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Plugging In: Tenants, Customers Connect With Video Screens

By Noreen Seebacher



There's no escaping TV. And based on the success of companies delivering out-of-home digital programming, most people don't want to anyway.

Video screens are infiltrating every type of commercial real estate, including retail, transit, cinema and office locations. They've already earned must-have technology status in office buildings, retail stores, airports, gas stations, hospitals and even elevators.

"Tenants spend about three minutes a day watching content on screens in office lobbies," says Jim Harris, CEO of [Office Media Network](#), a privately held Chicago-based company and operators of The Wall Street Journal Office Network. Since forming the lobby- and elevator-based network information system in June 2006, it has expanded from 10 buildings to 560 buildings in 15 markets.

Advertisers describe the spread of video screens as digital signage and out-of-home media: technologies that connect with consumers in captive environments. The screens carry a combination of proprietary content, in-house messages and targeted ads selling everything from cell phones to cars, giving property owners an opportunity to inform, entertain and earn.

More advanced digital signage systems allow central system management and remote scheduling of content to deliver targeted messages to specific locations at specific times to pinpoint audiences. The Wall Street Journal Office Network, for instance, delivers news from the *Wall Street Journal*, building communications and advertising targeted at business professionals, as well as upper level executives, directors and managers.

Unlike home TVs or even computer screens, viewers can't block the ads, which are placed on the screen like banners on a website. As Patrick Quinn, president and CEO of PQ Media, explains, "Ironically, the trends impeding traditional media--consumer fragmentation and control, advertising accountability and the emergence of digital technology--are the catalysts

for the tremendous growth in alternative out-of-home advertising. It is impervious to channel or web surfing and is immune to audience fragmentation."

That's a key reason it's one of the fastest-growing segments of the media industry. It's expanded at double-digit rates every year from 2001 to 2006 and posting compound annual growth of 22.6%, according to the PQ Media Alternative Out-of-Home Media Forecast 2007-2011. Marketers invest about \$1.2 billion of their national media budgets in out-of-home advertising, including office building-based media networks, according to Profitable Channels, a marketing services company.

For property owners, it's a potential win-win, industry professionals say. They can use the screens, which they typically receive free, to communicate to tenants in real-time rather than on lobby easels or whiteboards. "Owners share in the advertising revenue, and, in the process, demonstrate their commitment to innovative, value-added tenant amenities," Harris says.

Most adults say advertising on digital signage catches their attention--and call it unique, entertaining and less annoying than both traditional and online media, according to a study last year by OTX (Online Testing eXchange) conducted for SeeSaw Networks.

Multiple digital signage companies have emerged in the past few years, typically targeting a specific real estate niche. Oak Park, MI-based Gas Station TV is seen on more than 5,000 monitors in 365 US cities. Care Media Holding's KidCARE TV network is seen in the offices of approximately 1,000 pediatricians. Screenvision serves 2,369 movie theaters.

But industry professionals say office buildings are one of the potentially most profitable, and therefore, hotly contested markets. In February, Captivate Network filed a patent infringement lawsuit against Office Media Network. The suit, filed in the US District Court for the District of Delaware, alleges the Office Media Network infringes on Captivate patents covering elevator advertising display systems, and seeks damages, attorney's fees and an injunction.

Captivate was bought in 2004 by Gannett Satellite Network Inc. a subsidiary of Gannett Co. Inc. It had coexisted without incident with the Office Media Network until the latter expanded from lobbies to elevators last fall.

Captivate considers elevators its domain. The company delivers news, weather and stock updates in partnership with CNN and Gannett-owned stations to people riding elevators in about 700 office buildings in 21 markets.

The Office Media Network claims the suit is without merit.