

Digital Signage 101

*Ready, set... wait: what to know before
taking the plunge!*



Shikatani Lacroix is a leading branding and design firm located in Toronto, Canada. The company commissions assignments from all around the world, across CPG, retail and service industries, helping clients achieve success within their operating markets. It does this by enabling its clients' brands to better connect with their consumers through a variety of core services including corporate identity and communication, brand experience design, packaging, naming and product design.

About the Author

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After studying Industrial Engineering at Industrial University of Santander in Colombia, Sandra continued her studies in Web Development at Centennial College in Toronto to further hone her expertise using the latest tools and software. Since 2000, she has been working in packaging and design, where she gained hands-on experience in project coordination at Watt International and worked her way to become Project Manager at Marovino Visual Strategy.

Since joining SL in 2007, Sandra keeps projects on track by acting as a liaison between the client and the studio on project-related issues and by using effective communication skills, leadership and technical knowledge.

In her years at Shikatani Lacroix, Sandra has been working with clients like TD Bank Financial Group, Petro-Canada and Rogers Communications.



Introduction

Digital Signage has been populating the marketplace slowly but surely; most likely, you have seen it everywhere you go. At the airport, in hotels, at the major grocery stores, at the biggest retailers—the mere fact that you're aware of Digital Signage proves its effectiveness.

Due to the flexibility of the medium and its relatively new state in the marketplace, it is easy for a first-time user to get overwhelmed by the ins and outs of implementing a Digital Signage Program. We have created this white paper as a primer to guide you through what you need to know before embarking in this program.

We will cover the following topics:

1. What is Digital Signage?
2. Why Leverage Digital Signage?
3. What are the Advantages?
4. Research and Statistics
5. Steps to a Digital Signage Program
6. Who are the vendors?
7. Trends in Digital Signage
8. How several industries have Leveraged Digital Signage

What is Digital Signage?

The art of displaying a message that would traditionally be printed in a digital format

What is Digital Signage?

According to SignIndustry.com, Digital Signage is “A network of digital displays that are centrally managed and addressable for targeted information, entertainment, merchandising and advertising.”

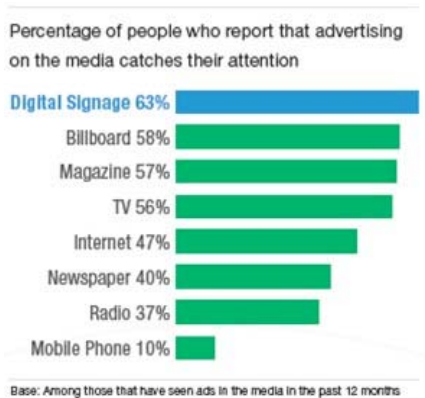
In short, Digital Signage is the art of displaying a message that would traditionally be printed in a digital format.

Why Leverage Digital Signage?

There are many reasons why your company should consider implementing a Digital Signage program. One of the main reasons is the medium’s ability to influence consumers’ behaviour at the point of sale. No longer does the retailer need to wait for the consumer to be convinced by ads, travel to the store, find the product and make a purchase; now all of these stages can be accomplished in one step at the store level.

Additional reasons for implementing a Digital Signage program include:

- The ability to deliver specific messages to specific audiences in specific locations
- As equipment prices fall, the technology required to implement a Digital Signage program is becoming more affordable and more accessible to small- and mid-sized organizations
- The ability to update content quickly
- Better reporting and tracking tools allow you to analyze results as they happen and adjust your strategy accordingly
- The ability to use ready-made templates gives you control over your spending and your creative
- Newer user-friendly editing tools are the norm: you no longer need a dedicated IT department to handle the program



What are the Advantages?

One of the main advantages of a Digital Signage Program is the flexibility with which it can be used. Several of these uses include:

- Provide information: news and weather in elevators, etc.
- In-store advertising and promotions
- Revenue source: digital ads in taxis and bars, among others
- Improve customer experience: recipe demonstrations in supermarkets, wayfinding kiosks, etc.
- Enhance environment: interactive screens entertain the customers and increase dwell time in store
- Employee communications: after-hours training at banks
- Brand building: interactive or static screens in outdoor locations that help develop your brand

Added to this, a Digital Signage Program offers several advantages that impact your organization's bottom line, namely:

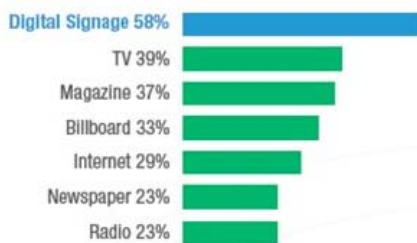
- An improved customer experience, resulting in longer dwell times and more frequent visits
- Heightened perception of store/brand quality
- The ability to cross-sell and market to audiences in different parts of the store
- The ability to offer promotions linked to time of day and time of week
- The ability to generate co-op ad dollars from brands sold in the store
- Drastically reduced printing costs for in-store merchandising
- Guarantee of 100 percent compliance with in-store merchandising plan

Research and Statistics

Research has shown that digital signage is effective in aiding customer recall and retention of displayed information:

- Over 80% of consumers watch programming on digital signage
- 70% of consumers agree that digital signage is entertaining
- 41% of consumers said they would be more likely to visit a location because of the digital signage
- 47% of consumers could name an advertised brand - unaided
- More consumers recalled products advertised on digital signage than on TV programs viewed the same day

Percentage of people who report that advertising on the media is unique



Base: Among those that have seen ads in the media in the past 12 months

Further to this, according to a 2005 study by Arbitron and a 2007 study by Forrester Research, almost one-third of shoppers who see in-store displays make purchases. Technology located at the point of sale has been shown to increase sales from 15 to 60 percent.

A digital study by OTX found that awareness of Digital Signage is high - 62% of adults have seen digital signage in the past 12 months - levels similar to billboards, magazines and newspapers. The study found that people find Digital Signage to be more unique (58%), interesting (53%) and entertaining (48%), but less annoying (26%) than other media. Also, it found that on average, Digital Signage connects with consumers in 6 different types of locations throughout a week; this gives advertisers greater opportunities to reach consumers at all times.

Steps to a Digital Signage Program

A Digital Signage Program can be as simple as one locally managed media player displaying one message in one screen or as complicated as several remotely managed messages playing on different screens in different locations at different times. The complexity of such programs is determined by the needs of your organization and the resources, time and effort you commit to it.

Now that you know more about the advantages of Digital Signage, you are probably wondering, “What do I need to do now?” To answer that question, in the next pages we have outlined several phases you will need to follow in order to implement a successful Digital Signage program.

STEP 1

Define the Business Metrics

STEP 2

Pilot Program before rollout

STEP 3

- Define the Budget:
- Content creation and updates
 - Technology
 - Operational costs
 - Match the business metrics

STEP 4

Re-evaluate:
Was the R in ROI?

STEP 1

Define the Business Metrics

- What and Why
- Measure Twice, Cut Once
- Assemble Your Dream Team

STEP 2

Pilot Program before rollout

- Location, location, location
- Is all about the Zones

STEP 3

Define your budget

- Hardware
- Software
- Resources
- Additional Costs

STEP 4

Re-evaluate

STEP 1

Define the Business Metrics

What and Why

Prior to implementing a Digital Signage program, it is important to understand what you want to accomplish and why. Are you using Digital Signage for promotional purposes, customer education, brand awareness, or customer retention? Or is it for all of the above?

Measure Twice, Cut Once

Once you decide what you want your Digital Signage program to accomplish, you need to define how are you going to measure its success. Will success be measured by comparing your Digital Signage program to a current program based on sale ratio per day? By measuring increased traffic? Through exit interviews to measure message retention? Or is success a combination of all these factors?

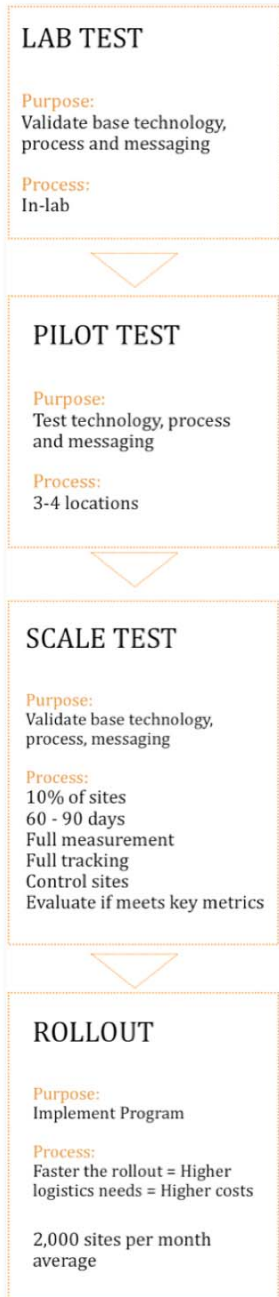
Note that several Digital Signage providers offer some type of traffic tracking and measurement tool as well as reporting, which should be leveraged to increase your Digital Signage solutions ROI.

Traffic tracking technology can:

- Track specific messaging effectiveness in real time
- Help adjust campaign based on time viewed and purchase prompting

Audience Measurement can:

- Be customized to the right demographic
- Help customize the messaging to the specific hour and day
- Deliver the most appropriate message to the right target group



Assemble Your Dream Team

To succeed, it is important to decide who will be taking care of what: due to the complexity of the program, you will need to ensure you have the right people for the right tasks. At the very least, you will need a process oriented full time employee whose sole purpose is to identify the program requirements, analyze any constraints and provide continuous feedback to improve the program.

Also, ideally hire an individual or organization that understands Digital Signage from implementation to creation and measurement and who can provide the much-needed support during the beginning stages of the program.

STEP 2 Pilot Program Before Rollout

It is recommended that a pilot program is in place to obtain the best results from your program.

Location, location, location

In order to obtain the best results from your program, you will need to determine where you will be testing your program. High traffic stores in centralized locations, preferably urban areas, should be the first candidates, as you will be reaping benefits a lot sooner than in low traffic areas.

The locations you choose should be determined by the type of results you are looking for. For example, if you are looking to measure increases in sales, you may want to install Digital Displays in locations with average sales; however, if you are looking to measure customer satisfaction, you may want to install Digital Displays in high-traffic locations.

It's all about the Zones

Once you have selected your locations, you will need to establish the ideal positioning of the Digital Display within these spaces. This positioning, also known as zones, will need to be aligned with the services and information you are looking to provide.

For example, if you own a convention or conference centre, your intent will be to promote seminars and upcoming events as well as provide wayfinding tools for your visitors. With that in mind, Zone 1, consisting of ceiling mounted large Digital Displays positioned at the beginning of each corridor and in the main eating areas, will be dedicated to promotions and upcoming events; Zone 2 could use smaller floor-mounted Digital Displays positioned at the entrance to wayfinding.



Wal-Mart Digital Displays

If you are in the college or university business, you will probably see Digital Displays used for several purposes: to notify students of emergency situations, facility issues, weather delays, etc (Zone 1). They could also be used as part of a kiosk to orient guests throughout the premises, services and amenities (Zone 2). Additionally, they could be used as a revenue source for administration by allowing advertisers to pay per use (Zone 3), etc.

You need to know what you intend to show on these zones and what you expect from these results to ensure you are on strategy prior implementing the program.

STEP 3 **Define Your Budget**

Before you start your Digital Signage program, you will need to determine what you already have on hand and how much you will be investing in the program.



Wendy's Digital Menu Boards

As with any initiative, the larger the budget, the more options you will have; it really all depends on how complex you want your program to be. If at all possible, a test period should be planned to help your organization identify any gaps and opportunities in the Digital Signage program prior to rolling it out to all of your locations. This will help you scale up or down based on the specific needs of your organization and the actual results of the test, which will help you manage your budget.

Also, it is useful to start creating an inventory of assets that could be re-used and re-purposed for the Digital Signage program. For example, do you have a repository of images, videos and/or sounds available already? If so, with some smart editing, you could re-use them for your Digital Signage. What about existing network cables in-store? They can be re-purposed for the Digital Displays if needed. Doing this will allow you to allocate costs where you really need them and transfer your savings into areas where the need is larger, such as infrastructure.

Additionally, you will need to allocate a budget for the following components of the program:

Hardware

- Digital Displays
- Digital Player
- Digital Mount
- Enclosures
- Wiring

Software

- Player software
- Internet connection or Satellite

Resources

- Project Management
- Content creation
- Content Management

Additional costs

- Monthly access fees (news, weather, Bloomberg, etc)
- Monthly maintenance fees
- Network Management fees

STEP 4

Re-evaluate

After your Digital Signage Program has stabilized, review your progress to see if you are accomplishing your initial goals. You may see the following results:

- Digital Signage users are engaging with your content
- There is an increase in awareness about your brand
- Sales uplift in promoted services/products

These results will allow you to build your rollout and adjust/modify your strategy as needed.

Who are the vendors?

As part of a recent Digital Signage initiative for one of our clients, we conducted personal interviews or web-research reviews of several Digital Signage program suppliers.

Following is a summary of our findings:

Selection Criteria

- Proven track record within the retail industry
- Ability to implement a North American program
- Have scalability to handle a full roll-out as part of a future initiative
- Ability to bring best of class expertise and knowledge

- Technology and systems that will allow for segmentation/day-part messaging
- Can provide all facets of the digital signing program, from consultation, technology installation, content management systems, support, maintenance and content creation.

Vendors Reviewed (alphabetical order) and their Point of Difference

- **AdFlow Networks:**
Turnkey hosted system with patented security that requires zero I.T. to implement.
www.adflownetworks.com
- **Capital Networks Limited:**
Integrated infrastructure technology with creative services.
www.capitalnetworks.com
- **Cisco Systems Inc:**
Integrated infrastructure technology.
www.cisco.com
- **Diversified Media Group:**
Owns private teleport and data center for its customers.
www.divmedia.net
- **EK3:**
Multi-disciplined firm.
www.ek3.com
- **Insite Advantage:**
Specialized in Financial Institutions.
ww.insiteadvantage.com
- **John Ryan:**
Specializes in Financial Institutions.
www.johnryan.com
- **Miller Zell:**
Specialized in retail design, with services in digital media.
www.millerzell.com
- **NewGround:**
Full service design and implementation company.
www.newgrounds.com

- **Novrmedia:**
Manufactures and develops its own software and hardware.
Proprietary eye-tracking software.
www.novrmedia.com
- **Omnivex Corporation:**
Manufactures and develops its own software and hardware.
Proprietary eye-tracking software.
www.omnivex.com
- **Stratacache:**
Alliance with Bell Canada and AT&T. Proprietary traffic and measurement system.
www.stratacache.com
- **Telus**
Canada's Leading telecommunication company.
www.telus.com
- **MediaTile Company:**
Proprietary Kiosk-in-a-box Marquee Edition.
www.mediatile.com

Trends Driving Digital Signage

As Digital Signage continues to evolve, new trends for 2009 and 2010 have emerged. The biggest changes in digital signing are:

- Smaller signing that is more integrated as part of the shopping experience
- More intimate, personalized approach
- Shift from overhead to shelf-based digital signing
- Content is still king
- Several non-traditional industries are getting on the game
- Brands are diverting broadcast-only dollars into Digital signage programs
- Increased exploration of interactive technologies via cell phones, bluetooth and RFID
- Gesture-based technology will see an increase in usage

How Several Industries have Leveraged Digital Signage

While several industries have not been historically recognized for embracing emerging technologies, in the last couple of years many non-traditional industries (including Financial Institutions) have taken great strides in utilizing Digital Signage. Below is a sample of selected organizations that have implemented efficient and best-in-class programs.



BofA Mortgage Center

Financial Institutions

Bank of America

With nearly 6,000 locations, Bank of America possesses by far the largest retail network of any US retail bank. While the bank is notoriously quiet about the results from any of its pilot tests, some websites are reporting these results:

- Customer satisfaction improved dramatically in RBSi branches
- Branches with the interactive mortgage fixtures witnessed a 10-15% increase in applications

Umpqua

"Discovery Wall," a choreographed, interactive, multi-screen experience that allows customers (or the staff assisting them) to access a wide array of information on banking products or lifestyle-specific topics. Content is triggered when a customer picks up one of a number of RFID-tagged objects; it includes a video presentation as well as the offer to print out relevant information on a nearby printer.



Umpqua's Discovery Wall

Food Service

Tim Horton's

Canadian Business magazine cited the digital signage used by Tim Horton's restaurants as a "stellar example" of how to drive sales. Tim Horton's installed \$50 million worth of digital signage in over 2,000 of its locations. The Digital Signage technology gives Tims the ability to control and tailor its messages from a remote location and target a specific audience at a specific time of the day (like lunch). It essentially creates a company-owned television network that runs nothing but Tims programming.



Wal-Mart's Smart Network

Retailers

Wal-Mart

Wal-Mart is often stated to be the fifth largest TV network in the US (behind NBC, ABC, CBS and FOX) due to the foot traffic through Wal-Mart with "120-130 million viewers a month". Its in-store digital signage network, now dubbed Walmart Smart Network, features 15", 42" and 57" LCD Displays that are targeted according to the product or service advertised.

Healthcare

St. Joseph Hospital

In hospitals, Digital Signage is an invaluable tool for communicating to staff, visitors and customers via screens that are both instructive and interactive. St. Joseph Hospital linked its management software with the Digital Signage program to communicate changes in patient and staff status to staff in real-time.



St. Joseph Hospital in Orange County

Digital Signage:
The single best
investment decision
your company can
make.

Conclusion

Hopefully after reading this article you will have a better understanding of what Digital Signage is, why its implementation is key and where it is heading.

And remember, a well-managed, well-implemented Digital Signage program has the potential to become your number one seller, your best loyalty builder and your largest profit maker. In short, a more accurate definition for Digital Signage would be “The single best investment decision your company can make”.

Reference Materials

Retail Digital Signage ROI - Finding the break-even point | Digital Signage Association and NetWorld Alliance

<http://www.networldalliance.com>

Gone in 2.3 Seconds: Capturing Shoppers with Effective In-Store Triggers | Miller Zell

<http://www.millerzell.com>

The Arbitron Retail Media Study - Volume II: Consumer Interest and Acceptance of Video Displays in Retail Environments | Arbitron

<http://www.arbitron.com>

The Arbitron Report - OnSpot Digital Advertising, 2006 | Arbitron

<http://www.arbitron.com>

Digital Out-of-Home Media Awareness & Attitude Study | OTX (Online Testing eXchange) and SeeSaw Networks

www.seesawnetworks.com/

Digital ads cast narrow retail net | Globe and Mail, Denise Deveau

www.theglobeandmail.com/news/technology/article853489.ece

World's Biggest Retailer Walmart Refreshes In-Store Digital Signage | Chris Connery and David Hsieh |

<http://www.displaysearchblog.com/2008/09/retailer-walmart-refreshes-in-store-digital-signage/>

Bank of America - Collated Pilots & Rollouts | Teller TV |

<http://tellertv.blogspot.com/2007/09/bank-of-america-collated-pilots.html>

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