STRATEGY

Out-of-home advertising Luxury Memo special report

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Behind-the-scenes to prepare for the Gucci Bloom Art Wall. Image credit: Gucci and Coty

By BRIELLE JAEKEL

The traditional meaning of out-of-home advertising has significantly evolved, with luxury brands now creating unique high-end real-world experiences that draw in affluent consumers.

Experiential marketing is growing beyond just an interesting selling point to a vital component in connecting with an audience, as consumers value experience over everything. This need for unique experiences is being fostered by digital technology that allows for a multilayered adventure which spills into the physical world.

"Historically out-of-home and luxury was long considered a four-letter word," said Fred Reffsin, president of brandgrowth, New York. "Too mass, poorly targeted, expensive with a low ROI and, most common, it cheapens the brand.'

"These perceptions are outdated, nave, shortsighted and indicate that some brands continue to fight retail's challenges with obsolete thinking," he said. "Out-of-home should be thought of as part of the luxury ecosystem and brands would be better served being media agnostic.

"Luxury has long been associated with the most glamorous places in the world, so why not use these places as a branding canvas. It allows brands to interact with its customers when, where and how they are engaged in the shopping experience. Think of London, Hong Kong, Dubai, United Arab Emirates and New York."

Top five trends in out-of-home advertising:

- Wraps of vehicles, furniture and structures

  Brands have found ways to turn any outdoor structure such as vehicles, furniture and structures into branded vessels through the use of wrapping. This has been a concurrent theme in marketing for a long time and it only seems to be growing, undeterred by the digital age.

- Murals and billboards in luxury

  Billboards have and will always be a staple in advertising and out-of-home marketing, but murals are bringing

this concept to a heightened level, as well as more high-end. Since the luxury world collides with the art industry, high-end brands are looking to murals more often for a greater impact and classier image.

- Digital billboards and video walls

    The digital world has made its way into so many industries, including the billboard sector. Many billboards have been transformed into moving video ads that can support multiple advertisers, as well as create an eye-catching campaign using video. Also, interactive video walls are becoming more prevalent, which are similar to digital billboards but are much larger and can make an impact by incorporating passersby into the experience.

- Art exhibits and marketers

    Luxury marketers often look to art to help solidify a high-end brand image, which makes art exhibits an extremely popular theme in luxury advertising. Many brands commission interesting installations and exhibits that not only feature quality art, but also make a lasting impression with its uniqueness.

- Mobile integration with out of home
    Mobile, an offshoot of digital, has become a significant tool in out-of-home advertising, allowing marketers to interact with passersby on the street to make a greater impact. Brands are using mobile devices in a variety of ways with tools such as Snapchat and mobile messaging.

Evolving themes
Out-of-home advertising has evolved far past a simple billboard display or individuals passing out fliers in the street.

Luxury marketers are taking advertising to a fun and unique stature in which the brand and consumers actively interact, sometimes in a game-like experience, other times in an artful way and even in a utility manner.

Physical wrappings of buildings, subway platforms, vehicles and other public structures have been a recurring theme throughout out-of-home advertising's history. The concept is not going anywhere, but many luxury brands heighten the experience to make it more impactful.

For instance, German automaker BMW introduced the X2 model prior to its 2018 market debut on the streets of Milan during the Italian city's fashion week. Designed for an urban jungle environment, the X2 was dressed in a camouflage digital wrap to draw attention and coincide with a fashion theme.

On BMW's Italian local market Instagram and Facebook accounts, automotive enthusiasts were encouraged to follow the X2 Camouflage Digital's location to try to meet up with the vehicle for a sharable photo opportunity, making more of an impact (see story).

BMW X2 on the streets of Milan. Image credit: BMW

In addition to wrapping the vehicles, brands are often providing unique transportation for affluent consumers such as Lexus offering rides during New York Fashion Week (see story) or Swiss watchmaker Zenith providing rides in classic cars during the annual Baselworld watch fair through Uber (see story).

Art has always been very closely related to the luxury world, which makes exhibits a go-to theme in out-of-home advertising.

With time, these efforts have also become a little more immersive, interactive and avant-garde.

For instance, Gucci introduced murals on the streets of Milan and New York for its Bloom fragrance in which

Spanish artist Ignasi Monreal designed walls of art (see more).

Gucci also leveraged Snapchat for this, by launching a filter at the same time of the wall's launch. Many brands are using similar mobile applications.

For instance, Hearst-owned men's lifestyle publication Esquire took the concept of a pop-up to the digital realm with a 48-hour Snapchat Discover experience.

The magazine's "The Esquire Guide to Grooming" launched Friday, Dec. 9, 2016 at 6 a.m. and extended into Sunday, Dec. 11, playing into the idea of a temporary shop by embracing Snapchat's disappearing content. The Esquire Guide to Grooming featured need-to-know grooming tips for the millennial male as peak holiday party season begins (see story).

In another interactive example, Paris-based retailer Colette commemorated a momentous occasion with an artful approach to a beach day, entwining its brand with innovation and art.

To celebrate its 20th anniversary, Colette presented an installation built by Snarkitecture titled "The Beach" that allowed users to essentially play in an adult-sized ball pit meant to represent swimming in the ocean (see more).

Snarkitecture's The Beach. Image credit: Snarkitecture

Also, auction house Sotheby's incorporated technology into its recent exhibit in which it brought art fans into the pieces themselves with virtual reality films that created the world of the piece of art in an interactive manner (see story).

"I think out-of-home is trying to catch up with the expectation that digital metrics have recently lended to our industry," said Grace Moshfegh, CEO and partner of Superdigital, Charlestown, MA. "We're no longer interested in CPMs, but value the level of engagement and life-long customer value garnered by those impressions."

Research on out-of-home
According to a report from Markets and Research, out-of-home advertising has been on a steady incline since 2010 leading up to 2016. While television remains as the number one ad spend category and Internet units are still making headway, out-of-home is still catching the attention of marketers.

Another study from Borrell revealed that while the Internet and digital advertising has dramatically affected other forms of advertising, out-of-home has remained virtually unaffected, likely due to digital's enhancement of the industry with flashy new digital signs.

For instance, in 2016 digital signs accounted for 17 percent of all billboard signage. Not surprisingly, 10 years ago that number was only at 4 percent.

Buses still remain the leader in vehicles used for out-of-home advertising, followed by cars and vans and then trains.

Out-of-home's strength is its recall factor.

A report from Outdoor Advertising Association of America (OAAA), with findings from Nielsen, showed that younger consumers are more likely to remember outdoor posters and advertisements.

For instance, travelers ages 16 to 24 and 18 to 34 recalled the widest range of out-of-home ad formats in the past month.

Galeries Lafayette's billboard for Africa Now!. Image credit: Galeries Lafayette

The 18 to 24 and 25 to 34 age groups were most likely to remember posters seen on the street, with 61 percent and 71 recalling units they had been exposed to, respectively.

The OAAA also discovered that the out-of-home industry is responsible for 6 percent of the global advertising spend and is set to grow 3 to 4 percent in the next five years.

Mobile makes way
While digital has definitely made an impact on past themes in out-of-home advertising, shifting the manner in which campaigns are created, it has also created new ways of out-of-home media.

Mobile has bridged the gap between at-home advertising and out-of-home advertising. Consumers always have their devices on hand, which are capable of endless technology initiatives such SMS campaigns, augmented reality and QR scanning.

"Probably the biggest change in out-of-home is the role of digital technology and its ability to engage people in real time, by crafting messages and presenting brands in a dynamic environment," brandgrowth's Mr. Reffsin said. "It used to be a brand was committed to an out-of-home message for a month or so and had few or no opportunities to adapt. Not anymore.

"In many ways out-of-home is a new way for brands to express their innovation and creativity simply by taking advantage of the tools that digital has provided," he said. "Technology gives brands enormous flexibility to test and to deliver more personal, relevant messages, often in an environment where people are most likely to shop.

"Most important is the fact that I can easily make the argument that mobile advertising has become most pervasive, persuasive and effective form of out-of-home. It is fascinating that a medium once thought of as being too mass, may in fact be one of the more targeted ways for brands to interact with their customers."

One unique example that really made an impact was U.S. fashion label Alexander Wang.

The brand's recent adidas campaign offered an interesting twist with an on-the-street retail element, which only took place in New York and introduced a two-way texting component.

Alexander Wang installed posters around the city, which prompted users to text a number listed on the page that responded to consumers in a manner that felt like texting a friend. The text exchange directed users on how to purchase its limited-edition collaboration with the athletic brand (see story).

Alexander Wang's Facebook Live

Live-streaming opportunities have been made increasingly abundant through the use of mobile.

While brands typically look to live-stream technology to share runway shows or fashion week content, many also look to the format to create an interactive experience and make events more impactful.

For instance, the Cond Nast-owned Vogue magazine used Facebook Live's 360-degree video capabilities to bring the red carpet to its far-reaching online audience.

Vogue's live 360-degree broadcast experience was the only way fashion lovers were able to watch the arrivals live from the Met Gala's red carpet (see story).

"The biggest theme I see coming up in out-of-home advertising is utilizing live streaming opportunities to create truly

organic moments between influencers and their communities," Superdigital's Ms. Snyder said. "Showcasing brand in live streams means using the brand to create context rather than calling it out directly like a traditional ad."

QR codes were set to be a major tool for all aspects of marketing, and proposed an interesting take on out-of-home. However, the QR code not only did not reach its full potential, it has significantly petered out.

Ralph Lauren's customized QR code on the window. Image credit: Ralph Lauren

Brands would often include a QR code on various advertisements in print or on the streets that encouraged users to scan to open a dedicated page related to the campaign. Many brands would often use this to create a branded game or push a sales incentive.

This strategy has now gone relatively dormant, with brands only using QR for Chinese messaging application WeChat. The mobile messaging application allows for users to easily add one another by scanning a unique QR code.

Luxury brands are extremely active on WeChat due to the app's popularity in China.

For instance, exclusive to San Francisco International Airport, LVMH-owned travel retailer DFS Group has launched a mini purchasing program powered by WeChat.

DFS' mini purchasing program launched on WeChat Sept. 1, ahead of the busy Labor Day holiday weekend, and targeted travelers who prefer to shop via mobile, rather than stop into a duty-free shop. WeChat introduced the mini program in January to create rich experiences for its users who turn to the app for commerce and communication (see story).

While the QR code technology is often thought of as dead within the industry, many believe it might have a resurgence, as Apple's latest iPhone model will have a built-in QR reader in its camera.

The idea of QR Codes as a marketing tool is still useful, which means Apple's new technology might breathe new life into it.

Location, location, location
Location is extremely important when it comes to out-of-home advertising, not just in terms of geography but also placement.

Marketers need to be sure they are hitting the right target audiences with each location and placement.

For instance, Alexander Wang's campaign was targeted to New York and its theme focused on rave culture and cycling: two themes rampant in the city.

The same campaign would not do well in a rural area.

While street placement is significant in terms of catching the eyes of passersby, many marketers can receive significant attention and often wow with a beautiful mural, similar to what Kering-owned Gucci has done.

Tiffany billboard below an overpass

"Location is selected based on the brand's target demo," said Kelly Peppers, managing director of Colossal Media, Brooklyn, NY. "Street levels are great since there is extra engagement when passersby can take photos in front of our murals.

"The elevated walls are equally awesome because consumers are mesmerized when they watch our team stories high painting enormous wallscapes," she said.

It is no surprise that urban markets are the dominant geographical locations for out-of-home ads, since one ad can catch the eye of a greater number of consumers than in some rural or suburban areas.

Airports are another major destination point in out-of-home ads for luxury brands. Besides the standard billboard or poster, luxury marketers have been implementing unique ways to get travelers' attention and help entertain while they wait for their flights.

For instance, German automaker Audi was the first brand to break in a series of new digital video walls last year at Vancouver International Airport.

Facebook Virtual Reality at Denver International Airport from Clear Channel Airports on Vimeo.

Installed by Astral Out of Home, the LED screens were located in the Canadian airport's domestic terminal. With this exclusive placement, Audi likely caught the attention of some of the 20 million travelers who pass through the airport each year (see story).

The Facebook Oculus even debuted at the Denver International Airport to garner the attention of affluent travelers who have time to kill between flights and are looking for an interesting experience.

"VR [virtual reality] in stores I'd point you to the debut of Facebook Oculus in the Denver International Airport," said Dan Levi, executive vice president and chief marketing officer of Clear Channel Outdoor. "Airports are heavily used by luxury brands to target business and other travelers.

"And it's no secret that the airport lends itself to experiential activities where there is captive dwell time," he said.

Sporting events and arenas are another major space for out-of-home advertising in which luxury marketers flock to sports popular with affluent consumers.

For instance, Louis Vuitton created and showcased made-to-order capabilities with a pair of trophy trunks for the Roland-Garros French Open, appearing along with on-site branding (see story). Aston Martin also partnered with Red Bull to sponsor its Forumla 1 racing team, with car branding and on-site advertising (see story).

Watchmaker Rolex is a known sponsor of a variety of affluent sporting events such as a number of equestrian competitions and races, golf tournaments including the US Open, yachting regattas, Formula 1 and Wimbledon, as part of a series of tennis patronage. These many sporting events feature a wide range of on-site Rolex branding.

Rolex is one of many timekeepers who have a close relationship to sports. The two industries are closely related, as many have branded on-display clocks at these events.

Hublot, for example, is one year out from its official timekeeping duties at the 2018 FIFA World Cup in Moscow. To kick off the 365-day countdown until the start of the international football tournament, Hublot chose June 16 as the best moment to open its Moscow boutique.

Given that Russia is the host of the 2018 FIFA World Cup, the world's attention will be focused on the market, giving Hublot a boost in visibility in the process, where many billboards and Hublot branding will be seen (see story).

Also, Omega will be sponsoring the upcoming Winter Olympics in South Korea next year (see story). Longines has also been a longtime sponsor of an equestrian competition named Longines Masters (see story) and Tag Hueur has a historic relationship with soccer (see story).

Best-practice tips for out-of-home advertising:

- Grace Moshfegh, CEO and partner, Superdigital

    - "My biggest advice when it comes to out-of-home is to appreciate it as just one touch along your customer's journey. To that end, marketers need to produce truly cohesive brand campaigns that are supported across multiples platforms including out-of-home."

- Kelly Peppers, managing director, Colossal Media

    - "From my perspective, making sure you create an opportunity for a consumer to engage with your messaging should be a best practice. It humanizes the campaign. We do that every day when we bridge art and advertising."

- Fred Reffsin, president, brandgrowth

    - "The best way to think of out-of-home is that it is just one tool or element of an effective communication plan. For example, out-of-home is integral for brands looking to target tourists. Or, what better way is there for brands to make big statements than using a medium with enormous scale and reach. Best practices should always be driven by the essence and personality of the brand and that smart brands should be flexible, open-minded, not driven by conventional wisdom. My advise to clients is to 'go where the people are.'"

- Dan Levi, executive vice president and chief marketing officer, Clear Channel Outdoor

    - "Clear Channel Outdoor was the first out-of-home company to begin using aggregated and anonymized mobile data to help clients plan their campaigns by understanding which of our billboards over-index for the behaviors of their target audience think QSR visitors, auto intenders, et cetera. Further, savvy clients are also looking for smarter attribution for their campaigns and we've brought that to bear too through Clear Channel Outdoor RADAR launched in 2016.

    - "Additionally, we're helping our clients reach and engage with more of their target audience by using features like mobile retargeting to reinforce the outdoor message. Some clients are seeing in-store lifts in the high double- and lower triple-digit percentages. Bottom line, out-of-home works and we're proving it."

- Sarah Lovingood Kronemeyer, owner & founder, Lovingood Media

    - "Think of your mobile and OOH strategy as one location based advertising strategy."

    - "Keep your message simple, clear and visual as OOH advertising is reaching customers who are on the go."

    - "As with any advertising, always have a direct call to action."