



Trade Association for the Screen-Media Industry

THE SCREEN

Industry Agenda for Advertising Screen-Media networks

Thank you for downloading the Screen Association's Industry Agenda

Dear Reader,

We are pleased to introduce our proposed Industry Agenda for advertising screen-media networks. This will be presented at the Screen's Annual conference on 10 Oct 2006 (see www.thescreen.org or contact info@thescreen.org for more information).

Applications for membership to the Screen are welcome and are open to all stakeholders in this young and exciting industry. Activities and recent initiatives by the Screen include:

- ScreenMedia advertising networks directory (free to members)
- Audience Measurement White Paper
- Compliance: Reporting and Validation proposal
- Annual Conference
- Breakfast Briefings and Evening Forums

Shaping an Industry

Membership provides the opportunity to contribute and participate in these activities as well as a significant networking opportunity to learn from and mix with other organisations in this market. Other benefits include discounts for events and advertising with select trade publications.

Regards,

The Screen Executive - London

September 2006

www.thescreen.org



THE SCREEN



INDUSTRY AGENDA

Release v.0.6

An Agenda For Growth

for Advertising Screen-Media Networks

**By: The Screen Executive, London,
August 2006**



Abstract

While the market potential of screen media is well appreciated, there seems little doubt that there remains work to do if this potential is to be realised. Thus, there is an obvious question participants in the industry can, and should, ask themselves: What, if anything, can be done to ensure a situation of steady progression and growth?

The Screen believes that there is much which can be done and this paper outlines an Industry Agenda which is designed to establish a framework for the industry to develop. It is a proposal which we firmly believe is right in principle, though there are many points of practice which need further discussion, definition and agreement.

The Screen encourages membership and the opportunity to participate in developing industry direction and thought leadership, please visit:

www.thescreen.org

Who it is for:

Advertising Networks

This Industry Agenda seeks to address advertising based screen-media networks, their service providers and suppliers. Including for example:

- Media sales agencies and media owners
- Network owners
- Service providers
- Content providers
- Infrastructure suppliers and network technology vendors
- Investors

Non-Advertising Networks

Whilst this Industry Agenda is intended for networks that accept paid 3rd party advertising it is recognised that a large and increasing number of networks are being deployed for below the line type marketing as well as public and corporate communications. The Screen intends to address the needs of those networks in future publications however it is felt that many of the disciplines and standards that arise from this Industry Agenda will be relevant and beneficial to these other networks.



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1. INTRODUCTION

The screen-media industry comprises the provision of video based advertising in out-of-home locations using networked digital signage technology. These screen networks are frequently referred to as:

- Screen-media networks
- Networked digital signage
- Dynamic digital signage networks

These are all essentially the same thing; it is where they are deployed, and the communications objectives behind their use which vary significantly.

For companies to use such networks at all, they need to be seen by media planners, and others, to offer a viable complement or alternative to other communications techniques, including established broadcast media such as TV and radio, as well as emerging media such as the Internet and mobile.

For this to happen, screen media networks must be able to demonstrate their credibility as a competitive medium. Only then will they command their deserved share of media spend.

This paper proposes an Industry Agenda for establishing this credibility and sustainable growth position in the market.

Preamble to Industry Agenda

Before looking in some detail at The Screen's proposal for an Industry Agenda, it is worthwhile to make some remarks concerning the assumptions which underpin its development.

All established media claims to be highly effective as a communications tool. Although the most established of these – print, TV, radio – vary in their effectiveness, depending on the objectives, it seems clear that they share a number of common denominators.

- Mature media operates in accordance with a range of industry accepted standards.
- Mature media is generally regulated, either by legislation or by an industry body (self-regulation)
- Mature media has established the way to make money, that is, maximise return on investment.
- Most media is effectively promoted at an industry level.



2. INDUSTRY AGENDA

There are currently 9 headings to the Industry Agenda which seek to categorise the topics into logical and actionable groups. Some relate to activities that can be carried out by networks individually, others need action at an industry organisation level. What is important is a consistency of direction.

1. Compliance: Reporting and compliance
2. Audience measurement
3. Effectiveness
4. Processes and methodologies
5. Regulation
6. Infrastructure
7. Media appeal
8. Content expertise
9. Promotion

1 Compliance: Reporting and compliance

If companies are to invest their marketing money, they will only do so based on facts and reasonable expectations, in other words: trust. They must be convinced not just that the network exists, but that they will get the exposure they pay for. Ways of reliably reporting and validating this have to be in place as a basic tenet of the selling process.

There is good recognition of this point, as evidenced by the well-attended Screen Breakfast Briefing held recently (27 June 2006) where attendees heard expert views from network owners as well as media buyers. From this two key areas of reporting have been identified for initial attention:

- Network status, eg active players
- Media payout

Building on this, the Screen has drafted a proposal encompassing a draft format as well as a route to validation. This is currently being considered by Screen members and key industry stakeholders. The Screen has been working with ABC Electronic to develop a service proposition for the industry, this will be presented at the Screen Conference on 10th Oct 2006 (see www.thescreen.org for details).



2 Audience measurement

This is a well recognised but large and knotty topic for the media industry in general, and no less so for the screen-media market. To address it the Screen issued a White Paper at the end of May 2006 (see www.thescreen.org for a free download copy) with the objective of providing a starting point for ideas and debate.

Of course, the most fundamental issue which needs to be addressed is that of agreeing a standard. To this end, the Screen is now working with other industry associations such as the IPA, POSTAR and OAA, as well as a number of screen-media networks, to see if a workable and affordable industry standard can be defined, proposed and implemented.

Techniques, too, are an important area and the proposals include a range of techniques for consideration, ranging from manpower-based research to automated systems.

Another key issue is that of who will administer any agreed standards and techniques. In other words, who will form a governing body for the industry? This is still being discussed, though POSTAR have indicated that they intend to expand their remit into other out-of-home media beyond posters - and that it specifically intends to consider the inclusion of digital media.

3 Effectiveness

This is quite a subtle issue, though it is of critical importance. The first stage is to assess the merit of our medium (screen media) per se, so that we can form a context for measuring the relative value of individual networks. To do this, we will need to collate, analyse and rationalise the results of different surveys and research which has been completed by individual networks, so that appropriate and practical metrics for screen media effectiveness can be established.

A review of other media shows that they consider effectiveness at more than a single level - for example, in comparative terms (how radio compares against TV etc.), as well as in absolute terms (such as the impact on sales).

4 Processes and methodologies

Networks need to avoid cutting the wrong corners and adding the wrong value. To maximize return on investment (ROI) screen-media advertising networks need to optimize their processes and methodologies to minimize total cost of ownership (TCO). In addition companies also need to be clear about their business model with regard to the media proposition.

With respect to minimizing TCO it is important for companies to focus on the objectives and priorities in operating a commercial communications network. Issues



for consideration include system features & functions, the use of consultants and outsourcing services.

As for the media model, networks need to ensure that their medium is not undervalued. One of the potential traps is that media owners innovate their media offerings faster than the market can understand and value it. To clarify this point it is fair to say that the market still hasn't established a clear base value of screen-media (for example in terms of "Impacts", see the Screen's Audience Measurement White Paper). Without this reference the risk is that these added value propositions get under valued or worse, not even purchased. This is not to suggest holding back innovation, more to say that innovation and market need to be kept in sync for a successful outcome.

The Screen is planning a series of guides to assist networks with this topic.

5 Regulation

Regulation is a feature of every market. The industry needs an agenda for both the type of regulation that will help it as well as representation to ensure that regulation does not adversely inhibit its growth and potential.

There are four different aspects of regulation to be taken into consideration for the screen-media industry:

- Government regulation: An example is The Audiovisual Media Services Directive (formerly the TV without Frontiers Directive),
- Trade regulation: This includes regulated industry bodies that look at decency, tobacco and alcohol.
- Licensing: Aside from regulation there is also the issue of media rights and licensing media for use.
- Self regulation: To the extent that they are not already regulated, standards and ethics are suitable places left for self regulation.

The Screen will be seeking to identify, monitor and report on the scope of regulation as well as progressively increase the voice of the industry to ensure appropriate representation of its interests.

6 Infrastructure

Infrastructure is one of the key building blocks for the success of a network. This means the right screens, size, quality, placement and cost - as well as the media delivery system. All these ingredients need to be put together in a way to deliver the media cost-effectively, as good content on a poor infrastructure will significantly reduce the potential effectiveness of any network. The Screen will be looking to provide infrastructure guidelines that will work with and enhance the effectiveness of the other elements of the Industry Agenda.



Issues include elements such as:

- Screens size, placement, quality, reliability.
- Players, reliability, media
- Communications
- Distribution management: scheduling, booking systems
- Digital Asset Management (DAM)

7 Media appeal

To maximise its communication potential a successful network will optimise:

- Screens of the right type, size, quality and location
- Content.

Good content on bad screens (“bad” meaning wrong location, or too small, poor quality etc) will result in poor effectiveness, but bad content on good screens will be much worse. Getting the content right is critical.

To get content right, two conditions need to be fulfilled. First, we need to establish a recognition and understanding with the audience - the public - that screens are worth looking at. This will take time, as well as the consistent use of media that delivers value. Second, at an individual campaign level, networks must deliver content that is targeted and effective in terms of its demographic.

In other words, networks must ensure they have appropriate programming to ensure they encourage the market to look and watch; and individual content providers have to ensure their content actually works. The Screen is seeking to raise awareness of this issue so that the issue receives the critical attention it deserves.

8 Content expertise

As more people are recognising, screen-media is not the same as domestic broadcast TV. Thirty-second ads which depend on the reasonable expectation of viewers watching the entire thing in many cases do not work and as such a unique media expertise needs to develop for the screen-media market. Nor is screen-media just moving (animated) posters - the video format has vastly greater potential.

Already a number of companies have emerged with the skill required to match content with medium, and many existing content houses are extending their range of services to include screen-media. This includes not only content developers but also media stock houses that are providing media in the appropriate digital formats thus facilitating ease of use and minimizing production costs.

In brief, the market will require content experts that understand this environment and the ways the media can be used effectively. We have seen a parallel with the development of media suitable for the Internet. The Screen is developing a number



of initiatives to help support the market through the workings of its Content Working Party.

9 Promotion

Promotion may include promotion of:

- The industry to customers and other 3rd parties covering issues such as the benefits of the media, the professionalism of the industry and its role in the media mix.
- The Agenda to industry participants to encourage consistency of direction
- Specific issues such as standards, work practices or regulation to provide operational benefits to service providers.

It has long been the objective of the Screen to promote the industry so individual screen-media networks can focus on promoting their unique values.

Conclusion

The UK has a good history of thought-leadership in the world of media and has long been regarded by many as a valuable benchmark for media creativity. In the development of the global market for out-of-home digital media networks, screen-media, it is expected that standards and methodologies will develop in various markets to meet the local needs and cultures. However it is hoped that this early work will act as a valuable starting point.

The various points raised are just some of the issues which will be discussed over the coming months, and particularly at The Screen Conference on 10th October 2006. You are very welcome to attend – for details and registration please visit www.thescreen.org.



3. APPENDICES

Appendix–I: Milestones in other media

This provides a brief review of the development of other media and seeks to identify instances where significant growth was stimulated by specific actions or where there were important stages in the industry development.

TV:

- Accepted audience measurement – 1940's
- Regulation – progressive steps by both industry and government
- Birth of broadcast TV – 1930's
- Colour television – 1950's
- Introduction of cable TV – 1950's

Posters:

- The oldest medium
- Accepted audience measurement – POSTAR created in 1990's

Radio:

- Birth of commercial radio transmission – early 1920's
- Effectiveness and promotion

Internet:

- Birth of the Internet – 1990's
- Reporting and compliance

Print:

- Trusted audience measurement - ABC

Associations:

- Advertising Association: Founded in 1926



Appendix-II: The Screen

The Screen Association is dedicated to championing and helping shape the development of the emerging screen-media industry.

The design, installation, management and ownership of screen-media networks involves a myriad of activities across a very broad spectrum of industries. These include content creation, consumer and other user research, content distribution, physical installation, connectivity, media sales and digital panel supply to name but a few.

Whilst each of these activities is part of an established industry in their own right The Screen brings together the screen-media interests within each of these industries as a dedicated industry association (www.thescreen.org).

The Screen is an independent not for profit industry association founded in early 2004 to promote and aid the development of the Industry in Europe.

The Screen welcomes members from all the industry's user groups (brands, retailers, estate owners, ad agencies, media sales, network owners etc), all complementary groups and all groups with an interest in making the Industry successful. Specifically The Screen seeks to work in a complementary manner with all trade associations.

The Screen runs an active working party programme designed to help develop and promote best practice across the Industry and to help inform key users. The working parties are:

- Media working party (sponsors of this paper)
- Content working party
- Technology working party
- Network owners working party

Other papers from the Screen include:

- Audience Measurement for advertising networks, June 2006
- Compliance: Reporting and validation, July 2006 (pending, not yet released)



Appendix-III: Screen-Media Networks Summary

Screen-media advertising networks in the UK include:

- Retail
 - Grocery
 - Convenience stores
 - Pharmacies
 - Sporting goods
 - Post offices
 - Travel agents
 - Hair salons
 - Bars & clubs
 - Student unions
 - Shopping malls
- Transport:
 - Taxis
 - Trains
 - Buses
 - Bus shelters
 - Train stations
 - Airports
- Other:
 - ATM cash machines
 - Gymnasiums
 - Washrooms
 - Sports & concert stadiums
 - Maternity rooms
 - Doctors surgeries
 - People mounted signs

As of August 2006 there were over 50 screen-media advertising networks operating in the UK.



4. CONTACTS

The Screen website: www.thescreen.org

If you would like further information or would like to participate in the development of this white paper or other standards recommendations issued by the Screen please contact:

James Henry
Tel: 07940-995 645 (UK number)
Email: james.henry@thescreen.org

If you have received a print copy of this Industry Agenda and would like a digital copy it is available for free download from the Screen website.

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