

# INTEGRATE

# INDUSTRY REPORT 2019:

## Digital Signage

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Driven by technological innovation, LED Video Display products and Content Design are expected to enjoy strong demand over the next two years, writes Dominic Bayley.

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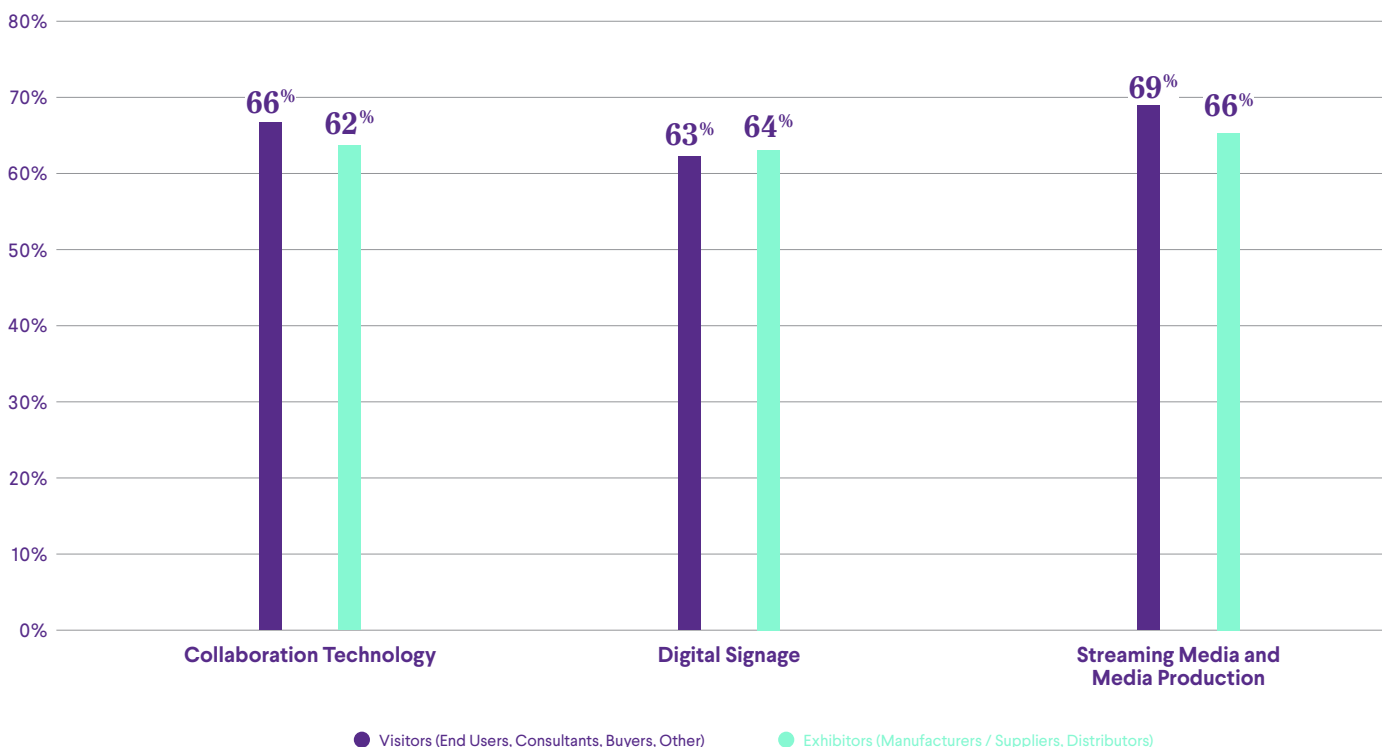
# INDUSTRY REPORT 2019:

## Digital Signage

This report draws on information sourced from a recent survey of audio-visual (AV) industry professionals. It includes valuable insight and data about the Australian and New Zealand Digital Signage market now and in the next two years.

Sixty-four per cent of visitor respondents are end users, consultants and buyers, and 63 per cent of respondents are manufacturers, suppliers and distributors who claim to operate in, or purchase from, the product category 'Digital Signage'.

### Product areas operating in



15% of visitors and exhibitors do not operate in any of the product areas listed

## The status of the Digital Signage market: An Overview

The global Digital Signage market is showing steady growth.

The market was estimated to be worth US\$18.55 billion (\$27.47 billion) last year and is expected to reach US\$31.75 billion (\$47.02 billion) by 2025, growing at a compound annual growth rate of about 8 per cent between 2019-2025. The Asia-Pacific region is expected to experience the most significant growth to 2025.

Global market growth is largely being driven by the advent of new hardware technologies, particularly display technologies such as fine-pixel LED and OLED Video Displays and Electronic Paper Displays.

These technologies, some of which are now interactive, have greatly enhanced the delivery of advertising content, allowing companies to more specifically target consumer interest.

## Demand by product category: Survey findings

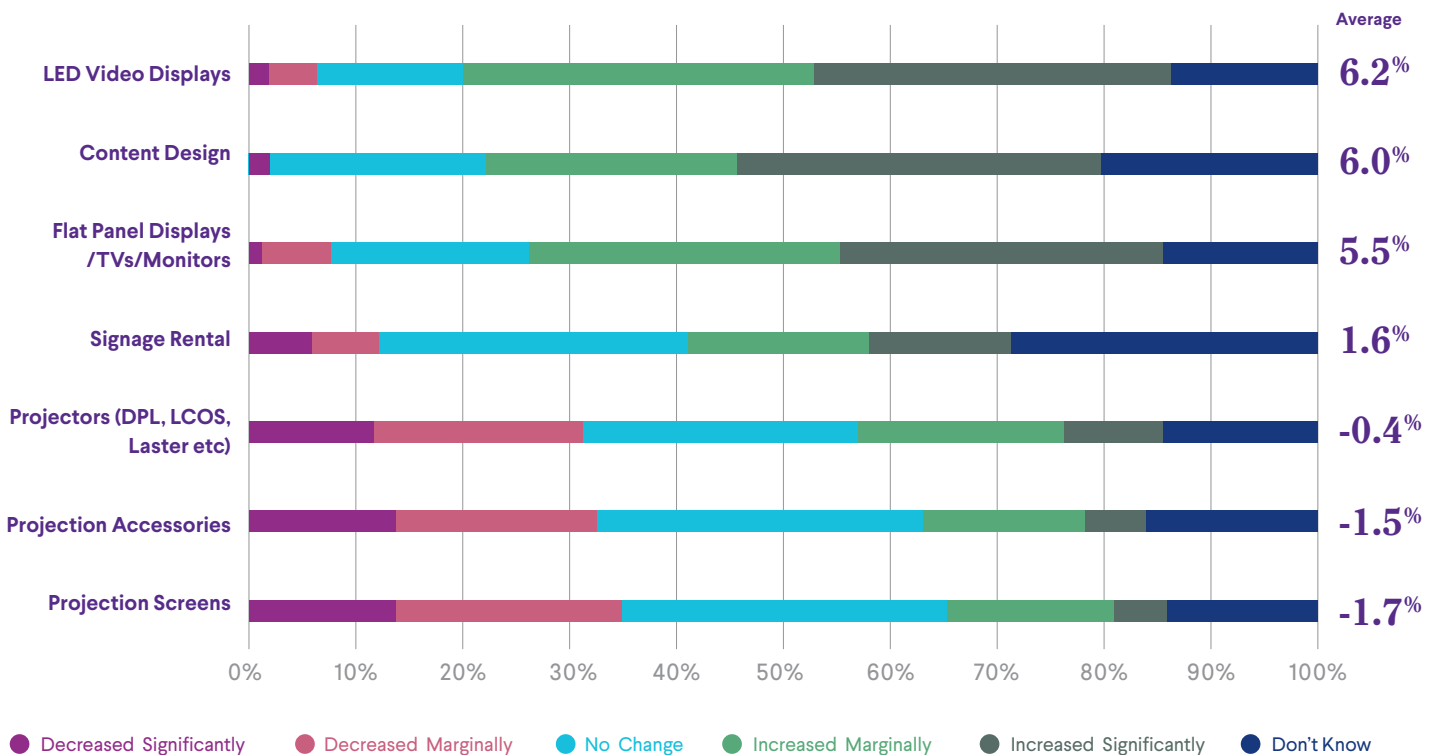
LED Video Displays and Content Design are two categories expected to have the greatest increase in demand over the next two years, with an estimated growth of 6 per cent for each of these categories.

Conversely, a decrease in demand is anticipated across three product categories – Projectors, Projection Accessories and Projection Screen Technologies.

Of these categories, Projection Screen Technologies is expected to experience the greatest decrease – 1.6 per cent in the next two years. This is likely due to an expected surge in demand for LED and OLED screens.

### Demand for digital signage products

For each of the following digital signage product types please state how you anticipate the demand for each will change over the next 2 years?



## Key drivers increasing demand

Technological advances are expected to have a major impact on demand for Digital Signage products.

Increasing customer demand is also expected to drive the market over the next two years.

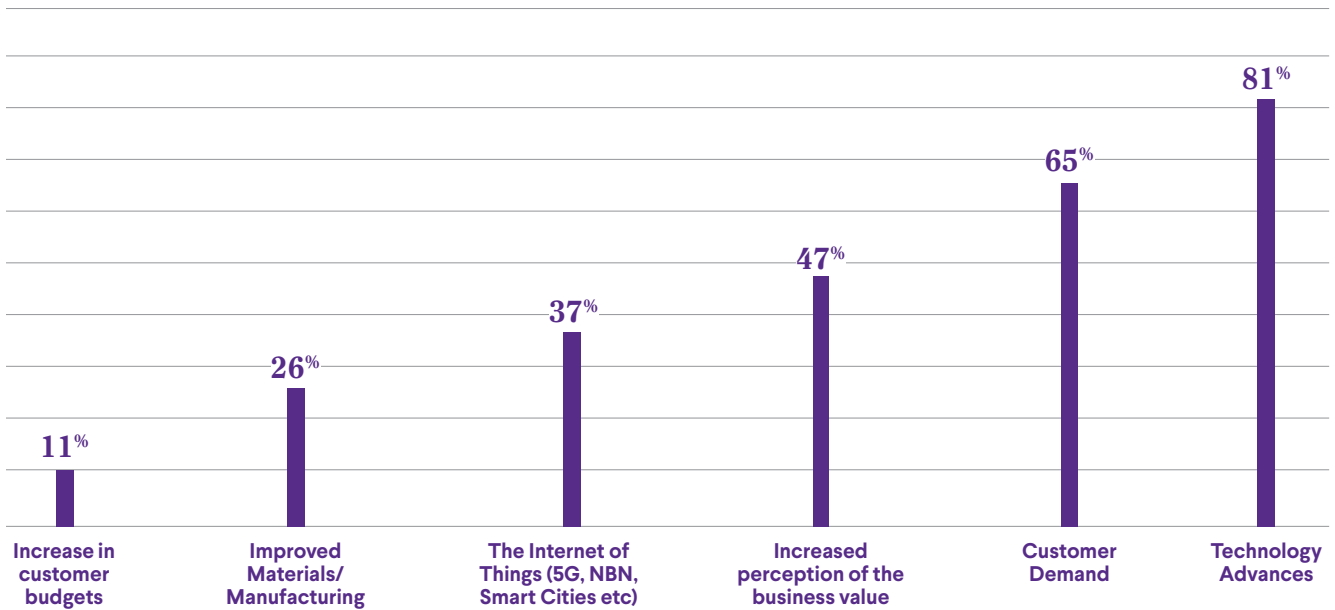
These results align with research indicating demand in the next five years will be driven

mainly by technological advancements in display products and rising demand from commercial verticals for Digital Signage products by the retail, corporate and broadcast, healthcare, hospitality and government sectors.

Demand from commercial verticals for high-quality LED and OLED video display technologies is expected to be especially high because these technologies offer significant operational benefits for businesses over traditional display.

### Driving increased demand

For the products you feel there will be an increase in demand for, what do you feel is driving up demand for these products?

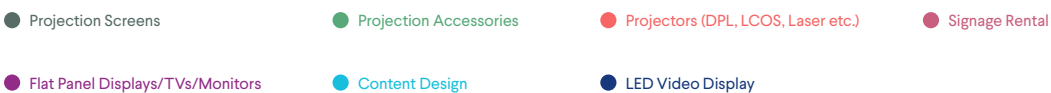
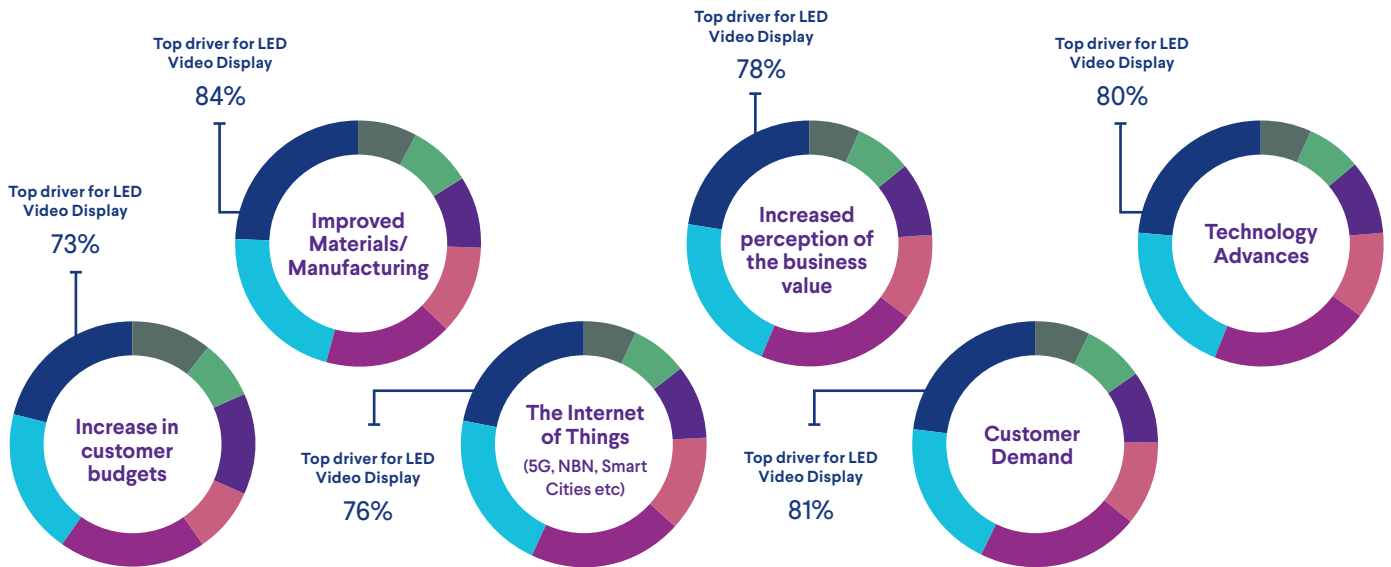


2%: Other

Respondents' answers support this belief. Four in five respondents believe technological advances were the main reason for an increase in demand for LED Video Displays.

### Driving increased demand

According to responses, LED Video Display and Content Design will be the top products affected by the below market drivers over the coming years.



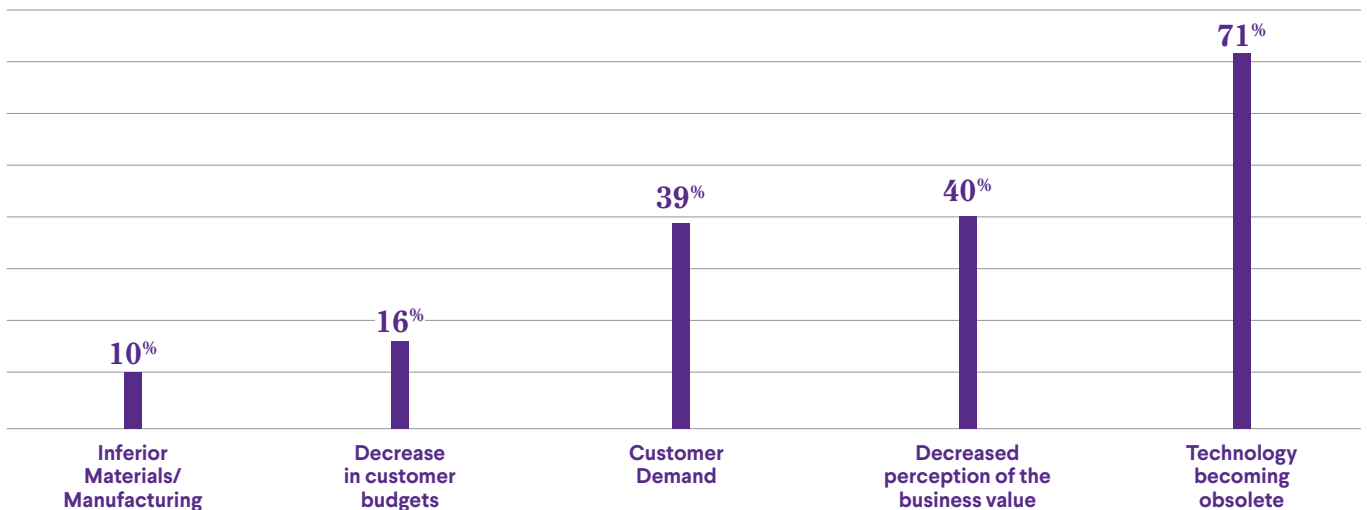
However, higher customer budgets are not expected to play a part in increasing the growth in demand for Digital Signage products over the next two years. This suggests customers don't perceive significant benefits for their business by spending more than is already budgeted.

## Key drivers decreasing demand

The Digital Signage industry is exposed to a constant stream of new technologies, some of which offer superior efficiency and maintainability over more established technologies.

### Driving decreased demand

For the products you feel there will be a decrease in demand for, what do you feel is driving down demand for these products?



Few industry professionals who believe demand in Content Design is decreasing attribute this to a lack of customer interest. However, most industry professionals who feel demand for Projection Screens is falling believe it's because of falling customer demand.

Despite the findings about an expected decrease in customer demand for Projection Screens, less than 10 per cent of those who feel demand for Projection Screens is decreasing believe it's because the technology is becoming obsolete.

A belief certain Digital Signage technologies are becoming obsolete is expected to be the main reason for a decrease in demand for Digital Signage products in the next two years.

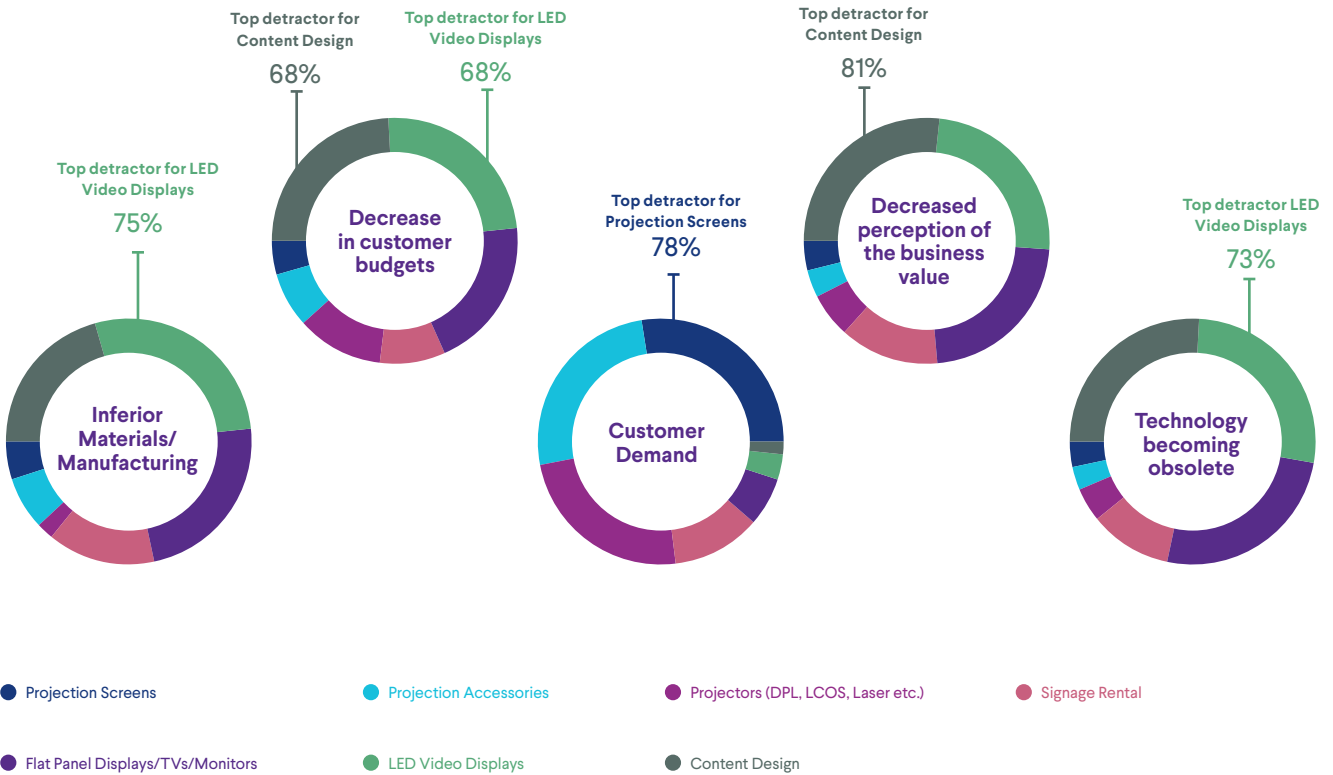
Where there is an expectation of decreasing demand for Digital Signage products, it's largely thought to be due to a perception Digital Signage products would decrease the value of a business. This indicates a need for more research data and analysis to help inform businesses about how best to utilise Digital Signage products.

This implies customers prefer LED Video Displays over Projection Screen technologies but don't necessarily think Projection Screens are no longer a viable technology.

A decreased perception of business value is thought to be the main reason for a decrease in demand for Content Design. This may reflect a view that the value of Content Design is relatively subjective.

## Driving decreased demand

While LED Video Display and Content offer the largest margins for growth in demand, respondents also indicated they were the most susceptible to the volatility and that Projection Services were at the most risk of lower customer demand.



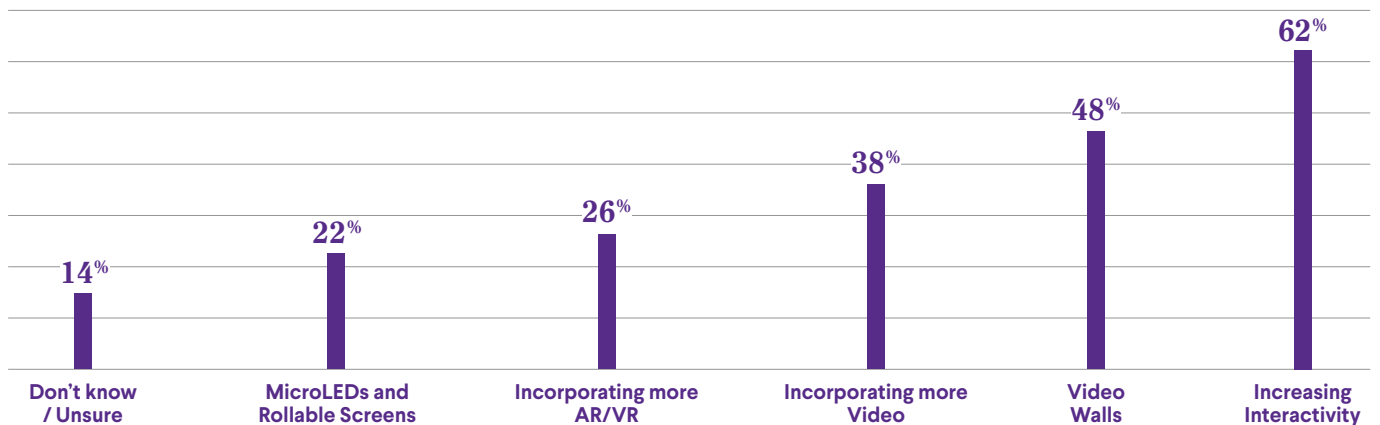
## Key trends affecting Digital Signage

The most commonly identified trend is towards increased interactivity in Digital Signage products. This includes technologies such as touch-screen displays and interactive kiosks, which are thought to be highly effective at matching customer preferences for products and services.

The next most common product trends (from most significant to least significant) are Video Walls, Incorporating More Video, Incorporating More AR/VR and MicroLEDs and Rollable Screens.

### Key trends

What do you feel are the key trends within digital signage right now?



2%: Other

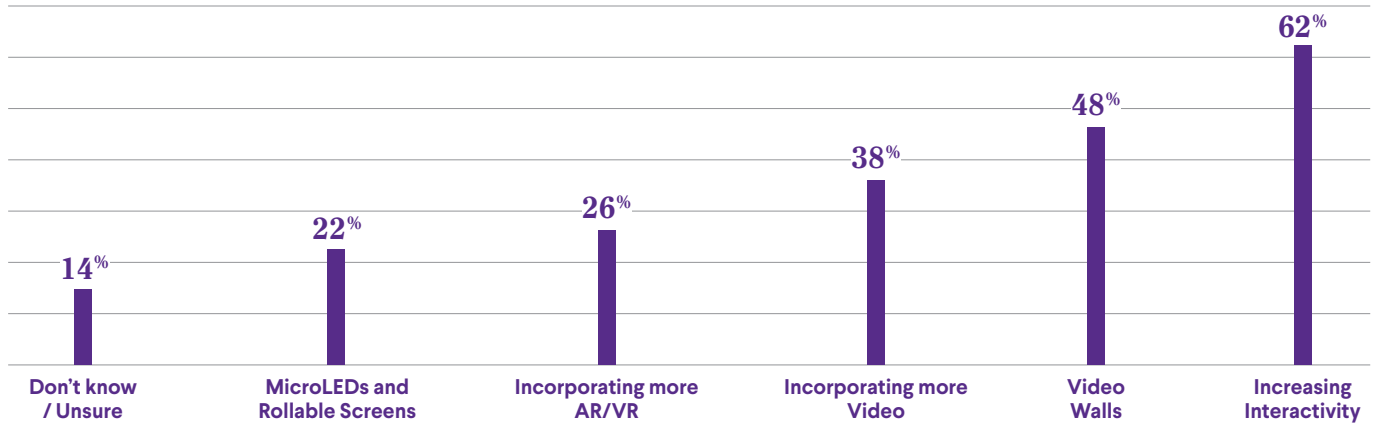
# Major impacts

Overwhelmingly, interactivity and video are expected to be trends with the largest impact on the Digital Signage industry in the next 12 months.

Of the interactive technologies, Interactive Displays are expected to have the greatest impact on the industry in this timeframe. Video Walls and Video Displays are the next most commonly identified trends.

## Product impact

Which of the following digital signage products do you feel will have the greatest impact on the AV industry over the next 12 months?



1%: Other

The most likely impact these trends will have on the AV industry is to spur market growth, due to an increase in supply and demand.

The next most commonly identified impact is a decrease in costs due to increased market volumes. A further and less commonly identified impact is an increase in customer engagement due to greater end-user engagement.

Industry professionals also believe increasing levels of interactivity in products will result in larger, more interactive signage. A greater emphasis on creative content will likely lead to a greater role for creative professionals in creating engaging content for Digital Signage installations.

## Impact of trends

What do you think the impact of these trends will be on digital signage as a whole?

Market Growth

**32%**

Greater use and expansion

Increase supply and demand

Drive down costs

**11%**

Drive down costs due to increased market volumes

Prices will drop and DS as a service will dominate

Increased customer engagement

**9%**

Increased end user engagement with the product/service being advertised

More audience engagement

Increased levels of interactivity

**7%**

Larger, more interactive signage

There will be an increase of digital signage and usage of interactive display as they become more common

More emphasis on creative content

**7%**

Greater role for creative professionals

Content creation should precede and drive the display technology



## Conclusion

The survey highlights an expected strong demand for LED Video Display products and an associated strong demand for engaging Content Design in the next two years.

Technology innovations continue to be a driving factor for market demand – especially important

innovations in LED and OLED Video Display Screens.

Enhanced Interactivity and Video Walls are also set to be key trends in the AV industry, spurring market trade and demand as video dominates the Digital Signage landscape.

## INTEGRATE

Integrate is Australia's ultimate event for emerging immersive and interactive technologies.

For over a decade Integrate has built a platform for the industry to converge, bringing together manufacturers, brands and suppliers with leading AV specialists, live event professionals and technology end users.

It has become a hub for global and local influencers and brands to share their insights, innovations and technologies that will drive tomorrow's digital transformation.

## diversified

COMMUNICATIONS ■ AUSTRALIA

Diversified Communications Australia is a third-generation family owned communications company that specialises in delivering industry-specific trade events.

Our teams are strategically located around the world to provide market access, resources, services and education to the business communities in the industry sectors we serve. We have divisions located in the United States, Australia, Canada, Hong Kong, Singapore and the UK.

Diversified events combine traditional media, face-to-face, digital communications, social media and word-of-mouth to create powerful platforms for brands and memorable experiences for guests.

## explori

Explori conducted this research on behalf of Diversified Communications Australia.

Established in 2011, Explori has become the event industry's biggest repository of benchmarking data and insight with over two million responses across 1,600+ shows and conferences.

The company serves exhibition organisers in every market in the world, and counts some of the biggest global event organisers as clients.

## Like to connect?

Integrate is committed to providing insights that support the growth of the Australia and New Zealand Audiovisual Industry.

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