

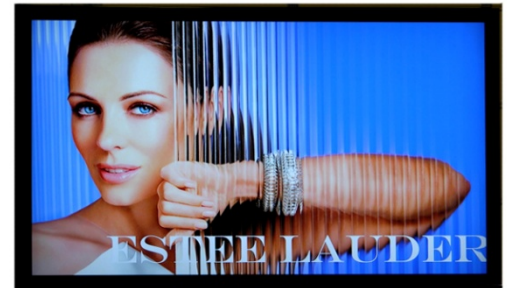
Whitepaper:

The Effectiveness of Digital Signage

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The biggest problem facing advertisers today is getting a return on investment for the money spent. With the world becoming increasingly digital, even television advertising has become non effective as audiences have the ability skip through the ads on their Sky, Foxtel or Tivo box. At the same time rates for prime time TV ads continue to climb, and the number of viewers is eroding. They watch TV when they want, and on their terms. This makes it increasingly difficult to justify spending in these areas when more than 70% of buying decisions are actually made in store.

The result is splintered audiences, too many messages and continually escalating costs for advertisers while in return getting decreasing brand loyalty. I had one of our branch managers use an excellent analogy about this. "It's like pulling the trigger on a shotgun, and spraying a load of bullets into the air. You're likely to hit anything. Digital signage on the other hand, is like firing a sniper rifle, targeted: direct and fast."



It is this factor that is important to brands, which are driving part of the shift to digital signage, because it can offer ads up to targeted audiences in captive venues for extended periods of time.

So how important is digital signage in the buying process? A Nielsen Media Research study has found that in store digital signage builds brand equity, customer satisfaction and shopper loyalty. It also found that the average ad recall for one retailer's in-store system was 57 per cent, compared to an industry average of 24 per cent for in-home television ads.

And according to a new Nielsen consumer study made this year, digital out of home (DOOH) media increases sales at the point of purchase. Four out of five product brands tested in 12 grocery stores across Germany experienced significant increases of up to 33 per cent in additional sales through the use of digital signage.

Conscious awareness of the digital screens is also generally high. According to the same study, roughly three quarters of those surveyed (74%) noticed the displays at the point of sale.

The fact that traditional advertising methods are failing is nothing new. Audiences are becoming more fragmented and difficult to reach and are more sophisticated than ever before. They require therefore a sophisticated approach, and this is where digital signage can be an advantage. The drive to digital screens consequently, is also being driven by the consumer.

Digital signage can offer fast targeted marketing to specific groups or individuals that can be updated and changed within minutes, without having to be on site. A bank, for example, can play messages to senior citizens during the times when such people are likely to visit in store, such as in the late morning, and target products best suited to their needs. Or a book store can advertise new releases, upcoming author appearances and in store specials at specific locations likely to target the right people. You wouldn't, for example, play an ad for a business book in the romance novel section. But play it in the business section, or in the café during the hours a business person is likely to stop for coffee, say before 9, and bingo – you've immediately reached your target audience.

As digital signage is also perceived to be more engaging than static media, it promotes longer dwell times and can hold an audience's attention for up to 10 minutes (as opposed to 3-6 seconds for static signage).



According to another study by OTX, respondents found digital signage advertising to be more unique (58%), interesting (53%) and entertaining (48%) than other media. Not only that, but some 44 per cent of adults said they pay some or a lot of attention to digital signage advertising placing it ahead of traditional billboards, the internet and mobile phones, and on par with magazines, radio and newspapers.

With the digital signage market now tracking as the third fastest growing advertising media ever (behind the internet and mobile phones) companies need to decide where best to spend their increasingly limited marketing budgets. Where can they get the most bang for their buck? Without a doubt, the analysis and research behind digital signage is now proving too strong to ignore.

The good news is implementing a digital signage network is no longer rocket science. As the technology has advanced, implementation costs have also come down making digital signage accessible for the first time. But it's not just the screens one has to consider...

Getting it right: 7 considerations when installing a digital signage network:

1. Content is key. It doesn't matter how much you've spent on your digital signage network, if the content is crap, it won't work. Make it interesting, eye-catching and relevant. Don't throw a news feed along the bottom of the screen. It's more visual distraction that takes away from your message!
2. Location, location, location. If the screens are not in a place where anyone sees them, what's the point? There are numerous hot points around a store, like at the POP (point of purchase), that should always be utilized.
3. Get local buy-in. If the staff hate your digital signage content, they won't turn it on. Repetitive audio is usually the killer here. You can also utilize your content to get employee buy-in to your company values and in how you want them to communicate your brand.
4. Install a network that can be updated remotely and controlled from one location. Don't send around DVDs! You need a network you can manage offsite. And by managing each screen in various locations from one location (your desk!) you can control a consistent message for your brand and tie it in with other marketing campaigns, now.

5. Does it schedule playback? Can you remotely schedule content to play across multiple screens in one week from today, one month? Reliable distribution and playback is critical. If you can't easily change the price of an item across your network in 15 minutes or less you've got the wrong system.
6. Get it to pay for itself. Utilize your suppliers and brands already in store for some third party advertising revenue. Get THEM to throw in some dollars to get their ads on your screens. The cost for them is minimal for the proven increase in sales.
7. Do you have to buy expensive peripherals? Do you have to buy a PC, a server, software and a media player for every screen? Don't waste your money when you can get cost-effective out-of-the-box solutions. No PC, no media player, no more!



So what is the next step for digital signage down under? Over the last couple of years, digital signage has transformed and grabbed media attention overseas through LED digital billboards, cinema advertising and in the healthcare industry, which is a favourite of pharmaceutical companies.

In a lot of ways New Zealand and Australia is a blank canvas compared to the United States where digital signage networks are increasingly common. We are already seeing a trend towards high traffic big box retail stores, supermarkets, banks and service stations buying and managing their own network. The next step should see quick serve restaurants move towards digital signage menu boards as they have overseas.

As implementation costs have come down, there will also be a move towards smaller retail networks of only a few screens, and implementation across a variety of sectors, from real estate, to corporate, to applications in universities, libraries and museums. But we are only at the beginning of what is possible, and with a global growth rate of over 30%, it will only be a matter of a (short) time that we see more and more digital signage networks in operation down under. What are you waiting for?



ABOUT THE AUTHOR

Arlette Morrison is Director of Sales and Marketing of Computaleta, the largest supplier to the New Zealand signage industry, with brands 3M, Arlon and HEXIS, and is the exclusive distributor of HEXIS films in Australia. Computaleta is also the exclusive Australasian supplier of SignPassage, an all-in-one Digital Signage System that requires no PC, no media player, no more! Find out more at www.computaleta.co.nz/digital