Going Beyond the Static Ad

Push toward digital media messaging

For high-impact advertising, less is more

BY NICOLE NELSON

As airports look to increase non-aeronautical revenues in the concessions arena, a paradigm shift in advertising is upping the ante with concepts extending well beyond traditional, backlit boxes on the wall.

In fact, many airports are earning advertising income from new media that requires less visibility on a 90-degree plane, but more suspension from a ceiling or support from a digital cloud.

“Historical advertising programs relied upon wall space, but now those walls are starting to disappear,” explained Ann Ferraguto, principal of boutique consultancy AirProjects.

Ferraguto said dominance packages and digital media messaging are among the bigger trends in the airport advertising realm that pander to the significant buying power of frequent travelers. Clear Channel Airports is among the advertising firms that have taken the cue.

“Trends in airport advertising are changing, similar to the way air travelers made the retail, food and beverage industries at airports transform 15 years ago,” said Clear Channel Airports Vice President of Operations Bob Lovell. “As airports continue to maximize non-aeronautical revenue opportunities, airport advertising is becoming an even more important revenue source due to new innovations and opportunities Clear Channel Airports has offered, such as mobile applications.”

In a nationwide Scarborough research survey commissioned by Clear Channel Airports, business frequent flyers were found to be more than twice as likely to download a paid app in the past year, and 128 percent more likely to scan a quick response (QR) code with a smart phone, compared to the average adult.

Lovell said high dwell time and compelling, large-format inventory provide the perfect venue to reach tech-savvy travelers with modern, interactive media campaigns.

“Consumer behavior always drives how advertisers deliver messaging, then we adjust as an advertising company to connect the advertiser to the user,” Lovell said. “In an airport setting where the audience is among the most valuable in terms of potential customer spend, we have to find new ways in a very short-attention span consumer to connect them to advertisers which requires innovation and new ideas.”

Lovell said Clear Channel Airports looks for creative, innovative ways to connect advertisers with customers, and help airports connect with customers as well.

“We are delivering technology because consumers are now mobile,” Lovell said. “They are digesting tons of content on their mobile device and they are also making information decisions and purchase decisions from a mobile experience that requires a different perspective in an airport where people are transient. Our advertising has to match that, which is what we are trying to do.”

Digital backbone

A predominant, larger format digital network featuring reduced inventory at high-valued locations has become a changing trend, which was embraced at both Philadelphia International Airport and Denver International Airport with recently signed 7-year and 10-year contracts, respectively.

As part of Philadelphia’s new contract, Clear Channel will complement its current, static advertising opportunities with innovative new technology such as synchronized digital displays and in-terminal touch screens. Among the additions to the airport will be eight synchronized 55-inch vertical digital panels that will display dynamic advertising and digital art. There will also be 13 70-inch, double-sided liquid crystal displays in all domestic baggage claims and 50-square-foot digital walls on the overhead arches of concourses B and C.

Complements aside, Denver is completely overhauling the static signage that has been
in place since the airport opened with a first-of-its-kind program that will place it at the forefront of digital video advertising. Denver anticipates bragging rights for the largest digital footprint of any North American airport as part of a pro-business contract that calls for a $5.8 million capital investment from Clear Channel. Anticipated returns of $95 million in airport revenue are expected over the 10-year term.

Denver Chief Commercial Officer John Ackerman said the airport sought the opportunity with Clear Channel to completely review the entire program with an assessment that ultimately calls for the replacement of 250 old advertising locations.

“We are taking out every single one of those existing pieces, and only replacing about two-thirds of them,” Ackerman said, noting that brand new, state-of-the-art media replacements will allow the airport to deliver a higher value impression on its customers. “There will be a lot less clutter, and the locations that survive will be very high-impact. Advertisers will pay more, customers will have a better experience, and the airport will look much better visually.”

Additionally, Ackerman said some of the advertising technologies exist at various airports, but Denver will be the first airport of its kind to have all of these technologies exist under one roof.

“We will be the first to do a complete top-to-bottom transformation and have all of these things available to our customers and our advertisers,” Ackerman said. “Clear Channel Airports brought us the best of what is available, and we picked all the best in class of what they are putting in.”

Clear Channel will initially invest $5.8 million in the airport of the Mile-High City. A total of $8.3 million has been earmarked to include programming in the new South Terminal facilities, now under development, and refurbishments through the term. With mobile media and 288 free phone voice over internet protocol LCD screens being installed, Denver will soon have an entirely digital network.

**Contract terms**

Parallel with the overall change in Denver’s overall advertising program is an overall change in the contract terms, specifically with the recently struck deal spiking unprecedented numbers. Instead of high percentages and high minimum annual guarantees that are predominant in the big airports, Clear
Channel's new deal emphasizes its long-term investment into the asset to maximize revenue opportunities.

Ackerman said Denver projects a 40 percent increase versus current revenues by year 5 or 6 of the Clear Channel Airport's contract.

"It is a very big boost in revenues, and aesthetically, we are going to have these jumbotron large LCD thin-panel displays that is bigger than any other airport in North America," Ackerman said. "We will have other smaller, digital dynamic advertising media throughout the airport, and a very high quality backlit product as well. Overall, aesthetically, it is going to be a giant transformation from where we are right now.”

Digital domination

Where walls are concerned, Ferraguto said the Denver program exemplifies two of the largest trends in airport advertising: digital and “less is more.”

"Two major trends are including more digital displays, and less is more, where rows of the old, small backlits are replaced with larger backlits, if not digital," Ferraguto said, noting a concerted effort to declutter airports. "When you can take out some of the smaller stuff to have a larger, more impactful piece, you can make more money off of the large unit than the numerous small units."

Ferraguto said many airports are gradually implementing digital displays, but only a handful are committing to saturation programs such as Denver.

Raleigh-Durham International Airport was the first to streamline smaller scale digital displays when it opened Terminal 2 in 2011, and more recently, Las Vegas McCarran International debuted the largest deployment of digital in a U.S. airport to date upon the July 2012 opening of Terminal 3.

"With the opening of the new terminal in Las Vegas, our digital inventory went up nearly 400 units," said Alliance Airport Advertising CEO Shauna Forsythe. "Now that the advertising is moving in that direction, I think the agencies and the advertisers understand how to produce for digital, and it really gives you flexibility in being able to expand your messages when there are special events and promotions going on in the market. It lets the advertiser change the message more quickly, and in most cases, it is our last plug from the advertiser.”

BE PREPARED TO WEATHER ANY STORM

Rely on a trusted partner who has experience at over 200 airports worldwide.

Ross & Baruzzini has served the aviation industry for over 50 years, pioneering the field of integrated aviation information technologies, security and communications solutions. Our global portfolio of completed master planning and engineering design projects includes some of the world’s most iconic terminal projects. Ross & Baruzzini. Defining Global Aviation Technology.

Aviation Systems Planning, Design & Consulting
St. Louis • Miami • New York • Indianapolis
1.800.404.ROSS www.rossbar.com
At Burbank’s Bob Hope Airport, the joint ABC sponsorship combined with Disney’s branding campaign has contributed to more than half a million in advertising revenue annually.

Forsythe said she is seeing a definite move into a much greater saturation of digital media, and is adding digital components across all of her markets.

“We have incorporated digital into our more traditional signage, too,” Forsythe said. “We have also taken digital and created a more comfortable environment for our advertisers where we may incorporate the digital with a backlit ad, or with a kiosk or something that is interactive. I think the advertisers are looking for that value-added piece, and are far keener than ever before on getting that return on investment. We are constantly looking for ways to work with them to even further the reach of their message to their customers.”

In addition to a partnership with Samsung to run advertising on the largest video wall in North America’s airports in the D Gates, McCarran has LED and LCD digital screens of varying sizes throughout the facility, including gate information pillars in the new Terminal 3 that feature two LEDs side-by-side in portrait mode six units tall on each side.

The combination of the Samsung 50-inch 10x10 LED video wall and the new network of monitors targeting both international and domestic arrivals and departures throughout the concourses, baggage claim and the taxi line queue is expected to positively impact revenues that are approaching $18 million annually from different types of advertising.

“We have big expectations for increasing revenue because we are going to be able to increase the number of advertisers at certain locations,” said Scott Kichline, McCarran
manager of commercial and business development. “Especially here in Las Vegas where one week the city hosts CES and the electronics industry and the next week a NASCAR race, the digital gives advertisers a dynamic flexibility to target a very specific audience.”

The airport has had a historical problem in that the city’s one-week convention postings would oftentimes displace other advertisers, Kichline said.

“Now we have the inventory to get the posting up for that week for specific conventions with the digital,” Kichline said, noting the convention crowd is a very important audience to the airport’s advertisers that are willing to pay a significant premium to capture these demographics.

Sponsorship
Another area where Las Vegas is capitalizing on advertising is in the sponsorship arena.

ICF SH&E Principal Stephen Freibrun said airport sponsorship actually began in Las Vegas when Rolex became “the official clock” of McCarran 15 years ago. Sponsorships at Las Vegas alone have evolved to include lucrative Verizon branding in recharge zones for mobile devices and free WiFi sponsored by Tasty Trade.

“Now, more and more, airports are looking to add sponsorships to be the “official product” of an airport and there is also a lot of sampling that goes on,” Freibrun said, noting that companies sponsor hand sanitizer at a number of airports including McCarran and Portland International Airport. “Not only do they provide the hardware and maintain it, there is some revenue that goes along with it.”

Providence Healthcare and Kaiser Permanente are two sponsors on an annual basis at Portland. Forsythe said both companies contracted for the sponsorship in a package that included sanitizers, digital and backlit signage.

Edmonton International Airport has been generating significant revenue off of a sponsorship with local banking institution, Alberta Treasury Branches, and has recently acquired another sponsorship with the July signing of a lucrative five-year agreement with Edmonton’s local hockey and football franchises.

“Our parking lot vehicles have already been wrapped to become rolling advertising for the Edmonton Eskimos, the Edmonton Oilers, and the Edmonton Oil Kings,” said, Edmonton International Airport Vice President of Commercial Development Myron Keehn. “These partnerships drive direct revenue to the airport authority. The agreement allows them to market their brand at the airport, it allows us to tie ourselves back to the community, and it drives revenue into both of our businesses by using their great reach.”

Keehn said he expects to further capitalize on the significant corporate and fan base of Edmonton’s local sports franchises to promote the airport in concessions as well as parking and ground operations. Plans are in the works to have the local athletes promote the airport’s food, beverage, retail and art programs.

At Burbank’s Bob Hope Airport, ABC-TV, a unit of Disney, sponsors the free WiFi and the television amenity in the gateholds in conjunction with traditional advertising included in the overall package which they use to promote their programming and on-air talent. Forsythe said a complimentary Disney branding campaign maintains the exclusive home box office and theatre category rights granted to them with this contract, holding prominent positions throughout the airport in all inventory types to include backlit, wall wraps, wallscreens and digital.

“We grow and adjust the program annually, working with Disney to best highlight their feature movies,” said Forsythe of the long-term contract.

The joint ABC sponsorship combined with Disney’s branding campaign has a dominating presence that contributed to more than $500,000 in advertising revenue to Burbank annually, according to Forsythe.

Domination Packages
Corey Airport Services Vice President Steve Moody said a “sponsorship mentality” is dominating advertising at airports including Buffalo, where advertiser TD Bank has chosen to market their message to the traveler in a campaign that includes banners, wall wraps, bus shelter wraps, interior bus panels, interactive touchscreen kiosks, and traditional airport advertising dioramas.

“We are seeing the use of the airport venue as a whole,” Moody said. “TD Bank has almost taken the whole airport to keep their message in front of the passenger at all points.”

While the branding of a corporate name can be a dominating presence, no airport has yet to take the “lead” to full naming rights. A number of airports ranging from Oregon’s Rogue Valley International-Medford Airport to Wayne County Airport Authority have sought naming rights for property ranging from Medford’s control tower to Detroit’s North Terminal, to no avail.

In Detroit’s case, the Wayne County Airport Authority entered a 10-year contract with General Sports and Entertainment LLC in 2008 to sell the name, sponsorships and related marketing for the new $431 million North Terminal which opened that year. However, Detroit’s Michael Conway said the economic climate at the time was, and continues to be, less than ideal for such a venture. Medford ultimately withdrew their application as well.

“Naming rights hasn’t taken off yet,” said ICF SH&E’s Freibrun. “That is a really big leap no airport has been quite ready to take on. In fact, no airport food court has yet to be named.

“Although it is a potential big-ticket item, I don’t anticipate Baltimore/Washington
International Thurgood Marshall Airport becoming one of the first branded BWI airport. I haven’t heard it being widely accepted anymore so than five years ago when it was first being talked about."

AirProject’s Ferraguto concurred.

“It is an interesting idea, but a hard sell because airports, even though they may be run by authorities and not necessarily local jurisdictions, find it difficult to sell rights to one particular company in a major way,” Ferraguto said. “I think we will see more in the way of overarching campaigns that will run throughout an airport for a finite period of time. You may go through a terminal and see a repeated message from a particular brand or company throughout the airport, but there aren’t any long-term rights to anything in the terminal.”

Social media
While airports are hesitant to name terminals, few shy away from social media.

“Social media is here to stay, and Alliance has embraced it,” Forster said. “Advertisers have the opportunity to utilize QR codes on their ad panels to impart specific offers or messages. A mobile app ties airport advertisers with special offers, and allows the advertiser to reach a broader market segment with a specific, changeable offer or message. The apps and QR codes serve two purposes: they help retain existing advertisers by bringing social media layers to the successful airport campaign, and by attracting new advertisers that might not have considered airport advertising without being able to impart a specific message or offer.

Ferraguto also mentioned the driving trend toward social media. While the revenue impacts are less than transparent in the infancy of the program, she said the new media is becoming more useful.

“IT is still in the early stages, but as more of our passenger base carries smartphones, it will become more useful,” Ferraguto said, noting that nearly one-third of passengers currently carry smartphones.

Ferraguto said concessionaires are actively using apps for advertising, and airports such as Hartsfield-Jackson Atlanta International Airport utilized empty ad units for grassroots airport ads containing QR codes for coupon codes in concessions.

Corey Airport Services’ Moody said the advent of the smartphone has really changed
the game for airport advertising and we the targeting of displays.

“The biggest change in recent years is how the smartphone has integrated into the travelers’ repertoire,” Moody said. “Travelers are taking information with them, and that has created a dynamic for us in that it is not simple out-of-home advertising anymore. Your audience used to be obvious, and now it has become more targeted toward people and how they use their smartphones.

Moody said advertisers utilizing smartphone advertising methods range from the largest national brands to the smallest, homegrown establishments. At Louisville International Airport, local magazine Kentucky Monthly rents Corey advertising units in baggage claim to entice visitors to download their free “Travel Kentucky” app.

“As opposed to just being branded advertising, companies are now soliciting a response from the smartphone through QR Codes, websites or texting. But since there is the ability to communicate with those companies in a more intimate fashion immediately, the trend is to be less branding and more response.”

Experiential marketing

More response is also being sought through experience-based interaction and experiential marketing.

From a Don Julio tequila sampling at DFW’s Terminal D, to a Marriott Courtyard lobby experience at Atlanta, advertisers are yielding more direct data through Clear Channel Airports. Within duty free shops over the months of the exhibit, sales of Don Julio tequila increased by over 2,000 percent from the previous year.

“Experiential exhibit space is taking off,” said Clear Channel Airports Lovell. “The experiential concept is a growth area for us in working with national agencies to develop an interactive space. This is the direction things are going because advertisers want a clear channel to the passengers.”

THE BOTTOM LINE: Airports are toying with fresh approaches when it comes to non-aeronautical revenue through advertising sales. Antiquated static signage is moving toward high-impact digital media for a less cluttered, more attention-grabbing presentation.