

## **Cashing in on Digital Signage Opportunities**

**Are you comfortable speaking the language of digital signage? Get your questions answered by an industry leading digital signage firm and begin selling today.**

**By** Jennifer LeCLaire

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**Dynamax Vice President points out trends in digital signs that can put you in the know.**

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Are you looking for new revenue streams? Understanding the burgeoning world of digital signage could be an opportunity for greater profits for your sign shop.

But before you can make a dime on digital signage, you need to understand what it is what it is not and who it benefits. Armed with this knowledge, you can best recommend digital signage to the most appropriate customers and for the most appropriate applications.

SignIndustry.com magazine caught up with Tom Nix, vice president and general manager of Dynamax Technologies, to discuss the ins and outs of digital signage and how sign makers can cash in on the trend.

### **SignIndustry.com: What is digital signage?**

**Tom Nix:** For the uninitiated, digital signage is typically defined as any form of electronic display installed in a public space, now referred to, in marketing parlance, as an out-of-home environment.

As a result, digital signage is often referenced by its euphemism, digital out-of-home (DOOH) media. These attractive displays are actually light-emitting diode (LED) or flat-panel LCD screens that vary widely in type and size, and are used to entertain, inform, and/or advertise, offer several advantages over traditional static signs.

These benefits include the abilities to easily switch out and schedule the playback of content and to display rich content that engages the consumer with striking audio and video elements.

Although mostly found in public venues and retail stores, digital signage can also be used by companies to disseminate information and communicate with employees, customers, and partners spread across multiple offices and branch locations.

Ultimately, digital signage is a unique, flexible, and powerful form of visual communication that can be used just about anywhere to connect with a certain audience.

### **SignIndustry.com: What is not digital signage?**

**Tom Nix:** In some circles, the term “digital signage” is used to describe the process of creating a traditional static sign, such as a billboard, poster, vinyl banner, or bus advertisement, through the use of various digital tools, including specialized hardware, software, and printers.

While there have been tremendous advances in the sign creation arena over the years, particularly with respect to the proliferation of these digital techniques, it is inaccurate to refer to this as digital signage.

Obviously, both signage forms are viable marketing vehicles used extensively throughout the world, and each has its own advantages and disadvantages. Nevertheless, there are distinct differences between digital and static signage that marketing professionals always consider before making a media buy.

Finally, most marketing pros do not consider the use of television broadcasts in public places to be a form of digital signage.

### **SignIndustry.com: How is it defined in relation to other out-of-home media vehicles?**

**Tom Nix:** Digital signage is generally regarded as a form of out-of-home advertising, or in other words, advertising that is placed and viewed by consumers in any setting outside of the home.

Out-of-home settings are rather diverse, and range from billboards placed along interstates, to in-cinema ads airing just before a feature film presentation, to ambitious ads that wrap an entire bus or building, to networks of small screens stationed at checkout counters in supermarkets, department stores, consumer electronics chains, and club outlets.

Marketing professionals customarily rely on out-of-home advertising vehicles, including digital signage, to deliver highly-targeted messages and information to specific audiences, in specific locations, and at specific times.

For these reasons, with digital signage, the placement of the screen is equally as important as the content being displayed. Why?

Because digital signage, or any other form of out-of-home advertising is virtually worthless without the many eyeballs who are supposed to see it! This is why digital signage is typically found in very high-traffic areas, such as a train station, bus depot, airport, or shopping malls.

### **SignIndustry.com: How long has digital signage been around?**

**Tom Nix:** Actually, digital signage has been around for close to 30 years, but the term, and the concept, only really began to garner serious attention and traction a decade ago.

The earliest forms of digital signage were LED tickers displaying sports scores, news headlines, and stock quotes, LED video walls consisting of multiple screens used to display one piece of content, and very large LED displays specifically designed for sports stadiums, arenas, coliseums, and race tracks around the world.

Probably the best-known example of digital signage in its formative years is Mitsubishi Electric's installation of Diamond Vision™ at Dodger Stadium, home of Major League Baseball's Los Angeles Dodgers, in 1980.

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### **SignIndustry.com: What benefits does digital signage deliver to advertisers? To consumers? To technology providers?**

**Tom Nix:** For advertisers, digital signage serves as an excellent vehicle for reaching consumers who are on the go, or may be a captive audience in a certain setting, such as an airport or bus terminal. In addition, advertisers can easily adjust the type and timing of the content displayed on a given digital signage network to better appeal to certain groups of people at certain times.

Lastly, digital signage gives advertisers greater power and flexibility to interact with their respective target audiences through a unique mix of useful information, marketing messages, and entertainment. In other words, digital signage is not purely an advertising medium, but rather an informational and entertaining one that has a stronger likelihood of consumer acceptance than a traditional print or broadcast ad.

Consumers benefit significantly from digital signage since the vast majority of networks deliver highly-useful information, such as real-time news headlines, stock quotes, sports scores, weather forecasts, and transportation delays.

Other networks, like those in retail settings, inform consumers about merchandise on sale, and where it may be found in the store, to save time and effort. Still others give consumers other forms of information and entertainment to keep them occupied while waiting in lines.

Because of the popularity and proliferation of digital signage throughout the world, many companies have jumped into the industry because of the high volume of business opportunities that exist.

In addition to digital signage software developers, the industry has seen a high influx of screen manufacturers, middleware providers, systems integrators, distributors, and IT consultants who have expertise in this area. That said, there is a great deal of business to be had, and these new entrants are looking to secure their portion of this growing segment.

### **SignIndustry.com: Where are these systems found? In what environments? How are they used and why?**

**Tom Nix:** Everywhere! Nowadays, digital signage can be found in a very broad range of

out-of-home environments, including retail stores, train stations, bus depots, airport terminals, cinemas, shopping centers, taxi stands, tourist offices, government agencies, academic institutions, interstates, casinos, and sports venues.

In addition, digital signage is being increasingly used by companies of all sizes to more effectively communicate with their employees, customers, partners, and investors. Essentially, digital signage can be placed in just about any out-of-home environment to seize the attention of, engage, and communicate with dedicated audiences of people.

**SignIndustry.com: For advertisers, what role does digital signage play within the marketing mix?**

**Tom Nix:** That is a difficult question to answer because the role will differ greatly depending on the company that is using it. For example, some companies may place more importance on its print and broadcast advertising efforts than digital signage, or may disregard digital signage altogether. Others may only use radio or static billboards.

Regardless, it really comes down to business and marketing objectives, and the assessment of digital signage as a legitimate means to achieving those objectives. The chief marketing officer (CMO) must ultimately decide which mediums are best for his organization, and then allocate his budget dollars accordingly.

Nevertheless, digital signage, again, is an outstanding vehicle for reaching and engaging on-the-go consumers in numerous environments. Moreover, digital signage currently serves as a cost-effective approach for reaching large audiences, especially with the advent of DOOH aggregators like Adcentricity and DoMedia.

**SignIndustry.com: What technologies and components are needed to set up a digital signage systems? How and where are they installed?**

**Tom Nix:** As I alluded to earlier, the most prominent aspect of any digital signage system is the series of screens on which the content is displayed. However, there are many more components which are required for a successful network.

Beyond the screens, a network needs compelling content, usually high-definition, full-motion video with sound, to grab the attention of consumers. Such a system also requires enterprise software to manage and schedule this content, to manage network issues or problems, and communicate with individual screens.

A digital signage network also needs middleware, routers, and other network architecture parts to ensure that the system works smoothly. Finally, any digital signage system must be connected via some sort of high-bandwidth connection so it can be managed remotely.

**SignIndustry.com: What is going on in the digital signage realm today?**

**Tom Nix:** Aside from its rapid global growth and diverse range of new entrants, the digital signage industry is positively evolving on a daily basis, and there are many new exciting developments which are occurring regularly.

Software continues to become more sophisticated and feature-rich, and major screen manufacturers continue to introduce bigger and brighter LED and LCD displays equipped to handle the most advanced high-definition content around. More and more brands are jumping into the fray, and using digital signage to sell products and services in a greater range of settings.

Another exciting development is the ongoing integration of digital signage networks and in-store kiosks, which have existed independently at retail in various forms, from small, one-store installations to highly-complex, multi-venue deployments.

This is now changing, as retailers, consumer brands, and ad agencies seek next-generation in-store marketing technologies that can dramatically drive measurable increases in product sell-through and brand awareness.

Today, instead of relying on a single system to accomplish these objectives, retailers are harnessing the power and effectiveness of digital signage and kiosks to seize the attention of increasingly price- and brand-conscious consumers, target shoppers in new and compelling ways, and convert customer engagement into meaningful sales.

Lastly, the industry is developing a new set of sophisticated measurement tools to gauge network effectiveness. These new techniques include facial recognition and other types of capture technology to give advertisers a true, accurate measurement of consumer response to the media displayed.

### **SignIndustry.com: How can sign shops cash in on the digital signage trend?**

**Tom Nix:** The easiest way for sign shops to leverage the growth in digital signage is to partner with a distributor or systems integrator that specializes in this area, and through which it can offer digital signage capabilities to its customer base.

Furthermore, when working with a given customer, a sign shop with digital signage knowledge and capabilities can truly serve as a business consultant with that customer, listen to their needs, and then develop a customized signage solution, whether static, digital, or both, that will meet that customer's objectives.

Since most signs shops have an expertise in creating world-class, attention-getting signs, they are in an ideal position to become comprehensive service providers to their customers who want to incorporate dynamic digital signage.

They can provide their customers with an ongoing content refresh program that provides new graphics to keep consumers watching the signs.

If sign shop owners are new to networking technology, it will be helpful to have a local systems integrator who has experience in either professional audio/visual (A/V) solutions or telecommunications technologies to oversee installations and ongoing network support.