

For Immediate Release
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B2B Flat Panel Market: 30% y-o-y growth seen in Q2 this year

In contrast to many other product categories in the Pro AV/IT space, the B2B flat panel market has experienced steady growth this year, with the market racking up sales in excess of 400,000 units in Q2 2009, according to new research from Futuresource Consulting. This represents close to 30% year-on-year growth from Q2 2008, underlining the growing acceptance of flat panel product as a viable and ever more affordable technology. However, this performance also includes consumer TV crossover product, which has been widely adopted in the professional marketplace over the past few years, accounting for over 60% of global sales in Q2 this year. There are myriad arguments and counter arguments for the selection of pro monitors vs. consumer TV products, but ultimately displays - once the lead product in any resellers armoury - have now become just one element of a wider solution.

“Our research shows the public display application has enjoyed strong year-on-year growth of nearly 40%, with digital signage driving flat panel display penetration in almost every application and vertical market,” says Chris McIntyre-Brown, Senior Market Analyst at Futuresource Consulting.

“Retail signage has long been heralded as the main vertical for flat panel displays, currently around 45% of total public display application sales, with the obvious attraction of funding the network via advertising revenue. There has been some doubt how this vertical will perform through the harsh economic conditions but it appears to be the networks and installations that fail to provide, or even offer, a clear ROI that have suffered, such as point-of-information or wayfinding installations.”

After a period of difficult growing pains, the digital signage industry shows signs of maturing beyond infancy to early adolescence. A good indicator of this comes from the growing number of trade shows, signage publications, web sites and bloggers. More recently the industry body, Out-of-Home Video Advertising Bureau (OVAB), extended its reach to Europe helping to create industry standards and develop dialogue between the various players. Barriers identified by Futuresource back in its research in early 2007 have at the very least been addressed, but in most cases overcome. Indeed, OVAB itself is important in addressing the first barrier which is the sharing of experiences and knowledge. Just a few years ago the vast majority of end users were loath to discuss project failures, though this is understandable in such an entrepreneurial industry, it slowed progress as projects suffered the same problems time and again. Other barriers have been overcome, with aggregators helping to make the medium more accessible to advertisers and media agencies, and a deeper appreciation of the benefits offered by sound ROI modelling. Securing quality affordable content still remains an issue but this is gradually changing as the industry evolves and the weight of demand drives new initiatives.

This growing maturity of the digital signage industry has undoubtedly had a huge impact on the sales of flat panel displays but more importantly the way display vendors approach the market. Chasing factory efficiencies and producing good quality affordable screens is certainly still important but more pressing is how display vendors fit into a market where the screen is just part of a solution. Over the past few years vendors have experimented with developing branded end-to-end solutions but few have had the knowledge or resources available to keep pace with specialist software houses. More recently display vendors have opted for the partnership route, where a symbiotic relationship offers software specialists access to vendors' reseller networks in exchange for a robust, well-established signage software package.

“In terms of the physical display, demand for larger screen sizes shows no sign of slowing in the B2B space and has helped plasma technology survive with 32% share in Q2 2009,” says McIntyre-Brown. “This number jumps to nearly 50% in the greater than 42-inch categories. The pace of Full HD adoption has been comparatively slow in the B2B space, with little available content and technologically astute yet budget constrained end users. Whilst the usual screen size, resolution and technology issues will continue to be important, it is the development of other display features such as touch screen and integrated media/PC players that will help professional monitors survive the glut of consumer TV products entering the market. The recent introduction of ultra thin bezel products has also sparked renewed interest in large scale displays.

“Futuresource expects the latent demand built over 2009 to drive strong growth in 2010 reaching 2.4 million units. Systems integration will continue its ascendancy as the lines between AV and IT continue to blur and more emphasis is placed on total solutions. The challenge for both hardware and software vendors will be how they fit into the new ‘connected age’, identifying the most suitable players to partner with, which verticals offer the best opportunities and the most appropriate routes to those markets.”

Notes

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Media Contact

For industry comment, forecasting and trends, contact Andy C Watson at Futuresource.

Direct Dial: +44 1582 500169

Email: andy.watson@futuresource-hq.com

Web: www.futuresource-consulting.com