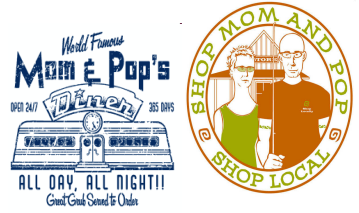


# Digital Out Of Home Advertising: How Does the Money Flow?

## Small/Local Advertisers

Smaller companies, mom-and-pop stores and local advertisers usually don't have media planning agencies. Instead, they use DOOH brokers or network aggregators, or go directly to networks they know they'd like to advertise on.



Smaller advertisers and networks alike tend to buy and sell using a set price per ad. Pricing ranges from less than \$20 per ad per month across an entire DOOH network, to \$120 or more per ad per month on a single screen of more coveted networks.



## Large/National Advertisers

Big/national brands typically rely on big media planning/buying agencies, who make decisions about where money gets spent (e.g. TV, print, Internet, OOH, etc.)

## Media Planning Agencies

Agencies inside ad conglomerates like Omnicom and WPP control the media spends for virtually all big advertisers. However, since Digital OOH media is such a small percentage of their spend, they usually work with DOOH ad brokers and ad sales specialists (though they sometimes will go directly to networks).






**DOOH Sellers**  
Groups specializing in selling DOOH inventory may work through planning agencies or directly with brands.



**DOOH Brokers**  
Media specialists work with agencies to help make informed DOOH buying decisions.



**Network Aggregators**  
Combine inventories from multiple networks, and allow buyers to purchase space on disparate screens automatically using demographic information and auction systems.

The preferred pricing method for larger advertisers is "cost per thousand viewers" or "CPM Viewers", similar to how TV ads are priced.

The median CPM Viewers for DOOH networks is \$6.50\*

Networks targeting more coveted demographics or utilizing better measurement techniques can frequently achieve a higher CPM.



## Network Owners/Operators

DOOH networks with as few as 1 or 2 venues and as many as several thousand work through intermediaries, but also have internal sales forces who do outbound sales calls to directly connect with potential advertisers.

Network owners may share 0-50% or more of their advertising revenues with venues hosting their screens.

## Host Venues

Venues that host DOOH screens typically get a share of the revenue. The amount varies from deal to deal, and depends on things like whether the venue has invested to install the screens or is willing to contribute money from co-op marketing funds.



Understanding the movement of money within the digital out-of-home ecosystem is key to successfully navigating the DOOH industry. Most networks utilize both in-house direct sales teams and outside specialists to sell as much screen inventory as possible.

Large/national advertisers typically do not work directly with individual networks. Instead, they purchase their inventory through media brokers, often as part of a larger ad spend package. Because these agencies usually command a 15% commission, they can be hesitant to work on anything but the largest DOOH deals.

Consequently, a variety of specialized agencies, including DOOH sales organizations, brokers and network aggregators have come into being to simplify the buying process and make the sale of DOOH inventory more similar to other media.

This infographic uses green arrows to indicate ad buys sourced by outside organizations like media buyers and network aggregators. Blue arrows denote ad buys sourced by internal/direct sales teams. The relative sizes of the arrows roughly indicate the amount of money that each path commands when aggregated across all US DOOH networks.

Ultimately, the success of a network depends on the skill of its salespeople, and the audience that it caters to. Highly coveted audiences garner higher inventory fees, typically priced either by "reach" (e.g. price per thousand viewer impressions, or CPM), or on a per-screen, per-month basis.

\* Statistics were sourced from WireSpring's 2011 DOOH Buying Survey. For more information, visit:

[www.wirespring.com/blog](http://www.wirespring.com/blog)