

ZipCast's digital out-of-home ads are becoming prevalent. But will consumers push back?

April 07, 2008

By Della de Lafuente

Actual Link:

http://www.marketingmedios.com/marketingmedios/noticias/article_display.jsp?vnu_content_id=1003786345

Hispanic Marketing Report: Sign of the Times

NEW YORK ZipCast is one of several companies pushing digital out-of-home advertising, but it may be the only one that's geared towards the Hispanic community.



Supermarkets (above) and shopping malls (on home page) are the newest landscape for digital billboards.

The Houston company has lined up Budweiser, Tecate and Laredo, Texas based IBC Bank for its network of digital screens.

The upstart ZipCast is expecting to surpass its initial target of 1,500 such screens in high-traffic venues with as many as 4,000 digital screens by the end of 2008. (By comparison, the general market-focused Captivate Network, Boston, manages 8,200 general market-targeted screens in office building elevators.)

ZipCast's screens air 20-second flash ads, stills and ads ranging in length between five, seven and 10 seconds for walk-in traffic in grocery stores and shopping malls as well as other creative for

marketers, the company said.

Rapid expansion like ZipCast envisions is a sign of the explosive growth that has made digital out-of-home the second fastest growing ad medium next to the Internet, per PQ Media, Stamford, Conn. PQ predicts the industry will grow 25 percent annually to \$2.6 billion by 2011 versus \$1.3 billion last year.

The overall out-of-home industry, which has been strengthened by ad-skipping technologies like TiVo, posted revenues of \$7.3 billion in 2007, per the Outdoor Advertising Assn. of America.

ZipCast CEO Guillermo Amtmann hails the medium as a breakthrough: "With digital advertising, you're able to target, move and place the signage to just about anywhere and to change your advertising in real time," he said. "This breaks all the rules of traditional media."

Aside from the fact that it is electronic, what makes the digital out of home signage really different is the ability to target: Ads are transmitted via the Internet to flat-screen monitors placed wherever advertisers are hoping to aim local, regional and national advertising at Latinos.

ZipCast pays the owners of venues where the screens are placed either a small percentage, usually 5-10 percent of the revenues generated from each of the screens located at their place of business, or the company gives the business owners free advertising space to promote their own businesses and services via the screens, Amtmann said. The latter is the more popular option.

Each screen is an independent display, which means that a marketer who is advertising via multiple screens is able to customize displays, and change and offer creative content aimed at specific groups or audiences with each screen in real time, Amtmann said.

“It allows for much more targeted product-specific advertising and marketing based on a certain day part schedule with certain products like soft drinks promoted in convenience stores during the day and products like beer advertised late in the day,” he added.

Why is this happening now? Digital signage has been around for years but, in the past, digital outdoor was an expensive option for marketers because of then high costs for the satellite technology used to transmit and display advertising on the outdoor screens.

At the time, the Internet, the software and the marketplace were also not yet available.

Now that the technology is here and it’s cheap enough for general use, the medium has another issue: Critics of out-of-home advertising displays say a captive audience is just that as formerly commercial-free areas are repurposed as in-your-face venues to deliver marketing messages. It is, they say, just the latest example of ad creep.

“Out-of-home marketing represents yet another encroachment by the advertising industry into the everyday lives of people,” said Robert Weissman, managing director at Commercial Alert, a Washington-based nonprofit that fights the excessive commercialization of society. “This is the marketing industry’s relentless attempt to make it impossible to escape endless marketing messages,” Weissman said, noting that ZipCast states on its Web site that what’s exciting to them as a business is being able to reach consumers everywhere they live and play. “They will be intruding [on the public] in new areas,” he said. “There’s no escape.”

Still, ZipCast’s Amtmann stressed the customization option. Currently audio and video is available only at certain venues since many consumers don’t want the additional noise.

