

 | Nancy Fletcher, OAAA

*This OAAA Special Report is based on Nancy Fletcher's "State of the Industry" speech on May 21, 2019, at the 2019 OOH Media Conference + Expo in Las Vegas.*

The first time I reported on the "State of the Industry" was in 1991. Today is the 29th and final time I'll have this honor. Later this year, we will welcome a new OAAA leader, who will be on stage at the next national conference for the out of home (OOH) industry in 2020.

I fell in love with this industry more than 40 years ago. I was 23 years old – in 1978 – living in the Twin Cities, doing government affairs and site development work for Naegele Outdoor Advertising. By 1985, I had become the president and general manager of the Naegele Twin Cities market. We had 100 employees, producing more than \$20 million a year in sales. I loved that job, and I thought it was the best job in America. I thought that until 1991, when I was recruited as president and chief executive officer of OAAA. That's when I found out that being OAAA president is the best job in America.

To work **with** you and **for** you has been the privilege of a lifetime.

Today, I want to review industry progress, share with you the most important lesson I've learned from 40-plus years in this industry, and express my gratitude.

## State of the OOH Industry

I'm delighted to report that the state of the OOH industry is strong:

- OOH revenue grew 4.5 percent in 2018, to a record \$8 billion.
- Every segment of our business (digital and static) was up in 2018, with overall digital OOH growing to 29 percent of the total OOH pie.
- Industry revenue has grown for 35 straight quarters.
- The industry's advertiser base is strong, diverse, and expanding. The top five OOH advertisers in 2018 were Apple, McDonald's, Geico, Netflix, and Google. One in four of the top-100 OOH advertisers are tech brands like Facebook, Amazon, Microsoft, and YouTube.
- Brands like Pepsi, Allstate, Warner Brothers, and Uber doubled their OOH spending in 2018 compared to 2017.



Fletcher speaks to the importance of unity and collaboration in her 2019 State of the Industry address

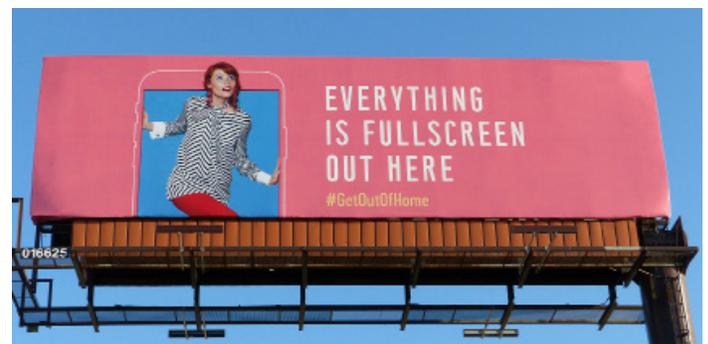
## Big-picture Perspective on Industry Progress

To achieve these impressive results, this industry has committed to and benefited from common building blocks: research, creativity, measurement, OOH brand promotion, strategic partnerships, and political outreach.

- This industry has prevailed in every significant legislative and legal fight in the past 30 years.
- A generation ago, skeptics in Congress unfairly cast this industry as millionaire billboard owners pitted against the public interest and the environment. Today, our partnerships with government and the private sector showcase the industry's stewardship and responsible citizenship on behalf of public safety, law enforcement, emergency messaging, and the environment.
- Over the past 30 years, the OOH market has expanded beyond billboards to include a wide array of static and digital formats and locations, all powered by technology and innovation. And today, data and programmatic are becoming the new energy fueling the OOH industry.
- Embracing research, the OOH industry pioneered studies based on driver behavior and accident records, to learn about the impact of digital billboards. The federal government's findings affirmed industry research that digital billboards are not distracting. And, government now uses OOH media – including digital billboards – to communicate safety messages.
- This industry has always offered research about the efficacy of OOH, but today there are scores of solid market research studies that quantify the medium's effectiveness, impact, and return on investment (including five new studies released at this conference).
- This industry has succeeded in taking control of the OOH brand, vision, and value proposition. We've been telling our story in a compelling way. We've launched two industry-wide ad campaigns that targeted advertising decision-makers: *Feel the Real* in 2015 and *Get Out of Home* in 2018. By doing that, this industry has gained a unified focus and steady momentum. Experts told us, "If we don't own OOH...someone else will." To "walk that talk," OAAA changed its name last year from the "Outdoor" to the "Out of Home" Advertising Association of America.
- This industry identified its top priority as making OOH a more core media buy, right up there with digital media. The idea is to elevate OOH among advertisers and agencies, so it is a more core part of the media mix, as it works alongside digital media.
- Adapting in the fast-changing marketplace, this industry has diversified its advertiser base away from tobacco, improved measurement and creative, and upgraded the buying-selling process.



Feel the Real in 2015



Get Out of Home in 2018

These achievements and progress are not debatable.

They are proof of the OOH industry's remarkable history

of resourcefulness, resilience, and reinvention. Through every turn, OOH has survived, adapted, and succeeded.

## Most Important Lesson Learned

As I prepare to take my bow and exit stage left, I want to leave with you the single most important lesson I've learned in 40-plus years in OOH.

The OOH industry would in no way be where it is today without **collaboration**.

OOH media companies compete aggressively with each other for clients, acquisitions, tender contracts, and more. But they also collaborate where they can, to advance the industry as a whole. Collaboration has helped forge an enduring and successful business model for OOH in the United States.

Industry unity and collaboration may be easier when times are tough. In the 1990's, when the industry faced bans and amortization, everyone clearly understood Benjamin Franklin admonition on unity: "We must all hang together, because if we don't, we shall all hang separately."

Facing direct, immediate threats meant that division was not an option.

Today – in a strong economy with industry revenue growth – the need for collaboration may appear to be less pressing, perhaps elusive. But as I look at the key opportunities and threats we face, I believe collaboration is more important, and more vital than ever.

Traditional regulatory threats remain, while new ones appear, such as the privacy debate. Progress is imperative toward diversity, inclusion, and sustainability. New formats, new data, new technologies, automation in mobility, and "smart" cities mean that today's OOH media will be different in the decades ahead.

Amidst change, one thing remains constant: the importance of collaboration.

I encourage you to double down on collaboration, to:

- Support the new OAAA leader
- Find the smartest experts and discern what's on the horizon
- Get in a room and agree on a vision
- Focus your resources. Make sure your resources are where you want them to be.
- Set new standards and practices wherever needed
- Work together to shape OOH's future, like you shaped the OOH brand and protected the industry legislatively



Fletcher offers six suggestions for industry collaboration.

Keep collaborating wherever you can; there's always a way. If you don't see one, try harder.

### Please Accept My Gratitude

In a final showstopper from the Broadway hit Hamilton, the character Aaron Burr demands that he "wants to be in the room where it happens." For 30 years, you have afforded me the privilege of being "in that room." For that, I am forever grateful.

Over the years, you've taught me so much:

- I loved meeting with OOH customers to see firsthand how OOH powered their success.
- I've had the privilege of working alongside the most talented ad agencies and specialist firms in the country, to see the great value they bring to advertisers.
- I've been awed and amazed at the level of ingenuity and innovation from OOH manufacturers and tech suppliers.
- I've been honored to testify on your behalf, to strategize with Congress, and to meet four sitting Presidents of the United States including a White House dinner seated next to President George W. Bush.

Extraordinary! But the room that counted the most to me was always the room filled with OOH friends and colleagues. Yes, I've been to the White House. But I love most visiting **your** house, touring your plants, speaking at your meetings, and celebrating your milestones.

**Of course, this was never about me. I was simply one of the public faces of this large, thoroughly dedicated, and professional OOH industry that extends across the country.**

Along the way, I've had the good fortune to work with so many of the legends in OOH. While they were mostly men, I know that future legends will include lots of women.

I'm so grateful for all I've learned from OOH legends (R.O. Naegele, John Kluge, Hal Brown, Dean White, Karl Eller, Vern Clark, Arte Moreno, Bill Apfelbaum, Tom Norton, Kevin Reilly Sr, Kevin Reilly Jr, and Sean Reilly) and from OAAA's extraordinary and dedicated Board of Directors.

I also thank the team at OAAA, and especially our executive team, the people who have truly made OAAA what is today: Ken Klein, Stephen Freitas, and Marci Werlinich.

Many people have asked me what I'm going to do next. Well, I definitely have plans. I wouldn't be Nancy without plans. The first thing I'm going to do is get behind the new OAAA leader and do everything I can to support her or him. I hope you will, too.

The next thing I'm going to do is take some downtime and enjoy life. Whatever my next adventure is, it will always include Ron Fletcher, the amazing man I'm married to. It will definitely include some quality Grandma time in Chicago and Minneapolis. And most definitely, some board work.



OAAA staff

When I actually get to retirement, I trust I'll know what to do. And as I pray about it, I say two things. I say, "Please God, whatever's next, don't make it another full-time job." And I say, "Please God, keep an eye on the people in OOH."

I have loved my years at OAAA working **with** and **for** all of you.

We've been through a lot together. We've had some anxious times, and a lot of good times.

But the real privilege, the true honor, has been working together with you in this amazing industry that is always resourceful, continually resilient, and constantly reinventing itself.

This is a wonderful business with a brilliant past and an even brighter future.

It has been the blessing of a lifetime for me to be a small part of it.

I thank you. I love you. God bless you.