'We expect the OOH industry to grow 10 percent plus in the current year'

Times OOH, a wholly-owned subsidiary of Entertainment Network (India) Limited (ENIL), is one of India's foremost OOH companies with ownership of some of the most sought after outdoor media properties in the airport, transit and street furniture segments. The company turned a new leaf by bagging the 20-year T3 contract. **Sunder Hemrajani , managing director, Times OOH** , talks about the trends, opportunities and challenges in the OOH industry and the Times OOH growth experience in an interview to **network2media's Rajiv Raghunath** . Excerpts:

What is your assessment of the OOH business environment today?

The OOH business environment has looked up since the General Elections last year, and particularly since October we have seen a definite uptrend in all indicators of business. We expect this positive trend to continue for some time to come. GDP growth is in the region of 7.5 per cent and its impact can be clearly seen on the advertising industry as a whole.

We expect the OOH industry to grow 10 percent plus in the current year. This will be aided by the buoyancy in the BFSI and real estate sectors and the spurt in their outdoor advertising. Auto, telecom and consumer durables have also stepped up their outdoor presence, while civil aviation is also looking bright.

Indian brands today offer the latest products and services to the Indian consumers, which has contributed to the rising consumption patterns. Advertising as a whole has benefited from this environment, and so has the OOH industry.

Are there any emerging industry trends that you would like to comment on?

Yes, indeed. First up, outdoor advertisers are now focused on engaging the consumers instead of merely building their product or service awareness. Second, digital OOH is showing signs of growth. For instance, we set up 3D screens inside the Mumbai airport which have been well received by advertisers and consumers. Third, OOH is becoming the medium of choice for many brands. The Volkswagen outdoor engagement is a case in point.

Are there any downside risks that the industry should be aware of?

None, really. As an industry we are clearly over the hump. There are no environment risks. The industry is also becoming more efficient.

How would describe your own approach in this business environment?

Times OOH has seen steady growth. Our success is not about revenue upside alone. We have managed our costs and raised the productivity levels. When the difficult months arrived, we realigned our resources and refocused our business. We decided to focus on areas where we have footprints instead of expanding to all parts of the industry. And, we reduced layers within our organisation to make it robust. I am happy to say that we achieved 20-25 percent cost reduction in a matter of nine months.

You mentioned that Times OOH will focus on particular areas? Could you please

elaborate?

We have decided to focus on the top 6 cities and will consider expanding into the Tier 2 & 3 cities in due course. Besides, we will continue to develop our existing properties and services before we increase our footprints.

Will future expansion take place organically or through M&As?

It would be organic, at least in the short to medium run.

You have made a huge impression in the OOH industry with the T3 win. What is indeed special about this property?

T3 with over 300 media properties will not only impact the airport media but the OOH industry as a whole. We expect to see many top ranking brands in the OOH fray to leverage the branding opportunities that T3 would provide. On the whole, airport media has been at the take-off point for a while. Product segments like auto and banking, insurance and financial services have already seen in the airport media a significant opportunity to connect with consumers.

Other than airport media, what are your focus areas?

Street furniture holds huge promise, so does transit media. These are infrastructure-led and our participation will result in a win-win situation for the government, industry and consumers. We are not much into billboards, which as a segment is highly commoditised and embattled with legacy issues. The DND Flyway is an exception.

Street furniture projects too have their own problems, in terms of city planning and clearances. Some are slow to get off the ground. How would you cope with these challenges?

Lack of political consensus is often the showstopper. What is needed at this stage is clear communication to all stakeholders about the benefits of PPP in street furniture development. What is also needed is a certain consistency in the rules and regulations governing the growth of this segment. Each street furniture project has its own relative value which can be best obtained in an uncluttered environment. An enabling environment will induce more players to put their money in this segment.

You can contact Sunder Hemrajani