

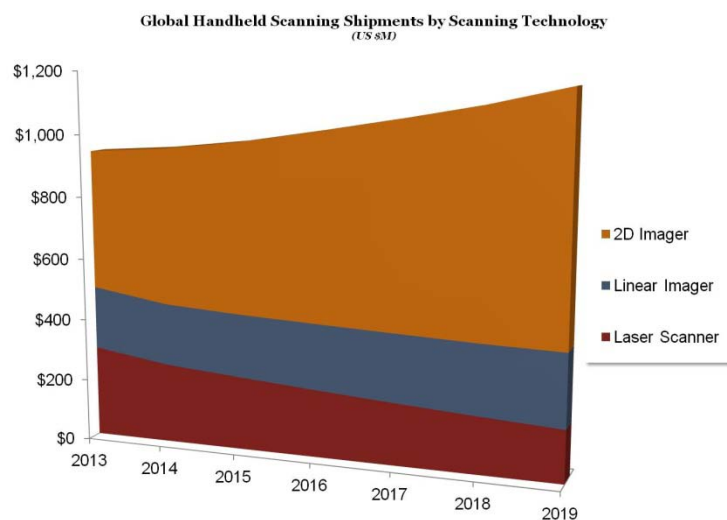
Imaging Revenues Officially Exceed Those Derived by Sales of Laser and CCD Scanners Combined, According to VDC Research

Camera-based imagers account for more than 50% of handheld scanner sales in 2014

“Hardware enhancements alone will not drive future growth; emphasis on software development and support capabilities also critical.”

Natick, MA (PRWEB) June 18, 2015

The global handheld scanner market grew 1.6% from 2013 to 2014, according to VDC Research (click here for more info). A sharp 12.4% increase in camera-based imager revenues made up for an identical decline in laser scanner sales. VDC expects the overall handheld scanner market to grow to \$1.2 billion by 2019 at a relatively low CAGR of 4%, driven primarily by a substantial decrease in laser shipments. Camera-based imagers will account for more than 65% of overall handheld scanning revenues by 2019, up from 52% in 2014. While Datalogic and Honeywell both saw marked (high-single-digit) improvement in sales performance year-over-year, Zebra Technologies' handheld scanner revenues remained unchanged as compared to 2013. According to VDC, this can be primarily attributed to two key factors – integration efforts required to combine Motorola Solutions' Enterprise business unit with its legacy business following the 2014 acquisition, and sales force-related challenges in the Asia-Pacific region contributing to a significant revenue decline in the region.



Ongoing global exchange rate fluctuations are starting to have an impact on product pricing, especially in the European market. VDC predicts the average selling price for handheld scanners to show a marginal increase in the region during the forecast period with vendors including Honeywell and Zebra having raised prices in the region to offset currency fluctuations impacting their business in the first half of the year. Regional and/or industry-focused players including Cognex, Fujian Newland and Socket Mobile continue to offer stiff competition to these industry behemoths with their price-competitive and application-specific core product lines.

For vendors to continue to be profitable, it is important for them to make strategic R&D investments to enhance offerings and rethink the market messaging. They need to focus on solution value-adds and differentiators that customers are willing to pay for.

“Handheld scanner vendors that focus on setting apart their product portfolios and expanding them beyond conventional solution types and form factors will be highly successful,” said VDC's Senior Analyst Richa Gupta. “This extension includes everything from sleds, sleeves, companion scanners, and wearable devices to all-inclusive device management platforms

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for maintenance and support like Honeywell's Remote MasterMind® and Zebra's recently launched Operational Visibility Service (OVS)."

Vendors' product development strategies will evolve from being functionality-centric to solution-specific, with software application development taking center stage. Continued adoption of camera-based imaging solutions has started to open up possibilities in this relatively commoditized hardware market. VDC predicts future revenue growth and profitability will come from market participants partnering with solution providers and application developers in order to provide their customers with end-to-end solutions that address their unique operational challenges and application requirements.

About VDC Research

Founded in 1971, VDC Research provides in-depth insights to technology vendors, end users, and investors across the globe. As a market research and consulting firm, VDC's coverage of AutoID, enterprise mobility, industrial automation, and IoT and embedded technologies is among the most advanced in the industry, helping our clients make critical decisions with confidence. Offering syndicated reports and custom consultation, our methodologies consistently provide accurate forecasts and unmatched thought leadership for deeply technical markets. Located in Natick, Massachusetts, VDC prides itself on its close personal relationships with clients, delivering an attention to detail and a unique perspective that is second to none.