

# MegaPoster qualification system

## Price calculation of MegaPoster sites:

Due to the transition to 28-day posting periods and because of the lack of pricing transparency in this market, APG|SGA has decided to promote outdoor advertising with oversize formats by introducing a qualification system for price calculation purposes.

## The process involves four advantages:

1. The value assessments on the buyer and seller sides can be harmonized on the basis of performance and quality-related aspects.
2. The advertising industry benefits from objective, reviewable media costs.
3. In media plannings, the individual sites gain significance for national campaigns.
4. The assessment of competitive bids stimulates the market and creates price stability.

## The survey system is based on four fundamentals:

1. Frequency counts from Monday to Friday (7 AM to 7 PM) with four 6-minute samples during various periods (rush and normal hours) throughout a day.
2. Separate situation-driven measurements for the „private traffic“, „public transportation“, and „pedestrian traffic“ categories.
3. Each count is taken where there are realistic opportunities to see at the site of the respective MegaPoster.
4. Seven elementary quality criteria are considered per category to assess the extrapolated absolute OTS ratings:
  - The distance that assures good visibility
  - The influence of natural, permanent viewing obstacles
  - The distractive power of the surroundings
  - The technical complexity of traffic
  - The angle of the MegaPoster site versus traffic flow direction
  - The impact of the MegaPoster format
  - The optimizing effect of illumination

## Pricing based on random sampling measurements:

1. The calculated 6-minute value (from all samples, Mon to Fri, 7 AM to 7 PM) is extrapolated to obtain a working day exposure. This OTS value is extrapolated to a full 20-day period.
2. Based on the period value for Mon to Fri, 7 AM to 7 PM, the pro rata OTS values are separately estimated per category for Mon to Fri, 7 PM to 7 AM.

Based on the 1-day value for Mon to Fri, 7 AM to 7 PM, the pro rata OTS values are separately estimated per category for Sat and Sun (both for 7 AM to 7 PM) and computed for 4 days per period.

## Example of a full OTS calculation:

		Private traffic	Public transportation	Pedestrian traffic	Total traffic
<b>Contact chances:</b>					
Random sample 1	(6 min.)	58	13	9	
Random sample 2	(6 min.)	61	11	8	
Random sample 3	(6 min.)	55	9	7	
Random sample 4	(6 min.)	174	25	11	
Random samples per hour	Ø	870	145	88	
Extrapolation per day	7 AM -7 PM	10 440	1 740	1 050	
Extrapolation per period	Mon-Fri, 7 AM -7 PM	208 800	34 800	21 000	
Pro rata per period	Mo-Fr, 7 PM -7 AM	41 760	3 480	3 150	
Pro rata per period	Saturday, 7 AM - 7 PM	25 056	1 914	1 208	
Pro rata per period	Sunday, 7 AM - 7 PM	12 528	1 914	1 208	
OTS per period, unweighted		288 144	42' 08	26 565	356 817
Total points before quality factors		700	700	700	

The survey

Estimated percentage according to official traffic counts.

= Øday 12 743 contacts

**The parameters for the media price of a MegaPoster are OTS and CPM:**

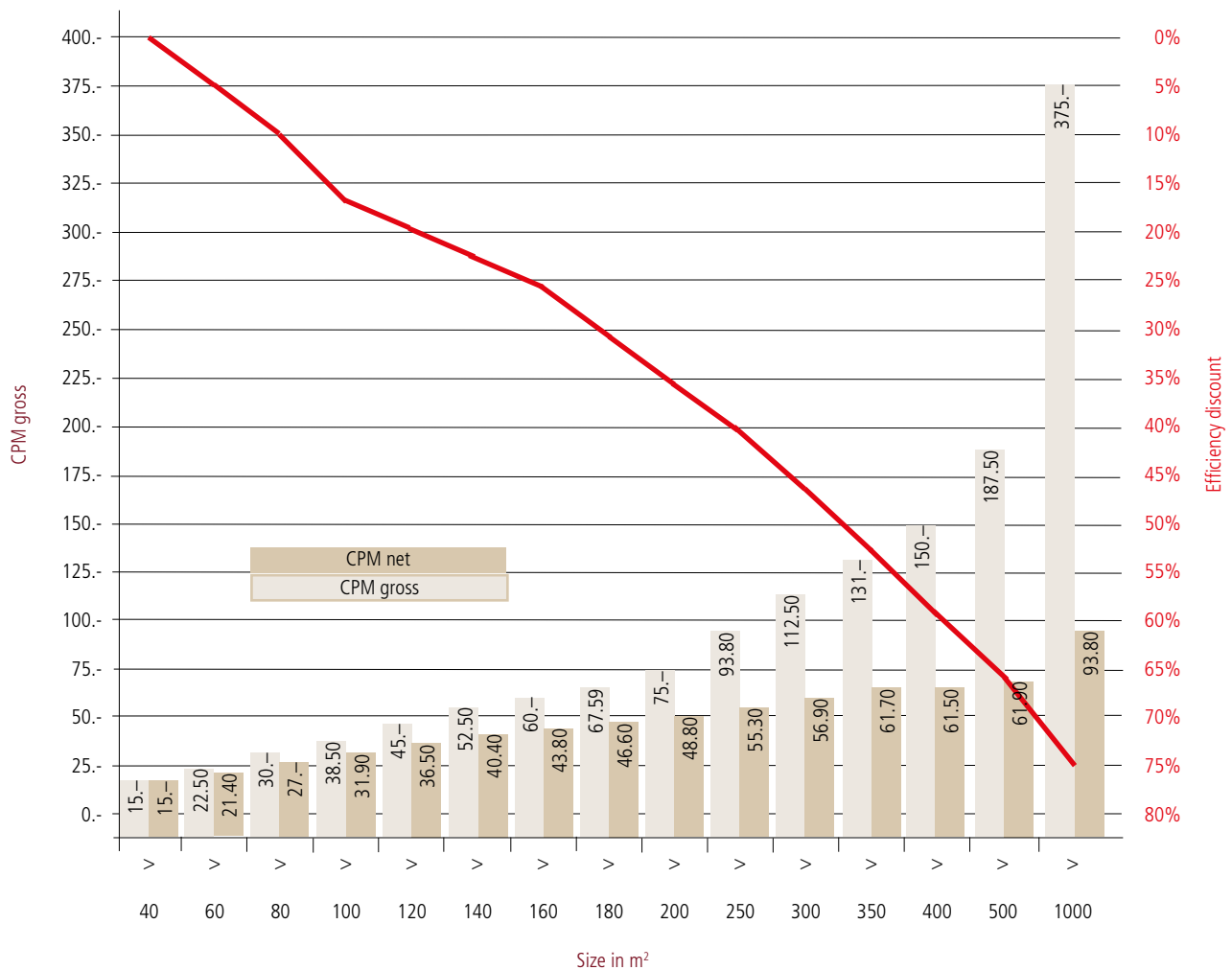
APG|SGA defines its prices according to a CPM (cost-per-thousand) scale based on MegaPoster sizes. A so-called efficiency discount is assigned to each size. Relative to a 40-m<sup>2</sup> format, a larger MegaPoster is thus actually less expensive. The media price of a MegaPoster is calculated by multiplying the CPM for verified OTS (opportunities to see) by 1,000.

**Media prices:**

Examples with a performance rating of 750,000 OTS:

40 m<sup>2</sup> = CHF 11 250.- / 120 m<sup>2</sup> = CHF 27 375.- / 180 m<sup>2</sup> = CHF 34 950.-

**CPM's and efficiency discounts:**



**Conditions:**

APG|SGA grants an agency commission (AC) of 5% on media prices to advertising and media agencies. In addition to media prices, APG|SGA separately lists and invoices the production cost of the MegaPoster, installation, removal, illumination, and VAT where legally required.

**Implementation of OTS measurements:**

The survey system was developed on behalf of APG|SGA by Chollet MediaExpert (a media and consulting agency) which also conducted the surveys in September 2002. The extrapolations and pro rata estimates are continuously reviewed in cooperation with sales representatives at APG|SGA.