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# Retail Digital Signage Networks

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## ***Retail Digital Signage Network***

### **Choosing the Right Partner to Achieve Business Success**

While digital signage is a relatively new phenomenon, there is no question that it is here to stay. As a powerful marketing tool, it can influence customer purchasing decisions and enhance a retailer's brand through the rapid delivery of dynamic, multimedia content to specific audiences in specific locations.

Monitors in attractive store displays feature compelling, multimedia content, which succeeds in setting a signature 'tone' for the specific retail environment. Done properly, the store manager and retailer will experience increased sales as a result of products being promoted while the dynamic nature of the signage allows multiple vendors to share the same advertising space.

What are the new trends driving the mass adoption of these technology solutions? More importantly, how can retailers choose the right technology solution and partner to achieve business success in the store environment?

#### **Technology's Impact on the Store Environment**

Due to new technology innovations, marketers and advertisers are constantly searching for alternative methods to effectively reach consumers. With the advent of the Digital Video Recorder (DVR) and the availability of hundreds of viewing channels, long gone are the days when retailers could influence purchase decisions primarily through traditional TV advertising.

This leads us to the store environment, where marketers have access to millions of consumers daily. In contrast to TV advertising, digital signage provides immediate opportunities, enabling consumers to rapidly respond and make purchases. Simply put, retailers no longer need to depend on a consumer remembering a television ad to make a purchase. What could be a more effective means for influencing consumer purchases than being at the point-of-purchase? So why aren't all retailers using digital signage?

Before initiating a digital signage deployment, a number of factors must be taken into consideration. Corporate culture and technical skills for each retail business require different approaches. But most importantly, business goals must be clear so that impact and value can be measured.

#### **Key Considerations**

**Funding:** Display screens are the primary costs involved in starting a digital signage network. While the price of display screens have decreased dramatically, they are still an expensive component of deploying digital signage and ultimately someone has to fund it. There are two options. As a retailer, you will need to finance the project, in full, to maintain 100 percent control of the content. And while you may elect to allow some paid-for-advertising to help offset the cost, you are still in control. A second option



is to allow a third-party provider to install screens in your stores. With this option, the owner of the network bears the financial burden, and expects rights to the network.

If the primary business goal of the digital signage network is to promote your brand image, internal funding is the way to ensure all content supports that goal. Conversely, if sales lift of both branded and non-branded products is the primary goal, giving up some control to a third-party may be the best approach. When exploring this option, it is important to remember that the less you invest, the less control you have over the content.

**Location:** For signage to be effective, it must be visible. Positioning the screen at eye level requires the retailer to sacrifice valuable store space for product display. Some retailers, seeking product promotion without sacrificing display space, have tried positioning their monitors above the product display areas. The result is usually screens that are too high for customer visibility, resulting in loss of message and impact on the consumer.

**Programming Content:** Customers will typically want to experience something interesting and entertaining. They are not receptive to viewing continuous loops of one advertisement after another. While the retailer wants to keep the customer happy, the retailer also wants to promote brands and products. Therefore, an intricate balance is required to ensure that the customer has enough viewing motivation and that the retailer is effectively leveraging the opportunity to get its messages across.

**Loop Length:** The more products promoted, the greater the opportunity for sales lift. However, the customer's in-store dwell time limits their exposure to the content loop. This fact must be taken into account in both the amount of material presented and the length of each promotional segment. Otherwise, promotions will not be seen in their entirety and will be deemed ineffective.

**Audio:** Audio is an extremely powerful aspect of digital advertising because it can influence customers without requiring significant attention to the screens. Conversely, it can annoy store employees, who have been known to turn off screens to terminate a loop that has been burned into their psyche. Directional speakers may moderate the impact to store employees, but retailers must still be cautious. When audio is too intrusive, customers may also complain.

**Broadband:** In a single store, or even chains with a minimal number of stores, sending DVDs to the store manager may work. However, this solution does not scale very well. In large chains, logistics and compliance become issues. Literally hundreds of people may be required to perform the task of sending, receiving, and loading content at the right time to create the impact marketing wants. Another issue that comes into play is the ease of updating content at scheduled times, which extends to the ability to respond to spot situations. Broadband is required and serious consideration should be given to satellite for its multicasting capabilities.

**Choosing the Right Service Partner:** There is no doubt that digital signage is a powerful medium for influencing a customer's purchase decision. Retailers who clearly define their business goals for digital signage should reap large rewards for their efforts.



And once your company has decided it wants to deploy the medium, you come to the last consideration — external total solution provider or in-house integration. Companies offering components of the solution have been around since before the earliest days of digital signage. More recently, vendors have begun to offer integrated solutions that encompass multiple components of the overall solution, some providing end-to-end service.

Retailers are following this trend and selecting vendors familiar with digital signage and capable of designing and managing the entire digital signage network. In addition to managing the complexity of the network operations, the right vendor brings access to expertise and flexibility in evolving technologies. It allows retailers to continue to focus on retailing and achieving their business goals through this powerful medium.