

SAAS, AND PREMISE-BASED SOFTWARE OPTIONS

Not Us vs. Them, But a Growing Market for Both Camps

By David Keene

Even as the industry faces a variety of content issues - the most important of which are the creative challenges of crafting content that is brief, to the point, and yet compelling for place-based screens - most end users and integrators still see the issue of SaaS vs. premise-based digital signage content management software as a perplexing one. And there are more and more SaaS solutions ("hosted" software as a service that the end user does not "buy" but accesses remotely through a web browser) being introduced in the market each year. So it's easy to see the explosion of SaaS options as some kind of inevitable trend, which its proponents say is the culmination of cloud-based trends in the larger IT and personal computing worlds.

But a survey of some of the top thinkers in the industry finds that more industrial-strength, premise-based solutions are not just holding their own in the market, but attracting more high-level and mid-level users. The fact is, both camps - the SaaS camp and the premise-based camp - are thriving, as at this stage in the maturity of the industry it's not about the jockeying for position between the two camps, but about the market getting bigger for everyone.

According to one of the top systems integrators working in digital signage, Jim Huber of Nor-Com, the non-retail markets are evolving in the following manner: "From my perspective, for larger organizations - corporate, educational, health care, spiritual - there has been a movement toward the SaaS model, in an effort to cut capital expenditures and downsize the employee base that managed these solutions. They are utilizing external content providers that understand their existing corporate identity. The solid performance of Internet service providers, coupled with purchasing redundancy for Internet service, has elevated this solution for larger organizations - the IP telephony within business has been the catalyst of this higher level of performance."

Lyle Bunn, one of the industry's top analysts and consultants, sees a movement to cloud computing in general. "Dynamic signage and enterprise media have been working their way toward cloud computing as the application has matured," Bunn says. "Software as a Service (SaaS) is cloud computing from an end-user perspective,

and the outsourcing of network operations typically increases the user managed services. Dedicated computing centers and server farms that are distributed for bandwidth and operational efficiencies as well as back-up and redundancy further serve to move the application into the cloud."

But any user of software services, in this industry or any other, must weigh the risks of relying on cloud-based services. No one summarizes these risks better than Jeff Collard of Omnivex (Omnivex provides premise-based digital signage content management software), an eloquent spokesman for the benefits of moving carefully in this space.

"People assume that the cloud is an all or nothing proposition," explains Collard. "The majority of SaaS providers in the digital signage space are providing a digital signage hosting service for their customers on a shared network. In that model, the service

provider is building templates, providing feeds, and managing content. A cloud offering can be a

hybrid of premise-based software that uses off-site servers as a utility. We have customers who ultimately want to go this way, but currently are installing premise-based systems for their networks because

they don't see the flexibility or reliability they need in the SaaS systems that they have looked at. I had one customer start with his server hosted on Amazon and quickly decided to bring it in house when they saw the impact to their network."

Collard and others often make the point that security of information is a big concern. "Security on the cloud is a big issue." Says Collard, "either because the infrastructure is insecure, or because the third party service can access it. Facebook has had a lot of criticism about its policies regarding privacy. What happens if your service provider is located outside of the jurisdiction of your courts?"

The good news is that the market is growing at double-digit rates. So there is room for all at the table, and so many content management software providers that any job small or large can be handled - and scaled up when necessary, as the project evolves. We will be examining all of those issues, in ongoing coverage in this magazine (and online at www.digitalsignageweekely.com). To complement our coverage in these pages, log onto www.digitalsignageweekely.com to view a chart comparing features from a variety of digital signage content management software vendors.

