

CES09 through “Digital Signage” lenses.

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To view the Consumer Electronics Show (CES) 2009 show through the lenses of digital signage is to see a future of media interactivity, interoperability, integration and presentation... and the direction of some key players.

The show floor of 2700 exhibitors was *technology and device-centric*, both the keynotes and conference sessions were *media-centric*, with a focus on media-as required, monetizing content, distribution business models and platform extension. In outlook of a slow growth market for consumer electronics, projected at -.6% for 2009, the desire is clearly on clearly on creating appeal and value for a plethora of consumer electronic product derivations comprised of incremental improvements.

Some interesting points of comparison:

- Consumer Electronics (CE) 2008 worldwide revenues were \$700 billion with 5.4% in contrast to the \$multi-billion of digital signage and its 25% compounding annual growth rate projected into 1012.
- The media interactivity or playout device of CE is purchased by the consumer, while the digital signage device is provided by those wishing to be more effective communicator(s). Consumer purchased and “display-permission-ed” devices can suppress communicator’s abilities, unlike digital signage.
- CE cares deeply about making content, in particular entertainment, available for CE playout, and increasing the level of interactivity in gaming, social networking, “dashboards and operations,” and interfaces such as audio command, etc.

The value in these observations is that CE helps shape public opinion about visual media presentation applicability and quality, as well as interactivity. The personal investment and use of LCD displays for example, “softens the ground” and greets acceptance for the use of commercial out-of-home and workplace digital signage. But it also points to some other key directions as follows:

“Simple” signage: The use of small-form, “simple signage” in which a digital display is placed on a store shelf, service counter or product rack has the potential for explosive growth. Adding capability to the “digital picture frame” format such as content loading, playlist management/dayparting, animated media format playout and power consumption could see this consumer electronics product migrating into commercial application. TheSimplePicture.com and other commercial-grade, embedded service models can expect revenue acceleration as small form display is increasingly used.

Content creation: The announcement of www.YooStar.com in the CES opening keynote reflected the importance placed on media by the consumer electronics industry. YooStar reflects an interesting convergence of user created content, social networking and feature

film, and points to the type of content production efficiencies that some digital signage content producers have pioneered.

Audience Targeting: The advertisers (media planner/buyer) dilemma is to concurrently have highly targeted audiences and “at mass” messaging, let alone “engagement”. The consumer electronics device offers hope, but the inherent “audience of one” works against a scalable and massive model. This serves to position digital signage a “middle media” that can drive mobile device opt-in, such as mobile browse, TEXT, download or call-in. Digital signage supports the cost effective addition of mobile to communications planning.

The bargain that advertisers make with a media platform is that it will deliver audience actions, commensurate with its cost. Digital Signage delivers high value.

When “advertising” gets shaken, the cost effective presentation of dynamic media to targeted audiences at a location of interest (read Digital Signage/Digital Out-of-Home), gets stirred!

Cisco: The star of the CES09 was John Chambers, CEO of Cisco, who outlined their innovations and execution to support “collaboration”, and in doing so, capturing a market transition to a better, more cost-effective way to communicate and improve a location experience. The natural market adjacencies of consumer electronics, digital signage and other network-based visual communications tools was made clear, while the significant potential for business cost savings, productivity improvements and new approaches for growth and the better use of resources was apparent. [Watch the Cisco keynote video](#) . The Cisco webinar planned for Feb. 12 will outline how the element of digital signage fits into the visual media platform. See www.DigitalSignageToday.com.

Sony: Sir Howard Stringer, Chairman and CEO of Sony Corporation presented the “CES Seven: Imperatives for Creating the Ultimate User Experience.” Excellent guidelines for digital signage providers.

1. Embrace the fusion of industries.
2. Adopt a service-enhanced philosophy
3. Make products multi-functional, so that different types and sources of content can be easily accessed, managed and organized.
4. Support open technologies (because closed system are being disintermediated).
5. Advance the new, shared experience.
6. Create new value chains
7. Go “green”, be “green”, profile “green-ness.”

Digital Signage, as an expression of high capacity digital technologies and consumer electronics will develop further to become a stronger breed of double helix-ed DNA serving the advertisers’ and communicators’ world.

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