

# HDTV sales in the U.S. to grow 71 percent by 2009

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Television manufacturers will see a surge in cumulative HDTV sales over the next few years, which will boost the overall market value to \$65 billion by 2009, according to "Adoption of High-Definition TVs and Services," a new study from Parks Associates.

The report, which includes data from Parks Associates' "Mobile Entertainment Platforms & Services" study, finds consumers are growing less skeptical about HDTV, which is creating a gradual increase in demand for high-definition products and services. Nearly 47% of TV households in the U.S. plan to buy an HDTV in the next twelve months. This increase would boost HDTV sales by 30% and HD video services by 38% by the end of 2006.

"Consumers are beginning to see the true benefits of HDTV," said Deepa Iyer, a research analyst at Parks Associates. "Consumers who were once hesitant to spend huge dollars on an HDTV are now reconsidering this product category."

As a result, service providers, including broadcasters, cable, and DBS operators, are beginning to feel a push to expand their HD video services in order to attract more HD subscribers. Service providers, content producers, television and chipset manufacturers, and other solution providers are all working to bring more high-definition products and services to market, although Iyer warns that they need to ramp up their efforts. The overall market penetration for high-definition televisions and services is very low. The current subscription rate for HD

programming is barely 10% among all digital video subscribers, while only 35% of total HDTV households subscribe to HD video services.

"It is a chain reaction," Iyer said. "An increase in HDTV sales will fuel the demand for other services including high-definition VOD, local content, primetime programming, and movies. However, this industry lacks a sense of urgency in its efforts to bring compelling HD services to consumers. It has to recognize that HDTV will become ubiquitous only if all collateral forces within come together to embrace the change."

Parks Associates will further examine the issue of meaningful content delivery at the upcoming executive conference "Fall Focus: Making Media Meaningful," hosted November 9-11, 2005, at the Fairmont San Jose. With sessions such as "Enhancing the Television Experience via Interactivity" and "The "Eyes" Have It: Video Content on Consumers' Terms," this event will feature analysis and discussion on the expanding paradigm for video services.

"Adoption of High-Definition TVs and Services" provides an analysis of the enablers, inhibitors, and opportunities for high-definition TVs and services in the U.S. It provides insight into service providers' strategies and consumer behavior patterns for next-generation services and applications.

Source: Parks Associates

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