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Adverts on Tap – Delivering the Goods

Everyone knows that one of the best ways to get customers to buy your products and know your name is to advertise it. This simple truth is the foundation of pretty much any form of commercial media, but it is especially pertinent for newspapers and magazines where advertising has long kept their publishers fat and happy. After too many bleak years for print advertising, several organisations are predicting decent growth including our favourite, Zenith Optimedia.

According to Zenith, global advertising expenditure will grow by 3.9% in 2007. Despite the popularity of electronic media, newspapers and magazines will account for over 40% of ad spending and 7% will go to the Internet. For the time being, print media advertising is holding its own and in order to make sure things stay that way, publishers are doing their best to make life simple, convenient and cost effective for advertisers and agencies. Ad delivery services providing highly automated quality control, ad delivery and data management technologies help them achieve this and are now big business.

The Ad Portal & Digital Workflow Suite

This is why Vio is starting to expand its operations. It now employs 70 people, 20% of whom are in development, and has recently acquired the US-based Adsend.

Over the years Vio has become well known for its digital supply chain management services based on its Digital Workflow Suite. This includes Vio Certified Soft Proofing based on a range of technologies such as ICS Remote Director for remote colour managed softproofing, and Enfocus Pitstop for certified preflight checking, with Vio providing the glue in between. Enfocus and Markzware also provide the preflighting tools used in Vio's Ad Portals. Publishers such as the Telegraph Group, Associated Newspapers and Time Inc use Ad Portal to provide digital ad management services for their customers. Time Inc now has 1500 ad senders using Vio's Ad Portal and rarely receives physical hard copies of ads.

Time Inc is a vital customer for Vio's US developments. Richard Horwood, Vio's executive chairman, says: "In terms of defining what Vio does in the United States, Time is driving the development because they are so far ahead of everyone else in terms both of using technology to reduce costs, as well as the sheer amount of ads they sell. Time Inc. accounts for some 23% of all US magazine advertising spending".

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The Ad Portal supports both up- and downloading of ads and automatic file collection and routing. This is not dissimilar from Quickcut's services however, according to Horwood, Ad Portal differs because it offers customers a "range of sophisticated and customisable automation solutions for the way in which it collects ads and preflight checks them, as well as enabling them to enforce other rules such as ad size management and colour-managed soft proofing on remotely calibrated monitors for true digital contract proofs. It ensures that the incoming ad is built correctly, has been signed off as being the file the advertiser wants to reproduce against the precise profile of the press, and the substrate on which the ad will be printed, and it auto-routes it and the metadata about the ad into wherever the publisher wants it, including AdsML booking information as well as JDF data."

Adsend Technology

Vio's interest in Adsend is multifaceted. The technology was developed by the Associated Press, the American news gathering organisation, to manage ad delivery alongside its news delivery services to American newspapers. Adsend works in a similar way to Vio's technology. Both are send and retrieve models versus point-to-point, collecting insertion and artwork metadata, and managing file transfers.

Adsend has much in common with a similar service, Adfast, which is widely used in the UK regional newspaper business. Both are PDF delivery systems and indeed many of Adfast's ads are going through Vio portals. However although Adsend and Adfast are both parochial technologies and share some functionality, they differ technically. Adfast provides uploading and downloading tools, using Vio's Ad Express to manage preflight checking with preflight profiles based on participating publishers' rules and specifications. Recently, somewhat curiously, Adfast changed its business model to require that advertisers and publishers share the cost of submitting ads (€0.75 a time per ad) from July onwards. Hopefully this won't be too serious a deterrent to print media advertising for clients of Adfast's 1400 newspaper and magazine customers.

Unlike Adfast, Adsend is a workflow management tool, which is one reason why it was so attractive to Vio. It provides ad project management and web-based ad services for smaller ad senders, but it has no preflighting tools so Vio is adding its own preflighting and other capabilities to it.

Adsend is also attractive to Vio because of its US market penetration: it is the standard process in the US for ad delivery with 3600 publishing and 500 plus advertising customers. Richard Horwood sees Adsend's strong US presence as especially important for European advertisers, calling it the "ideal combination for delivering correct materials to key destinations in the US".

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According to Horwood, Vio already has "thousands of ad sending and publishing customers" sending "hundreds of thousands" of ads per month. With PDF ads averaging around 20MB per ad, overall data volumes are in the realm of terabytes per month. Vio's Digital Workflow Suite technology is also suitable for editorial and collateral management because it is format agnostic, so it can also be used to manage generic content distribution and for collaborative work. Vio actively supports both AdsML and JDF which will both be increasingly relevant as the company develops its technology to support a broader range of workflows.

AdsML versus JDF

Getting publishers to use JDF and AdsML is no easy task because basically people won't do something unless they have to, no matter how good an idea it is. So far there hasn't been much reason to implement JDF or AdsML in publishing workflows but recent US legislation could provide an excellent reason to do so. Following the Enron fiasco the US introduced the Sarbanes-Oxley Act. Among other things this states that managers must keep an "adequate internal control structure and procedures for financial reporting". Companies now have to document all aspects of their commercial activities, including advertising bookings and insertion details which will be especially important for media buyers.

AdsML fits the bill for this wonderfully. It is designed to capture and manage commercial data and production details, reducing errors, ensuring regulatory compliance and improving efficiency. It is intended to help publishers avoid additional overhead costs and making processes unnecessarily complicated in order to comply with Sarbanes-Oxley. But isn't there another way?

One might question the merit of developing AdsML, when so much investment and effort has been made into developing the JDF specification. As we see it, JDF has the scope to provide the kind of job management services outlined in the original AdsML mission statement. According to Vio, which sits on committees for both, this has not gone unnoticed and there has been a gradual move within each camp to develop mutually exclusive strengths.

AdsML is designed to provide a bridge between systems, and although there are comparable functions in JDF these tend to focus on production data and how it is fulfilled. AdsML development focuses on commercial data and it is this emphasis that marks the dividing line between the two specifications. AdsML also supports lower level, application specific languages such as Ifra's Ad Connexion used throughout Europe for newspaper ad delivery and SPACE XML (Specification for Publisher-Agency Communication Exchange) widely used in the US.

Both of these formats have been absorbed into the AdsML framework and the AdsML Consortium is working on collaborations with other

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established formats. This work includes the TVB specification used for TV, radio, cable and similar advertising workflows in the US. The AAAA (American Association of Advertising Agencies), which created the TVB specification, has now launched a major initiative called ebiz for media, based on AdsML.

Sarbanes-Oxley and AdsML is only a small part of why advertising agencies and their customers are having to change the way they do business. Costs have to come out of media supply chains to maximise content delivery and access opportunities for customers and consumers. As Horwood says: " "It's no longer optional with ad revenues for print coming down in the web world, you have no choice but to take costs out and that is what Vio does".

This isn't just about print media. Media fragmentation creates an amazing multi-channel environment for delivering information to consumers. Advertisers are demanding hard return data and accountability in order to help provide ads to target consumers using the channel most likely to generate the best returns. Europe is substantially ahead of the US on this, however initiatives such as E-biz could help it catch up.

This nondescript sounding project involves seven companies including Donavan Data Systems, a major media buying system provider, and five other suppliers to media buyers providing ad delivery gateways. Vio provides the publishing gateway, as part of the AAAA 'founding gateways' project. The idea is that bookings and insertion orders for ads are managed automatically online without anyone having to know anything at all about AdsML, as long as their systems can accept and process the XML metadata. Richard Horwood explains: "This starts with 'digital insertion orders', getting the booking and insertion information automatically exchanged between the buying and selling systems – today this happens through faxes and phone calls – but the ultimate objective is for AdsML to accurately reconcile ad booking and production metadata for all print and online ads in associated digital job tickets, and do so before the artwork for the ad is received by the publisher."

What More?

The digital send and retrieve model's scope gives advertisers a huge range of media options. Automating response tracking, reconciling booking and production data all help with accountability, so its technology could put Vio and competitors such as Quickcut/Adstream in a strong position for the future. Richard Horwood believes that "Vio is uniquely on both sides of that equation so we can make streamlined ad delivery work. Publishers can reduce reconciliation costs and copy chasing costs through automated job tracking and automated chasing."

Vio is also piloting standard for national advertising delivery portals for publishers in their home markets. This activity is especially vibrant in

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Asia where Vio is working with "the largest and fastest growing economies". Richard Horwood says: "Vio is quite a well known brand amongst the publishers in certain Asian countries. We've now become the default for how you send advertising in the UK and the United States. Publishers are absolutely delighted with this initiative and media buyers and advertising agencies have a reason to support it as it enables them to streamline their ad fulfilment processes. This leading position in US ad distribution is one of the reasons we bought AdSEND. The next step for us is to take the AdSEND model and see how it might be deployed in other markets". Could this mean another purchase is in the offing?

In addition to these intiatives Vio is starting to sell its technology on an OEM basis to third parties. Not much can be disclosed, but these services are in "other languages, not in English and in other European countries."

Over the Horizon

Successful media companies are news and information providers across multiple channels, exploiting the digital communications environment in many ways, rather than becoming its victim. As newspapers and magazines rejuvenate their business models for these digital times, the ad business is also changing. Digital channels offer more opportunities and it is generally acknowledged that when a brand or product appears in many places, the likelihood of a positive response rises. It's why advertising agencies build ad campaigns for their clients: billboards, posters, TV, radio, newspapers and direct mail brochures all serve to reinforce a message. The same principle works for digital media so getting into the digital delivery and logistics business makes more than good sense. For Vio it could also make a great deal of money.

– **Laurel Brunner**