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In-Store TV Networks Make Inroads

Technology, Business Conditions Combine to Open Up the Possibilities in a Previously Underutilized

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One of the most important places to reach a consumer with advertising has traditionally been one devoid of real messaging opportunity: the in-store retail environment.

Development of in-store media real estate is an important planning issue. Traditionally, the best messaging opportunities available to planners have been skewed to contact points early in the consumer purchase process. Planners do a wonderful job of delivering messages at these contact points, but lack meaningful options at the actual point of purchase.

Media people haven't had a lot to choose from over the years. At best, we could scare up a few low-tech retailer television

networks or stickers on fruit or small placards on shopping carts or messages on floor space, which consumers literally walked all over.

Resulting media plans woefully undertarget consumers at the point of the purchase. It's unfortunate, because in-store environments are a frontier of possibility. New vehicles created for an in-store environment need not be bound by old paradigms. In short, new offerings can learn from their 20th century predecessors, utilize state-of-the-art technology, better address today's dynamic marketplace and avoid the baggage of established media infrastructure.

Happily, in-store television networks are forging into this frontier in an exciting way, providing planners with real options at point of purchase. To understand how far in-store networks have come, a quick look at the past is helpful.

Slow Going

Retail television networks have developed slowly. Many offerings were tested, but few real networks were established. Those that were created were not necessarily there to serve consumers; they were created by the retailer to solve existing business problems or generate incremental revenue.

Blockbuster's early network provides a case study. Created primarily as a vehicle to stimulate flagging center-of-store rentals, the network was basically a monthly two-hour programming loop borrowing from Viacom's "Entertainment Tonight" to frame up content. Programming segments were interspersed with ad pods on monitors situated around the store. Content was similar to "ET's" broadcast offering and featured retrospectives on films and stars no longer on the new release wall.

Advertisers purchased :30s in a static loop. Large clients could split units into two :15s, sharing cost across the cycle if needed. Technology was adequate for the time, but quality was comparable to video, at best, with large, clunky monitors and audio issues. The system had no ability to target by market, let alone within the retail location itself. Pricing was negotiated on a cost-per-thousand basis, with Nielsen providing stewardship data procured from consumer exit interviews.

There were benefits. Nielsen data helped participants learn about shopping activities surrounding Blockbuster visits, along with dynamics of the video retail experience. Blockbuster did indeed drive center-of-store film rentals, meaning it was able to address its particular business problem. By extension, network advertisers also likely saw some increase in awareness and sales benefits.

It also brought marketing partners together. Advertisers worked with Blockbuster to tailor program content in ways beneficial to messaging, while broader discussions opened up the wealth of in-store marketing possibilities a video rental channel provided.

Hindsight provides additional learning. First-generation technology led to compliance issues. When the network relies on individual stores to pop in a videocassette and run it all day, not every store will comply and total reach will suffer. A better solution centralizes message delivery using upgraded technology to eliminate problems.

Also, in-store television-viewing behavior is very different from at-home behavior. Content featured in two-hour loops with blaring sound won't pique consumer interest. With shopping on their minds, consumers won't have much ability to engage with programming or messages. Quickly paced segments and shorter ad units make for a better consumer experience and increase odds of message communication.

Better Options

Today's in-store television networks provide significantly better benefit than their forerunners. Better technology, more providers and mass reach are now serious planning options. Just over the horizon, other options are being tested with consumer focus in mind, and some will provide outstanding value.

Already available and thriving, PRN delivers many benefits planners have been seeking. PRN's foundation includes a network of nine retailers and more than 5,000 stores. Partnerships with major broadcast companies provide content. Technology allows content to be tailored by market and adapted to particular environments within the store. News items, recipes and public service

messages are included in program offerings.

PRN generates 180 million impressions a month and its interactive network more than 1 million product views a day. Recent estimates suggest around 65 percent brand recall and a 44 percent increase in viewing time by consumers.

And PRN's news gets better. Just last week, David Verklin, CEO of Carat North America, and John Miller, chief marketing officer of NBC Universal Television Group, were announced as new members of PRN's board of directors, bringing valuable elements of broadcast television to the in-store environment: mass reach, an extensive network, programming options and local capability in 210 markets.

Bringing the qualities of network television into the in-store environment is a positive development, but is there potential to evolve?

An in-store retail grocery property from ABC, soon to test, has many characteristics of an evolved opportunity. Grocery is underrepresented in PRN's offering and potentially provides more frequent consumer retail exposure opportunity. While consumers make a lot of trips to Wal-Mart and Best Buy, they go to local grocery stores more frequently.

ABC InStore's initial test is being conducted with Kroger, expanded through Kroger's system and then phased into additional grocery chains. By completion, ABC InStore could surpass PRN in retail stores networked and in traffic exposure opportunity. Having met the mass reach ante, ABC InStore would differentiate itself by substantively enhancing the consumer experience of its property.

First, ABC InStore will use better technology. Consumers will experience content on 17-inch LCDs and 42-inch plasma screens using directional sound technology. Leading electronics manufacturers will provide the hardware and Hyper Sonic Sound will solve the audio problems-bad sound or blaring audio that consumers trapped in line had to listen to repeatedly-that plagued prior in-store network offerings.

HSS directs content to a finite area, essentially "narrowcasting" audio to consumers immediately in front of the LCD screen. Other consumers in queue aren't forced to listen repeatedly, receiving their personal experience as they step up to the immediate monitor area. The net result is a better consumer experience, delivering one consumer at a time, in a personal fashion, rather than all at once, with redundancy.

Hot programming such as "Alias" and "Desperate Housewives" provides excellent content possibilities. The changing face of Jennifer Garner's character in "Alias," Sydney Bristow, extends well to health and beauty content, while Marcia Cross's character in "Housewives," Bree Van De Camp, meshes nicely with recipe-friendly heart-of-store content. Daytime and news content will also play well at checkout.

Programming loops will reflect consumer shop time in those store areas. For example, loops will be longer for heart of store and shorter for checkout. Additionally, ABC InStore will sell and encourage unit lengths reflective of loop and location, better meshing with consumer mind-set and viewing behavior in those specific environments.

Geared to Real Consumers

The stewardship process will be geared to actual consumer behavior instead of simply accounting for possible viewers. Audience metrics and rate structures will be based on transaction and consumer awareness data, not just by the number of shoppers through the door. This proactive adaptation pushes stewardship substantively beyond the simple impression-delivery mentality.

Rate structures will be based on transaction/awareness estimates, not just on the number of shoppers through the door. Analytics are being worked into the offering to get a better feel for not only sales impact but also changes in consumer behavior.

Though ABC has a lot to work out as InStore goes from test locations to final network, its advertising partners have much to be excited about. InStore demonstrates that lessons learned in the old-media world are being applied to enhance consumer experience and help providers and advertisers forge deeper connections with consumers.

Recent years have seen an explosion in the number of media opportunities available to planners. As wonderful as the new opportunities have been, there has always been one frontier that had yet to be substantively developed. But no longer.

It's exciting for planners that real opportunities like PRN and ABC InStore are finally reaching the environment that matters most: in the store, where consumers make their buying decisions.

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