

# Digital Signage 2.0: Right Content, Right Place, Right Time

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The term digital signage is in grave danger of being over used to the point of abuse. We need to think about what we really require from digital signage to bring real benefits all the way up and down the content chain. Digital signage technology is becoming well established but, as with any process – IT or otherwise – it only really has value when it is fleshed out with a real world application.

We also face difficult economic times and the impact is greatest in retail. So a promotional tool that is affordable but also effectively measurable is likely to be welcomed. Now is the time to take a fresh look at intelligent digital signage!

The use of in-store media to push advertising messages closer to the point of purchase is not new: we are all familiar with VHS tapes endlessly looping the same sales message on a screen near a product being pushed. This was a deeply unimaginative use of technology: everyone saw the same content with the communication in one direction only, from advertiser to shopper.

By bringing together strands of technology from more than one industry, including the traditional broadcast model but also customer relationship management, stock and flow control, and IT intelligence, we now have the capability to roll out much more flexible, targeted, managed solutions. Indeed, those solutions are now being seen on retail floors, seized on by smart retailers who can see the potential of helping consumers make a choice at the moment they are making it.

If we follow the fashions of IT, we might call this Digital Signage 2.0! What's important is that it's smarter than a simple electronic replacement of a paper poster. It can target individual screens by geographical location, by time of day and day of week, and it can be linked to other data including shopper needs and other in-store, real time events.

A great example of next generation digital signage is Wal-Mart TV, which began rolling out to a planned 2650 stores in 2008. Designed and commissioned by Premier Retail Networks, another Thomson company, it is designed to be a true sales tool and not an abstract branding medium.

Wal-Mart is famous for providing value for its shoppers and good returns for its shareholders, so this is a massive endorsement of the value of digital signage in directly stimulating sales by delivering the right content in the right place at the right time. It is also the first retail signage network to offer advertisers complete confirmation of performance as well as measurement of the impact of the media. In short, it is more relevant for consumers and more measurable for advertisers.

The relevance to consumers is important. You have to consider that consumers might actually welcome relevant product information when they are standing in a store making purchasing decisions.

The idea that consumers would want to find advertising available is revelatory! Conventional TV advertising struggles to overcome a general sense of interruption, so viewers tend to skip the messages on their PVRs. And advertisers perceive less return for their outlay so broadcasters see a disconcerting

downturn in revenue.

The Internet is not the medium to pick up this shift in advertising spend. Everyone I know, the first thing they do when installing a browser is enable the pop-up blocker! Market data is also showing a marked downturn in click throughs, the universal if slightly oblique measure of web advertising effectiveness. And targeting remains very loose, based on research, that is, assumptions, about who is probably looking at a web page: it is little more scientific than targeting a TV broadcast campaign.

On the contrary, well-implemented digital signage can put the right messages on the right screens not just by geography but by reacting to people in the store.

Scott Francis, PRN's CTO who led the development of the Wal-Mart TV architecture said, "Because the goal is to be relevant, and the feedback loop is tight, system performance improves dramatically. Because we are using an IT infrastructure, we can quickly process so much more data. For instance, we can adapt media to the shoppers that are in front of the screens right now, based on their shopping patterns, time of day, the weather outside, and the success of previous and current campaigns."

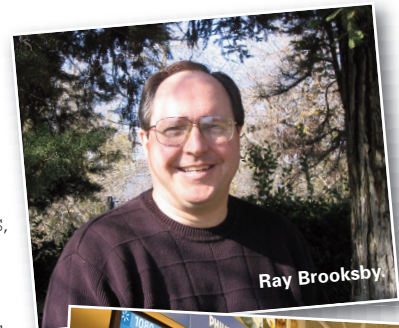
Part of Scott's architecture is to use plenty of computing power where needed: in planning and distributing messages, guaranteeing the right content at the right place and the right time, but also, a simpler solution at the screen.

Many proponents of digital signage seriously propose using a PC as each terminal. For Wal-Mart TV that would have meant 27,000 PCs and Windows licenses, plus the management time in keeping them running, updated and virus free. Not an attractive prospect! Grass Valley's IP-based HD MediaEdge solution can be delivered over any network infrastructure and needs only a small, dedicated box at each screen.

The receiver makes each screen individually addressable with its own storage and play out intelligence. It is also low power compared with a PC: the calculations are that for a Wal-Mart TV sized system, energy cost savings \$1 million/year, not counting the additional cost of air conditioning.

Digital signage is now ready for the big time! Technology exists to deliver it efficiently and cost-effectively. Moreover, by linking the central intelligence of delivery to other data systems such as stock control, weather and consumer demographics, you can deliver messages that customers positively want to see. For retailers, like Wal-Mart, who are prepared to invest, the prospects are good for boosting retail sales by giving consumers the right content in the right place at the right time!

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