg. once per quarter) and the goal is to score each screen on how well it represents the segment (e.g. auto enthusiasts).

## **Custom Audience Segments**

These are audiences that are built on the fly by the buyer. These are usually very custom

and involve computational crunching of massive datasets each time they are built. For example, a custom audience might be Tim Hortons loyalists: people that are observed at a Tim Hortons 5 times in the past 30 days, but not a Starbucks.

## **Journey-Based Segments**

The new kid on the block and championed by Kinetic Canada, journey-based segments allow marketers to activate screens along the most salient journey. This is done by understanding the home origin of devices, and then understanding how prominent consumer journeys unfold over time. These segments are fed into the DSP, enabling activation of screens along routes.

# Q: How do you know that your programmatic media placement is successful in reaching and following that audience?

“Understanding if media placement was successful is akin to measuring whether business outcomes were achieved.

Platforms like the Kinetic DSP has the ability to understand the timestamp and location of when an RTB activation happened on a screen. The timestamp is used to understand a snapshot of the device IDs exposed to the screen. The behavior of exposed devices is compared to the behavior of devices that were not exposed to the advertisement on the screen.

We can, for example, compare the frequency of in-store visitation of the exposed group to the natural, organic foot traffic of the unexposed (control) group. The Kinetic DSP is also able to additionally measure whether exposure drove awareness or intent by comparing the results of survey responses from the exposed and control group.”



# What are misconceptions that advertisers might have regarding programmatic as a platform?

## **Programmatic DOOH and Digital online are the same**

Programmatic DOOH offers brands many of the benefits of online programmatic. Campaigns are flexible and can be built, executed, and changed quickly across multiple media buyers, media types and networks. Technology in Programmatic DOOH now drives greater audience targeting, reach and optimization and the effectiveness of PDOOH's location data makes it measurable and drives conversion rates.

**BUT...** Unlike Digital online, DOOH's advanced approach to buying the right audience at the right time also reaps the additional benefits of traditional OOH. Programmatic DOOH is a one-to-many medium seen in the physical world where consumers spend over 70% of their time outside of the home. Consumers trust OOH and believe it to be reliable and brand safe. OOH provides brands dynamic creative impact which generates consumer action. OOH cannot be turned off and does not face online risks such as viewability, switching apps, fraud or "fake news".

## **Programmatic DOOH will lead to demise of the Salespeople**

The roles of OOH salespeople are changing with the automation of DOOH. This transformation presents challenges on how to remain in the conversation when buyers can side-step their traditional OOH reps when transacting programmatically. I can't stress enough that education is the best tool in any individual's or organization's arsenal to reach their full potential. By first embracing that OOH has changed and then truly understanding the new technology, it will give sales reps the knowledge and experience to sell PDOOH to their clients and explain how it compliments

their current more traditional portfolio of assets.

For us at Kinetic we are constantly meeting and working with our reps on private marketplace deals (PMPs) that are executed through our proprietary DSP, understanding new inventory and how first to market creative opportunities. We still value the input and relationships that we have with our vendor partners as they are key to our client's success.

## **Programmatic Digital OOH is a race to the bottom**

Hardly! The number of new clients and new money that we have brought to OOH by having the most innovative OOH DSP in Canada would prove to be the opposite of this statement. Working with our client and brand campaigns, specific conditions are set to trigger the purchase of an ad including application of audience and location data to achieve the most efficient and effective campaign. This comes at a premium. Also, the DOOH world is finite and the media owner controls everything - inventory, creative and CPMs/deals. The higher the demand the better the ability for the media owner to maximize yields. Remember, the media owners set the floor CPMs in the platform.

## **Programmatic Digital OOH is remnant inventory**

That's how it originally started years ago. But as time progressed media owners have realized that it made sense to make most of their inventory available on the exchanges. Through our Kinetic DSP we can activate on over 17,000 screens across more than 20+ suppliers, most of the media owners are reserving 1 or 2 spots in their loop for exchange buys and as a programmatic buyer we can tap into that instantly.



## What are your thoughts on static OOH vs. digital OOH?

At Kinetic we define static and direct IO digital as Classic buying vs. Programmatic Digital OOH which can be audience targeted, impression or site specific.

COVID has altered consumer behaviour and the lockdowns have had a profound impact on how people live. With that shift, the way we use static and digital OOH has changed.

Digital OOH fared much better than static OOH. During the COVID restrictions our Kinetic team was successful in selling the efficacy of OOH via programmatic digital OOH. It proved to be nimble & dynamic and allowed advertisers to have more control on ensuring their impressions were being delivered.

P-DOOH also accommodated the quick shifts in dates, locations, media types, creative targeting, and dayparts when restriction were being issued and changed. This ability to pause and shift at a moment's notice is unique to programmatic while classically bought static and/or digital inventory has a minimum of 30+ day cancellations.

As COVID restrictions lift and vaccination administration increases, static will be more and more relevant. A combination of Programmatic DOOH and static tactics are making campaigns more effective and delivering on multiple objectives. Kinetic clients are actively booking static Q1 and onwards taking advantage of the benefit of 100% viewability on these faces.

Our planning teams have access to Kinetic's mapping system which is populated by all static and digital faces across Canada (COMMB & Non COMMB members) and multiple data sets like Environics Analytics and client's first party data to make better data driven buying decisions.

Important to mention that static also has the unique ability to create excitement and impact in real-world environments like area dominations, large impact murals, transit wraps – including those massive Flexity wraps that we love to see rolling along the streets in Toronto.



# What is the value an OOH specialist agency like Kinetic offers operators and clients?

## Expertise

Kinetic is a team of **dedicated experts**, fully integrated into GroupM agency and client teams, who understand and believe in the power of Out-of-Home advertising. As planning cycles shorten, our team responds quickly with relevance and provides best in class RFPs to our client partners.

OOH is a powerful and multi-faceted media channel that requires smart planning with so many media sellers and media types. Kinetic's strategic RFP process makes the OOH planning and buying process easy for our clients by bringing all elements together in one cohesive offering.

## Industry leading tools, data & technology

The OOH buying process is supported by a team of analysts that work with **Kinetic's proprietary mapping system** populated by 100% of all Canadian OOH locations (both static and digital) and related pictures. Layers can be added to visualize target demos, first party sales and consumer spend data, location information, drive time, distance, buffer, bus routes, and more. All of this is in one view or link provided to our clients used for smarter OOH buying, understand and visualization.

Using **Kinetic's proprietary DSP** (powered by *Hivestack*), our clients can execute DOOH programmatically across all media owners and formats. Kinetic's DMP defines custom audiences and our ad-server follows these audiences and activates on the best DOOH inventory at the best times. Our attribution engine understands whether devices that were exposed to DOOH activations converted into a store visit. It also uses test and control methodology to understand which devices were not exposed but still walked in. Per panel lift is also calculated by comparing exposed visitation versus un-exposed visitation.

Executing programmatically during COVID has been a game changer for our clients. With the uncertainty of COVID restrictions, activating programmatically on Kinetic's DSP instills confidence with our clients as they can see that their audiences could still be targeted, and impression deliveries are met.

## Incremental value

**Global best practices** - Kinetic is the largest OOH specialist agency in the world and this scale places us at the forefront of change and innovation that we share with our client teams. With 27 offices in 14 countries we are truly a global network with an understanding of key trends in every market in which we operate. Through COVID we have been very successful of leveraging best practices in tools and technology from our sister Kinetic markets from around the world.



# Q What is your 12 to 18-month industry outlook (programmatic, DOOH and OOH in general)?



## **OOH spend is rebounding**

OOH spending was hit hard in Q2 of 2020 but while static stood virtually still, we were encouraged to see the increased activity of Programmatic DOOH on Kinetic's DSP for Q3 and Q4 2020. Advertisers took to Programmatic DOOH for flexibility and control of their OOH ad spend and impression delivery.

Our world will open again as vaccination administration continues and a sufficient percentage of the population will become immunized around summer/fall 2021. With that, Kinetic is forecasting an increase overall spend in 2021 of +11 to 13%. Although a majority of OOH is still static, Programmatic DOOH will play a key part in the recovery and forecast digital OOH to capture at least 37% of OOH ad spend in 2021.

Consumers will have settled in with new habits after a year of various forms of lock-down, but we know that they will emerge again in the outdoor world as soon as allowed. This will lead to a resurgence of static OOH and the large impact location-based executions we all love to see.

## **Advertisers will see new value in tertiary markets**

The most effective locations are no longer just in the big cities and in the downtown core. Coming out of COVID it is likely employees will continue to WFH for the foreseeable future so understanding where people live and how they travel around in the neighbourhoods is critical. Adopting a "Where people live" strategy ensures reaching your audience where they are now.

## **OOH will become part of omnichannel strategies**

Programmatic teams will utilize DOOH as a part of their programmatic mix which equals more dollars for DOOH media owners & more results for digital advertisers. Via Kinetic's DSP, exposed DOOH audience can be pushed out to the digital buying teams (DSPs, DMPs, etc.) to target via traditional online and digital channels like mobile, video and display retargeting. Users that were exposed to OOH messaging can be targeting online and tracked against online conversions. Data can also be ingested to target cookie-based audiences in the real-world.

Omnichannel DSPs will surface with programmatic DOOH solutions to their offerings. However, for the next 12 to 18 months it is likely that OOH-specific DSPs will continue to see the lion share of programmatic spend as their solutions will remain more advanced for DOOH.

## **Standardization**

The advancement of programmatic technology and the transformation of digital OOH necessitates standardization in the industry. We anticipate COMMB, with the launch of its new data and COMMB Media Suite, providing the necessary hourly impressions, dwell times, etc. to eliminate the need for each programmatic ecosystem's proprietary impression multipliers. Therefore creating a standard impression source across all member operators leveraging programmatic, and ideally adopting standardization in naming conventions of venues and media types which is happening in the US and hopefully in Canada at some point soon.





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