

INSIGHTS REPORT



IMPACT, GROWTH & CHANGE IN OOH

December 2023

President's Note

2023 is coming to a close, and we are eager to uncover what opportunities lie ahead for the OOH environment in 2024. With trends being on the horizon focused on social integration, AI and automation, smart data-use and creating a bridge between the online and offline to encourage 'shareability', we continue to evolve as a media in an exciting and modern fashion.

Throughout the years, COMMB has evolved as an association as well - and we continue to dedicate ourselves to inspire, educate and grow to provide unmatched support to our members. With these objectives in mind, we are thrilled to announce our partnership with Vividata. This strategic partnership will equip us with extensive capabilities for analyzing the OOH space, arming us with valuable insights to deepen our understanding of the Canadian consumer. Access to this cross-tabular information will allow us to first-hand plug-and-play audience and media variables, analyze and in turn produce impactful materials for our industry. This tool will be used within our Insights Reports, as well as our one-off materials which are integrated in our year-end MSR Reports, to continue to serve the Canadian OOH space.

This year in our Q4 Insights Report, we wanted to steer away from discussing holiday specific topics as we have done in the past. Firstly, we focus on how OOH influences online action, discussing how OOH impacts the online world, e-commerce sales and advertising categories. We then highlight ESG (environmental, social and governance) in OOH, discussing changes the OOH industry is making from an environmental standpoint, as well as 'OOH with a purpose' and societal impact of the medium. We also leverage Vividata's cross-tabular platform comprehensively to identify the primary transit user audience and explore opportunities within their behavioural patterns for advertisers and media owners.

We hope you find this final Insights Report of 2023 useful for your sales and marketing strategies. As we enter 2024 with renewed vision and a fresh perspective, one constant in our business rings true: our dedication to supporting you and the Canadian OOH landscape. From advancing in measurement and marketing, we are committed to the continuous growth of our valued members. Cheers to a successful 2023!



Amanda Dorenberg
President, **COMMB**





CHAPTER 1.

How OOH Influences Online Action

What is e-commerce?

What are the top selling products online in Canada?

What does revenue look like?

Where do consumers purchase online?

How does OOH influence e-commerce sales?

CHAPTER 2.

ESG (Environmental, Social and Governance) in OOH

OOH with a Purpose

Upcycled Materials

Social Impact

CHAPTER 3.

The Transit User Audience Spotlight

Who is the Transit User?

Millennials Take Action

Similarities and Differences between Millennials and Gen Z

HOW OOH INFLUENCES ONLINE ACTION

What is e-commerce?

E-commerce, short for 'electronic commerce', is the practice of buying and selling goods and services online through the internet. This industry encompasses a range of activities (such as electronic payment systems, online auctions, and digital product downloads), however for the purpose of this report we will be focusing on online shopping. E-commerce is a rapidly growing industry in our global economy due to a multitude of reasons. Most notably, it provides consumers access to a vast range of products at the convenience of their phone or laptop. In-turn, it allows businesses to reach consumers.



Amanda Dorenberg wrote in [Forbes](#) about OUTFRONT and Environics Research which found that nearly half (49%) of Canadians exposed to OOH go online to search for more information. Back in the day, the perception was that out-of-home advertising mostly fostered general brand awareness for advertisers. Now, OOH is an initiator in the customer life cycle, encouraging audiences to take action online. Let's explore this further...

What are the top selling products online in Canada?

What are Canadians buying online? Let's get an idea of the variety of products available through online shopping in Canada. The range of products that can be purchased online is continuously growing and evolving, but currently Canada's booming e-commerce sector can give credit to two key, very lucrative segments: Fashion and Electronics. These two segments are on track to [make up 28 and 22 percent of all e-commerce retail sales in Canada in 2024, respectively](#).

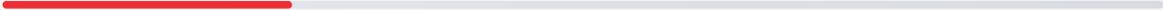
Let's look at the sub-sectors within Fashion and Electronics that make these segments so popular:

Fashion. According to [Statista](#)'s 2023 Consumer Insights survey, the **two most popular online shopping categories** among Canadian consumers are Clothing (at 42% of respondents) and Shoes (at 25% of respondents).

42% - Clothing

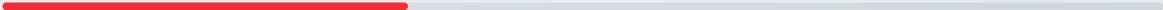


25% - Shoes



Electronics. However, Clothing and Shoes have been in a tight race with Electronics (which encompasses categories like TVs and Smartphones). Just last year (2022), Electronics beat the [above two fashion categories at 35%](#).

35% - Electronics



What does revenue look like?

E-commerce revenue is extremely profitable both globally and nationally in Canada. The e-commerce market has rapidly developed in the past decade. On the global scale, online retail sales are expected to exceed seven trillion U.S. dollars in 2025. That's huge! Canada has an enormous part of this channel, with e-commerce retail sales averaging 3.8 billion CAD dollars per month. And that's just retail! If we factor in all segments of Canadian e-commerce, we're expecting to reach \$70 billion CAD in 2023. The number of users of e-commerce in Canada is also forecasted to increase again after the ninth consecutive year, and reach 30 million users in 2024.

\$70 bn CAD

in online retail revenue was generated by Canada in 2023

Where do consumers purchase online?

Amazon.ca is by far the top online store in Canada, with Walmart.ca and Costco.ca in second and third place.

It's no surprise that Amazon.ca is a mega-platform when it comes to online sales, with it's market share in retail e-commerce at over 40%. According to data from Insider Intelligence, in 2023, Amazon will have 41.5% of the total retail e-commerce sales in Canada.



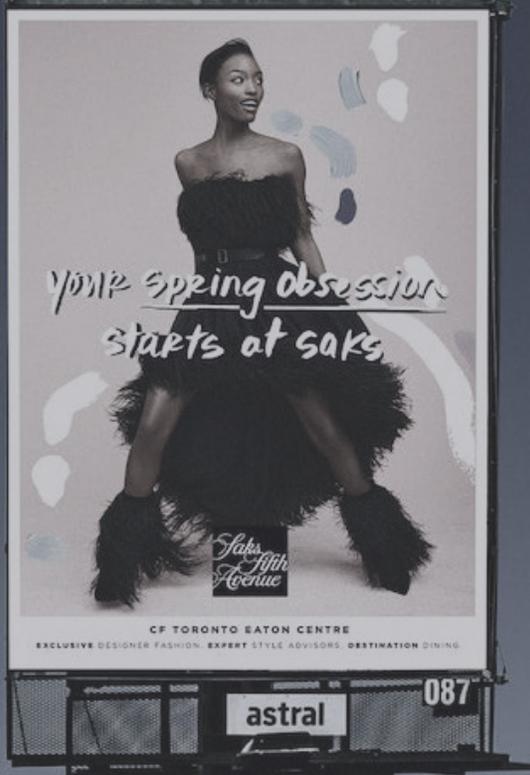
That means that over \$4 of every \$10 Canadians spend on online retail stores, will go to Amazon. Amazon.ca has e-commerce net sales of US\$9,817 million in 2021 generated in Canada, followed by walmart.ca with US\$3,773 million. Third place is taken by costco.ca with revenues of US\$2,263 million.

How does OOH influence e-commerce sales? IRL to URL!

Connecting the offline world to the online world provides an experience for audiences “beyond the billboard.” With high-impact OOH campaigns that dominate multiple media formats becoming an essential strategy for brand marketers, it’s no surprise that linking these two realms resonates with audiences - even on a simpler scale such as an OOH asset prompting audiences to shop online. Wayfinding and directional campaigns have been integrated in OOH strategies since the dawn of time, and now, we’re seeing an evolution of this strategy to encourage action from audiences to find their way to an online shop. As we have discovered time and time again, OOH is a trustworthy medium.

With online advertisements often being ignored or ad blocked by younger audiences, a real-world advertisement is likely to resonate more with online-ad weary onlookers - being the middle-man for the offline and online world.





Out-of-home advertising helps to bridge the divide between the physical and digital realms of online shopping. These advertisements play an instrumental role in establishing brand recognition and trust, which, in turn, help to mitigate apprehensions that consumers commonly harbor when making online purchases.

Including OOH into your marketing campaign can be an incredibly successful strategy to break through to audiences with that additional, **trustworthy** touch point, to inevitably encourage online sales.

OOH will be able to support an abundance of objectives for e-commerce: coupon codes, promotional sales, new products, online contests, QR codes and much, much more - and there is substantial evidence to suggest OOH advertising has a generous and positive impact on the

e-commerce sector. Ultimately, the presence of real-world OOH advertisements for online stores helps ease consumer concerns related to online scams, doubts about product authenticity, and concerns about quality, thereby playing a pivotal role in increasing consumer confidence and bolstering online sales.

There is substantial evidence to suggest OOH advertising has a generous and positive impact on the e-commerce sector! Adweek Wire summarizes it best, by stating that...

“OOH is the media that pushes more online activity, providing 4 times better results per spent dollar than TV, radio and printed press.”

LATCOM makes a good point by saying that OOH (and DOOH for that matter) add benefits to any marketing campaign, but in the case of an e-commerce campaign, the impact OOH adds is even more obvious.





ESG (ENVIRONMENTAL SOCIAL & GOVERNANCE) IN OOH

Sustainability has evolved from being a mere buzzword for many, into an essential practice, permeating various aspects of our personal and business lives.

**According to Vividata’s recent Fall 2023 survey,
Canadians 18+ agree with the following:**

70% – agree that single-used plastics are harming the environment

70% – agree that companies should help consumers to be environmentally responsible

64% – state they are very concerned about the effects of pollution on our planet

57% – believe companies tend to over claim their green credentials

30% – only buy products from a company with whose ethics they agree with

Canadians are seeing the significance of supporting environmentally conscious businesses and are more often making personal decisions in their day-to-day that contribute to a healthier planet. Media owners and operators hold a responsibility to maintain a sustainable and ecological practice with their medium from the start of a campaign, to finish. Although they are not responsible for the practices of advertisers utilizing their media space, they should make internal decisions that positively impact the health of our planet. From an OOH advertising space perspective, we are seeing OOH media owners going above-and-beyond with their ESG programs. From post-campaign materials being transformed into totes and other reusable merchandise, to the conversion to digital screens that use less energy or solar panels, to billboards with a purpose that clean up our waterways, and innovative materials that clean air pollution by just existing; there is a significant amount of inventive ways media owners are honing into their environmentally conscious strategies.

Outside of the lifecycle of advertising materials, OOH supports social development and advancements by allowing important city and municipality messages to broadcast from a one-to-many medium. OOH also contributes to

city investments like transit shelters, charging stations, map stands, and more - providing enhancements beyond informative advertisements. Community impact is an extremely significant part of the OOH medium. Penetrating both cities and suburban areas, OOH acts as a part of the community without feeling intrusive. It's a part of the landscape, and the support it provides to local businesses as well as important government messaging is what makes OOH truly so impactful and so well-received by onlookers.

In this section of the Insights Report, we take a holistic view of how the global OOH industry is evolving their media and their business practices to contribute to a better future.

Did you know, OOH produced the lowest amounts of CO² pollution per 1000 media consumers?

[FAW](#), German OOH association conducted this research independently with ~100 of their members, and found that OOH produces the lowest amounts of CO² pollution in comparison to other media as listed below.

CO² emissions per advertising medium

9.983 g CO² - Newspapers

1.145 g CO² - Television

99 g CO² - Radio

3-30 g CO² - OOH

per 1000 contacts (Green GRP)

Every Euro ad spend that gets shifted from OOH to another medium causes more CO² pollution.

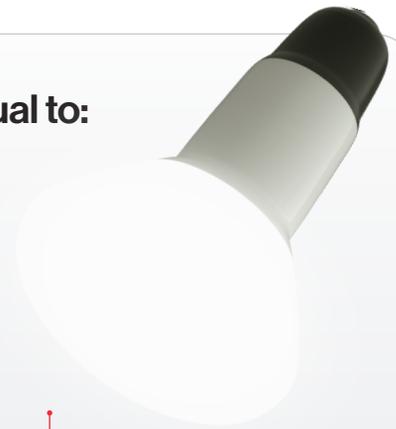
Another study that highlights online advertisements provides a comparison between items that are carbon emitting and a single online ad impression. A single online ad impression produces between 0.08 and 1.09 grams of CO² before offsetting.

An average online ad impression emits carbon equal to:



Driving an electric car between 0.4 to 9.65 meters

Watching a 40" OLED TV on 4K between 1.5 to 35 seconds



Having a LED light bulb on between 30 and 700 seconds

These examples should be considered only as a way to understand the magnitude and not as an absolute comparison.

Although these are both Germany-based insights, it is interesting to see what is happening across the globe and what kinds of studies OOH operators are putting in-market to understand where the OOH medium stands in comparison to other medias.

OOH with a Purpose

As mentioned above, there are many brands who are initiating creative ways of utilizing an OOH asset for the good of humanity. Think of the endless capabilities an OOH asset has, considering its size and the fact it can be placed mostly anywhere outdoors. Then, think of the opportunities for brands. Big, bold and impactful advertisements in front of audiences. What better way to utilize an OOH

asset than to do it with a purpose outside of your company's objectives? We now know that Canadians are really understanding the impact that carbon emissions, greenhouse gases and single-use plastics have on the planet. Reaching your audience with your brand, while resonating from an environmental perspective is a combination that is unmatched, creating a positive brand image.

“**21%** of people surveyed would **support brands that clearly conveyed the sustainability aspects** of their products through their marketing and packaging.”



“Heineken has amped up its sustainability efforts with a billboard in Rio de Janeiro that actually cools down its beers using solar energy.”

Heineken / Solar Panels



This OOH activation has solar panels installed on it and reads: “This billboard is cooling your Heineken. Cheers.” With a focus on highlighting renewable energy in the alcohol category, Heineken changed the game and is the epitome of ‘billboard with a purpose.’

“An Italian company Urban Vision has developed a revolutionary system in their efforts to contribute to the pro-environment movement. Their innovation, named Ab/Sorbent, wraps out-of-home billboards with a specialized fabric, named The Breath, which captures and absorbs air pollution created from nearby traffic — an invention which makes can make any out-of-home advertisement sustainable”

Movia

TheBreath / Air-Purifying OOH Fabric



TheBreath's innovative nanotechnology fabric that eliminates air pollution by capturing pollutants in the air, produces purified air by just existing! TheBreath's material has a radius of 25-metres, and can eliminate pollution created by 750,000 unleaded vehicles. This award-winning company continues to partner with brands on putting their best foot forward when it comes to supporting a healthy planet, as well as giving their brand mass exposure on an OOH asset. Both indoor and outdoor capabilities, TheBreath has worked with an array of brands looking to enhance their ESG strategy. Starting with purposeful materials, even before the advertisement is printed, is an incredible feat that TheBreath is focusing their efforts on.

“Our wonderful partner, Vicinity, created an **amazing green wall as a billboard** for a famous outdoor lifestyle, footwear, and apparel brand.”



Hi-Tec / Greenwall

A greenwall or living wall makes an excellent long-term awareness campaign for brands that are looking to represent themselves in a positive light. Corporations like [Coca-Cola](#) are starting to incorporate this type of OOH advertising in their strategies. Bringing more greenery into cityscapes is important for many municipalities, and a greenwall does just that - but also can act as an excellent form of advertising. Additionally, Greenwalls are top contributors to the removal of air pollution, as well as encouraging insect and bird populations that are otherwise scarce in urban cities. Of course, this isn't a quick ad-campaign and requires city permissions and more in-depth planning in order to successfully launch, however, the positive impact on brand affinity is outstanding and can positively affect the brand's image.

[Hi-Tec, outdoor gear supplier in South Africa, partnered with living wall developers Vicinity, as well as dot\[GOOD\] marketing agency](#) to collaborate on the development of this stunning greenwall. In the article provided, they go through their course of action, planning, construction and legal permissions of the project.

THIS BILLBOARD REMOVES
PLASTIC WASTE FROM THIS RIVER

Corona

HELP PROTECT PARADISE

00,000KG
OF PLASTIC REMOVED

ENJOY RESPONSIBLY. MUST BE LEGAL DRINKING AGE. © 2023 CORONA BOTTLED & KEPT AT 4°C. 355ML UNDER LIQUIDITY. 100% COTTON PAPER.

“Corona Canada is taking the next step in its sustainability efforts by erecting a billboard that collects plastic waste from the St. Lawrence River.”

Corona has a mission to clean 100 beaches and remove 1 million pounds of plastic from their business by 2025. In 2022, they came up with a show-stopping concept which utilized an OOH asset, in this instance, a billboard, which aimed to clean up the St. Lawrence river.

“Since one-fifth of the world’s freshwater resources are located in Canada, the goal of the Plastic Collecting Billboard is to act as a symbol to raise awareness of the pollution rivers endure – ultimately flowing into the ocean – and to reinforce Corona’s commitment to helping remove waste from our shorelines and waterways.”

Mike Bascom, the brand’s senior marketing director at parent company Labatt.

This billboard with a purpose not only aimed to clean the river, but it also provided insight to onlookers about Corona's dedication to cleaning up beaches and waterways. As stated previously from a brand perspective, educating consumers on your ESG efforts and programs builds brand affinity and a positive brand perception. Canadians are looking for brands that they can connect with, and if they are consistently prioritizing a better future for our planet in their daily lives, this is something they are hoping to see in the brands they support as well.

Upcycled Materials



To repurpose vinyl materials post-campaign, California-based company [RAREFORM](#) is currently leading the industry with duffel bags, totes, sling bags, coolers, keychains and more that are nearly 100% made out of vinyl static advertisements. They repurpose 80% of billboards in the US. This is also something additional companies are doing in Canada, including a company called [SKRP](#), and other [independent Etsy](#) sellers, who are getting their hands on old vinyls to upcycle and resell - giving them a second life.

Outside of these accessories and luggage items, there is an extensive list of other upcycle programs for vinyl billboards including pond liners, tarps, gym floor covers, roofing and hoop houses, landscaping tarps and more. The OOH industry is continuously uncovering new ways of recycling their own billboards outside of providing them to a third-party by building internal upcycling programs as well.

Social Impact

Supporting nonprofit organizations on their initiatives and efforts to better communities and educate on important messaging is a part of what truly makes OOH an incredible medium. The one-to-many reach combined with [audiences trusting the OOH media](#) makes an excellent solution for nonprofits looking to build a better future for Canadians.

COMMB members continuously work to provide a platform for nonprofits with small budgets to spread the word about their initiatives. In the [Canadian Out-of-Home Awards 2023](#) curated by COMMB and the OOH Industry, the 'Best Community Involvement' Award is a category which encourages the OOH industry to support these initiatives by providing free advertising space to nonprofits. The OOH industry collectively works towards making a change in local communities and across the country.





Fred Victor, “Share The Warmth” Campaign won the Best Community Involvement Award at the Canadian Out-of-Home Awards in 2023.

This record-breaking campaign raised ~\$50,000 for Fred Victor in one day.

Fred Victor is a social service charitable organization that fosters long-lasting and positive change in the lives of homeless and low-income people living in Toronto. Other nonprofit organizations and government funded programs like MADD, David Foster Foundation, Brave Like Ukraine, Raising the Roof, North Bay

Police Services, Parachute, Bladder Cancer Canada, Food Allergy Canada are only some of the entities which utilized COMMB member OOH assets for their important messaging in 2022.

COMMB Members

donated ~\$50,366,246.89 in PSA space on their OOH assets in 2022.

As we conclude this chapter of the insights report, it's important to understand the constant evolution of this sector of the OOH industry, and the nuances from businesses to businesses in the OOH space. From indoor to outdoor, to digital to static, all those in the OOH industry have different responsibilities and unique challenges which come with their business practices. One thing is certain - is that the entirety of the OOH industry comes together to support nonprofits in need, and hold a responsibility of educating, informing and providing important messaging to local communities to aid in societal development and support, which likely surpasses other forms of media.

Additionally, this chapter is meant to inspire brands to not only make a positive impact on the environment, but to talk about how they are actively making a difference in their advertising. Supporting businesses which only make more ethical and responsible decisions is becoming more important to consumers. **If you're making a difference, talk about it. If you aren't, make a change!**

COMMB's Audience Spotlight has traditionally been developed through third-party research - finding information about audiences and how their lifestyle patterns and behaviours could pertain to and affect the out-of-home advertising space. In this edition of the Audience Spotlight, COMMB has leveraged our new partnership with Vividata to analyze crosstabs in order to uncover the 'transit user' audience. This partnership gives COMMB the capability to explore new opportunities for OOH operators, agencies and brand marketers within the nuances of the Canadian consumer.



AUDIENCE SPOTLIGHT

THE TRANSIT USER

Who Is The Transit User?

It's not a surprise that Gen Y's (Millennials) are more often utilizing transit in their day-to-day life. Younger audiences are known to use transit as a primary way of getting around. 46% of people who have boarded a bus in the last day 5+ times are Gen Y. 78% identify as male, and 20% identify as female - making this audience male-dominated. Gen Y's who have stated that they have boarded the bus 5+ times today are 63% more likely to be male. 74% of Gen Y's are full-time employed, so we are assured that this audience is consistently on-the-go.

Millennials have the following transit patterns:

40% travel 3-4 hours by bus on an average week (Mon-Fri)

34% travel 5-8 hours by bus on an average week (Mon-Fri)

39% travel 1-2 hours by subway on an average week (Mon-Fri)

41% travel 3-4 hours by subway on an average week (Mon-Fri)

39% travel 1-2 hours by train on an average week (Mon-Fri)

For OOH advertising, the path to exposure starts as soon as the individual leaves their house. We know that Millennials trust in the OOH medium, and we now know that they are the primary transit user. This cohesion of acceptability of the OOH space in combination with leveraging transit on a regular basis is truly a match made in heaven for brands and agencies looking to utilize OOH. Additionally, understanding that this space is primarily male may provide insights on products, services and messaging that resonate with this type of audience.

Millennials are 35% more likely than the general population to notice OOH each time they are exposed to an OOH ad.

Digital:

43% state that digital OOH often catches their attention

50% state that digital OOH is a great way to learn about sales and events

52% state that digital OOH is a great way to learn about a new business in the area

45% state that digital OOH is a cool way to advertise

Other OOH formats:

42% state that any OOH often catches their attention

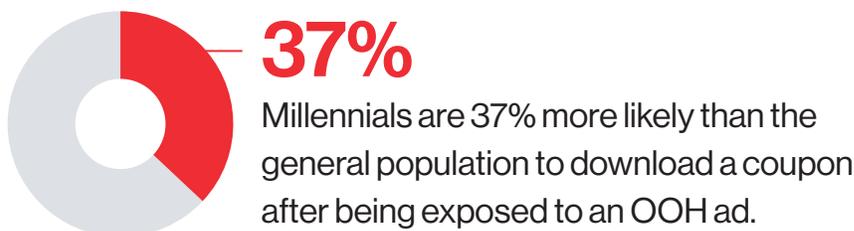
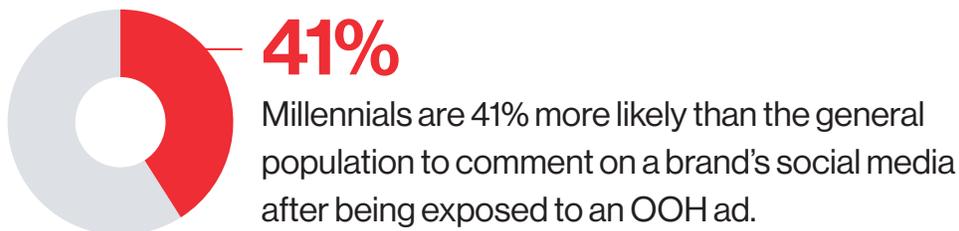
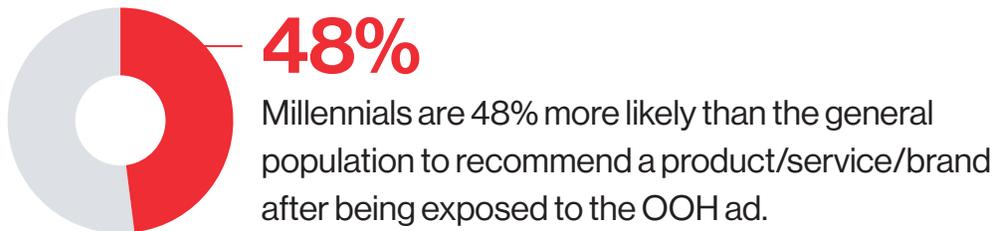
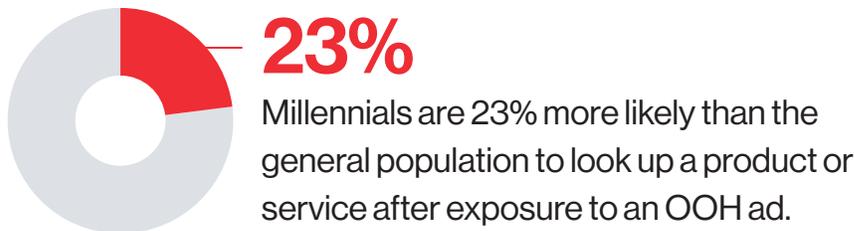
54% state that any OOH is a great way to learn about sales and events

50% state that any OOH is a great way to learn about a new business in the area

49% state that any OOH is a great way to learn about new products and services

Millennials are an excellent OOH audience to target, and they take action.

We know that Millennials are digital natives with technology being second nature to them - which means, after their frequent exposure to OOH, they are taking action to learn more about the product or service they were exposed to.



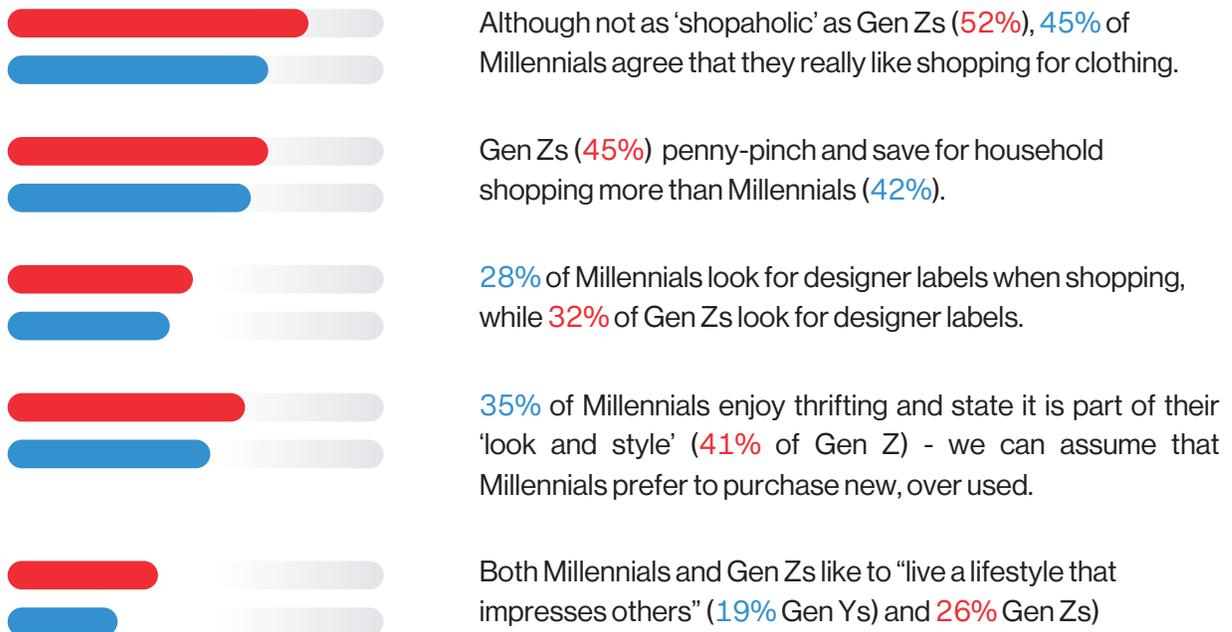
Some differences and similarities between Millennials (Gen Y) and Gen Z

We tend to take a holistic view when we consider younger audiences as a target for brand messaging (i.e. Gen Z's and Millennials). However, there are some nuances between the two generations that are worth noting, and that can determine the path of marketing strategies. Gen Z are a secondary audience when it comes to utilizing transit, with **37% of people who have boarded a bus in the last day 4+ times being Gen Z.**

The main differences uncovered in the Vividata cross-tab analysis between both generations were that Gen Z tends to feel more strongly about their personal appearance and the way that they are perceived, but they are less likely to have a higher household income than Millennials, who are more likely to be full-time employed and potentially have more disposable income. Millennials still have an incredibly notable love for fashion and shopping designer labels, and they are considered least conservative when it comes to their style in comparison to other



generations. In **COMMB's Ads That Speak to Generations** which is launching Q1 2024, we hone in on Gen Z's, Gen Y's, Gen X and Baby-Boomers and look at how they resonate with advertising as a whole, their views on OOH and products and services that are most likely to notice on advertising. An excellent package of information which will benefit all corners of the OOH industry, from brands to operators. So, if you are curious to learn more about generations similar to what we are providing in this Insights Report - be sure to look out for that!



More about the Transit Audience...

59% of Millennials state that they enjoy being surrounded by different people, cultures, ideas and lifestyles.

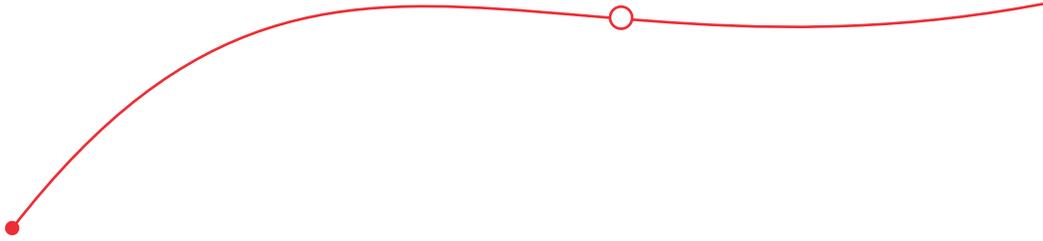
38% of Millennials enjoy interacting with advertising on touch screens in shopping centres, cinemas, airports etc.

34% of Millennials prefer to have human interaction when paying for their shopping.

They are the least likely to feel this way in comparison to the other generations. (40% of Gen Zs, 43% of Gen Xs, 50% of Baby Boomers and 51% of Pre-Boomers.)

Understanding who is utilizing transit not only provides us with knowledge to assist in supporting the effectiveness of transit OOH, but it also helps us understand an audience that is regularly on-the-go, potentially being exposed to other forms of OOH. OOH formats can work in tandem to drive home messaging - from transit, to billboards, and indoor/place-based assets - a strategy that supports multiple touch points, and that can be integrated in media plans. This strategy can get brands messages in front of the right audience, at the right time, as they flow through their day; starting with hopping on a bus or train for their first point of exposure!

Source: [Vividata SCC Survey - Summer 2023](#)



WRAP UP

As we end our Insights Report for 2023, we hope you enjoyed learning about e-commerce and the offline and online connection, highlighting ESG within the OOH space, as well as uncovering and understanding the primary transit audience. We are looking forward to continuing to release educational and inspiring Insights Reports throughout the entirety of 2024. We wish the OOH industry as a whole an incredible New Year!

Special thanks to our contributors:

Amanda Dorenberg, Jennifer Copeland, Mo Ghoneim,
Melanie Moriarty, Rodney Bisnath, Andrew Snow.



Get in touch!

111 Peter St., Suite 605

Toronto, ON, M5V 2H1

(416) 968-3823

jcopeland@commb.ca

