Germany
Austria
Switzerland

September | October 2014

DBCI

Digital Signage & DooH Business Climate Index

The pulse of the Digital Signage and DooH industry

OVAB cooperation partner Switzerland:

invidis research
2014 DE 500 en

Contents

Index | Good earnings and new orders stimulate the Digital Signage market

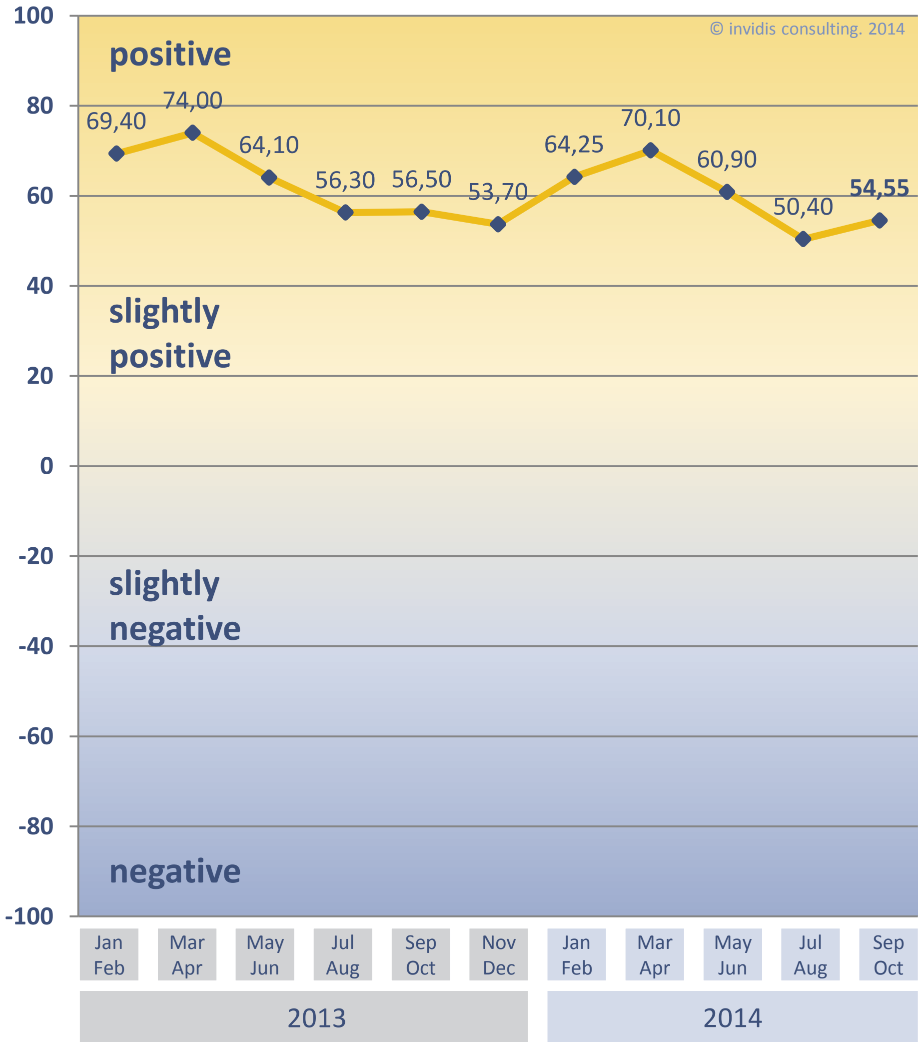

Fig. 1: DBCI September | October 2014 „Index DE-AT-CH", n=131

- Compared to July and August the business climate has increased slightly in September
- Since the last survey in July 2014 the Digital Signage Business Climate Index has increased from 50,40 base points by 4,15 to 54,55 base points
- The current business situation was rated as "good (+)" with a slight change. However, the optimism concerning the near future has increased since the last survey
- New orders after the summer slump and the expectation of current tenders being awarded before the end of the year give the market the much needed boost

Further Research

- The Digital Signage Market in Germany, Austria and Switzerland has registered considerably higher revenues in the first six months of 2014 compared to the same period in the previous year
- Also a clear year-on-year increase in revenues is expected for the full year 2014. Most market participants who suffered loses in the first six months predict to have contained them until the end of the year

- Participants: n=131
- Region: DE/AT/CH
- Time frame: 2014 calendar weeks 35-36

Index | Statements

Dirk Hülsermann (President OVAB Europe)

"The digital signage market continues to develop very positively. The Digital-out-of-Home market is historically not the strongest in the summer months, but will develop better in the fourth quarter, because this is the most important time for OoH during the year. As in previous years, also in 2014 Digital-out-of-Home will continue with double-digit growth as the fastest growing digital media."

Markus Deserno (Treasurer OVAB Europe)

"If you follow the DBCI since the beginning of 2014 it certainly supports our impression of the market. In the Digital Signage business the competition particularly among the integrators saw an intensification since mid 2013. The fact that we registered a high demand from the customers in the first two quarters, which was however not followed up by actual orders, intensified this situation. This has changed now for the better and we have high hopes that many new tenders will be awarded before the end of the year."

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DE-AT-CH | Rising expectations for the end-of-year business

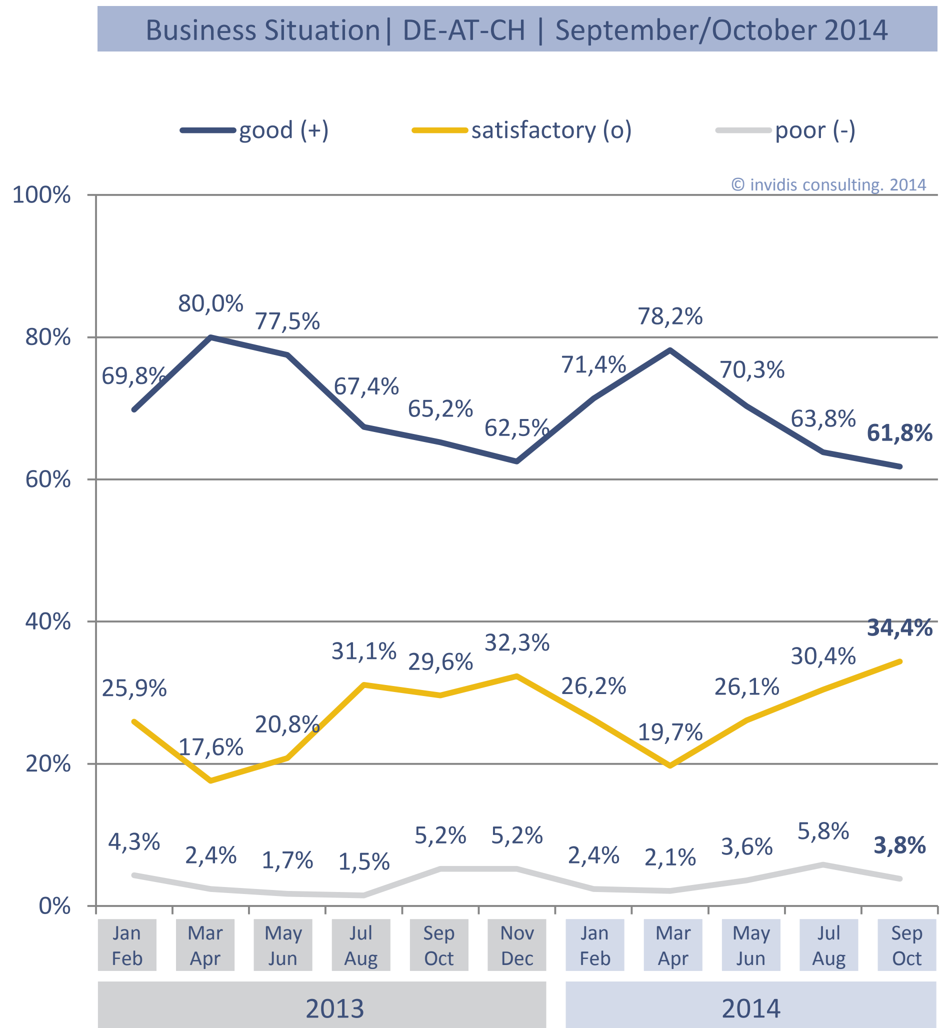

Fig. 2: DBCI September | October 2014 „Business Situation DE-AT-CH", n=131

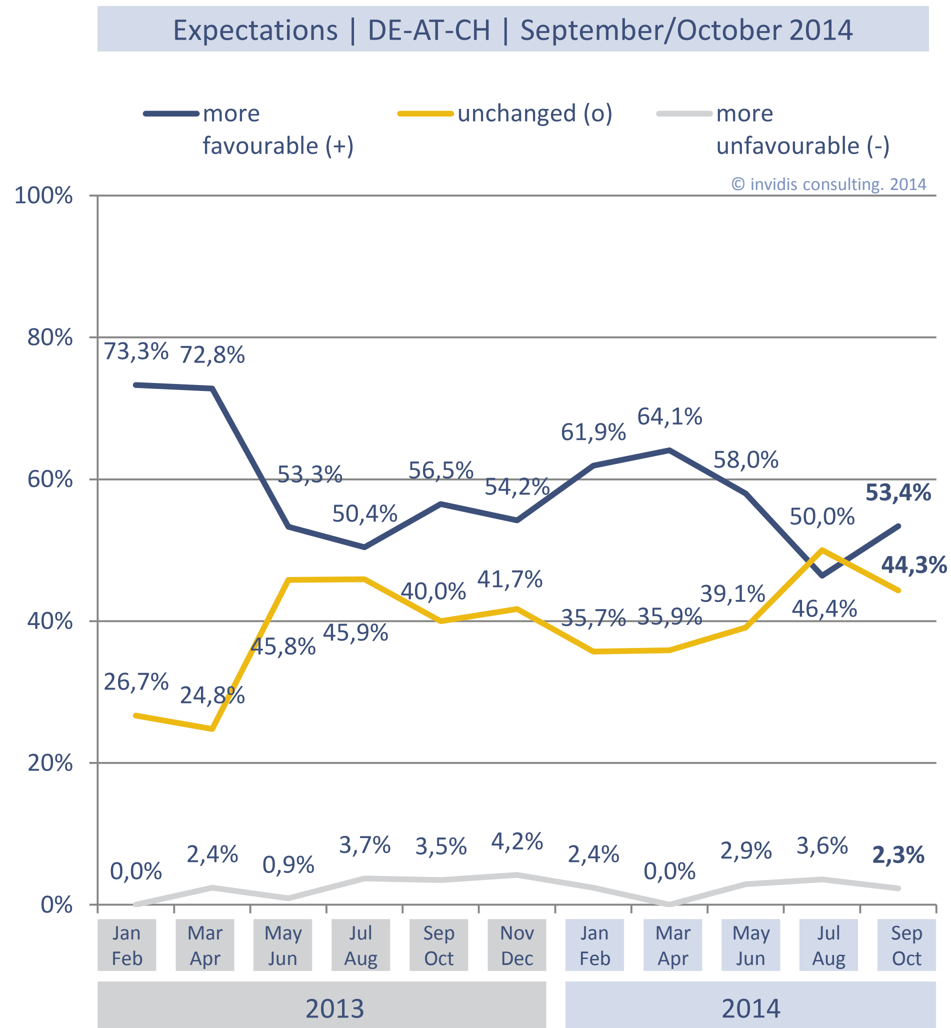

Fig. 3: DBCI September | October 2014 „Expectations DE-AT-CH", n=131

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

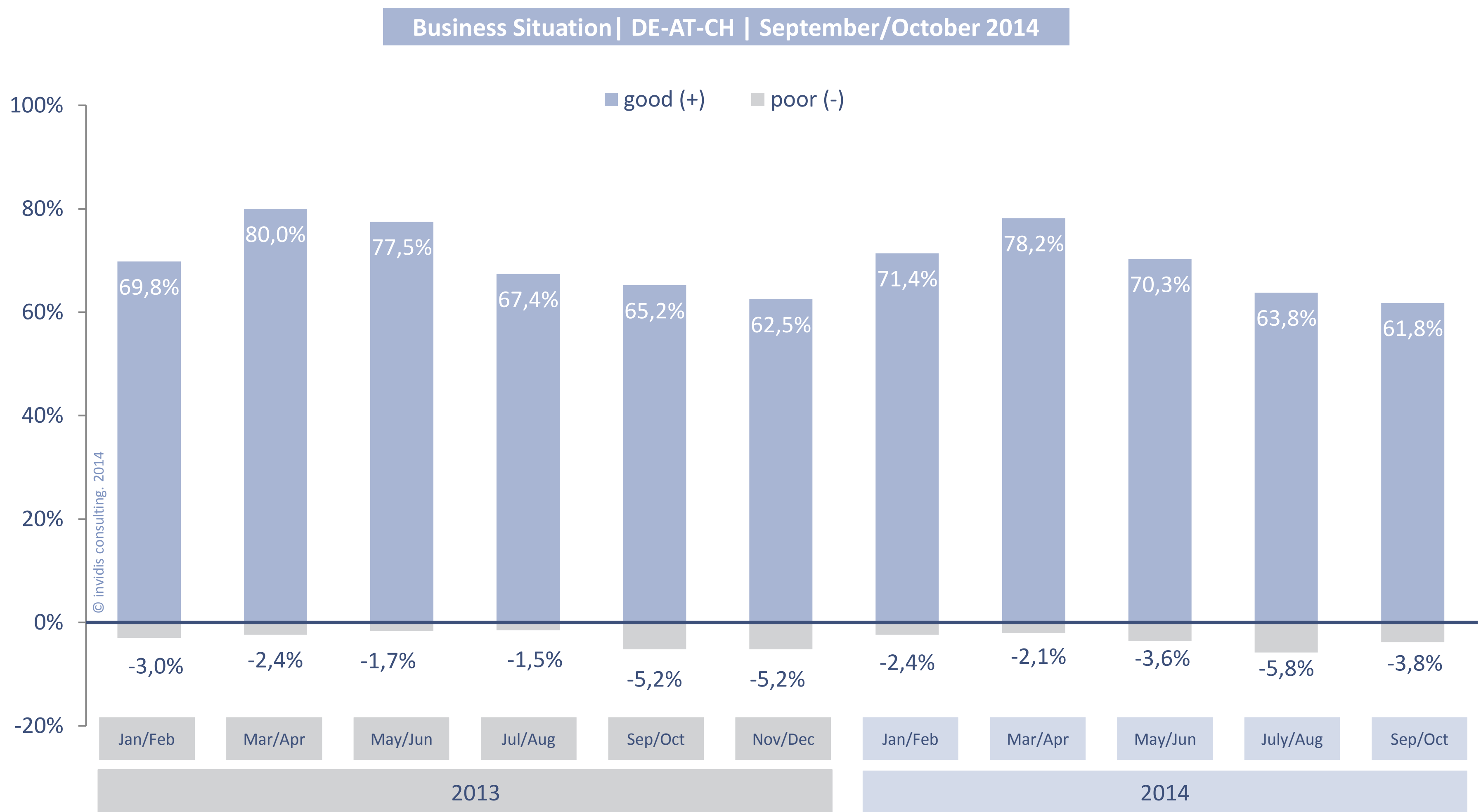

Fig. 4: DBCI September | October 2014 „Business Situation DE-AT-CH“, n=131

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

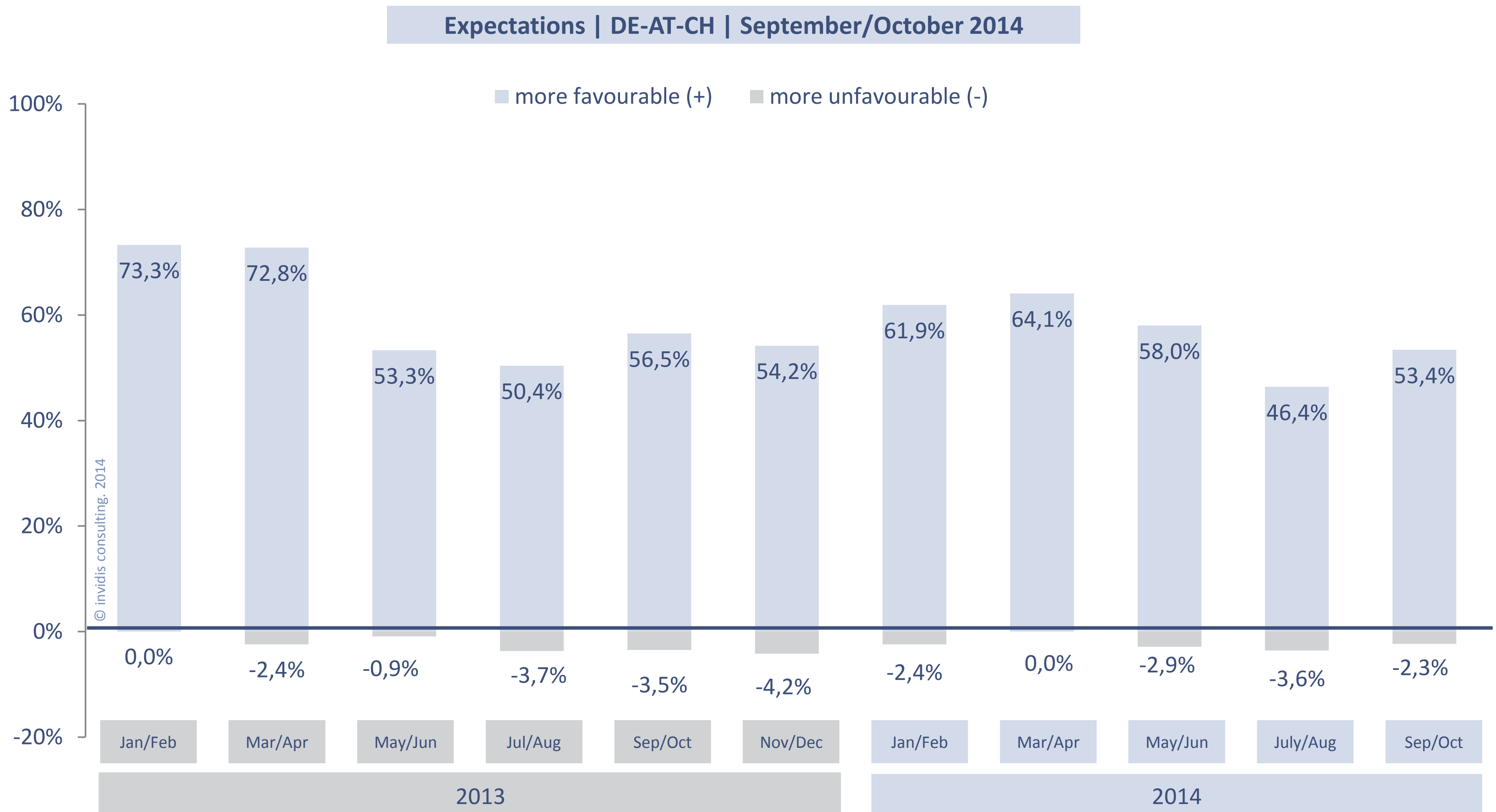

Fig. 5: DBCI September | October 2014 „Expectations DE-AT-CH“, n=131

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Countries | Slight upturn in the German speaking markets

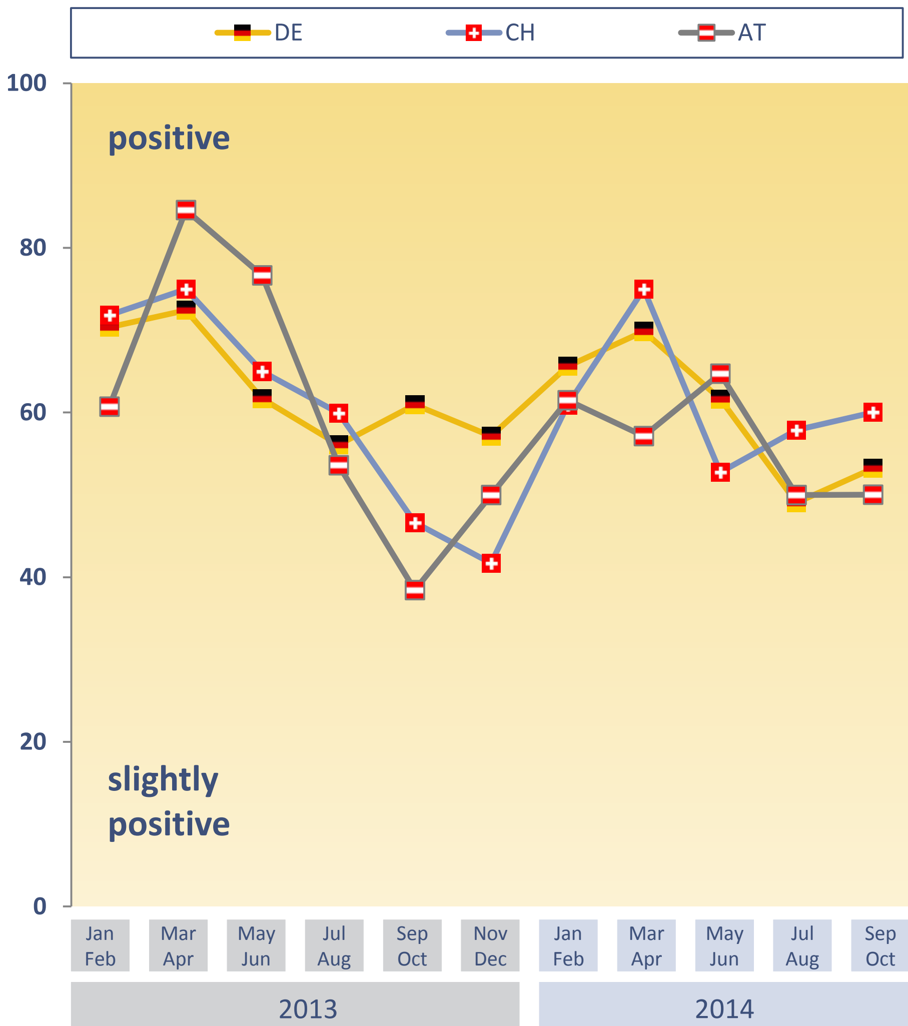

Fig. 6: DBCI September | October 2014 „Index DE-AT-CH“, DE 96, CH 20, AT 15

- Since the last survey the business climate in the German Digital Signage market has increased slightly. In spite of a currently negative sentiment in the general economy (ifo/ZEW), the business sentiment of the Digital Signage market participants has increased slightly after a few months of decline. The current political crisis with Russia seems to have no effects on the IT industry. Moreover record exports in July have given the companies cash to push further IT development
- Also in Switzerland the business climate in the Digital Signage market has further increased. However the boom in the IT market has resulted in a serious shortage in qualified employees and the new legislation concerning mass immigration will certainly intensify this effect
- In Austria the business climate in the Digital Signage market has remained flat yet on a positive level. The market is currently satisfied with the business situation and has rising expectations for the next six months

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Germany | Business situation and expectations back on positive track

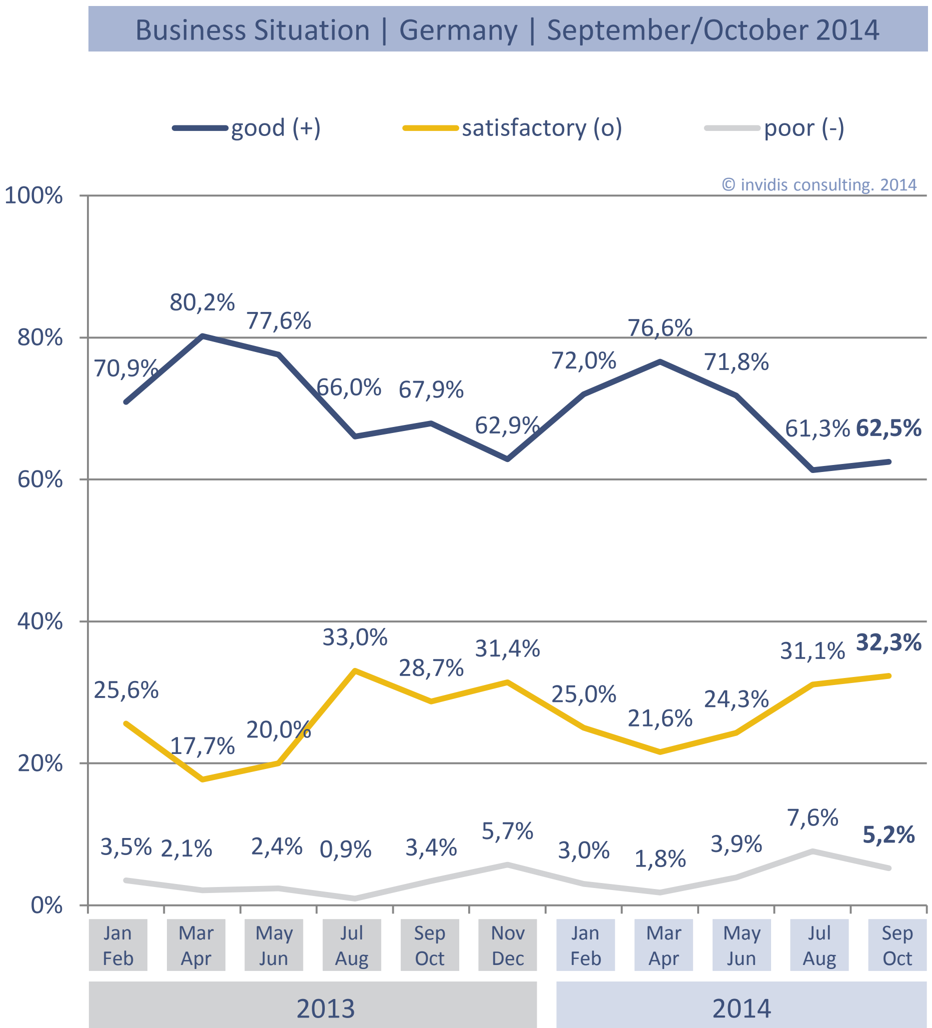

Fig. 7: DBCI September | October 2014 „Business Situation Germany", n=96

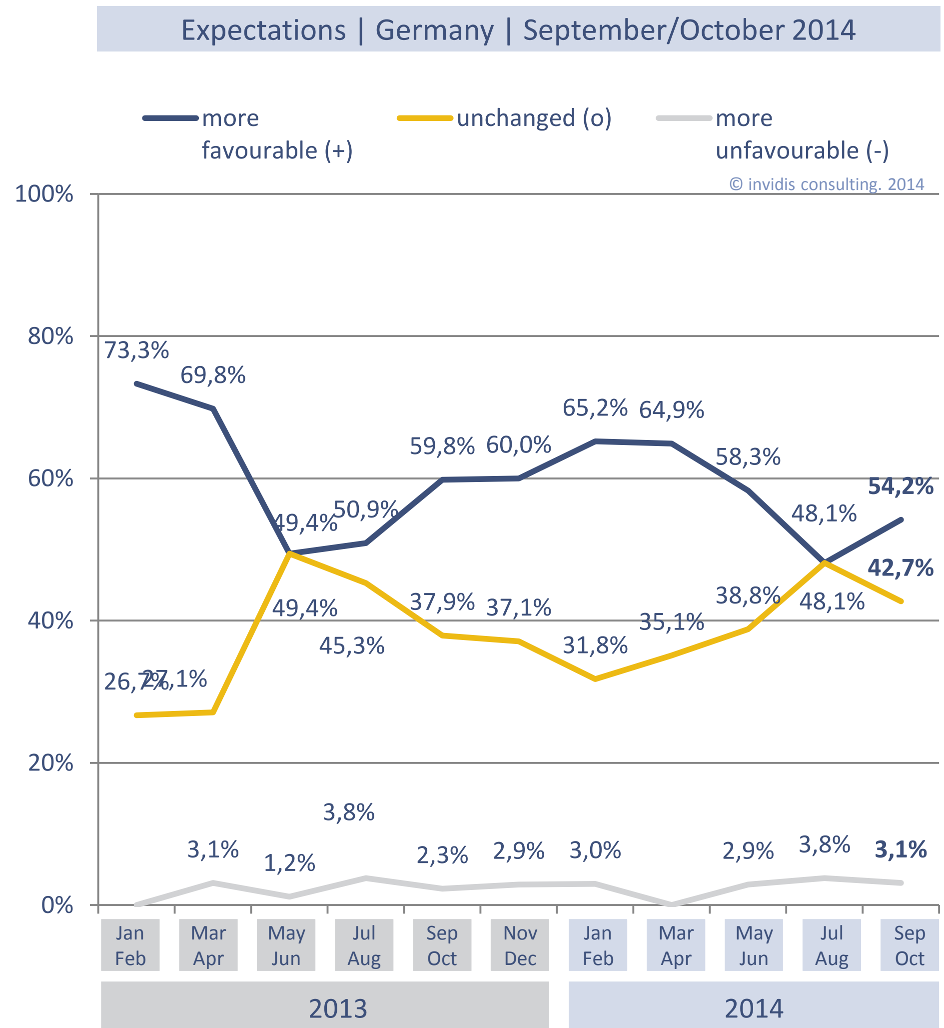

Fig. 8: DBCI September | October 2014 „Expectations Germany", n=96

Austria | Satisfied with the business situation and rising expectations

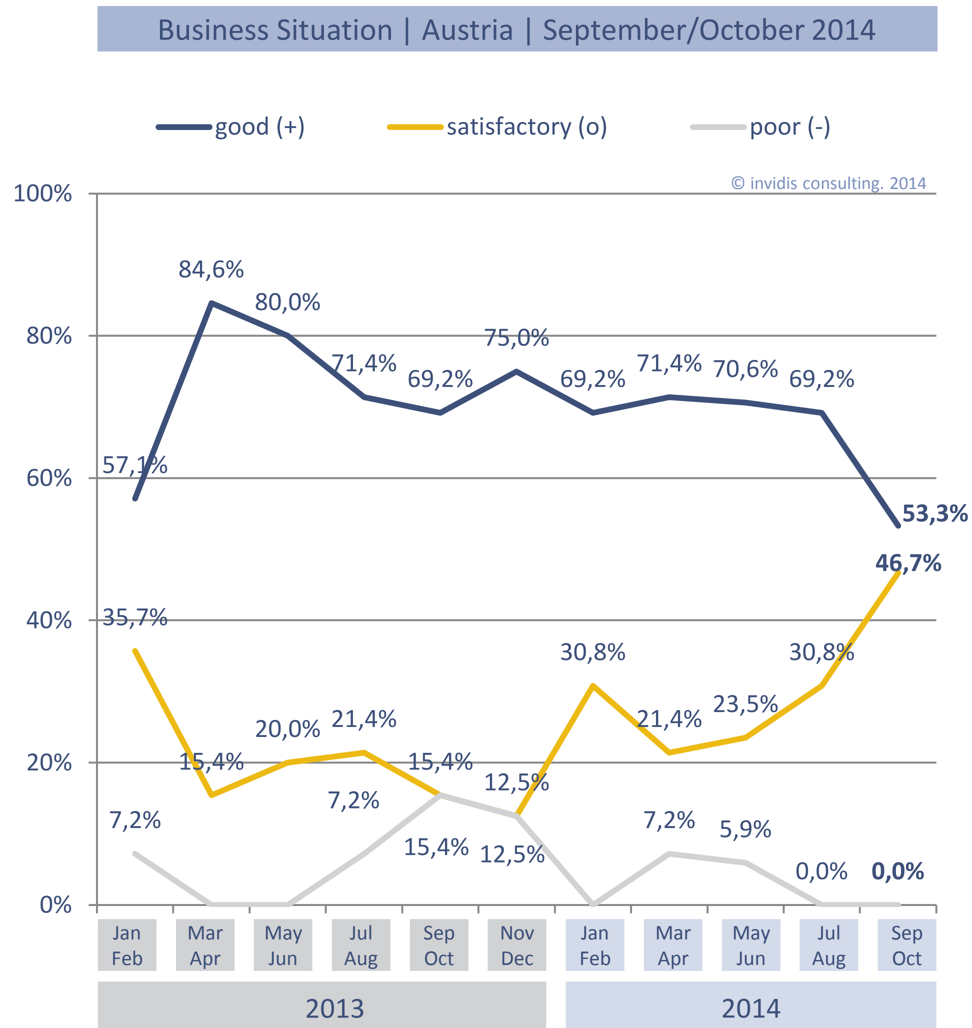

Fig. 9: DBCI September | October 2014 „Business Situation Austria“, n=15

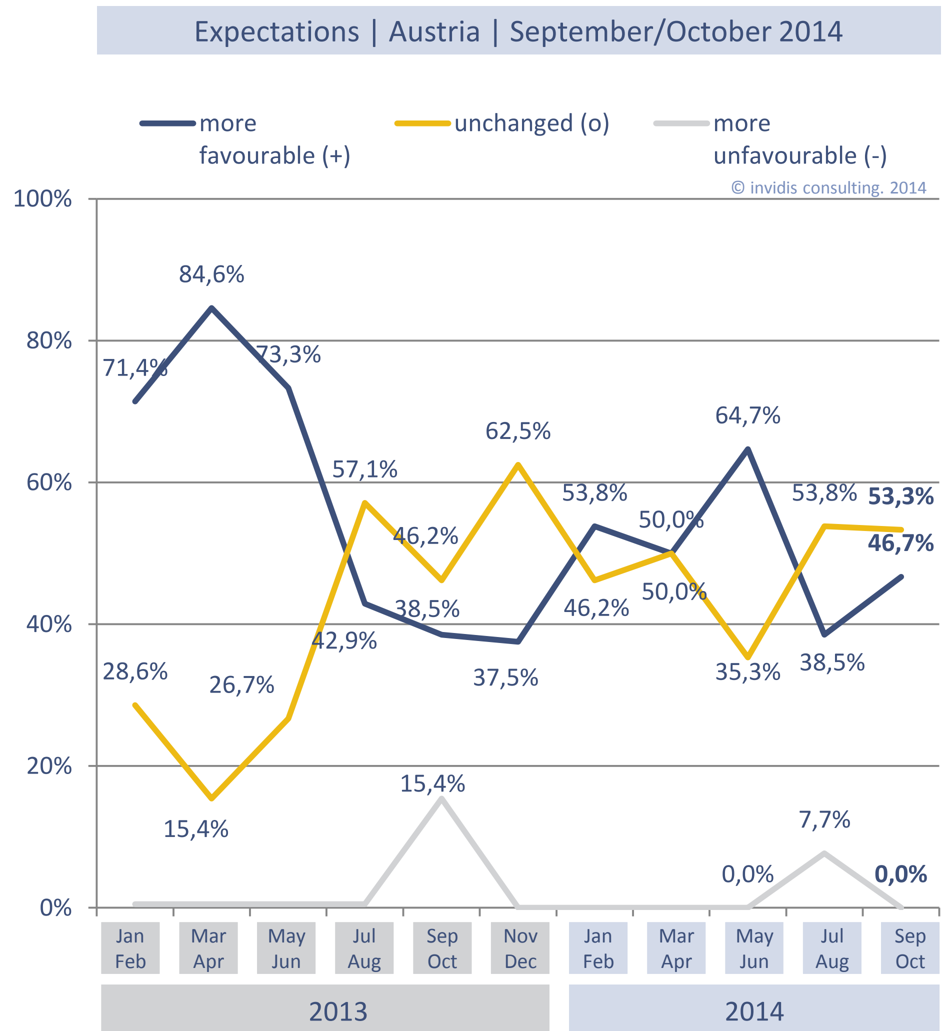

Fig. 10: DBCI September | October 2014 „Expectations Austria“, n=15

Switzerland | Slightly lower business situation – positive expectations

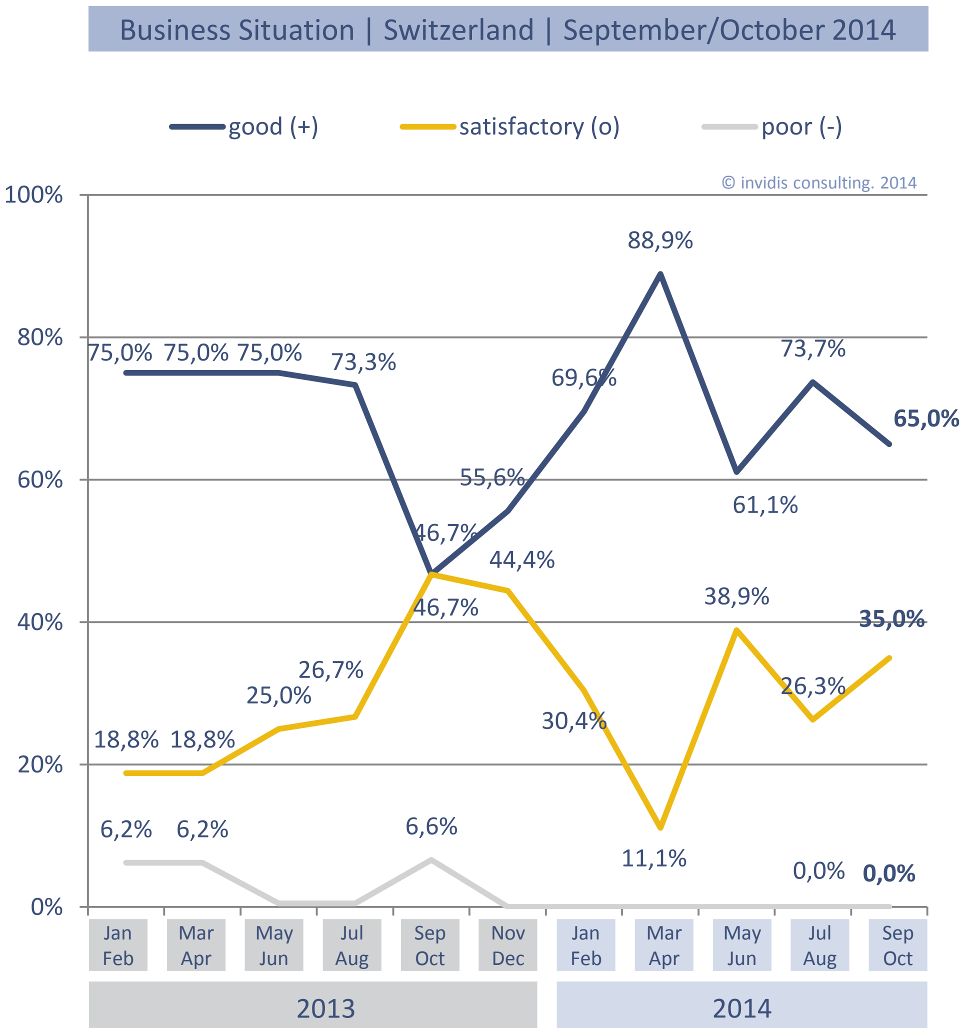

Fig. 11: DBCI September | October 2014 „Business Situation Switzerland“, n=20

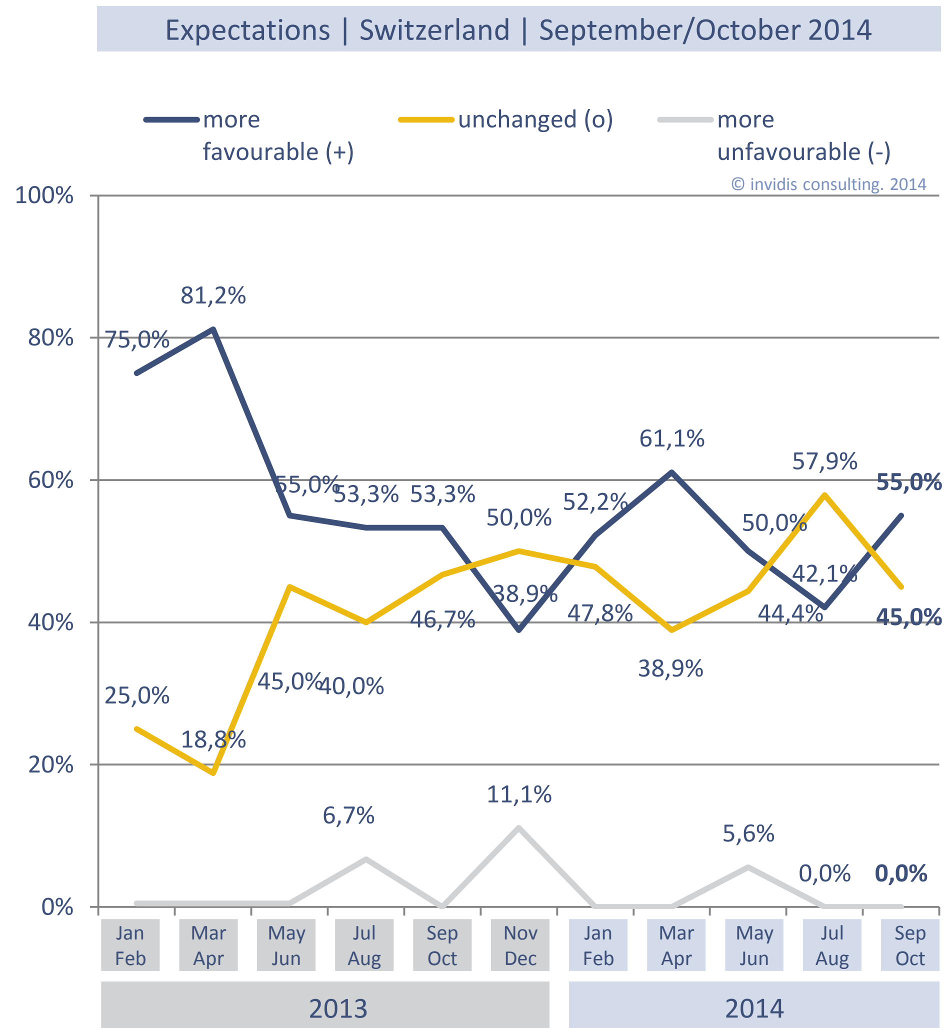

Fig. 12: DBCI September | October 2014 „Expectations Switzerland“, n=20

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Europe | Positive business sentiment dominates in all markets

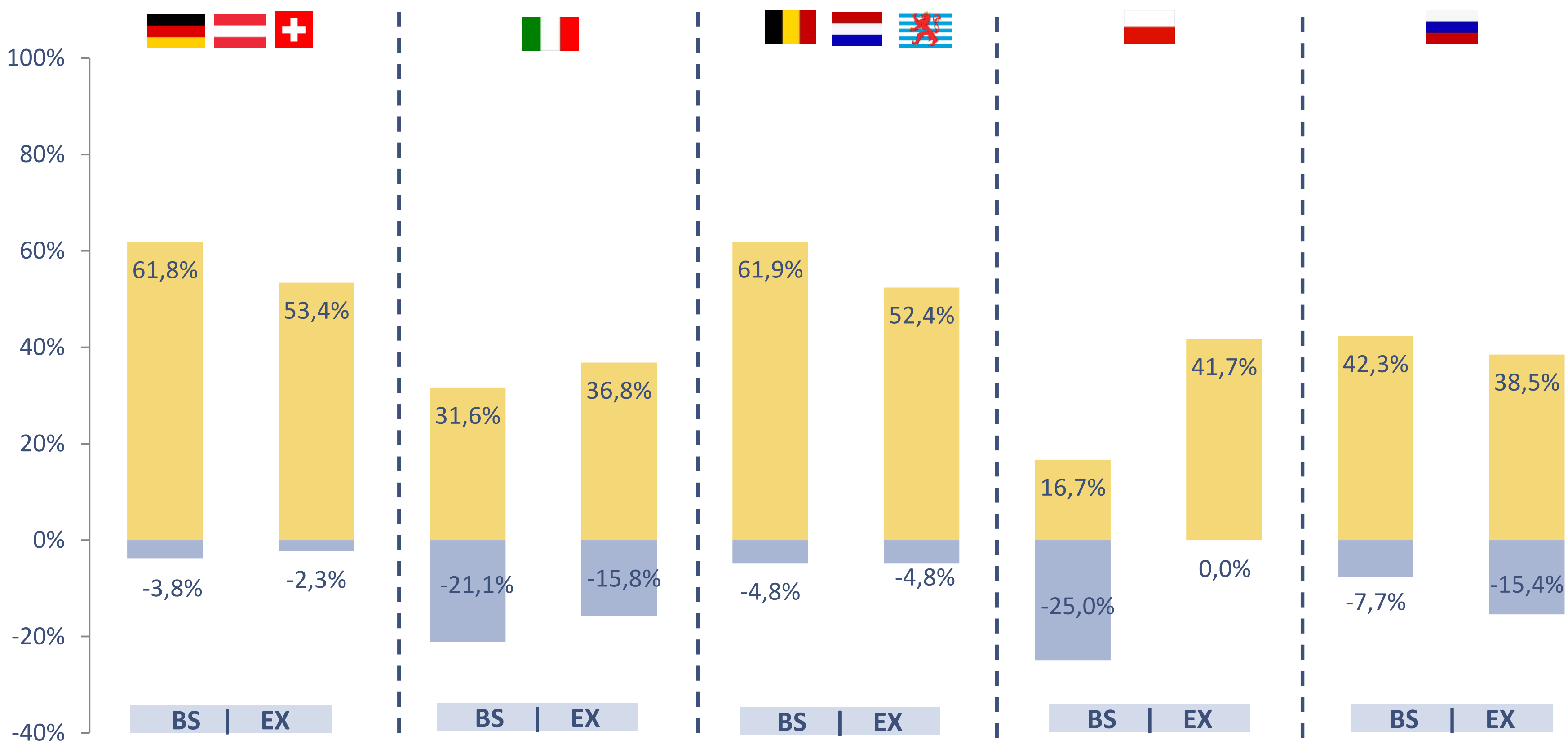

Fig. 13: DBCI September | October 2014 „Business Situation and Expectations Europe“
**) BS: Business Situation; EX: Expectations*

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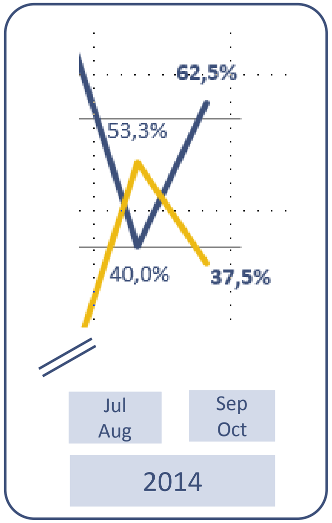
Segments | Robust outlook for hard- & software – integrators expect good Q4

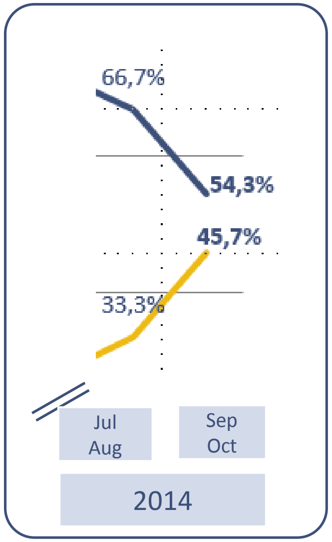


Displays

more favourable (+)

no change (o)

Fig. 14: DBCI September | October 2014 „Expectations Integrators", n= 16



Integrators

good (+)

neutral (o)

Fig. 15: DBCI September | October 2014 „Business Situation DooH", n=35

- The business sentiment of the display providers had markedly increased. 81% of all polled companies rate their current business situation as "good (+)". Similarly the expectations for the next six months has increased strongly
- As display sales in the second quarter of 2014 were flat on a year-on-year base, now many new orders have pushed the positive sentiment in the industry. Also now the new product ranges presented in January at the ISE in Amsterdam are readily available
- The Integrators still see their current business situation less positive as the sentiment has declined for the third time since March. However, the expectations have clearly increased with almost 50% of the market seeing more favourable conditions within the next six months
- Particularly the integrators saw an intensification of the competition in the market since mid 2013. They have also registered a high demand in the first two quarters, which was however not followed up by actual orders. This has changed now and the hopes for tenders being awarded before the end of the year are high.
- The business climate for the software providers has increased, with the expectations for the next six months remaining steady positive, as almost 70% of the market participants have answered
- The DooH industry experienced the traditional summer slump in OoH advertising spendings, but will see an improvement in the fourth quarter. As almost 60% of all polled companies expect a more favourable business situation within the next six months

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Displays | Business situation and expectations markedly better

Business Situation | Displays | September/October 2014

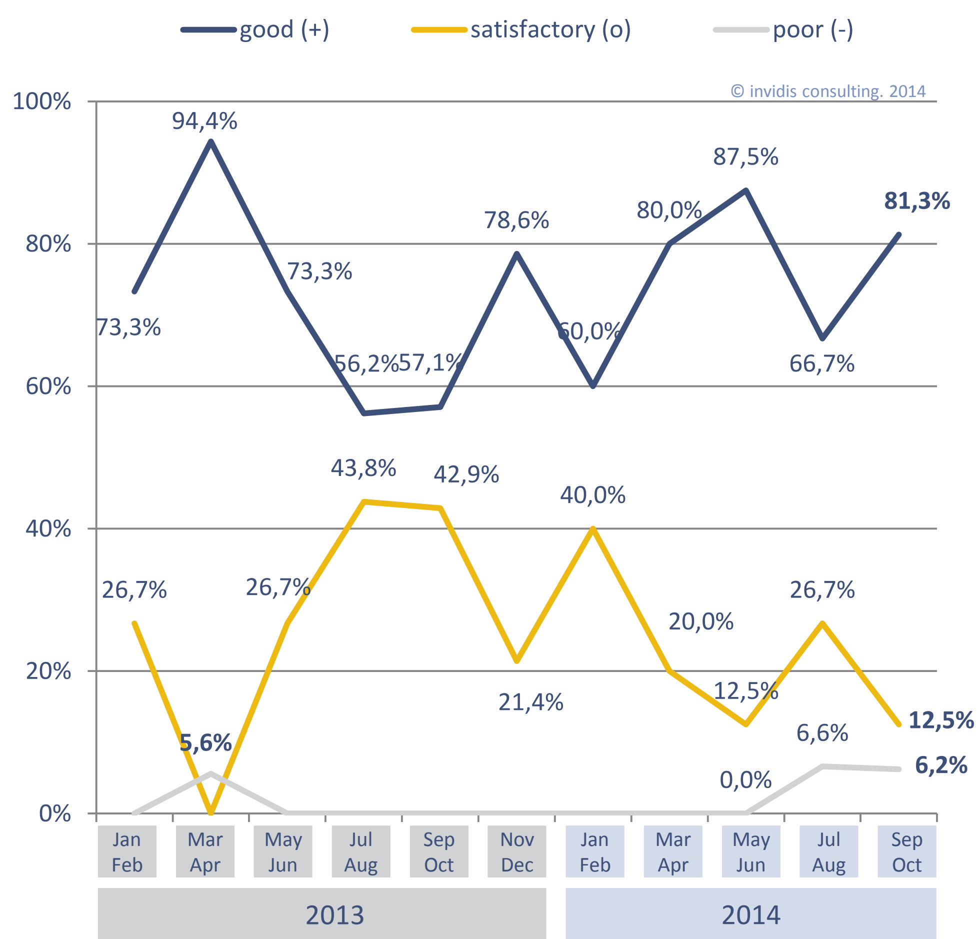

Fig. 16: DBCI September | October 2014 „Business Situation Displays", n=16

Expectations | Displays | September/October 2014

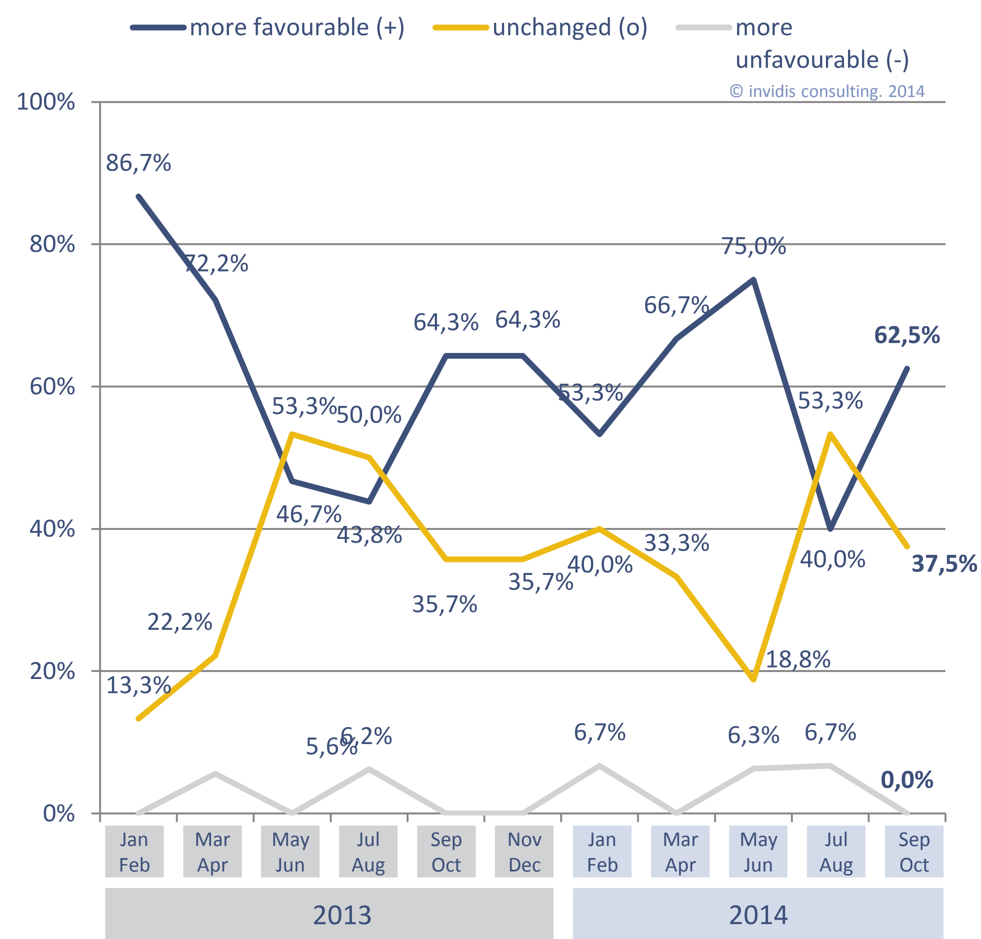

Fig. 17: DBCI September | October 2014 „Expectations Displays", n=16

Integrators | Lower business situation – positive changes expected

Business Situation | Integrators | September/October 2014

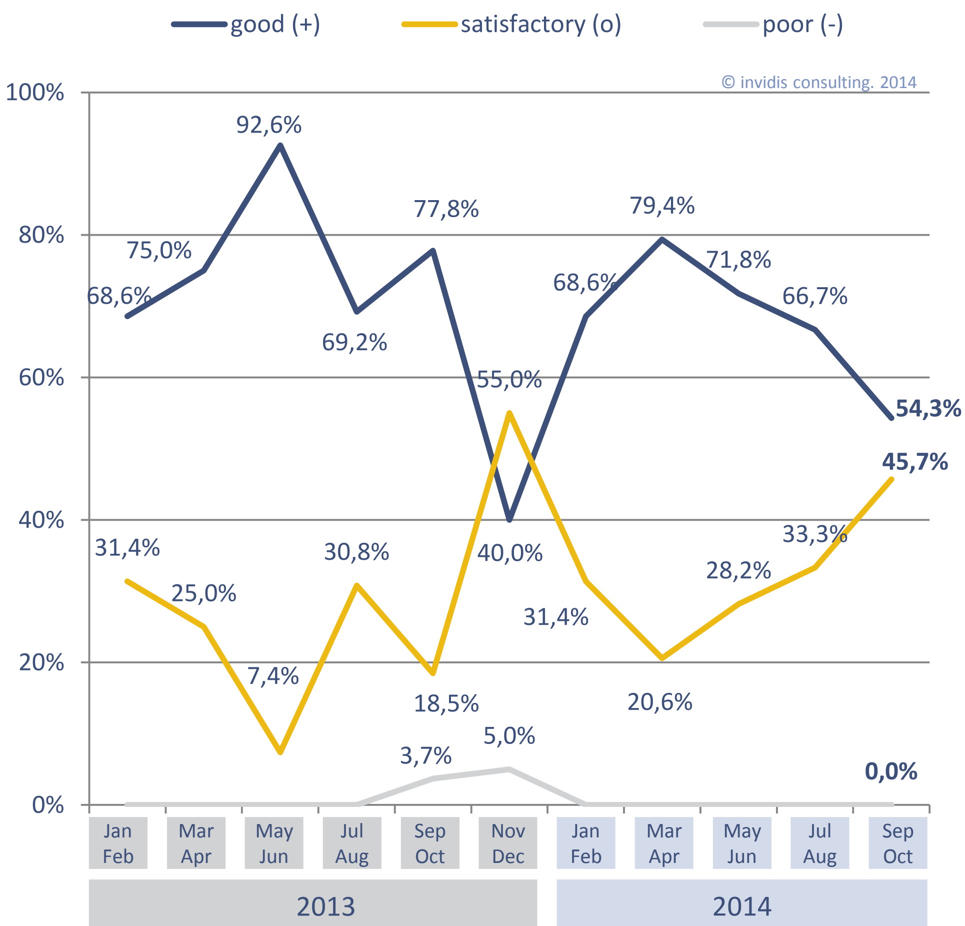

Fig. 18. DBCI September | October 2014 „Business Situation Integrators", n=35

Expectations | Integrators | September/October 2014

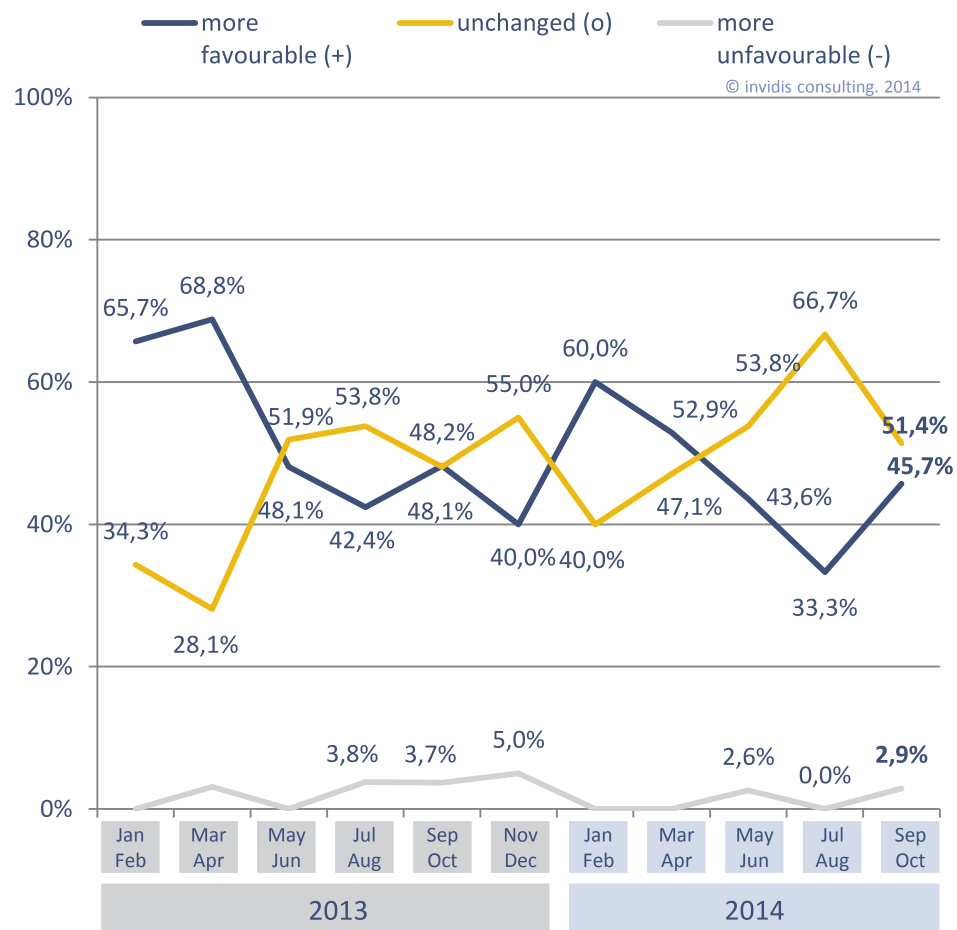

Fig. 19: DBCI September | October 2014 „Expectations Integrators", n=35

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Software | Increased business situation – consistent positive expectations

Business Situation | Software | September/October 2014

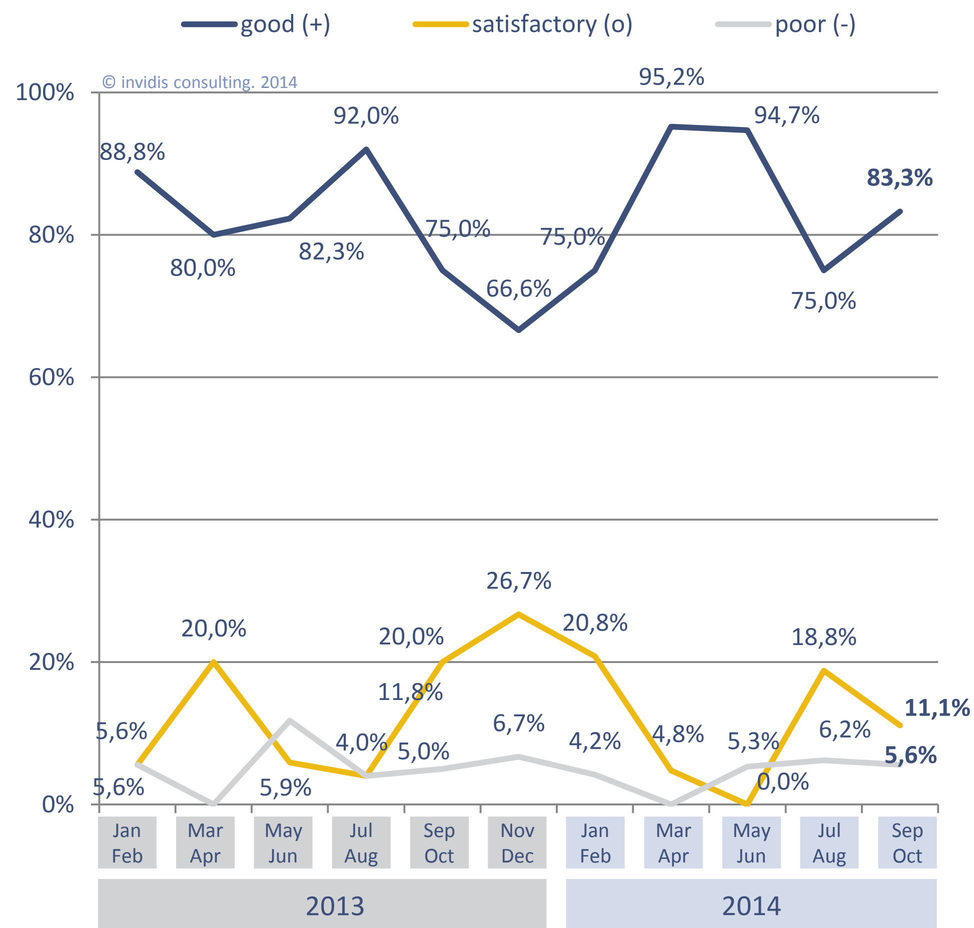


Fig. 20: DBCI September | October 2014 „Business Situation Software“, n=18

Expectations | Software | September/October 2014

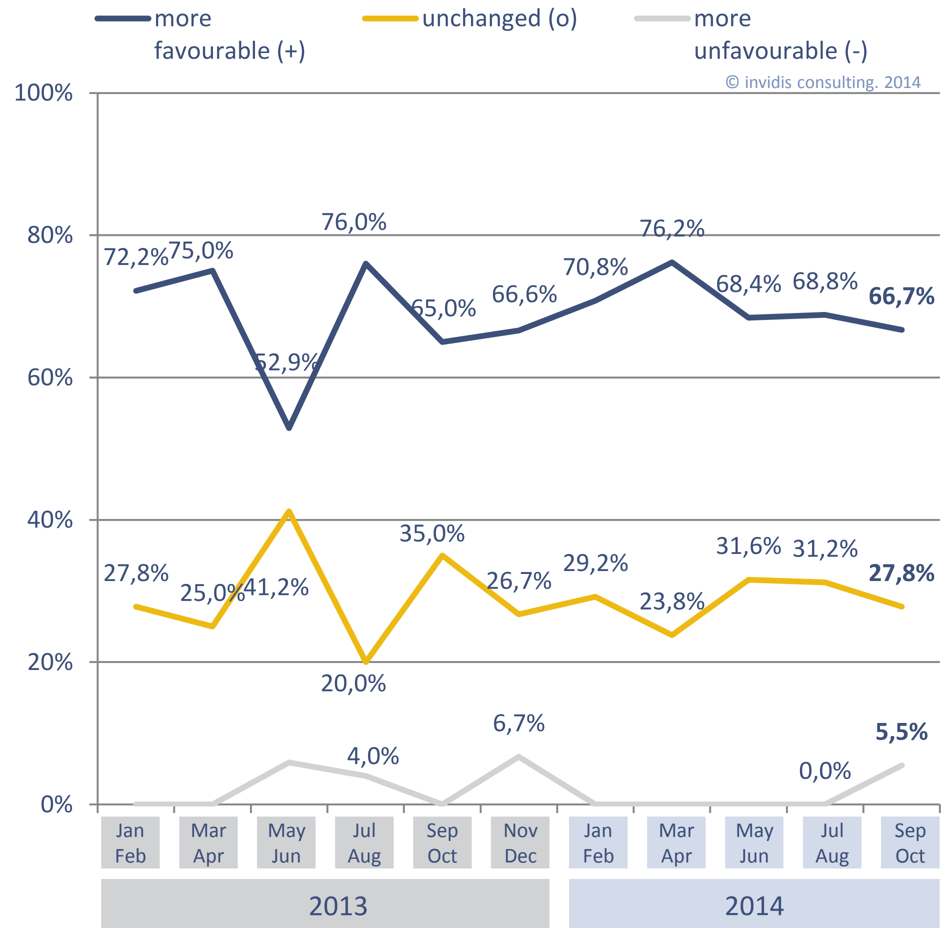


Fig. 21: DBCI September | October 2014 „Expectations Software“, n=18

DooH | Lower business sentiment, but good expectations for strong Q4

Business Situation | DooH | September/October 2014

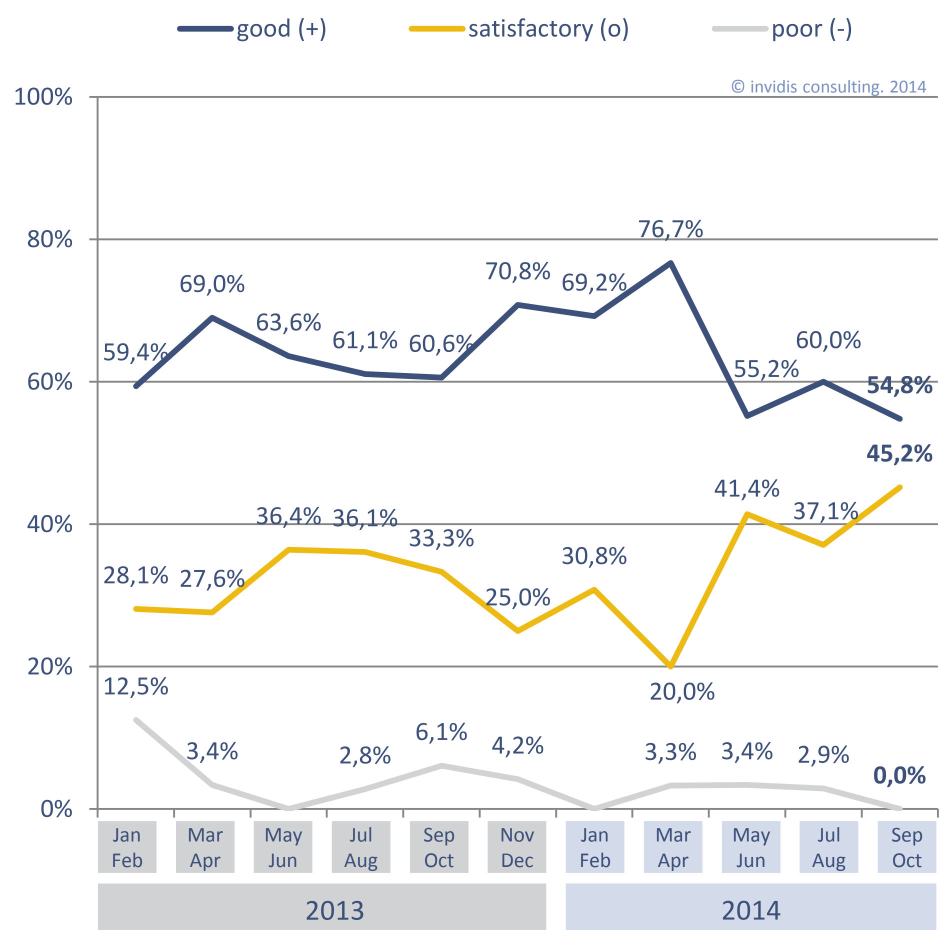


Fig. 22: DBCI September | October 2014 „Business Situation DooH“, n=35

Expectations | DooH | September/October 2014

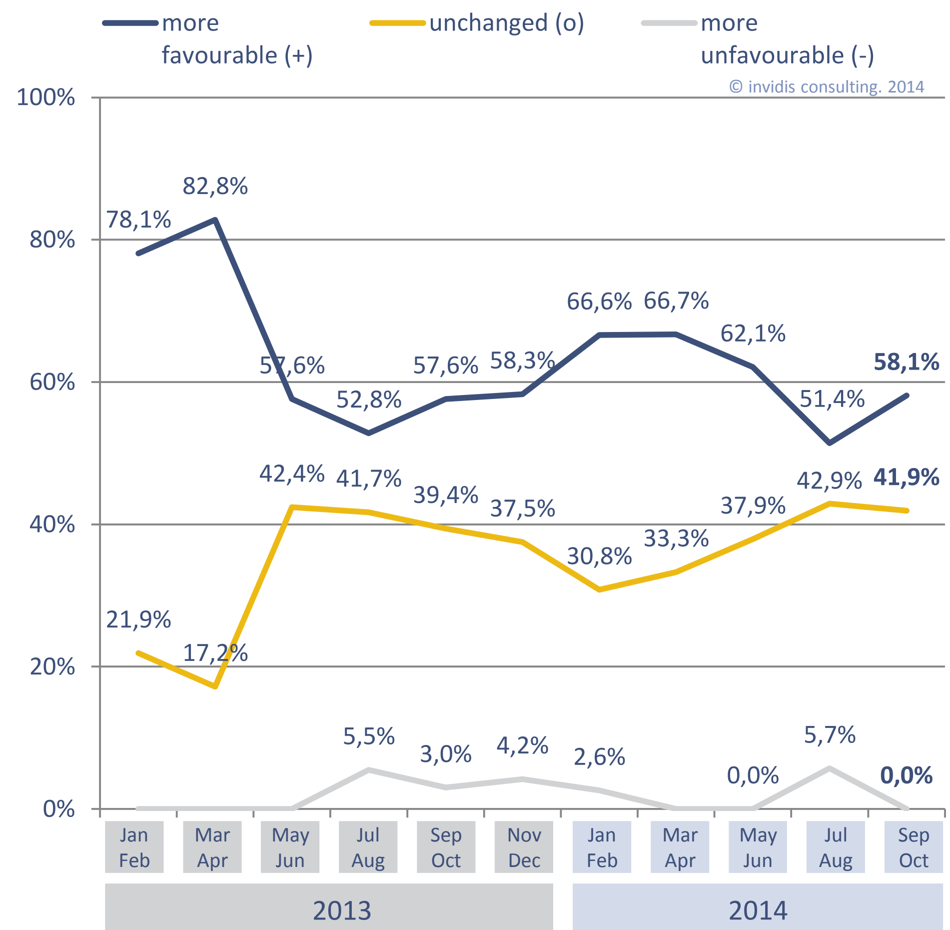


Fig. 23: DBCI September | October 2014 „Expectations DooH“, n=35

Further research| First semester 2014 with considerably higher revenues than 2013

"The revenues in the first half year 2014 have … in comparison to the revenues of the same period in the previous year."

75,8% of all polled companies could generate in parts a clear increase in revenues in the first half year term in 2014 compared to the same period in the previous year

Only 10,3% of all polled companies had to accept a decrease in revenues compared to the previous year

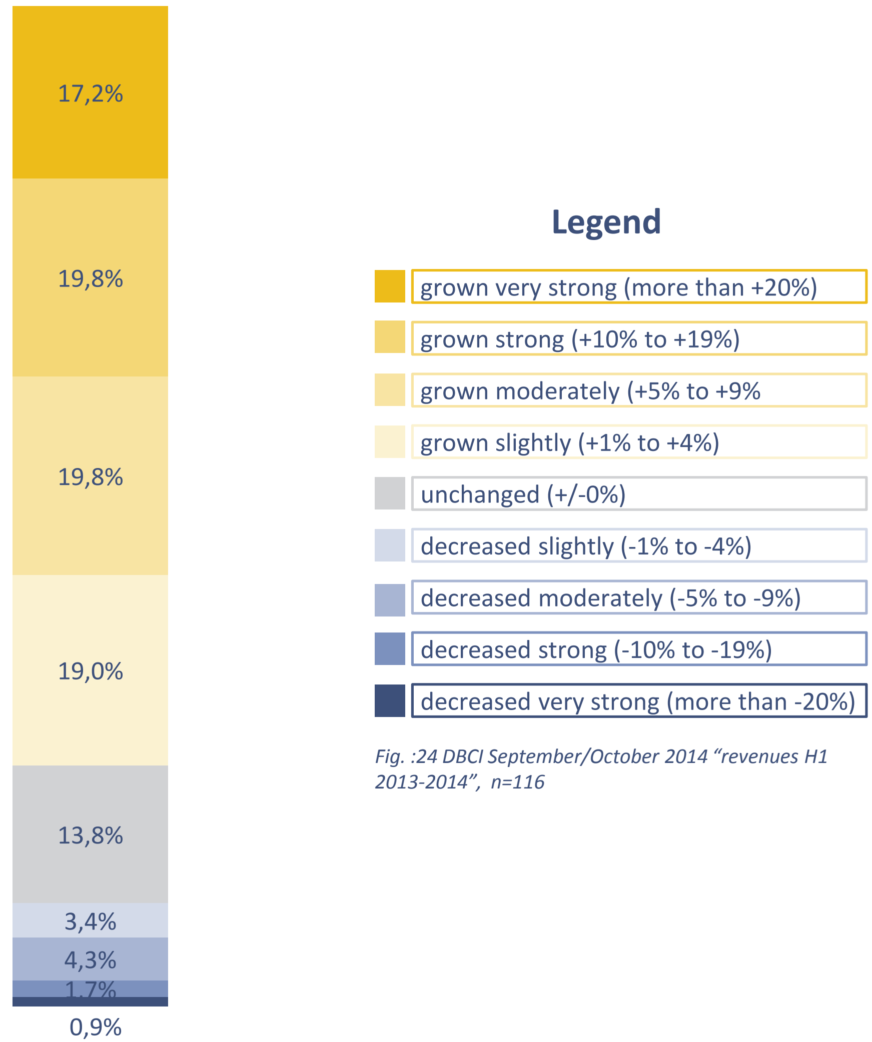


Fig. :24 DBCI September/October 2014 "revenues H1 2013-2014", n=116

Further research | Clear increase in revenues expected for the full year 2014

"The revenues in 2014 will … compared to the revenues in 2013."

79,2% of all polled companies are expecting a healthy growth in revenues for the year 2014 compared with the previous year

Only 6,9% of all polled companies expect a decrease in revenues compared to the pervious year

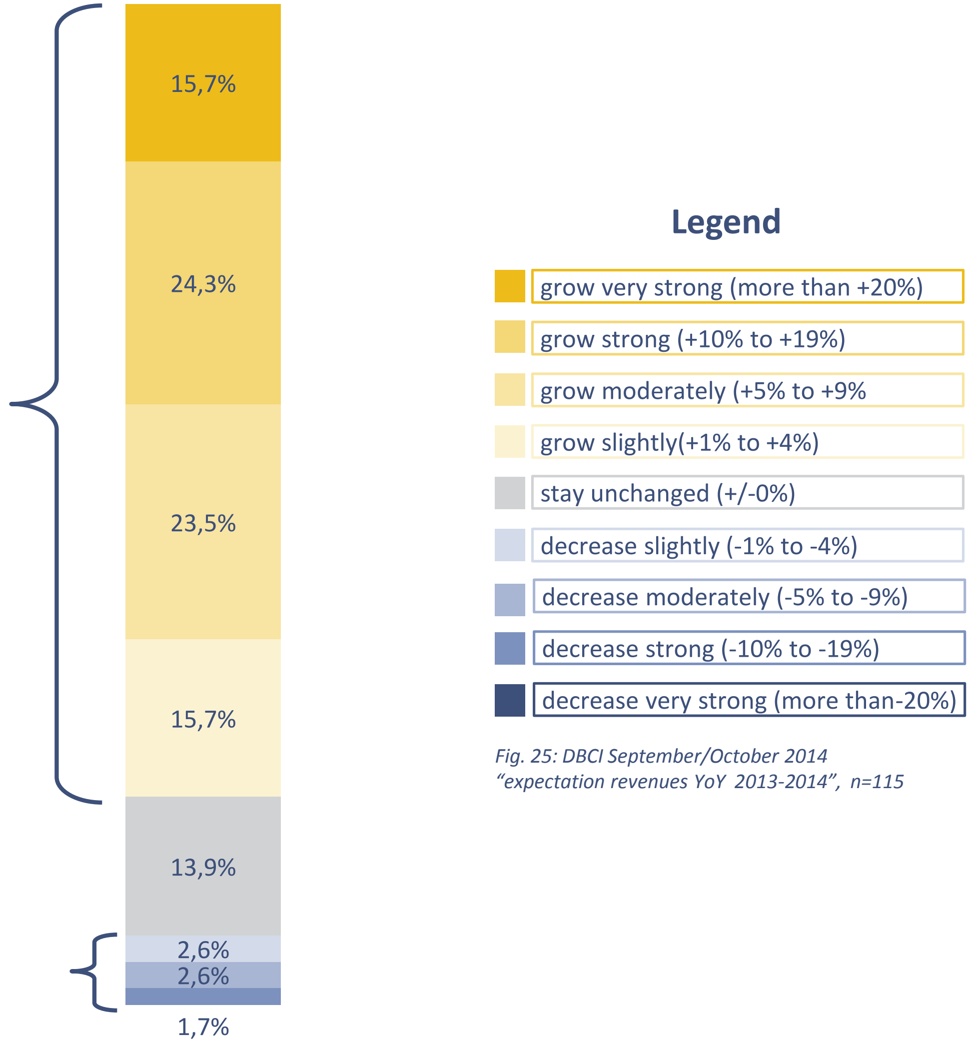
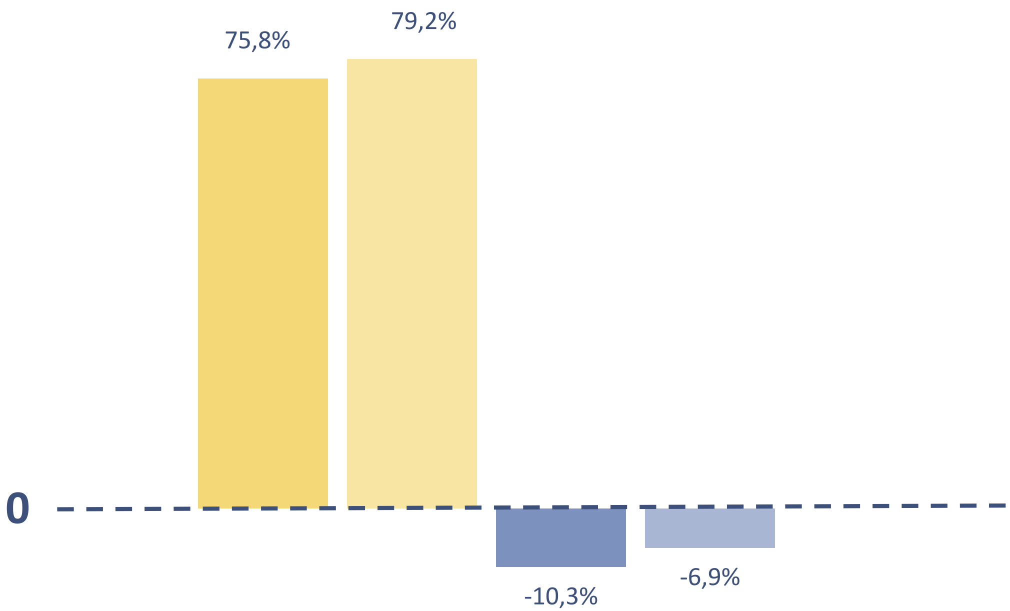


Fig. 25: DBCI September/October 2014 "expectation revenues YoY 2013-2014", n=115

Further research | H1 losses expected to be contained in H2



Percentage of polled companies which have registered a growth respectively a decline in revenues in H1 2014, compared to the same period in the previous year

- YoY H1 2013-2014 growth
- YoY 2013-2014 growth expected
- YoY H1 2013-2014 decrease
- YoY 2013-2014 decrease expected

Fig. 26: DBCI September/October 2014 "revenues YoY H1 2013-2014 and YoY 2013-2014", n=116

- Almost 80% of the polled companies in Germany, Austria and Switzerland expect to have a growth in revenues in 2014 compared to 2013
- Still 10% of all polled companies had to accept a decline in revenues in the first six months of 2014. However many of those companies are expecting to have balance the losses at the end of the year
- Traditionally the IT business has a relative calm period in the summer, followed by a strong showing towards the end of the year

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Further research | Growth in H1 revenues and full year expected revenues in Europe

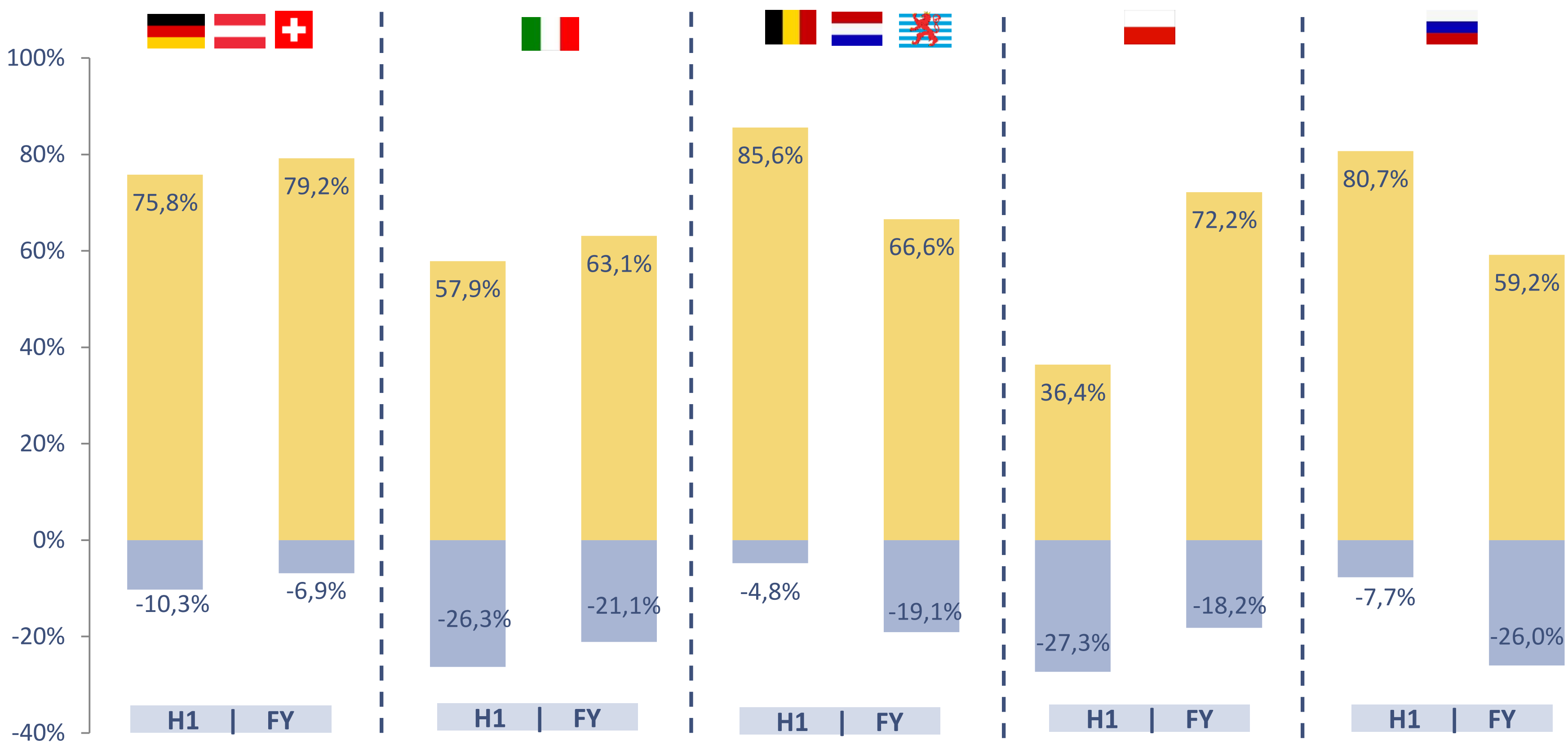

Fig. 27: DBCI September | October 2014 „Revenues H1 & FY Europe“
**) H1: First semester/half year period; FY: Full year*

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DBCI | Roadmap 2014 & Contact

2014
January
February
March
April
May
June
July
August
September
October
November
December

Nov./Dec. | 17. 11.

- The next survey will take place in calendar week 44-45 of 2014
- The next planned publication date will be the 17th of November 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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