Double-digit Growth Forecast for Digital Set-Top Box Market

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Â Double-digit Growth Forecast for Digital Set-Top Box Market - 26 July 2006 Â Austin, TX (July 6, 2006) â€“ In a recently-published report entitled, â€œThe Worldwide Market for Digital Set-top Boxes & iDTVs â€“ 2006 Edition,â€• IMS Research estimates that approximately 96 million digital set-top boxes were shipped in 2005, and forecasts that worldwide shipments of digital set-top boxes will more than double over the next 5 years, surpassing 200 million units shipped in 2011.

The market for digital set-top boxes is headed towards strong growth as satellite, cable and terrestrial operators worldwide will focus on the mass digitalization and upgrades of their pay-TV platforms to promote the adoption of advanced service offerings such as VOD, HDTV and DVR.

Analyst Mark Meza of IMS Research says, â€œBasic digital set-top boxes will retain a majority share in the worldwide market for years to come. However, more pay-TV consumers are trending towards higher-end, advanced set-tops that will accommodate advanced services such as DVR and the growing number of HDTV channels becoming available on a variety of digital platforms.â€• In addition, multiple set-top box homes, and the growing popularity of home networking systems will both help fuel this sustained period of growth for digital set-tops.

A substantial amount of this growth will be driven by basic set-top boxes, thanks to rapid market uptake of digital terrestrial TV and free-to-air satellite. The success of these two platforms has spurred a number of new companies to enter the set-top box market.

It is also interesting to note that hybrid digital set-top boxes, typically a combination of satellite and IP or digital terrestrial and IP reception capabilities are becoming more prevalent. Due to the fast-rising popularity of both digital terrestrial and triple-play services within its populace, Europe led the market in 2005 with over 225,000 hybrid units shipped. The Americas have been slow to embrace hybrid set-tops, with an estimated 59,000 hybrid units shipped in 2005.
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