Whiteboards set to Boom

David Davies (September 2007)

Decision Tree Consulting's analysis of the interactive whiteboard and projection markets reveals quite how many opportunities now exist for suppliers Europe-wide.

The UK may have led the way so far this decade, but the rest of Europe is catching up and fast. That's the primary finding of new research issued by Decision Tree Consulting (DTC) about the adoption of interactive whiteboard (IWB) technology and overall sales trends in projection equipment. While education will continue to be a major driver of sales, DTC's data reveals that the corporate world is also set to provide lucrative opportunities for manufacturers and resellers through until at least 2011. From being a niche concern at the start of the decade, cutting-edge presentation aids like IWBs have now achieved a compelling crossover into the mainstream.

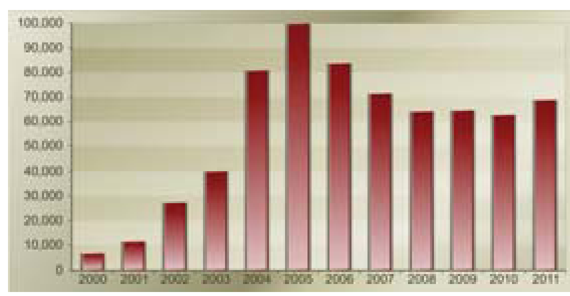
UK market peaks

The UK IWB market has witnessed phenomenal growth since 2000, thanks in large part to adoption by schools. Indeed, the development of the UK market has been nothing short of phenomenal when you consider that classroom penetration stood at a lowly 1% seven years ago.

While reaching a peak in 2005 when a grand total of 100,000 whiteboards were sold bringing classroom penetration to 58% DTC predicts that current slippage to around 70,000 per year will be reversed in 2011, when sales are due to begin a further resolute climb.

"The corporates and higher education markets are starting to buy, short-throw technology is growing and you also have the replacement markets to consider", says Colin Messenger, senior consultant at DTC. Those four factors are keeping the market very strong for at least the next five years. Short-throw technology, in particular, is likely to have a decisive influence on the market. DTC suggests that it could eventually become the standard format, not least in schools, where its introduction has brought about a significant reduction in complaints from teachers about shadowing and bright light. There's also the suggestion that reduced installation time and ease of upgrade may mean new tenders go straight for short-throw technology, bypassing more conventional options. Less cheeringly, there's evidence that a number of products being used in the corporate sector are not really 'fit for purpose'. There's a need, too, for greater education of would-be customers.

Interactive whiteboard volume sales, UK
Sales peaked in 2005, reaching a classroom penetration rate of 58%. They have since fallen, but will climb again in 2011



European growth

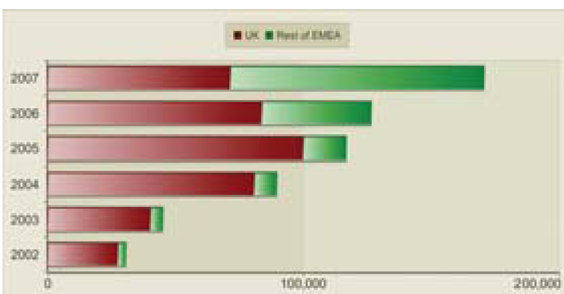
Market development in Europe and beyond has been less frenetic but, as Figure 2 reveals, 2007 has proven to be a banner year in EMEA IWB adoption. For the first time, total annual volumes in the UK have been surpassed by the rest of the region. The trends underlying total sales of 83,716 (UK) and 43,017 (EMEA less UK) in 2006 have undergone an abrupt change witness the current-year figures of 71,381 (UK) against a frankly staggering 99,542 (EMEA less UK).

For a long time, the UK was probably five years ahead of the rest of Europe, suggests Messenger. Over the last five years, however, the rest of Europe has been tracking very closely what we've been doing. Some countries are now catching up very,

very fast. Spain, Italy, France, Hungary and Turkey are among the countries now in the midst of piloting, trialling or installing IWBs; Russia is also rapidly emerging as a vital territory.If we had been talking this time last year we wouldn't have mentioned Russia, admits Messenger. But from the end of last year until now it has taken on well over 10,000 boards. All of which fuels the notion that, in Europe, a tipping point classroom penetration of approximately 3%, suggests Messenger has now been reached. Moreover, he says: Once it gets above that point it can easily go to 20%, 40% or 60%. It's a great time to get involved there are big opportunities to be explored. This impression is reinforced upon encountering another article of data that suggests half of the 66 key countries in the world will reach the 3% penetration mark by 2008.

Interactive whiteboard volume sales – UK's contribution to EMEA

2007 is the first year when sales in the UK have been overtaken by sales in the rest of the EMEA region.
Spain, Italy, France, Hungary, Turkey and Russia are the significant countries here

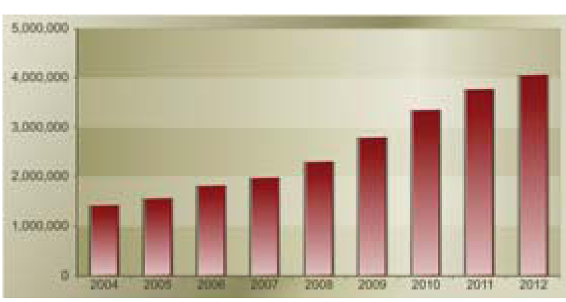


Volumes and value

DTC has also been examining the state of the overall projector market across EMEA

Projector sales volumes, EMEA

The UK education market is due to pick up again in 2008, due to a need to upgrade – typically following on three years after the peak in whiteboard sales



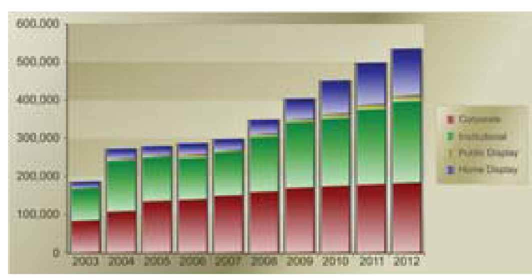
Closing in on a total market volume of 2million in the current year, the data reveals that the gentle but firm upward curve will continue through 2012, when a figure of 4million seems obtainable. Other research assessing the UK market specifically reveals that a sector that has been relatively becalmed in recent years is poised to spring back into life in 2008, thanks to an ongoing programme of upgrading projection equipment in schools. Annual sales of around 350,000 are probable, bringing the market's overall value to approximately £214million. On the basis that projectors generally need to be renewed every three to four years against a more leisurely turnaround of seven-plus years for IWBs it's clear that the replacement market will continue to be a rewarding one.

Finding a niche

Corporate projector volumes remain consistently strong; institutional and home display volumes will grow significantly over the next five years. DTC's breakdown of the UK projection market is a revealing one, suggesting that as a plateau is reached in the corporate world, other elements will come into play, ensuring that total annual volumes will sail past the 500,000 mark in 2012.

UK projector sales volumes by market

Overall sales will exceed half a million by 2012: as the corporate market plateaus out, other markets will take up the momentum



Public display might look relatively insignificant in such company, but Messenger insists that it should not be discounted. Public display doesn't look very big here, but for niche resellers who understand the market, there is big potential equating to almost 15,000 units in 2012.The sharp rise in home display volumes may surprise some observers, but the ever-broadening nature of the market and increasing accessibility of pricing provides a compelling explanation.

“What we register here are the cost implications for the home and also a number of different technologies emerging for the home market”, says Messenger. At one end we have got cost and at the other we have got 1080p technology, HD-ready and all of those factors that we think are going to build up the home market. Meanwhile, a similar combination of factors will drive expansion elsewhere in Europe, where annual volume growth is set to average around 20% each year from 2008 through until 2010. Rising volumes, strong performance in different segments, and the promise of continued technological development are expected. As Messenger concludes:
“There is plenty of reason for optimism”.

Author

David Davies
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