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CEO SPOTLIGHT - Peter Irwin, OBN, Toronto

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This month in the “CEO Spotlight”, we welcome Peter Irwin, President and CEO of Outdoor Broadcast Network (OBN) in Toronto.

1. **Outdoor Broadcast network (OBN) is a member of the young Canadian Out-of-home Digital Association (CODA) and of the Canadian Outdoor Measurement Bureau (COMB). What importance do these associations play in the OOH field for the digital industry that’s still in a young growth phase in Canada and generally how well do you think associations work globally?**

As one of the largest media companies solely dedicated to the Digital Out-of-Home segment in Canada, OBN has an important role to play in helping build awareness of the DOOH segment but can’t do it alone. The establishment of CODA was a very important step in providing a forum for all players involved in DOOH to increase the awareness and advance the interests of the industry. In the early 1990’s when we created the Elevator News Network, it was the first and only advertising-based DOOH network in Canada. Not only was it a significant challenge to build basic awareness but we also had to educate advertisers about the capabilities of this dynamic new media. It was a lonely existence. Now, 10 years later, tremendous strides have been made in DOOH, but there is still much to do. The major DOOH companies are pooling resources through CODA to educate a broad range of advertisers, retailers, and marketers about the full potential and how to effectively use this powerful media. This is being accomplished, in part, through an on-line resource centre, breakfast speaker series and conferences.

2. **About a year ago, after buying Lightvision Media, you mentioned that you would be developing new site locations and new products within two years. Why does it take so long to develop new sites in Canada and is the problem specific to the digital industry?**

We are now 10 months into the acquisition of our largest competitor and our team has

successfully completed the integration. This has been a priority. The acquisition of Lightvision gave us new locations in western Canada but also added new locations in such established markets as Ontario. We also opened up the Eastern markets of Halifax and Saint John so that we now provide coast-to-coast coverage of Canada (another key priority) for our advertisers and deliver an audience of over 13 million weekly viewers. The development of new sites takes a great deal of time and we are progressing in accordance with our plans. The municipal regulatory approvals are quite onerous and can take a couple of years. Today, the Outdoor Broadcast Network is the only national network of video boards and represents over 70% of all video boards in Canada.

3. How much of a role does your Web site play as a selling vehicle for OBN?

Currently, the Web site does not play a key role in the selling transaction and is used for information purposes only. The sale of advertising in Canada still requires a personal interface. However, the Web site does play a role as a showcase for our sites when dealing with real estate developers. The design of our Web site integrates video into the visuals; however, we make it optional for our visitors in order to provide express viewing (without those annoying waits for downloads). Our approach to date has been to keep it simple and encourage viewers to contact our team if they require specific information.

4. Canada is a relatively small market despite the physical geography. How about plans to expand into the U.S. or beyond: Could you or would you link up with a competitor outside Canada or would you go it alone?

Canada is a great country and offers plenty of opportunity. We have no plans for international expansion.

5. CODA has stressed the need for common-denominator audience metrics. How long before you foresee these as feasible or attainable and what in your view is the best way to achieve them?

CODA has twice invited key senior media planners to a roundtable discussion to talk about metrics and what they most want from the DOOH networks. From these discussions, we learned that we need to create a level of standardization to simplify the buying process. The challenge has been, and will continue to be, establishing metrics that will work across a broad range of DOOH media venues. One of the biggest challenges will be to accurately calculate and define audiences that can view a screen versus audiences that see the content. There is such a range of viewing experiences (elevators, subways, medical offices, transit trains, retail, street corner) that we have not yet found a set of content viewing metrics that can be realistically implemented in the short term. As a first step, CODA is assembling its Phase 1 standardization report of network operators, which will provide a range of standard metrics (spot definition, rates, buy duration, etc) as well as audiences to the screens. Several industry members are working with research firms to determine if there is a methodology that can cost effectively measure audiences to the content.

6. What do you foresee as the overall future for DOOH and will it ever be seen as a mainstream medium by media planners/buyers?

The growth rate of advertising-based DOOH is second only to the Internet. We believe that the medium is just starting to hit its stride and is becoming more and more a part of major national advertising campaigns. It is already starting to find its way into the mainstream. The adoption of retail- or merchandising-based DOOH networks is also growing at a very high rate. Media planners understand the potential of the medium, but we still have an education process to complete with the creative agencies and the clients who engage the agencies. We need to get the message out about the incredible flexibility of DOOH networks. The fact that a DOOH network can run different ads at different times of the day at different geographic locations needs to be better communicated. DOOH

networks are all about getting the right message to the right person at the right time. The technology that underpins DOOH networks also enables a whole host of creative possibilities that can truly engage the viewer. At OBN, we have run innovative campaigns such as live breaking news for a newspaper, weather- triggered campaigns for a wine company, and a campaign for a radio station whereby a song title would appear in the video board ad while simultaneously playing on the air. Think about the impact of driving your car past a video board and seeing an ad for the radio stations that says 'Now Playing: Bruce Springsteen – Darkness on the Edge of Town' and then tuning your car radio to that station to find that that song is actually playing. That is powerful advertising.

7. **We believe your company is currently privately owned by three partners. What was your 2007 revenue and do you foresee OBN soon, or ever, becoming a public company?**

Since we are a private company, we don't discuss financials, but I can tell you that OBN has grown over 200% just in the past three years.

8. **Most of the companies we've seen on OBN seem to be big, national advertisers: Samsung, WestJet, TSN, etc. Is it or can it be an affordable, stand-out medium for small and medium businesses?**

While national advertisers spend the most on advertising, our video boards are located strategically in the busiest parts of cities and are also used by local and regional businesses like car dealerships, local sports teams and casinos. The media is affordable but national advertisers have larger budgets and tend to take advantage of the innovative capabilities of video boards on a wider number of sites. For example, WestJet Airlines is one of Canada's major airlines and utilizes the network across the country to promote different destinations and fares. At the request of the airline, OBN is able to change fares across the country quickly, in response to competitive activity.

9. **What are the major problems besetting the digital industry in Canada?**

I wouldn't say that there are any major problems but, as in any high growth industry, there are different challenges that face different companies. One of the most frequently faced challenges is the rate at which advertising revenue grows. It is all too common for companies to expect revenue to grow exponentially in the early years wherein the reality is a slow gradual build. This usually leads to cash flow problems as many companies don't plan sufficient working capital to cover the expense of the sales force. Other companies have attempted to dodge this problem by outsourcing their sales to "rep" shops that don't understand the sales process for a new DOOH media. This has often resulted in even poorer sales results. Fortunately for OBN, we were well capitalized, hired a strong sales team, were realistic in our projections and are now enjoying several years of profitability.

10. **What are the most useful skills that you developed in your previous positions that you are using to build OBN's success?**

I spent close to 20 years working in senior management positions of several multi-national and Canadian corporations before becoming an entrepreneur. My tenure with these companies provided me with a solid foundation of business fundamentals such as planning, marketing, sales, finance and operations. The start up, and eventual sale, of the Elevator News Network (now called Captivate) taught me to develop a solid business plan, be very prudent with expenses, skeptical on revenue forecasts and recognize that nothing really goes according to plan. It was also all about cash flow. One had to learn how to do more with less, persevere and be patient. We have applied that same philosophy to our latest company OBN with much success.

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