

**Digital Signage Expo
Quarterly Business Barometer**

Q2 2009



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**Prepared
By
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Aug. 24, 2009**



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Introduction

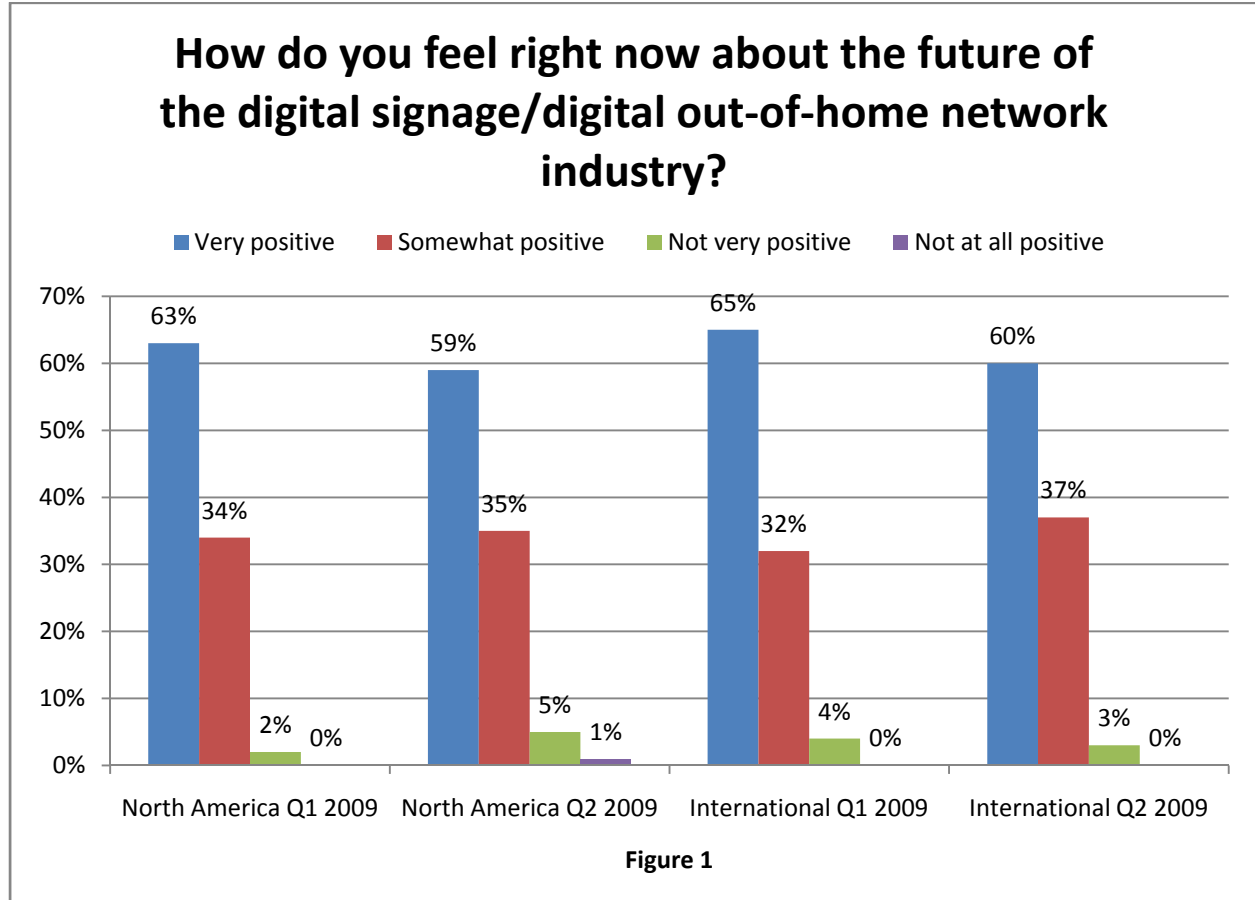
Hopeful signs of economic recovery here and there around the globe have begun to appear, and though the Digital Signage Expo Quarterly Business Barometer appears to have turned from partly sunny to partly cloudy in the second quarter, the total “positive” responses still far outweigh the total “negative” ones. Furthermore, they are within the survey’s +/-5 percent margin of error.

That said, general business conditions have been slow to improve, with GDP in the U.S. and Canada still in negative territory for the second quarter, at -0.8 percent and -0.3 percent respectively, trailing China (+7.9 percent), Japan (+0.9 percent), France (0.3 percent) and Germany (0.3 percent) in terms of recovery (Source: [Commodity Research Bureau](#)).

In North America, the total percentage of respondents who were “positive” about the future of the digital signage/digital out-of-home industry (DS/DOOH) decreased from 97 percent to 94 percent, while in the international community, the total percentage remained unchanged at 97 percent (Figure 1).

There’s no arguing that this long recession is having an impact, perhaps best summed up by industry veteran Lou Giacalone Jr., president and founder of New York-based CoolSign. “This economic climate will weed out the small and weak players in the marketplace, eliminating a lot of confusion in the market and will certainly benefit the more established players,” he says. “Major turnaround won’t be seen until late next year I expect, but that doesn’t mean that deals won’t happen meantime. The credit crunch is a major factor in terms of people doing capital expansion, be it for either captive or ad networks.”

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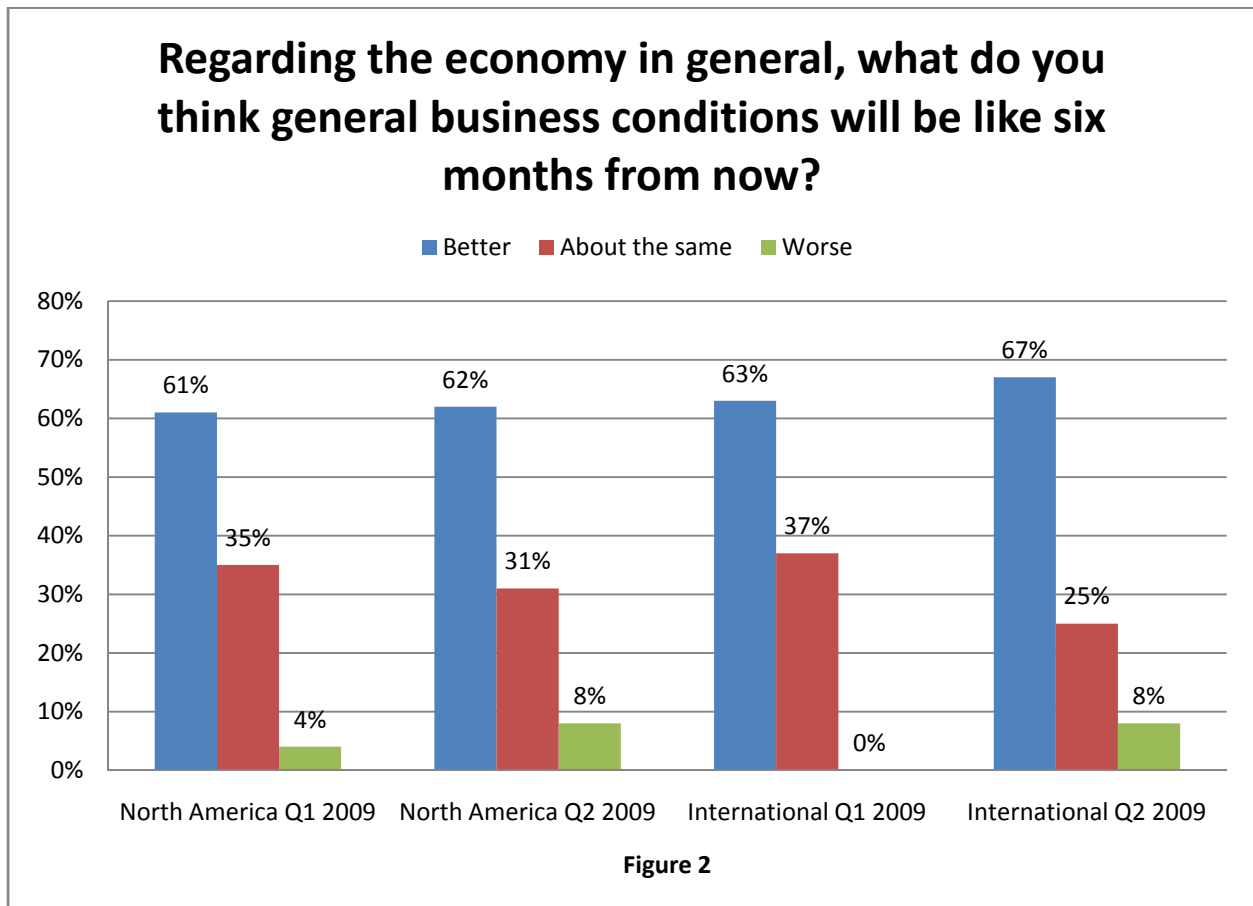
One company that's already seeing an increase in business activity is AMX. "I've seen several projects which were put off by months, now starting to be implemented," says David Jago, business development director, digital media, for the Richardson, Texas-based company. "Additionally, these projects are being requested as larger deployments than originally designed."

Industry optimism also seems to be buoyed by the power of digital signage as a communication medium and the promise of more exciting technology in the future. "I think there will be some great enhancements made in the industry in the months to come," says Eric Meyer, director of marketing for Wallingford, Conn.-based AEON. "Software will be enhanced to collect data and provide more relevant advertising automatically. The industry will evolve as it has from a multimedia product to its own industry and will start to take more shape as a communications platform."

The six-month future outlook for Q2 likewise shifted downward, from a net change ("better" minus "worse") of 57 percent to 54 percent among North American respondents and 63 percent to 59 percent among the international respondents (Figure 2). Once again, the figures fall within an acceptable margin of error.

In addition, as our international sample is quite small, representing only 15 percent of the total responses (See Appendix B: Methodology), we include the results here mainly for anecdotal purposes. We should note, however, that the results of the [European Digital Business Climate Index](#) OVAB Europe published from a poll conducted in June and July parallel our results for the international market, with

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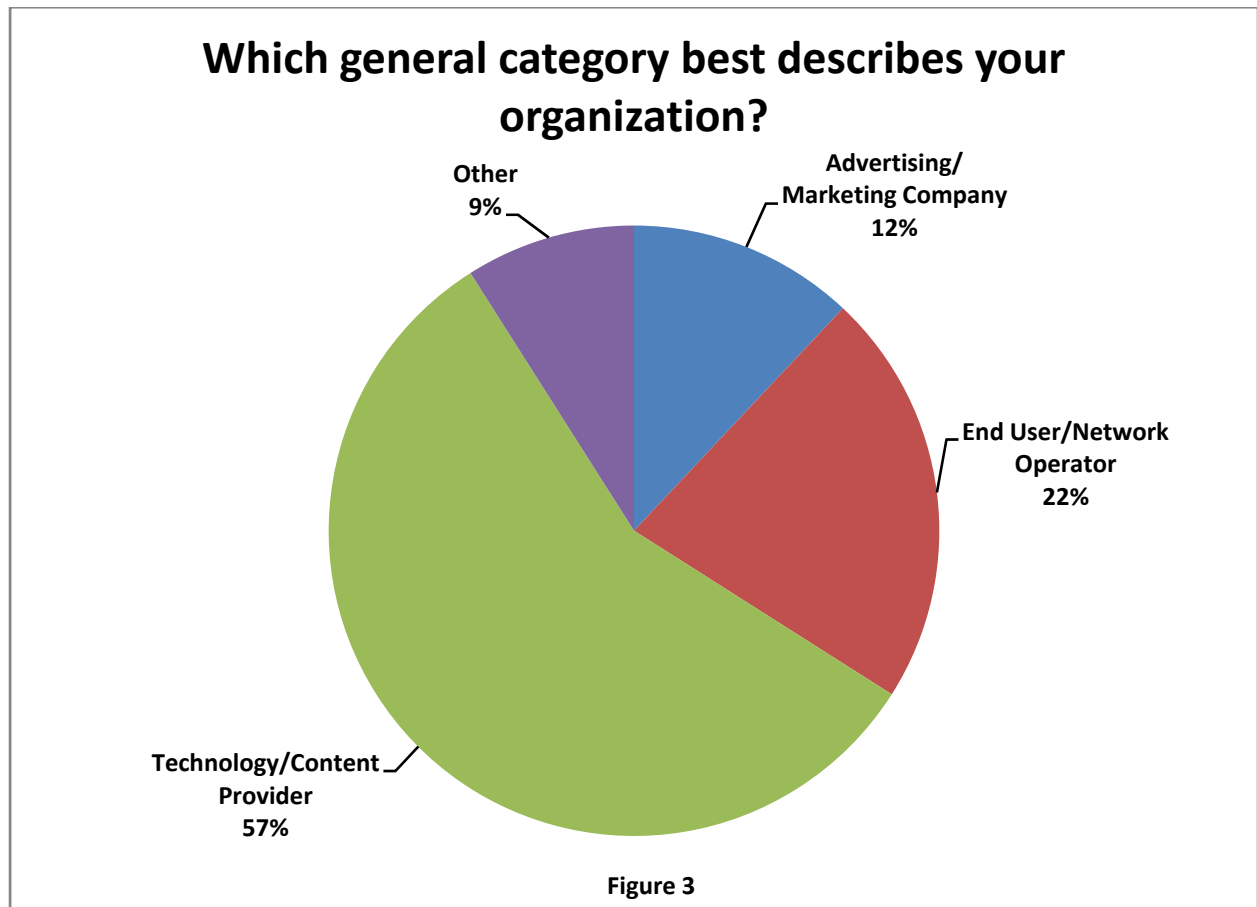
83 percent rating the current business situation for their digital signage products and services as good or satisfactory and 78 percent rating their prospects for the next 12 months as favorable versus a paltry 2 percent unfavorable.

A sampling of comments from the international community underscores the belief that, despite bumps in the road, digital signage is the wave of the future. “Digital Signage is the future of signage, there is no way back,” says Javier Menéndez, CEO & general sales manager for ASVideo in Madrid. “We can talk about time, but this will happen. The future is there and digital signage is going to be better, cheaper and more [environmentally friendly] than traditional signage is.”

“Digital signage is the future. We are only just scratching its enormous potential,” adds Solomon Iteboje, president of 3D Impact Media West Africa Ltd., in Lagos, Nigeria. “Marketers are moving from Mass Media platforms to Impact Media, and I fully expect Digital Media to be in the forefront of providing impactful platforms to marketers.”

On a more conservative note, Donna Shaw, head of global marketing & communications for Dynamax Technologies in Blackburn, Lancashire, U.K., says, “Many projects are in the pipeline, but there is a cautious approach to rollout. Longer term, this will resolve itself. Combining this with the reduced cost of technology, when the pickup starts, we anticipate it will be quite rapid.”

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Among other challenges to the growth of the digital signage industry those respondents from the international community cited are lack of solid proof of increased sales, ad agencies' lack of understanding of the concept and competition from other media.

In our Q1 report, we mentioned that the National Federation of Independent Business' (NFIB) six-month outlook for general business conditions in the U.S. had turned positive in April for the first time since September 2008, registering a net change of 2 percent. That trend continued through May and June before registering a -3 percent change in July, according to the organization's ["Small Business Economic Trends,"](#) August 2009.

Additionally, the NFIB reported quarterly declines in both actual sales changes and sales expectations, with the net percent ("higher" minus "lower") at -34 percent and sales expectations at -11 percent in July. While the actual sales changes remain at their lowest point in more than six years of polling small business owners, the downward trend for sales expectations abated somewhat during the past quarter.

Looked at from the perspective of the three major stakeholder groups (*Figure 3*) that comprise the North American DS/DOOH industry — advertising/marketing, end user/network operator and technology/content provider — the feeling that the future of the industry was not as bright at the end of Q2 as Q1 appears to have affected all groups equally (*Figures 4 & 5*).

As for the six-month outlook for the economy in general, there was a significant net change in attitudes among the advertising/marketing respondents, down 21 percent from the Q1 survey, compared to a decrease of only 5 percent for end user/network operators and only 1 percent for technology/content providers (*Figures 6 & 7*).

When considering the dramatic change in attitude toward the six-month economic outlook among advertising/marketing respondents, it's helpful to keep in mind the overall impact of the economy on traditional advertising and that digital out-of-home currently represents only a small percentage of overall media spending. In fact, most of the agency executives responding gave high marks to digital signage.

"Targeted-media is not going away," says David Allen Moss, partner & co-founder of Boondock Walker in Broadview, Ohio. "More and more venues [are expressing interest in] narrowcast and content tailored for a focused audience. Broadcast and Web are still 'wider' and more wasteful in terms of content focus."

The conflicting signals evident in the DSE Q2 Business Barometer reflect not only the state of the industry but also the general state of an economy on the rocky road to recovery. We can see this pattern in the NFIB Small Business Optimism Index cited above as well as in the Conference Board's [Leading Economic Index \(LEI\)](#) for the U.S., which rose 0.6 percent in July, its fourth consecutive increase, and in the Conference Board Coincident Economic Index, whose decline has moderated in recent months. "All in all, the behavior of the composite indexes suggests that the recession is bottoming out and that economic activity will likely begin to recover soon," the organization states.

"I feel the economy has bottomed," echoes Pat Hellberg, president, Kaicon LLC, Portland, Ore. "End users and potential end users are looking into the future, determining how better to communicate to their customers/audience, and realizing that DS/DOOH is a viable communication alternative."

How do you feel right now about the future of the DS/DOOH industry (Q1 2009)?

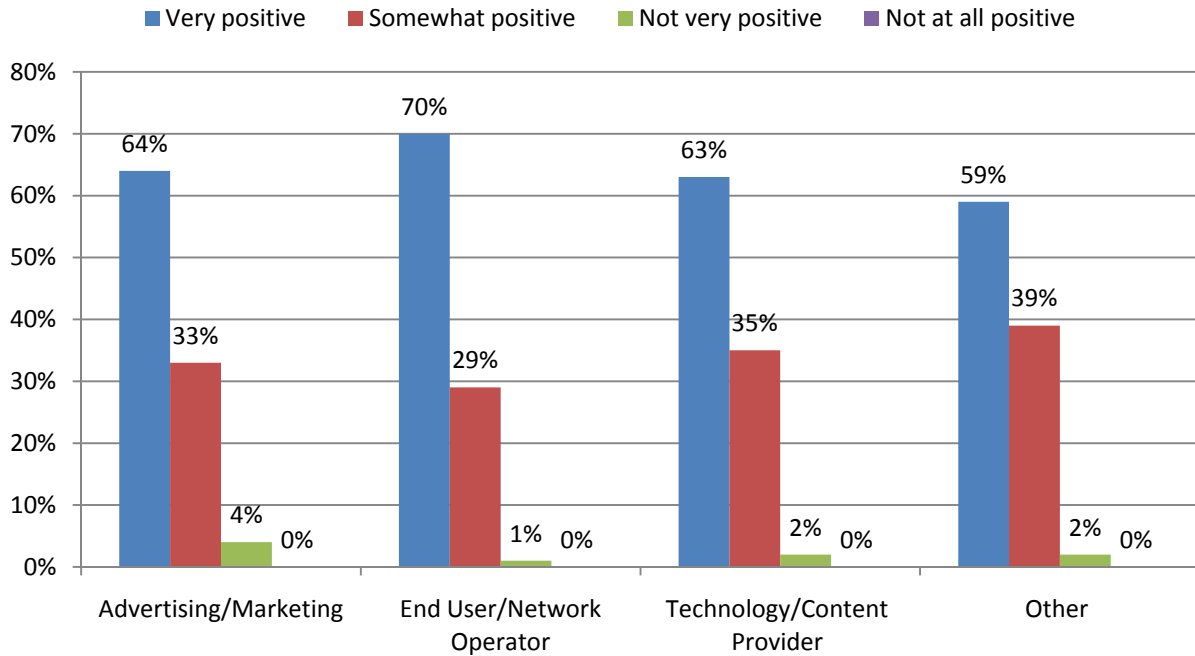


Figure 4

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How do you feel right now about the future of the DS/DOOH industry (Q2 2009)?

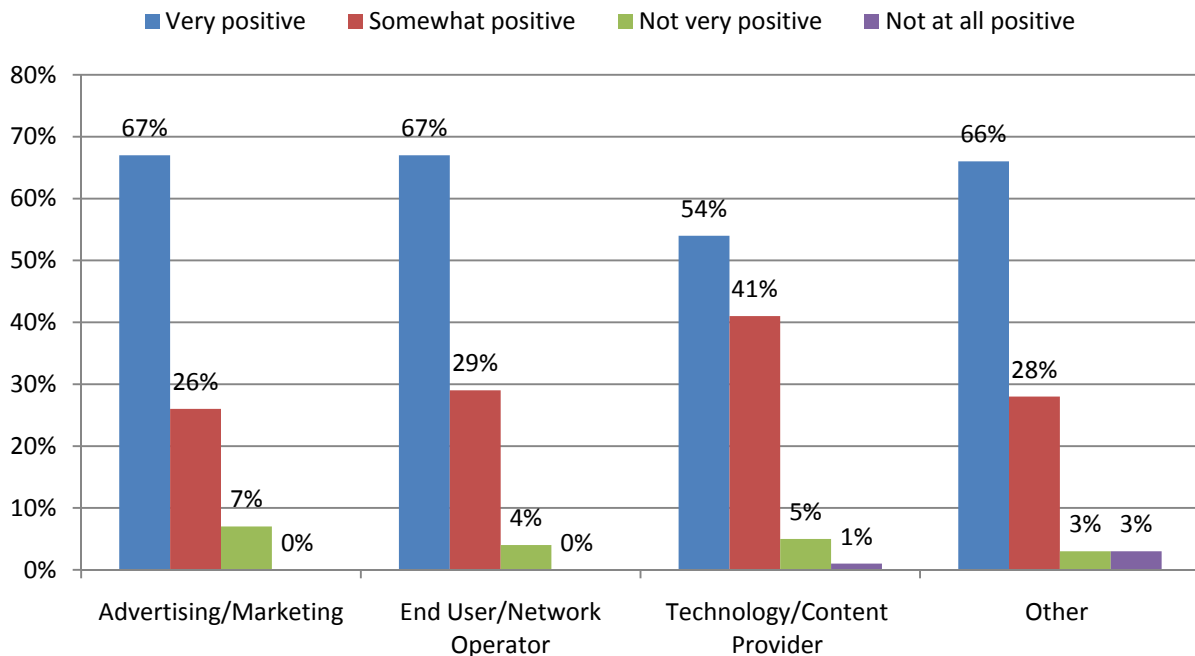


Figure 5

Regarding the economy in general, what do you think general business conditions will be like six months from now? (Q1 2009)

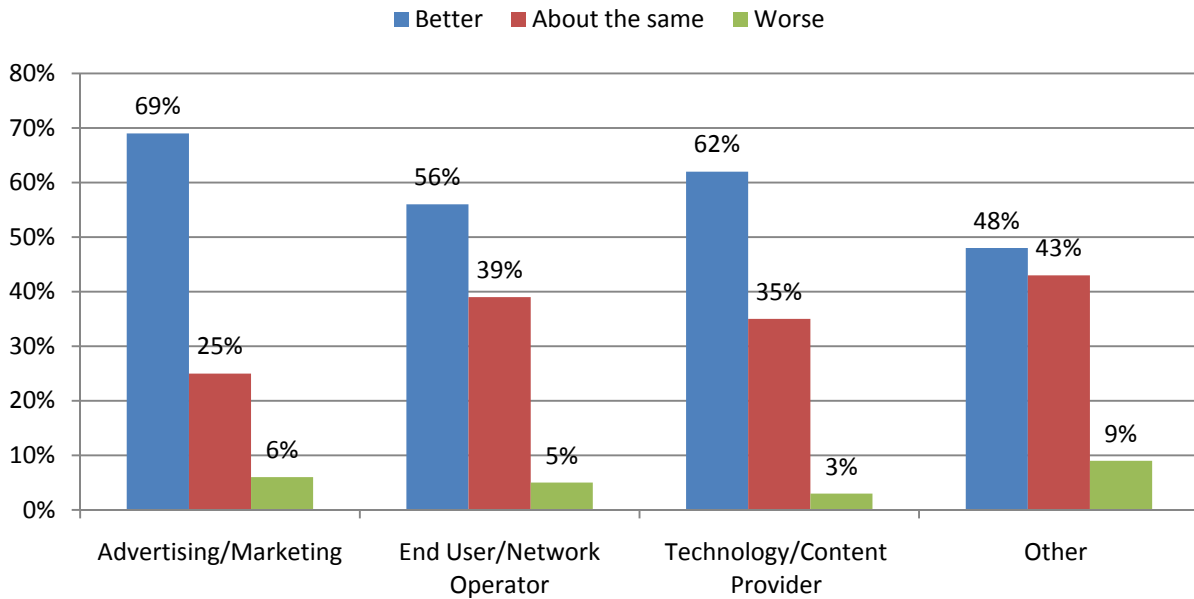


Figure 6

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Regarding the economy in general, what do you think general business conditions will be like six months from now? (Q2 2009)

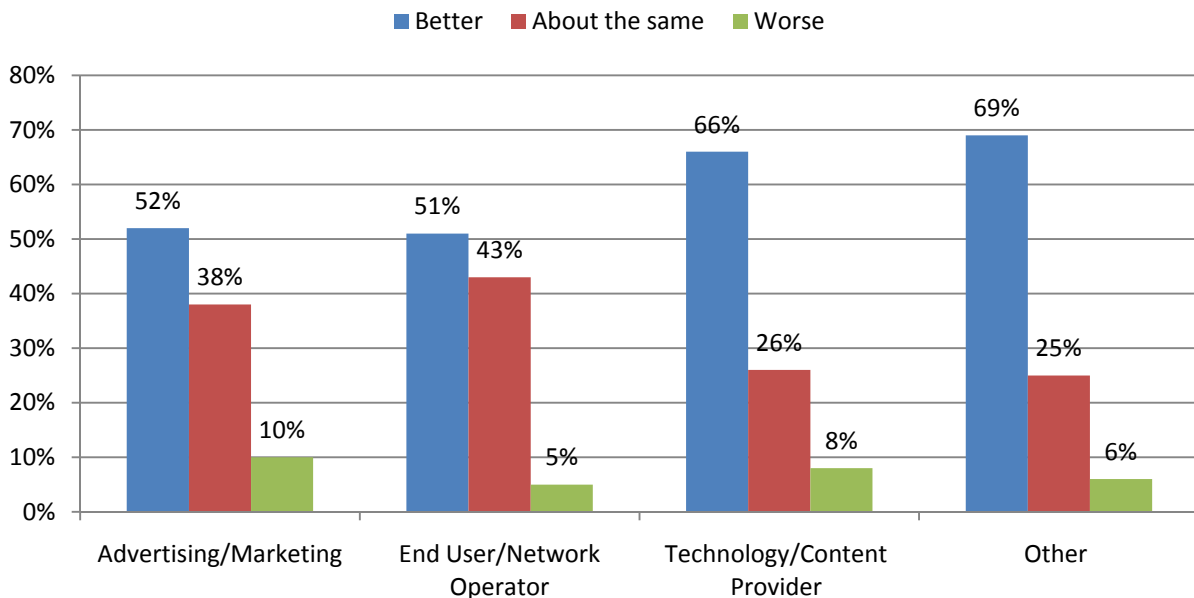
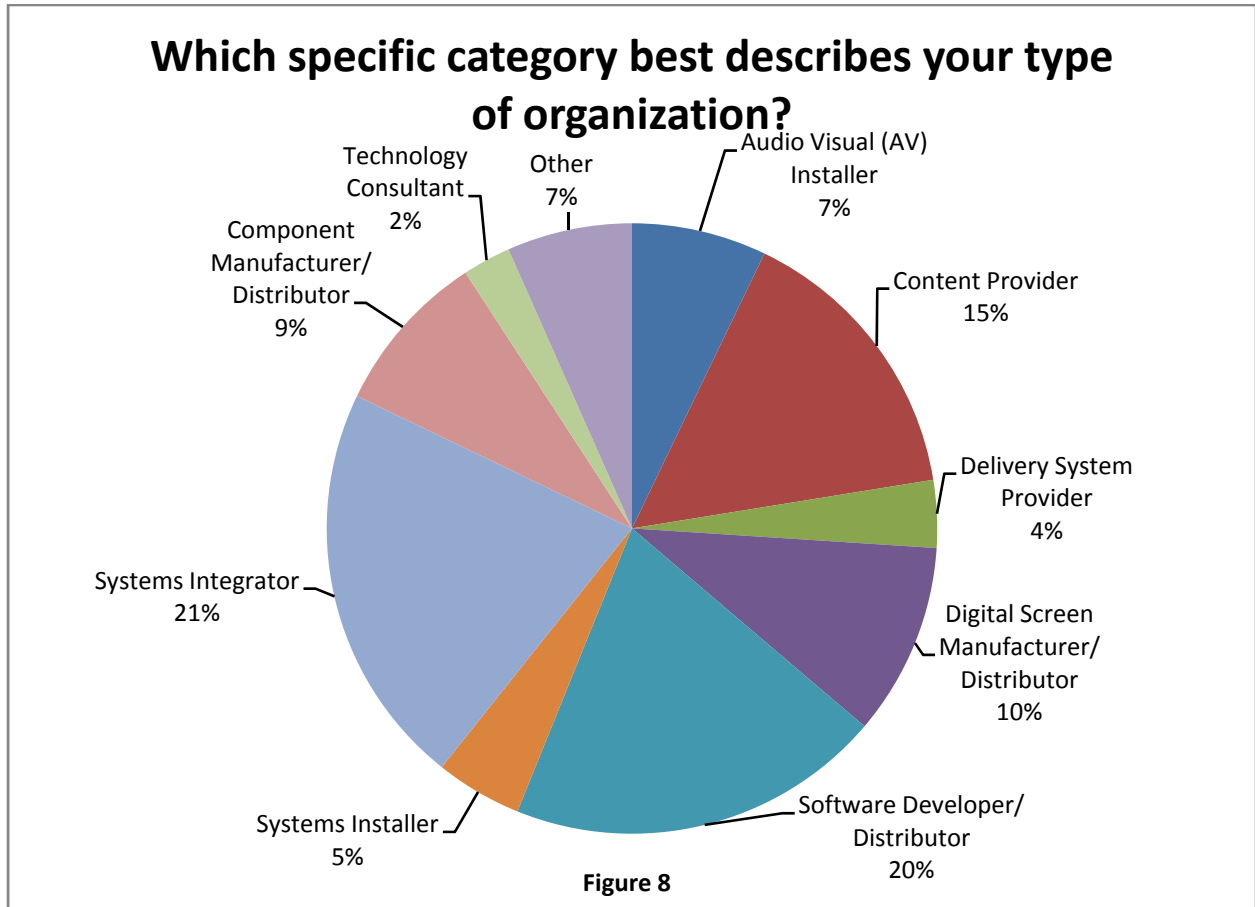


Figure 7

Technology/Content Provider



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The digital signage/digital out-of-home (DS/DOOH) supply chain represents a range of companies, from those that provide the means to deliver content to the displays to those who create the content, with a variety of product and service companies in between (Figure 8). As in the Q1 report, this group made up the largest percentage of participants in the DSE Quarterly Business Barometer, comprising 57 percent of respondents. Because they represent the core of the industry, they are perhaps more sensitive to its fits and starts than the other stakeholder groups. They also provide a venue-to-venue view of industry growth.

Given the random nature of this survey, we would naturally expect certain results to vary as the composition of our sample changes, which we believe is the case for *Figure 9*, regarding the top venues expected to experience the most DS/DOOH growth during the next 12 months. Moreover, a revised question, such as *Figure 9*, may show larger variations from quarter to quarter than we might expect from a question that remains unchanged. In any case, the same venues rank among the top 4, with the only differences being “Hotel” in Q1 and “Arts/Entertainment” in Q2.

| Rank | Q1 Categories | Q2 Categories |
|------|------------------------------|---|
| 1 | Retail | Retail, Healthcare (tie) |
| 2 | Healthcare, Restaurant (tie) | Restaurant |
| 3 | Education | Arts/Entertainment, Education (tie) |
| 4 | Hotel, Transportation (tie) | Transportation, Amusement/ Gambling/Recreation |
| 5 | Bank/Brokerage | Corporate Campus |

Which TOP venue(s) do you expect to experience the most DS/DOOH network growth during the next 12 months?

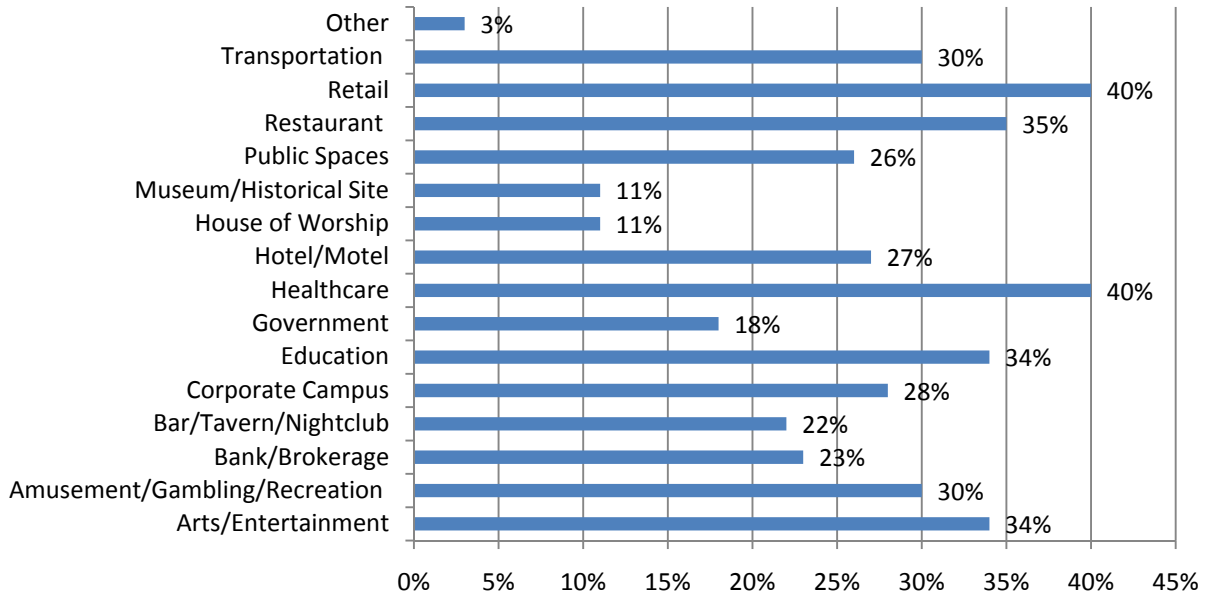


Figure 9

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Which "retail" venues do you expect to experience the most DS/DOOH network growth during the next 12 months?

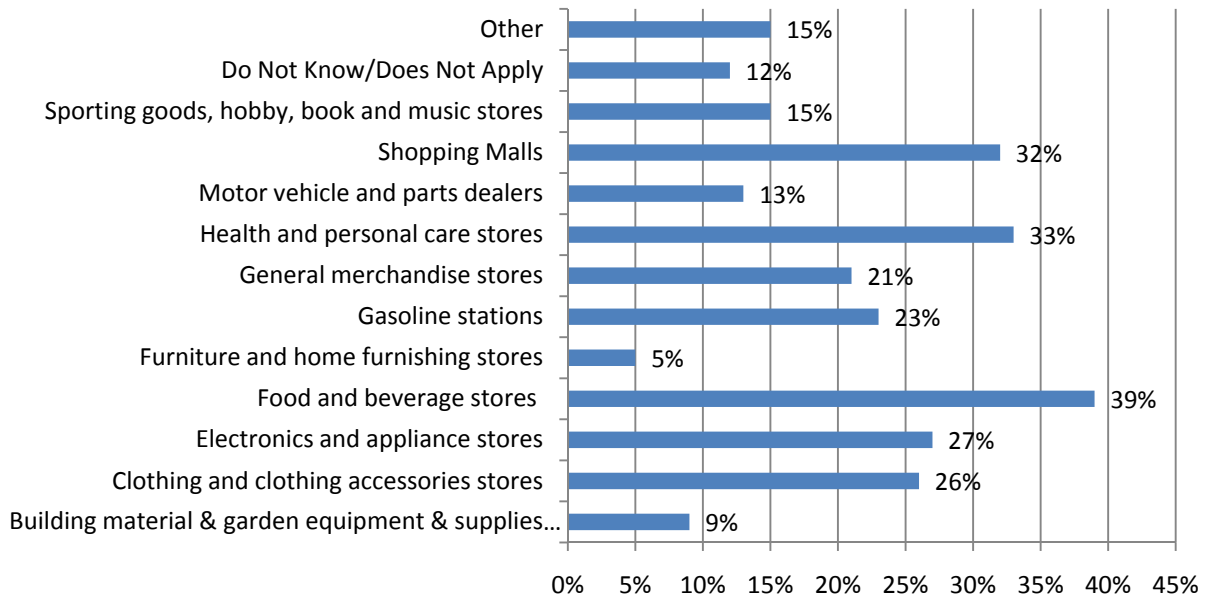


Figure 10

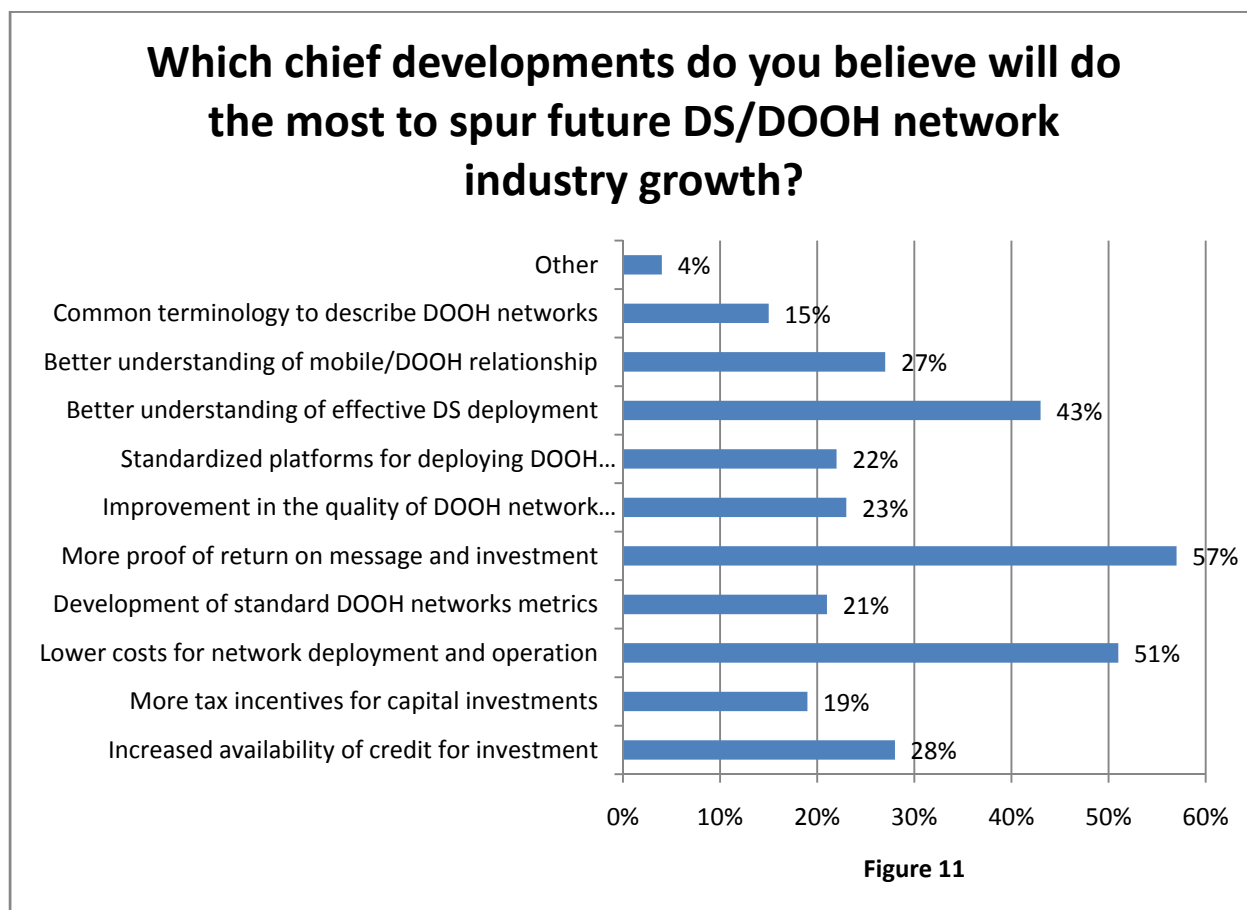
To shed further light on future growth markets, we sliced the largest DS/DOOH sector into subsectors based along the lines of the U.S. Census Bureau’s NAICS groupings, “Shopping Malls” being the exception. From this finer perspective, “Food and beverage stores” emerged as the leading retail sector driving future industry growth, followed by “Health and personal care stores” and “Shopping Malls” (Figure 10). For additional information, see Appendix A: Profile of Major Retail Industry Sectors.

While digital signage’s broad appeal doesn’t isolate the industry from the general economy, it’s obvious from both the survey responses and respondent comments that each venue type marches to a different economic drummer. Reflecting this sentiment is Larry Grossman, president & CEO of Northbrook, Ill.-based Media Encounters. “I specialize in physician offices, and healthcare is more resistant to the economy than other industries,” he says.

In contrast to healthcare, other vertical sectors are not faring so well. “Our vertical market has largely been in the financial sector, and we are also located in a heavy manufacturing area, both hard hit lately,” says an unnamed systems integrator.

“We find that in our most prominent verticals (arenas, stadiums, higher ed and healthcare) that digital signage is on the way to becoming a necessity rather than a luxury,” counters Jim Mead, business development director for audiovisual contractor Delta AV in Milwaukie, Ore. “We expect to make good gains on that trend.”

While digital signage involves a wide variety of industries and applications, there exists both a trend toward the creation of niche networks and the aggregation of those networks to achieve advertising



clout. As Gary Halpin, president of Denver-based Agency 225, puts it, “I see the industry turning into a series of niche network providers. We have found a niche that we are capitalizing at the moment, and concentrating on that 100 percent.”

When it comes to chief developments spurring future industry growth, the answers from Q1 to Q2 varied little, with “More proof of return on message and investment,” “Lower costs for network deployment and operation” and “Better understanding of effective DS deployment,” in that order, leading the way (*Figure 11*). However, the comments respondents offered indicated that change is in the air.

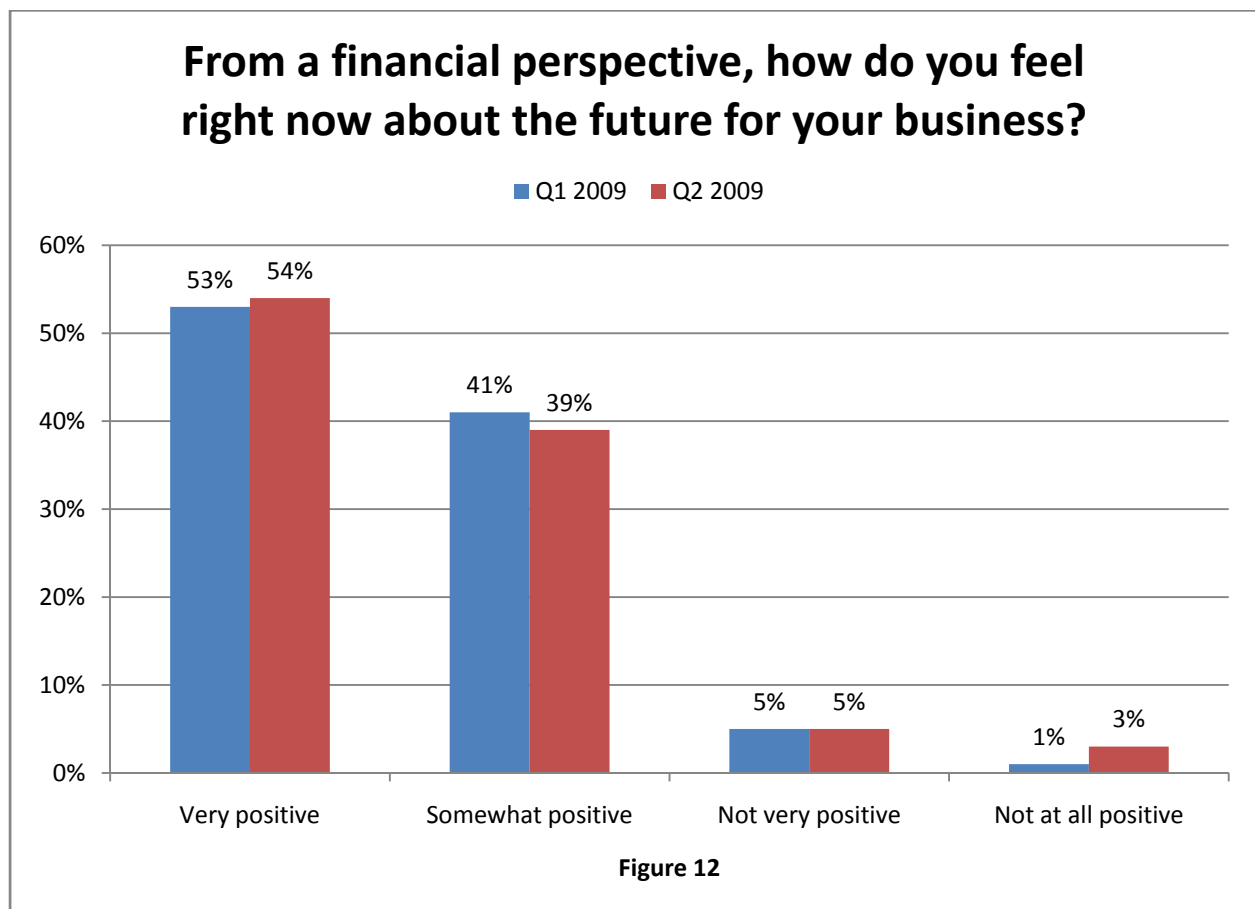
“Our customers are starting to take a more balanced approach to the ROI equation. Instead of hanging the entire success of the network on ‘sales lift,’ they have a better understanding of the cost savings and overall execution returns associated with digital signage,” says Scott Koller, EVP/COO for Minneapolis-based Wireless Ronin.

When asked how they felt about the future for their businesses, the technology/content providers maintained the same positive outlook, with a total 94 percent positive in Q1 and 93 percent in Q2 (*Figure 12*).

In addition, there was little difference in the net change (“higher” minus “lower”) of dollar sales volume from quarter to quarter, which registered +19 percent for Q1 and +18 percent for Q2 (*Figure 13*).

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Looking out to the next quarter, there was even an indication that respondents expected a business uptick, with a net change of +45 percent for Q2 compared to +41 percent for Q1 (*Figure 14*).



How did your company's dollar sales volume for DOOH networks for this quarter compare to the preceding one?

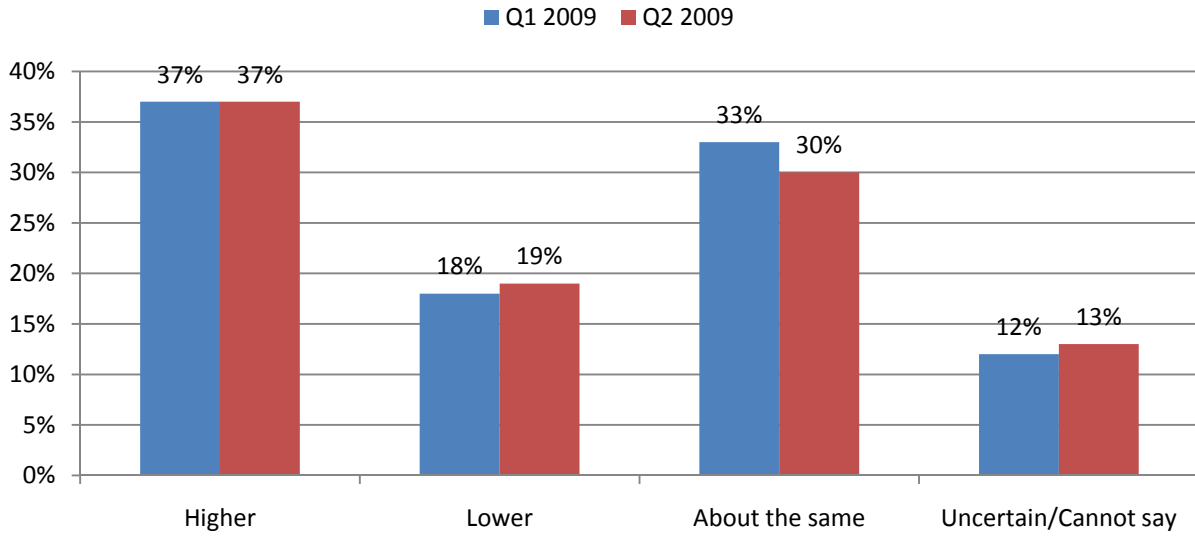


Figure 13
 Q1 2009 refers to Jan.-March 09 vs. Oct.-Dec.08;
 Q2 2009 refers to April-June 09 vs. Jan.-March 09

How do you expect your company's dollar sales volume for DS/DOOH networks for the next quarter to compare to the current quarter?

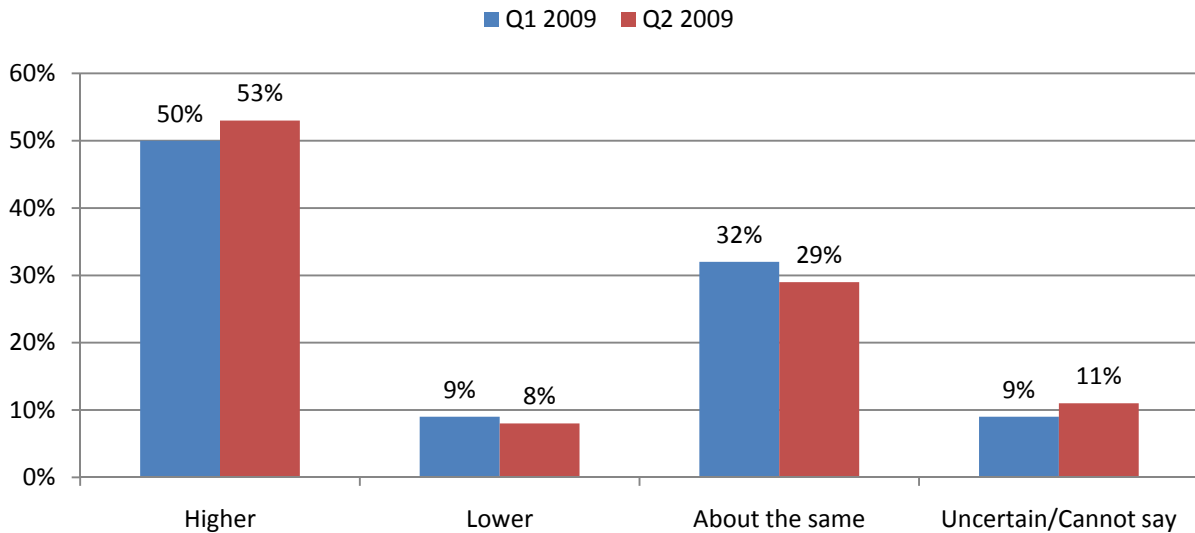


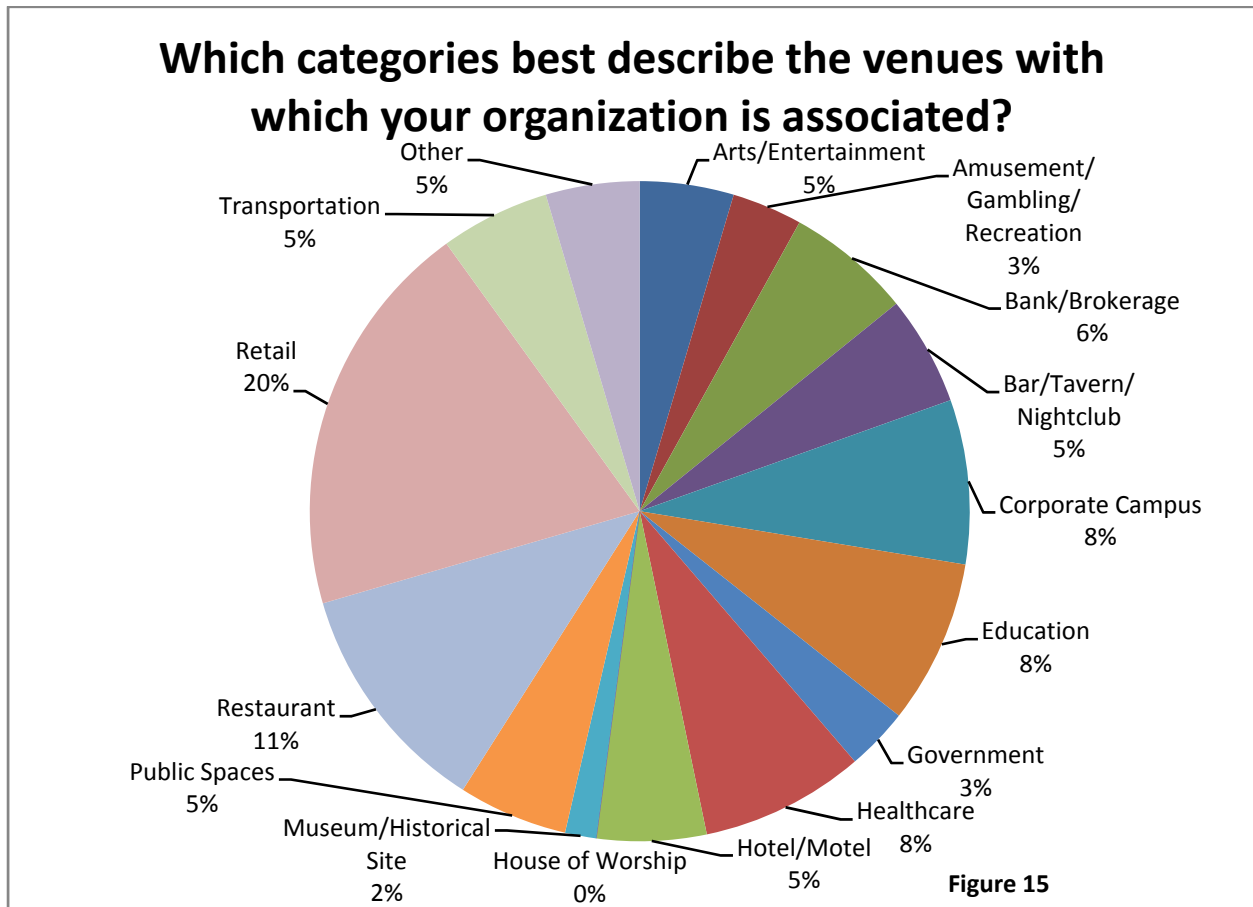
Figure 14
 Q1 2009 refers to April-June 09 vs. Jan.-March 09;
 Q2 2009 refers to July-Sept. 09 vs. April-June 09

End User/Network Operator

The end user/network operator categories represented in the Digital Signage Expo Q2 Business Barometer were more or less the same as those in Q1, with “Retail,” “Restaurant” and “Education” 1,2 and 3, though “Education” tied for that third place ranking with “Healthcare” and “Corporate Campus,” a category not included in the Q1 survey (*Figure 15*).

Of those responding, only 3 percent indicated they had not yet installed any digital signage, compared to 12 percent in Q2 (*Figure 16*). In contrast to Q1, where the “25 to 99” range represented the largest category of displays deployed, the largest category represented in Q2 was “1,000 or more,” indicative of large-scale network ownership. The average number of screens operated by the Q2 respondents was 397, compared to 309 for the Q1 respondents.

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Slightly more (70%) also carry or sell advertising than indicated so in Q1 when 66% said they carried or sold advertising (*Figure 17*).

As noted in the introduction to this report, the end user/network operator respondents registered only a slight decline in their attitude toward the DS/DOOH industry and the outlook for the economy.

“Lots of opportunities, but lack of capital budgets and cutbacks in marketing make it a slow road right now,” says Shane Riddle, general manager, Eugene, Ore.-based Wildfire Advertising.

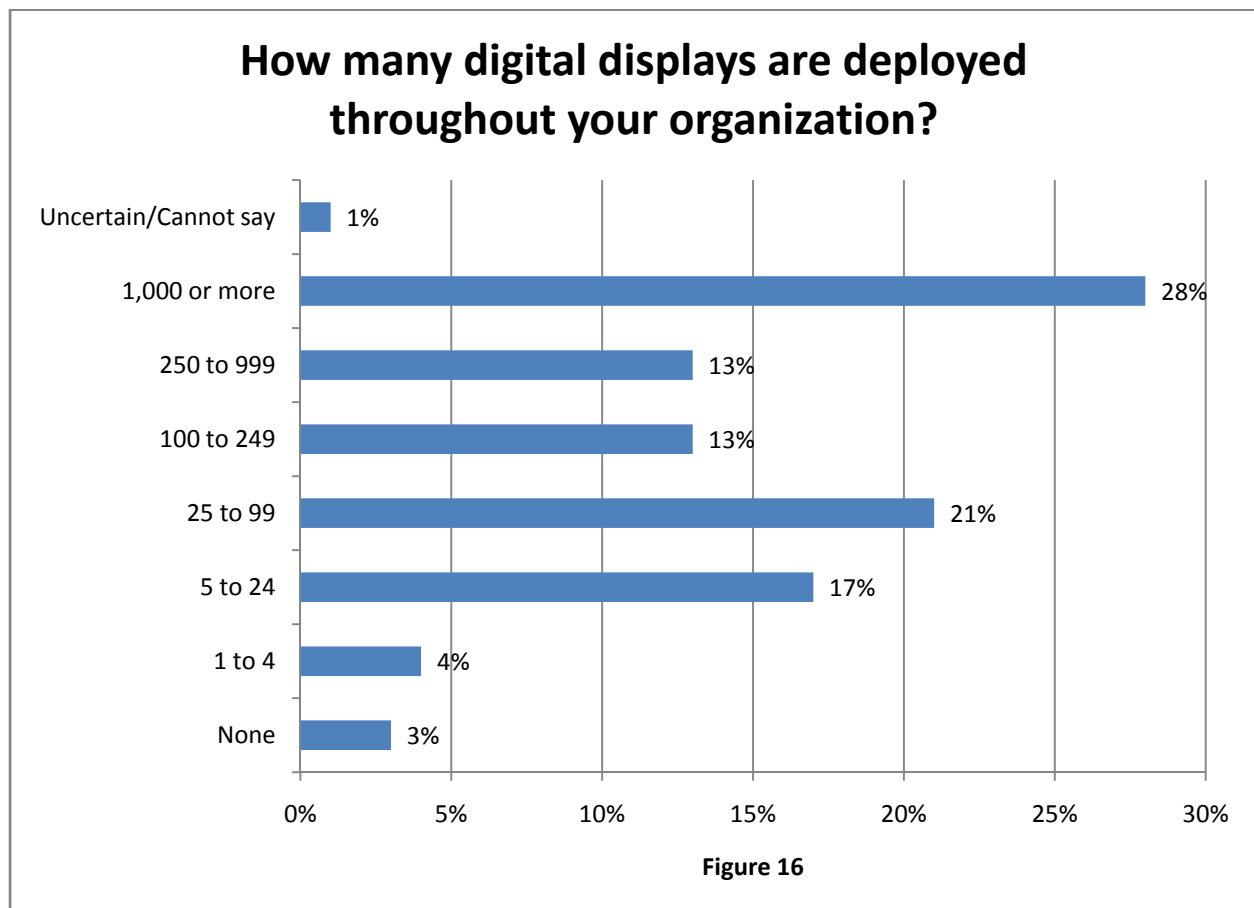
Unfortunately, not even the so-called recession-proof institutional market has been immune from the effects of this recession. “We are an educational institution that’s been hit by the economy. All technology projects are frozen for the time being,” says one anonymous respondent.

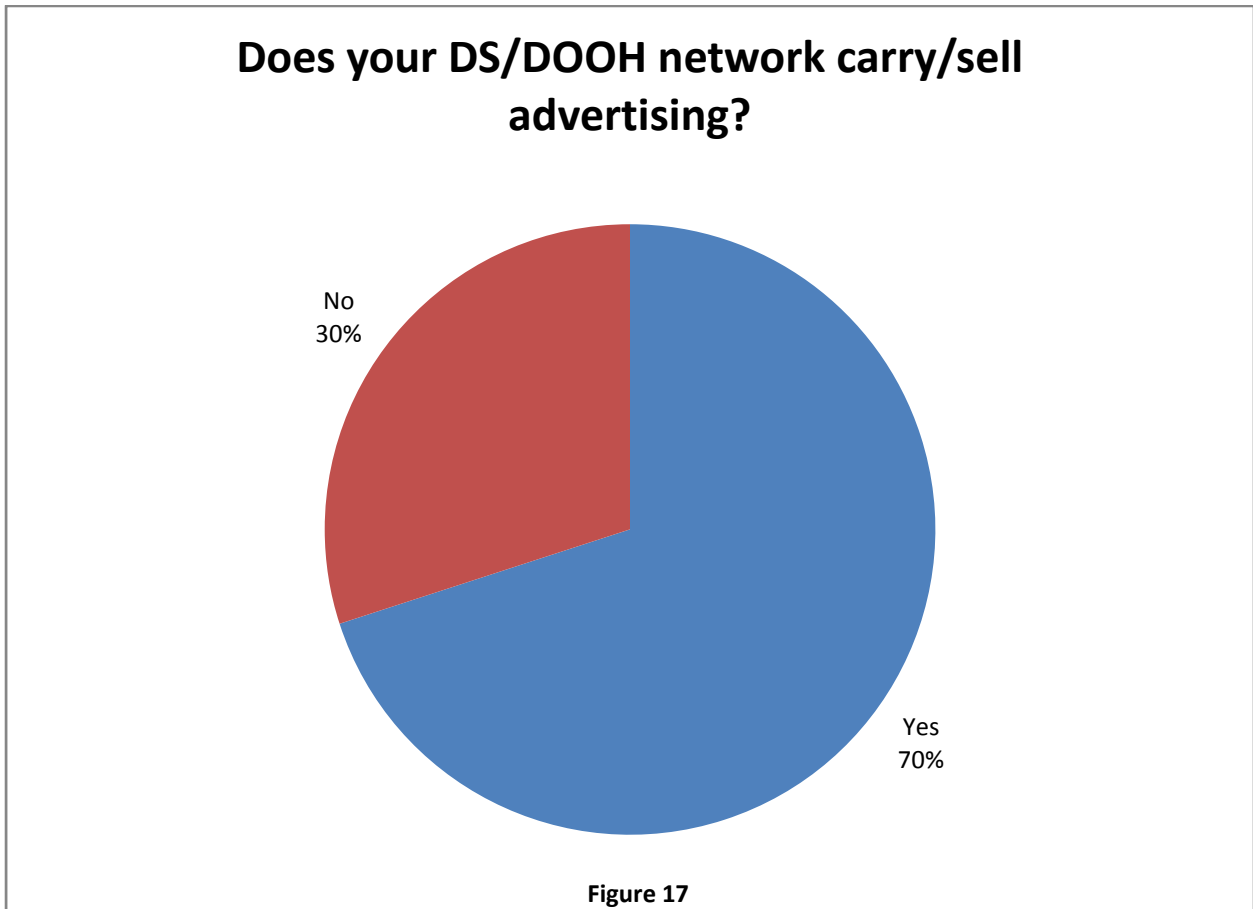
The more prevalent attitude is expressed by another unnamed respondent, who says, “The recession is proving itself to be stubborn, but we remain bullish on the industry and its opportunities.”

On a more positive note, the responding end users/network operators indicated that their ad revenues for Q2 remained stable, with 31 percent reporting revenues were higher and 19 percent lower, for a net change of +12 percent, compared to a net change of +13 percent for Q1 (*Figure 18*). Moreover, 44 percent forecast higher ad revenues for Q3, while only 12 percent expect lower revenues (*Figure 19*). Note: As *Figure 19* is a new question, we do not have a comparable forecast for the first quarter.

Many of the end user/network operators who responded to our survey echoed the sentiments expressed by Keith Mathis, president and CEO of San Diego-based World Digital Innovations. “Based on the pilot projects we have deployed, we believe that the digital signage business is alive and poised for double digit growth,” he says. “We think that advertisers are finding their way to our digital signage format. Also, because results can be measured, the ability to determine ROI in venue is getting high praise. We think that our company will experience quantum leap growth as the economy moves into positive territory.”

Some even see the present downturn as an incubation period, a time to hatch new technology. “Unlike many ‘Push’ media models, we have developed a fully interactive digital OOH network model that





engages consumers and provide 'edutainment' that entices and encourages use in retail locations with high-value captive audiences," says Christopher Nolan, founder and CEO of Cincinnati-based Wizard Media Group.

"This economic climate is ideal for new development for this approach to improving community support, including the delivery of instant redeemable offers, new fundraising, event promotion, surveys and increasing sales of products and services. Further, we have created a model that provides new revenue for all stakeholders and requires no investors or outside financing."

"The industry will evolve and become the largest and most successful technology and local marketing deployment vehicle ever seen to date in our opinion. The only real challenge will be ignorance," he adds.

Though Dan Hong, VP technology and Content for San Antonio, Texas-based emebaVet, is no less upbeat about the prospects for the industry, his view that the industry is in the midst of a shakeout is shared by many industry veterans. "Right now the economic times are weeding out the fair-weather digital signage companies," he says. "Everyone knew this would be a gold rush. I think a large number of companies that really weren't committed to digital signage jumped in and thought that they would be profit taking. We know the profit will come; we've invested our time and money in making the product absolutely mandatory in our verticals."

Plans for deployment for the next 12 months remained similar to the plans expressed in the DSE Q1 Digital Signage Business Barometer, with 68 percent planning to add to or replace/upgrade their current digital signage in both polls. Those with no plans to deploy, add to or replace/upgrade rose from

How did your DOOH network ad revenues for the current quarter compare to the preceding one?

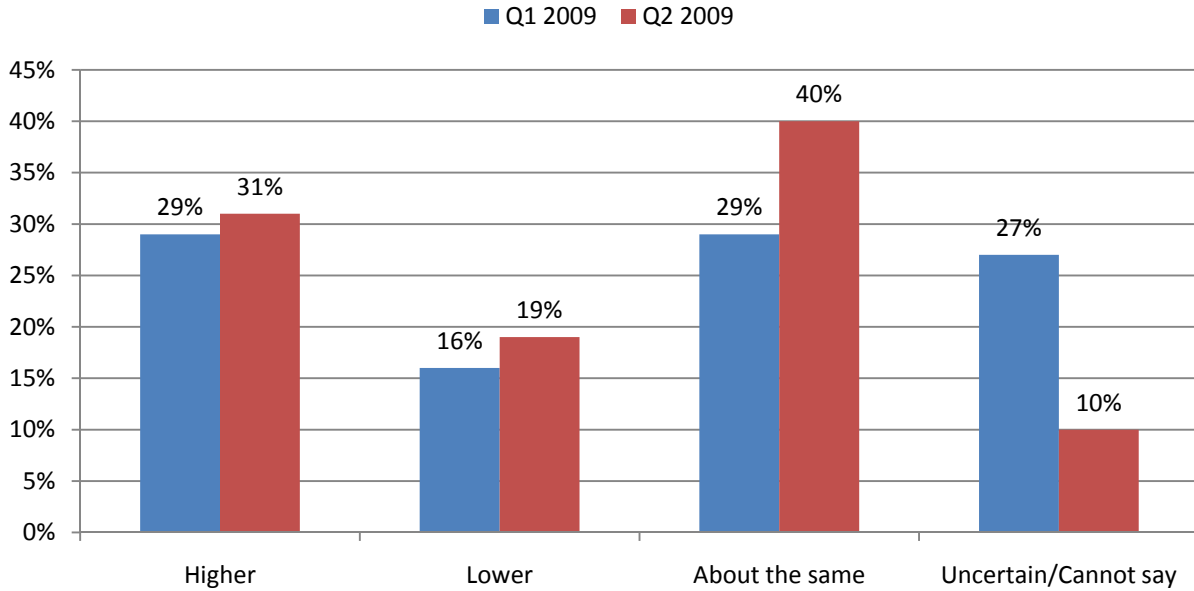


Figure 18

Q1 2009 refers to Jan.-March 09 vs. Oct.-Nov. 08;
Q2 2009 refers to April-June 09 vs. Jan.-March 09

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How do you expect your DS/DOOH network ad revenues for the July-Sept. 09 quarter to compare to the April-June 09 quarter?

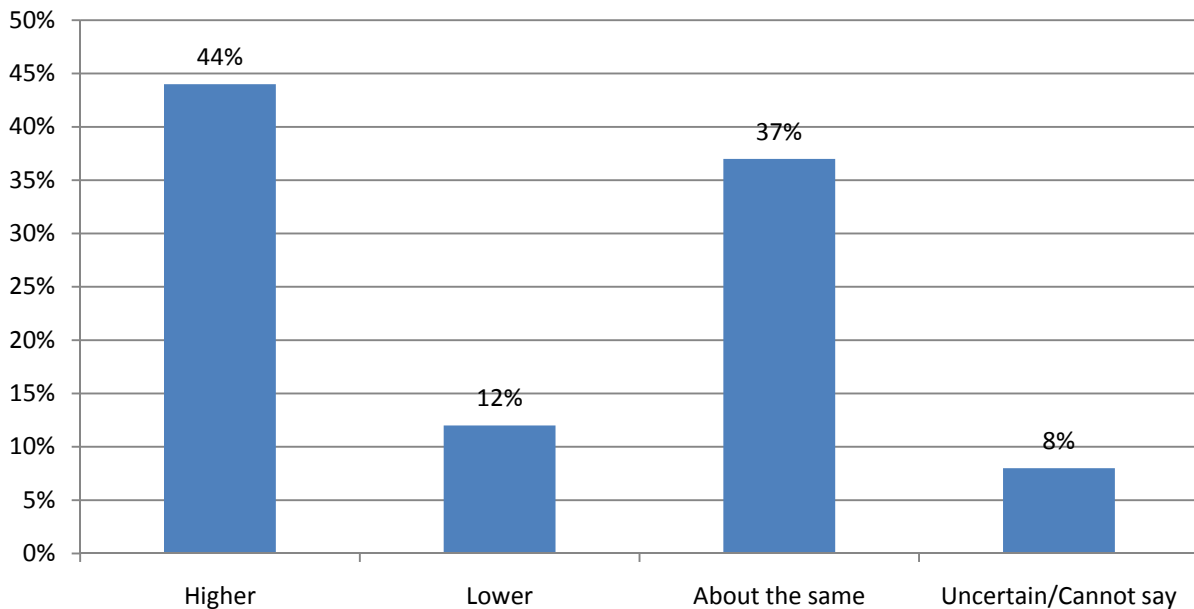


Figure 19



4 percent to 8 percent, and those with plans to install digital signage for the first time declined from 11 percent to 8 percent (*Figure 20*).

The number of displays planned for these deployments increased in three ranges involving fewer than 250 displays — “5 to 24,” “25 to 99” and “100 to 249” — and decreased in only the “1 to 4” and “250 to 999” ranges. The plans for larger deployments of “1,000 or more” remained the same as in Q (*Figure 21*). The average number of displays planned for deployment decreased from 359 in Q1 to 336 in Q2, which is consistent with the decrease in first-time deployment plans.

Based on end-user/network operator comments, the cost of the technology remains a hurdle to more widespread deployment. “Cost needs to come down for hardware and software before use will be widespread,” says one unnamed respondent, who adds, “That seems to be happening.”

“The flexibility and impact of digital signage at retail will only grow as hardware costs continue to decline and technology advances,” says another.

By comparison, investment plans were slightly higher, though no respondent in Q2 indicated plans to spend “\$10 million or more” during the next 12 months, whereas 7 percent of respondents in Q1 indicated such ambitious plans. Most notably, investment plans were up in most of the ranges under \$1 million (*Figure 22*). Still, the estimated average expenditure per respondent in Q2 edged up to \$2.5 million from \$2.4 million in Q1.

How many screens does your organization plan to deploy during the next 12 months?

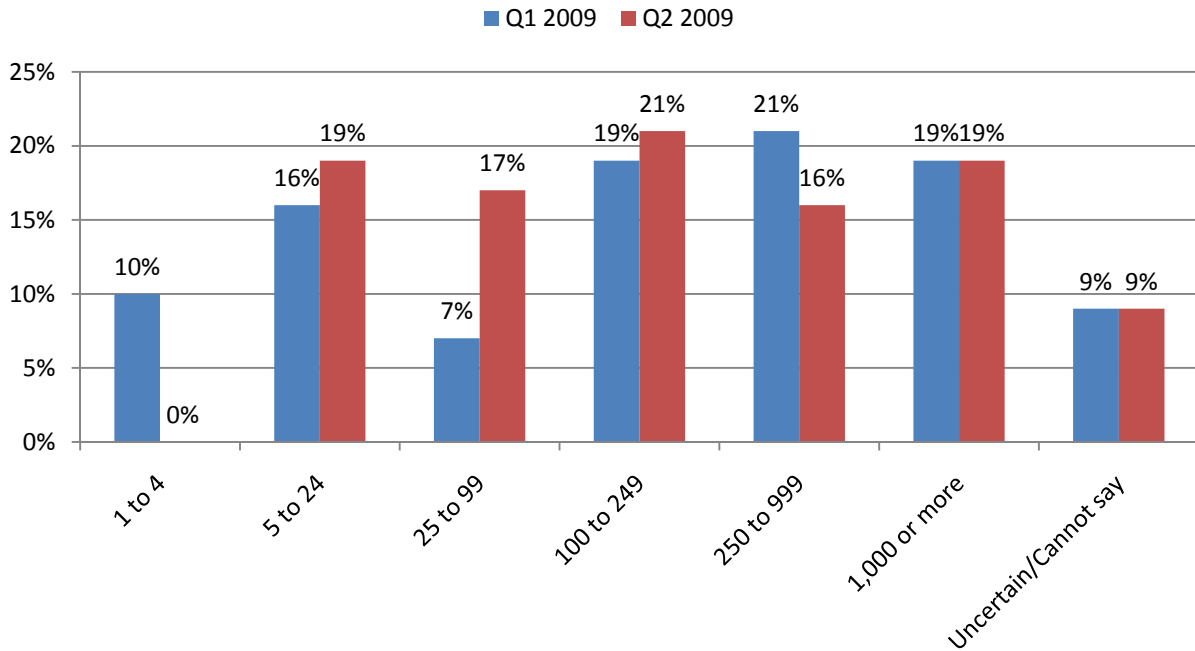


Figure 21

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Approximately how much do you expect to invest in digital signage products and services during the next 12 months?

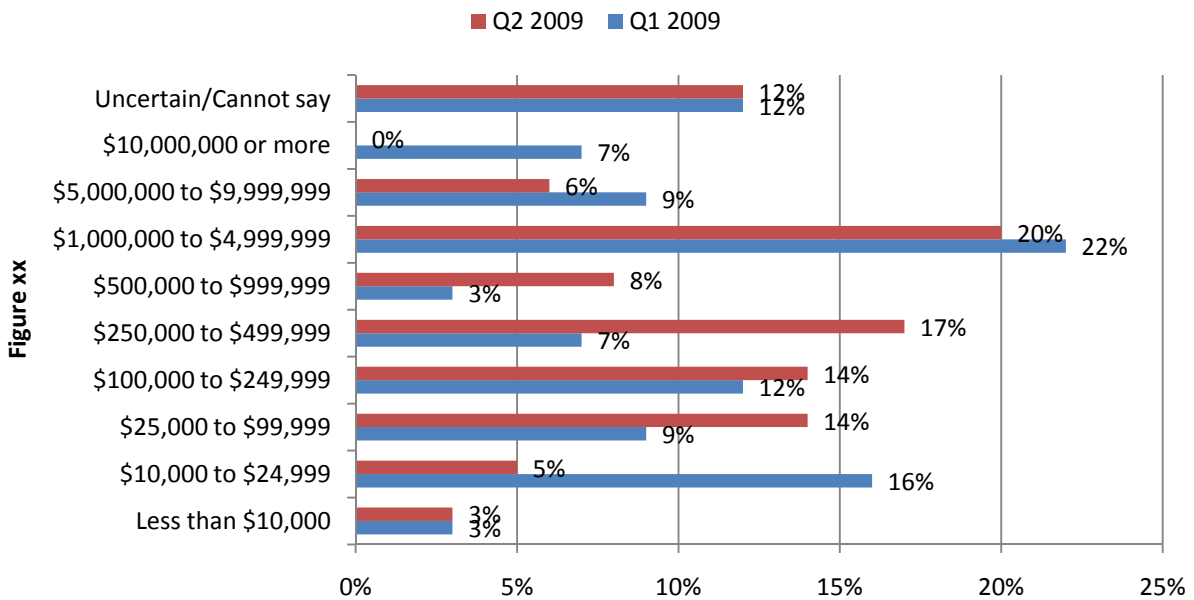


Figure 22

Figure xx

On what products and services will you be spending your planned DS/DOOH network budget?

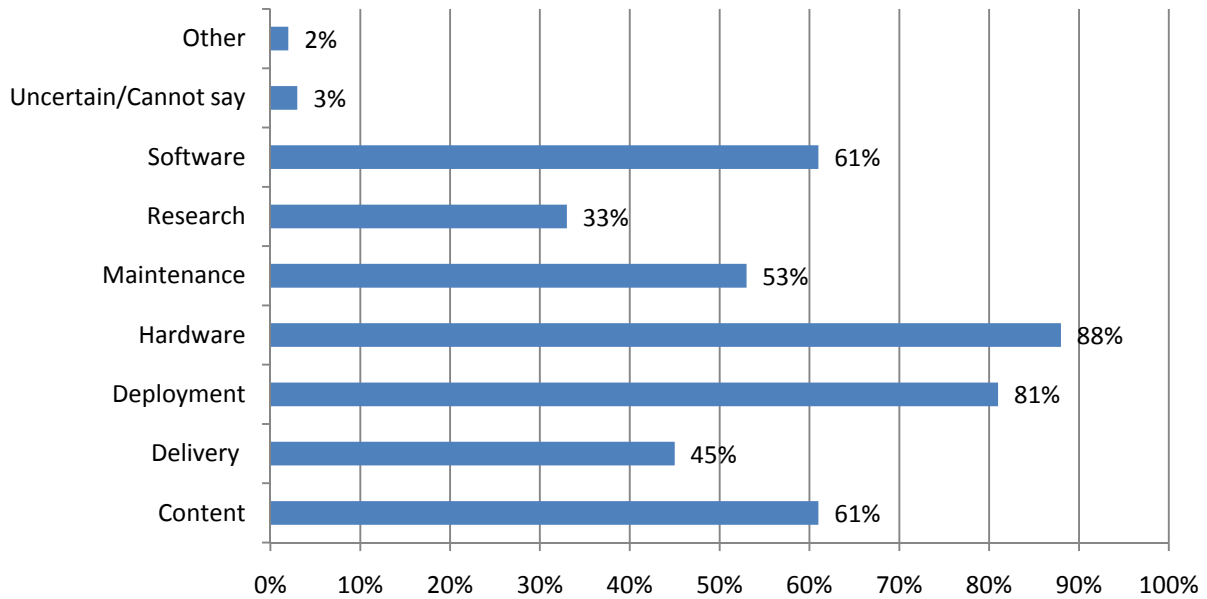


Figure 23

As in Q1, most respondents indicated plans to invest in hardware, deployment, software and content, in that order, with 11 percent fewer (61 percent versus 72 percent) from quarter to quarter planning to invest in software, perhaps because fewer new installations are involved (*Figure 23*).

Lest we forget, validation for the use of digital signage is not limited to ad-based networks. “We’re utilizing the technology as another method of communication to employees and guests,” says Mike Miodunski, media producer for St. Louis-based Monsanto. “The need to save costs has helped drive the adoption as we have worked to be more sustainable and to reduce costs by reducing the amount of printed materials we are using when and where possible.”

“The ROI for digital signage has been incredible. Increased efficiencies have made it easier to manage content,” adds Patrick Dierschke, technical communications and training specialist at Angelo State University, San Angelo, Texas.

In addition, new applications continue to emerge, providing further impetus to the digital signage industry. “I continue to see more digital signage in retail — especially in the interactive areas for customer self-service and provisioning,” says an unidentified respondent.

“Digital adds a new dimension to our café — marketing, variety and excitement,” says Brad Marg, director of operations for Philadelphia-based ARAMARK.

“Our industry is moving toward digital signage technology, and we want to be on the forefront of that,” says Michelle Vander Heyden, a buyer with Skyline Exhibits, Eagan, Minn.

Advertising/Marketing Company

The respondents in the “Advertising/Marketing” group in Q2 consisted mainly of advertising sales agencies, advertising agencies and consumer brand manufacturers/marketers (*Figure 24*), with 74 percent involved in recommending, specifying or making ad buys for DS/DOOH networks compared to 73 percent in Q1 (*Figure 25*).

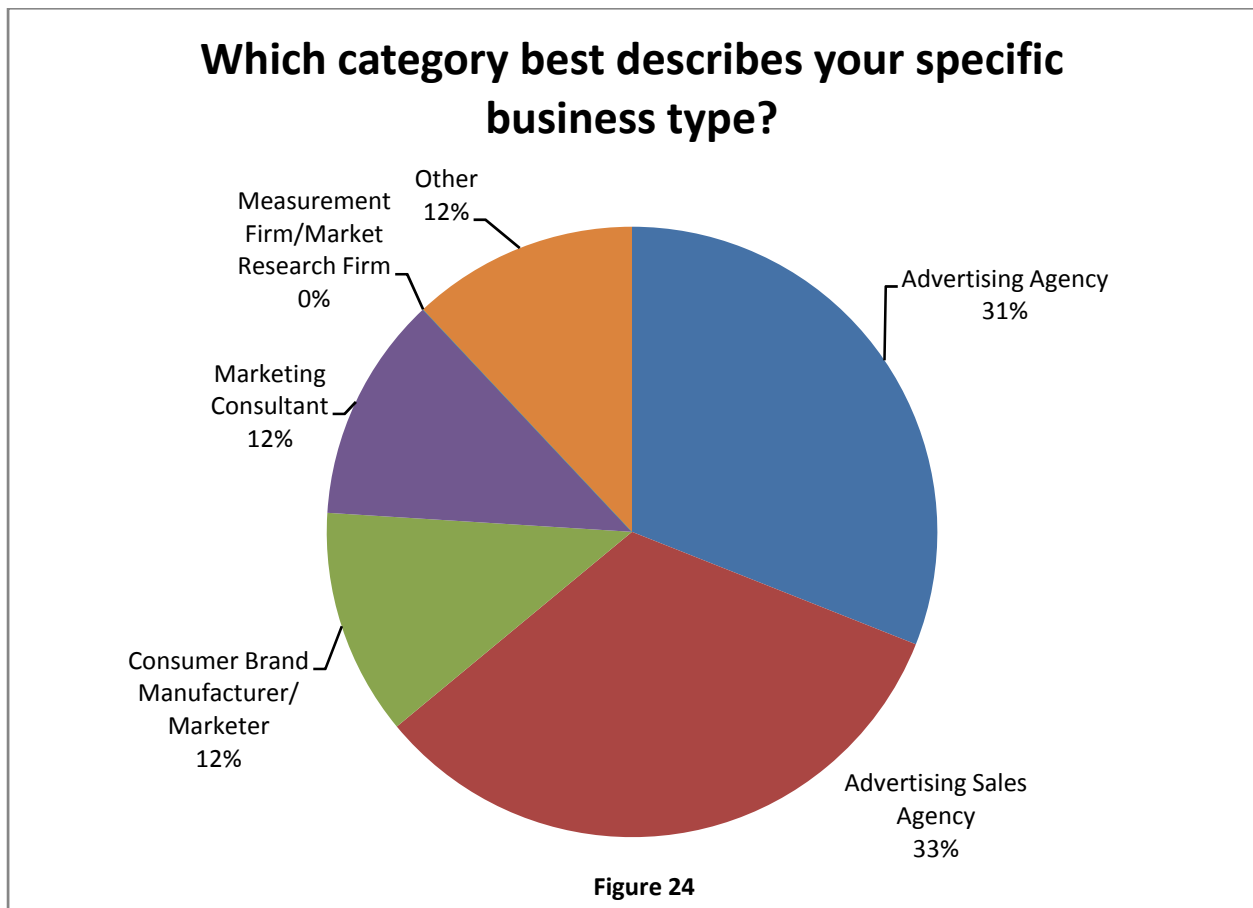
Those reporting their ad buy as higher was the same as those reporting their ad buy as lower, both 29 percent. The net change (“higher” minus “lower”) varied only slightly, from +2 percent in Q1 to 0 percent in Q2 (*Figure 26*).

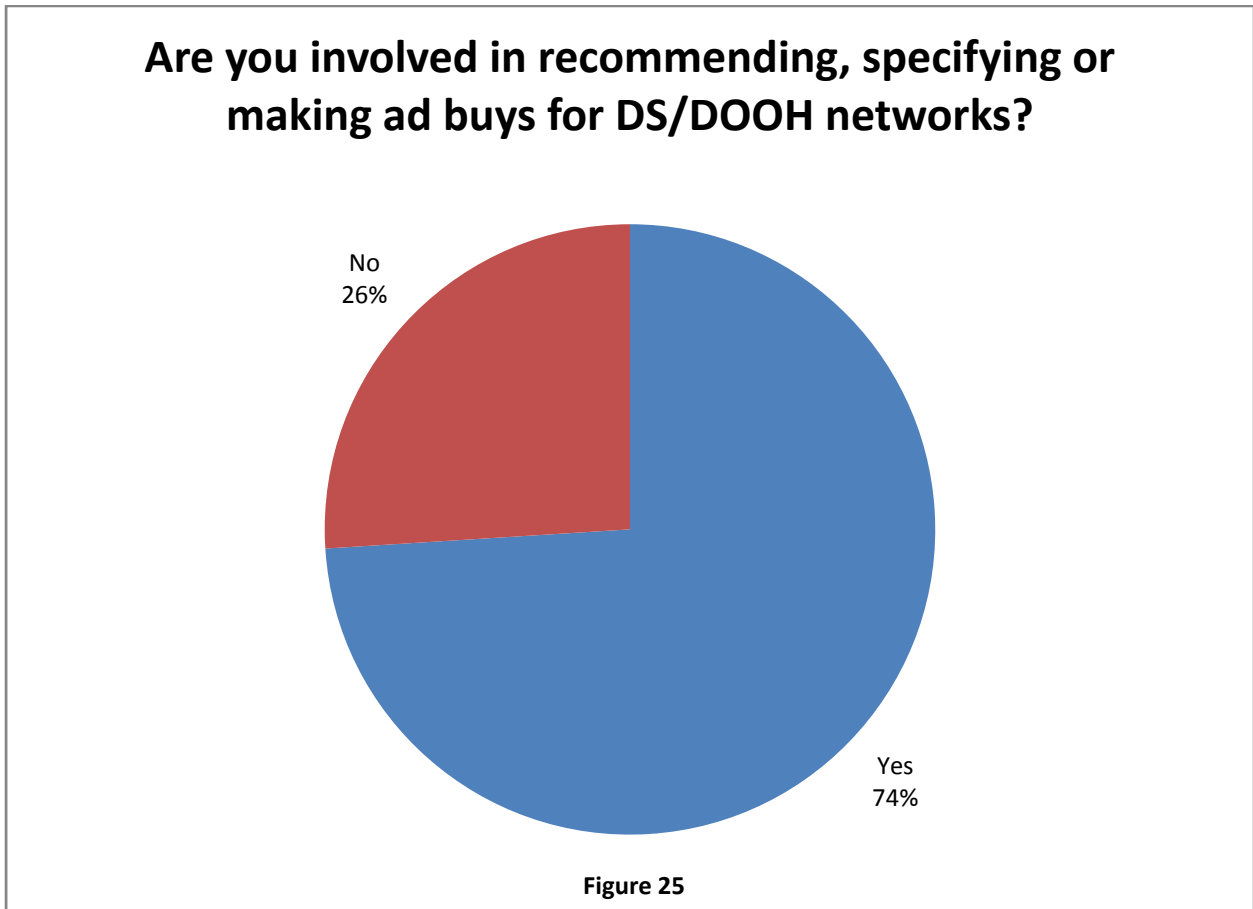
A slightly greater number, 68 percent versus 66 percent, indicated plans to recommend, specify or make any DOOH network ad buys during the third quarter (*Figure 27*).

In what is perhaps the most positive statistical indicator in the Q2 report, 48 percent reported plans to increase their ad spend for Q3 compared to 37 percent for Q2. That translates into a net change of +38 percent versus +22 percent for the prior report (*Figure 28*). Hopefully, this is not only a tell-tale sign of economic recovery but also an indication that the power of digital out-of-home, place-based or destination-based advertising, as it’s variously called, is taking hold.

The top five venues, in rank order, destined to benefit from this ad spend are “retail,” “restaurant,” “public spaces, bar/tavern/nightclub, amusement/gambling/recreation, arts/entertainment” (tie), “healthcare” and “transportation” (*Figure 29*).

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A number of the advertising/marketing respondents to the DSE Q2 Business Barometer cited the lack of industry metrics as a hurdle to broader digital signage acceptance. This sentiment is summed up by this unidentified respondent, who says, “The lack of metrics, P2P sales numbers and a new technology are difficult to tackle against known standard media distribution.”

“It seems that a lot of our clients and potential clients are not able to invest in the hardware side of digital signage,” another anonymous respondent adds. “The higher investment cost and lack of good ROI statistics make it a hard sell-in opportunity. They love the idea, but want concrete stats on ROI. I have searched for them, but have never found anything that is substantiated for their verticals.”

Other respondents, however, express the belief that the times are changing. “With software making content production easier, hardware still coming down in cost, and quality integrators coming out of the home theater market...digital signage marketing value is easier to sell,” says John Jordan, business development manager, Denver-based ProConcepts International.

“Many of my clients are venturing into the mobile space; we are recommending the addition of DOOH placements to advertise those mobile ads/sites/interaction as it's a natural fit,” says Rhiannon Apple, senior account executive, Moxie Interactive, Atlanta.

Daniel Wilkins, president of n2, a digital media solutions company in Atlanta, is another executive who says he’s very positive about the industry. “My opinion is based on our conversations with our clients and the increase in interest both from an inquisitive standpoint, as well as actual dollars being spent,” he says.

How did your DOOH network ad buy for the last calendar quarter compare to the previous one?

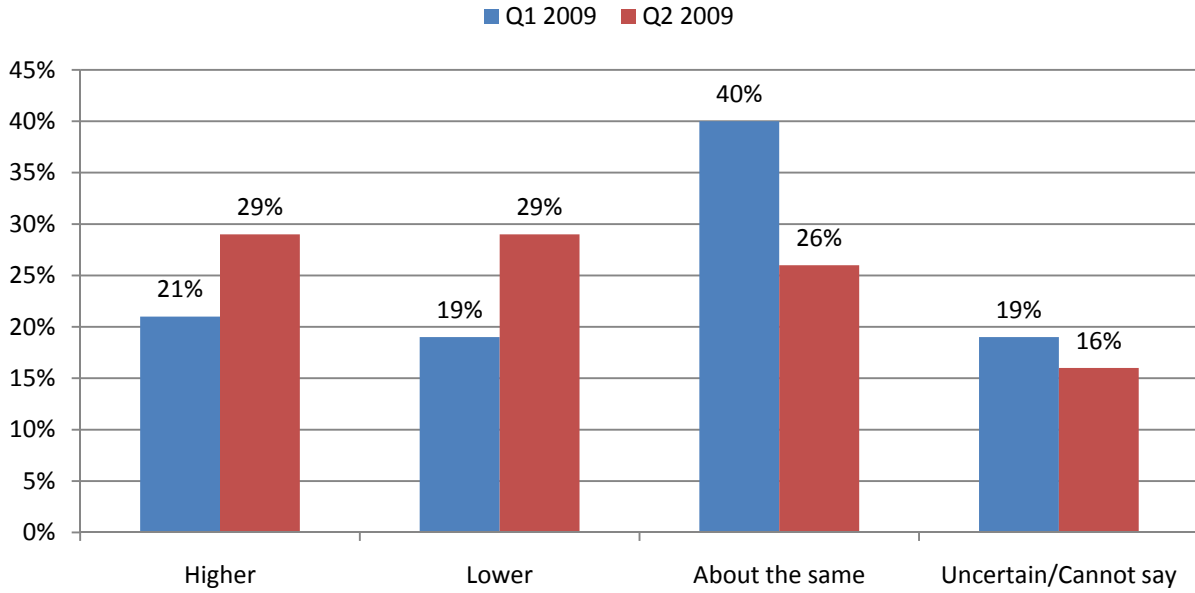


Figure 26
 Q1 2009 refers to Jan.-March 09 vs. Oct.-Dec. 08;
 Q2 2009 refers to April-June 09 vs. Jan.-March 09

Do you plan to recommend, specify or make any DOOH ad buys during the next calendar quarter?

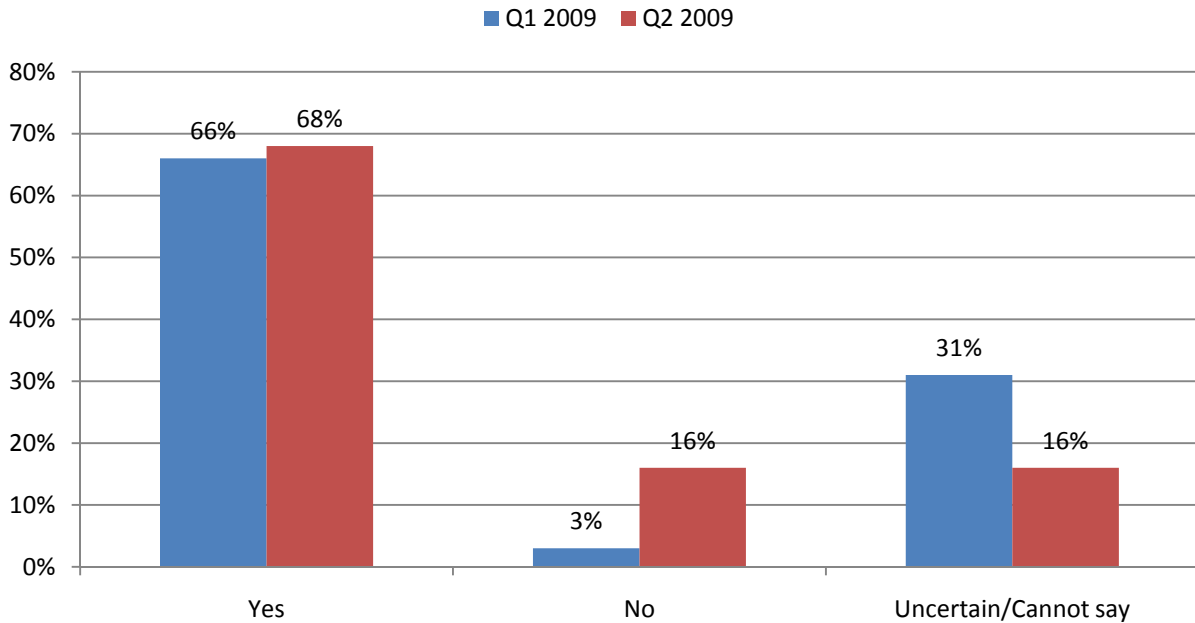


Figure 27
 Q1 2009 refers to April-June 09; Q2 2009 refers to July-Sept. 09

How will your DOOH network ad buy for the next calendar quarter compare to the current one?

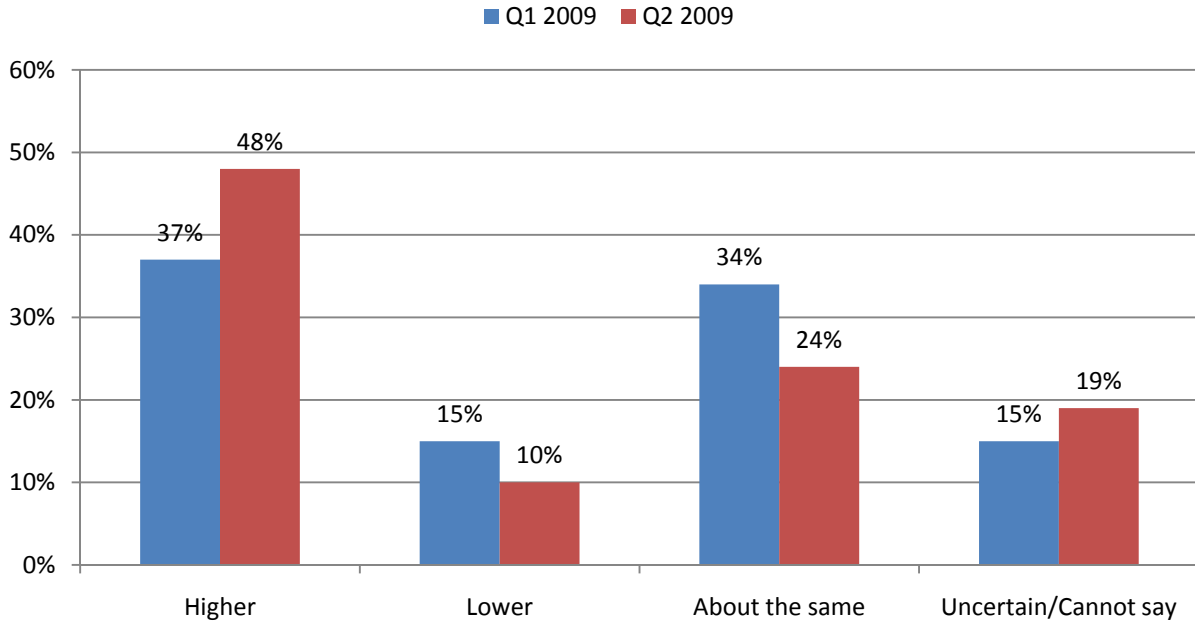


Figure 28
Q1 2009 refers to April-June 09; Q2 2009 refers to July-Sept. 09

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Which categories best describe the types of venues in which the ads will appear during the July-Sept. 09 quarter?

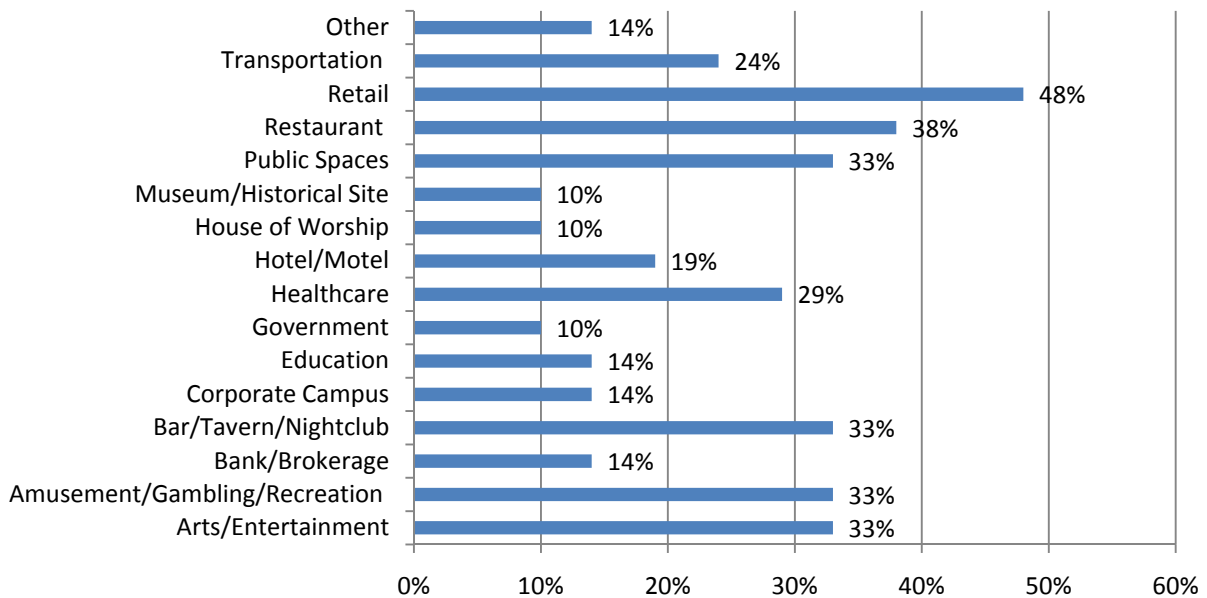


Figure 29

Appendix A

| Profile of Major Retail Industry Sectors | | | | |
|--|--------------------------|---------------------|---|---------------------|
| Sector | Number of establishments | Percentage of Total | Sales, shipments, receipts, revenue, or business done (\$1,000) | Percentage of Total |
| Clothing and clothing accessories stores | 154,935 | 15% | 212,957,971 | 6% |
| Food and beverage stores | 146,951 | 14% | 541,202,096 | 15% |
| Motor vehicle and parts dealers | 125,895 | 12% | 892,701,075 | 25% |
| Miscellaneous store retailers | 120,260 | 11% | 103,293,425 | 3% |
| Gasoline stations | 117,014 | 11% | 446,650,792 | 12% |
| Building material, garden equipment & supplies dealers | 90,443 | 9% | 323,227,611 | 9% |
| Health and personal care stores | 87,311 | 8% | 238,818,411 | 7% |
| Furniture and home furnishings stores | 65,319 | 6% | 110,266,384 | 3% |
| Sporting goods, hobby, book, and music stores | 57,197 | 5% | 81,745,134 | 2% |
| Electronics and appliance stores | 50,041 | 5% | 111,313,877 | 3% |
| General merchandise stores | 46,065 | 4% | 578,062,213 | 16% |
| TOTAL RETAIL TRADE* | 1,061,431 | 100% | 3,640,238,989 | 100% |
| | | | | |
| Sector | Annual payroll (\$1,000) | Percentage of Total | Number of paid employees through March 12 | Percentage of Total |
| Clothing and clothing accessories stores | 26,870,497 | 8% | 1,688,576 | 11% |
| Food and beverage stores | 55,676,935 | 16% | 2,879,231 | 19% |
| Motor vehicle and parts dealers | 72,834,983 | 21% | 1,916,088 | 13% |
| Miscellaneous store retailers | 14,391,829 | 4% | 790,856 | 5% |
| Gasoline stations | 14,714,638 | 4% | 887,341 | 6% |
| Building material, garden equipment & supplies dealers | 38,195,925 | 11% | 1,340,052 | 9% |
| Health and personal care stores | 28,516,160 | 8% | 1,012,278 | 7% |
| Furniture and home furnishings stores | 15,192,134 | 4% | 588,879 | 4% |
| Sporting goods, hobby, book, and music stores | 9,631,780 | 3% | 625,854 | 4% |
| Electronics and appliance stores | 11,121,198 | 3% | 484,030 | 3% |
| General merchandise stores | 54,533,062 | 16% | 2,769,973 | 18% |
| TOTAL RETAIL TRADE* | 341,679,141 | 100% | 14,983,158 | 100% |

*Does not include shopping malls, shopping centers or the 61,272 nonstore retailers Source: U.S. Census Bureau, 2007 Economic Census

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Appendix B

| Methodology |
|---|
| <p>Digital Signage Expo delivered a voluntary response email survey to 9,915 industry professionals comprised of end users/network operators, technology/content providers and agencies/brands on July 28, 2009, followed by a reminder email on August 4. The survey closed on August 7.</p> <p>A total of 409 complete questionnaires were received for a 4.1 percent response rate. Of these, 85 percent came from North America and 15 percent from the international community. As the international response was not sufficient to provide an accurate representation of the business outlook abroad, except for anecdotal references, our main report includes only North American respondents.</p> <p>This survey has a confidence level of 95 percent and confidence interval of +/-5 percent, i.e., were this survey repeated, it is 95 percent certain that the survey population would pick answers that were within the confidence interval.</p> <p>Though the survey methodology did not allow for a proportionate weighting of the three main categories of respondents, we believe nonetheless that the overall results provide a credible snapshot of industry attitudes at this time.</p> <p>For inquiries regarding the Digital Signage Expo Quarterly Business Barometer, contact:</p> <p style="text-align: center;">Richard Lebovitz, Editorial Director Digital Signage Expo 1405 Old Alabama Road, Suite 120, Roswell, GA 30076 (770) 649-0300, Ext. 22; FAX (770) 518-0022 Email: rlebovitz@exponation.net</p> |