

The evolution of the billboard - a look at the growth of digital billboards in South Africa

By [Jacques du Preez](#), issued by [Provantage](#)

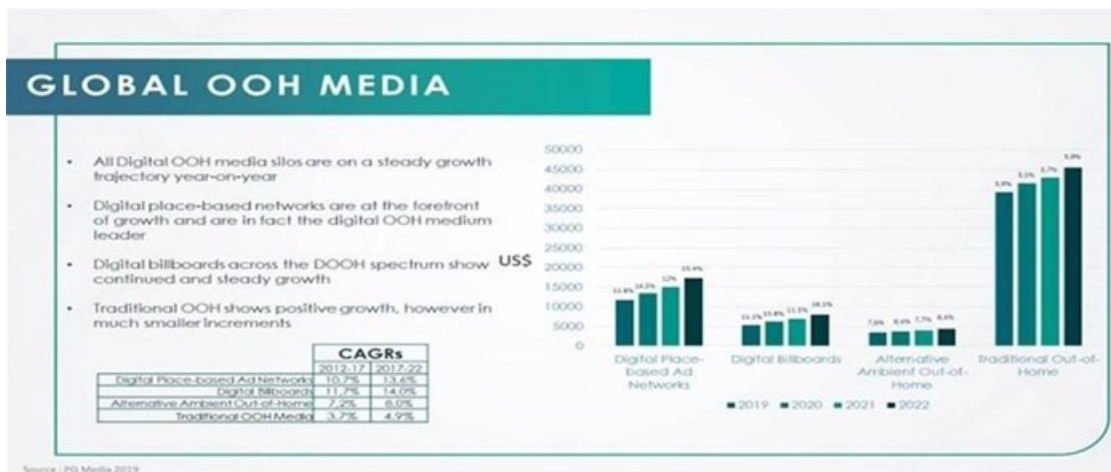
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As we all know by now, the traditional billboard has evolved and we have seen a rapid expansion of digital roadside billboards in the South African urban landscape.



Around seven years ago, there were only two or three media owners in South Africa that had constructed digital billboards and, as a result, they could largely dictate pricing. At the time, the billboard industry in SA was in the early stages of transformation following the rapid uptake and expansion of digital out of home (DOOH) globally. Advertisers and media agencies were somewhat skeptical about this new media format, however, brands supported it, appreciating the innovation and benefits on offer from DOOH. Increasing numbers of out of home (OOH) media owners entered the category, resulting over time in an explosion of digital billboards being erected across a number of major South African cities.

This is not a surprise and mirrors similar trends that we see globally with digital billboards growing at 11,1% in 2019 (*Source PQ Media), nearly triple the growth rate of static or traditional OOH media.

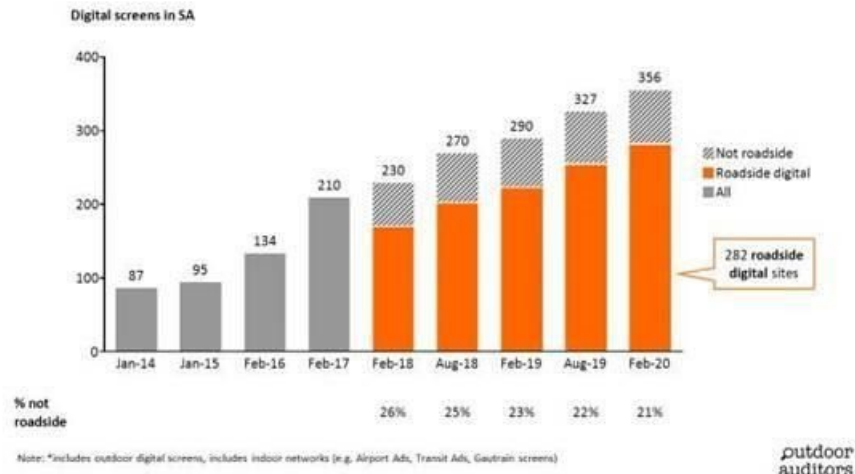


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According to Outdoor Auditors, there are currently over 200 OOH media owners in South Africa operating approximately 13,500 billboards. Of these 282 are digital, accounting for just over 2% of the site universe (Source Outdoor Auditors Feb 2020 Report). While representing a very small proportion of total sites, digital billboards are attracting significant revenues and have now replaced approximately 1,600 static panels, according to the latest February report from Outdoor Auditors.

Digital Roadside Billboards have increased from 174 sites in February 2018 to 282 in February 2020, reflecting growth of 62% over the two-year period (See graph below). What accentuates the impact of digital billboards is that close to 60% of all sites are situated within the Gauteng province, the region with the highest levels of advertiser demand.

For the rest of this presentation we are only interested in the 282 roadside digital sites



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Growth problems

Surprisingly, growth has not been driven by the most dominant billboard player in the industry, with JCDecaux building very few new digital roadside sites over the period. Growth has largely been driven by Alive Advertising, Primedia, Outdoor Network, Tractor, Insight, Relative Media and Epic Outdoor.

With the rapid growth in digital billboards, the industry has recently experienced a number of problems and certain heavy users and early adopters of the medium have elected to no longer advertise on digital roadside billboards. After some investigation into the reasons thereof, the following were some of the concerns raised:

- Illegal billboards: A few advertisers raised the concern that they are not convinced as to whether all newly erected digital billboards do indeed have the necessary approvals in place. This is understandable, particularly given the state

of the industry in the Johannesburg Metropolitan Council where we have recently seen an explosion of illegal sites being erected. The fact that so many new digital sites have been erected in such a short space of time and given the relatively slow approval processes from municipalities does beg the question regarding the legality of a number of these newly erected sites.

- [OMC](#) and other data issues: Some media agencies and advertisers also raised concerns regarding the understanding and accuracy of audience data with regards to digital billboards. Although Out of Home Measurement Council (OMC) data does exist for a number of the digital sites, there seems to be confusion as to how to apply the research when numerous adverts are flighted on a one-in-eight or a one-in-10 loop cycle. This problem does not exist with static billboard sites, resulting in brands feeling uncomfortable with the lack of accurate ROI data. Another element linked to data was the issue with digital billboard reporting. The concern raised was that there were no clear industry standards for reporting and that individual media owners all report in different formats, creating a huge problem for advertisers when it comes to measuring their investment.
- Unrealistic viewing angles: Certain digital boards sold as part of various media owners' digital networks are erected high up against buildings or at questionable viewing angles, significantly reducing audience visibility. This was highlighted as a negative when procuring digital sites.
- Inconsistencies in screen size/format and screen quality: Advertisers furthermore stated that there is a substantial difference in the quality of screens employed across media owners which is problematic. The expectation is that media owners would use full HD quality LED panels, while in reality establishing that certain screens are of very poor quality. Another issue brought to the fore was the difference in screen formats used, mainly portrait vs landscape and different sizes, which made production more problematic. Most advertisers stated that they would prefer OOH media that offer standard quality and size formats.
- Loop cycles and trust issues: The final and most serious concern raised was related to the number of adverts that would, according to the media owner, be flighted on a digital site versus what actually happens in reality. A large number of agencies and advertisers stated that they would be one of eight advertisers in the loop cycle when securing an advertising 'spot' on a digital billboard. However, when they physically checked, it was found that in actual fact there were 10 or 12 adverts in the loop cycle. This obviously affects the reach and frequency of the advert and creates a trust issue with regards to OOH media owners and particularly digital billboards.

Taking all of the above into consideration, the OOH industry has quite a few issues to consider. It can be argued however that this is part of normal 'growing pains' associated with rapid growth in any industry.

What is certain though is that digital OOH mediums such as digital roadside billboards are here to stay. But why the hype and growth, and why is DOOH capturing an increasing share of advertising budgets previously allocated to television and online spend?

The following are a few very compelling reasons highlighting what digital billboards offer:

- Ability to provide day-part advertising: By way of example, a food outlet can target consumers during the morning peak times while liquor brands can be assured their ad will only run after 7pm making for a very useful and relevant benefit.
- No production costs with quick turnaround times: Creative on digital billboards can be changed often and at low/no cost. The billboard can now effectively compete with electronic mass media types.
- Flexibility to change messages to reflect new marketing strategies, promotions and pricing: Product and price promotions can now be geo-targeted and changed often which adds a lot of optionality.
- Advertisers are able to display multiple messages/creative throughout the day: Vehicle brands can for instance

change messaging throughout the day, promoting different models and targeting different audience segments.

- Less maintenance – no fade, peel, weather elements: Brands that advertise on digital OOH mediums are perceived as being more modern while simply appearing visually better on brand new DOOH mediums.
- Bright, eye catching LED screens attract audience attention: Research confirms that consumers are conditioned to look at screens and that digital billboards attract higher audience numbers and demand more attention vs static OOH media types.

Given the above it is clear that digital billboards are here to stay and that they will grow not only in number of sites, but also in capturing a larger part of the billboard budget, both in South Africa and on the African continent. As time passes, I predict that a lot of the issues such as reliability of data, legality of boards and trust issues will be addressed. The OMC has already formed a project team to look at global best practices regarding all the research and reporting issues related to digital billboards and will soon be launching information and interventions in this respect.

One thing's for certain. If you are an OOH media owner and are not investing in DOOH formats, you will be left behind, particularly considering the predictions that the growth and contribution of DOOH to OOH will advance exponentially.

About the author

Jacques du Preez is the CEO of the Provantage Media Group

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