More CE Devices Enter the Digital TV Market

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13 November 2007 Â Hybrid devices such as IP-enabled game consoles and DVD players/recorders with integrated digital TV receivers are beginning to make their mark on the DTV industry. Within the next five years, these types of CE devices will become more common in enabling the delivery of digital video content to the TV set, allowing content providers and aggregators to circumvent traditional TV operators.

One of the new phenomenon in the TV industry during the last couple of years has been the introduction of IP-delivered video services. Many established companies such as Google, Amazon, and NBC, as well as newer entrants such as Joost and BIBC, are aggressively pursuing opportunities in delivering content to consumers via the Internet to the PC or via IP to the TV set. IMS Research estimates that in 2007, about 30.7 million IP-enabled consoles will ship worldwide as well as over 6 million devices such as digital media adapters, SlingCatcher, Apple TV, and Media Center PCs.

The IMS Research study Hybrid Set-top Box Developments and the Impact of Other Hybrid Equipment explores the services and products that are employing non-traditional methods of delivering video content to the TV set. Anna Hunt, Research Director and author of the study, states, â€œIntegration of digital receiver technology into DVD and blue-laser products and into TV sets, as well as IP-enabling of many CE devices such as game consoles, is becoming much more popular. This trend illustrates that in the future, many CE devices, beyond the STB, will deliver digital video content to the TV set.â€• IMS Research forecasts that in 2012, over 200 million devices such as these will ship worldwide. Hunt adds, â€œWith services such as Joost and Xbox LIVE Marketplace, as well as content providersâ€™ initiatives to deliver content directly to consumers, traditional cable and satellite TV operators will continue to face challenges relating to the integration of new concepts and technologies into their service and content strategies in order to remain competitive.â€•

The following trends were identified during the course of the study:

- Advances in security technologies, such as DRM and watermarking, are likely to enable richer features and expanded usage models versus historically being viewed as limiting factors.

- Relationships that are being formed among CE suppliers and Internet companies, such as the one between LG Electronics and Google, are a promising sign of convergence of traditional linear and new IP-delivered content within the TV set.

- User interface, installation, and usability have yet to attain the level of seamless simplicity needed for mass-market adoption of devices such as A/V networked Media Center PCs and digital media adapters.

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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.