



WHITEPAPER

The Cost of **NOT Having
Digital Signage**

The concept of digital signage is still new in the advertising landscape. For years, businesses have relied on print media to get their message across (television and radio notwithstanding). While this strategy is effective, its limited nature prevents businesses from unlocking the full potential and return on investment of their advertising campaigns.

Now, we know what you're thinking: "Digital signage is too expensive to replace printed ads. What's the point?"

While a common mindset for those new to digital signage, this group is comparing the cost of installing the network with the cost of printing ads once. It only takes into account perceived costs and not the long-term benefits. With that in mind, let's take a look at some of the ways that digital signage can help a business put its best foot forward and entice consumers into choosing a brand.

COMMUNICATION BREAKDOWN

It's in our nature to judge things on their appearance. First impressions are powerful and play a large role in our overall perception of an idea. The concept of "putting your best foot forward" is significant in the business world—customers have plenty of purchasing options these days, and a good first impression is critical for success. In business terms, the first impression that customers receive is usually through advertising and signage that sends a message about the quality of work performed by a business.

Digital signage excels at grabbing the attention of a target audience and making this impression count. The Chamber of Commerce reported that [even a single sign outside your business can increase sales by as much as 30%](#). But just having signage isn't enough. The quality of the advertising plays a part as well. A [2012 FedEx Office survey](#) found that **76% of American consumers are willing to enter a new store based only on the effectiveness and appeal of the store's signs. 68% of those surveyed admitted to making a purchase because a sign caught their attention.**

The reverse can also be true—[poorly made signs can do more harm than good](#). In a world where our smartphones are seductively whispering our names every minute, causing us to ignore the physical world, fickle shoppers require an experience that's interesting and memorable enough to pull us away from our magical devices. In this world, signage is evolving to entice consumers and build confidence in a brand; nothing turns off consumers faster than amateurish advertising that puts a brand's credibility into question.



Given that signage can backfire just as easily as it can be productive, it's important to recognize why digital signage is the most effective way to communicate a message.



Instead of asking “how much will this strategy cost me?” savvy business owners will ask “what is the opportunity cost of NOT implementing this strategy?”

DIGITAL ADVANTAGES

Most businesses these days utilize some form of digital signage to increase the visual appeal and cost-efficiency of their marketing techniques. However, there are start-up costs that may be discouraging for small businesses that prioritize staying lean.

This is the wrong mindset to have, though. Instead of asking “how much will this strategy cost me?” savvy business owners will ask “what is the opportunity cost of NOT implementing this strategy?”



Smart business owners prioritize potential opportunities over perceived costs.

To get a better idea of what business elements are lost from a lack of digital signage, let's examine some [efficiencies brought about by the technology](#):

1. SPEED AND EFFICIENCY

Traditional signage production is a slow, and often laborious, task. The development, design, and testing procedures can take weeks, if not months. This means that planning your materials for that upcoming convention will require a tremendous amount of forethought and preparation—and once they're finished, there's no going back. Any mistakes, typos, or design flaws that you notice after the fact are there to stay.

What's worse—the traditional design process can take so long that information you start with can actually become outdated by the time your materials hit the market.

What kind of business can't even provide deliverables that are current? The marketplace is a fast-moving and unforgiving beast.

Distractions in the form of promotional messages can reduce perceived wait time in retail lines by as much as

40%



A business’s visual presence must be kept up-to-date in real time. A digital medium provides this flexibility and gives you complete control over your message throughout every stage of the process. Want to showcase multiple items at once? Go for it. Does the display need to be updated over the course of the day? No problem.

This flexibility makes a digital system an investment that pays for itself as time goes on. Digital displays, accompanying logos, and design sheets are reusable resources, unlike their ink-and-paper counterparts, unlocking long-term savings in material costs. Clever businesses can even sell ad space on their digital platforms to non-competing advertisers, generating entirely new income streams and industry connections.

But the benefits of digital signage aren’t limited to cost reduction. The styles, motions, and scalable screens of digital signage can attract much larger audiences than a boring old poster. Field studies by the queue management firm Lavi Industries revealed that [distractions in the form of commercials and promotional messages can reduce perceived wait time in retail lines by as much as 40%](#). This type of outreach is a win-win; customers are less bored during forced waiting periods, and businesses get a steady stream of new eyes on their content. This builds customer engagement, loyalty to a brand, and helps consumers enjoy a better overall shopping experience.

2. “SILENT” ENDORSEMENT

Implementing digital signage displays in specific store locations increased sales by

40%



Digital signage can be used to help direct the consumer's shopping experience and functions as a stand-in for floor representatives. Envision [how this works in a retail scenario](#)---strategically placed interactive displays escort customers through the sales process, from endorsing brands and providing special offers, to displaying product technical specifications in an interactive and high-tech manner. It’s just like having a virtual sales assistant who provides personalized service. This strategy was once considered a novelty shopping experience, but technology is changing the way businesses operate. Sophisticated customers expect this type of personalized service when they do business in the marketplace.

The changing displays, visual cues, and on-screen motions provided by digital signage are an effective way to grab the attention of potential customers. In fact, research by Adidas showed that implementing digital signage displays in specific store locations increased sales by 40%. And with these displays pulling double-duty as virtual floor representatives, implementing them can help businesses save big on employee overhead, training, and material redundancies. This highlights another benefit of digital signage: going green.

66%

of power-spending Millennials are willing to pay more for products and services that come from companies that are committed to positive environmental impact.



"In addition to improving a business and creating a better customer experience, digital signage is the right choice for the environment and leads to better efficiency all across the board."

3. LESS WASTE

Traditional signage systems usually rely on tremendous consumption of materials, from designing to transporting and everything in between. And of course, once the ad campaign is over, the remaining materials are redundant and unnecessary. After all, physical signs or posters can't be updated with new data or promotions the way digital methods can.

Digital displays can be reused as many times as needed and can be modified to highlight various promotions throughout their lifecycle. Every time information changes, the display changes accordingly. Instead of relying on employee manpower and a time-consuming physical collection, digital signage systems provide instant updates at a moment's notice with no employee effort required.

All it takes is one look at a landfill to see the deleterious impact traditional signage has on the environment. Paper, cardboard, plastic—there's no end to it. The business world is consumption oriented. In addition to reducing waste, going green is also a way to build loyalty among the power-spending Millennials. In [a recent Nielsen study](#), 66% of respondents say they're willing to pay more for products and services that come from companies that are committed to positive environmental impact. The findings show that personal values are more important than personal benefits, such as cost or convenience.

Of course, like all things, digital signage systems have a lifespan. Fortunately, most of the interior components of your digital signs (copper, aluminum, polycarbonate plastics) are easily recyclable. Many digital signs are even created from repurposed materials.

But even digital signage systems need some customization before they're ready to go to market. For an even lower environmental impact, businesses should opt for LED instead of their LCD counterparts when deciding on their digital signage options. Businesses prioritizing their "going green" initiatives may also want to install time-based sensors and other energy control systems to ensure their signage doesn't consume more energy than is necessary.

DIGITAL SIGNAGE IS NOT JUST A WAY TO SAVE MONEY

Digital signage is about more than simply saving a few dollars. In addition to improving a business and creating a better customer experience, digital signage is the right choice for the environment and leads to better efficiency all across the board. The dynamic updates, cost efficiency, and reduced waste offered by digital systems make them the premier choice for businesses looking to improve their business practice while improving their "going green" initiatives at the same time.



"Our consumer behaviors have evolved to a point where traditional advertising systems face greater dangers than inefficiency—they may soon become entirely obsolete."

OPPORTUNITY COST

As described above, the costs of missing out on digital signage are large and may have more impact on your overhead than you think.

Your potential gain vs. your potential loss in every transaction is a concept known to economists as "opportunity cost." The opportunity cost of any decision is a significant point of interest for any business hoping to turn a profit, and plays a large role in which actions are taken.

This is particularly true for businesses implementing new strategies; one choice isn't always better than the other, but there are always pros and cons to each. With that in mind, why wouldn't businesses prefer to choose the advertising option of the future rather than the inefficient methods of the past? Our consumer behaviors have evolved to a point where traditional advertising systems face greater dangers than inefficiency—they may soon become entirely obsolete.

DIGITAL OVER PRINT

Humans are great at ignoring things that they find uninteresting. This is occurring with advertising on all fronts, yet is most prevalent in the medium of print. Hubspot reported on the failings of snail mail and print marketing: they estimated that [up to 44% of direct mail is never opened](#). This is no fault of the business in question or anything in particular. It's a simple physiological response to the stimuli in the environment. There's so much information hitting our eyeballs these days that our minds can't keep up. To compensate, a fancy-sounding brain mechanism called the "[reticular activating system](#)" kicks in and filters out all of that unwanted junk.

Despite the efficiency of our brains, TV screens and digital monitors are harder to ignore. Most people have stopped on the sidewalk or storefront to watch a digital display for a least a second before they catch themselves and move on. Motion catches the eye; it's human nature. And even if the viewer doesn't absorb all of the info provided, it's safe to say that they'll notice at least some of it.



The smallest amount of exposure can improve brand visibility and sales; a concept that our brains instinctively fight when viewing print media.



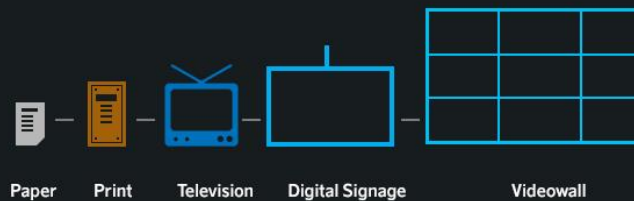
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WHY MAKE THE SWITCH? _____

Even with the well-documented psychological advantages of digital displays over print, skeptics may still ask “Is switching to digital signage really worth the effort it would take?” Traditional posters have worked for decades, after all, and are often very cheap to create. Why not stick with what you already have?

The answer lies in the question itself—businesses who use the same strategies they always have **will keep getting what they always have.**

Evolution is a critical aspect of any business model.



Even businesses who see great returns from their traditional signage will start to see their profits wane as digital outreach takes its rightful place as the new advertising frontier. And make no mistake, this is already occurring—many businesses are already reaping the benefits of digital signage. Digital signage can act as the cornerstone of a business’s visual presence, and offers a unique way for brick-and-mortar locations to bridge the gap between their physical and digital sales.

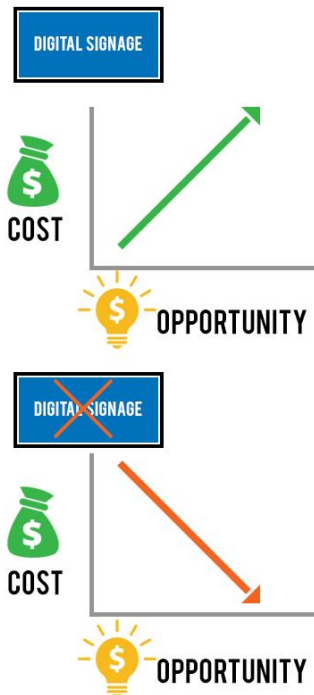
Companies that haven’t begun the transition are starting from behind. Companies that aren’t even considering digital signage may as well be living in the Stone Age.

AN EXERCISE IN OPPORTUNITY COST _____

To illustrate the necessity of digital signage in the modern age, let’s perform a quick thought experiment.

Imagine yourself as a successful hotel owner who must juggle the advertising of events, happy hour, special promotions, and discounts over the course of a month. Should a calendar be used? Do flyers need to be distributed? These methods worked well in a time gone by, but the advertising world of today demands [something more dynamic and flexible](#).

Static cards and printed materials don’t cut it any more. There are too many things competing for the attention of the average consumer; your leaflets and cards are just more white noise in a sea of static.



You'll likely find that your printed marketing materials aren't generating the ROI you need. Even worse—your competition across the street has a brand new digital display in their storefront window. This display is continually showing new specials and deals to whomever happens to walk by—while your calendar and fliers are gathering dust in the corner. Sure, they were cheap to make, and you got exactly what you paid for—an ordinary system for an ordinary business.

FORGOING DIGITAL SIGNAGE IS EXPENSIVE

Detractors argue that digital signage is too expensive to be feasible.

The reality, though, is that the costs of not implementing digital signage are far worse.

Digital signage is a significant investment, but [when done right](#), it ends up paying for itself by way of better efficiency and reduced consumption of materials. Businesses who elect to stay in the past and ignore digital signage may eventually come around—after their competitors have left them in the dust.

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About Mvix:

Founded in 2005, Mvix is the market leader in HD digital signage hardware and software systems, multi-screen videowall solutions, interactive digital kiosk systems, and content management systems (CMS). The company provides turnkey solutions across varied industry verticals including foodservice, hospitality, corporate offices, healthcare, real estate, and manufacturing among others. Mvix comprises a team of hardware and software engineers and AV experts who build and support digital solutions for commercial clients across the globe.

Since its inception, Mvix's commitment to delivering innovative solutions has put the company at the forefront of the digital signage and digital entertainment industries. In 2012, the company was honored on the prestigious Inc. 5000 List of Fastest Growing Companies in America and in 2015 it was ranked as one of top 20 most promising media and entertainment technology solution providers. Read more about Mvix Digital Signage Systems: <http://www.mvixdigitalsignage.com/>