SCALA

Whitepaper:
Audience Engagement through Marketing Technology

REACHING YOUR AUDIENCE

Who is the most influential group when it comes to retail? The answer may surprise you. According to a 2017 report from Forbes, "Millennials' buying power will soon surpass that of the generations before them" and "… will continue to utilize technology, and continue to expect that the world around them to adapt them quickly." *("How Millennials Are Changing Retail Patterns" Forbes, 2017)*

Other research studies show

63% of people say digital signage captures their attention

59% of people who see digital signage want to learn more about the topic

Over 90% of information transmitted to the brain is visual

(www.visix.com)

When the focus is on millennials, the importance of technology cannot be overstated. They rely on handheld devices to meet all of their needs and prefer using a device to transacting business face-to-face. In a poll conducted by Cincinnati-based Frisch's Restaurants Inc., it was found that nearly one-third of millennials would choose a fast food restaurant with a drive-thru to avoid dealing with people face-to-face. In this case, digital displays should act as a staff member to help convey and control the message.

Whether it's hailing a ride through the Uber app or ordering a breakfast burrito through the Seamless app, technology is how they get things done. Nearly 80% of those 18-34 said they had used apps or websites to get food. *(Ordertalk, "Online Ordering Usage Report: 2017" conducted by The Harris Poll, June 20, 2017)* Millennials are plugged into their devices and, consequently, are disrupting traditional purchasing patterns. Savvy stores need to keep that in mind as they plan for the future. Data company Accenture recently reported that millennials spend $600 billion every year, and that number is expected to reach $1.4 trillion by 2020. *("Who Are the Millennial Shoppers? And What Do They Really Want?" Accenture, 2018)*

PUTTING THE RIGHT SOLUTION IN PLACE

Digital signage is not a case of "if you install it, they will come." Like most marketing and sales initiatives, retailers need to follow best practices to generate optimal returns on a digital signage effort.

For starters, digital signage needs to have content that was developed specifically for that platform. Converting print to digital formats provides no sustainable impact. How well that content is delivered, determines a store's ability to attract customers and increase their awareness and sales.

Digital signage solutions also have to be aligned to the overall strategy and corporate goals. Based on research provided by Lavin Technologies, the Intel Corporation states, "Using digital signs in conjunction with other traditional marketing and merchandising strategies helps business owners to create opportunities that enhance the shopping experience and build customer loyalty, which has been shown to increase sales by up to 33%." *("Why Digital Signage is a 'Decision Maker' for Business." Lavin Industries, 2014)*

Digital signs alleviate the need for managers to monitor the creation and delivery of print signs, and provides the ability to be agile and provide fresh content. Content that is under continued development, testing and refreshed regularly will better attract the customer's attention. Brands that created the highest returns exhibit a focused and managed approach to using dynamic content to build greater awareness. A 2014 Nielsen report found an audience is more likely to remember information presented to them by a digital display, with recall rates of 52%. *("Capturing Customer Recall." Nielsen, 2014)*

Digital signage also removes issues such as having pricing on signage that does not match the price at the register. Digital signage pricing and descriptions are linked to the point of sale (POS) systems so they are always in sync. This reduces workload for employees and improves their overall satisfaction. When customers find the check out process easy, they are more likely to return.

We also shouldn't discount the environmental impact on sales and attracting customers. In a 2017 study, Cone Communications said "70% [of millennials surveyed] consider a company's social and environmental commitments when making purchasing decisions" and "70% of millennials are willing to spend more on brands produced by companies that positively impact society." *(Cone Communications, 2017)*

WHAT DOES THE FUTURE HOLD?

In many ways digital signage, and all of the possibilities it brings, is just getting started. The future of digital signage will comprise many functions and features including personalization, data analysis, augmented reality, interactive media and artificial intelligence (AI). Displays will interact with other devices, such as cameras, sensors and mobile devices, to access and process customer data geared towards personalization, and optimal customer satisfaction.

A Closer Look at Personalization

Personalization is becoming commonplace in retail. Browse online for boots and targeted ads from multiple brands of similar shoes will populate your screen for days. Consumers – and particularly younger generations – expect to have their preferences and habits known online. Year after year, studies increasingly show that consumers have come to like this effect of personalization. From restaurants to retail and beyond, interactive digital displays now allow customers to participate. The goal is to provide technology built around people to improve communication and strengthen engagement. *(https://ivci.com/bloglist/5-digital-signage-trends-watch-2018)*

At the core of targeted personalization is the mobile phone. These intelligent devices are digital appendages and repositories of who we are as consumers. Each and every action we take — from a routine morning coffee stop or an article read online — is fuel for additional, and presumably, better personalization and targeting.

Other innovations that will soon be an everyday part of the retail store experience include

Software Used to Display Content

AI will manage and monitor the digital display operations. With the ability to analyze multiple indicators and databases quicker than any individual operator, AI will understand the changes necessary to create better sales performance and make content adjustments.

Faster Working Systems

The game of responding to market conditions and providing real-time content activation is being taken up a notch. State-of-the-art equipment used for improved data processing and faster response times are becoming the competitive advantage.

Robotics to Supplement Staff

From drones that deliver pizzas, to AI-driven robots that can flip hamburgers and place them on buns, to using AIs, apps and kiosks to order food, robotics will continue to have a huge impact on the industry, and will eventually help cut staffing costs by taking the place of workers in some areas.

Digital signage and the underlying advances in technology are here to stay. Technology allows us to get closer to our customers, so we can truly understand what they need. Upgrading to digital signage now will help ensure retailers won't get left behind in the race to provide fast and personalized service, which is quickly becoming a differentiator in the industry.

Consider the following possibilities ◢

In-the-moment Targeting

You wander into your favorite store, but this time you're not really sure of the mission. Beacon technology identifies you via the store's app that you've downloaded to your phone. In the blink of an eye — because the app "knows you" — items likely to appeal to you come to life on nearby screens. These full motion, visually enticing selections are all "curated" by data analytics.

Further, control can be placed in the hands of the order taker, equipping them with the tools to change screen content in the moment. If the store is full of millennials, change the content to show fresh, healthy selections like grilled chicken or higher-margin items such as gourmet coffee concoctions, appealing to their specific demographic. If a crowd of families with young children suddenly enter, switch the screens to display kids' meals, influencing purchases at the point of decision. *(scala.com)*

Digital Displays as a Customization Tool

One-to-one devices, such as kiosks, will bring new levels of personalization to life for shoppers coming into a store. Digital displays, which provide a many-to-one support ratio, will use collected data to help drive sales results. This "personal information" is accessible through multiple databases, each storing significant amounts of information regarding trading area demographics, customer traffic patterns, on-site sales information, weather patterns, social feeds and inventory levels to name a few.

Personalized Drive-thru

Need a pick me up? Pull into a drive-thru and watch the digital display change up the messaging based on the make and model of your car. Image recognition technology fueled by deep-learning AI informs the messaging. The customer in a luxury vehicle may see a promotional offer that's different from the one served up to the driver in a hybrid. Taken a step further, integrated detection systems can identify your specific vehicle by tracking your license plate or toll road tag, thereby enabling "repeat customer" offers and making the customer experience more efficient. Adding mobile technologies and analytics to the equation may even reveal exactly who you are — and provide the opportunity to deliver highly targeted menu options, promotional offers and even predictive ordering.

Smart Cookie

Like web browser "cookies" that enable personalized content on the web, mobile apps can activate highly targeted messaging as you walk by screens in public spaces. As you're leaving a late night venue, digital solutions can suggest the closest store on the drive home, allow you to order ahead or take advantage of promotions.