Germany
Austria
Switzerland
May | June 2015

DBCI

The pulse of the Digital Signage and DooH industry

OVAB Digital Signage & DooH Business Climate Index

OVAB cooperation partner Switzerland:

IG DOOH

invidis consulting

invidis research
2015 DE 300 en

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Index | Digital Signage business sentiment with slight decline in second quarter 2015

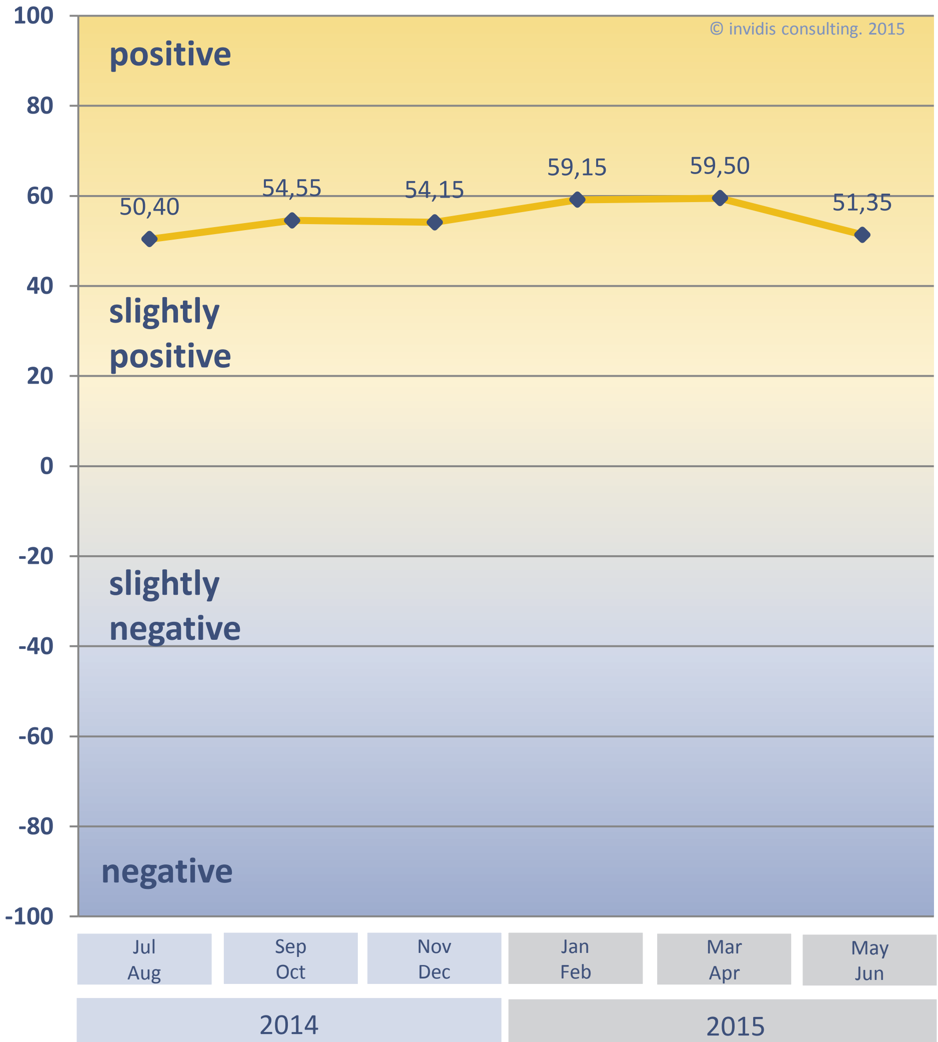


Fig. 1: DBCI May | June 2015 „Index DE-AT-CH" rolling 12 months, n=110

- Since the last survey in March 2015 the Digital Signage Business Climate Index has declined slightly with a change of minus 8,20 base points from 59,50 base points to 53,35 base points
- The current business situation has decreased slightly by 2%. While the optimism towards the near future saw a more pronounced dip by 6%
- After the traditionally good start into the new business year the Digital Signage market has seen a slight correction. The industry is expecting a similar low double digit growth for 2015 like in 2014. Moreover in Austria and Switzerland a shortage of skilled labour is an ongoing challenge for the IT industry, with no short term solution in sight

Further Research

- MS Windows is still the dominant operating system for digital signage installations. However Linux is increasingly challenging Windows and Android records the highest dynamic
- External Media Player solutions dominate Digital Signage with 2/3 of all projects based on the Redmond-Platform
- Standardised audience measurement is still the prime challenge for DooH

Participants: n=110; Region: DE/AT/CH; Survey Period: 2015 calendar weeks 18-19

DE-AT-CH | Current business situation slightly down, outlook more conservative

Business Situation | DE-AT-CH | May/June 2015

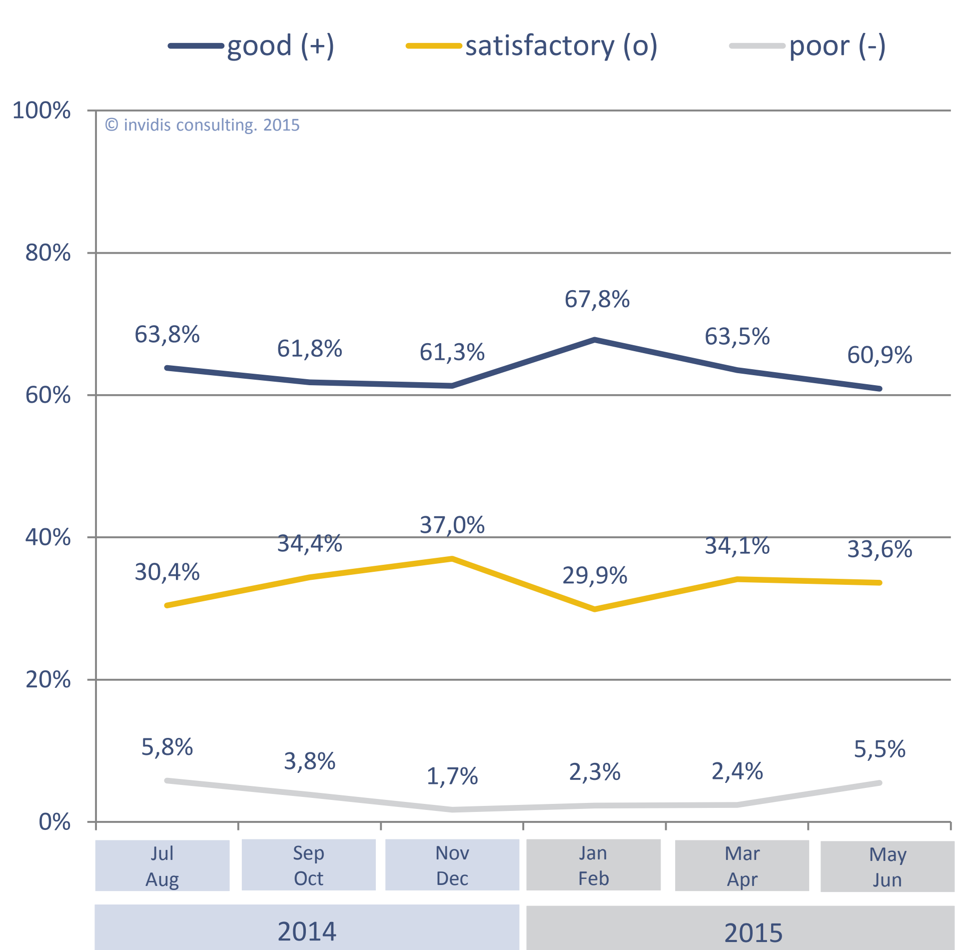


Fig. 2: DBCI May | June 2015 „Business Situation DE-AT-CH" rolling 12 months, n=110

Expectations | DE-AT-CH | May/June 2015

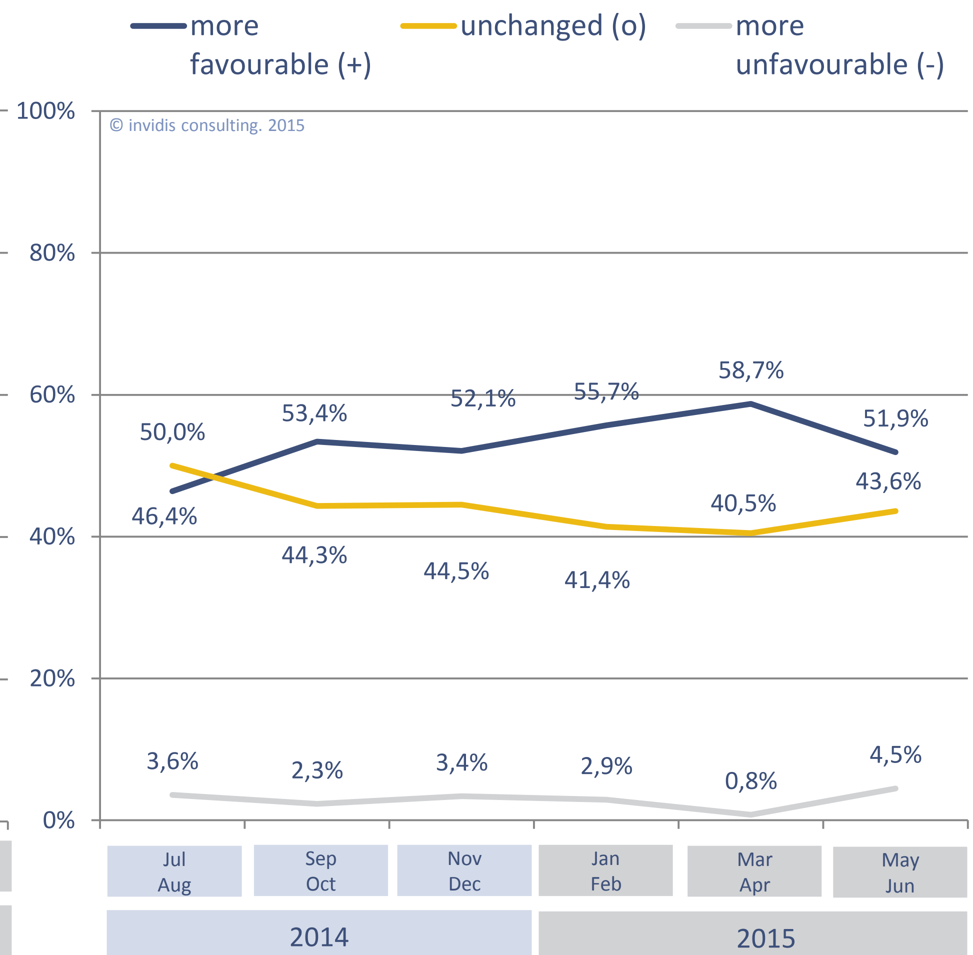


Fig. 3: DBCI May | June 2015 „Expectations DE-AT-CH" rolling 12 months, n=110

DE-AT-CH | Slight decrease of the *good* and of the *more favourable* answers

Business Sentiment| DE-AT-CH | May/June 2015

Fig. 4: DBCI May | June 2015 „Business Sentiment DE-AT-CH" rolling 12 months, n=110

Expectations | DE-AT-CH | May/June 2015

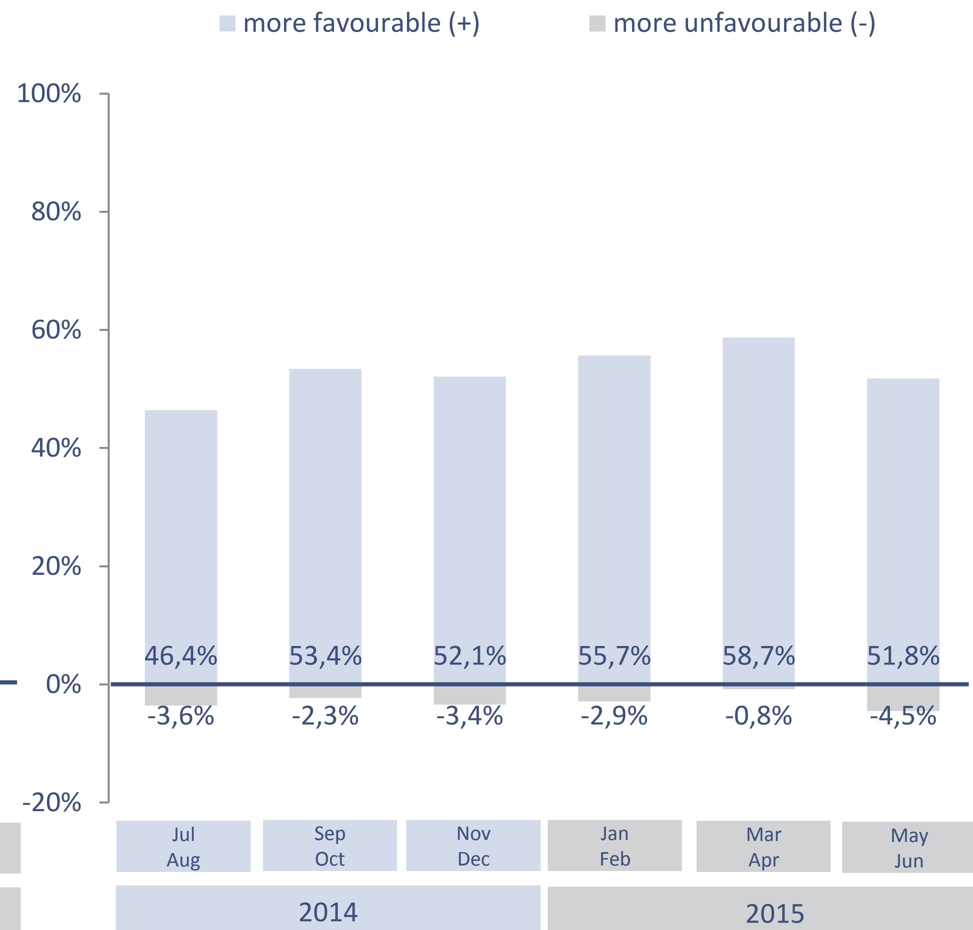


Fig. 5: DBCI May | June 2015 „Expectations DE-AT-CH" rolling 12 months, n=110

Countries | DE-AT-CH region with slight decrease in the business sentiment

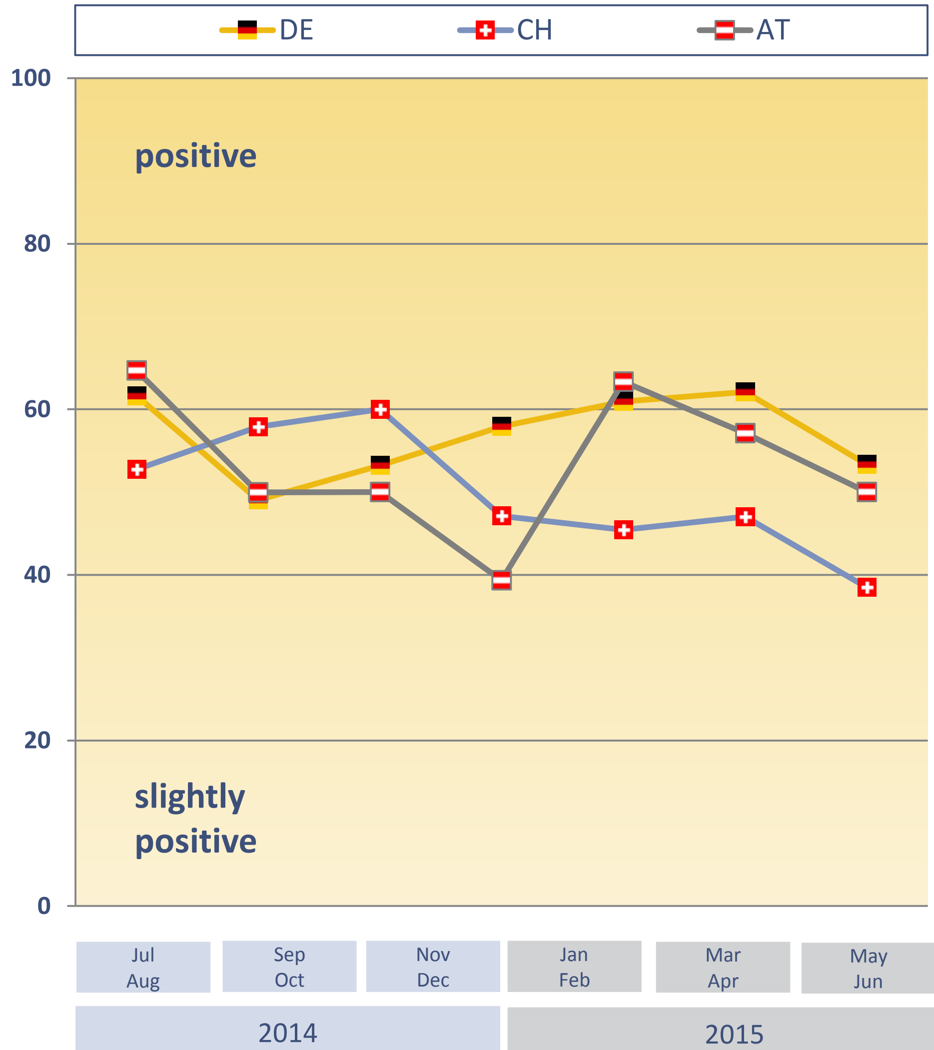


Fig. 6: DBCI May | June 2015 „Index DE-AT-CH" rolling 12 months, DE 89, CH 13, AT 8

- Since the last survey the business climate in the German, Austrian and Swiss Digital Signage market has decreased slightly. In Germany the confidence in the current business situation remained almost flat while the outlook for the next six months has seen a decline of expectations by roughly 7%. After a low growth year in 2014, the enthusiasm from the start of 2015 among the market participants in Germany has cooled off slightly. The market now expects similar growth as in the previous year. A low double digit growth in revenues, however on a very high level. Germany remains the most important market in EMEA for Digital Signage Solutions.
- In Switzerland the business climate in the Digital Signage market has also decreased. The Swiss economic outlook has partially improved again after the EUR/CHF exchange rate seems to have leveled off. However, the pending issues with the mass immigration initiative of the government and the resulting shortage of skilled labour has forced customers to award tenders rather to international companies than to domestic ones.
- Like in Germany and Switzerland, in Austria the business climate in the Digital Signage market decreased in May. While in Switzerland the current issues have a short term reason, in Austria the underlying difficulties stem from an long term economic still stand with low GDP growth, negative real net wages and budget cuts in the education of IT skilled labour. However the market participants in the Digital Signage industry are very optimistic about the short term increase in business

Germany | Business situation & outlook slightly more conservative

Business Situation | Germany | May/June 2015

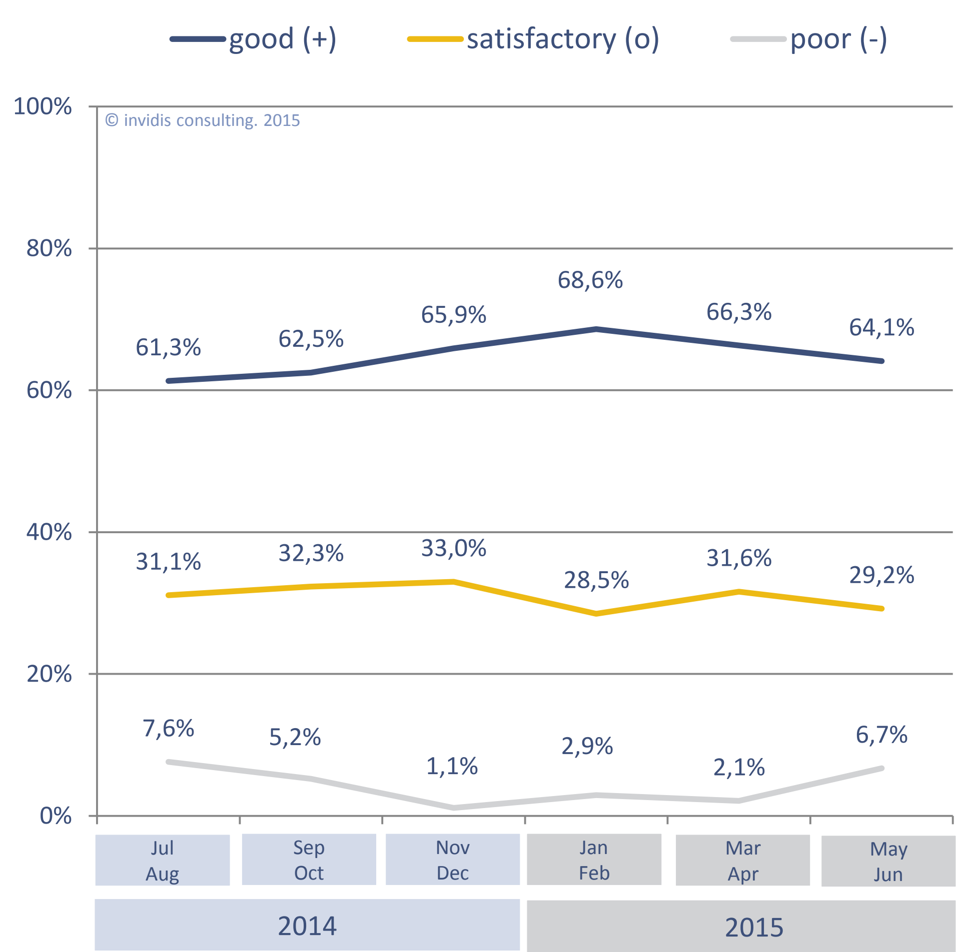


Fig. 7: DBCI May | June 2015 „Business Situation Germany" rolling 12 months, n=89

Expectations | Germany | May/June 2015

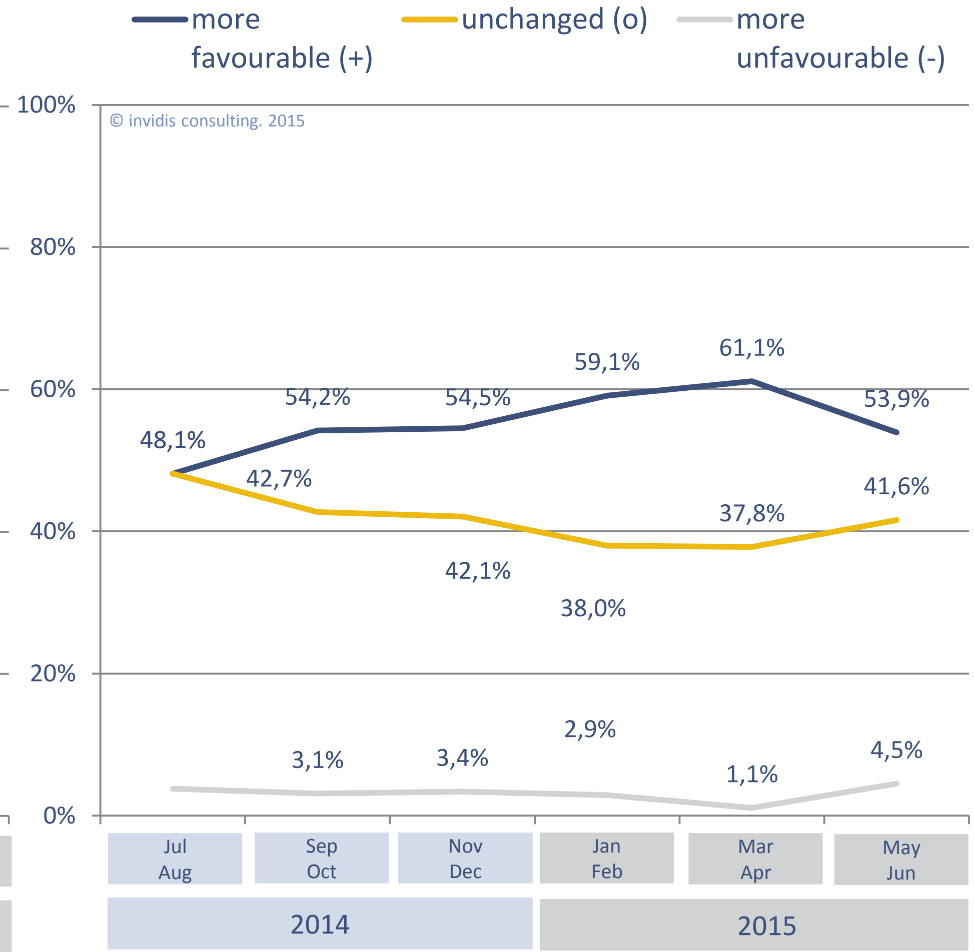


Fig. 8: DBCI May | June 2015 „Expectations Germany" rolling 12 months, n=89

Austria | Lower business situation, but very optimistic outlook

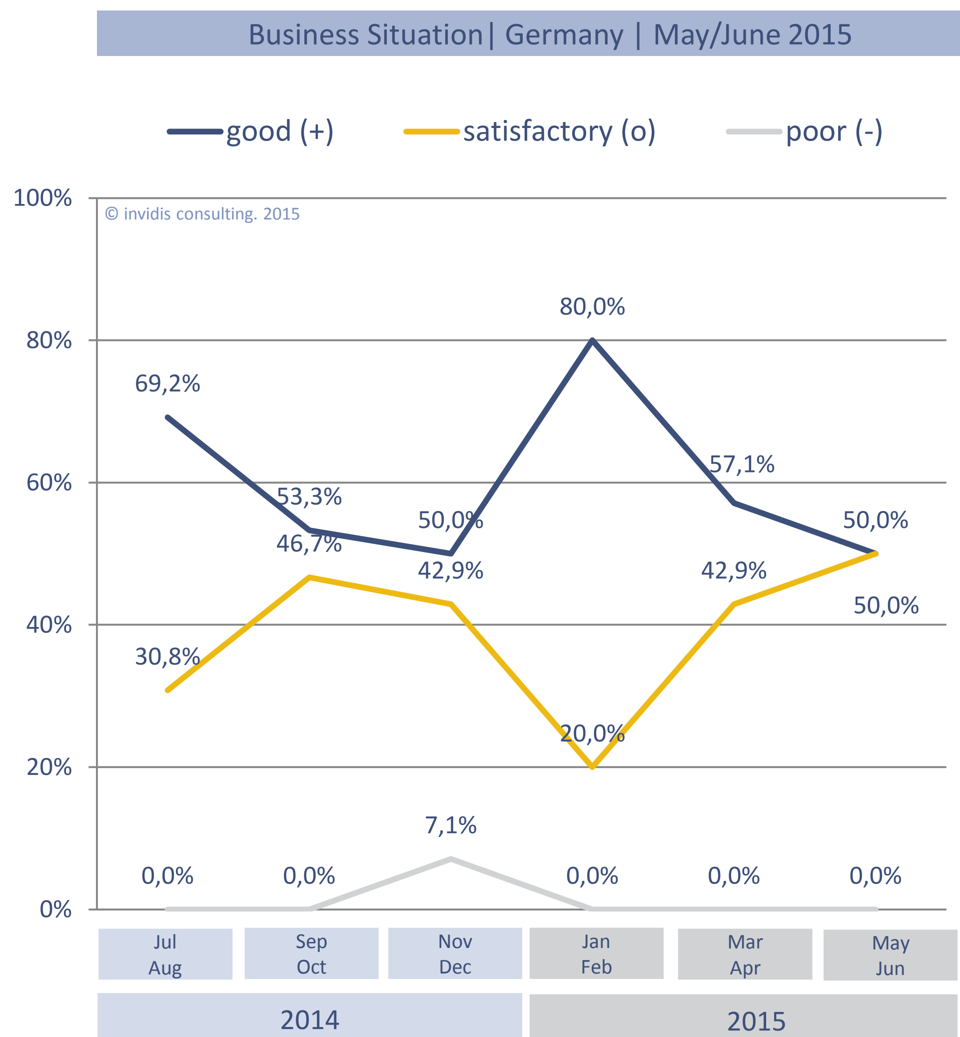


Fig. 9: DBCI May | June 2015 „Business Situation Austria" rolling 12 months, n=8

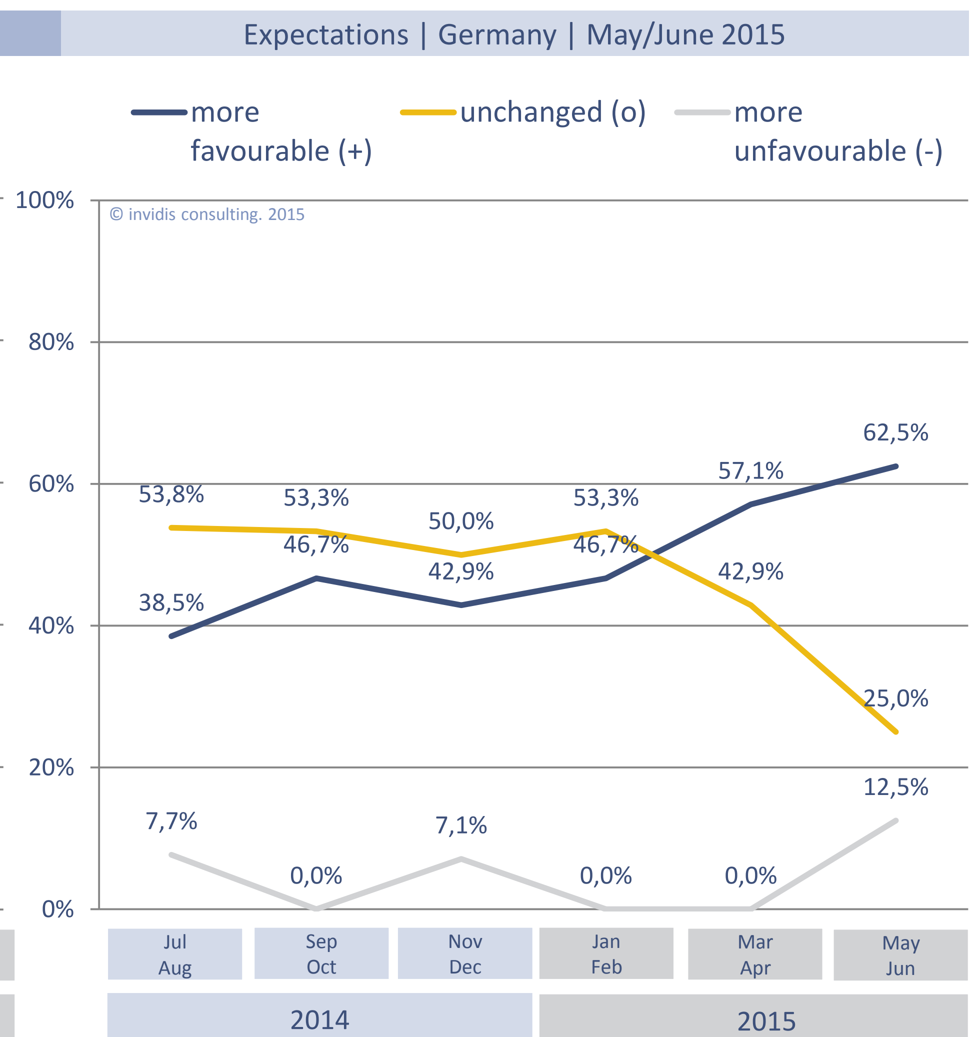


Fig. 10: DBCI May | June 2015 „Expectations Austria" rolling 12 months, n=8

Switzerland | Business situation & outlook very conservative

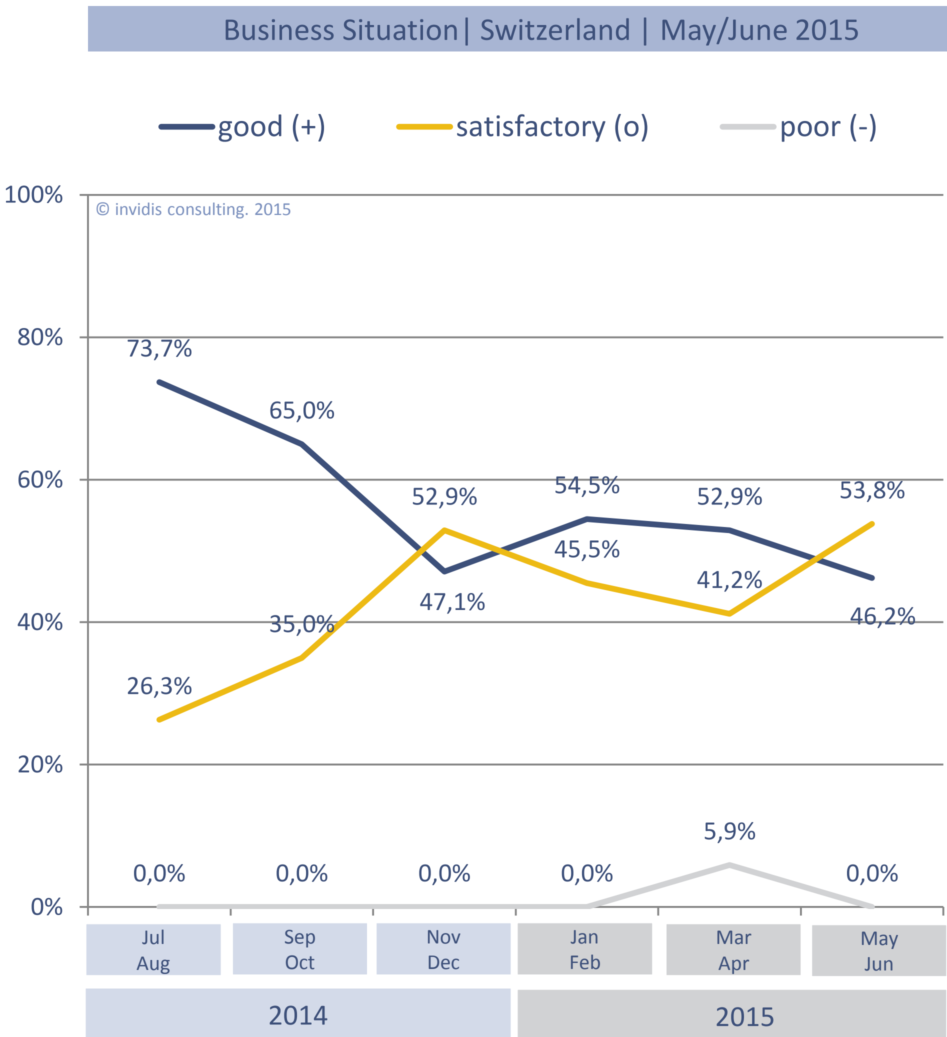


Fig. 11: DBCI May | June 2015 „Business Situation Switzerland" rolling 12 months, n=13

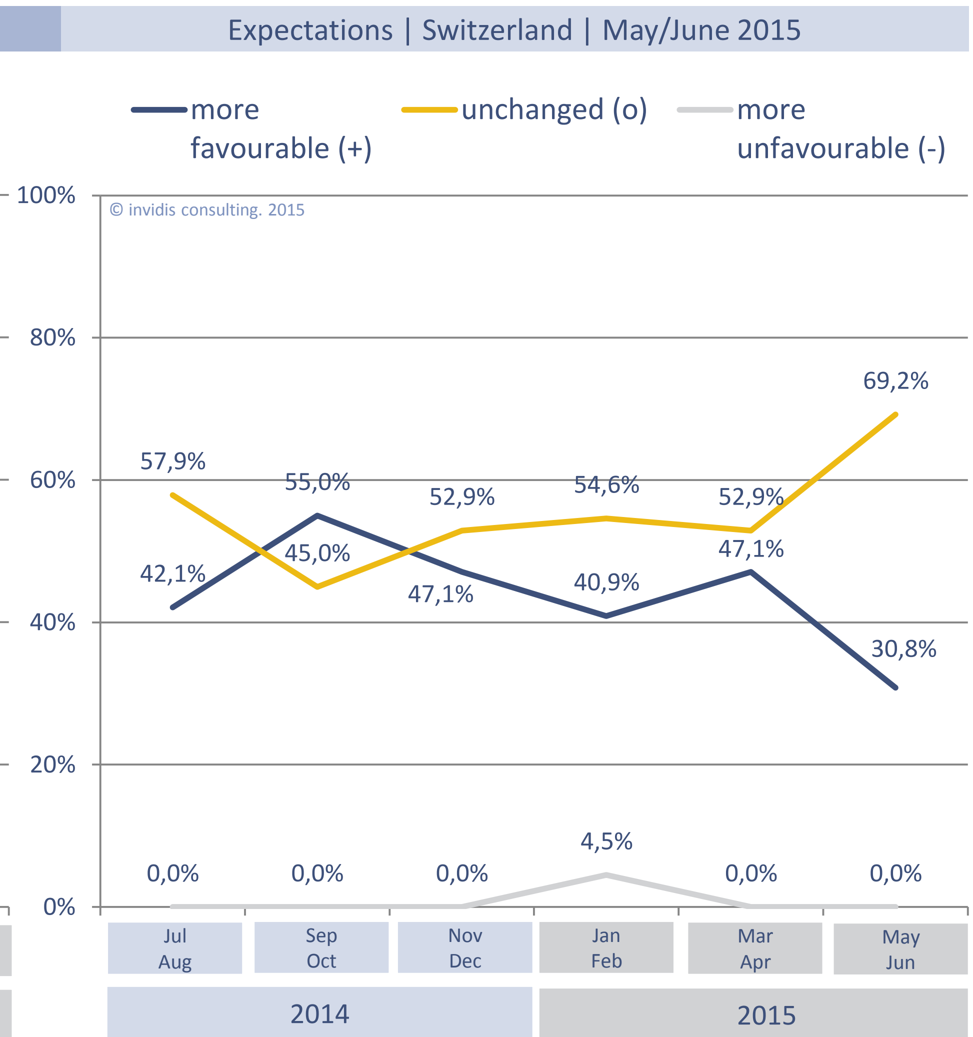
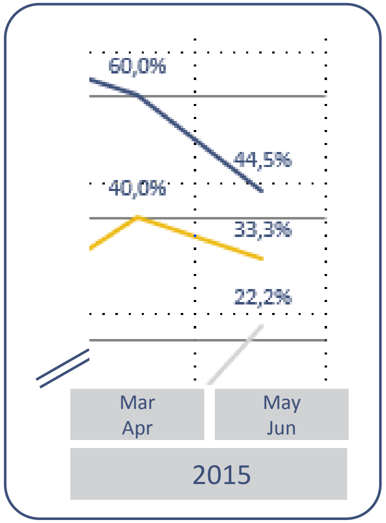


Fig. 12: DBCI May | June 2015 „Expectations Switzerland" rolling 12 months, n=13

Segments | Consolidation dominates Display industry in 2014



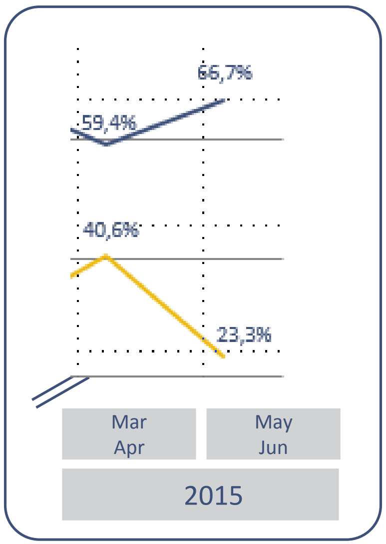
Displays

more favourable (+)

no change (o)

more unfavourable (-)

Fig. 13: DBCI May | June 2015 "Expectations Displays", n= 9



DooH

more favourable (+)

no change (o)

Fig. 14: DBCI May | June 2015 "Business situation DooH", n=30

- The business sentiment of **display vendors** declined slightly in the last eight weeks. While expectations for the next six months continue the negative trend since Q4/2014. For 2015 display vendors expect a similar development as in 2014.. With continuously falling hardware prices, unfavourable USD/EUR exchange rates and an intensifying competition from price aggressive competitors, the traditional display vendors find it difficult to stabilize margins.
- **System Integrators** remain consistent positive of market developments with over 95% of all surveyed companies recording a satisfactory or good current business situation. However, almost half of the market participants see no further additional growth rates in the next six months beyond the status quo.
- The positive business climate for **software vendors** has decreased by 5%, yet it still remains on a very high level. The software industry however has also a rather conservative outlook, as almost 40% of the market participants expect no changes in the business situation for the third and fourth quarter of 2015.
- The **DooH industry** records a increased current business sentiment. Positive developments in Q1/2015 of market leader Ströer have given the industry further uplift. Particularly smaller media owners benefit from the rising acceptance of DooH.

Displays | Robust business situation & conservative outlook

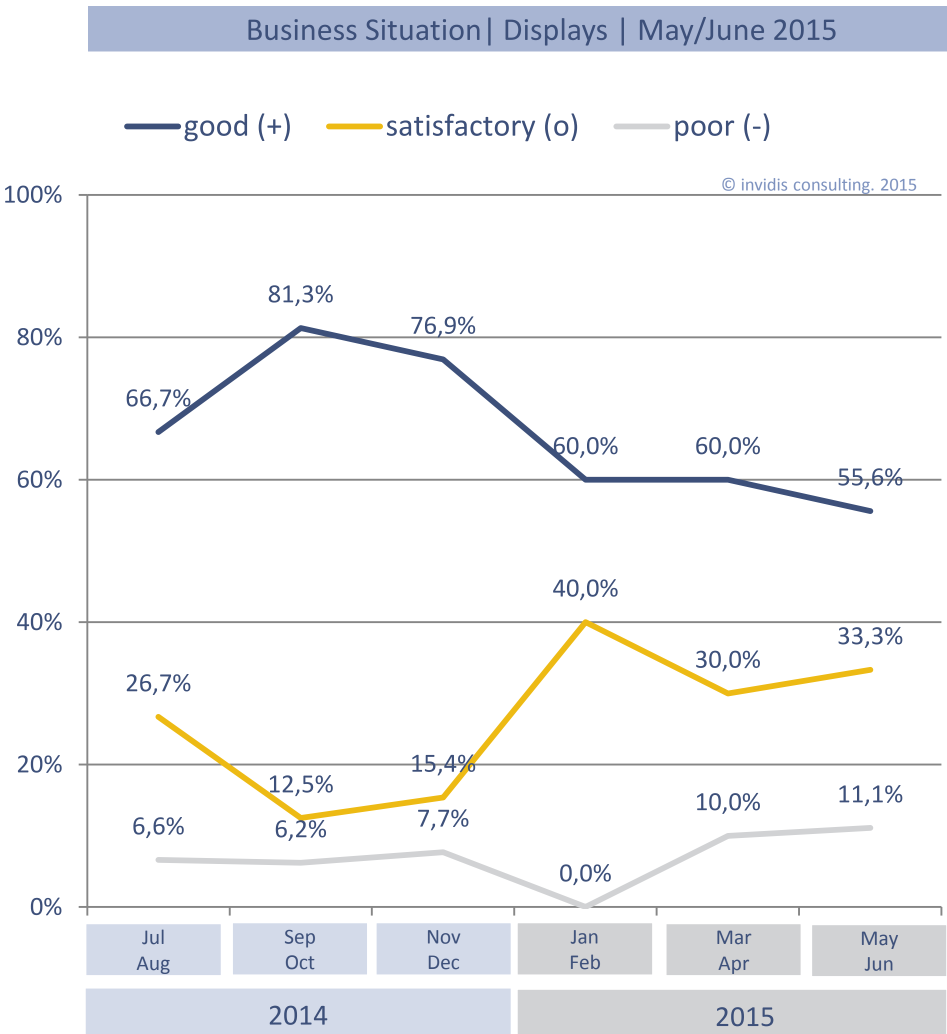


Fig. 15: DBCI May | June 2015 „Business Situation Displays" rolling 12 months, n=9

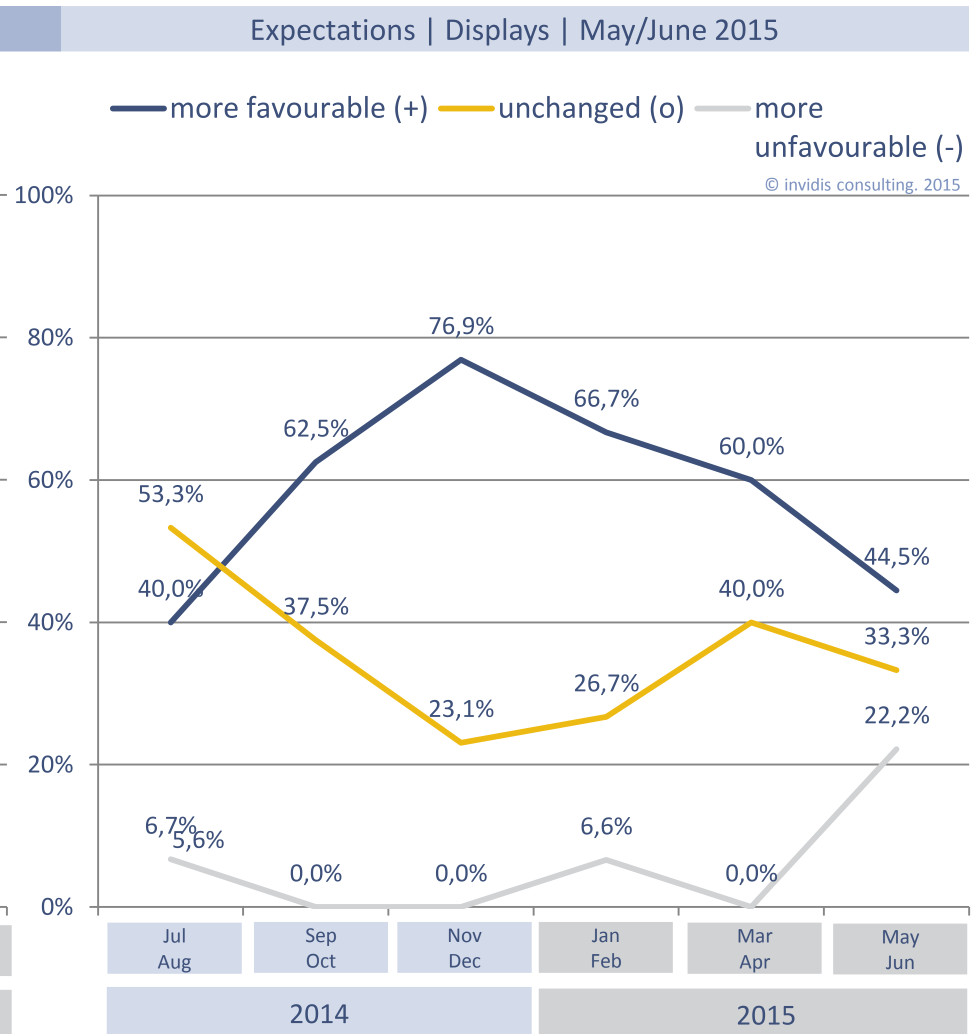


Fig. 16: DBCI May | June 2015 „Expectations Displays" rolling 12 months, n=9

Integrators | Lower business situation & consistent six month outlook

Business Situation | Integrators | May/June 2015

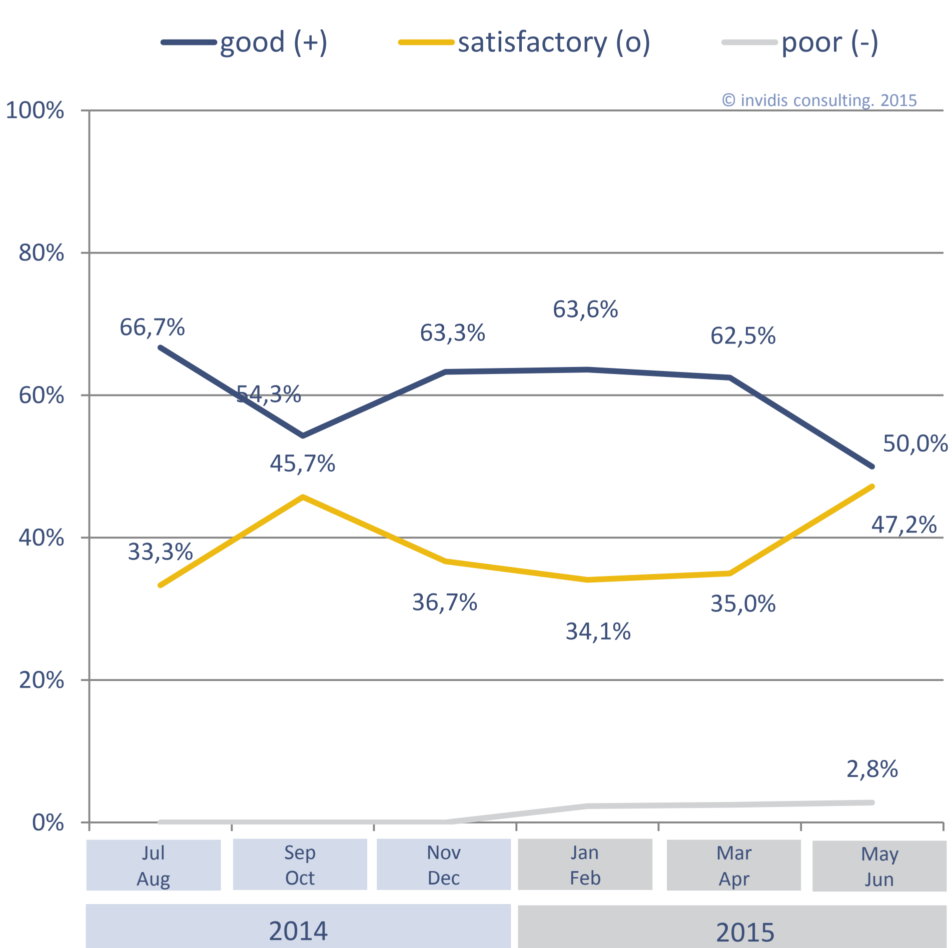


Fig. 17. DBCI May | June 2015 „Business Situation Integrators“ rolling 12 months, n=36

Expectations | Integrator | May/June 2015

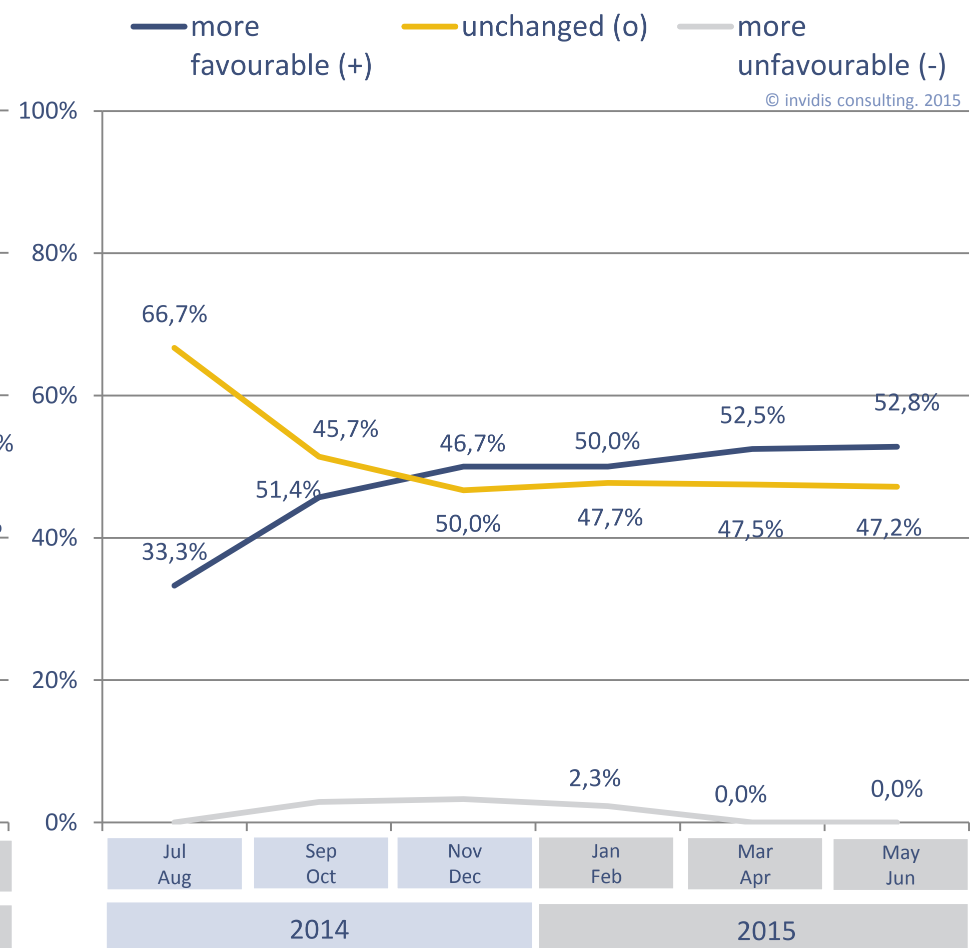


Fig. 18: DBCI May | June 2015 „Expectations Integrators“ rolling 12 months, n=36

Software | Negative trend for business situation & expectations

Business Situation | Software | May/June 2015

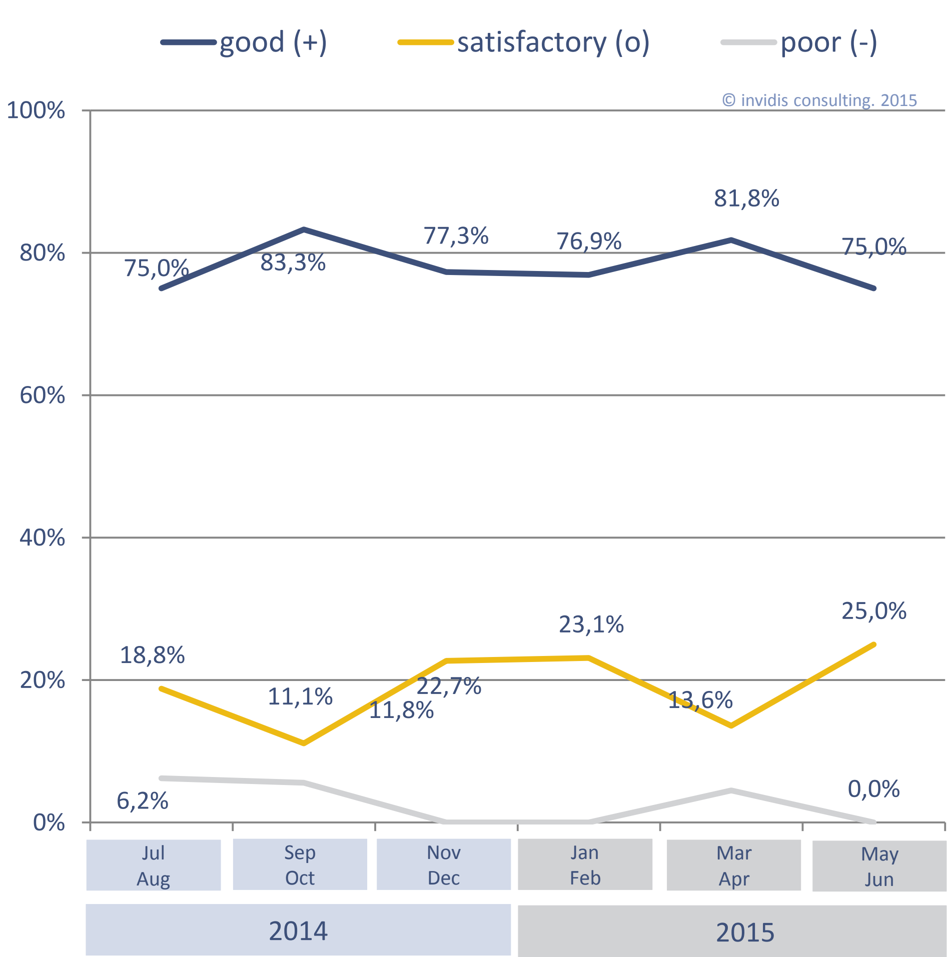


Fig. 19: DBCI May | June 2015 „Business Situation Software" rolling 12 months, n=16

Expectations | Software | May/June 2015

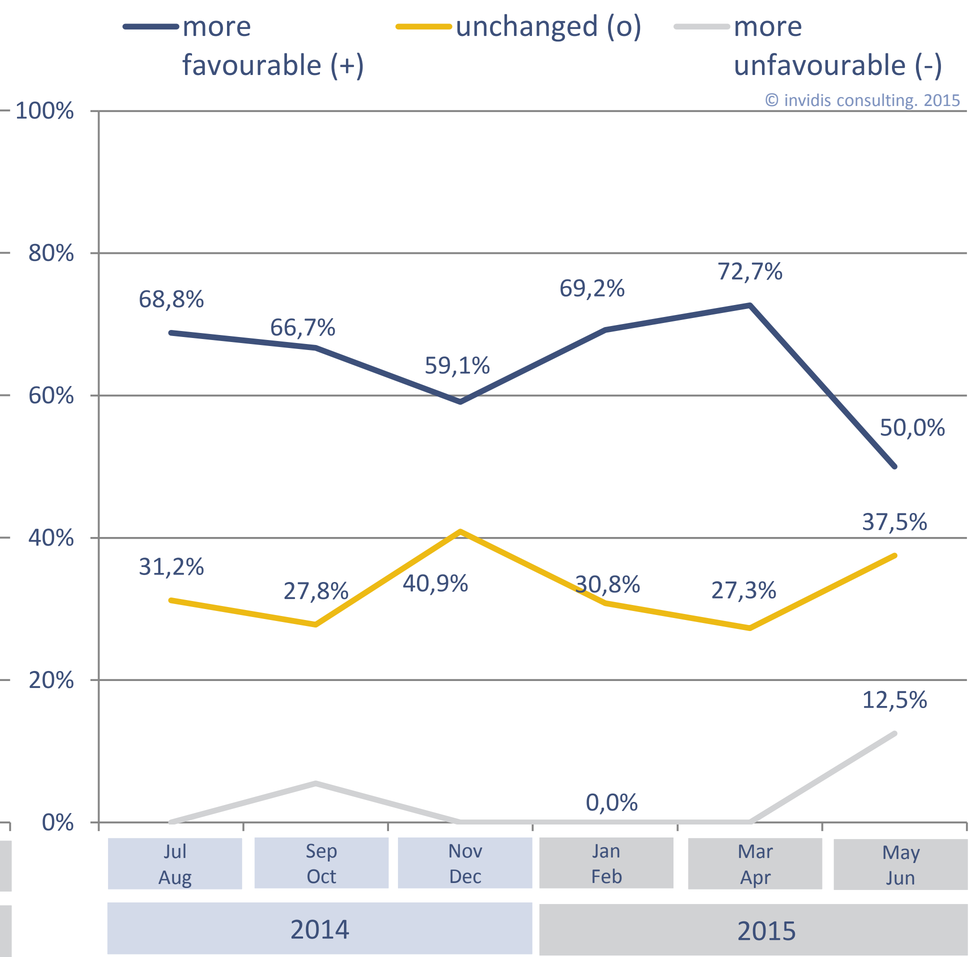


Fig. 20: DBCI May | June 2015 „Expectations Software" rolling 12 months, n=16

DooH | Solid status quo & conservative outlook for the traditionally weaker summer

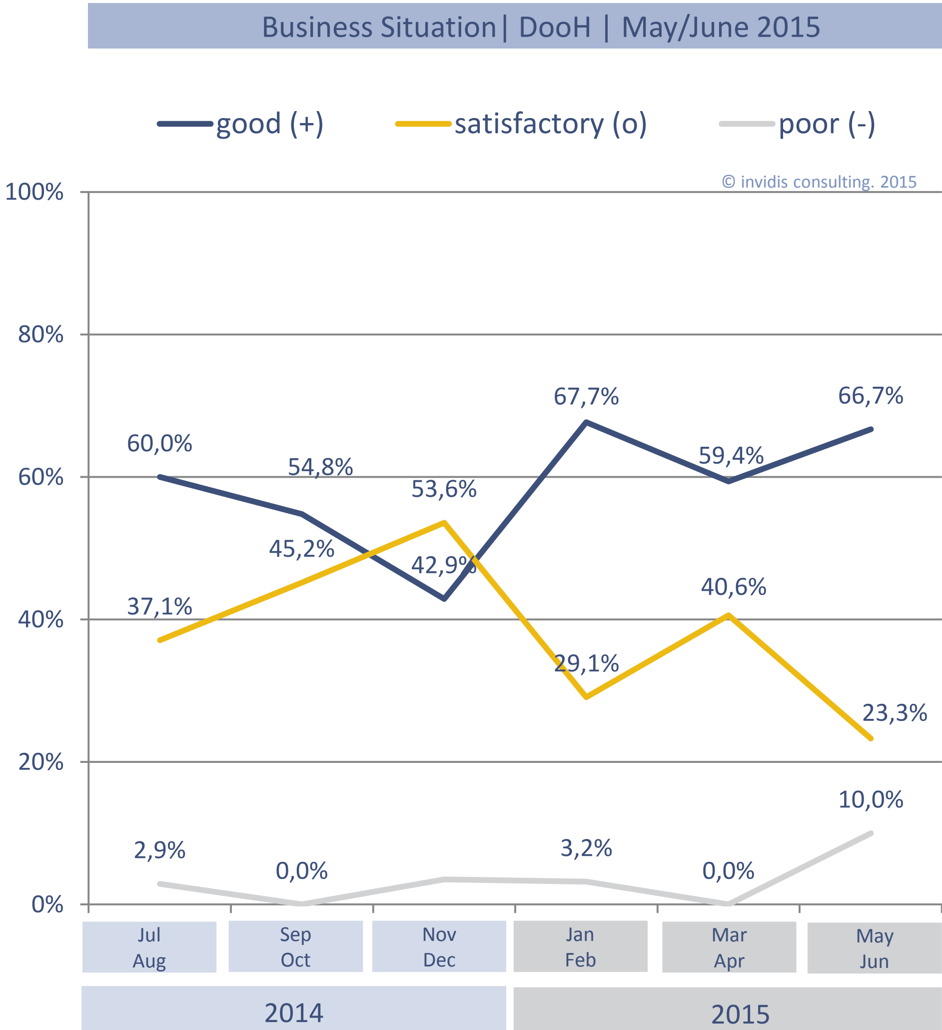


Fig. 21: DBCI May | June 2015 „Business Situation DooH" rolling 12 months, n=30

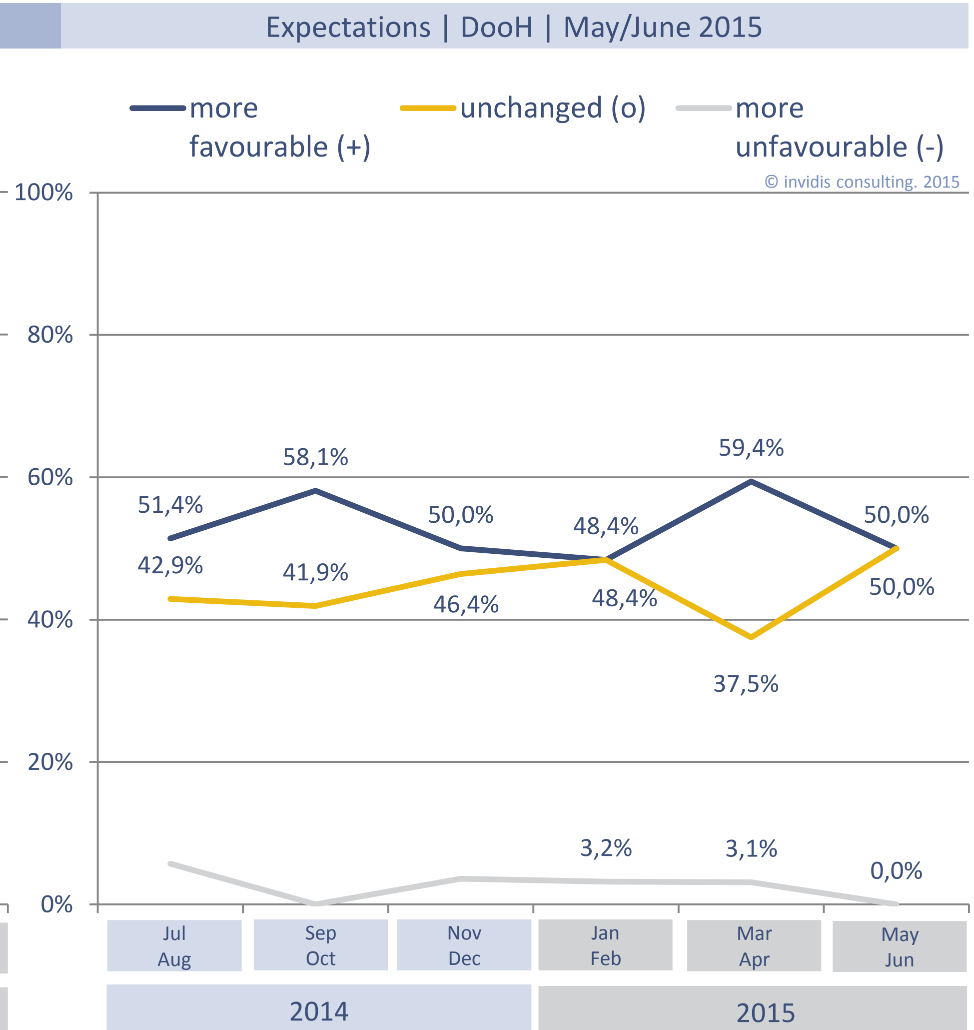


Fig. 22: DBCI May | June 2015 „Expectations DooH" rolling 12 months, n=30

Further research | Windows in first place, Linux challenges & Android picks up speed

***Question**: How high was the percentage of operating systems used in Digital Signage Projects in 2014?*

Windows remains dominating media player platform in the digital signage market. However other operating systems have significantly gained ground in the last two years

Particularly Linux based installations are becoming more and more popular. Media Player platforms like Brightsign, Spinetix or Raspberry Pi based are gaining market share. Cost and/or security issues are driving decisions. Towards non-PC platforms. With Digital Signage installations becoming more varied in size and required performance functionality apare more widely integrated

Apple operating systems are still a niche segment with approximately only ever 20th player. Especially enterprise IT-departments remain reluctant of Apple operating system for Digital Signage installations

Cost effective systems operating on Android platform currently record the highest dynamic in the market. Still many security and performance challenges remain

Market share IT operating systems in Digital Signage installations 2014 (in number of projects)

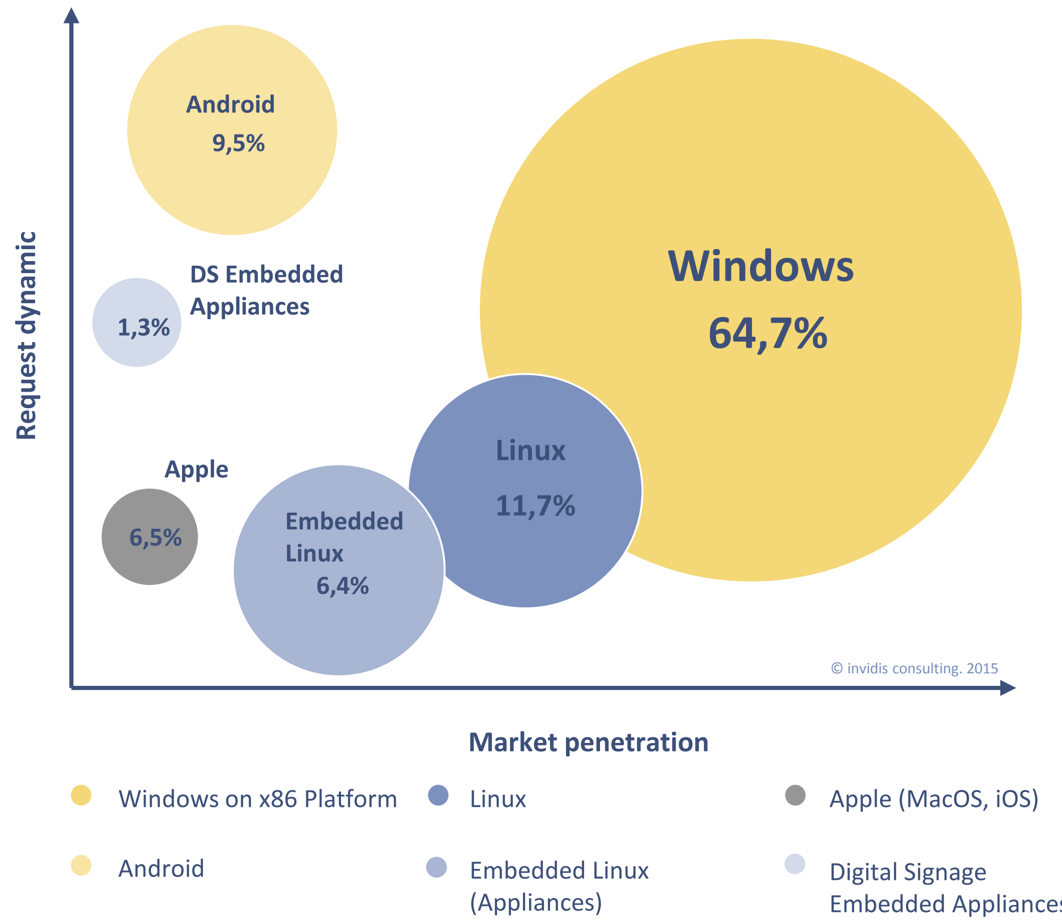


Fig. 23: DBCI May | June 2015 "operating systems", n=75

Further research | External Media Players dominate in Digital Signage projects

Media Player Solutions 2014

***Question**: How high was the market share of following Media Player solutions in 2014?*

- 2/3 of all digital signage installations are running on external media players. This platform offers customers the highest variety from high performing industry PCs to low cost Android systems.
- However digital signage installations running on built-in media player have gained significant market share in recent years. These solution account already for almost 15% of all digital signage projects
- One media player per display is still the standard for most digital signage installations. 2/3 of all projects are based on this one2one architecture.
- Media Player supplying signals to more than one displays, are primarily seen in retail projects with small display shelf solutions or electronic shelf solutions (ESL)

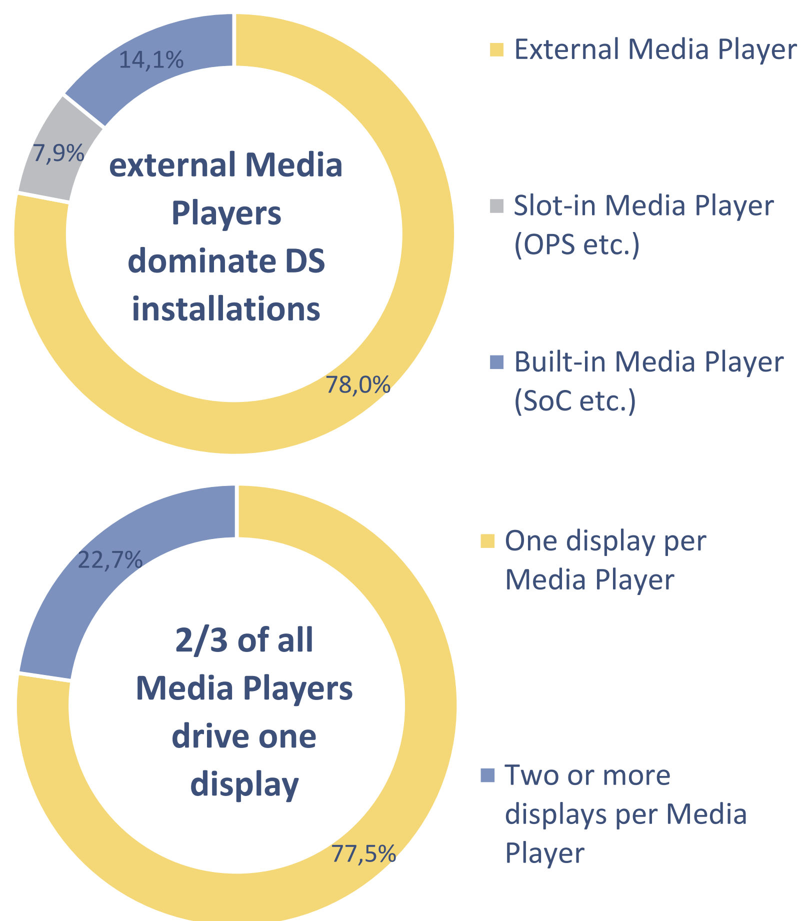


Fig. 24: DBCI May | June 2015 "Media Player solutions 2014", n=59

Further research | DooH's Top Challenge remains Audience Measurement

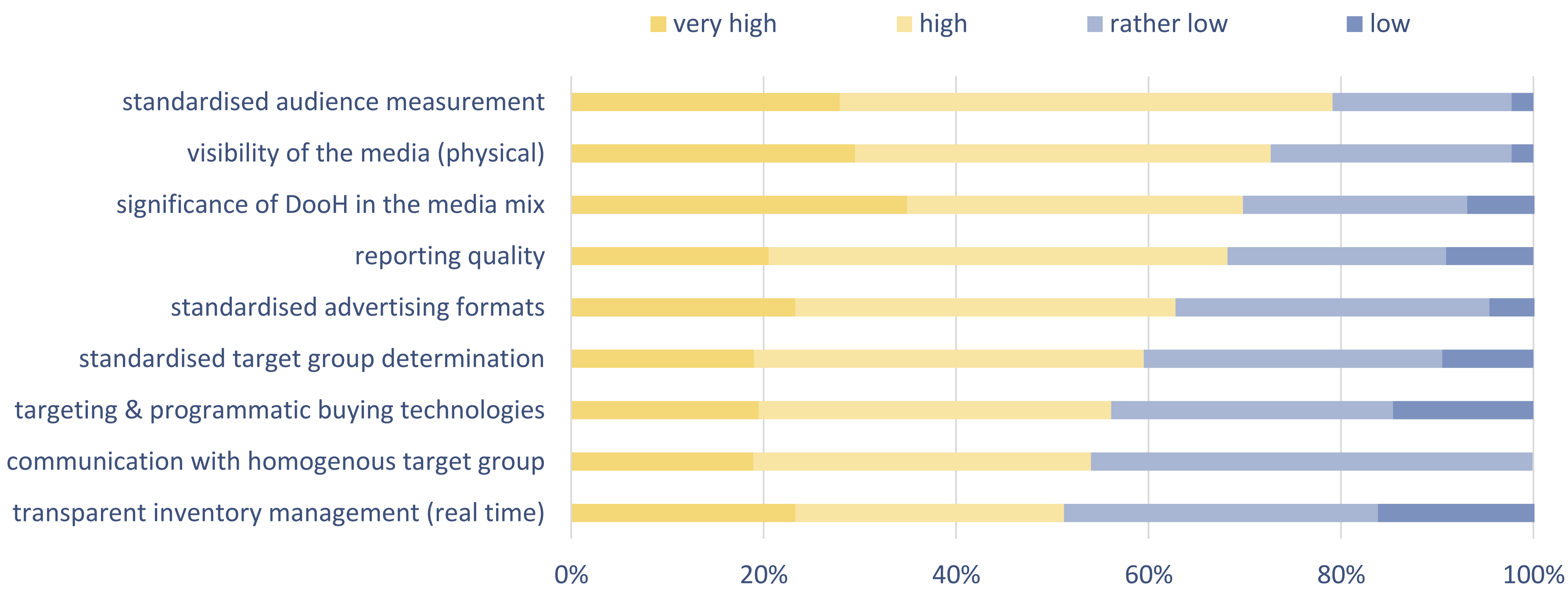


Fig. 25: DBCI May | June 2015 "DooH challenges", n=36

***Question**: In comparison to other media, where do you see the highest challenge for DooH at the moment?*

- DooH market participants identified standardised audience measurement as the top challenge for their media . Even as association like OVAB Europe (in cooperation with DMI (DE) and IGDooH (CH) have or are in a process of introducing standardised measurement – acceptance on the media buyers side has still substantial upside potential
- Other important challenges are the visibility of the media on site, the low significance of DooH in the general media mix. Particularly marketers and agencies still also criticise the insufficient reporting quality

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

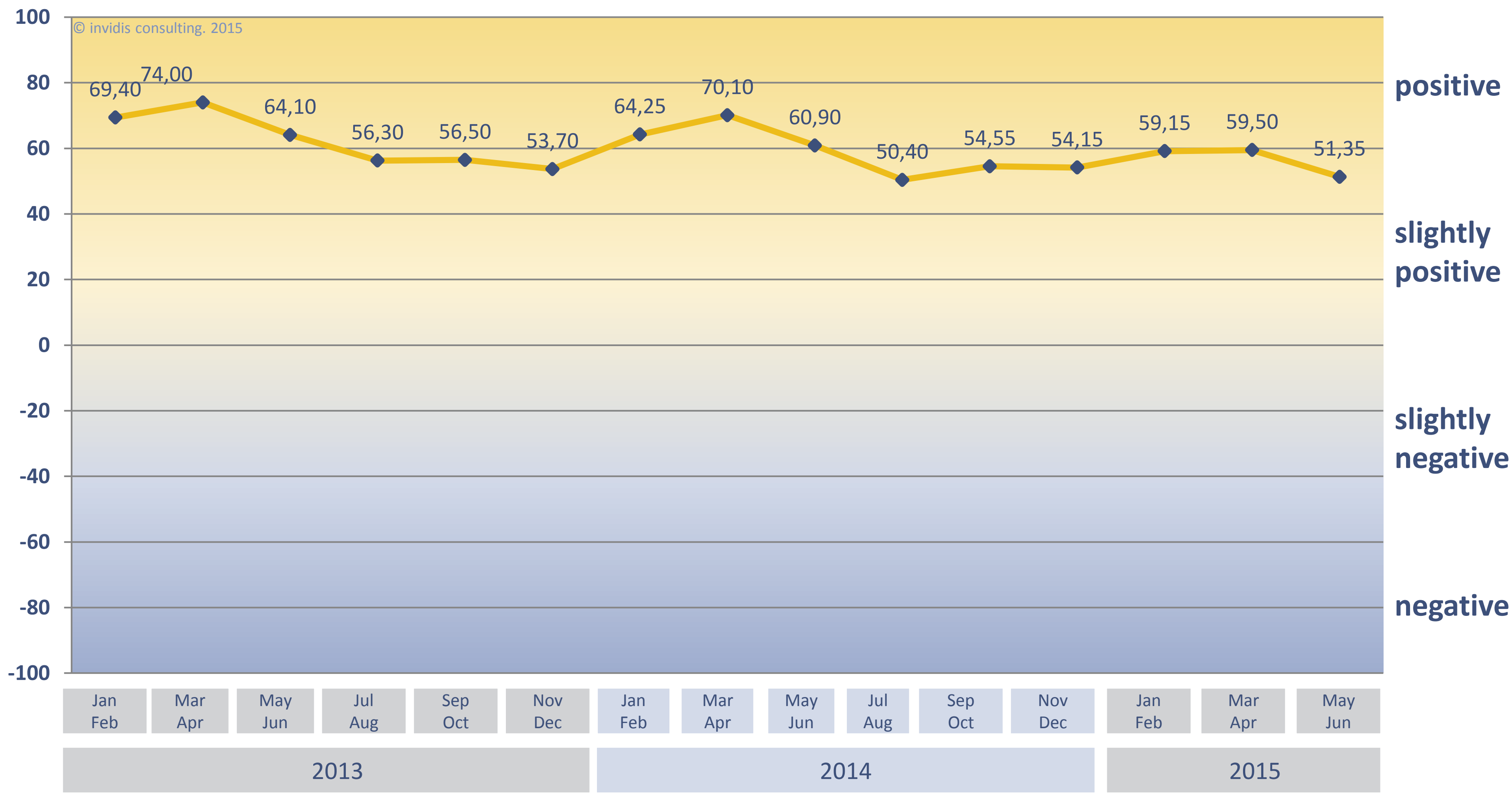
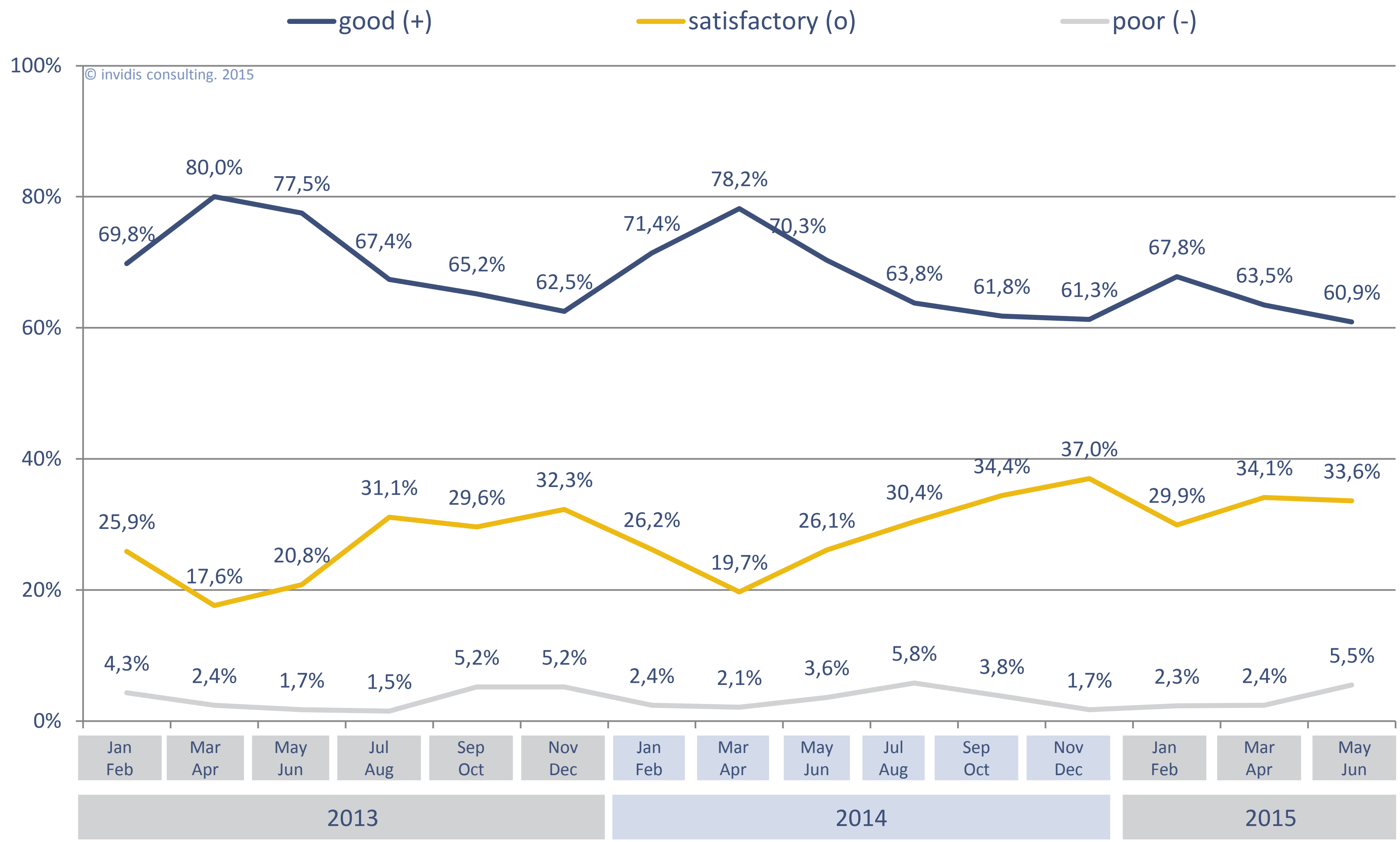


Fig. a: DBCI „Index DE-AT-CH" long-term data series

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



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

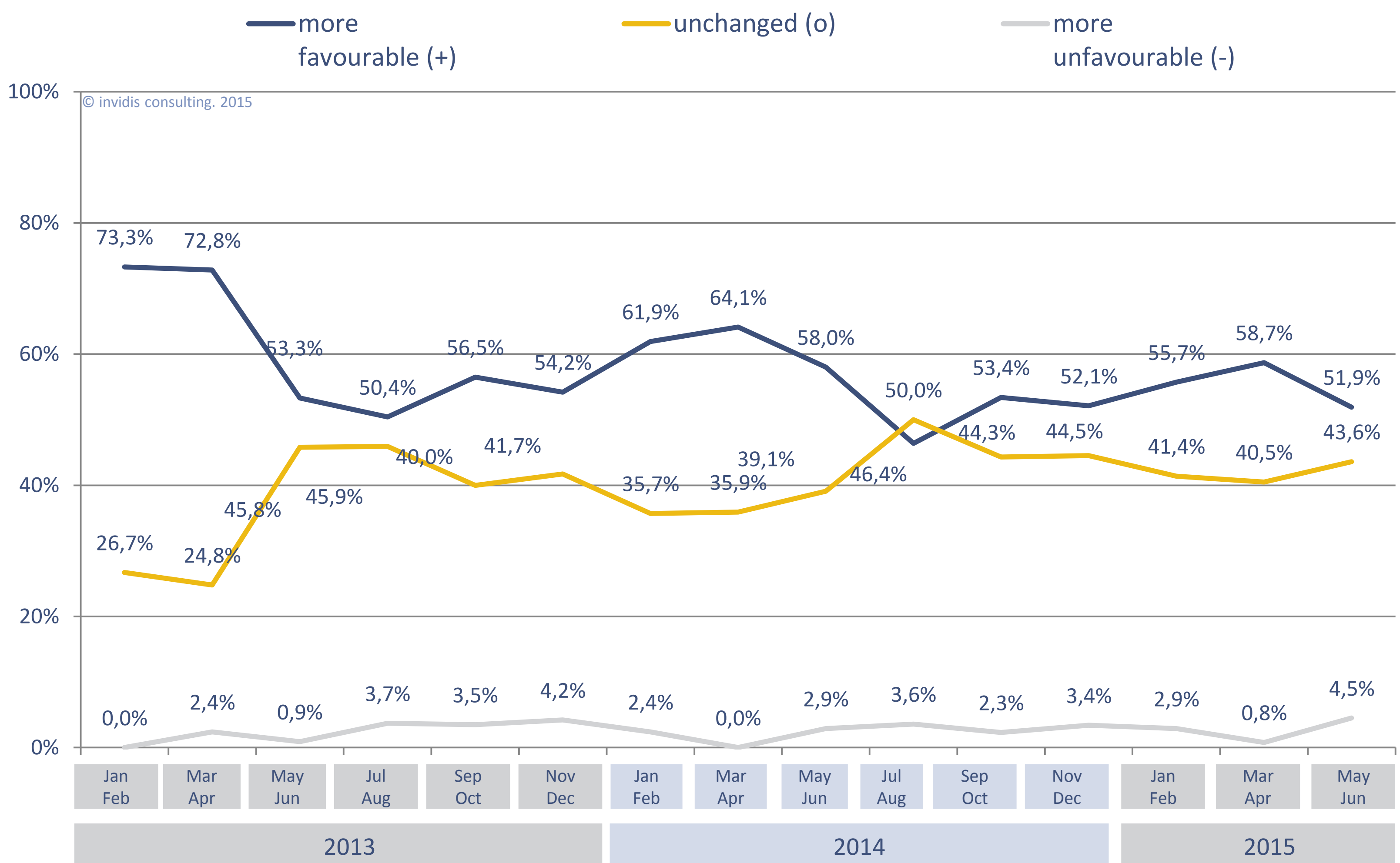


Fig. c: DBCI „Expectations DE-AT-CH“ long-term data series

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

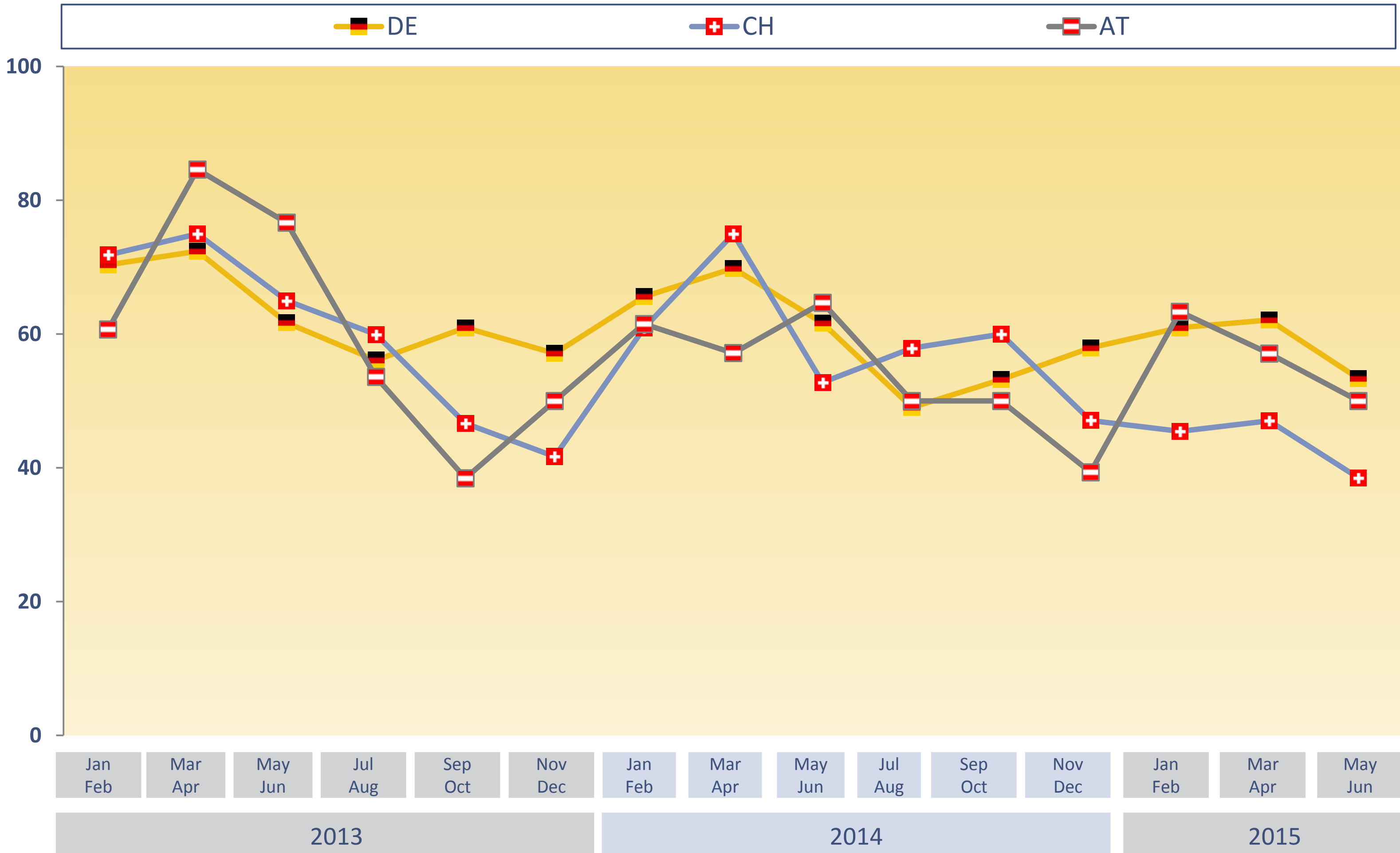


Fig. d: DBCI „Index DE-AT-CH" long-term data series

Germany | Business sentiment – long-term data series

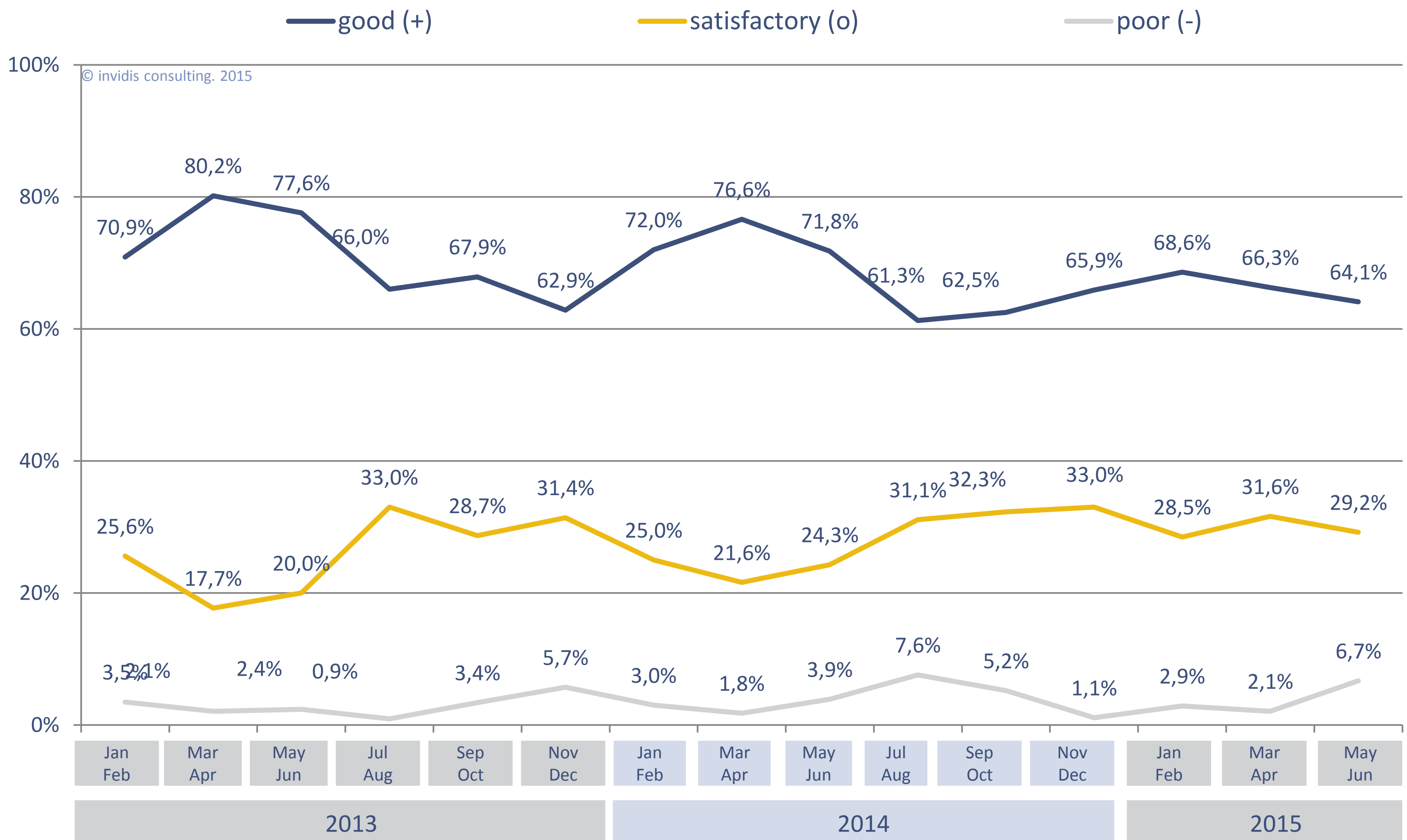


Fig. e: DBCI „Business Situation Germany" long-term data series

Germany | Expectations – long-term data series

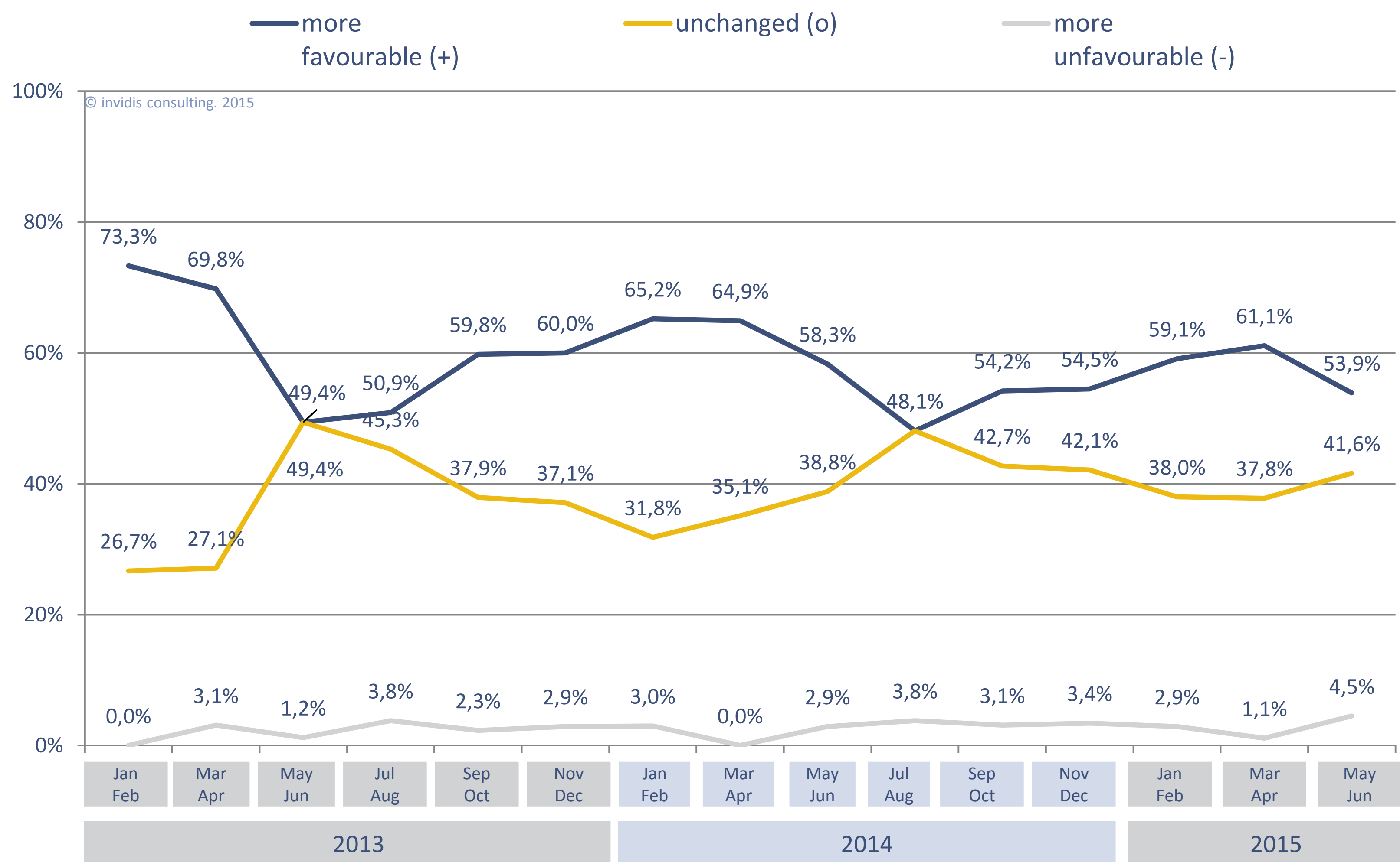


Fig. f: DBCI „Expectations Germany“ long-term data series

Austria | Business sentiment –long-term data series

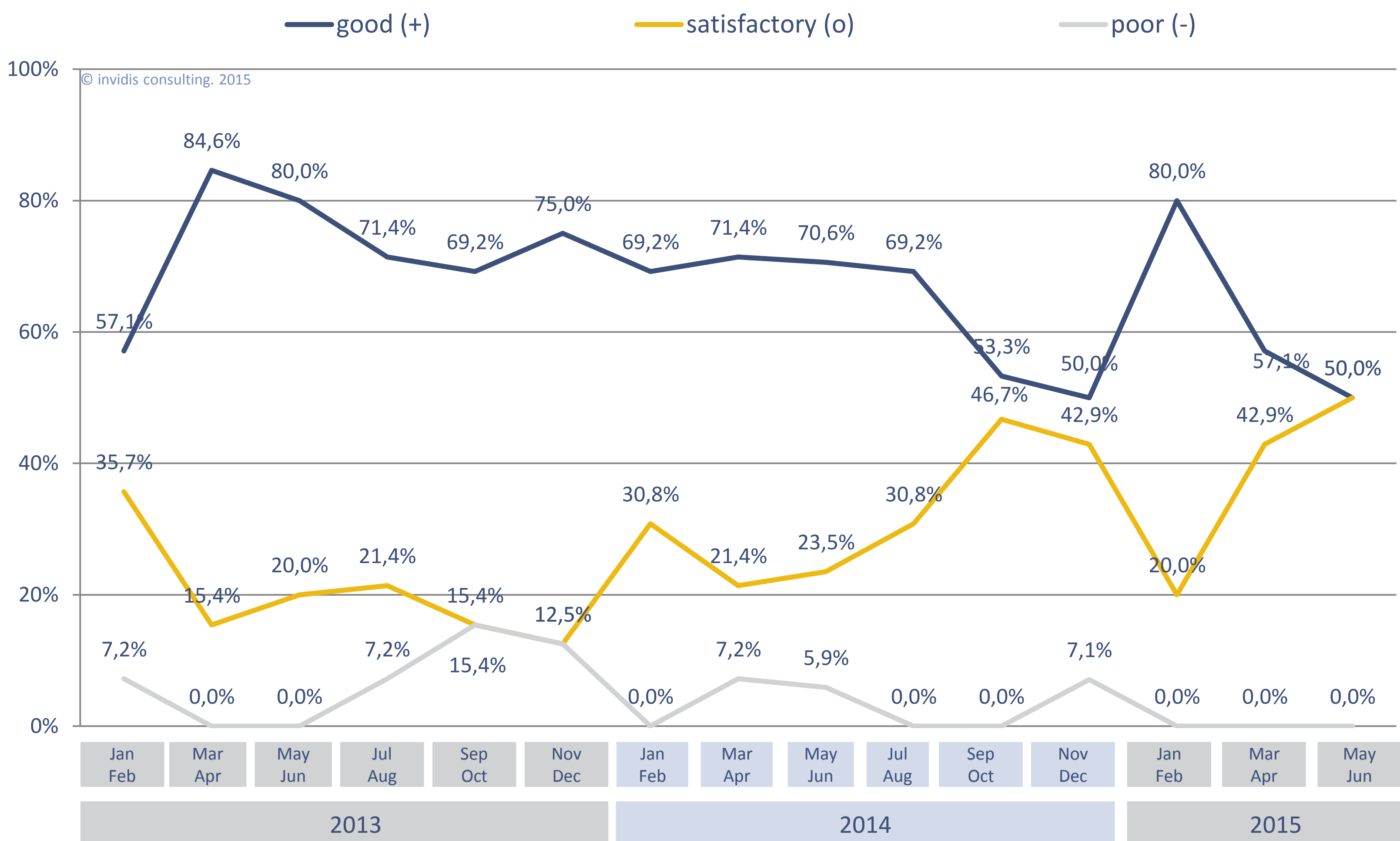


Fig. g: DBCI „Business Situation Austria" long-term data series

Austria | Expectations – long-term data series

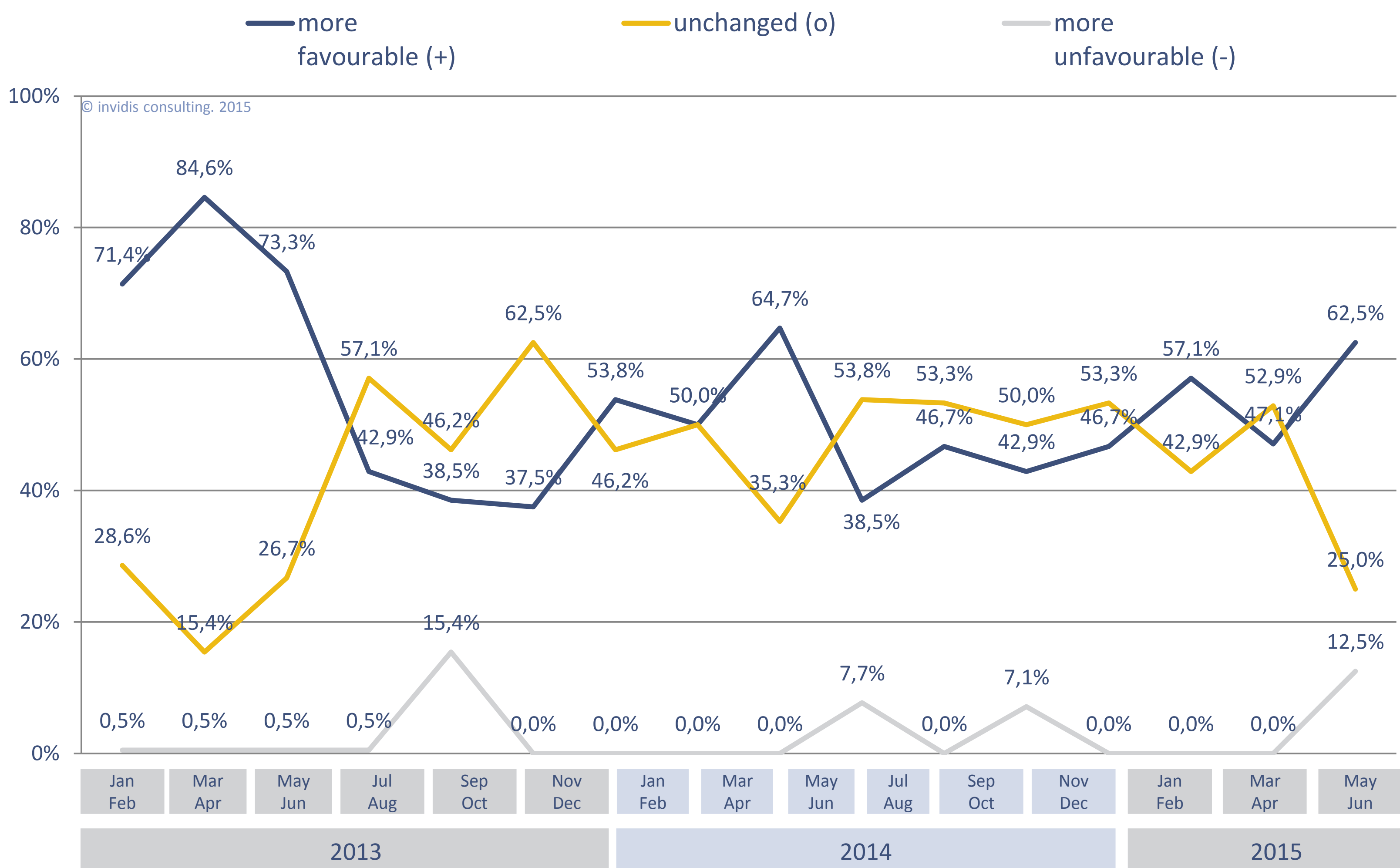


Fig. h: DBCI „Expectations Austria" long-term data series

Switzerland | Business sentiment – long-term data series

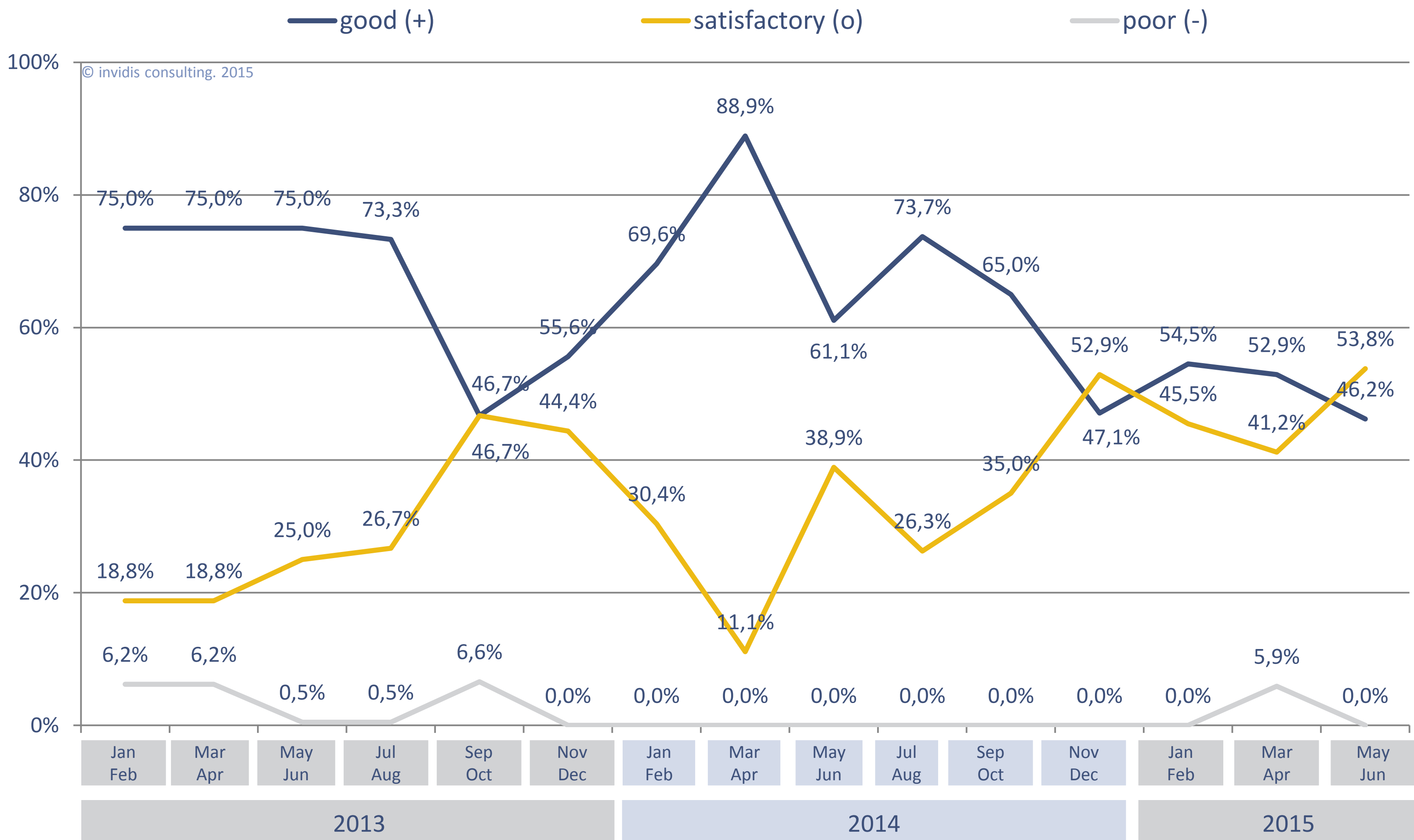


Fig. i: DBCI „Business Situation Switzerland“ long-term data series

Switzerland | Expectations – long-term data series

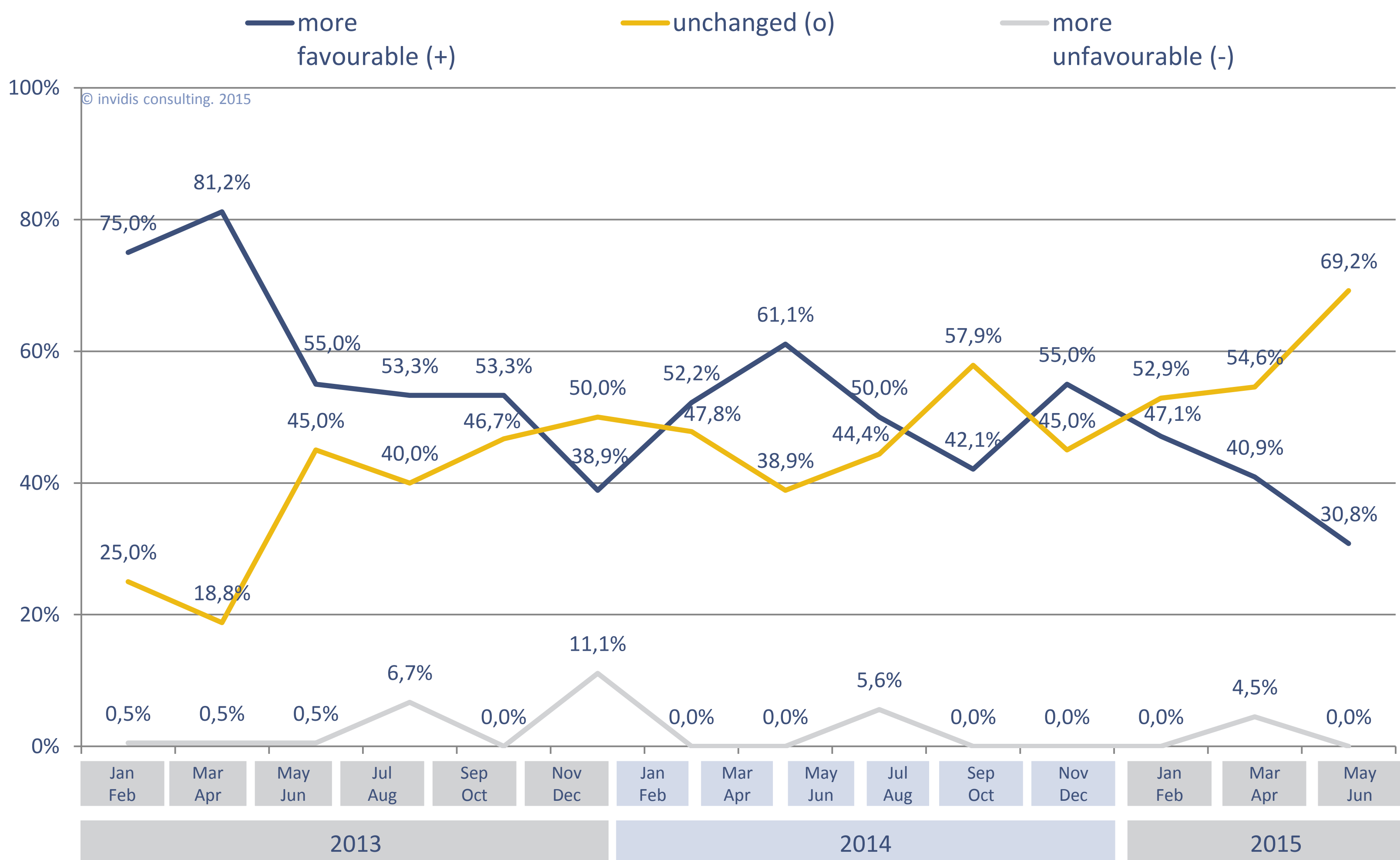


Fig. j: DBCI „Expectations Switzerland“ long-term data series

Displays | Business sentiment- long-term data series

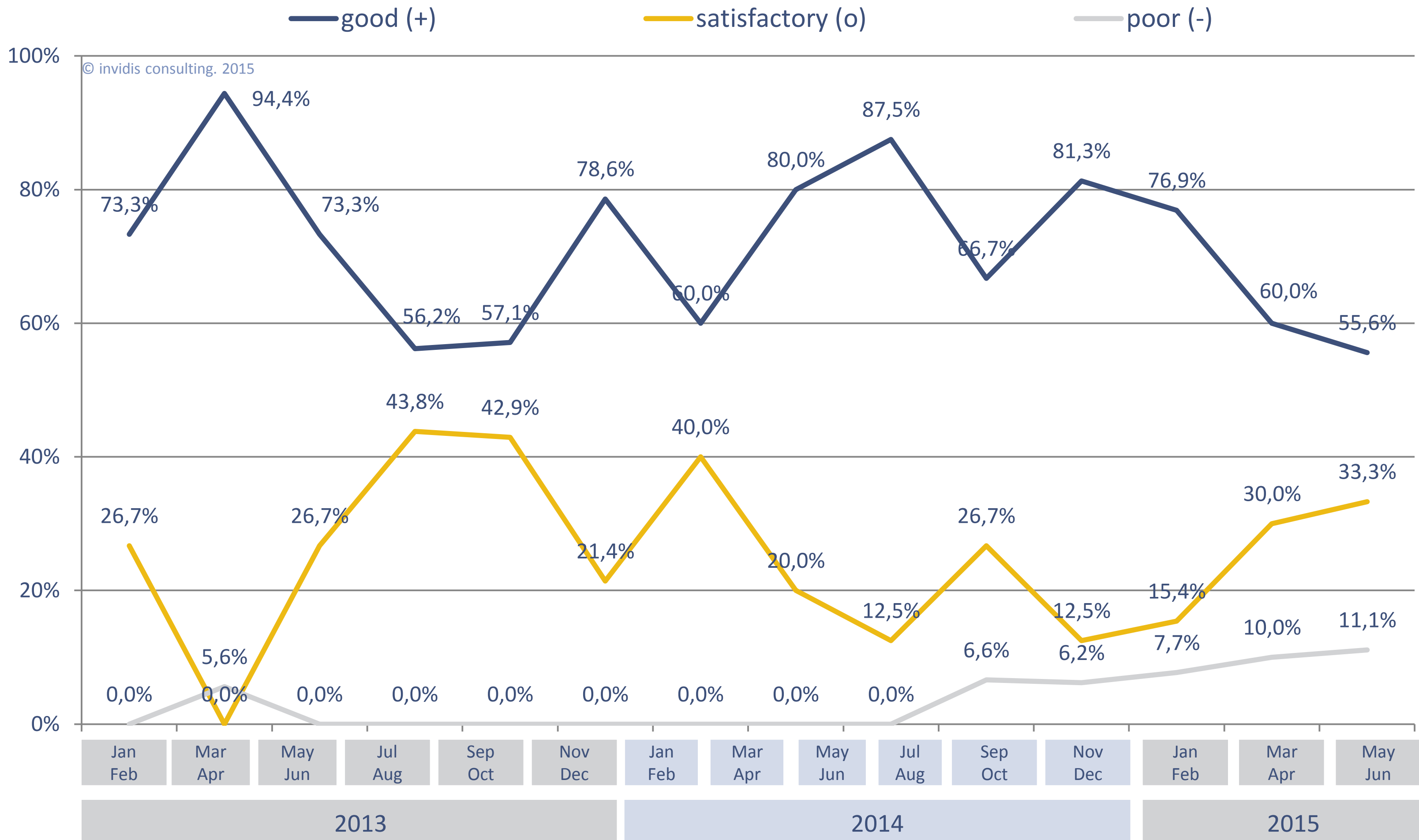


Fig. k: DBCI „Business Situation Displays“ long-term data series

Displays | Expectations - long-term data series

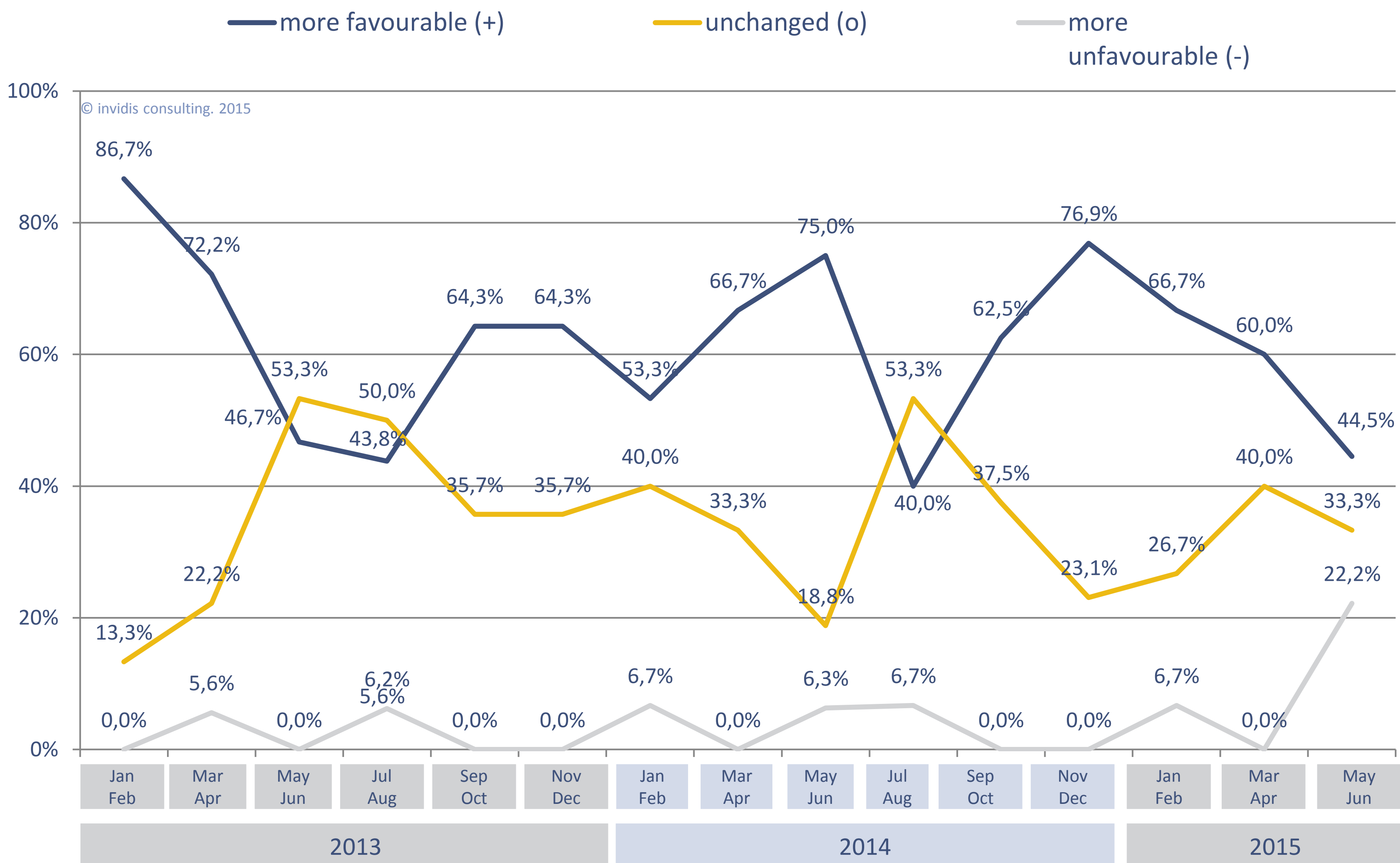


Fig. I: DBCI „Expectations Displays" long-term data series

Integrators | Business Sentiment – long-term data series

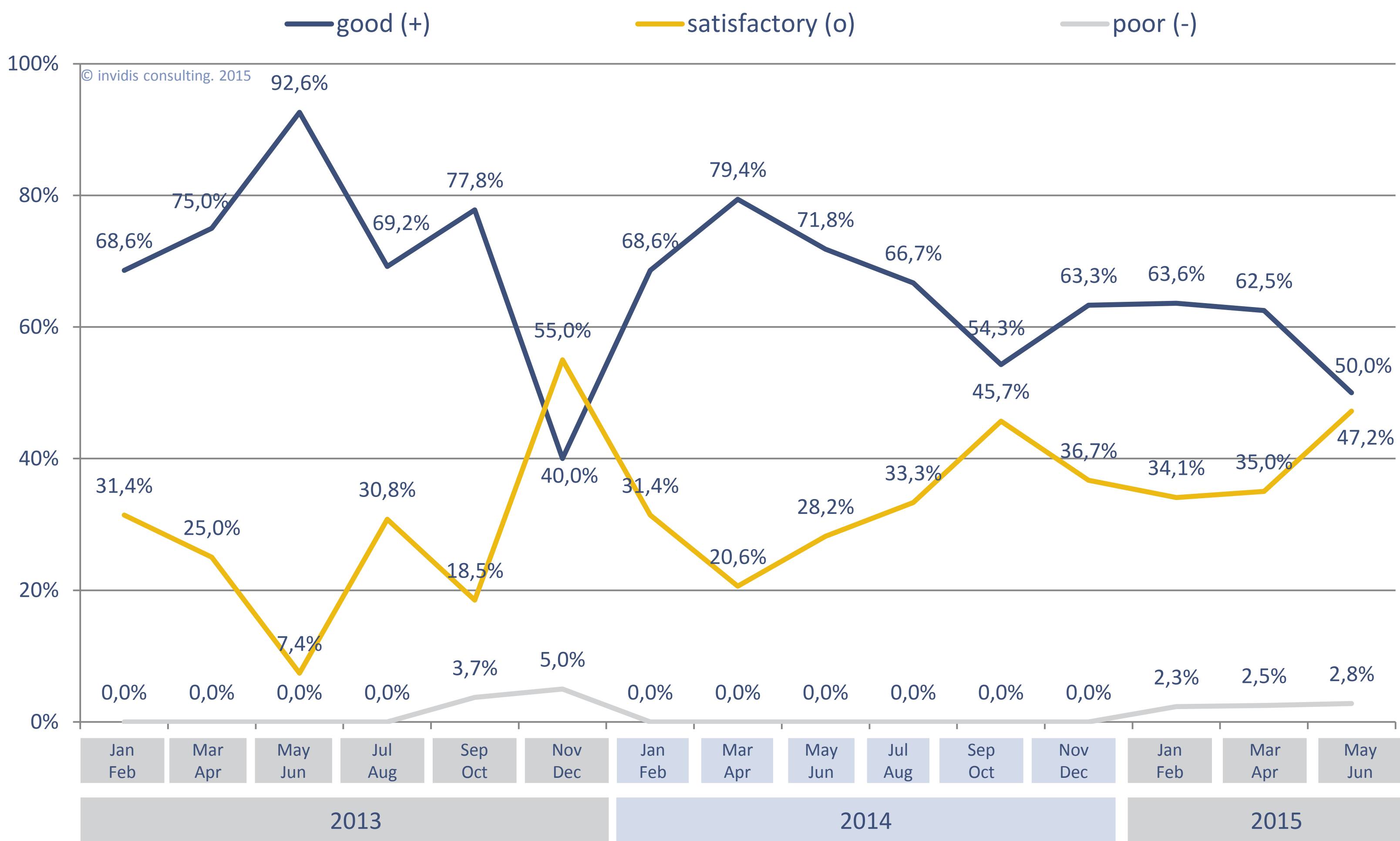


Fig. m. DBCI „Business Situation Integrators" long-term data series

Integrators | Expectations – long-term data series

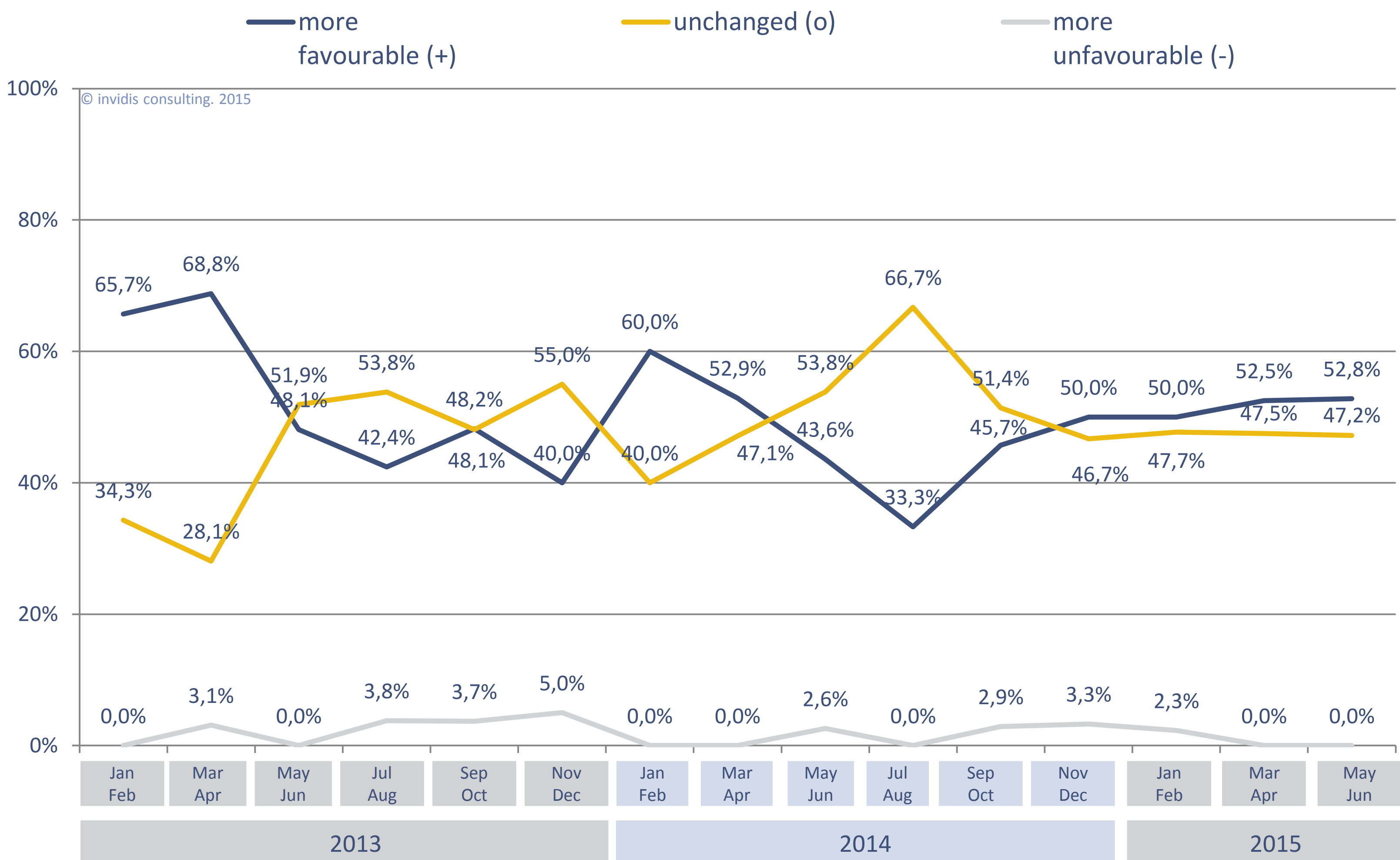


Fig. n: DBCI „Expectations Integrators“ long-term data series

Software | Business Sentiment – long-term data series

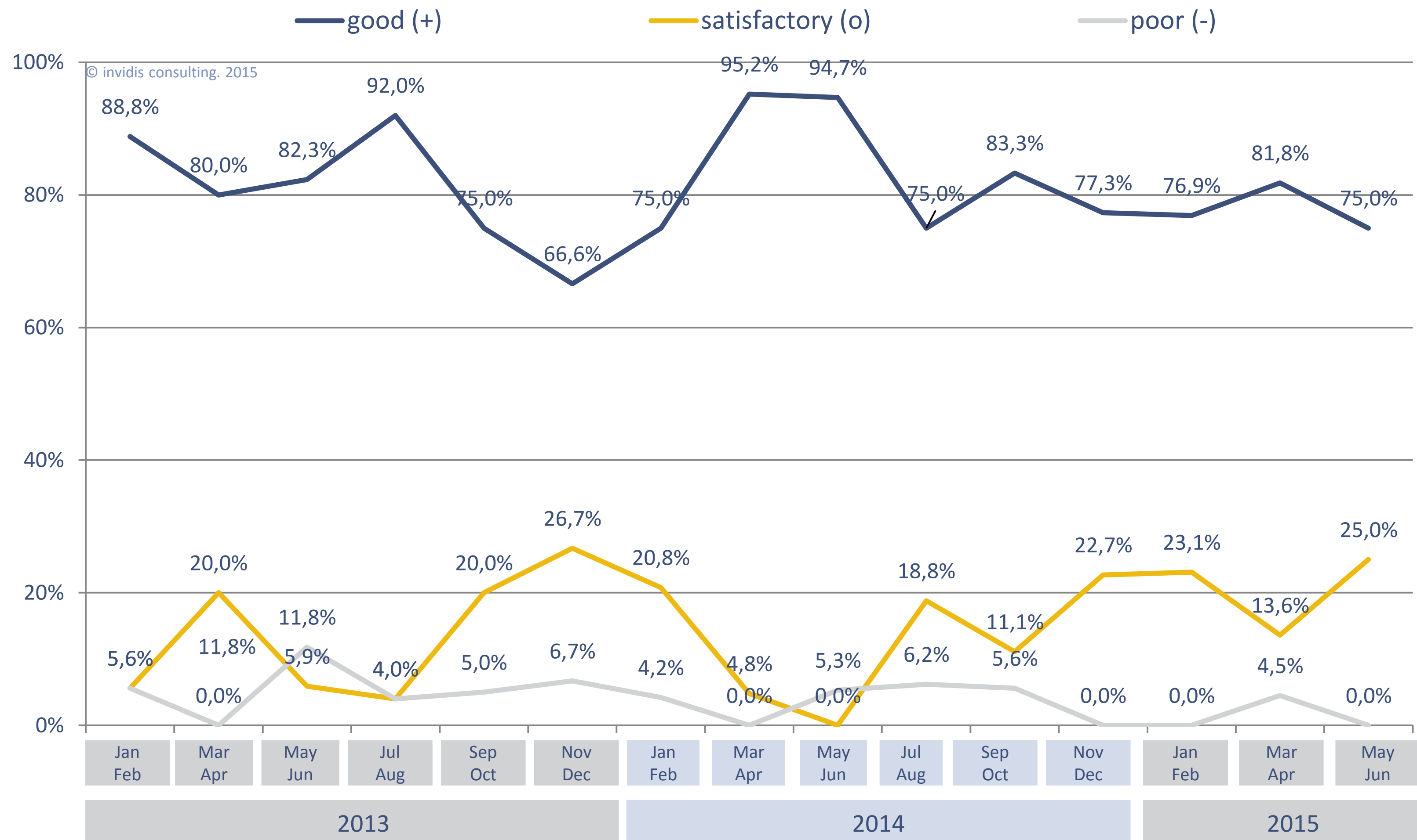


Fig. o: DBCI „Business Situation Software“ long-term data series

Software | Expectations – long-term data series

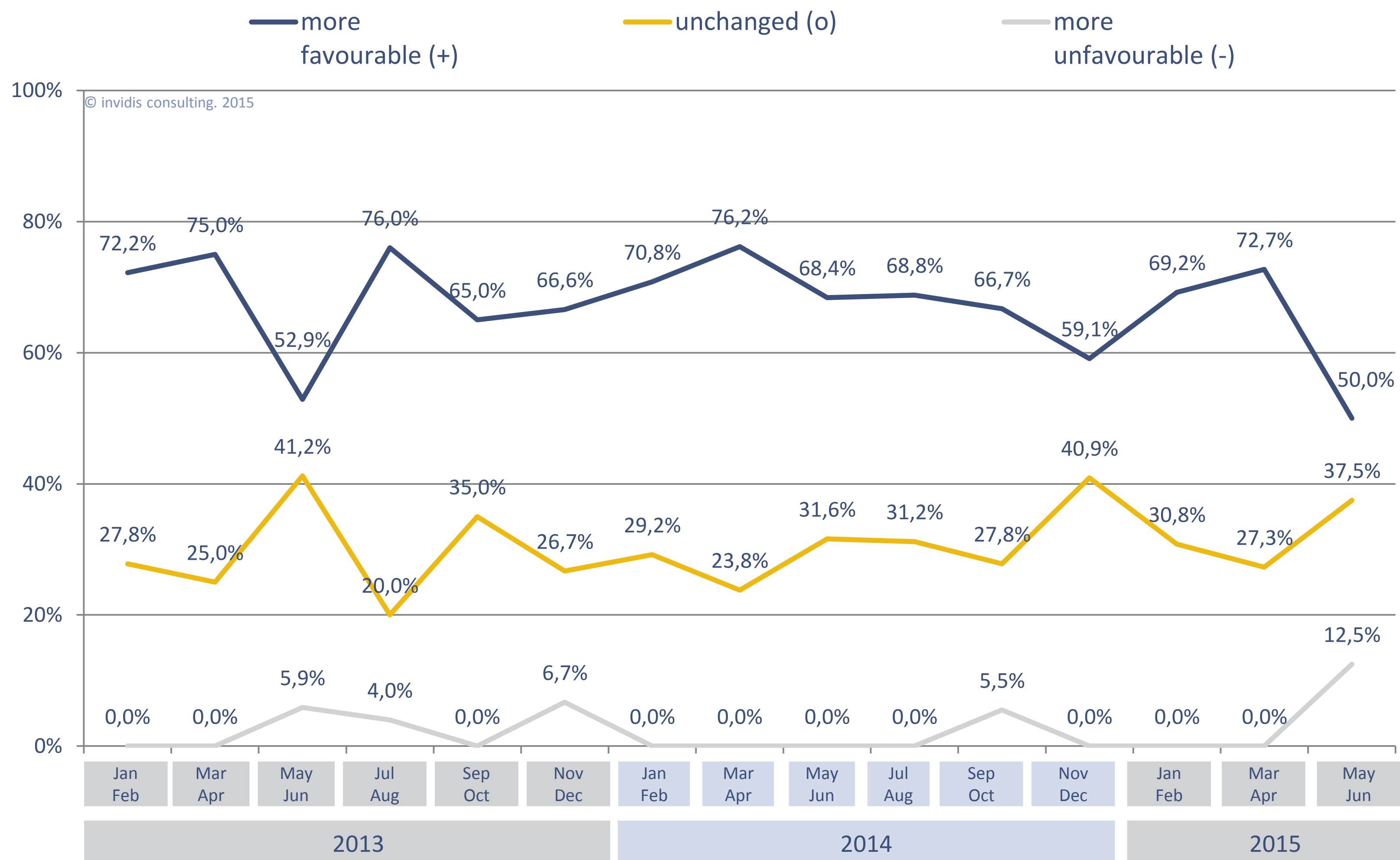


Fig. p: DBCI „Expectations Software“ long-term data series

DooH | Business Sentiment – long-term data series

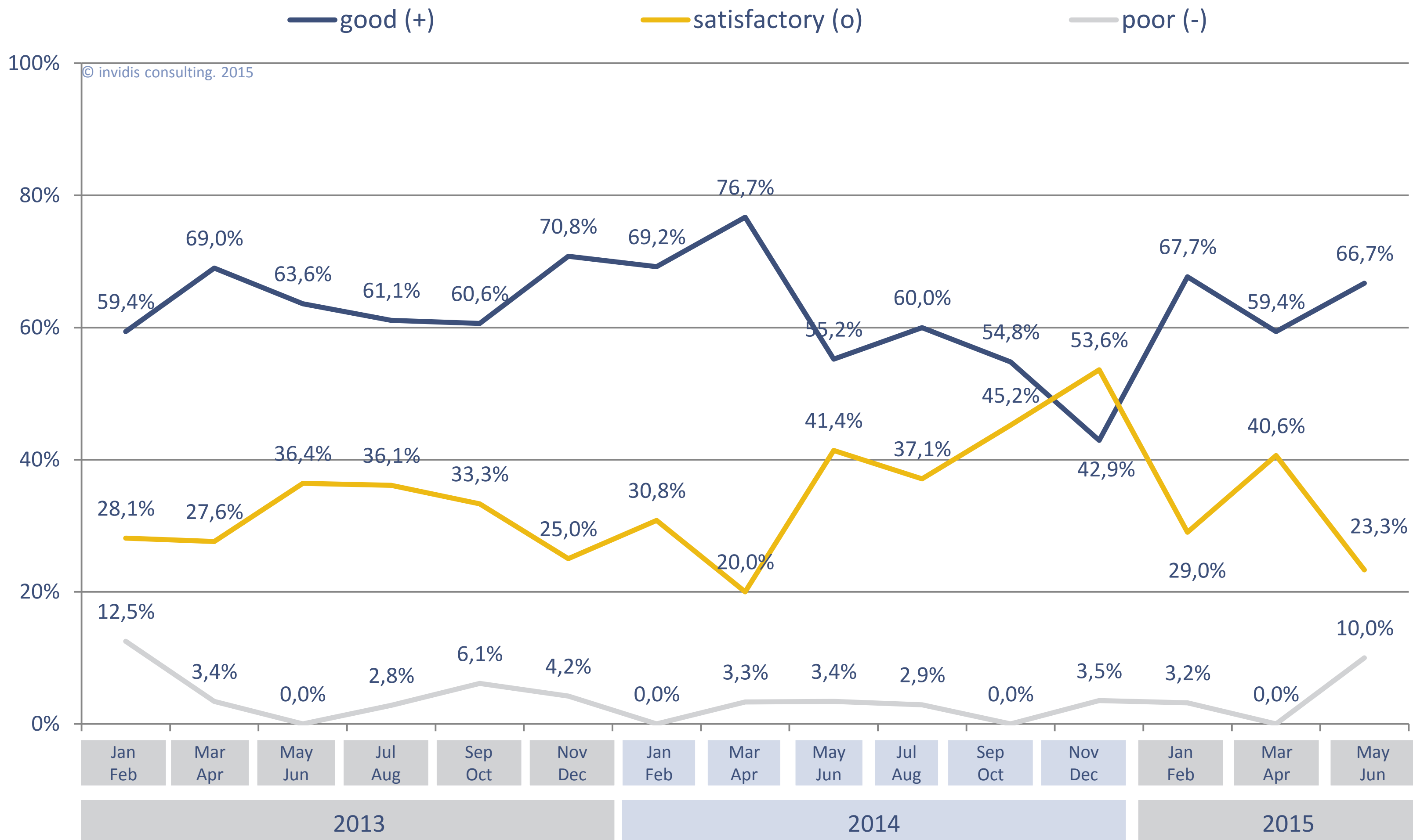


Fig. q: DBCI „Business Situation DooH“ long-term data series

DooH | Expectations – long-term data series

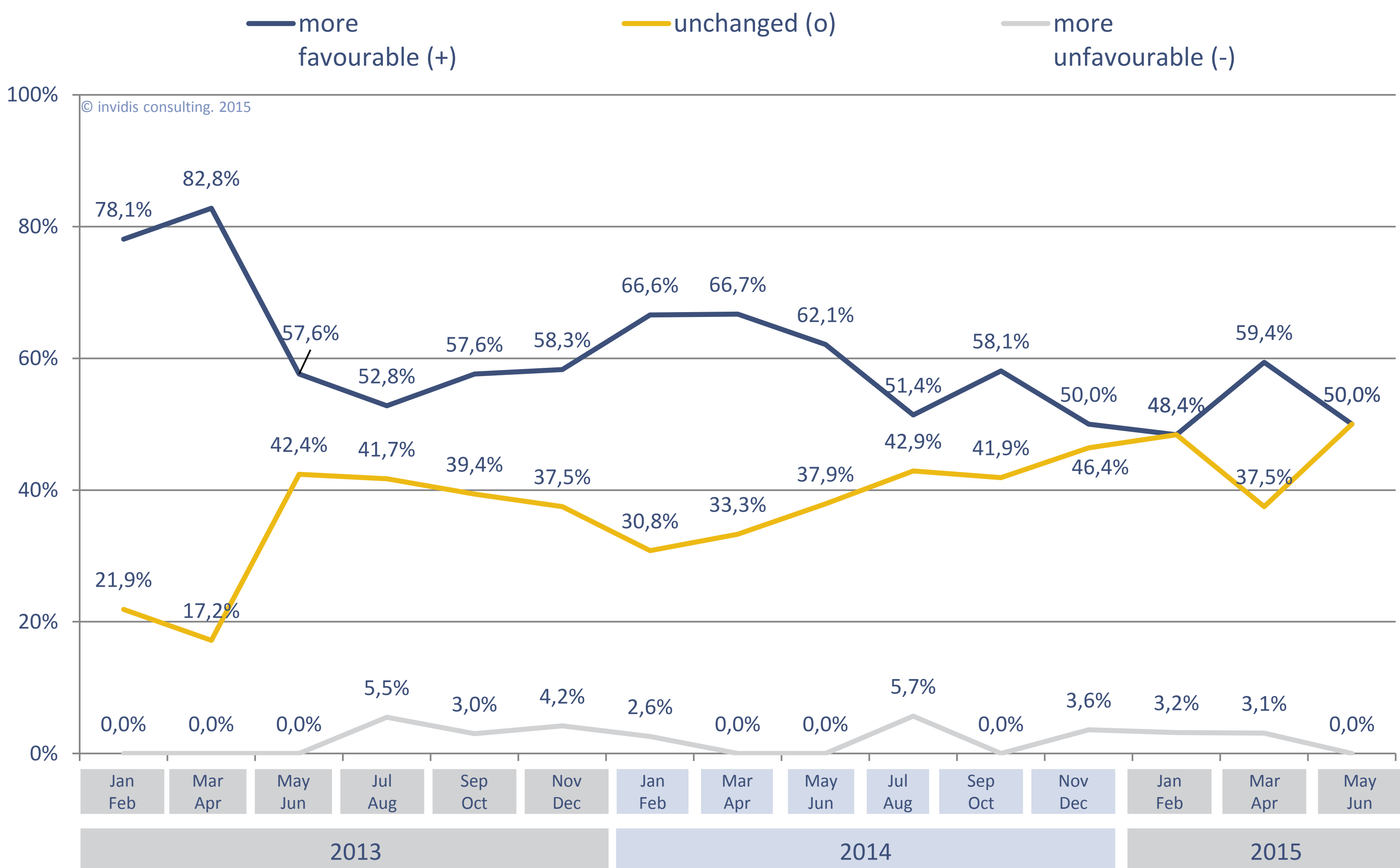


Fig. s: DBCI „Expectations DooH“ long-term data series

DBCI | Roadmap 2015 & Contact

2015	
January	
February	
March	
April	
May	
June	
July	Jul./Aug. | 2015/07/20
August	
September	Sept./Oct. | 2015/09/17
October	
November	Nov./Dec. | 2015/11/16
December	

- The next survey will take place in calendar week 28-29 of 2015
- The next planned publication date will be the 20th of July 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.

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