

## Creating Profit from a Digital Signage Network: A Practical Guide to Placing Advertising on a Network

When investing in a digital signage network, deployers want to know they'll make a profit. Learn how to make the most of a digital signage network to attract advertisers.

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Digital signage network owners have been very successful in setting up networks from a technical standpoint, but perhaps less so in generating revenue on that network through ad sales.

That's absolutely what's happening in the digital out-of-home, or DOOH, marketplace, says Joseph Matriss, operations manager for New York-based LED Media.

It's a common problem, seeing networks run too much from the technical standpoint, and with little regard for what advertisers want, LED Media CEO Zacky Joseph says.

It's not difficult for network owners to install networks and run their own content, but they tend to run into difficulty when they try to integrate quality advertising with that content, says Ashley Flaska, vice president of marketing for Itasca, Ill.-based NEC Display Solutions.

"If the network is based on a proprietary CMS system, it's hard to get external ad

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— Ashley Flaska, vice president of marketing, NEC Display Solutions

agencies to work with them," Flaska said. "The network owners would still have to do the work of bringing the ads to their network."

### Effectively attracting advertising to the network

The best way to attract advertisers may be by following an almost painfully simple plan: give them what they want. Advertisers want full-screen, targeted ads running on screens that reach — and engage — the most people, Flaska, Joseph and Matriss all say.

"One of the most important things that network owners need to consider is simply the location of the screen," Flaska said. "On



*Screens need to be placed in spots that will attract an advertiser's desired demographic, and have content that keeps the viewer engaged.*

the advertiser's side, they want foot traffic and eyeballs."

A consistent theme running through all of NEC's dealings with ad agencies is a singular interest in full-screen ads, Flaska says. Joseph agrees, noting that effective ads are the same whether they're on a digital signage network, on TV or anywhere else.

"An ad can't be cluttered," Joseph said. "If it's for a newspaper, or if it's for television, or for a billboard, it doesn't matter ... advertisers don't like to share their space.

"It needs to be a full-screen ad, and if they choose to cut it up somehow to move your eye, let the advertiser itself split the screen ... Give them full control of that loop."

Network operators also have to make the effort of letting people know where these screens are and addressing the demographics of the audience to engage viewers.

"You have to keep the screen entertaining. If it becomes just a blur or white noise, it's not as effective," Joseph said. "So we try to engage the audience a little bit with a trivia question or something that causes them to really take notice of the screen."

Something else ad agencies are going to want to know, Flaska says, is what content is playing both before and after their ads, to make sure it's congruent with their message.

"They want to make sure their ad fits," she said, just like advertisers target their content

to certain shows on television or to certain sections of the newspaper. “That’s what we’re trying to do with this medium, to make it comparable to TV, radio, print and online.”

### Monetizing the system

Making sure that advertisers understand where the message will go and the people it will reach are key to making networks monetarily successful, but at the same time, operators have to make ad space simple and easy for advertisers to buy, Matriss says.

In addition, operators have to know their audience and their network, Joseph says. If an operator has a string of networks in an ethnic neighborhood or next to a college campus or hospital, that should drive the advertising, and advertisers need to know these details.

There may be a McDonald’s on every corner, but each one has a different clientele, Joseph says.

“Each location has its own demographic,” he said. “It’s the eyeballs at the end that are the driving force.”

The money operators make largely will be determined by the relevance of the advertisers to the screen locations, Flaska agreed. Network owners will get a much higher CPM (cost per thousand) if they’re showing ads for Nike in a Footlocker than they will if they’re showing ads for Pepsi in the same location, for instance.

“The people who are going to make the most money are the people with the most eyeballs for the longest times,” Flaska said. “Foot traffic and dwell time will drive the profitability of the network.”

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### Getting on the same page

The industry is never going to grow unless there is one universal platform that all the networks use and all the agencies can go to. Otherwise, DOOH is never going to get the number of impressions ad agencies need to book full-scale campaigns.

That’s the key to pushing the industry over the hump, Joseph says. Until networks become standardized across the board, so a network owner in New York can talk to an ad agency in Chicago or across the country, it’s going to keep the market stagnant. It’s not just ad agencies that want things simple, he says.

“We have to simplify it for the media buyers too,” Joseph said. “If it gets too complicated ... then they’re just going to put their money somewhere else.”

“That is the missing element,” said Matriss, noting his background in selling billboard advertising. “The digital-out-of-home industry has to come to the realization that these are nice, fancy screens but they’re just simply billboards ... We’re selling a modern medium, but we have to sell it the same way that we’ve been selling it for a hundred years.”

### Good content on good screens, counted

Finally, none of this will work if the equipment isn’t high quality, delivering dynamic content — and doing it in a quantifiable way.



*High-quality content needs to be delivered on high-quality equipment, and metrics need to be in place to measure effectiveness.*

Industry metrics and proof of performance are critical, and have to measure up to the measurement tools used for online, print and other ad mediums, Flaska says.

“Unless the network is working ... to ensure proper proof of performance, then ad agencies won’t even consider them,” she said.

But even that would be moot if the network isn’t high tech and high quality, running high-standard content, Joseph says.

“Before you paint, the canvas needs to work,” he said. “But in the same regard, if

the content is bad, you could have the best screen in the world and it’s not going to work.”

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