

MEDIA

Times Square's Biggest and Most Expensive Digital Billboard Is Set to Shine

By EMILY STEEL NOV. 16, 2014

In an era when digital screens large and small proliferate but attention is increasingly scarce, some marketers are making a huge bet that one of the biggest displays in the world will captivate audiences.

Their gamble: the largest and most expensive digital billboard in Times Square, which will light up on Tuesday night.

The new screen stands eight stories tall and is nearly as long as a football field, spanning the entire block from 45th Street to 46th Street on Broadway — the center of the Times Square “bow tie.” Nearly 24 million LED pixels, each containing tiny red, blue and green lights, make up the display, giving it higher resolution than even the best of today’s top-of-the-line television sets.

At a going rate of more than \$2.5 million for four weeks, the megascreen ranks as one of the most expensive pieces of outdoor ad real estate on the market, according to marketing executives. A digital art exhibition by the critically acclaimed Universal Everything studio collective will animate the screen from Tuesday night until Nov. 24, when Google will take over as the exclusive, debut advertiser with a campaign that runs through the New Year.

In the flashing, bustling advertising mecca that is Times Square, the

screen is the biggest and the only one to cover an entire city block.

“Size matters in Times Square,” said Harry Coghlan, president of Clear Channel Outdoor New York, which is selling the ad space. Last week, as he stood on the corner of 46th Street and Broadway watching test images of skiers and fashion models illuminate the new display, tourists turned their heads to look at the sign, their jaws actually dropping.

“Sometimes it just comes down to wanting to stand out, and it comes down to ego,” he said.

Both Clear Channel Outdoor and Google declined to comment on the terms of Google’s deal. Ad executives said that Google snapped up the display as soon as it went on the market for an exclusive, long-term commitment, so the negotiated rate could have been much lower than the \$2.5 million price tag. Rates for Times Square billboards can vary widely, depending on location, size, duration and screen quality, among other factors, ad executives said.

Each day, more than 300,000 pedestrians are estimated to enter the Times Square “bow tie,” where Seventh Avenue intersects with Broadway between 42nd and 47th Streets. While New Yorkers generally breeze through, their heads in their phones, the location is a tourist destination, and the billboards are a large part of the attraction. The locale receives even more views when it is broadcast across the world, especially during big events like the New Year’s Eve celebration.

About eight in 10 people in Times Square reported that the signs and the advertisements add to the appeal of the destination, according to a survey of 2,000 respondents in Times Square commissioned by Times Square Alliance and other groups. About half of the respondents reported taking photographs of the signs, and 60 percent said they had spent more than five minutes looking at them.

“People go to the Grand Canyon to see the most visually stunning natural canyon in the world. They come to Times Square to see the most digitally striking canyon in the world,” said Tim Tompkins, president of the Times Square Alliance.

The new sign, at 1535 Broadway, hangs on the Marriott Marquis hotel.

Visitors might remember the destination as home to the giant Kodak sign that long beamed from the center of the building, topped by a curved display and flanked by two rectangular displays.

Vornado Realty Trust built the new screen as part of a redevelopment project for new signs and retail components of the hotel. Vornado says it expects to lease a span of new retail space at the site to about a half dozen companies. It said in August 2012 that it would spend as much as \$140 million on the project.

Vornado already owns the retail strip at 1540 Broadway directly across the street leased to the Forever 21 and Disney flagship stores. There, it discovered how important the digital sign is to the retailers. With the new project, Vornado decided to build a megasign and deploy the latest LED technology.

Steven Roth, chief executive of Vornado, said that while the attention-grabbing technology that allows for sharp images and innovative displays is important, that technological advantage will not last as other companies adopt similar bells and whistles. The two lasting advantages, he said, are the new display's sheer size and location.

"The signs really are part of the culture, part of the fabric of the excitement of this city," Mr. Roth said. "And, by the way, we are in it for the money, and they are an interesting part of our business."

One of the oldest forms of advertising, billboards are attracting new attention as digital displays allow for new levels of real-time interactivity. Marketers increasingly are deploying new social media and mobile components that allow viewers to engage in activities like broadcasting their faces on a billboard or downloading coupons because they walked past an ad.

Billboards previously were arduous to buy, with advertisers forced to broker deals with an array of companies that owned the space. Today, advertising groups are working to automate the buying process. Advertisers can now update digital campaigns on the fly, giving them more flexibility.

Total spending on outdoor advertising in the United States is expected to increase 3.6 percent this year to \$7.2 billion, according to eMarketer.

“Outdoor is one of the most undervalued media,” said Chad Stoller, managing partner of the Interpublic Group Media Lab, which explores innovative technologies for media and marketing.

Google declined to divulge the details of its new advertising campaign. But it certainly is not the first to go big. LG Electronics recently created a campaign on a record-breaking billboard near the King Khaled International Airport in Saudi Arabia. At 820.2 feet long and 39.3 feet tall, that sign is the largest in the world, according to the Guinness Book of World Records.

Correction: November 19, 2014

An article on Monday about Times Square’s biggest and most expensive digital billboard misstated the surname of the president of the Times Square Alliance.

He is Tim Tompkins, not Topkins.

A version of this article appears in print on November 17, 2014, on page B1 of the New York edition with the headline: Times Square’s Biggest and Most Expensive Digital Billboard Is Set to Shine.