

## Digital out-of-home media bucks sluggish advertising market

*Expenditure for advertising on digital screens in Western Europe to reach €626m by 2012*

**London 21st August 2008:** After initial success in the UK, the Netherlands and Switzerland within the past few years, digital out-of-home media – advertising on public displays – is now gaining momentum in other Western European countries according to the latest report produced in collaboration by media analysts Screen Digest ([www.screendigest.com](http://www.screendigest.com)) and Goldmedia ([www.goldmedia.com](http://www.goldmedia.com)).

The report 'Digital Signage in Europe – The opportunities for digital out-of-home advertising' examines the emerging market for digital out-of-home media in Western Europe – advertising on digital displays installed at various locations, e.g. airports, stations, trains, supermarkets and other public places.

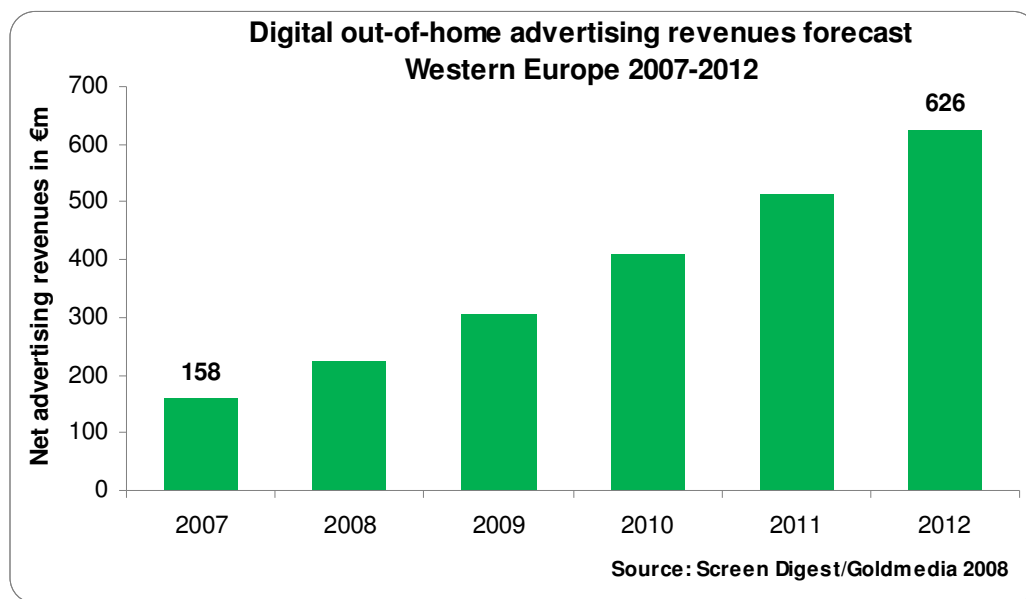
Screen Digest forecast that digital out-of-home net advertising revenues in Western Europe will quadruple over the next five years from €158m in 2007 to a forecast of €626m by 2012. This equals a compound annual growth rate (CAGR) of 32 per cent.

Today advertising on digital screens already accounts for 3.1 per cent of the total out-of-the-home media expenditure in Western Europe. By 2012 this share is expected to grow to approximately 10 per cent. Driven by the growth in digital displays, out-of-home advertising revenues as a whole are expected to increase from over €5bn in 2007 to approximately €6.5bn in 2012. This growth will happen despite the sluggish advertising market in traditional media, including TV and the press.

The market for digital out-of-home advertising has been driven by the decreasing costs of large flat panel displays. Digital displays allow for more creative and flexible advertising campaigns that can generate higher return on investment. The most

attractive new digital sites, such as 'Digital Escalator Panels' and 'Cross Track Projection' recently installed in the London Underground network by CBS Outdoor UK can generate three to 10 times more revenue than static formats.

The state of digital out-of-home media across Western Europe varies widely from country to country in terms of market penetration and volume as well as growth potential. With a 34 per cent share of the European digital out-of-home advertising revenues, the UK is by far the largest and most developed market in Western Europe, followed by Switzerland and the Netherlands. In most other countries analysed in the report, the market for digital out-of-home media is undeveloped. In France, for example digital out-of-home media is rarely common and thus represents only 0.9% of the total French out-of-home expenditure.



Vincent Létang, Senior Analyst for Advertising at Screen Digest and editor of the report comments "Thanks to the migration to digital and the incremental revenues generated, the out-of-home sector will be the only media to post real revenue growth in the next five years while traditional media are challenged by a sluggish ad market and competition from the internet."

Dr. André Wiegand, Managing Director of Goldmedia concludes "Compared to the United States and Asia, digital out-of-home media is under-developed in Europe.

Growth of this new advertising medium is currently hindered by the lack of standardized audience measurement, the small reach of the current screen networks, and a reluctance of media-buying agencies and advertisers to use it. With a growing number of screen networks across Europe and increasing experience with advertising on public displays, digital out-of-home media has the potential to play a substantial role in the media mix. By 2012 it will account for 10% of all out-of-home media spend.”

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**About this research**

The research in this press release is taken from the Goldmedia and Screen Digest report ‘Digital Signage in Europe – The opportunities for digital out-of-home advertising.’ Published in August 2008 and produced in collaboration by the two companies, it includes five-year forecasts to 2012 for advertising and hardware revenues as well as for the number of installed displays in ten European markets. Analysis includes market size data, comprehensive market overviews with identification of the key players in each analyzed market.

**About Screen Digest**

Screen Digest is the pre-eminent firm of industry analysts covering global media markets. Headquartered in London, with offices in New York and Carmel, California, we employ a team of 40 specialist analysts covering film, television, broadband, mobile, cinema, home entertainment and gaming. Our online services and reports

provide the information and analysis that hundreds of media companies worldwide base their decisions on. Most recently we have launched Global Media Intelligence (GMI), a new service which provides research and analysis specifically for media-focused institutional investors. [www.screendigest.com](http://www.screendigest.com)

### **About Goldmedia**

Since 1998 Goldmedia has provided national and international clients with high quality consulting and research services in the fields of media, entertainment and telecommunications. Goldmedia offers: in-depth analysis of markets and competitors; forecasts and strategic consulting services; the implementation of new business models; and consulting for restructuring whole companies, including M&A processes in the field of corporate finance. Goldmedia-Group: Goldmedia GmbH Media Consulting & Research, Goldmedia Sales & Services GmbH and Goldmedia Custom Research GmbH. The company's head office is in Berlin, Germany. Goldmedia is a member of the international network European Media Consulting Association – EMCA. [www.emca.tv](http://www.emca.tv) [www.goldmedia.com](http://www.goldmedia.com)