2007 is the Year of High Definition - Hopefully

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Though the past two years have given the market a preview of the potential of high-definition (HD) TV, the sheer volume of announcements and products at the 2007 Consumer Electronics Show revolving around the video technology standard bodes well for this year to be HDâ€™s true breakout year in the consumer marketplace. This potential, however, may still face near-term limitations due to content, standards battles, and limited consumer awareness.

A growing number of pay-TV operators around the world, both cable and satellite, have launched HD services, with many more to follow. For some of these operators, the selection of channels with HD content is currently limited, which has kept uptake slow. Moreover, the near-term market for HD content on HD-DVD and Blu-Ray Disc will be limited as well, due to an expected small initial adoption rate for both formatsâ€™ players. According to analysis from IMS Research, high hardware prices, consumer uncertainty about which format will win the blue laser format battle, and the sustained popularity of inexpensive standard-definition DVDs will constrain HD disc-related uptake in 2007. Last, but not least, is the long-problematic issue of low consumer awareness about HD, and what is required to watch HD content at home. Retailers still face a hurdle in training both consumers and their own retail staff, and a substantial number of consumers continue to pose the stereotypical question as to why their new HDTV does not seem to be displaying an HD picture.

According to analyst Paul Erickson of IMS Research, â€œIt is clear from the 2007 CES conference, especially when observing the many 1080i- and 1080p-compatible products being offered this year by vendors, that HD is going to be a strongly-pushed concept in 2007. In the latter half of this year, more robust HD content offerings from pay-TV operators, increased digital terrestrial TV adoption, accelerating uptake of HD-capable game consoles, and continued retail education at point of sale about HDTV in general, should all help drive quicker adoption of HD-related content and products.â€•

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 the consumer electronics and digital TV markets, including digital set-top boxes, DVD recorders, HDTV, IPTV, and portable media players. www.imsresearch.com
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