

## **PQ Media: After 3 Years of Slowing Growth, DOOH Media Pacing Up 11% in 2014, Driven by Strong Ad Spend on World Cup, Olympics, Health & Transit Nets, Aussie Digital Surge**

*Global digital out-of-home (DOOH) media revenues are on pace for accelerated 11% growth in 2014 following three consecutive years of slowing expansion, as a dynamic combination of sporting mega-events, increased ad spend on healthcare and transit video nets, and a streaking DOOH sector in Australia are expected to fuel the industry's best performance since 2010, according to PQ Media's annual performance benchmark released today.*

STAMFORD, CT ([PRWEB](#)) August 04, 2014 -- Defying economic and political headwinds worldwide, digital out-of-home (DOOH) media operators ground out a 9.3% revenue gain to \$8.86 billion in 2013, a solid increase tempered by it being the third straight year of slower growth, according to [PQ Media's](#) annual performance benchmark released today. Key first-half indicators point to DOOH growth accelerating to 11.3% in 2014, boosted by a dynamic combination of the global economy gaining momentum, two sporting mega-events, and increased healthcare, political and transit ad spend, says the new [Global Digital Out-of-Home Media Forecast 2014-18](#).

Influential developed and emerging markets stuttered in 2013, due to myriad challenges posed by debt issues, asset bubbles, political tensions and slower economic growth in high-flying markets like China. These issues filtered down to ad-driven media, which also faced tough comparisons with 2012 as a result of the even-year boost from pivotal sporting and political events. Roadside digital billboards and cinema-based video networks – the two largest location categories – were the most affected verticals in 2013.

While global revenue growth decelerated again in 2013, consumer exposure to DOOH increased at the same rate as in 2012, rising 7.2% to an average of 14 minutes per week, estimates PQ Media. Key growth drivers included new deployments and the expansion of existing DOOH media in high-traffic areas of the world's largest cities. Average consumer exposure is pacing for accelerated 9.5% growth in 2014, driven by higher engagement with newly launched DOOH, particularly during the Winter Olympics in Russia and the World Cup in Brazil.

[PQ Media](#) defines DOOH by two major platforms, digital place-based networks (DPN) and digital billboards & signage (DBB); and more than 10 key indoor/outdoor locations, including roadside, cinema, retail, transit, healthcare and entertainment.

DPNs generated 71% of global DOOH revenues in 2013, growing 8.4% to \$6.26 billion, a slight deceleration from 2012. Slow-moving economies weighed on cinema - the largest DPN vertical - resulting in several Top 15 Global Markets posting revenue declines. Global cinema networks had the worst year in recent memory produced the weakest years on record, although some slack was picked up by US cinema nets, which had their best year since 2010, as well as strong gains by transit and healthcare DPNs.

Although global revenue is on pace for faster growth in 2014, several challenges continue to shadow DPN operators, including issues related to standardized measurement, planning and buying systems, mobile media integration, and operator consolidation and its impact on network scale.

“From the Americas to Asia-Pacific, financial transactions involving DPN operators continued unabated in 2013 and the first half of 2014,” said Patrick Quinn, CEO, PQ Media. “A diverse group of deals were consummated across the vertical spectrum, including cinema, healthcare, corporate and transit networks, reaffirming that consolidation is accelerating and likely to churn for several more years.”

Among the major M&A deals announced in 2013-14 were National CineMedia’s proposed acquisition of Screenvision; Captivate Network’s planned purchase of the Wall Street Journal Office Network; and Cineplex’s acquisition of EK3 Technologies. Notable equity investments included those involving Captivate, GSTV, Mood Media and Eletromidia. And while the enigmatic RMG Networks went public, the esoteric Focus Media went private.

The rapid growth of mobile media has created the proverbial “frenemy” for DPN operators, as it has become imperative to integrate mobile technology into ad campaigns, particularly those aimed at post-Boomer generations. Driving consumer engagement through mobile interactivity will only become more important with each passing year. DPNs are already being squeezed by mobile, with brands increasingly demanding mobile components to their integrated media campaigns.

“To put this juggernaut into perspective, our research indicates that mobile media revenues from the US alone will be larger than the entire global DOOH industry by year-end 2014,” Quinn said, referring to data from [PQ Media’s Global Digital Media & Technology Series](#).

Meanwhile, DBB growth slowed for the second consecutive year in 2013, rising 11.5% to \$2.6 billion. The sharp deceleration was mainly due to local government rulings that led to digiboards being shuttered in major metros, such as Los Angeles and Moscow. Nevertheless, OOH operators continue to transition static signs to digital for the simple reason that digisigns generate higher revenues and margins.

In addition, digital screens placed in and around transit hubs, sporting venues and busy roadside locations have become must-buys for brands during major sporting events and political campaigns because they reach on-the-go consumers with a combination of dynamic ads and real-time results. For example, the increasing amount of soft money and third-party groups involved in US elections drove double-digit increases in political ad spending on OOH media in 2010 and 2012. DBBs were a key contributor due to their ability to tailor messages and respond to breaking news. PQ Media expects these trends to spur DBB revenue growth of 15.7% this year to \$3.01 billion.

Asia-Pacific was the largest of the four global regions in 2013, with aggregate revenues of \$3.83 billion, fueled by surging growth in Australia and a strong rebound in Japan. The US remained the world’s largest DOOH market, with \$2.37 billion in revenues, followed by China at \$1.87 billion. The injection of ad spending and new deployments ahead of the World Cup helped Brazil’s DOOH industry grow at the fastest rate, rocketing 41.9%, followed by Australia at 23.6%.

US DOOH media revenues rose at an accelerated 8.7% in 2013, driven by strong growth in healthcare nets, which benefited from new ad dollars related to the Affordable Care Act. DPN revenues increased 9.5%, as the transit and entertainment categories joined healthcare to offset slower growth in retail and cinema. US DBB revenues were up 7.2% in 2013, the lowest growth rate since PQ Media began tracking DOOH.

About the Forecast



The 7th edition [Global Digital Out-of-Home Media Forecast 2014-18](#) is the industry's annual performance benchmark, delivering actionable intelligence covering operator revenues, consumer exposure, key drivers and growth projections by country, platform and location from 2008-18. This year's edition features a new user-friendly PowerPoint format, Global DOOH Market Rankings by revenue, exposure and growth, and comparisons to other media. Enhanced value-add Excel Databook amplifies the core report with hundreds of drill-down datasets by country, platform and location. Click through a Forecast link above to download a free Executive Summary and Sample Databook.

#### About PQ Media

[PQ Media](#) is a cutting-edge market research, publishing and advisory firm, delivering actionable strategic intelligence to the world's leading media, entertainment and technology companies. Our analysts use a proprietary and proven methodology to analyze key performance indicators of hundreds of digital and traditional media sectors, platforms and companies, with a keen focus on helping clients make smarter decisions amid a fast-changing media ecosystem.



**Contact Information**

**Patrick Quinn**

PQ Media

<http://www.pqmedia.com>

+1 203-921-0368

**Leo Kivijarv**

PQ Media

<http://www.pqmedia.com>

203-921-0368

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