

Roku expands beyond Internet video-streaming boxes

January 4 2012, By MICHAEL LIEDTKE , AP Technology Writer

Roku is thinking outside its set-top box in an attempt to bring more Internet video to flat-panel televisions.

The new approach will rely on a finger-sized device that won't require extra cords or separate remote controls to stream video over high-speed Internet connections. The product, called the Roku Streaming Stick, will plug directly into a high-definition port available on a growing number of new-breed TVs, just as a [flash drive](#) fits into a computer's USB outlet.

The streaming stick won't be available until the second half of this year, but Roku announced it Wednesday to get a jump on the onslaught of [consumer gadgets](#) that will be unveiled next week at an annual electronics show in Las Vegas.

Roku's streaming stick will only work on televisions that have mobile high-definition links. The technology, known as MDL, is being backed by a group that includes [Samsung Electronics](#) Co., [Sony Corp.](#) and [Toshiba Corp.](#)

Although it's still a small company, Roku Inc. has emerged as a significant player in the steadily growing market for Internet video since it introduced its first set-top box nearly four years ago. Originally designed to deliver Netflix's Internet [streaming service](#) to big-screen TVs, Roku's boxes now include more than 400 different online entertainment options.

As Roku added more choices, the prices of its boxes have fallen to as low as \$50 - down from device's original price of \$100. The price cuts and expanded programming line-up helped Roku sell about 1.5 million streaming boxes last year, tripling its volume from 2010. The privately held company says it had about \$150 million in revenue last year. It won't say whether it's profitable.

The streaming stick is expected to sell for \$50 to \$100. Electronics retailer [Best Buy](#) Co. plans to include the streaming stick in a line of TVs bearing its in-store brand, Insignia.

Roku, which is based in Saratoga, Calif., decided to develop a more condensed version of its set-top box to cater to so-called "smart" TVs. That's become a catchphrase for TVs that can be used to show content from stored on websites and mobile devices in addition to the more conventional fare from cable and satellite carriers.

Unlike smartphones running on software made by Apple Inc., Google Inc. and other technology vendors, [smart TVs](#) still remain more of a geeky novelty than a household staple.

Google has tried to widen the acceptance by developing Internet-surfing software for smart TVs, but that effort hasn't made much headway since it launched 15 months ago. Apple is believed to be working on a smart TV that could hit the market this year or next year. .

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