

Why Advertise on Digital Signage? Comparison of Retail Digital Signage to Other Media.

By Nurlan Urazbaev, © 2007 BroadSign International

	Advantages of Digital Signage (DS)	Current Concerns
General	<ul style="list-style-type: none"> • DS talks to consumers directly at point-of-purchase or point-of-decision, while in TV, Radio and Print there is always a time and distance gap between the ads and the advertised product. • DS builds “the last 10 feet” to the consumer, as it communicates directly with shoppers who are ready to buy. It is an effective sales closing component of marketing initiatives. • DS is more targeted, with in-store audience data increasingly available to enable more accurate day-parting, geo- and demo-targeting, CPM calculations, and other measurements. • DS content can be easily adapted to regional or local interests, demographics, customer behaviour, weather or events. • DS viewers are ‘ready to act’, while most other media audiences are passive ‘potential consumers’. • Ad recall and retention in digital signage are better than in any traditional advertising (see numerous published studies). • DS ad spending is easier to account for due to proof of play reports and can be tracked directly to sales uplift. 	<ul style="list-style-type: none"> • Seemingly high cost of deployment. However, new technologies are making DDS more affordable each month. In fact, digital signage networks are arguably <i>much cheaper</i> to build and run than a TV or radio station with comparable audience size. • Lack of standards, effectiveness measurements and third-party audience studies. True now, however, it’s only a matter of time. Big media and market research companies like Arbitron, Nielsen Media Research, TNS and others are already conducting measurements in this field. Digital signage trade Association OVAB is helping establish standards and metrics. • Wrong content strategies and business models led to failures of several DS networks.
Static signs (Outdoor, POP, etc.)	<ul style="list-style-type: none"> • DS can deliver multiple ad spots occupying the same ‘face’. • Full-motion DS ads have more impact. • DS campaigns can be planned and executed much faster than any static sign campaigns. 	<ul style="list-style-type: none"> • DS may be more expensive to install initially, but it is more efficient and has a higher revenue potential.
Internet	<ul style="list-style-type: none"> • Except for instant downloads, products advertised online are far from the viewers and have to be shipped. In-store DS advertises products that are usually close to the screens, no shipping required. 	<ul style="list-style-type: none"> • Sales conversion tracking is not as automatic and easy as with e-commerce.
TV Radio	<ul style="list-style-type: none"> • Viewers tend to perceive TV and Radio ads as irritating interruptions. By contrast, consumers are more responsive to DS ads (when they convey relevant info that helps them make the right choice.) • Viewers cannot turn off or ‘zap’ DS ads. • DS can be even more targeted than cable TV. • DS campaign planning and execution takes much less time. 	<ul style="list-style-type: none"> • DS network audiences are often smaller than those of TV to attract national advertisers en mass. However, this parameter is quickly changing. For instance, Wal-Mart’s in-store network can be compared to a large TV network in terms of audience size.

Page 2	Advantages of Digital Signage (DS)	Current Concerns
Newspapers Magazines	<ul style="list-style-type: none"> • DS delivers more frequency (viewer sees the same ad more often). • DS ads are more compelling because of full-motion. • DS ads are more flexible, they can be customized and aimed at smaller target audiences within a larger audience. • DS is more cost-efficient (lower CPM) than most newspapers and magazines, while having a higher targeting ability and impact. • DS eliminates time and distance gap between ads and products. 	<ul style="list-style-type: none"> • DS ads are perishable, much like broadcast ads. Shoppers cannot keep a DS ad for future reference the same way they hold on to newspaper ads. At the same time, in most cases this shortcoming is irrelevant because DDS advertises mostly what's available "here and now".
TV/VCR/DVD combos in retail	<ul style="list-style-type: none"> • VCR/DVD content gets outdated quickly, distracts employees, takes a long time to change. • DS networks allow operators to sell measurable ad space to advertisers and retailers, while TV/VCR/DVD networks have low accountability. • DS networks are largely automated and remotely operated, while TV/VCR/DVD combos require manual management and thus consume employee time. 	<ul style="list-style-type: none"> • The cost of installation for DDS network is higher at the beginning; yet, with the right business model, within a few months the savings on management costs and the efficiency outweigh the initial capital outlay.

Nurlan Urazbaev, © 2007 BroadSign International.