

Digital Signage and Cellular – “Concomitance” (The Relationship between Digital Signage and Cellular)

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The word “concomitance” meaning “co-existing” or “effecting while simultaneously effected by” is an apt descriptor for the relationship between digital signage and cellular. The positioning of dynamic out-of-home digital display has it generating keen interest, planning and spending by ad agencies, brand managers, network operators and the business development departments of wireless carriers.

With 1 billion mobile devices being shipped annually and it being the largest segment of the consumer electronics device market according to Stuart Carlaw, VP and Research Director of the Mobile Device Market Division of ABI Research, cellular and other wireless merits consideration in all communications supply chains and communicating processes.

The benefits of triggering a download, mobile browse or mobile commerce session provide brands and information providers with the high levels of engagement and introduction to permission marketing that accelerate brand building. Communicators are getting onto this fast.

IDC, Jupiter Research reports North American M-Commerce revenue in 2007 at \$505 million and estimates \$1.9 billion in 2010. This is fueled by increased adoption of mobile internet. Comscore TKG reports projects growth to 92 million users in 2012 from 32 million in 2007, with highest usage, 45% being the “Millennials” or “Gen Y” demographic of hard-to-reach 18-24 year olds. 27-40 year old Gen “X”ers represent 27% of users with 41-50 year old “Baby Boomers” representing 17%.

The IBM Institute for Business Value Analysis reported that the highest Compound Annual Growth Rates (CAGR) for global advertising spending are being realized in Mobile Advertising at 41% followed by 20% for internet and 19% for each of Interactive TV and In-Game advertising.

Wireless carriers are taking note of the high value that they can bring to digital signage while it simultaneously brings them value – “concomitance” - a co-existing “win” for every part of the supply chain from network supplier to operator to advertiser/user to viewer/patron.

“Cellular and mobile broadband use for media networks leverages the network reach, reliability and security built into networks, like the Nationwide Sprint network, that successfully carry millions of digital transmissions daily. Digital Signage will

increasingly take advantage of what cellular offers,” says Steve Rowley, Director of Indirect Distribution, Sprint.

There are three benefits for carriers seeking more ARPU (average revenue per user) from digital signage-cellular enablement and interlacing.

A key benefit is in considering Digital Signage to be a “Mobile Internet Device”, a “MID” in wireless lingo. Cellular connectivity offers key benefits including speed and ease to deploy, location flexibility and cost, in appropriate situations. Firms such as MediaTile, Adshift and a growing number of display providers such as NEC are attractive as providers of “Digital Signage in a Box” and System Integrators such as Walsh Wireless are serving as primary supply points for planning and deployment which assure that end users maximize the value that digital signage can deliver.

“Chick” Walsh, Chief Strategy Officer of Walsh Wireless notes that “End Users of digital signage want to focus on their core business of retail, hospitality or services, and benefit from the ease and confidence that gaining a complete, turnkey display network can provide.

A second benefit lies in downloads to cell phones that are triggered by a content spot presented on digital signage. The words “text to download..” provide viewer engagement and dramatically extends the value delivered by digital signage in serving viewers in a campus, entertainment, shopping, travel or business environment. The download could be a schedule, procedure, information, coupon, wallpaper, ringtone, etc. Reference has been made to digital signage being a “Middle Media” that explains this communications supply chain positioning of digital signage and dynamic display. More will be said about this benefit as brands, advertisers and other communicators seek greater end-to-end digitizing of the messaging supply chain.

The third benefit is in the mobile browsing and commerce session (m-browse, m-commerce) that is triggered by the digital signage message.

iCrossing, Optinion Research Corp says that 1 out of 3 US mobile users are currently accessing the mobile web with 50% of these doing so 3 or more times per week. They say that 75% of mobile Internet users conduct searches.

Hossein Mousavi, EVP & Co-founder of mporia, an m-commerce provider reports that merchants of all sizes across all most verticals are moving to Mobile Web to enable handheld mobile commerce with adoption rate accelerating at 300% quarter-over-quarter merchant subscription growth rate. They report an average transaction size of \$130 across all live merchants with .8 - 1.5% customer conversion rates being realized.

Keith Kelson, CEO of MediaTile says "the use of cellular connectivity underpins the rapid path toward easier and more flexible deployment, and lower costs of operations that digital signage deployments are seeking, and to which MediaTile is responding".

Communications supply chains are a continuously growing and optimizing entity. As digital signage is increasingly “tuned” to integrate into information provisioning and commerce supply chains, cellular and other forms of wireless, such as WiFi, Bluetooth, WiMax and satellite will optimize the application while reducing deployment and operating complexity and cost. Cellular will both offer and enjoy benefits – “concomitance.”

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