



WHITEPAPER

**Digital Signage
Opportunities *for*
Sign Shops**



Are there any digital signage opportunities for sign shops in this dynamic signage market that's projected to swell to [\\$20 billion by 2020](#)?

First of all, \$20 billion is quite impressive, considering that the digital signage market as we know it today is only about 10 years old.

Not too long ago, expensive hardware and a lack of reliable connectivity were barriers to digital adoption. However, the technology has improved and the total cost of ownership has decreased, so more buyers and sellers are making the switch to digital signage for information presentation.

This technological shift can be intimidating for traditional sign shops who are forced to either adapt or resign themselves to failure. As more businesses switch to and begin to see the advantages of digital signs, those who don't start looking into digital signage opportunities for traditional sign shops stand to lose significant market share.

THE DIGITAL ADVANTAGE

One of the biggest benefits of digital signage is its efficiency at engaging consumers. A frequently cited [blog](#) shows that **59% of consumers who came into contact with digital signage wanted to learn more about the advertised topic**. Though this engagement comes with higher implementation costs than traditional signage, the benefits make it a worthwhile and defensible investment:



Digital signage is cheaper:

Once the initial investment is made, businesses gain a reusable resource that serves them for years. These options are expensive at first, but offer a much higher ROI than traditional signage.



Digital signage is faster:

The process of acquiring traditional signs is lengthy and bogged down by lengthy creation elements such as design, development, and distribution. Digital signage can be programmed in a fraction of the time, and easily adjusted to reflect updates.



Digital signage

has lower risk.

This feature alone creates numerous digital signage opportunities for sign shops.



Digital signage has lower risk:

Traditional signs depend on accuracy even the slightest typo can make a huge order of marketing materials or consumer handouts worthless. Digital options can be adapted and adjusted on the fly to present up-to-the-minute information. It gives advertisers nearly unlimited flexibility with their displays, and can help publicly-funded organizations (such as [schools](#) or [churches](#)) promote their services without needing to constantly reorder traditional sign materials. This feature alone creates numerous digital signage opportunities for sign shops.

Factor in the reduced environmental impact and the personalized organic outreach, and you have a digital option that may one day render old-fashioned signage obsolete.

Efficiency, adaptability, and connectivity rule the day, and emerging metrics for consumer engagement demonstrate the value of digital strategies across all of these fields.

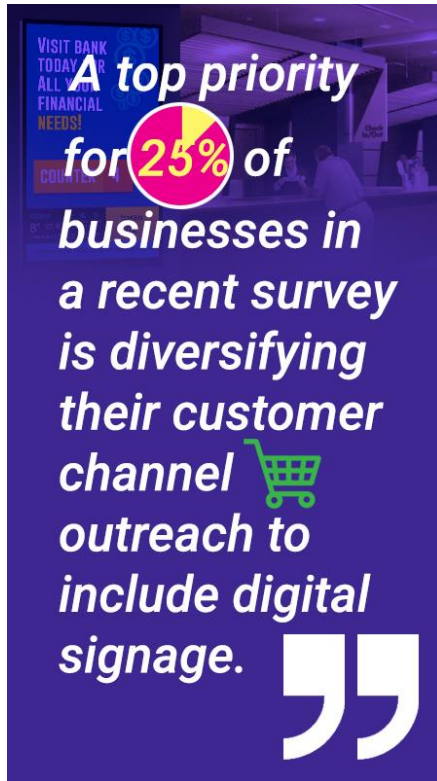


THE FALL OF TRADITIONAL SIGNAGE

Static sign providers have enjoyed a long run of being the go-to option for information display, particularly in the retail, advertising, and manufacturing worlds. While this business model was successful in a time where computerization and digital systems were still new, the modern era of signage demands more.

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The way traditional signage is produced puts it at a disadvantage from the very beginning. Traditional sign companies rely heavily on their supply chains—the distributors of their consumable materials, the designers, and the manufacturing process of creating the signs themselves. This is a necessary business model for traditional production, but suffers from several drawbacks.



As the complexity of production increases, organizational visibility decreases. Achieving project goals while coordinating with multiple suppliers is more difficult and presents more risk factors than performing a task entirely in-house. Problems in one part of the supply chain can trickle down and affect other processes, leading to delays and inefficiencies in production. All of these drawbacks are inherent to the traditional sign shop infrastructure.

The cost to end-users is another huge drawback in this industry. In an [InfoTrends/CAP Ventures survey](#), retail participants indicated that the mean number of signs per retail location was 167, nearly all of which was paper, cardboard, wood and metal. They noted that **printing and distributing the signs is an expensive process, with mean spending of \$3.2 million per year per company**. At every size level, the annual cost of printed signage is a significant line item for stores.

In an effort to survive the changing landscape, many sign shops are starting to explore digital signage opportunities.

Digital signage allows businesses to manage their design and distribution in-house, and the flexibility lets these same businesses customize their digital media and diversify the scope of their information relay. This trend towards flexibility is the way the world is moving. In a [2012 Multichannel Retail Survey](#) by Econsultancy, 25% of businesses listed increasing the diversity of their channel outreach as a top priority.

CHALLENGES FACING TRADITIONAL SIGN SHOPS WANTING TO GO DIGITAL


Despite the significant digital signage opportunities for sign shops, not all of them are equipped to update their service to include digital options. There are several inherent challenges associated with adding a digital signage strategy to a sign shop's portfolio:




Cost of Upkeep


Digital displays, software, and installation costs all contribute to an expensive investment. Though digital signage strategies often end up paying for themselves over time, this initial overhead can be too much for some companies to bear, especially when added to the operating costs of their current infrastructure. Traditional sign shops that must prioritize staying lean may find that the high initial investment of digital signage is a possible barrier to entry. This has actually been a significant deterrent to exploring digital signage opportunities for sign shops.

Traditional sign shops wanting to go digital should focus on the investment gains from digitization e.g. a diversified portfolio, and not the cost alone.




New digital signage vendors often focus on style and pizzazz over content and communication, which can desensitize viewers from the message.

Traditional-to-digital converts are often able to blend the two elements effectively.



Expertise

While digital signage technology isn't overly complex, many sign shops don't possess the technological skill set to run an effective digital campaign. It's not enough to simply plug a computer into a monitor—digital signage must be applied with a comprehensive technological perspective in mind. Aside from installation and maintenance, there are concerns involving equipment specifications, contrast sensitivity on various screens, resolution adjustments for different devices, and maintaining online connectivity.



Error Handling

It's an unfortunate side effect of our tech-hungry culture—more technology means more room for error. Even the best-managed digital campaign is subject to software glitches and hardware failures. This type of troubleshooting often requires expert intervention to fix. This increases the overhead needed for digital signage operation, and can severely impact the profitability of digital outreach for sign shops that lack digital expertise.

These unique challenges explain why digital signage opportunities for sign shops are not being as aggressively pursued as they should be.


However, traditional sign shops wanting to go digital should focus on the investment gains from digitization—a diversified portfolio, better customization and display agility, and more comprehensive signage offerings to cater to a wider range of clientele—and not the cost alone.

DIGITAL SIGNAGE OPPORTUNITIES FOR SIGN SHOPS

A traditional sign shop new to digital signage is already steps ahead of a new digital signage vendor. How so?

First, they are coming into the market with a unique understanding of the elements of effective information display. They have a much better understanding of the communication element, without relying on the medium as an attention-getter. Not all signage needs to be big, flashy, and overcrowded. New digital signage vendors often focus on style and pizzazz over content and communication, which can desensitize viewers from the message. Traditional-to-digital converts are often able to blend the two elements effectively.

Traditional sign shops must accommodate the expectations of the marketplace and provide options that contribute to a more personalized and unique viewer experience.



Second, traditional sign shops are in a unique position to leverage the customer base they've built in print and move it to digital. Traditional customers are prime candidates to embrace digital signage. The ideal way to start building digital signage offerings is to be proactive. Some customers are content using the static signage. Waiting for them to jump on the digital train is not a smart move. Instead, sign shops need to do research, invest in the appropriate means of production, and approach traditional customers with "new and improved" digital alternatives.

THE FUTURE OF TRADITIONAL SIGN SHOPS

In an industry where consumer personalization and adaptability are king, the future may look bleak for static signage. While traditional signage is still an inseparable part of any business's marketing strategy, it's slowly losing ground in favor of more customizable options that "WOW!" consumers.

Digital signage personalizes the shopping, learning, and general information gathering experience of consumers, while providing enterprises with real-time feedback that just isn't possible with traditional signage. As technology continues to advance and the market for digital signage expands further, traditional sign shops must accommodate the expectations of the marketplace and provide options that contribute to a more personalized and unique viewer experience

The opportunities digital signage offers doesn't mean that traditional strategies need to go out the window—far from it. Many organizations have used static and digital strategies side-by-side to great effect, and often traditional and digital strategies can be utilized together for better overall outreach and communication.

To learn about Mvix digital signage solutions: <http://www.mvixdigitalsignage.com/> or



CALL 866.310.4923

About Mvix:

Founded in 2005, Mvix is the market leader in hi-definition digital signage hardware and software systems, multi-screen videowall appliances, interactive digital kiosk systems, and content management systems (CMS). The company provides turnkey solutions 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 display system 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/>