ITU Workshop on "Digital Signage"

(Tokyo, Japan, 13-14 December 2011)

OVAB Europe – One voice for the Digital Signage Industry in Europe

Dirk Huelsermann,
Founder and President, OVAB Europe

@dhuelsermann

International Telecommunication Union

One Industry, zillion different languages

Digital-out-of-Home

OOH TV

Instore TV

Digital Signage

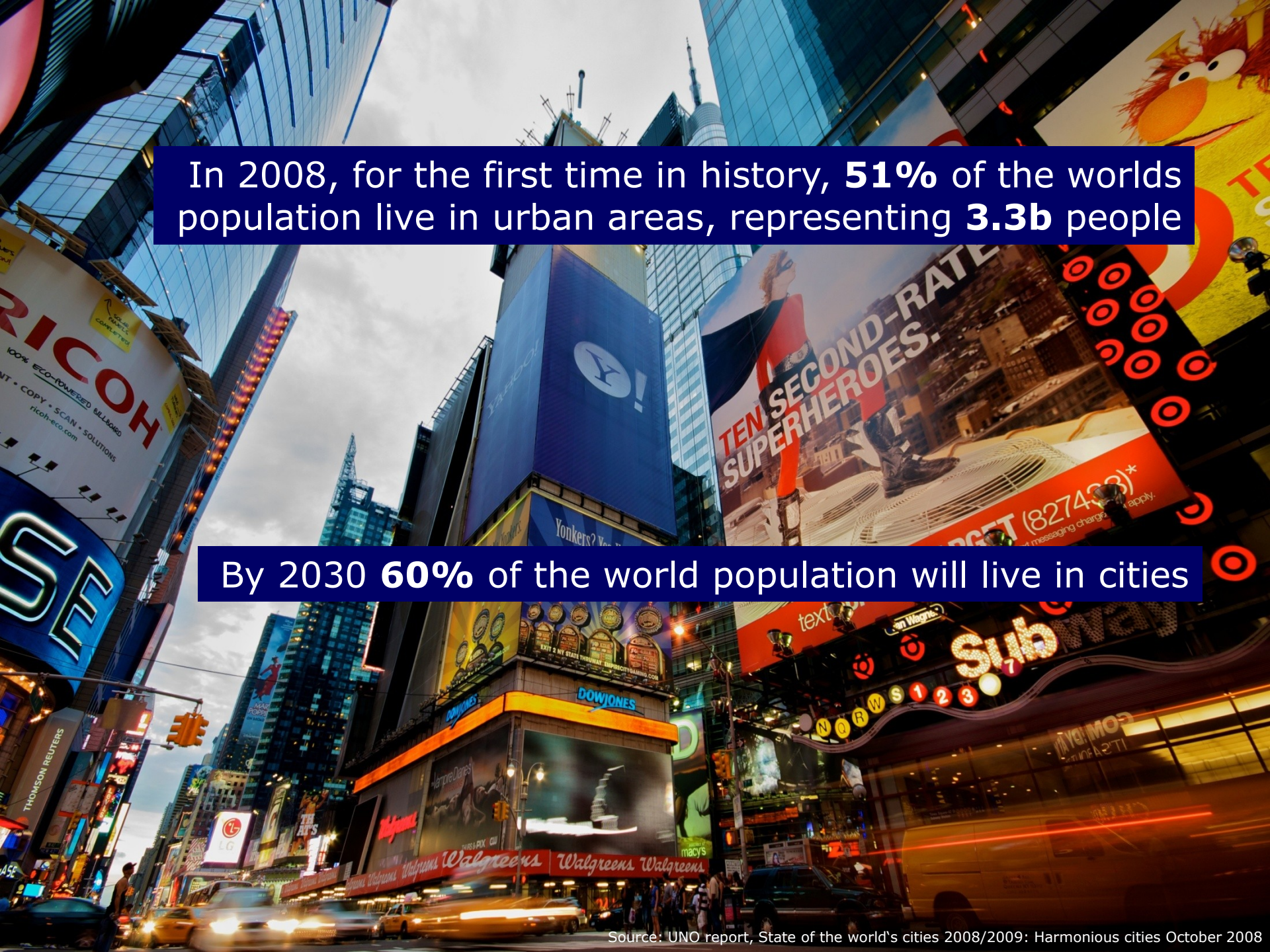Digital place based Media

The world around us is confused !

Digital Signage is a subset of Digital-out-of-Home (DOOH)

DOOH is the key driver for Digital Signage growth

In 2008, for the first time in history, **51%** of the worlds population live in urban areas, representing **3.3b** people

By 2030 **60%** of the world population will live in cities

People spend 42% out of their homes

From 1990 to 2010 that was an increase of 33%

DOOH the most poweful media of the decade

79 % of viewers skip TV Advertising

50 %   of the Mobile Advertising was clicked by accident

DOOH Advertising can not be skiped !

Which Advertising is anoying ?

47 % TV

21 % Online

19 % Direct mail

0,7 % OOH/DOOH advertising

Source: MediaAnalyze

A digital billboard can generate 6-7 times more AD revenue than a static one

OVAB Europe at a glance

- **OVAB Europe was founded 13.11.2008**

- **First independent PAN European DOOH association**

- **27 Member companies in 10 European countries (as well as MENA region)**

- **Strong co-operation with DPAA (formerly OVAB US)**

neo advertising

IBM

NEC

ECE flatmedia

PHILIPS

invidis CONSULTING

MINICOM digital signage

Vision – Mission - Strategy

Vision

- DOOH media should become a major player in the marketing and media industry.

Mission

- Our mission is to raise the awareness and to establish DOOH as media. OVAB Europe is the independent representation and spokesperson for the European digital-out-of-Home industry.

Strategy

1. Continues communication of the DOOH advantages .
2. Education of advertisers and media executives.
3. Setting of industry standards and guidelines
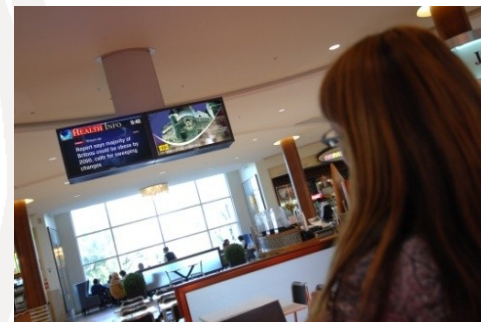
Importance of DOOH for Digital Signage

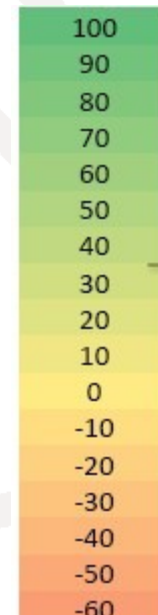| 2005	$ 3,4B
2011	$ 6,4B
2015	$ 16,9B

Achievements of OVAB Europe

- **Successfully established the 1st DOOH Business Climate index (DBCI)**

- **Conducted the first OVAB Nielsen Media Effectiveness Study**

- **Launch of the first OVAB DOOH Conference**

- **First Standardization initiatives took place**

DBCI 2009 Q3: **39**

European DooH Business Climate Index
measuring the pulse of the digital signage industry

Difficulties in EUROPE:
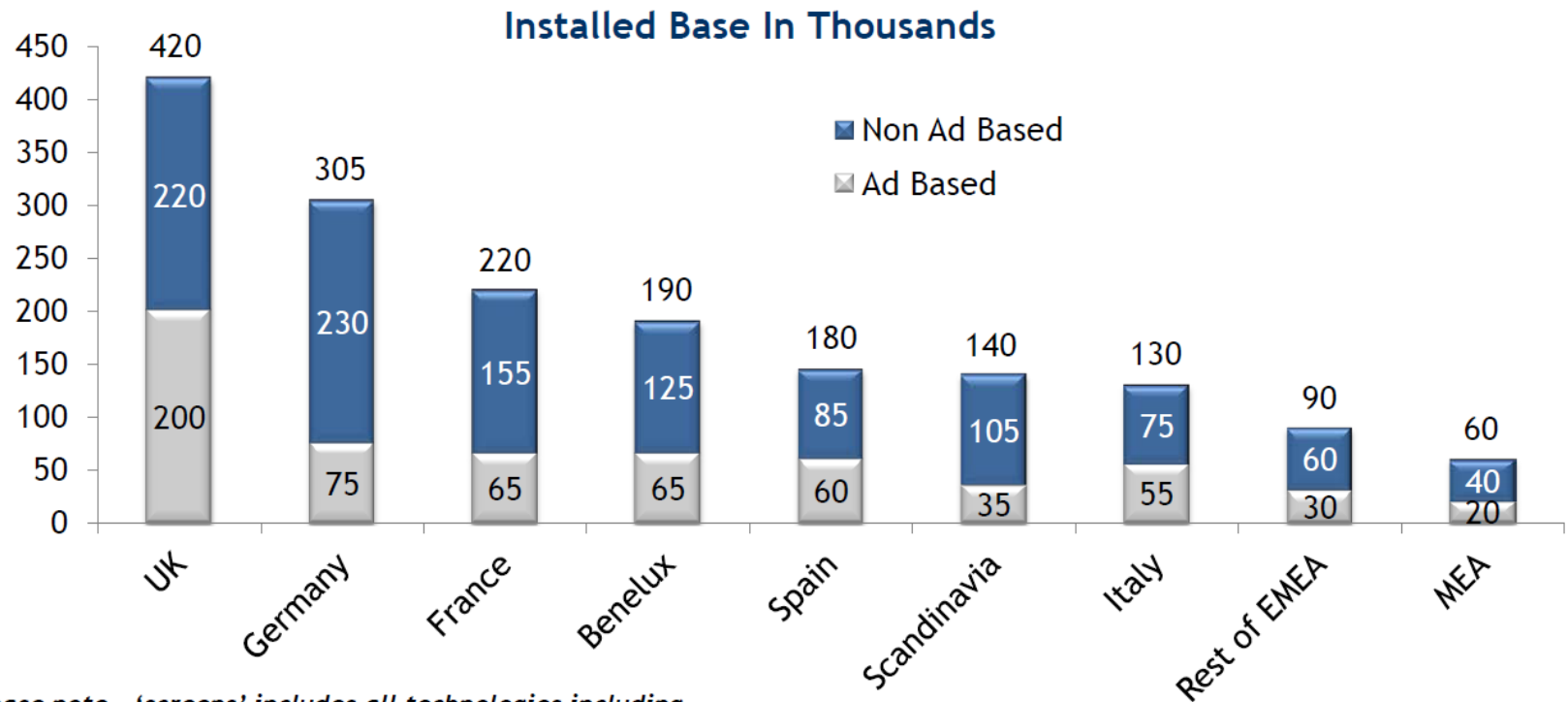
27 member states

23 different languages

11 different currencies

chique et
unique

mathilde.K

50 outlets
nationwide

> 1.7 Mio Displays in EMEA

European Screen Installation Base

Installed Base In Thousands

Region	Non Ad Based	Ad Based	Total
UK	220	200	420
Germany	230	75	305
France	155	65	220
Benelux	125	65	190
Spain	85	60	180
Scandinavia	105	35	140
Italy	75	55	130
Rest of EMEA	60	30	90
MEA	40	20	60

* Please note – 'screens' includes all technologies including TV/monitors/LED etc of all sizes
** Ad based refers to networks that are selling advertising space to third parties
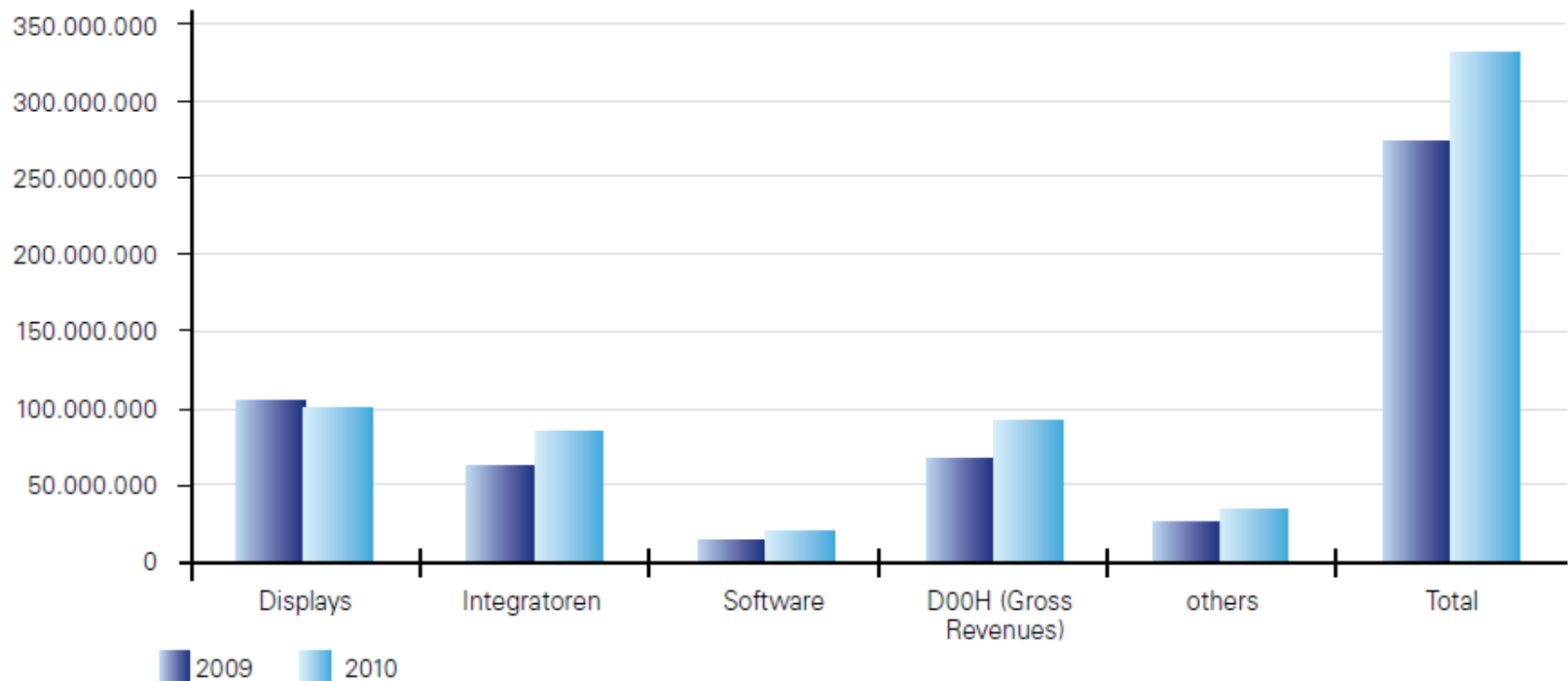
European Market Data

- Total cost of Digital Signage systems will decrease over the next years
- Espacially Hard- and Software vendors will be under strong competition
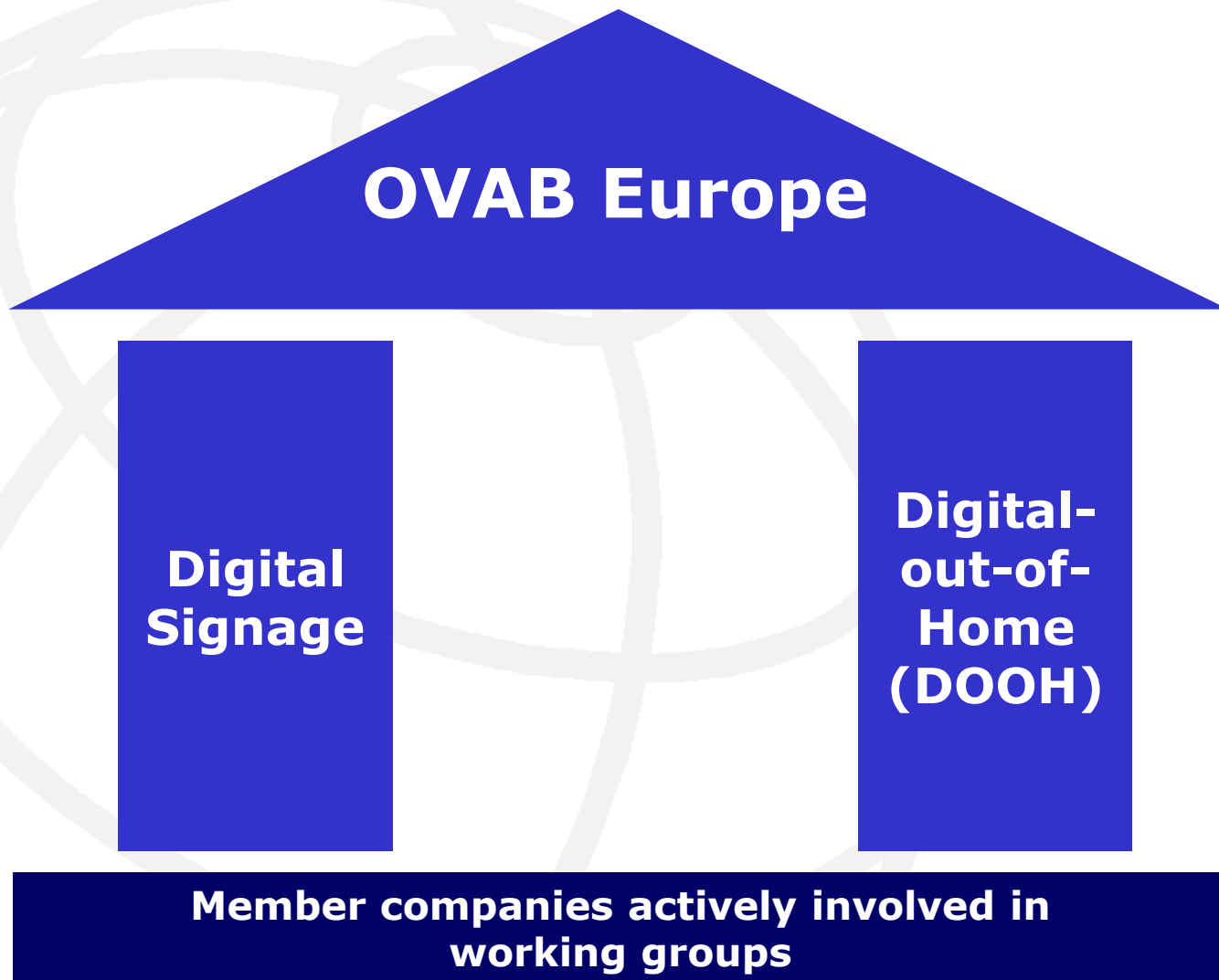- Solution companies will benefit from the market change
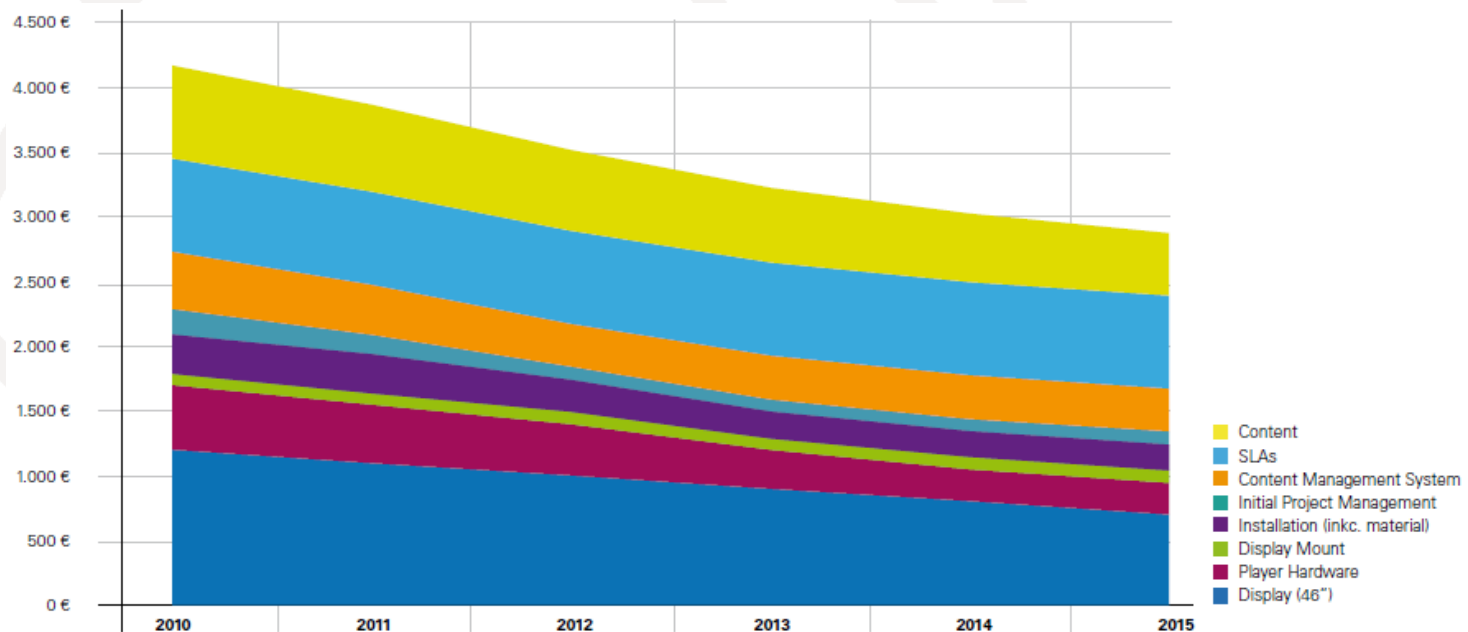
DACH Market Data

- DACH Market is growing by 20%
- Display Manufacturer represent highest revenue, where System Integrator report the highest margins
- DOOH Market shows the highest growth with over 30%
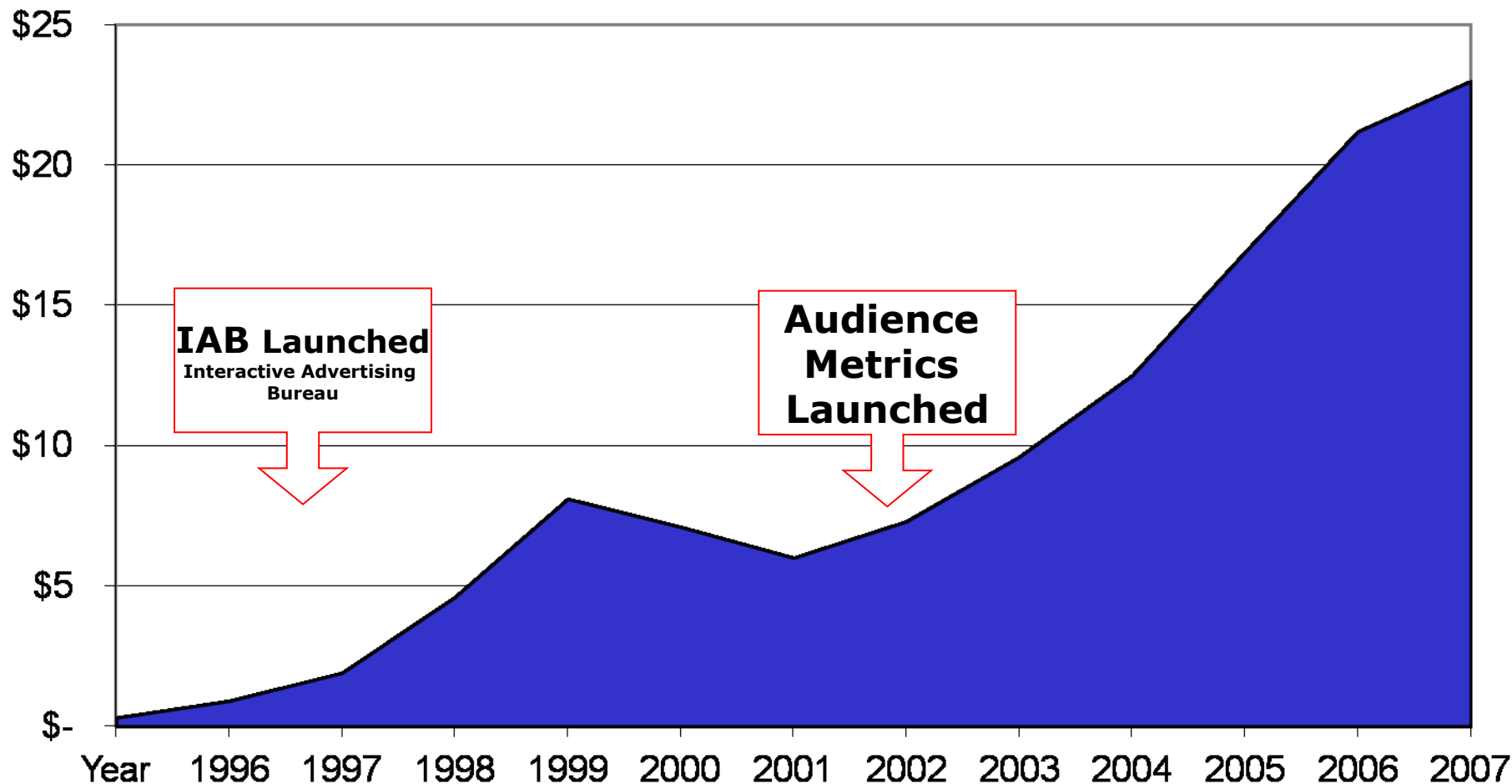
Structure of OVAB Europe

OVAB Europe

Digital Signage

Digital-out-of-Home (DOOH)

Member companies actively involved in working groups

Standartization is the key of success in every industry

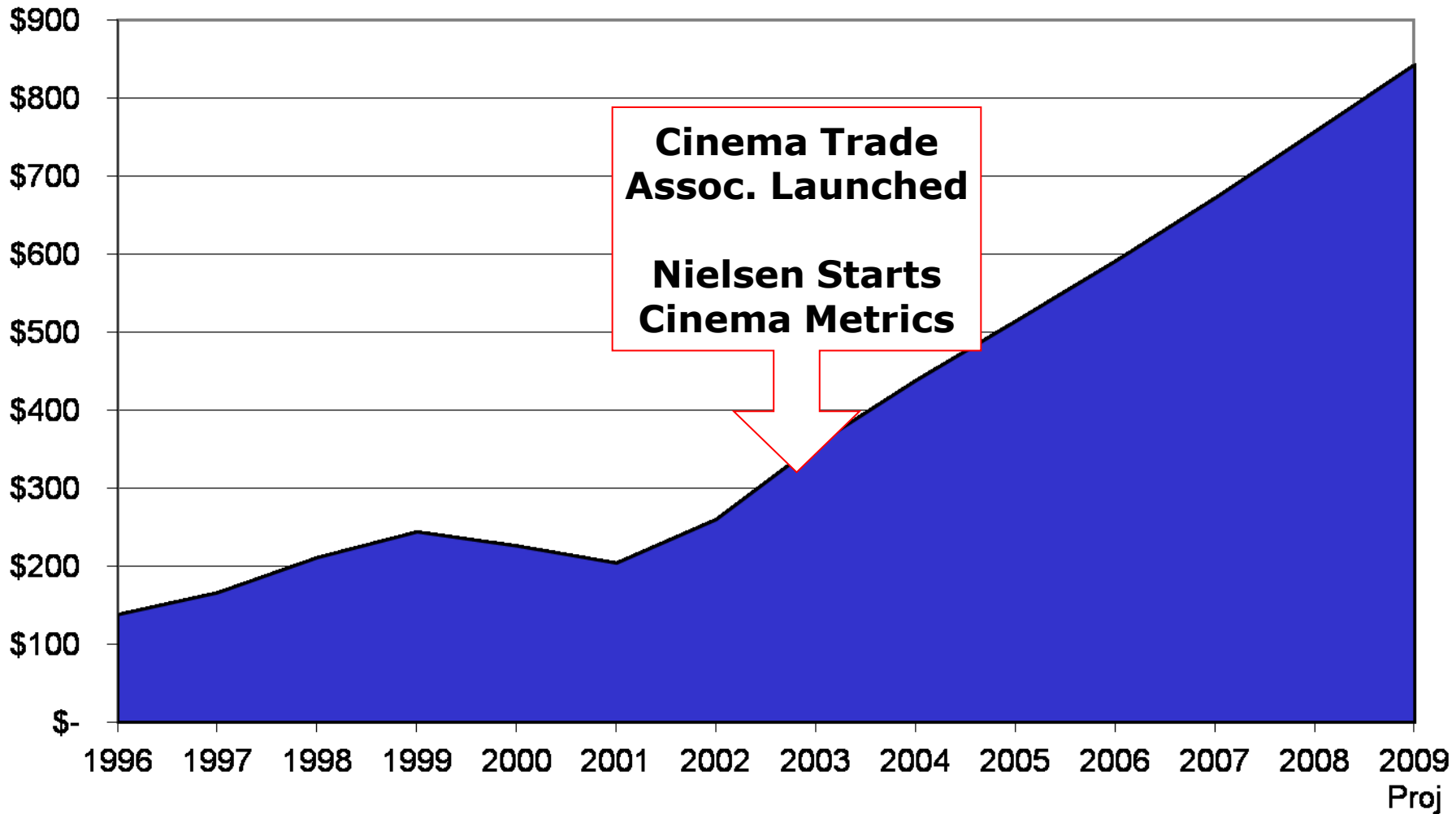# Associations and Standards are needed

Internet Advertising Revenue ($ Billions)

Associations and Standards are needed


Cinema Revenue ($Millions)

OVAB Europe Initiatives

- **Standardization Working Groups**
  - Audience Metrics
  - Media Currency
  - Proof-of-Play
  - OVAB Europe Quality Certificate

Standartization initiatives

- Major DOOH media owerns worked together in the standartization working group to propose a set of minimum standards

- Standards on:
  - **Media currency**
  - **Audience metrics**
  - **Proof-of-Play method**
  - Reporting schemes
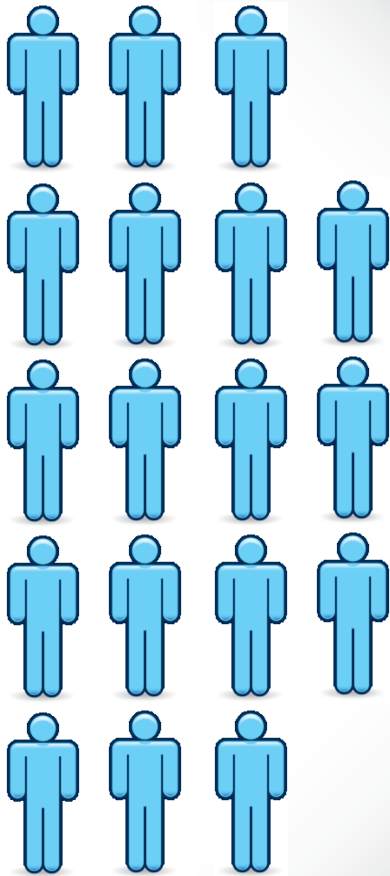 - Playout rate
  - Service levels
  - Processes
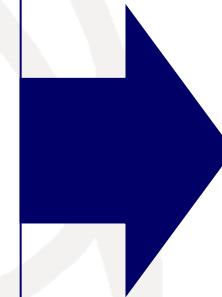
Quality certification

Audience Metrics today

GROSS VENUE TRAFFIC

❌ **LESS VALUABLE $**

Retail

- Receipts multiplied by 1,5

Shopping Malls

- Car's at the car park multiplied by 2,0
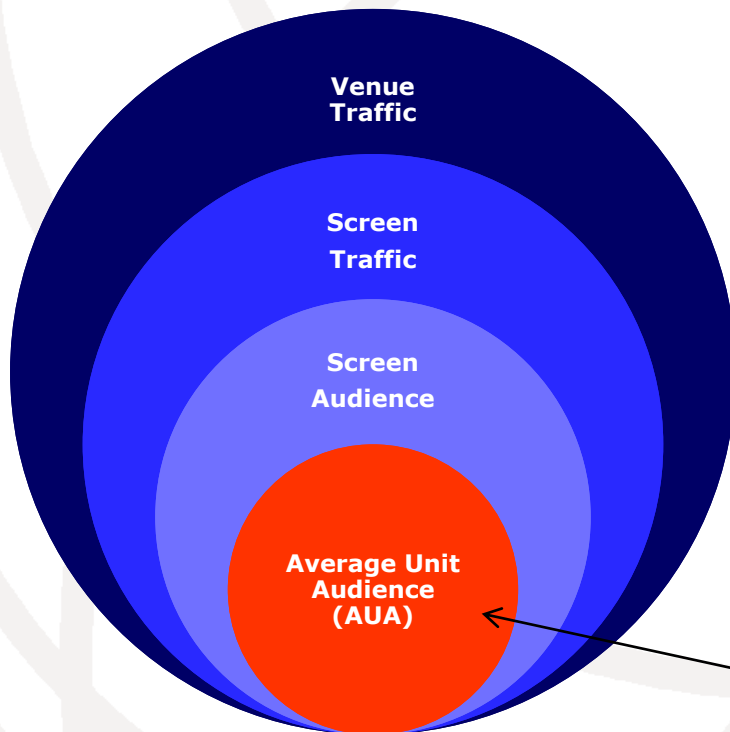
Travel Agencies

- Booked travels multiplied by 1,5

Golf Clubs

- Members multiplied by 3,0

Audience Metrics future

- The standard for the OVAB Europe audience metrics comply with the dpaa metrics

- Audience data will be certified and meassured by a 3rd party company

Venue Traffic: total number of visits in venue

Screen Traffic: Number of visits in the screen zone

Screen Audience: Screen traffic with **notice**

- **Notice**: Looking at a screen while in the **screen zone** (the physical area in which a person is able to see and/or hear a screen)

AUA: the **screen traffic**, with **notice**, for a unit of time equal to the typical ad unit

Average GROSS impressions will be meassured by a 3rd party research company

Media Currency

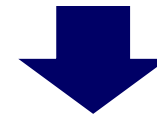- The standard media currency for DOOH networks will be CPM (cost per mille)

Venue Traffic

Screen Traffic

Screen Audience

Average Unit Audience (AUA)
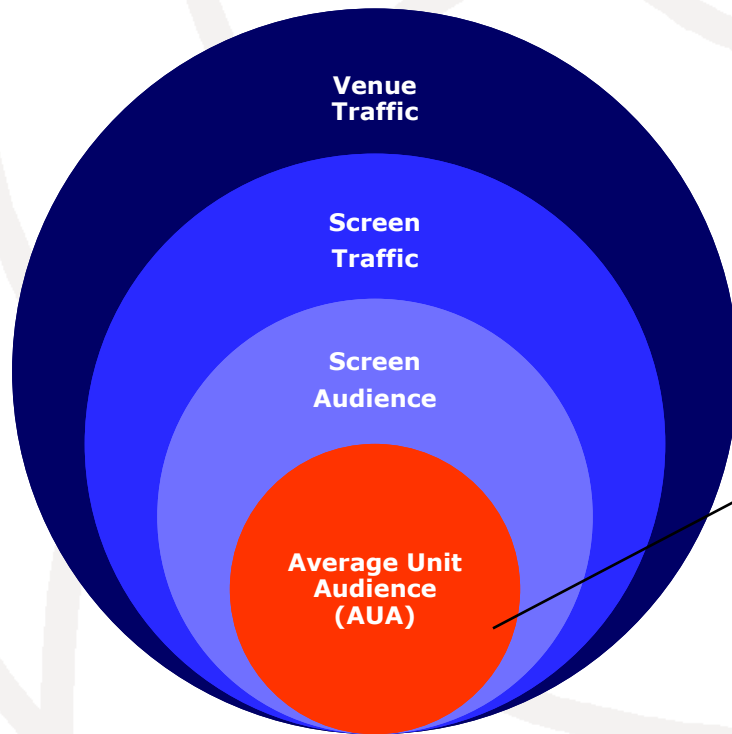
Price per 10-second-spot (per week)

e.g. € 60k

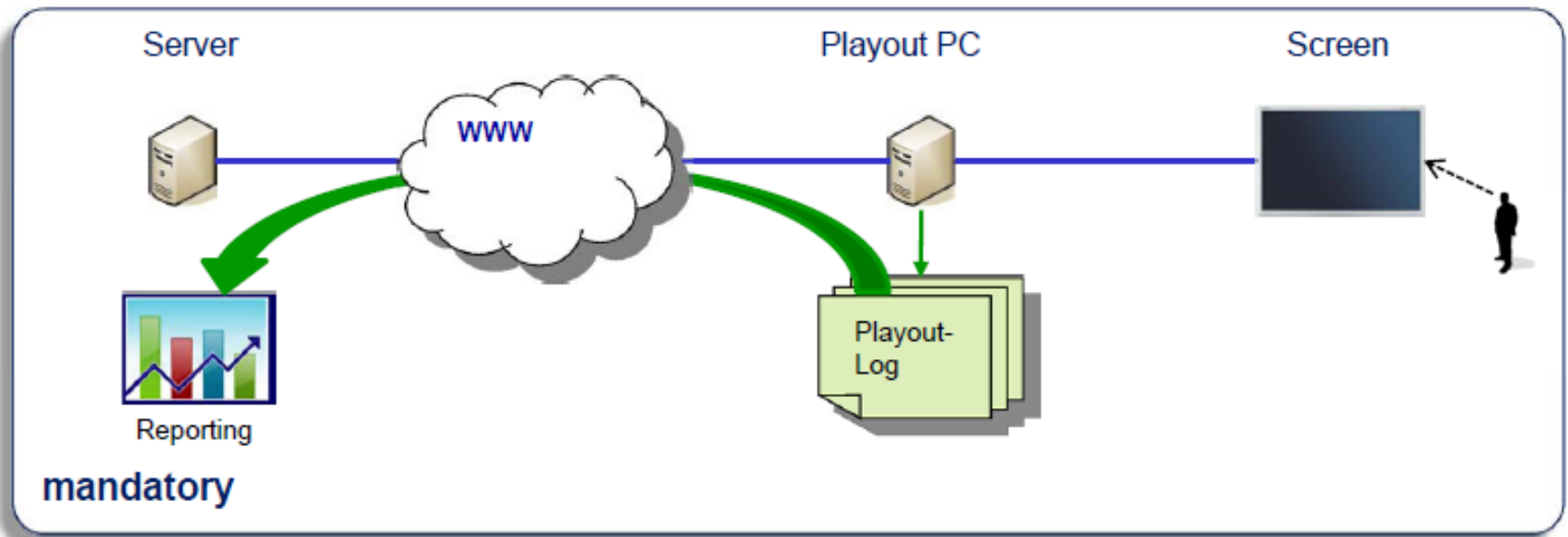**Divided by gross impressions**

e.g. / 40.000

= CPM

e.g. € 60k / 40.000 = 1,50€

Proof-of-Play

- Proof-of-Play will require a 3rd party company auditing, self-auditing will not be valid anymore
- 3rd party AdServing platforms will be audited as well

OVAB Europe will certify the compliance


Requirements

- Minimum number of screens
- Audience metrics audited by market research company
- Media currency CPM based on audience metrics
- Standardized proof of play & reporting
- Proven playout rate of 99%
- Proven service levels
- Audited processes

Quality certification for DSC networks

- Certification period initially one year
- First certification period 2012
- Applications to be submitted to OVAB 4 weeks prior to certification process
- Certification fee: tbd

OVAB Europe Standartization Roadmap
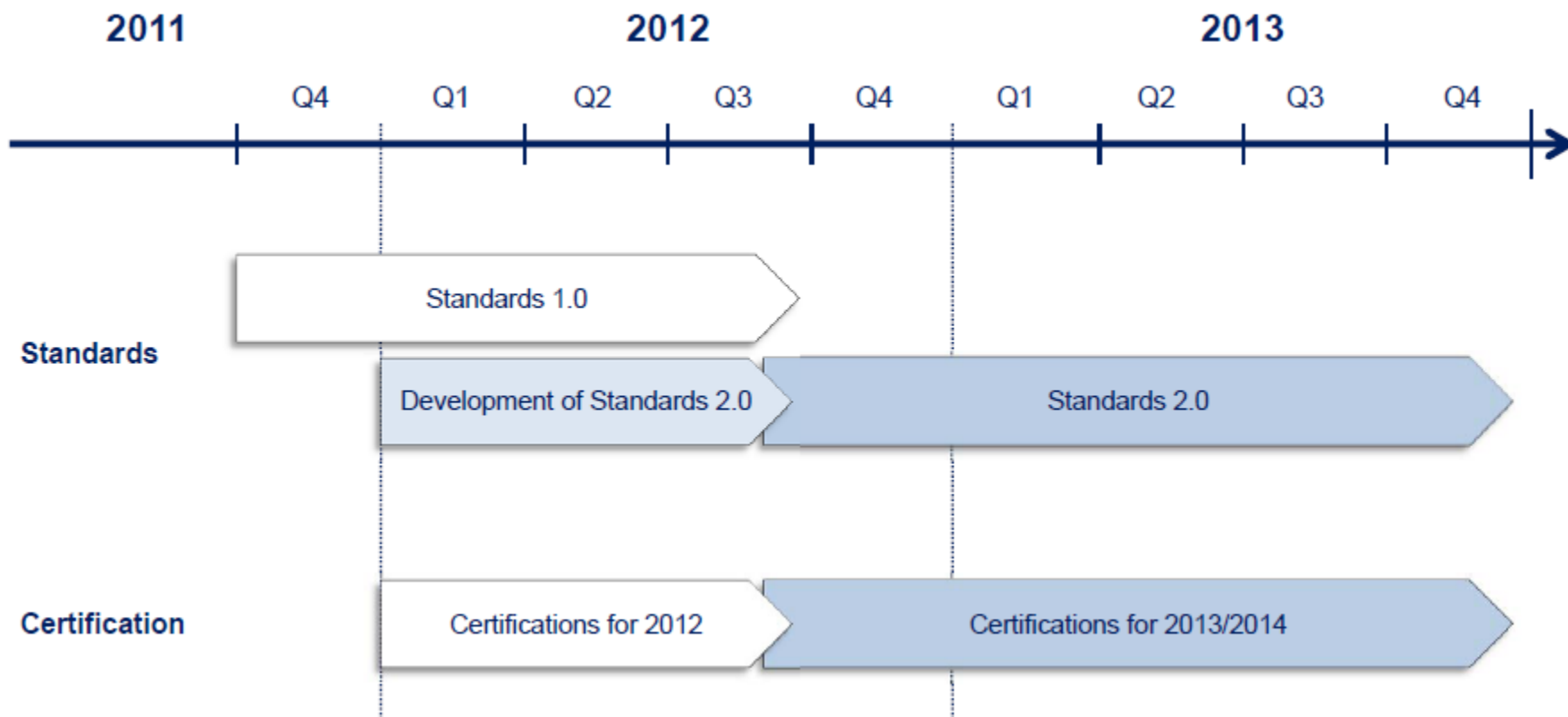
Summary

- OVAB Europe is the only PAN European DOOH industry association

- DOOH is the key driver to the Digital Signage industry

- Standardization is mission critical for further growth

Arigatou Gozaimashita !

Dirk Hülsermann, Founder and President

 @dhuelsermann