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# Gauging the impact of COVID-19 on outdoor advertising

*Dr K Rajeshwari, Senior Associate Professor (Marketing), Great Lakes Institute of Management, Chennai, examines how much the OOH industry in India has been impacted by the COVID-19 crisis. She also presents the strategies that the OOH industry needs to adopt to play to its strengths, practice innovation and retain flexibility.*



Outdoor advertising had a fantastic 2019. Defying predictions, India's OOH (Out Of Home) industry grew at over 15%. Driven by IPL, Elections and a huge increase in the OTT industry's outdoor advertising, the industry saw a big increase, enabled adequately by digitisation. The industry itself has been seeing radical positive transformation over the years. From the rather primitive static format, it has now become a dynamic audio-visual one, with all kinds of creativity made possible by technology. Global giants like Google Maps and LinkedIn have used OOH to create an impact, in addition to Netflix, Amazon Prime and Hotstar. Events are a big money spinner for OOH and last year's Kumbh Mela was evidence of this. Witnessing audiences in crores, the promotion of brands on-site contributed significantly. In the financial year 2019, the revenue generated from out-of-home advertising across India amounted to over Rs 34 billion.

This was estimated to reach up to Rs 38 billion in 2020 and Rs 52 billion by the financial year 2024 (Statista projections).

But all this has now been severely affected by the COVID-19 pandemic. Many organisations have slashed their ad campaign budgets, which has impacted the OOH agencies. OOH has been acutely affected in this scenario.

Looking at history does not help, as during the previous instances of recession or pandemic, digital media or ambient advertising (a variation of outdoor) were not as developed as it is today. 1918 was the year when the Spanish Flu hit the world and at that point, mass television broadcast was at least 25 years away. Much later during 2008, in the year of the world financial crisis, digital marketing was just a fledgling. But today, it is hard to find a single household that is not reached through digital and/or outdoor advertising.

Lockdown has changed the way we live and the way in which we consume media. Urging people to stay indoors has resulted in streets and roads being empty. Halting public transport has created a vacuum in bus shelters and train stations and the busy shopping areas are deserted. The familiar red colour of Coca-Cola or the bright branding of Samsung is no longer visible while walking down the busy areas of metros in India. Many hoarding sites are empty as there are no consumers to view these.

In-home media has been the gainer during this period. Whether it is TV, which has increased reach in terms of viewers and duration of viewership, or web streaming, which has seen a significant climb in the household watching time, or even video games (where playtime has gone up), people staying at home has resulted in a sharp increase in in-home entertainment and viewing.

Out of home also includes ambient advertising, that is, advertising in unexpected areas. Aimed at evoking an emotional response, ambient advertising includes placing products, models, etc., in attractive locations like malls and restaurants in order to catch the consumer's attention. It is also called 'Creative guerilla advertising' and that has also hit a new low now. Reduction in public traffic has done away with the need for this kind of advertising, at least temporarily. Cancelling events has also had a bearing on this industry. With no immediate need to promote new products on a mass scale, clients are cancelling these events, leaving the advertisers high and dry.

**So, how can the outdoor media industry buck the trend?**

Outdoor medium is an integral part of our cityscapes and our lives. It has always had a place in building trust with local communities. Located in proximity to where people live and commute, it ensures a special bond with the citizens of that geography. And in times such as the current crises, the medium is all the more relevant in garnering faith and educating the public. The medium, therefore, needs to play to its strengths. There have been cases where governments have recognised this and placed their confidence in this medium. According to the Ad Council of the US, 'Out Of Home' media plays a critical part in informing local communities and residents on how to stay safe during times of uncertainty. As part of their ongoing efforts to address the growing COVID-19 pandemic, the US Department of Health and Human Services (HHS) and Centers for Disease Control and Prevention (CDC) have convened Out of Home (OOH) industry leaders to bring critical coronavirus safety messaging to the American public. From mall kiosks to airport TVs to Uber car tops and billboards, the industry is leveraging their extensive networks to help slow the spread of the virus. The scenario in India is no different. The advertising giants – Lintas, Ogilvy, JWT – are all focusing efforts on their outdoor advertising arm to bring more awareness to the public on COVID-19.

Already known for its novel campaigns in the ambient format, the OOH industry needs further innovations. Take the case of Ro, an American digital health company, that has both men and women health products. Situated in New York, they decided to use outdoor medium and came up with a public utility message on Safety on billboards, while also announcing their website based telehealth assessments. This dual-purpose innovation helped them gain consumer mindshare while also doing public good.

Flexibility is the other aspect that will enable OOH to flourish. Media agency outfits that have a digital or TV component should allow clients to trade their outdoor budgets for digital or TV campaigns during this lockdown period, thereby retaining clientele. This will give them the much-needed revenues and allow them to get back on track once the current crisis is over.

Making advertising trustworthy has always been a challenge. The metric for measuring trust in Advertisements – **the AD TRUST Scale** – highlights the reliability of source as the topmost. Outdoor medium scores significantly on that front. Seeing China rebound from COVID-19 gives hope to outdoor marketers that all will be well soon. Coincidentally, the Beijing Olympics of 2008 was one of the pioneer outdoor events, which showcased what OOH was capable of – through spectacular creativity (and technology). Given that outdoor advertising touches people in a personal, topical way, it

is important that the industry adopts a combination of the above-mentioned strategies of playing to its strengths, practicing innovation and retaining flexibility.