

Integrated Digital TV Shipments to Grow to 143 million. Is the Set-top Box Under Threat?

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IMS Research is forecasting that shipments of integrated digital TVs (iDTVs) will grow to 143 million in 2013, up from and estimated 52 million in 2007. Given that Samsung, LG, Sony, and Funai have signed on to make tru2wayâ„¢ certified iDTVs for the US and Korean cable markets and that every iDTV sold in the EU must support a conditional access module interface for pay TV, are the days of the set-top box numbered?

Stephen Froehlich noted, “In Japan, iDTVs already displace about 1.7 million satellite set-top box shipments each year, having reduced that market from 2 million unit shipments in 2003 to just 0.3 million in 2007. While the conditions in Japan that allow this are unique, it is clear that US cable operators are working towards the creation of an even more compelling situation in the hopes of eliminating most of the \$200 cost of a DVR.”

However, according to the NCTA, despite the fact that CableCARD iDTVs have been available since 2004, at most 372,000 cable set-top boxes (out of an estimated installed base of 55 million) have been displaced by iDTVs as of June 2008. Results have been similar in Europe, where every iDTV includes a similar DVB-CI interface per an EU mandate.

Forthcoming tru2wayâ„¢ iDTVs are likely to change this situation. Froehlich continues, “The fact that the same level of interactivity is available on Japanese satellite boxes and iDTVs is a significant contributor to the iDTV’s success in Japan. Forthcoming tru2wayâ„¢ iDTVs will be designed specifically to add interactive functions, presenting a real risk of reduced cable set-top box volumes in the US. In addition, parallel efforts are under way to deploy the same technologies in Europe, specifically iDTVs with support for MHP or MHEG-based interactivity and improved CI+ content security.”

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