



**AdsML[®] Framework for E-Commerce
Business Standards for Advertising**

The Vision of AdsML

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1 AdsML Standard Documentation

1.1 Document status and copyright

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AS OF THE DATE OF THIS REVISION OF THE SPECIFICATION YOU MAY CONTACT THE AdsML Consortium at www.adsml.org.

1.3 AdsML Code of Conduct

The AdsML Code of Conduct governs AdsML Consortium activities. A reading or reference to the AdsML Code of Conduct begins every AdsML activity, whether a meeting of the AdsML Consortium, AdsML Working Groups, or AdsML conference calls to resolve a technical issue. The AdsML Code of Conduct says:

Trade associations are perfectly lawful organizations. However, since a trade association is, by definition, an organization of competitors, AdsML Consortium members must take precautions to ensure that we do not engage in activities which can be interpreted as violating anti-trust or other unfair competition laws.

For any activity which is deemed to unreasonably restrain trade, AdsML, its members and individual representatives may be subject to severe legal penalties, regardless of our otherwise beneficial objectives. It is important to realize, therefore, that an action that may seem to make "good business sense" can injure competition and therefore be prohibited under the antitrust or unfair competition laws.

To ensure that we conduct all meetings and gatherings in strict compliance with any such laws and agreements in any part of the world, the AdsML Code of Conduct is to be distributed and/or read aloud at all such gatherings.

- There shall be no discussion of rates, fares, surcharges, conditions, terms or prices of services, allocating or sharing of customers, or refusing to deal with a particular supplier or class of suppliers. Neither serious nor flippant remarks about such subjects will be permitted.
- AdsML shall not issue recommendations about any of the above subjects or distribute to its members any publication concerning such matters. No discussions that directly or indirectly fix purchase or selling prices may take place.
- There shall be no discussions of members' marketing, pricing or service plans.
- All AdsML related meetings shall be conducted in accordance with a previously prepared and distributed agenda.
- If you are uncomfortable about the direction that you believe a discussion is heading, you should say so promptly.

Members may have varying views about issues that AdsML deals with. They are encouraged to express themselves in AdsML activities. However, official AdsML communications to the public are the sole responsibility of the AdsML Consortium. To avoid creating confusion among the public, therefore, the Steering Committee must approve press releases and any other forms of official AdsML communications to the public before they are released.

1.4 Document Number and Location

This document, Document Number AdsML2.0-Vision-AD-3, is freely available. It is located at the AdsML website at <http://www.adsmml.org/>.

1.5 Abstract

This document provides an introductory overview of the vision and business benefits of the AdsML Framework.

1.6 Audience

The intended audience for this document is any prospective user of AdsML, interested parties, and the AdsML Consortium.

Comments on this document should be addressed to the Technical Working Group of the AdsML Consortium (technical.wg@adsmml.org).

1.7 Purpose of this document

This document is meant to provide a high-level introduction to AdsML.

1.8 Accompanying documents

This document is part of the AdsML Framework, which contains a suite of related documents. Readers of this document are assumed to be familiar with the full range of relevant AdsML documentation. A description of the entire document set can be found in the *ReadMeFirst* html file associated with this release of the Framework.

1.9 Change History

Draft	Date	Changes	Author
AD 2	October 2006	Updated AdsML references to reflect Registered Trademark	TS

		status	
AD 1	June 2006	Updated the roadmap Document Approved by the technical working group	TS
PD 1	September 2005	First public draft	TS

1.10 Acknowledgements

This document was written by Tony Stewart as part of an Ifra Research Report. It was then approved by the AdsML Technical Working Group for distribution with the AdsML Framework. Our thanks to Ifra for sponsoring the development of this material.

The illustrations demonstrating the complexity of the advertising workflow were adapted from a presentation by Katsumi Hayashi of Nippon System Gijutsu Co.

1.11 The AdsML Consortium

The documents comprising the AdsML standard were written by the AdsML Technical Working Group, a committee charged with creating the consortium's technical deliverables, and then approved by the entire membership.

More information about the consortium can be found on the consortium's website: www.adsml.org.

2 The Vision of AdsML

According to its Charter document, the mission of the AdsML Consortium is 3-fold:

- to create an internationally-adopted set of specifications and associated business processes for the electronic exchange of business information and content for advertising
- to simplify and accelerate business interactions
- to facilitate use across multiple media in both current and future environments.

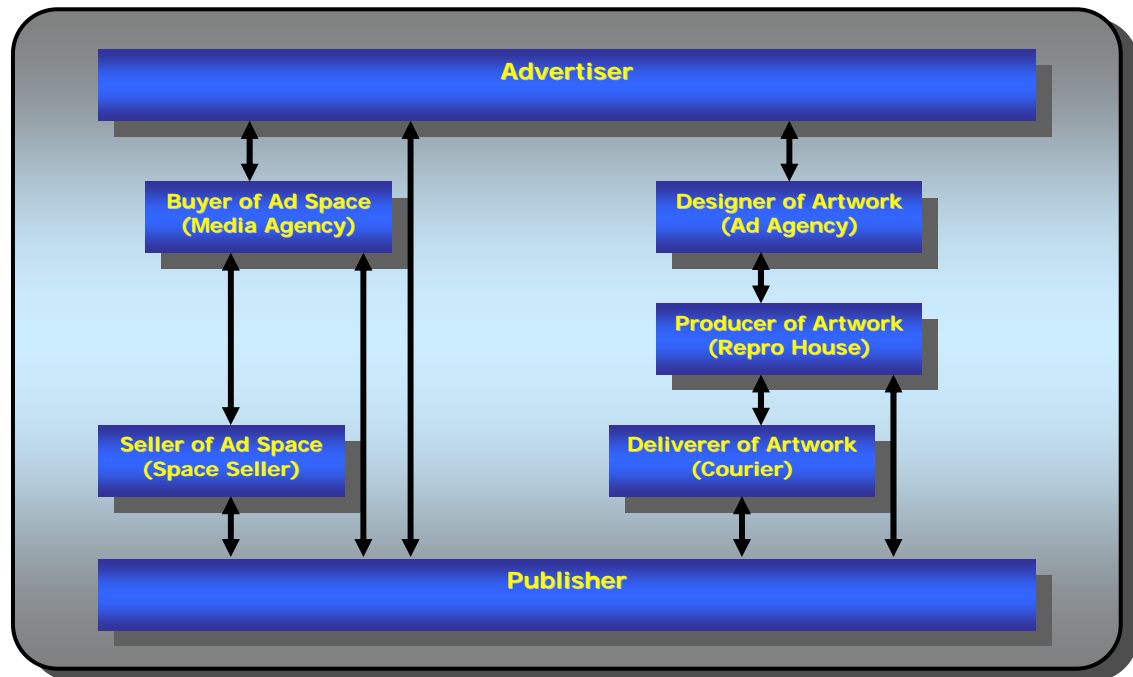
This dry, somewhat technical statement masks the simplicity and power of what the AdsML Consortium aims to do. Stated informally, AdsML's vision is **to tie together all of the parties involved in producing, booking, distributing and publishing an ad as if they all used the same software system** – but without actually requiring everyone to switch to a different software system or vendor.

In order to understand what this would mean in practice, we first need to pull back and look at the advertising workflow as a whole.

2.1 The Advertising Workflow

AdsML defines the advertising workflow as including all of the activities and organisations involved in planning, purchasing, creating, delivering and publishing (or broadcasting) an advertisement. In practice, the Consortium has initially chosen to focus on a subset of those activities: the processes involved in buying, selling and paying for a booking, and then creating, preflighting, delivering and receiving the ad materials used in that booking.

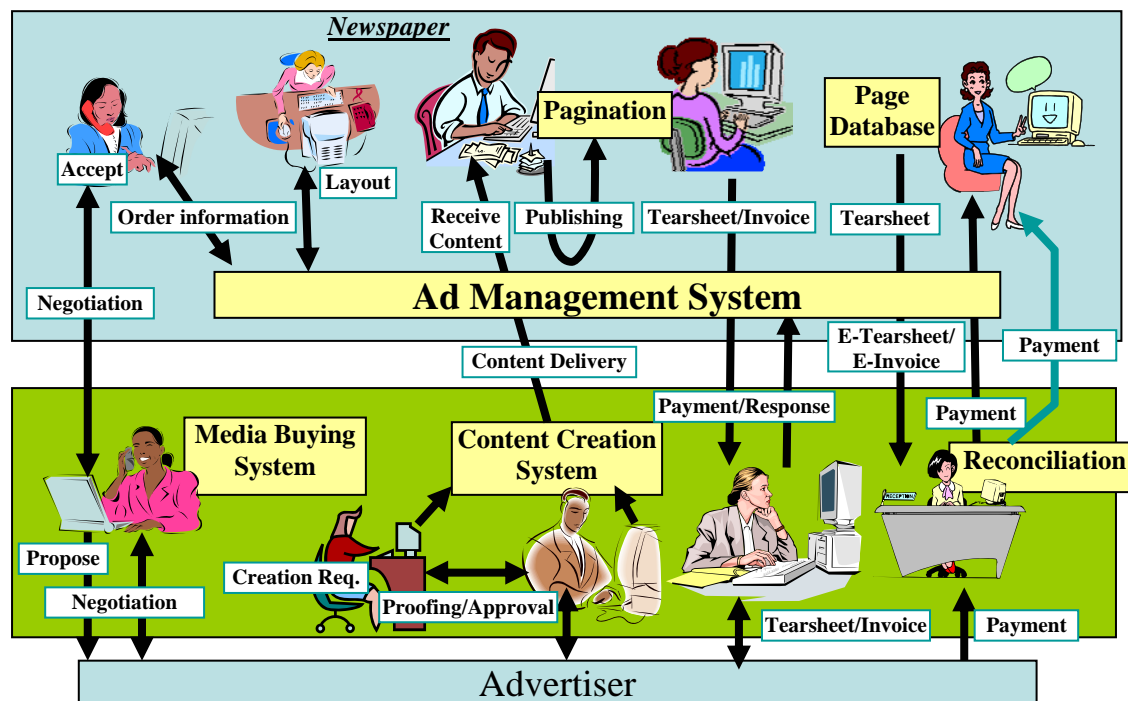
When seen from 30,000 feet, these parts of the advertising workflow look like this:



This simple diagram shows an advertiser at the top and a publisher at the bottom. There are two main workflows: on the left side of the diagram, a series of intermediaries (ad buyers and ad sellers) negotiate the booking of an ad and then its eventual invoicing and payment. On the right side, a different set of intermediaries design, produce and deliver the ad to the publisher. The arrows represent various types of communications between them, though the nature of the information (bookings, artwork, proofs, etc.) and the channels through which it moves (phone, fax, email, ftp, etc.) are not indicated.

From 30,000 feet we don't see any of the complexity or details, just two sets of arrows that represent two parallel yet disconnected flows of information between the various parties. Yet even from this height we can see that each of those arrows provides an opportunity for AdsML-based e-commerce, because whenever people from different companies exchange advertising information, it is likely that they are using mechanisms that could be improved by the use of AdsML messages.

Most of us have a hard time recognizing our world in terms of boxes and arrows. It is perhaps more appropriate to think of the advertising workflow as looking something like this:



This illustration was adapted from a presentation about a particular regional market, and does not claim to accurately depict all of the parties and information flows. However, it does a much better job than our 30,000 foot view of showing the wide variety of people and systems involved in the placement and delivery of a single advertisement.

Just as with the 30,000 foot view, each arrow represents a point of communication between people using different software applications and often working for different organisations. These arrows indicate opportunities for inefficiency, errors and misunderstandings. And also, they indicate opportunities to use AdsML-based messaging to tie all these applications together as if they were part of a single, unified system.

2.2 Example: Ordering an Ad

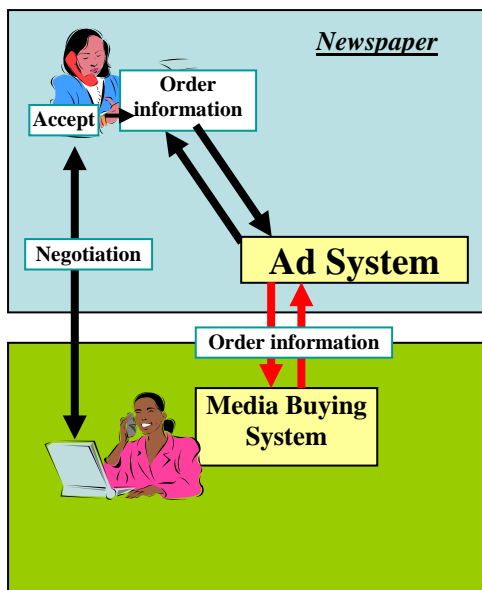
For example, consider what happens on the far left side of the illustration, where a media buyer places an order with a publisher's sales representative. Right now, because the buyer and seller work for companies that use different, independent software systems, the process is often manual and error prone. Typically, after the negotiations have been completed, the ad buyer types the details of the booking into her system, and then sends a fax or email containing the order to the seller. Often this step is automated, in that the buyer only needs to press a button to send the fax or email. But when the seller receives the order, she still has to re-type the same information into her system.

This duplication of data entry not only wastes effort, because both parties have typed the same information, but also creates an opportunity for error. A simple typo can have major consequences: the wrong ad, the wrong date, the wrong publication. And the problem is compounded if either party later needs to change or cancel part of the order. Each change triggers another round of phone calls, faxes or emails, which lead to duplicate data entry by both the buyer and the seller, and more chances for error.

The AdsML approach to situations like these is to design, or “standardise”, a set of electronic messages that can be sent automatically between the two software systems. These messages – which have names like “Ad Order”, “Response to Ad Order”, “Ad Order Change” and “Ad Order Cancellation” -- mimic many (but not all) of the interactions that occur between the buyer and seller. In particular, AdsML messages are intended to replace the repetitive, error-prone parts of the transaction, freeing up the participants for what they do best: in this case, negotiate the best match between the buyer’s requirements with the seller’s offerings, and then if necessary, decide how to deal with any changes that may arise later.

With AdsML messaging in place, the ad order workflow improves in several important ways:

1. As before, the buyer and seller agree on the details governing the purchase of the ad. This step remains unchanged. For expensive display ads this may require an active negotiation, while high-volume classified ads are often treated as “routine” orders based on previously agreed rates.
2. The buyer enters the details of the order into her media buying system.
3. Instead of a fax or email, the buyer’s system sends an AdsML “Ad Order” message to the seller’s system. This message contains exactly the same information that would have been in the fax or email, but uses the AdsML format so that both systems can understand it.
4. The seller’s system receives the ad order, performs initial validations, and alerts the sales representative that a new order has arrived.
5. The sales representative reviews the order in detail. She can either accept it as-is, make necessary adjustments, or (if necessary) reject it. All of these actions are done in her current system using familiar screens and functionality. The main difference is that the order is pre-loaded into her system so she does not have to enter it from scratch.
6. When the sales representative saves the order, her system sends an AdsML “Ad Order Response” message back to the buyer’s system which conveys the nature of the response (accepted, changed, rejected) and any related details. This is loaded automatically into the buyer’s system, where if necessary, the buyer can review any changes made by the publisher’s sales representative.



- Buyer keys insertion order into her media system
- Media system sends AdsML “booking request” message to publisher’s system
- Publisher’s system displays the pending order
- Sales rep reviews and approves it
- Publisher’s system sends “order confirmed” message back to the buyer’s system

2.3 Business Benefits

As can be seen even in this small example, AdsML based e-commerce offers several important improvements over the current, manual approach:

- First, the order is keyed just once. This reduces the likelihood of errors and frees up time that the buyer and seller can spend on more valuable activities.
- Second, at the end of the exchange both systems hold identical copies of the order. This reduces misunderstandings between the parties which might otherwise lead to claims and make-goods later.
- Third, once all of the systems “understand” AdsML messages, relevant sections of the order can be fed into other parts of the workflow. This leads to quality improvements and cost savings for the publisher in subsequent activities such as copy chasing and matching arriving artwork with the correct booking, and for the media buyer, in reconciling invoices with tearsheets and orders so that payments can be made more efficiently.

In short, just from these changes to the ad sales process, an AdsML user can expect to see:

- Improvements in data quality
- Fewer queries and resulting make-goods
- Less time spent re-keying incoming orders.

And these benefits expand significantly if AdsML is implemented across the entire advertising workflow.

3 How AdsML fits into the business

The AdsML Consortium is chartered to improve all aspects of the advertising workflow, in any medium, in all regions of the world, including (but not limited to):

- Initial activities such as campaign planning, mediapack exchange, and determination of inventory availability

- The production of a given advertisement or series of ads, from commissioning to approval
- The entire booking process, including reservations, orders and cancellations
- Delivery and copy chasing of the advertising content
- Publication, "flighting" or broadcasting
- Advertisement performance reporting
- Invoicing, payments, claims processing and account reconciliation.

This is a huge task which will take many years – if, in fact, it is possible for a single organization to deliver such an ambitious result.

In practice, the Consortium has chosen to narrow its initial focus to a few key business challenges, types of media, and categories of advertisements. This work is intended to lay the groundwork for addressing other media and other business challenges in future years.

This section looks at the different aspects of what AdsML does -- and does not -- provide, in order to help you see how it will fit into your business.

3.1 AdsML is business-to-business

First, it's important to understand that AdsML's goal is primarily to streamline *business-to-business* transactions, as opposed to transactions directly between a publisher and individual consumers. The business-to-business category covers the vast majority of transactions for both display and classified advertising, since even the majority of classified ads (the category that we often think of as being purchased by individual consumers) are booked by media agencies that specialize in aggregating specific types of classified ads -- from estate agents, car dealerships, travel agencies, etc. -- and then placing them with appropriate publishers.

In the case where an individual consumer orders an ad directly from a publisher, we would not expect AdsML to play a role, because the consumer will interact directly with the publisher's systems through its website or telesales representatives. However, when the individual consumer orders an ad from an intermediary – which might be a web site operated by another company on behalf of the publisher, or an agency such as PubliGroupe in Switzerland which provides walk-up ad sales desks on behalf of many publications – it would be possible for the intermediary which takes the booking to send it to the publisher using AdsML messaging.

3.2 Business goals and media types

Out of the full matrix of possible activities, AdsML has chosen to narrow its initial activities in two dimensions: the business goals being addressed, and the types of media being served. In terms of business goals, the Consortium has chosen four targets for immediate improvement:

- **E-commerce "round-trip" from order to payment:** enable a completely digital workflow for the scheduling, booking, invoicing, and payment of an ad. This project links together all of the transaction-related communications between a buyer of advertising and a seller of advertising.

- **Automated delivery and receipt of ad materials:** ensure that the artwork for each ad is delivered on time and to the right location, and then efficiently placed into the publisher's workflow.
- **Processing and syndicating classified ads:** reduce the complexities involved in publishing a classified ad in multiple products or media (e.g. both print and online versions of the same ad), while making it easier for publishers to offer interactive capabilities such as searching and filtering of published ads based on their content.
- **Technical integration:** provide guidelines, best practices and a technical framework to help developers add digital message exchange capabilities to their systems.

Within the limits of these four business goals, AdsML has further narrowed its scope by focusing initially on print and print-related media, rather than the other possible types. The four types of media currently being targeted are:

- newspapers
- magazines
- print inserts
- Web sites associated with newspapers or magazines.

The table below shows the activities for which AdsML messages are being developed or planned for the near future, related to the specific media that they will support.

Matrix of AdsML activities and types of media that are currently in development or planned for the next few years. The table includes some activities and media types that are considered high priority but for which specific dates have not been assigned. Status information is current as of March 2006.

Activity	Newspaper and Magazine Display and Classified	Print Inserts	Interactive (Publisher's Web Sites)
Distribute rate card and media pack	2007-2008	2007-2008	2007-2008
Distribute technical specifications	2006-2007	2006-2007	
Campaign and publication planning (including inventory enquires)			
Negotiate and book an ad order (including quotations, reservations, changes and cancellations)	2005 – 2006	2005-2006	2006-2007
Commission the production of ad materials			
Produce ad materials			
Preflight and deliver ad materials (ex. inserts)	2005 – 2006		
Manage delivery of ad materials, including explicit support for pre-delivery copy chasing	2006 - 2007	2006-2007	
Receive and validate ad materials	2005 - 2006	2006-2007	2006
Transmit classified ads to other publications	2005		2005
Provide proof of performance		2006-2007	2007-2008
Provide proof of publication	2006	2006	
Send invoice and receive the buyer's response to that invoice	2006	2006	2007-2008
Initiate and process a claim	2006-2007	2006-2007	2006-2007
Send payment confirmation	2006-2007	2006-2007	2006-2007