

The Plasma Pivot *White Paper*

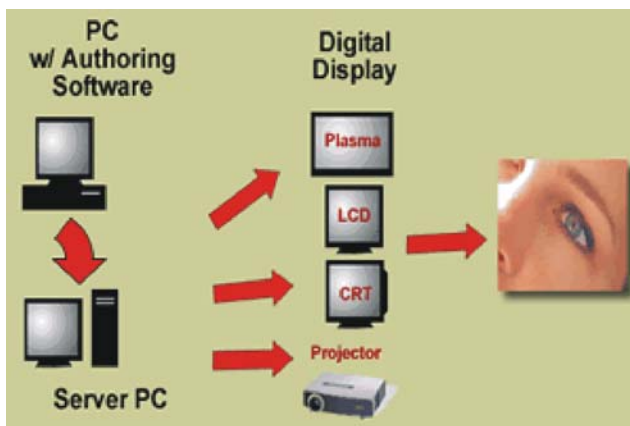
Christopher Wilson, CTS 3-28-08

FLATalk Digital Inc.

When mass production lowered the price of the automobile, putting it within reach of the middle class, its acceptance and development changed the way people lived and worked.

In many ways, the Plasma TV has grown in acceptance and application due to price reductions, changing the way that businesses speak and sell to their customers.

From home entertainment to retail point-of-purchase advertising, large, flat-screen displays have made it easier to show video to a larger viewing group. Whether Plasma, LCD or the new slim rear projection sets using 'Digital Light Projection', with more companies buying, prices have dropped and suddenly an LCD Screen is in the restroom playing vodka ads while you wash your hands.



Digital Display Network



In-House advertising on Plasma

What is a Digital Sign? Essentially it is the management and delivery of robust digital video and audio through computer-controlled networks on large displays to attract a willing buyer or inform a captive audience.

The 6 Major Components of Digital Signs are:

CONTENT - full-motion video/audio showing promotions, messages, and data in the form of graphic designs, news crawls, and internet feeds to advertise products, train employees, or update an audience.

SERVERS –Computer hardware that stores and manages data files [content] for distribution through the network.

MANAGEMENT SOFTWARE – Controls the audio and video content for storage and schedule playback, while tracking performance and monitoring systems, often from a remote location.

NETWORK - Computerized systems of hardware and cabling that ships the message from homeport via WAN/LAN/Satellite/Internet/WIFI to the large flat panel display.

PLAYER PC - A computer or special component that stores and delivers the content according to a schedule.

DISPLAYS - Plasma, LCD, Old-fashioned CRT Television, or LCD projector



Ads can be designed on-line



Portrait Plasma in Food Service

Experience Shows

'Statistics prove that customers are 5 to 10 times more likely to respond to dynamic in-store messages over static displays', as noted by CAP Ventures, Weymouth MA. Additionally, this research firm says two-thirds of buy decisions are made right at the Point-of-Purchase [POP where the product is].

These new large flat screens are eye-catchers, providing a contemporary look for businesses and can now be located on a wall much like a poster or a price card on a shelf.

Exit customer interviews have verified that in-store ad retention on large screens was a very strong factor in making their purchases.

Experience with Eddie Bauer has shown a 30% increase in store traffic when Digital Displays on large screens were used. The use of In-House Advertising of their clothing lines resulted in a 50% sales increase at POP for special sales.

Many other retail businesses have shown a 10% to 25% increase in sales from banks to hardware stores. With the ability to change their message instantly, retailers can push higher margin services or slower moving products in real-time.

It is from this convergence of computers, internet connections and large flat panel displays that the 'Just-In-Time' sales power of the Digital Signage industry was born.

The mass market of advertising is becoming more fragmented and less effective due to TIVO, Satellite TV/Radio and internet addiction. The use of this new focused In-Store Digital Display advertising, which targets customers by type and location, is becoming more important.

Marketing industry execs have seen the benefit of speaking with their customers right on the sales floor. Their shift in advertising dollars is the reason that retail spots on TV, Radio, or Newspaper are collectively down two-thirds in the past 5 years, with funds moving to the internet, in-store promotions and this new Narrowcasting medium.

What the Future Holds

Marketing savvy businesses will be steering their dollars to the Dynamic Digital Advertising company that can handle more of their needs. Whether it is:

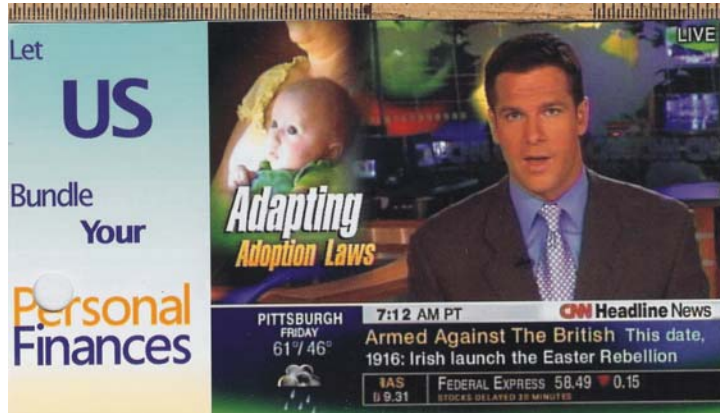
Content Development- there will be growth in public relations companies that design and produce both the printed and the active video ads for these systems

Content Management- advertising agencies that are able to select the exact airport, vitamin store or brew pub where their clients' ads will get results

Web Site Duality- office, store, health club messages will merge and overlap with the daily changes to web sites and with streaming data for weather, stocks or sports scores.

Printed Output- from Digital Color Copiers to Large Format 60" roll inkjet printers, brochures or posters will be designed at headquarters or a select ad agency, sent over the net and printed at store level and displayed on In-Store Screens in the future, eliminating the time and cost of shipping boxes to 1200 stores across the nation.

Marketing Co-ops – will develop by industry such as Auto and Tire Services or Physical Therapist Associations, that will charge for placing your ads on specific Plasma Screens by office or region to get the exact exposure needed for your products, without wasting money on buckshot mass marketing print or standard broadcast tv commercials.



LCD Room Display Plasma Event Schedule Partitioned Plasma w/streaming live video

What the Numbers Say

Joseph McGuire, Pres and CEO of Tweeter Home Entertainment Group of Canton MA, said "Plasma Screen prices have decreased 16% this year which has increased their sales by 54%." He forecasts an improved buying season ahead for his stores for many electronic entertainment items driven by lower cost plasmas. It is forecast that the price of Plasma and LCD Display screens will drop by a factor of 10 in the next 5 years. This will put Dynamic Digital Messaging within reach of all sizes of retail, restaurant or corporations. It is mainly this price drop that has gotten many companies to think about jumping in to Digital Displays. Additionally, having an Internet connection at most businesses and the availability of low cost PC's has also helped with the setup of In-House advertising.

14% of large retailers such as Walmart, Macy's and The Gap already have this rich content management technology in place to advertise to their customer's in-store. Recent newcomers include Target's 'RED CHANNEL' and Albertsons Supermarkets which further validates the benefits of these systems.

A recent article by Deena Amato-McCoy 2005 says, "Based on a 3 year lease, the cost per Plasma display is \$4 per day including hardware/software". Health clubs have realized \$15 per day in ad revenue per screen, which is a great return on investment while allowing use of the plasma for their own messaging in-between ads. That is a 300% return on investment.

The Pivot Point

With the adoption of Henry Ford's Model T, supporting industries were spawned such as Standard Oil's chain of filling stations, Goodyear's tire outlets and Howard Johnson's travel accommodations.

The Japanese have developed our US technology in plasma gas panels and geared up low cost production in China. The growth in sales has ignited other industries including consumer Home Theater, Control Systems [airports/security/monitoring] and Dynamic Digital Media, which is specifically forecast to expand 500% in the next 7 years. How many industries can expect that? The plasma has proven to be the pivot that has turned advertising back into most favored status.

Christopher Wilso.CTS has focused on Digital Signage for Health clubs, Education and the Medical segments for several years in the Boston area before relocating to Utah for a business startup called FLATalk Digital Inc.