

Nearly \$5 Billion in Digital Signage in 2011

Written by Bob Snyder
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IMS Research estimates **hardware supporting digital signage (media players, PCs, displays and LED Video arrays)** generated nearly \$5.5 billion in revenue during 2011

The new IMS Research study, *The World Market for Digital Signage – 2012 Edition*, also forecasts continued growth for this equipment at a combined compound annual growth rate (CAGR) of 8.5% through 2016.

Displays continue to drive the majority of shipments and revenues for the industry when cinema projectors are excluded. IMS Research estimates that during 2011, LCD and plasma displays shipping worldwide for digital signage generated revenues of nearly \$2.7 billion, representing 22.5% growth over 2010.

Contributing to this strong growth was an increase in shipments for screens smaller than 30", replacement of CCFL with LED backlit and thin bezel displays, as well as an increased demand for touchscreens. LED Video display (or module) revenue grew due to increased investment in sporting venues and outdoor digital advertising.



Shane Walker, author of the study and director of **IMS Research's Consumer Electronics Group**, states "While screen sizes around 42"

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continue to comprise the majority share of screens, we expect sizes over 50” to increase to a 27% share due to increased usage in verticals such as airports and retail. Smaller screen sizes are also experiencing increased uptake in the restaurant, education and hospitality verticals. These small screens increasingly have built-in media players with Ethernet or Wi-Fi connectivity.”

Media players and PCs contributed nearly \$1 billion. Regarding media players and PCs, Walker continues: “In general, there is a trend toward smaller form factors for PCs, with many manufacturers designing units intended to be embedded within a display. Amongst the display manufacturers we spoke with, a common rate of share for displays with a PC expansion slot was 15% to 20% of their product line. Some reported PC attach rates into these displays above 10%.”

Thin bezel share (bezels less than 9mm) increased to 13% in 2011 (from 5% in 2010). Similar to growth expectations for larger screen sizes, IMS Research forecasts this share to increase to 23% by 2016, especially as the cost differential continues to narrow. A contributor to this growth will simply be the replacement of existing wide or narrow bezel video walls with thin bezel displays. Despite these growth expectations, thin bezel display shipments will remain minor through the forecast. This is due to the fact that **50% of digital signage sales still come from SMBs** with limited need for video walls.

Similarly, large format touch screen share grew to 9% during 2011. IMS Research expects significant growth to continue during 2012.

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