IHS AUTOMOTIVE
SupplierInsight

Instrument Cluster Display Systems Market and Technology Trends Report

Last updated: 05-Sep-2016

INSTRUMENT CLUSTER DISPLAY SYSTEMS MARKET AND TECHNOLOGY TRENDS REPORT

UI / UX Service

CHAPTER 1

Introduction

Research scope & definitions

This report provides a basic understanding of instrument cluster display (ICD) systems for cars, an in-depth demand outlook, and an overview of the main players and market drivers, on both a global and regional level.

Research methodology

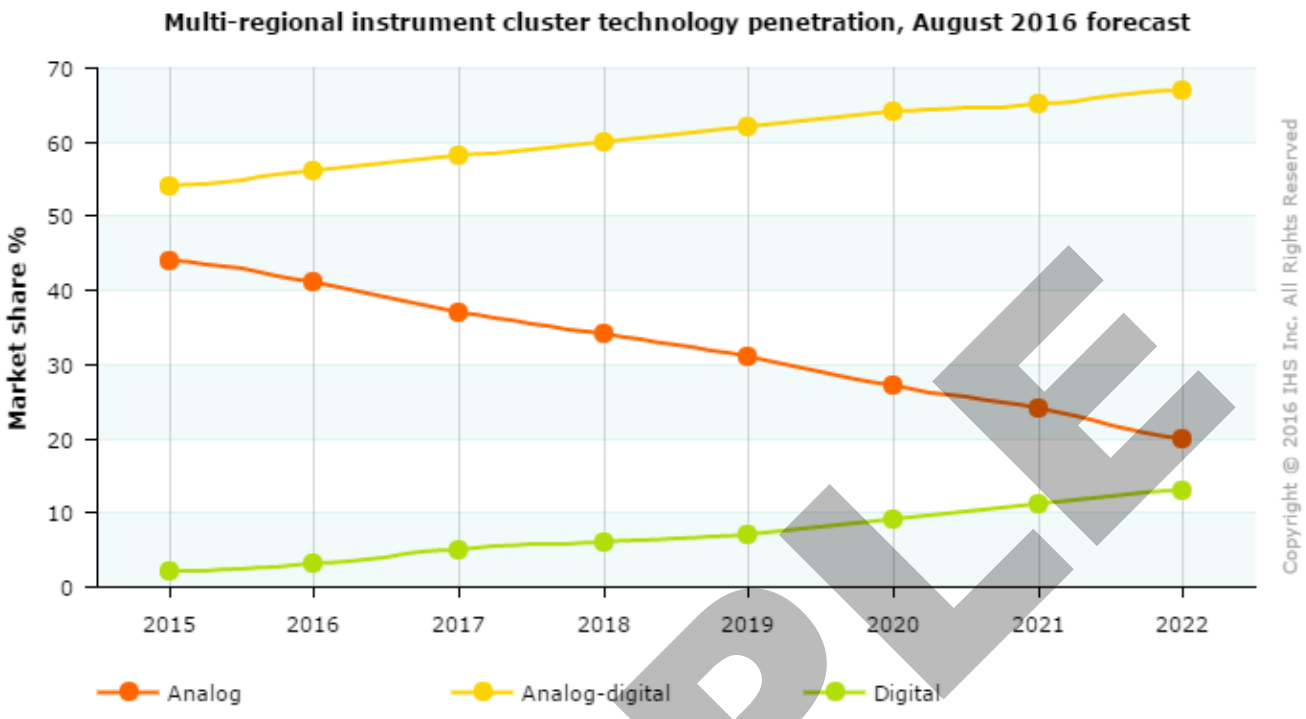
All research in this report is based on IHS production forecast for instrument clusters, which is in turn based on our global light vehicle production forecast released in August 2016 and included light vehicles up to 3.5 tons gross vehicle weight.

As the new instrument cluster forecast is based on model-level vehicle production data and correlating attach rates, the granularity of the data has been improved. To determine the attach rates, analysts regularly conduct primary and secondary research as well as refer to several internal IHS data sets and externally published sources.

Key findings

- Overall vehicle sales growth and driver personalization will drive demand for instrument clusters, a standard automobile component. IHS expects global light vehicle sales volumes to grow at a compound annual growth rate (CAGR) of 2.2% between 2015 and 2022, with instrument cluster demand projected to grow at a CAGR of 2.1%, to over 90 million units, during the period.
- The largest automotive market in the world, China has been leading global demand for instrument clusters, followed closely by Europe and North America.
- Analog-digital instrument clusters currently constitute the bulk of the overall market, and their share is expected to rise further through 2022.
- Analog-only instrument clusters will fade out slowly as analog-digital and fully digital systems pick up market share in entry-level and low-cost vehicle segments.
- Instrument clusters with displays of up to 4.0 inches (measured diagonally) held the highest market share (46.8%) in 2015, and we expect the share to remain the largest until 2022.

Figure 3: Multi-regional instrument cluster technology penetration, August 2016 forecast



• Analog-only instrument clusters will fade out slowly as analog-digital and fully digital systems pick up market share in entry-level and low-cost vehicle segments.

• The majority of instrument cluster demand—roughly two out of every three units—will be for analog-digital systems by 2022. This can be attributed to this type of instrument cluster's maximization of the cost-design ratio; it gives designers what they want without causing major margin hits on a per-vehicle basis.

• The accelerated demand for analog-digital instrument clusters comes as many volume platforms standardize them in emerging markets where consumers will accept a smaller display versus paying more for a full-digital cluster.

• Through the forecast period, full-digital instrument clusters will largely be limited to either luxury vehicles or niche products (e.g., electric vehicles such as Fiat 500e or Chevrolet Volt), but some are beginning to appear on higher-volume products such as the Toyota Prius and Honda Civic.

• Since instrument clusters in general are widely viewed to provide greater levels of usability and functionality, full-digital clusters are likely to surge in popularity. Their global penetration levels are expected to grow from under 3% currently to nearly 13% by 2022.

Diving deeper, we can get a good feel of where global ICD demand currently sits in terms of size as well.