

## **Why the DMN industry needs to take a step backward in order to move forward**

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Today, digital media looks poised to become the Next Big Thing in retail. Yet, while many - most - retailers seem to recognise the broad potential of the technology for purposes such as advertising, retailer brand promotions and enhancing store ambience, relatively few have committed to rolling out a system. Why? After all, there's plenty of well-worn "soft" arguments (appeals to brand enhancement etc) in favour of the implementation of digital media, and, in the last year or two, the apparent credibility of "hard" (ROI-based) arguments has also moved significantly forward, through a wealth of data gathered and presented, more often than not, by the vendor community. The result is that the reasons, both qualitative and quantitative, for using in-store digital media now seem more compelling than ever.

So what's the problem? Faced with such convincing arguments, why do so many retailers remain unconvinced? If digital media is a snowball teetering on top of a hill, what does the industry need to do to nudge it over the edge? Do we need more data, perhaps? More and better quantification of system performance?

In my view, the answer to this is definitely no. There's already enough good quality information out there; the secret is to learn to use it effectively. Which is precisely what we're not doing. In fact, we're doing just the opposite: rather than clarify the issues for retailers, the plethora of parameters and deluge of data currently being served up by the DMN industry is serving merely to obfuscate and confuse. Put more simply, we're attempting to measure too many things at once. The model is too complex.

To explain what I mean by this, let's take a step sideways. Consider other media - how do TV, radio and print media measure their "performance"? Well, the answer's a straightforward one, and it's this: through viewing/listening figures or readership. It's as simple as that. Of course, the *measurement* of these parameters is far from simple; indeed, organisations such as Nielsen Media Research, BARB, Rajar and NRS use highly sophisticated methodologies and spend large amounts of money to ensure that advertisers can use their estimates as a reliable basis for commercial judgement. But that's not the point. The point is that their measurement models have a single, universally accepted, degree of freedom (number of viewers, readership etc), with the result that all those with vested interests can talk a common language. True, it is possible to dispute nuances of methodology, but the fact that a single parameter is being measured in a generally understood way means that results can be compared on a like-for-like basis. Thus, interested parties are clear on what's being measured, and can have a high degree of confidence that patterns and trends at least, if not absolute figures, are reliable. What's more they can easily relate these trends to their own commercial objectives. The model is simple, clear, consistent and effective.

Now compare this situation with that which currently pertains within the DMN (digital media network) industry. Here, DMN performance can be, and is, measured in terms of any one of several parameters. There is no universal (or even partial) agreement on which is most suitable, and some organisations present their arguments in terms of multi-parametric analyses. Thus, for example, whereas some vendors swear by "hits" (sometimes called "eyeballs"), others will thump the table and demand that dwell-time is a more appropriate measure. Some, of course, lean towards footfall or sales figures, while still others use more subtle and indirect measures such as demographic profiling.

As I've said, some will throw several such measures into the analytic pot before giving it a good stir and serving.

So, what's the way forward? My view is that, in order to go forward, The DMN industry first has to take a step back. We need to take a leaf or two from the book of other media and begin to create a language retailers can understand and believe. And the first step is to drop our internecine insistence on the use of a variety of parameters for measuring DMN performance. Instead, we should agree to adopt a single-dimensional measurement model, and define a methodology for data gathering which has broad acceptance in terms of structure and coherence.

This, of course, begs the question: which dimension should we choose? I believe it should be footfall. Not merely because it is the most familiar and easy-to-measure parameter (though it is - footfall is easily measured with the right systems) but because it is also the most meaningful. For, while it can be objected that footfall measures the effect of out-of-store messaging (rather than the in-store messaging delivered by DMNs), it can nonetheless be used as an effective measure of in-store promotions when related to sales. If, for example, footfall declines, but sales do so less than expected (compared to a control group or historical data), then (under like-for-like conditions) the conclusion is surely obvious. The power of this approach has already been demonstrated by shopping malls - most know their annual footfall and can usually provide meaningful data in this respect. Their reward is they attract retailers who are hungry for shoppers.

In an important way, though, such quibbles over the choice of parameter is irrelevant. The main point is that, whatever measure we choose, it should be a single measure. We need to take collective responsibility for breeding confidence in our marketplace. And to do this we must provide a quantitative platform for reliable, meaningful comparisons and progressive debate. Only by simplifying our arguments and learning to talk a common language, can we help retailers understand, and believe in, the power of the available technology and to make the necessary investment to take advantage of it.