OVAB Europe
Digital Signage Business Climate Index March/April 2014

BENELUX
Belgium | The Netherlands | Luxemburg

14. April 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.

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
- Questions:
  - Current business situation: “good”, “satisfactory” or “poor”
  - Expectations for the next six months: “more favorable”, “unchanged” or “more unfavorable”
- **Benelux** – first poll March/April 2014:
  - Benelux is the 5th largest market in Europe (in units of public displays) for Digital Signage
  - DBCI Benelux: **59,98 base points**
  - Over **70%** expect a **more favorable** business situation within the next six months
  - Only **5%** expect a **negative outlook** for the industry

Very positive business sentiment and good expectations in Benelux

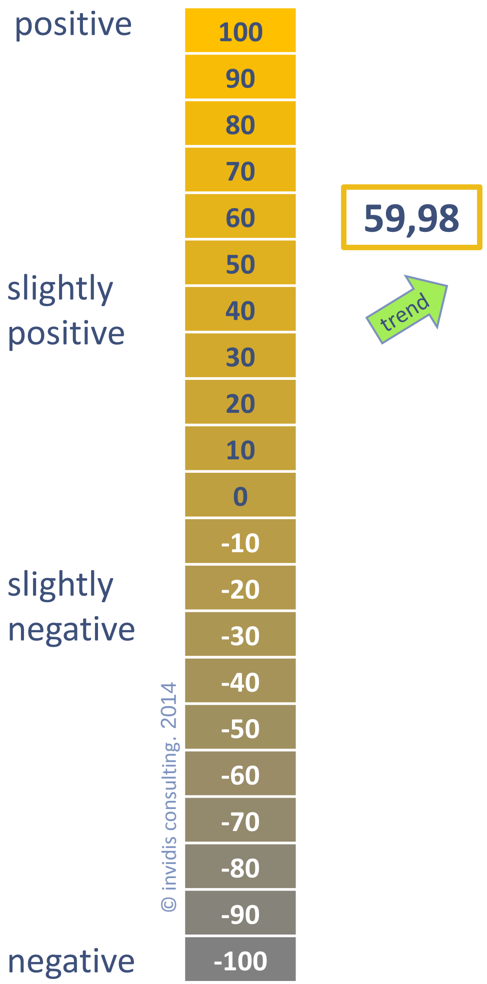


Fig. 1: DBCI Benelux March/April 2014, n=20

- The digital Signage Business Climate Index Benelux has been polled for the first time in 2014. The Index stands at almost 60 base points, reflecting the current positive business sentiment of the Digital Signage industry in Benelux
- Steady growth over the full year 2013 and a very strong year-on-year showing of the first quarter in 2014 is driving the Digital Signage and DooH Market
- The considerable decline in hardware prices over the last 3 years made the installation of bigger and more sustainable Digital Signage networks much more affordable
- Increasing demand for interactive and "engaging" solution is strengthening the high demand for specialized integration and content creation services and products

Survey facts
- Participants: n=20
- Region: Benelux
- Time frame: 2014 calendar weeks 11 &12

High satisfaction with the current business situation in Benelux

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

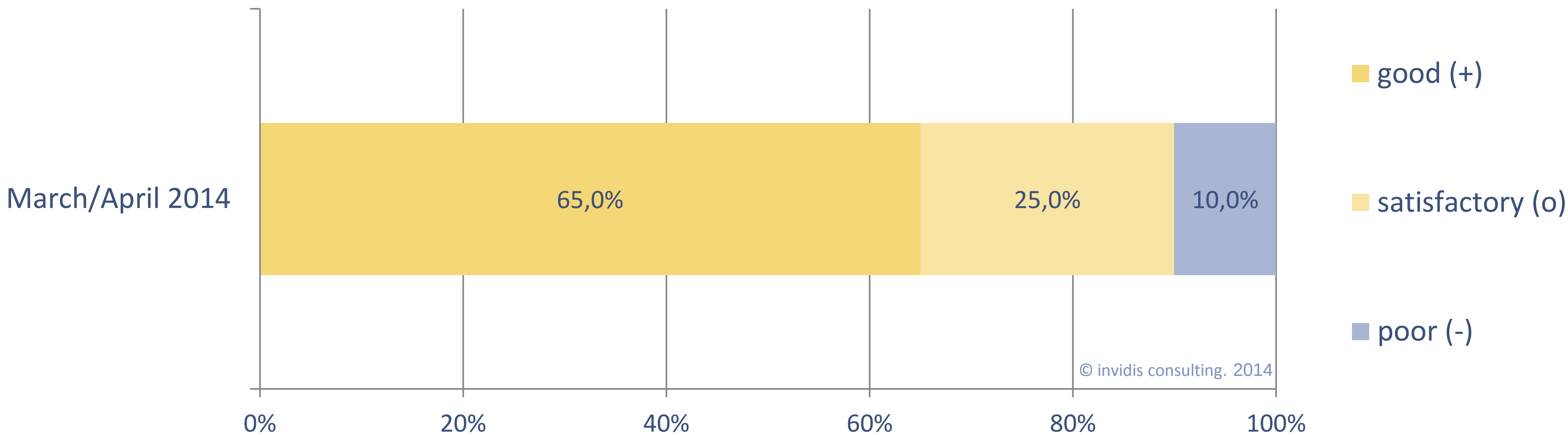


Fig. 2: DBCI Benelux March/April 2014"business situation", n=20

Great expectations by the Digital Signage industry for the summer

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

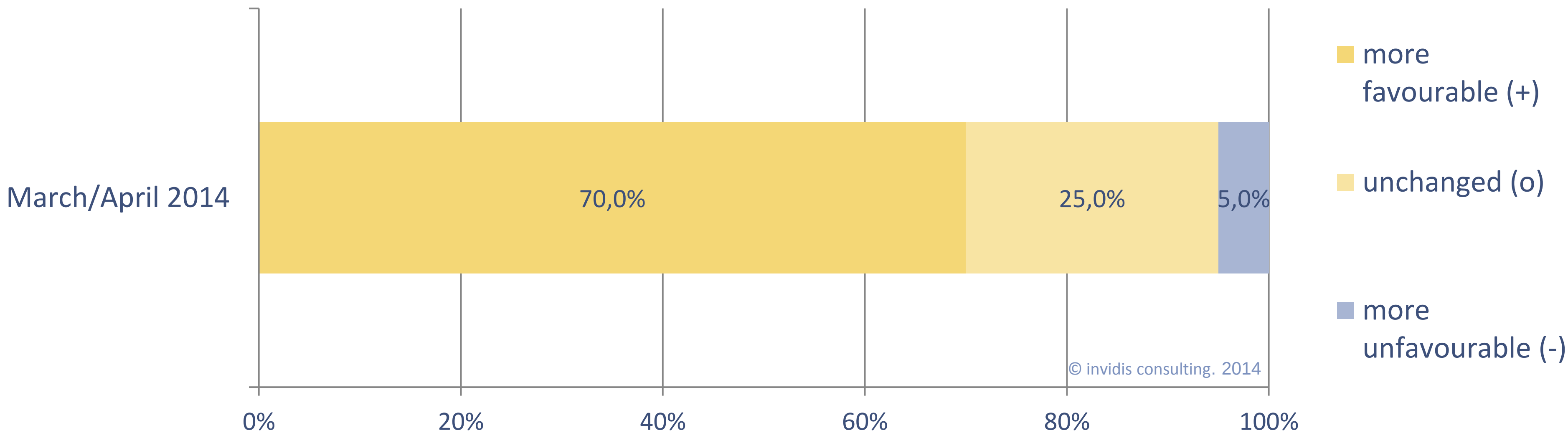


Fig. 3: DBCI Benelux March/April 2014"business expectations", n=20

DBCI March/April 2014

ADDITIONAL QUESTIONS

Robust demand in the SMB sector for Digital Signage solutions

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

- 60% of all DS projects in 2013 were small 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 process created a high demand for easy-to-use Digital Signage solutions in the SMB sector
- Only 7% Digital Signage networks consist out of more then 100 displays
- 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

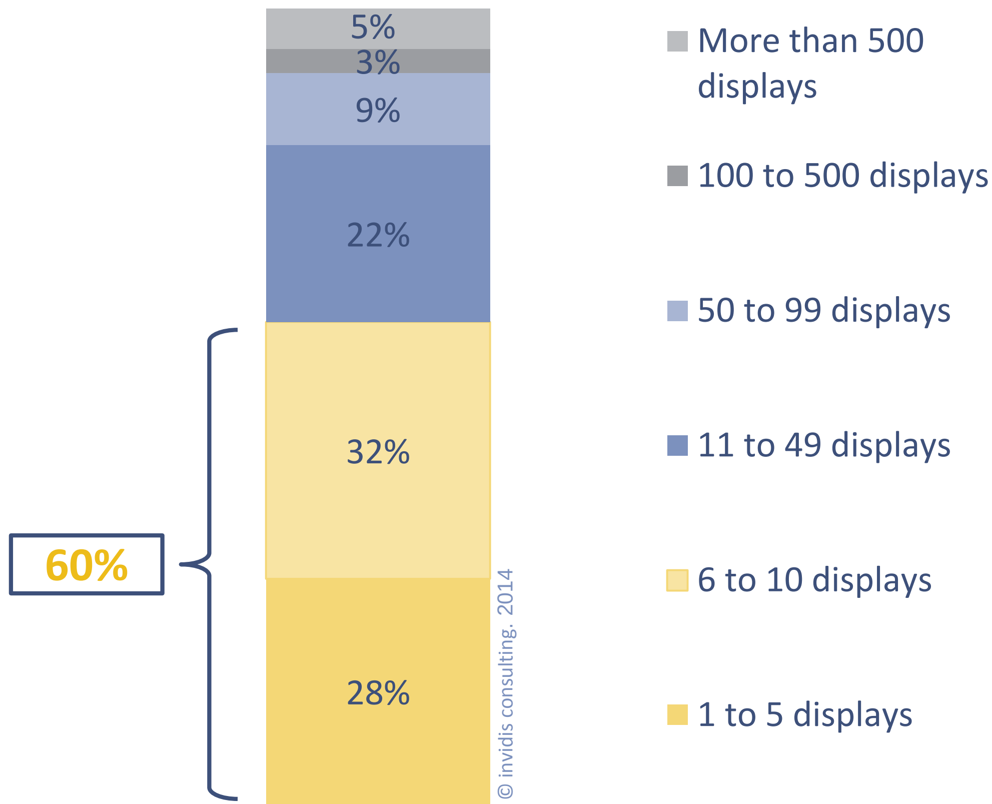


Fig. 4: DBCI Benelux March/April 2014 "project sizes 2013" , n=13

Retail is the most significant market for the Digital Signage industry

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

- Retail is with approx. 35% 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
- 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
- Public is the third biggest vertical market. About 2/3 of the total revenues are generated in the education segment especially for white boards in schools and for student communication networks at universities

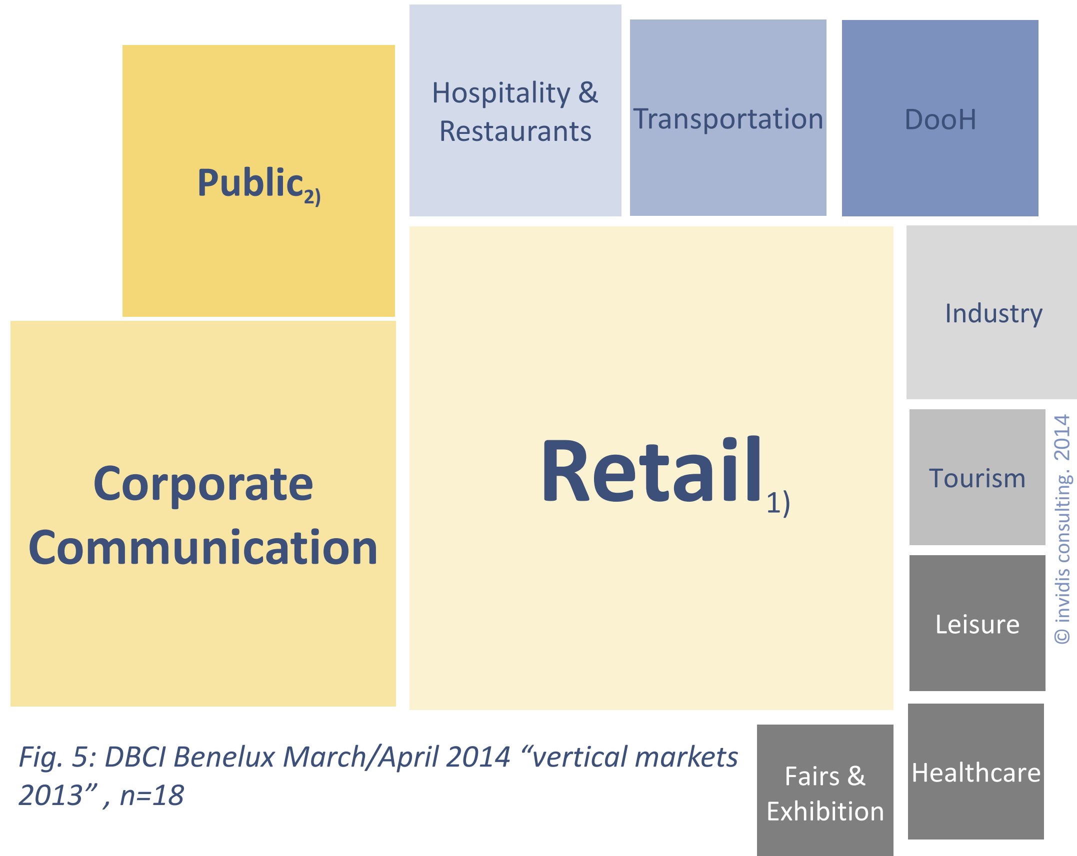


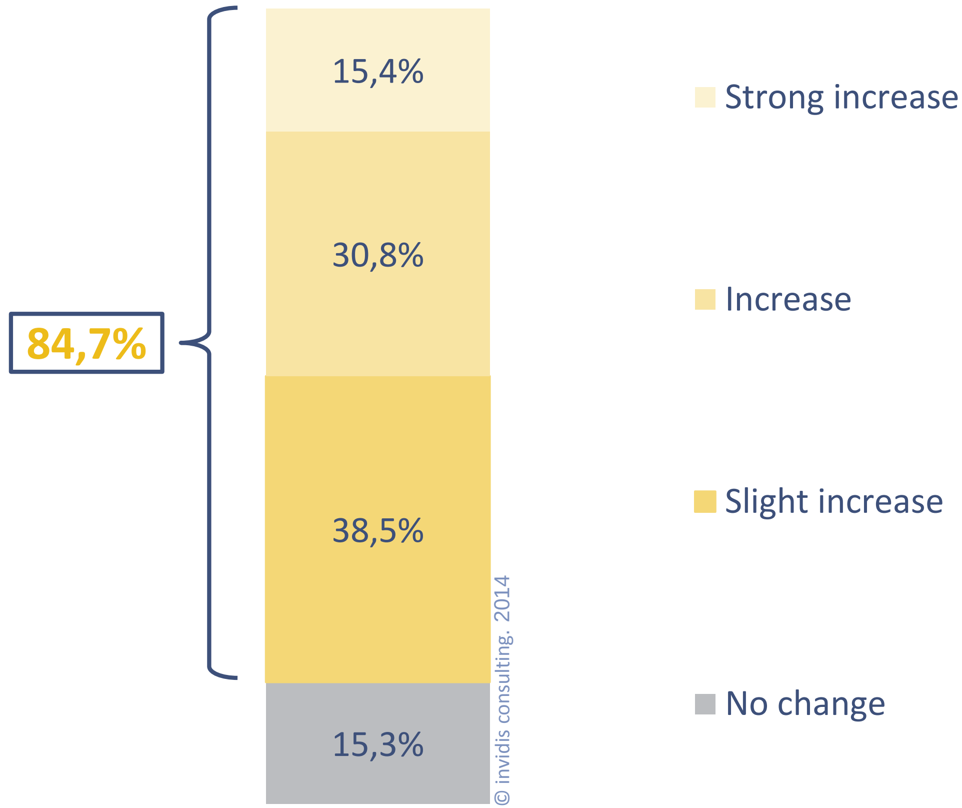
Fig. 5: DBCI Benelux March/April 2014 "vertical markets 2013" , n=18

1) *food/non food, mall, banking, telecommunication*
2) *government & education*

The relevance of DooH has significantly increased, but …

Question: How do you estimate the change of the relevance of DooH in the general media-mix within the last 24 months?

- 4/5 of all polled companies are convinced that the relevance of DooH compared to other media has increased within the last 24 months
- Through a continuous expansion of the big DooH networks, the media has considerably increased its presents in the public eye
- A revenue increase of approximately 10% in DooH gross spendings in 2013 mirrows this increased interest[1)]
- However, almost 40% of all poled companies see only a slight increase
- In the Netherlands the DooH market is only 3% of the total OoH market (Belgium 1%), compared with for example the UK (approx. 20%) this is still very small[1)]



1) Kinetic

Fig. 6: DBCI Benelux March/April 2014 "relevance DooH" , n=13

The relevant reach is still the most daunting challenge

Question: Where do you see the most demanding challenges for the DooH media today?

- The polled companies estimate that the relevant reach is still the most daunting challenge for the DooH media
- The difficulty here is to offer a network that has a national reach combined with a relevant target audience. The most successful business cases in the Netherlands are the Passenger TV networks, airport media at Schiphol and different retail related networks like the ABN Amro, Shell petrol stations and central station NL networks
- Other challenges concern the management and operation of the advertising and booking process. Bundling is again important to create the relevant reach. Moreover, online availability and booking possibilities make handling of the media more simple and a professional reporting creates higher trust with the advertisers and agencies

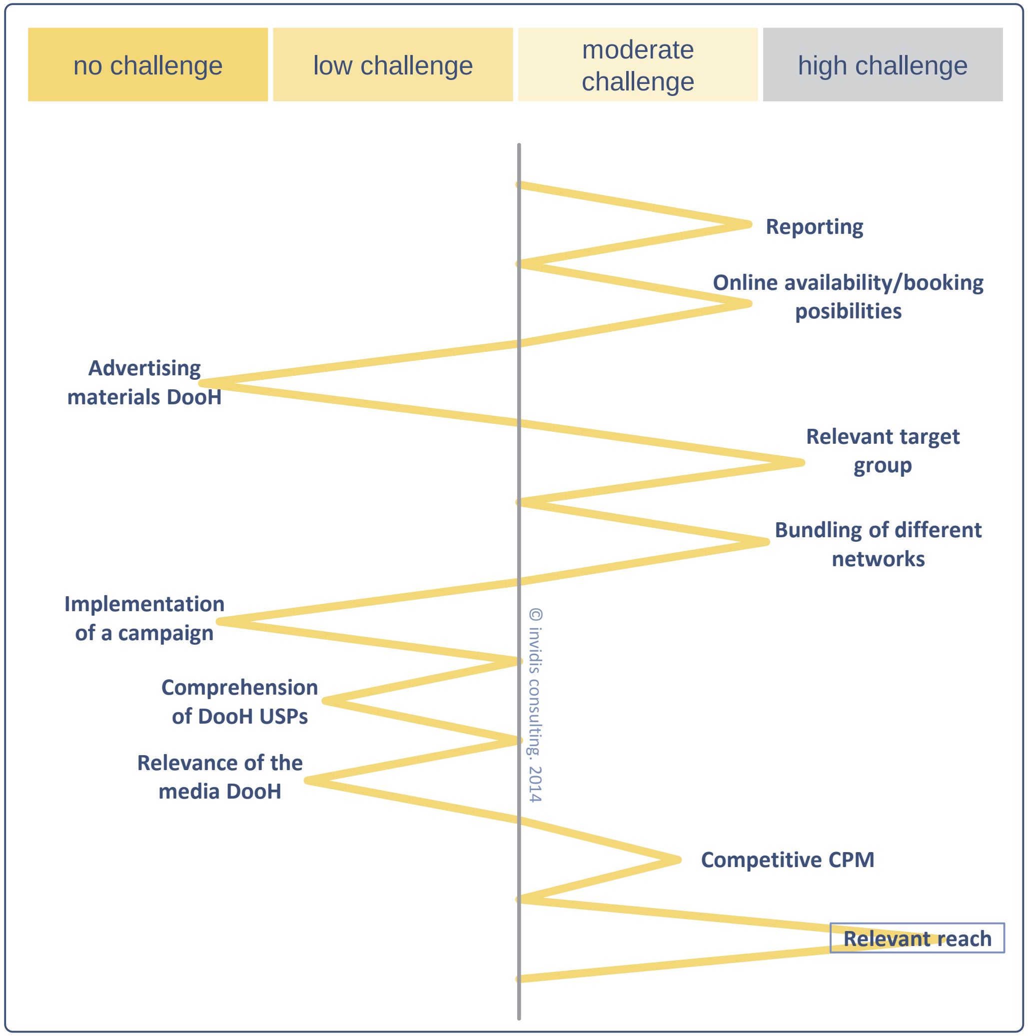


Fig. 7: DBCI Benelux March/April 2014 "challenges DooH" , n=13

DBCI March/April 2014

SPECIAL:
INVIDIS DIGITAL SIGNAGE FOCUS MARKETS EMEA 2014

EMEA Focus Marktes | Forecast 2014

1) Unit growth/potential
2) In units

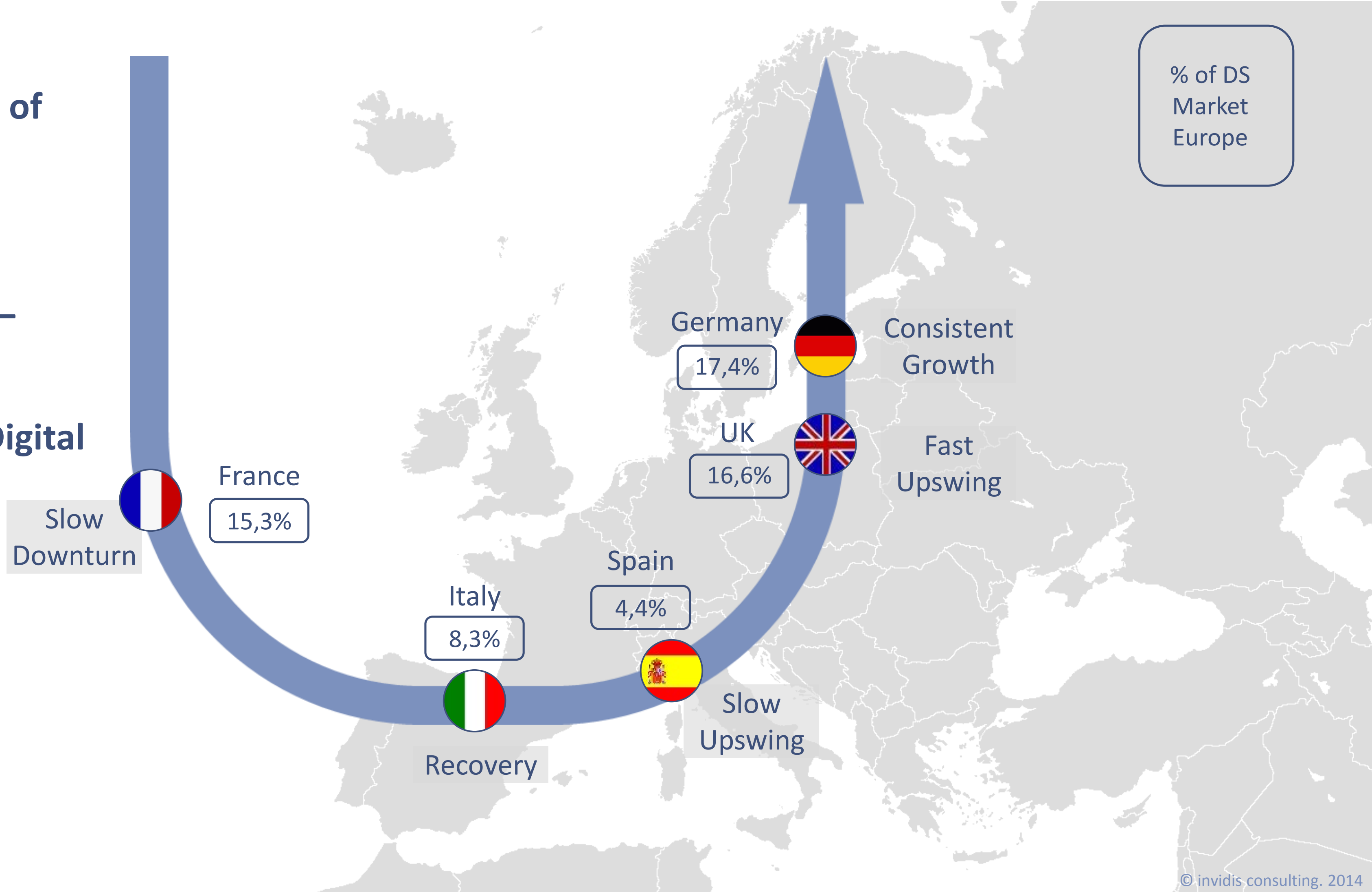
Tendency

Europe Top 5 Markets | General Economic Cycle 2014

The 'bookends' of the European economy

– Germany and the UK –

both, high performers in Digital Signage



Roadmap 2014 & Contact

2013	
January	
February	
March	
April	
Mai	**May/Jun. | 22. 05.**
Jun	
July	**Jul./Aug. | 24.07.**
August	
September	**Sep./Oct. | 18.09.**
October	
November	**Nov./Dec. | 20.11.**
December	

- The next survey will take place in calendar weeks 19 & 20 of 2014.
- The next planned publication date will be the 22nd 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.

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Save the Date!

17. - 18. September 2014

OVAB Out-of-home Video Advertising Bureau Europe

digital signage 8th MUNICH CONFERENCE

17 – 18 September 2014

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