

# PROMO

## Digital Place-Based Media Reaches Critical Mass

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Quietly, and under the radar of many in the marketing and advertising worlds, digital, place-based video has achieved critical mass in the United States.

According to a survey conducted by Arbitron and Edison Research in January and February 2010, 70% of U.S. residents age 12 or older had seen a digital video display in a public venue in the last month. Some place-based networks (office buildings, health clubs, medical offices, ski resorts) are not only highly targetable from an advertising standpoint, but also quite accountable because they are supported by custom research showing exactly how marketers are benefitting from dollars invested in the medium.



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Meanwhile, traditional video—what some people lovingly refer to as “television,” whether it’s viewed in or out of the home—has morphed dramatically, though not necessarily for the better for advertisers. While we now have upwards of 115 million U.S. TV households, according to Nielsen, actual TV viewing is all over the place when one tries to factor out-of-home venues (think airports, bars, restaurants) along with time-shifting of programs and commercials via digital video recorders. How to accurately measure and value all of this viewing is still very much, to put it kindly, a work in progress.

To be sure, traditional TV still has mass reach, but this continues to decrease over time. And as the recent TV Upfront season demonstrated, advertisers are still willing to pay dearly each year for this diminishing return. As a further complication for marketers, TV audiences still can’t be targeted much beyond broad demographics. The waste here is enormous. Consider this: Would you be better off advertising a product created for lawyers in your local newspaper, or in a legal journal? Notwithstanding the obvious per-impression pricing difference, it doesn’t take a PhD in research to know which medium would be more targeted and, as study after study has shown, more efficient.

As for digital, addressable TV advertising on a national scale—the ability to tailor individual TV ads to households based on information gleaned from set-top boxes—I’ll bet this will remain a work in progress 10 years from now.

Don't misunderstand. I'm not suggesting that digital place-based media has replaced, or ever will replace, TV. In fact, TV will start to behave a lot more like digital place-based video does today. But the digital place-based media sector's continued growth and measurability—our firm's advertising revenues alone increased 135% last year and grew another 100% in the first half of 2010—proves that many marketers have come to realize its value.

Arbitron and Edison measure no fewer than 18 different venue categories, so there's something of value—and scale—for everyone. Nielsen recently reported that retailer Best Buy's screen network yielded 24 million gross video exposures per month during the first quarter of 2010. In the same period, the Zoom Fitness network of health clubs saw its ad exposures soar more than 18%, to 35 million.

Shopper Marketing is one of the fastest-growing areas of marketing. There's a reason why: Influencing customers closer to the point of consideration and purchase—the elusive “moment of truth”—is the most efficient place to invest marketing dollars. It's time to think about digital place-based video as the TV advertising of shopper marketing: more efficient because it reaches and engages closest to the moment of truth. This is where place-based digital advertising shines. The case studies are well documented. For example, after Merrill Lynch ran digital video ads in office building lobbies for less than one month, research firm Brand Keys conducted a telephone study of people who work in those buildings. Recall of the campaign in office building lobbies exceeded that of magazines, newspapers, online and radio. Merrill Lynch brand strength—the best predictive metric of in-market performance—increased significantly (+11%) among those who were exposed to the office campaign, and consideration of the brand improved to four times the category average.

Other enhancements to measuring consumer exposure to digital place-based video advertising are coming on stream. GfK MRI, which has been surveying the American consumer for the past three decades, is about to report on the addition of six categories of digital place-based media in a variety of venues. Combined with GfK MRI's deep database of consumer product/service purchases and psychographic indicators, advertisers will gain enhanced targeting capabilities to reach people out of the home.

As impressions reach critical mass, top syndicated research companies add data to the body of knowledge, and agencies continue to experience the results that targeted and efficient place-based digital video ads deliver for their clients, prospects for the sector have never been brighter. *Jim Harris is chief executive officer of The Wall Street Journal Office Network. He can be reached at [jharris@wsjoffice.com](mailto:jharris@wsjoffice.com)*