OVAB | Out-of-home Video Advertising Bureau Europe

OVAB cooperation partner

Switzerland: IG adscreen

Poland: Polish Digital Signage Association

Italy: AssoDS Associazione operatori Digital Signage

invidis CONSULTING

invidis | OVAB Europe
Digital Signage Business Climate Index January/February 2014
Germany | Austria | Switzerland | Italy | Poland

3. February 2014

Note | Firefox PDF-Viewer

When using the Firefox PDF-Viewer pdf.js it is possible that graphics and pictures will be shown incorrectly.

Therefore we recommend to use Adobe Acrobat Reader.

Contents

DBCI January/February 2014

INDEX GERMANY, AUSTRIA AND SWITZERLAND

Index | Strong start in 2014 – Digital Signage industry in upswing

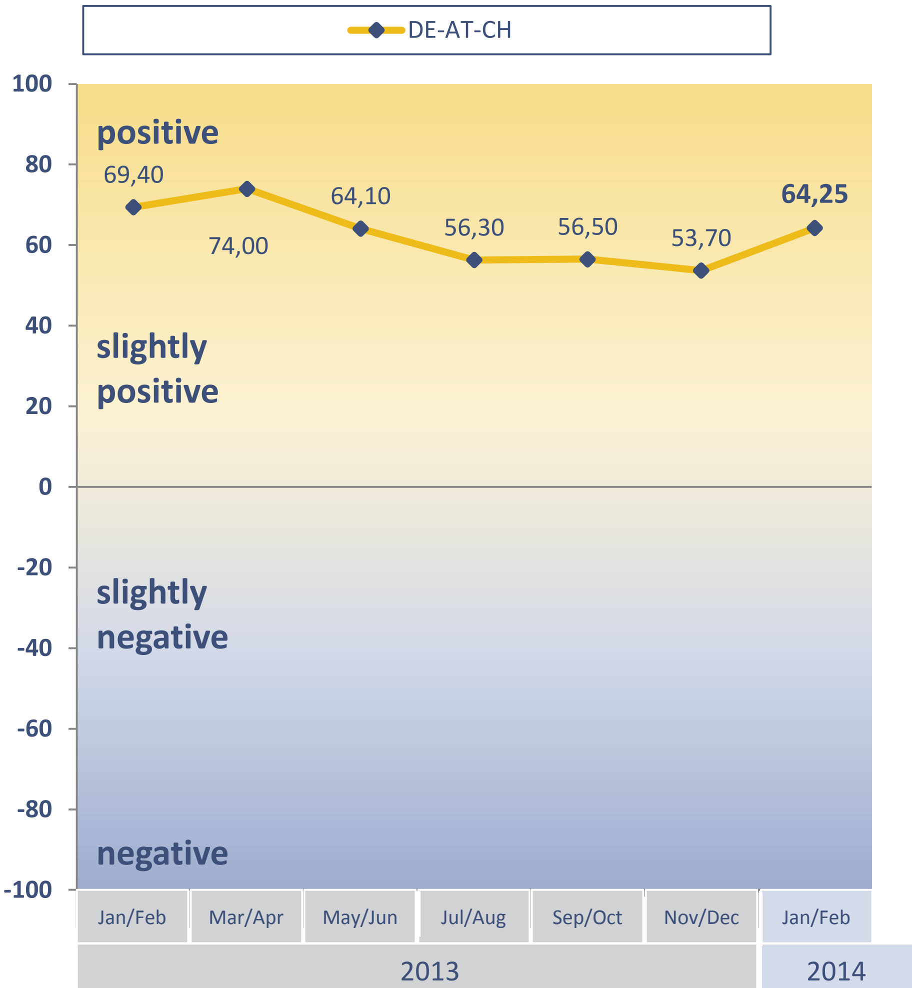


Fig. 1: DBCI January/February 2014 „Index DE-AT-CH“, n=168

- In comparison to the periode November/December the business sentiment has clearly increased in January/February
- The OVAB Digital Signage Business Climate Index – DBCI – has increased from 53,70 base points to 64,25 bp since the last poll in November 2013
- Large pending tenders from the second half year 2013 have a positive knock-on effect
- In general a robust demand for Digital Signage solutions is registered through all segments from enterprise to SMB

Additional Question

- The Digital Signage industry in Germany, Austria, Switzerland, Poland and Italy has created 500-650 new jobs in 2013

- Participants: n=205
- Region: DE/AT/CH + PL/IT
- Time frame: 2014 calendar weeks 2-3
- Since September resp. November 2013 the BDCI also covers the important markets Poland and Italy
- Starting with 01.01.2014 the index values will be referentially calculated and normalised according to the base year 2013 (i.e. the values will vary absolutely but the relative index will remain stable)

DE-AT-CH | Improved business situation– high expectations

Business Situation | DE-AT-CH | Jan/Feb 2014

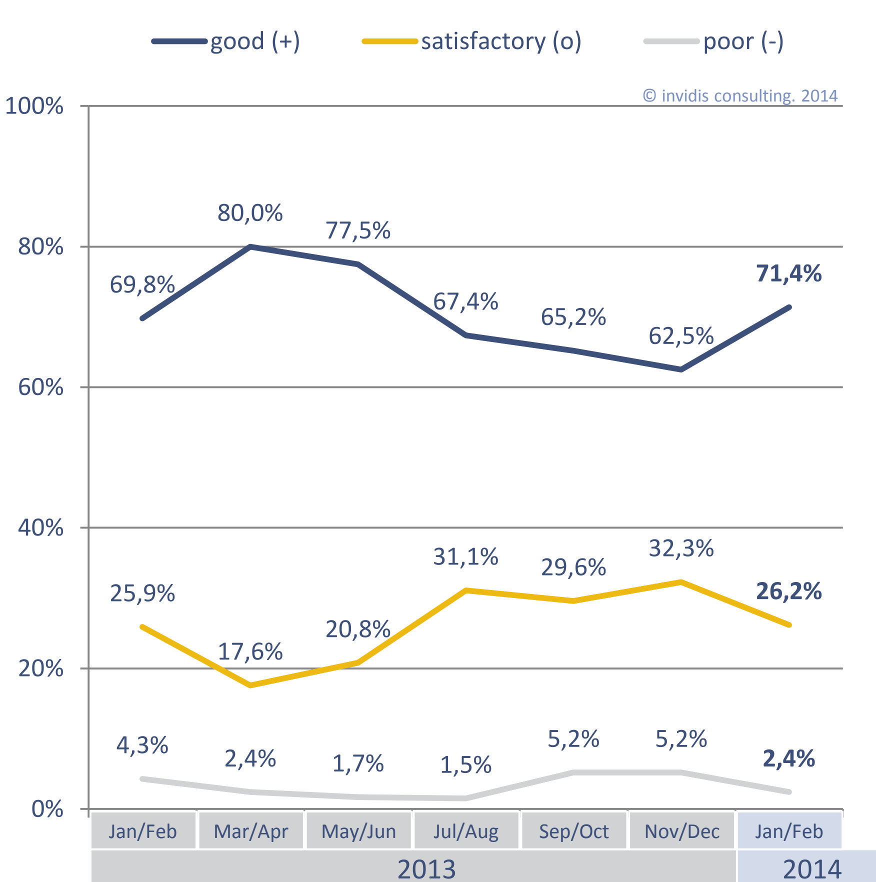


Fig. 2: DBCI January/February 2014 „Business Situation DE-AT-CH“, n=168

Expectations | DE-AT-CH | Jan/Feb 2014

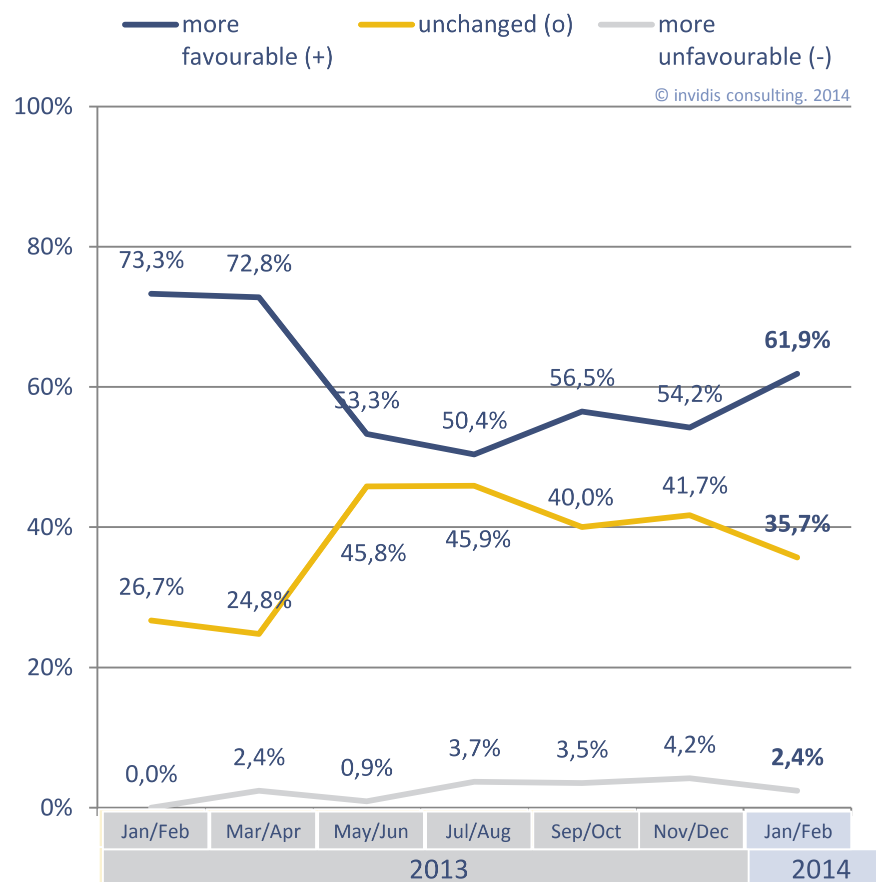


Fig. 3: DBCI January/February 2014 „Expectations DE-AT-CH“, n=168

DE-AT-CH | Clear boost in positive answers

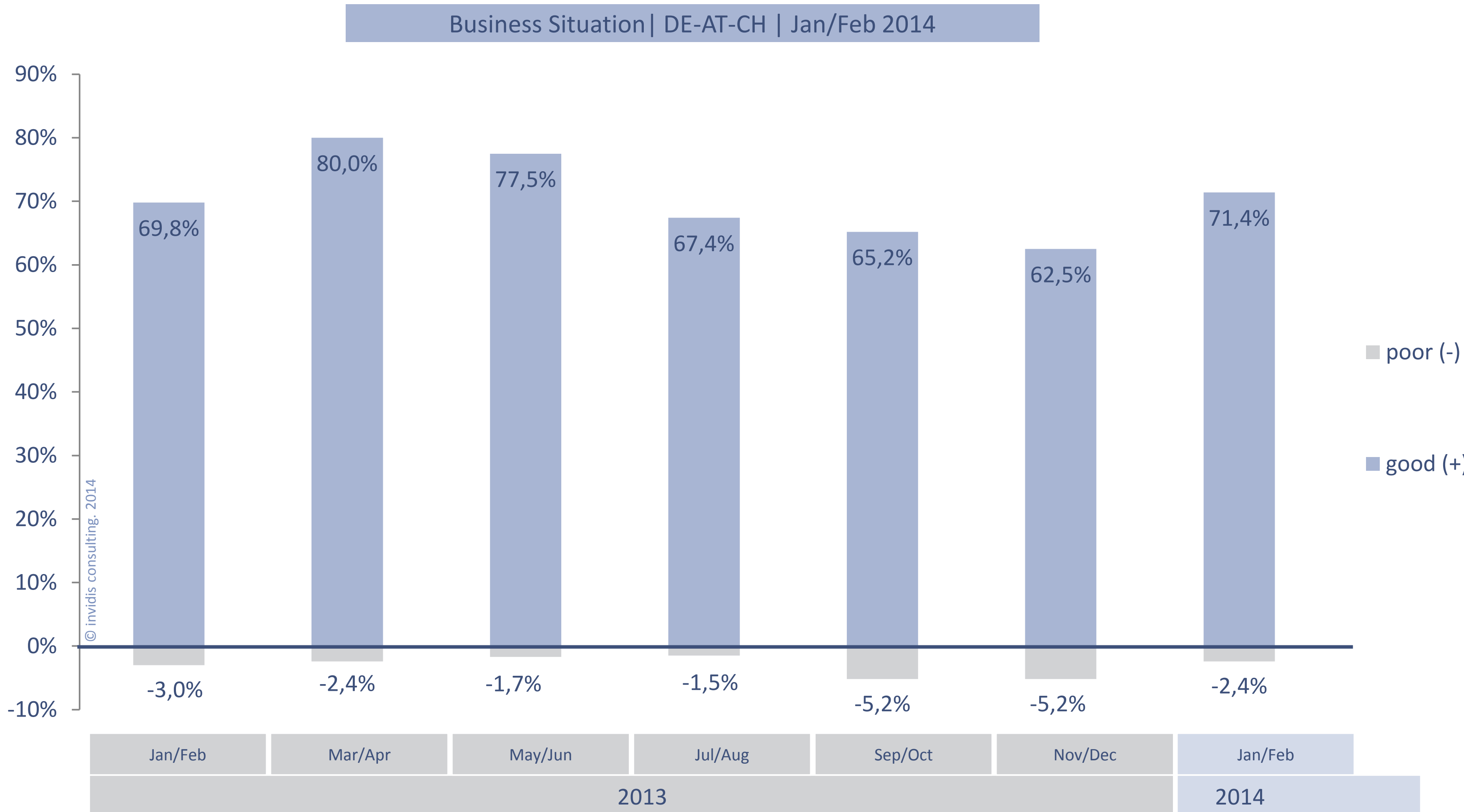


Fig. 4: DBCI January/February 2014 „Business Situation DE-AT-CH", n=168

DE-AT-CH | High expectations for the first half year 2014

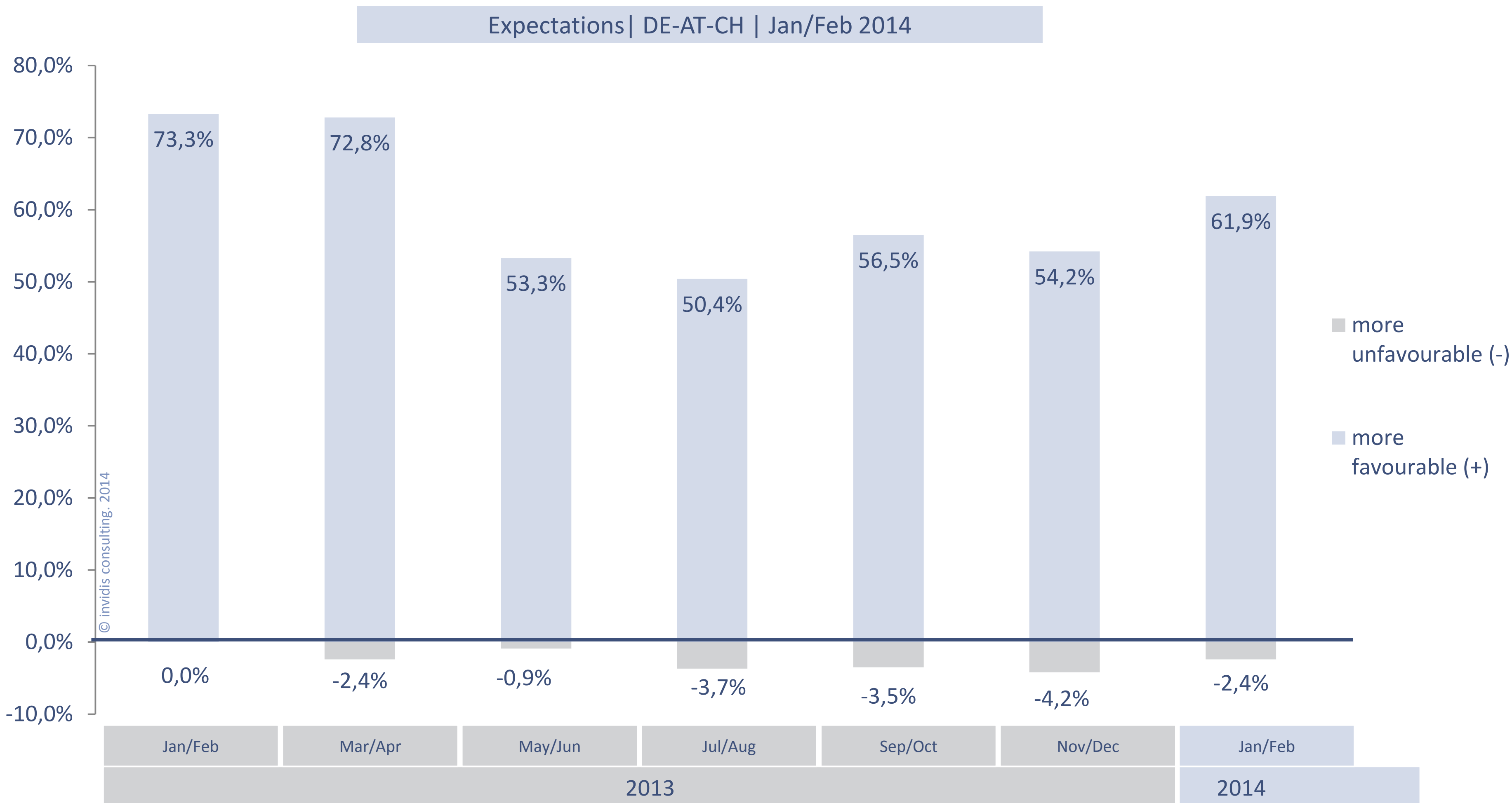


Fig. 5: DBCI January/February 2014 „Expectations DE-AT-CH", n=168

DBCI January/February 2014

COUNTRIES

DE-AT-CH and Poland in upswing – Italy cautious

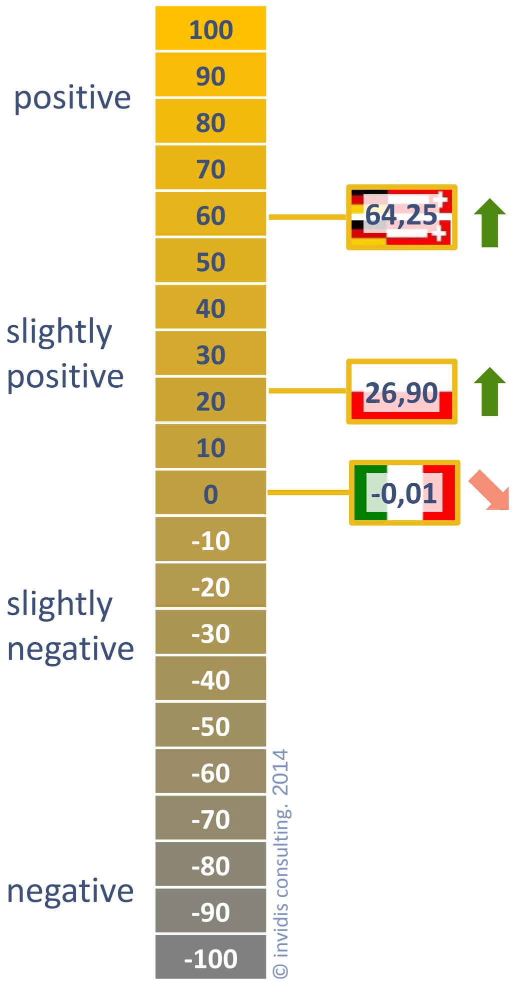


Fig. 6: DBCI January/February 2014 „Index", n=168/13/24

- After a rather quiet fourth quarter and a surprisingly low market growth of the general economy of only 0,5% (DE), the Digital Signage industry in DE-AT-CH is back on track with a positive momentum. The DBCI increased considerably to 64,25 base points. The index therefore clearly mirrors the good growth forecasts for 2014. Likewise approximately 75% of all CIO's expect growing or stable IT budgets for this year (Capgemini)
- In cooperation with the Polish industry association PDSA the DBCI was polled in Poland for the second time. The index increased by almost 16 base points to 26,90 base points and clearly reflects the good expectations the market players have for the first half year 2014.
- Continuity and stabilization of the investments in the DS market in Poland have nurtured the confidence in this media. Since the beginning of 2013 more and more market entries of IT integrators were registered and in the first quarter of 2014 new pilot installations are on the agenda. Moreover some large roll outs esp. in the QSR segment are scheduled for roll-out
- In spite of a slight decline of the DBCI in Italy to -0,01 base points the confidence of the Digital Signage industry in the market continually increased since the third quarter of 2013. Only 37,5% of all polled companies rate their business situation as „poor (-)". Nevertheless the expectations for a further market growth have declined slightly
- The Italian Digital Signage market is primarily held up by the restrictive customer investments in the media. In addition a high pricing pressure and bureaucratic hindering's is choking the economy

Germany | Clearly improved business situation and expectations

Business Situation | Germany | Jan/Feb 2014

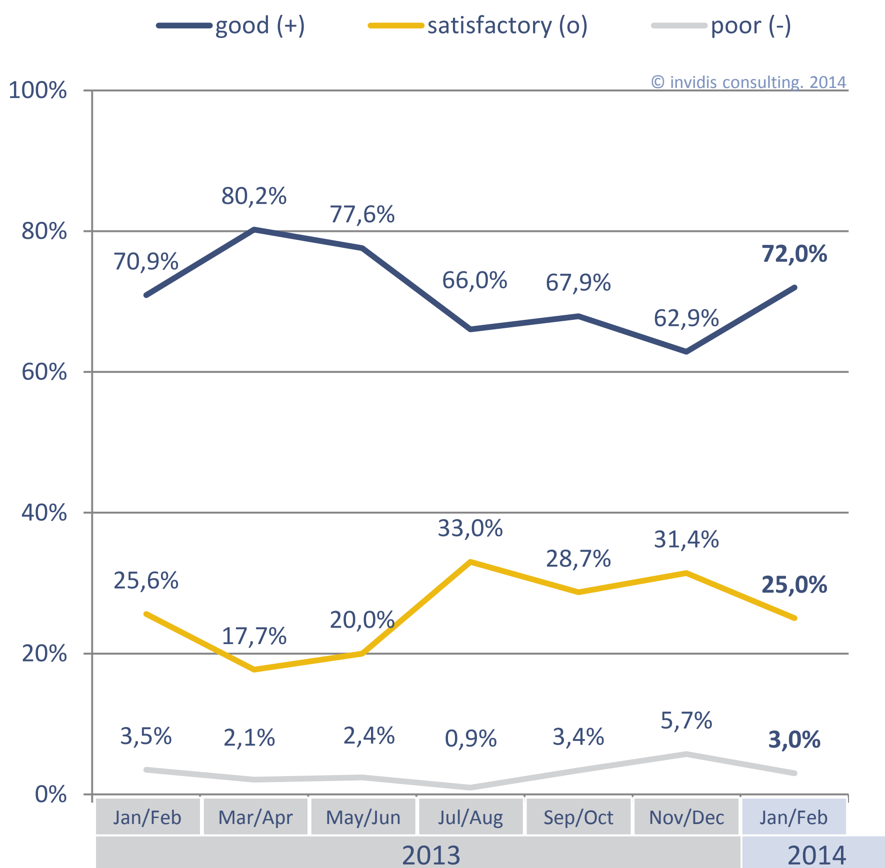


Fig. 7: DBCI January/February 2014 „Business Situation Germany“, n=132

Expectations | Germany | Jan/Feb 2014

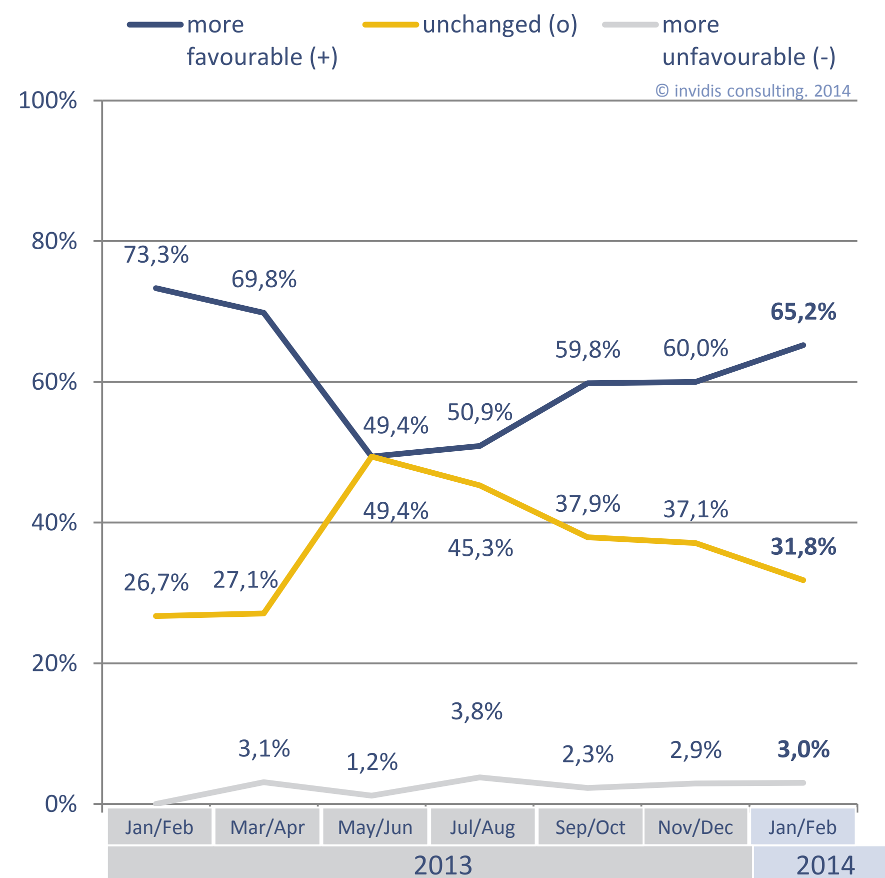


Fig. 8: DBCI January/February 2014 „Expectations Germany“, n=132

Austria | Balanced business situation – growing expectations

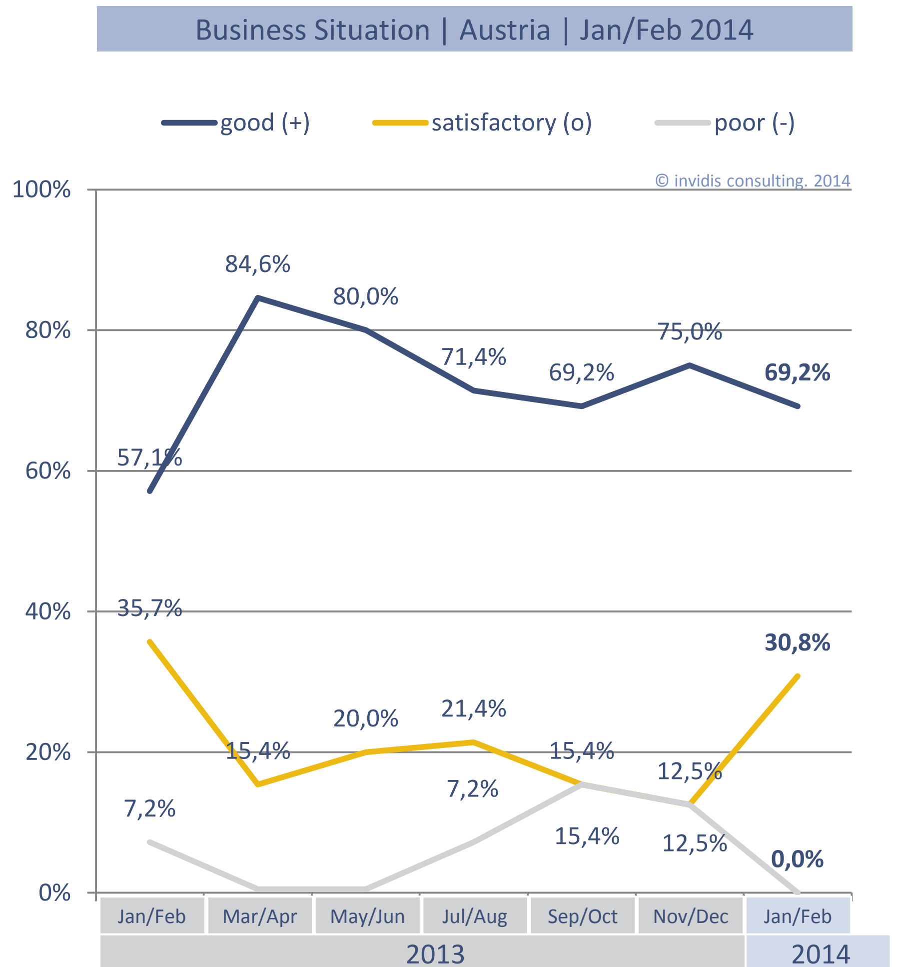


Fig. 9: DBCI January/February 2014 „Business Situation Austria“, n=13

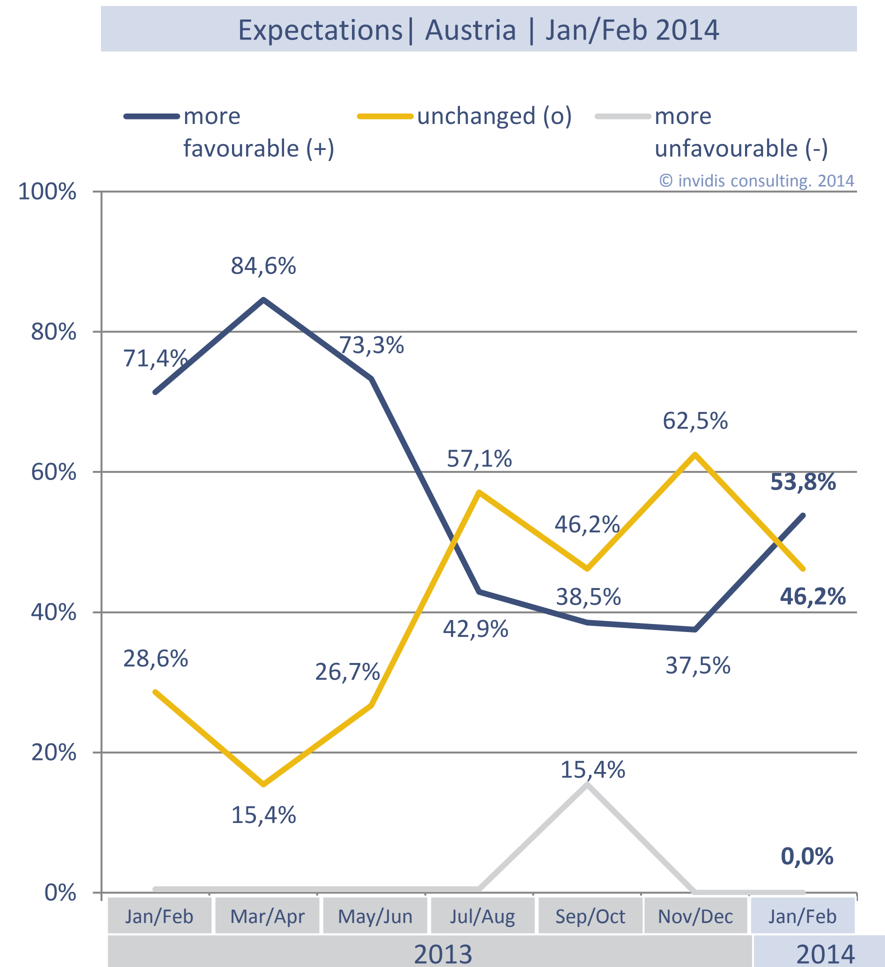


Fig. 10: DBCI January/February 2014 „Expectations Austria“, n=13

Switzerland | Business situation in upswing – good expectations

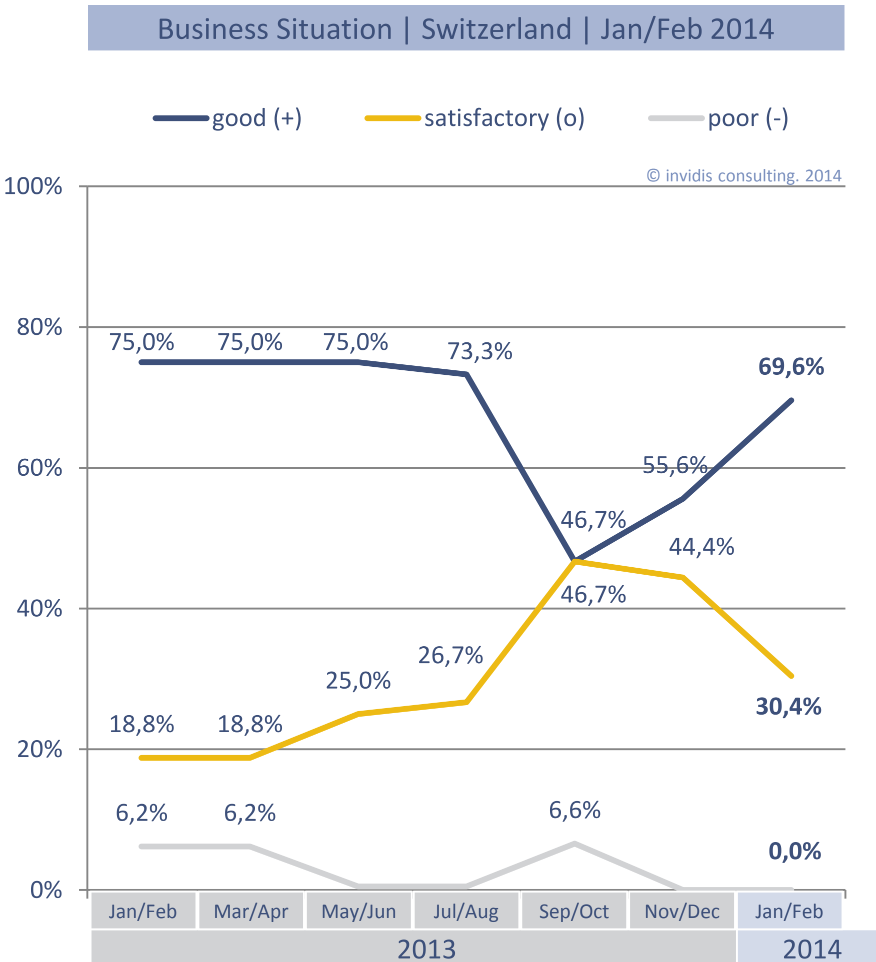


Fig. 11: DBCI January/February 2014 „Business Situation Switzerland“, n=23

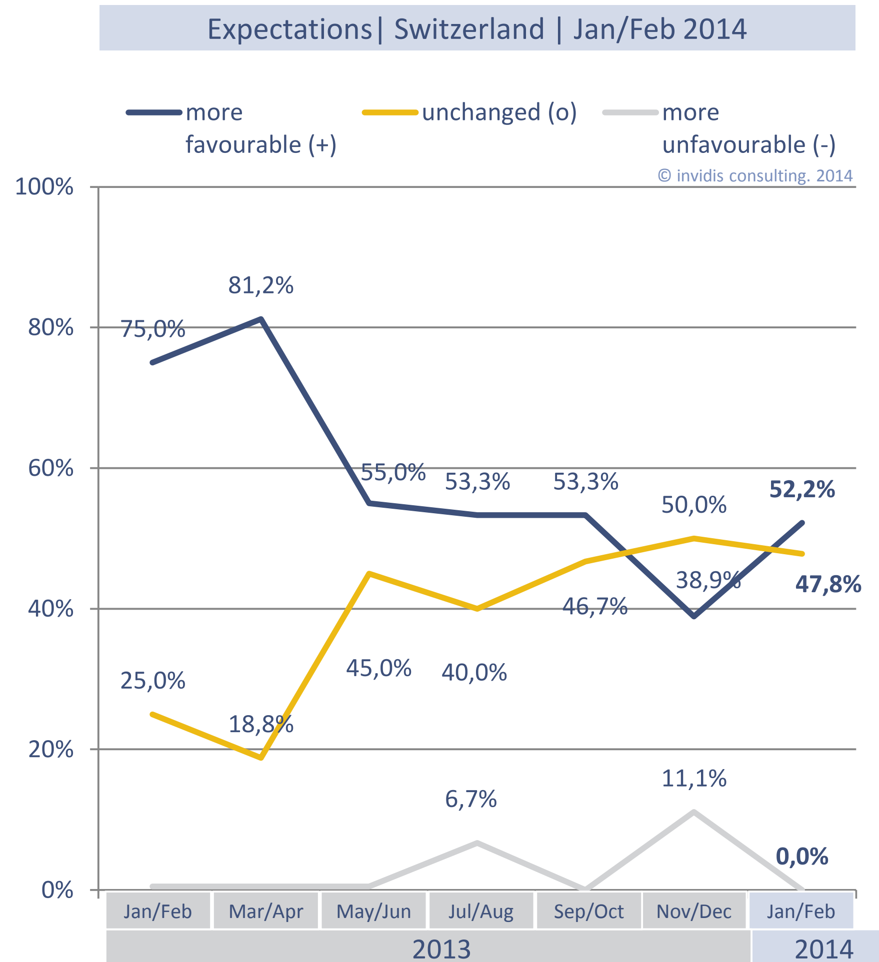


Fig. 12: DBCI January/February 2014 „Expectations Switzerland“, n=23

Poland | High satisfaction and bright prospects for 2014

Business Situation | Poland | Jan/Feb 2014

Fig. 13: DBCI January/February 2014 „Business Situation Poland“, n=13

Expectations| Poland | Jan/Feb 2014

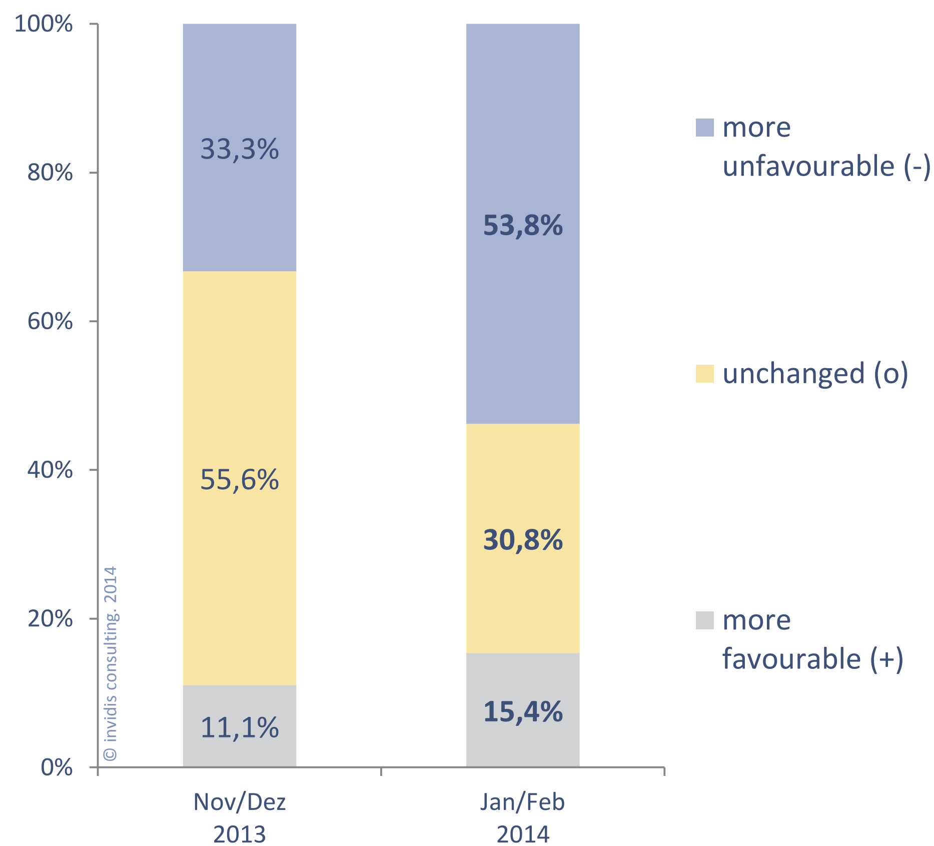


Fig. 14: DBCI January/February 2014 „Expectations Poland“, n=13

Italy | Further improved business situation– cautious expectations

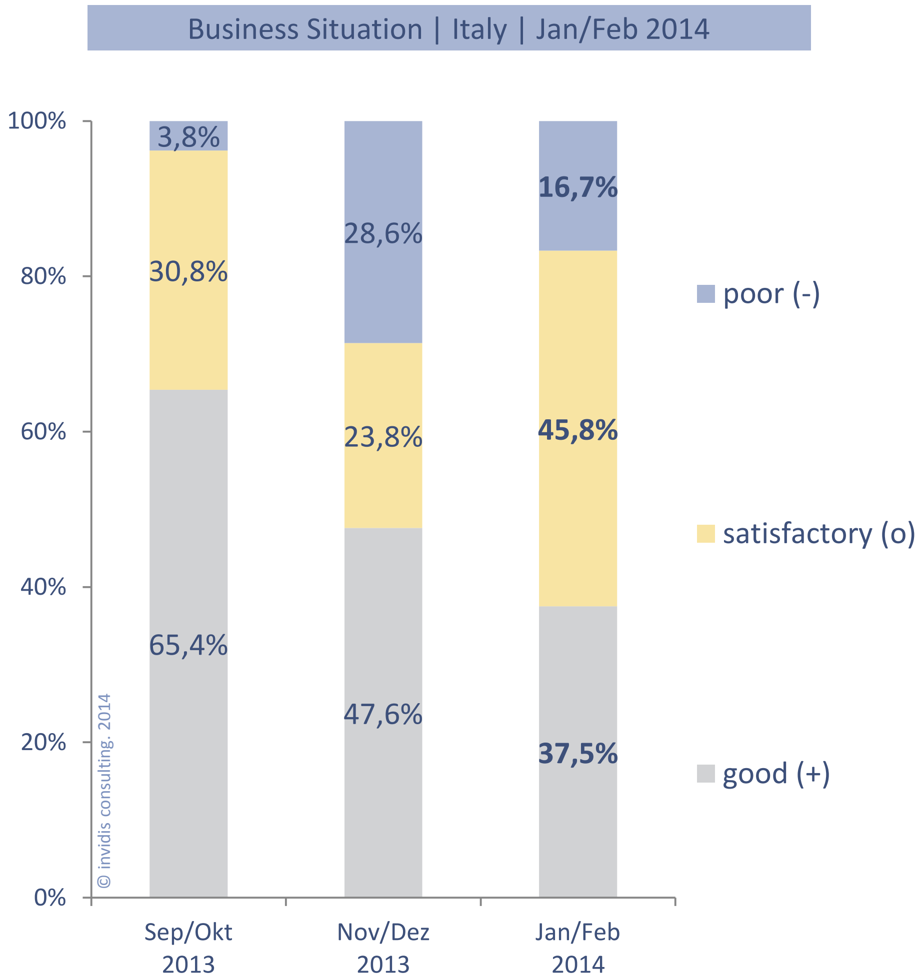


Fig. 15: DBCI January/February 2014 „Business Situation Italy“, n=24

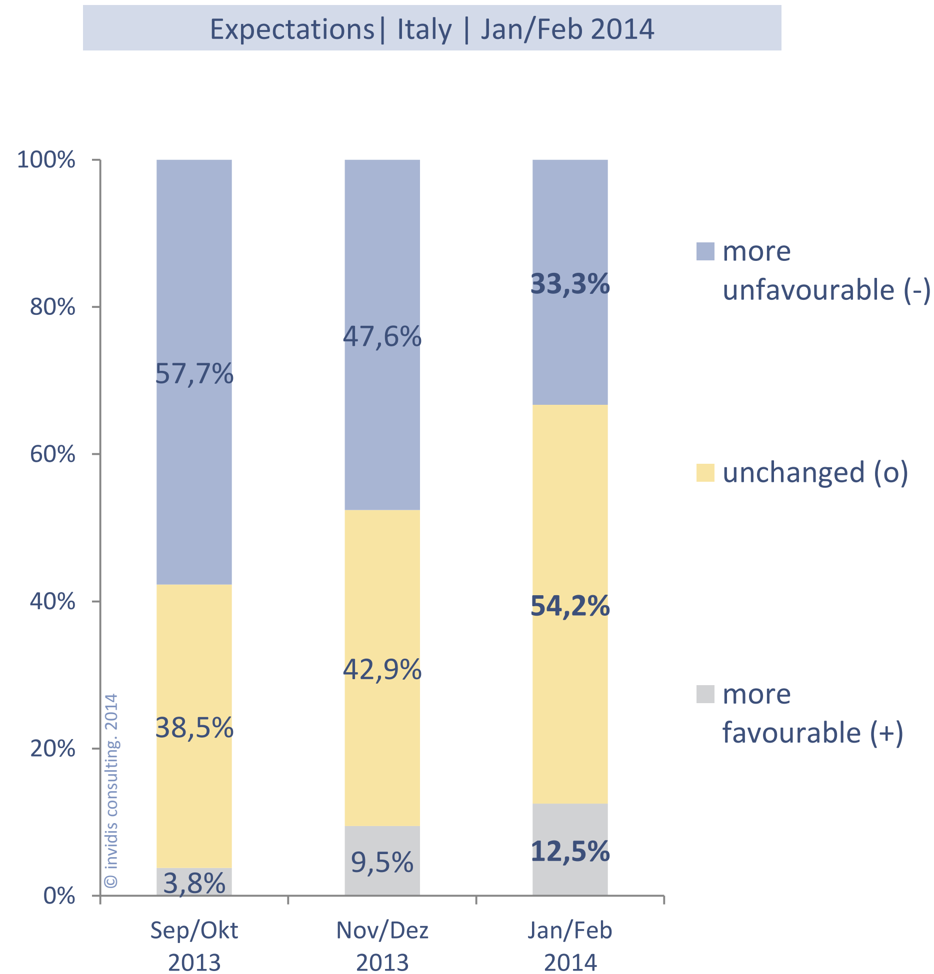


Fig. 16: DBCI January/February 2014 „Expectations Italy“, n=24

DBCI January/February 2014

SEGMENTS

Segments | good business situation and an optimistic start in 2014

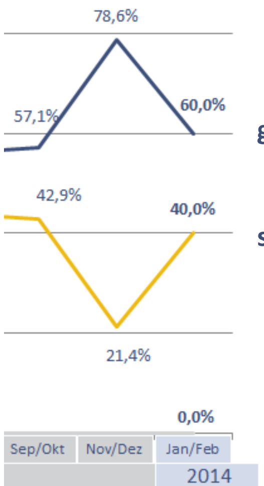


Fig. 17: DBCI January/February 2014 „Business Situation Displays“, n=15

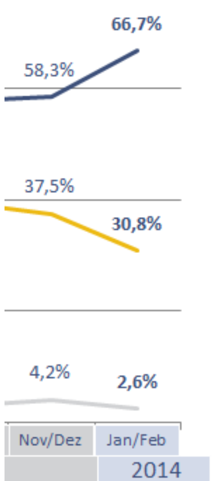


Fig. 18: DBCI January/February 2014 „Expectations DooH“, n=39

- The display producers start the year with a conservative outlook of the business situation and slightly dampened expectations. 40% of the polled companies assess the current business situation and the growth potential for 2014 as neutral. In particular smaller companies and vendors of specialized solutions are more exposed to the high pricing pressure. Moreover they are more susceptible to short term volatility due to a heavily project-based business
- After a quiet end-of-year business the integrators begin the year with clearly dynamic momentum. Almost 67% of the polled companies rate their business situation as good, 60% expect an even more positive outlook for the next six months.
- Similarly the software-segment starts the year 2014 with a very positive business sentiment. It is expected to see increasing operations and revenues flows in new areas of business like the OEM segment
- Like 2013 DooH has a stable business sentiment on a high positive level with a clear trend of more favourable expectations for the first two quarters of 2014. A consolidation of DooH inventory will lead to more transparency in the market. Similarly advances in a simplification of the planning and booking process is seen positively by advertisers and media agencies
- Particularly the big networks will expand their portfolio and increase their relevance on a national level (transport, mall, LED billboard).
- The revenues of selected companies from the DooH segment has drastically grown in 2013. Nielsen registered over 35% growth compared to the previous year[1)]

1) Source: Nielsen

Displays | Cautious business situation and expectations

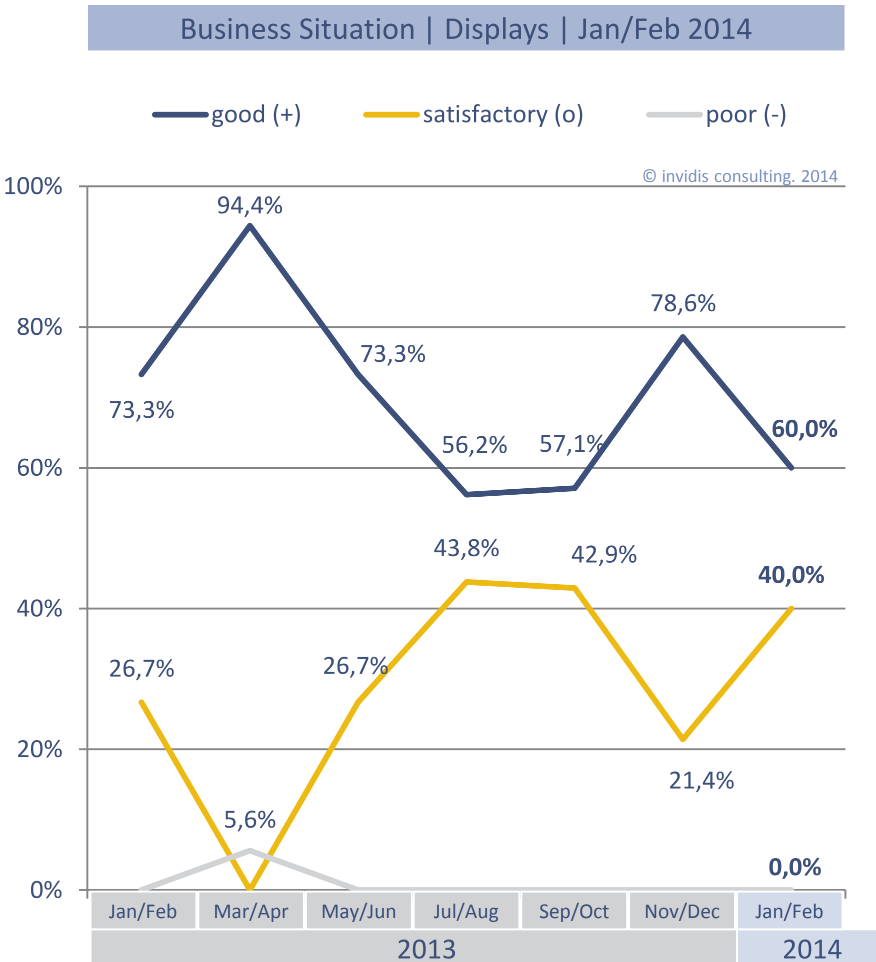


Fig. 19: DBCI January/February 2014 „Business Situation Displays“, n=15

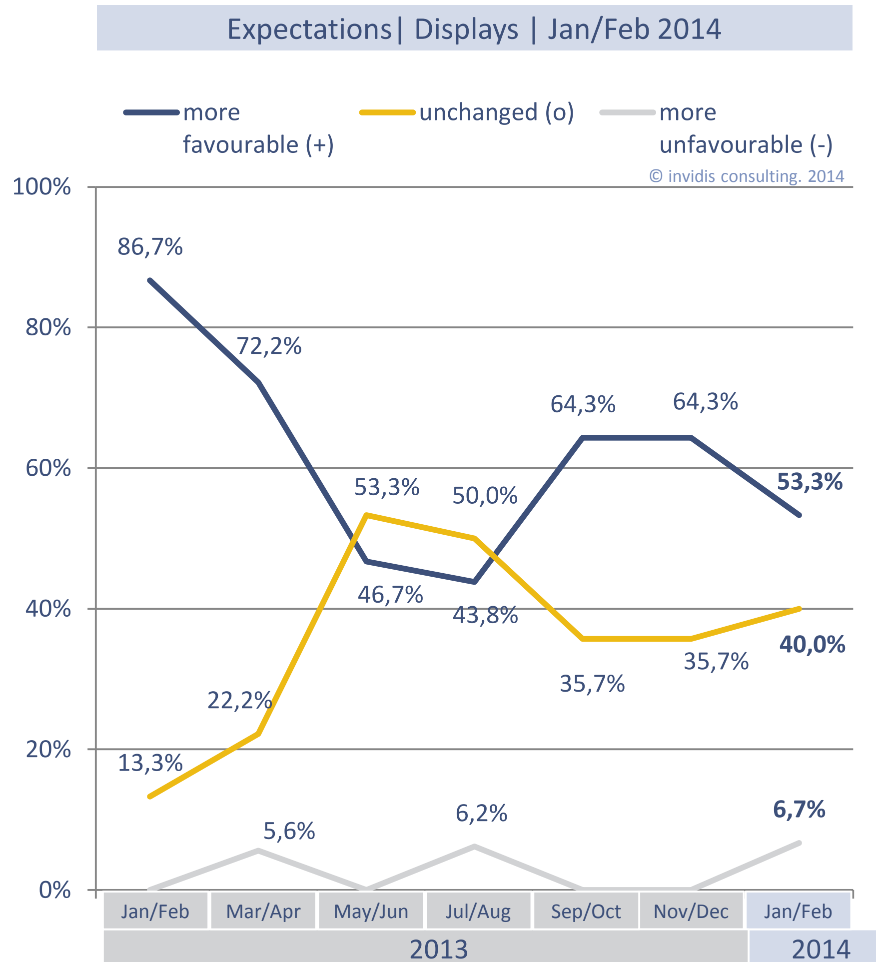


Fig. 20: DBCI January/February 2014 „Expectations Displays“, n=15

Integrators | Business situation and expectations back to a high level

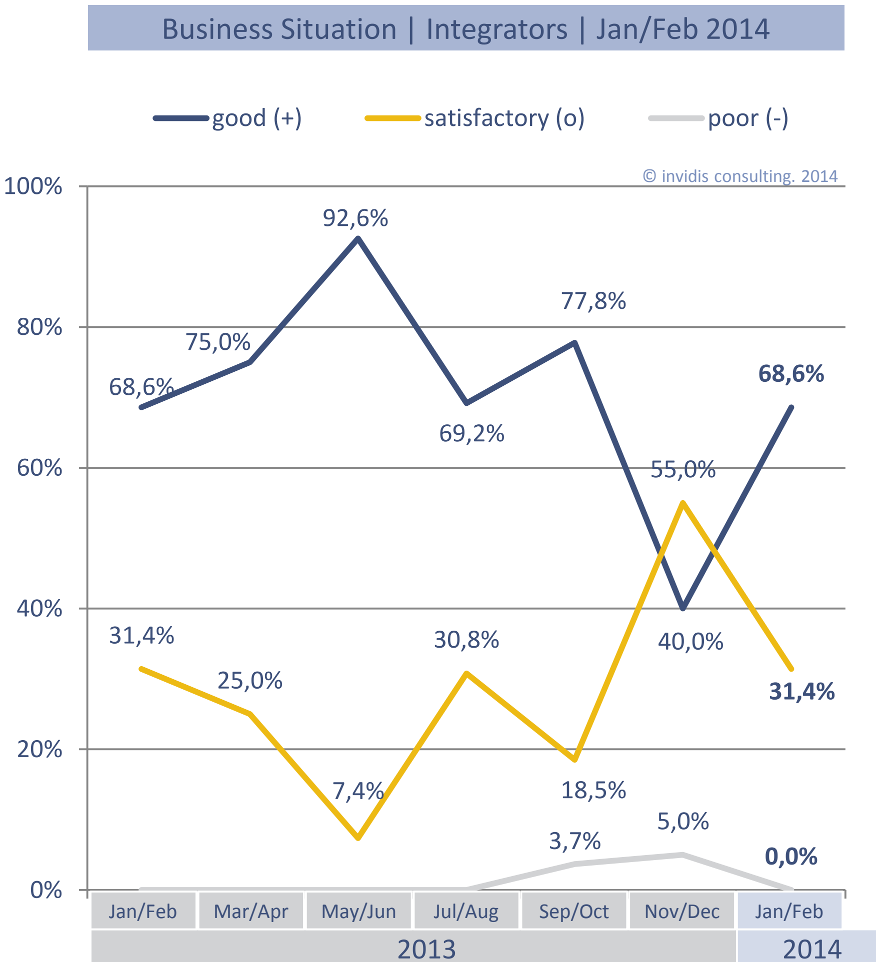


Fig. 21. DBCI January/February 2014 „Business Situation Integrators", n=35

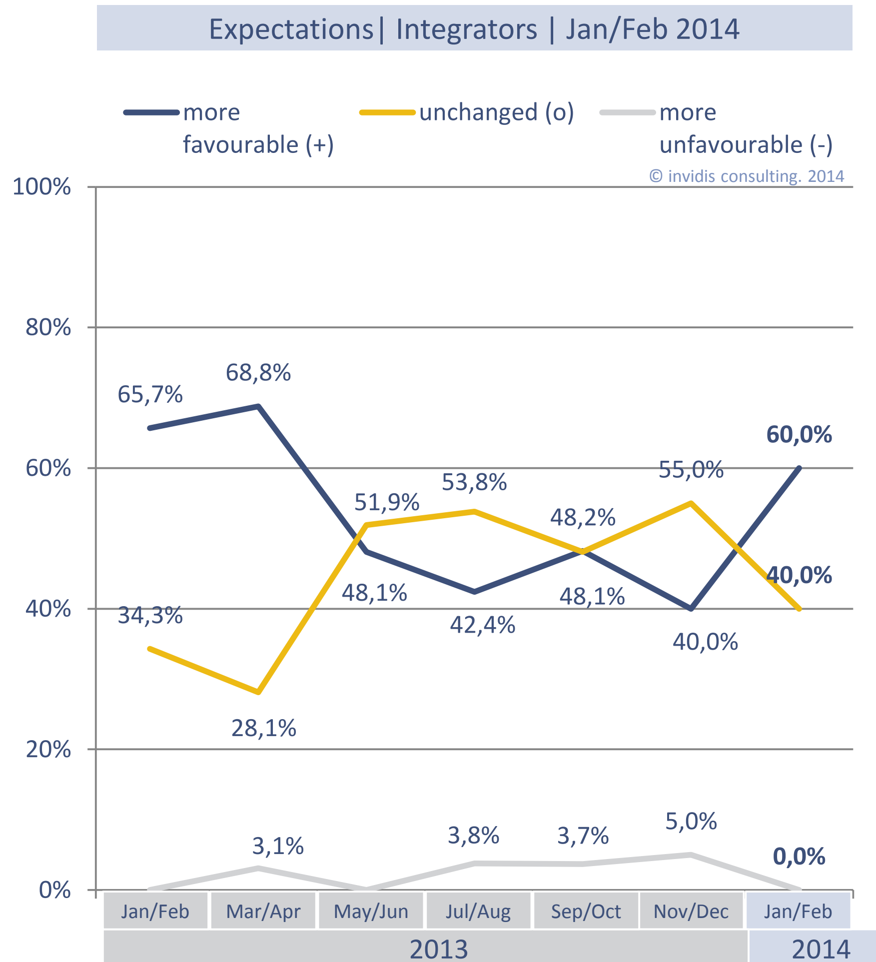


Fig. 22: DBCI January/February 2014 „Expectations Integrators", n=35

Software | Very good business situation– optimistic expectations

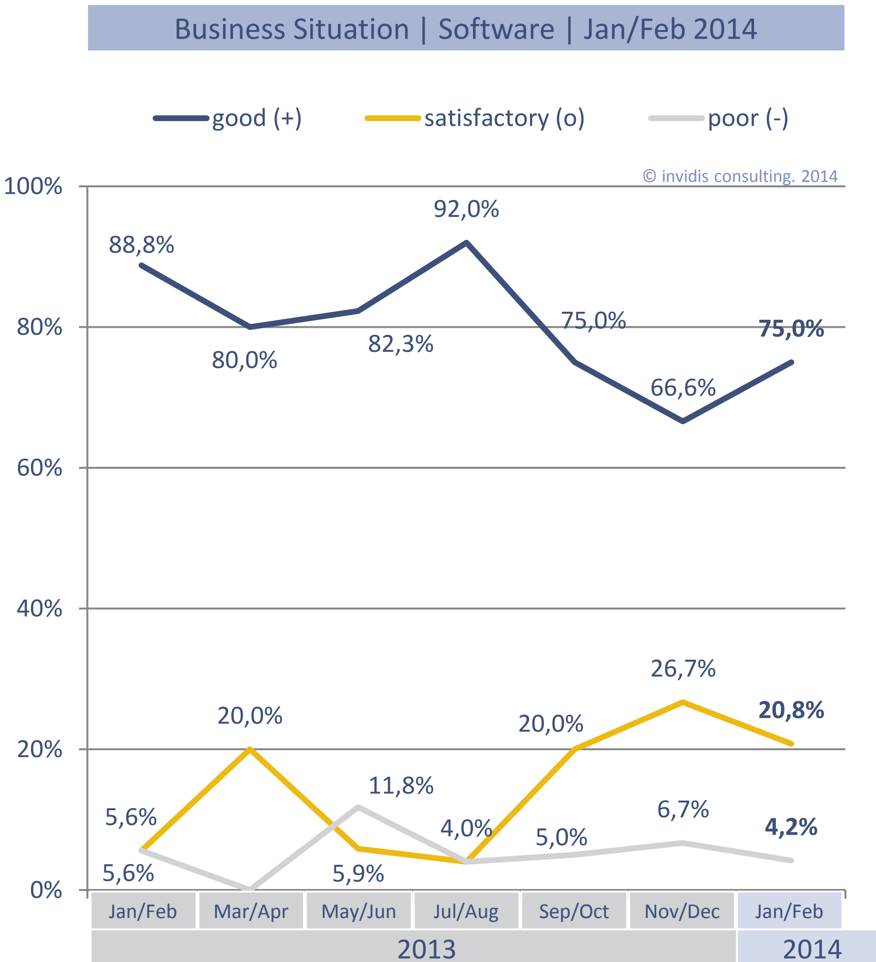


Fig. 23: DBCI January/February 2014 „Business Situation Software", n=24

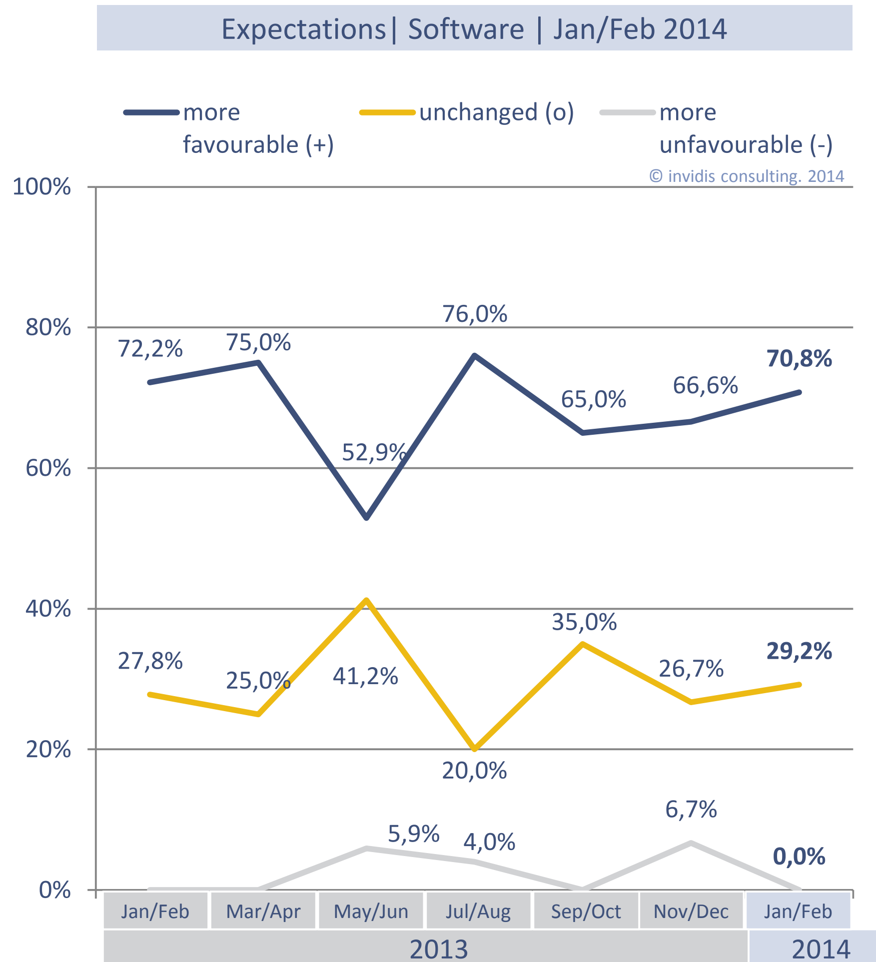


Fig. 24: DBCI January/February 2014 „Expectations Software", n=24

DooH | Continuously good business situation– growing expectations

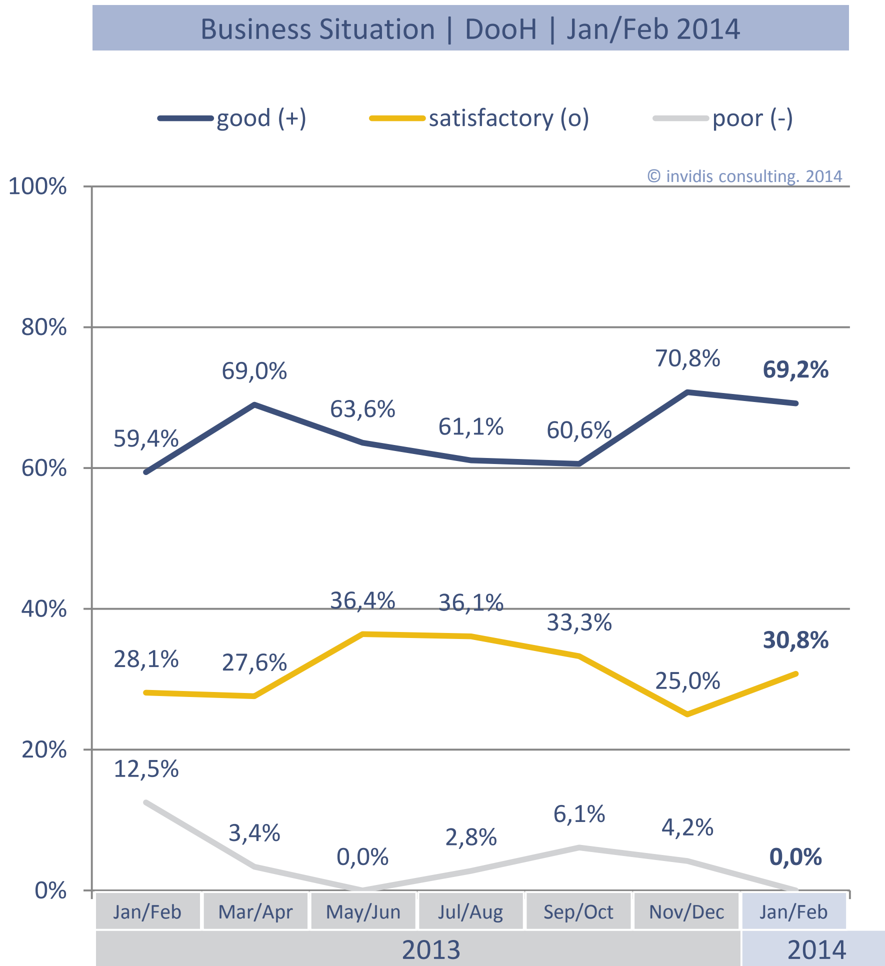


Fig. 25: DBCI January/February 2014 „Business Situation DooH", n=39

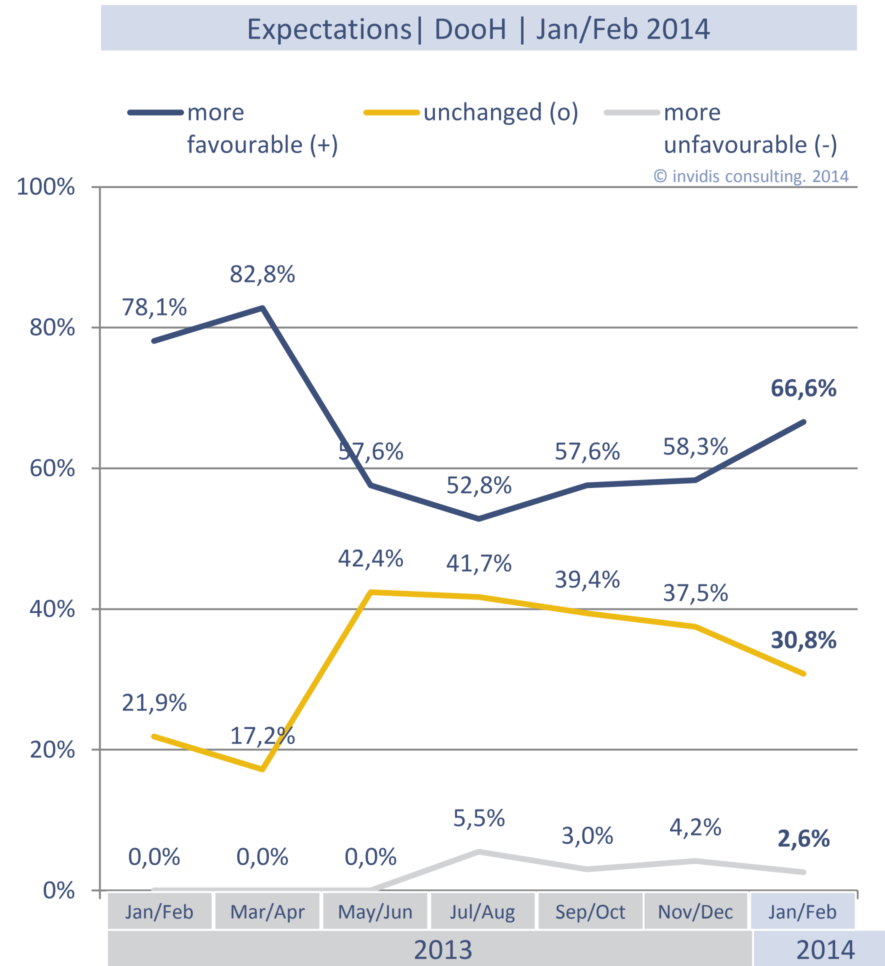


Fig. 26: DBCI January/February 2014 „Expectations DooH", n=39

DBCI January/February 2014

ADDITIONAL QUESTIONS

Hirings 2013 | Digital Signage creates hundreds of new jobs

- 59% percent of all companies in the Digital Signage Market have hired new staff in the last year
- In the year 2012 between 400-500 new jobs were created in the Digital Signage market in DE-AT-CH
- Similarly in Poland and Italy staff was hired in 2013. In Italy 20-50, in Poland 10-20 new jobs were created.
- After the great year 2012 the year 2013 was a equally good year for the Digital Signage industry
- As a whole there is a high demand for qualified personnel. Due to a growth strategy and re-structuring the demand for personnel on a management level with new qualifications is very high (e.g. key account and project manager)
- The increasing expansion in vertical markets leads to a demand for more professionals from different industry branches by Digital Signage companies

Additional Question: *"Did the number of employees in your company increase in 2013?"*

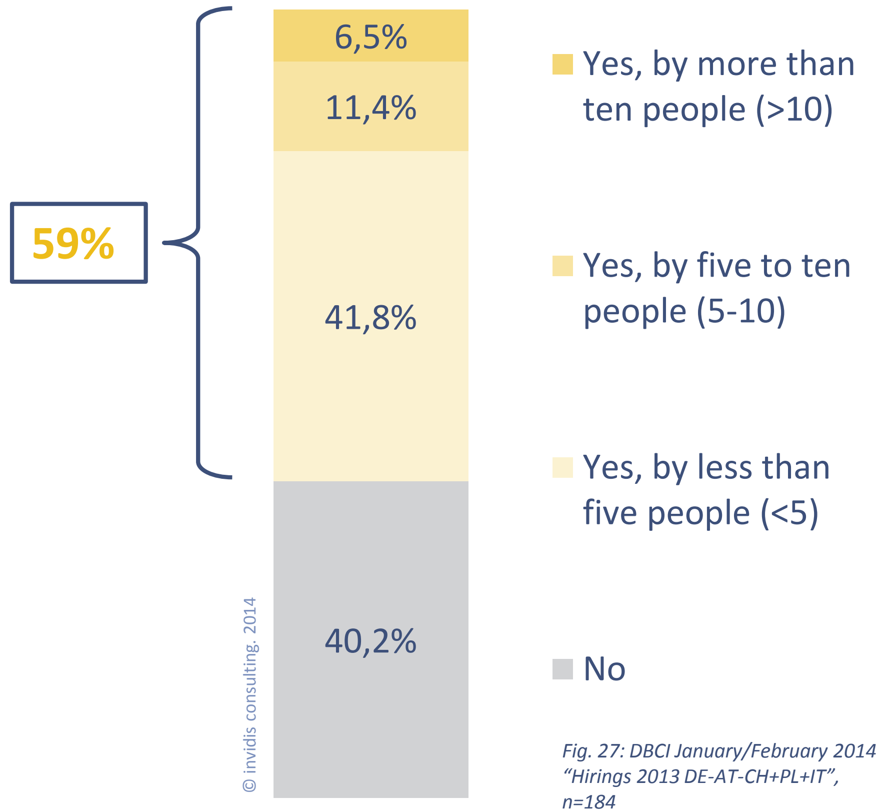


Fig. 27: DBCI January/February 2014 "Hirings 2013 DE-AT-CH+PL+IT", n=184

Tops 2013 | DS market happy about SoC and high acceptance of DooH

Tops 2013

regional DooH

displays 16/7

acceptance of DooH

SoC

Android

Plug & Play

mobile integration (tablets etc.)

new business models (way-guiding etc.)

high demand

LED backlight

high brightness

better educated customers

increasing project complexity

network quality/speed

Government

market growth

big project sizes

self-service retail

telcos

simplified software integration

automotive

Fig. 28: DBCI January/February 2014 „Tops 2013“, n=51

Flops 2013 | 3D and the pricing pressure are the biggest disappointments

Flops 2013

marketing structures

DooH outdoor totems

face recognition

acceptance of DooH

augmented Reality

QR integration

communication between key players

consumer displays

market CH

market shake-outs

Android

3D

SoC

high costs

focus solely on technical aspects

complex CMS

multi-touch

pricing pressure

isolated solutions

FMCG

project hold-ups by the customer

education

long project term

shortage of expert staff

Fig. 29: DBCI January/February 2014 „Flops 2013“, n=51

Trends 2014 | Mobile integration, interactivity and SoC on the agenda

Trends 2014

DooH bundling

4k

kiosk systems

3D

Acceptance of DooH

face recognition

laser projection

LED backlight

interactivity

augmented reality

multi-touch

SoC

integration in architecture

mobile integration (tablets etc.)

big project sizes

full service integration

SMB

Professional Content

retail

solution dedicated

mall

Android

small displays (<20“)

corporate

display size increases

Fig. 30: DBCI January/February 2014 „Trends 2014“, n=56

DBCI January/February 2014

SPECIAL:
INVIDIS DIGITAL SIGNAGE FOCUS MARKETS EMEA 2014

EMEA Focus Marktes | Forecast 2014

1) Unit growth/potential
2) In units

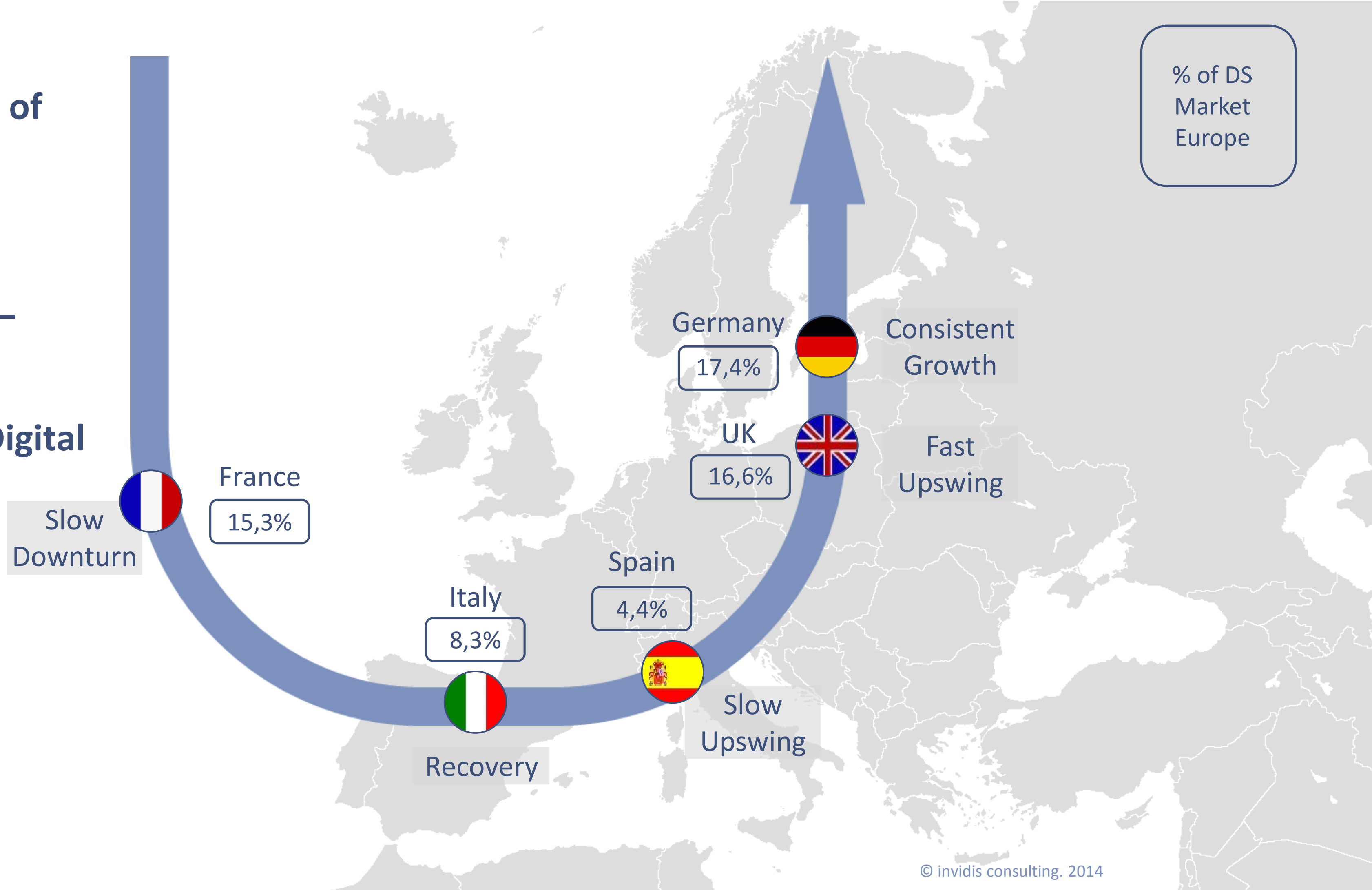
Tendency

Europe Top 5 Markets | General Economic Cycle 2014

The 'bookends' of the European economy

– Germany and the UK –

both, high performers in Digital Signage



DBCI | Roadmap 2014 & Contact

2014	
Januar	
Februar	
März	Mär./Apr. | 24./27.03.
April	
Mai	May/Jun. | 19./22. 05.
Juni	
Juli	Jul./Aug. | 21./24. 07.
August	
September	Sep./Okt. | 18.09.
Oktober	
November	Nov./Dez. | 17./20. 11.
Dezember	

- The next survey will take place in calendar week 10-11 of 2014
- The next planned publication date will be the 24th of March 2014
- 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 2014. For further information please contact Daniel Russell

Kontakt

Daniel Russell | Junior Analyst
invidis consulting GmbH
Rosenheimer Str. 145e
81671 München
Daniel.Russell@invidis.com
Phone: +49 89 2000416-21
Mobile: +49 151 62438503
Fax: +49 1805 5224 301

Save the Date!
17. - 18. September 2014

OVAB Out-of-home Video Advertising Bureau Europe

digital signage 8th MUNICH CONFERENCE

17 – 18 September 2014
Kempinski Hotel Airport Munich

invidis consulting GmbH
consulting , research & communications

Managing Director: Florian Rotberg
Register Court: Amtsgericht München
Register No: HRB 165816
VAT-ID: DE 253 622 672

www.invidis-consulting.de