

Bad economy? – what bad economy!

DSE shows new plateaus and acceleration of Digital Signage Industry.

*By Lyle Bunn
March 3, 2009*

The number of digital signage displays is forecast to grow by 44% in 2009 reports Chris Connery, Vice President of PC and Large Format Commercial Displays at DisplaySearch. But this increase to the 900,000 displays measuring 27” and larger already installed in North America is the tip of the iceberg. Smaller displays of 7-27” as typically used for elevators, store shelves, service counters, meeting room entry and other uses are not included in this forecast. Such was the backdrop to the Digital Signage Expo, the first major industry gathering since fall 2008.

New products were announced; new industry suppliers declared, with the focus on “Content,” embedded interactivity and education reflecting positive ongoing developments in an industry that is earning its growth by providing better advertising and communications efficiency and control

DSE09 had 60 new exhibiting companies of the 182 total. 40 new product announcements were made at the event. There were 44 education sessions over 3 days drawing on the insights of more than 125 presenters. The event was steady and busy with executive participation by end user project managers and channel firms. Meetings were busy, in-depth private demonstrations were almost continuous at exhibit booths, and in fact, few exhibitors had time to visit other booths – very untypical of a trade show.

Wide ranging, relevant session topics, knowledgeable presenters, a trade show floor encompassed the spectrum of ecosystem elements and delegates that included many fully-engaged, new end users and executives from commercial AV and system integration firms, are indicators of a growing industry.

End users from across the economic spectrum were shopping - many having already prepared solid plans which have allowed digital signage projects to move through corporate priority review and into the sourcing and deployment stages.

Peter Breen, Managing Director of Content for the In-Store Marketing Institute attended, noting that “We’ve moved beyond the stage where dynamic signs and networked content were viewed as a novelty that could make an impact simply by being there, to a period in which smart marketers are utilizing such new technologies to communicate with shoppers in unique, interactive and most importantly – targeted ways.”

Paco Underhill, founder and Managing Director of Envirosell, publisher of 7 books including “Why We Buy” and “Call of The Mall” which are published in 27 languages provided a keynote address sponsored by PRN. The nodding heads as Underhill said “digital signage is not a technology – it is an application” reflected the maturing of an industry that until recently was technology-driven.

Underhill's key insight is that "our visual language is evolving faster than our spoken words. We process images faster and it is a single language." He added "This makes digital signage a powerful appliance to improve retailer and brand success". "And" he noted "the value of digital signage does not decline, but increases over time when content messaging is refined".

"Retailers are actively engineering the costs out of the supply chain" Underhill observed while urging retailers and consumer services providers to "give good store" since, he added "amenability and profitability are directly linked."

Relevance is King. It has been said that "Content", "Context", "Audience" or "Measurement" are "King," but the growing agreement is that the combination of these elements provide a framework for "*relevance*" which is imperative to achieving results. Michael Chase, Vice President, Marketing and Creative at St. Joseph Content, including Alchemy, a multi-channel content provider working with such brands as Walmart, Loews, Kraft, Thomson Reuters, Sears, General Motors, Dunkin' Donuts and the US Navy says, "At the same time, these provide a critical feedback loop for continuous improvement and expansion of identified marketing objectives through better audience targeting. "The bottom line", says Chase, "is that if they do not all work together then the objectives will be missed. None can exist on their own or the digital signage will ultimately under-deliver".

Another corporate giant has arrived bringing a breakthrough in content/campaign management. One of the important industry announcements was made by Harris Corp in unveiling "Punctuate". Harris Corp (NYSE:HRS), with annual revenues of \$5.4 billion serves markets in 150 countries through 16,000 employees, 7,000 of whom are engineers and scientists. Harris is a household name in broadcast, government technology and IT infrastructure, and its enterprise-class products are used in large ad agencies for broadcast media planning, buying and trafficking.

"Punctuate" is described as "the first business management solution to provide total inventory control across single networks, multiple networks and for each individual sign, allowing operators to create profitable, scalable digital signage networks." Punctuate is offered as new solution to Harris' existing digital signage/digital Out-of-Home portfolio, adding to its "InfoCaster" media management system.

The significance is that InfoCaster has generally operated below the radar of the digital signage industry at large for the past five years as its original developer, Inscribe Technologies, was acquired by Leitch, and Leitch was then acquired by Harris Corp. InfoCaster is a powerful media management software well suited to enterprise DS/DOOH and venue media management and it is used by many large organizations, with a loyal following of system integrators which also provide broadcast and CCTV equipment.

While InfoCaster serves the DS/DOOH network market, Punctuate appears to offer the digital signage industry the cross-network connectivity it needs, and the operational

linkages and efficiencies sought by large agencies, brands and multi-banner chains for campaign and content management.

This new plateau of operability from Harris Corp addresses the fragmentation and network “silo-ing” that has impaired overall DS/DOOH industry growth.

“Content” was of primary education and exhibit focus for the first time at an industry-wide event. This reflects industry confidence that the technology ecosystem, business models and clarification of applications are no longer the primary concern, and that attention should be shifted to maximizing the value and impact of digital signage, through relevant “content”.

The signage and digital graphics industries were present at DSE with Matt Dixon, newly named Managing Editor of “Sign & Digital Graphics magazine” announcing the consolidation of Sign Business and Digital Graphics magazines. The publication will deliver over 53,000 readers, a primary new group of digital signage resellers which fundamentally understand signage, their clients’ branding and can bring “local” often long-standing supply capability to thousands of end user businesses.

Gestural interactivity and mobility had high profile with a day of very informative sessions and show floor displays. Gestural pioneer and GesterTek Founder Vincent John Vincent provided a rare appearance and forward-looking presentation. As the saying goes, “you could have heard a pin drop” as delegates took in the significance of his thought-leading directions.

Notable too was newly named Touch TV Networks CEO John Kirkpatrick on site. The firm offers multi-touch hardware and software platforms to transform how we interact with computers through the use of both of our hands directly to manipulate objects on computer screens. This means higher satisfaction, deeper engagement, and better understanding of customers.

Next major event May 6-7 Las Vegas. The combined KioskCom, Self Service Expo and The Digital Signage Show to be held May 5-7 in Las Vegas will be the next major gathering point. Given the “full-steam ahead” outlook for DS and the business economy of meeting and education that come with major events, it could be expected to be a good use of time - in particular as the SPEED digital signage training program is being offered May 5 afternoon. See www.LyleBunn.com –SPEED.

Full speed ahead, with abundance of caution, alertness and best possible wisdom applied. 2009 will get more and more interesting with the industry moving faster.

Lyle Bunn is a highly regarded independent consultant and educator in North America’s digital signage – digital Out-of-Home industry. Lyle@LyleBunn.com