

# Korea Digital Signage Industry: Current State and Use Cases



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# CONTENTS

■ Market Environments

■ Digital Signage Business in Korea

■ KT's Digital Signage Business

IV

■ KT's Strategies

Provides various types of multimedia contents interactively.  
Delivers customized ads to target customers and Grows market share.

### Characteristics

#### As New Media

1

- Delivers various multimedia contents including videos
- Provides interactive contents and messages which can be changed easily
- Conforms to the trends of digital visual generation: prefers visual information and images accustomed with up-to-date displays

#### As Media of Advertisement

2

- Customized ads for target customers
- Real-time measurement and analysis of ad effects
- Communicates in connection with mobile, IPTV, and internet.

#### As a Business Model

3

- High ROI : low operation expenses once installed
- Growing share of new media in ad market while traditional media's shares are falling

Even though some threats are imposing restrictions on rapid market development, Digital display is setting trends in ad market based on decreasing total expenses, technological progresses in network and solution.

### Opportunities

- 1 Falling price of display
- 2 Growing awareness of target marketing
- 3 Decreasing effectiveness of traditional ad media
- 4 Prevalence of digital displays
- 5 Development of interactive interface

### Threats

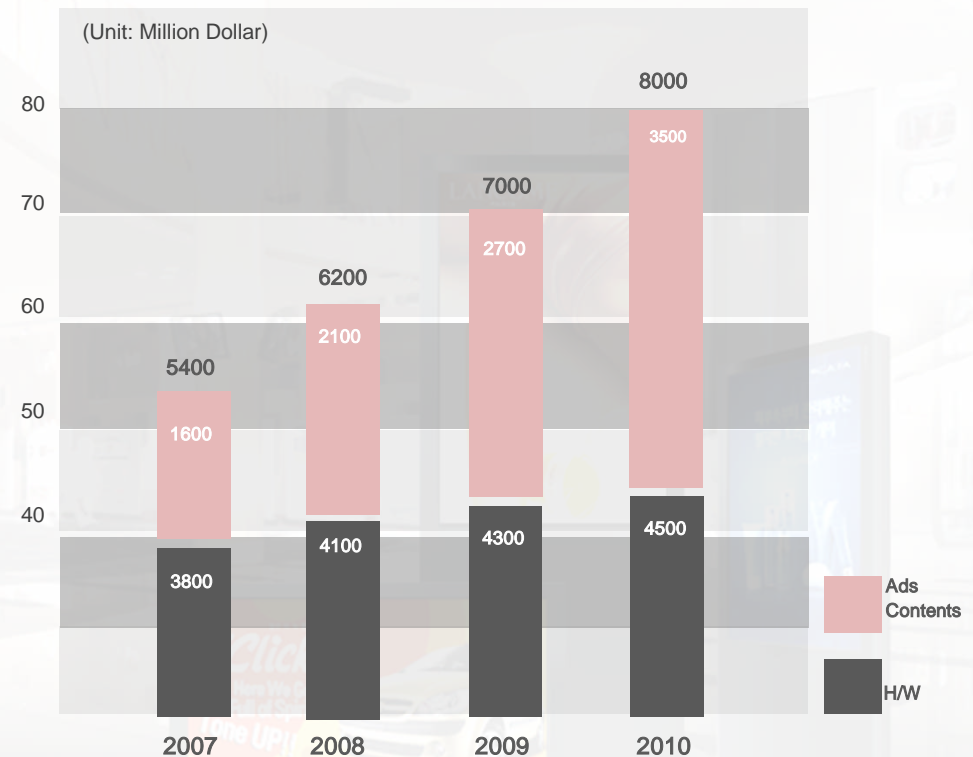
- 1 Burden of heavy initial investments
- 2 Less awareness of advertisers
- 3 Complicated composition of market players
- 4 Lack of professionalism
- 5 Lack of Standards



Global Digital Signage industry is growing 14% annually. Focus Media in China is listed in Nasdaq and global telcos such as AT&T, NTT are expanding in the market.

### Global Market

- Global digital signage market volume amounts to 8 billion dollars
- Annual market growth rate reaches 14% in the period of 2007-2012
- Major telcos are entering DS market: AT&T, NTT, etc.
- Growth rate of contents market for digital signage is extraordinarily high
  - Growth of system investments: 6% per year
  - Growth of related contents: 30% per year

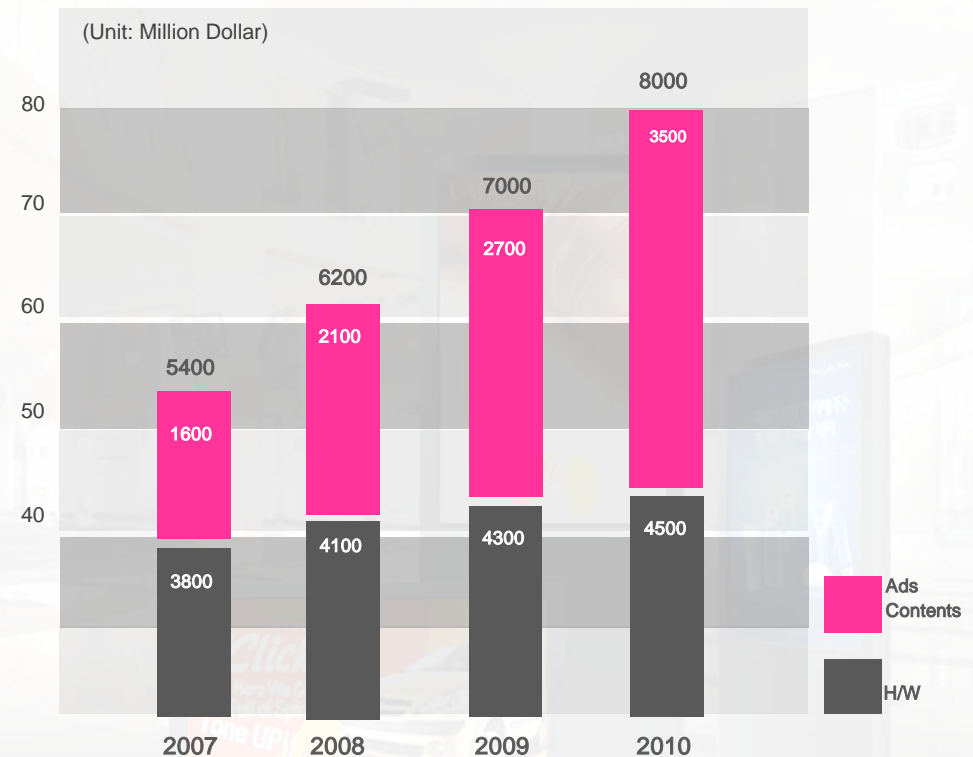


<Global Market, PQ Media>

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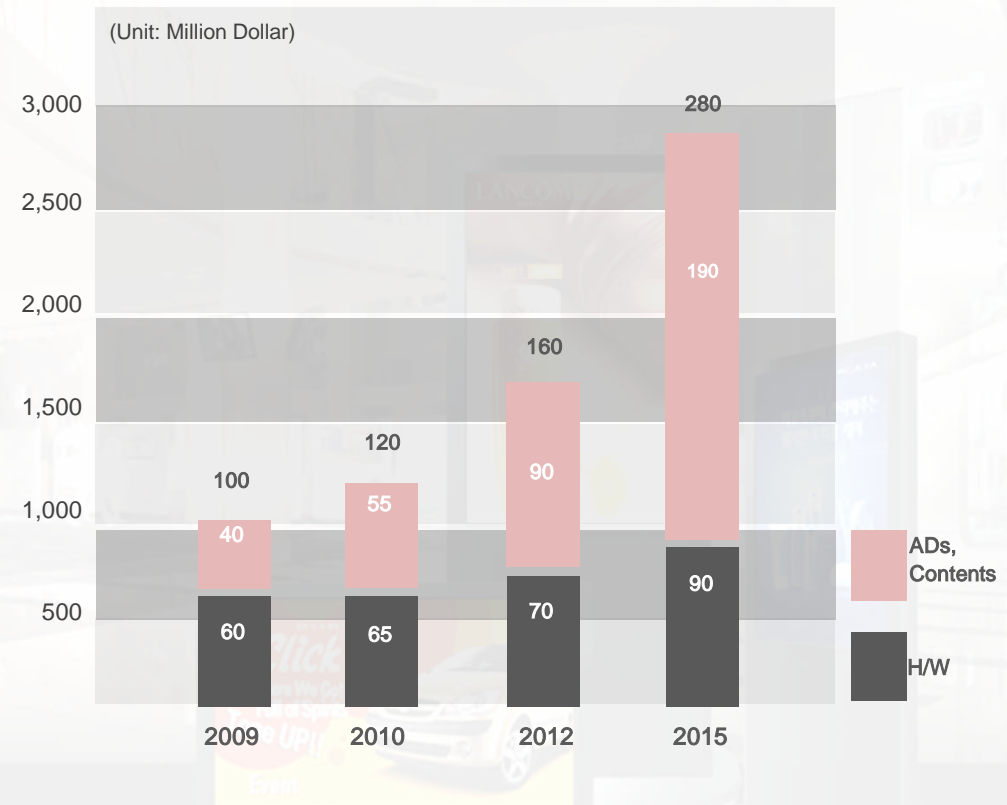
<Global Market, PQ Media>



Digital Signage industry is growing by 19% annually in Korea.  
 Technological developments in fields of IT and media are facilitating the high rate of growth.

### Korea Market

- Expansion of new media and growth of related market
  - Korean DS market size expected to reach 300 million US dollars in 2015
- 19% of annual growth rate
  - Korea major companies are entering the market
  - New market entrants being changed to major local companies from SMBs
  - Major advertisers' awareness of digital media is on continuous increase

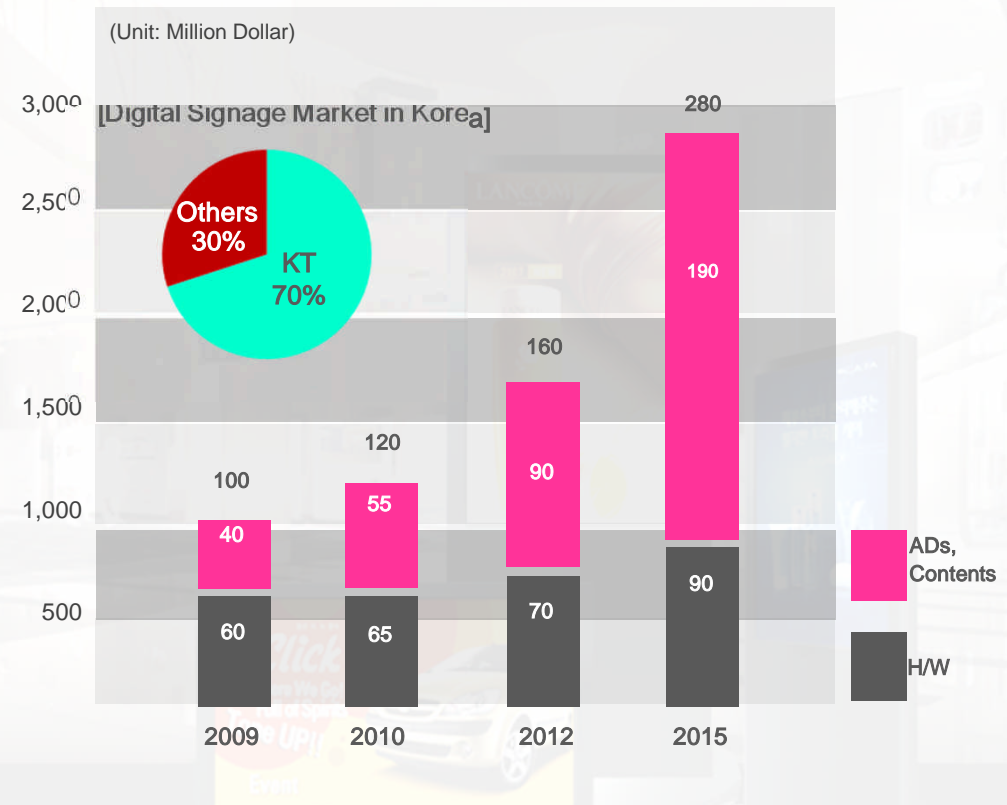


<Korea Market, KT Digieco research center>

Digital Signage industry is growing by 19% annually in Korea.  
 Technological developments in fields of IT and media are facilitating the high rate of growth.

### Korea Market

- Expansion of new media and growth of related market
  - Korea DS market size expected to reach 280 million US dollars in 2015
- 19% of annual growth rate
  - Korea major companies are entering the market
  - New market entrants being changed to major local companies from SMBs
  - Major advertisers' awareness of digital media is on continuous increase



<Korea Market, KT Digieco research center>

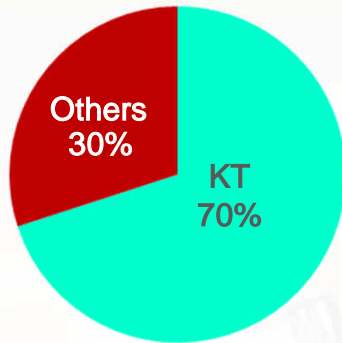


## II. Digital Signage Business in Korea

### 1. Key Players



[Digital Signage Market in Korea]



1 KT

2 CJ Powercast

3 Daum

4 LG U+

5 Etc: GS25, 7eleven,  
Digital Chosun..

1 KT

2 CJ Powercast

3 Daum

4 LG U+

- Major business areas **since 2005**
  - Network, Platform, Nationwide sales capability
- The largest number of digital signage installation references in Korea
  - **25,000** installations nationwide
- Owns patented solutions : i-frame
  - Provides end-to-end integrated solution
- Based on nationwide communications network infrastructure
- Digital Signage business know-how (7 years of experiences)
- KT owns multiple service brands for Digital Signage
  - : **Building elevator, University Campus, Kimpos Int'l Airport, Convenience store, Metro, AED-Signage, and Media Pole**

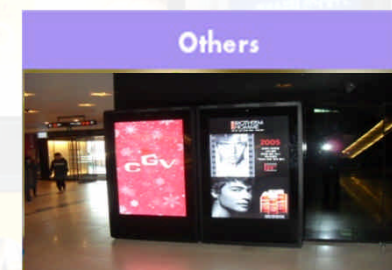
1 KT

2 CJ Powercast

3 Daum

4 LG U+

- Major business areas **since 2009**
  - Contents creation, Broadcasting, Management and digital Ads
- Owns multiple operation solutions applicable to various models
- Covering **3,000** media in shopping malls and etc.
  - : **COEX-Mall Live, E-mart Live, and CGV, Media poles, Incheon Int'l Airport, Seoul Metro Line #9, and Digital Cinema**



<Reference: CJ powercast website>

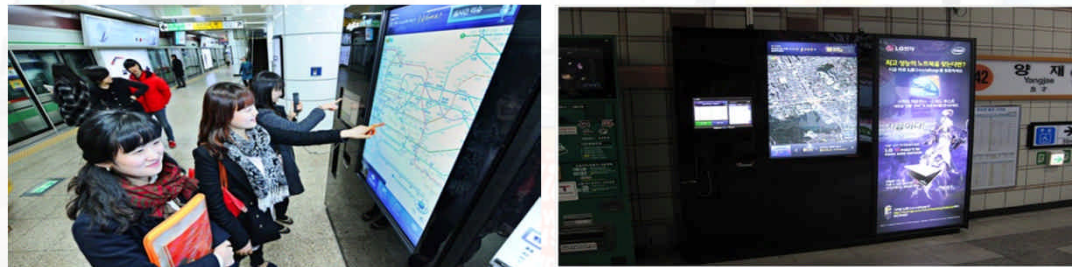
1 KT

2 CJ Powercast

3 Daum

4 LG U+

- Major business areas **since 2010**
  - Secured advertisement license and supplying geographic-information-related contents
- Outsourcing development of new business and system set-up to Tubecom
- Investments for **1,000** units of **'DigitalView'**
  - a directory kiosk located in subway stations
- Outsourcing ad sales to media reps : Nasmedia and Incross
- Acquired the joint venture company : FingerTouch



<DigitalView>

1 KT

2 CJ Powercast

3 Daum

4 LG U+

- Major business areas **since 2011**
  - Outdoor display advertisements, promotion, system set-up
- Expanding network-based business as a telco
- Outsourcing contents development and service operation :  
CJ Powercast
- LCDs in **apartment elevators** and **'U+ media life'**
  - **5,000** elevators in Seoul Metropolitan area
  - U+ media life : monitors + coupon vending machine + AED



<All in one: AED-Signage>



KT is leading Korea's Digital Signage industry and provides total solutions for DS

- KT has largest number of digital signage installation references
  - 25,000 installations nationwide
- KT owns multiple service brands for Digital Signage

### Residential Area

Building Elevator

### Transportation

Bus Shelter

Kimpo Airport

Subway

Outdoor LED Banners

### Work Area

AED - Signage

Biz Campus

Medi - Frame

Mega - Frame

### Leisure \* Shopping

Media Pole

GS 25



### Residential Area

### Transportation

### Work Area

### Leisure · Shopping

#### Building Elevator



- Digital media installed inside elevators in key apartments & buildings nationwide
- Unique promotional, advertising, video media
- Currently, 22,000 units in operation
- Advertising (80%), Community information (20%)
- All in digital media
- Advertising revenue generated

### Residential Area

### Transportation

### Work Area

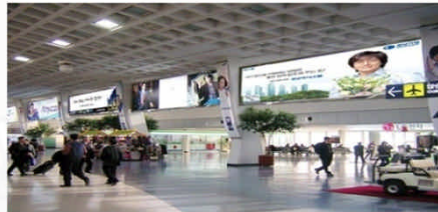
### Leisure · Shopping

#### Bus Shelter



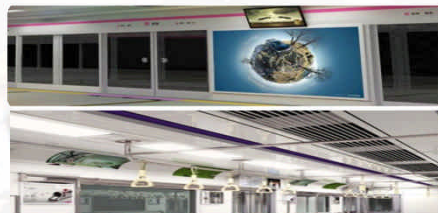
- Targeting waiting and moving population in the city center and crossroads
- Currently, 319 units in operation
- Until 2012, adding 2,000 units

#### Kimpo Airport



- Targeting visitors and transit passengers
- Currently, 48 units in operation

#### Metro



- Targeting transit passengers
- Currently, 2600 units in operation

#### Outdoor LED Banners



- Targeting transit passengers
- Meets needs for Low-Carbon Green Growth
- Getting permits from local govt and servicing ads

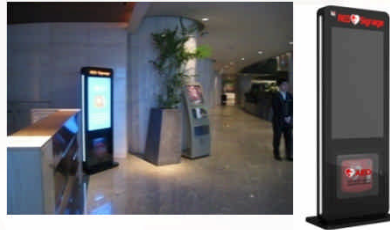
### Residential Area

### Transportation

### Work Area

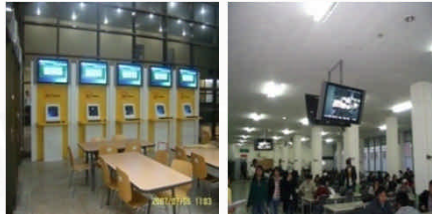
### Leisure · Shopping

#### AED - Signage



- Targeting public institutions, enterprises and public housing
- Obligation to install AED / related training, promotions, announcements, etc.

#### Biz Campus



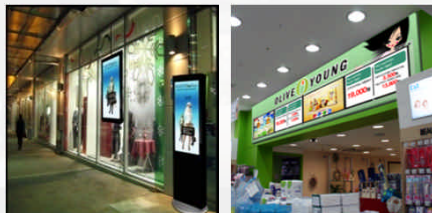
- Targeting students
- 650 units in 40 major universities in Korea

#### Medi - Frame



- Targeting waiting passengers
- Plays personalized medical contents
- 426 units in 21 major hospitals in Korea

#### Mega - Frame



- Targeting government offices and enterprises
- Brand / Company / Product / City PR, announcements, training, etc.
- 800 units sold in '10

Residential Area

Transportation

Work Area

Leisure · Shopping

Media Pole

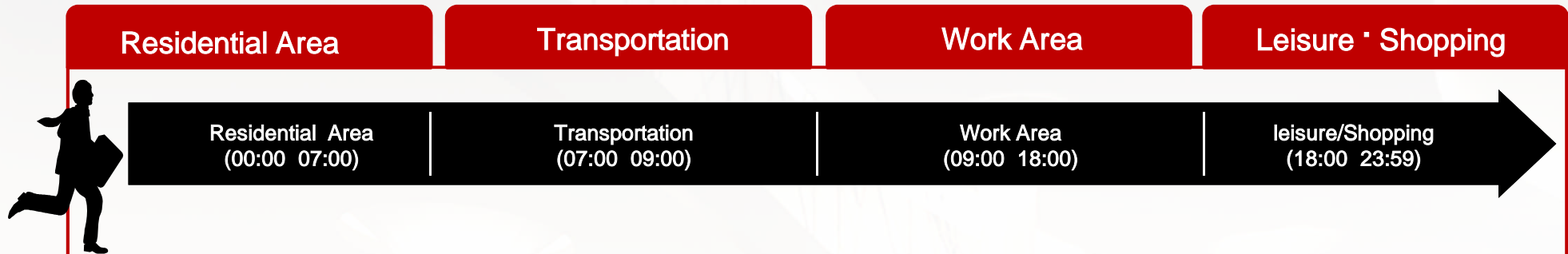


GS 25



- Targeting public institutions, enterprises and public housing
- Obligation to install AED / related training, promotions, announcements, etc.
- Targeting peoples outside the store
- Currently, 2,000 units in metropolitan stores





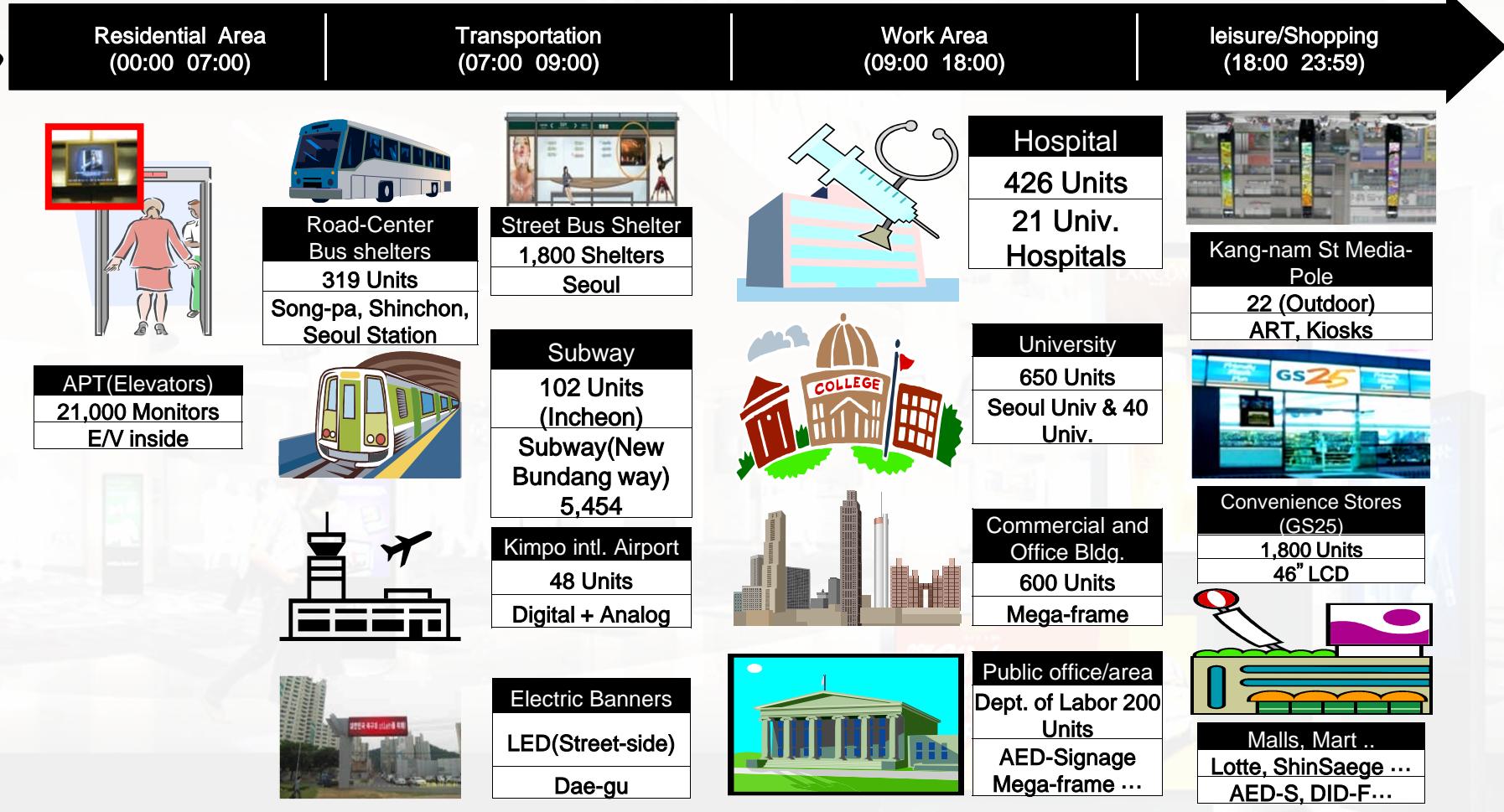
### 1. Ubiquitous

- Covers all daily life spaces
- Regardless of location, people are able to communicate with Digital Signage

Windows All Around

# IV. KT's Strategies


## 1. Ubiquitous





### 2. Diversity of Business Models

- Creating new revenue models
- Development of diverse media and application fields
- **Not only** ad-focused business model,  
**But also** adopting new media and convergence-oriented models



Increasing Values

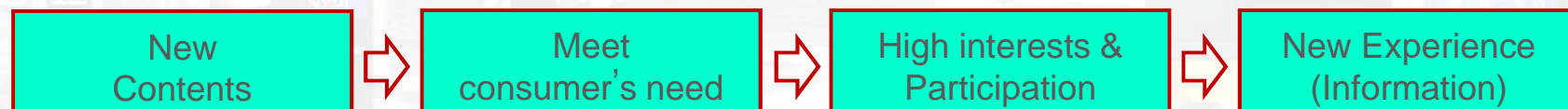
### 3. Enhancement of Platform-based business

- Aiming platform-based business and securing critical technologies with high added value
- Building platform connected with diverse networks including cell phone
- Establishment and enhancement of new business models : online sales through platform

### 4. Contents = King

- Developing differentiated contents for target space
- Introducing new contents
  - Introducing interactive contents able to communicate with customers

Ex. connection with mobile and provision of user experience



# Thank You

**"Digital Signage Windows All Around"**