

Opportunities for Security Dealers and Integrators to sell Digital Signage

A whitepaper introducing the Digital Signage as a new market opportunity for forward thinking Security Dealers and Integrators looking to drive higher margins and grow the business with their existing customer base.

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Updated and adapted from the original Security Dealer Magazine article published on 1/1/2006: Delivering media content: digital signage is a growing product category with applications in security

The blurring of market segments and convergence in Security, ProAV and IT space brings not only new competition to the security industry, but also new opportunities. Digital signage fits the category of "Next Big Thing." All indications are that now is the time to adapt and meet the challenge.

What exactly is digital signage and why should security dealers be cognizant of this tool? Digital signage is the delivery of dynamic rich-media content via terrestrial or satellite networks for display, typically on a plasma or LCD over a centrally managed network.

This rich-media (usually video content and animated text/graphics) is delivered to targeted locations. The power of digital signage is the ability to update content at a remote facility in a matter of minutes rather than weeks or even months.



AGNPRO powered Centrally Managed Digital Signage Network in a Pharmacy Chain.

Placement at Pharmacy Counter to deliver Customer Communications and Advertising

AGNPRO miniBox with Central Management



AGNPRO powered Digital Signage Network in Airport Retail Locations

AGNPRO miniBox Media Player install at JFK airport, NYC

Some digital signage networks are operated through an IP network where content is down-loaded during non-business hours and stored on a device at the customer site for playback at pre-determined times. Other more traditional deployments are simply looping on standalone DVD players. However, this type of signage is likely to soon be replaced by the more dynamic and powerful networked digital signage.

More traditional digital signage deployment has been around for several years. More interest and activity is being driven by:

- * A decrease in hardware costs--primarily flat screens.
- * An increase in IP addressable devices/products.
- * An acceptance by IT departments to support higher bandwidth applications such as IP cameras and interactive distance learning.

Companies are now taking a closer look at this medium to replace traditional signage as well as a alternate vehicle for advertising and merchandising. While the effectiveness of traditional TV advertising is waning, consumer brand manufacturers and retailers look to add in-store advertising into the media planning mix.

70 percent of purchasing decisions are made in the retail location at the point of purchase as opposed to in the home.

That said, there are a wide range of applications for digital signage and it is not all about retail advertising, although that is the most obvious one. Early indications are that there is strong customer satisfaction when signage is utilized for services such as customer service information, corporate philanthropy information and community activities. Also, increasingly, corporate offices, elevators, municipalities, public transportation, airports and malls are utilizing rich-media content in signage initiatives. While also getting your client's message out in the form of digital advertising, touch screen way-finding can assist their customers with directions and office locations and other services.

DIGITAL SIGNAGE NETWORK BASICS

Digital signage networks generally have the following components:

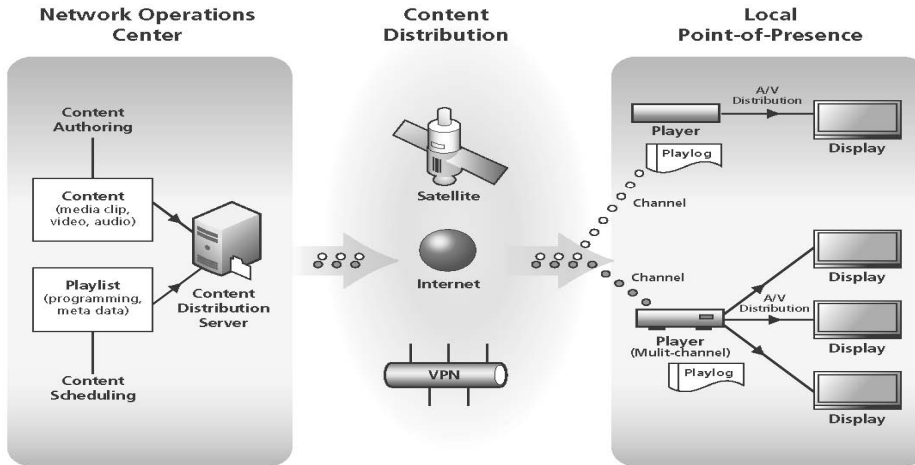
- * Content Authoring (MPEG, AVI, Flash).
- * Content Scheduling.
- * IP Network for distributing content.
- * Media Player.
- * Displays.
- * Content Distribution Server.

How it works:

- 1) Create content using content authoring tools in MPEG, AVI, Flash, etc.
- 2) Schedule content and upload playlists, schedules and content to the Content Distribution Server.
- 3) Content distribution server "pushes" content out to the IP addressable Media Players on the network to display content on screens in multiple locations anywhere in the world.

Digital Signage

A network of digital displays that are centrally managed and addressable for targeted information, entertainment, merchandising and advertising.



Adapted from POPAI Digital Signage Reference System

FOR FORWARD THINKERS

While the opportunity and promise of centrally managed digital signage networks is there, the skill set and competencies needed to plan, integrate and successfully deploy networked digital signage can be daunting to security dealers who are not familiar with selling IP surveillance systems. Fortunately, not all digital signage solutions have to be complex--some are more complex for enterprise customers and others are relatively simple for the small and medium businesses.

For large enterprise customers, networking skills are already a key prerequisite for integrators working in pro AV or the high end security systems market. Security dealers and integrators already selling IP surveillance systems are therefore prime candidates to target this segment.

Existing commercial customers who purchase security systems are also the same customers most likely to purchase digital signage solutions. Consider customers in areas such as retail, schools, banks, government institutions and hospitals.

Furthermore, digital signage networks can piggy-back off existing network infrastructure created for IP surveillance systems to help offset development costs. Now, the Loss Prevention department can share the broadband (whether terrestrial or satellite) costs with other departments. The total cost of ownership is reduced. For small to medium businesses, there are simpler solutions that fit the size of their requirements. Security dealers and integrators not ready to plunge into selling IP network solutions, can target small to medium businesses with simpler standalone plug-and-play digital signage solutions.

There are new solid-state digital media players on the market today that employ removable compact flash cards or hard drives. These standalone players are easy to sell as an out-of-the-box solution and can be an attractive alternative to running DVD loops. While few of these devices are networked, these new media players allow the user to more effectively distribute and update content compared to a traditional DVD. Because they do not have any moving parts, these systems are very reliable.

GET ON BOARD

While the ProAV channel already considers digital signage as the next big thing, where does the security channel stand? Nick LaBella, ADI Director of Product Management for CCTV says, "Digital signage is certainly a potential growth area for the security channel. We are always looking for new products segments to sell to our existing customer base. The security channel must adapt and adjust to new technology in order to survive."

ADI embraces dealers with new technologies and has had experience introducing new items such as DVRs, flat-panel CCTV monitors, and more recently home theatre and electronics within its Sound and Communications Category. ADI has seen many dealers become proficient with all these products categories.

Certainly a technology to look at in 2007, digital signage offers an opportunity to grow your business in a new direction. You wouldn't want to be left out of the "Next Best Thing in 2007."

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