

2019

G2 MEDiA LED Cost Considerations



Frank Galgano

G2MEDiA LED Solutions

1/1/2019

G2 Media LED Cost Considerations

G2 MEDIA LED products are priced on a per square meter basis most competitively with respect to other high-quality name brand products. However, your final LED system and solution costs which may include design, engineering, planning, approval, power savings, HVAC, shipping, handling, insurance, construction, installation and Internet marketing/listing will vary.

This variation also includes currency fluctuations, labour cost premiums and government licensing requirements.

Following sections detail key cost and pricing issues to enable an apple to apple comparison between various LED products and suppliers.

What should an LED screen or LED display cost?

The purchase cost of LED screens, LED displays or electronic billboards depend and consist of:

- LED screen
- LED system (including installation and operation).

The former depends on three key variables. Those three variables are

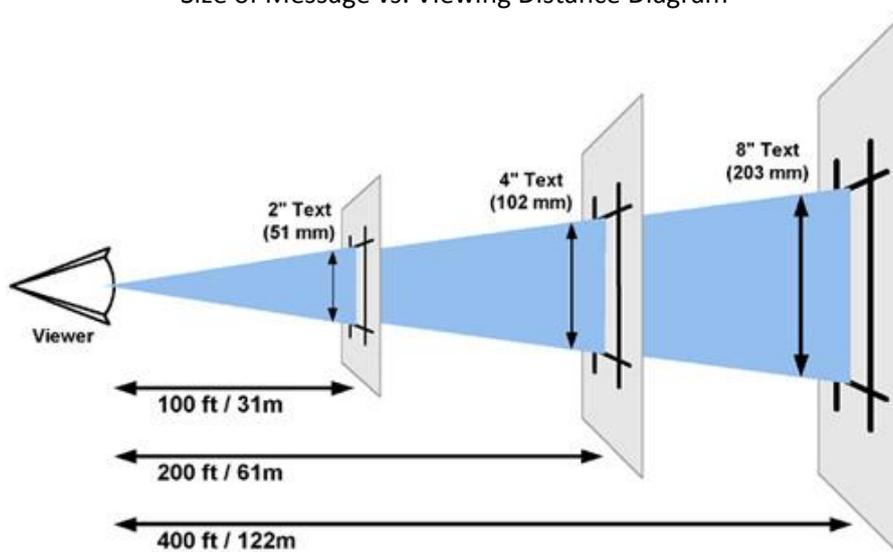
- 1) total size of the LED screen
- 2) the pixel resolution of the LED screen and,
- 3) the brightness of pixels.

1. The total size of the LED screen: The bigger or larger the LED screen the higher the cost for similar LED screens. The prices are based on per square meter, which means that if the total size is N square meters, the price will be N multiplied by the cost per SQM. Assuming the type as indoor, semi-outdoor or outdoor is determined.

2. The pixel resolution of the screen: The more pixels, or the more number of LED's the screen has, the higher the cost will be.

For example if a screen is 12sqm and has 49,000 pixels, it will be cheaper than an LED screen of 12sqm with 120,000 pixels. This is because more LED lamps will be placed onto the screen which is a higher cost. But on the other hand the more LED's the screen has, the higher the detail will be of videos and images that the LED screen will be publishing.

Size of Message vs. Viewing Distance Diagram

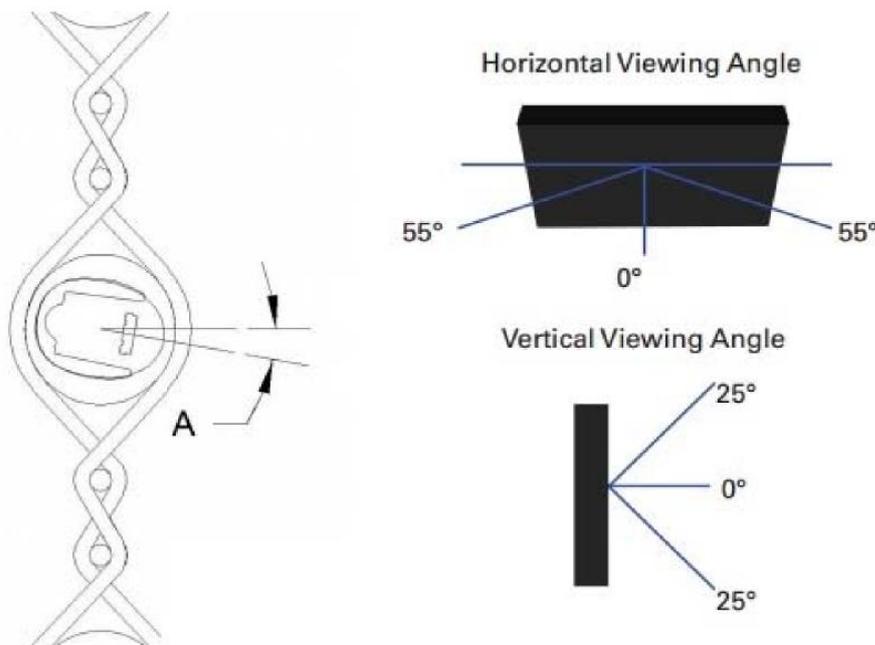


3. The brightness or contrast

While the size and resolution determine the viewable pixel matrix and granularity of the image displayed it is the lighting contrast of LED screen with its environmental backdrop that determines the viability of displayed image. For example, a larger P10 SMD semi-outdoor LED screen of low brightness may be washed in sunlight and not be as viewable in any range compared to a brighter and smaller P8 DIP Led screen.

4. Angles of View – Vertical and Horizontal angles of view are depicted below (Source: GDK).

Viewing Angles



Vertical and Horizontal Angles of View

Vertical and Horizontal Angles of View

A brighter screen with lighting control will save on power consumption and provide best viewable and visible image and may cost more to purchase but will cost far less to own due to operating expense and life-expectancy (replacement cycle).

The cost of ownership of LED screens is the sum of purchase and installation/operation costs of the LED over its life-cycle (less the revenue it generates). Of the two costs the cost of ownership is a more important factor than the cost of purchase. In reality, it is the capital expenditure or the budget that usually becomes the deciding factor for in-experienced users.

It is important to note that in any circumstance there is only one “best solution” as compared to many cheap or inexpensive options. The best solution takes into account not only the costs but also the revenue potential and measures the impact on the business.

However, the most important factor in successfully communicating a message to the market using LED screen is the quality of creative work, graphic and clarity of contents in relation to LED screen electronics design and image processing capabilities.

LED System Cost Justification

LED systems costs are justified on two bases, application needs, income or revenue increase. Following is a typical LED System cost justification based on revenue impact. Complete the worksheet below to determine potential increase in revenue.

Cost Justification Worksheet

Using Daily Traffic Count Study

1. The average daily traffic past my location is: _____ vehicles per day.
2. The ads I run on my LED display should attract _____ percent of that daily traffic or _____ customers per day.
3. My average customer order amount is \$ _____.
4. Multiply the number of customers per day by your average customer order amount for example: 5 customers per day X \$100 average customer order = \$500 per day
5. Multiply line 4 by the number of days your location is open per year for example: \$500 X 260 days open per year = \$130,000 per year. Write that total here: \$ _____
6. The total cost of the LED display system is \$ _____.

Other revenue impact bases may include venue and advertising contract agreement that can be used to justify the amortized LED system cost over its ownership.

Single, Multi-Colour and Full Colour LED Displays

There is a significant difference between single or multi-colour text and full colour LED displays. Consequently, the text based LED displays are of limited use and costs and constitute consumable product with little or no investment value. On the other hand, full colour, full featured LED displays are used for large screen indoor and outdoor displays and billboards and constitute capital investments which must deliver value and/or income to their owners.

As a result, G2 has produced this leaflet primarily dedicated to information on full colour LED products and technologies.

Full Colour Video LED Signs and Your Business

G2 Media full colour RGB LED Signs are the latest breakthrough development in on-premises advertising and virtual selling.

G2 Media full colour LED Signs give you the ability to advertise your products and services using graphics, text, images or video right in front of your business where thousands of people pass by every single day.

You have heard the expression "a picture is worth a thousand words". G2 Media full colour LED Systems give you the ability to communicate with imagery - the most powerful form of communication in the world and soon to sell to your customers rather than just informing the market and your competitors.

Unlike Monochrome LED Signs that use only one colour of LED light, G2 Media LED Systems utilize three different colours of Light Emitting Diodes (LEDs). The three colours used are Red, Green and Blue. Each individual LED can be operated at different intensity levels to create over 500 Trillion colours of light.

For example, a 2m X 1m full-colour LED sign will typically cost twice that of a 2m X 1m Monochrome LED Sign. In addition to using three different colours of LED's to create the wide array of colour, the LED's in a full colour LED Display must be positioned much closer together.

Moving the LED's closer together means more LED's must be used in a full colour LED Sign than in a Monochrome LED Sign. The use of additional LED's also contributes to the increased cost over the price of single and dual colour signs. However, the G2 Media's patented technologies and volume productions significantly reduce the development and production costs while improving the potential of the full colour LED systems. Consequently, the G2 Media LED advantages in many cases has dropped the full colour costs to the same or lower levels than many single and multi-colour products.

Another key advantage of full colour LEDs over mono and dual is future compatibility with video and multimedia files and advertising platforms because they incorporate more sophisticated control systems such as Colour light Control Systems.