

Digital Signage as Middle Media Platform

Better viewer targeting and message interface position DS as the middle media platform between in-home broadcast and internet, and out-of-home mobility This offers brand awareness and engagement with new pricing/revenue models and sources.

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Social networking, downloads through text and Bluetooth, branding “Millennials,” directing to websites and mobile commerce, and extending music and TV – each of these are the next wave of digital signage (DS) operations and business model. Digital Signage has enjoyed rapid growth based on a TV ad display model, but the technology that drives the inherent advantages of dynamic digital display have positioned it for a new level of interaction and service to marketers.

DS has been an extension of the TV and internet ad delivery models by moving ad presentation to out-of-home, point-of-purchase and into locations where people gather to work, learn, shop, play, commute and wait. DS is gaining the attention of marketers because it can better target demographic, costs less than a typical TV media buy and can provide a better compliance report.

The installed base of displays is growing and delivering a viable number of exposures to merit the efforts of ad placement. Ad agencies that have lived with the “TV ad needle” pushed a long way up their arm for a long time, are realizing that media buying profits are based on the broken business model of broadcast and that their success will be regained by returning to producing messages that communicates with defined target demographics.

This shift includes two significant changes - better message targeting and viewer message interface.

Better message targeting that has been based solely on good media buying will increasingly be based on “dynamic ad provisioning”. The “cookies” used for internet targeting, the “clicker” history of cable and cognitive recognition in DS all have the same objectives, and each is based on technology supporting target marketing. Message targeting is becoming a back-office technology interactivity where ads are pulled from storage and displayed based on pre-set “if-then” display rules.

Message Interface is the new domain of DS defined by interaction with the displayed message (i.e. the content). While physical interaction has developed through kiosks and touch screens, the ability to scale is limited. By extending display messaging to a personal device such as a cell phone, message engagement and brand interaction is significantly advanced. This advancement ratchets DS into a very high value category as a messaging device for marketers and communicators wishing to extend ad display into brand engagement.

Digital signage becomes a “media platform” for the viewer message interface.

Marketers know the inherent value in using multiple marketing media to gain heightened exposure. Their goal is *ubiquity*, the notion on the part of the target message consumer that the presented product or service is everywhere where they are, at each turn fueling and offering to fulfill their needs, wants and aspirations.

SeeSaw Networks has offered a good example of this ubiquity where a student sees digital display when they take public transit, then buy coffee, go to a campus location, then after school, gas up the car, visit a bank and convenience store, enjoy a club and then end the evening with some fast food. In each case the student could encounter DS.

Each activity is highly social and so the ubiquity in ad display has a high probability of impacting brand awareness by multiple people on the student’s day journey. DS is part of the social networking comprised of planned activities, destinations and discussions.

The “Millennials” demographic group (born after 1982) are an attractive demographic for brands. This generation is the first to exceed 100 million people in North America and 42.6 million are currently between the ages of 17-26.

According to StatisticsU research, presented at a conference called “The Millennials” on March 5 as part of Canadian Music Week, 17-26-year olds in this demographic spends \$160.8 billion annually not including accommodation, utilities and school costs. 96% of college students and 86% of non-students in this age group use cell phones. “Their media consumption is shifting dramatically” says Daniel Coates, Co-Founder of SurveyU.

IDC Jupiter Research valued US mobile “digital commerce” at \$11.2 billion for 2007 including downloads and mobile commerce. According to Telephia, the mobile research division of Neilson, 31 million people were using mobile internet in June 2007. Comsource forecasts mobile internet to increase to 92 million by 2012.

Digital signage serves an excellent “media platform” to reach Millennials and other demographics through Text code downloads, direction to websites, blue-casting and permission marketing.

The message interface of DS acts to present opportunities for viewers to interact and engage with a message or brand.

Text codes presented in a DS ad could enable the download of information, coupons or brand media such as ringtones, wallpaper, songs, animation, jokes or games. A text code could also start a message thread or mobile commerce transaction. M-commerce provider mPoria reflects that the average m-commerce transaction is \$130 with conversion rates of .8-1.5% on mobile devices. The Text code or M-Commerce interaction could trigger a permissioned marketing program.

Websites are a communications staple and so directing a viewer to a website is a positive force in gaining consumer brand interaction.

Bluecasting. Beyond TEXT code presentation, the DS media platform can serve as the interactive media supply point for Near Field Communications (NFC) using Bluetooth. According to a February 2008 report by NPD Group, 69% of phones sold in Q2 2007 were Bluetooth-enabled, a 48 percent increase over Q3 2006. Over 40% of users with Bluetooth use the capability.

The message interface of DS also acts to present messages suited to viewers to improve message awareness, interaction and engagement.

RFID (Radio Frequency Identification) interface has had limited deployment, but like barcode readers or other near-field communications, offers a viable trigger for content display customized to the viewer experience.

Facial cognition. DS is ideally suited to serve ads and other content based on the profile of people looking at the display. Cognitive facial recognition can determine the gender, age range and ethnicity of a viewer, and this information can then be used to trigger the display of content suited to the viewer(s). Using this approach, one ad may be displayed for a 50-year old male Caucasian while a different ad is presented for a 20-something, Asian female.

As DS moves from playloop ad display to a media platform approach, a new model of ad placement and payment is made possible.

Increased ad revenues as CPM are realized when cognitive recognition reports on actual ad viewers and when ads are displayed especially for targeted audiences. And new revenue are generated by TEXT or M-Commerce interactions and engagement triggered by the DS content.

Dynamic ad provisioning from facial cognition suggests an entirely new revenue model from better message targeting. In this revenue model, content is developed for presentation in locations where a targeted viewer demographic traffic is expected and placed in storage on the media player at that location for playout when triggered (rather than simply placing the ad into a playloop). The invoice for ad presentation is validated by a cognitive recognition report of viewers. CognoVision and Tru-Media each offer cognitive recognition products which advance this revenue model. This same report could fuel the creative development of the ad to maximize viewer awareness and engagement.

The challenge of reaching consumers and viewers has motivated the development of new technologies and business models. As Digital Signage and other media channels continue to evolve, the strengths of each are exploited and inter-relationships are refined. All to the benefit of savvy, cost-conscious communicators.

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