

Triple-digit Growth – Can the Digital Signage Industry Handle it?

*By Lyle Bunn
Sept. 20 2011*

Recent analyst reports forecast ongoing double digit growth for the Dynamic Signage industry in terms of display shipments, advertising and overall industry revenues. DisplaySearch, iSupply, PQ Media, ABI Research, Northern Sky Research, Frost & Sullivan and others all point to growth in the 20% CAGR territory for most areas of the industry.

At the 6th annual [Strategy Institute Digital Signage Investors Conference](#) in New York on October 17-18, 2011 - with its annual focus on the investment status and outlook for the industry - there will surely be a more intense and thoughtful discussion than previous years. Most presenters (and delegates) are industry veterans with others bringing fresh perspectives at industry touch points.

Digital place-based media has achieved a critical mass of installed base of networks, established its infrastructure of associations, events, awards and education, developed supply chains and refined its technologies and business processes. It has also proven itself as an influential media that can simultaneously merchandise, brand and improve a location experience. The investment drivers for advertising-based, corporate and hybrid networks have been continuously refined during industry maturity, and these too will be a key part of the event information take-ways.

While serving as Chair of the Digital Screenmedia Association, Stuart Armstrong, President North America of ComQi would note that “every part of the industry needed to have enough sail up to catch its share of coming winds”. As all elements of the industry appear ready to enjoy triple digit growth (some companies already are), many will continue to be satisfied with 2-digit numbers, but this too will call on astute management.

During the 2-day event, new industry opportunities will be outlined and best practices in business acceleration will be profiled. Furthermore, a consensus to the answers to two of this industry’s primary questions may finally emerge: a) Is the current level of projected growth sustainable and suitable to supply and b) How should managed acceleration be achieved?

A survey by DigitalSignageToday that compares the views of 1200 respondents in 2011 to their 2009 views reflects that:

- Expenditure increases are planned. In 2009, 79% said they planned to spend up to \$100K compared with 84% in 2011. 16% of survey respondents in 2011 said they would spend more than \$1 million, versus just 6% in 2009.

- 73% expect budget increases over the next year versus the 53% who expected it in 2009.
- 57% of displays are now networked versus just 35% in 2009.
- In 2009, 60% of displays had no third party advertising. In 2011, only 37% have no third party advertising.
- 24% of 2009 survey respondents expected to deploy new or additional screens in the 0-3 month period, whereas 49% of 2011 respondents expect to deploy or add displays.
- Respondents expecting to use Digital Signage primarily for internal communications doubled in the period 2009 to 2011.

Improvements in the design, deployment and operations of networks are ongoing. As the applications grow, and supply of products and services expand - commoditizing and cannibalizing itself - the Return on Investment proposition becomes more important and put under greater scrutiny.

In my session titled “Investing Wisely in DOOH”, I will outline some opportunities, prospects, predictions, and red flags while noting several key industry activity indicators, how and where money is being made in this industry, what mistakes are being repeated and who will have highly successful outcomes.

I look forward to seeing you at the 6th annual Strategy Institute Digital Signage Investors Conference in New York, October 17-18, 2011 and at [Customer Engagement Technology World \(CETW\)](#) in New York November 9-10, 2011.

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