ITU Workshop on “Digital Signage”
(Tokyo, Japan, 13-14 December 2011)

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

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One Industry, zillion different languages

Digital-out-of-Home

Instore TV

OOH 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 world's 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%

Source: Waking Time of All Adults Mon-Sun, IPA TouchPoints 3 Hub Survey 2010
Picture: Ströer Infoscreen
DOOH the most powerful media of the decade

79% of viewers skip TV Advertising

50% of the Mobile Advertising was clicked by accident

DOOH Advertising can not be skipped!
Which Advertising is annoying?

47% TV
21% Online
19% Direct mail
0.7% OOH/DOOH advertising

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

Source: Eric Penot, Digital Media Director JCDecaux, OVAB DOOH Conference, October 2010, Munich.
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)
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

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OVAB Europe at a glance

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Difficulties in EUROPE:

- 27 member states
- 23 different languages
- 11 different currencies
> 1.7 Mio Displays in EMEA
European Screen Installation Base

Installed Base In Thousands

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

*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

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Source: Futuresource
European Market Data

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

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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%

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Structure of OVAB Europe

OVAB Europe

Digital Signage

Digital-out-of-Home (DOOH)

Member companies actively involved in working groups

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Standartization is the key of success in every industry.
Associations and Standards are needed.

Internet Advertising Revenue ($ Billions)

2011:
- IAB Launched Interactive Advertising Bureau
- Audience Metrics Launched
Associations and Standards are needed.

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Cinema Trade Assoc. Launched
Nielsen Starts Cinema Metrics

Indicates downturn with economic recession
OVAB Europe Initiatives

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

Major DOOH media owners worked together in the standardization 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

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Audience Metrics today

GROSS VENUE
TRAFFIC

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

Audience data will be certified and measured 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 measured by a 3rd party research company.
Media Currency

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

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

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OVAB Europe Standardization Roadmap

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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

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