

ACROSS *the* Divide

Two macro-dynamics are driving the next generation of digital screen media at retail. The first dynamic is the change in technology, and the second is the transition from early adopters into retail's mainstream.

Taken together, these two dynamics are creating exciting new opportunities. However, it requires shedding certain myths.

The opportunity is to use digital signage to increase sales by offering consumers information or entertainment value when and where they want it.

Digital screen media at retail is not just for advertising anymore.

The challenge is to select the right combination of technology and content to support the communications strategy. The bottom line is that, done right, a digital media strategy at retail will

return a highly positive, and eminently measurable, return on investment.

Getting there requires innovative thinking, however. Many marketers think of digital media at retail purely as an advertising communications medium and haven't thought of the broader strategic list of benefits that can be achieved.

Unlike traditional media, digital screen media at retail is not limited simply to delivering a message. Its true potential is to elicit a response—to change a shopper's behavior and influence a state-of-mind or action. This could simply be a matter of reducing perceived wait time at check-out or driving incremental transactions.

Maximizing that potential requires marketers to plan their digital media initiatives based on a seamless integration of four key areas: strategy, technology, content and metrics. Indeed, it is all but impossible to separate these four areas when developing a successful program for digital media at retail.

Strategy. Any strategic plan begins with a review

of core business issues and challenges. Those issues might involve getting consumers to shop more areas of the store, increasing transaction and market-basket size, increasing shopping frequency, or achieving higher levels of customer satisfaction through better customer service.

Issues could also include managing inventory better, by promoting high-margin slow-movers and not over-promoting faster-moving items. Whatever the business objectives, the opportunity of digital media at retail is far bigger than simply running some ads. The real play is to enhance the retail environment, change shopper behavior, and achieve performance objectives. The implementation of such a strategy requires a thorough understanding of the various technologies available to achieve it.

Technology. The technology issues that surrounded the first wave of digital signage are completely different from the issues today. As recently as two years ago, the main concern was whether the technology worked. That's not an issue anymore. It works. It's also more affordable now than it was in the past. Today, the issue is how to navigate through, and select the right combination of digital media technology to support your strategy. Contrary to popular belief, digital media is not simply a screen that displays content.

Digital media at retail can be based on any one of a number of different technologies. It can be designed in a variety of shapes and sizes, each with its own level of interactivity and serving a different purpose.

In their excellent book, *Lighting Up the Aisle*, Laura Davis-Taylor and Adrian Weidmann describe various "zoning strategies" that are based on "1) what the shopper is typically doing; 2) what the retailer wants them to do; and 3) what kind of experience they aim to create."

These zones include the outside of the store, the entrance area, the different product categories, the checkout and the exit, for example. The point is, shoppers behave and respond differently as they navigate into, through, and out of the store.

Fortunately, as Laura and Adrian point out, there are technologies that are expressly designed

to correspond with each step along the way of the shopper's journey — from big-screens to kiosks to on-shelf displays — and deliver appropriate content.

Content. Whenever a new medium arrives, there's often a tendency to try to make it work like the media that came before it. We've certainly seen this with the internet, which many marketers continue to view as "the second coming of television." While there's no question that video has its place on the internet, it's equally clear that using the internet simply as a different way to run traditional ads is a hugely wasted opportunity.

The same is true of digital media at retail, although that's not to say that there may be situations where running an ad makes sense. But, again, the most compelling opportunities are to develop content designed specifically to give shoppers what they want — when and where they want it. That could be entertainment, information, or some other form of engagement.

A high-end digital sign inside a store's window, perhaps featuring beauty shots of certain products, might help draw shoppers inside. A basic digital sign might be the best way to communicate specials at the store's entrance, while an end-aisle or shelf-edge sign could provide important product information. An interactive screen using touch — or even the shopper's own mobile phone — might enable a shopper to explore product features, view on-demand content or special-order an item.

The goal, as always, is to enhance the shopping experience, drive retail performance and help the shopper maximize the value of the excursion. The good news, by the way, is that with the growing number of sources of dynamic content, such as RSS feeds, content libraries and other methodologies and tools to produce content, it is now easier and less expensive than ever to keep content fresh, relevant (e.g., local or community based) and focused on driving business results.

Metrics. If you've aligned your technology and your content with your strategy, the return-on-investment should all but take care of itself. The real beauty of digital networks at retail is that they are nearly unique as a medium that delivers against both marketing *and* sales objectives.

The reason for this is obvious: Retail is where transactions happen. Even more to the point, there is little mystery in terms of the linkage between the content that's delivered via digital media at retail and the sales lift that results.

It's also important to note that the way in which R.O.I. is measured should be changed based on the type of digital signage being used. For example, where measurements may be somewhat qualitative with signs that merely help create a certain ambiance, they can be exquisitely quantifiable with interactive signage that enables shoppers to place an order, call up a coupon, or that are linked to the retailer's frequent shopper program.

Another issue with respect to R.O.I. concerns the capital expenditure involved in installing digital media at retail in the first place.

In a grocery environment, it's a question of who puts up the capital, and how that affects the trade dollars the retailer would otherwise receive. If this new medium in any way dilutes a retailer's level of trade dollars, it's not likely to fly.

However, in other, non-grocery environments, retailers typically work more collaboratively with manufacturers to drive sales categories like apparel, consumer electronics and health and beauty, for example. Under such circumstances, many manufacturers are channeling sizeable portions of their "above-the-line" TV, radio and print budgets to "below-the-line," programs as part of a "sofa-to-shelf" campaign. This is fueled by the increased realization that digital screen media can have a significant effect on influencing shopper behavior at the point-of-influence — the retail store.

When considering the R.O.I., it's also very important to remember that the systems themselves are far more stable and much less expensive than they were in the past. The prospects for profitability are therefore much greater than ever before.

Much has changed with respect to digital media at retail over the past twelve months alone. The medium will continue to evolve, and with it the opportunities for forward-thinking marketers to engage, inform, and entertain shoppers with the best possible shopping experience.

An entirely new kind of competitive edge is yours for the taking. ■



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