Germany
Austria
Switzerland
November | December2014

DBCI

The pulse of the Digital Signage and DooH industry

OVAB Digital Signage & DooH Business Climate Index

OVAB cooperation partner Switzerland:

IGDOOH

invidis CONSULTING

invidis research
2014 DE 600 en

Contents

Index | Digital Signage market stabilizes on a high level

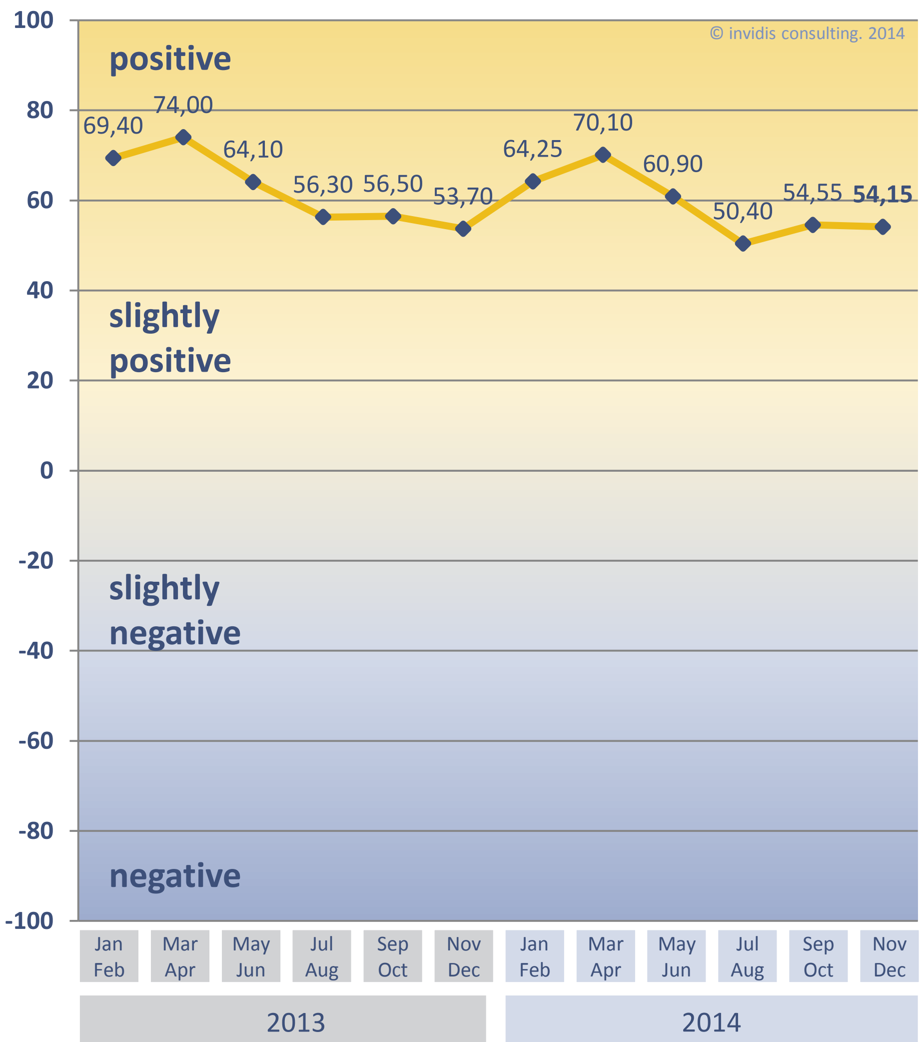


Fig. 1: DBCI November | December 2014 „Index DE-AT-CH", n=119

- Compared to September and October the business climate has remained flat in November
- Since the last survey in September 2014 the Digital Signage Business Climate Index has decreased from 54,55 base points by 0,40 to 54,15 base points
- The current business situation was rated continuously as positive. Also the optimism concerning the near future remained stable since the last survey.
- A low general economical growth paired with general relive in the industry for the evaded recession leave the market with a robust sentiment at the end of the year 2014

Further Research

- The polled companies expect a 5% to 10% market share for UHD Digital Signage projects in 2015
- The last 12 months recorded a high customer demand for entry-level products on the Digital Signage market
- In the advertising segment Digital-out-of-Home (DooH) is still the most popular nomenclature

- Participants: n=119
- Region: DE/AT/CH
- Time frame: 2014 calendar weeks 44-45

DE-AT-CH | Robust current business situation and expectations

Business Situation | DE-AT-CH | November/December 2014

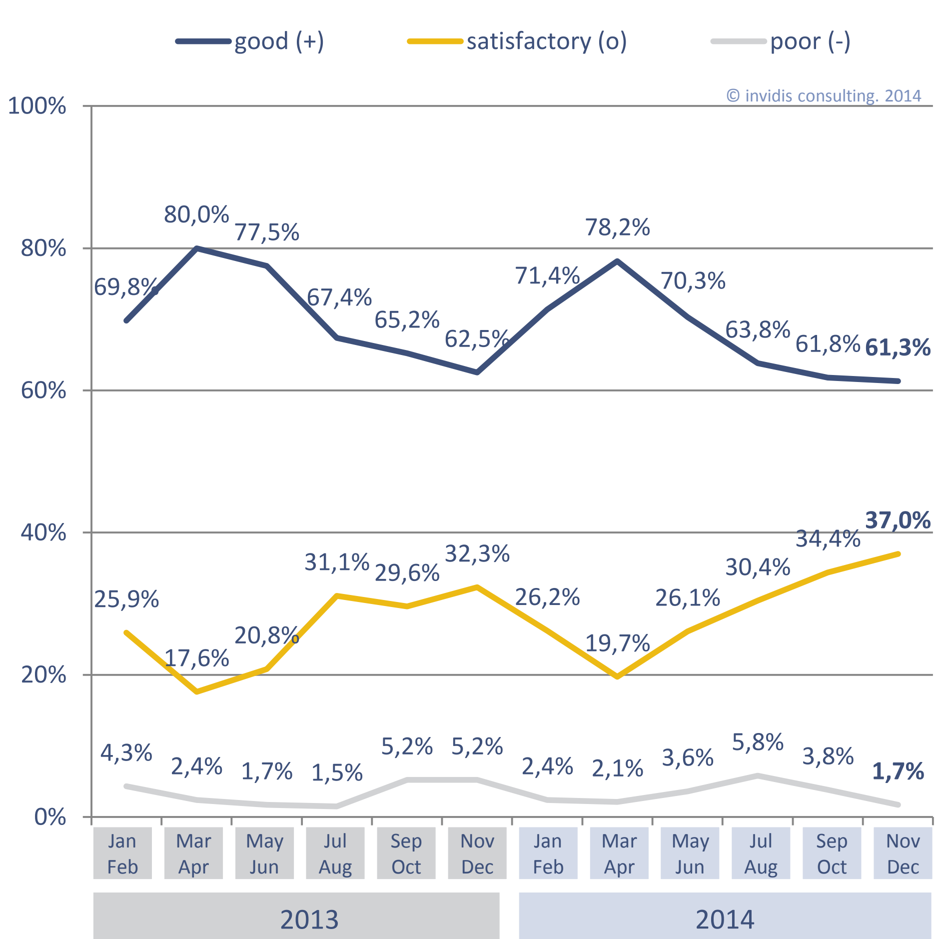


Fig. 2: DBCI November | December2014 „Business Situation DE-AT-CH", n=119

Expectations | DE-AT-CH | November/December 2014

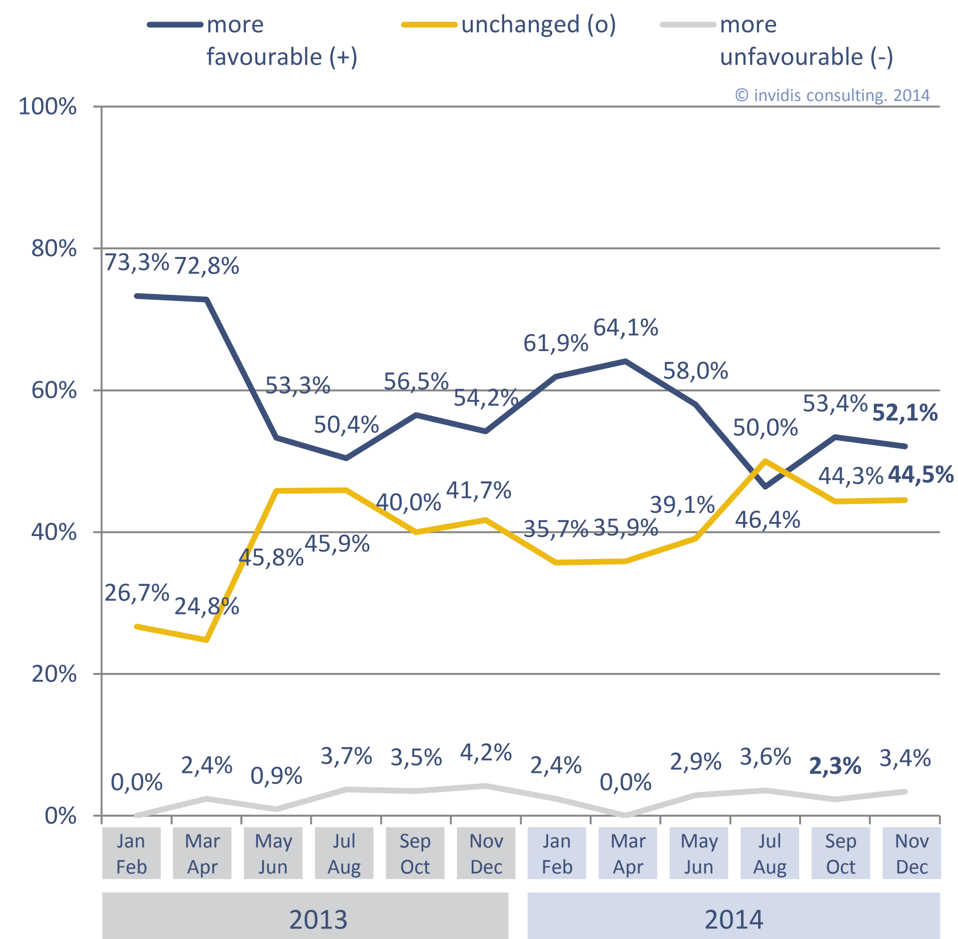


Fig. 3: DBCI November | December2014 „Expectations DE-AT-CH", n=119

DE-AT-CH | Decline of the negative answers

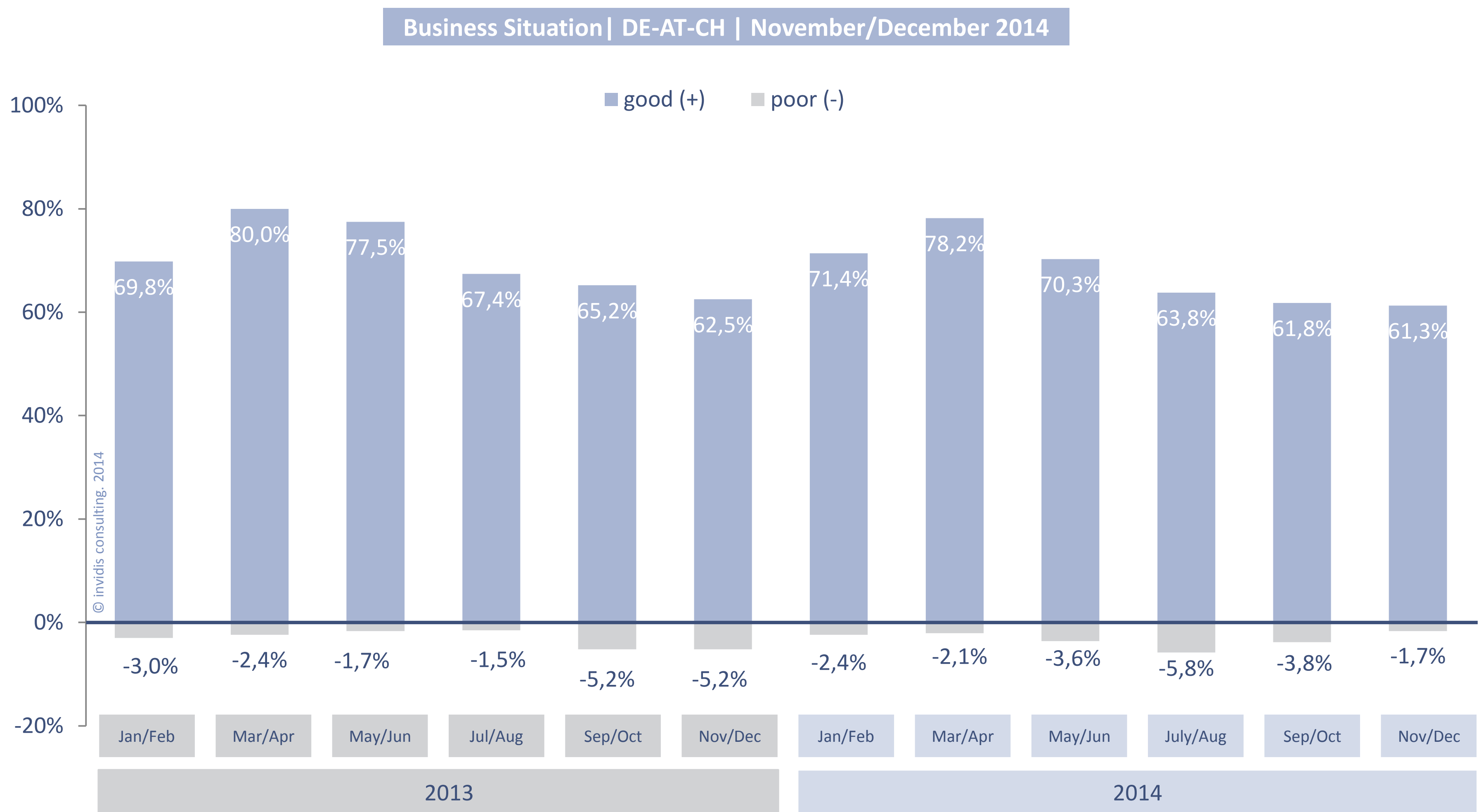


Fig. 4: DBCI November | December2014 „Business Situation DE-AT-CH“, n=119

DE-AT-CH | Positive expectations for the new year

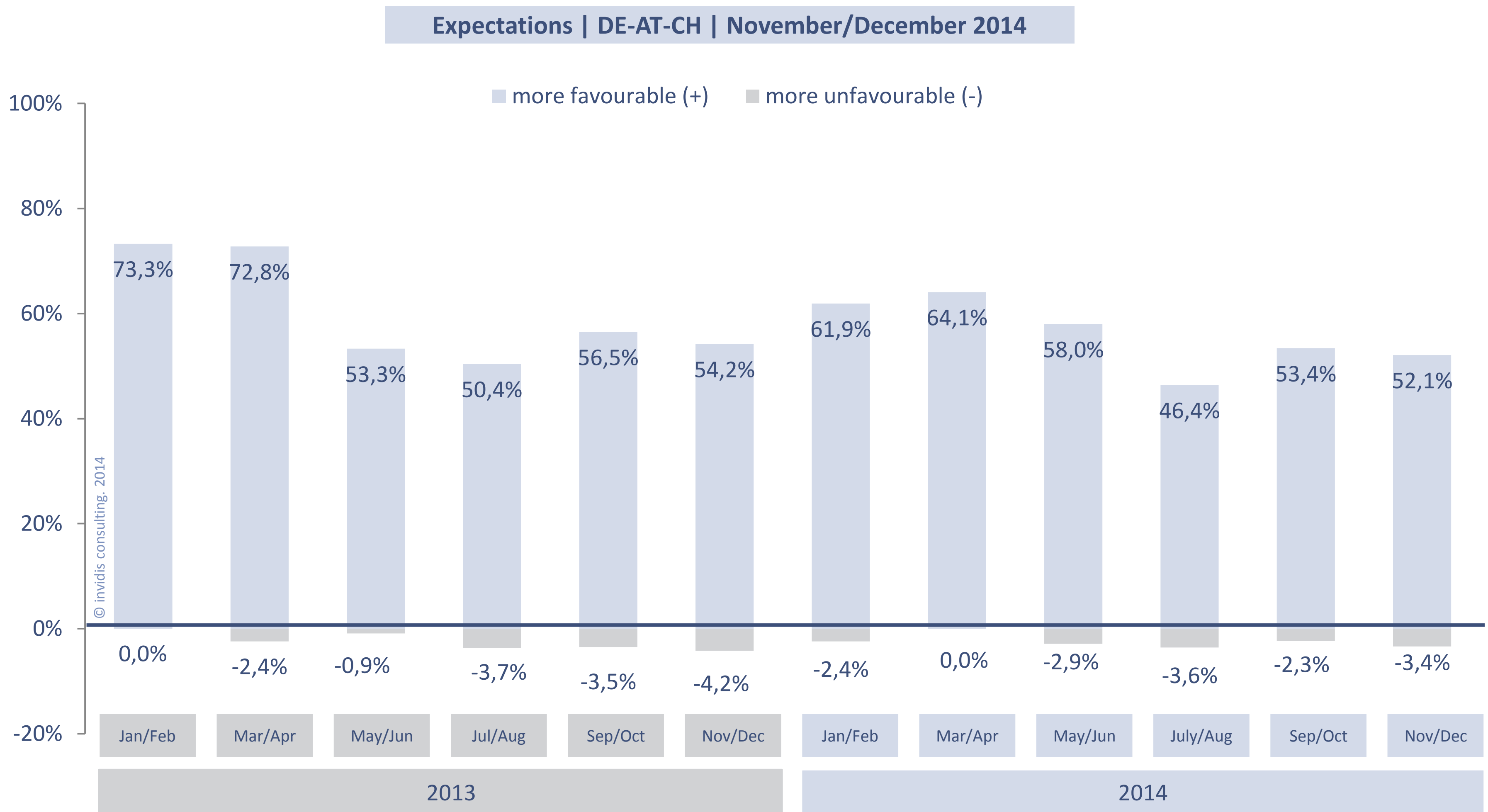


Fig. 5: DBCI November | December2014 „Expectations DE-AT-CH", n=119

Countries | Slight upturn in the German speaking markets

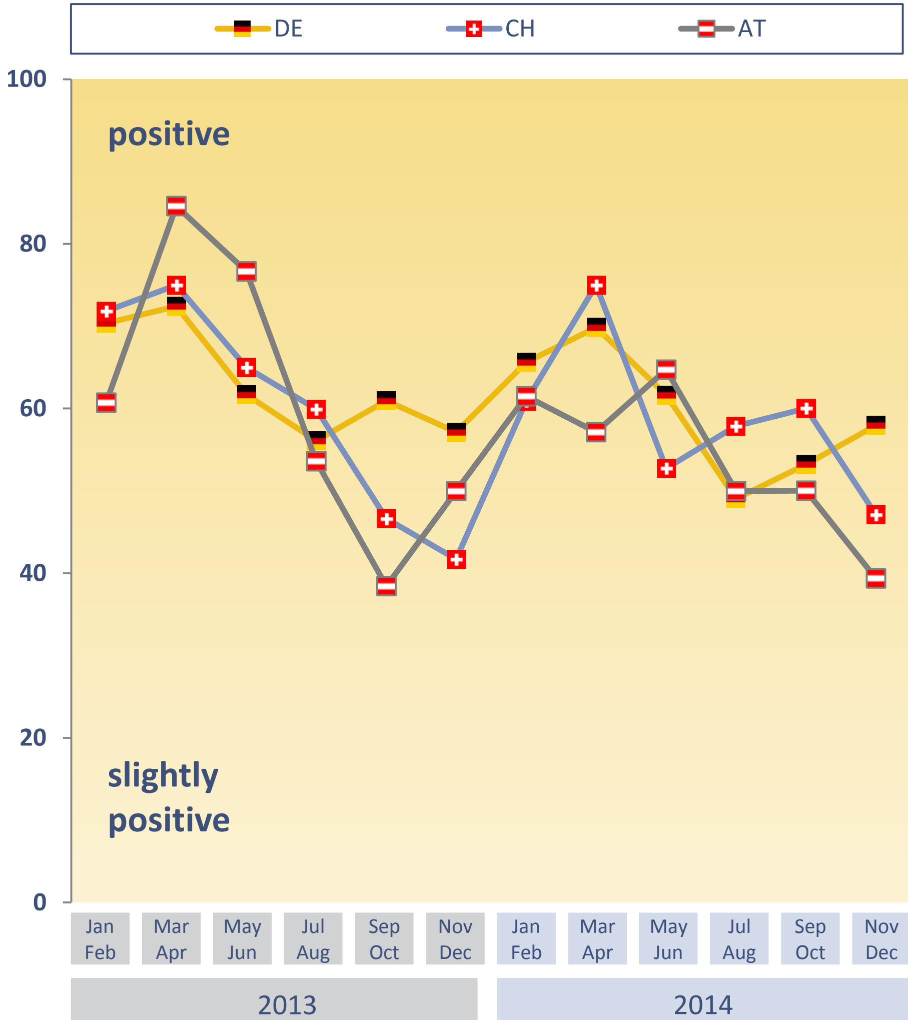


Fig. 6: DBCI November | December2014 „Index DE-AT-CH", DE 88, CH 17, AT 14

- Since the last survey the business climate in the German Digital Signage market has increased. This can be attributed to a slight relive as the general economy with 0,1% growth in the third quarter did not fall into a recession in Germany. Particularly, positive effects were registered from consumer spendings and exports.
- In Switzerland the business climate in the Digital Signage market has decreased slightly. The boom in the IT market has resulted in a serious shortage in qualified employees and the new legislation concerning mass immigration will most probably intensify this effect .
- In Austria the business climate in the Digital Signage market has also decreased. Currently the market shows a robust business situation and over 40% of the polled companies record rising expectations for the next six months.

Germany | Business situation and expectations back on upward track

Business Situation | Germany | November/December 2014

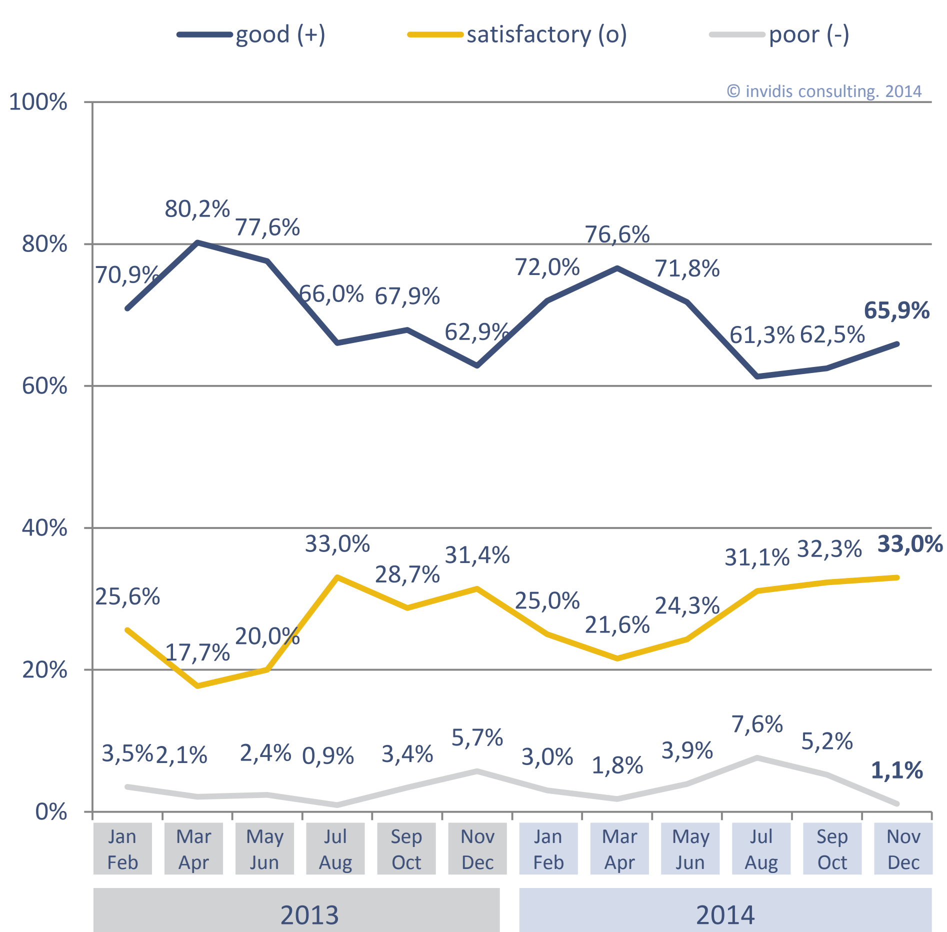


Fig. 7: DBCI November | December2014 „Business Situation Germany“, n=88

Expectations | Germany | November/December 2014

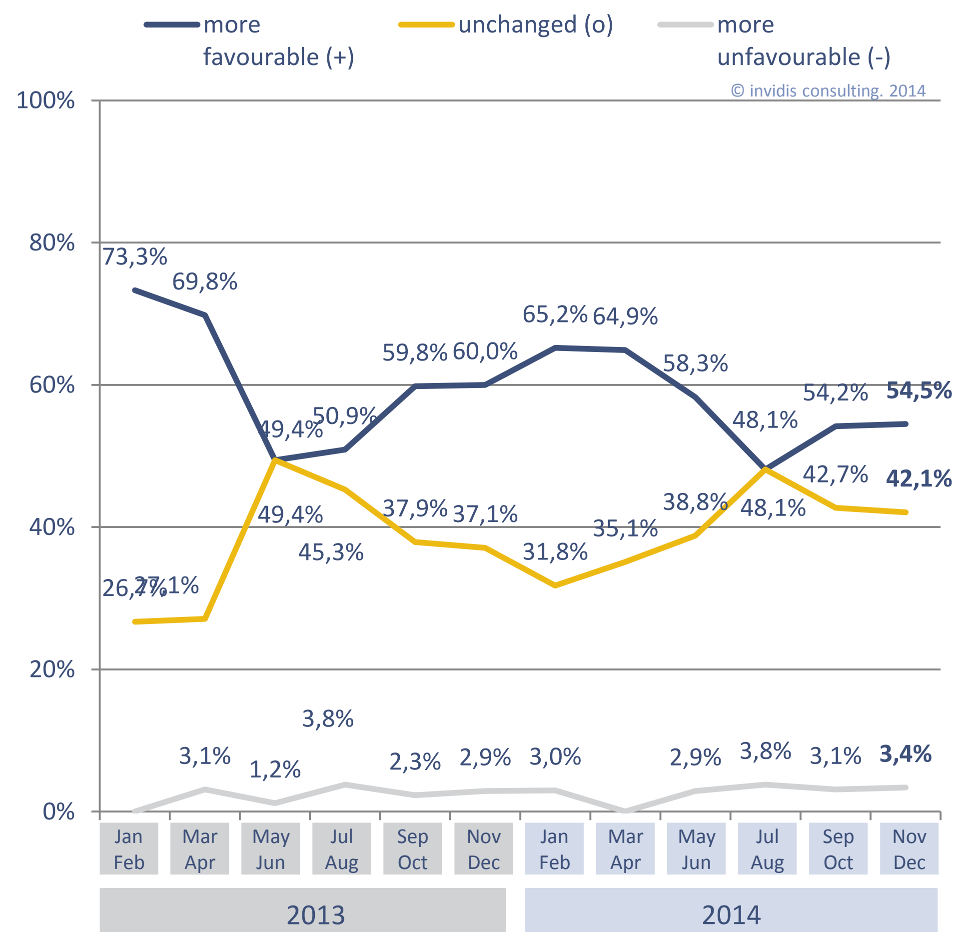


Fig. 8: DBCI November | December2014 „Expectations Germany“, n=88

Austria | Decline of the business situation & the expectations

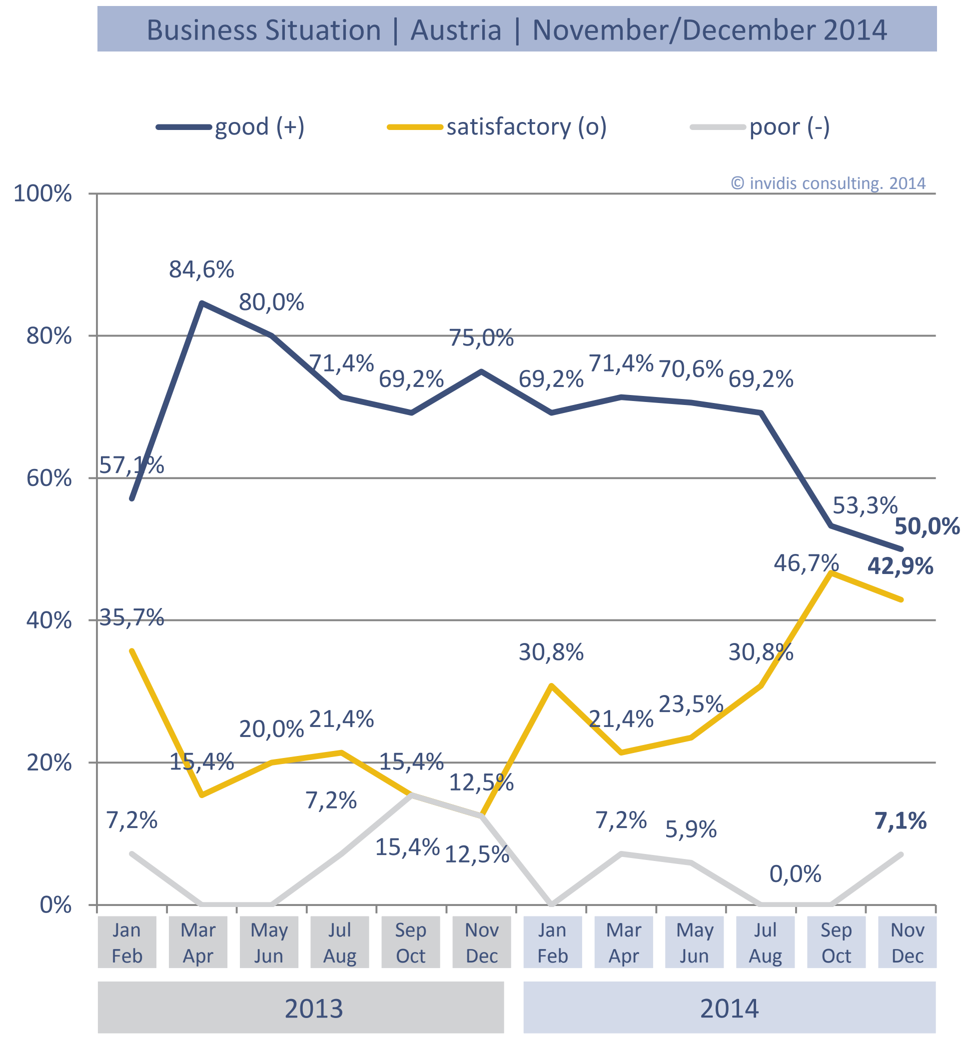


Fig. 9: DBCI November | December2014 „Business Situation Austria“, n=14

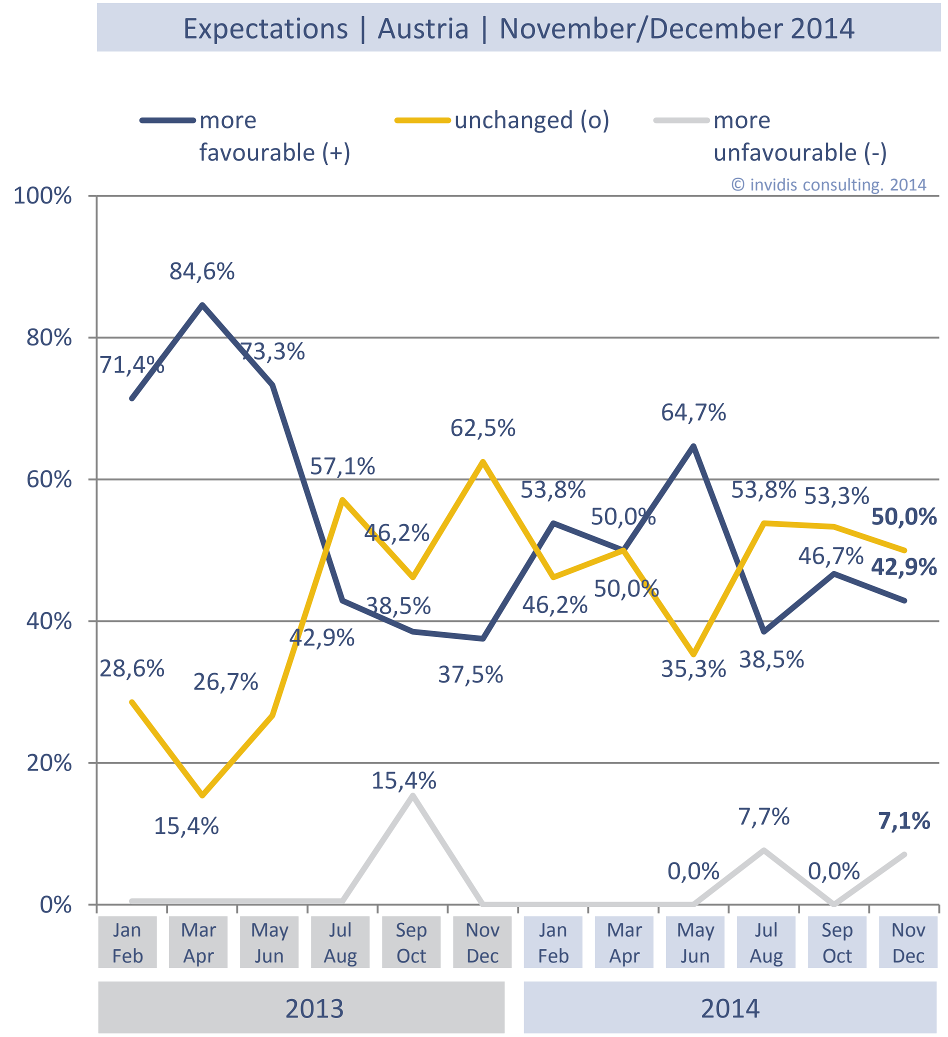


Fig. 10: DBCI November | December2014 „Expectations Austria“, n=14

Switzerland | More conservative business situation & expectations

Business Situation | Switzerland | November/December 2014

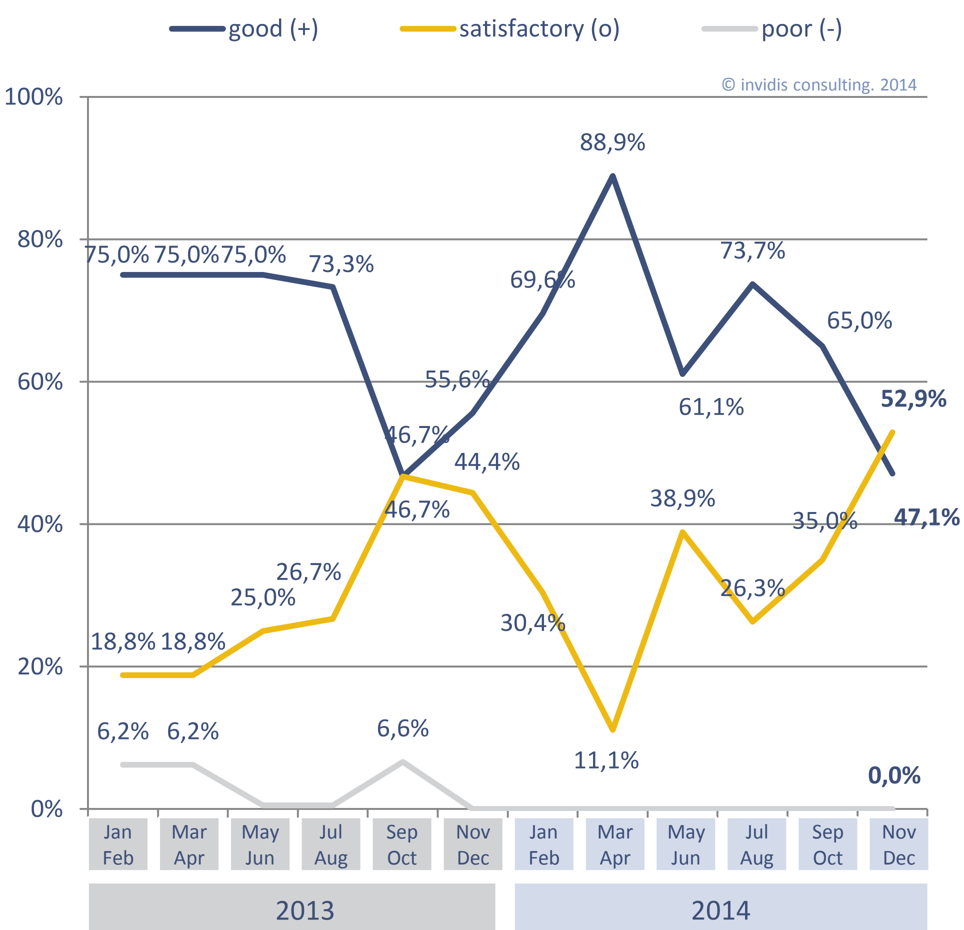


Fig. 11: DBCI November | December2014 „Business Situation Switzerland", n=17

Expectations | Switzerland | November/December 2014

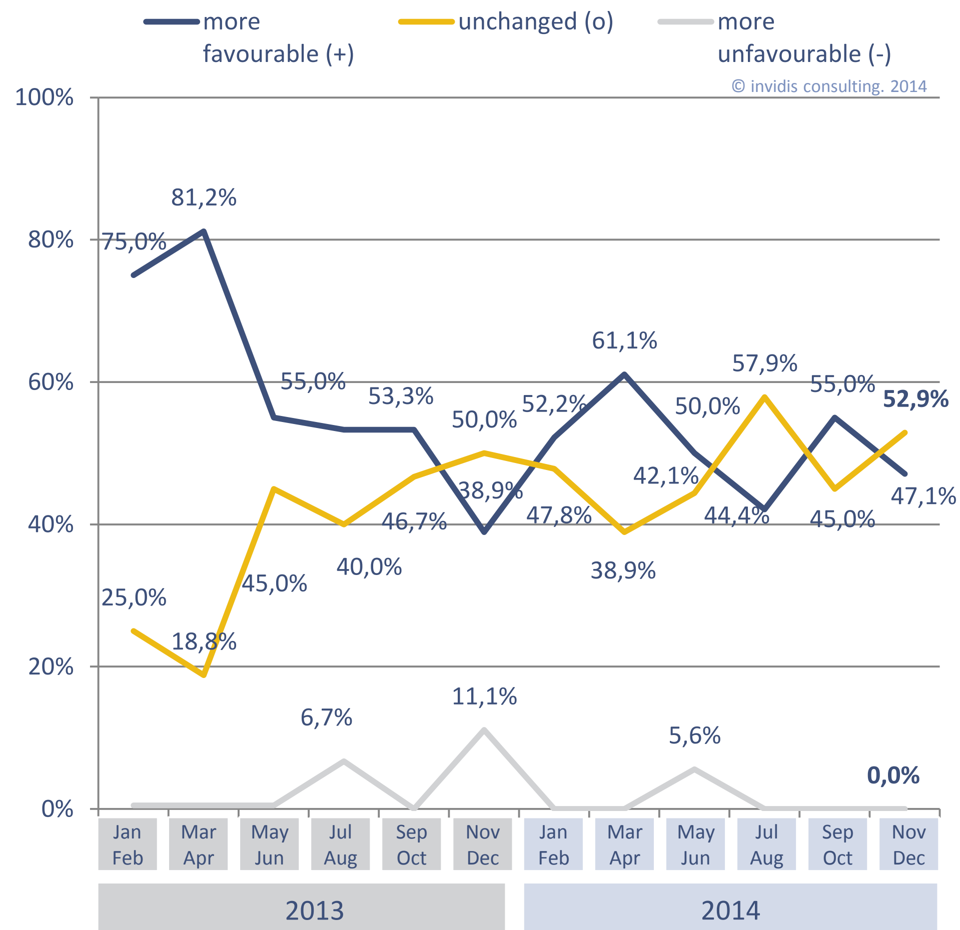


Fig. 12: DBCI November | December2014 „Expectations Switzerland", n=17

Segments | Display vendors expect good start into 2015

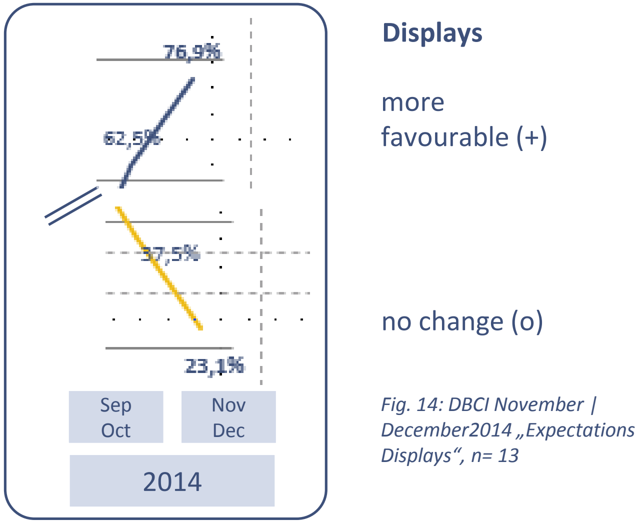


Fig. 14: DBCI November | December2014 „Expectations Displays“, n= 13

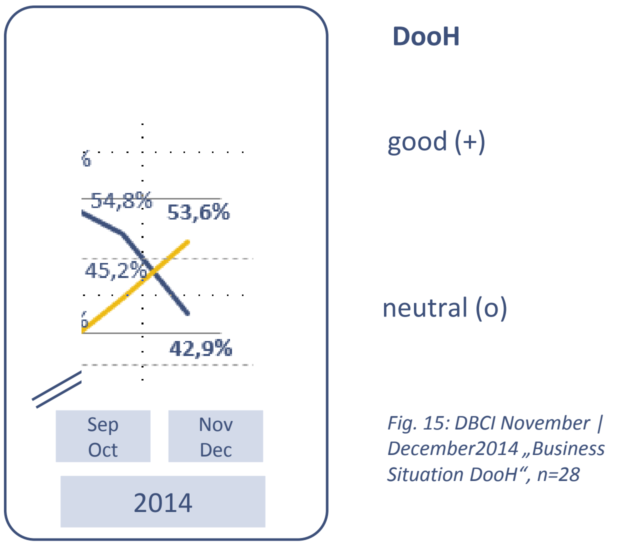


Fig. 15: DBCI November | December2014 „Business Situation DooH“, n=28

- The business sentiment of **display vendors** had slightly decreased. Almost 77% of all polled companies rate their current business situation as "good (+)". And even more importantly the expectations for the next six months have increased strongly. Now almost 77% see a more favourable situation in the new year. In general this development can be seen in most years, as end of year sales and fresh budgets in the new year traditionally boosts robust growth for the display vendors
- **System Integrators** still see their current business situation more positive since the last survey as the sentiment has increased for the first time since March. Similarly the expectations have further increased with over 50% of the market seeing more favourable conditions within the next six months
- The business climate for **software vendors** has decreased, with the expectations for the next six months also slightly lower. However still almost 60% of the market participants see a more favourable business situation in the new year
- The **DooH industry** sees the current business situation as well as the prospects for the next six months increasingly conservative. In spite of this the recent financial report by the most important German DooH market participant Ströer showed a rapidly growing share of total revenues is digital (10-12%). Particularly if compared with the ratio of analogue to digital posters this number becomes even more significant (240.000 analogue – 4.000 digital)

Displays | Lower business situation, but high expectations for the new year

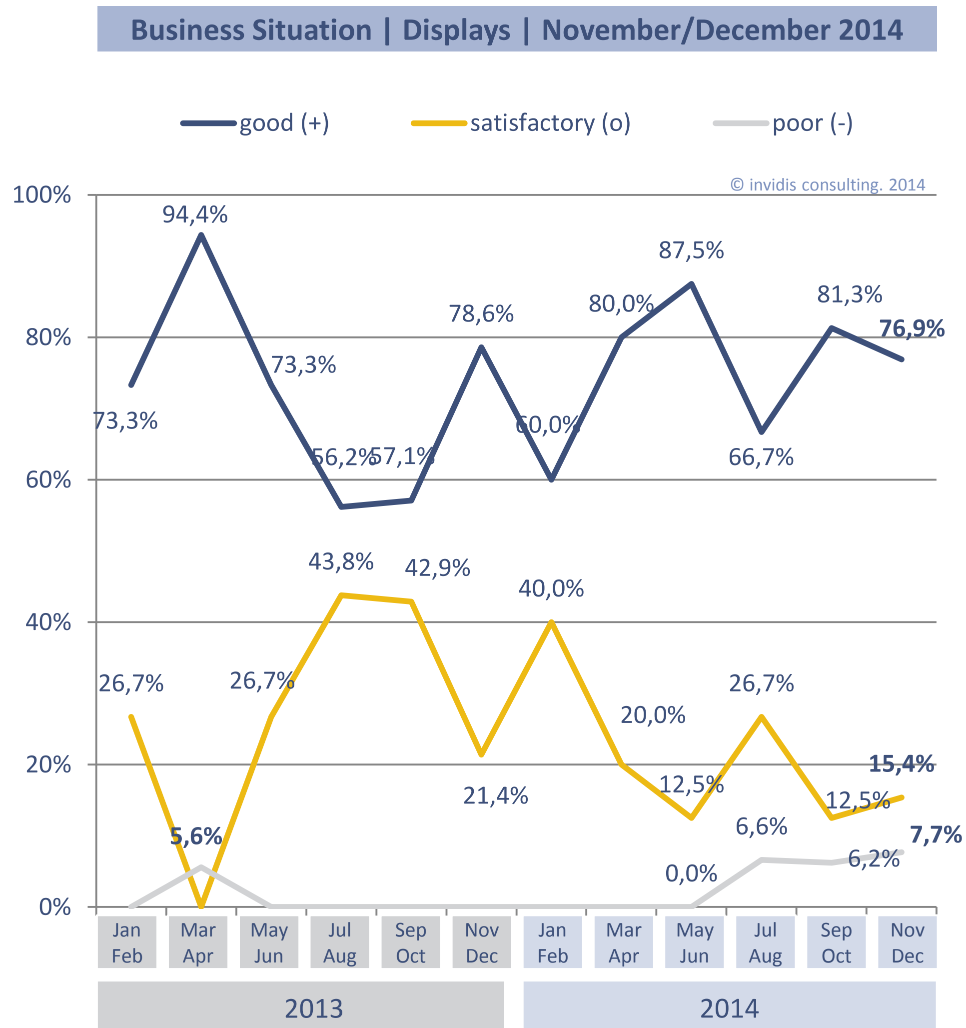


Fig. 16: DBCI November | December2014 „Business Situation Displays", n=13

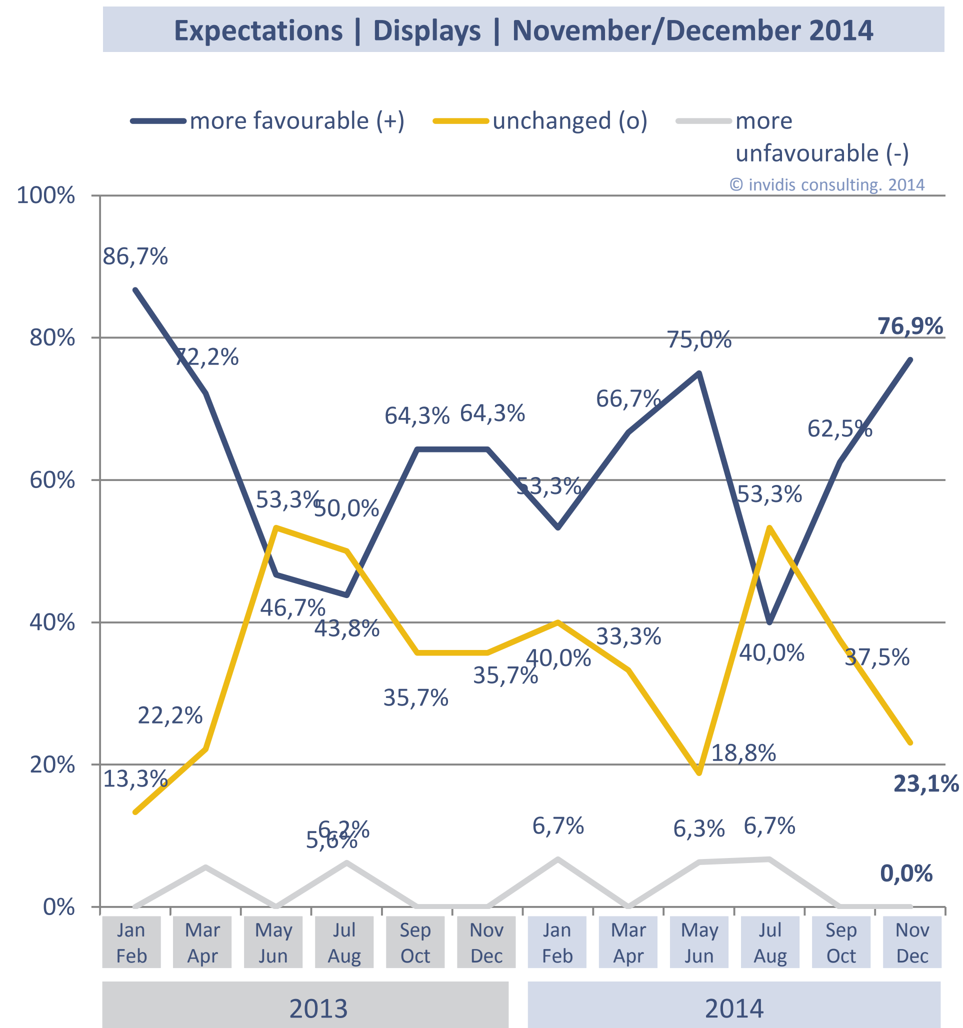


Fig. 17: DBCI November | December2014 „Expectations Displays", n=13

Integrators | Clear positive trend

Business Situation | Integrators | November/December 2014

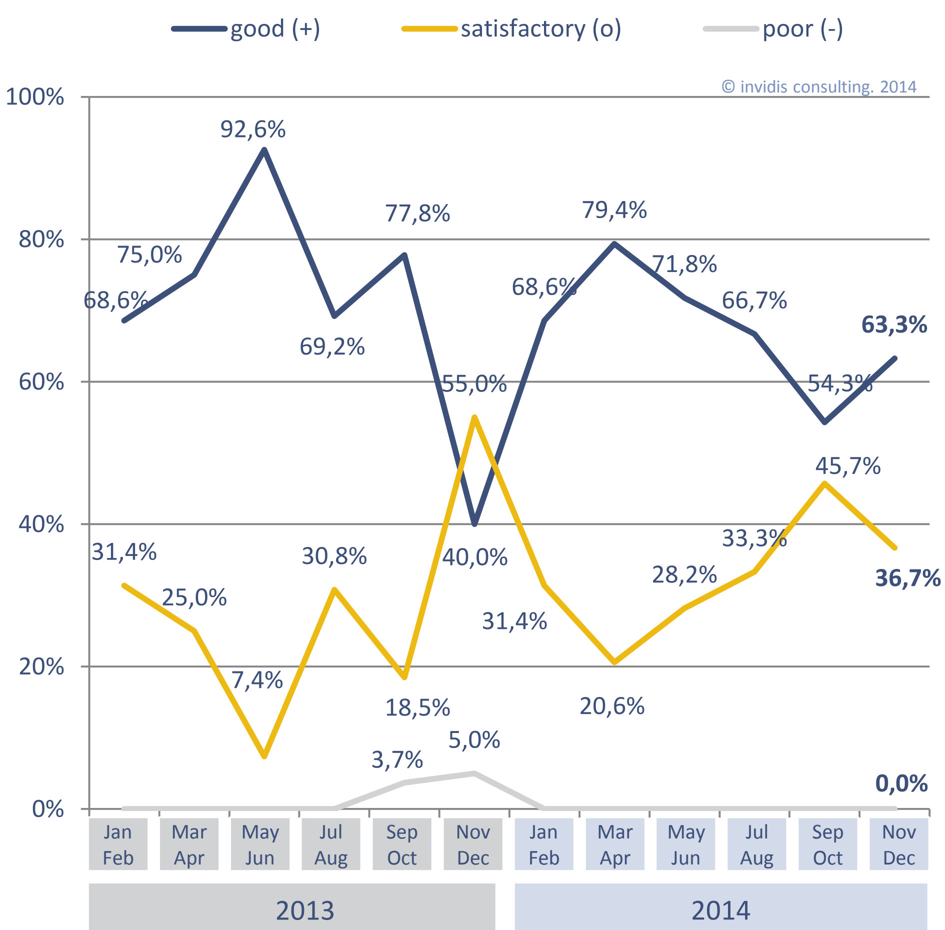


Fig. 18. DBCI November | December2014 „Business Situation Integrators“, n=30

Expectations | Integrators | November/December 2014

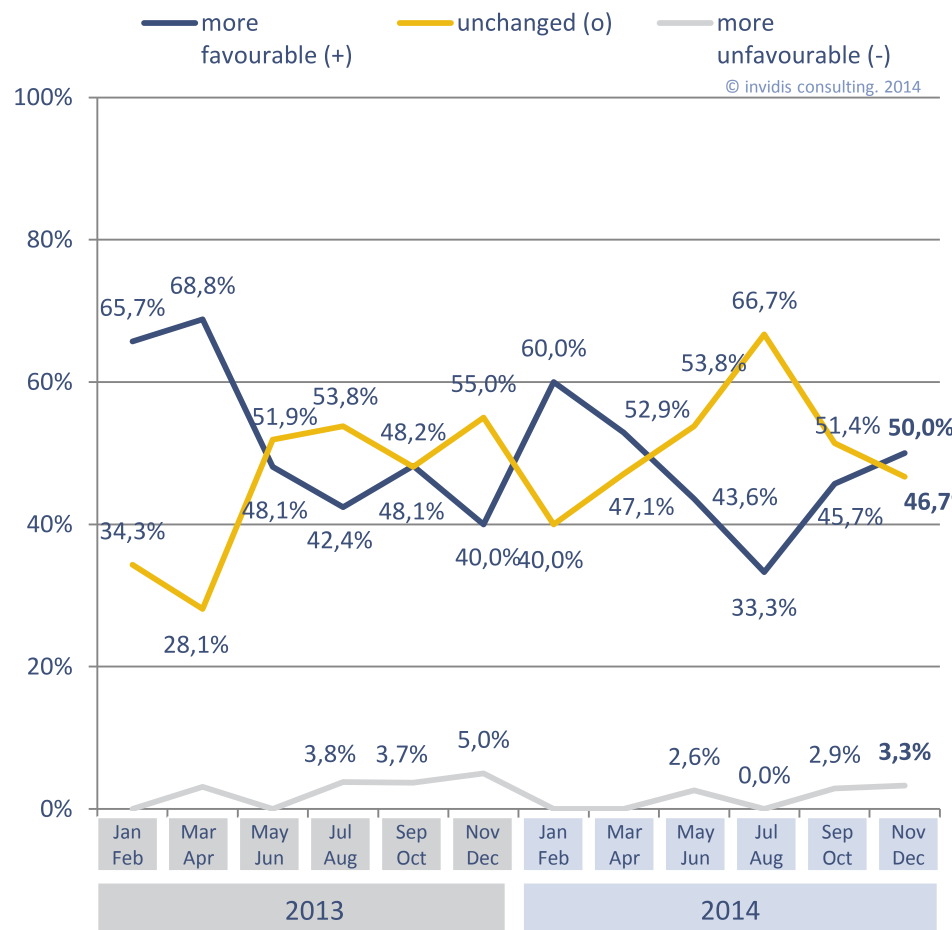


Fig. 19: DBCI November | December2014 „Expectations Integrators“, n=30

Software | Slightly lower business situation and expectations

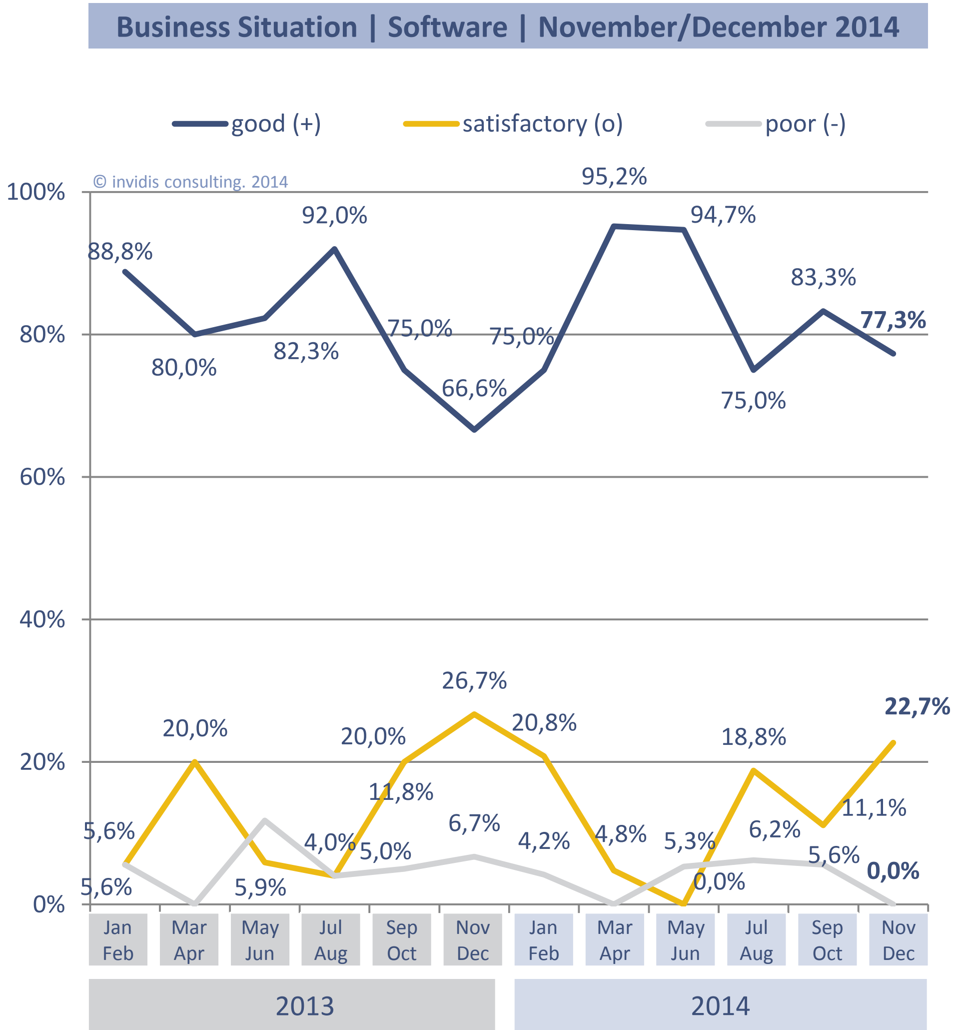


Fig. 20: DBCI November | December2014 „Business Situation Software", n=22

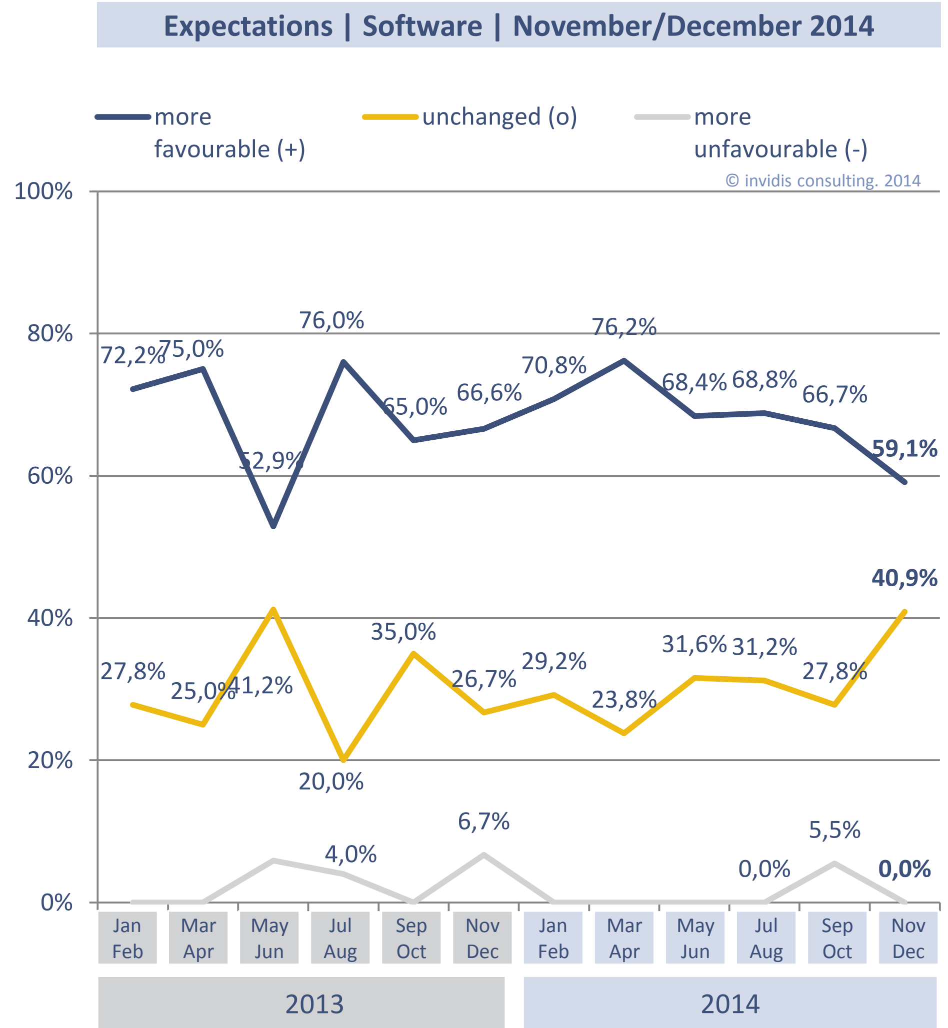


Fig. 21: DBCI November | December2014 „Expectations Software", n=22

DooH | Lower business sentiment and expectations

Business Situation | DooH | November/December 2014

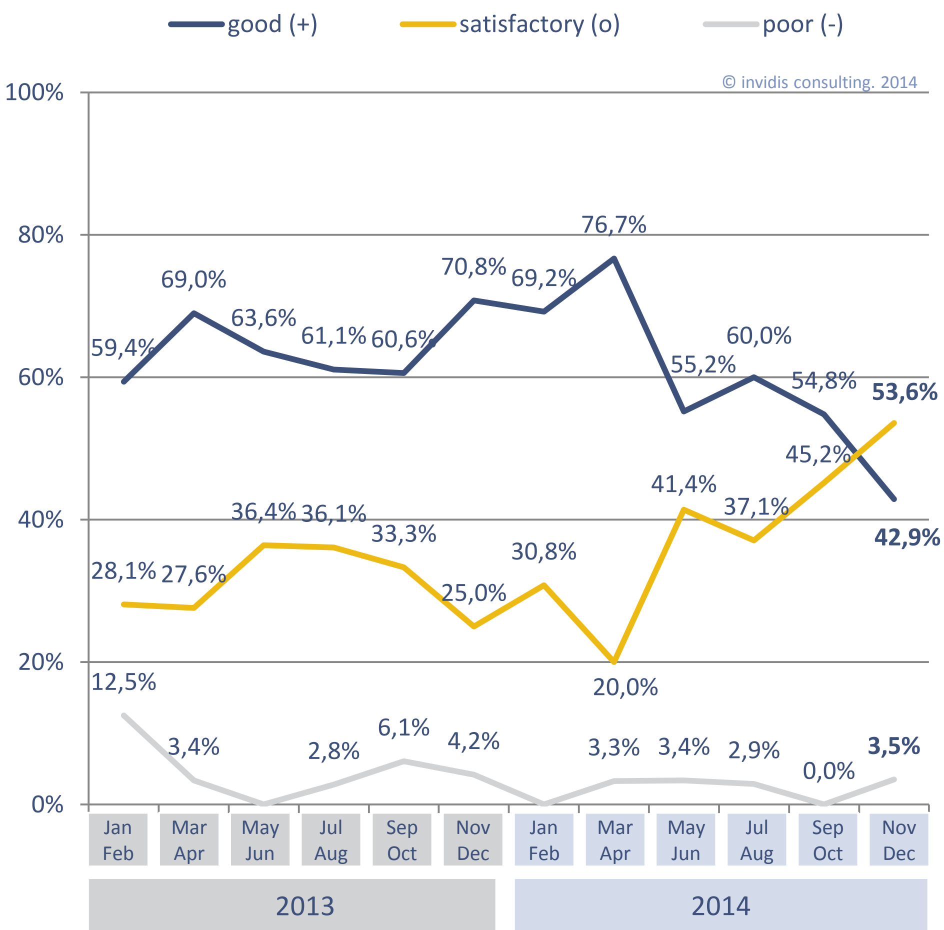


Fig. 22: DBCI November | December2014 „Business Situation DooH", n=28

Expectations | DooH | November/December 2014

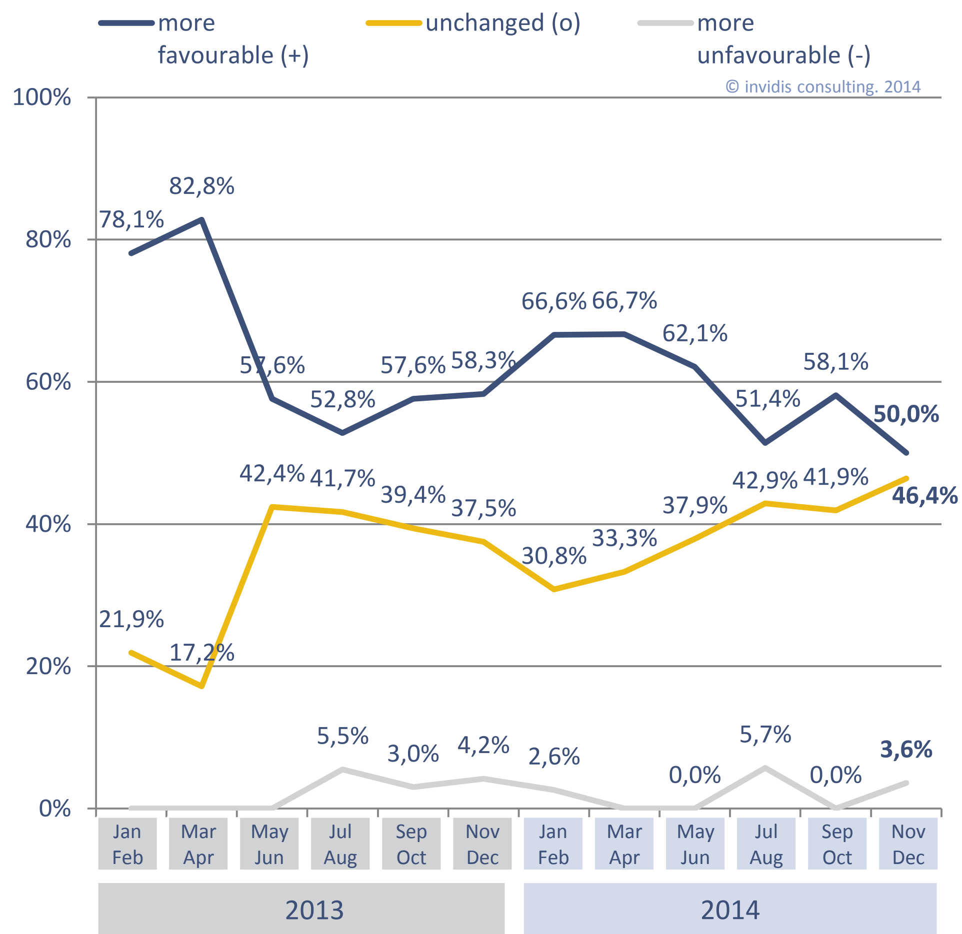


Fig. 23: DBCI November | December2014 „Expectations DooH", n=28

Further research | Low market share for UHD, but high demand for entry level signage

Market share UHD products in Digital Signage projects 2015

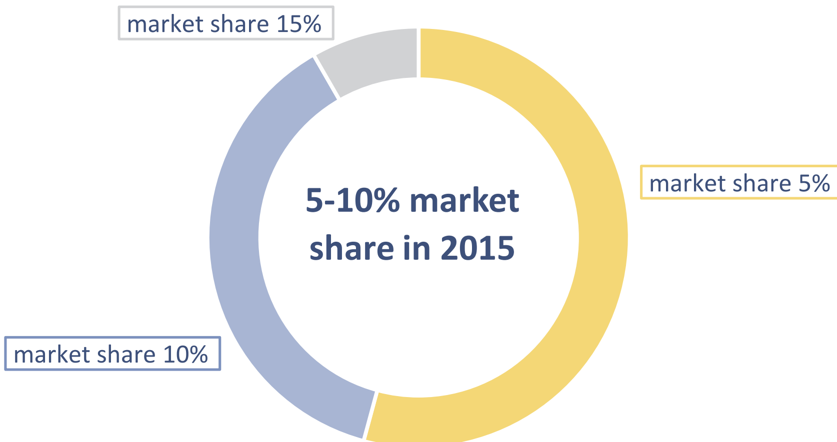


Fig. 24: DBCI November | December 2014
"market share UHD 2015", n=49

***Question**: How do you expect will the market for UHD products (displays, media player, software, content) evolve over the next 12 months? The market share will be at …*

The very high costs for UHD content has a dampening effect on the expectations for full UHD projects in the next year

Demand for entry-level products in Digital Signage projects 2014

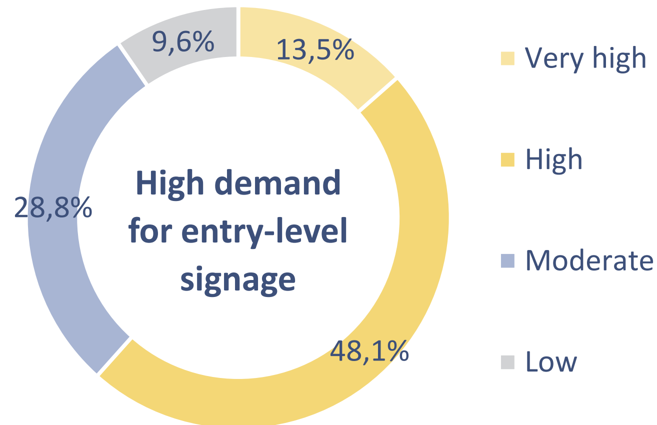


Fig. 25: DBCI November | December 2014
"demand for entry level products 2014", n=52

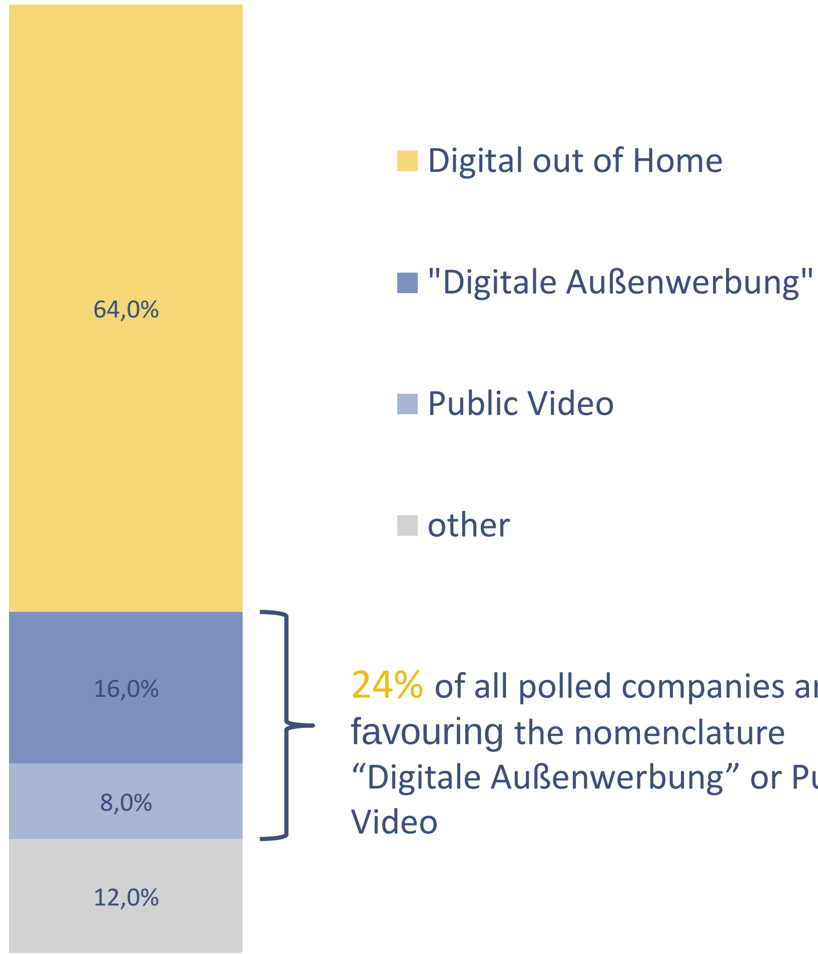
***Question**: How much demand did your customers have for entry-level products (hardened consumer displays, cost effective media players, standard software, content shops & templates) within the last 12 months?*

Falling hardware prices and availability of plug-and-play solutions have resulted in a high demand for entry-level Digital Signage

Further research | DooH industry favours traditional nomenclature

Question: *Which nomenclature do you prefer for Digital-out-of-Home?*

64% of all polled companies are favouring the nomenclature Digital-out-of-Home (DooH) for the media



24% of all polled companies are favouring the nomenclature "Digitale Außenwerbung" or Public Video

Fig. 26: DBCI November | December 2014 "favoured nomenclatura DooH", n=25

DBCI | Roadmap 2015 & Contact

2015	
January	Jan./Feb. | 02.02.2015
February	
March	Mar./Apr. | 23.03.2015
April	
May	May/Jun. | 18.05.2015
June	
July	Jul./Aug.| 20.07.2015
August	
September	Sept./Oct. | 17.09.2015
October	
November	Nov./Dec. | 26.10.2015
December	

- The next survey will take place in calendar week 3-4 of 2015
- The next planned publication date will be the 2nd of February 2015
- 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 2015. For further information please contact Daniel Russell

Contact
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