

# Digital Media is Springtime in Las Vegas

## *NAB, The DS Show/KioskCom, ISE, NAMA through a DS Lens*

By Lyle Bunn  
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Las Vegas events in spring are all about the media economy as the city hosts the National Association of Broadcasters (NAB), Digital Signage Show/KioskCom, International Sign Expo (ISE), and National Automatic Merchandising Association' (NAMA).

In an enormous change in marketing communications that is in progress, the tide of a “blue ocean strategy” is being drawn by the economies of “digital” in media creation, management, distribution and presentation.

The inter-relationships around the core of digital media presentation directions and its underpinning “business” are increasingly clear. “Digital media is washing over and around what has been termed “Digital Signage or Digital Out-of-Home”.

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*Lyle Bunn*

**National Association of Broadcasters (NAB):** The broadcast sector, which dominates the “Marketing Industrial Complex” met during the April 19-23, 2009 National Association of Broadcasters (NAB). While the focus was on better approaches to creating, managing, distributing and presenting “content” and the emphasis was “one-to-many broadcasting” the trend to new display modes and message targeting in the out-of-home environment was in clear evidence.

“Digital Signage/Digital Out-of-Home is the natural extension of broadcast” said Jimmy Schaeffler whose NAB Executive Briefing Series book “Digital Signage” has become a best seller since its release at NAB last year. He continued “DS/DOOH is moving through a shift from being technology provider “pushed” to being “pulled” by advertisers, retailers and other communicators. Just as DS grew explosively in the post 9/11 economy as message delivery budgets shifted toward new approaches, the growth is continuing in the current economic climate”.

Harris Corp., a \$5.4 billion giant in the communications infrastructure and media flow business had the highest digital signage profile during NAB due to several significant product and deployment announcements.

During NAB, Harris outlined the media flow similarities to DS/DOOH for broadcasters, narrowcasters, CCTV and IT-based media management and distribution for operators and integrators. The importance placed on the media and business models was reflected in the robust, scalable capabilities of the Harris “InfoCaster” for network media management and the unique abilities of Harris “Punctuate” to manage content and ad campaigns across networks and different media platforms.

In describing the selection of Harris Corp products, Alex Martins, COO of the Orlando Magic said “The stadium will include 1200 displays presenting media individually and in groups based on Harris media management. As a result of this relationship, everyone who visits the new Orlando Events Center will enjoy a unique level of fan engagement and an unparalleled experience, and our arena will undoubtedly become a technological showcase and the new standard for sports and entertainment venues worldwide.”

In announcing that McDonald’s is launching the next stage of the fast-food chain’s unique, branded TV channel using “Harris InfoCaster”, Brad Hunter, West Division marketing officer for McDonald’s said “It is comforting to know that Harris can manage this end-to-end platform, allowing McDonald’s to focus on the day-to-day operation of its restaurants.”

David Keene, Executive Editor of several digital signage publications and Chair of the DIGI Awards said in an NAB theatre interview “the improved use of the medium by advertisers and communicators offers high value to consumers to gain information about what they might or plan to buy. The win-win-win available through DS/DOOH to consumers, communicators (i.e. advertisers, brands, etc.) and locations (i.e. retail, etc.) makes DS/DOOH compelling”.

The ability to reach consumers, patrons and staff with compelling visual messages in out-of-home environments characterized as points of purchase, transit, waiting and gathering makes DS an attractive communications tool.

Given these points of display, DS can be used to brand, merchandise and present a call-to-action simultaneously. Messaging is typically 5-15 seconds in duration and often does not include audio.

The ability to target messages based on the display location, time of day and even by the demographic profile of a viewer add to this value. The critical mass of installed displays at 900,000 currently in North America and growing by 44% annually, positions the media to be worthy media planner/buyer consideration.

DS fits into the middle of the marketing communications continuum between the audience reach of TV and radio at one end and the engagement of mobility and internet on the other.

The growth of other media such as TV and Internet are offering valuable lessons to DS users, network operators and suppliers, including:

- Users such as advertisers and other communicators are learning that the content must be relevant to be effective. This is achieved by combining *Content, Context, Audience* and *Measurement*.
- Network operators are continuously focused on improving access to and the efficient use of the medium.
- Suppliers know that the technology must be RAS-able” – reliable, available and scalable, and that the more easily it can be applied and used, the better.

Some broadcasters have already entered the DS/DOOH market and others are determining their strategy. CBS Outer Net, NBC Everywhere and others’ involvement has included acquisitions and investment in networks, and bundling DOOH into advertiser proposals. Other broadcasters and cable operators are considering collaborations that allow leverage of ad sales force activities and cross-promotion.

Jeff Dickey, a Co-Founder of SeeSaw Networks said “DOOH is ready to be more efficient, so it can be more effective. Based on the growth of individual networks and the growing installed base of displays within these networks, economies from more efficient ways of planning and placing content campaigns on multiple networks and trafficking media is an apparent area of growth. In short, making it easier to plan and place advertising can unleash the enabling value of the inherent characteristics of Digital Out-of-Home”.

Dickey continued, “This will continue to propel the medium, offering a compelling outlook of continued growth and positive advancements in the way that media and messaging serve society”.

Several firms familiar to the Digital Signage sector were also busy at NAB including Stratacache and Tightrope Management Systems. Each offers media management systems.

Broadcast International, a respected system integrator noted that it is integrating digital signage and store security, continues to develop CODECs to maximize satellite efficacy for specific applications and said David Van Epps of BI, “we have developed our own integrated player and software to offer to the digital signage marketplace.

### **Digital Signage Show/KioskCom**

Digital Signage and Kiosks are natural siblings. Each uses a digital supply chain and display interface to help organizations better achieve their communications, relationship and business effectiveness goals. Each makes an offer that is then fulfilled in transaction form, while drawing on many of the same components of display, touch screen, connectivity, data/media management and deployment.

Both digital signage and kiosks motivate mobile, cell phone sessions for TXT, downloads, mobile browsing and e-commerce. Joshua Weiss, Managing Director, delta.com, Self-Service, & CRM, Delta Airlines said “mobile is a self-service device, perhaps the ultimate out-of-home, audience-of-one, engagement device. We need to drive information and interaction to mobile as a next step in customer service and engagement.”

Kiosks and digital signage are always at-the-ready, hard working industrial appliances. Given the common components and their similarly wide range of contributions to organizations, the co-located Digital Signage Show and KioskCom offered a one-stop view into these 2 worlds and the intersection among them.

Sessions focused on achieving return on investment (ROI) and return on objectives (ROO), best practices in application, metrics, revenue achievement, content and other common themes.

Pat Quinn, CEO of PQ Media, in presenting the advertising revenue status and outlook said “The “Buzz-meter” is at the top of the scale and this recession is accelerating changes that want and need to happen in the media landscape.” He noted that Digital Out-of-Home has had a 23.1% compound annual growth rate from 2002-2007 and that 2008 revenues are \$2.4 billion including \$1.4 billion for 211 Video Ad Networks and \$473 million for 1387 digital billboards.

Quinn continued “Advertisers want engagement, dwell time, geographic targeting, screen views and granular demographic targeting, all of which digital signage can provide.”

There was no “fluff” in event sessions and virtually every vendor booth provided value.

At the event The Advertising Council, the nation’s leading producer of public service announcements and The MediaTile Company jointly announced a new, free service that allows network operators to easily add public service announcements to their playlist schedule.

**International Sign Expo (ISE)** focuses on outdoor and static signage providers and digital printers. These firms supply the outside LED, neon and backlit signs lettering and logos, printed posters and small signage. Such firms are an excellent channel for digital signage because they understand signage and message display, have basic digital content production capability, typically have long-standing local supply relationships in markets and are challenged to add new offerings that can increase revenues and margins in their business.

But there were but two small exhibits of digital signage in the sea of digital printers and signage devices.

Charles Kelly of Clarke Systems, which offers a private-labeled, SaaS-based digital signage media management service made deals with virtually every visitor to their small ISE booth. Kelly said “We keep it simple and easy so that everybody is well served.”



*Charles Kelly of Clarke Systems was one of only a few digital signage providers at ISA. He made deals with virtually everyone who came into his booth.*

John Zib, Digital Signage Dude at Memo Media which exhibited at ISE said “Sign firms seem to be looking for digital sign programs with technology that is easy to sell and use. It's less about spec sheets and more about options that the sales staff can understand enough to present to clients. We try to keep things simple and provide support to keep it painless”.

Zib continued, “Offering a full service solution is important to fill gaps not covered by the sign shop or client. Our most common requests are for graphic design, remote management, and local tech support for installs. Clients are more pleased with the product and experience. I think integration with a sign system is important because it creates a seamless extension of comprehensive sign program. This goes way beyond offering a few sizes, but a design approach that is flexible for many applications.

### **National Association Merchandising Appliances (NAMA).**

“Diji-Touch” as a successful marriage of self-service and digital signage, which became the focal point of excitement at NAMA, uses a 46” portrait LCD touch screen as part of Samsung's uVending technology to provide the consumer interface and display management on a snack food vending machine. The collaboration of Samsung, Crane, Kraft and Digitas provides a consumer interface that is elegant, simple and beautiful providing product information and a payments processing structure that makes for strong consumer appeal.

The business case is also very strong. The number of products can be increased from 35 to 56. High stock items are promoted more than low stock, and connectivity allows restocking that is more efficient. The ability to “daisy-chain” different types of vending machine (i.e. hot, cold, food, drinks, etc.) increases cross-selling and upsell.

While Kraft is deploying snack food dispensers, Coca-Cola has 26 similar units deployed at 14 Simon Mall locations in Atlanta and Orlando.

“Samsung is thrilled to be a part of this initiative with Kraft and Crane. Working with partners that are as enthusiastic about innovation as we are has made this a great experience for Samsung,” says Russell Young, Senior Manager of Strategic Alliances for Samsung Electronics America Information Technology Division. “We are proud to be a part of something that has the potential to revolutionize the vending industry.”

Joseph Ferrari, Lead Creative at Digitas said “Digital display is already all around us and offers levels of interaction, engagement and “at point,” highly targeted message presentation that helps fulfill business objectives along with an improved consumer experience”.

Paul Ihn, VP Engineering, Crane Merchandising Systems added “This uses digital signage elements as a whole new platform of interaction and engagement between consumers, brands and products. It will motivate behavior and buying”.



*Left to right:* Russell Young, Sr. Manager, Strategic Alliances, IT Division, Samsung; Joseph Ferrari, Lead Creative, Digitas; “diji-Touch”; Paul Ihn, VP Engineering, Crane Merchandising Systems.

John Zib, Digital Signage Dude of Memo Media said “What we saw was truly amazing. It transforms feed + push vending into a near-Apple experience. I believe this is mainly due to Digitas' expertise in user experience and e-commerce”. Zib continued “The new ideas that brought vending to the next level of thinking can serve as encouragement for our industry to look for new collaborations and partnerships. Low hardware cost and customer acceptance have done a lot to grow our market, but it will probably take much more to get us where we see this going.

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