

Germany

Austria

Switzerland

March | April 2016

DBCI

The pulse of the Digital Signage
and DooH industry



Digital Signage & DooH
Business Climate Index

OVAB cooperation partner Switzerland:



**DIGITAL SIGNAGE
SUMMIT EUROPE**

23-24 June 2016, Munich, Germany





Index | Good Digital Signage business sentiment in the first quarter 2016



Fig. 1: DBCI March | April 2016 „Index DE-AT-CH“ rolling 12 months, n=121

- The Digital Signage Business Climate Index remained almost flat with a minor nominal decline by 0,85 base points from 63,65 points to 62,80 base points in March.
- The current business situation is rated slightly more conservative by the market participants - with neutral ratings increasing by an additional 5%.
- The optimism towards the near future saw continuous positive growth. More than 60% of the polled companies are expecting a *more favourable* situation for their products and services in the summer.
- Encouragingly the Index is up by 5,5% compared to the same period in the previous year. However, with minus 1,3% it retracted slightly in the first two months of 2016. This can be mainly attributed to the aftereffects of the very good fourth quarter in 2015, which were still felt in January.
- Overall the Digital Signage industry has started well into the new year. The first quarter of 2016 saw an increase in customer demand and much more tenders on the market.

change
DBCI 2016 #2

year-on-year



previous survey



Participants: n=121; Region: DE/AT/CH; Survey Period: 2016 calendar weeks 10-11



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

Current business situation | DE-AT-CH | March/April 2016 Expectations | DE-AT-CH | March/April 2016

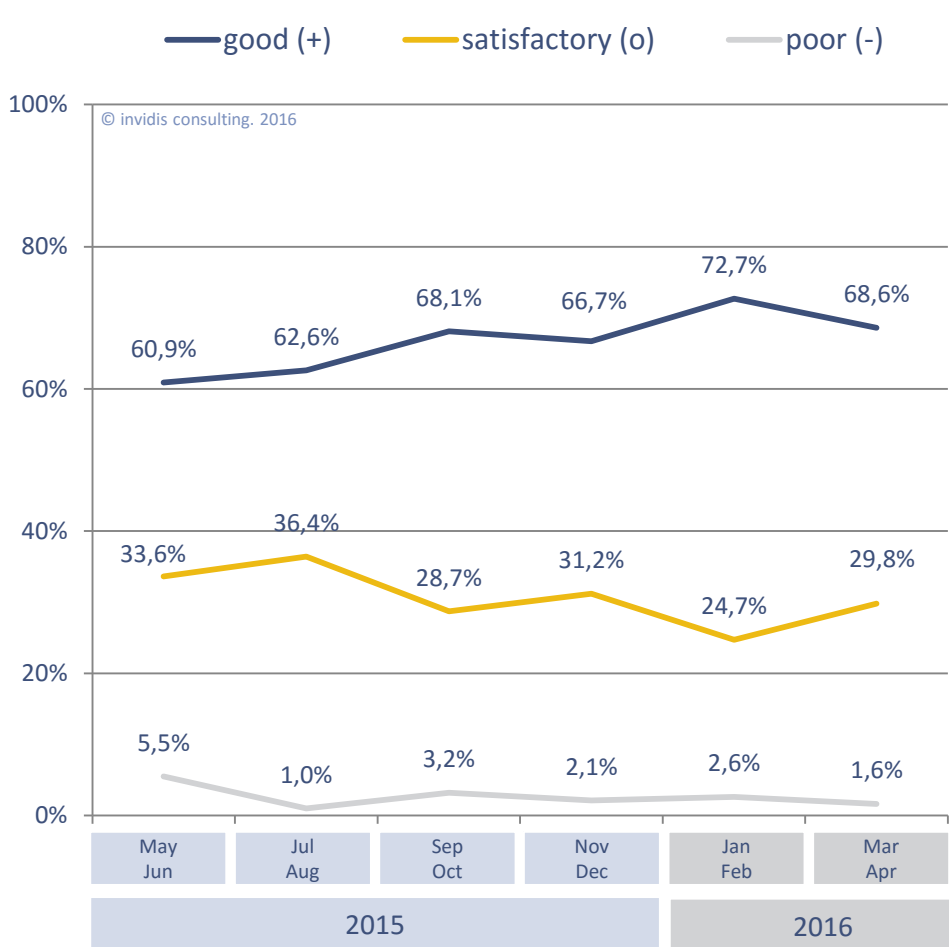


Fig. 2: DBCI March | April 2016 „Business Situation DE-AT-CH“ rolling 12 months, n=121

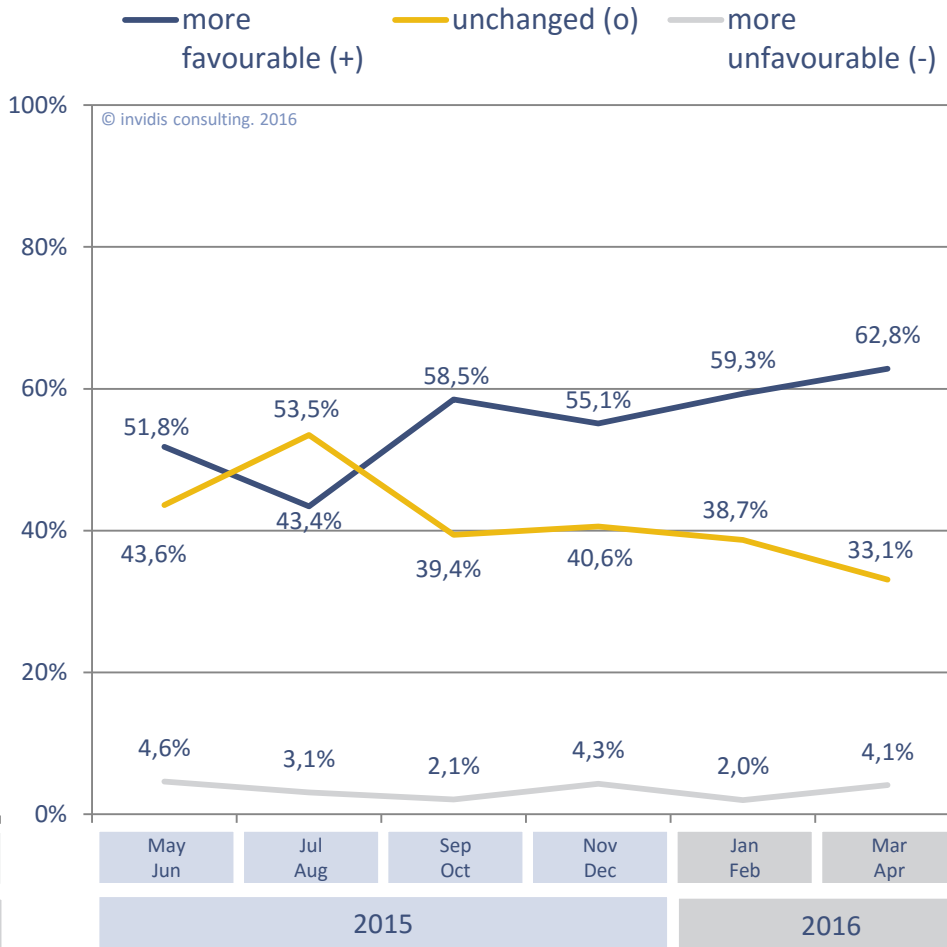


Fig. 3: DBCI March | April 2016 „Expectations DE-AT-CH“ rolling 12 months, n=121



Countries | Switzerland with strongest increase in positive business sentiment

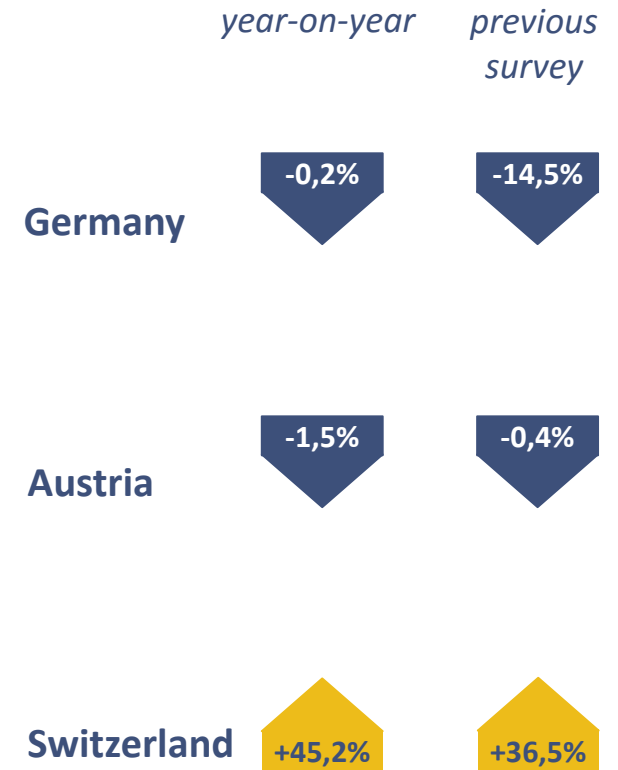
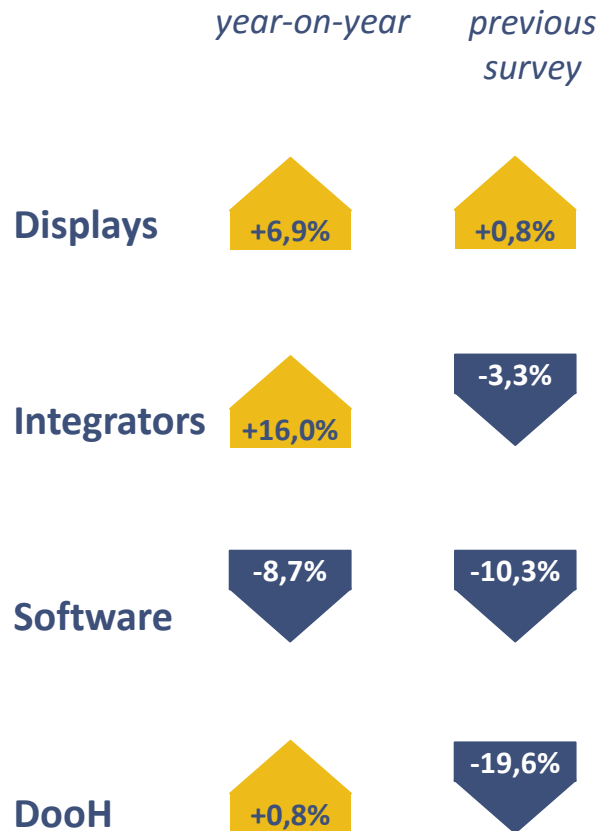


Fig. 5: DBCI March | April 2016 „countries DE-AT-CH“ YoY and last survey, n=DE 75, CH 30, AT 16

Fig. 4: DBCI March | April 2016 „Index DE-AT-CH“ rolling 12 months, n=DE 75, CH 30, AT 16



Segments | Overall positive sentiment in the industry segments



- The business sentiment of **display vendors** remains volatile. Compared to the last survey which saw a strong decline, in March the sentiment grew healthy on a year-on-year basis. After a comparably slow fourth quarter in 2015, the display industry is encouraged by good sales numbers in the first quarter of 2016, with an expected total of 30.000 units in the market.
- The service providers - particularly the **systems integrators** – recorded and expecting a very positive demand. All surveyed companies report a satisfactory or good current business situation. Also the outlook for the future has increased. End-User demand and many tenders in the market are encouraging signs for the rest of the year.
- In contrast, the **software** market registered a decline in the current business climate and also in their expectations for the next six months. However as this decline has come from a very high level in January the overall sentiment in this segment is still very good.
- The **DooH** industry also has lost some momentum, as the business sentiment is almost 20% down compared to the previous survey. However, the year-on-year development is still positive. The exceptionally good fourth quarter of 2015 was still felt in January and February and continued the positive trend into the new year.

Fig. 6: DBCI March | April 2016 „Segments DE-AT-CH“ YoY and last survey, n=Displays 17, Integrators 36, Software 19, DooH 24



Further research | Retail defends top spot, strong demand for Banking & Transportation

Question: We would like to assess the dynamic for Digital Signage in the different vertical markets. In which vertical markets has your company realised the most projects in 2015? Please rate the Top 3 vertical markets.

- Retail is with approximately one quarter of all Digital Signage revenues the biggest vertical market. Customer engagement, marketing and ambient installations become more and more common not only in most high-street retailers, but also in small and medium businesses.
- Banking is also a very interesting target market. The trend towards the digitalization of the communication in the local branches will lead to networks with up to 1.000 displays. Particularly in Switzerland this trend has already resulted in a high Digital Signage penetration.
- The transportation vertical market has shown the highest dynamic over the last year. Particularly municipal transportation networks have seen strong investments in buses, trams and railways.

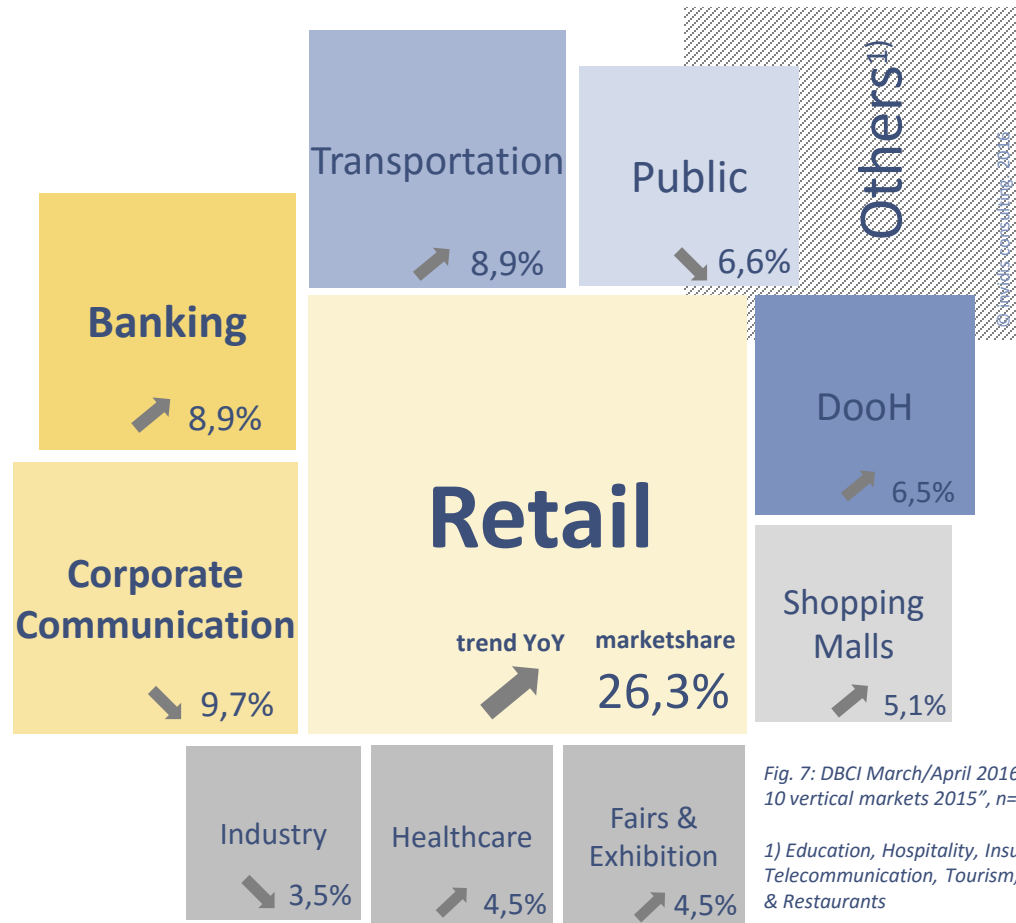


Fig. 7: DBCI March/April 2016 "Top 10 vertical markets 2015", n=109

1) Education, Hospitality, Insurance, Telecommunication, Tourism, QSR & Restaurants



Further research | Cross-media bundling will drive DooH

Question: Which factors will primarily lead to an increasing market share of DooH?

- The main drivers for DooH in the future will be cross-media bundling for dynamic campaigns i.e. online video. About 40% of all DooH market participants expect this development to give the industry the most positive impulse in the next years.
- Only a few new networks will be rolled out in the near future. This trend can be observed since 2-3 years. In Germany, the nominal growth rate in the number of locations and displays since 2013 is in the low single digits region.
- Investments in existing networks are increasingly shifted from installing new locations or displays to upgrading the existing technology (hardware / software)

Reasons for future DooH growth

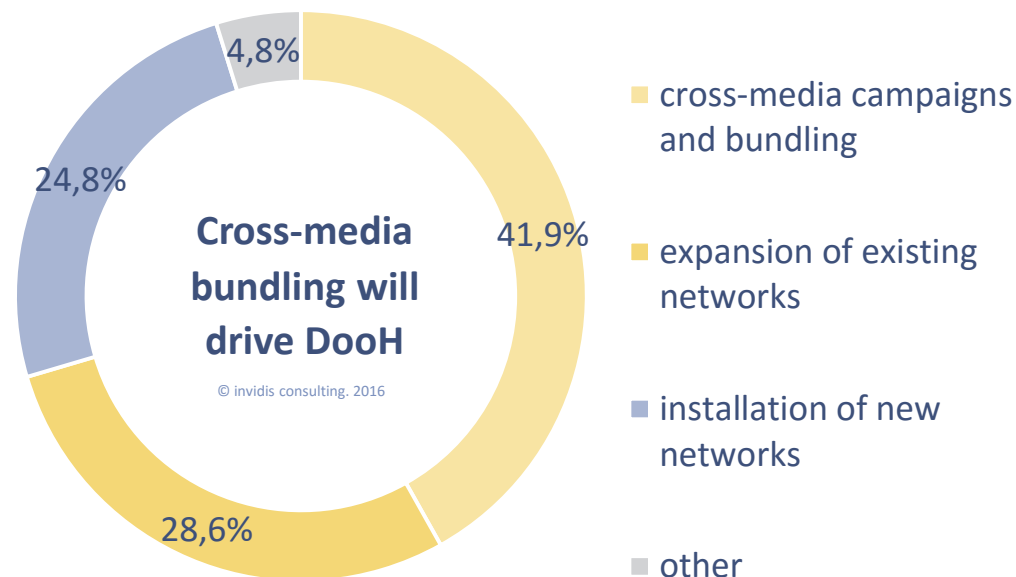


Fig. 8: DBCI March | April 2016 "growth reasons DooH", n=105

   DBCI | Roadmap 2016 & Contact

2016
January
February
March
April
May
June
July
August
September
October
November
December

May./Jun. | 2016/05/23

Jul./Aug. | 2016/07/25

Sep./Oct. | 2016/09/26

Nov./Dec. | 2016/11/28

OVAB Europe will be rebranded as **Digital Signage Federation Europe** starting with the 1st April 2016

- The next survey will take place in calendar weeks 18-19 of 2016. The next planned publication date will be the 23rd of May 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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 DSS | The Digital Signage Summit series

- «Digital Signage Summit» new brand for event series
- DSS is a dedicated confex event platform - conference and exhibition - featuring digital signage and DooH topics
- 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
- All events also have a dedicated exhibition space for product presentation and networking opportunities

