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INSIDE BUSINESS

TIME
BONUS SECTION

Getting on Board

AN OLD ADVERTISING MEDIUM IS BEING REINVENTED. BILLBOARDS ARE GETTING SMARTER AND MORE INTERACTIVE, LETTING YOU IN ON THE ACTION

Using their cell phones or PDAs, music lovers can grab a free Lenny Kravitz tune from this New York City billboard



ABSOLUT KRAVITZ.

PHOTOGRAPH FOR TIME BY CHRIS JONES

THE FULL EXPERIENCE AT absolutkravitz.com ENABLE BLUETOOTH OR TEXT KEYWORD [ABSOLUT](http://absolut) TO 68337 AND RECEIVE YOUR FIRST FREE MP3

BY DODY TSIANTAR

In Manhattan's trendy SoHo district, rock star Lenny Kravitz peers down from a 60-ft.-wide billboard for Absolut vodka, holding in his outstretched arms what appears to be a digital cable with bottle-shaped plugs. This isn't just the physical manifestation of the vodka-maker's latest hip ad campaign; it's also a display of advanced technology. At the bottom of the sign, Absolut invites passersby to send a text message or enable their Bluetooth cell phones to download a free 4-min. MP3 track where they're standing. "We always try to be edgy and different with our ads, but this time we

wanted to go beyond the traditional," says Jeffrey Moran, a spokesman for Absolut, which has a similar sign up on Sunset Boulevard in Los Angeles.

Thanks to the Web, cell phones and applications like Bluetooth and text messaging, one of the oldest ad media is suddenly one of the industry's most fashionable. U.S. marketers spent \$6.3 billion last year on out-of-home campaigns, as billboard advertising is called—an 8% increase from the year before, making outdoor the second fastest-growing ad medium after the Internet. And we're not talking just your standard roadside EAT AT JOE'S billboard. Today's outdoor ads are everywhere—on waste cans, taxis, bus shelters, phone kiosks, even gasoline nozzles. Intrusive? Perhaps, but some of them are also interactive at your request. And at a time when consumers have become increasingly mobile and increasingly overloaded with information, the outdoor ad industry is touting the billboard, the updated version as well as the old



standby, as the last powerful way to reach a mass audience efficiently. "It's a medium where there is no remote control," says Paul Meyer, worldwide president of the \$2.7 billion Clear Channel Outdoor, a leading player in the global outdoor arena. "You can't mute it or change the station. You can't turn it off. It's there 24/7."

Technology, in part, is driving the medium's rebirth. It's easier to generate buzz when what you're doing is genuinely cool. Consumers can now download music, play video games, watch

7 ADS A MINUTE

Drivers on I-90 in the Cleveland suburb of Bratenhal, Ohio, pass a Clear Channel LED billboard that displays a different ad every 8 sec. Messages can be tailored to the time of day





◀ Nationwide's billboard gives you the power to beam up an image from your Web-connected phone cam

movie trailers or custom-design a pair of sneakers and purchase them—all by interacting with outdoor ads. Signs can send a digital coupon to our cell phones, and soon they may even start addressing us by name, as they did in Steven Spielberg's 2002 futuristic film *Minority Report*. "We're almost there," says Stephen Freitas of the Outdoor Advertising Association of America, an industry trade group. "Outdoor advertising is evolving to a world of two-way advertising very, very fast."

Marketers love the interaction with consumers, and it's easy to see why: the results are immediate and measurable. "For the advertiser, it really turns out-of-home into a direct-response mechanism," says Alasdair Scott of Filter in London, the firm that developed BlueCasting, the Bluetooth-based system used in the Absolut campaign. The rock band Coldplay used BlueCasting last summer to launch its album *X&Y*. During a two-week period, 20,000 people downloaded video clips and sample tracks directly from posters in London's main rail terminals. Fifty bus-shelter ads in Britain for the movie *Alien vs. Predator* prompted 500,000 riders to vote for who would win the celluloid battle by pushing

■ "YOU CAN'T TURN IT OFF. YOU CAN'T MUTE IT. IT'S THERE 24/7." —PAUL MEYER, CEO, CLEAR CHANNEL OUTDOOR ■

a button on the signs. "That's what I call engagement," says Jean-Luc Decaux, a co-CEO of JCDecaux North America. This month the Paris-based firm will place ads with 19-in. LCD screens in five Chicago bus shelters, allowing riders to watch a movie trailer.

Entertainment isn't the only thing being advertised on digital signs. When Lancôme launched its new fragrance, *Hypnôse*, in France last summer on JCDecaux bus-shelter signs, cell-phone users with Bluetooth could download coupons for a sample. The supply ran out in three days. In the fall, British fashion retailer New Look used Hypertags, small electronic devices embedded in billboard panels that sent digital discount vouchers via infrared and Bluetooth technology to customers to spend immediately at nearby stores. Hypertag counts Procter & Gamble, Ford, Nike and Vodafone as clients. "It tends to be big companies who want to do exciting, above-the-line promotions," says Rachel Harker, one of the company's co-founders. And in Britain the line keeps getting higher, says James Davies of Hyperspace, the innovations division of the London ad consultancy Posterscope. On trial at the com-



pany's headquarters: a billboard that changes ads depending on the gender of the viewer. Davies says the demo, which takes a superficial body scan to tell male from female, gets it right 95% of the time.



▲ Coca-Cola is increasing its use of outdoor ads. Coke's board in Times Square can have a 3-D look

The billboard as a medium is changing rapidly too, as outdoor agencies transform those once static boards into digital light-emitting-diode (LED) or liquid-crystal-display (LCD) screens that flash new images every few seconds. The dynamic screens allow marketers to fine-tune their messages to rush-hour commuters or soccer moms, depending on the time of day. Lamar Advertising, based in Baton Rouge, La., has converted 75 vinyl highway boards into digital LED displays at a cost of \$300,000 to \$500,000 each. "Advertisers can change their messages almost instantaneously," says Sean Reilly, Lamar's president and COO. Reilly plans to put up 200 of those smart boards before the end of the year. "This is truly the next revolution in out-of-home advertising," says Larry Steiner, vice president of development for Van Wagner, which owns the

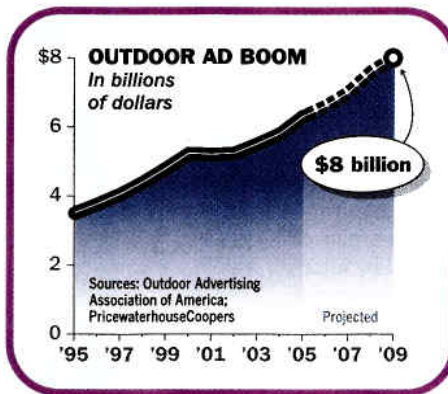
sign running the Absolut campaign. The ability of smart boards to display a targeted message at different times of day makes them particularly compelling. McDonald's, for example, could advertise an Egg McMuffin in the morning and a Big Mac in the afternoon on the same board, or a local TV affiliate could plug soap operas during the afternoon and an upcoming evening-news bulletin to commuters on the way home. "Selling day parts has never been an option for out-of-home advertisers before," says Jodi Senese, executive vice president of CBS Outdoor, which will unveil a network of 75 high-definition LCD subway-station signs this summer in Manhattan. In London since December, LED screens have been traveling around the city, mounted on a fleet of 25 buses. Advertisers can update ad messages within 10 minutes, using a GPS modem to flag their latest offers or even match an ad with the neighborhood the bus is passing through. "Once you introduce that kind of flexibility," says Jon Lewen, who is overseeing the effort for Viacom Outdoor, "even those advertisers who traditionally wouldn't consider it do."

Not only are digital displays nimble, but they also allow outdoor ad agencies to sell the same real estate more than once, which has its own obvious appeal. Since July, Clear Channel Outdoor, based in Phoenix, Ariz., has been conducting a test of seven large-format LED boards in strategic locations in Cleveland's metro area. Each sign runs seven 8-sec. spots a minute. If the current rate of

ad sales continues, Clear Channel's Meyer estimates that the boards will produce revenue of \$2.3 million in 12 months. Those seven displays in their static form generated \$380,000 last year. "An ad medium that historically has been viewed as cumbersome and slow to react is now as flexible as broadcast," says Meyer.

It's possible that, given the mobile lifestyle of today's consumers, billboards can reach more people more reliably than TV commercials. A survey released by the Association of National Advertisers and Forrester Research last month found that 78% of advertisers think traditional TV commercials have become less effective. Since TV audiences are so fragmented, insiders argue, outdoor ads are a surer way to reach more people more frequently than other forms of advertising. On average, says Senese, out-of-home signs are seen by 90% of adults in a given geographic area over a four-week period.

Television execs wouldn't buy that pitch, but on one selling point the outdoor industry is on solid ground: much improved metrics. How many people see an outdoor ad and when they see it can be tracked much more accurately than ever—a key mea-



billboard locales, the study delivered the sharpest outdoor ratings the industry has seen. Nielsen found that, on average, Chicagoans pass 66 outdoor displays each day. TAB is conducting its own industry-funded study to measure the likelihood that a person passing an ad will see it.

It's not all that surprising, then, that many national advertisers such as Unilever, Coca-Cola and McDonald's are re-considering billboards in their ad mix.

"Outdoor now has a place in the media-planning process," says Wally Kelly, CEO of CBS Outdoor. Coca-Cola is coming back outdoors full throttle this month to advertise its new beverage, Coca-Cola Blak, and its new global slogan, "The Coke side of life." According to senior vice president Katie Bayne, the brand will run ads on the top 10 boards in 28 national markets. Last year she advertised in only 10 markets. "Our target consumers are increasingly outdoors," she says. "And out-of-home ads are a surefire way to get our message to them."

That's not to say new billboard technology is free of challenges. Advertisers and privacy advocates are worried that interactive campaigns could be intrusive. Not everyone wants to be

MOVING MESSAGES

Viacom Outdoor's digital LED SuperScreens change messages frequently on 25 buses roaming central London and along escalator panels in the city's Underground rail system



surement for national advertisers who want proven results. Since 1933, the only equivalent of TV's Nielsen ratings for outdoor boards came from the Traffic Audit Bureau (TAB), which counted how many people passed a given sign. That antiquated system worked in local markets but couldn't capture the breadth of a national campaign. So the industry has invested heavily in research, recognizing that big-time advertisers demand accountability. Says TAB's president and CEO, Joseph Philport: "We realize the challenge has been not just to deliver the size of an audience that sees an ad but to determine how many in the audience notice it."

Enter Nielsen Outdoor. The research group last fall tested the Npod, a GPS-based device about the size of a cell phone. The media group gave the gadget to 850 consumers as they moved around Chicago for 10 days and counted when they passed 12,500 ad sites. Layering demographic and TAB traffic data over maps of

talked to by a billboard. "If somebody starts pinging phones, there's going to be consumer backlash," says Tom Burgess, CEO of Third Screen Media, a mobile-marketing and software consultant. For that reason, the newest high-tech outdoor campaigns invite consumers to opt in, say, by sending a text message. For example, Nationwide, the insurance and financial-services company, encourages visitors on Times Square's Reuters billboard to send in snapshots via a company website. Each afternoon it posts selected photos on the 23-story sign. Up the street, Walt Disney World advertises a new theme-park attraction. Send a text message to the number posted, and seconds later your phone buzzes with an SMS from Disney asking whether you want further promotions. For now, the advertiser knows only your number. Before too long, though, it could know your name too. Pretty cool stuff—and maybe just a little scary. —With reporting by Michael Brunton/London