



InfoComm International

10

2010 InfoComm Global AV Market Definition & Strategy Study



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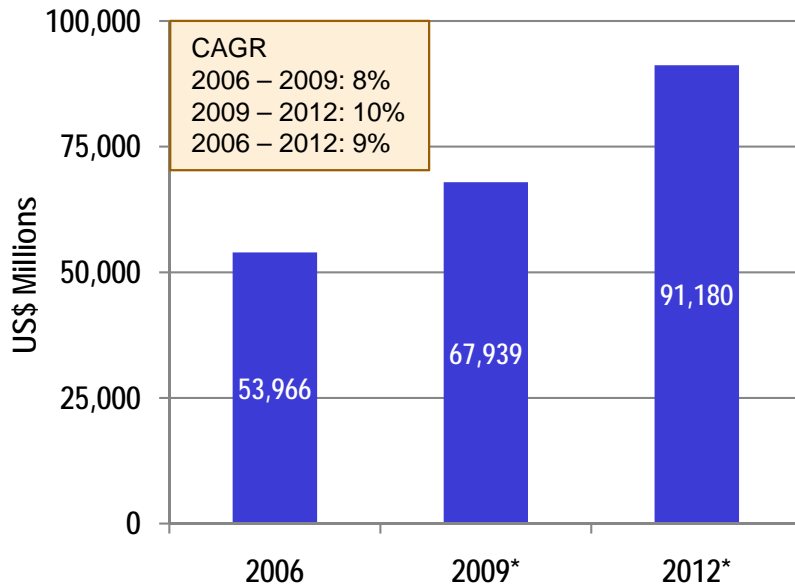
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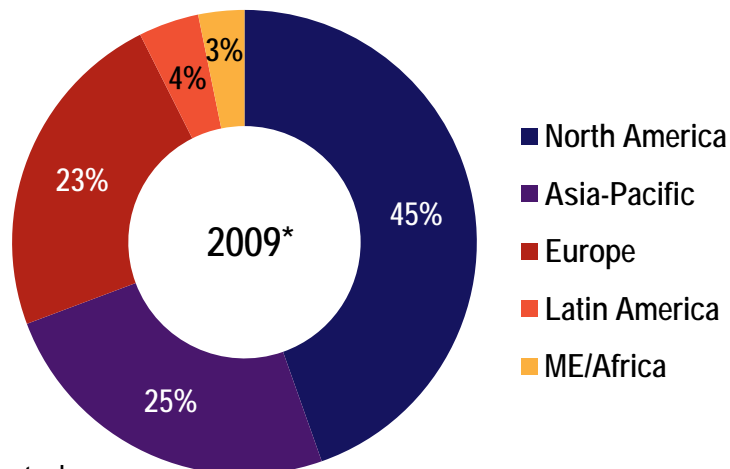
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Executive Summary

Global Pro-AV Market (2006 – 2012)



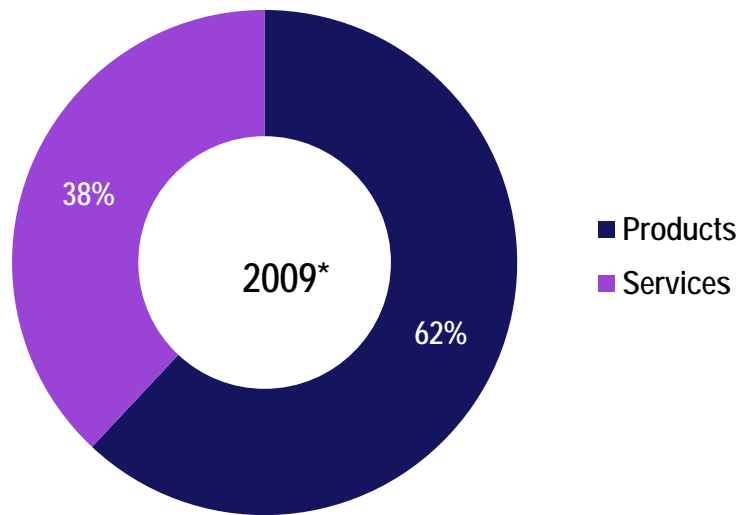
Pro-AV Market by Region (2009)



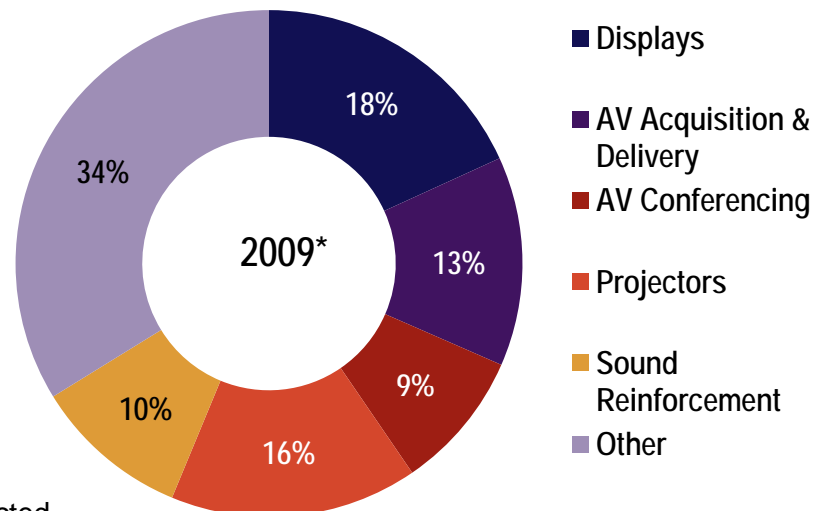
* projected

- The future looks bright for pro-AV, with growth for 2009 – 2012 projected to be better than growth for 2006 – 2009.
- The regions experiencing the fastest growth are also the smallest: Latin America and Middle East/Africa.
- Both North America and Europe are expected to see growth of about 9% during the next three years.
- Growth for the Asia-Pacific region is being held back by the slow growth of the Japanese market. If Japan is excluded, the Asia-Pacific region will see a CAGR of 15% during the next three years, surpassing growth of the Latin American and Middle East/African markets.
- Pro-AV services are growing faster than products in all regions, with services growing at 10% while products are growing at 9%.
- Projectors and displays together account for 21% of the global pro-AV market.
- Fastest growing products are displays, AV conferencing equipment, streaming media & webcasting and wireless connections & software.
- Projectors and screens & shades are the slowest growing products.
- The fastest growing services are programming, maintenance & training and other services.
- More than ever, services are critical to the success of the systems integrator.

Pro-AV Products vs. Services (2009)



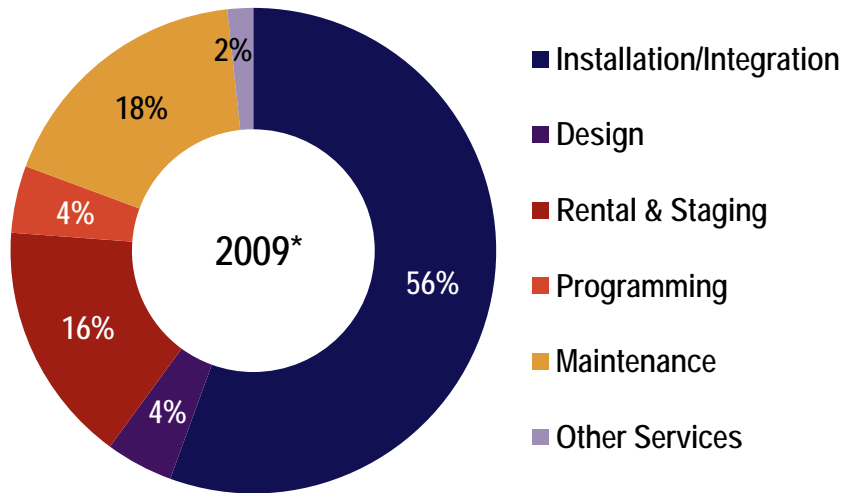
Pro-AV Market by Product (2009)



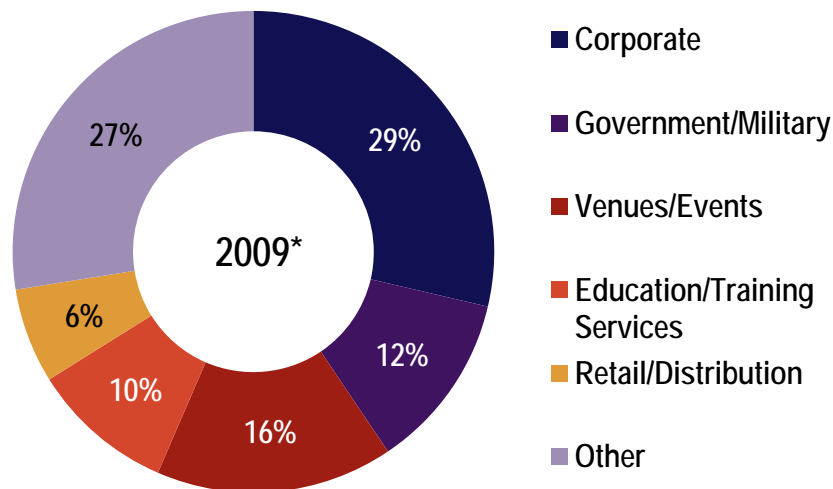
* projected

- ❑ The need for installation and integration services has been driven by the growing demand for applications such as digital signage and videoconferencing.
- ❑ The convergence of AV with IT, security, voice and data are also driving the need for integration services.
- ❑ Outside North America, pro-AV buyers are showing little interest in purchasing maintenance contracts. Instead, these pro-AV users usually take the approach of “maintenance on demand” where maintenance is more reactive than proactive and focused on repairs.
- ❑ Programming has become increasingly complex and represents a growing percentage of most AV installations.
- ❑ Education is the fastest growing customer segment. Other fast-growing segments are government, corporate and hospitality.
- ❑ The slowest growing customer segments are rental & staging companies, home/residential and retail/distribution.
- ❑ Large events like the Olympics and World Cup are driving growth in Europe, Latin America and Africa.
- ❑ Quality and quantity of staff is a pressing issue in many regions. Many pro-AV vendors expressed concerns about the quality, quantity and professionalism of pro-AV staff. Pro-AV vendors in many regions are concerned that skill levels are not keeping pace with technology.

Pro-AV Market by Services (2009)



Pro-AV Market by Customer (2009)



* projected

- Green AV is not clearly defined and tends to mean something different to everyone; in the simplest terms, green AV means being more energy efficient and environmentally friendly. Green AV is a key issue in North America and less so in Western Europe, but not even on the radar in Latin America, Eastern Europe, Middle East, Africa and Asia-Pacific.
- Videoconferencing is a fast growing product worldwide. Videoconferencing has been a “bright spot” for many AV professionals over the last three years with a positive outlook for the next three years as increased usage of the technology continues.
- Digital signage is an important, global trend; in most regions, digital signage is starting to take off. AV integrators have been making inroads in the digital signage industry and the consensus is that AV professionals are gaining share in the market. Many AV integrators report that their digital signage business has increased in excess of 40%.
- Just as “anywhere computing” is becoming increasingly prevalent, pro-AV is heading toward “anywhere AV.” End-users and vendors alike are drawn increasingly to “cloud” solutions that provide greater flexibility and fewer constraints.