

Digital signage to transform retail environment

By [Rob Nelson](#)

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In today's highly competitive business environment and with ad avoidance on the rise, marketers are being challenged to be more creative and adopt a more compelling approach to communicate their messages to their audience.

As such, the marketing mix is broadening to include digital signage as a tool to engage audiences when it matters the most, when they are making purchasing decisions.

Digital signage is an electronic form of signage that allows for animated visual content and messages to be dynamically changed as required. As a result, it can be a highly effective tool to deliver targeted messages to the right audience at the right time at the right place in an effort to drive awareness, educate the audience and increase sales revenues and communication effectiveness.



While various research studies have proven the effectiveness of this tool, South Africa is lagging behind the rest of the world in digital signage usage.

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At the onset of digital signage in the mid-90s, South Africa set the stage for the global industry. In the early 2000s the flood gates opened and the local industry kicked off to a healthy start. Since then, the global industry has taken the lead in digital signage, embracing this medium and exploring new possibilities to deliver on the real benefits it has to offer business.

Various industries – ranging from hospitality, medical and pharmaceutical through to retail and automotive – are using this medium effectively across the globe to engage their audiences. With so many industries seeing the benefits of this medium as part of their marketing mix, the global digital signage industry is expected to grow at a CAGR of 15.2% during the period 2016-2020 in the retail sector alone.

Local adoption

While the global industry is booming, there are several barriers that have inhibited the growth of digital signage in South Africa, the biggest being the cost associated with adopting this medium.

Until recently, LED screens have been fairly expensive to purchase, and large format displays and digital walls are still very costly for companies to own. In addition to the hardware, the software required to run the content on the screens is expensive, particularly as it is often sold at US dollar prices, making it very costly for local business that would need to convert from Rands.

Despite this, some forward thinking companies have made the investment and have put screens up on display in their stores, branches, head offices, sites and training operations to name a few spaces. However, many of these companies haven't invested in creating the right content for these screens.

Possibly the greatest benefit of digital signage is its ability to reach the audience at the right time, during the shoppers' path to purchase. Yet digital signage isn't being used effectively to achieve this in South Africa which is resulting in it being a stumbling block for companies wanting to truly benefit from digital signage as a marketing tool.

Although LED screens and display walls can look impressive, it is the content that will hold the audience's attention, inform them of the offering and educate them about the benefits of the solution. And yet, as a result of the high cost of producing new content, many companies are repurposing existing content such as TV commercials and corporate branding to display on the screens.

This presents a missed opportunity for these businesses, as they haven't leveraged the real value of digital signage to deliver targeted messaging to the right audience at the right time and as such it does not deliver the return on the hardware investment.

Quality content

According to research conducted by Intel Corp, digital signage captures 400% more views than static displays. So the question isn't about whether people see the displays, the evidence is there that they do – rather we need to focus various principles to reach the audience at the right time, at the right place with the right message.

To reach the audience at the right time it is critical that the placement of the digital signage be considered, so that you are able to reach the audience along the shopper path to purchase. These displays can be placed behind tills, around stores, throughout shopping centres or malls or on showroom floors, for example.

Reaching the target audience while they are making their purchasing decisions is a powerful tool that is further enhanced when you are reaching them with the right message. Content displayed on digital displays should be carefully crafted to provide additional product information that wasn't covered in other marketing initiatives, drive product recall and remind the

audience that they wanted your product and why.

However, businesses aren't leveraging this immense opportunity. Rather they are using existing content, such as TV commercials, on digital displays and are not engaging the target audience. For example, companies display commercials on digital displays at busy intersections. Unfortunately, as many people are driving at this time they are not going to be able to view the full ad. In addition, the sound element is lost and, as such, only part of the visual element reaches the audience in a few instances.

Rather, businesses would benefit far more from showing key snippets from the TV commercial to drive recall and add written text in a legible font size – these should be kept short so that they can make an immediate impact on the driver.

To be more targeted in terms of placement and content at shopping centres and malls, for example, display ads could target new moms or pensioners who shop early in the morning with special offers that would be relevant to them, such as infant offerings or pensioner special offers. At lunch time, these displays could change to inform a business audience about the latest lunch time specials at the various restaurants around the mall. In the afternoon the ads would change again to target moms with school children displaying supper time ideas and offers.

The true value of digital displays can only be seen when the right content has been developed with the target audience in mind and placed at the most appropriate place to achieve the business objectives.

Customers' interaction

More than communicating one-way messages to the audience at the right time and place, digital signage goes a step further to be an interactive and engaging tool that can be enhanced with mobile phones and social media. The most popular way to do this is to use QR codes. By providing a QR Code, customers are given a link to access more information from a specific website.

A far more engaging form of interacting with the audience is augmented reality. By using mobile phones to interact with a digital display advert, the audience can be taken on a journey to discover additional possibilities of the offering. For example, travel agents could use this tool to place the viewer at the Eiffel Tower in Paris and then take them to Egypt where they can see the pyramids, before diving into the Great Barrier Reef in Australia, showing them the possibilities that exist and truly whet their appetite to travel to a new destination.

Globally, augmented reality is growing in popularity. Locally we are seeing some companies experiment with it to fully engage their audience. Once we have addressed the challenge of the cost of producing content locally, augmented reality will become an attractive tool for businesses to enhance their marketing initiatives and engage and interact with their audiences.

With the benefits of digital signage being proven as a successful tool to engage audiences, local businesses are starting to implement this technology into their broader marketing mix. These businesses range from business-to-business through to business-to-consumer targeted companies and across various sectors.

Global companies with local operations are leading the trend in terms of local adoption and this is seen particularly within the retail and quick service restaurants industries. However, some large local retailers have also introduced digital displays throughout their stores, but are recycling content such as commercials rather than delivering targeted or relevant messages to the audience.

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Digital signage is also starting to be used in less conventional forms such as outdoor cinema which is growing in popularity across South Africa. Outside events will also benefit from using outdoor screens to add atmosphere to the event and thrill

the audience.

In terms of new hardware developments, the roadmap is very exciting and we are starting to see new forms of glass and digital displays. These displays are becoming more seamless and integrated into their environments, making them even more attractive to the audience. As the cost of these technologies comes down, South African businesses will start to adopt these technologies as part of their marketing mix.

The digital signage industry has evolved from stores using TV sets and VHS machines to a sophisticated one that requires a combination of high definition screen technology communicating the right message at the right time to the right audience.

While typically only available to large organisations that have budgets to cover the costs associated with owning these screens, the price barrier will become a thing of the past and smaller operations, such as corner shops, will soon also benefit from using digital displays to increase their revenues.

However, more than investing in high definition displays, companies need to develop a well thought out content strategy that is orchestrated to deliver the right message at the right time to the right audience. Only once all the elements have been carefully planned out and executed, will businesses truly benefit from digital displays as part of the broader marketing mix.

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