Top 5 Digital Signage Trends for 2018

The recent advancement in display technologies and adoption of digital connectivity points towards a bright future for public information displays (PID). Here we share our vision on how the commercial display industry will shape up within the next year. Our projections are based on historical sales data and our unique insight into planned production and R&D initiatives. We will continue this conversation throughout the year as well to share first-hand information on upcoming innovations—stay tuned!

Here are the top five digital signage trends to watch for in 2018:

1. Nearly bezel-less video walls
2. Reflective displays will see a new light
3. UHD is the new norm—increase in resolution standards
4. Wider color gamut—transition from sRGB standard to BT2020
5. Shifts in standard sizes and new form factors driven by demand and innovation

For more valuable insights, read on to see how Samsung Display envisions the future of the PID industry for each of our product lines.

Public information display market overview

For the PID industry, the great news is that the digital signage market promises aggressive growth over the next few years. By 2020 the market comprised of display set systems, hardware, and content management solutions is expected to reach $27.34 billion at a compound annual growth rate (CAGR) of 6.7%. There is plenty of evidence available demonstrating the effectiveness of digital signage in a number of applications.

Driven by the affordable price of digital displays, the market continues to attract new players that find unique product implementations, create complementary products and ground-breaking services, and further drive the demand for PID panels. Consumers have also come to expect higher performance and variety from panel manufacturers as they keep seeking enhanced display solutions.

In addition, a favorable regulatory climate across the globe has helped foster digital signage adoption in outdoor settings. Recent government initiatives and investments in the UK, South Korea, China, and the relaxed regulations on outdoor digital displays in the US are responsible for a substantial spike in public information display demand. Amongst industry verticals, new regulatory conditions in the healthcare and pharmaceutical marketing positively affected industry adoption rates, resulting in a projected 7% CAGR for healthcare applications, including use of displays for marketing as well as entertainment to reduce patient anxiety and perceived waiting periods.

Based on PID panel annual shipment data, Samsung Display projects consistent market growth, resulting in an impressive 21% PID CAGR by 2020. During this time, we expect 2018 to be the highest growth year, with 27% increase in shipments year-over-year. By 2020, total PID market is projected to generate $2.88 billion in annual revenue.
China is the largest set market in the world [1], with a projected 47% of all panels consumed in 2017. Moving forward, China will remain the fastest growing PID market, with the country’s display market projected to grow at over 8% CAGR through 2022. The primary drivers of growth in the Asia Pacific region are an increased consumer demand for high quality affordable digital technologies and new investments by both public and private players in their information display infrastructure.

In 2017/2018, PID shipment split is projected to be 20% for EMEA, followed by the U.S. at 19%, and the rest of the world at 14% of the total consumption.

**Video wall segment trends**

By 2018, the video wall segment will represent about 18% of all panel shipments globally. By 2020, the entire video wall market inclusive of video wall displays, installations, and content management systems is projected to reach $18 billion. We expect the video wall PID market to be generating $0.8 billion (28% of total PID revenue) in annual revenue by 2020. Video walls continue to be a popular item with greater variety and configuration options available. While digital surveillance systems continue to be the leading growth catalyst, we expect increased adoption across other applications like retail, hospitality, transportation, and healthcare verticals.
Currently, about 39.9% of all digital signage panels are employed in retail applications. By 2018, this number is expected to further increase across all product lines. The video wall market promises to show high growth in retail as well, driven by the following factors:

- Proof of digital signage effectiveness—specifically the impact of in-store digital signage on awareness and brand perception
- Enhanced digital display technologies dramatically decreasing overall total cost of ownership (TCO)
- Innovations in content management systems increasing installations’ functionality and appeal to retailers and marketers

From the hardware perspective, innovation within the segment will happen around creating nearly bezel-less video walls. While tiled displays are convenient to install, a bezel is an obstacle to the viewing experience and can reduce the installation’s impact. As the industry’s pioneer, Samsung Display has consistently built panels with the world’s narrowest bezel. We still hold a record of a razor-thin bezel of only 1.7mm released in 2016. The next generation video wall flagship products will continue to target even narrower bezels, ultimately aiming for deployment of bezel-less video walls.
Outdoor signage segment trends

While outdoor signage is currently the smallest segment in terms of volume for public information displays, it is the area of the highest projected growth—with an astonishing 88% CAGR for the next five years. We are expecting a shift from analog options to DOOH as outdoor signage becomes more affordable, while yielding higher performance and durability than ever before.

Digital signage is poised to fill new niches and becomes a viable and preferred alternative to analog products in existing verticals. Sectors like marketing, QSR, corporate communications, and wayfinding lead the adoption of outdoor panels. Additionally, huge opportunities still exist for the public sector and government use cases, especially for applications promoted by urban infrastructure development.
Analogous to other PID segments, we project continuous investment in panel quality and reliability and the resulting lower TCO. Standard panel sizes are highly likely to increase from 46” and 55” to larger models of 75” and above for higher impact installations. Across all product lines, UHD is becoming a new norm, as consumers demand superior image quality.

Display hardware will evolve to continue driving efficiencies. For outdoor panels specifically, we expect an increase in reflective LCD utilization. When used in an appropriate setting, reflective displays offer a number of advantages for the outdoor installations in ambient, bright sunlight, or front-lit environments. Not only are reflective LCDs substantially cheaper than backlit panels, they perform great in direct sunlight, and offer phenomenal contrast, and wide viewing angles. This is a huge benefit for outdoor applications as the panel provides superior clarity and glare-free, easy-on-the-eye viewing.

**Indoor segment trends**

*Indoor displays* enjoy the largest market share by volume in digital signage applications, and are expected to represent 62% of all PID panels by 2018. Over the next five years, we expect 2018 to yield the highest growth with 26% in annual panel shipments increase year-over-year (YoY).

From the technology evolution perspective, indoor panels will become slimmer and lighter than ever. Display sizes, shapes and aspect ratios will also adopt to the market demands to accommodate space restrictions. One example would be 32:9 stretched panels, allowing for amazing installations accommodating even the most restrictive and narrow spaces such as subway, building columns, store shelves, or even ceilings.
A number of innovations are coming your way to deliver the widest color gamut and unprecedented color spectrum coverage and depth. TV and monitor displays have successfully delivered DCI-P3 color spaces, featuring a color gamut that is much wider than sRGB’s standard. However, UHD TVs BT-2020 is becoming a new standard for color space and bit depth, achieving colors that go beyond what the human eye has ever experienced. We expect commercial digital signage industry to be fast followers to TV in adopting these new color standards.

**IWB segment trends**

The interactive whiteboard (IWB) segment will amount to about 15% of all PID shipments by 2018. Electronic whiteboards and touch solutions become increasingly integrated in education and business environments, replacing projectors and traditional black and whiteboards. Development of government and educational markets remains a major factor in the IWB market growth. Connected and integrated environments along with new technologies, such as motion sensor touch solutions, will drive IWB penetration in new applications, such as retail and wayfinding. This is the second high-growth segment in the PID portfolio, projected to generate 26% CAGR in the next five years.

Within the IWB segment, we expect shifts in standard sizes towards larger panels. IWB users will also expect UHD resolutions for their touch products. Integrated nature of digital signage markets and new technological advancements, such as near-field communication technologies (NFC), will result in the segment entering new application verticals in the near future.

**Conclusion - an amazing 2018 and beyond**

A number of innovative display technologies aim to deliver vibrant, true-to-life experiences that will catapult digital signage hardware components’ demand within the next five years. With the advancements of UHD and SUHD technologies and quantum dot solutions making HDR a reality, we are about to experience color as never before.
New developments in complementary and integrated technologies will further bolster public information display market as well as help it become a media outlet that is as closely engrained in our lives as TV and mobile. Get ready for interactive, multi-channel experiences and let us help you build the best visual and touch solutions possible.

[1] **SET market** is comprised of open cell panels including only LCD panel, driver circuit, and an assembly kit of source PBA, requiring further assemblage. **MODULE panels** usually include additional components – such as backlight - and are ready for installations.