

The Benefits of Digital Signage in Retail

Learn how a digital signage network can cut costs and increase sales.

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When Manhattan retailer Zacky's was looking for a way to boost its business, it turned to digital signage.

The retailer outfitted its two-floor space with more than 70 displays, in addition to a video wall in the front window that uses 54 40-inch displays in a 3 x 18 configuration.

The screens were supplied by Itasca, Ill.-based NEC Display Solutions, a provider of digital signage solutions.

The video wall draws customers into the store with smooth, waterfall-like content while displays throughout the interior engage shoppers with music videos and dynamic store content such as vendor promotions, product information and daily sales.

"I wanted to take my store to the next level by thinking out of the box and constructing something unique that would really catch people's attention and draw them into Zacky's," said store owner Joseph Joseph. "The goal became engaging customers with stimulating digital signage that they hadn't seen anywhere else before."

Why digital signage?

Despite a perception that digital signage is a costly venture, the opposite may be true, experts say.

Applications for digital signage in a retail environment include wayfinding, information on current sales and product advertisements. Interactive signage can allow customers to find more detailed information about a product in which they may be interested.



Digital signage helps Manhattan retailer Zacky's entice customers and enhance the shopping experience.

Compared with static signage that needs to be re-printed every time the store's layout or inventory changes, retailers may actually end up spending less by investing in a digital signage system. Changes to the signage can easily be made via the network's content management system.

"Of course, it varies depending on how much of your printed materials will be replaced with digital signage," said Steve Acquista, director of digital signage for Lawrence, Pa.-based Black Box Network Services, a provider of communication and infrastructure solutions. "But considering the time, energy and resources replaced by digital signage, the savings can be significant over time."

Along with potential cost savings, digital signage can promote a cleaner, more modern look when compared with printed material that may become faded or tattered over time.

Nearly every retailer with multiple locations has faced the issue of printed promotional material deployed inconsistently. Rather than requiring new signage to be physically placed throughout the store, changes to a digital signage network are put into effect instantly over multiple stores, ensuring the promotional material is deployed on time.

And because there's no outdated material to be discarded, digital signage offers an environmental benefit that is often overlooked.

An in-store digital signage network also offers the ability to partner with vendors to create an additional revenue stream. A cosmetics supplier might buy space on a department store's digital signage network

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while a tool supplier might be interested in placing ads on the digital signage network of an auto parts store.

Of course, retailers display promotional materials in their stores because it's been proven that those materials help boost the sales of the product being advertised. Although it's difficult to quantify, evidence suggests that promoting products via digital signage can have an even greater sales impact.

"We've seen sales lift from 10 percent to as much as 50 percent on items and services featured on a digital signage network," Acquista said.

Getting started

Choosing the right technology is equally as important as strategy and content for the success of digital signage. There are several things to keep in mind when choosing a digital signage strategy.

The first mistake companies make is skimping on costs. Although many businesses think they will save money if they buy cheap equipment, it often ends up costing more money down the road.

Too often companies misunderstand the difference between consumer-grade and commercial-grade technologies. Consumer-grade screens are meant to be viewed in a home environment for approximately

four to six hours a day. Commercial-grade screens, however, typically are viewed under brighter lights than consumer-grade screens, and the screens run up to 24 hours a day.

“If a company purchases a consumer-grade product to meet its digital signage needs, they will find that the screen will not be as durable and will need to be replaced much more quickly than a commercial-grade screen,” said Mike Zmuda, business development director with NEC Display Solutions. “That will ultimately cost more money than an initial investment in higher-grade technology, not counting the cost of downtime.”

For the right effect, screens should be of a size that fits in organically with the layout and design of the store. A screen should seem like a natural extension of the store, not something that has been awkwardly shoehorned in to generate more business. Both the size and number of screens should fit in seamlessly with the store’s design.

The number of screens deployed is just as important as their size. Companies should be careful not to deploy too many screens, which can make a customer feel bombarded and overwhelmed, causing her to ignore the signage.

“There is a point of diminishing returns,” Zmuda said. “When you’re inundated by too much information, you’ll eventually tune it all out.”

In terms of hardware, aside from the commercial- vs. consumer-grade question, businesses should look at what features they want in their digital signage. An interactive component will require higher-end hardware that will cost more money.

Considerations when deploying digital signage

- Purchase commercial-grade technologies.
- Choose screens that fit with the layout and design of the store.
- Deploy enough screens to catch the attention of customers, but not so many that shoppers feel overwhelmed.
- Choose a system that is scalable, so it can meet future digital signage needs.

Businesses also need to consider scalability when it comes to investing in a digital signage system. Although one or two screens may be adequate today, that may not be the case tomorrow.

“Your needs down the road will be different from your needs today,” Zmuda said. “The digital signage marketplace is an evolutionary marketplace, not a static one. Retailers should ask themselves, ‘What do I want to do today? What do I want to do tomorrow? What might I want to do next year? Will the software and system design I use today be able to keep growing with me?’”

About the sponsor: NEC Display Solutions innovates, produces and delivers display products and complete digital signage solutions for a wide range of vertical businesses, specialists and lifestyle applications. The company is wholly owned by NEC Corporation, one of the world’s leading providers of Internet, broadband-network and enterprise business solutions, employing more than 150,000 people.