

TRANSFORMATION IN THE ADVERTISING INDUSTRY

DOOH'S POSITIVE IMPACT ON RELEVANCE

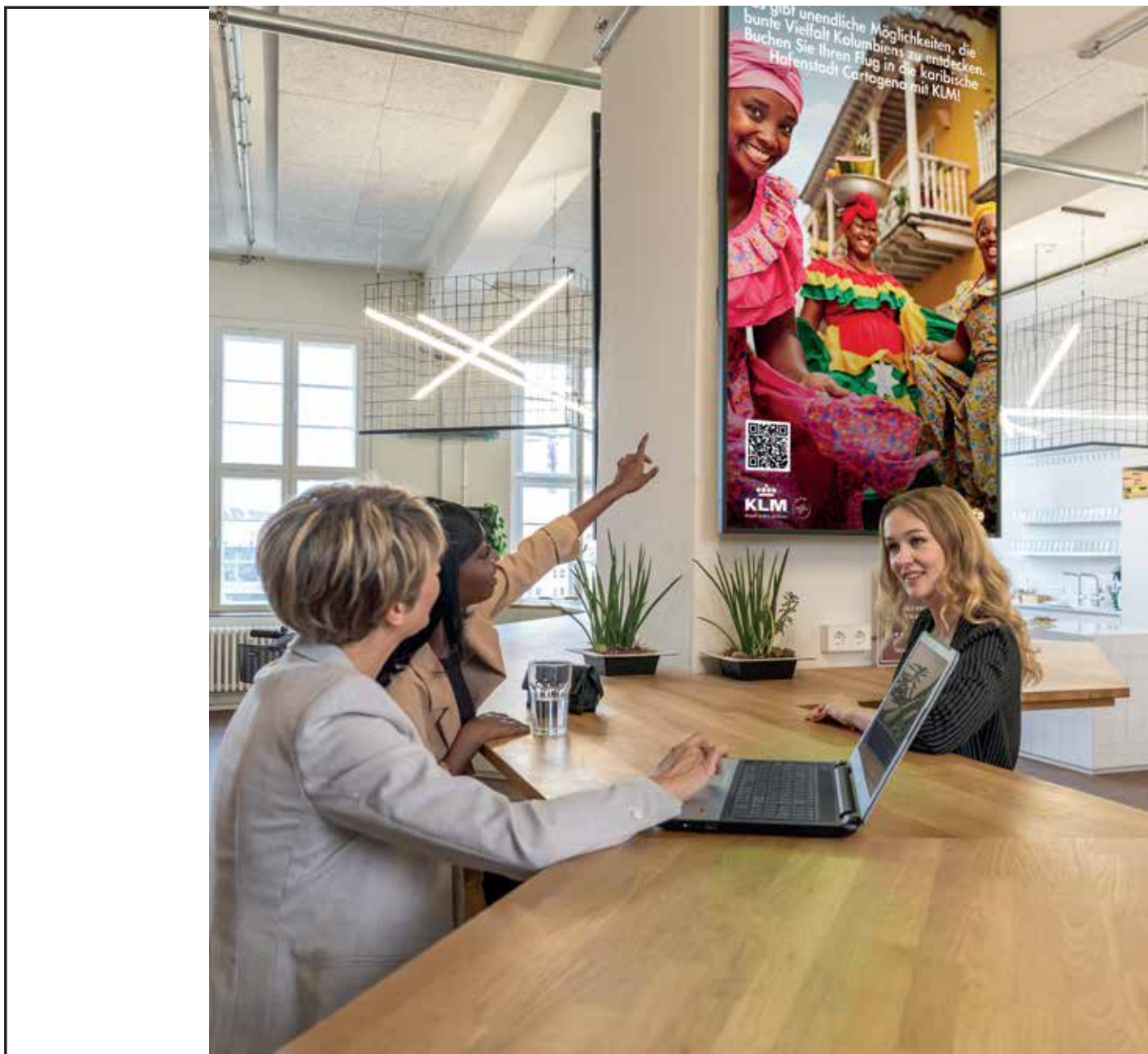




TABLE OF CONTENTS

- 4 Executive Summary
- 5 Industry Highlights
- 6 The Advertising Crisis in context
- 10 OOH vs DOOH
- 11 Benefits of DOOH
- 16 Insiders: a new way of Advertising
- 20 Why FRAMEN?

Executive Summary

IT'S A TRANSFORMATIONAL
TIME FOR ADVERTISERS.



According to Statista, worldwide digital advertising spending will top \$524bn in 2022, up from \$455bn in 2021. With spending forecasts for 2024 pushing over \$600bn, the stakes are incredibly high — everybody is spending, but who is the most effective in achieving ROI?

**ADVERTISING REVENUES ARE
ALREADY OVER 10% IN 2022**



This white paper, commissioned by FRAMEN, will outline the challenges brands face in the current advertising climate and demonstrate how and why Digital Out Of Home (DOOH) is the new frontier for brand growth.

TRENDS DRIVING THE INDUSTRY IN 2022

The advertising landscape is evolving

Several impactful trends in advertising are emerging, as demonstrated by MAGNA, which has predicted a promising year:

- Advertising revenues will grow by 11.5% to reach \$320 billion, passing the \$300 billion milestones for the first time.
- Technology, Telecoms, Entertainment, Travel, and Betting are among the industries expected to grow advertising spending the most, while Automotive continues to struggle with supply issues.
- Most media types will grow advertising revenues again: Search (+17%), Social (+16%), OOH (+11%), and Cross-Platform Video (+8%).

However, there's a problem. The advertising industry isn't prepared to grasp this opportunity.

THE ADVERTISING CRISIS: IN CONTEXT

MAGDALENA PUSCH,
CMO & Co-Founder at FRAMEN, SAYS:

“People have massive ad fatigue from online advertising right now. They’re sick of ads showing up on social channels like LinkedIn and Facebook. The problem is, these ads are interrupting people from what it is they’re trying to do. For example, ‘Do you want to scroll your LinkedIn feed? Here, have an ad that clogs your attention that you didn’t want to see or ask for.’”



This is not a new idea. People have been using ad blockers for years, but ad fatigue has now progressed to a level where it’s damaging brands.



'IRRELEVANCE' ON THE RISE

1

Research by AudienceProject shows that up to three-quarters of people feel online ads are “irrelevant” to them. Respondents from different European countries were in agreement that online ads don’t interest them anymore. The individuals were asked:

To what degree do you feel that the online advertisements you receive are relevant to you?

| Country | Relevant to me | Neutral | Irrelevant to me |
|---------|----------------|---------|------------------|
| UK | 10% | 26% | 60% |
| Germany | 5% | 27% | 54% |
| Denmark | 9% | 22% | 64% |
| Sweden | 7% | 25% | 65% |
| Norway | 12% | 37% | 48% |
| Finland | 4% | 15% | 77% |

Source: AudienceProject

This is bad news for brands; their ads are becoming “wallpaper”, and people don’t like the pattern.

AD BLOCKERS USED TO “AVOID” ADS

2

Further findings from AudienceProject found ad blockers are used in **20% of computer sessions, and 50% of users in Germany** and the UK reported that they used adblockers to “avoid offensive or irrelevant images/messaging.”

Ad blockers are most used by people aged 16-34, with more than 50% of Brits and Germans in that bracket have used an ad blocker at least once.

A further 5% of respondents told AudienceProject that they paid for an ad blocker, such was their distaste for online ads.



DATA DOOMSDAY

3

Apple's iOS 14.5 privacy changes will prove to be a historical force for change in mobile advertising. The new iOS forces apps to get explicit consent from users to track their behaviour, so one-to-one targeted advertising will become far more difficult.

Meanwhile, Statista figures show that in 2021, a massive 68% of US web users rejected cookies when visiting a website for the first time — in other words, more than 60% of users are now protecting their data from advertisers.

PAUL THÜMER, DIRECTOR OF SALES DACH AT FRAMEN.

“When we say the advertising world is in crisis, we really mean it. Ad fatigue is dangerous — people are bored of seeing ads without context and without relevance to them.

This is dangerous for modern brands because they’re annoying their audiences. Ads are no longer building brand loyalty, they’re chipping away at it.

We need a transformation in advertising because, without one, today’s brands risk losing their customers from prolonged exposure to ads.”



However, all is not lost. Despite challenging conditions on mobile, a new advertising solution is beginning to emerge, and it all starts with the humble billboard.

OOH VS DOOH: OUT-OF-HOME ADVERTISING 'GOING DIGITAL'



From park benches to bus stops and metro station walls — Out of Home remains a dominant and popular form of advertising.

OOH advertising has obvious benefits: it gets high visibility and foot traffic by existing in public, not private, spaces.

BUT ... WHAT IF BILLBOARDS COULD GET CLICKS?

DOMINIC SPOHR, FOUNDER & CEO AT CAPTIVA, SAYS:

“OOH advertising is usually out of reach for smaller businesses because it was traditionally only possible with large budgets. Luckily that is changing rapidly.”



SUBHASHINI (SU) SIMHA, GLOBAL DIRECTOR OF PRODUCT MARKETING N26, SAYS:

“OOH advertising still has its place in the marketing mix for modern brands, but it lacks the measurability of more modern methods like PPC and Sponsored Ads. For a data-driven approach, you need a mix of old and new — and DOOH does just that.”



THE NUMBERS SHOW IT.

IAB Europe has forecasted that DOOH will constitute more than 30% of total OOH spending by 2024, up from 10% in 2014.

The same research also shows the CAGR (Compound Annual Growth Rate) for DOOH from 2018 to 2024 will exceed 13%, with traditional OOH growing by just 0.5% in the same period.

The question is — **why is DOOH so attractive to advertising brands today?**



DOOH: RIGHT PERSON. RIGHT PLACE. RIGHT TIME.



DOOH advertising is the first method of advertising that gives you total control over who sees your ad, where, and when.

In other words, advertisers finally have the opportunity to show fully contextual ads.

From advertising protein products at gyms and networking solutions in coworking spaces, advertising isn't about blanket coverage anymore. **It's about matchmaking.**

For example, **showing an ad for a smartwatch on a screen in a gym makes sense to the audience — health-conscious gym-goers who would feasibly use that product to track their workouts.** This exercise is replicable across markets, products, and location-based advertising, and is preferable for ad fatigued audiences.



KEVIN SCHMID, CEO AND CO-FOUNDER AT PREPMEAL, SAYS:

“Our customers find the new communication medium really appealing. Unlike flyers or posters, our customers perceive the ads more as information with less as typical advertising.”



DOOH is a modern, agile, and personalised advertising experience.

The data has already shown that audiences are ready for a new advertising experience, and DOOH is already making great strides in creating an entirely new advertising ecosystem.



INSIDERS: A NEW WAY OF ADVERTISING

Given that DOOH has already established itself as part of a healthy modern marketing mix, **the next step is to identify the spaces in which you can maximise your ROI from targeted campaigns.**



5 FRAMEN experts comment on the shifting industry and the moments you need to take advantage of.

BRANDS NEED TO CHANGE

Magdalena Pusch, CMO & Co-Founder at FRAMEN

Old school advertising is dying. If modern brands are to survive the changing face of advertising, they must communicate their message when users are open to receiving it.

Don't let the psychology behind ads distract you. Our customers are bored of our 'online ads', so we need to reach them when they're relaxed and open. An outdated advertising strategy won't just cost money, it also brings reputational risk!



CONSTANT ITERATION

Thomas Bergemann, Head of Advertising at Axel Springer

Look at how brands reduce the gap between them and their customers. Amazon evolved to show its users products they might like, and targeted ads should do the same.

So, advertising needs to become more autonomous, it is about using trial and error on a micro scale to get the perfect results.



NEW SPACES

Paul Thümer, Director of Sales DACH at FRAMEN

One and half years ago, nobody would have dreamt of advertising in a coworking space. Today, it's some of the most valuable advertising real estate in the world because of the premium audience — young professionals with the world at their feet.

The mission of digital advertising in the next few years is to keep identifying new spaces to advertise that didn't exist before — and bringing high quality advertising experiences to those spaces.



INTERACTIVE AND INCENTIVE-DRIVEN

Subhashini (Su) Simha, Global Director of Product Marketing at N26

To be outstanding in these new digital worlds, you have to incentivise people and catch them via good content, good incentives, and good offers.

Interaction will be a big word for advertisers in the near future.

Advertising won't just be about showing an image of a product in an ad, it will be about actually bringing that product to the user in the same space at the same time.

Don't show an image of your new flavour of Sprite, bring some free cans directly to the customer.

Advertising must serve a purpose beyond visibility, it needs to allow the user to make an action, right then and there, within the context of the space in which they're being influenced.



WE NEED TO DO BETTER

Jeffrey King, Vice President U.K. at FRAMEN

Now is the right time to offer your customers something better than Facebook and Instagram ads. An alternative method of advertising that reaches them when they're ready to be advertised to. It will make a big difference to your ads' performance.



CREATING THE BEST ATTENTION

It's time to meet your audience in the right place and at the right time. So the question is, how can advertisers best take advantage of the DOOH opportunity to find that perfect reach?

The simple answer is technology. Indeed, many solutions are already available on the market. When looking for an ad manager to suit your needs, search for features that allow:

1. **Higher precision and lower scatter loss,**
2. **Advertising based on context,**
3. **Advertising on screens of all shapes and sizes,**
4. **Higher reach in semi-public locations, and**
5. **Get a higher quality of impressions.**

All-in-all, these features enable you to take your advertising to the next level. One solution leader is **FRAMEN, a Berlin-based startup with an 'ads manager' solution.**



OLIVER WINKLER, MANAGING DIRECTOR AT MGN,

“When FRAMEN was presented to us, we were immediately thrilled.

For us, FRAMEN is one of the best products that the marketing market currently offers. That’s why we immediately included the service in our product portfolio.

Within the first week of the official FRAMEN sales phase at MGN, there were directly 7 strongly interested brands, all of which will join sooner or later.”



FRAMEN's Ads Manager offers advertising options across a range of digital displays in semi-public spaces. The ad manager stands out from the others on the market because it allows brands to adjust ad campaigns instantly to optimise performance.

And there it is. **The age of DOOH advertising has begun.** As a marketing leader, the power to create an entirely new range of advertising campaigns — that are cheaper, more agile, deliver better results, and that customers love — is finally in your hands.

**TRY THE ADS MANAGER &
START YOUR CAMPAIGN FOR AS LITTLE
AS 20€ PER DAY!**

Try Now

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framen.com

RESOURCES

1. Statista, Digital Advertising Spending, worldwide, <https://www.statista.com/outlook/dmo/digital-advertising/worldwid>
2. Magna Advertising, Forecast, Spring Update (March 2022), <https://magnaglobal.com/magna-advertising-forecast-spring-update-march-2022/>
3. Audienceproject, Attitude towards advertising and use of ad blocking, https://www.audienceproject.com/wp-content/uploads/audienceproject_study_attitude_towards_advertising_and_use_of_ad_blocking_2020.pdf?x37680
4. International Advertising Bureau, Economic Trends Forum, https://iabeurope.eu/wp-content/uploads/2020/02/IAB-Europe ETF DOOH_25022020_FINAL3.pdf