



## CASE STUDY:

### iSIGN Interactive Marketing Solutions and AOpen® Digital Engine™ Platforms

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### The Players:

AOpen America Inc. ("AOpen"), the world's leading ultra small-form-factor computer system manufacturer and digital signage solution provider, and iSIGN Media ("iSIGN"), a global leader in proximity marketing and a pioneer in Interactive Bluetooth® Marketing.

AOpen produces a complete array of digital signage technologies, from individual components to comprehensive platforms and end-to-end solutions.



Founded in 1996, AOpen produces digital media players that power digital signage across the globe. The company sells more than 30,000 digital signage units per month worldwide in multiple industry segments, including general retail; food and drug; fast food and cinema; and convenience stores.

iSIGN began in the spring of 2006 as a digital signage company offering location-based proximity marketing from its signs to handheld mobile devices. The company has evolved to become an interactive media solutions provider, offering proprietary, flexible and scalable hardware and software that combines the precision of direct marketing and the tracking potential of the web to deliver more cost effective and ROI-driven advertising than is possible via print, radio and television.



## The Market:

By the end of 2010, the digital signage market was growing at a rapid pace, and generating considerable buy-in among consumers. Gfk MRI, a German company that measures consumer data, estimates that 29.6 percent of U.S. adults, or 67.4 million people, noticed place-based video ads during a 30-day period this past fall. Mobile device usage, already nearing saturation point in the US (with 91% of all Americans owning and using a cell phone, smartphone, or other mobile device), also continues to advance in terms of consumer willingness to engage in commercial activities.

Additionally, digital-out-of-home (DOOH) is currently experiencing tremendous growth; according to a recent study, DOOH revenues are set to double from \$2.6 billion to \$5.2 billion by 2016. The study also indicates that overall, mobile and DOOH represent the second and third fastest-growing media channels respectively<sup>2</sup>.

### 2010 U.S. Digital Out-of-Home Growth

Digital Out-of-Home Segment	First Half 2010 Ad Spend (% Change)	Full Year 2010 Est. Ad Spend (% Change)	Full Year 2010 Est. Ad Spend (USD)
Digital Place-based Networks	13.7%	14.0%	\$1.53 billion
Digital Billboard and Signage	18.2%	17.2%	\$541 million
Total Digital Out-of-Home	14.9%	14.8%	\$2.07 billion

At the intersection of these trends is proximity marketing, which leverages both the capability and ubiquity of mobile devices and the flexibility of digital signage.

There are barriers to proximity marketing, however. Suppliers to the digital signage industry seeking to capitalize on the capability of proximity marketing to enhance their position in the interactive digital out of home market (DOOH) – like AOpen - would have to acquire the necessary expertise in mobile communications to actualize such a plan. This process would likely be both cost prohibitive, and slow to market.

Likewise, for a mobile-centric company like iSIGN, building a network of digital signage simply to create a platform to demonstrate its proximity marketing capabilities would be overkill. Instead, to broaden both of their markets and increase their penetration in certain key industries, including retail, travel and entertainment, AOpen and iSIGN joined forces to provide a robust and highly effective end-to-end advertising solution.

## The Solution:

In 2010, AOpen entered into an OEM licensing agreement with iSIGN Media Solutions Inc. to embed iSIGN's patent-pending Bluetooth® interactive software technology and business intelligent solutions into AOpen's digital media players. The move has led to the creation of the world's first multi-function media engine, capable of providing content management, Bluetooth® message broadcasting and data logging of consumer responses into a single unit. The new multi-function models will provide the digital signage industry with cost savings, measurement and advertising effectiveness never before available. This has given both companies the entry into proximity marketing arena that industries are embracing. Consumers are able to interact with iSIGN-enhanced digital signs by using their mobile handsets. The partnership also allows AOpen to develop additional multifunction media players and digital engines available to all markets worldwide including retail, municipal and public applications.

### Consumer Data Gathering:

#### Traditional Methods vs iSIGN's Solution

Traditional Advertising Medium	Cost/Response Rates	How we are different
Mass Mailing	\$50-100 per 1000 unqualified leads, ~1% avg response rate	iSIGN's qualified leads have NO COST
Telemarketing	\$50-100 per 1000 unqualified leads, ~3% avg response rate	iSIGN's response rate is ~20%, costs 100x LESS, immediate verifiable results
Fax Broadcasting	\$50-100 per 1000 unqualified leads, ~2% avg response rate	iSIGN's ROI model is highly profitable for clients
TV/Infomercials	\$100,000s to produce, ~6% avg response rate	

AOpen will be promoting the new exclusive MP45DU, DE45HG and DE7000 models to existing and new customers to enable each to now collect consumer responses from mobile devices with a choice of three data logging dashboards. Existing AOpen units currently in use will also be able to be enhanced with an iSIGN licensed online solution to provide Business Intelligence with full support from both companies.

The back end of the system is as important to the retailer as the promotions that they send out. The iSIGN Interactive Marketing Solution (IMS) includes a database which tracks who saw the promotion, who accepted the download, and tied to POS who made the purchase. If a particular promotion does not have a high acceptance rate (i.e., very few people are opting in to accept the message on their phones), the retailer can immediately change to alternative promotions.

## Implementation:

With the iSIGN/AOpen partnership, retailers can record participating customers' information, including the MAC address of their cell phones into a database. When a participating customer walks into a store, the system recognizes them (through their mobile device), and can tailor the digital advertisements they see based on their shopping history and buying habits and based on where they are in the store. This means that they can maximize their promotional campaigns and improve their customers shopping experiences.

For the customer this means they only see ads or promotions for things that they are interested in, and are not bombarded with irrelevant offers. As this takes off, it also helps in-store promotions go viral. For instance, stores can allow the sharing of promotions, so if a person receives a special promotion on their cell phone they can forward it to friends and acquaintances and the retailer then gets the benefit of their customers extending their promotions for them.



This system has benefits and application for virtually every retail segment. At convenience stores, retailers can use this to promote specials at the pump while the consumer is pumping gas in order to attract them into the store. At a Quick Service Restaurant, the retailer could download cell phone games with branded messages to influence customers to spend more time and possibly buy additional treats while they are in the restaurant.

## Going Forward

Both firms expect to realize increased unit sales with their upcoming North and South America launch, with up to 30% penetration in the current sales of 30,000 units per month sold worldwide by AOpen. Selected AOpen distributors have been made aware of the new multi-function media players and their response has been extremely positive and enthusiastic.

The companies are planning an industry-wide push to introduce the multi-function media players to targeted customers in the following four channels: general retail; food and drug; fast food and cinema; and, convenience stores.

Launch promotions have been confirmed at various up-coming trade events, starting with The Digital Signage Expo in Las Vegas, commencing on February 22, 2011.

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**iSIGN** is a leading developer of location-based interactive proximity advertising solutions that deliver rich media, permission based messages, free of charge to cell phones using Bluetooth® connectivity. The Company's patent-pending advertising platform combines the precision of direct marketing and the tracking potential of the Web to deliver more cost effective and ROI-driven advertising than is possible via print, radio and television. iSIGN is based in Richmond Hill, Ontario with R&D and customer support operations in Vancouver, BC. iSIGN is a business partner of AOpen America Inc., having an OEM agreement for the embedding of its IMS software in AOpen's digital media players and IBM, as their Solution Provider, POA All Models. iSIGN's software solutions are also distributed by BlueStar Inc. to their network of Value Added Resellers. iSIGN is publicly traded in Toronto (TSX.V) under the symbol "ISD". Additional information about iSIGN Media can be found at [www.isignmedia.com](http://www.isignmedia.com).