Germany
Austria
Switzerland
July | August 2014

DBCI

The pulse of the Digital Signage and DooH industry

OVAB Digital Signage & DooH Business Climate Index

OVAB cooperation partner Switzerland:

IG DOOH

invidis consulting

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2014 DE 400 en

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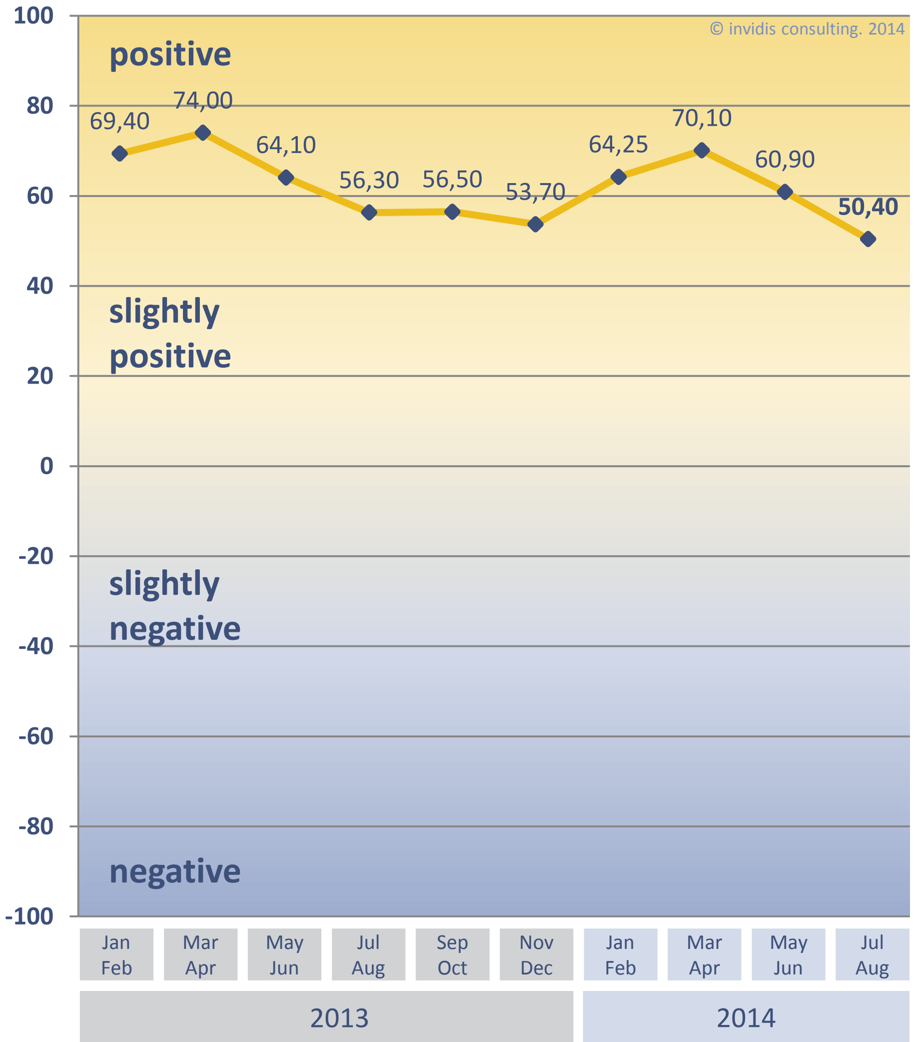


Fig. 1: DBCI July | August 2014 „Index DE-AT-CH“, n=138

- Compared to May and June the business climate has decreased slightly in July
- Since the last survey in May 2014 the Digital Signage Business Climate Index has decreased from 60,90 base points by 10,50 to 50,40 base points
- The current business situation was rated as “good (+)” with a slight change. However the optimism concerning the near future has decreased since the beginning of this year

Additional Research

- The market participants expect an increasing demand for Digital Signage solutions for Small Signage (displays smaller than 32”). The most important scenarios are shelf displays, door signs and display systems in elevators or public transport
- Network provider, marketers and agencies still see high challenges for the creative implementation of DooH campaigns

- Participants: n=138
- Region: DE/AT/CH
- Time frame: 2014 calendar weeks 27-28

DE-AT-CH | Dampened business situation and expectations

Business Situation | DE-AT-CH | July/August 2014

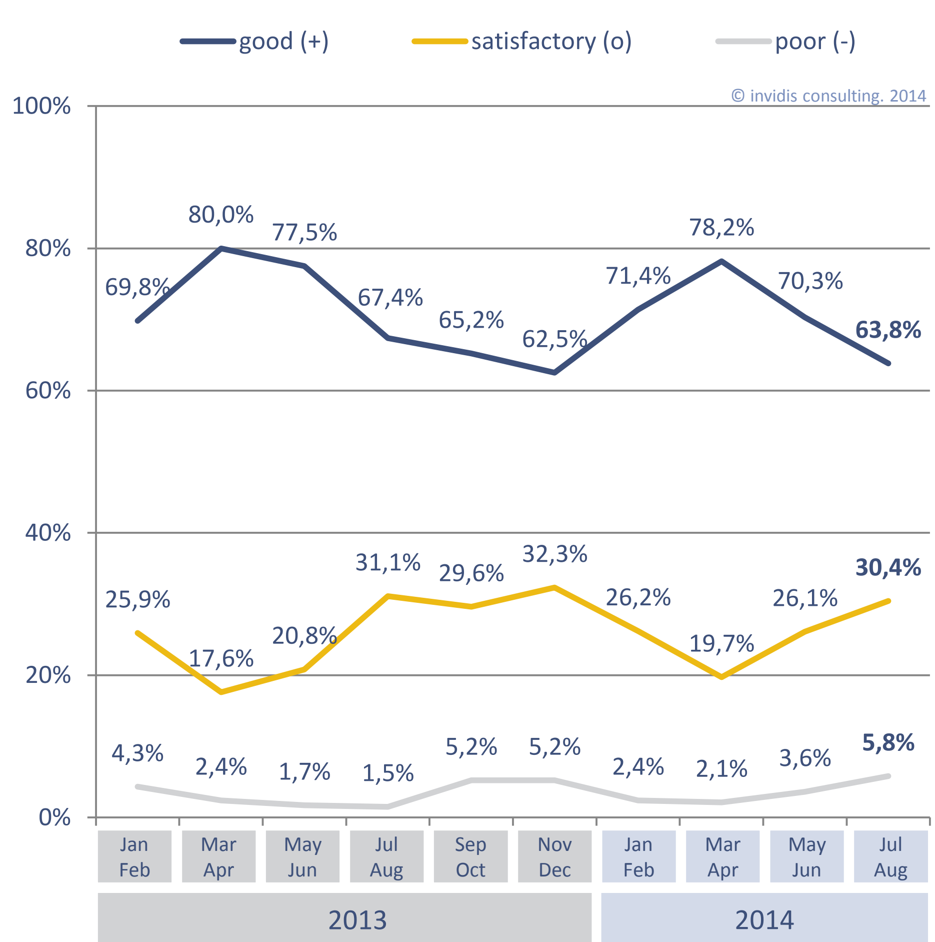


Fig. 2: DBCI July | August 2014 „Business Situation DE-AT-CH“, n=138

Expectations | DE-AT-CH | July/August 2014

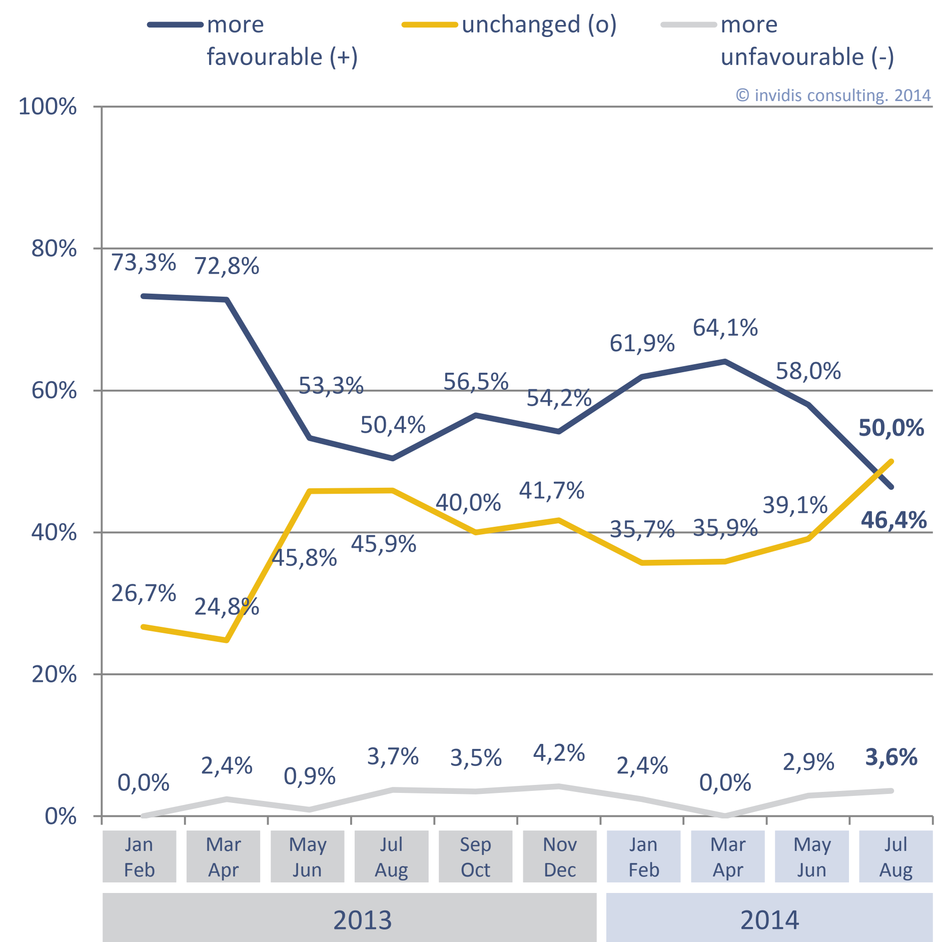


Fig. 3: DBCI July | August 2014 „Expectations DE-AT-CH“, n=138

DE-AT-CH | Slight decline of the positive answers

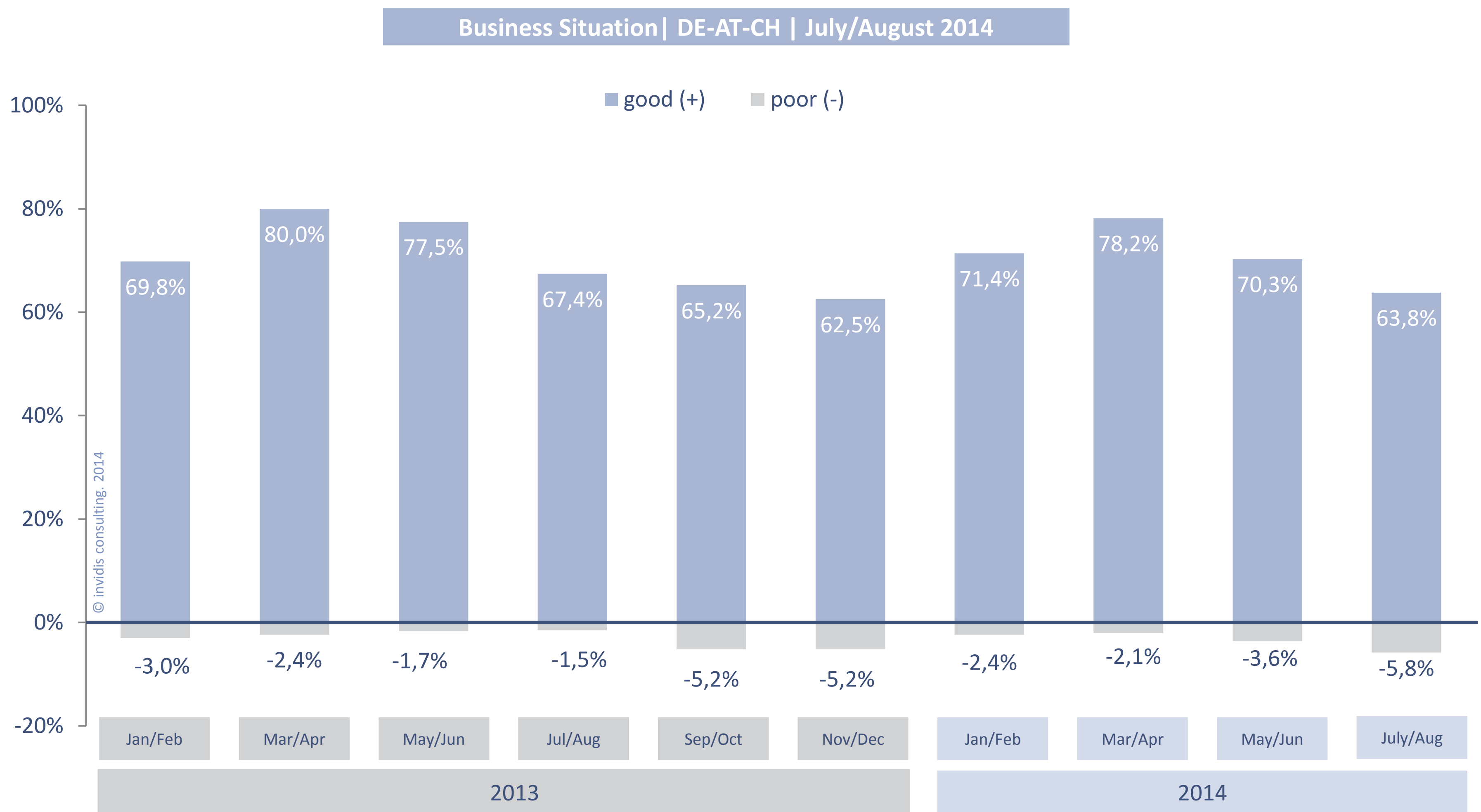


Fig. 4: DBCI July | August 2014 „Business Situation DE-AT-CH“, n=138

DE-AT-CH | Still positive expectations for the rest of the year

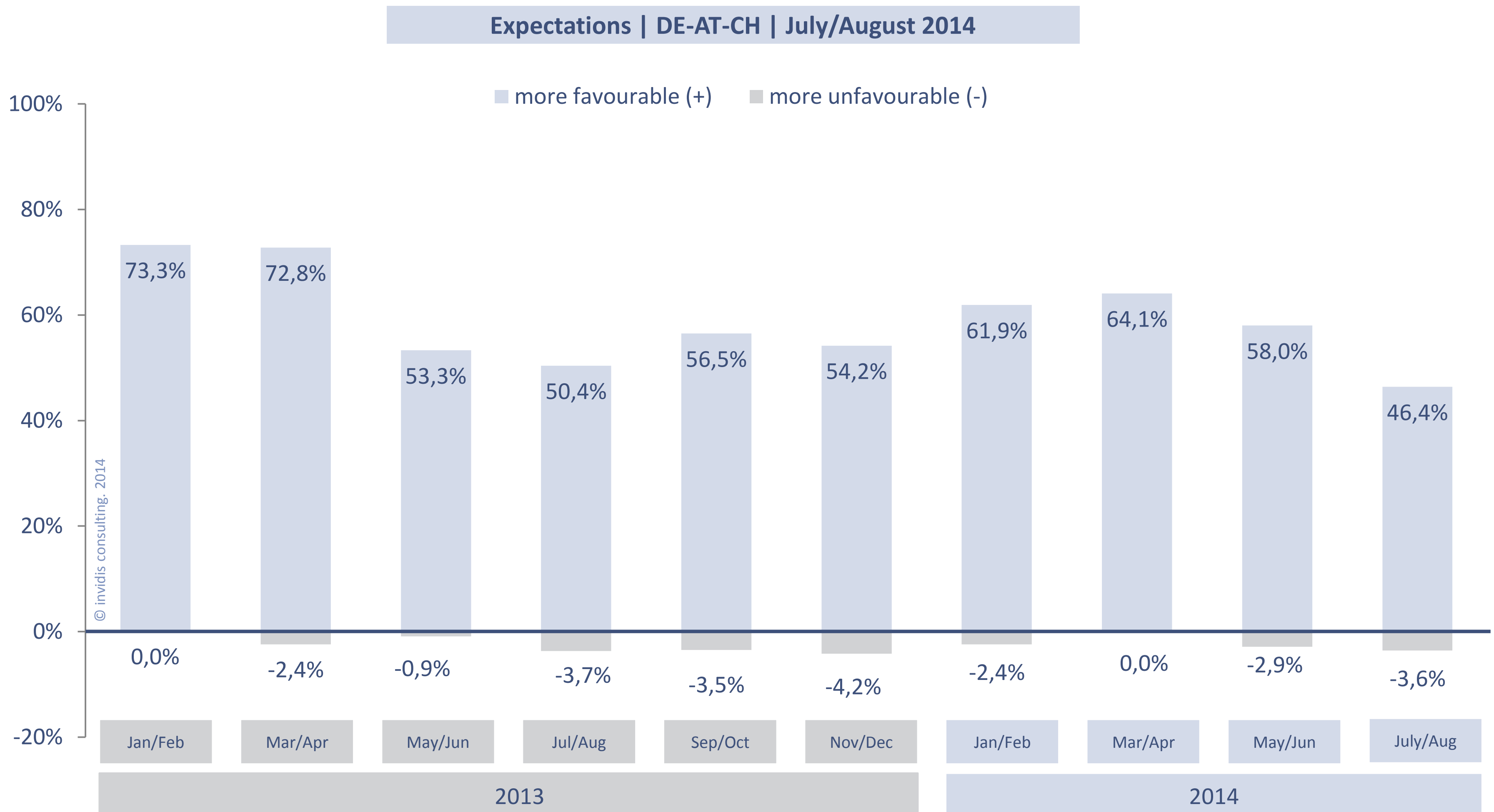


Fig. 5: DBCI July | August 2014 „Expectations DE-AT-CH", n=138

Countries | DBCI in the German speaking countries still in the positive range

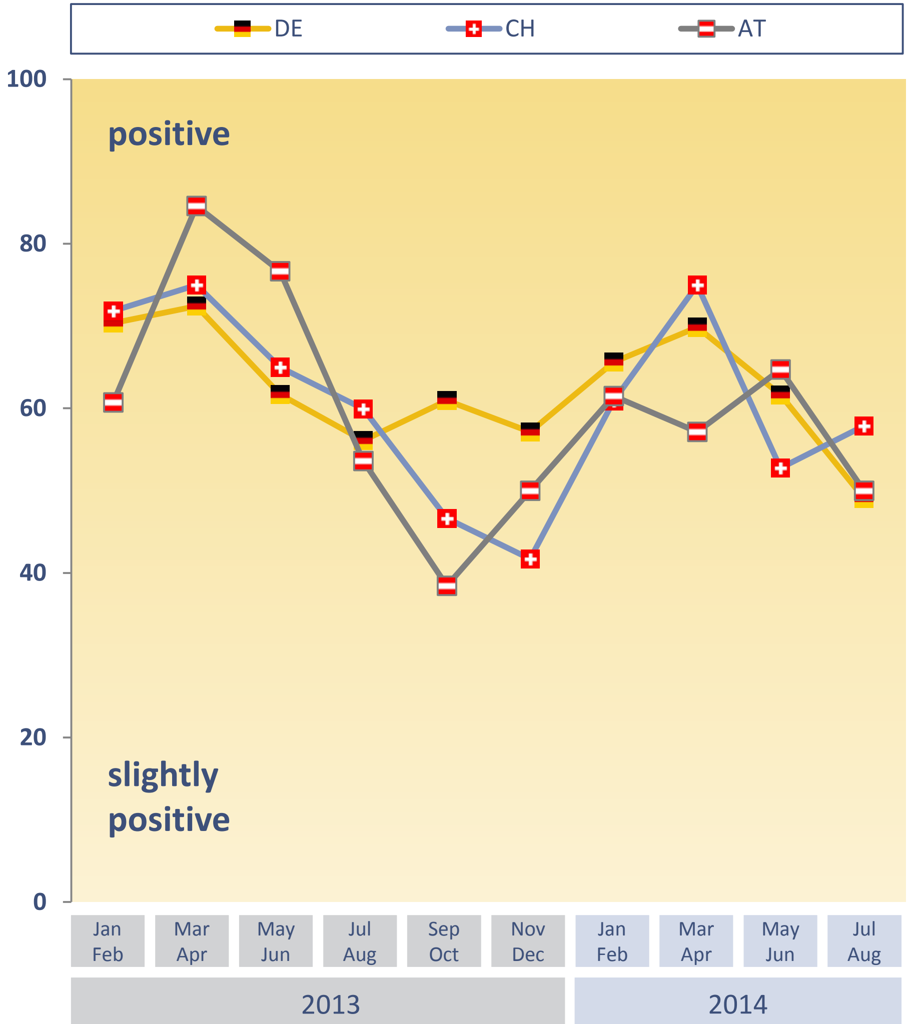


Fig. 6: DBCI July | August 2014 „Index DE-AT-CH", DE 106, CH 19, AT 13

- Since the last survey the business climate in the German Digital Signage market has decreased again slightly. In this the DBCI is running according to the other leading economical indicators (Ifo/ZEW). Still analysts see „an underlying positive trend for the mid-term economical outlook".[1)] However, due to a decrease in consumer spendings and orders from the industry the economy in the second quarter could not keep up with the high pace of the first quarter
- Also in Austria the business climate in the Digital Signage market decreased. The relatively high unemployment rate combined with a continuous decline in net wages since 2010, has had a negative effect on consumer confidence and consumption. Therefore the domestic investments are low, starting with the strategic budgets. This particularly concerns the Digital Signage industry as it is dependent on those budgets
- In Switzerland the business climate in the Digital Signage market increased. Although analysts (ZEW) have a more conservative outlook for the general economy due to the modest export growth, many Digital Signage projects are being rolled out now, which had been in the making since 2013

1) Source: ZEW president Clemens Fuest

Germany | Slightly cooled off business situation and expectations

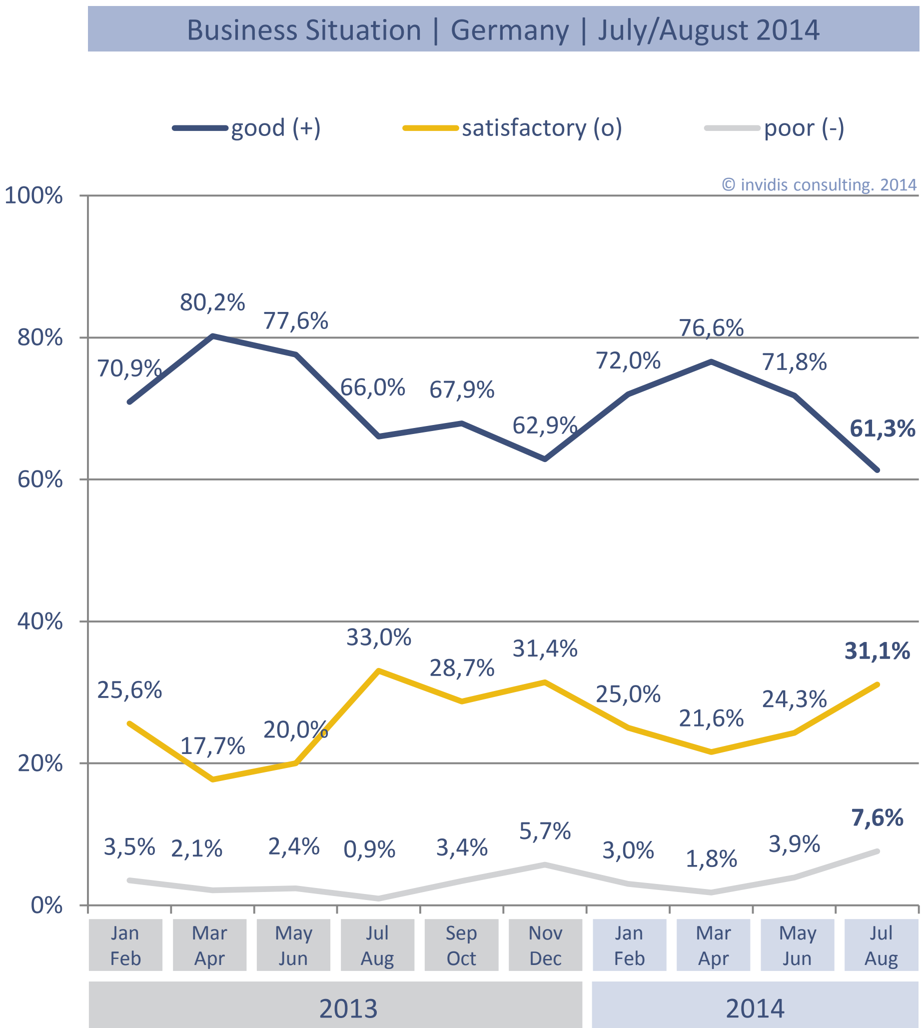


Fig. 7: DBCI July | August 2014 „Business Situation Germany“, n=106

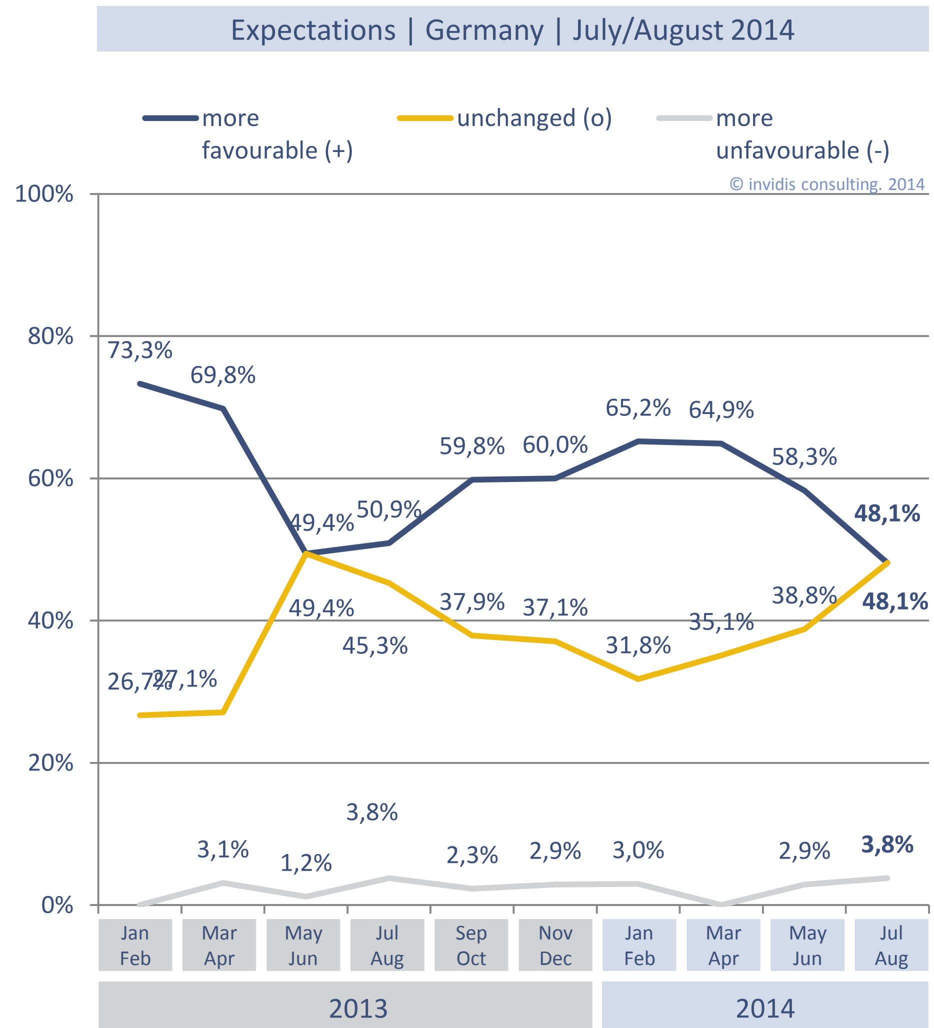


Fig. 8: DBCI July | August 2014 „Expectations Germany“, n=106

Austria | Constant positive business situation – cautious expectations

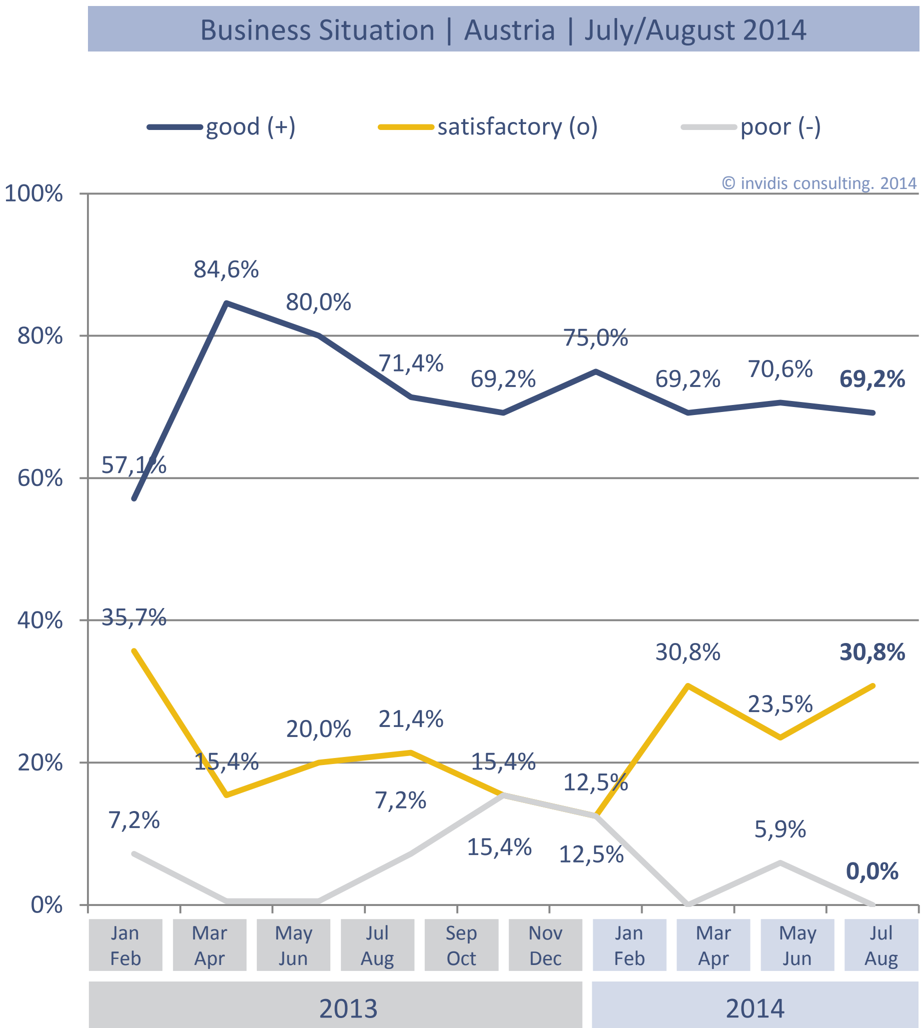


Fig. 9: DBCI July | August 2014 „Business Situation Austria", n=13

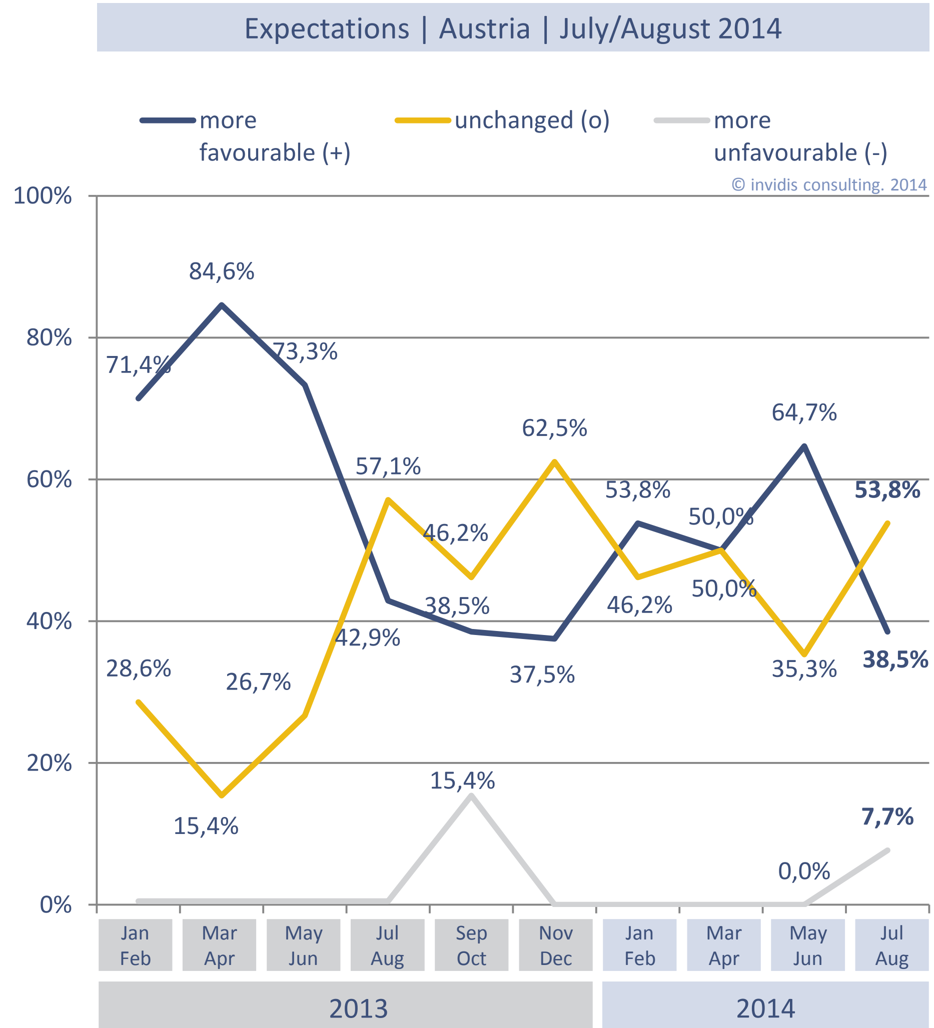


Fig. 10: DBCI July | August 2014 „Expectations Austria", n=13

Switzerland | Increased business situation – conservative expectations

Business Situation | Switzerland | July/August 2014

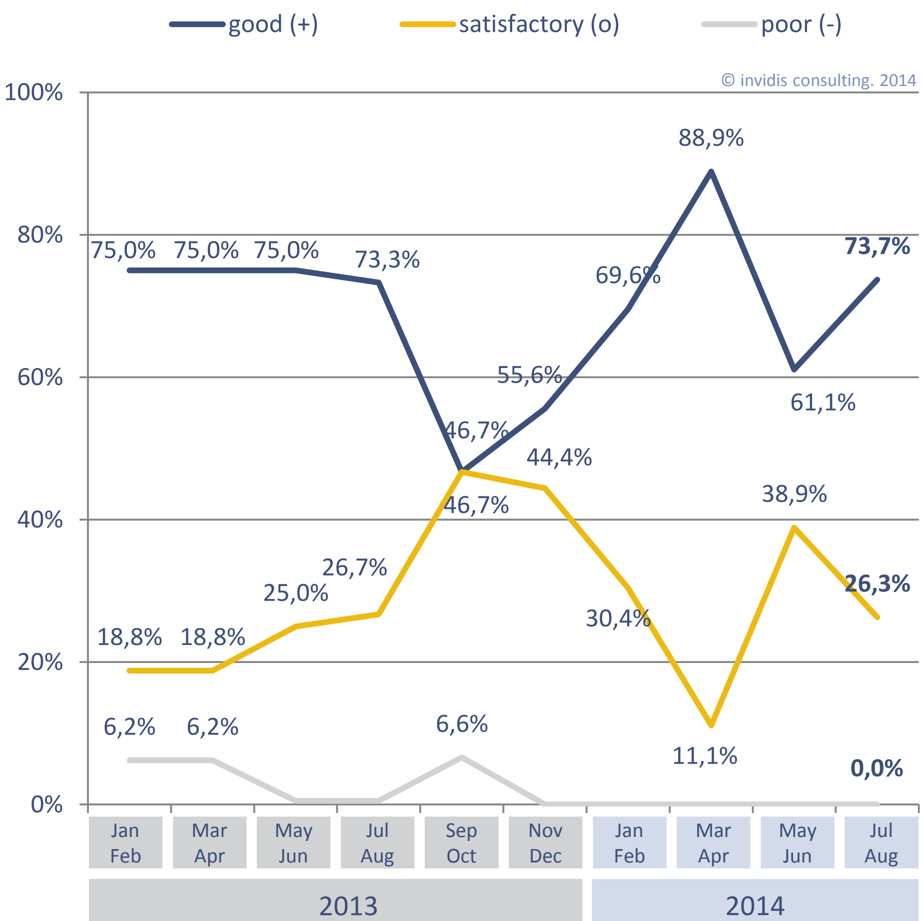


Fig. 11: DBCI July | August 2014 „Business Situation Switzerland", n=19

Expectations | Switzerland | July/August 2014

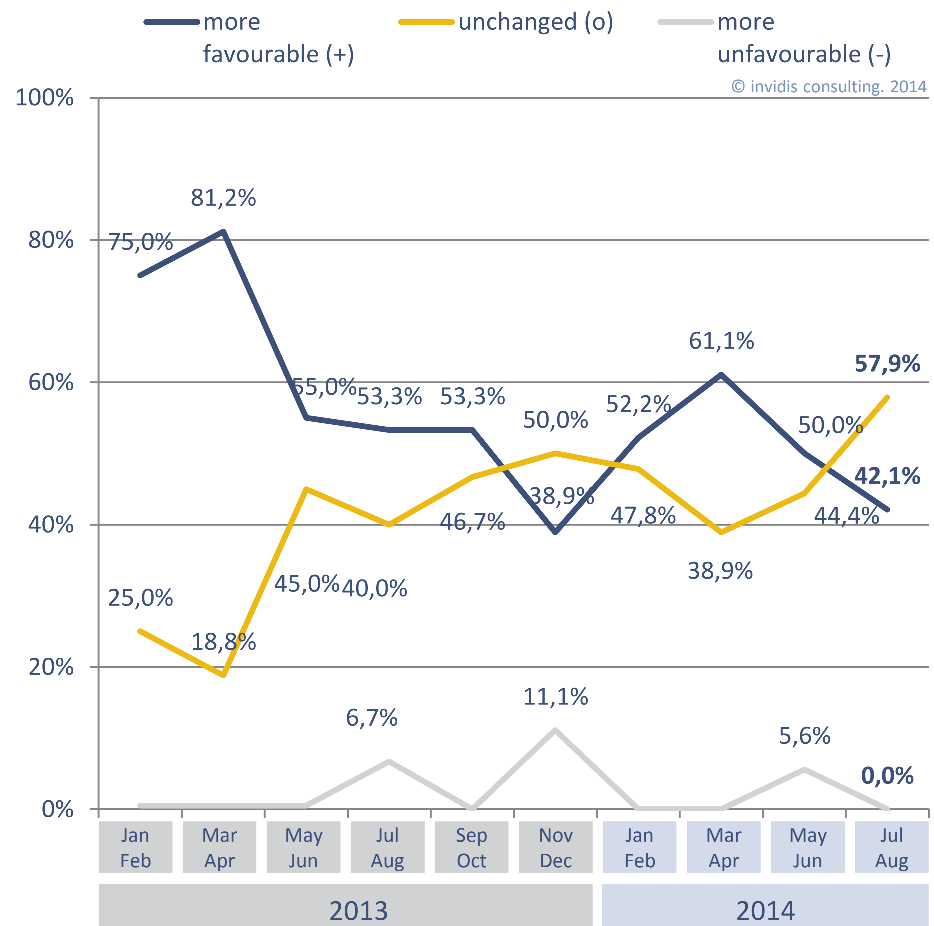
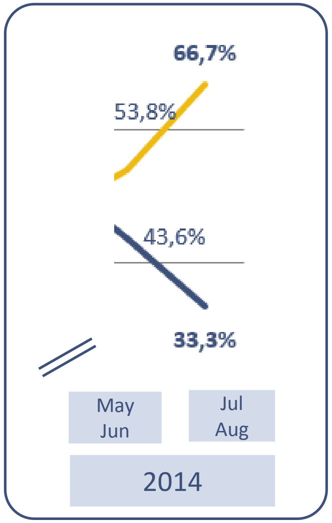


Fig. 12: DBCI July | August 2014 „Expectations Switzerland", n=19

Segments | DooH in ascent – sober outlook for the display market & integrators

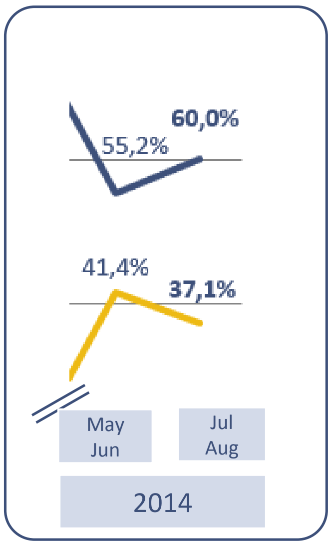


Integrators

more favourable (+)

no change (o)

Fig. 13: DBCI July | August 2014 „Expectations Integrators“, n= 33



Digital-out-of-Home

good (+)

neutral (o)

Fig. 14: DBCI July | August 2014 „Business Situation DooH“, n=35

- The current business situation of the display providers and the integrators has decreased slightly but in each case 66% of the polled companies still rated their situation as “good (+)”. The neutral expectations for the next 6 month clearly increased
- The industry still has a full order book but the opportunities for fall and winter do not meet the expectations
- Also the business climate for the software providers has decreased. However, the expectations for the next 6 months are steady positive, as almost 70% of the market participants have answered
- The DooH industry experienced an improvement of the business situation. 60% of all polled companies rate their current situation as “good (+)”
- The DooH gross advertising revenues have grown over 15% in the last six month compared to the same period last year. Especially in the segment “shopping malls” and “retail” sales increased[1)]
- Similarly in Switzerland and Austria the DooH revenues of the first two quarters in 2014 were very positive. With 30% growth Switzerland showed the best results in the German speaking region[2)]

1) Source: Nielsen
2) Source: MediaFokus; Fokus Media Research

Displays | Good business situation but no increase expected

Business Situation | Displays | July/August 2014

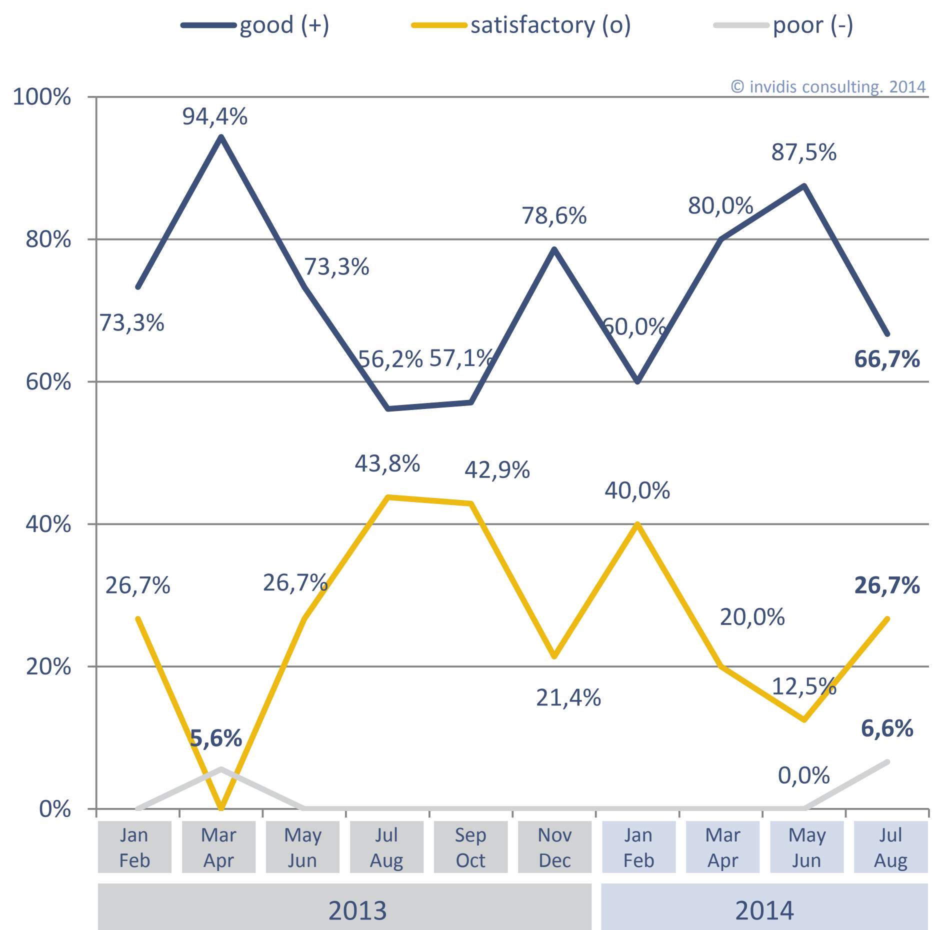


Fig. 15: DBCI July | August 2014 „Business Situation Displays", n=15

Expectations | Displays | July/August 2014

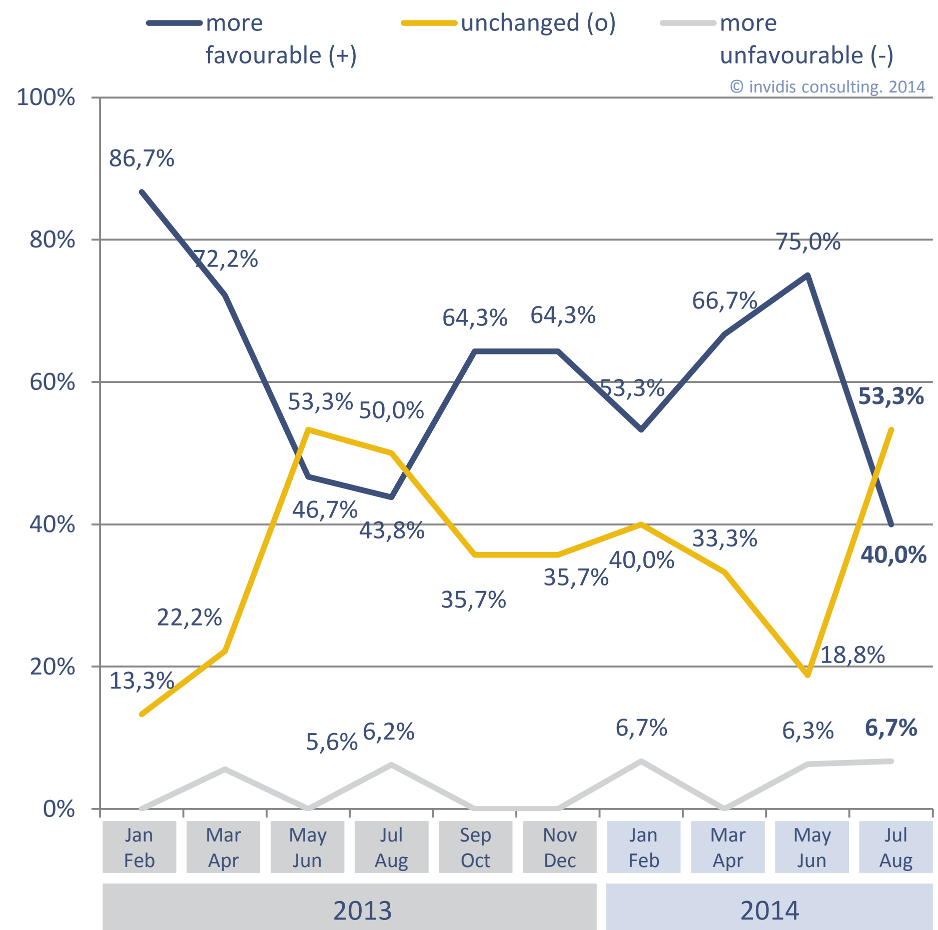


Fig. 16: DBCI July | August 2014 „Expectations Displays", n=15

Integrators | Slightly lower business situation – no changes expected

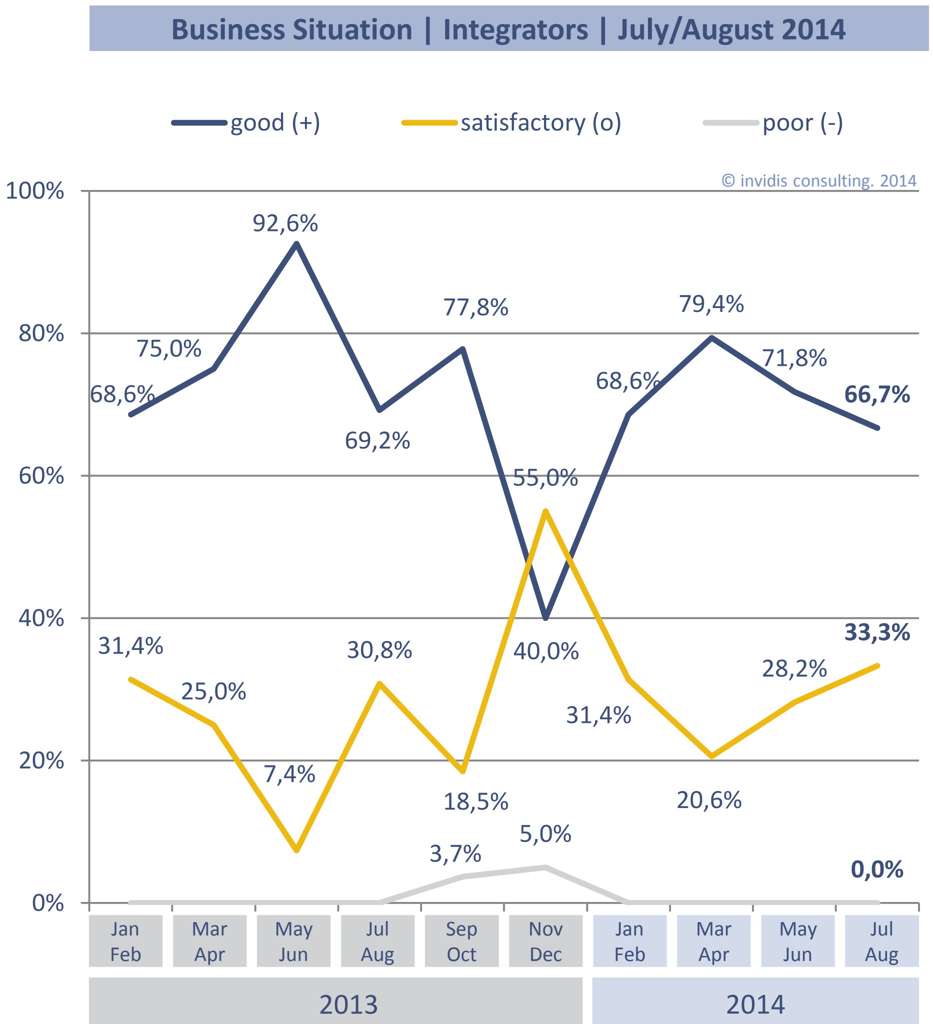


Fig. 17. DBCI July | August 2014 „Business Situation Integrators“, n=33

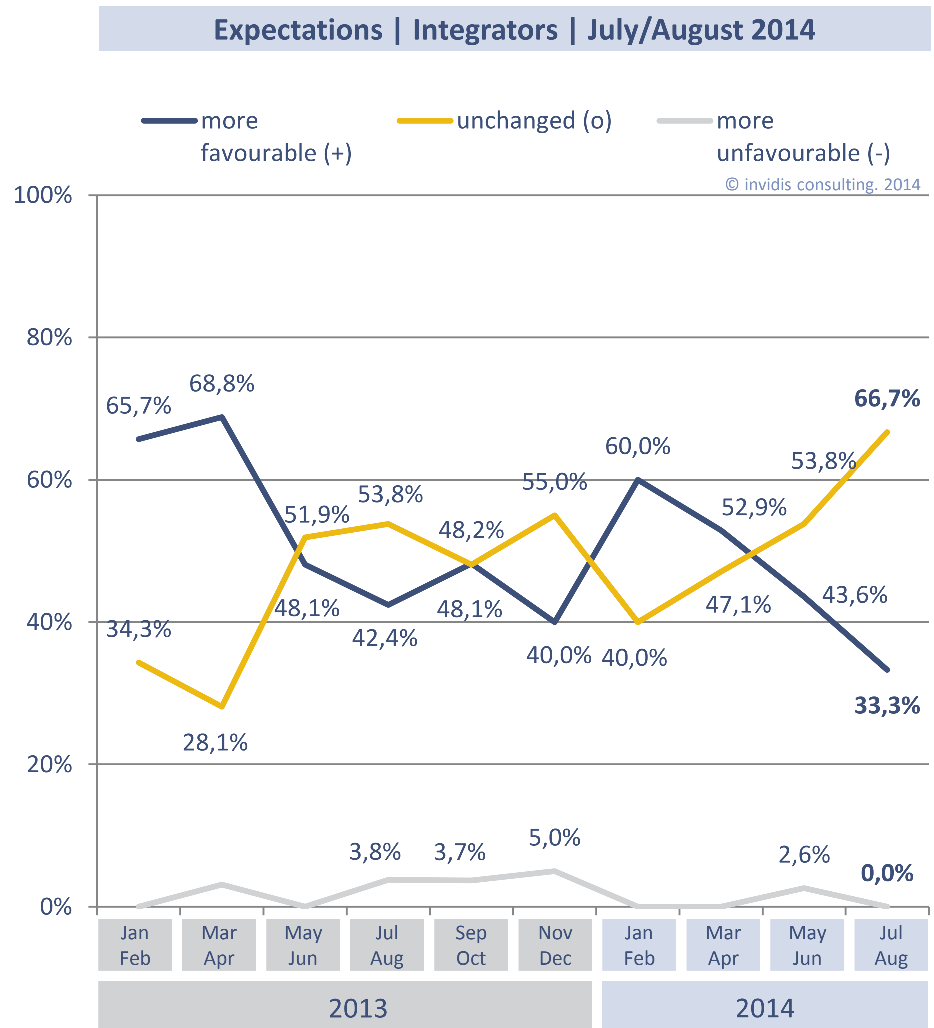


Fig. 18: DBCI July | August 2014 „Expectations Integrators“, n=33

Software | Lower business situation – consistant positive expectations

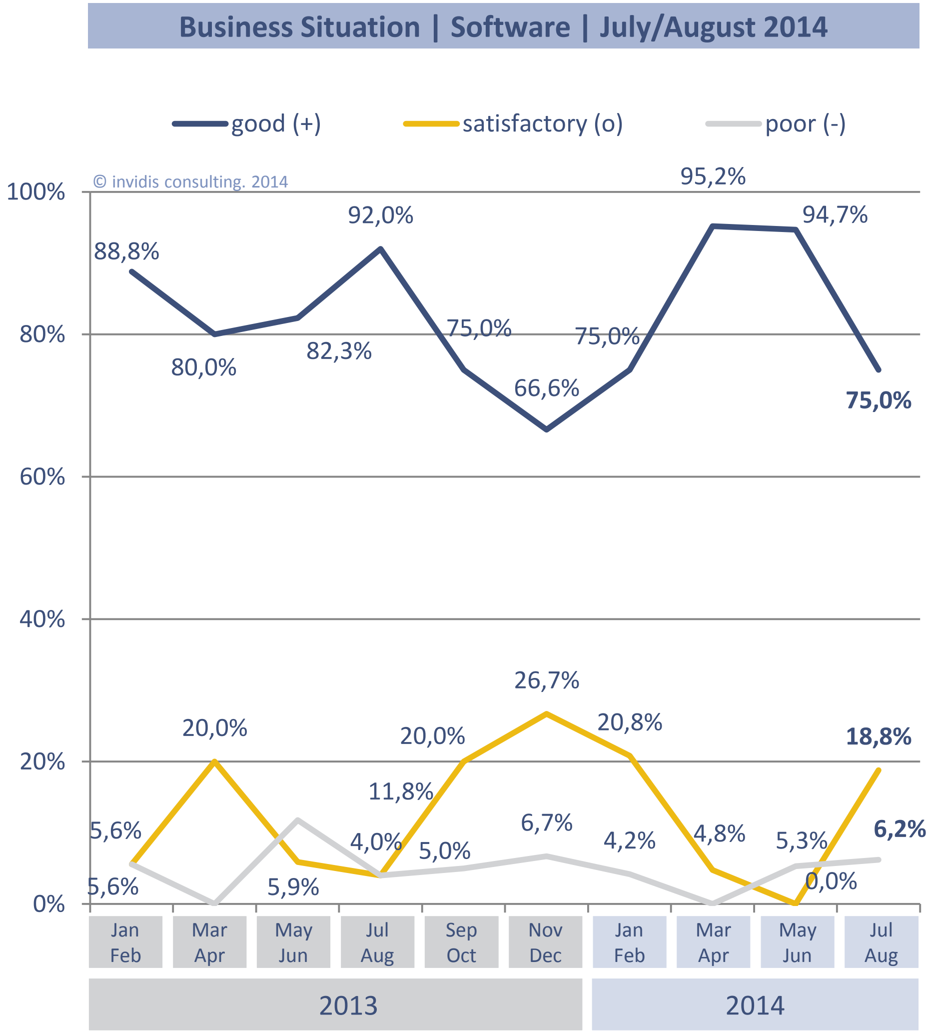


Fig. 19: DBCI July | August 2014 „Business Situation Software“, n=16

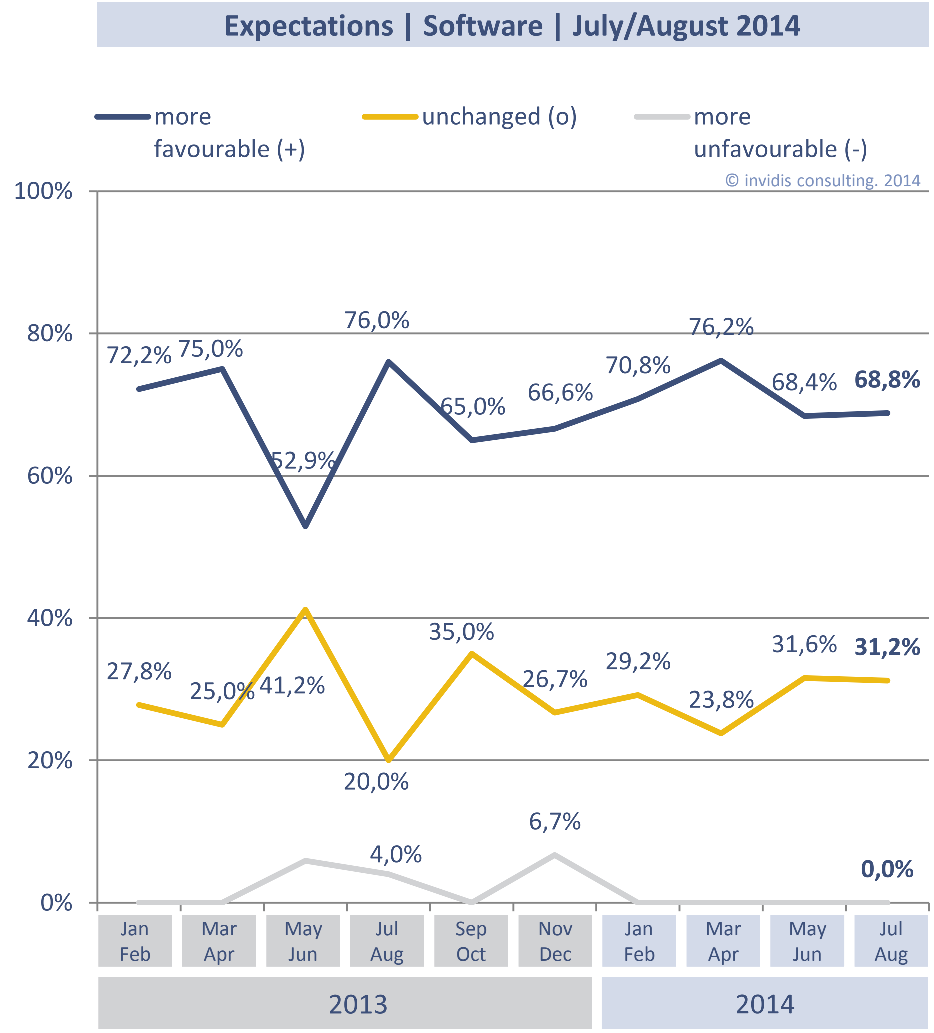


Fig. 20: DBCI July | August 2014 „Expectations Software“, n=16

DooH | Good business situation in spite of the summer slump

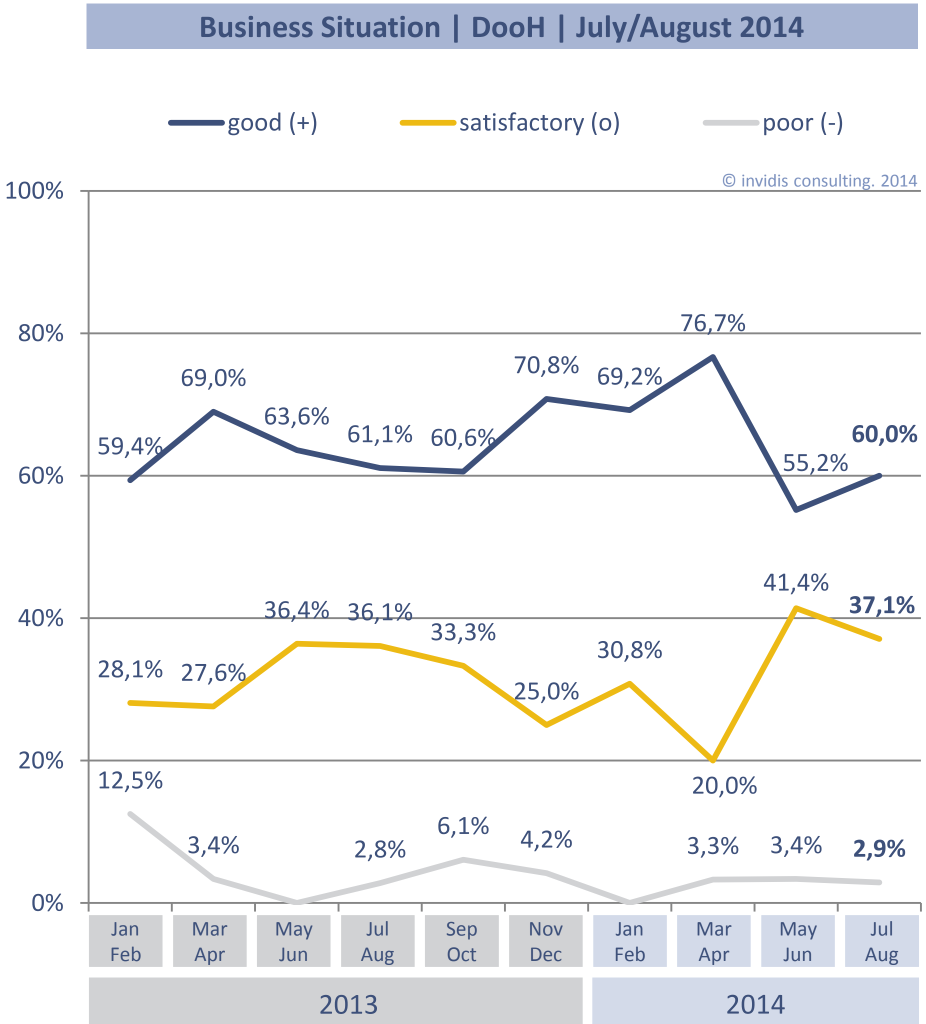


Fig. 21: DBCI July | August 2014 „Business Situation DooH“, n=35

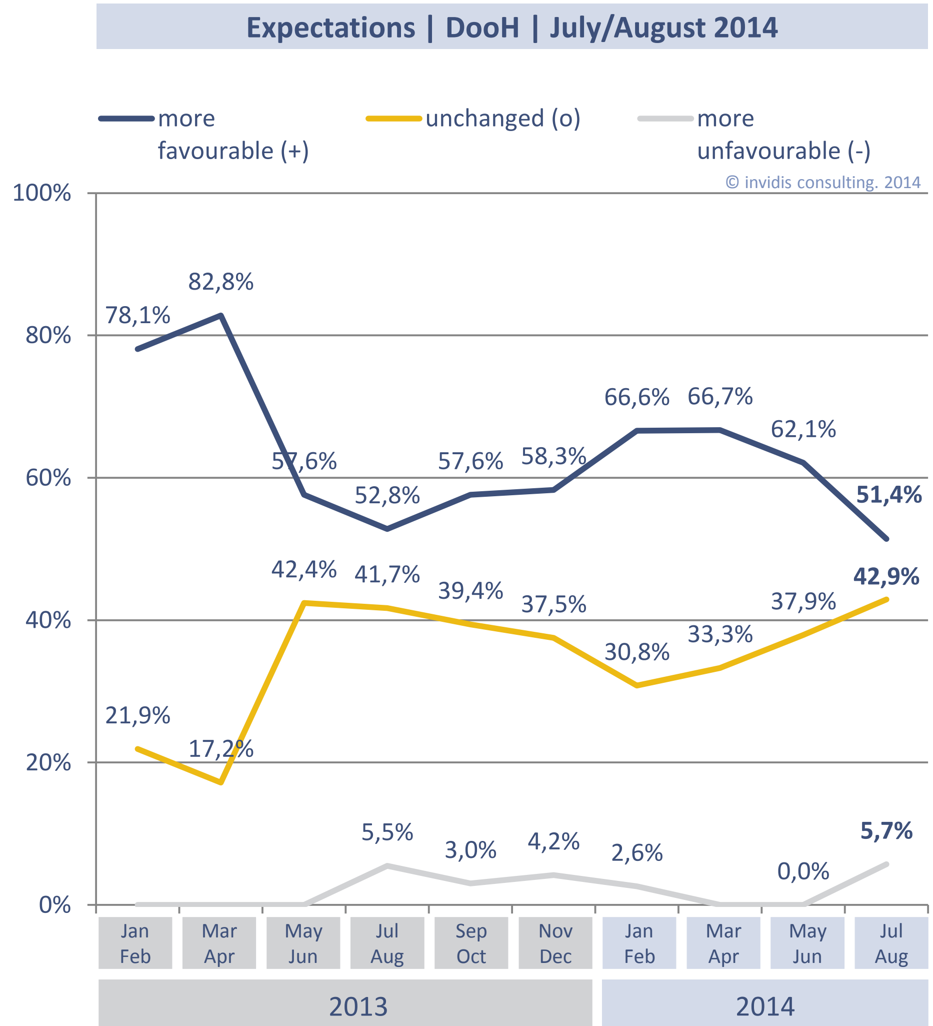
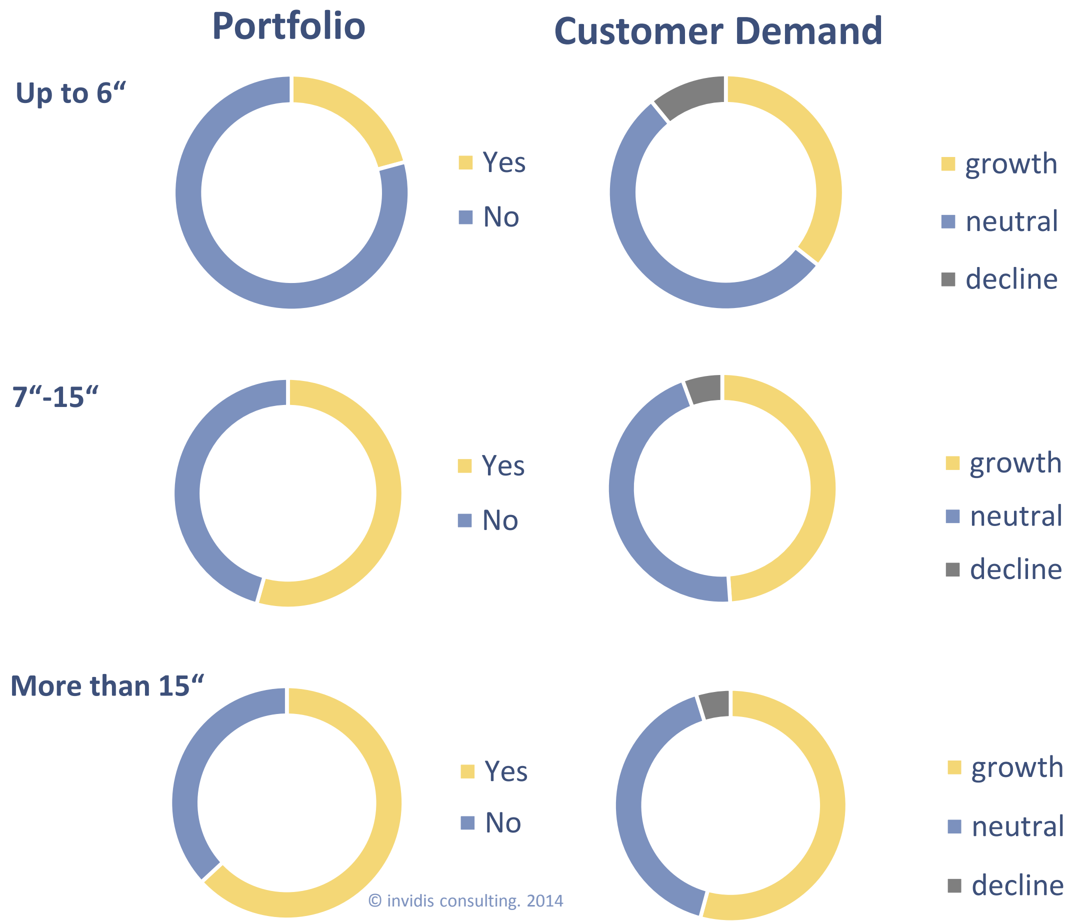


Fig. 22: DBCI July | August 2014 „Expectations DooH“, n=35

Additional Research | High demand for Small Signage

- Of the polled companies over **50%** have frequently installed or sold displays in sizes between 7" and 15" (tablets) and over **60%** have doen this with displays bigger than 15" (office displays)
- In contrast displays up to 6" are still only infrequently implemented. Only **21%** of all polled companies have gathered experience with these display sizes: The reason here is certainly the small number of use cases for these sizes
- The expected customer demand according to the different display sizes shows a similar image. Over **50%** of all polled companies clearly see an increasing demand for displays sizes 7"- 15" or larger than 15" within the next 12 month. On the other hand the majority of the market does not expect to see an increasing demand for displays up to 6"



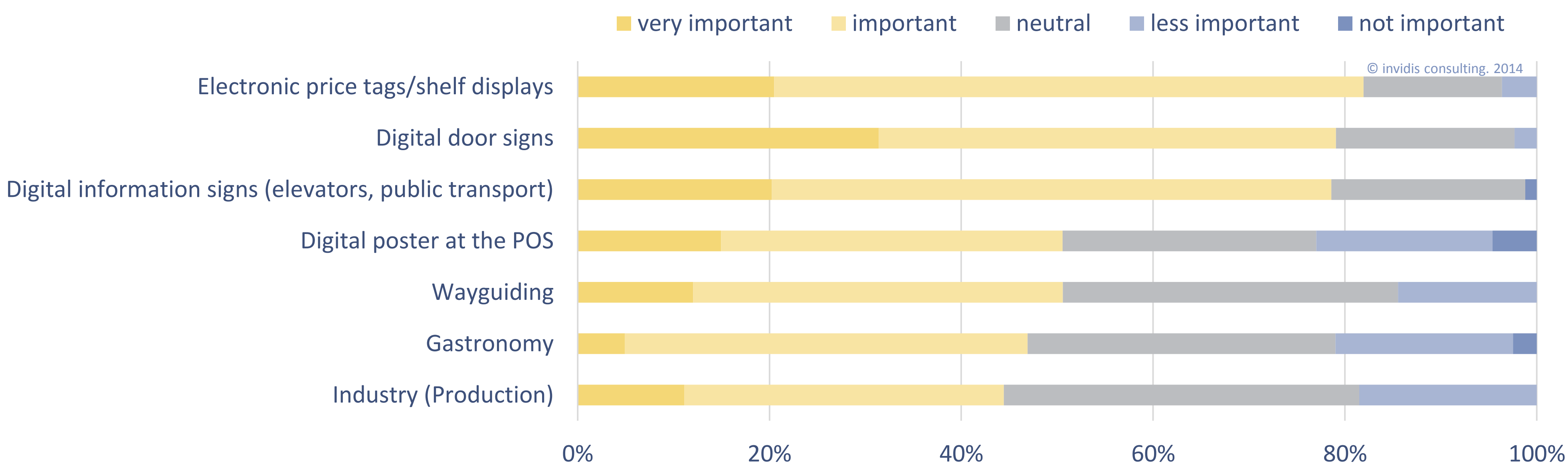
Question: *„Did you sell or install small professional Displays (smaller 32") in Digital Signage installations?"*

Question: *„How do you think will the customer demand for displays smaller 32" in Digital Signage related projects evolve over the next 12 months?"*

Fig. 23: DBCI July | August 2014 „Portfolio & Demand – Small Signage" n=90/88

Additional Research | High potential for Small Signage at the POS

- About **80%** of all polled companies think that shelf displays and digital signs like door signs but also display systems in elevators or public transport are the most important scenarios for professional Small Signage (displays smaller than 32”)
- Small Signage at the POS: The polled companies see the highest potential for Small Signage at the POS with shelf displays. The demand for e-posters will still grow, but it is not rated to be as high as for the shelf displays



Question: *„Where do you see the most succesfulle use cases for Small Signage?“*

Fig. 24: DBCI July | August 2014 „Use cases for Small Signage” n=87

Additional Research | Creativity is still a demanding challenge in DooH

Concerning the creative process in DooH

75% market participants see a **high or very high** challenge in:

- The consideration of the different **viewing situations** (e.g. passage-/waiting situation)
- The primary **conception phase** (adjustment to the media)
- The **available Budgets**

The different **picture** (horizontal, vertical, split screen) and **media formats** (Flash, HTML5, resolution, compression) are not a high technical challenge for the creatives, as **60%** of the polled companies think

80% provide no or only irregularly **workshops** to educate the customers on the different possibilities in the creative process of a DooH campaign

- The creative process in DooH campaigns has to manage many difficult challenges. In particular the consideration of the diverse viewing situations respectively dwell times is seen as to be challenging. The storyline for spots in a passage situation have to be much more condensed and pronounced than in a waiting situation
- The market participants also see big challenges for DooH campaigns in the the primary conception phase, where one adapts campaigns from other media formats to perfectly fit the DooH characteristics. Moreover, the restricted budgets in the below-the-line media have a noticeable impact on the creative freedom
- In spite of these results only few of the companies currently involved in the DooH market offer a sufficient number of workshops to familiarize their customers with the distinct characteristics of the media

Question 1: *„Please rate how high the challenges in the creative process of a Digital-out-of-Home campaign are“ n=25*

Question 2: *„Are you currently providing regular workshops for customers, to educate them on the different possibilities in the creative process of a Digital-out-of-Home campaign?“ n=25*

Additional Research | In Switzerland the trend is network-bundling

- The bundling of different networks is becoming more and more important for planning a DooH campaign in Switzerland. 57% of all polled companies said that many DooH campaigns are booked across network borders
- Since the media DooH is still in a start up phase and most networks grow continuously but slowly it is important to offer a relevant reach for the advertiser. As of today, this can only be achieved through an effective bundling of the different networks (cf. challenges: p.18)
- Although many networks now offer day parting, demand for this option is only low. This relatively new posibillity to plan a campaign is not yet widely accepted or rather scarcely established with media agencies and advertisers

Network bundling for DooH campaigns

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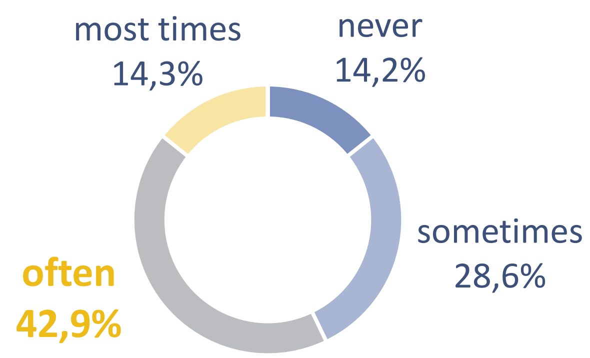

Question: *„How often more than one network was booked to implement a DooH campaign?"*

Fig. 25: DBCI July | August 2014 „Network bundling for DooH campaigns CH", n=7

Day parting with DooH

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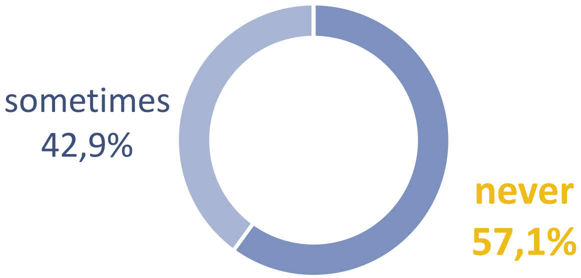

Question: *„How often is DooH booked only for certain times of the day?"*

Fig. 26: DBCI July | August 2014 „Day parting CH", n=7

DBCI | Roadmap 2014 & Contact

2014	
January	
February	
March	
April	
May	
June	
July	
August	
September	Sep./Oct. | 18.09.
October	
November	Nov./Dec. | 17. 11.
December	

- The next survey will take place in calendar week 35-36 of 2014
- The next planned publication date will be the 18th of September 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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