

Interactive Services Raise More than Revenues

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Interactive digital set-top box shipments to the Chinese market increased by an estimated 563% in 2005 to 212,000 units, according to a new report published by IMS Research. This market segment is forecast to grow strongly and to reach about 5.3 million units in 2010.

To digitize current analog cable TV households in urban areas, the Chinese government has adopted its "Total Migration Plan." Under this plan, operators purchase digital cable set-top boxes and give them to subscribers for free. In most cases, the operators are allowed to raise monthly subscriber fees to pay back the initial investments made in boxes.

Previously, to reduce the initial investments, operators tended to buy basic set-top boxes at low prices. However, this is changing gradually as operators increasingly realize that offering value-added services, such as video-on-demand, will be their main source of increased business revenues in the future. Interactive set-tops are essential if subscribers are to receive those value-added services.

Senior analyst, Richard Jun Li commented: "The growing Chinese economy will stimulate the increasing use of value-added services via digital TV networks as average household income grows. The change of the operators' attitude towards interactive services results in strong growth in the interactive set-top boxes segment."

If you would like an interview with an expert in this area, please contact Alison Bogle, Marketing Manager, at Alison.Bogle@imsresearch-usa.com or +1 412-441-1888.

About IMS Research

IMS Research is a supplier of market research and consultancy services on a wide range of global electronics markets. The company is supported by headquarters in Wellingborough, UK and offices in Austin, Texas and Shanghai, China. IMS Research regularly publishes detailed research on consumer electronics markets such as digital TV, digital set-top boxes, and mobile TV.

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