

Cablevision vs. the Hard Disk Dive?

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Cablevision's legal victory opening the door for it to deploy a network DVR service allows it to provide those services at significantly lower cost by reducing the number of DVRs (and therefore hard disk drives) in the homes it serves. However, this threat to DVR and HDD volumes is flanked by an equally large threat from DLNA-based home media networking.

“The hard disk drive is becoming a victim of its own success,” said Stephen Froehlich. “By growing its capacity at near 75% a year for most of the last decade, the HDD will soon be able to store far more video than a human being can absorb. However, because of its moving parts, the cost of a hard disk drive remains more or less constant, meaning that HDD capacities instead grow well beyond the point of diminishing returns.”

IMS Research estimates that in 2007, nearly 30% of new digital set-top boxes and DVRs were installed in a home with at least one other set-top box already in operation. In the US, more than 75% of new STBs and DVRs are moving into a home with a second or even a third box.

Froehlich continues, “It is making more and more sense to allow many set-top boxes or iDTVs to share the storage of a single increasingly-large HDD over a network. Overall, DLNA-based home media networking alone could eventually eliminate as many as 15 to 20 million units of HDD demand annually. Network DVR services, being limited to Cable and IPTV systems, could also threaten about 20 million units annually. However, it will likely be 2011 or later before either of these threats start to limit the growth of DVR volumes.”

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