

The Sharpest Instrument in the Marketers Tool Chest

By Lyle Bunn

This article was published in the April 9, 2010 Wall Street Journal, East Coast Editions as part of a special supplement on Digital Signage / Digital Place-based Media published by MediaPlanet. Lyle Bunn served as principal writer and editor of this supplement, as he did with two previous supplements published in USA Today. He has published over 100 articles and regularly presents at media-related events.

The Wall Street Journal, September 1, 2005 carried a page 1 article titled “In a Shift, Marketers Beef Up Ad Spending Inside Stores” describing that Procter & Gamble had cut its commitment to advertise on cable channels by 25% and its broadcast TV allotment by 5%, while at the same time overall ad spending rose slightly. It reported a focus by P&G on “the First Moment of Truth” when someone notices an item on a store shelf as “one of the most important marketing opportunities” and the firm’s intention to take in-store marketing “from an art to a science.”

Commerce happens out-of-home. Home offers a protected, nurturing environment in which we recuperate. Commerce in home generally includes using products, paying bills and researching, in order to mitigate the risk in future purchases.

Virtually all consumer spending happens out-of-home influenced by brand perception, features, benefits, pricing, promotion and ease of acquisition. Every sale is in competition against alternatives along a path to purchase toward the check-out counter.

“I’d describe it as “ActivationMedia” because of it being closer to where the action is” says Dr. Bill Ratcliffe, a veteran of the marketing industrial complex, former WPP executive and currently SVP North America of BrainJuicer.

Jack Sullivan, SVP/OOH Activation Director, Starcom USA says "The new frontier of digital out-of-home provides exciting opportunities to reach people in ways we couldn't before, as the medium empowers marketers to provide information, entertainment and more in a more relevant context for on-the-go consumers. Engaging the right audience is more important than ever, and the ability to reach active consumers efficiently, often at the exact point of their purchase decision-making processes, holds a lot of promise for advertisers seeking innovative solutions to marketing challenges. And what we've seen in the market so far is just the beginning."

“This is addressable advertising, meaning there are precise targeting capabilities down to an individual screen or environment” says Rob Gorrie, CEO of Adcentricity. “Agencies find huge value in aggregated DOOH and brand marketers can take advantage of that granular targeting and mass reach power, and activate a program by channel, like health care environments (medical offices, pharmacies, and fitness clubs, for example), to target a specific geography or demographic with defined messages that are in context to the venue and viewers. You can think locally, while planning nationally. Not to mention, cutting down on the time it takes to do a campaign. Planning agencies have noted “what you have accomplished in 24 hours would have taken me 4 weeks to do””.

Scott Francis, Chief Technology Officer of PRN which operates more than 64,000 displays in 10,000 locations says “we’ve learned the networks that do best are dynamic, learning networks that provide actionable insights based on research and analysis of customer behavior at every touch-point in every location to deliver the best customer experience”.

PRN President & CEO Richard Fisher describes the impact of smaller form factor shelf-level display, a video endcap solution that PRN calls Product TV. “We worked with major brands such as Kellogg’s, Excedrin, Listerine, Duncan Hines, Vick’s ... and tested over 33 products across 50-plus locations in two of the top 10 retailers in the U.S. Our average sales lift was 60%, some individual products went north of 180%! When executed properly, video next to product really moves the needle.”

Jeremy Lockhorn, VP, Emerging Media at Razorfish says “Place-based video media offers location-specific audience targeting as well as insights that empower the advertiser to know what kind of venue they are reaching the consumer in, and to make certain inferences about the audience there and the corresponding mindset – all of which can inform creative and messaging strategy. Relevance matters, and place-based video media can be made highly relevant, leading to better return on ad spend”.

Lockhart recounts “This past holiday season, we developed a campaign for a large retail client aimed at keeping the brand top-of-mind while also leveraging place-based and location-aware media to drive foot traffic to their stores. We targeted screens (both digital place-based and mobile devices) within a 5-mile radius of their stores. We saw 16% lift in visit/purchase intent and even higher lift across key brand attributes”.

In addressing delegates of the recent Digital Signage Expo, Jose Avalos, Intel Corp said, “As a powerful new capability within the media industrial complex, the analytics and impact metrics that underpin the digital signage value proposition, offer it the ability to increasingly be used in addition to, or instead of less measured media.”

Measurement is a primary consideration to assuring communications value and refining approaches for better results. The Anonymous Impression Metric (AIM) system from CognoVision, which was named the Best Measurement System in the 2009 DIGI Awards, uses face-detection and people-tracking based anonymous video analytics technology to gather data on how people watch content and how they move within a store. The technology can determine how many people watch, how long they looked for, their gender and age bracket, how they move within a store, and can also adapt advertising to cater to viewers in real-time (i.e. an ad can be changed based on the anonymous demographics of the viewers in-front of a screen). This information can be used to dramatically improve the effectiveness of ad campaigns, increase product sales and advertising revenue, optimize retail execution and reduce operational costs. The system respects privacy as no images or video are ever recorded and no personally identifiable information is ever stored. Haroon Mirza, Director of Business Development at CognoVision notes “Our innovation allows for accurate, cost-effective viewer metrics

and actionable business intelligence. We provide the numbers that digital signage networks, brands, and retailers need to better run their businesses.”

Walt Disney World is replacing printed menu boards in food and beverage locations in theme parks and resorts with digital signage. All content is to be driven by information mined from terabytes of data, using patron influences such as RF Cameras and iPhones to manipulate content in real time interaction with cast and guests. One example is found at Cosmic Ray’s in the Magic Kingdom. A manager can notice a guest, approach them, and find out what they happen to be celebrating on their trip. A quick snapshot and a couple taps on the phone later, the guest’s image is displayed on the sign incorporated into the normal flow of the content. The use of specially targeted information has seen a lift of over 100 percent year-over-year sales on the specific item tested. Disney has chosen the Harris Corp. Infocaster product to manage media in all its parks and resorts.

Advertisers can plan for and use Digital Place-based media by contacting network operators directly (www.DP-AA.org), through network ad sales aggregators such as Adcentricity or SeeSaw Networks, or through online exchanges such as Vukunet or rVue.

In announcing the Vukunet ad exchange last year, Pierre Richer, President & CEO of NEC Display Solutions said “The Digital Signage/DOOH industry is a growing market that combines hardware, software and integration revenue. However, when one overlays the advertising revenue for digital out-of-home advertising on top of the digital signage components, there is a significant difference on the plus side. This is simply a great opportunity for network operators and for advertisers”.

Lyle Bunn is an independent consultant and educator in North America’s Digital Signage, Digital Place-based and new media industries. www.LyleBunn.com