



STRANDVISION
MAKE THE WAIT WORTHWHILE™

StrandVision

A New Approach to Digital Signage

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Introduction

StrandVision LLC is a Digital Signage company based in Eau Claire, Wisconsin. It uses a network of registered affiliates, installers and resellers to deliver low-cost, high-availability hosted digital signage services directly over the Internet to televisions and computer displays in subscribers' offices and businesses.

StrandVision's easy-to-setup and easy-to-update Web-based patent-pending service enables administrators and authorized users to use standard Internet-connected personal computers with Windows, Mac or Unix/Linux-based operating systems to maintain and quickly distribute text messages and graphics, including advertisements and video content, national and local weather and news, and other information of interest. It is ideal for medical and dental offices (patient education), banks (video merchandising), industrial distributors (vendor-sponsored advertising), employee break rooms (events and benefits) and other business applications. (See a more complete list in "[vertical markets](#)" below.)

Digital signage overview

Digital signs are the active signs that you see in lobbies, along roadsides and at airports. There are literally dozens of names that can be used to describe digital signs, including narrowcasting, datacasting, digital in-store merchandising, retail television, electronic messaging, captive audience networks, digital messaging, electronic billboards, dioramas, video merchandising, etc. You can probably think of others. Essentially, digital signs use regular televisions, LCD, plasma or custom-designed displays to deliver information and advertising to viewers in the area. The Times Square display in New York is the prime example of an extremely large-scale digital display.

It's not a kiosk

The word kiosk is a common term that is sometimes confused with digital signage. Kiosk often refers to the physical unit that displays information. As a result, you will see many hardware vendors that build displays into units refer to themselves as kiosk manufacturers.

Another interpretation of kiosk, one which is more akin to digital signage, refers to interactive units that allow consumers to complete transactions or query information. The prime example of this type of kiosk is the bank ATM. Also growing in prominence are self-checkout kiosks, tourist information stations, ticket dispensers, etc. Many kiosks are connected to financial networks and support actual monetary transactions. All kiosks have one thing in common – they enable users to enter information and receive a response to the inquiry.

Digital signage is its own market

Digital signage, on the other hand, refers to non-transaction-oriented information displays that may or may not include audio, full-motion video and other enhancements. Digital signs inform customers, prospects, employees and other constituencies. The information can include product promotions (including paid advertising), hours of operation, weather, news, etc. There are [more ideas listed](#) later in this paper.

Digital signs are significantly easier to install and maintain than kiosks since they are one-way and do not have to support complex transaction-based operations. In some ways, digital signage installations are much more similar to installing high-end audio and video systems than they are to installing complex two-way communications systems.

The business case for digital signage

Market size/growth

The digital signage market is huge, projected to be almost \$1.9 billion this year! (Archi-Tech – “Hot Trends: Digital signage -- Dynamic networks experience explosive growth” <http://www.architechmag.com/articles/detailArchitech.asp?ArticleID=2930>). And it is largely untapped! It is growing exponentially, primarily in large businesses that can afford the investment. At StrandVision, we believe that the market potential will be even greater as the costs of displays, networks, and especially system management and administration come down. StrandVision is leading the way by offering affordable digital signage software solutions.

Market Segment	Market (000s)	Digital Sign Location	Message Content
Offices and clinics of doctors, dentists, chiropractors	515	Waiting room, exam rooms	Health training, supplier-funded product marketing
Grocery stores	75	Entrances, aisles	Specials, supplier-funded product advertising
Automotive services	37	Waiting room	Area business-funded promotions, store promotions, training
Fitness centers	24	Entrance	Member recognition, upcoming events, related product promotions
Hotels over 25 employees	14	Lobby, in-room channel	Area restaurant and store-funded product advertisements, in-hotel amenities
Commercial banks	6	Lobby, teller lines, drive up lanes	Additional products/services offered, community involvement
Businesses over 15 employees	800	Lobby, employee break areas	Upcoming events, company mission, personal/department achievements, community involvement, customer testimonials
Total:	1,471		

(source: ZapData.com - 2004)

Digital signage – expensive/cheap

Expensive technology limits growth

The current business model for digital signage supports large companies with significant communications budgets. In some ways, it is similar to the video conferencing market of only a few years ago. That's when companies would have a special telephone line connecting a few dedicated rooms; perhaps one in New York, one in San Francisco and another in Hong Kong or Paris. People would go to these rooms to have “virtual meetings.” The technology cost tens of thousands of dollars and companies also often had a part- or full-time person dedicated to scheduling and maintaining each room. Needless to say, only a few companies had these facilities.

Now, technology has evolved and video conferencing costs a fraction of what it once did. In fact, it's free through some Web-based services. Also, using the Internet, meeting participants can attend meetings right at their desks.

Today, complete digital signage installations often cost tens of thousands of dollars per screen. We've seen small banks with about a half dozen branches pay \$10,000 - \$15,000 per year for a few digital

signs. Larger installations quickly get into the six-figure range for software, licensing and annual maintenance fees.

In addition, the installations require significant onsite investments in equipment and infrastructure. To top it off, digital signage administration is often so complex that it requires graphic and technical specialists who interact with other companies just to change a slide. This can add hundreds or even thousands of dollars for a simple refresh of the information. That means that every time a small bank, for instance, wants to update the mortgage rates on its digital sign, it has to go back to the service provider, submit the change, possibly wait days for the update, and pay for the inconvenience – clearly, a less than optimal situation in today's fast-paced business world.

Cheap technology limits capabilities

So, what do small organizations do if they want to present dynamic information to their patrons? They set up a personal computer (generally an old one because they don't want to spend the money) and loop some presentation software, such as Microsoft PowerPoint. Ignoring the fact that there are costs associated with buying software for each station, this approach does get the job done at some level. Yet, it demands a lot of onsite administration, satisfies only one station at a time, requires constant monitoring to make sure it is still working and makes it virtually impossible to have coordinated messages across different locations, much less different messages targeted to specific customer demographics.

Think of the challenges that a small retail chain would face in trying to have the same promotional message shown in just a dozen retail stores when it relies on store managers to maintain and update a PowerPoint presentation. It just wouldn't happen in anywhere close to a timely manner.

StrandVision takes a new approach

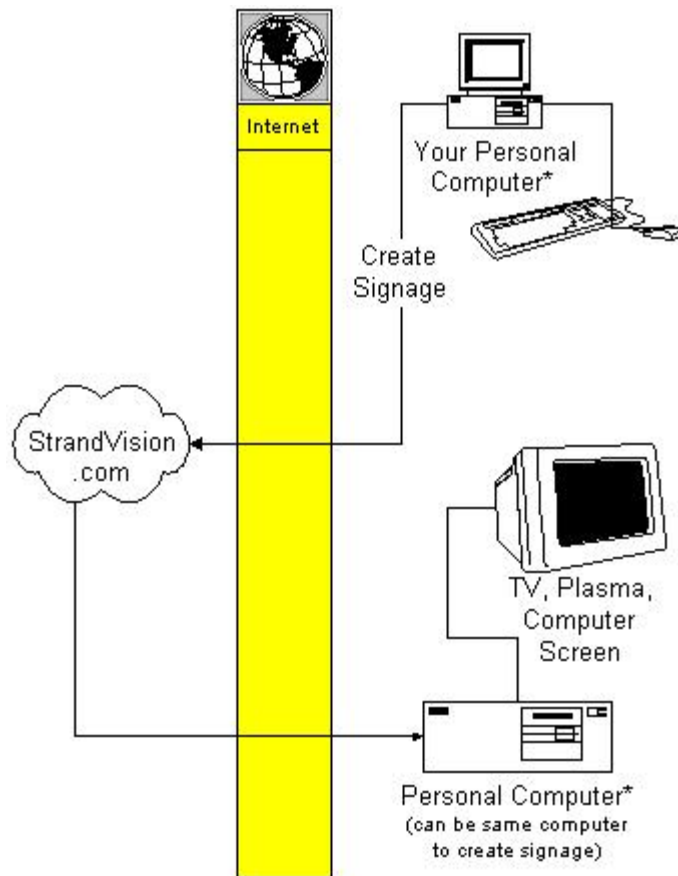
StrandVision is taking a different approach to digital signage that promises to shake up the industry. Using a patent-pending process, StrandVision delivers digital signage content over the Internet from our network of servers. This is generally referred to as an ASP (Application Service Provider), hosted or Web Services model. StrandVision's approach is designed to give maximum functionality and ease of use with a minimum of complexity and cost.

The benefit of this approach is that you do not need to install and maintain special computers or servers on site. This means that you do not have to make a big upfront investment in hardware and software; you don't even have to make a big investment in networking if you already have a DSL or similar-class Internet connection (which most businesses do), and any wired or wireless Local Area Network.

The interesting technology that supports our approach is in the digital signage design and player. We have developed a system that enables you, our customers, to use a standard Web interface to set up, update, maintain and play your own content. It's easy to create slides right on the StrandVision site, create database content, upload graphics, select StrandVision-provided feeds, such as local weather and news, and select other content. A couple of clicks of the mouse, a little typing, and it's all set. Most of our customers assign content administration to staff people who have little or no technical expertise.

Full service

StrandVision delivers virtually all of the services offered by the more complex and expensive vendors. It includes sign "pages" that cycle through at regular intervals. The pages can include graphics, text crawls and other animation features. StrandVision also includes national and local news and weather, and other information feeds, such as trivia, thoughts for the day, etc. Pages can be scheduled to play when the target audience is nearby. Optional services include full video playback and system and graphics design.



*StrandVision works with any Macintosh, Windows, Linux or Unix personal computer with an Internet connection

All that you need are:

- A basic PC running Unix/Linux, Mac or Windows
- A dedicated Internet connection
- A sound card if using audio
- A Web browser that supports Javascript and Flash (Internet Explorer 3.0, Netscape 4.0, FireFox and most others)
- A viewing device (computer monitor, television, LCD, plasma or other display)
- A video and audio converter if driving a television screen (many monitor cards have this built in)
- A wired or wireless LAN

Think of the benefits:

- Much lower cost
- Dedicated 24/7 server support for instantaneous content changes
- Reduced onsite investment (no server required)
- Easy updates and administration (any authorized non-technical person can do it)
- No waiting or additional charge for a service provider to update content
- Central control of the content
- The ability to show the same (or different) content at several locations
- The option to incrementally roll out installations without major upfront costs

StrandVision opens digital signage to smaller businesses

StrandVision is opening a new frontier for digital signage with this new low-cost approach. Now, smaller businesses, community banks, franchisers, doctors with one or several offices, non-profit agencies, industrial distributors and others ([See Markets below](#)) can afford to install digital signage systems.

Pricing

StrandVision's subscription approach to digital signs has several benefits. It drives down the cost of implementing digital signs, especially for the first sign, since the entire infrastructure does not have to be built. Additional displays can also be added inexpensively.

Monthly subscription MSRP rates start at \$54.95 for the first display with discounts available for multiple displays. The monthly subscription rate is less than consumers (never mind businesses) pay for cable television service. Typical hardware installations have no up-front installation costs if the computer, network and display are already there. If not, the cost will range from \$800, for the computer and display only, to \$3,500 per location for a complete system with plasma screen.

StrandVision offers several add-on services, such as additional pages, bandwidth, animated graphics, video, dedicated servers and consulting services for custom capabilities. We are also researching and developing several other optional services. (See [Appendix A](#) for complete pricing.)

Markets/Opportunities

StrandVision digital signage applies to virtually any business or organizational communications need. Digital signage provides a number of ways for businesses to increase sales and communicate with prospects and customers. It is significantly less expensive than television advertising and even local newspaper advertising. It has the added advantage of reaching customers and prospects when they are most accepting – when they are waiting for services either in a waiting room or in line.

Digital signs decrease customers' perceived wait time by allowing them to view interesting content, which increases customer satisfaction and leads to repeat visits and purchases. People waiting for service in queues, lobbies, or waiting rooms might see a digital signage page that focuses on a new product, service, or a special promotion being run for the day, week or month.

StrandVision digital signage can also show updated national and local weather, news, stocks, trivia – any number of optional feeds. It also enables businesses, health care professionals and organizations to sell digital signage advertising time to their own suppliers, which can become another revenue stream that can easily exceed the costs of operating the system while it increases impulse sales of advertised products.

Whether you use digital signs strictly to inform your employees, prospects and customers about products and other news, or generate advertising revenue from suppliers and partners, digital signs improve your customers' experience.

Marketing and Visitor Communications

Display Options

- Large TV or plasma screen
- Smaller TV or computer monitor at product displays
- Multiple branches can show same or customized content
- Simple text and graphic slides or full video (with or without audio)

Possible Signage Content

- Sponsored vendor advertising
- Product promotions
- Current and upcoming specials
- Business hours
- Return policies
- Delivery truck schedules and routes
- Training opportunities
- Employee recognition, birthdays, awards, etc.
- Customer profiles and quotes

Return on Investment

- Increases sales
- Costs significantly less than newspaper or television advertising
- A new revenue stream from vendors
- Indirect payback:
 - Demonstrates that you are technology - and future-oriented
 - Shortens customers' perception of wait time and increases customer satisfaction

Vertical markets

StrandVision can be used in support of virtually any market. In fact, we are learning about new ones every day and we're sure that you will think of some new ones for your business, as well. Here are some examples.

Bank and credit union lobbies and drive-ups

- Business hours
- Current interest rates
- Financial advice
- Community involvement
- Special programs being offered
- Recognition of helpful employees
- Customer quotes and awards

Healthcare facilities, lobbies and waiting rooms

- Office hours/procedures for making appointments
- Patient education - health tips, heart, dermatology information, etc.
- Frequently asked questions and answers
- Insurance, Medicare, Medicaid information
- Healthcare provider biographies
- Hospital information and facility locations
- Advertise technologies, drugs or treatments

Industrial distributors

- Sponsored vendor advertising
- Product promotions
- Specials
- Business hours
- Return policies
- Delivery truck schedules and routes
- Training opportunities
- Employee recognition, birthdays, awards, etc.
- Customer profiles and quotes

Schools, universities and colleges

- School announcements
- Upcoming school sporting events and club meetings
- Guest speakers/presentations
- Cafeteria menus
- Student and faculty recognition
- Weather and weather advisories
- Parent/teacher conference information
- Internships
- Community information

Hotel lobbies and guest rooms

- Hotel information/policies
- Pool hours and locations
- Cross-promotion with in-house restaurant
- Weather
- News
- Frequent traveler incentive advertising
- Local business advertising and promotions
- Community events
- Sports schedules

Grocery and convenience stores

- Paid advertising by suppliers
- Current and upcoming specials
- Customer quotes
- Business hours
- Local and national news
- Employee recognition and awards
- Community involvement
- Rewards program information
- Holiday store closings

Tradeshow display exhibit

- Business location
- Tradeshow special offers
- Product descriptions and photos
- Product features and benefits
- Services offered
- Tradeshow booth meeting and staffing schedule
- Prizes being given away at the tradeshow
- Winners of drawings or prizes
- Video of product being used
- Recognition of loyal customers
- Recognition of helpful employees
- Customer quotes and awards

Entertainment park industries

- Park hours with the current time listed
- Upcoming events and specials to get people to come back
- Show time schedules
- Food or product specials in other areas of the park
- Specials targeted to increase sales during off-peak days/times
- Employee recognition
- Promotions and messages tied to the weather
- Public safety and evacuation information
- Promotions at shops near the exit at closing time to speed park exit

Employee Communications

Digital signage reaches employees when they are most accepting – in a break room, the cafeteria, manufacturing areas, or even in the fitness center. Digital signs, with or without audio, can be strategically placed to instantly update employees about performance results, benefits, health & safety, events, holidays, activities and teams, local weather, news and trivia. Digital signs can even be used to manage rumors, provide instant rewards on a company-wide basis and make employees aware of upcoming announcements.

Delivered through televisions, StrandVision Digital Signs are unobtrusive and give employees a passive way to receive news. Organizations eliminate the time and expense of printing and distributing notices. They can also use digital signs to provide an additional way to increase visibility of the other communications channels to make sure that they reach every department in a timely manner. With StrandVision's Web-based administration, it is easy for both corporate HR and local management to update the digital sign and contribute content.

Display Options

- Large TV or plasma screen in the cafeteria
- Smaller TV or computer monitor in team break areas
- Multiple locations can show same or customized content
- Simple text and graphic slides or full video (with or without audio)

Possible Signage Content

- Employee benefits
- Health & safety information
- Emergency procedures
- Production awards and recognition
- Company news, sales results and stock ticker
- Safety milestones (days between incidents updated automatically by StrandVision)
- Upcoming events and holidays
- Periodic department performance results
- Activities and team schedules and scores
- Customer satisfaction and training tips
- Promotions
- Certifications and other education accomplishments
- Insurance enrollment notices
- Product introductions
- Rumor control

Benefits

- Low-cost, timely information
- Virtually instant universal updates across facilities around the world
- Reach every employee (no misdirected paper flyers)
- More reliable than bulletin boards
- Passive communications using a universal medium (television)
- Allows multiple authorized content contributors
- No training required – any non-technical person can maintain it

Why StrandVision

StrandVision's successful launch

Mike Strand, StrandVision founder and CEO, has a successful track record in building technology companies. He launched StrandWare, which became one of the leading barcode labeling software companies, in 1988. He sold StrandWare to Brady Companies in 2001.

People believe in Mike's new company, StrandVision. Mike began working on the concept in 2004. Since that time, he has concentrated on getting the technology right and on proving the business concept. He has succeeded in both regards: StrandVision was awarded first place in the Information Technology/e-commerce category of the 2005 Wisconsin Governor's Business Plan Contest, organized through the Wisconsin Technology Council; and the Emerging Growth prize in the 2005 Create Your Own Business Competition, presented by the Eau Claire Area Economic Development Corporation (EDC).

StrandVision has also received \$250,000 from the Chippewa Valley Angel Investors Network LLC to fund both technology and marketing startup operations.

StrandVision's technology

Strand has already invested over two years in developing the digital signage infrastructure and player. The company's developments are proprietary and Strand has applied for patents to protect his innovations. The technology behind StrandVision is solid and scalable with four Web servers active in the system with others easily added as demands require. The Internet delivery methodology takes advantage of several proven and reliable technologies, and relieves both resellers and business customers from the burden of developing, implementing and supporting more complex and costly systems.

StrandVision offers both demos (<http://www.strandvision.com/?sample>) and free trials (<http://www.strandvision.com/?adduser>) on its Web site and backs up its offerings with solid technology, strong marketing and a reputation for integrity. Visit StrandVision at <http://www.strandvision.com>, email sales@strandvision.com or call 715-833-9501 X200.

Appendix A (Pricing)

Just like our services, StrandVision's subscription packages are simple, straightforward and cost-effective. If you want, we can help you select the right package for your needs. We also work with [many partners who provide specialty digital signage hardware](#). You can get the same "direct" pricing even if you use the services of one of our [talented partners who will install your system for you](#). There is no fine print, but you should be aware that there is a non-refundable, non-recurring setup charge of \$150.00 per activated billing address.

Subscription Package	Price Per Year
Basic Package - Standard subscription includes support for one playback location (business location) with support for animated weather radar, 4MB of data, image and sound storage and 50 digital signage content pages. Fully upgradeable. The system will provide alerts if these resources are running low. (Display time 50 hours/week)	\$659.99
TV Playback Package - Includes the Basic Package, split screen and local streaming video options. Fully Upgradeable (Display time 24/7)	\$999.99
Streaming Video Package - Includes the Basic Package, split screen, local streaming video, unlimited playback of up to 5 minutes of video content stored on the StrandVision server. Fully upgradeable. (Display time 24/7)	\$1,799.99
Gold Package - Includes the Basic Package, split screen, local streaming video, unlimited playback of up to 5 minutes of video content stored on the StrandVision server and secure transmission options. Fully upgradeable (Display time 24/7)	\$2,499.99
Platinum Package - Includes the Basic Package, 200 additional pages, split screen, local streaming video, unlimited playback of up to 60 minutes of video content stored on the StrandVision server, 10 additional databases, secure transmission options. (Display time 24/7)	\$4,999.99

Options

Subscription	Price Per Year
Datacall Subscription - Provides a seamless connection to Datacall Technologies dynamic subscription content. Includes support for Financial, Sporting, Trivia and other real time information. Does not include traffic conditions.	\$999.99
Additional Screen Displays - Identical / duplicate signage of one subscription account on another PC	\$299.99

Prices are in U.S. dollars and subject to change without notice.