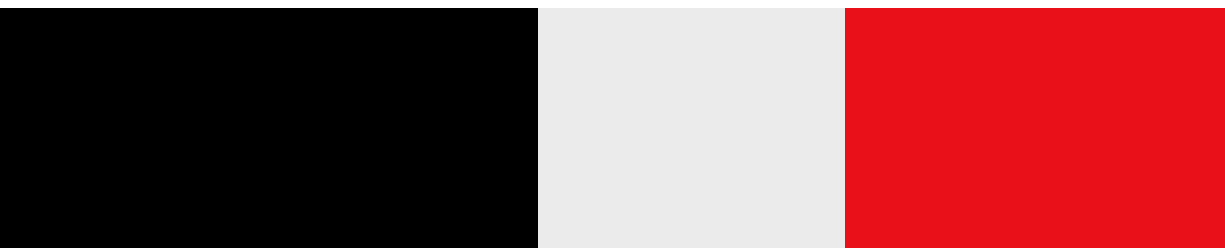
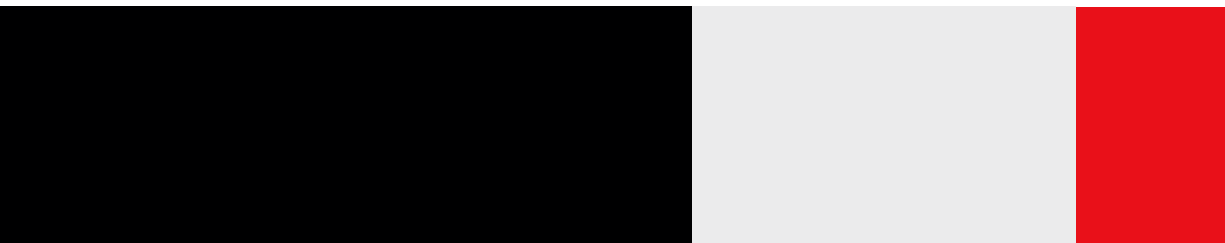


# US Out-of-Home Ad Spending 2023

## Digital Out-of-Home Gets Back on Track

Digital opportunities are emerging for brands within out-of-home (OOH) advertising. In fact, digital OOH (DOOH) will regain its pre-pandemic share of total outdoor ad dollars at 31.4% this year. This eMarketer report explores the burgeoning landscape of OOH and offers a strategic roadmap to realize its full potential.



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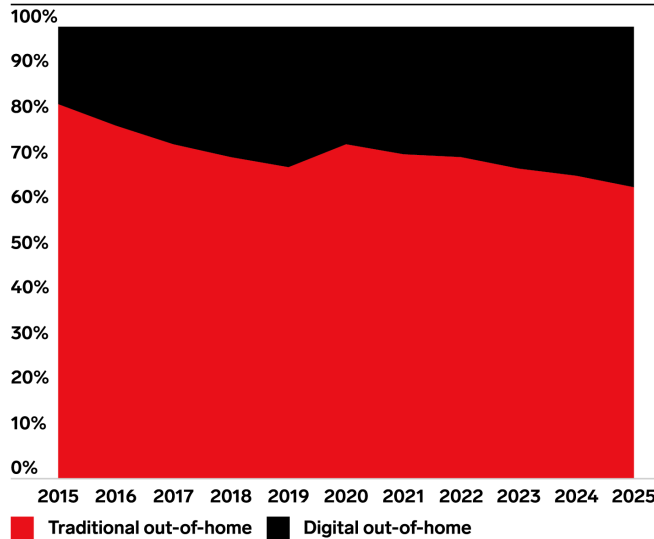
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# US Out-of-Home Ad Spending 2023

- The worst days are over for out-of-home (OOH), but it struggles to siphon more budgets.** With linear TV viewing eroding and privacy laws reshaping digital advertising, OOH is a natural alternative for brands seeking awareness and consideration. However, OOH's share of total ad spending remains down from pre-pandemic levels. This disconnect speaks to the challenges facing OOH in an era when fewer people work at the office, cinema is down, and retailers fight to regain in-store traffic.
- Digital opportunities are emerging for brands within OOH advertising.** Physical retail locations are expanding their OOH inventory by digitizing the in-store experience; automation is slowly gaining momentum in OOH; and Google's marketplace now has OOH inventory that can be added more seamlessly to multimedia campaigns. While OOH is primarily a traditional medium, it's becoming more amenable to digitally savvy advertising. This year, digital out-of-home (DOOH) will regain its pre-pandemic share of total outdoor ad dollars at 31.4% (see leading chart).
- Billboards continue to account for an elevated share of OOH revenues.** Transit and street furniture have mostly recovered while place-based struggles. The increased emphasis on billboards illustrates that the old-school format is still valuable to advertisers.

**US Traditional and Digital Out-of-Home Ad Spending**  
 % of total out-of-home ad spending, 2015-2025



*Note: traditional out-of-home includes any out-of-home advertising that is not digitally displayed; includes cinema; digital out-of-home includes any out-of-home advertising that is dynamically and digitally displayed; includes digital billboards, digital street furniture, digital transit, and digital place-based displays; excludes cinema*  
 Source: Insider Intelligence | eMarketer, March 2023

## OOH recaptures ad dollars, but its comeback is uneven.

Outdoor advertising has bounced back considerably from its 2020 decline during the pandemic. But it hasn't expanded as quickly as the general US ad market.

### OOH's share of total media ad spend remains down.

- **US OOH ad spend in 2023 will exceed 2019 levels.** But when factoring in inflation, OOH still hasn't caught up to its pre-pandemic momentum.
- **OOH's share of total media ad spend will be about 1 percentage point lower in 2023 than it was in 2019.** OOH's share of total media spend was subtly declining before the pandemic, but in 2020 its share erosion accelerated. Because outdoor advertising was acutely affected by the pandemic, OOH's rebound has taken a few years. We expect OOH's share of total media budgets to hover between 2% and 3% through 2027. However, compared with traditional media, OOH has held up relatively well.

## The outlook for OOH ad spend is back on track after a few rough years.

- **The amount of money US advertisers will spend on OOH in 2023 is in line with our last forecast released before the pandemic.** In early 2020, we projected that US advertisers would spend \$9.14 billion on OOH in 2023. After the pandemic decimated outdoor advertising, we lowered that figure to \$7.34 billion. Amid an ad spending resurgence, we raised it to \$8.12 billion last year. With OOH mostly recovered, we raised it again this year to \$9.15 billion.
- **Although OOH has bounced back, some pandemic effects linger.** OOH's digital transformation is unfolding slower than once expected. And a heightened level of investment continues to flow toward billboards over emerging ad formats.

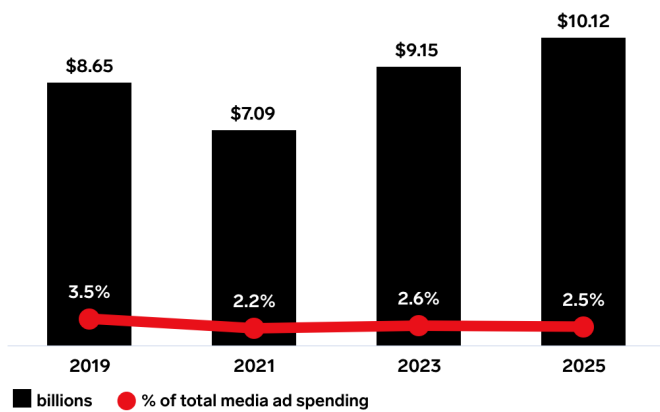
## DOOH regains its footing after a few turbulent years.

Although OOH is still primarily a traditional medium, outdoor advertising's future is digital. US DOOH ad spend will grow by double digits annually through the end of our forecast period in 2027. In the near term, DOOH is overcoming its pandemic slump.

- **DOOH's 31.4% share of total OOH ad dollars in 2023 is on par with its pre-pandemic heights.** More ad dollars will be spent on DOOH in 2023 than 2019. But when factoring in inflation, DOOH is still down from pre-pandemic levels, which is emblematic of OOH's reduced share of total media budgets.
- **Traditional OOH ad spend will increase about 3% in 2023 and 2024.** About two-thirds of OOH ad dollars will go toward traditional placements for the foreseeable future. Outside of metro areas, the audience isn't big enough to justify the investment needed to create digital signage, which explains the continued relevance of static billboards.

### Out-of-Home Ad Spending

US, 2019-2025

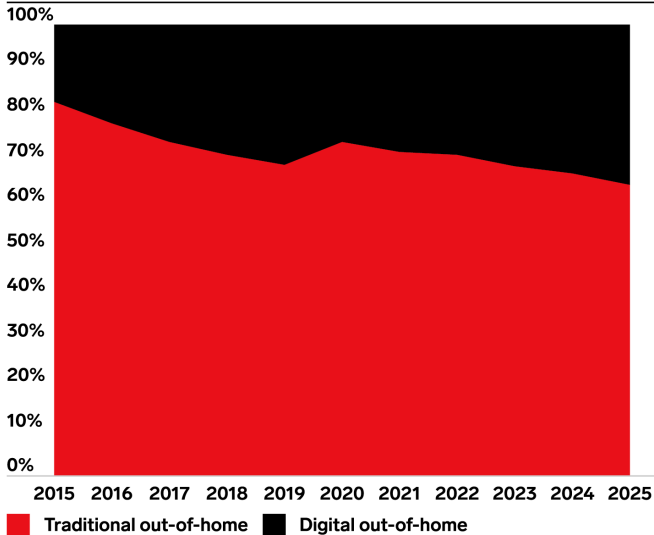


Note: including any out-of-home advertising that is dynamically and digitally displayed; includes digital billboards, digital street furniture, digital transit, and digital place-based displays

Source: Insider Intelligence | eMarketer, March 2023

Insider Intelligence | eMarketer

## US Traditional and Digital Out-of-Home Ad Spending % of total out-of-home ad spending, 2015-2025

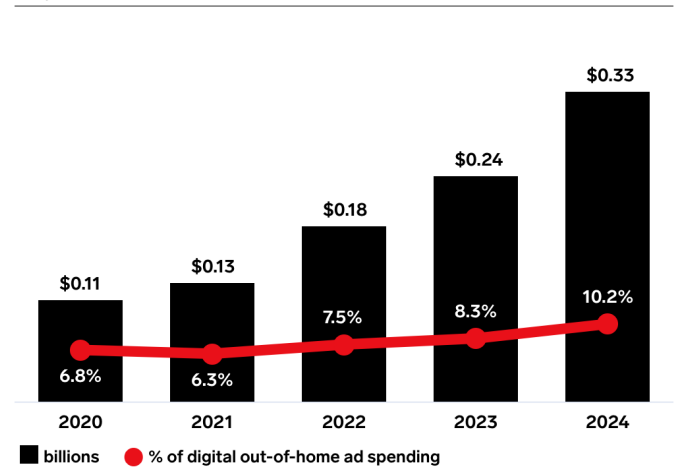


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Source: Insider Intelligence | eMarketer, March 2023

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## In-Store Retail Media Ad Spending US, 2020-2024



Note: digital advertising that appears on a retailer's on-premise signage, either in-store or in the immediately adjacent exterior (e.g., parking lot); includes place-based advertising at grocery stores, gas stations, restaurants, etc.; excludes common area signage not directly affiliated with a retailer (e.g., inside of malls)  
Source: Insider Intelligence | eMarketer, March 2023

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## In-store retail media will account for a growing share of DOOH.

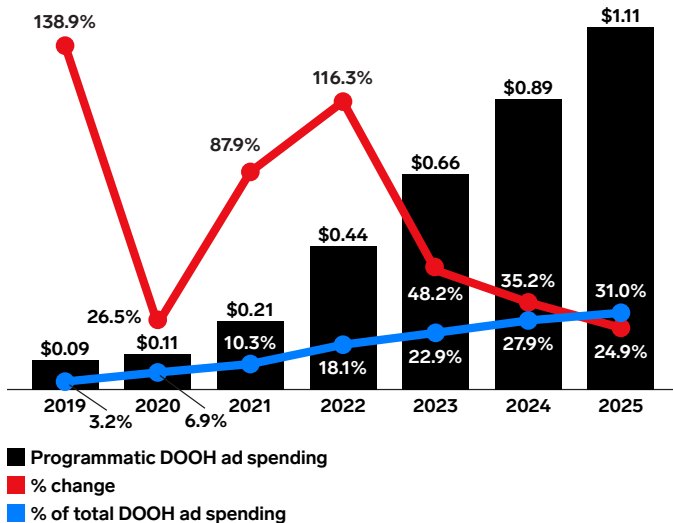
- **Aside from driving sales, in-store retail media can influence brand awareness and consideration.** About three-fourths of advertisers are running in-store DOOH campaigns or are considering them, according to a November 2022 poll by the Interactive Advertising Bureau (IAB). Examples of in-store retail media sellers include GSTV, Cooler Screens, and Grocery TV.
- **Digitization is transforming retailers' ability to provide advertising at store shelves, end caps, cooler doors, and checkout aisles.** In-store retail media will account for one-tenth of US DOOH ad spending in 2024. This reflects the expanding ad inventory available in physical stores.

## Programmatic OOH is taking off but still represents few outdoor ad dollars.

- **Programmatic OOH's high growth rate accounts for few ad dollars because its base is small.** Fewer than one-tenth of OOH ad dollars will transact programmatically in 2023. Programmatic is a subset of DOOH and represents just under one-fourth of DOOH ad spend.
- **As a one-to-many medium, OOH's targeting options are limited.** But programmatic OOH gives advertisers more flexibility in pausing or canceling campaigns, adjusting creative, and measuring performance.
- **Most programmatic OOH inventory is sold through private deals.** In H1 2023, private marketplaces accounted for 92% of programmatic OOH transactions, and open auctions accounted for 8%, per Place Exchange.

## US Programmatic Digital Out-of-Home (DOOH) Ad Spending, 2019-2025

billions, % change, and % of total DOOH video ad spending



Note: digital out-of-home ads transacted or fulfilled via automation  
Source: Insider Intelligence | eMarketer, April 2023

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## Local and travel advertisers open their pocketbooks.

The top OOH ad spending categories haven't changed much in recent years. Meanwhile, travel, government, and education advertisers are coming back to OOH.

- **Local services and retail advertisers continue to be the largest OOH ad spending industries**, according to the Out of Home Advertising Association of America (OAAA). These advertisers consistently rely on OOH because it's a tried-and-true method of generating awareness for brick-and-mortar locations.
- **Financial services OOH ad spend declined after a strong year.** In Q1 2022, OOH spend by financial companies grew 90.8% YoY, per OAAA. But during Q1 2023, it shrunk 17.0%. The decline is related to advertising pullbacks from consumer investing and loan companies. Investing advertisers cut ad spend when interest rates increased and loan demand declined.

■ **Increased OOH ad spend by hotels and resorts reflects a broader travel advertising recovery.** US travel ad spend in 2023 will be on par with its 2019 levels. A big Hotels.com outdoor ad in downtown Los Angeles signified a "return to the billboard for travel brands," according to Skift. In H1 2023, programmatic OOH travel ad spend increased 23% over the previous six month period, per Place Exchange.

■ **Schools have also increased OOH investment.** In Q1 2023, The City University of New York was among the top five US advertisers as measured by increased OOH spend by percentage, according to OAAA. Universities are using OOH to advertise their events, nursing programs, and student diversity.

## Top 10 US Industries, Ranked by Out-of-Home Ad Spending, Q1 2022 & Q1 2023

millions, % change, and % of total

	Q1 2022	Q1 2023	% of total	% change	
1. Local services and amusements	\$473.89	1. Local services and amusements	\$511.07	28.1%	7.8%
2. Retail	\$174.78	2. Retail	\$162.48	8.9%	-7.0%
3. Media and advertising	\$154.96	3. Public transportation, hotels, and resorts	\$148.86	8.2%	40.0%
4. Financial services	\$122.53	4. Media and advertising	\$122.19	6.7%	-21.1%
5. Government, politics, and organizations	\$109.91	5. Government, politics, and organizations	\$116.89	6.4%	6.4%
6. Restaurants	\$108.11	6. Restaurants	\$112.53	6.2%	4.1%
7. Public transportation, hotels, and resorts	\$106.31	7. Financial services	\$101.67	5.6%	-17.0%
8. Insurance and real estate	\$97.30	8. Insurance and real estate	\$89.15	4.9%	-8.4%
9. Automotive dealers and services	\$68.47	9. Schools, camps, and seminars	\$76.07	4.2%	17.3%
10. Schools, camps, and seminars	\$64.87	10. Automotive dealers and services	\$67.24	3.7%	-1.8%

Note: Q1 2022 total spending=\$1.48 billion; Q1 2023 total spending=\$1.51 billion and a 1.0% growth; includes alternative, billboards, cinema, digital platforms, street furniture, and transit  
Source: Out of Home Advertising Association of America (OAAA) as cited in press release, May 18, 2023

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## Tech giants are leaning into OOH.

- **All FAANG brands (Facebook, Apple, Amazon, Netflix, and Google) except Facebook are among the top 15 US OOH advertisers, per Kantar and OAAA.** Google and Apple overindexed on OOH, spending 4.9% and 6.9% of their total media budgets on OOH in 2022, respectively. By comparison, US advertisers will spend 2.6% of total media budgets on OOH this year. Apple, which crimped other tech companies' ad businesses with its AppTrackingTransparency (ATT) policy, used billboards to tout iPhone privacy features.
- **Google is dabbling in OOH.** Google added DOOH inventory to its marketplace last summer. This move made it easier for advertisers to include OOH in multimedia campaigns that they already ran through Google.

### Leading US Out-of-Home (OOH) Advertisers, 2022

millions

Apple	\$82.6	DoorDash	\$19.3
McDonald's	\$63.7	Comcast	\$18.4
Amazon	\$51.1	Chevrolet	\$17.8
Panera	\$46.9	LVMH	\$17.8
Google	\$45.9	Airbnb	\$17.7
American Express	\$41.4	Expensify	\$17.7
T-Mobile	\$33.5	Morgan & Morgan Attorneys	\$17.2
Disney	\$31.0	Paramount Pictures	\$16.4
Coca-Cola	\$30.8	Hulu	\$15.9
Universal Pictures	\$30.6	AT&T	\$15.2
Uber	\$29.6	NBC	\$14.9
Netflix	\$28.6	IHG	\$14.9
Dunkin'	\$28.1	Novo Nordisk	\$14.4
Samsung	\$26.6	BetMGM	\$14.3
HBO	\$26.5	Pfizer	\$14.0
Paramount	\$25.6	Toyota Dealers Association	\$14.0
Capital One	\$24.0	Chick-fil-A	\$13.5
Geico	\$24.0	FX	\$13.1
Stellantis	\$23.7	RE/MAX	\$13.1
Walt Disney Pictures	\$22.8	Verizon	\$12.7
Pinterest	\$22.7	Blue Cross & Blue Shield	\$12.7
Cracker Barrel	\$22.0	ClickUp	\$12.6
Barclays	\$21.5	JP Morgan	\$12.4
Kroger	\$20.3	Chanel	\$12.2
Anheuser-Busch	\$20.1	FanDuel	\$11.8

Source: Out of Home Advertising Association of America (OAAA), "2022 Megabrands" conducted by Vivvix, April 1, 2023

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## Billboards dominate outdoor ad formats.

The pandemic continues to influence where OOH funds get allocated. Billboards have weathered the storm better than most ad formats.

- **The pandemic diverted OOH investment toward billboards.** The pandemic caused reductions in commuting, flying, in-store shopping, and moviegoing. This suppressed ad spending on transit, street furniture (curbside placements at newsstands, kiosks, and convenience stores), and place-based ads (seen in venues such as malls, sports arenas, restaurants, and gyms). Roadside traffic did not decline as much, which contributed to billboards receiving a greater share of OOH budgets.
- **Placed-based has been the slowest to recover.** Place-based has recovered somewhat from its 2020 low point. But the share of total OOH dollars directed to placed-based ads is about half its 2019 share. Place-based's struggles were illustrated when the largest US cinema ad company, National CineMedia, filed for bankruptcy in April. However, some placed-based segments are thriving, particularly in-store retail media.
- **Billboards' share keeps fluctuating.** Before the pandemic, billboards accounted for fewer than two-thirds of OOH revenues, per OAAA. In 2020 and 2021, billboards took in more than three-fourths of OOH revenues. Billboards regressed some in 2022, down to a 72.7% share, which brought them closer to pre-pandemic levels. But that regression was short-lived when billboards' share shot up in Q1 2023.
- **Ad creative and context still matter.** One of 2023's most memorable advertisements occurred across the street from Insider Intelligence's headquarters when a billboard for video game Diablo IV featured a demon welcoming New Yorkers to hell. The ad went viral because it ran when the skies were choked with smoke from the fires in Canada.
- **OOH formats are in a new normal.** Although down from its peak, billboards' share of total OOH in Q1 2023 was still nearly 9 percentage points greater than it was in Q1 2020. For the foreseeable future, it appears unlikely that billboards will go back to receiving fewer than two-thirds of OOH revenues as they did before the pandemic.

- **Some ad formats might never fully recover.** The dominance of billboards illustrates how some other OOH formats struggle to recover. For example, cinema ads have been below pre-pandemic levels. And as long as box office revenues remain depressed, there's little room to circumvent this development.
- **Prices keep fluctuating.** Billboard prices were flat over the last year while airport and street furniture rates rose, per AdQuick. To get the best deals, advertisers must keep abreast of these changes and look for discounts.

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### US Out-of-Home Ad Spending, by Format, Q1 2023 millions and % of total

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Billboards	\$1,388.6 (76.3%)
Transit	\$262.1 (14.4%)
Place-based	\$87.4 (4.8%)
Street furniture	\$81.9 (4.5%)

*Note: Q1 2023 total spending=\$1.82 billion  
Source: Out of Home Advertising Association of America (OAAA) as cited in press release, May 18, 2023*

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## Which trends should advertisers monitor to succeed in OOH?

- **Traditional outdoor ads are here to stay.** About two-thirds of OOH ad dollars will go toward traditional placements through the end of our forecast period. Although the future is digital, advertisers should keep static billboards in their arsenal.
- **In-store retail media presents an emerging opportunity.** Physical stores are increasingly offering digital inventory on shelves, end caps, cooler doors, and checkout aisles. Aside from driving sales, these ad placements can influence brand awareness and consideration.
- **Tech and travel companies are investing in OOH.** Increased ad spend by hotel brands signals OOH travel ad spending is recovering. Google's inclusion of DOOH in its marketplace will reduce friction for advertisers to add outdoor inventory to multimedia campaigns.



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