

When Will Video Streaming To The Vehicle Via Satellite Radio Actually Occur?

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The last quarter brought announcements from Sirius Satellite Radio of plans to provide video broadcasting services to the vehicle. But when can buyers expect product and what impact will this have on subscriber growth and profitability?

Both North American satellite radio service providers have announced plans to expand their bandwidth. It has been widely speculated and demonstrated by the satellite radio firms that this extra bandwidth will fuel an expansion of services from audio and data content to the realm of broadcast video.

"If automotive broadcast video services arrive in 2006, the impact may not be as profound as the satellite radio firms expect," cautions ABI Research senior analyst Dan Benjamin.

"Even with bandwidth expansion, the satellite radio firms can only offer a few channels of lower quality video without sacrificing audio content and quality. Video-compatible radios will also be considerably more expensive than existing devices, not to mention the competition, namely from satellite TV and wireless Internet."

Benjamin points out that satellite TV from DirecTV and Dish Network is already available in the vehicle from firms such as KVH Industries and RaySat, though these devices are still hamstrung by high prices and bulky antennas, limiting the potential market to SUVs and larger vehicles.

He adds: "Don't underestimate Internet from wireless carriers either. When 3G services arrive, there will be enough bandwidth for video at comparable or better quality than the satellite radio providers. Unlike satellite radio which will be limited to broadcasting, the Internet can provide content on-demand."

ABI Research's latest quarterly update to its "Aftermarket Navigation, Infotainment, and Telematics Research Service" provides an early look at the automotive video market.

It also examines new and planned offerings in the navigation segment, with real-time traffic services finally reaching the aftermarket in higher volumes. Existing market data and forecasts are provided by geographic region through 2010.

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