

Balance between ROI and Digital Signage May At Times Be 'Squishy'

If you ever happen to ask a digital signage network operator about the balance between his return on investment i.e. ROI and digital signage or how much ROI he is having on the system; you are likely to have a tinged answer with a tongue-in-cheek approach.

The reason is that in numerous ways, factors which determine the digital signage ROI can be somewhat termed as 'squishy'. You can compare it with walking through a heavily rain soaked field. However, the aim is not to confuse you; it would be really nice if you know digital signage ROI at the first hand and it should be as simple as being aware of the cash one spends on the setting and maintenance of the network?

Well, it is possible in certain digital signage applications but squishiness of others makes it bit harder to calculate an exact ROI on digital signage network. Let's consider it with the help of an illustration where a Restaurant is planning to replace all its printed promotional signage with digital signage. Another case where a corporation is planning to set up a digital signage network to make communication with employees in an effective manner.

In Restaurant scenario, an amount of \$ 300,000 is spent annually on printed promotional signage other than additional \$50,000 which is spent on employees' salaries, bringing new signs at the place of old signs, promoting restaurant specials and so on. On replacing printed signage with digital signage, the restaurant will bear one time expense for the required components.

In this scenario, the cost incurred in content creating will remain the same. The graphic artists who were earlier using Adobe Photoshop will now begin to use additional Premiere and Flash to prepare content for digital signage. We can get the annual return by dividing amount invested in printing and labor savings by amount used in initial installation.

However, there are some other factors that also establish a relation between ROI and digital signage such as advertising revenue from allied business willing to put their advertisement on the network. Here, we can conclude that there can be straightforward ROI allocated to some digital signage applications. In another case, squishy comes into play.

Here a modest digital signage is installed by a corporation which comprises of a sign to greet visitors, a number of digital door cards to keep tab over booking done for various conference rooms as well as a digital sign in the corporate lunchroom. The squishy factor here is to identify and measure employee and visitor conduct since it is related with the digital signage networking.

The digital signage may leave varied impressions as some visitors may like to be welcomed with a digital greeting while others may not and various other similar situations may occur. In other words, it gets tougher to reduce to these types of benefits to a simple ROI equation as they are squishy. However, it does not mean that they are not vital or real. The only thing is that it is a little bit harder to recognize an exact ROI of the digital signage network but it certainly does not mean that there is no ROI.

About the Author

Power2show.com to use as an MP3 player, Power2Show lets you combine photos, video, audio, web pages, Flash, PowerPoint and scrolling text with drag-and-drop simplicity. Power2Show runs on any standard PC, features a familiar player interface, looks terrific and pays for itself with its first-impact application.

Source: <http://www.tntarticles.com>