OVAB Out-of-home Video Advertising Bureau Europe

OVAB-cooperation partner Poland:

POLISH DIGITAL SIGNAGE ASSOCIATION

invidis CONSULTING

OVAB Europe / PDSA
Digital Signage Business Climate Index March/April 2014

Poland

24 April 2014

DBCI - Introduction

- The OVAB Europe **D**igital Signage **B**usiness **C**limate **I**ndex (DBCI) is the leading European indicator of the economic development of the Digital Signage and Digital-out-of-Home industry
- It is polled every two months by invidis consulting in cooperation with OVAB Europe and PDSA
- Questions:
  - Current business situation: “good”, “satisfactory” or “poor”
  - Expectations for the next six months: “more favorable”, “unchanged” or “more unfavorable”
- **Poland** – second poll March/April 2014:
  - Poland is the biggest market for Digital Signage in the Central Eastern Europe region and the 9th largest market in Europe (in units of public displays)
  - DBCI index Poland: **20,85 base points**
  - Over **83%** rate their business situation as “good” or “satisfactory”
  - Only **8%** expect an economical **decline**

Good first quarter in 2014

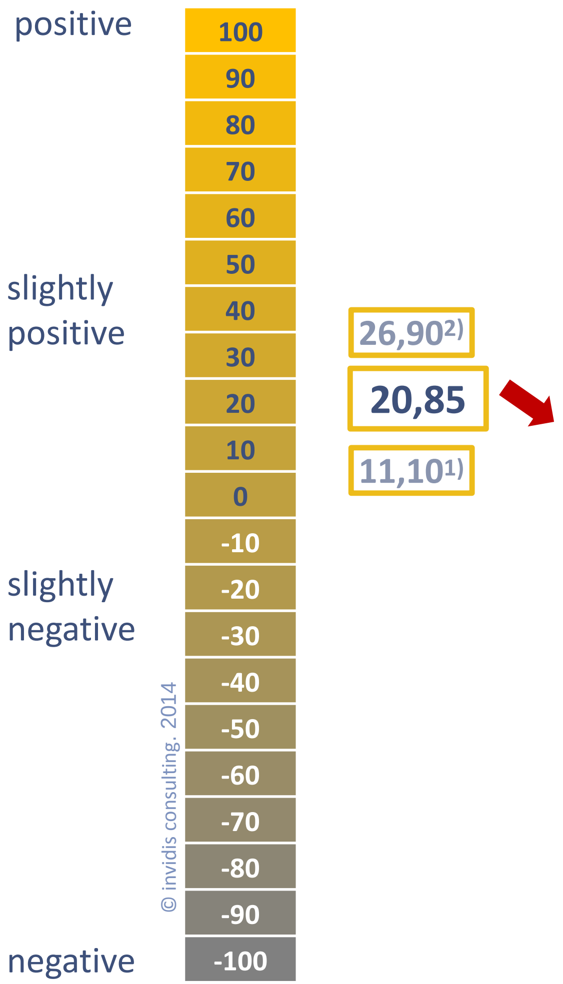

Fig. 1: DBCI Poland March/April 2014, n=12
1) November/December 2013; 2) January/February 2014

- The digital Signage Business Climate Index Poland has been polled for the second time in 2014. The Index has decreased by almost 6 base points, reflecting the current slightly positive business sentiment of the Digital Signage industry in Poland
- The steady economical growth in the Eurozone, particularly in Germany which is the most important trade partner of Poland, has lead to rising demands for polish industry goods increasing the production year-on-year by 5% in the first months of 2014
- As the HSBC Purchasing Managers Index shows the new cash will be directly reinvested, creating opportunities also for the Digital Signage industry
- Still the DBCI registered some concerns as the high unemployment level is only decreasing slowly and the critical political situation in neighbouring Ukraine is yet to be resolved

Survey facts

- Participants: n=12
- Region: Poland
- Time frame: 2014 calendar weeks 11 &12

High satisfaction with the current business situation

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

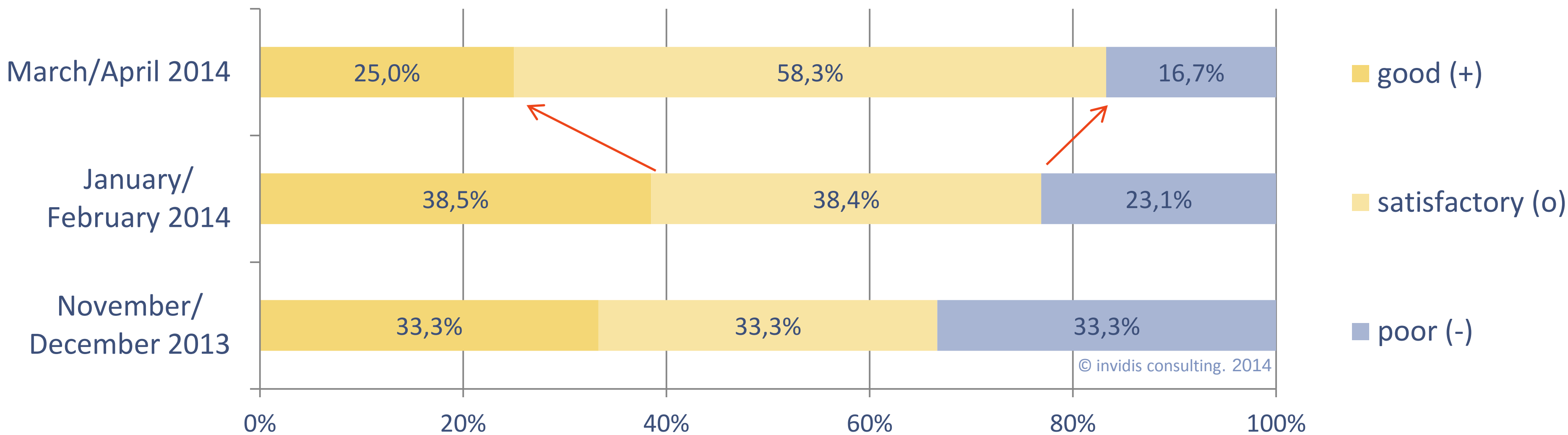

Fig. 2: DBCI Poland March/April 2014"business situation", n=12

Positive stable expectations

Question: What are your expectations for the next six months?

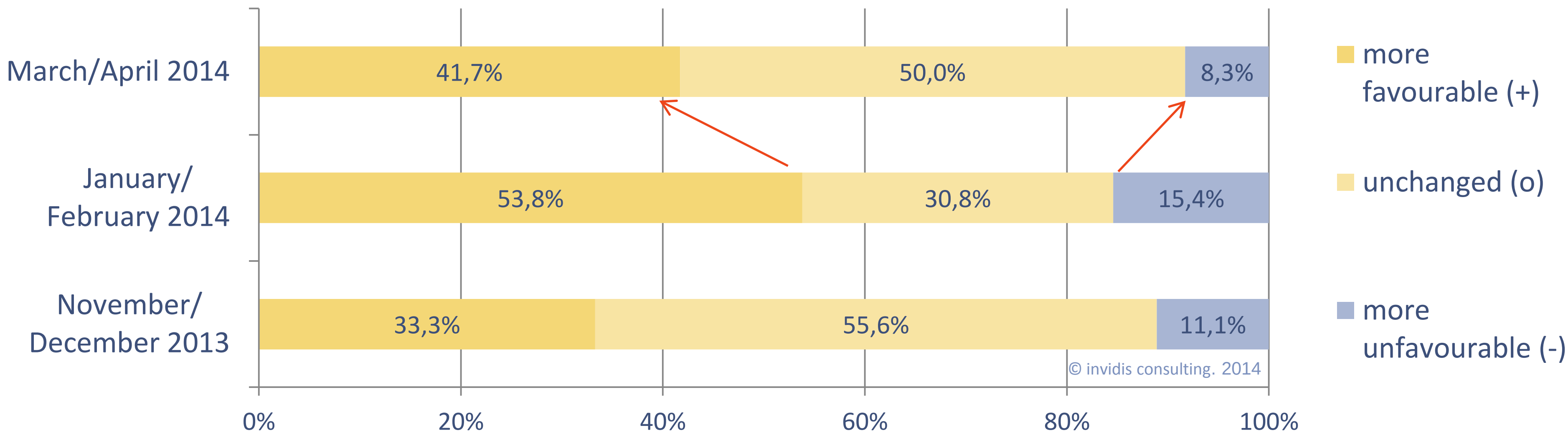

Fig. 3: DBCI Poland March/April 2014"business expectations", n=12

DBCI March/April 2014

ADDITIONAL QUESTIONS

Robust demand in the SMB sector for Digital Signage solutions

Question: How many projects did your company realize in the following categories in 2013?

- 75% of all DS projects in 2013 were smaller installations with up to ten displays
- Small projects have a high margin and can be carried out successfully by most players in the market
- Falling hardware prices created a high demand for easy-to-use Digital Signage solutions with small and medium size businesses, a sector most Italian companies can be attributed to
- Only 7% Digital Signage networks consist out of more then 100 displays. These can primarily be found in the transport and public sector
- Large projects generate high revenues, but discounts increase with the number of hardware used and tear into the margin. Moreover, only few market participants can sustainably carry out projects with over 100 displays

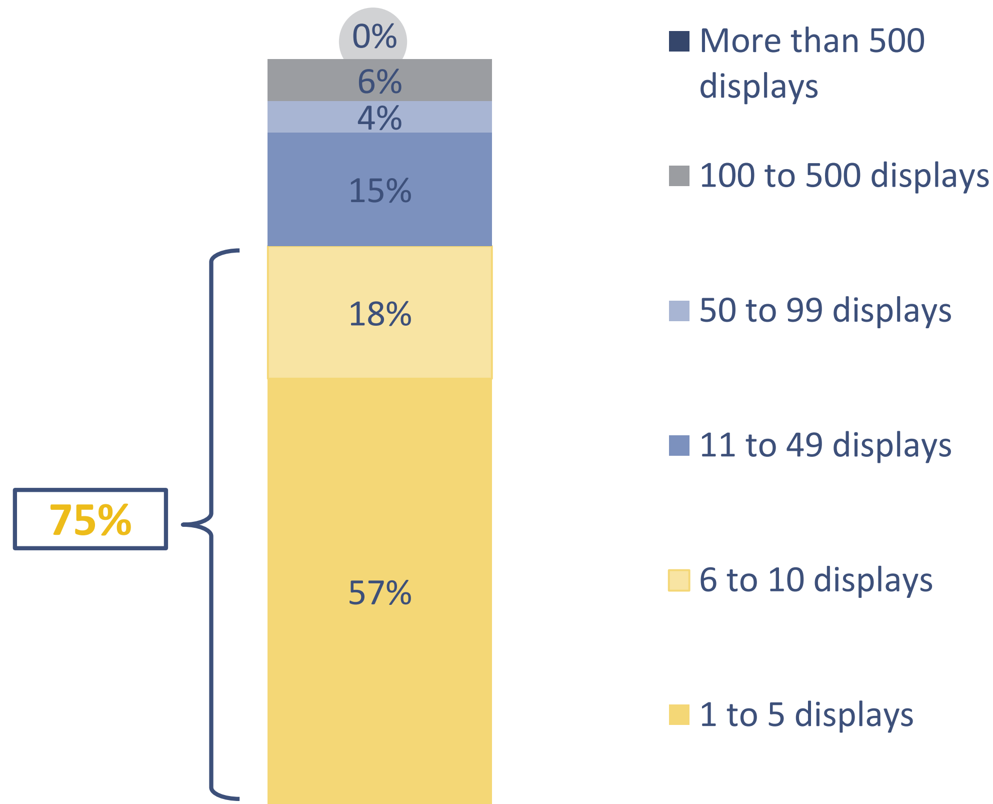

Fig. 4: DBCI Poland March/April 2014 "project sizes 2013" , n=10

Retail is the most significant market for the Digital Signage industry

Question: In which vertical markets has your company realized the most projects in 2013?

- Retail is with approx. 40% of all Digital Signage revenues the biggest vertical market. Customer engagement, marketing and ambient installations become more and more common not only in most high-street retailers, but also in small and medium businesses
- Transportation is the second biggest vertical market. Particularly passenger TV networks in buses and trains like CityINFOtv in Warsaw, as well as networks directly at the station or airport are being increasingly installed
- The corporate communication vertical market has grown exponentially over the last few years. The digitization of employee communications is now seen as a sustainable investment by many companies

Fig. 5: DBCI Poland March/April 2014 "vertical markets 2013" , n=11

1) *food/non food, mall, banking, telecommunication*
2) *Government, Healthcare, education, tourism*

Roadmap 2014 & Contact

2014	
January	
February	
March	
April	
Mai	**May/Jun. | 28. 05.**
Jun	
July	**Jul./Aug. | 28.07.**
August	
September	**Sep./Oct. | 18.09.**
October	
November	**Nov./Dec. | 24.11.**
December	

- The next survey will take place in calendar weeks 19 & 20 of 2014.
- The next planned publication date will be the 28th May 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.

Contact:

Daniel Russell | Junior Analyst
invidis consulting GmbH
Rosenheimer Str. 145e
DE-81671 Munich
Daniel.Russell@invidis.com

Phone: +49 89 2000416-21
Mobile: +49 151 62438503

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

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