Per screen pricing vs flat monthly fees for digital signage

Why pricing models matter for small agencies

When a small agency starts reselling digital signage, the first question is usually about hardware. Which screen, which media player, which mount. But the question that determines whether the business survives is how to charge for it. The pricing model you choose affects cash flow, client retention, and how easy it is to scale. Two broad approaches dominate the market: a flat monthly fee that bundles everything, and a per screen pricing model that breaks out costs individually. Each has strengths and weaknesses, and the right choice depends on your clients and your own financial tolerance.

Per screen pricing means you set a fixed rate for each display you install and manage. That rate typically covers hardware, installation, software, support, and a margin for your agency. The client sees one number per screen per month, and you know exactly what you earn when you add another display. Flat monthly fees, by contrast, charge a single sum for a package of screens and services, often with caps on the number of displays or the hours of support included. The distinction sounds simple, but the implications run deep.

How per screen pricing works in practice

With per screen pricing, you itemise every cost that goes into delivering a working digital signage network. Hardware cost is the most obvious. Screens, mounts, media players, cables, and any networking gear all have a purchase price. You decide how many months to spread that cost over before the screen is paid off. After that point, the hardware becomes profit. The same logic applies to installation fee. If you charge a one-off installation fee, it covers the labour and materials for mounting the screen and running cables. Many agencies prefer to fold that into the per screen rate over the first twelve or twenty-four months, so the client never sees a large upfront bill.

Support cost is another component. Someone has to update content, reboot a frozen player, replace a faulty power supply, and answer the client's questions at 9 pm on a Friday. A per screen rate that includes remote monitoring and proactive maintenance gives you a predictable monthly service margin. If you manage a hundred screens, you can afford to dedicate a technician for half a day each week. If you manage ten, you cannot. That is why the break even point matters. You need enough screens under management to cover the fixed costs of staff and tools before you see a monthly profit. Per screen pricing makes that calculation transparent: you know your cost per display and your revenue per display, so you can see exactly when you cross from loss to gain.

Flat monthly fees and when they suit

Flat monthly fees appeal to clients who want simplicity. They pay one amount and expect everything to work. For the agency, the challenge is defining what "everything" means. If the fee includes unlimited support calls, a client with a broken screen every week can eat your margin. If it caps support at two hours per month, you need to track that carefully. Flat fees work best when the scope is narrow and the hardware is reliable. A single-screen digital menu board in a coffee shop, for example, rarely needs more than a content update every few weeks. The support cost is low, and the client values a predictable monthly bill.

Flat fees also help with cash flow in the early months. Instead of waiting for screens to pay for themselves, you collect the same amount from day one. The downside is that you lose the upside of growth. Adding a second screen to a flat-fee account usually means renegotiating the whole contract. With per screen pricing, you just add another line item.

Comparing the two models side by side

To see the trade-offs clearly, consider a few common scenarios.

- **Small client, single screen**: A flat monthly fee is often simpler and more profitable for both sides. The client gets one bill, and you avoid the overhead of tracking individual components. Per screen pricing works here too, but the math may not justify the paperwork.
- **Growing client, multiple locations**: Per screen pricing shines. The client adds screens one at a time, and your revenue grows with each addition. The break even point arrives sooner because you share the cost of central management across many displays.
- **Client with unpredictable support needs**: Per screen pricing protects your margin. Each screen carries a built-in support cost, so heavy users pay more indirectly. A flat fee would leave you subsidising their extra calls.
- **Client who wants a fixed budget**: Flat fees give them certainty. If you can estimate the support cost accurately, you can still make a healthy service margin. If you cannot, you risk a loss on that account.

There is no universal winner. The decision depends on your client base and your ability to forecast costs. Many successful agencies use both models, offering a flat fee for simple installations and per screen pricing for larger or more demanding networks.

Making per screen pricing work for your agency

If you lean toward per screen pricing, the key is to understand your own costs before you set the rate. Hardware cost is the easiest part. Add the price of the screen, the media player, the mount, and any cables. Divide by the number of months you want to recoup that investment. Twelve months is aggressive but keeps monthly charges lower. Twenty-four months is conservative and gives you a better margin after the payoff period. Do not forget the installation fee. If you charge it separately, the per screen rate can be lower. If you bundle it, the total per screen rate feels higher but the client avoids a large first invoice.

Support cost is harder to estimate. Track the average time you spend on each screen per month. Include remote monitoring, content updates, troubleshooting, and travel time for on-site visits. Multiply that by your internal hourly cost. That number is your baseline. Add a markup for profit. The result is your service margin per screen. If the margin is too thin, you need either a higher per screen rate or a minimum number of screens per client to make the account worthwhile. That minimum is your break even point. Stick to it.

Common pitfalls to avoid

One mistake is setting the per screen rate too low to win the first few clients. You end up with accounts that cost more to support than they bring in. Another is ignoring the cost of content creation. If your agency provides design services, that work should be billed separately or folded into the per screen rate with a clear limit on revisions. A third pitfall is treating all screens the same. A screen in a quiet lobby that runs a static image costs far less to support than a screen in a busy retail window that changes content every hour. Your per screen pricing can vary by application, or you can use a flat fee for the basic service and add a premium tier for high-rotation displays.

For agencies that are just starting out, the temptation is to offer a low monthly price to build a portfolio. That strategy works only if you have a plan to raise prices later or to convert low-margin clients into higher-margin ones. Otherwise you lock yourself into a model that never generates a real monthly profit. A better approach is to start with a fair per screen rate that covers your costs and leaves room for growth. As you gain experience, you can refine the rate based on real data.

Platforms like D-Addicts help agencies manage the operational side of per screen pricing by providing tools for remote monitoring, content scheduling, and billing. When you know your support cost precisely, you can set your per screen rate with confidence. That kind of clarity is what makes per screen pricing a sustainable model rather than a guessing game. D-Addicts gives you the data you need to keep your service margin healthy and your clients happy.

When to switch from flat fees to per screen pricing

If you start with flat fees, watch for signs that the model is straining. When a client's support calls increase but their monthly payment stays the same, your margin shrinks. When they ask to add a screen and you hesitate because the flat fee does not scale, that is a signal. At that point, propose a switch to per screen pricing. Explain that each screen now has its own cost of support and that the new model lets them add displays without renegotiating the whole contract. Most clients understand the logic if you present it clearly.

Another trigger is when you take on a second client with very different needs. A flat fee that works for a restaurant may not work for a car dealership that wants twenty screens across a showroom and workshop. Per screen pricing lets you tailor the package to each client while keeping your own books clean.

Final practical advice

Whichever model you choose, test it on a small number of accounts before rolling it out widely. Track your actual costs for six months. Adjust the rate if needed. Once you have a model that works, document it. Write down what each component covers and what it does not. Share that with clients so there are no surprises. A clear agreement protects both sides and makes the relationship easier to manage over time.

Per screen pricing is not the only way to charge for digital signage, but it is the model that gives you the most control over your profitability. If you know your numbers, it rewards you for every display you add. Flat fees are simpler to sell but harder to make work at scale. The best strategy is to understand both and choose the one that fits each client and your own agency's growth stage.