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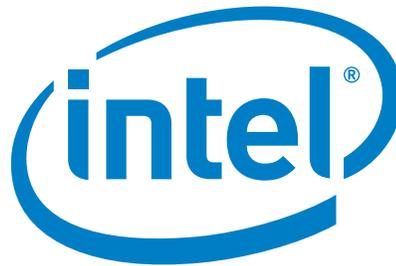
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Research Article

The Media-Saturn In-Store Digital Experience

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Platt Retail Institute (PRI) is an internationally recognized consulting and research firm that focuses on the use of technology to impact the customer experience. In an omni-channel environment, PRI works with its clients to develop marketing strategies to integrate various customer-facing technologies. PRI clients include retailers, media companies, financial institutions, hardware and software companies, educational institutions, and other businesses. In addition to its global consulting expertise, PRI also publishes the quarterly *Journal of Retail Analytics*, the *North American Digital Signage Index*, and other pioneering industry research.



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The Media-Saturn In-Store Digital Experience

Media-Saturn Group is Europe's largest electronics retailer. Operating under two competing retail brands, Media Markt and Saturn, they together operate 909 stores in 16 countries. In 2011, revenue exceeded €21 billion (\$26 billion). The retailer employs more than 70,000 people. Interestingly, not only do the two brands compete, but also each store is run as an independent company, with each store manager owning up to 10 percent of the business. This decentralized approach incentivizes store managers, who also select local advertising and products, as well as determine pricing and personnel planning, which enables them to respond quickly to customers' needs.

This innovative operating approach extends into their stores' marketing activities as well, with each store determining how it will implement various digital technologies to enhance the customer experience. To learn more about these technologies and, in particular, their digital signage network, we spoke with Ingolf von Wittken, Head of Digital POS Concepts at Media-Saturn Holding.



Ingolf von Wittken is the Head of Digital POS Concepts at Media-Saturn Holding.

What types of technologies are deployed in the stores?

We deploy a variety of customer-facing devices to enhance the shopping experience. Generally, these include the following:

- Informational kiosks that enable the customer to listen to music and preview movie and game trailers before they buy. In the majority of our stores, we also have an ink cartridge advisor kiosk. We also are rolling out a unique interactive kiosk/digital screen to enable customers to learn about mobile phones and related service plans.
- Our InStore-TV network is displayed on 200-250 screens on average per store.
- Finally, we use notebooks and tablets throughout the store to deliver messages to our customers.

More specifically, as the following picture illustrates, our store technology encompasses the following:

- IP-TV: runs content, trailers, and educational movie clips from a central server.



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- Scan@Screen: once a music CD is scanned, information is presented on screen about the album, song, etc.
- AdScreen: our weekly top-ten list of music, movies, and games.
- NoTeS: an interactive screensaver that is installed on all our notebooks, which is used for product information, as well as for the display of advertisements.
- Klangstation (Sound station): allows for comparing various speakers or headphones with all kinds of different music styles.
- Entertainment-Terminal: similar to our scan@screen, once a DVD, Blue ray, game, or CD is scanned, additional information, movie or game trailers are displayed, and music is played as well.
- Monitor Teststation: shows different content (Word, Excel, pictures, movies) on computer monitors to assist customers in comparing various models.
- Druckerpatronenberater (ink cartridge advisor): allows customers to identify their printers and get information about which ink cartridge is appropriate for that printer. Alternatively, the customer can scan a cartridge and see a photo on screen of the related printer, to ensure that they are purchasing the correct ink cartridge.
- GSM-Berater (mobile phone advisor): allows the customer to select various features and functions, resulting in a recommendation of a phone and/or services plan.
- Webcam-Teststation: another comparison device, which enables the comparison of the picture quality of different webcams.
- Tact: interactive software program for Android tablets. The software deactivates screen timeouts and displays additional product information, technology features, and price.

Current digitale media



Instore-TV



IP-TV



Scan@Screen



AdScreen



NoTeS

Notebook Test&Safety



Klangstation



Entertainment-Terminal



Monitor Teststation



Druckerpatronenberater



GSM-Berater



Webcam-Teststation



Tact

Tablet Compare&Test

Numerous digital media options, shown here, and described above, are available to customers in Media Markt and Saturn stores.



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When considering these different technologies, what are your primary communication objectives?

Providing our customers with the best possible information to make informed purchase decisions is important of course, as is making the store and display attractive and innovative. We also sell advertising on our network to generate revenue.

When you first started to consider rolling out the InStore-TV network, what were some of the major benefits that you envisioned would result?

These include, among other things, the following:

- Additional marketing income.
- The availability of advertising subsidies.
- Saving money in comparison with classical POS materials.
- Faster communication to the store than can otherwise be achieved.
- Optimization of customer communication.



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Network Background

What is the size of your network?

We started the rollout early in 2010. Today, we have the ability to deliver 220,000 screens systemwide in 909 stores in 16 countries. Of these, 457 stores in 12 countries running 115,000 screens are totally centralized. This means that they are running off the same web-based platform, controlling up to 45 departments in a single store. Another 260 stores run on a related platform. These have tended to focus on localized advertising. In addition, we have 110 stores in Italy, 61 stores in Poland, and 21 stores in Hungary that are run by third parties on our behalf. Ultimately, we will have all 909 stores running off the same centralized platform.



A totally centralized network is running in 457 Media Markt-Saturn stores in 12 countries: Austria, Belgium, Switzerland, Germany, Spain, Greece, Luxembourg, the Netherlands, Portugal, Russia, Sweden, and Turkey.

Walmart's Smart Network claims it reaches 150 million shoppers per week in over 1,700 stores. I guess that makes them the largest retail network in North America, if not the world. How many shoppers see your network weekly?

We see around 15 million shoppers weekly.

I am of the opinion that running 3,600 play out PCs (each with the ability to run individual content) in the 12 countries that we currently service centrally in 16 languages on 115,000 screens, that we are the most dynamic and complex network in Europe (and perhaps even globally).

How many screens do you have per store?



The number of screens varies from store to store based on their configuration.

It's a little hard to say, because many of the stores differ in their configuration. In most stores in Germany, for example, we may be in five departments running five different programming channels. In the Netherlands, we have 16 departments running a total of 16 channels. Our largest store, in

Hamburg, has 56 different channels. But in general, we average between 200-250 screens per store, running an average of five to seven channels. A store may have, for example, a configuration that can include up to 200 screens in the TV department, 16 at the cash wraps, five in the service



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department, six to eight in the entertainment area, 60 to 100 notebook screens and monitors, as well as up to 25 tablets, and three to four in the white goods department.

Do you have any video walls?

Yes. In various flagship stores we have 3x3 and 4x4 video walls at the entrance and in the entertainment department. We also have some other interesting screen placements. For example, in our Berlin store, screens are located inside see-through elevators that are aimed outside the store. This has the captivating effect that passersby can see the digital signs from street level going up and down in front of the store, which is a very interesting placement.



The Saturn store in Berlin has a unique screen placement with screens located inside see-through elevators.

Many retailers would be apprehensive about rolling out a large, complex network such as yours. The investment itself is quite large. How did you manage to get the company to support this program?

We were very disciplined in our approach. We managed it in stages. We started with our television department to enable the consumer to compare brands; we needed to display consistent programming on all models. This was motivated by the fact that we found it to be a good way to get the customer to trade up to more expensive models. Once this was achieved, and we were confident that the system was working and well managed, we then moved to tie in the computer department. We then integrated additional departments and technologies.



The Media Markt-Saturn InStore-TV network started in the television department to enable the consumer to compare brands.



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What were/are some of the greatest challenges faced in deploying a network of this size?

The hardware and software rollout has been challenging, particularly because we operate in so many countries with different languages. Our highly decentralized management structure also requires a lot of store-to-store interface.

How do you manage this large network?

We have a dedicated team of five professionals centrally. In each country where we operate, we have a point person responsible for managing the network, marketing efforts, and for content supervision and approval.

We also created our own seamless web interface to manage all of the players, as well as to create and deliver content. This platform can be used in 14 different languages, and has complex user rights management to ensure that all of the stores can influence the content loop in the local department, local store, in specific regions and/or by country. We also have one outside partner that manages the entire infrastructure so that we can concentrate on the value-added aspects of running the network, such as working with brands that want to advertise on the network.

We talked generally about in-store technologies. Other than digital screens, let's discuss your kiosk program in a little more detail.

We generally have between 12 and 15 kiosks per store. These include the following:

Music Kiosks/Sound Stations: At these kiosks, customers can listen to selected content prior to purchase. They also serve to enable the customer to test equipment, like headphones and computer speakers.

Movie Kiosks: These enable customers to watch movie trailers, see which actors are in the movie, and view a short summary of the plot.

Game Kiosks: Here, customers can watch game trailers and see a short description or screenshots of the game.

Ink Printer Advisor Kiosks: With the many types of printers available, we were finding that customers would come into the store and not recall their printer and the required ink cartridges. So we developed a kiosk that enables customers to easily identify their printers, and the kiosk then identifies the correct ink cartridge and its shelf location.

Interactive Mobile Phone Kiosks: This is a more recent innovation for us, and the kiosks are now only in Austria, Germany, Hungary, and the Netherlands. We implement anonymous video analytics to determine the gender of the customer, and run targeted content. The screen itself is interactive, so customers can specify their equipment and service requirements, and then they receive suggestions. On the equipment side, the recommended phones will light up on a counter so that the customer can pick up and try the phone, for example.



Content and Content Management

How do you ensure consistent communications across the centralized platforms in 457 stores in 12 countries?

Consistency in our customer communications is critical, of course. We ensure this in a variety of ways. First, our agency is charged with creating content to ensure a consistent brand look and feel. Second, we have created various technology platforms for the delivery and management of consistent, pre-approved content.

In terms of the review and approval process, content is first uploaded to our third-party technology partner. Then, for the country in which the content is to be programmed, our country manager reviews the content prior to play out.

What types of content are you running?

It is a combination of videos, pictures, and templates.

What do your programming loops comprise?

More than 30 percent is what I would call general information, such as:

- Media Markt and Saturn television advertisements.
- Hours of operation and other local customized information.
- Service information, such as power service, delivery, repair, and financing services.
- News and weather in a corporate identity-branded look.

The balance of our reel is advertising sponsored by Media-Saturn industry partners, external advertising partners (which tend to be large lifestyle brands), and promotions of our private label brand.

In-store, a loop will run approximately 30 minutes, depending on how many marketing slots in the loop are sold. But the system ensures that the loop will be no longer than 30 minutes to guarantee that the numbers of views sold to advertisers are delivered.

Who creates your content?

General information, as referenced above, is most often created from templates provided by headquarters and agencies of the country groups. The stores can then customize the content to fit their individual needs. Advertising content comes from the brands themselves.

Please describe your content management software that you refer to as your “Donut Shop.”

The Donut Shop is our end-to-end content management software platform. Content is either selected from the library or provided by the advertiser. The sale of advertising is also managed here. The play out function handles day-parts by country, region, and store.

When we created this software, we had four core objectives:

1. National and localized content management.
2. Shared utilization of content.
3. Simple booking and marketing for the sale of local and national advertising.
4. Extensive reporting capabilities.



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We have a very easy-to-use interface that enables our store and even department level users (a responsible person in the country) to manage the content and the bookings individually. It also enables them to have a perfect overview about all the local and national bookings in the booking tool, and all the content in the internationally shared online library.

You have noted that much of the programing can be customized locally, regionally and nationally? Can you describe how this works?

We have created a central library in the Donut Shop of approved content. It is organized by country and category. Most of the content is free, but in certain instances, a country that has created the content may charge a small fee to recoup its production costs. We have thousands of content segments that can be downloaded. Then, different content attributes can be tailored to the audience. Advertising content that comes from the brands can also be customized for the local country/market/store.

Online Library



The "Donut Shop" content management system includes thousands of content segments that can be downloaded and tailored to local and regional customer audiences.



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Donutshop

[DONUTSHOP](#)
[BOOKING TOOL](#)
[ONLINE LIBRARY](#)
[MASTER DATA](#)
[USER MANAGEMENT](#)
MediaMarkt

[User: exchange](#)
[Change my password](#)
[Logout](#)

View filter

Community: [EDIT](#)
 Show categories:

Store: [EDIT](#)
 Date:

Master Donuts for MEDIA MARKT BASEL AG

Departments	O.Brand	Inform	NatSpots A	NatSpots B	NatSpots C	Services	Infotain	Entertain	LocSpots A	LocSpots B	LocSpots C
KASSEL View Edit	4	3	3/8	3/8	3/8	2	22	40	8/4	2/4	3/4
TV View Edit	4	3	3/8	3/8	3/8	3	22	40	8/4	2/4	3/4
Info View Edit	4	3	3/8	3/8	3/8	4	22	40	8/4	2/4	3/4
Infotainment View Edit	4	3	3/8	3/8	3/8	4	22	40	8/4	2/4	3/4
Computer View Edit	4	3	3/8	3/8	3/8	3	22	40	8/4	2/4	3/4
GSM View Edit	4	3	3/8	3/8	3/8	3	22	40	8/4	2/4	3/4
WWW-Marketing View Edit	4	3	3/8	3/8	3/8	3	22	40	8/4	2/4	3/4

In addition to its extensive content library, the Donut Shop software includes sales orders and play verification.



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Technology

Let's talk about the technology that powers this network. What makes it all work?

We have one to two players powering the TV department and in the other departments, each has a player running the screens in that department. When we started the program several years back, we ran Dell OptiPlex 380 with Intel® Core™ 2 Duo Processor E7500 (2.93GHz, 1066MHz, 3MB). We then migrated to Dell OptiPlex 390 with Intel® Core™ i3-2100 (3.10GHz, 3MB). Currently, all new or replacement players are running Intel® Core™ i5. The players running Windows 7 use Intel® GMA 4500 HD Graphics. The servers we deploy in each store run Intel® Core™ i3-540 or Intel® Xeon® E3-1230, and each has at least one extra Intel® PRO/1000 GT Desktop network adapter. Kiosk terminals generally run either on an Intel® Celeron® Processor T1500 (1.86Ghz, 533Mhz, 512K) or an Intel® Atom™ D525 processor. The interactive mobile phone kiosks run on Intel® Atom™ D525 processors. Also, the WiFi chips are generally Intel products. As you can see, Intel can deliver most of the components we need for our solution. We need the extra power to run our data- and media-intensive applications.

Have you thought about adding any of the following enhancements to the network's functionality?

- **Audience analytics to accumulate data such as age, gender, if the screen is looked at and for how long, which would aid in content management and determining an ROI.**
- **Remote manageability, which includes monitoring functionality, schedules repairs/upgrades of players, provides proof of play, shuts down the system to lower power costs, etc.**

These functions are important. They would be nice to have.



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Concluding Comments

How will management ultimately determine the network's success?

This is pretty straightforward for us. The company invested a lot of money to create the network, so success is directly linked to revenue generated.

What advice would you offer a retailer that is considering deploying a large network?

I would say keep it simple when you first roll out. Don't try to do too much too soon. The technology is very robust, but implementing it and getting your staff to leverage it takes time. Also, and this was critical for us, we have one technology partner that handles everything: installation and maintenance, hardware, software, and they even get involved in content. So don't try to save money by trying to do too much in-house.



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Editor's Note: We would like to congratulate Ingolf von Wittken and the entire Media-Saturn team. They clearly are on the leading edge of deploying digital technology in their stores, and are reaping the benefits from these investments in terms of increased customer satisfaction, a lift in sales, and generating advertising revenue. We would also like to thank Media-Saturn Group for allowing Platt Retail Institute to be the first and only firm to publish such a Research Article.