

Supplier Spotlight: 3 Questions for Digital OOH Manufacturers

April 23, 2018



OAAA regularly features Thought Leadership Q&A from its committee members. This month, OAAA presents the Supplier Spotlight, asking digital billboard manufacturers three insightful questions:

The OOH industry estimates there are 7,800 digital billboards operating in the US.

1. When we talk with the OOH operators, internet security is a hot topic. Do you offer any services to help the operators in this area?
2. How has your current product performed on:
 - Product Reliability
 - Electrical Consumption
 - Image Uniformity
3. Are you aware of any other technologies that may supplant LED technology?



Timur Colak, President, Lightking Outdoor

We see huge opportunities in conversions from static to digital billboards throughout North America and the Caribbean. Our lightweight Air Series facilitates the process because the structures do not need to be upgraded for digital.

The main challenge is digital billboard permit restrictions. We appreciate the hard work by OAAA on this front to bring common sense codes into place to push municipalities and states into the 21st century, helping make OOH into DOOH and better integrate with comprehensive digital advertising platforms. Our industry is understandably still a bit conservative, so we work with customers to help them understand and embrace new technology. This includes our own hardware and evolving software platforms that allow multiple companies to aggregate digital billboards onto a single platform, thereby increasing utilization by bringing on both small pay-per-flip advertisers as well as regional and national advertisers.

Our largest customers are OOH advertising companies across the continent, both small and large. Our business and digital billboards in general are continuing to grow in 2018, and OAAA's work will help us all win. We need to push the advertising technology envelope, prodding local and federal government entities to help or at least move out of the way.



Darrin Friskney, VP of Digital Outdoor & Marketing, Watchfire

Watchfire is renowned for LED signs and billboards that stand the test of time. More than 80 percent of the digital billboards the company delivered a decade ago are still in operation. Many are now more than 11 years old and are still active, delivering an ROI for their owners that is unmatched. Watchfire was the first to color calibrate and encapsulate digital billboards—which contributed to the long-lasting image quality and industry-leading reliability that its products have become known for.

Operational expenses are a fraction of what they were a decade ago, and Watchfire's product reliability has been described as "easily best in class" by one of the industry's most experienced buyers. While LED-based products are the dominant form of technology driving the company today, and for the foreseeable future, its engineers are leading research and development efforts to position Watchfire and its customers for the future. The company offers exclusive software, financing, insurance, content and service programs that simplify the buying process for billboard operators that the value peace of mind that comes with quality and reliability.

The company is proud to employ nearly 400 American workers and hosts guests for tours of the Danville, IL, headquarters multiple times each week.



Daniel Hooper, Marketing Director, Formetco

If you ever contact IT, or tech support with a personal PC issue, after they direct you to "turn it off and then turn it back on again," they first check for updates. Hacking is an ever-evolving threat and the only way to combat it is with up to date security measures. Some suppliers are shipping boards running on operating systems so outdated they already have reached their end of life, and Microsoft will no longer provide security updates or technical support. That should be very worrisome to operators. In such situations, operators are forced to use old software that lacks current security measures. Additionally, purchasing a digital billboard with an outdated operating system can lead to costly upgrades, and most current third-party player software will not operate on outdated operating systems. Boards shipped with antiquated operating systems not only hijack operators' ability to choose how they schedule, but also their ability to protect their investment. Formetco only ships digitals with current Windows operating systems and because of that, we are able to implement and support the most up to date security measures available in the industry. Buying from Formetco gives operators a fighting chance against hackers.

Product Reliability: We feel that the confidence we have in our products is evident in our warranties. In 2015, Formetco introduced an industry first 10-year brightness warranty to ensure our digitals' age is never on display. Everyone else followed. But we didn't stop there – because the FTX's advanced technology has been so reliable, that all digitals come with a 10-year standard Formetco manufacturer's parts warranty. Note the word standard. This warranty is a standard feature with NO price increase to ALL digital billboard clients. The idea that other suppliers provide different warranties to different companies is either a lack of confidence in product reliability or is just a foul marketing tactic.

Electrical Consumption: Formetco has focused its product development efforts on reducing our customers' total cost of ownership. EVERYTHING REVOLVES AROUND THAT OBJECTIVE. We utilize mass production methods to lower our cost, constantly analyze serviceability, perform rigorous environmental component testing, design for reliability, and have the industry's most exhaustive quality control inspection process. All are efforts with the same focus: producing the most energy efficient and lowest cost to operate billboard. Formetco's digitals produce more light with less power while generating less heat. This eliminates the need for costly inefficient fans, and allows for a system that is environmentally cooled. We encourage operators to look at their current electrical costs to see if they have risen. This is a telltale sign that they are buying outdated inferior technology. Today, Formetco has the most energy efficient digital billboard available anywhere by at least 30 percent and typically more than 50 percent better than most.

Image Uniformity: Formetco was the first digital billboard manufacturer to offer single bin LED signs that do not require factory calibration. Factory calibration adjusts the brightness of each LED causing some LEDs to run 30 percent hotter than others. This in turn causes premature discoloration. Others might offer single bin LED's, but if they need factory calibration, either they are not truly single bin LED's or they are selling a product with a limited useful life.

Realistically, no new technology is going to replace LED's anytime soon. Nothing comparable on the market can compete with the function, useful life, and cost of LED technology. The evolution of the LED will be concentrated on developing a longer lasting and more efficient product.

**Colin Huber, OOH Sales Manager, Daktronics**

Security of a digital billboard is something Daktronics takes very seriously which is why we've designed in critical system components and control software features for detection and prevention of unwanted access. Leveraging the most secure data centers in the world, multiple firewalls and secure connections we ensure only the customer has access to the display. In addition to our design, we've set forth programs, policies, standards and procedures to create a risk management framework to minimize the risk of compromise.

Product Reliability: Building on our more than 17 years of industry experience, our latest series of digital billboard product is the most reliable OOH product that we have ever produced with a 99.9 percent module uptime. Sourcing and supply chain management of the high-quality raw materials we use in our US-based manufacturing facility provide quality control in manufacturing and the ability address component changes over time, these are just two very important components of this process. We leverage our state-of-the-art reliability lab for quality checks and to test new innovations that give our engineers and product development specialists the information they need to design durable products that can handle harsh conditions and provide predictable performance. Daktronics spends 4 percent of revenues a year (approx. \$20 million) in research and development, which allows us to manufacture the world's most reliable LED displays.

Electrical Consumption: Power consumption is an important consideration when deploying a digital billboard since it impacts on-going expenses. Daktronics display design includes many features that maximize the image quality balanced with display energy efficiencies, offering the flexibility to adjust display settings while optimizing return on investment. Our exclusive multi-directional light sensor adjusts the display brightness as the sun shines at the display face with subtle brightness adjustments as it passes behind the display throughout the day to save energy while displaying brilliant ad copy. We pay special attention to components we choose and source high-quality LED's and power supplies that are UL energy verified for optimal energy efficiency. Our displays incorporate intelligent design features that minimize power consumption and allow owners to minimize cost of ownership.

Image Uniformity: At Daktronics, we pride ourselves on providing the best image quality not only when the sign is first installed, but throughout its lifetime. Brightness, contrast, and color consistency are all key attributes to maintaining the highest lifetime image quality. Our extensive industry experience has contributed to our design and sourcing as we start with the end in mind. We have an in-depth understanding of the effects of the environment coupled with component performance expectations. We've incorporated features like LEDs with targeted light output, non-reflective louvers, multiple calibration methods as well as many other capabilities in our display to provide predictable long-lasting image quality and uniformity. LED display aging will occur for a variety of reasons as a display ages, south face on the coast will show more age than a north face in a norther climate. Daktronics has a unique ability to ease these aging effects via our proprietary calibration processes. This has been continually improved over time to provide products with incredible lifetime image uniformity and image quality.

We are always evaluating new technologies. There are some interesting things in development, but nothing near term that will replace LED for use in OOH advertising. LEDs still provide the greatest balance of performance, cost and reliability for these applications.