Germany
Austria
Switzerland

January | February 2015

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
2015 DE 100 en

Contents

Index | Digital Signage market starts with positive trend in the new year

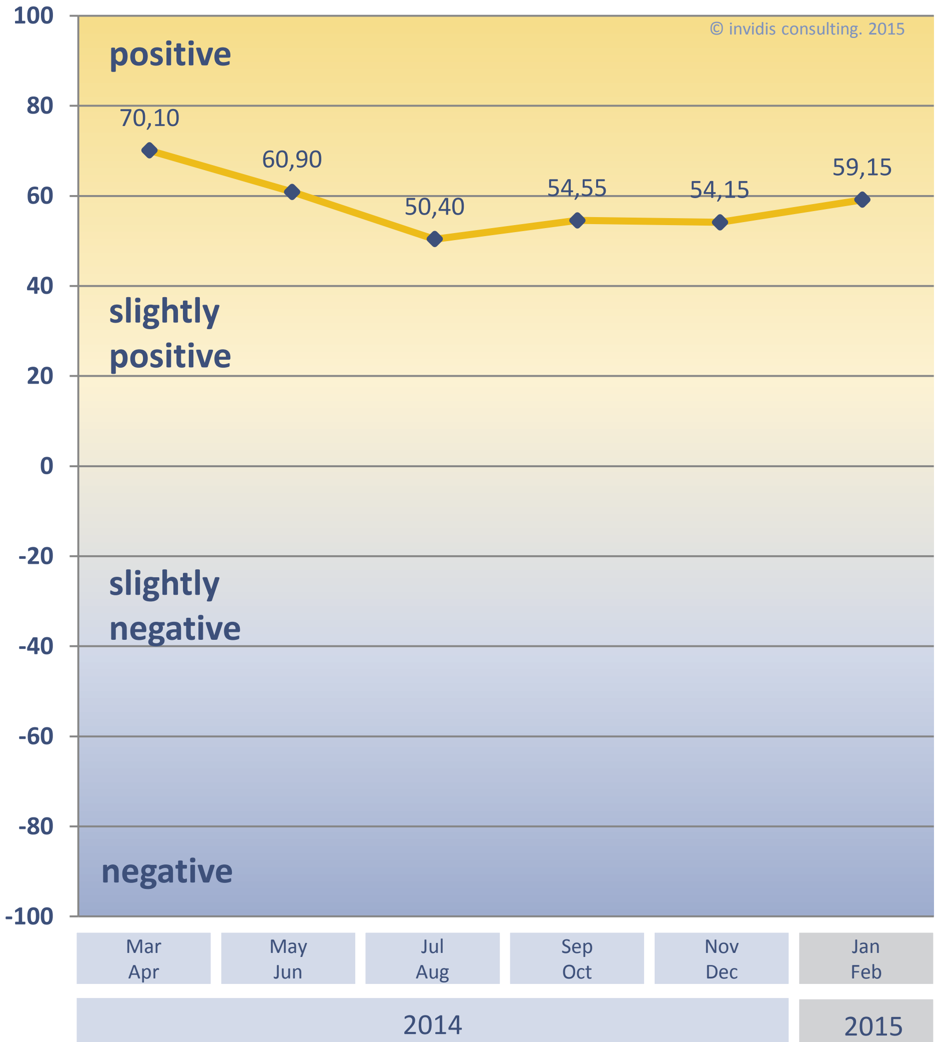


Fig. 1: DBCI January | February 2015 „Index DE-AT-CH" rolling 12 months, n=174

- Since the last survey in November 2014 the Digital Signage Business Climate Index has increased from 54,15 base points by 5,00 points to 59,15 base points
- The current business situation has increased markedly and is now very positive. The optimism concerning the near future has grown rather slightly in the new year
- The drastic decrease in the oil price since the last summer has significantly lowered the energy costs in the major European economies to the effect, that the Digital Signage market is on a continuous upward trend

Further Research

- In 2014 between 250-300 new jobs were created in Germany, Austria and Switzerland
- The Digital Signage market was enthusiastic about entry level signage, but sufficient technical performance was still a major issue in 2014
- Entry level signage, POS and Small/Large Signage will be the trends in 2015

- Participants: n=174
- Region: DE/AT/CH
- Survey Period: 2015 calendar weeks 3-4

DE-AT-CH | Positive trend of current business situation & outlook

Business Situation| DE-AT-CH | January/February 2015

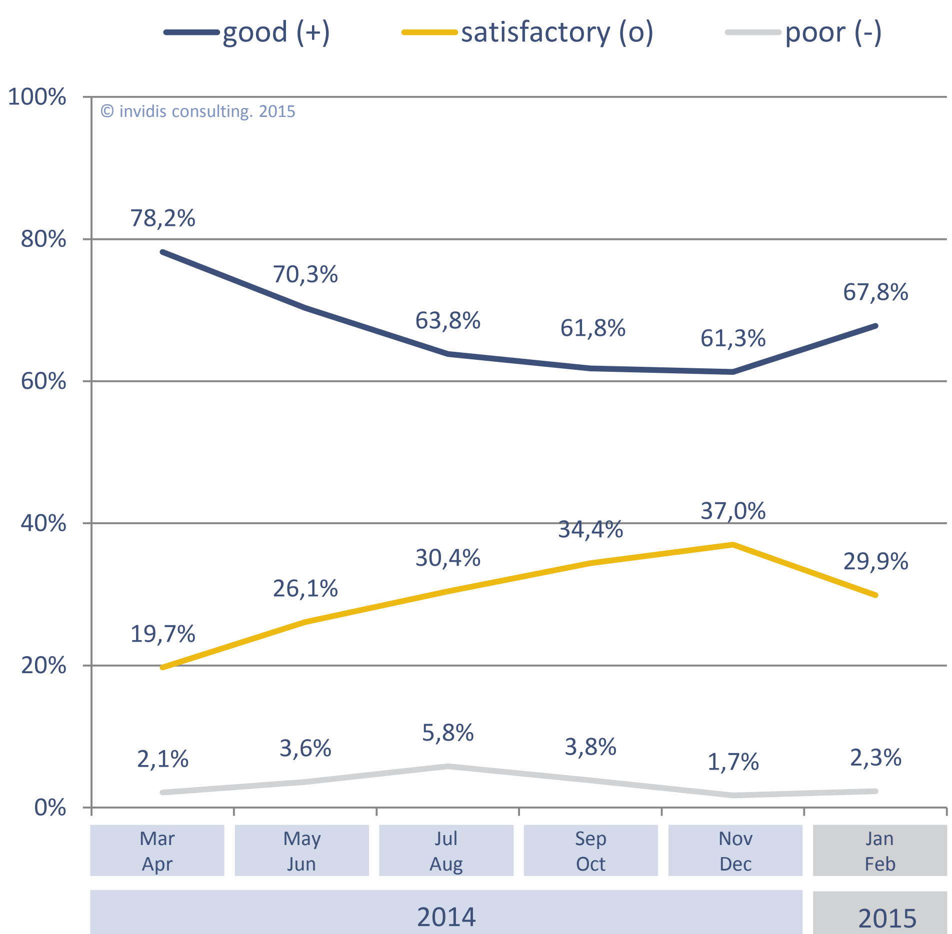


Fig. 2: DBCI January | February 2015 „Business Situation DE-AT-CH" rolling 12 months, n=174

Expectations | DE-AT-CH | January/February 2015

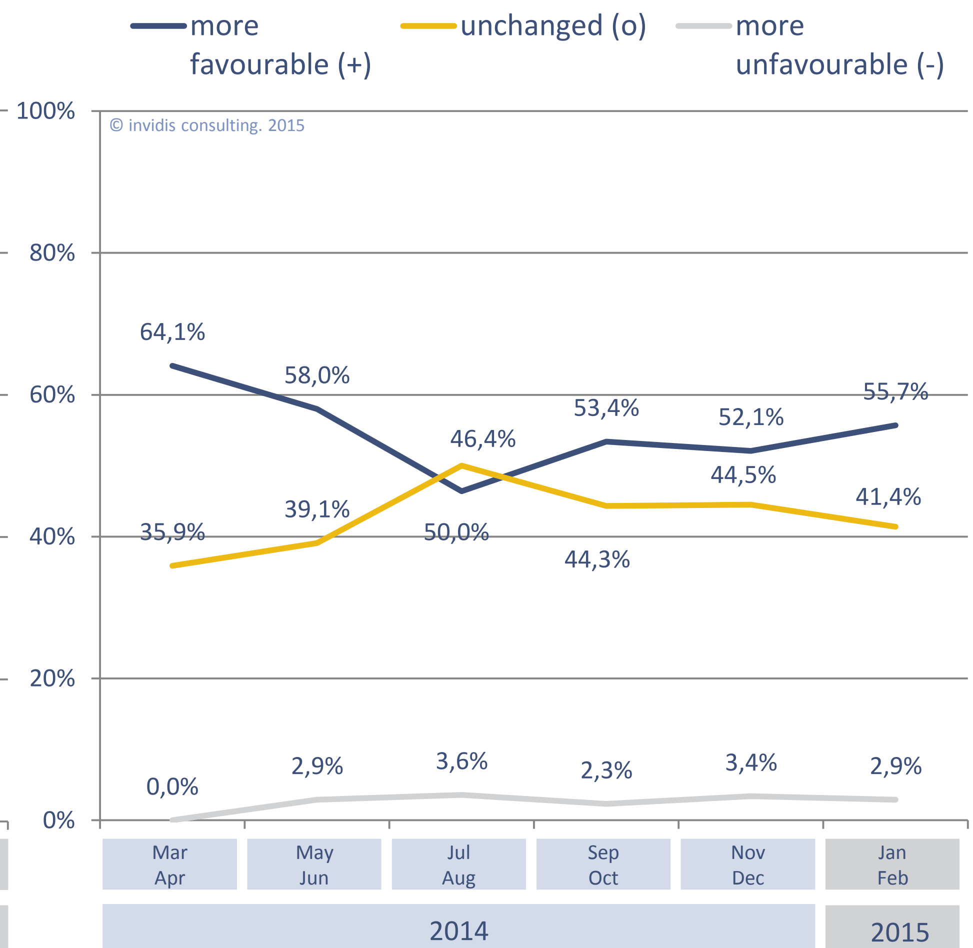


Fig. 3: DBCI January | February 2015 „Expectations DE-AT-CH" rolling 12 months, n=174

invidis CONSULTING

DE-AT-CH | Increase of the *good (+)* and *more favourable (+)* answer

Business Situation| DE-AT-CH | January/February 2015	Expectations | DE-AT-CH | January/February 2015

Fig. 4: DBCI January | February 2015 „Business Situation DE-AT-CH" rolling 12 months, n=174

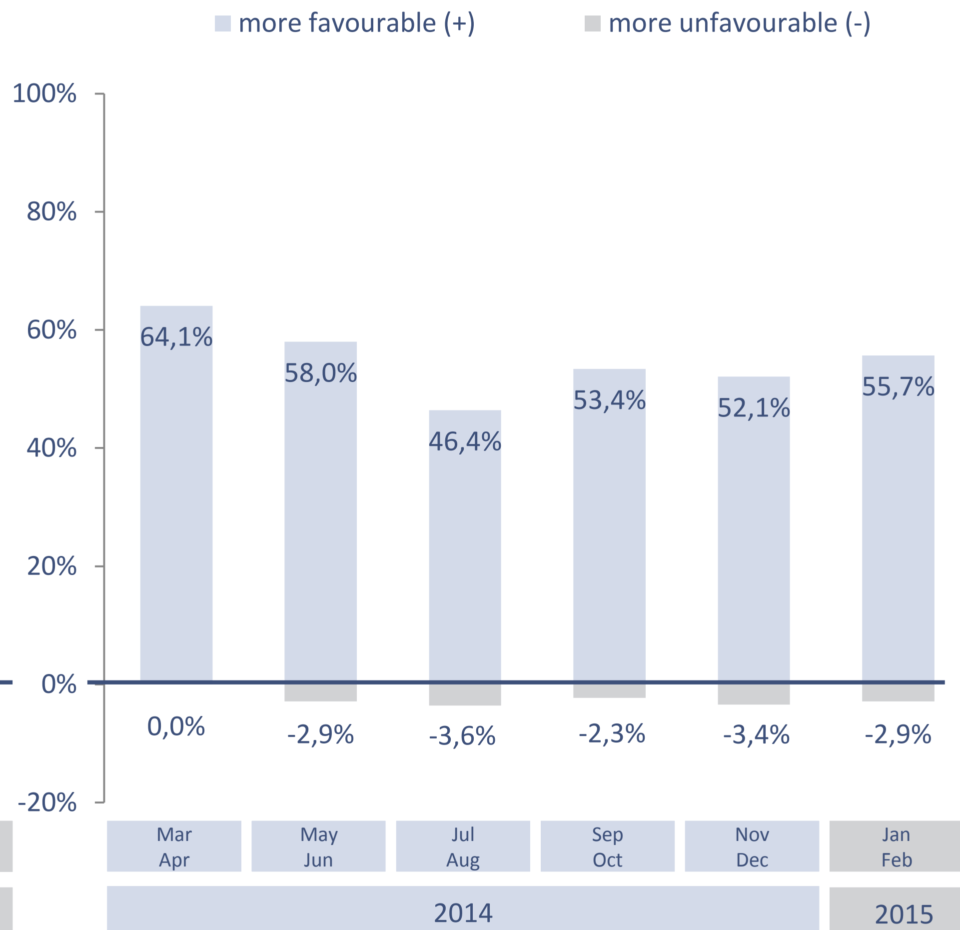


Fig. 5: DBCI January | February 2015 „Expectations DE-AT-CH" rolling 12 months, n=174

Countries | Austria with the highest gains in the first quarter 2015

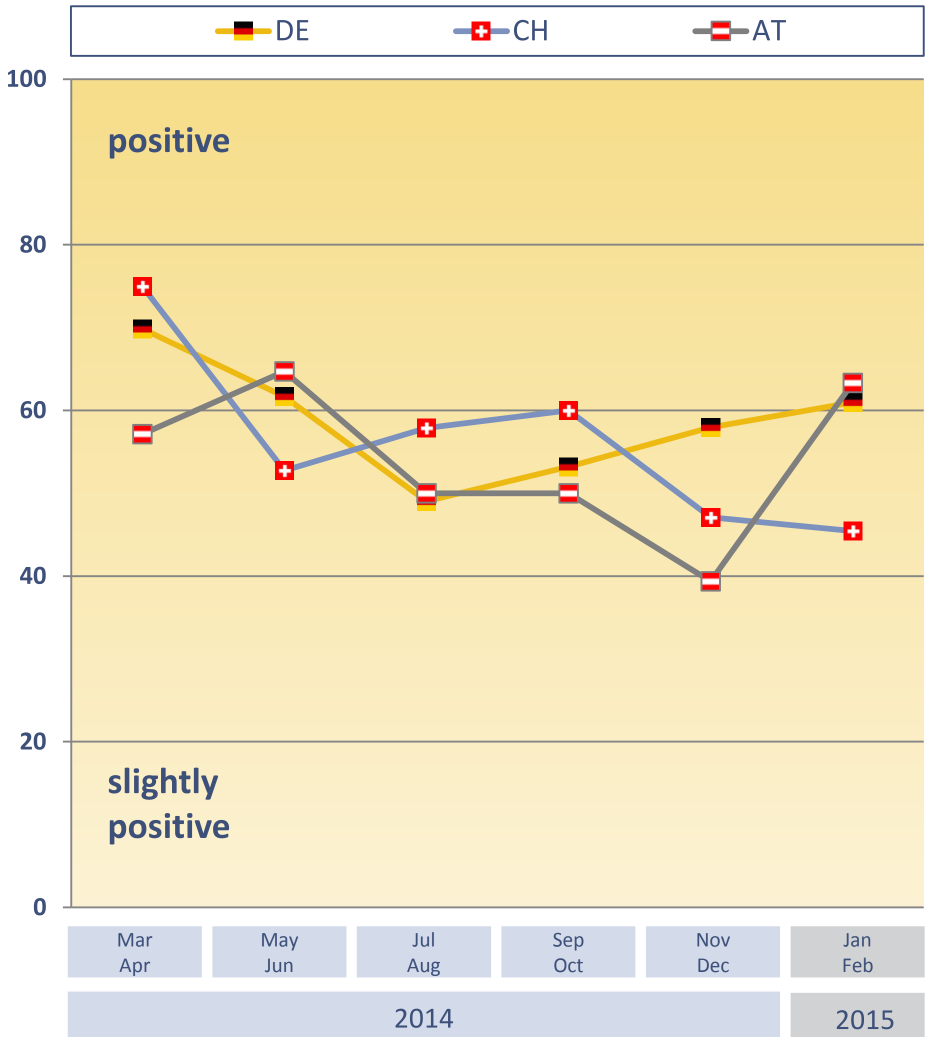


Fig. 6: DBCI January | February 2015 „Index DE-AT-CH" rolling 12 months, DE 137, CH 22, AT 15

- Since the last survey the business climate in the German Digital Signage market has increased. The cheap energy costs has given most companies new leverage for investments. Similarly the optimism for the future is tied to the devaluation of the Euro and its positive effects on exports and expected revenues.
- In Switzerland the business climate in the Digital Signage market has decreased again. The sharp increase of the monetary value of the Swiss franc compared to the Eurozone will have a negative effect on the revenues of the export dependent Swiss economy and hence stall corporate investments. However, this effect might be nullified by a significant drop in prices for all imports, in our case for Digital Signage relevant IT hardware. Particularly the projects in the SMB sector will benefit as hardware (CAPEX) plays an important role in the decision making process.
- In Austria the business climate in the Digital Signage market has sharply increased. Currently the market shows a very good business situation and the market participants also record rising expectations for the next six months.

Germany | Business situation and expectations on upward track

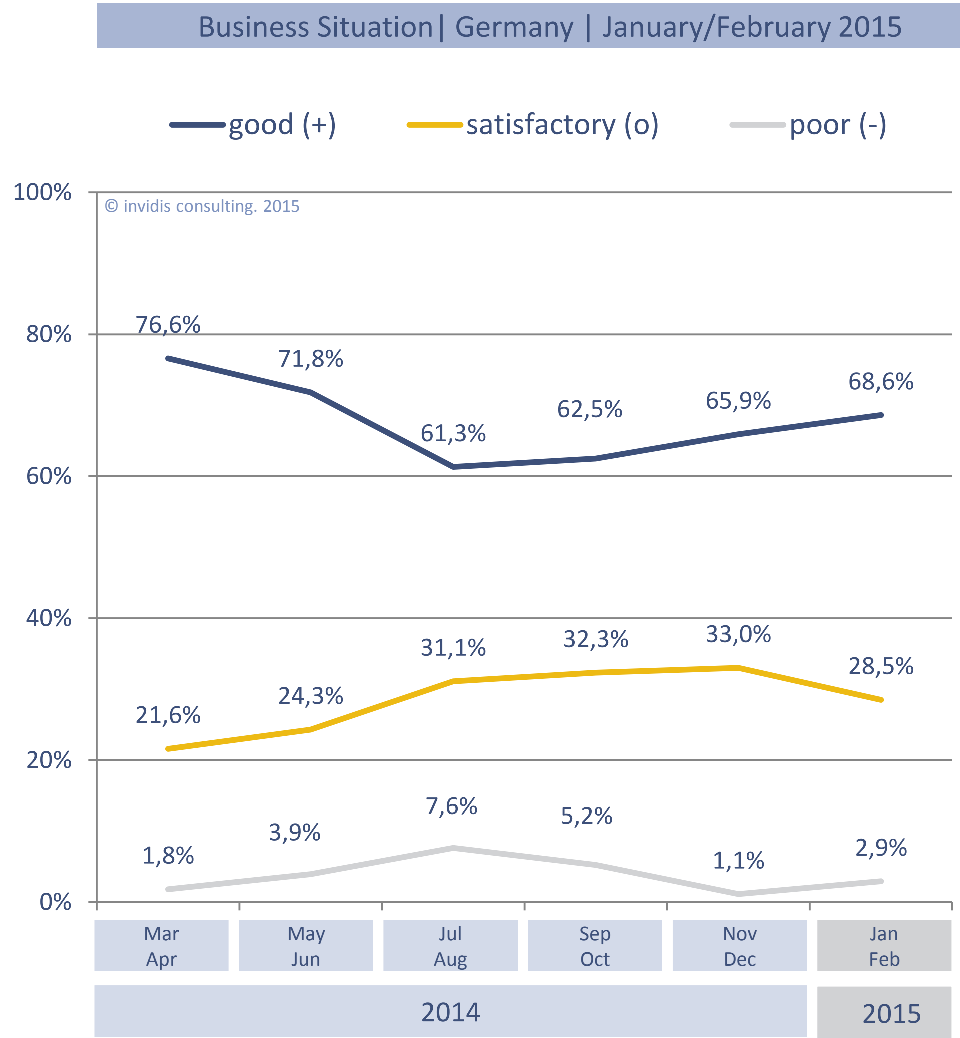


Fig. 7: DBCI January | February 2015 „Business Situation Germany" rolling 12 months, n=137

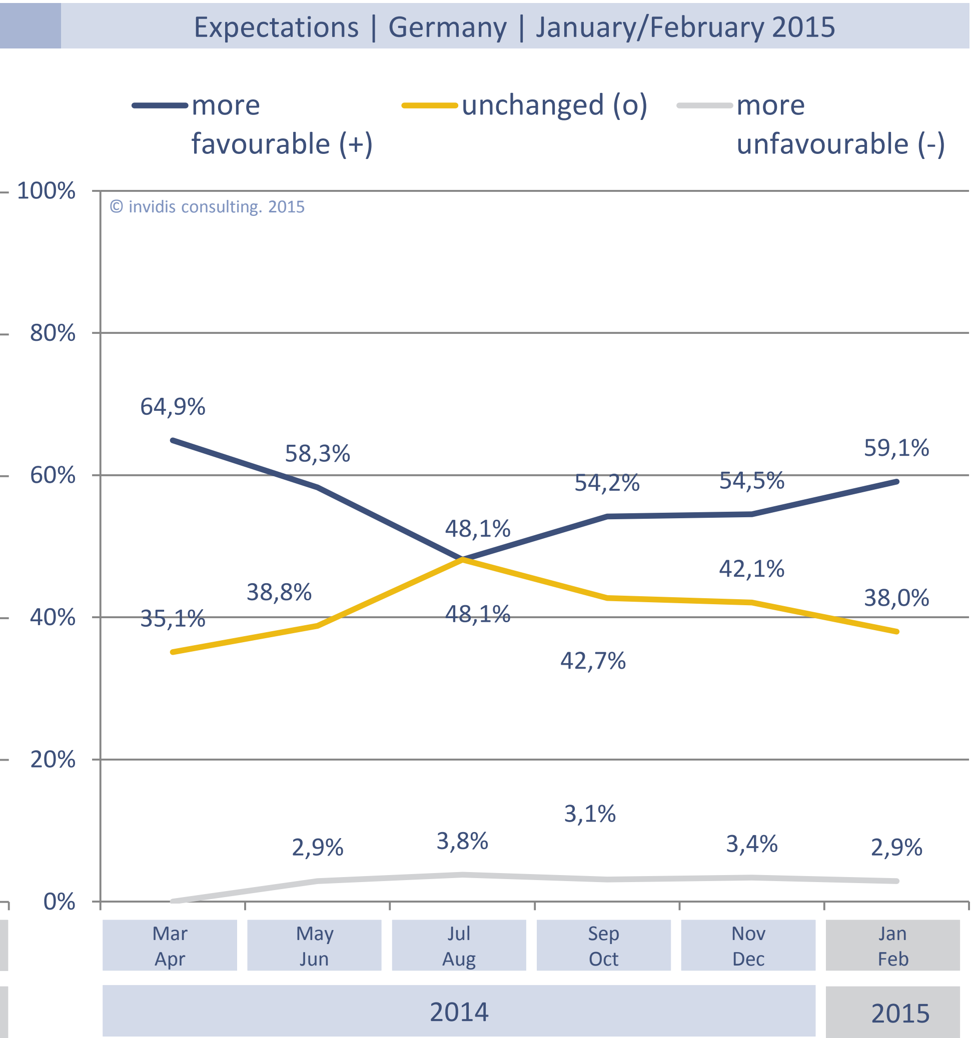


Fig. 8: DBCI January | February 2015 „Expectations Germany" rolling 12 months, n=137

Austria | Sharp increase of the business situation & higher expectations

Business Situation | Germany | January/February 2015

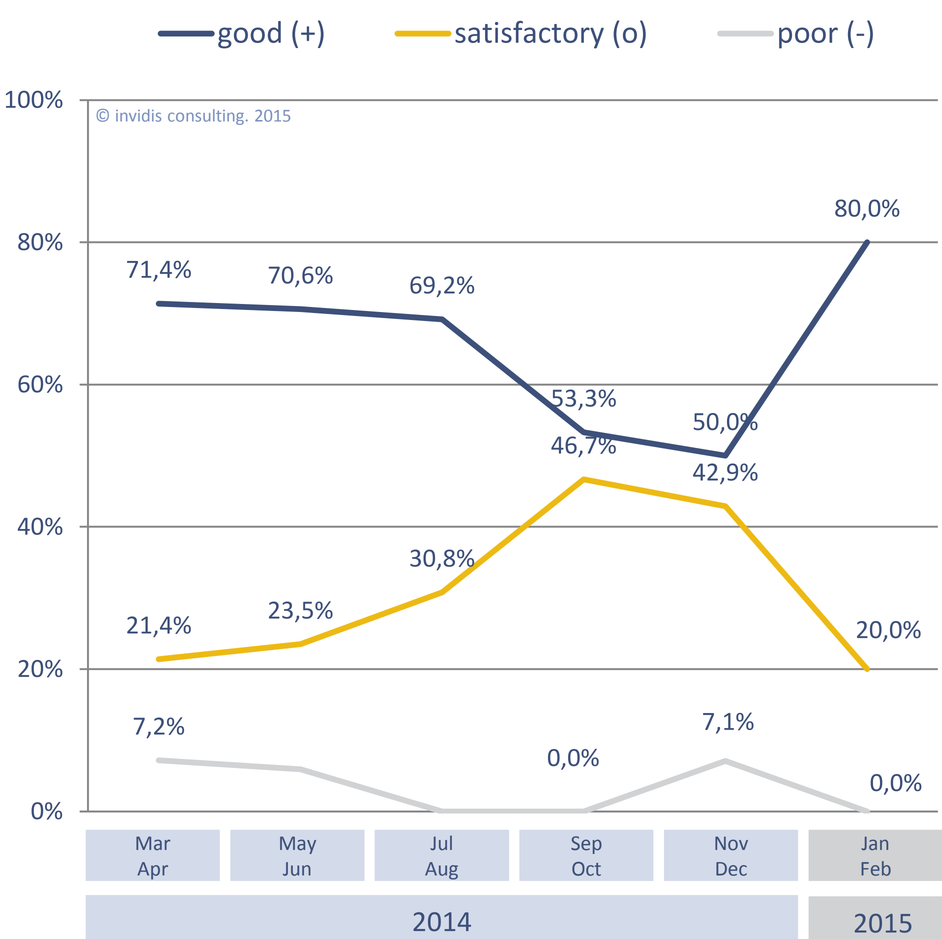


Fig. 9: DBCI January | February 2015 „Business Situation Austria" rolling 12 months, n=15

Expectations | Germany | January/February 2015

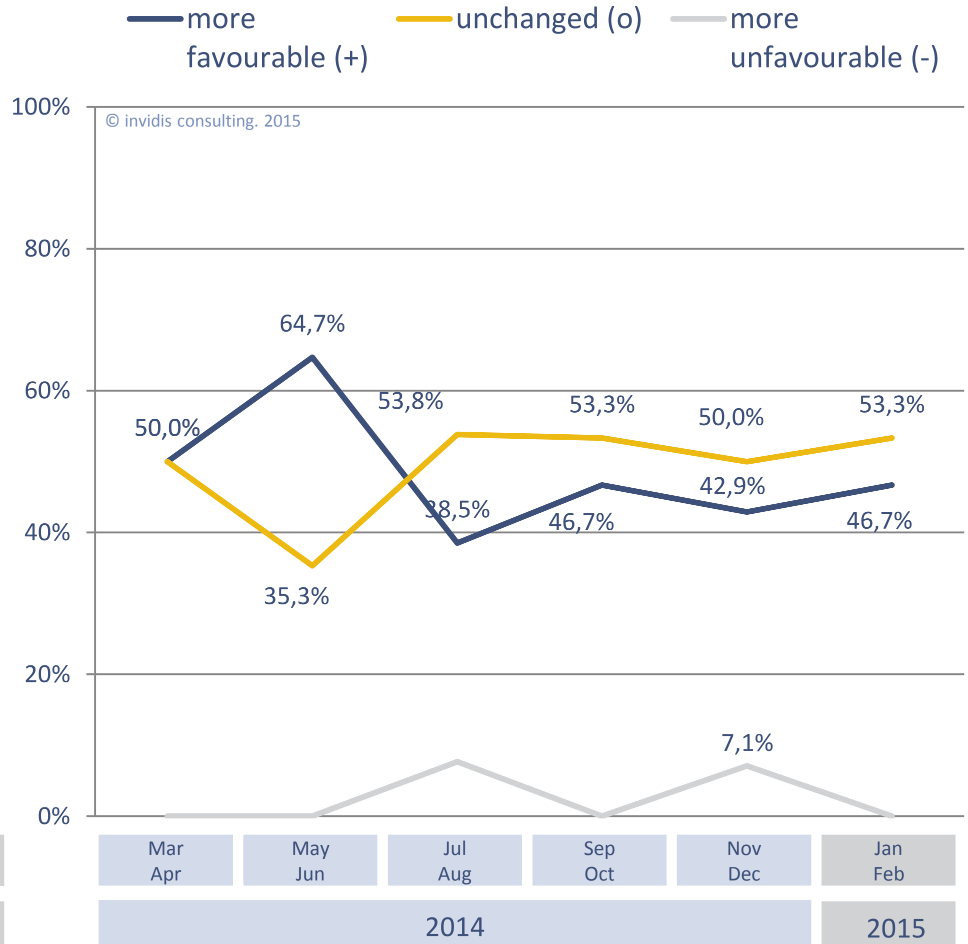


Fig. 10: DBCI January | February 2015 „Expectations Austria" rolling 12 months, n=15

Switzerland | Better business situation, but conservative outlook

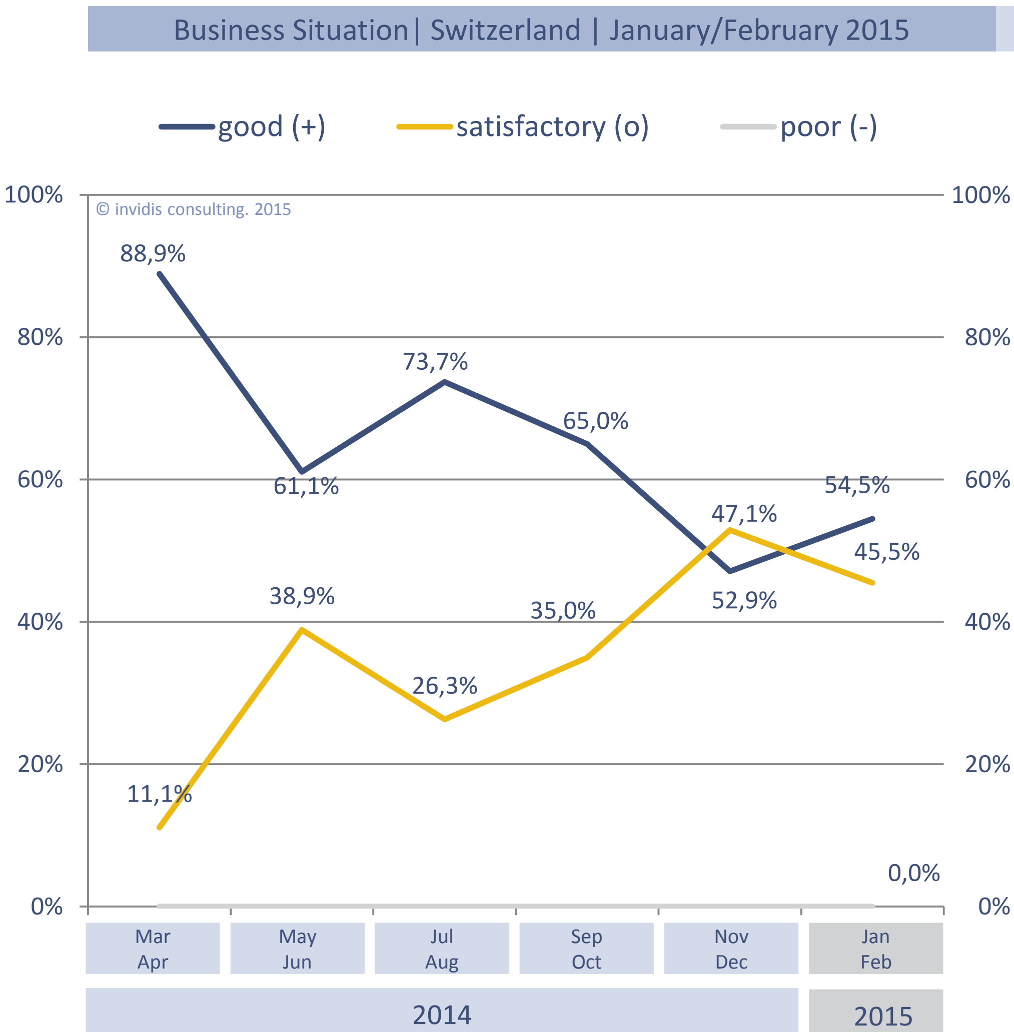


Fig. 11: DBCI January | February 2015 „Business Situation Switzerland" rolling 12 months, n=22

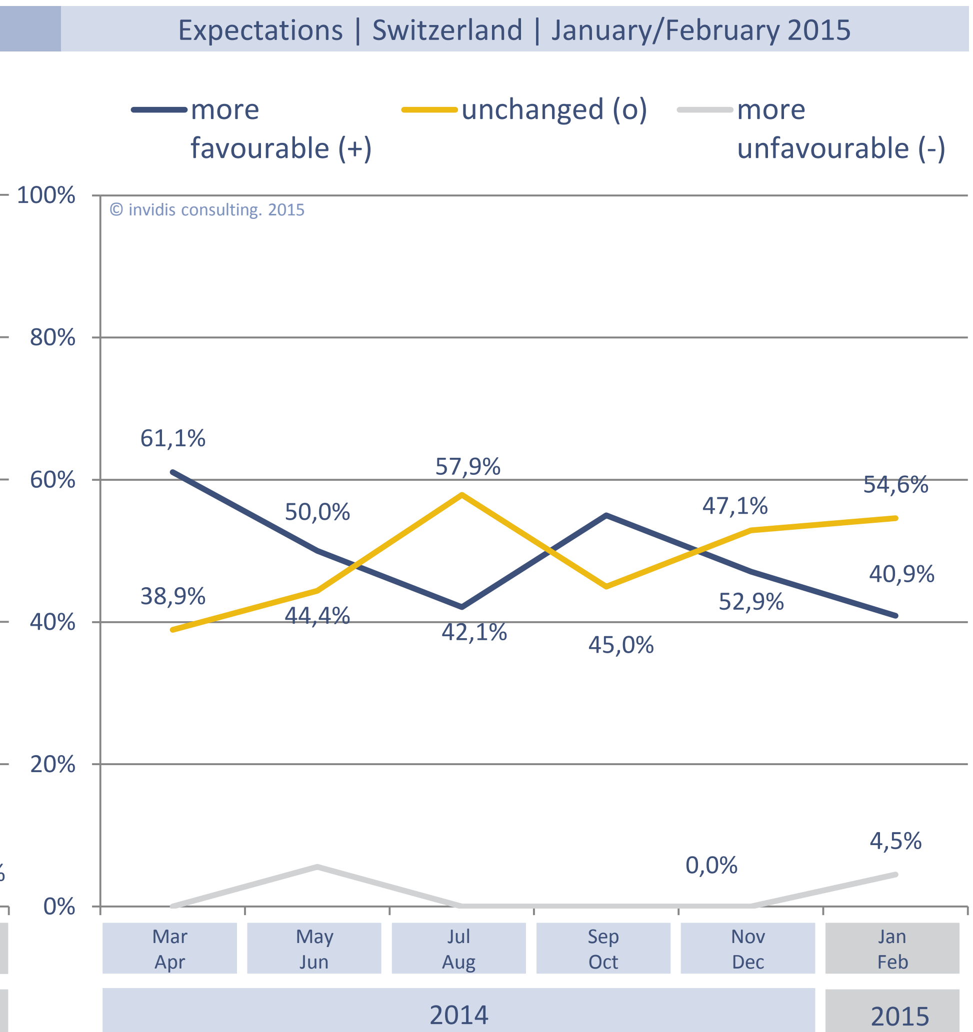
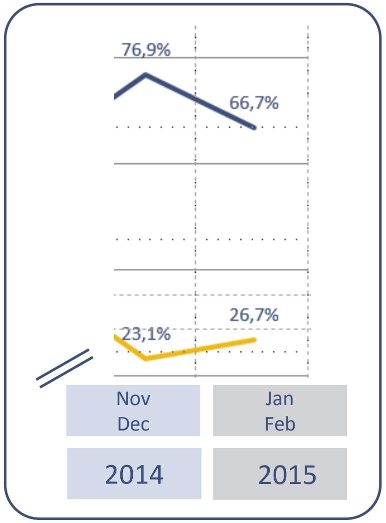


Fig. 12: DBCI January | February 2015 „Expectations Switzerland" rolling 12 months, n=22

Segments | DooH is looking back at a very successful 2014

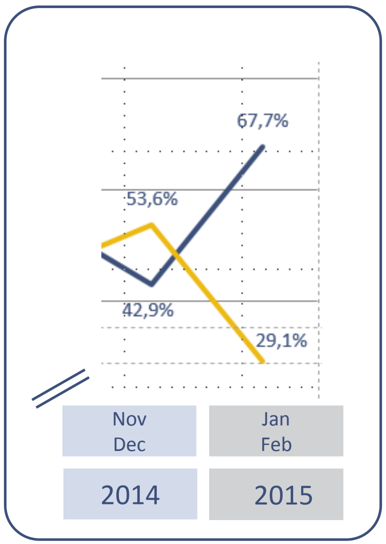


Displays

more favourable (+)

no change (o)

Fig. 13: DBCI January | February 2015 „Expectations Displays“, n= 15



DooH

good (+)

neutral (o)

Fig. 14: DBCI January | February 2015 „Business Situation DooH“, n=31

- The business sentiment of **display vendors** has decreased since the last survey. Still 60% of all polled companies rate their current business situation as “good (+)”. And even more importantly the expectations for the next six months remain strong, with 66% having a more favourable outlook. We believe that reflects lower margins partly due to the rise of demand for small signage and entry-level displays.
- **System Integrators** have a consistent positive view of the market as over 90% of all polled companies are satisfied or better. However, more than 50% of the market participants see no immediate growth effects in the near future.
- The business climate for **software vendors** has also remained stable at a high level. Contrary to the display vendors and integrators the software segment has a very positive outlook, as almost 70% of the market expects even more favourable business in H1 2015.
- The **DooH industry** records a very positive current business sentiment, which has increased sharply since the last survey. The very positive growth in DooH gross advertising revenues of almost 30% for the whole year 2014 has had a major impact on the sentiment of the market participants.[1)] Also the recent financial report by Ströer showed a rapidly growing share of total revenues is digital (10-12%). In Austria the DooH market saw a very strong fourth quarter in 2014 with the gross advertising revenues rising by approximately 35% compared to the year average[2)].

1) Source: Nielsen
2) Source: FokusMedia

Displays | Lower business situation & expectations

Business Situation | Displays | January/February 2015

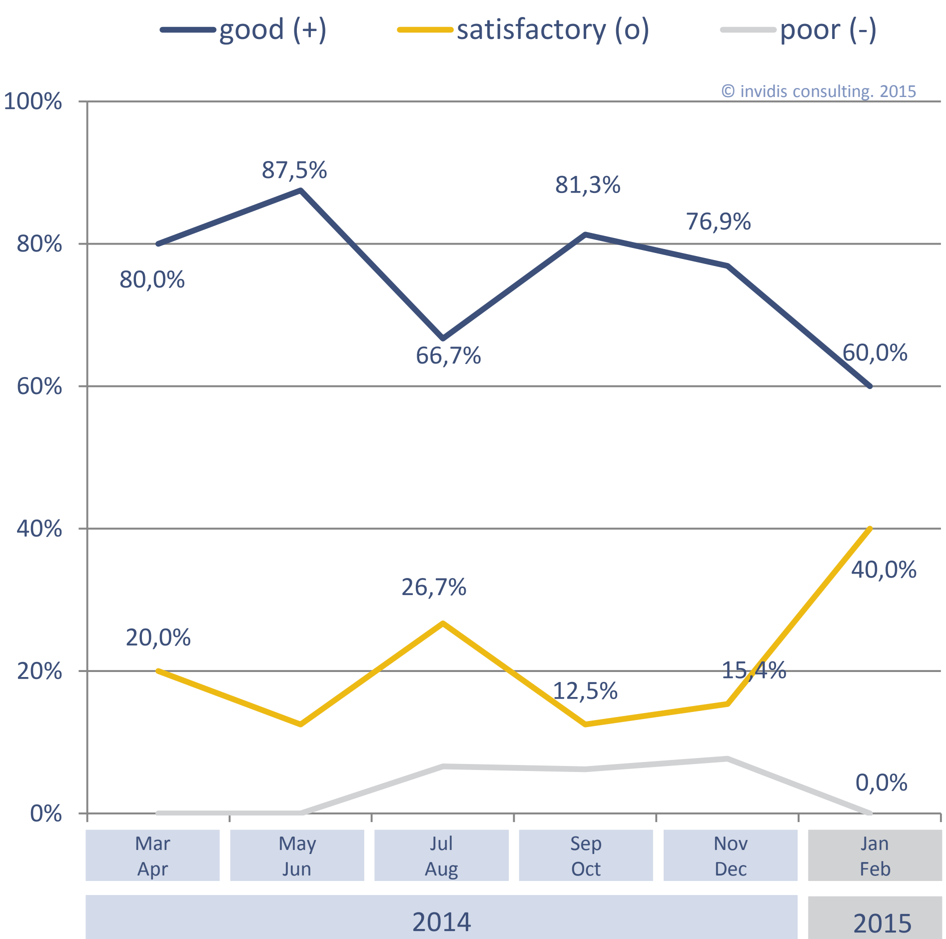


Fig. 15: DBCI January | February 2015 „Business Situation Displays" rolling 12 months, n=15

Expectations | Displays | January/February 2015

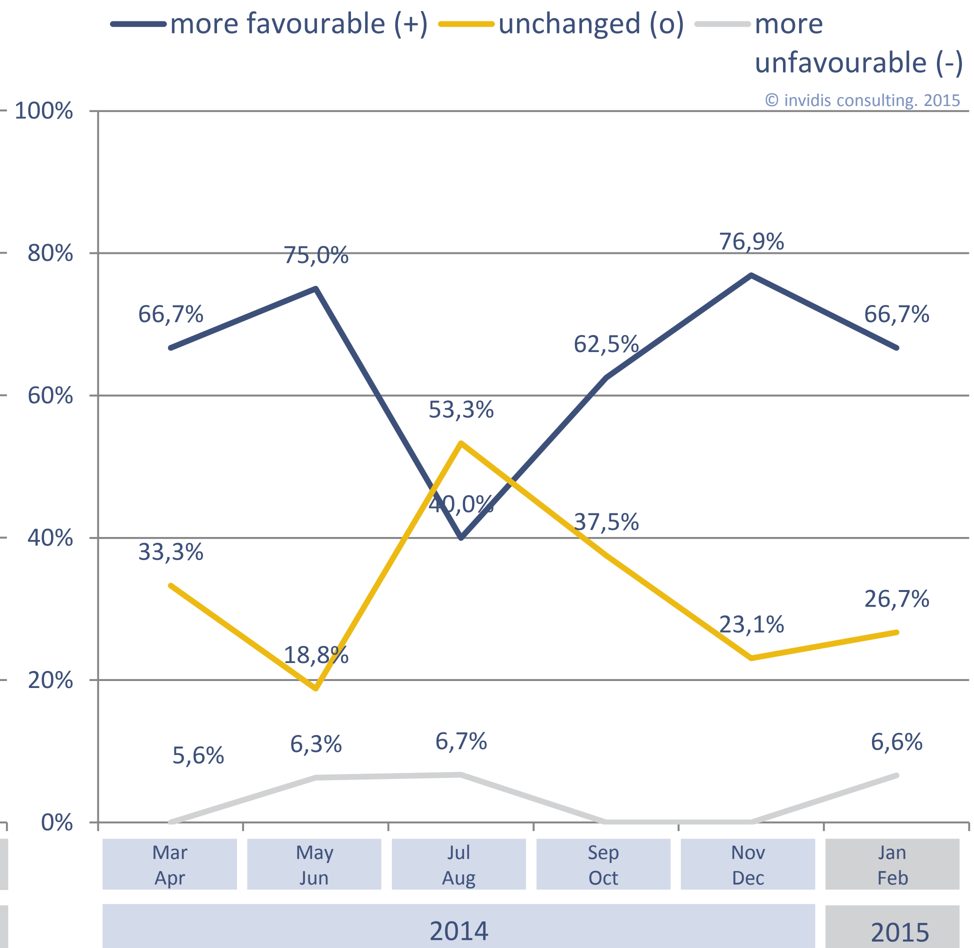


Fig. 16: DBCI January | February 2015 „Expectations Displays" rolling 12 months, n=15

Integrators | Consistent positive business situation & six month outlook

Business Situation| Integrators | January/February 2015

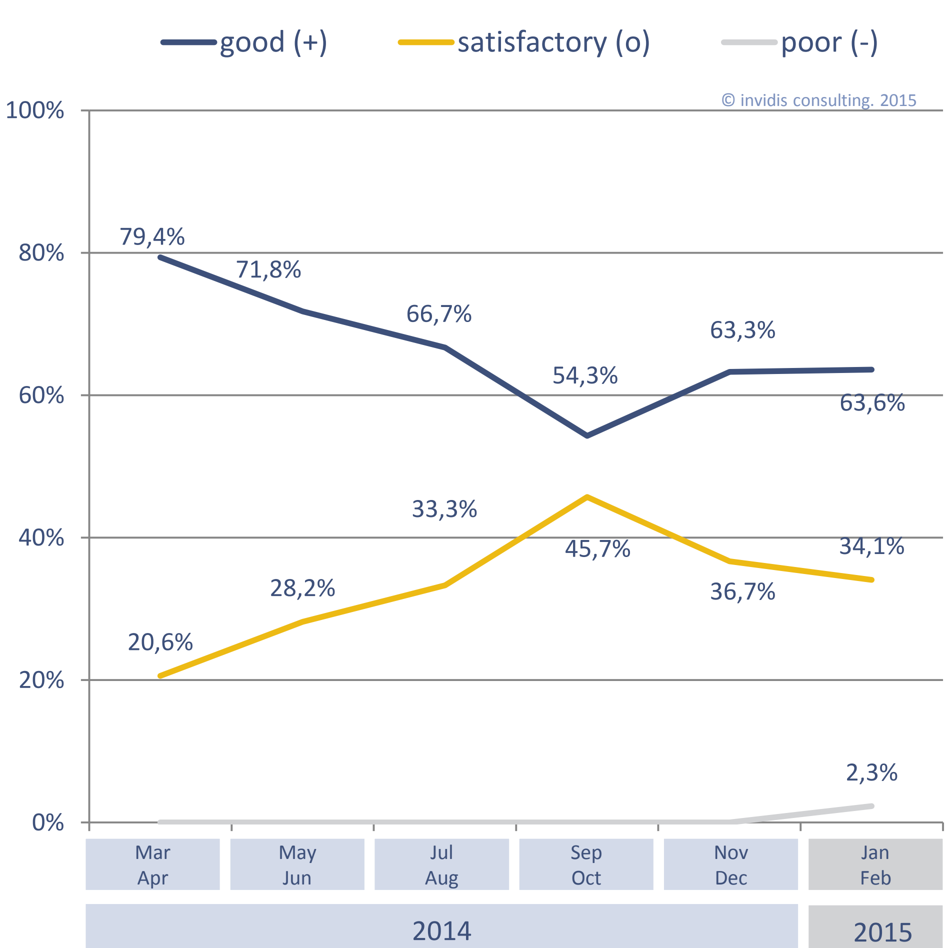


Fig. 17. DBCI January | February 2015 „Business Situation Integrators“ rolling 12 months, n=44

Expectations | Integrator | January/February 2015

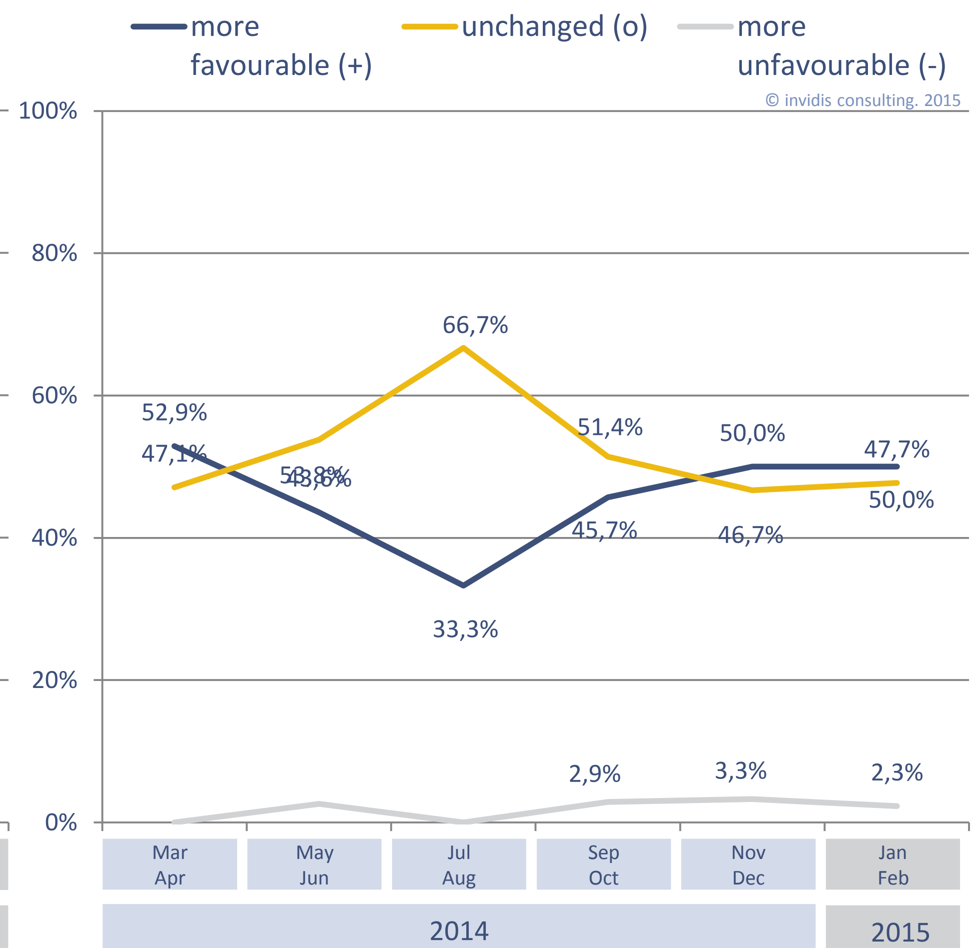


Fig. 18: DBCI January | February 2015 „Expectations Integrators“ rolling 12 months, n=44

Software | Stable positive business situation & rising expectations

Business Situation | Software | January/February 2015

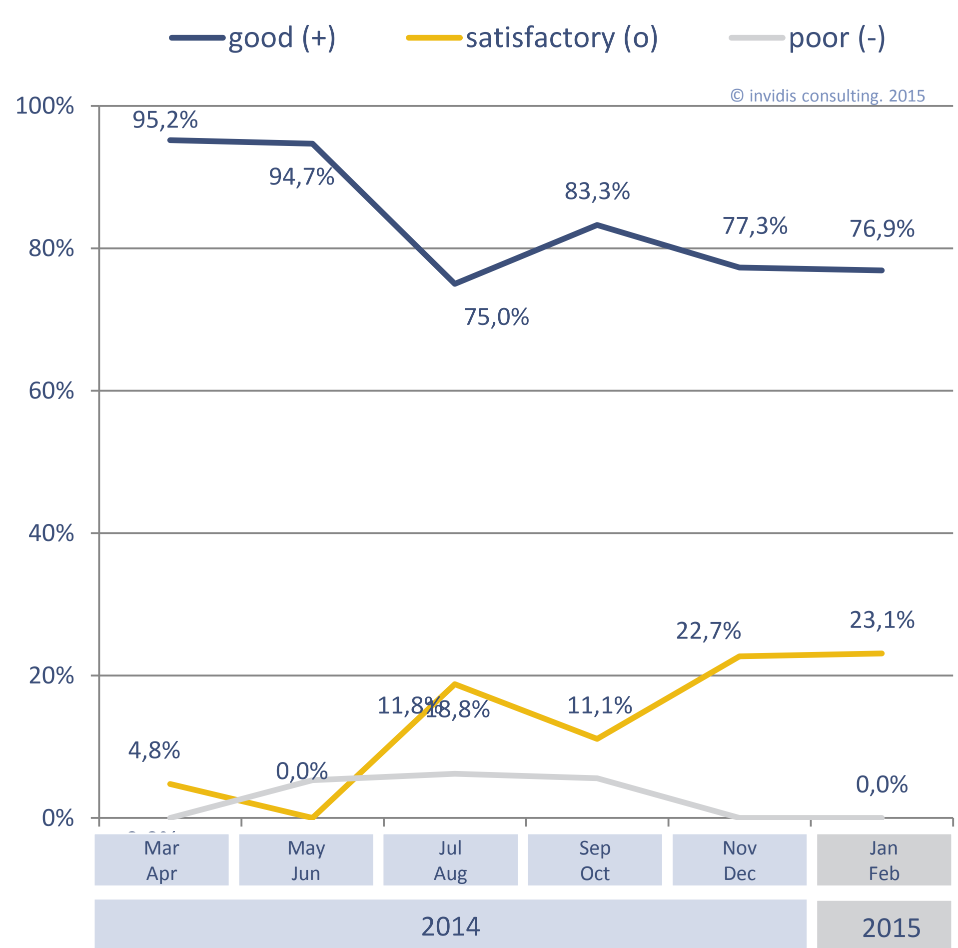


Fig. 19: DBCI January | February 2015 „Business Situation Software“ rolling 12 months, n=26

Expectations | Software | January/February 2015

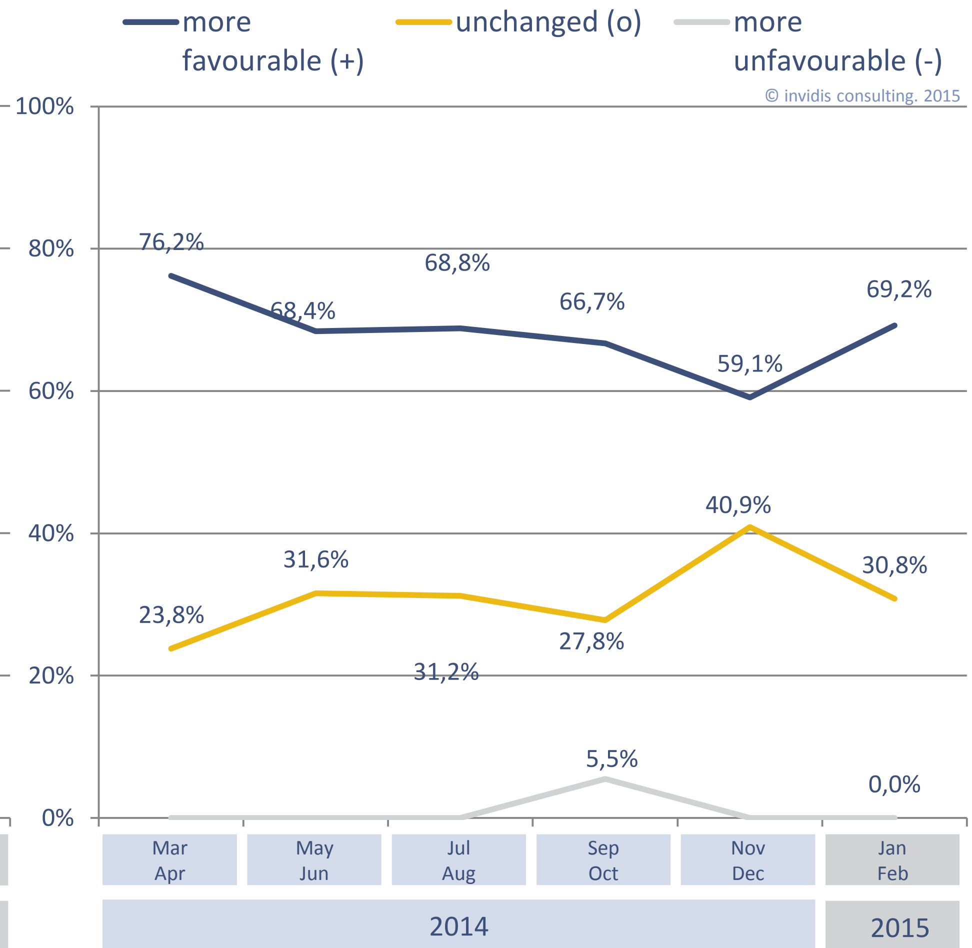


Fig. 20: DBCI January | February 2015 „Expectations Software“ rolling 12 months, n=26

DooH | Sharp increase of the business sentiment & good outlook

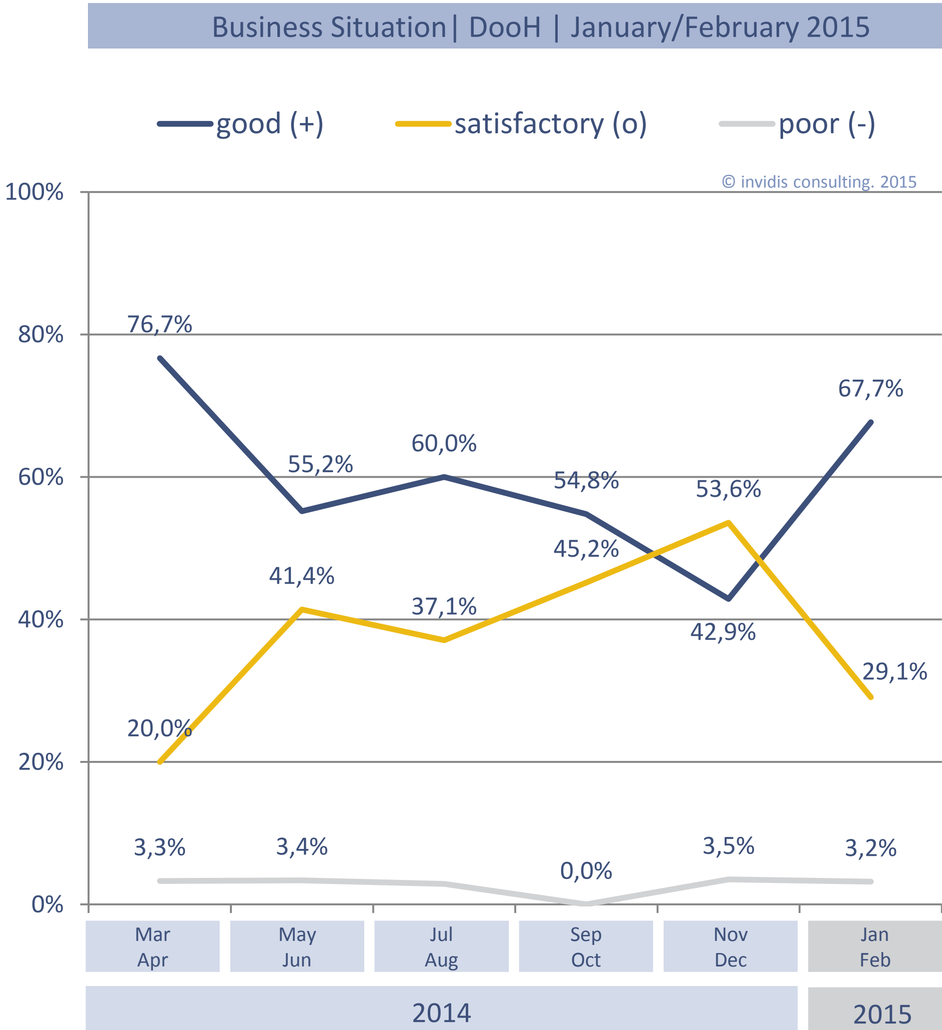


Fig. 21: DBCI January | February 2015 „Business Situation DooH" rolling 12 months, n=31

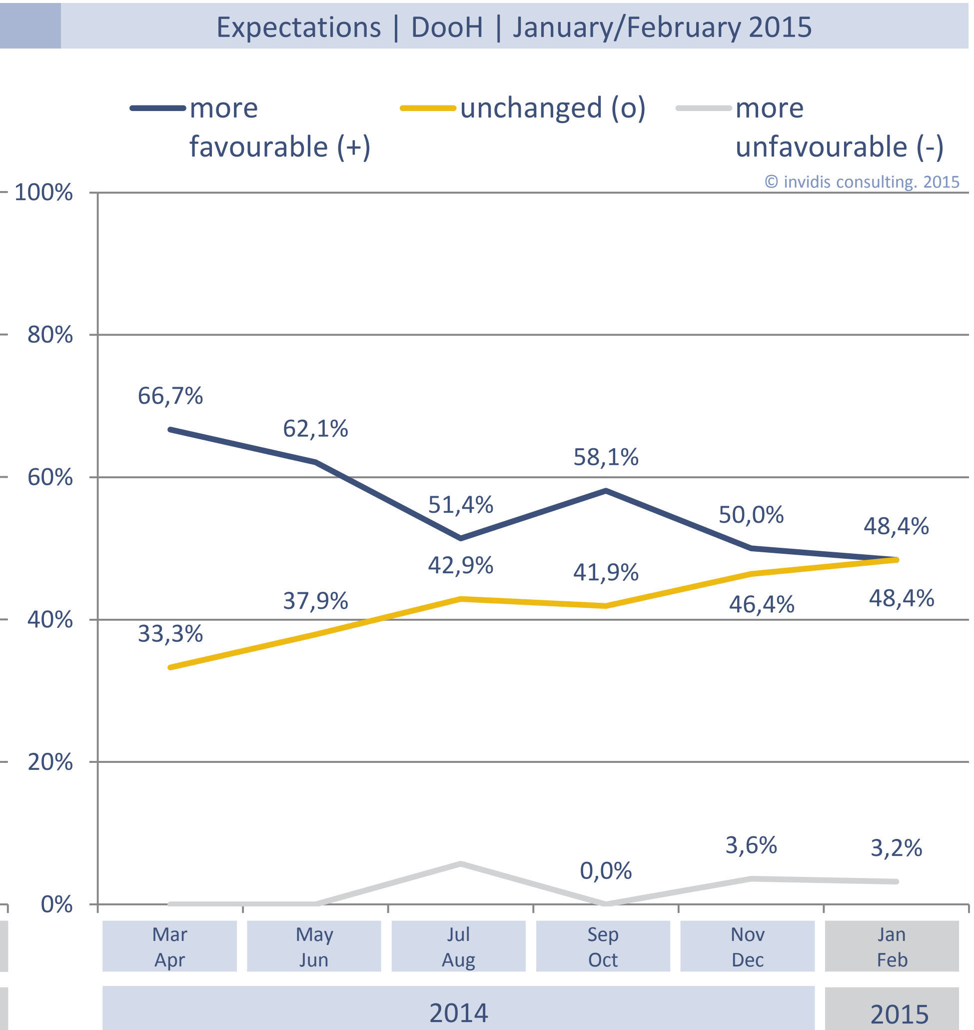


Fig. 22: DBCI January | February 2015 „Expectations DooH" rolling 12 months, n=31

Hirings 2014 | Digital Signage creates hundreds of new jobs

- 55,6% of all companies in the Digital Signage Market have hired new staff in the last year
- In the year 2014 between 250-300 new jobs were created in the Digital Signage market in Germany, Austria and Switzerland
- The comparably low growth year 2014 in the German language Digital Signage market is also reflected in the number of new openings created. In comparison in the very good year 2013 the market participants were responsible for 400-500 new jobs
- As a whole there is a high demand for qualified personnel. Due to a growth strategy and re-structuring the demand for personnel on a management level with new qualifications is very high (e.g. key account and project manager)
- The increasing expansion in vertical markets leads to a demand for more professionals from different industry branches by Digital Signage companies

Company growth in new jobs created 2014

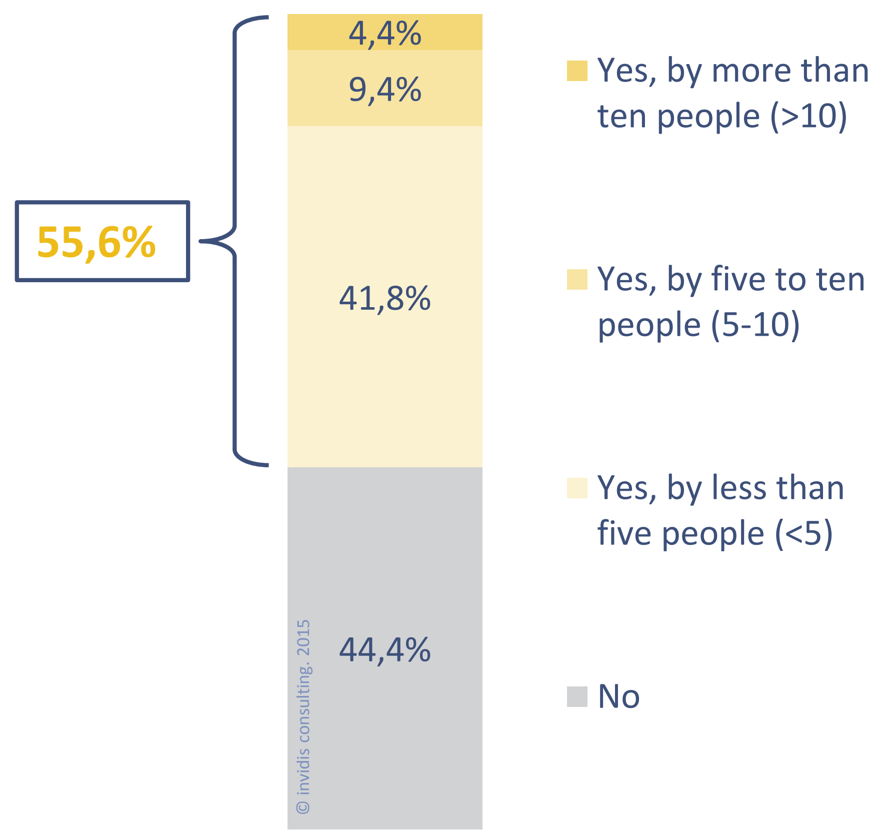


Fig. 23: DBCI January/February 2015 "Hirings 2014 DE-AT-CH", n=160

Tops 2014 | DS market enthusiastic about entry level signage, …

Fig. 24: DBCI January/February 2015 „Tops 2014“, n=48

- When asked about the most positive developments on the Digital Signage market the polled companies have mostly answered that some form of entry level signage was their Top in 2014
- The last years saw a huge drop in hardware prices combined with the emergence of new technology solutions like SoC, OPS and Android as well as out-of-the-box packaging of hard and software, stimulating the customer demand particularly in the SMB segment
- The other major trend was Digital Signage solutions in the retail/POS environment. Mobile integration, sunlight-readable/high brightness displays, Omni-channel concepts and interactivity (iBeacon, NFC, touch, etc.) have significantly enhanced the Digital Signage USPs.
- This maturity of Digital Signage was also honoured by the customer as the rising demand and the robust growth in revenues were seen as the third most important Top of 2014

Flops 2014 | …, but technical performance is still the major issue in 2014

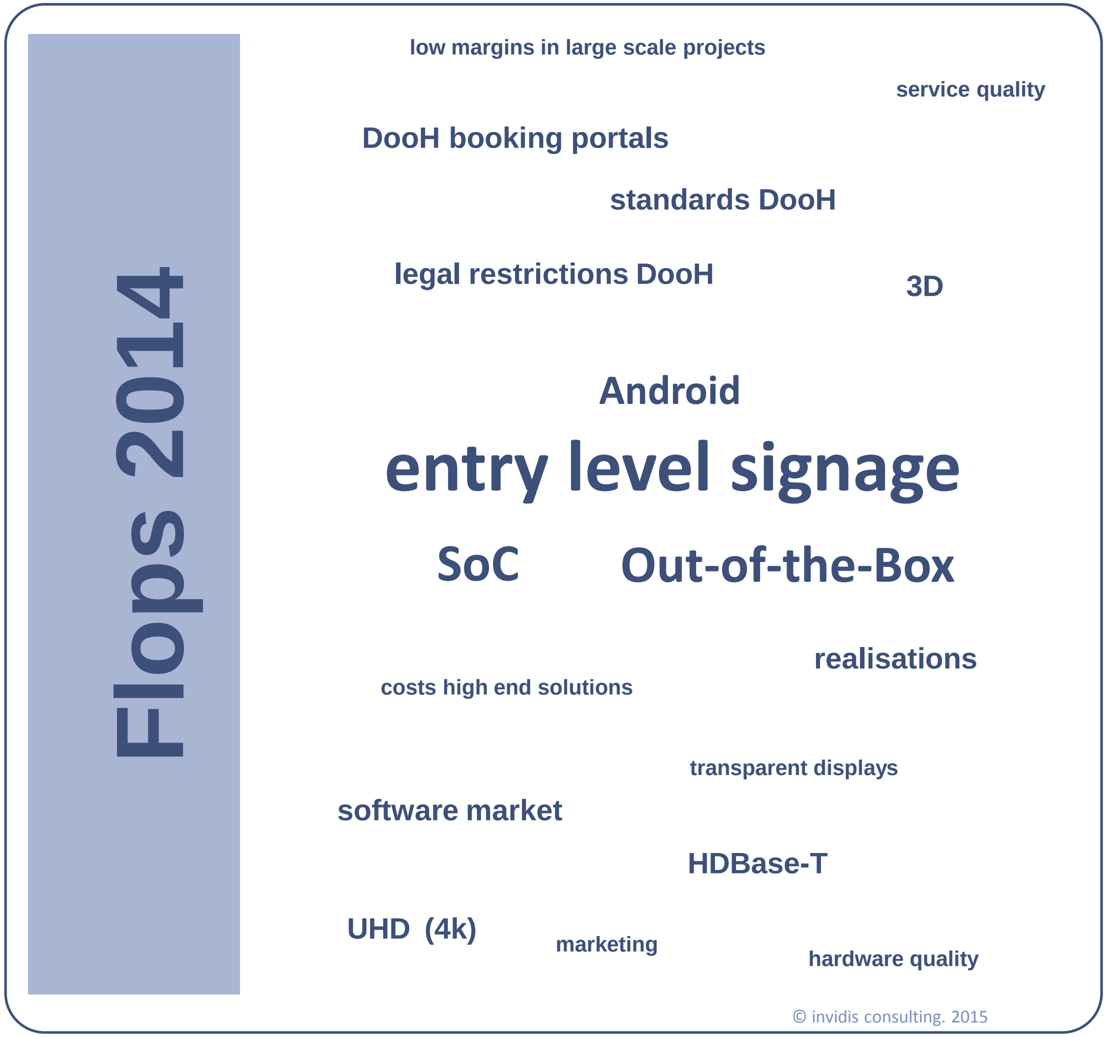


Fig. 25: DBCI January/February 2015 „Flops 2014", n=48

- When asked about the most negative developments on the Digital Signage market, the highest percentage of answers was connected to the still problematic performance of entry level signage solutions
- The opinion is that the new technological developments like Android and SoC have not yet reached a sufficient performance level in the eyes of many market participants
- The other flops of 2014 are evenly spread over all segments and areas of Digital Signage
- The DooH market yet is satisfied with standardisation or booking portals, also legal restrictions particularly in the public space (roadside LED boards) were mentioned
- The software market needs to complete its healthy market shake out
- Some technical innovations are still not ready for the market like 3D, gesture, transparent displays and HDBase-T
- In spite of high customer demand, realisations are slow and lag behind the expectations

Trends 2015 | Entry level signage, POS and Small/Large Signage on the agenda in 2015

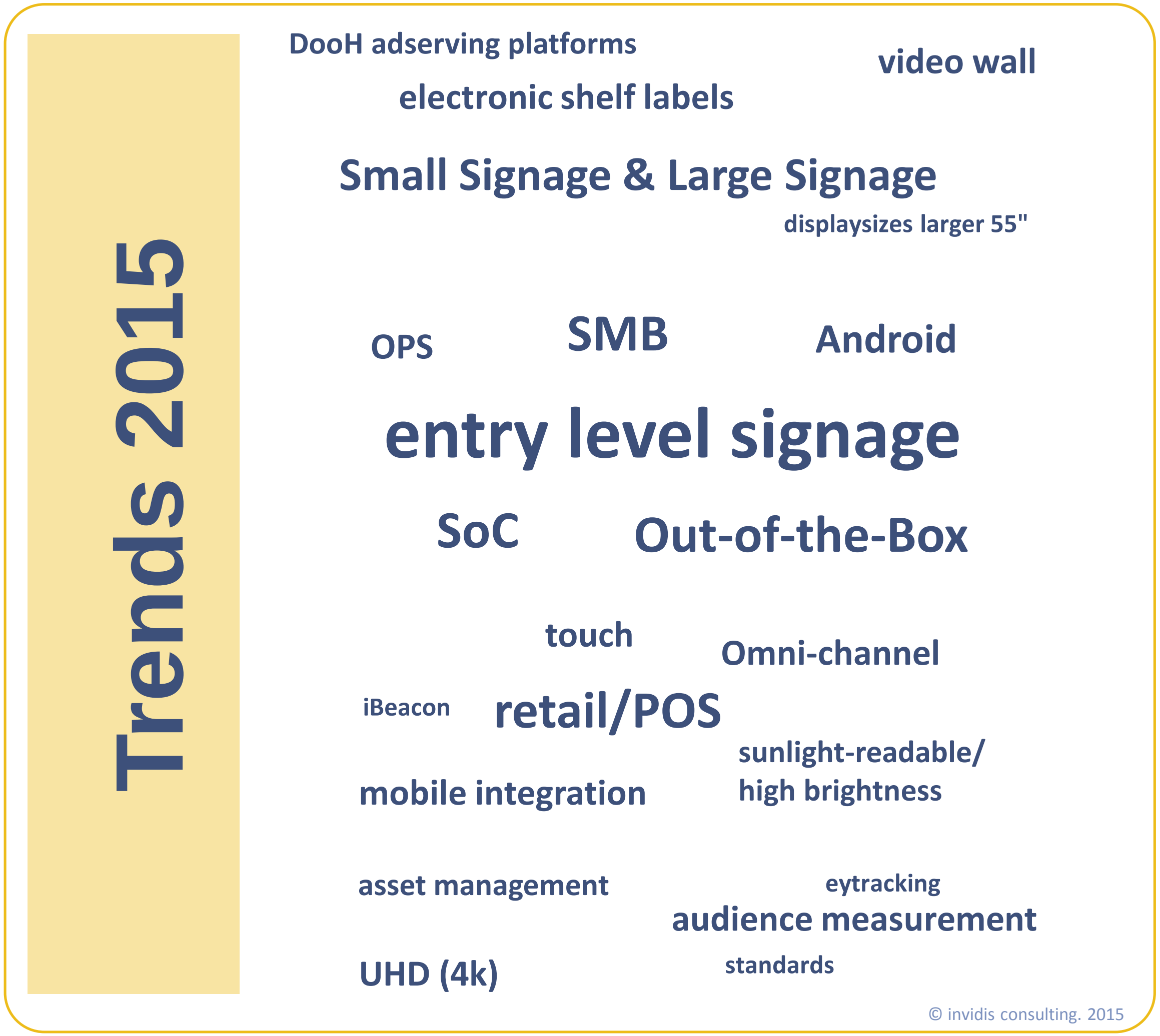


Fig. 26: DBCI January/February 2015 „Trends 2015“, n=56

- The market participants have identified many different trends for the year 2015
- Primarily the two major trends from 2014 will further pick up speed. The demand for entry level signage will grow and have a positive effect on the hardware quality. Moreover, the evolution of sustainable retail/POS solutions will further stay in the focus.
- Digital Signage will become smaller and larger, as more display vendors offer professional solutions for sizes smaller 32”. Falling hardware prices will result in a increasing customer demand for display sizes lager 55”, LED module technology and video walls.
- Next to this, the polled companies are expecting a small yet continuously growing market share for UHD (4k)
- Other trends are audience measurement (eye-tracking, standardisation, etc.), asset management for soft- and hardware and DooH ad-serving platforms

DE-AT-CH | Index – long-term data series

Fig. a: DBCI „Index DE-AT-CH“ long-term data series

DE-AT-CH | Business Situation – long-term data series

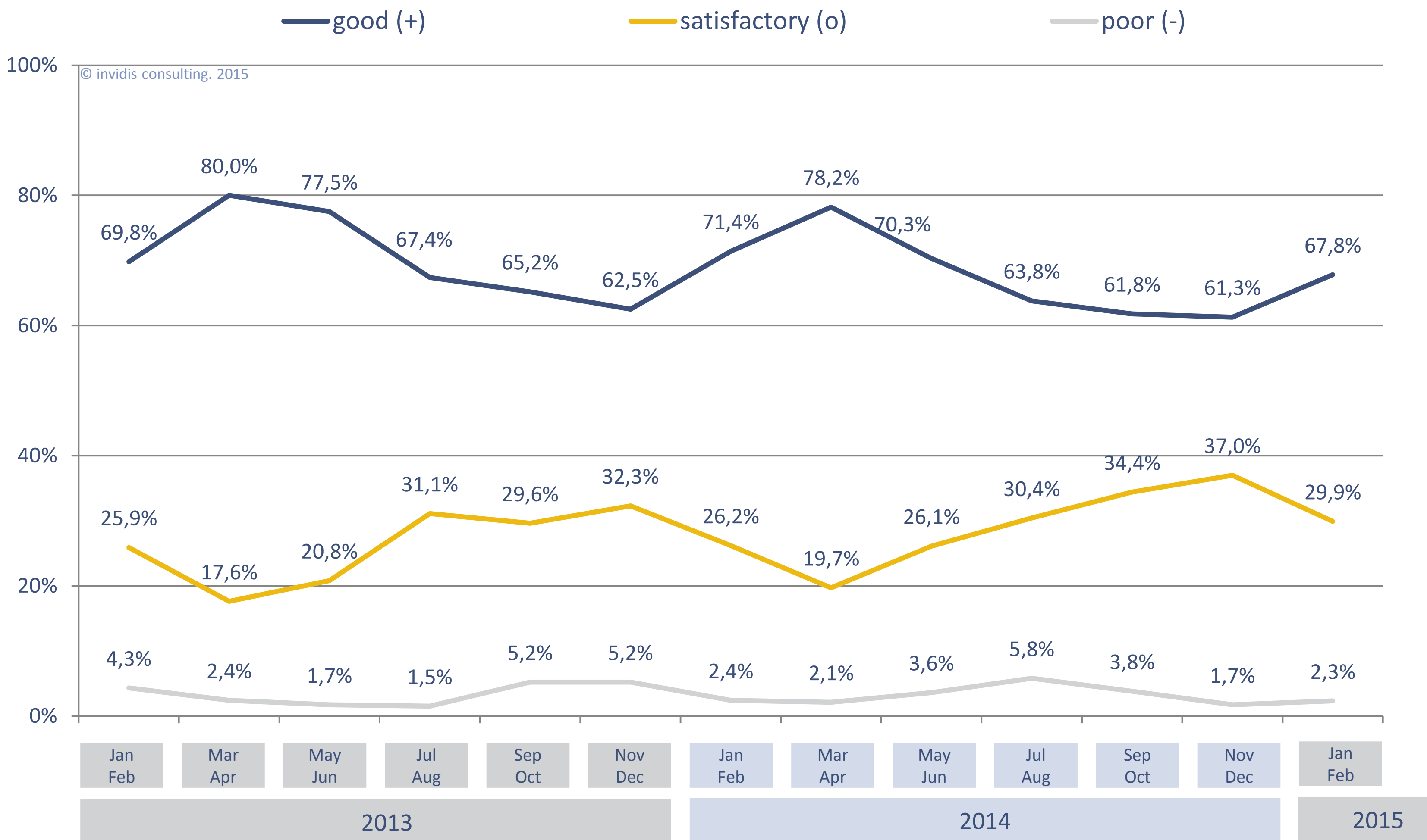


Fig. b: DBCI „Business Situation DE-AT-CH" long-term data series

DE-AT-CH | Expectations – long-term data series

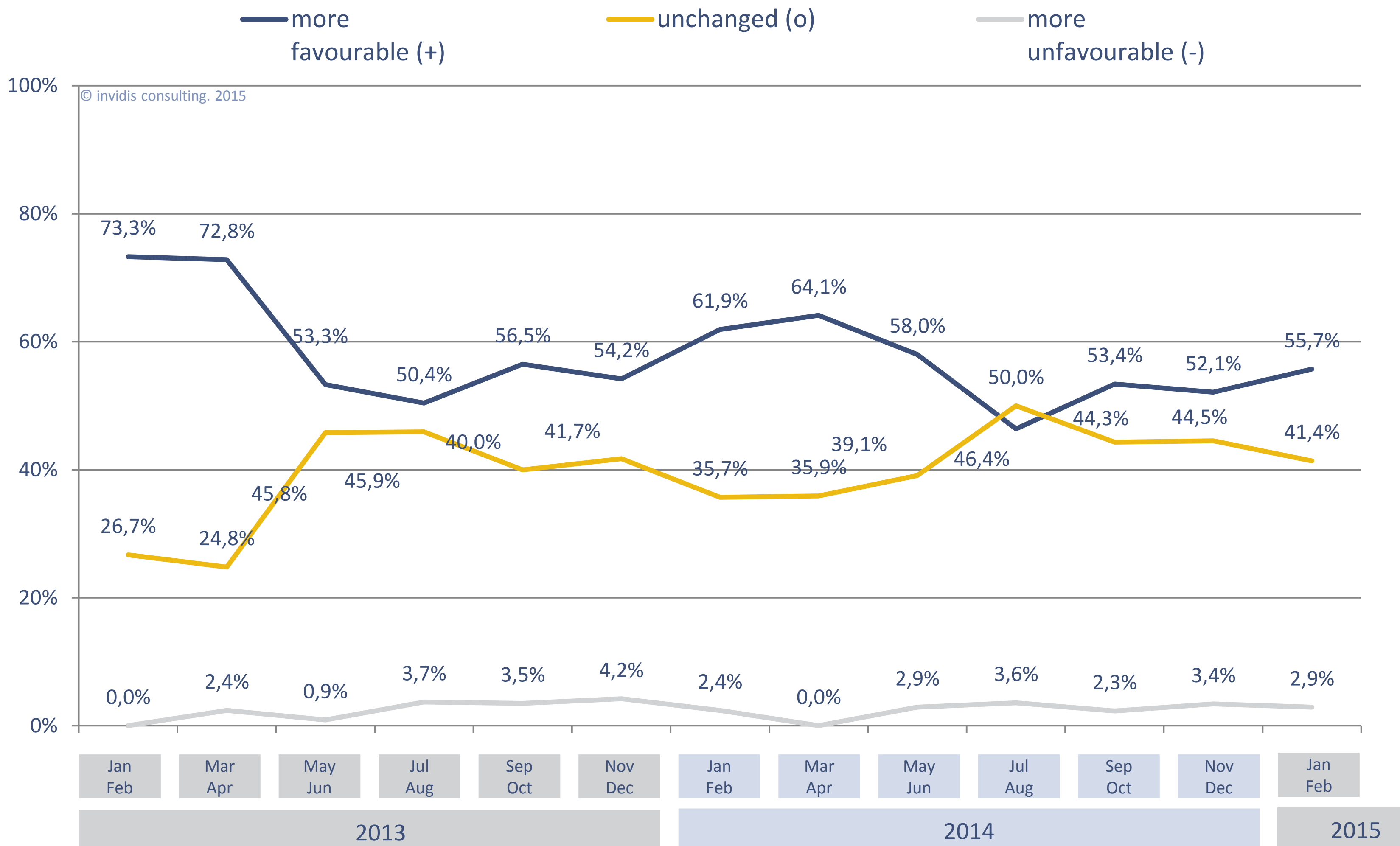


Fig. c: DBCI „Expectations DE-AT-CH" long-term data series

DE-AT-CH | Index countries – long-term data series

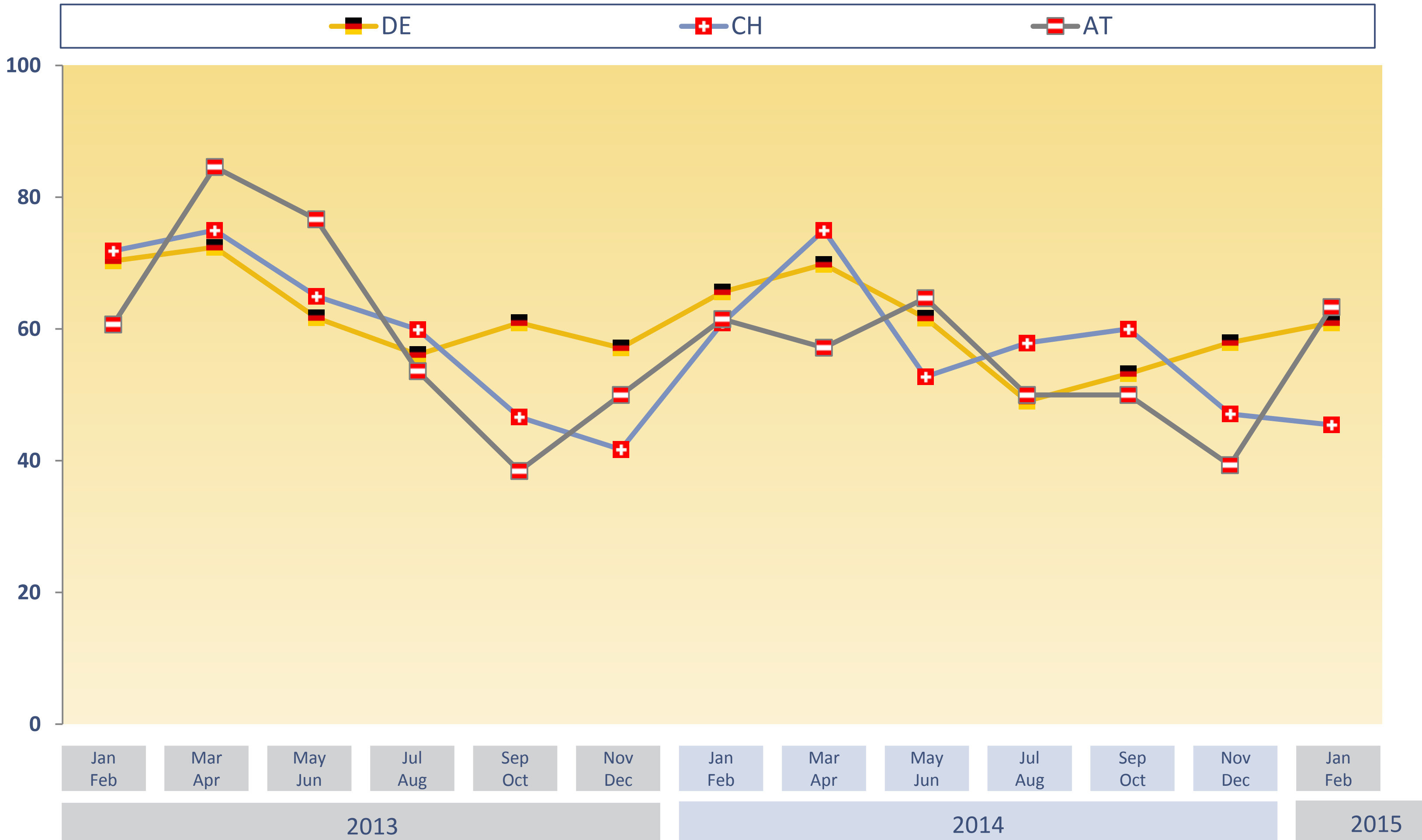


Fig. d: DBCI „Index DE-AT-CH" long-term data series

Germany | Business situation – long-term data series

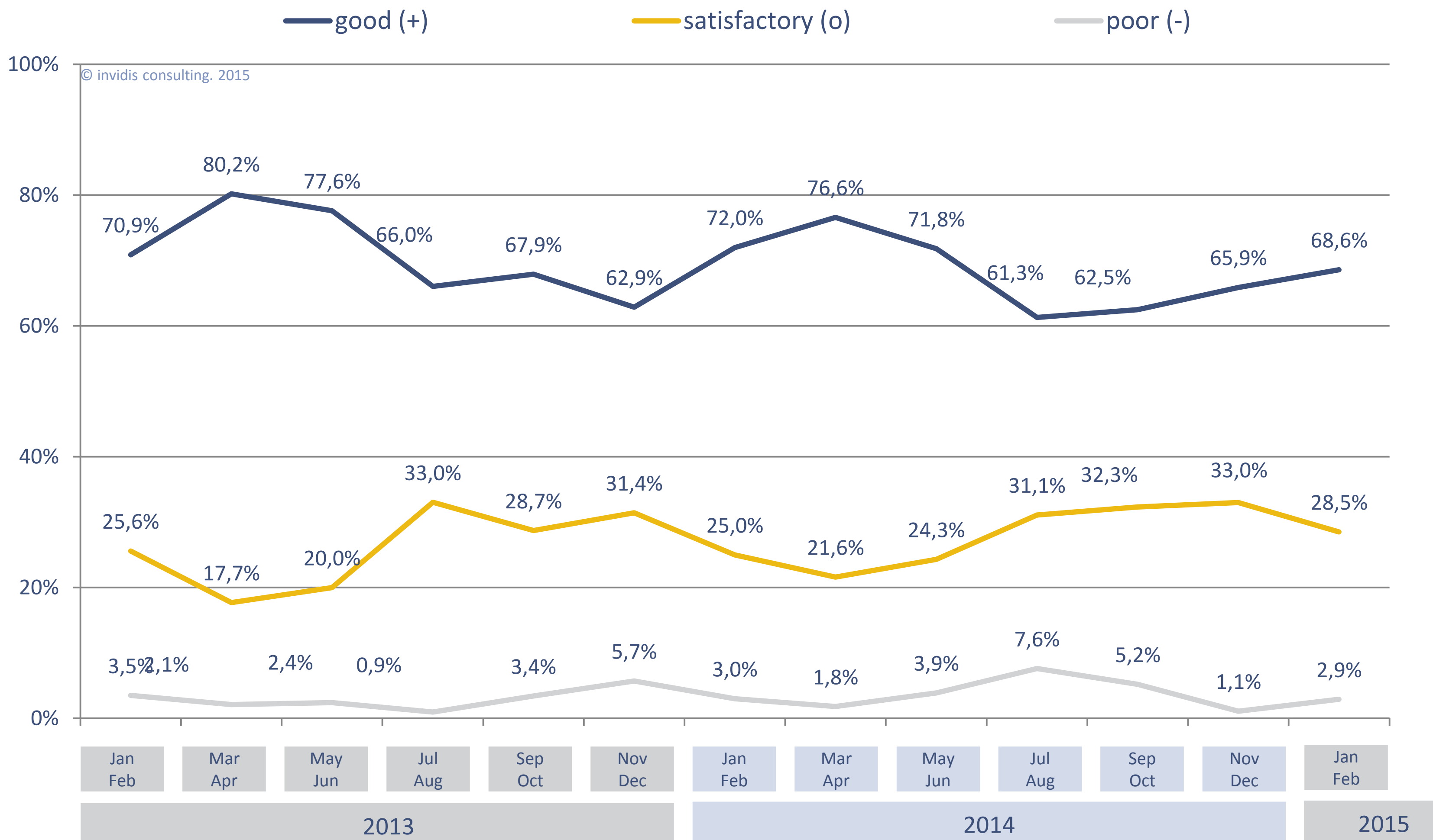


Fig. e: DBCI „Business Situation Germany“ long-term data series

Germany | Expectations – long-term data series

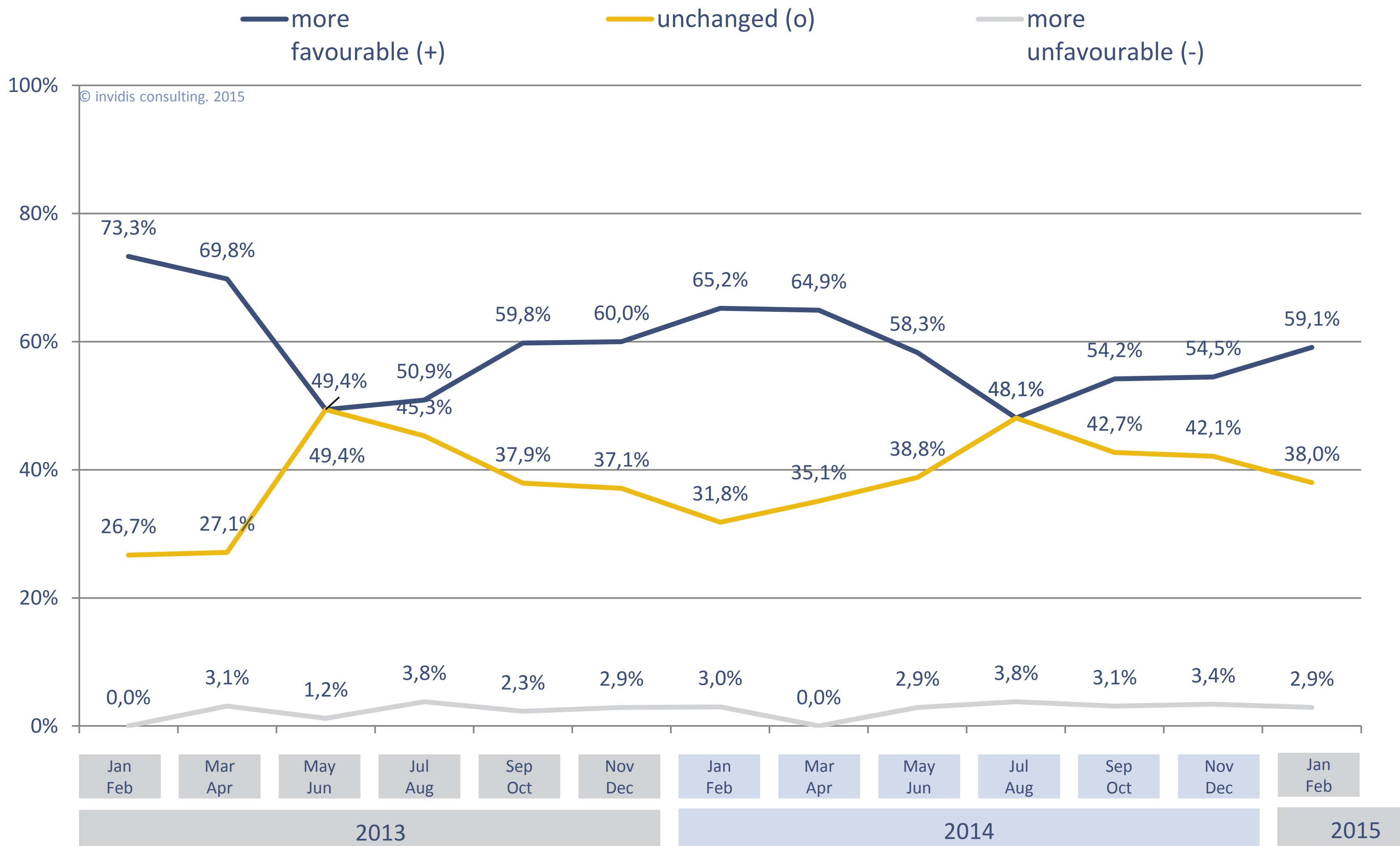


Fig. f: DBCI „Expectations Germany" long-term data series

Austria | Business situation –long-term data series

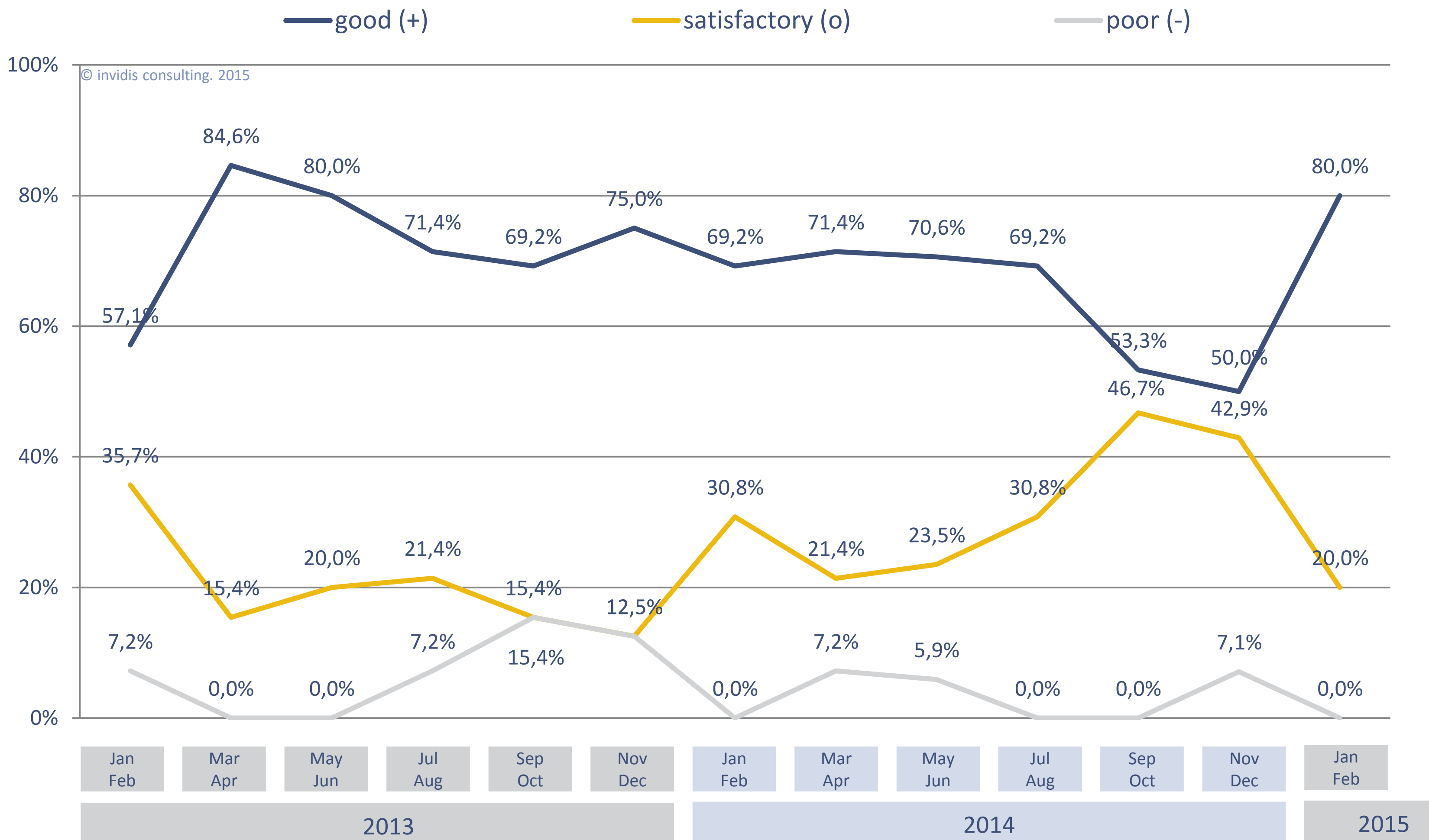


Fig. g: DBCI „Business Situation Austria" long-term data series

Austria | Expectations – long-term data series

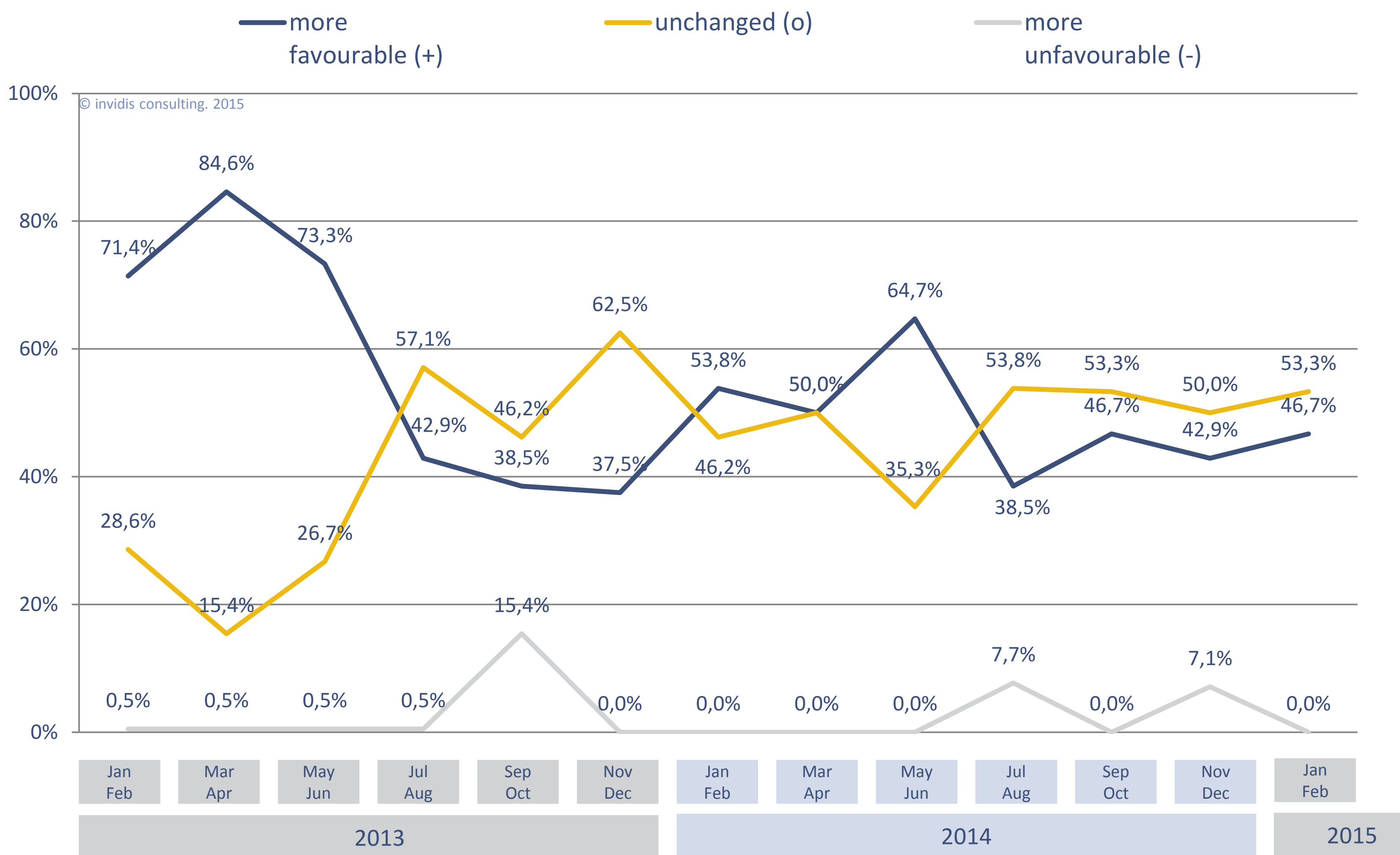


Fig. h: DBCI „Expectations Austria“ long-term data series

Switzerland | Business situation – long-term data series

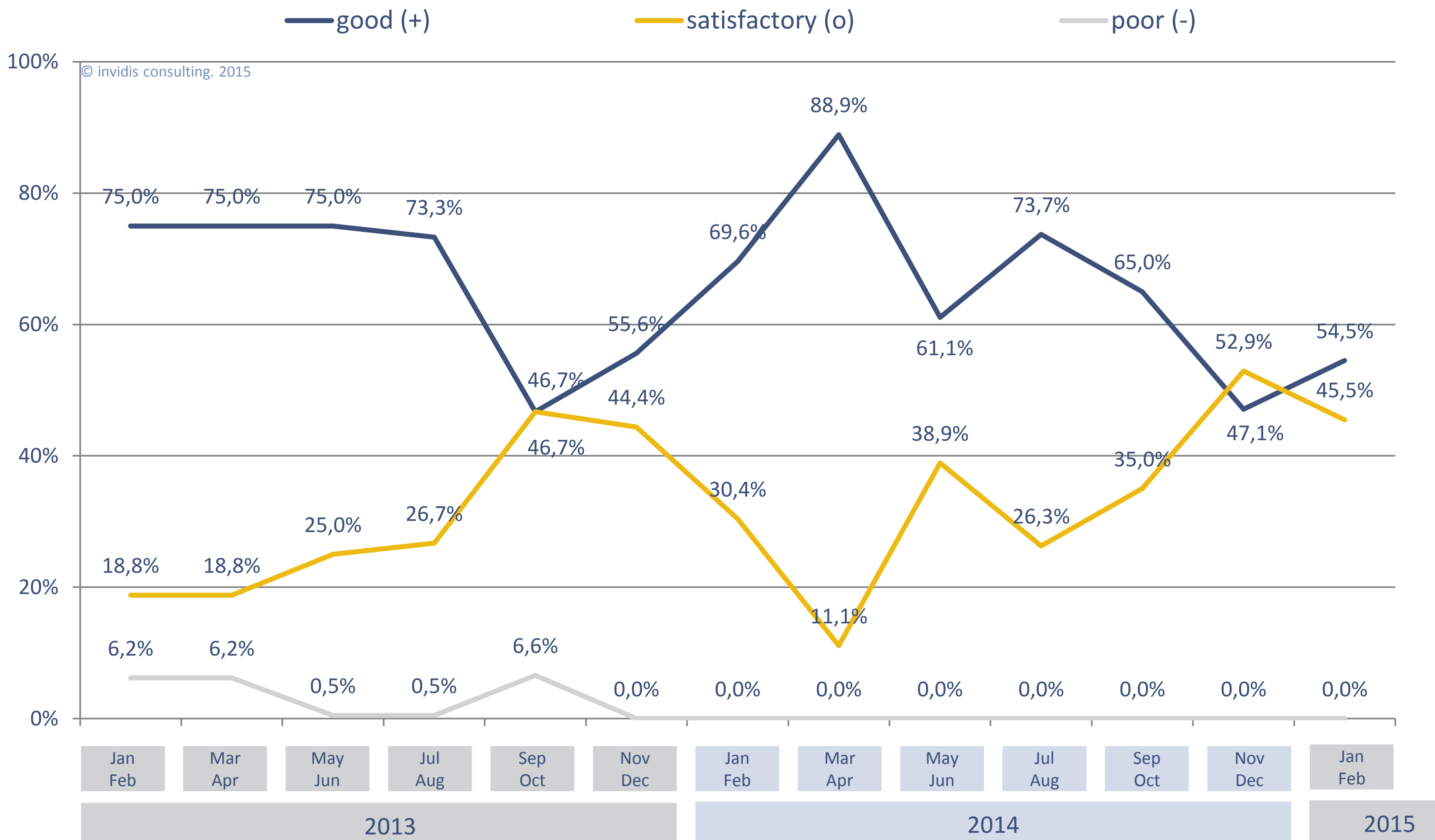


Fig. i: DBCI „Business Situation Switzerland" long-term data series

Switzerland | Expectations – long-term data series

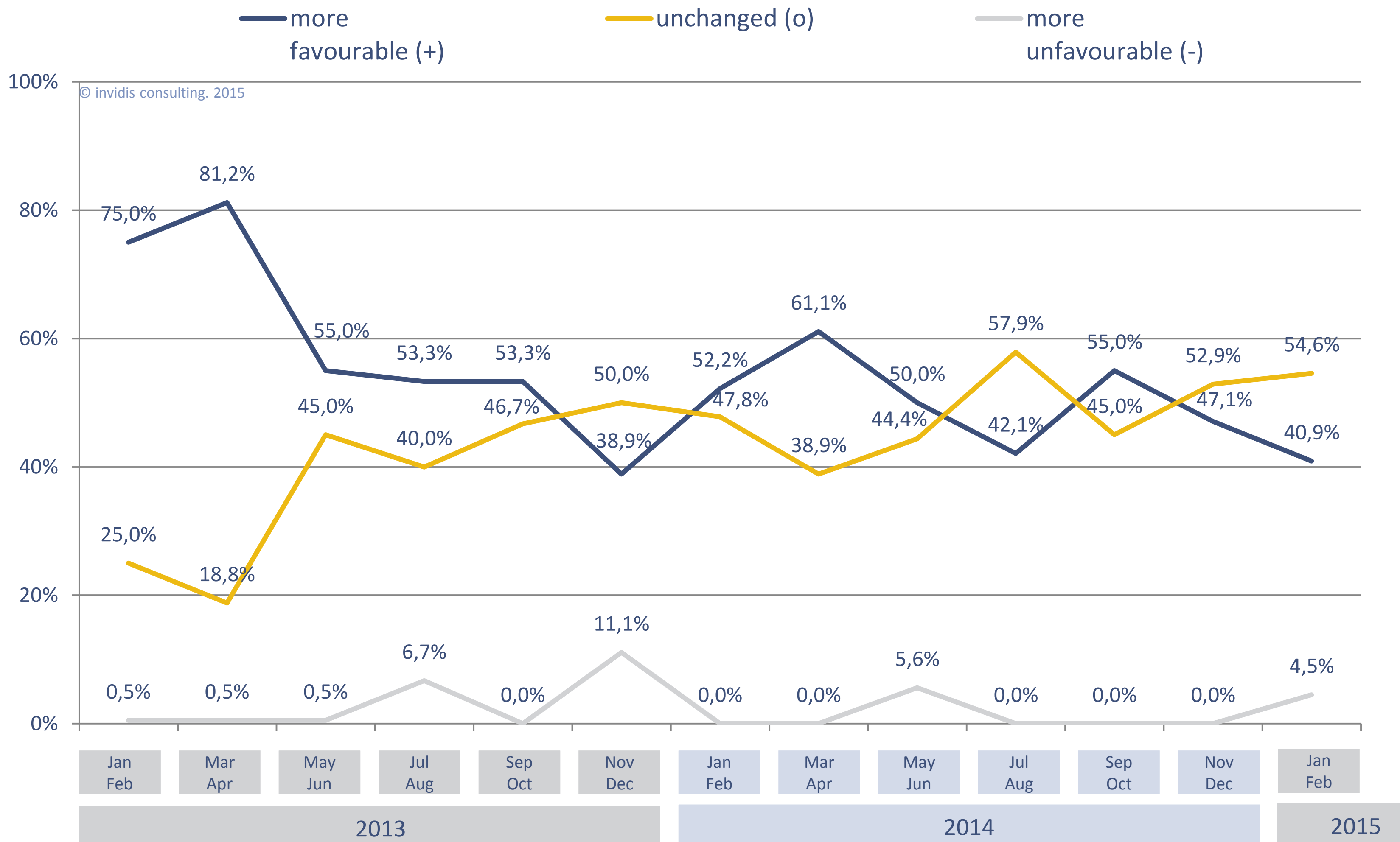


Fig. j: DBCI „Expectations Switzerland" long-term data series

Displays | Business situation- long-term data series

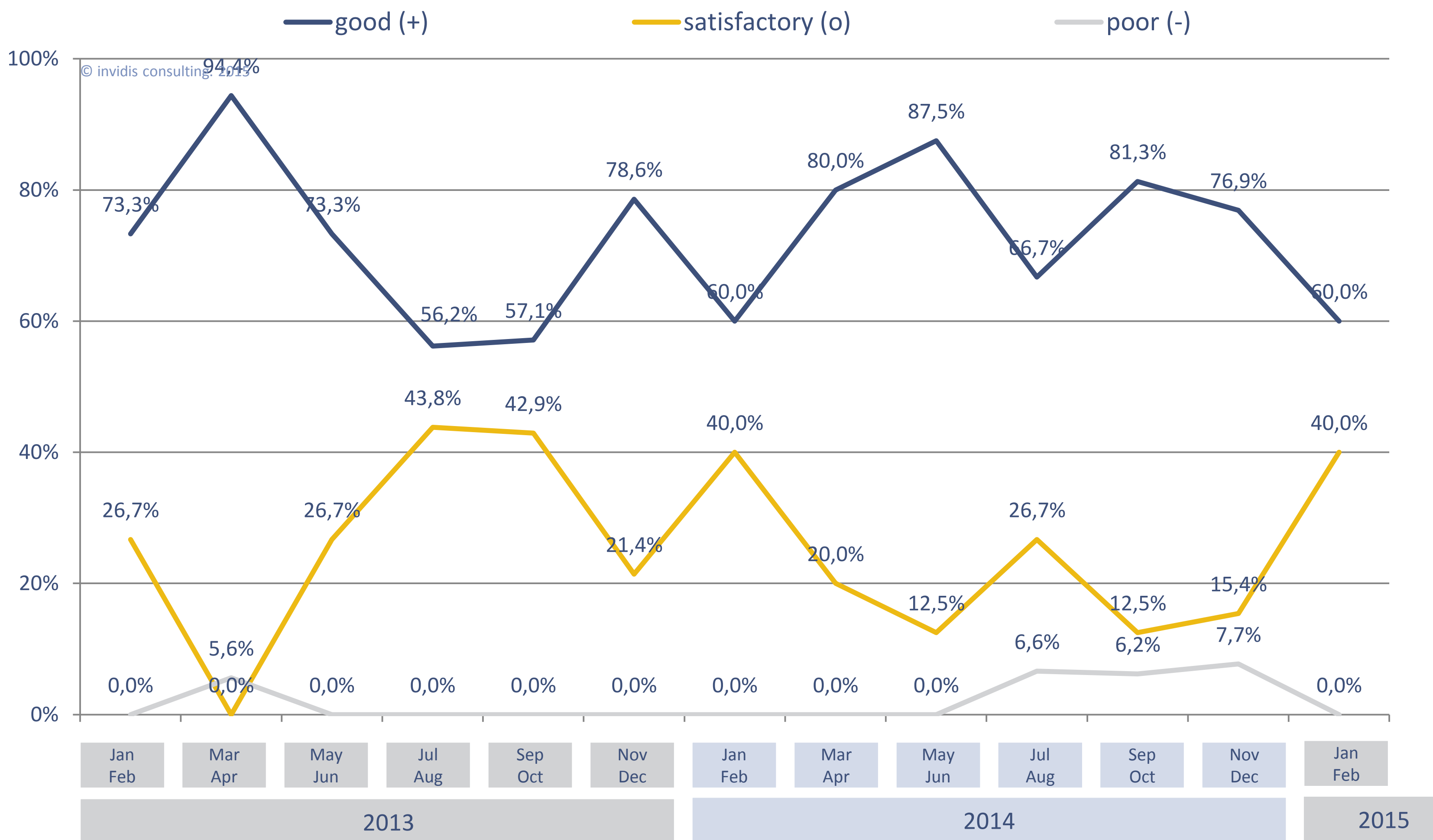


Fig. k: DBCI „Business Situation Displays" long-term data series

Displays | Expectations - long-term data series

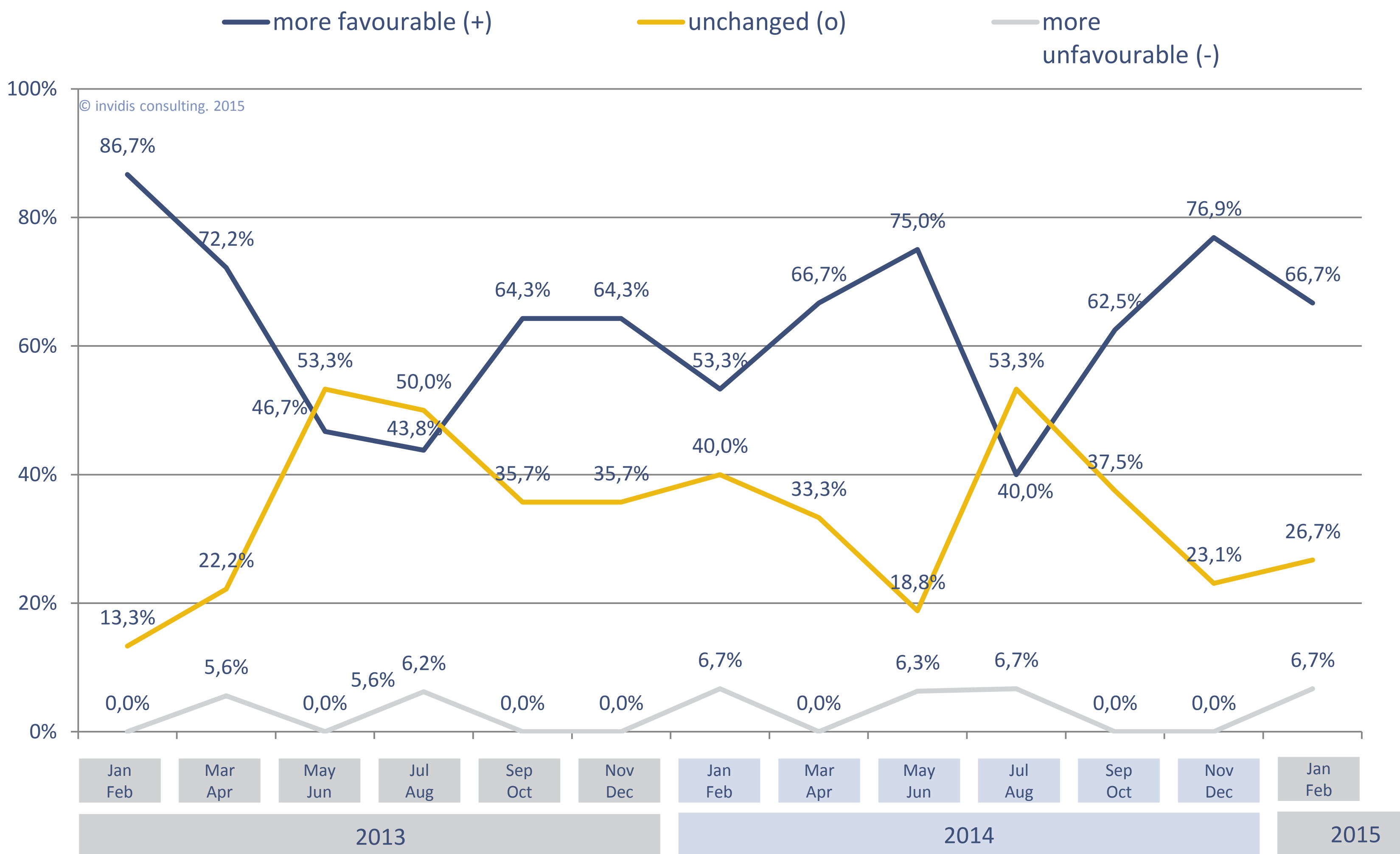


Fig. I: DBCI „Expectations Displays" long-term data series

Integrators | Business Situation – long-term data series

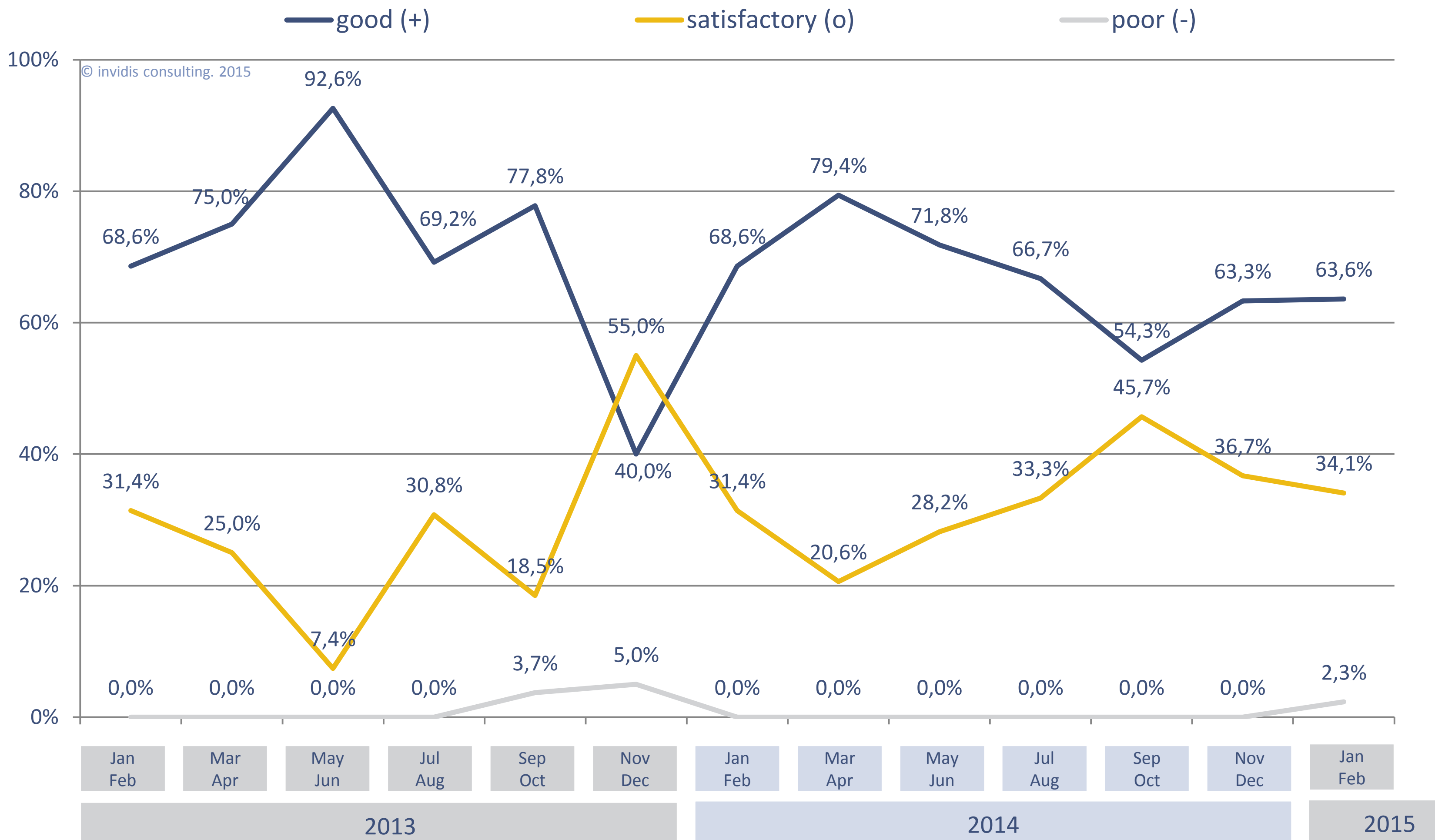


Fig. m. DBCI „Business Situation Integrators“ long-term data series

Integrators | Expectations – long-term data series

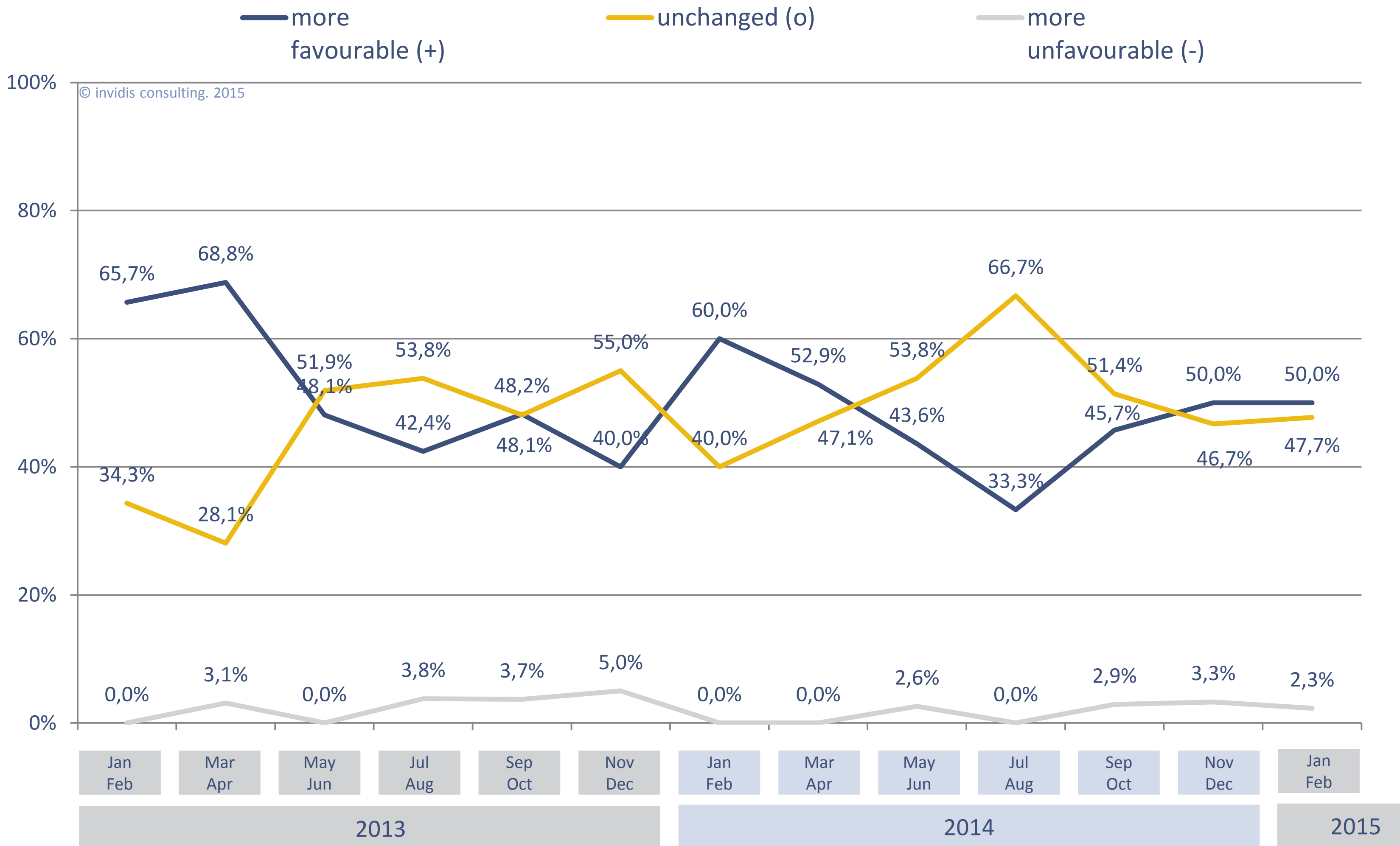


Fig. n: DBCI „Expectations Integrators“ long-term data series

Software | Business Situation – long-term data series

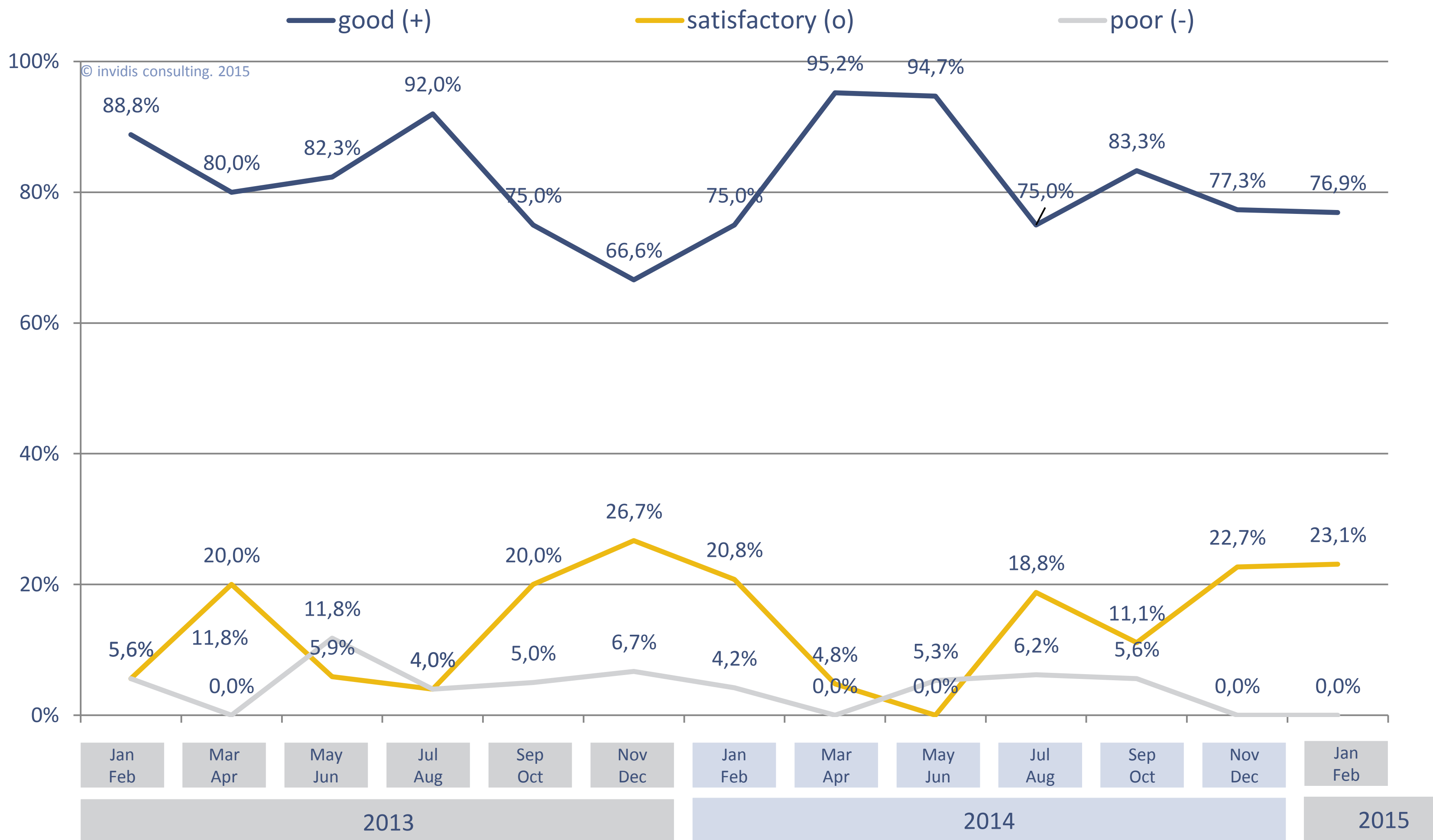


Fig. o: DBCI „Business Situation Software“ long-term data series

Software | Expectations – long-term data series

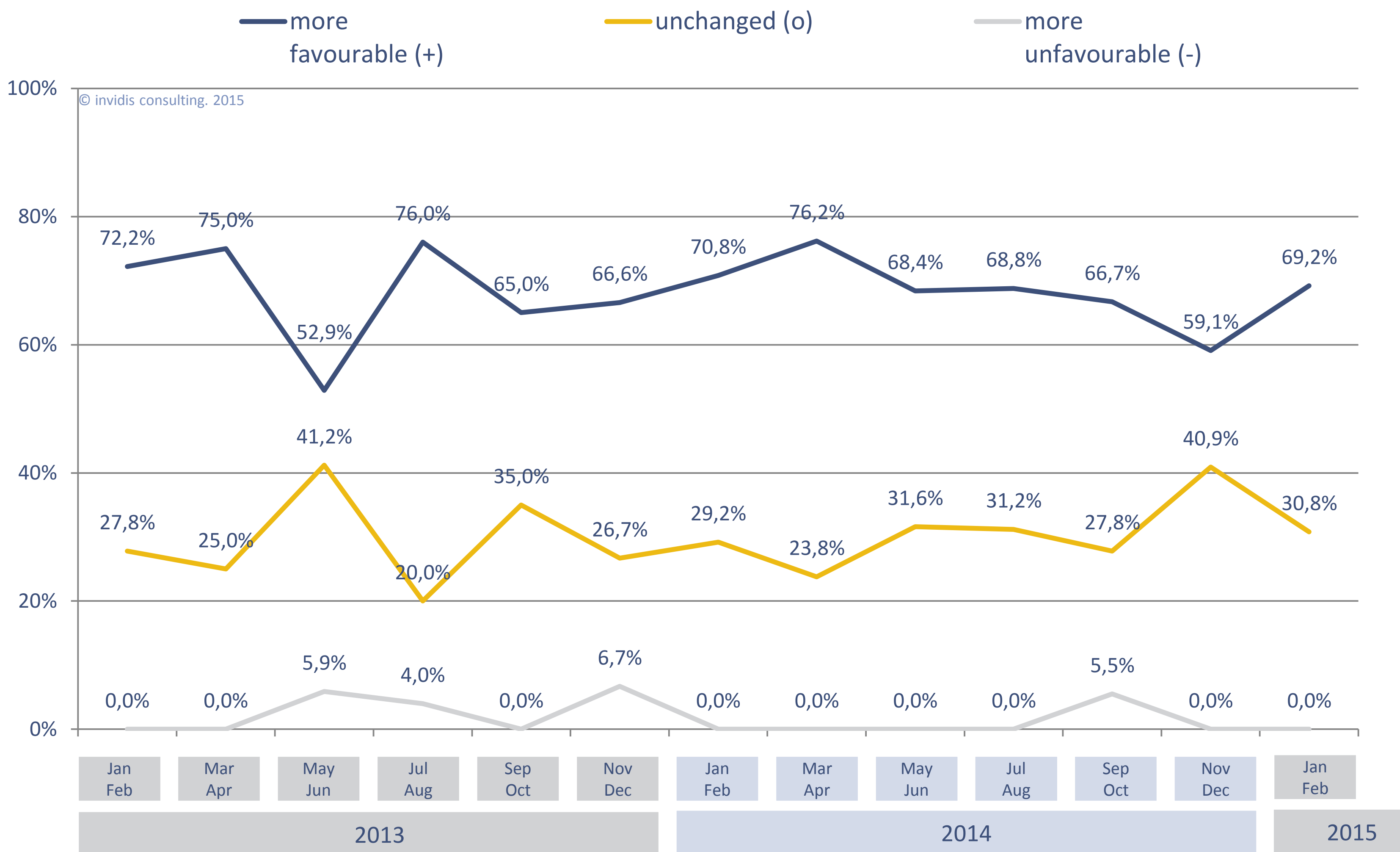


Fig. p: DBCI „Expectations Software“ long-term data series

DooH | Business Situation – long-term data series

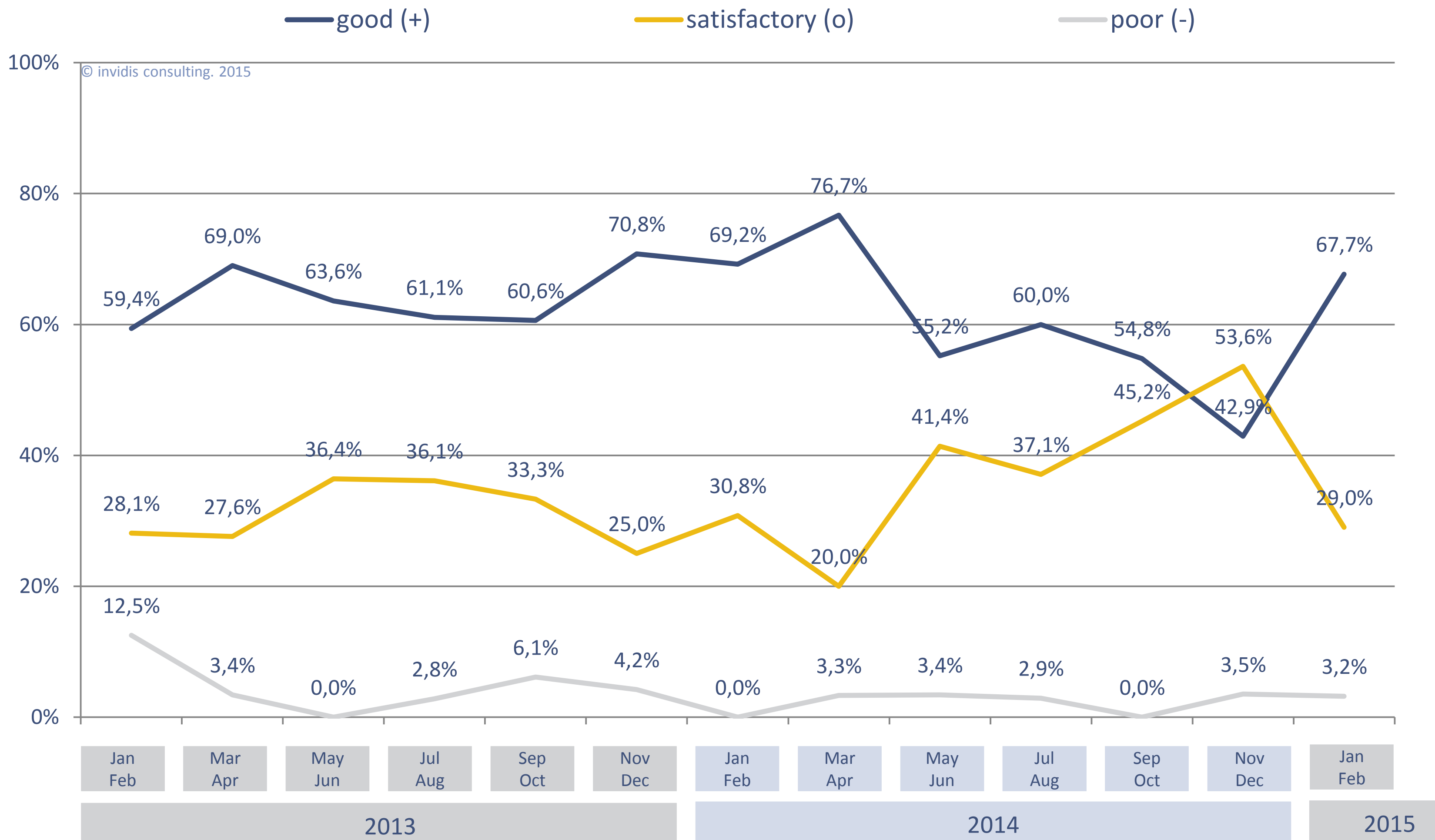


Fig. q: DBCI „Business Situation DooH" long-term data series

DooH | Expectations – long-term data series

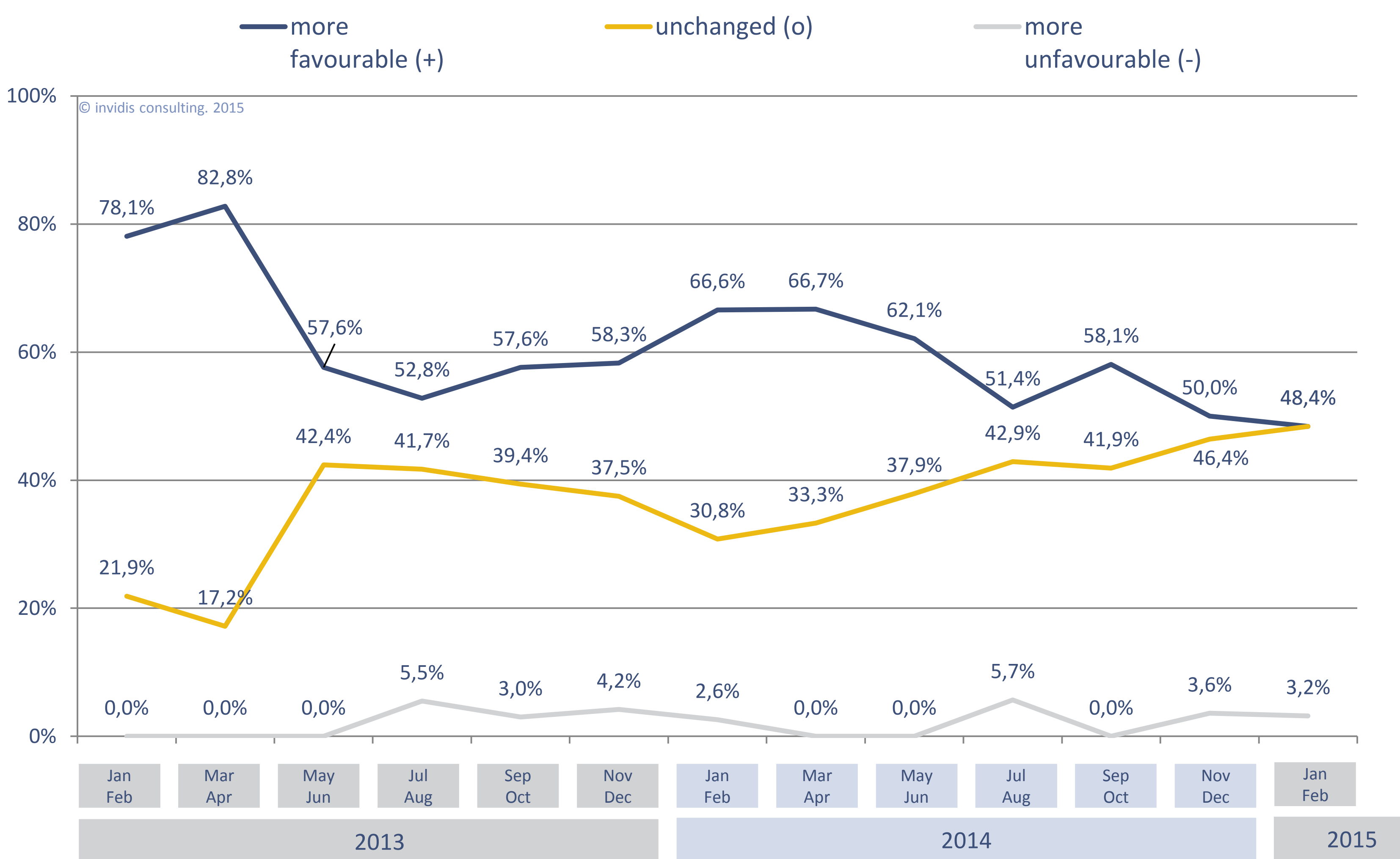


Fig. s: DBCI „Expectations DooH“ long-term data series

DBCI | Roadmap 2015 & Contact

2015	
January	
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. | 16.11.2015
December	

- The next survey will take place in calendar week 10-11 of 2015
- The next planned publication date will be the 23rd of March 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