



The Four Functions of Digital Signage

Gene Ornstead 03.03.2014

With the ability to deliver highly engaging and targeted content, digital out-of-home signage brings information, education, and advertising closer to patrons, shoppers, visitors, travelers, staff, and students. It entertains, captivates, and informs them at points of purchase, transit, waiting, and gathering throughout their day. It is convenient, compelling, and customer-centric.

The Four Functions of Digital Signage



The Four Functions of Digital Signage

Effective digital signage is expected to perform four primary functions: advertise, educate, inform, and entertain.

Advertise – Just like their print counterparts, digital signs can be used to advertise products and services. Perhaps even more compelling is the opportunity to sell space to third-party advertisers. A company with an extensive network of digital signage in high-profile, high-traffic locations can generate an attractive and steady revenue stream from advertisers while continuing to use the signage to communicate its own messaging.

Educate – Educating audiences crosses the line between delivering advertisements and providing information. For example, the main purpose of a digital menu board is to educate viewers about menu items, prices, product descriptions, ingredients or calorie count. The same menu board can also highlight daily specials and promotional offers, an “educational” effort which is ultimately designed to entice buyers and sell more products.

Inform – Digital signage surrounds us throughout our public spaces, providing critical information to

help us find our way and stay safe. Digital signs at airports and train stations displaying timetables and route maps are prime examples of how this new breed of signage is being used to provide information. Universities are using campus-wide digital displays to deliver communications about upcoming events or emergency notifications. With the introduction of interactive digital signage, audiences can drill down into deeper levels of messaging to learn more about items of interest.

Entertain – In some environments entertainment may be the primary purpose of digital signage, but in most cases it will be a secondary concern. Nonetheless, digital signage content should entertain to keep an audience’s attention. The content itself can be produced in an entertaining manner, live TV feeds or short video clips can be displayed alongside company messaging and other digital content. In locations where an audience will be exposed to signage for long periods of time, such as in a waiting room, lengthier clips of entertaining content can be ideal.

The Benefits of Going Digital

There is plenty of overlap among these four functions and they are by no means mutually exclusive. If the distinctions seem blurred it is precisely because digital signage technology allows for multi-purpose messaging. In fact, constraining digital signage content to one



The Four Functions of Digital Signage

category may prove counterproductive, whereas a signage strategy that covers all four categories takes full advantage of the medium's capabilities. While intelligent and informative messaging is achievable with traditional printed signs, a digital format offers many additional benefits that print media cannot.

Flexibility

The digital medium adds an unprecedented degree of flexibility and creativity to the delivery of messaging via public signage. Content can be updated at a moment's notice, empowering organizations to adapt quickly to changing circumstances such as price fluctuations, out-of-stock merchandise, or new regulations – without the cost and delay involved in updating print signage. Going digital also offers expanded abilities to craft messages that incorporate video, live TV and real-time data feeds such as weather, news and stock prices.



Targeted Messaging

Offering complete control over when and where content is displayed, digital signage enables the delivery of highly targeted messages. A restaurant, for example, can use digital signage to automatically rotate between breakfast, lunch and

dinner menus. Retail environments can employ the broadcasting practice of “dayparting” and adjust content based on the demographics of customers likely to shop in the morning, afternoon or evening. Targeted messaging can also take into account signage location and traffic flow at each location throughout the day. For example, a mall may deliver different content to signs installed near the food court, movie theater and department stores.

Engaged Customers

The ability to provide relevant messaging, entertaining content, and highly engaging multimedia renders digital signage more compelling than static print signs. Customer attraction and retention rates have been reported to jump almost immediately in response to dynamic digital media. As stated in a digitalsignagetoday.com article:

“Research indicates that digital signage achieves communications results such as sales lift, product/service enquiries, increased awareness and reduced perceived waiting time while also adding vitality and energy to an environment and improving safety. Digital signage can provide both high ‘reach’ to large audiences and high ‘engagement’ while messaging can increase traffic to websites and mobile commerce through text, downloads, mobile browsing and even voice messaging.”¹

The examples are numerous. Casinos have experienced a significant uptick in sales at game tables when digital signs are installed. Retail environments report that digital media drives traffic and increases revenue. Additional research has shown that crisp colorful video content entices more consumers and drives impulse purchases.

The Four Functions of Digital Signage



The WOW Factor

Digital signage is modern, high-tech and “cool.” While it was once the exclusive domain of high-end luxury brands and big dollar venues, today digital signage is more accessible than ever for organizations and budgets of all sizes. Even a modest digital signage installation, such as a single small-screen display on a retail shelf or countertop, can affect a consumer’s impression and result in an uptick in sales.

Cost

By eliminating the costly, time consuming and repetitive print production necessary to update static messaging, digital signage offers cost savings over time and as quantities increase. Nonetheless, just a few years ago, the high cost of a total digital signage system and installation prohibited mass adoption. Today, installation costs can be surprisingly low and digital signage solutions can offer rapid ROI for most customer applications, large or small. For example, recent advancements in cost-effective media player technology paired with cloud computing services have notably lowered the barrier to entry. With ongoing innovation, performance will continue to increase as costs further decline.

A Greener Option

Although digital signage consumes energy, it can be considered an eco-friendly alternative to printed messaging. Digital signage reduces print waste by eliminating the energy, water, ink, and solvents needed to produce, transport, and dispose of print signage. Energy-saving LED backlit technology,

currently available with some display products, further reduces digital signage’s carbon footprint.²

Conclusion

With the ability to deliver highly engaging and targeted content, digital out-of-home signage brings information, education, and advertising closer to patrons, shoppers, visitors, travelers, staff, and students. It entertains, captivates, and informs them at points of purchase, transit, waiting, and gathering throughout their day. It is convenient, compelling, and customer-centric.

After a decade of rapid transformation and growth, digital signage today is mature enough to offer affordable and reliable solutions. However, it represents relatively new and rapidly evolving technology. As innovation continues and interactive displays and kiosks become more cost-effective, marketers and administrators will enjoy ever-greater opportunities for effectively communicating with audiences in virtually any environment, including retail, healthcare, manufacturing, education, transportation, hospitality, the workplace, and more.

About ViewSonic

Building upon our 25-year heritage as a pioneer and innovator in desktop display technology, ViewSonic has become a leader in the commercial display and digital signage market. With a forward-thinking, solutions-focused approach, ViewSonic is dedicated to elevating out-of-home display marketing to new levels of creativity and success. Our innovative commercial and institutional digital signage solutions include media players, hospitality TVs, ePosters, immersive video walls, and interactive full HD commercial displays up to 84 inches.

¹www.digitalsignagetoday.com, Digital Out-of-Home, your guide to digital signage application & business trends today, page 12. Media Planet, January 2010

²The Greening of Communications. Keywest Technology, Inc. http://global.networkdalliance.com/downloads/white_papers/The-Greening-of-Communications-White-Paper.pdf