

# SIGNS OF THE TIMES



Interactive and digital, today's signage helps brick-and-mortar stores compete more effectively to meet the demands of modern consumers.

Brick-and-mortar retailers are searching for ways to deliver the optimal customer journey in their physical stores, similar to what consumers may find in e-commerce. The incentives are clear: Bringing digital shopping to showrooms creates opportunities to collect detailed demographic information about each consumer, access comprehensive buying histories of top customers and, more important, develop insights about upselling and cross-selling opportunities.

Unfortunately, no single technology brings this modern shopping experience to physical locations by itself. But now retailers are taking a leap forward with the latest generation of a familiar tool: digital signage.

Industry experts say that digital signage is transforming beyond what was considered the state of the art just a few years ago. Modern digital signage is interactive and caters to the personal tastes and profiles of shoppers. Some signs support bidirectional communication by capturing customer information even while delivering targeted messages to them. Other solutions blur distinctions with point-of-sale (POS) terminals by processing sales transactions away from

traditional counters. "Digital signage is coming to define how stores communicate and interact with customers on many different levels," says Perry Kramer, vice president and practice lead at Boston Retail Partners, a research firm.

## An Array of Options

Interactive digital displays can point shoppers to a retailer's website as they research product information. By influencing search behaviour, stores increase the odds that customers will see information favourable to the retailer's brand. Interactivity, gamification and other engagement techniques can also encourage shoppers to upload additional information about themselves and their buying preferences.

Display sizes range from 7 inches for shelf displays and other small-format applications to 70-inch presentations meant to wow customers. In-store kiosks represent a variation on traditional rectangular screens. Kiosks not only present pricing and product information, but can help shoppers arrange for shipments to a store or their homes. Media players, another signage category, combine digital displays with networked content servers or dedicated boxes for

streaming videos and animations about products or services.

Some signage contains embedded intelligence for better understanding consumer behaviour. For example, tiny video cameras mounted in displays record customers as they view content, while analytical software turns the input into anonymized data about dwell time as well as the gender and general age of customers. This information can help stores more precisely target messaging to demographic groups and identify high-traffic areas to optimize product placements.

Digital signage is also being tied to the retail industry's concept of endless aisles. Customers can view all the various size and color choices within a specific clothing category, for example, so retailers don't have to vary excessive inventories in each physical location. "It would take a tremendous amount of financial capital to have everything in stock and ready to sell," says Luke Wilwerding, director of interactive solutions at Elo Touch Solutions, a digital signage vendor. "Interactive digital signage allows retailers to invest all that money elsewhere."

Retailers also report a direct link between digital advertising, on an aisle endcap for example, and sales growth, Wilwerding adds. Customer

engagement is another plus. As customers walk through the retail floor and pass digital content, they may decide to touch a screen that opens up more detailed information. This creates an opportunity for a sales rep to start a "shoulder-to-shoulder" conversation to help customers better understand a product and commit to a purchase. "Digital signage can help stores become far more responsive to their customers' needs," says Jay Lewis, Elo national account manager.

### With Choices Come Challenges

As digital signage evolves to offer interactive experiences, IT managers face new challenges. They must evaluate a wide range of format choices to find the best mix for their stores. Industry experts advise retailers to make technology decisions only after they clearly understand the business drivers behind a new digital signage rollout.

"The decision process starts with a conversation with the chief marketing officer to define the most important business challenges," Avalos says. "Once those are understood, IT managers can decide how to apply technology to increase the value the retailer delivers to the consumer."

Industry experts also advise retailers not to overlook the importance of professional development for the sales staff.

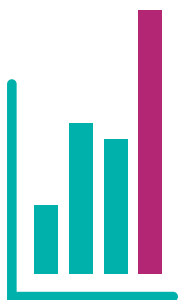
The business impact of digital signage is highest when the devices promote engagement and side-by-side selling. To get the biggest returns from their signage investments, retailers should ensure sales associates are comfortable with these techniques.

"Store employees need to be skilled in assisted selling," Wilwerding says. "No matter whether sales associates are conversing with customers over a large screen or a small screen, people like buying from other people, and digital signage is there to help with that process."

## Signage Solutions Count on Back-Office Support

The rise of interactive digital signage is fueled by the deployment of robust networks at retail locations. "High-speed networks make it possible for retailers to manage content centrally and to use cloud servers that support several hundred stores rather than having to install separate servers in every store," says Perry Kramer, vice president and practice lead at Boston Retail Partners.

Central management platforms with a common database that feeds information across all store locations make it easy to update pricing information and brand messaging, he adds. Retail executives simply push changes to stores simultaneously, an improvement over printing new signs and shipping them to individual locations. "In the past, if a store employee failed to replace a sign in a timely manner, the store wouldn't be advertising the right price, risking lost sales and customer dissatisfaction," Kramer says. "Retailers can definitely wind up with a better customer experience with digital solutions."



# \$23.8 billion

The projected size of the global digital signage market in 2020, up from \$14.6 billion in 2014<sup>1</sup>

Source: MarketsandMarkets, "Digital Signage Market by Type and Geography - Global Forecast to 2020," May 2015

To learn more about digital signage and other retail solutions, visit [CDW.ca/retail](http://CDW.ca/retail).