Out-of-home Video Advertising Bureau Europe

OVAB cooperation partner Switzerland: IG adscreen

inVidis CONSULTING

OVAB Europe
Digital Signage Business Climate Index July/August 2013
Germany | Austria | Switzerland

07. August 2013

Contents

DBCI July/August 2013

EXECUTIVE SUMMARY

Digital Signage | Ongoing positive business sentiment

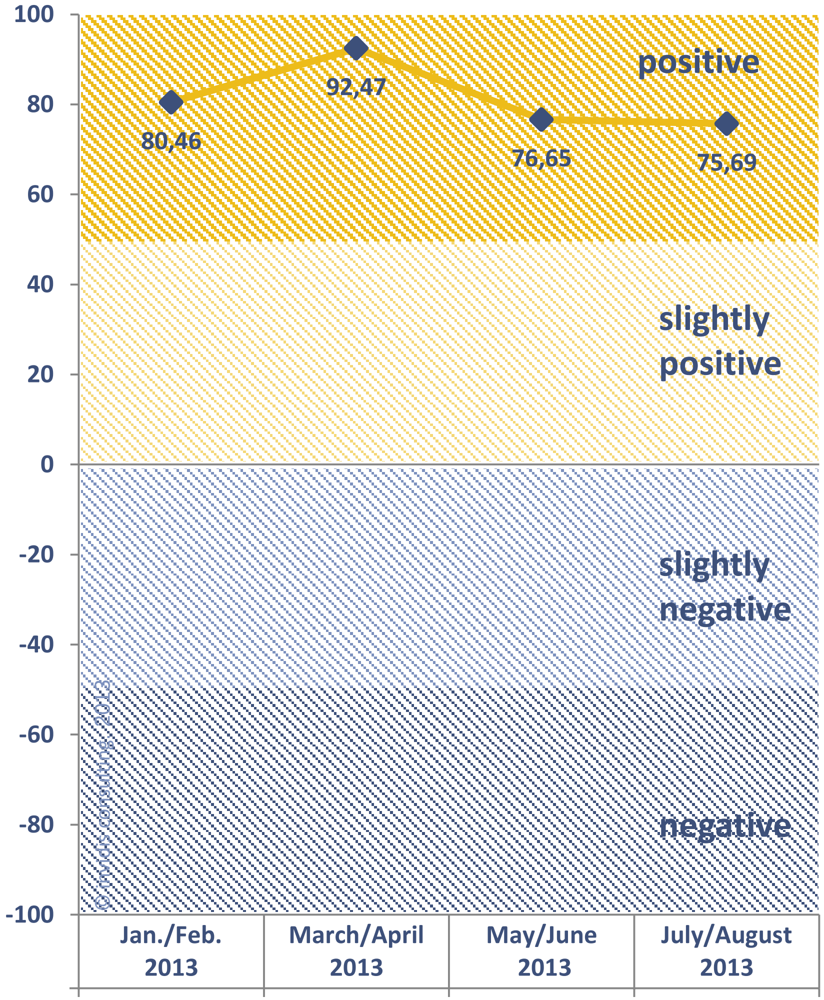


Fig. 1: DBCI July/August 2013 „Index", n=135

- The business sentiment in July and August remains very good with stable expectations for the next six months
- The Digital Signage Business Climate Index – DBCI – fell by 0,96 points from 76,65 to 75,69 points since the last survey in May
- Successful summer for software vendors, over 90% record a "good" business sentiment
- The business sentiment in the DooH segment remains clearly positive in spite of the summer advertising slump

Additional Invidis intelligence

- Individually adjustable user interface and access on all areas stands high on the wish-list of Digital Signage network administrators
- The content segment is stimulated by a host of creative players
- 2012 a high demand was registered for Full-HD resolution, dynamic content, individual templates and weather news
- Sales campaigns dominate Digital-out-of-Home

- Participants: n=135
- Region: Germany, Austria, Switzerland
- Time frame: 2013 calendar weeks 26-27

Digital Signage | Positive sentiment – stable business expectations

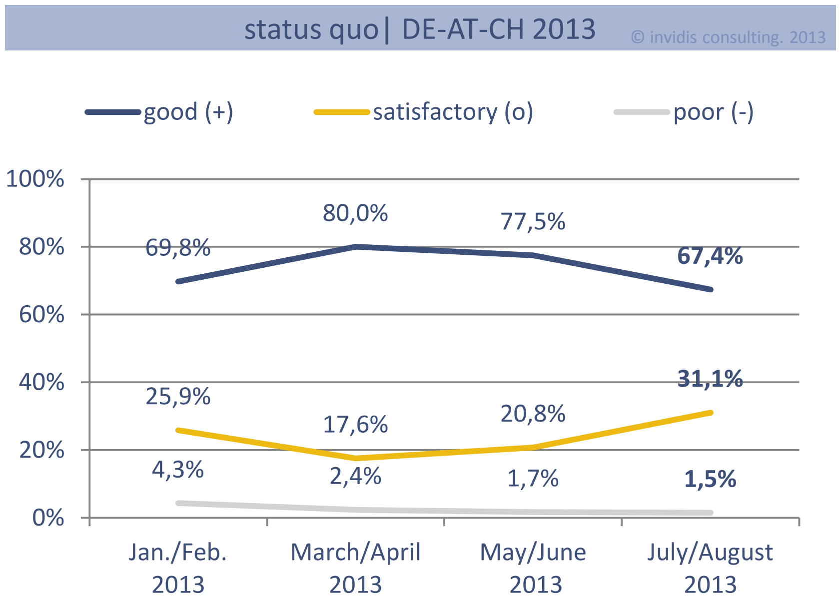


Fig. 2: DBCI July/August 2013 „business situation", n=135

"How do you rate the current business situation for your products / services in the field of Digital Signage?"

- The business sentiment in the Digital Signage industry in Germany, Austria and Switzerland remains on a stable high since the beginning of 2013
- Currently 67% of all polled companies rate their business situation for their products and services as „good"

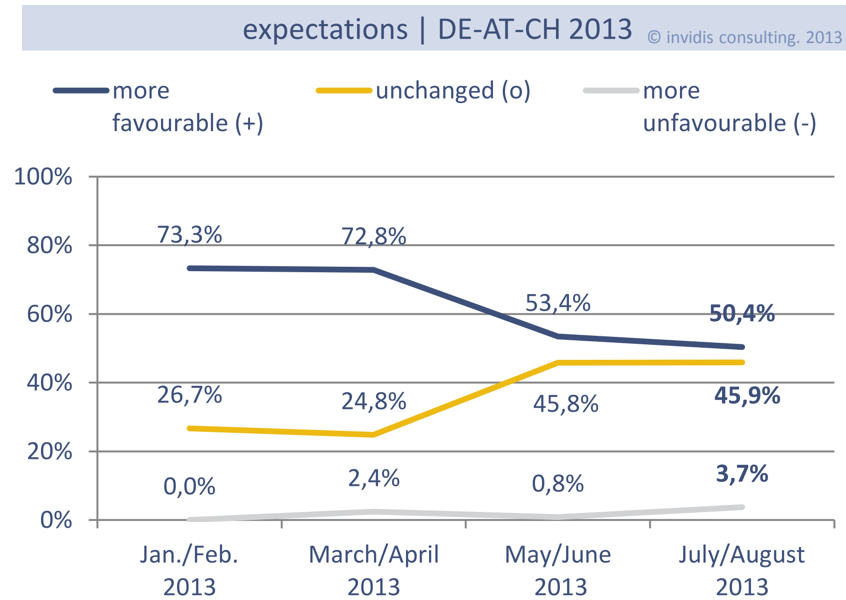


Fig. 3: DBCI July/August 2013 „business expectations", n=135

"What are your expectations for the next six months?"

- The business expectations for the next six months are continuously positive
- 50% of all polled companies are convinced that the good business situation will improve even further and grow "more favorable" within the second half of 2013

DBCI July/August 2013

COUNTRIES

Countries | Business situation and expectations DE-AT-CH

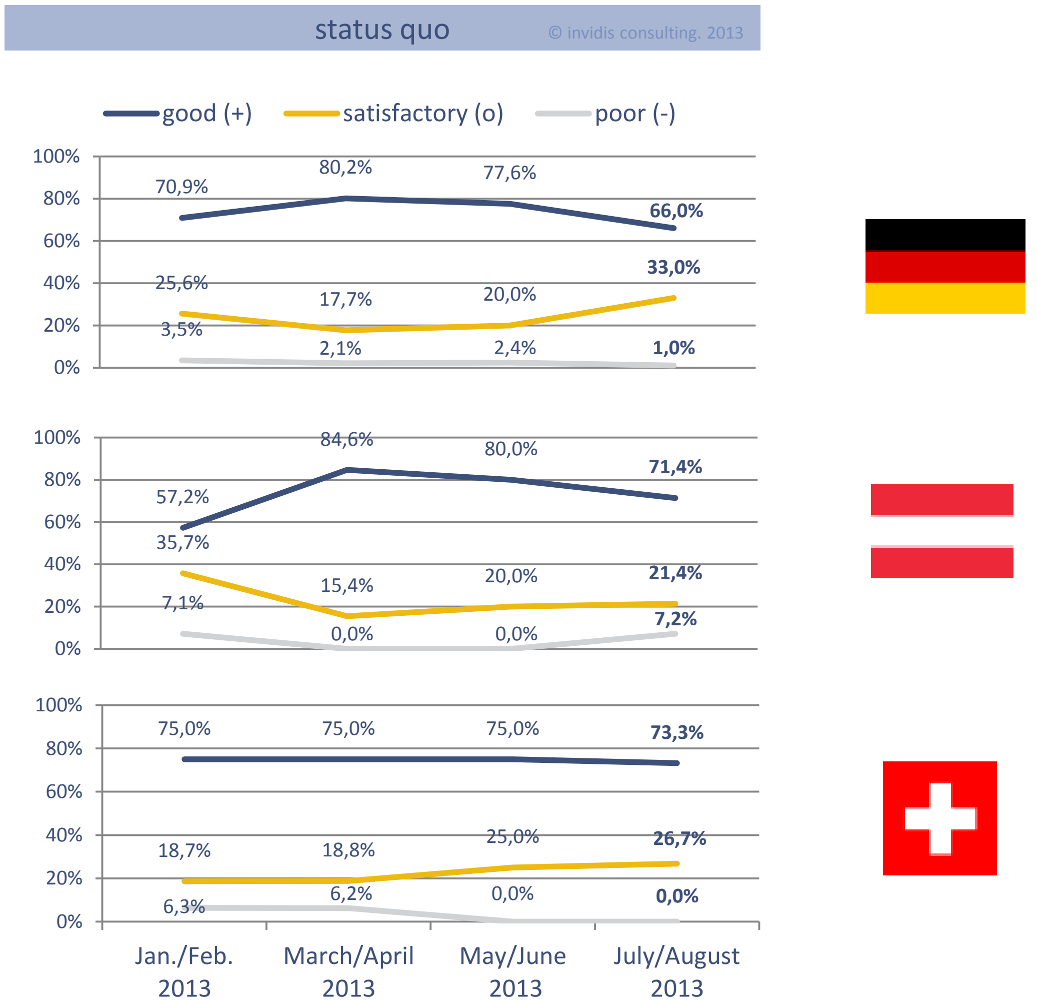


Fig. 4: DBCI July/August 2013 „business situation“, n=105/15/15

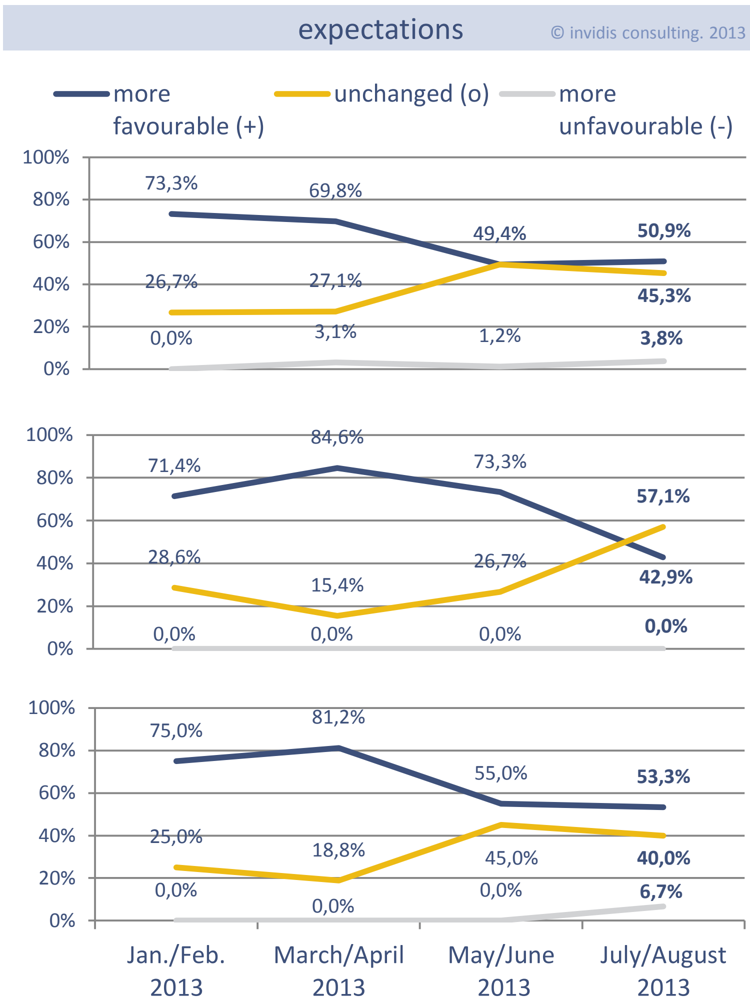


Fig. 5: DBCI July/August 2013 „business expectations“, n=105/15/15

DBCI July/August 2013

SEGMENTS

Software | Successful summer for software vendors

Market Analysis:

- The business sentiment among the software vendors is very positive. 92% of all polled companies rate their current business situation as „good"
- Accordingly the business expectations for the next six months have been increasing strongly since the last poll in May, reaching 23% growth
- The rating of the business situation by software vendors shows a chronological correlation to integrators and display producers. This clearly shows how important it is for software vendors to involve themselves early and more actively in the tender process for Digital Signage projects

status quo| answers „good (+)"

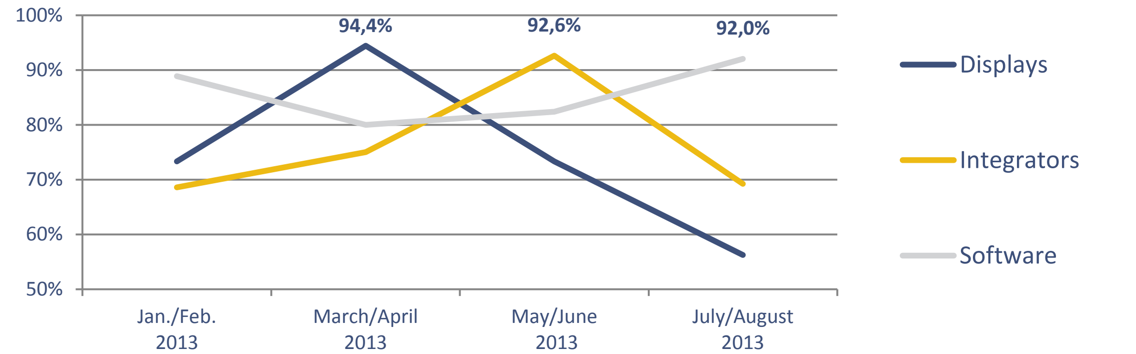


Fig. 6: DBCI July/August 2013 "business situation", n=16/26/15

expectations | Software

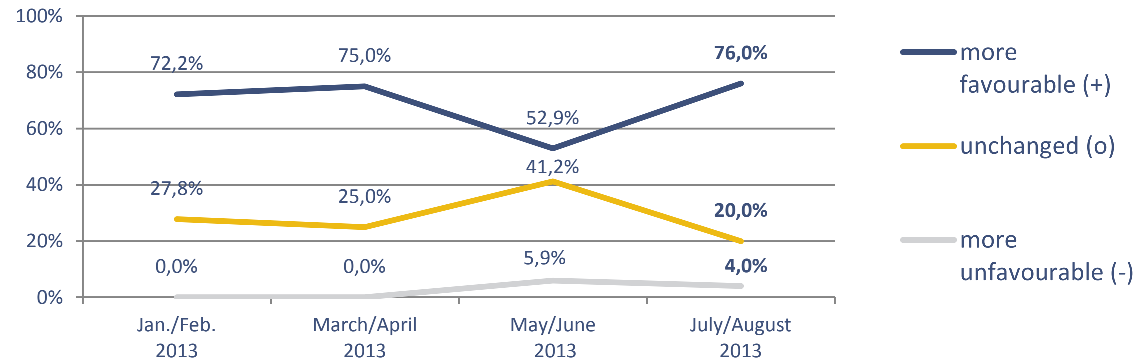


Fig. 7: DBCI July/August 2013 "business expectations", n=15

DooH | Throughout the summer the business sentiment remains stable

Market Analysis:

- The business situation in the DooH segment remains stable. 61% of all polled companies have answered with „good"
- Accordingly the expectations for the next six months changed only marginally since the last poll in May
- The yearly summer slump on the advertising market has no grave effect for the sentiment in the DooH segment
- The Out-of-Home advertising industry registered a good first half-year term 2013. The total gross revenues stand at 691 Mio. EUR which is a growth of 10,5% as revenues were 66 Mio. Euro lower over the same period in the previous year. The dynamic is notably driven by very good DooH sales since the beginning of 2013 (source: Nielsen)

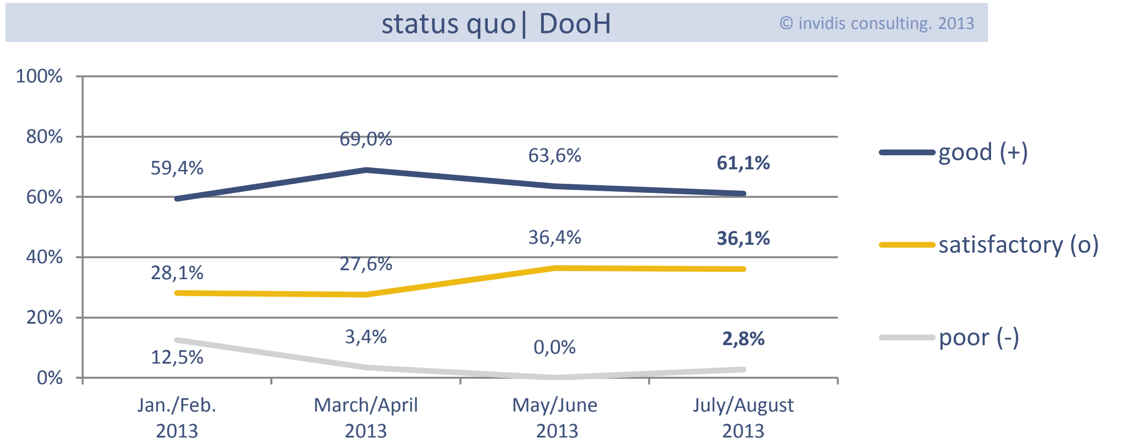


Fig. 8: DBCI July/August 2013 "status quo", n=36

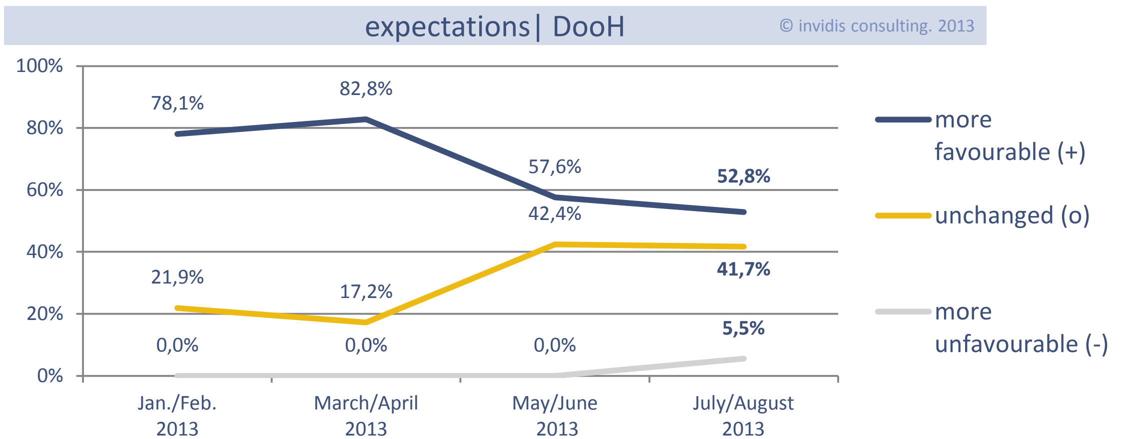


Fig. 9: DBCI July/August 2013 "expectations", n=36

DBCI July/August 2013

ADDITIONAL QUESTIONS

Network Management | Configuration of the user interface drives efficiency

Requirements and features for network asset management

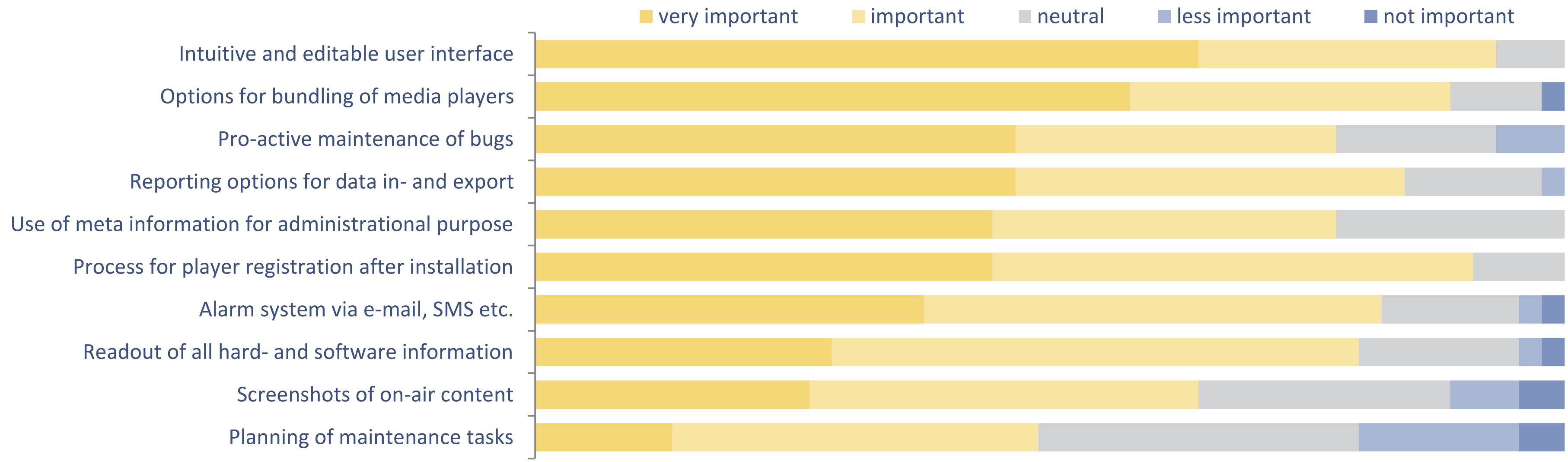


Fig. 10: DBCI July/August 2013 "network management", n=45

- Administrators request the user interface to be configured individually according to their specific requirements. Particularly to organize the bundling of media players in functional groups
- Not yet in the focal point is the implementation of meta information for players to enable dynamic bundling and group selection. The current possibilities of bundling (e.g. in locations) seems to be sufficient for most network structures today
- The planning of maintenance tasks has been valuated as the least important feature. Administrators already successfully use existing tools and planning software

Network Monitoring | Access on all areas desired

Requirements and features for network administration and remote management

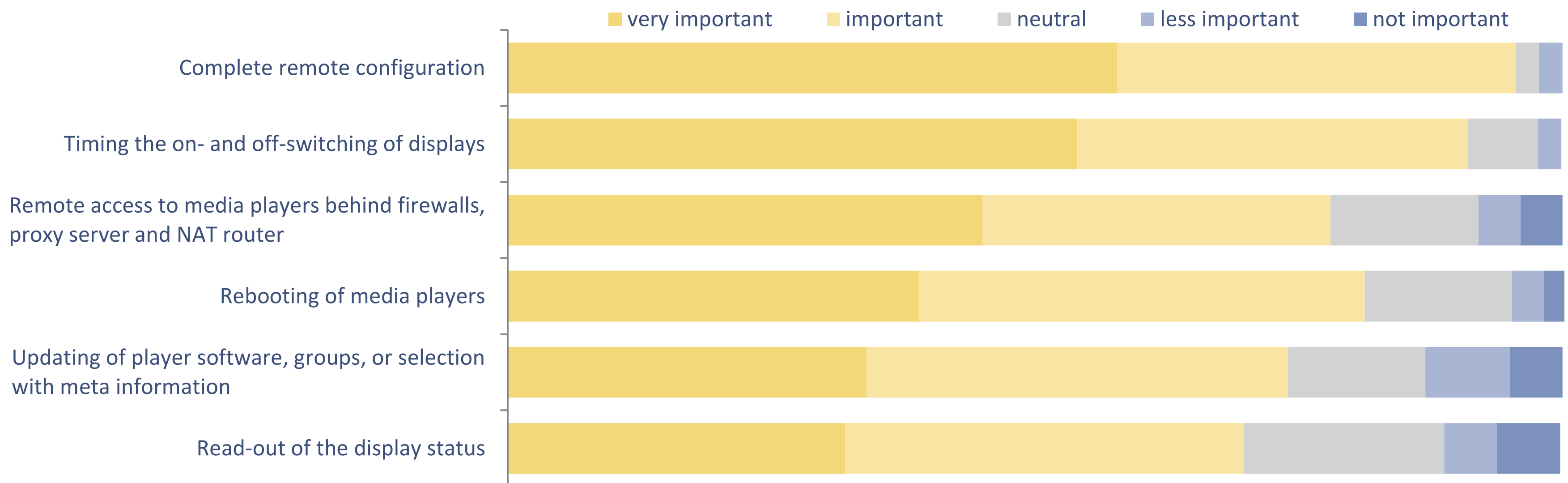


Fig. 11: DBCI July/August 2013 "network monitoring", n=45

- A complete remote configuration is on top of the administrators wish-list. Also important is the access to players located behind firewalls and proxy servers which currently is still not manageable without further effort
- The management of displays is important from an economical perspective to extend the life expectancy and to reduce the energy costs at the point of view
- The read –out of the display status was rated the least important. This shows how low the focus is set on display monitoring and how much the responsibility for this task is delegated to the on-site staff

Content | A host of creative players stimulate the market

Who is producing Digital Signage Content? The most important categories with examples

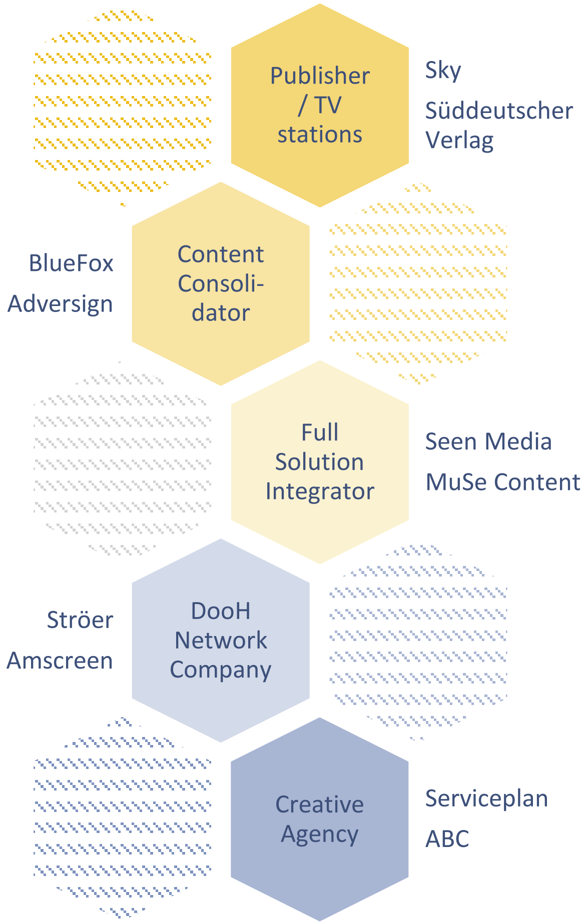


Fig. 12: DBCI July/August 2013 "content producers"

Percent of content from own production by DooH companies compared with foreign content

37% of all polled companies produce more than half of their content by themselves

80% of all DooH companies broadcast content partly produced in-house

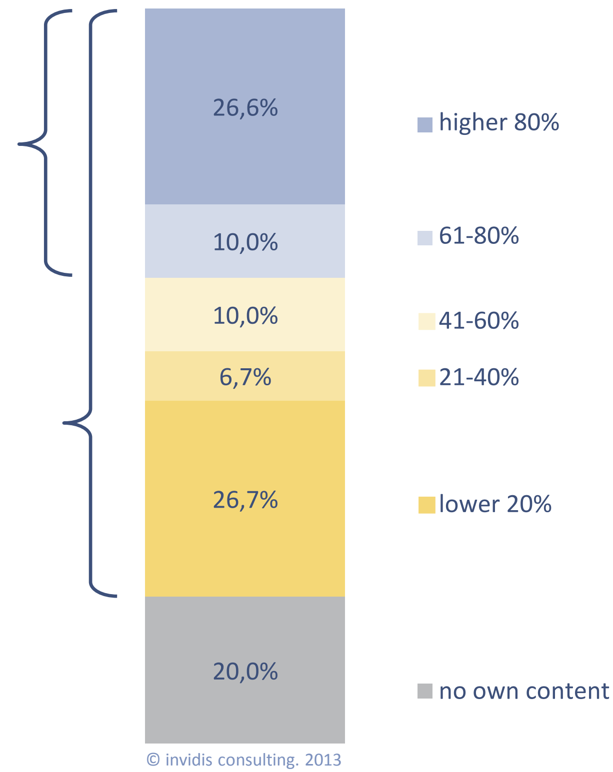
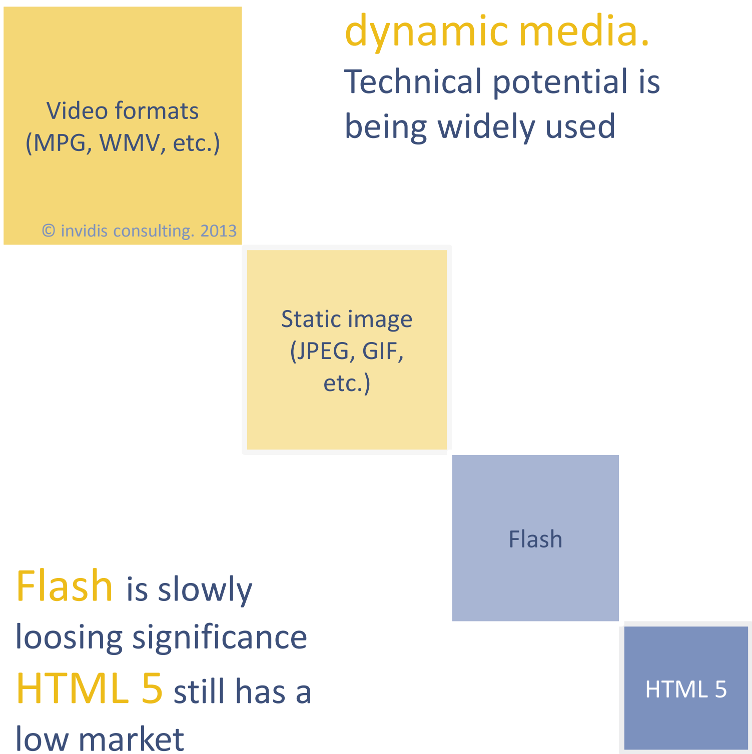


Fig. 13: DBCI July/August 2013 "DooH content", n=30

Content | Video-formats and weather are high demanded

Demand for formats and technologies in 2012

Digital Signage is a dynamic media. Technical potential is being widely used



Flash is slowly loosing significance
HTML 5 still has a low market penetration

Fig. 14: DBCI July/August 2013 "formats and technologies", n=45

Demand for infotainment formats in 2012

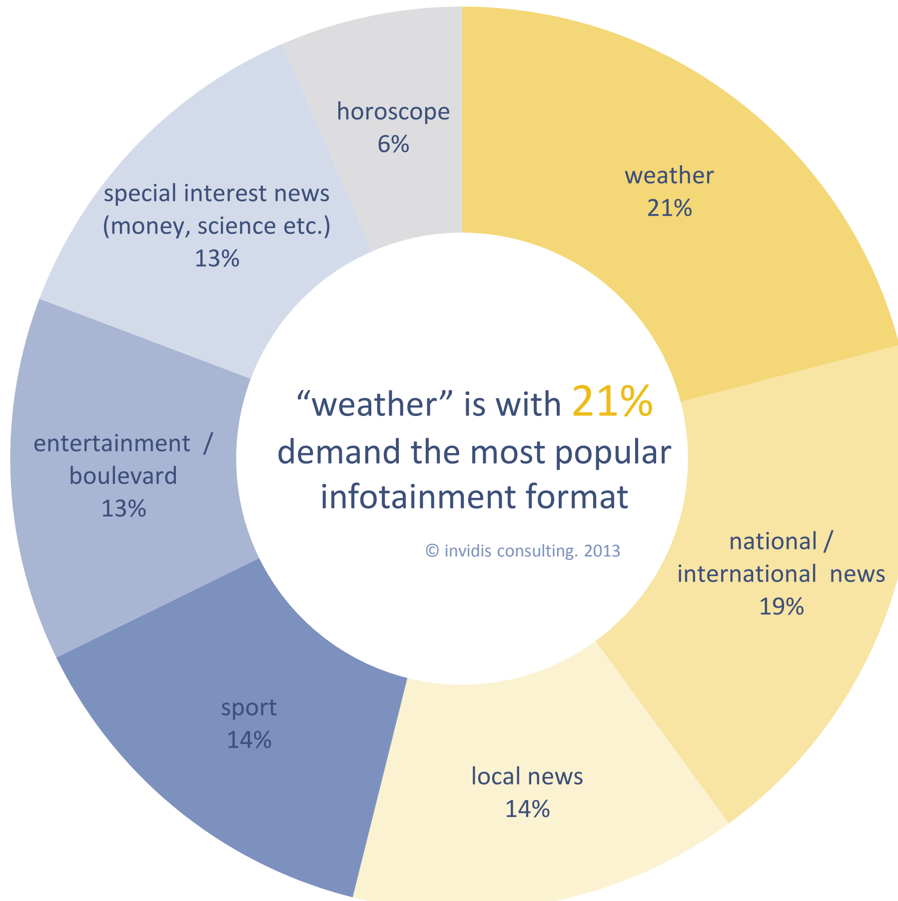
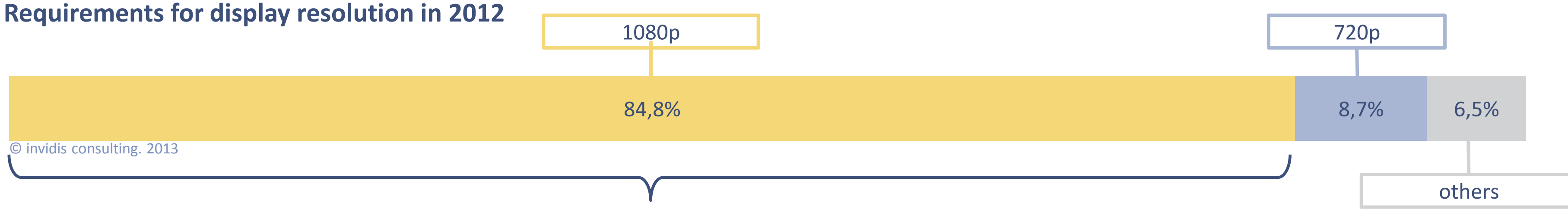


Fig. 15: DBCI July/August 2013 "infotainment formats", n=40

Content | Strong demand for 1080p and individual templates

Requirements for display resolution in 2012

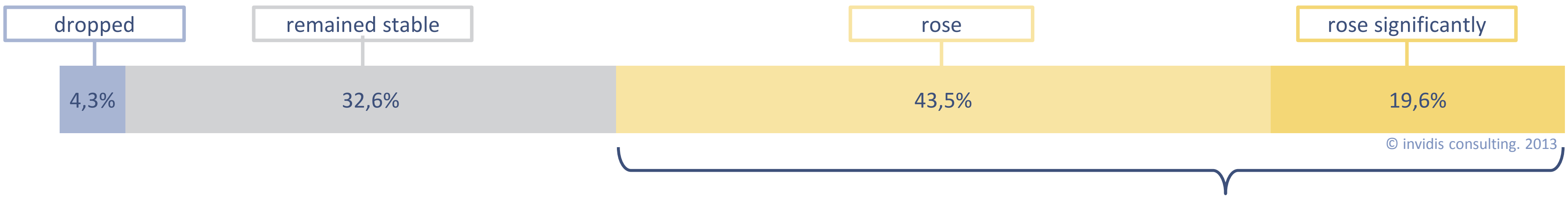


Full-HD is de facto standard

85% of the demand concentrates on 1080p

Fig. 16: DBCI July/August 2013 "display resolution"; n=46

Demand for individually designed templates in 2012



The customer expects CI-conformity from the Digital Signage media channel

64% of all polled content providers have registered a high demand for individual templates

Fig. 17: DBCI July/August 2013 "individual templates"; n=46

Content | Sales campaigns specifically book Digital-out-of-Home

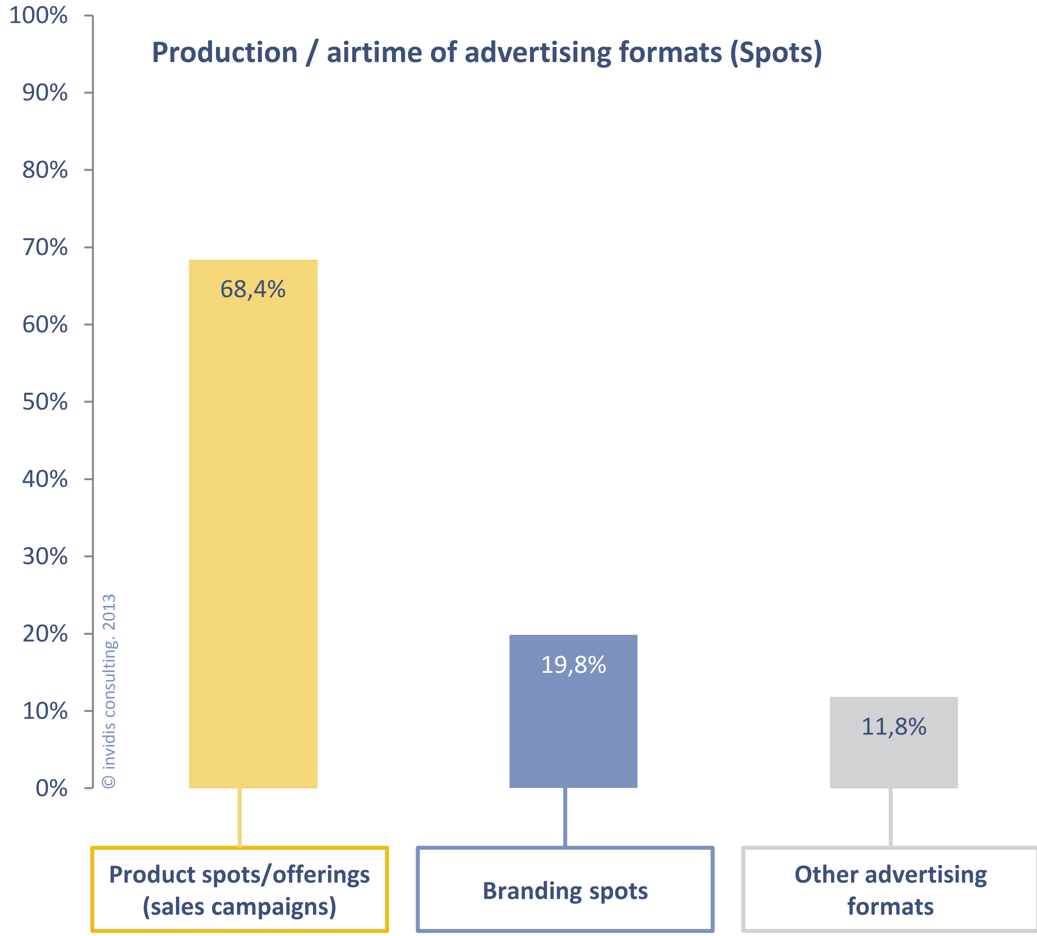


Abb. 18: DBCI July/August 2013 "advertising spots", n=76

Digital-out-of-Home is an important media for sales campaigns

Current campaigns and offers can be updated daily

68% of all advertising formats produced and aired for Digital-out-of-Home networks are product spots and offerings

Content | High demand for landscape formats and dynamic content

Demand for display formats 2012

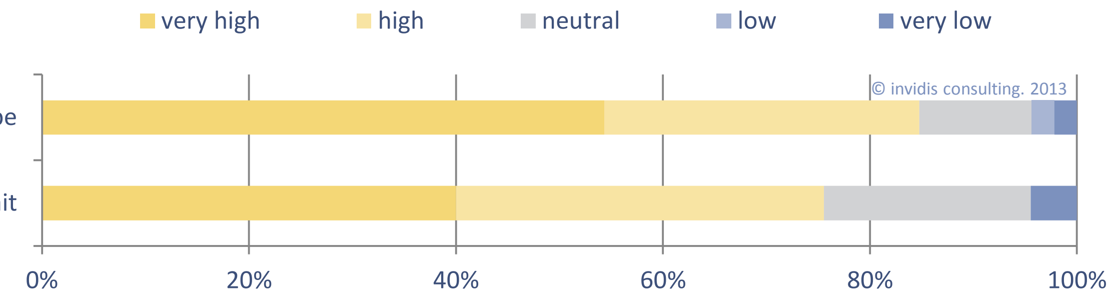


Fig. 19:DBCI July/August 2013 "display forma" n=46

The main share of all Digital Signage installations is orientated in the landscape format

Demand for content formats 2012

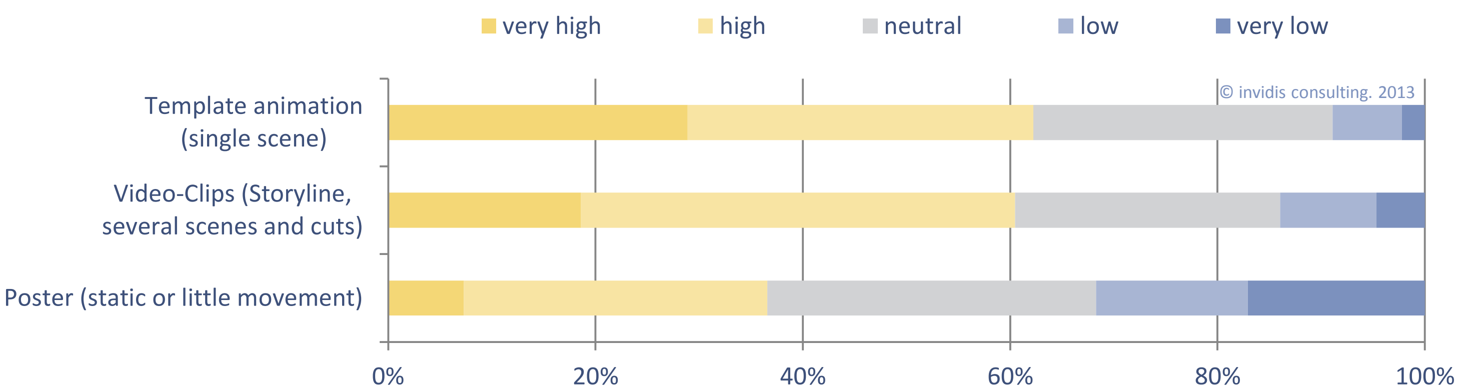


Fig. 20: DBCI July/August 2013 "dynamic content", n=46

Movement generates attention

The demand for dynamic content is considerably higher than for static content.

Switzerland | Few DooH bookings carried out by media agencies

Up to now bookings of Digital-out-of-Home networks are only rarely carried out by media agencies. The polled companies have registered that only 20%-30% of the total amount of bookings were operated by media agencies

The gap between gross and net revenues remains wide open in the DooH segment – high discounts are on a daily agenda. Nevertheless the media is still underrepresented in the perception of agencies and clients

Concerning the providers and the technical specifications the market is still highly fragmented. A central bundling of networks remains wanting

Percentage of DooH bookings carried out by media agencies

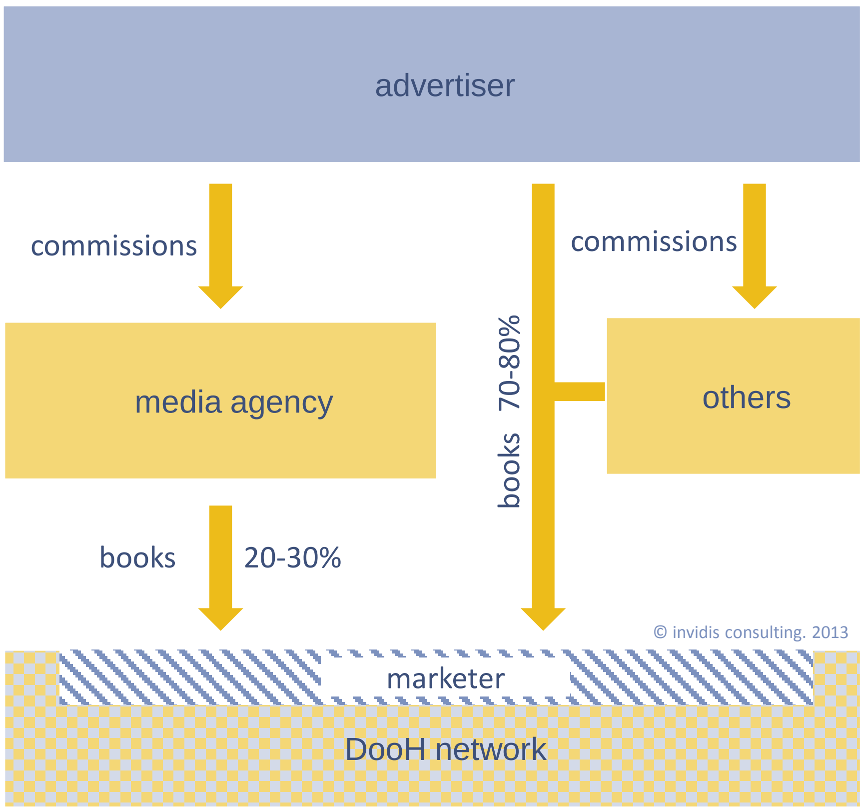


Fig. 21: DBCI July/August 2013 for Swiss DooH companies in cooperation with IG adscreen n=6:

DBCI | Roadmap 2013 & Contact

2013	
January	
February	
March	
April	
Mai	
Jun	
July	
August	
September	**Sept./Oct. 2013 | 19.09.**
Oktober	
November	**Nov./Dec. 2013 | 18.11.**
December	

- The next survey will take place in calendar week 35 to 37 of 2013
- The next planned publication date will be the 19th of September 2013
- The DBCI is polled by invidis consulting and published in cooperation with OVAB Europe
- If you are not yet part of the DBCI survey please contact us for further information
- The DBCI will be extended to other markets in 2013. For further information please contact Daniel Russell

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