

Germany

Austria

Switzerland

January | February 2016

# DBCI

## The pulse of the Digital Signage and DooH industry



Digital Signage & DooH  
Business Climate Index

OVAB cooperation partner Switzerland:



**DIGITAL SIGNAGE  
SUMMIT @ISE**





## Index | Digital Signage business sentiment with positive trend in the new year



Fig. 1: DBCI January | February 2016 „Index DE-AT-CH“ rolling 12 months, n=150

- The Digital Signage Business Climate Index increased by 5,95 base points from 57,70 points to 63,65 base points in January 2016.
- The current business situation is rated much better by market participants - with positive ratings increasing by an additional 6%.
- Similarly the optimism towards the near future saw positive growth. Almost 60% of the polled companies are expecting a *more favourable* situation for their products and services in the new year.
- Contrary to the general economy, which is mainly concerned with the declining growth rate in China, the IT and particularly the Digital Signage segment are looking back at a successful second half of 2015 and are expecting further increase in revenues in 2016. „The digital industry is a growth industry and this concerns revenues as well as jobs.“ As Mr. Bernhard Rohleder, Managing Director of the IT industry association Bitcom states.



Participants: n=150; Region: DE/AT/CH; Survey Period: 2016 calendar weeks 2-3



# Status quo & Expectations | Current business situation & outlook more optimistic

Current business situation | DE-AT-CH | January/February 2016

Expectations | DE-AT-CH | January/February 2016

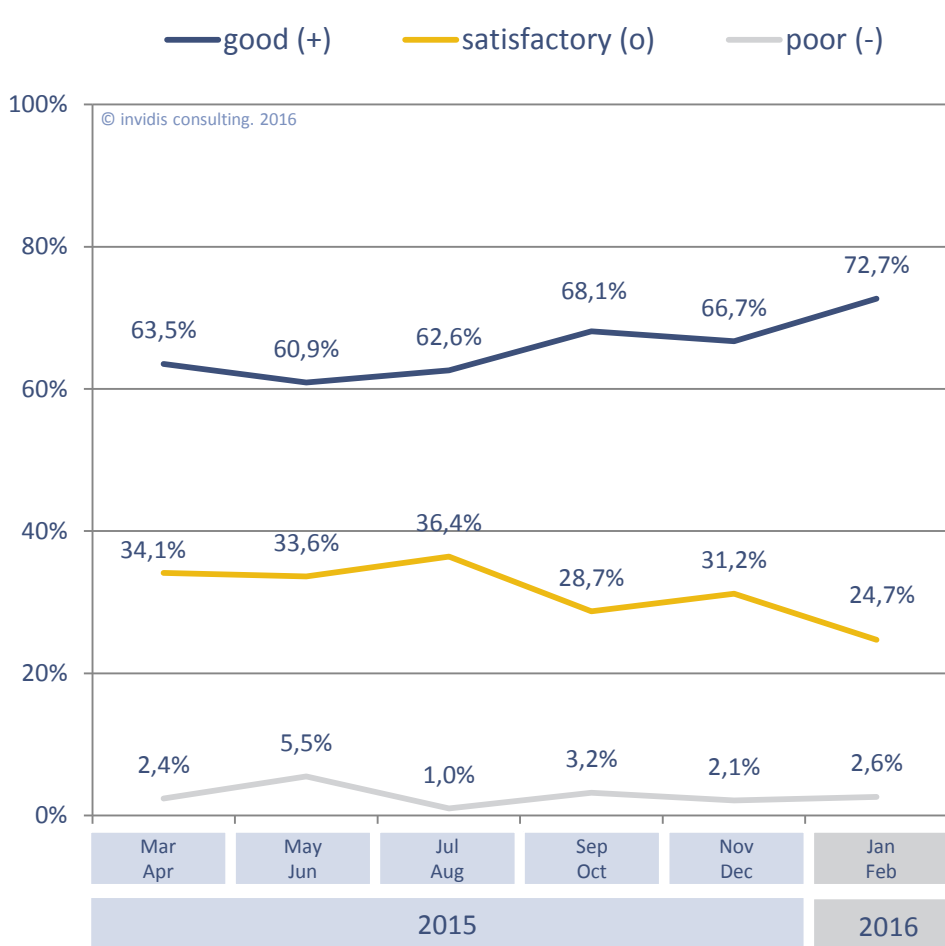


Fig. 2: DBCI January | February 2016 „Business Situation DE-AT-CH“ rolling 12 months, n=150

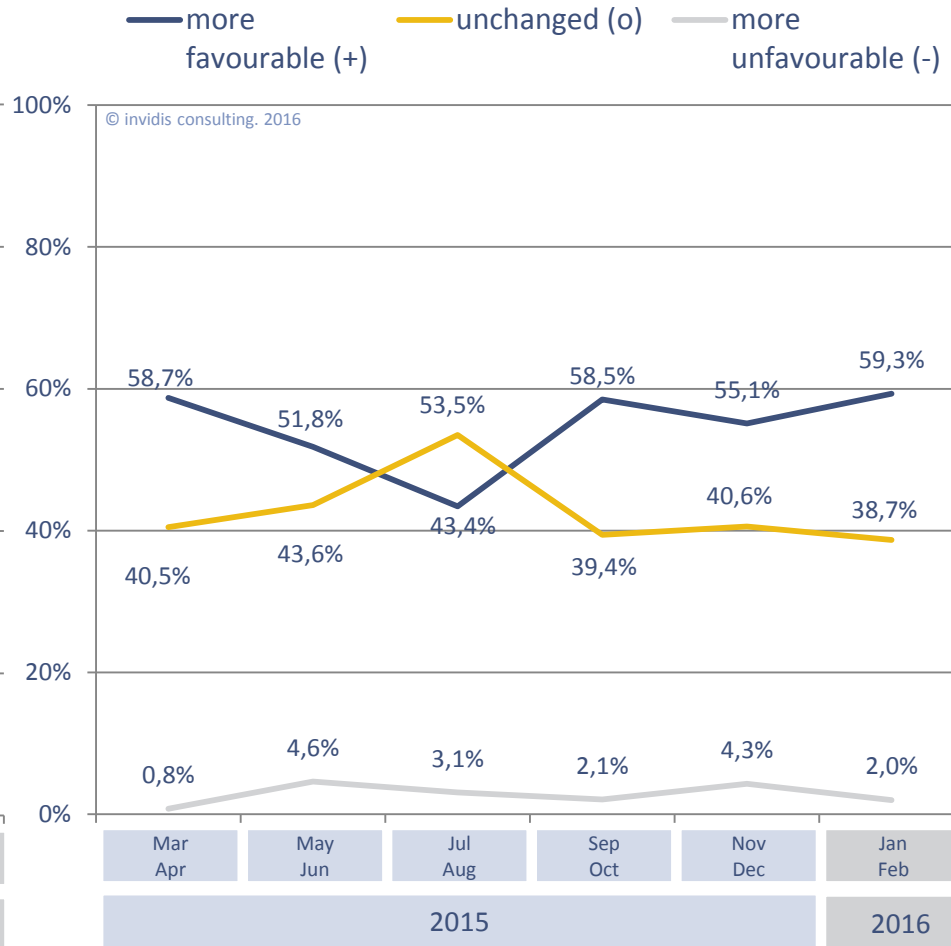


Fig. 3: DBCI January | February 2016 „Expectations DE-AT-CH“ rolling 12 months, n=150



DE, AT & CH | Positive business sentiment back over 50 bp in all three countries

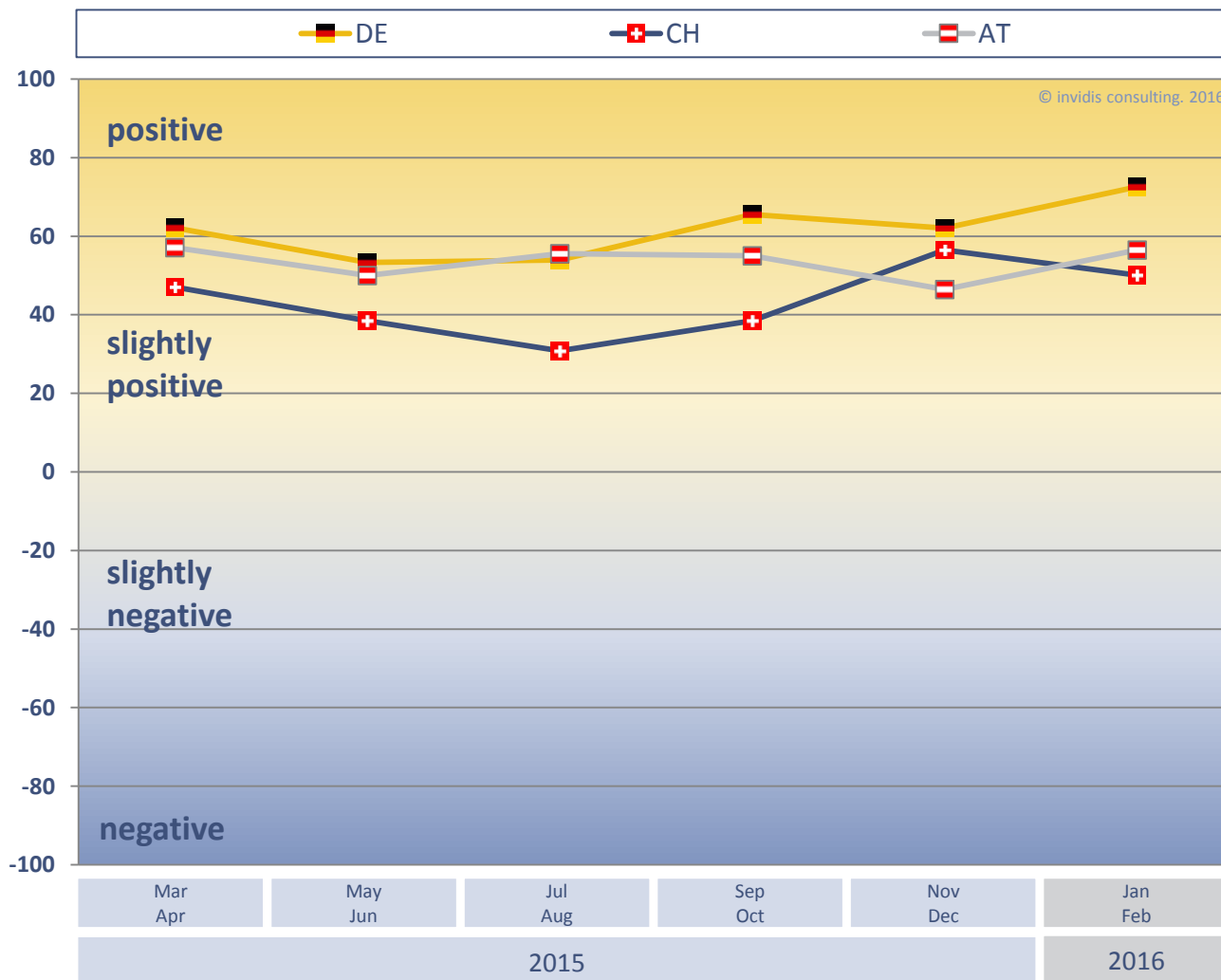


Fig. 4: DBCI January | February 2016 „Index DE-AT-CH“ rolling 12 months, n=DE 82, CH 37, AT 31

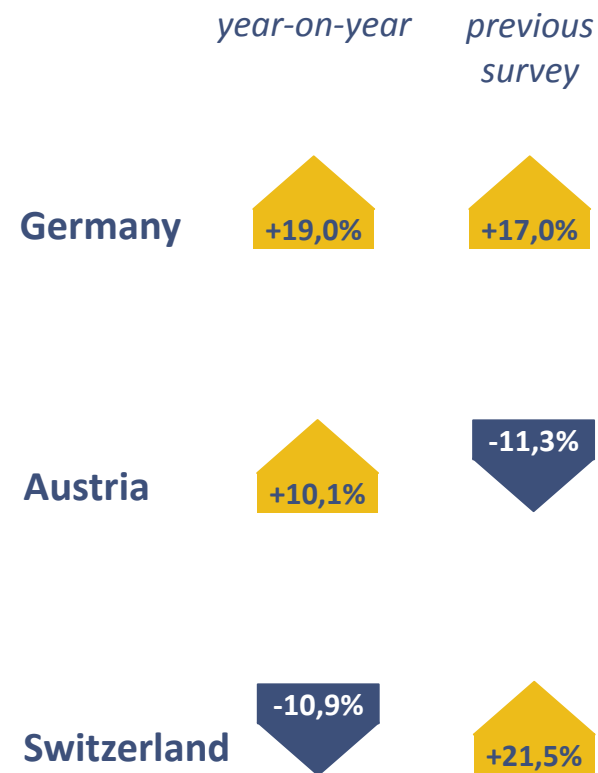
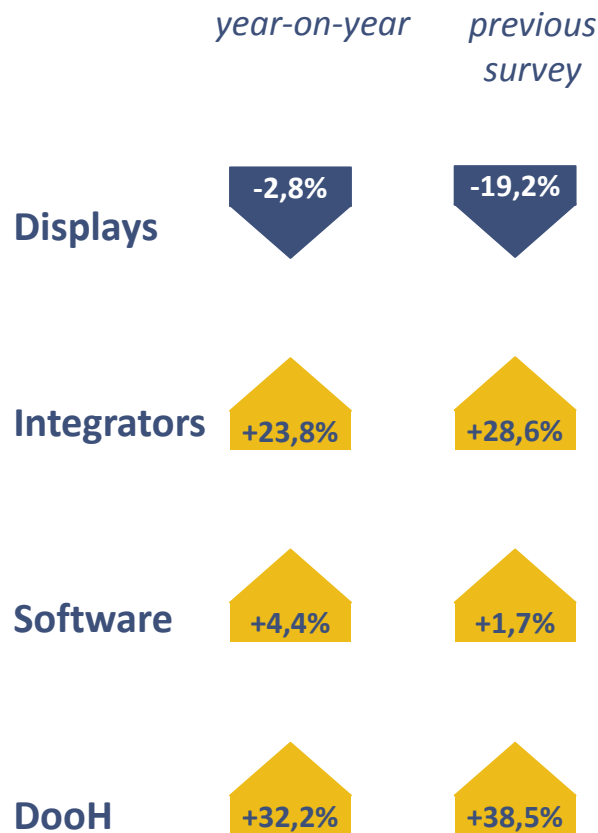


Fig. 5: DBCI January | February 2016 „countries DE-AT-CH“ YoY and last survey, n=DE 82, CH 37, AT 31



Segments | ¾ of the major segments enthusiastic by turn of year business development



- The business sentiment of the **display vendors** remains volatile and declined on a year-on-year basis as well as in comparison to the last survey in November 2015. The mood was primarily dampened by a rather weak performance in the traditionally strong fourth quarter. Also an excellent first quarter considerably raised the expectations in the market. Moreover, the falling prices have put pressure on the margins of the hardware producers.
- Contrary to the hardware market, the service providers like the **system integrators** show a consistent positive trend in their view of the market. Almost all surveyed companies record a satisfactory or good current business situation and positive growth in business sentiment by well over 20% year-on-year and in the comparison to the last survey.
- Similarly, the **software** market registered a further increased current business climate. However, the increase of the business sentiment was not as strong as with the integrators. Particularly established software vendors are now successful operating in an ecosystem as partners of integrators or hardware providers. On the other hand the dynamic increase in small and regional projects generates enough business for smaller companies and local champions.
- The **DooH** industry also rates the current business situation as very good. The high satisfaction from the successful year 2015 was further enhanced by a very good fourth quarter as consumer confidence and spendings peaked in December.

Fig. 6: DBCI January | February 2016 „Segments DE-AT-CH“ YoY and last survey, n=Displays 18, Integrators 43, Software 19, DooH 20



## Hirings 2015 | Digital Signage creates hundreds of new jobs

- **62,2%** of all companies in the Digital Signage Market have hired new staff in the last year.
- In 2015 between **350-400 new jobs** were created in the Digital Signage market in Germany, Austria and Switzerland.
- Now this unbroken positive trend in the IT industry overall has developed into a definite shortage of qualified personal. Companies are more and more concerned, how they can match recruiting with their growth strategy.
- As a whole there is a high demand for qualified personnel. Due to the digital transformation and the increasing integration of digital technologies, 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 2015

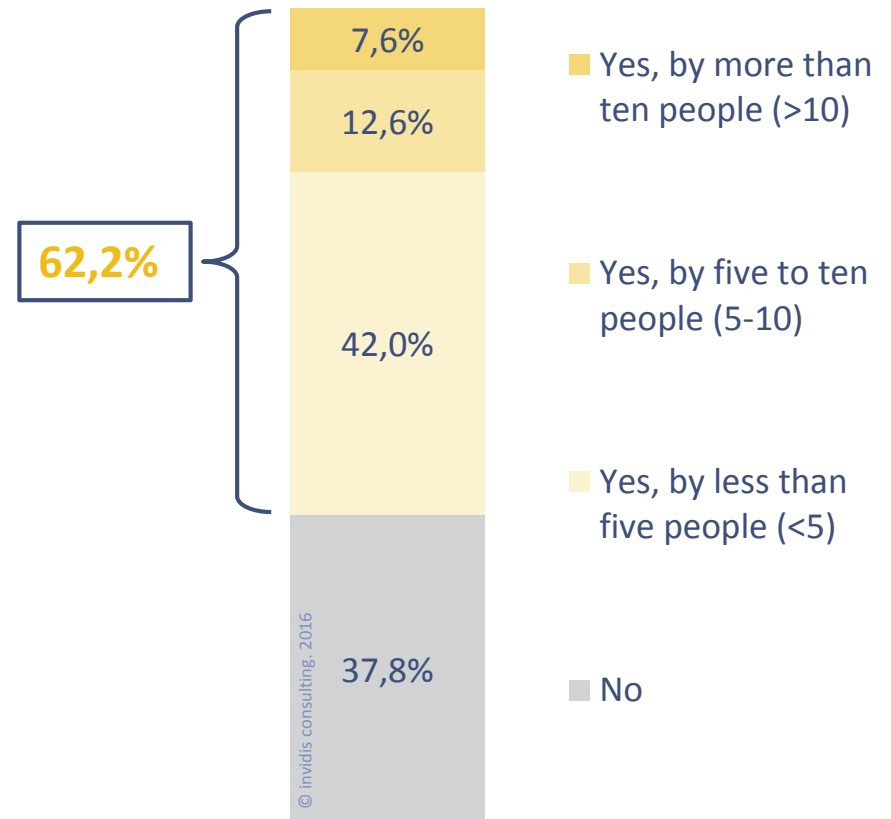


Fig. 7: DBCI ES/ PT January/February 2016 "Hirings 2015 DE-AT-CH", n=143



 Trends & Drivers 2015 | Good revenue growth and 4k moved the market

- When asked about the most positive developments for the Digital Signage and Digital-out-of-Home industry in 2015 many of the polled companies have mentioned their overall high satisfaction with the economical development. This maturity of the Digital Signage market was also honoured by the customer as the rising demand and the robust growth in revenues were seen as one of the top trends in 2015.
- Last year also saw the emergence of new high end technology solutions like Ultra-High-Definition (4k) display technology. Whereas display solutions for on-board media players like SoC and OPS as well as out-of-the-box packaging of hard and software on Android basis has been stimulating the customer demand, particularly in the SMB segment. The quality of established technologies like touch and video wall has been further improved, which reflected well in the sales numbers.
- Digital Signage solutions in the retail/POS environment still is one of the most important revenue generators for market participants. However, lately the dynamism for corporate communication projects has also gathered speed.
- When asked about the negative developments on the Digital Signage market, the survey participants criticized primarily that in spite of high customer demand, realisations are slow and lag behind expectations.
- Many market participants also were concerned with some technology solutions not yet reaching the expected performance. The opinion is that the recent developments like entry level signage solutions, iBeacons or 3D technology have not yet reached a sufficient level of quality.



image: invidis



## Trends 2016 | Interactivity and retail solutions on the agenda for 2016

- The market participants have identified many different trends for the year 2016. In their eyes the most dominant trend is interactivity. Touch technology is becoming extensively integrated and now more and more smart concepts have markedly increased the joy-of-use. This development will pick up more speed in the future, particularly as the second big trend is closely connected.
- Digital Signage in retail or at the POS is still a big issue. The media will become the focal point where brick-and-mortar and online meet. Intelligent Multi- and Omni-channel concepts are here in demand. Digital Signage companies will have to think more integrated, as technologies like Beacons, electronic price tags, customer flow management and analytics come into the fold. Particularly, high quality display technology suitable for an outdoor environment (high brightness/sunlight readable) is opening up the potential of endless miles of shop windows.
- Concerning the latest technology trends, the companies surveyed in the DBCI see falling prices for LCD and LED display technology. This results in growing customer demand for larger display sizes and LED boards. Next to this, a small yet continuously growing market share for UHD (4k) is expected.
- The main trends in the Digital-out-of-Home segment will further be the two main pillars of success for the media, quality audience measurement (standardisation, etc.) and effective integration in the digital media world e.g. DooH ad-serving platforms. Also a consistent development of the existing networks in size and quality is expected.



image: invidis



   DBCI | Roadmap 2016 & Contact

|           |                          |
|-----------|--------------------------|
| 2016      |                          |
| January   |                          |
| February  |                          |
| March     | ← Mar./Apr.   2016/03/28 |
| April     |                          |
| May       | ← May./Jun.   2016/05/23 |
| June      |                          |
| July      | ← Jul./Aug.   2016/07/25 |
| August    |                          |
| September | ← Sep./Oct.   2016/09/26 |
| October   |                          |
| November  | ← Nov./Dec.   2016/11/28 |
| December  |                          |

- The next survey will take place in calendar weeks 10-11 of 2016. The next planned publication date will be the 28<sup>th</sup> of March 2016
- 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 2016. For further information please contact Daniel Russell.

**invidis consulting**

invidis is a renowned boutique consulting and research house based in Munich. Delivering actionable information and advise to customers across EMEA

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**DIGITAL SIGNAGE  
SUMMIT @ISE**

- «Digital Signage Summit» new brand for event series
  - ❖ DSS Europe: 23-24 June 2016
  - ❖ DSS MENA: 19-20 Sep 2016
  - ❖ DSS Russia: 1-2 Nov 2016



**DIGITAL SIGNAGE  
SUMMIT EUROPE**

- DSS is a dedicated confex event platform - conference and exhibition - featuring digital signage and DooH topics



**DIGITAL SIGNAGE  
SUMMIT RUSSIA**

- Each event features visionary and best practise presentations as well as panel discussions concerning the most recent state of the art projects, trends and drivers of the industry



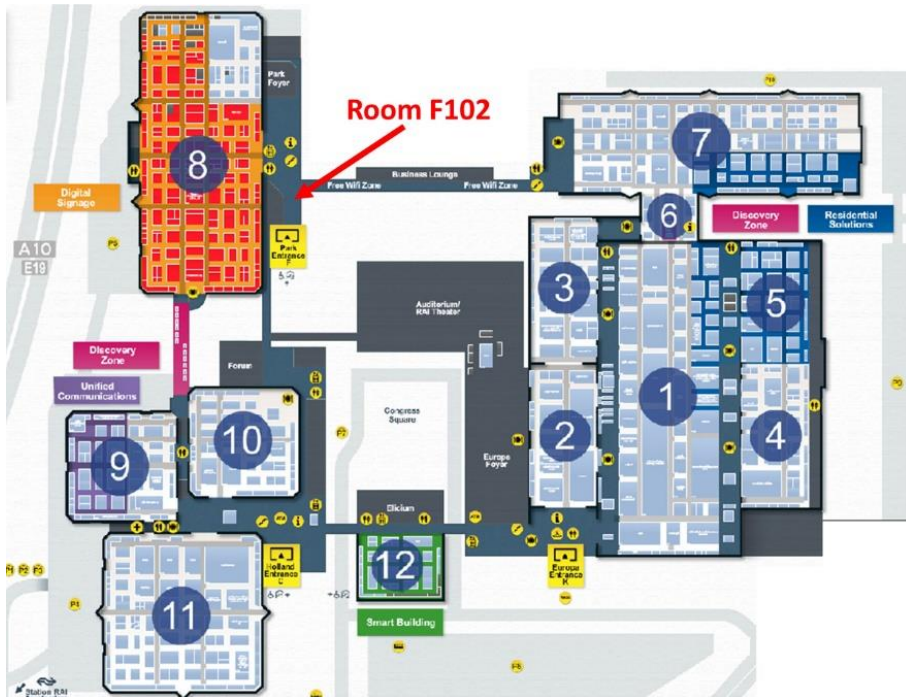
**DIGITAL SIGNAGE  
SUMMIT MENA**

- All events also have a dedicated exhibition space for product presentation and networking opportunities

DSS | Digital Signage Summit Kick-off Sessions @ ISE 2016

## DSS Kick-off Sessions @ ISE 2016

**Integrated Systems Europe**  
9-12 February 2016  
Amsterdam, RAI, NL



- Together with the ISE and in cooperation with Digital Signage Summit Europe, invidis consulting will be present at [Integrated Systems Europe](http://Integrated Systems Europe 2016) 2016 (9 – 12 February 2016, Amsterdam) with several digital signage events.
- **ISE 2016 Presentations invidis consulting**  
Every Day at 12:00, Commercial Theatre Hall 8
- **Digital Signage Summit Market Briefings**  
Every Day at 14:00, Room F102
- **Digital Signage Summit Guided Tours**  
Every Day at 14:30, Room F102
- **More here:**  
[invidis.de/ise-2016-digital-signage-ise-program/](http://invidis.de/ise-2016-digital-signage-ise-program/)