

## ***Digital Signage Market: Latest Research Findings in 2009***

**- Digital signage may bring a change to the advertisement business and sales promotion strategies. -**

### ■ Research Outline

Yano Research Institute has conducted a study on the domestic digital signage market as described below.

1. Research period: January to April 2009
2. Research targets: Domestic digital signage system vendors, management enterprises, contents production companies, advertisement agencies (25 firms in total)
3. Research methodologies:  
Face-to-face interviews with relevant personnel, supplemented by interviews via telephone and e-mail, and literature researches.

#### **<What is digital signage?>**

Digital signage means “a medium which transmits information from an indicator, like a display, located outside of homes, such as outdoor places, store-front or transportation facilities”, including “small-size” electronic POP to a “large-size” outdoor panorama vision system, that has been redefined as a broad-sense digital signage in this research, and narrowly-defined digital signage by excluding electronic POP and large size outdoor visions thereof.

### ■ Key Findings

- **Digital signage market size in fiscal 2008 was 55,300 million yen, with 2-digit growth in the fast growing market segments**

With the increased sales of hardware and advertisements accompanying the increase of installation sites, the domestic market size of digital signage in fiscal 2008 has grown to 55,304 million yen, attracting public attentions as sales promotional tools and in-vehicle advertisement media. The narrowly-defined digital signage market size was 32,797 million yen in fiscal 2008, increased by 11.3 percent compared to the previous fiscal year.

- **The growth of digital signage advertisements, especially at train stations will continue.**

Due to the popularization of “in-railcar vision” including “Train Channel”, digital signage is beginning to be recognized as an “Advertising Medium”. Thus, the signage advertisement business especially at train stations is expected to keep growing after fiscal 2009.

### ■ Report format:

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## ■ Research Summary

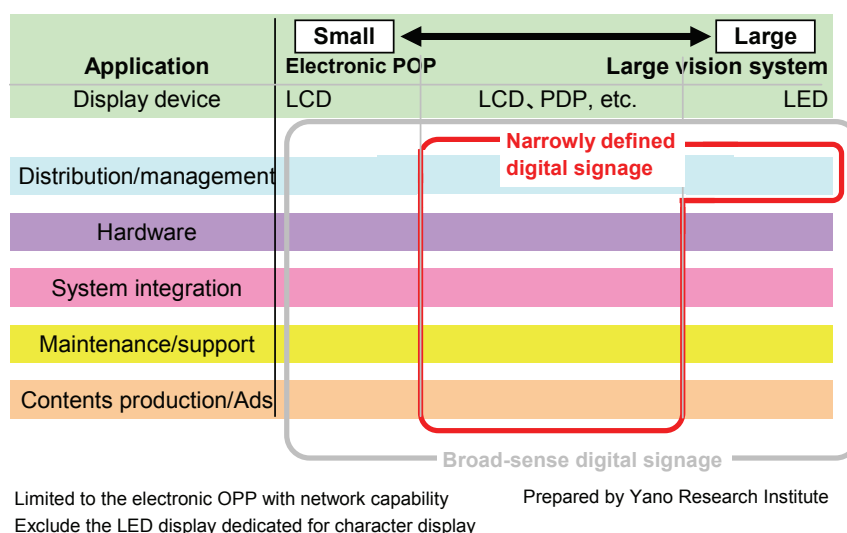
### • Definition of digital signage

Digital signage means “a medium which transmits information from an indicator, like a display, located outside of homes, such as outdoor places, store-fronts or transportation facilities”, including “small-size” electronic POP<sup>Note 1</sup> to a “large-size” outdoor panorama vision system with LED (Light Emitting Diode) technology. In this research, this concept of digital signage has been redefined as a broad-sense digital signage.

Also, narrowly-defined digital signage has been defined by excluding electronic POP and large-size vision systems from the broad-sense digital signage. The narrowly-defined digital signage includes, as typical systems, “sales promotion tools and advertising media” with an indicator made of LCD (Liquid Crystal Display) or PDP (Plasma Display Panel). As to the contents distribution, the same contents distribution software for narrowly-defined digital signage is also used for “large-size” outdoor panorama vision systems. The size of contents distribution, however, has been calculated separately and included in the respective market sizes.

Note 1: POP (Point of Purchase advertisement) with LCD, etc.

**Fig. 1: Definition of Digital Signage**



## 1. Market trends

**- The narrowly-defined digital signage market, which achieved 2-digit growth in fiscal 2008, is expected to temporarily slow down in fiscal 2009 -**

The broad-sense digital signage market size in fiscal 2008 was 55,304 million yen, increased by 3.3 percent compared to the previous fiscal year. Especially, the market size of narrowly-defined digital signage, which is attracting public attentions lately as sales promotional tools and advertisement media has grown to 32,797 million yen, increased by 11.3 percent compared to the previous fiscal year due to the increase of the number of installation sites and advertisement revenue.

In fiscal 2007, the narrowly-defined digital signage market has grown by 23.3 percent compared to the previous fiscal year to 29,475 million yen. There was an enthusiasm for the further growth in the fiscal 2008. However, impacted by the global recession, business performance improvement has become the top priority issue for many of the enterprises, and the introduction of digital signage has been delayed or postponed.

In fiscal 2009, it is expected that the investigation on “full-scale introduction of digital signage” will continue at potential large-scale users through various verification experiments. At small to medium size users, although the number of projects can be expected to increase by 20 to 30 percent, the price per project is expected to decrease, along with the popularization of “hardware” and new methods for providing services, such as “ASP/SaaS”<sup>Note 2</sup> services. Under these circumstances, it is estimated that the size of narrowly-defined digital signage market in fiscal 2009 will be 35,400 million yen, with the increase by 7.8 percent compared to the previous fiscal year, and the broad-sense digital signage market 56,900 million yen, with the increase by 2.9 percent.

Note 2: To provide application software on the Internet as a service.

## 2. Future perspectives

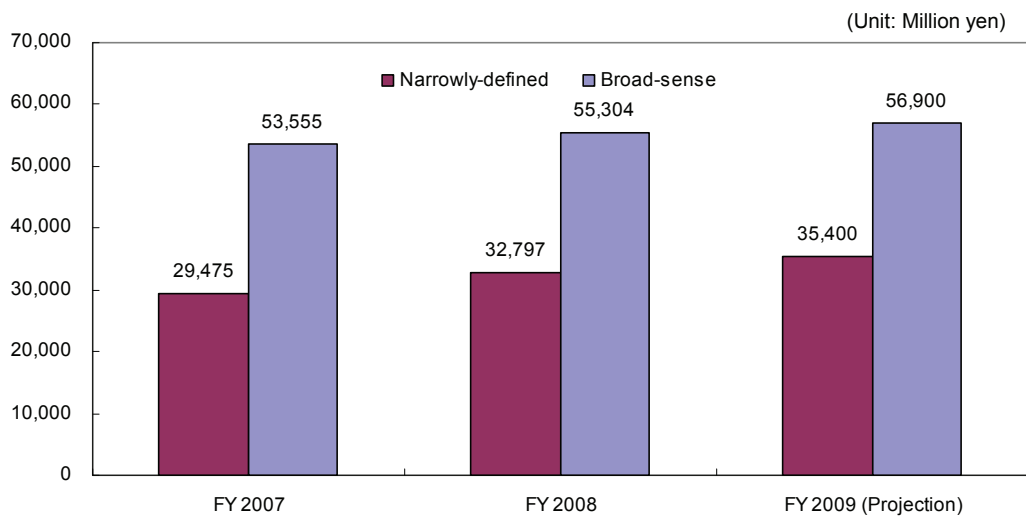
### - Success as an advertisement medium is the key to a further market expansion -

Although the hardware sales will continue to grow, the growth rate is expected to slow down a little.

The advertisement business is expected to keep growing from now on along with the popularization of “in-railcar vision” systems and other installations. For the market expansion, although “increase of hardware installations” and “increase of introductions as sales promotional tools” will have immediate impacts, “success as an advertisement medium” will be indispensable for the full-fledge market growth.

Based on these market conditions as described, it is expected that the digital signage market will continue to grow from now on, and will reach to 80,890 million yen in broad-sense digital signage; and 57,760 million yen in narrowly-defined sense respectively in fiscal 2013.

**Fig. 2: Digital signage market size transition**

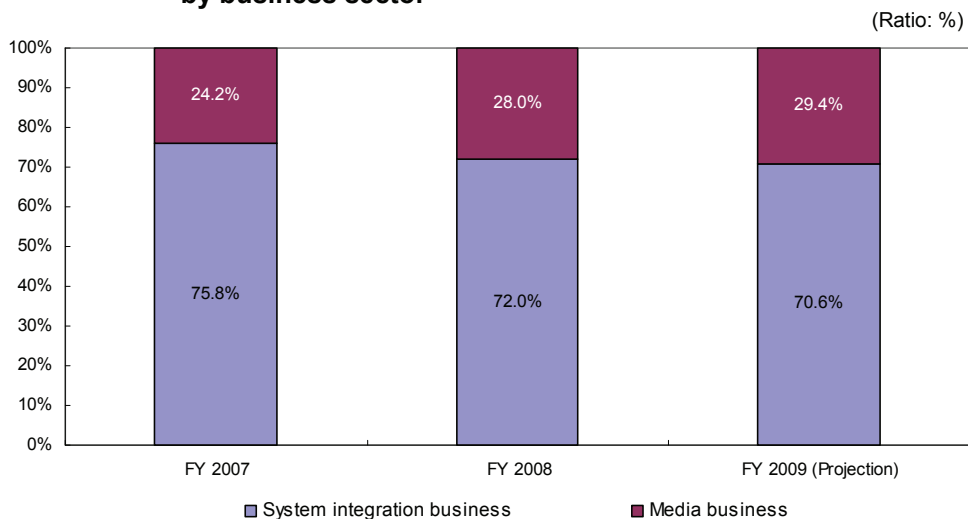


Note 3: Based on the sales of the players

Note 4: Projection indicates an estimated value

Estimated by Yano Research Institute

**Fig. 3: Distribution of narrowly-defined digital signage market by business sector**



Note 5: Based on the sales of the players

Note 6: Projection indicates an estimated value

Note 7: System integration business indicates hardware, software, SI, distribution management and maintenance/support services; while media business advertisement and contents production.

Estimated by Yano Research Institute