

# **AN AUTOMOTIVE DEALER'S GUIDE TO UNDERSTANDING Digital Signage**

*by Karolyn Hart*



**WIRELESS RONIN®**  
TECHNOLOGIES

COMMUNICATING AT LIFE SPEED™

# CONTENTS

Digital Signage Basics . . . . .	03
Top Three Digital Signage Myths . . . . .	04
Automotive Challenges . . . . .	05
Digital Signage Solutions for Automotive . . . . .	05
The Questions to Ask . . . . .	06
RoninCast® for Automotive . . . . .	07
The Wireless Ronin Technologies Advantage . . . . .	08

## DIGITAL SIGNAGE BASICS

It's no secret that digital signage is currently the fastest growing media sector in the world.<sup>1</sup> It is being compared to the explosive growth experienced during the dot-com era and like that era companies are trying to discover how they can leverage this new trend to optimize their own sales.

Whether you are a dealer or putting together a digital signage strategy on behalf of dealers, understanding what digital signage can and cannot do is critical to your success.

So what exactly is digital signage, why is it so popular and what benefits does it provide to dealers? This guide's objective is to direct you through the digital signage industry and provide you with answers to all these questions and more.

### What exactly is digital signage?

Finding one comprehensive definition for digital signage is extremely difficult. When browsing the internet, numerous definitions appear which describe digital signage as everything from out-of-home advertising on LCD and plasma screens, to interactive touch screens, to massive jumbo screens providing real-time information and news.

So, which definition is true? Technically, they are all correct.

For the purpose of this paper, digital signage will be defined as interactive and non-interactive solutions used to provide powerful messaging directly to the audience at the point of purchase.

### Why is digital signage so popular?

According to a 2005 Frost & Sullivan report on North American Digital Signage Markets, key market drivers such as the need for customized one-to-one marketing, increased efficiency of in-store promotions, and decreased hardware costs have all worked together to create a strong demand within the industry.

Digital signage itself is sleek, sophisticated, and eye catching. Yet, its real power comes from the ability to create dynamic messaging aimed directly at your audience at the point of purchase. The Point of Purchase Advertising Institute (POPPI) has conducted research which shows that about 74% of all brand purchase decisions are made in-store.<sup>2</sup> This makes capturing the consumer's attention and providing them with a compelling reason to make the purchase extremely important.

<sup>1</sup> PriceWaterhouseCoopers Annual Media Forecast for 2008.

<sup>2</sup> [http://www.popai.com/Content/NavigationMenu/AboutPOPPI/Industry/Industry\\_Overview.htm](http://www.popai.com/Content/NavigationMenu/AboutPOPPI/Industry/Industry_Overview.htm)

<sup>3</sup> [http://www.cappgemini.com/resources/thought\\_leadership/cars\\_online\\_0708/](http://www.cappgemini.com/resources/thought_leadership/cars_online_0708/)

The Strategy Institute, an independent, research-based organization which monitors and communicates changes and trends in business reports, states that digital signage receives ten times the eye contact of static signage, boosts sales of new products advertised on in-store digital signage by 30-300%, increases revenue by more than 30% for profiled products, and reduces customers' perceived wait times by 15% or more. With these types of compelling numbers it is easy to understand why digital signage has grown so significantly in popularity.

### What benefits can digital signage provide to dealers?

The internet has transformed the distribution of information and has increased the expectations of vehicle buyers. Providing dynamic messaging is now more important than ever. According to Cappgemini's Cars Online 07/08 Report<sup>3</sup>, vehicle buyers want their information fast and if they don't get it, they will switch dealers, brands or both. In the US and Germany, these consumers demand a quicker response time the closer they get to the point of purchase. Failure to provide prompt responses to their inquiries had significant effects. Half of the respondents indicated they would look for a new dealer and 25% indicated they would look for a new manufacturer or for both a new dealer and a new manufacturer.

This same report also shows that two-thirds of consumers indicated personalized communications have a significant impact on repurchase decisions. Yet, it is important to understand when and where they are used as not all consumers appreciate personalization. According to Cappgemini, companies need to understand who is open to this kind of approach and ensure they have the right systems and processes in place to effectively manage consumer segmentation.

When a consumer enters a dealership, the point of purchase window is extremely tight. The same expectations that are observed online (such as responsive and customization the closer they come to the point of purchase) apply when the consumer enters the dealership. Digital signage directly addresses these significant needs and brings the level of communication responsiveness and customization to a new level. Today's vehicle buyers enter a dealership with superior product knowledge that includes competitive pricing and comparisons to other models and expect the in-dealership experience to cater to their needs and provide in-depth information comparable to that which is accessible on-line.

The dealership showroom displays interactive digital signage, allowing the customer or sales staff to navigate through the products and brands using interactive touch screens which provide information on everything from available inventory, to competitive comparisons and product information. This provides the instant response and provision of

**"Digital signage receives ten times the eye contact of static signage."**

information that is critical to creating a positive experience at the point of purchase.

Consumers arriving in the service bay of the service and parts department can be greeted by digital signage with a personal greeting and customized offers based on the model of their vehicle, the terms of their lease, and even the weather outside. Awareness can be created for the dealerships' aftermarket parts and accessories by providing the consumer with what they need (like windshield wipers when it is raining) in a way that makes sense for them. Clearly, dealerships can benefit from digital signage and the statistics are compelling. Yet there are still many myths surrounding this industry that must be dispelled before making a decision to implement a digital signage strategy.

## TOP THREE DIGITAL SIGNAGE MYTHS

### **Myth #1: Digital signage is a new industry.**

The rudimentary idea of using digital signage began in the early seventies when stores began using VCRs and televisions to attract customers with pre-recorded messages. Interactive kiosks emerged in the late eighties and early nineties and provided the first self-service experience for many customers. Using large tube monitors and other oversized equipment, the performance was adequate for the time and the concept of providing customized data to a specific audience at retail began.

Early adopters of this technology instantly saw the benefits of providing targeted content information through dynamic displays. Due to the costs of hardware and software development, digital signage largely remained unattainable for the masses and only elite brands could afford to adopt the medium.

As technology evolved and became more affordable, the digital signage industry began to grow. Early adopters were able to see significant results as they began to unveil solutions in regions and places that previously had no exposure.

The general public has already become accustomed to digital signage as its popularity has increased dramatically over the last three years. Industry experts agree that while there is much hype around this medium, it has now become *another* medium. To gain the most out of digital signage, it is extremely important to work with experienced professionals who have the expertise required to ensure your digital signage solution stands out and delivers a measurable return on investment.

**“Digital signage is its own medium and as such, requires professionals who understand its unique attributes.”**

### **Myth #2: Any digital signage is better than no digital signage.**

As digital signage continues to grow, many organizations are feeling the pressure to jump on board to ensure they stay ahead of their competition.

There are many new digital signage companies emerging every day promising organizations cost-effective digital signage solutions that will allow them to remain competitive. Unfortunately, these cost-effective solutions are not always the sleek-sophisticated campaigns they envisioned.

Additionally, digital signage solutions end up posing many other challenges that new digital signage companies are not fully prepared to handle. This includes the need to ensure the content is properly updated on a regular basis and creating processes to ensure their other marketing messages are properly formatted and incorporated into their digital signage system.

Understanding that digital signage is its own medium and, as such, requires professionals who understand its unique attributes is extremely important. Just as what works in print does not necessarily work well in radio or television, what works in any of those mediums cannot simply be translated into digital signage.

Before deciding to work with a digital signage company, be sure to ask the right questions and understand if digital signage will address the businesses goals and objectives that have been set out.

### **Myth #3: Digital Signage Will Guarantee More Sales**

With every introduction of a new technology solution comes grandiose promises of how it will transform the world. While it is true that studies have shown an increase in sales where digital signage is used, it is important to remember that every environment is unique. When self-serve kiosks were introduced to the market, predictions stated they would replace customer service and sales representatives alike. The predictions failed to take into account that humans are relational. We expect and demand technological advances but the most important factor – the relationship – remains a top priority.

Nowhere is this more evident than in retail sales. As a sales-support solution, touch screens are simple enough to be used unassisted by a customer who wishes to research the product independently but also complex enough to allow sales associates to have a tremendous amount of information at their fingertips to consult with the customer or handle any objections. Digital signage is a powerful sales tool because it improves the interaction between the

consumer and the sales staff, which develops a relationship that ultimately moves the consumer along the sales funnel and closer to a purchase.

To be successful, digital signage must present properly developed content, software that allows for the appropriate management of that content, an implementation strategy that ensures the signs are accurately positioned, and a process that integrates the solution into the dealership's everyday business processes. Without these items in place, the digital signage solution will not be effective.



### **Challenge #3: Real-Time Knowledge**

Most dealers face the ongoing challenge of maintaining sales staff knowledge in a high turnover environment. The right digital signage solution can provide dealers with the power to provide consistent, repeatable messaging which promotes the flow of key information directly to the sales associates and the customers. This type of on-the-job knowledge transfer is convenient and cost-effective for the dealer. This knowledge transfer also allocates more time for sales staff to focus on what they were hired to do – assist the customer in their purchase!

## **THE AUTOMOTIVE CHALLENGES**

Digital signage clearly addresses challenges which include providing customers with information directly at the point of purchase that is customized to their needs. The automotive industry has three common challenges that digital signage also works to address. These include:

### **Challenge #1: Developing an Innovative Brand Experience**

Today's consumers are bombarded daily with information. The audience, once so easy to obtain through traditional mediums, has been increasingly disappearing into fragmented media which provides a multitude of messages in real-time. Ensuring brand messages are consistent is now more critical than ever - especially at the point of purchase.

Digital signage provides a powerful way to strengthen and leverage the manufacturer's brand surrounding their vehicles while at the same time integrating the dealer's own unique brand and messaging. Real-time optimization of messages through digital signage provides your consumers with the most recent information they crave. Together, these items work to create an innovative experience that the consumer remembers.

### **Challenge #2: Aligning Customers and Sales Staff**

Today's most successful dealers have discovered how people, processes, and technologies can come together to create a positive customer experience. Dealers who have successfully transformed the overall customer experience have embraced these three items to create an environment that customers enjoy. Digital signage provides large touch screens that are highly visual and also serve as a collaborative tool for the salesperson to present product features and effectively handle customer objections. The engaging sales support tools are also highly useful in guiding a salesperson and customer through a sales process. This serves to enhance the skill level of the salesperson as he or she provides credible, factual information in a consistent, consultative manner. The customer's view of the sales staff is transformed from one of skepticism to openness as they are guided in the right direction for their specific needs.

## **DIGITAL SIGNAGE SOLUTIONS FOR AUTOMOTIVE**

Clearly, digital signage can be a powerful, integrated solution that adds to the overall dealership experience. In determining your digital signage strategy, it is important to select a system that has been developed specifically for the dealership environment and can quickly and efficiently be implemented.

In evaluating various solutions, consideration should be given to the software system itself. The software system should be developed with the dealer environment in mind and be able to integrate with the various Dealer Management Systems (DMS). It should also be able to integrate with a variety of data providers to provide features ranging from product comparisons to the promotion of dealer inventory. Consider how the following distributed information can impact sales.

- **Dealership Showrooms**  
Showcase all products, create demand for your current inventory, up-sell options and accessories and leverage national and regional advertising.
- **Finance & Insurance (F&I)**  
Present products and plans proactively, generate interest in a non-confrontational manner and initiate a more profitable write-up process.
- **Service & Parts**  
Customers can learn about a special discount on new tires, or understand the importance of a cooling system tune up. Dealers can customize service promotions and increase their maintenance and light repair business.
- **Special Events**  
Auto shows, mobile marketing tours and tent sales can now move consumers much closer to a purchase decision. Real-time product data and simulations allow customers to

explore, learn and build their dream vehicle, while capturing leads for future follow up.

The system should have specific templates (or channels) already developed for each of these areas. The application itself should have a user-friendly interface that is intuitive and allows for the efficient control and distribution of information. At a very minimum, the solution should have:

- **Robust Content Management Solutions**

A robust content management solution will provide centralized control and allow various user groups ranging from the manufacturer to the regional office to the dealer to update the content. Status reports will provide information as to what is currently being played in various locations and will be able to retrieve information that supports the marketing efforts with data recorded from the system.

- **Pre-built Automotive Design Templates and Content**

Existing media files or product data can be deployed through pre-packaged automotive design templates that make it easy to configure the software to reflect the various brands found in the dealership while at the same time creating an overall consistent dealership look and feel.

- **Dealer Ad Planner Tools**

These tools will allow for the scheduling of promotions in advance based on your overall marketing strategy and plans. Pricing for various products, service ads, and messaging can all be coordinated from this tool

One of the final considerations for a manufacturer or dealership surrounding their digital signage strategy should be training. The software should be able to provide training modules that inform and educate the dealership customers as well as the employees. Together all these elements work to create a powerful sales, marketing, and product knowledge tool.

## THE QUESTIONS TO ASK

Finding a strategic partner who can assist in the development of the digital signage strategy and ultimately its implementation will ensure the overall success your digital signage implementation. For this reason, the interview process must include some of the following questions.

### Question #1:

#### **Do they have experience working with dealerships?**

The first question to ask is what background does this company have in working within the automotive industry? Many digital signage companies will position the priority and focus to be on their hardware, or software,

or networks of digital signs throughout a region. The fact is if they don't have a clear understanding of the automotive industry, a great deal of time and money will be lost during their learning curve.

The digital signage provider should understand the complexities of dealing with the various manufacturer IT groups and marketing agencies and be equally skilled at developing automotive content as they are at handling the technical side of the implementations. When it is time to deploy the solution a digital signage company that understands the dealership infrastructure along with how to manage its network connections and data transfer will help ensure success.



One should realize that digital signage can be done incorrectly and at best be disappointing but at worst be embarrassing. Consider the dealership that has invested thousands of dollars in a digital signage solution only to experience frustration at delays in deployment as the company struggles to adapt their networks. Upon the solution finally being implemented, they discover that the content distribution software only allows for simple updates. Furthermore, the software does not format their other marketing assets correctly and it does not provide the added value of integrated third party automotive data vendors.

The entire experience can leave customers underwhelmed as the digital signage grabs their attention but only provides the same static information already present within print materials.

### Question #2: What do they consider to be a digital signage solution?

Ask various companies to define digital signage and the answers will vary. Some see it as powered-up billboards and posters that offer indoor and outdoor solutions but allows the dealer the power to control the content on the screens. Other, more sophisticated companies include the above but may also provide some limited interactive solutions. These companies simply use the digital sign as the means to deliver an interactive program that allows consumers to navigate through some basic product descriptions and comparisons. Finally, there are companies who have developed a system customized for the automotive industry that includes all these elements but also integrates with data providers and provides configurable content that meets the specific needs of automotive dealers.

Asking for the company's definition of digital signage will provide insight into the level of expertise and sophistication of the solution that can be delivered.

### Question #3:

#### **What is their expertise level?**

There are varying levels of expertise within the digital signage industry including:

### **a. Basic**

This type of company is often a local independently owned company that is riding the wave of explosive market growth and has only basic expertise. Typically, they have opened within the last three years and will often position themselves as a high-definition end to end solution provider. They can provide multiple displays that can be remotely managed in real time or by the system owner. The products they offer (including hardware and software solutions) are supplied by other organizations to make up their end-to-end offering. Normally, these companies deal solely with narrowcasting and do not provide interactive solutions allowing the consumer to interact with the product. They typically have a pre-defined pricing structure that also offers the opportunity to purchase advertising spots throughout their network.

The challenge with these companies is they speak about “strategic solutions” but, when investigated further, the solutions offered are quite limited.

### **b. Intermediate**

Dominating a specific region, this company has typically opened within the last five years. More sophisticated than the basic company they may be working with one or two reputable brands. They tend to have their own in-house creative teams and may have also developed proprietary software for distribution through their networks. They typically have a defined pricing structure based on the size of the network they implement and the amount of customization completed on the software.

The intermediate company will be able to adequately provide for the small to mid-size business. They will hold strategic partnerships with various distributors in order to extend their offerings. The challenge with intermediate organizations is their depth of knowledge in specific industries. While they have a more solid understanding of the digital signage industry, they are still relatively new to digital signage as a medium and struggle to integrate well into sophisticated marketing strategies.

### **c. Advanced**

Operating on a national level, these companies have at least a decade's worth of experience working with interactive and rich media solutions on a variety of hardware and software platforms. They have established in-house creative teams and have not only developed proprietary software for use in their network but also established a methodology used in the roll-out of their solutions. They have strategic alliances with a variety of brands and provide customized solutions for each. Their pricing structure is usually modular in nature and completely customizable based on the solutions they are providing.

The professionals involved in the company will come from a variety of industries, including advertising, technology, and television. They have a solid grasp on the digital signage industry and are able to provide a variety of solutions to meet their customer's needs.

### **d. Experts**

These award-winning companies are international in scope and were the pioneers behind the delivery of data-driven, rich media applications and interactive kiosks and, as a result, have developed strong methodologies with proven successes. In addition to proprietary software and in-house teams these companies are racing to obtain trademarks and patents for leading edge solutions that will take digital signage into a new era. They provide hardware and software solutions of all sizes from shelf talkers to large jumbo screens.

Their pricing structure is modular in nature and completely customizable based on the projects they are working. Due to their strong research and development focus, these organizations are eager to work with companies of all sizes to develop and identify new solutions. They are the first to market with these new solutions which are then adopted and duplicated through various industries and sectors.

## **RoninCast® FOR AUTOMOTIVE**

RoninCast® for Automotive is a comprehensive digital signage solution designed specifically for the automotive industry based on our 20 years of automotive experience. Our full-service system includes software, content solutions, hardware solutions, along with technical support and hosting.

### **RoninCast® SOFTWARE:**

- **Master Controller**  
Provide centralized control, which is the heart of digital signage. Provides you with the ability to review the status of the media players and network locations at any time.
- **Network Manager**  
Set up digital signage networks to create groups and subgroups for specific content distribution. Media players can be grouped by location, type, audience, or any other user-defined criteria.
- **Schedule Builder**  
Create and change schedules so that content will play automatically on your network on the timeline that you specify.
- **Database Client**  
Retrieve and update media player information automatically, without re-publishing all the content. Designed for situations where information changes on a regular basis.
- **Data Mining**  
Retrieve information and support your marketing efforts with data recorded from your touch screens. As end-users touch the displays to navigate content, the system records each touch to find out what users are interested in.

- **Zone Builder**

Divide your displays into separate zones to play various content types – real world tickers, still images, videos, Flash files, etc.

- **Ad Planner**

Provide dealers with the opportunity to select ad templates, insert body copy and price for various product promotions, and update service specials on our dynamic service menu board.

## CONTENT SOLUTIONS

Deploy existing media files or product data through our pre-packaged automotive design templates. Alternatively, you can leverage our content channels that provide automotive data from our third party partners. The options are unlimited!

- High-Definition Media Presentation
- Interactive Product Features and Benefits
- Popular Vehicle Configurations
- Vehicle Competitive Comparisons
- Product Training Modules
- Data Integration (ie: vehicle inventory)
- Dealer-driven Ticker and Ads
- Service Department Templates
- Interactive Service Menu Board
- Automatic Weather Forecast Driven Service Promotions
- Parts & Accessories Templates
- F&I Templates

## HARDWARE SOLUTIONS

From Media Players to LCD's and touch screens, our commercial grade hardware solutions are fully customized to meet your needs. As a full service solutions provider, we also specialize in installation and support. All hardware solutions for the RoninCast® for Automotive system are designed specifically for the dealership environment and include:

- Floor Stand Solutions
- Wall Mount Solutions
- Wheel Stand Solutions

## THE WIRELESS RONIN TECHNOLOGIES ADVANTAGE

You already understand the importance of delivering the right message,

to the right audience, at the right time – those are simply marketing fundamentals. When it comes to developing an innovative digital signage solution, you want the confidence of knowing you are working with the experts – not a company that is still talking about marketing basics.

For **over two decades** we have pioneered leading-edge automotive sales support solutions and completed large scale deployments for manufacturers and dealers. Beginning in the early 90s, we rolled out our interactive kiosk programs across North America into thousands of dealers and provided consumers their first look at interactive data driven solutions. Created by automotive experts, our digital signage solutions evolved over the years and have developed into the most advanced information tools used in the industry today.

Wireless Ronin Technologies, Inc. ([www.wirelessronin.com](http://www.wirelessronin.com)) is the developer of RoninCast® digital signage, a complete software solution designed to address the evolving digital signage marketplace. RoninCast® digital signage provides clients with the ability to manage a digital signage network from one central location. The software suite allows for customized distribution with network management, playlist creation and scheduling, and database integration. An array of award-winning services are offered by Wireless Ronin to support the RoninCast® software including consulting, creative development, project management, installation, hosting and training. The Company's common stock is traded on the NASDAQ Global Market under the symbol "RNIN".

**NEXT STEPS** » This guide only touches the surface of developing and implementing a successful digital signage solution. To find out how RoninCast® for Automotive can meet your automotive digital signage needs please contact:

### Karolyn Hart

[khart@wirelessronin.com](mailto:khart@wirelessronin.com)  
1.800.335.0028 x179



### About the Author

Karolyn Hart is the Director of Business Development at Wireless Ronin Technologies. She has spent the last decade working as a technical and marketing consultant for a variety of Fortune 500 companies across various industries including automotive, financial, and healthcare.