Germany
Austria
Switzerland
March | April 2014

DBCI

The pulse of the Digital Signage and DooH industry

OVAB Digital Signage & DooH Business Climate Index

invidis CONSULTING

OVAB cooperation partner Switzerland:

IG DOOH

invidis research
2014 DE 200 en

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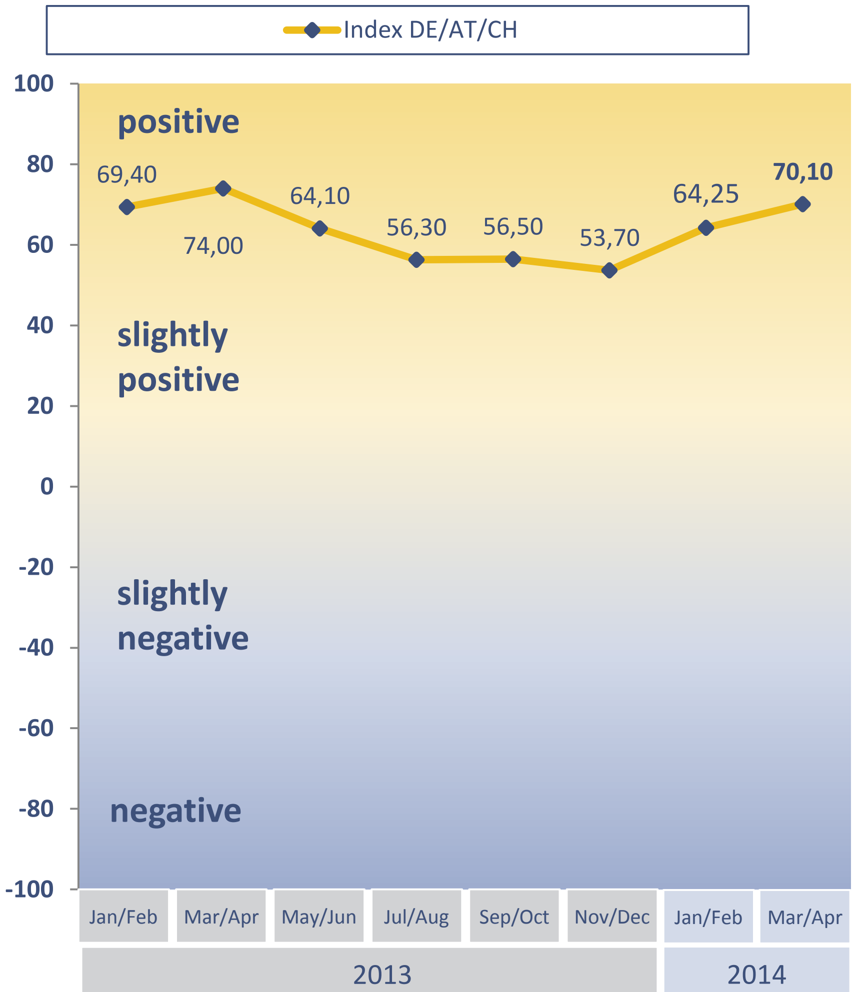


Fig. 1: DBCI March/April 2014 „Index DE/AT/CH“, n=142

- Compared to the months January and February the DBCI for March and April has increased clearly
- Since the last survey in January 2014 the Digital Signage Business Climate Index –DBCI – increased from 64,25 base points by 5,85 base points down to 70,10 base points
- The DBCI has overcome it’s slight slump in the fourth quarter of 2013 and is on the upside in the German speaking region
- The economic upturn in Europe is stimulating the domestic investments

Further research

- Projects with up to 10 displays dominate the daily business in the Digital Signage market
- The relevance of DooH has significantly increased, but there are still many challenges

- Participants: n=142
- Region: DE/AT/CH
- Time frame: 2014 calendar weeks 11-12

DE/AT/CH | increasing business situation and expectations

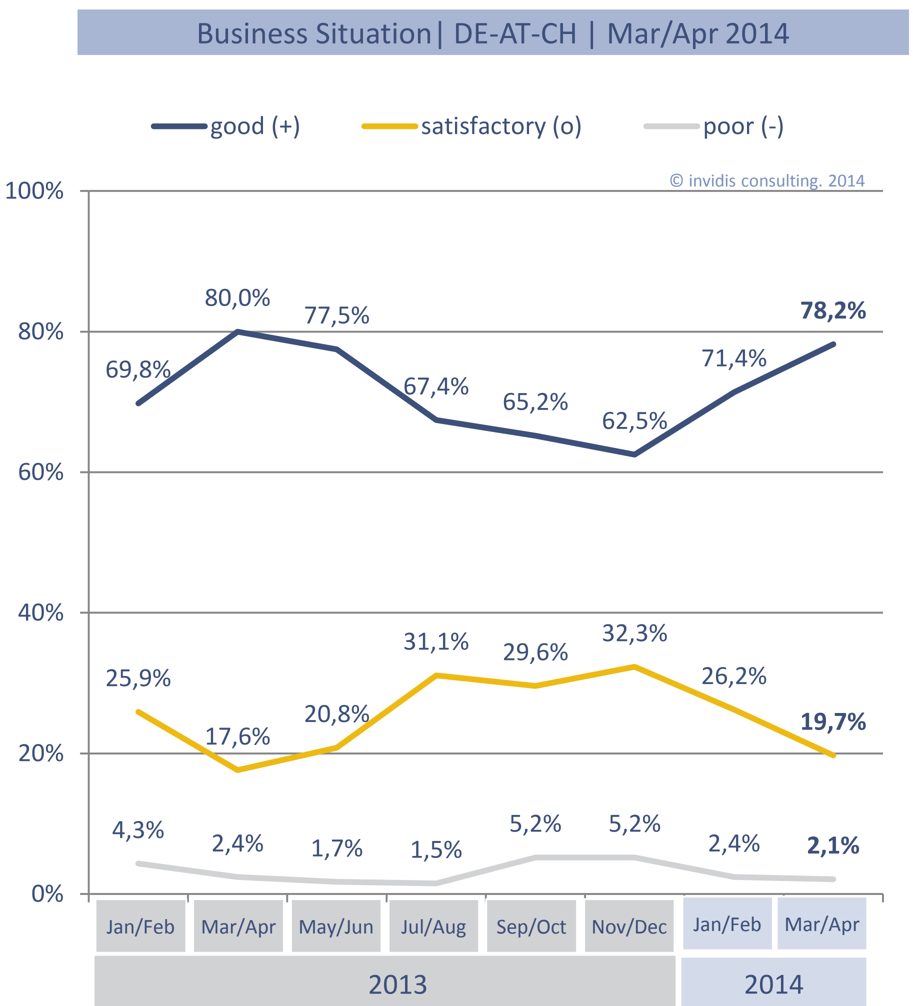


Fig. 2: DBCI March/April 2014 „Business Situation DE/AT/CH", n=142

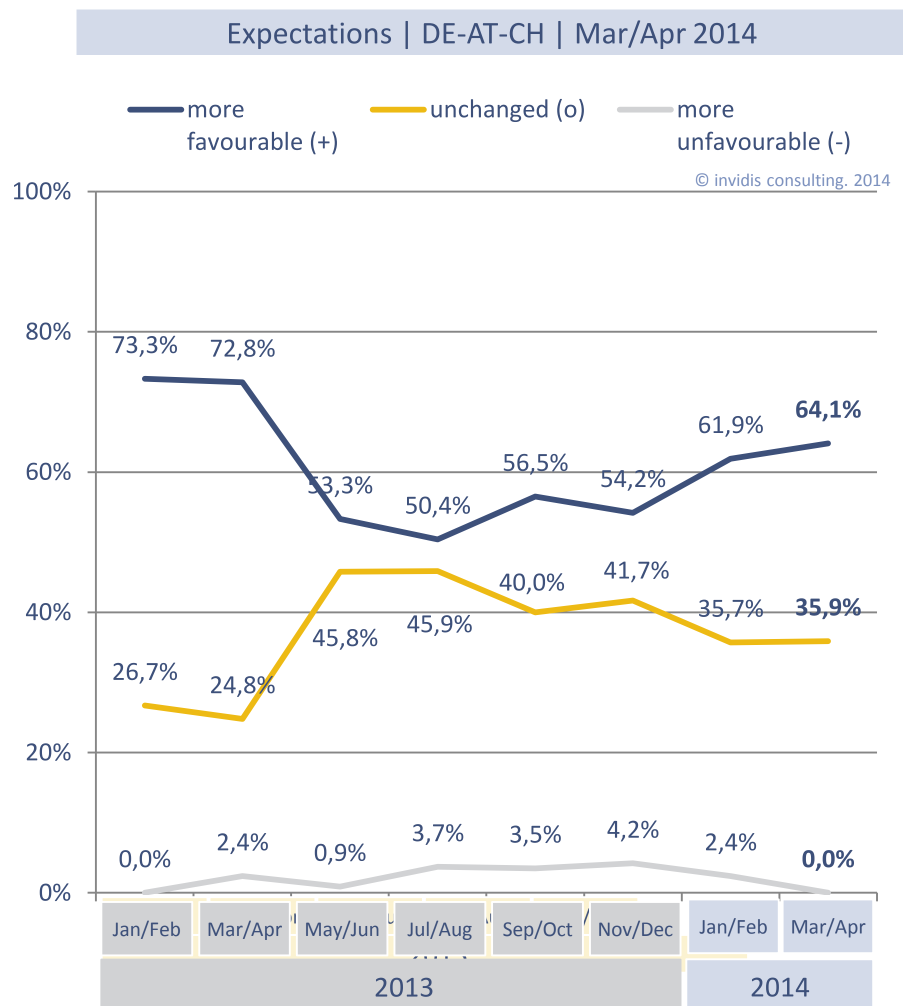


Fig. 3: DBCI March/April 2014 „Expectations DE/AT/CH", n=142

DE/AT/CH | Increase of the positive answers

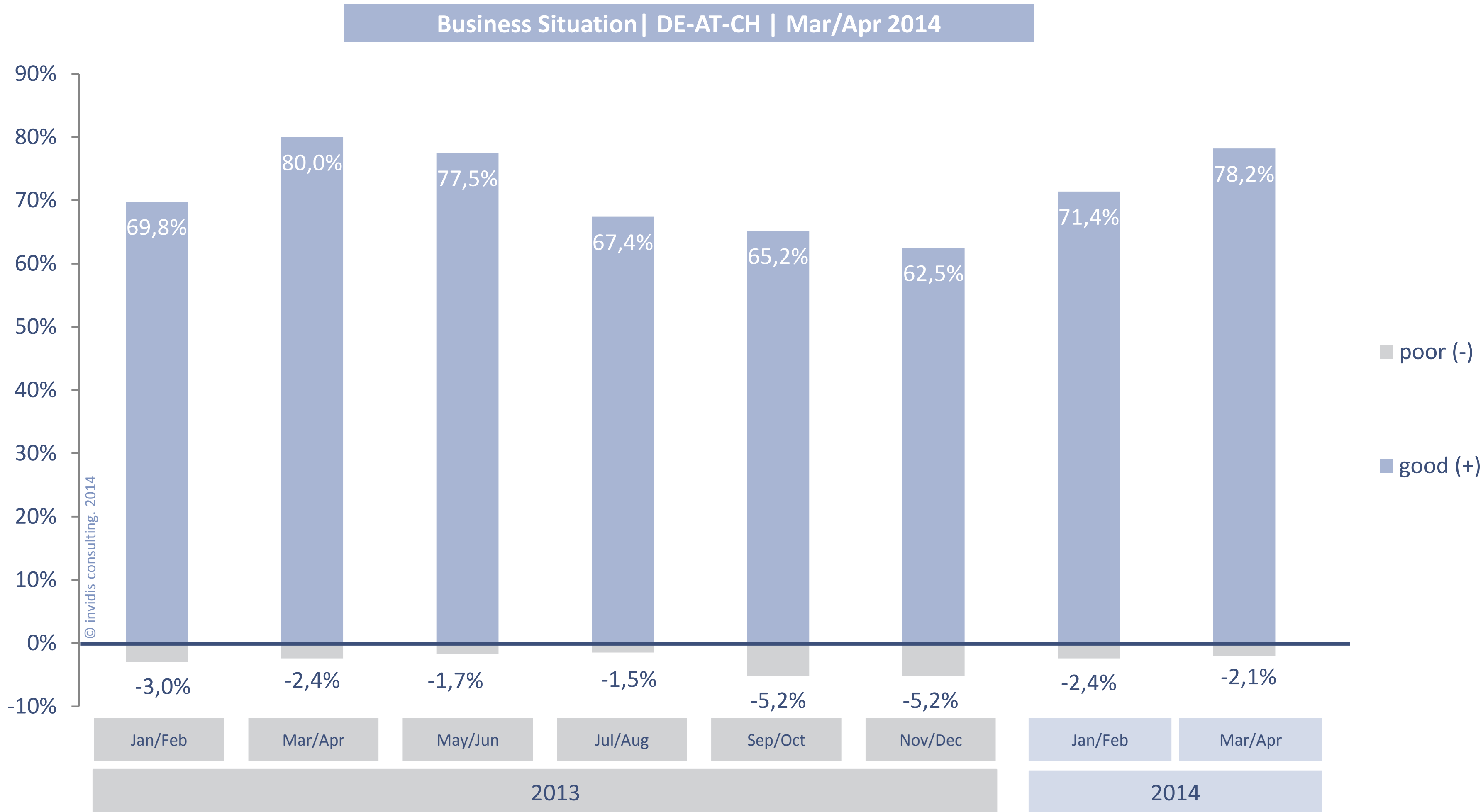


Fig. 4: DBCI March/April 2014 „Business Situation DE/AT/CH“, n=142

DE/AT/CH | Good expectations for the summer

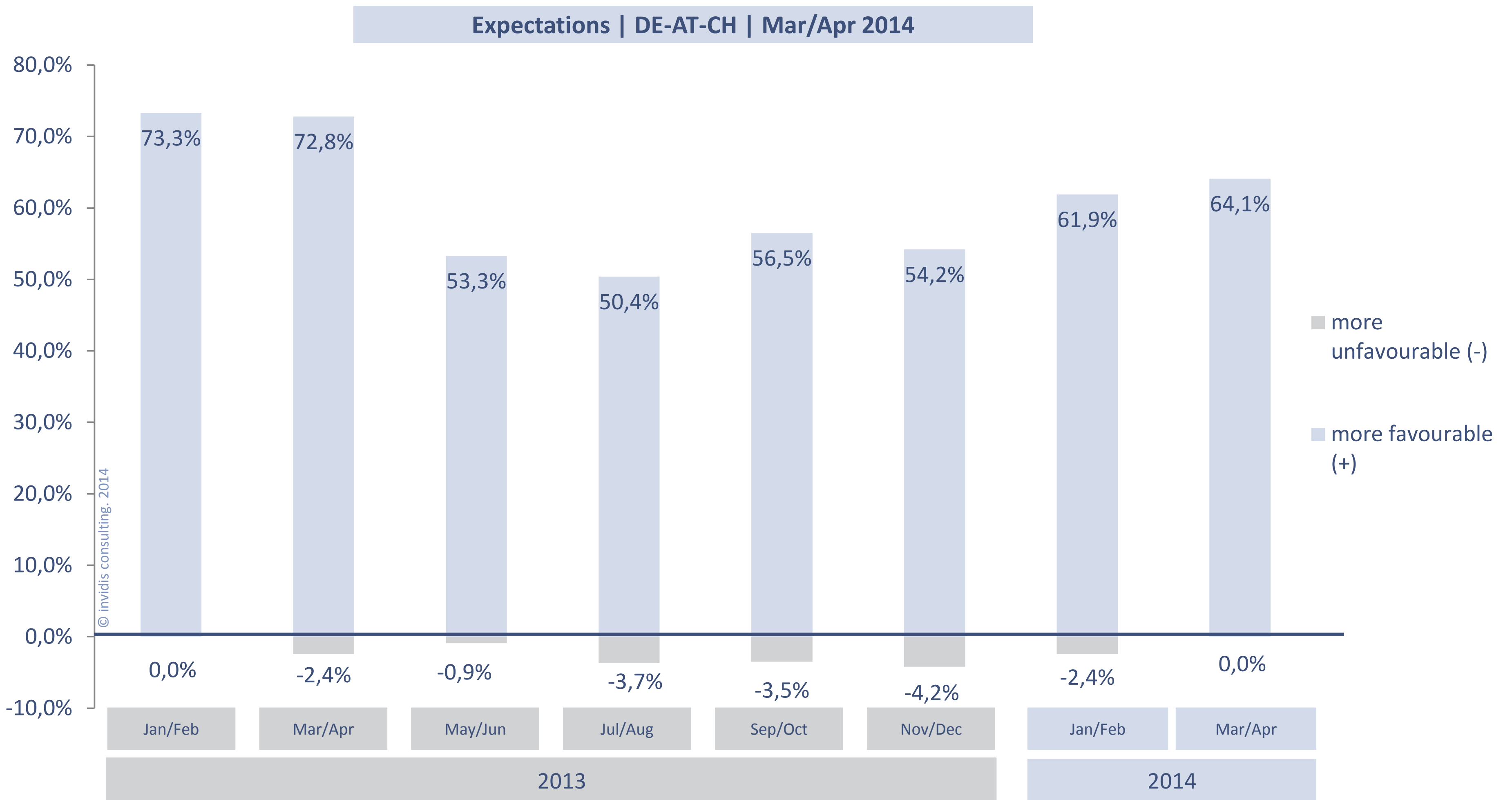


Fig. 5: DBCI March/April 2014 „Expectations DE/AT/CH", n=142

Countries | Index increases in Germany and Switzerland – Austria conservative

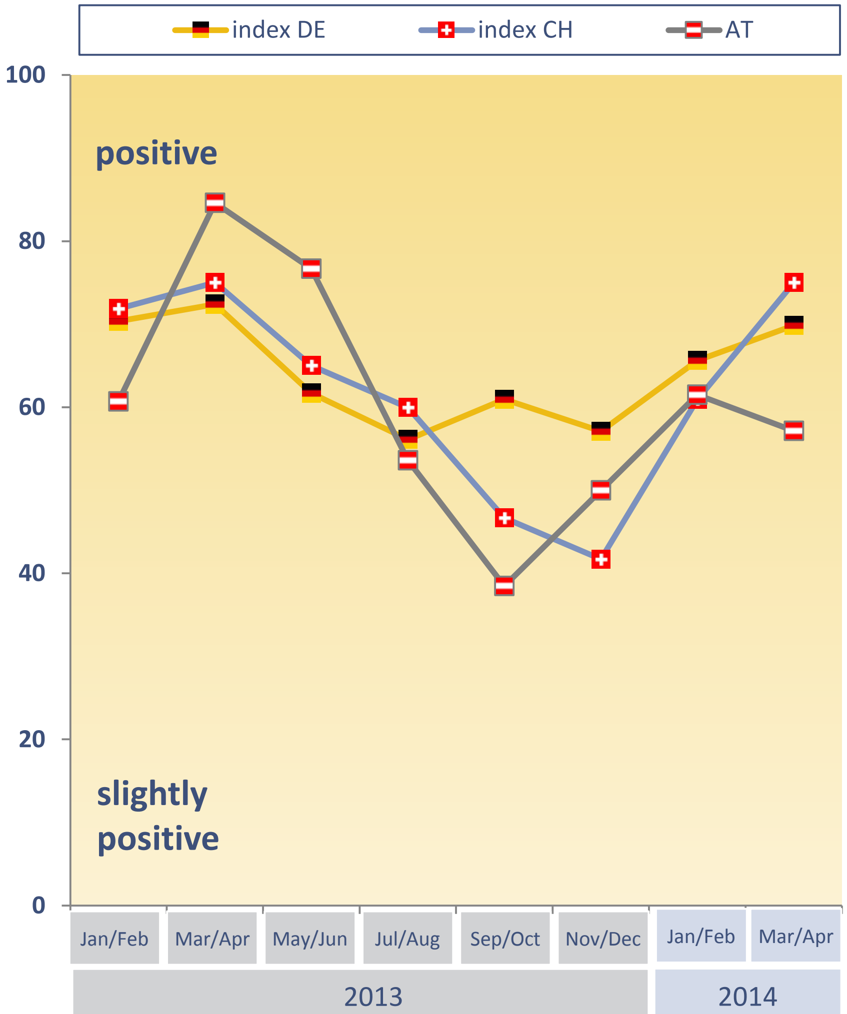


Fig. 6: DBCI March/April 2014 „Index DE/AT/CH“, n= DE 111, CH 18, AT 14

- The business sentiment in Germany has increased continually since the end of 2013. The industry now feels a higher willingness to invest in the market. The IT consultants at Capgemini ascertain that “in 2014 particularly the German CIOs will profit from an increase in their budgets”1)
- The business sentiment in Switzerland was very optimistic for the first four months in 2014. The forecast of 2% GDP growth is supported by a increase in exports stemming from the economical recovery in Europe (EU). This effect gives the Swiss companies more leverage for investments, among others in Digital Signage technologies. Only the negative immigration policy may have a dampening effect on the Swiss economy in the near future
- Also in Austria the index has recovered since the end of 2013. However it has declined slightly for the survey period of March/April. The stable economical situation in Austria is dampened by the increase of the unemployment figures. Moreover the stagnant net wages are pressing the consumer climate and this effects the retail sector which is so important for the Digital Signage industry

1) Capgemini IT Trends 2014

Germany | Business situation growing further – expectations unchanged

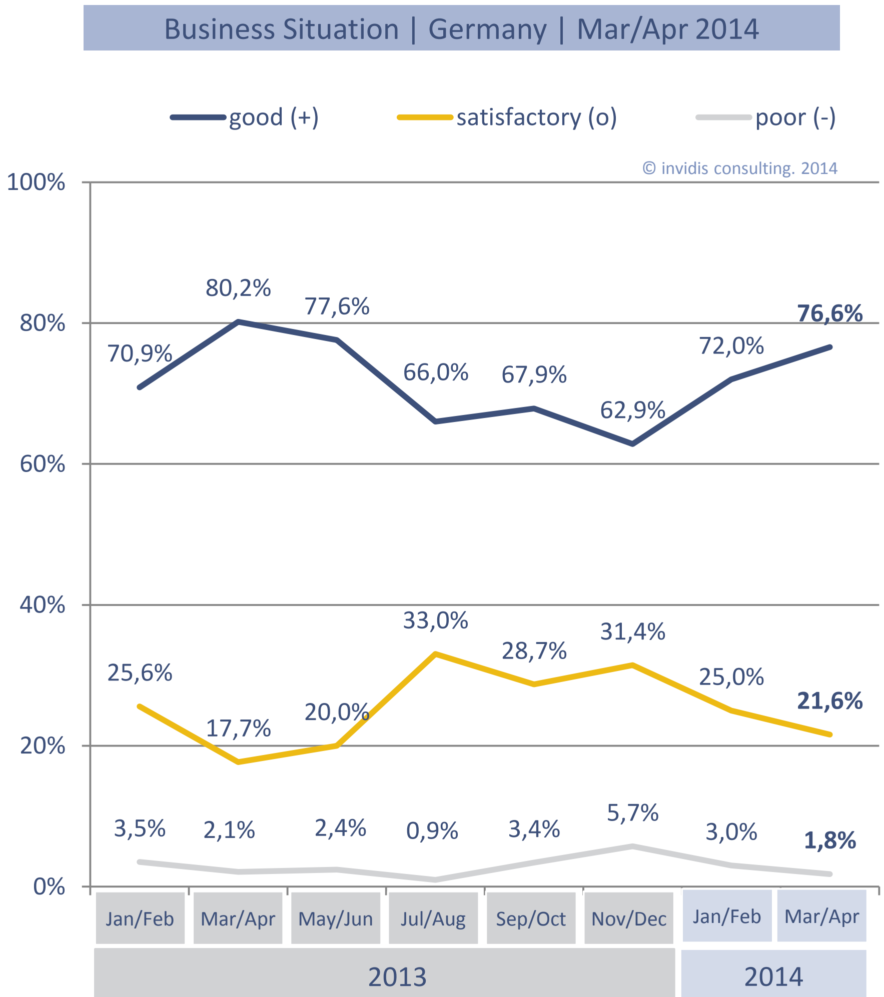


Fig. 7: DBCI March/April 2014 „Business Situation Germany“, n=111

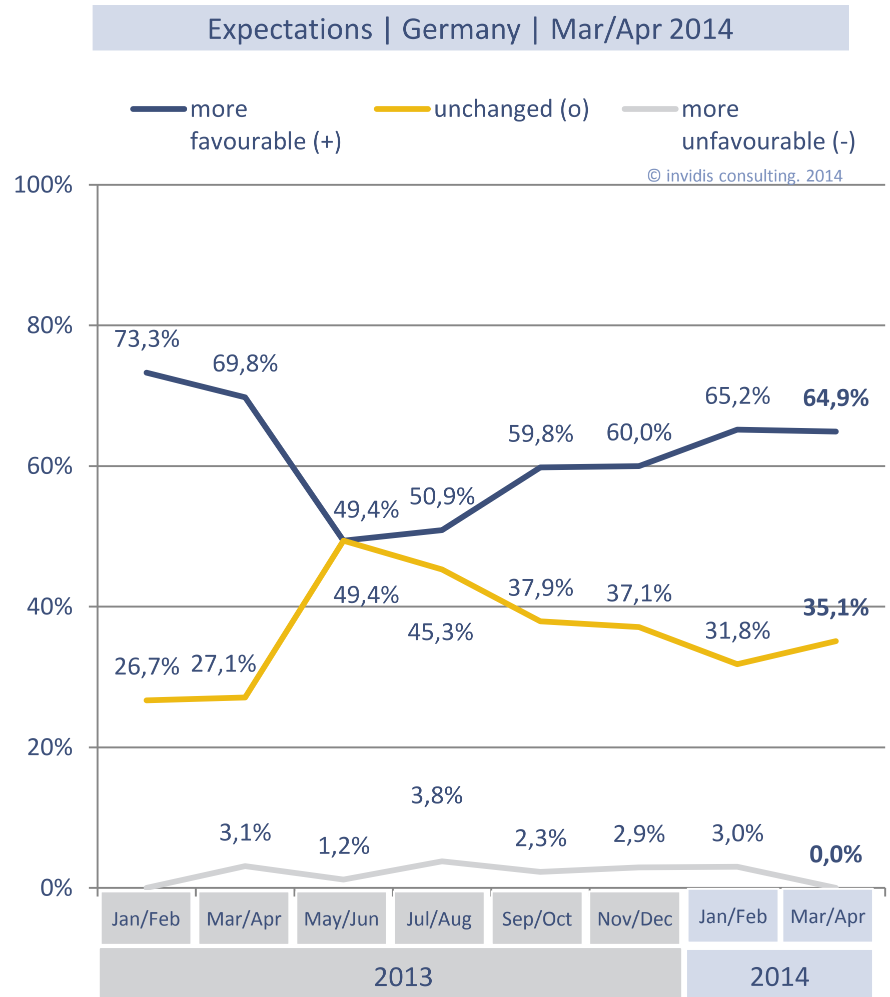


Fig. 8: DBCI March/April 2014 „Expectations Germany“, n=111

Austria | Positive business situation – expectations remain good

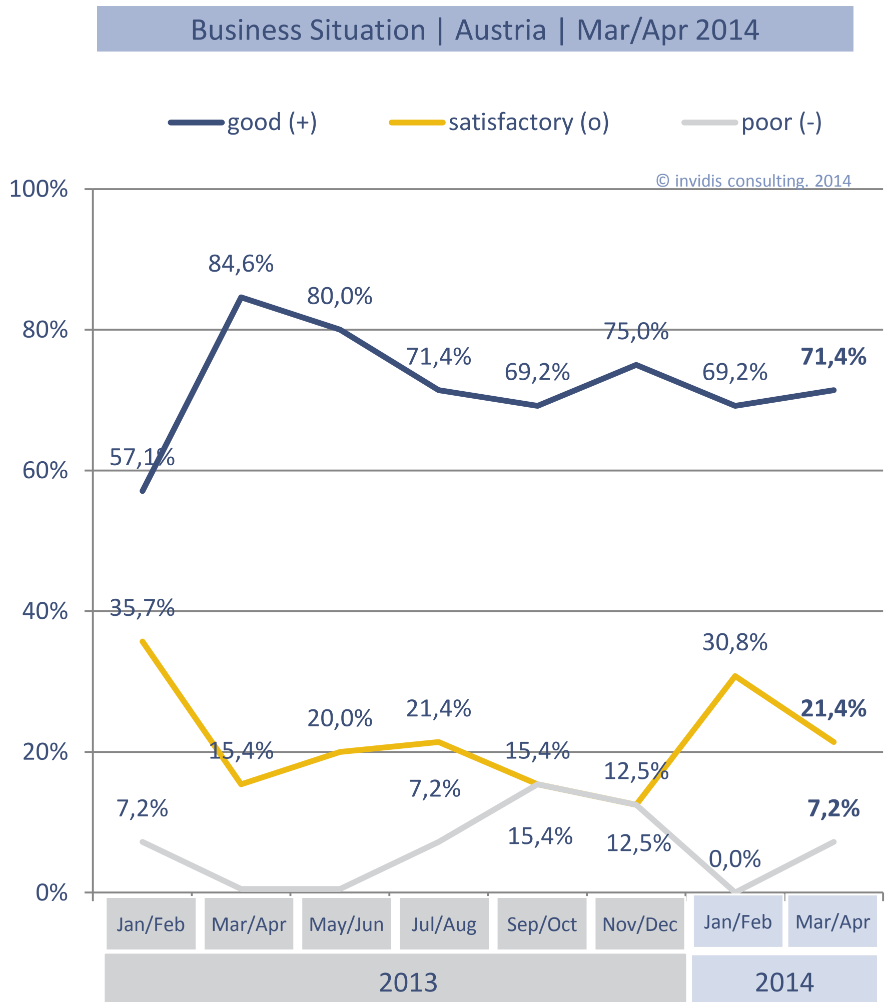


Fig. 9: DBCI March/April 2014 „Business Situation Austria“, n=14

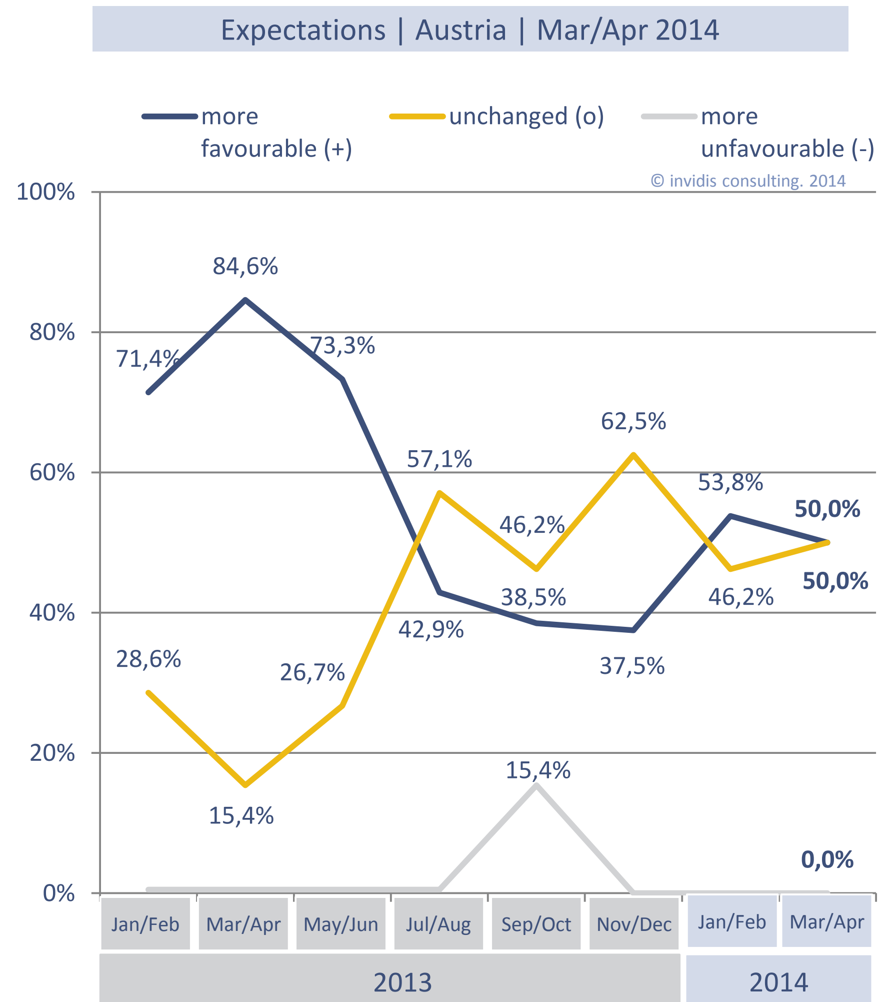


Fig. 10: DBCI March/April 2014 „Expectations Austria“, n=14

Switzerland | Business situation and expectations clearly increased

Business Situation | Switzerland | Mar/Apr 2014

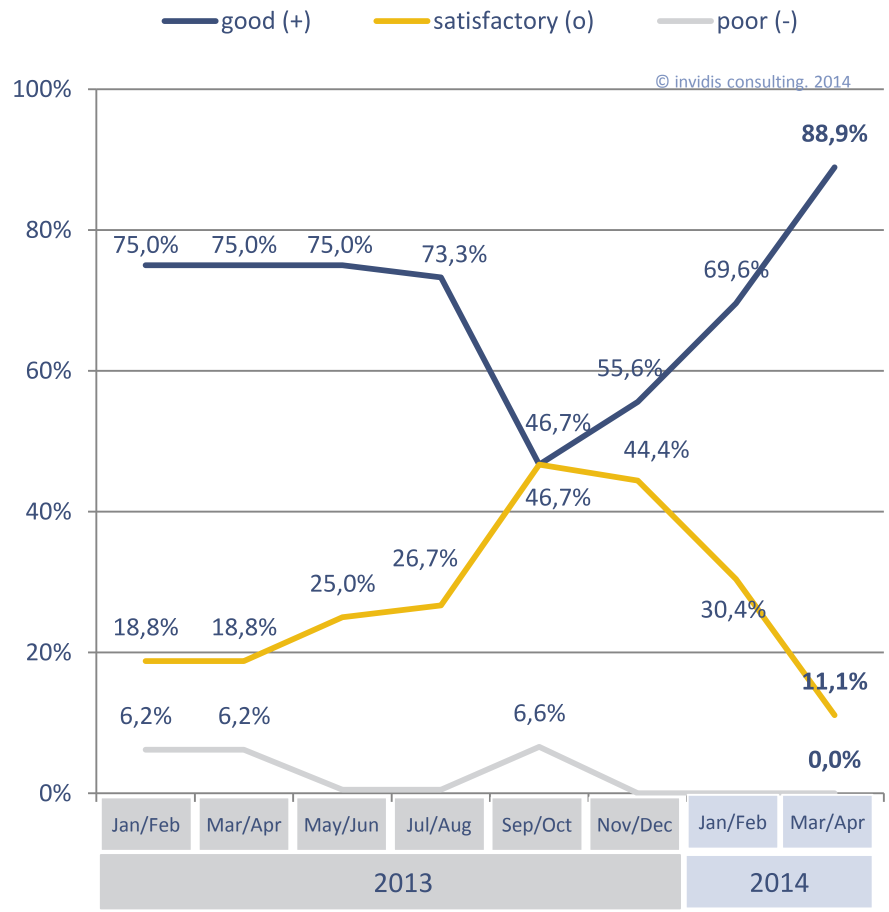


Fig. 11: DBCI March/April 2014 „Business Situation Switzerland“, n=18

Expectations | Switzerland | Mar/Apr 2014

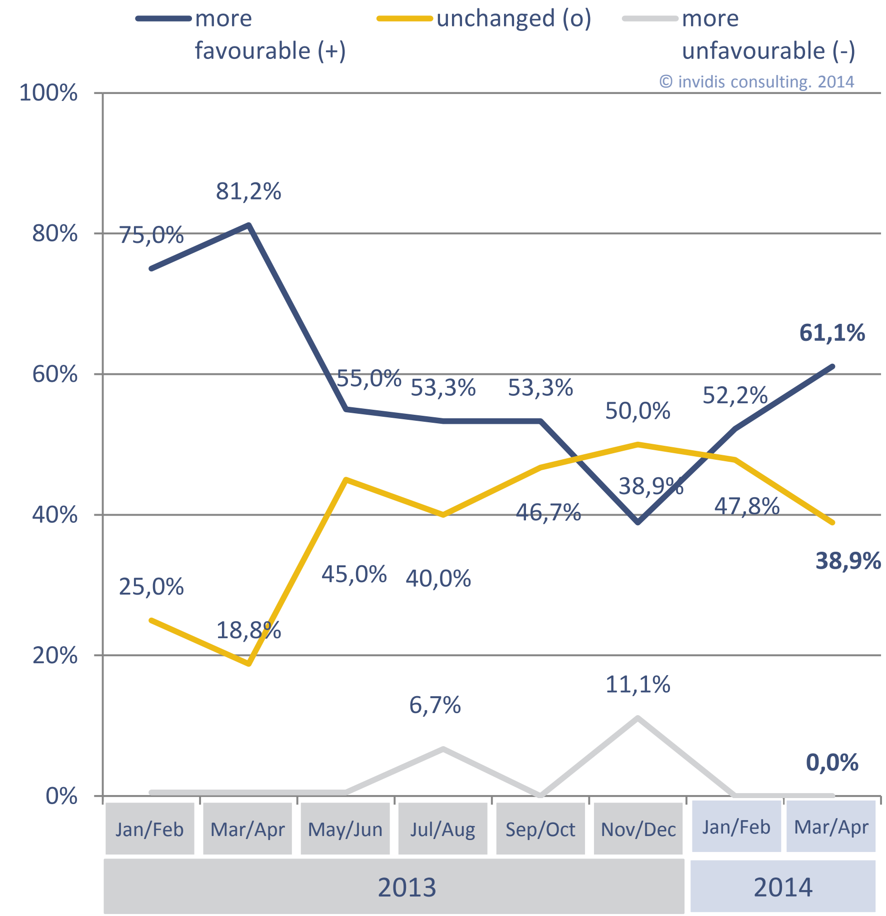


Fig. 12: DBCI March/April 2014 „Expectations Switzerland“, n=18

Segments | Good business situation and optimistic start in 2014

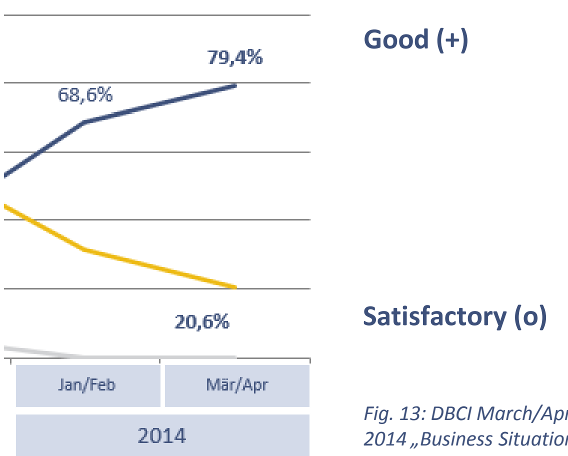


Fig. 13: DBCI March/April 2014 „Business Situation Integrators", n=34

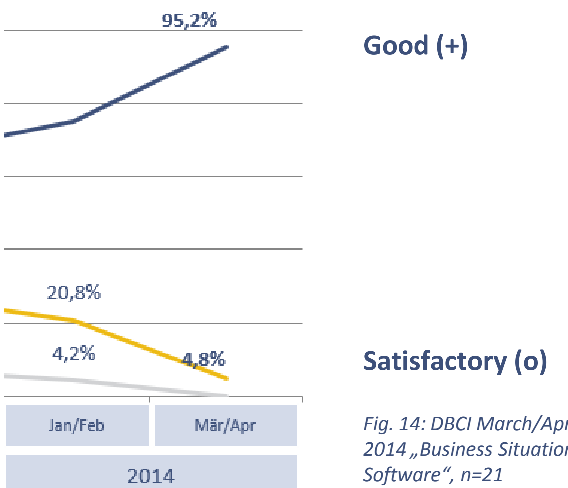


Fig. 14: DBCI March/April 2014 „Business Situation Software", n=21

- The display producers have surpassed the short phase of relative weakness at the beginning of the year and have now a very good business sentiment. Here particularly the positive effects of the big fares (ISE/Euroshop/Cebit) are filling the order books
- The integrators have kept the upward trend from the beginning of the year and have similar to the display providers a good business situation of 80%. The increasing complexity of Digital Signage solutions is giving the specialist integrators good arguments for quality services and the edge over traditional IT systems integrators
- The software market has a particularly positive sentiment in March. Over 95% of all polled companies rate the current business situation as good. Among other reasons the continuing market shakeout ensures that the established providers can operate with good revenues
- DooH is also on an upwards trend. The business situation is on an all-time high with the expectation of even more favourable situation within the next six months In Austria the JCDecaux subsidiary Infoscreen could cement their market dominance with a further expansion of the existing networks and a increase in revenues by 15% in 2013

Displays | Clear increase of the business situation and expectations

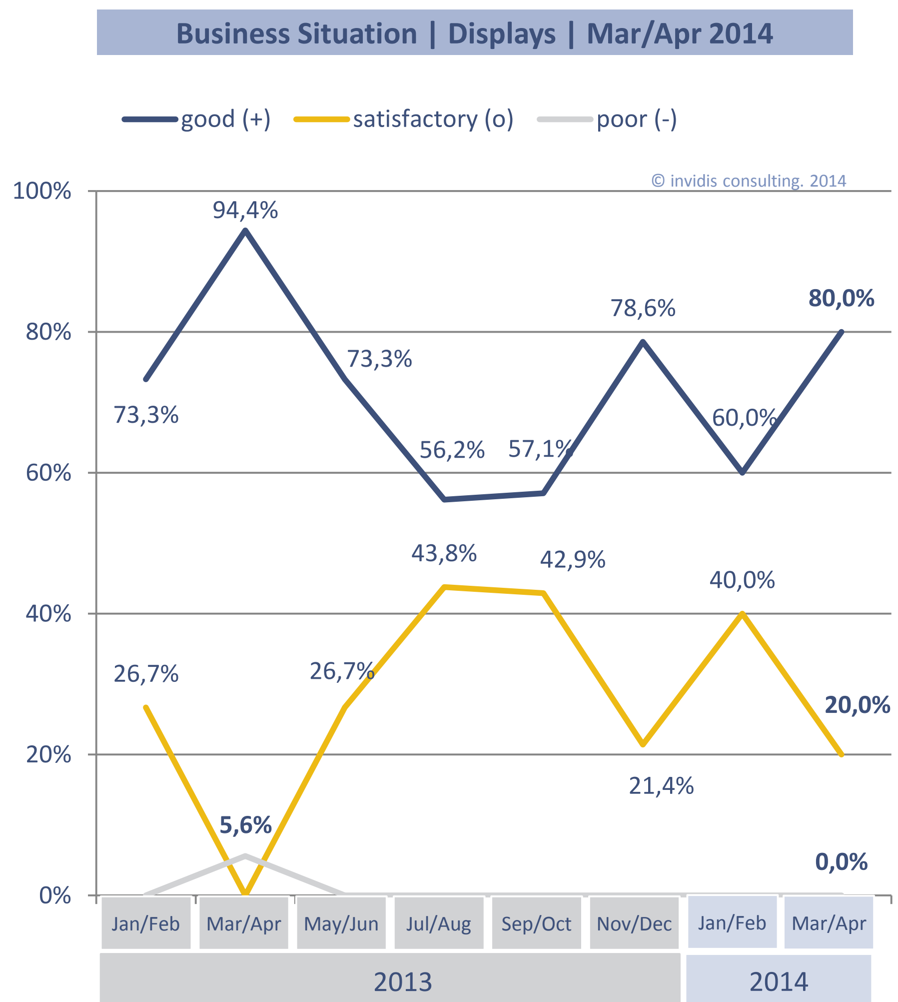


Fig. 15: DBCI March/April 2014 „Business Situation Displays", n=15

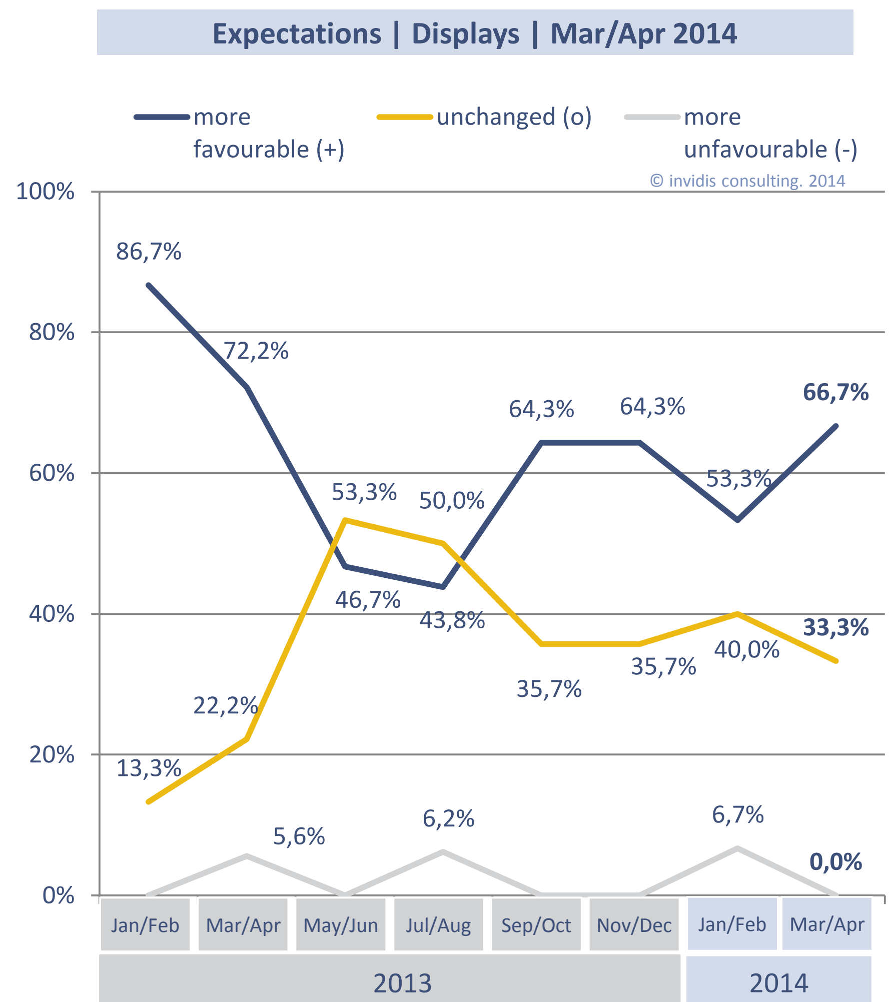


Fig. 16: DBCI March/April 2014 „Expectations Displays", n=15

Integrators | Business situation with further growth – expectations slightly lower

Business Situation | Integrators | Mar/Apr 2014

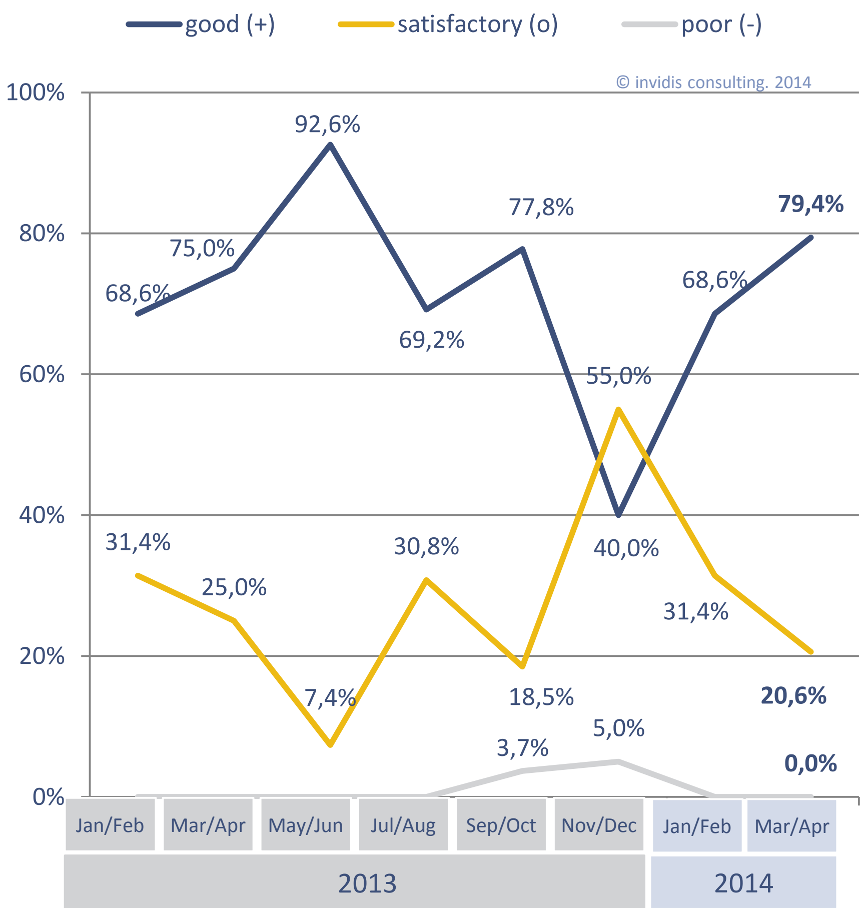


Fig. 17. DBCI March/April 2014 „Business Situation Integrators“, n=34

Expectations | Integrators | Mar/Apr 2014

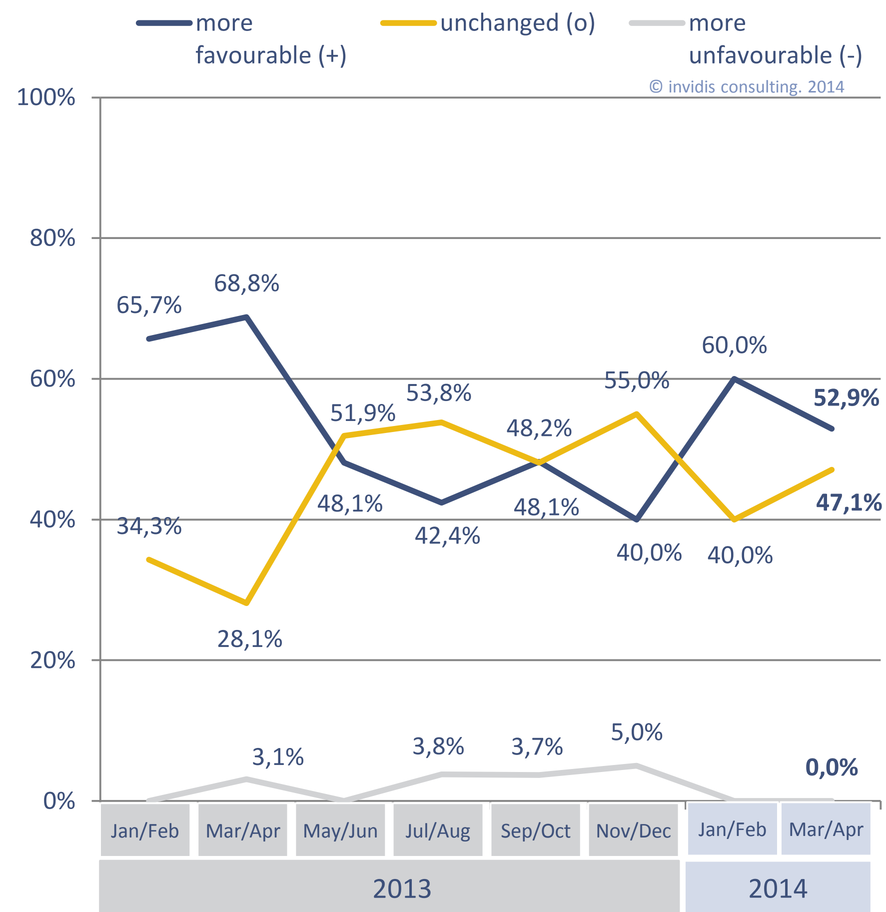


Fig. 18: DBCI March/April 2014 „Expectations Integrators“, n=34

Software | Business situation on all time high – optimistic expectations

Business Situation | Software | Mar/Apr 2014

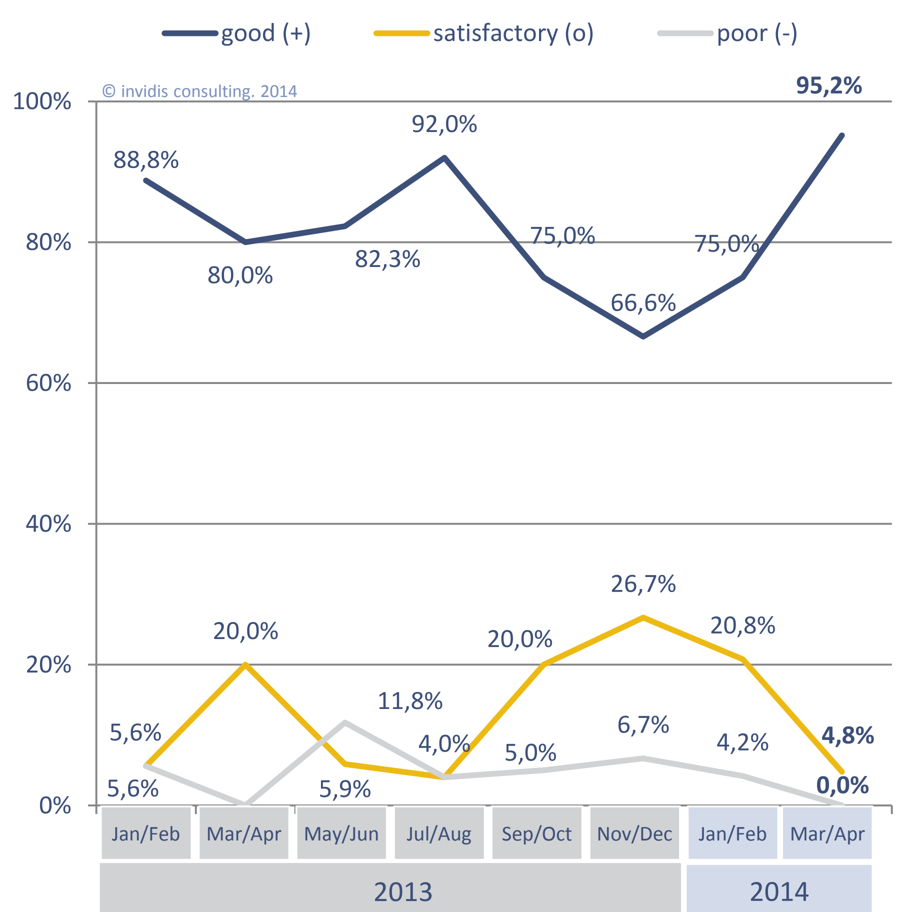


Fig. 19: DBCI March/April 2014 „Business Situation Software“, n=24

Expectations | Software | Mar/Apr 2014

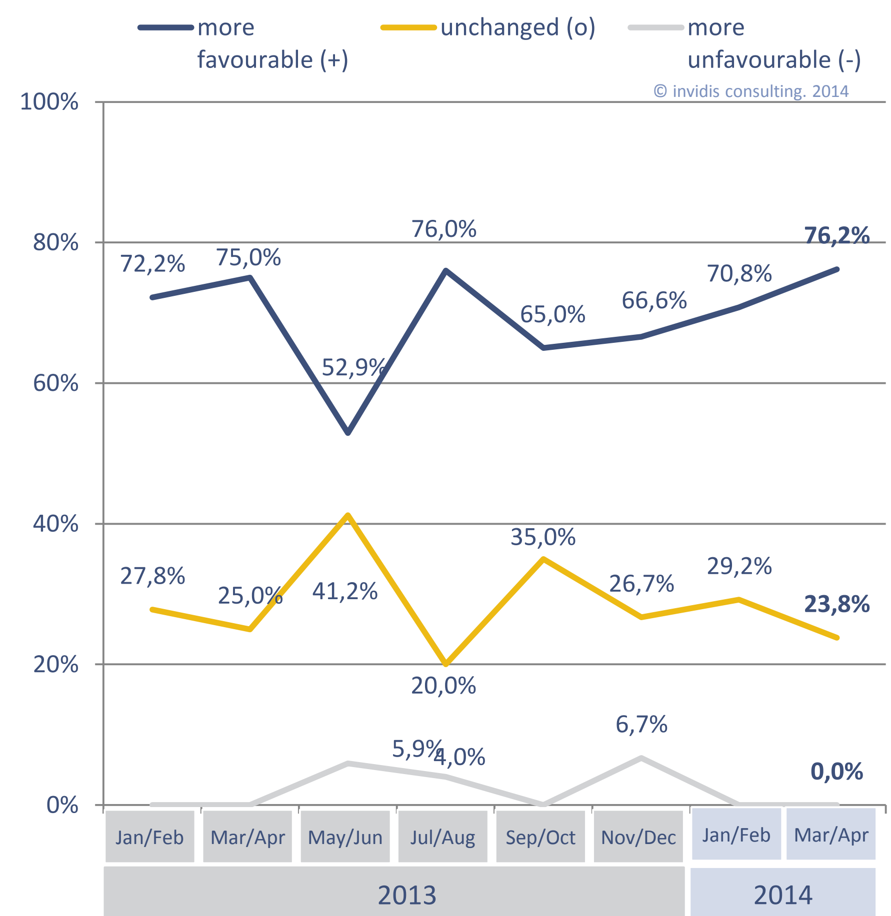


Fig. 20: DBCI March/April 2014 „Expectations Software“, n=24

DooH | Increased business situation – constant positive expectations

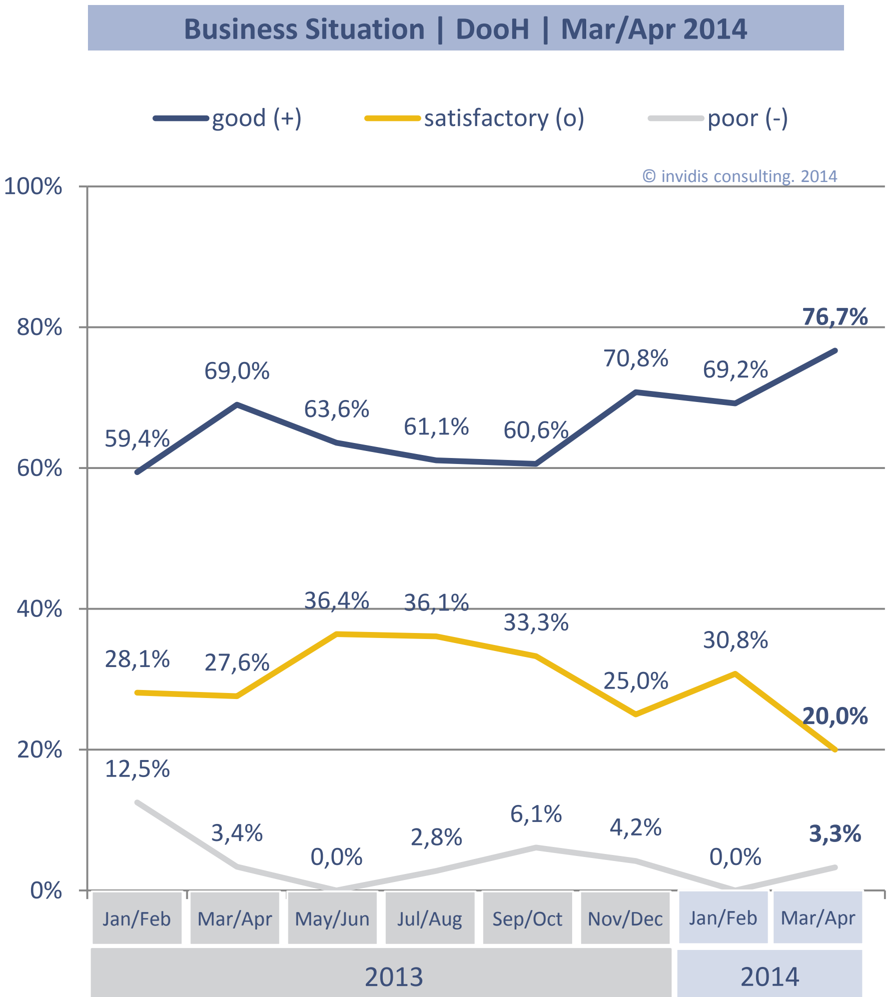


Fig. 21: DBCI March/April 2014 „Business Situation DooH“, n=39

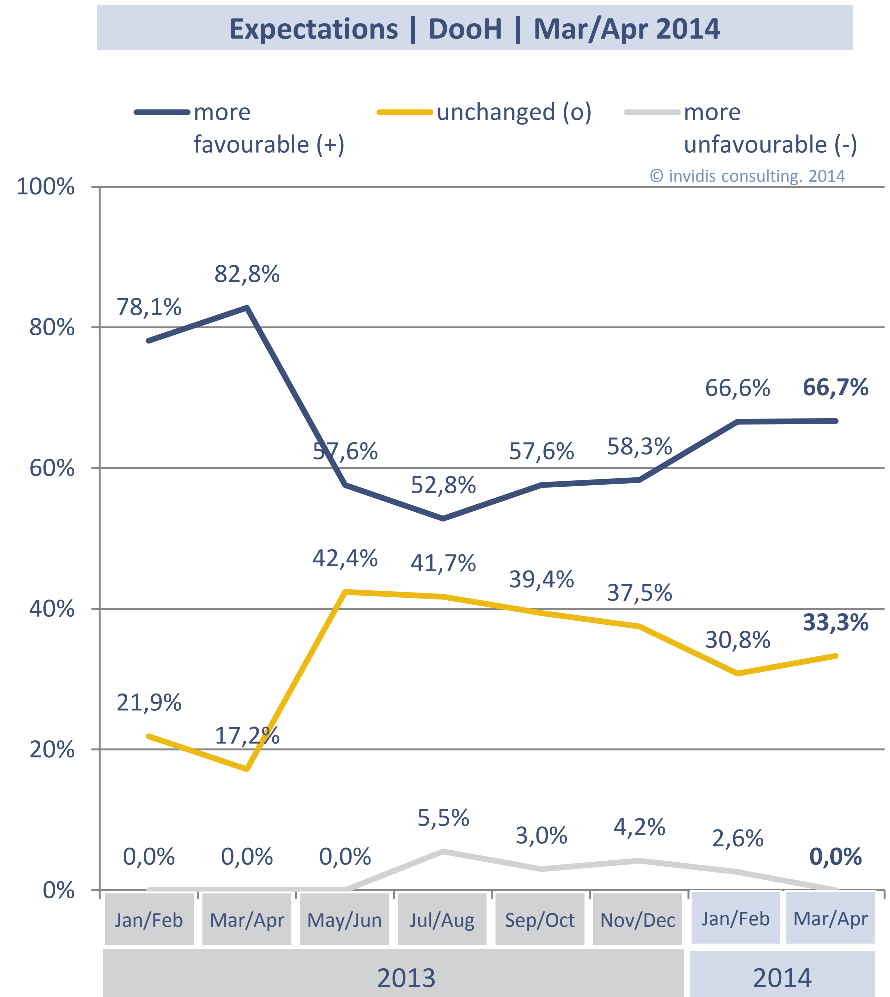


Fig. 22: DBCI March/April 2014 „Expectations DooH“, n=39

Digital Signage | Projects with up to 10 displays dominate the market

Question: How many projects did your company roll out in the following categories in 2013?

- 55% of all DS projects in 2013 were small installations with up to ten displays
- Small projects have a high margin and can be carried out successfully by most players in the market
- Falling hardware process created a high demand for easy-to-use Digital Signage solutions in the SMB sector
- Only 13% Digital Signage networks consist out of more then 100 displays
- Large projects generate high revenues, but discounts increase with the number of hardware used and tear into the margin. Moreover, only few market participants can sustainably carry out projects with over 100 displays

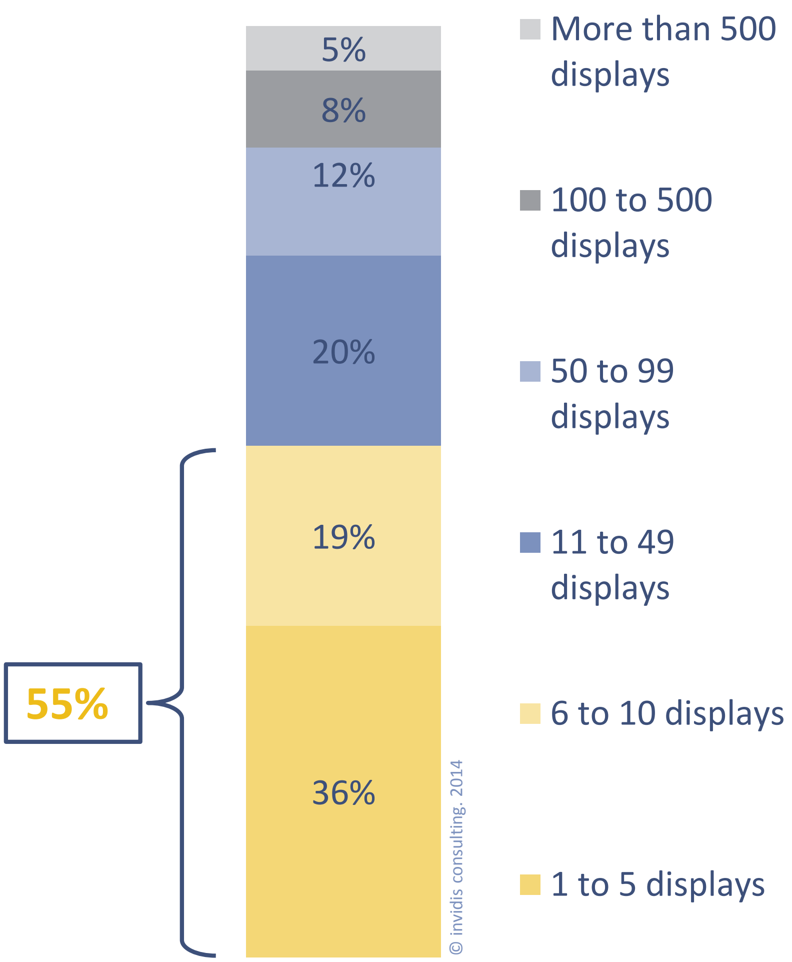
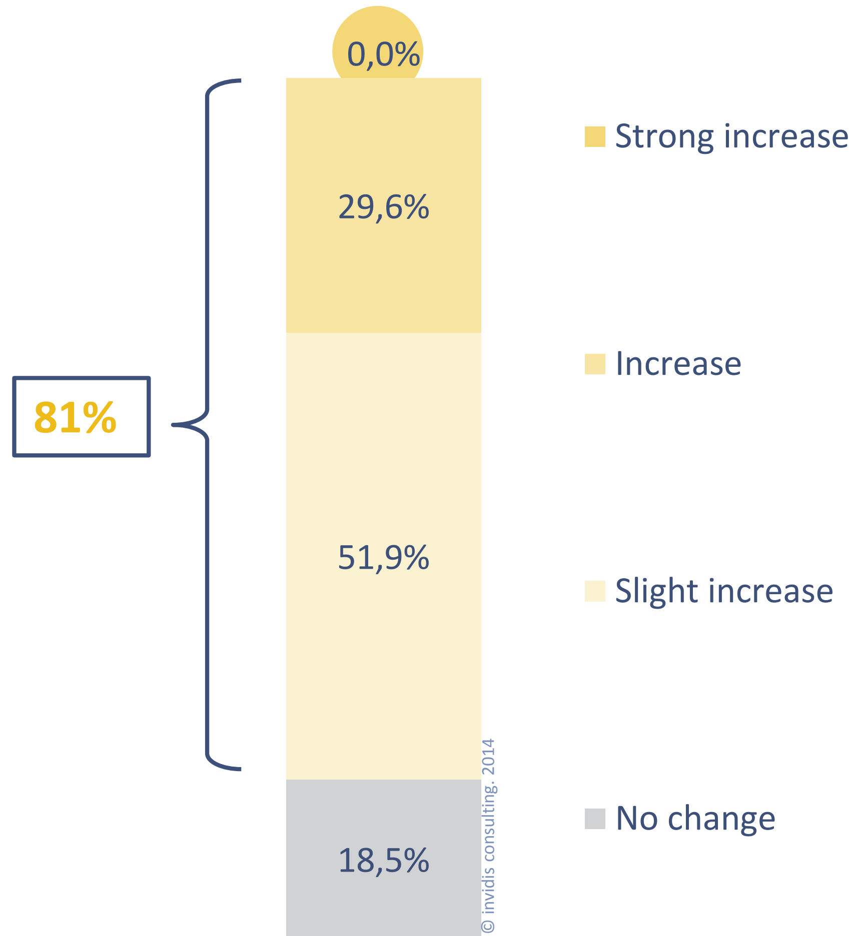


Fig. 23: DBCI March/April 2014 „project sizes 2013", n=72

DooH | The relevance of DooH has significantly increased, but …

Question: How do you estimate the change of the relevance of DooH in the general media-mix within the last 24 months?

- 4/5 of all polled companies are convinced that the relevance of DooH compared to other media has increased within the last 24 months
- Through a continuous expansion of the big DooH networks, the media has considerably increased its presents in the public eye
- A revenue increase of approximately 30% in DooH gross spendings in 2013 mirrors this increased interest[1)]
- However, almost 50% of all poled companies see only a slight increase
- In Germany the DooH market is only 5% to 6% of the total OoH market, compared with for example the UK (approx. 20%) this is still very small[2)]



1) Nielsen
2) Kinetic

Fig. 24: DBCI March/April 2014 "Relevance DooH", n=27

DooH | … the relevance is still seen as the most daunting challenge!

Question: Where do you see the most demanding challenges for the DooH media today?

- In spite of the increased relevance of DooH most market participants see still see here the highest challenge. Particularly the relevance compared to other media is a difficult task
- For Example only relatively few bookings are conducted directly by media agencies (cf. DBCI Nov/Dec 2013). Also the relevant reach is a big issue, with only few networks that truly can argument to have such
- Another challenge is the comprehension and understanding of the USPs brought by the digital media DooH
- On the other hand the targeting of a relevant group can be already managed very well
- Moreover the competitiveness of the CPM is very high and can give DooH the edge over other media

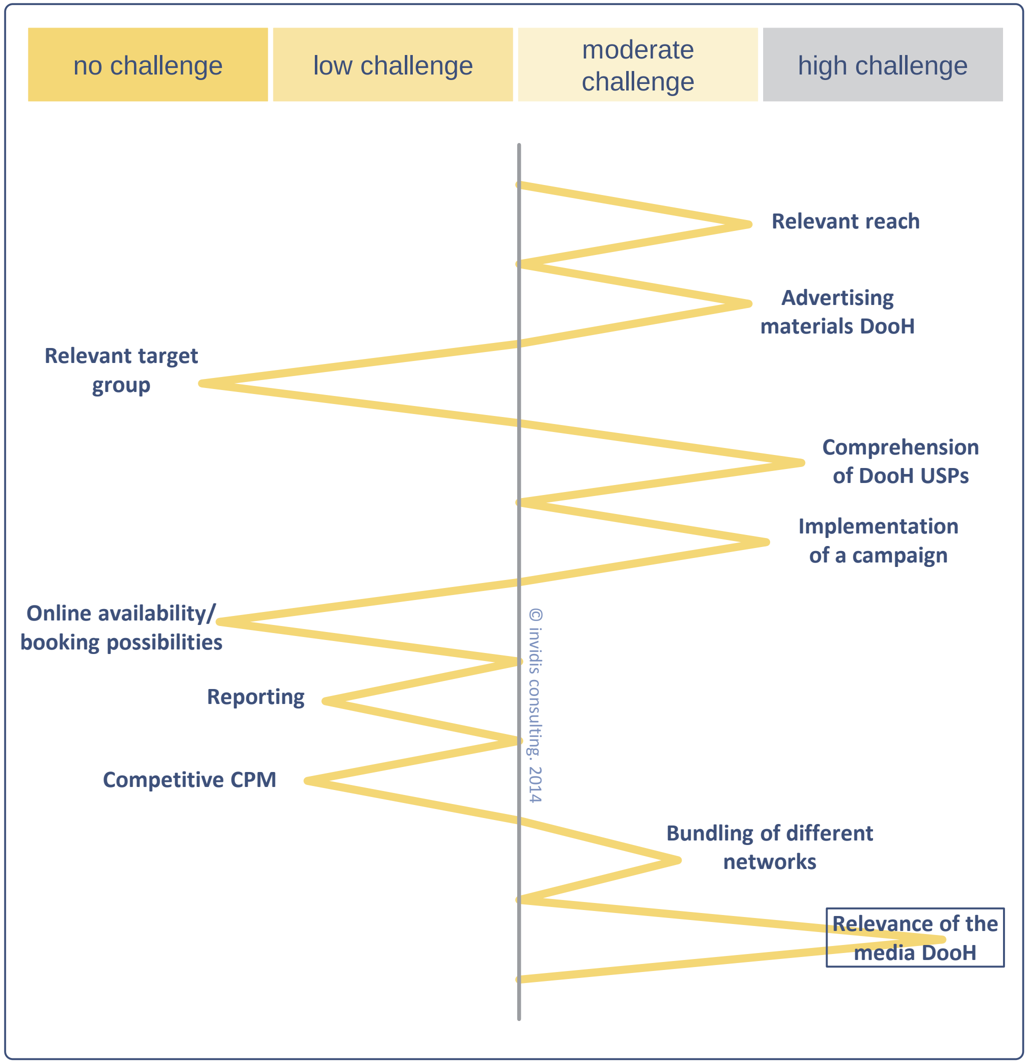


Fig. 25: DBCI March/April 2014 "challenges DooH", n=27

DBCI | Roadmap 2014 & Contact

2014	
January	
February	
March	
April	
May	**May/Jun. | 19./22. 05.**
June	
July	**Jul./Aug. | 21.07.**
August	
September	**Sep./Oct. | 18.09.**
October	
November	**Nov./Dec. | 17. 11.**
December	

- The next survey will take place in calendar week 18-19 of 2014
- The next planned publication date will be the 19th of May 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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Save the Date!

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