

WinterGreen Research, INC.

**Set Top Boxes: Market Shares, Strategies, and Forecasts, Worldwide,
2012 to 2018**

**Set Top Boxes: Services Delivered In Home Leverage Next Generation
Gateways and Deliver Wireless Video On Smart Phones and Tablet Devices**



Torrie The Cat in the Tulips Picture by Susan Eustis

WinterGreen Research, Inc.

Lexington, Massachusetts

www.wintergreenresearch.com

REPORT # SH25111917

382 PAGES

109 TABLES AND FIGURES

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CHECK OUT THESE KEY TOPICS

IP Set Top Box
IP STB
Internet Video
Set Top Box Market
Server/Client Architecture
Digital Terrestrial Transitions
Digital Cable Transitions
HD Video Service Offerings

Hybrid (CATV-IPTV, DBS-
IPTV, and DBS-DTT) Set-Top
Boxes
Home Gateways
MSO
IP Home Gateways
Cloud Video Enabled Devices
Cable Industry
Cable TV Network
HD TV

Home Networking
Digital Revolution
Bundled Services
MSO Positioning
Web Integration
IPv6 Leverages the Cloud
Cable Video Gateways

Set Top Box: Next Generation Home Based Networking Provides Growth Strategy

Set Top Box: Market Shares, Strategies, and Forecasts, Worldwide, 2012-2018

LEXINGTON, Massachusetts (May 23, 2012) – WinterGreen Research announces that it has published a new study **Set Top Boxes: Market Shares, Strategy, and Forecasts, Worldwide, 2012 to 2018**. The 2012 study has 382 pages, 109 tables and figures. Worldwide set top box markets are poised to achieve significant growth as the next generation TV Internet systems provide a way to improve bundled channel video services. Set top boxes support entertainment, business, educational, and healthcare video services delivery in the home. Channels and Internet capability will be accessible from the same handset. Gateways will be used to implement multiple device access in the home in some cases. Cloud systems proliferate.

According to Susan Eustis, lead author of the study, “Set top boxes bring Internet to the home. They are evolving the capability to be used by the cable and TV entertainment industry to deliver Internet services. The cloud represents the preferred Internet delivery model so that services from bundled channels and the Internet can be accessed from one single remote TV selector.”

New types of entertainment and sports oriented services are coming into the home. Bundled channel video is being extended as people achieve Internet access capabilities over the HD TV. Enhancements to the current bundled channels promise significant growth to the cable industry. The ability to enhance channel access with HD TV Internet access promises to have broad appeal. The Internet promises to enhance sports programming with information about the game and players delivered over a devices while a channel is being watched. Information at the same time as a program will be enticing. Others watch programs using a single network available on different devices supporting moving to different parts of the home. New cloud services open more efficient ways to deliver those capabilities to everyone. Set top boxes play a continuing key role in enabling HD TV bundled channel services delivery.

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Set top boxes support bundled video channel services delivery. Bundling continues to have widespread appeal as a way to fund the creation of video entertainment that has broad appeal. Next generation set top boxes and home IP gateway devices offer significant IP based functionality to the home.

Set top boxes are useful particularly in the US where there is widespread adoption of the cable TV services delivery. With the cable video business model spreading worldwide bundled programming is anticipated to continue to have appeal. Markets are poised for significant growth. Video content is proliferating.

The channel offerings bring compelling content that can only be produced under the current business model. They provide a valuable connectivity between the cable services provider content and the home HD TV. While it is nice to think that everyone will pay for a media player or media gateway that offers more functions, in truth, the separate set top box is functional, low cost, and performs a valuable services delivery vehicle.

At the high end, set top box markets are migrating in part to next generation solutions with an integrated multimedia device offering entertainment to the entire home. A cloud model is different. The cloud is very appealing and being implemented by several services providers, assuring continued proliferation of set top boxes for a long time to come.

Bundled channels of video have been a compelling business model replacing broadcast TV free channels with bundles of paid channel packages. This bundled programming model is anticipated to continue to thrive as Internet services are added to the TV set.

Video communication is increasing in importance. Video content is replacing voice, data, text, and print media in many instances. Educational video is evolving a more significant place in the teaching of students. News video is proliferating. Video is being used to accomplish remote healthcare services delivery. These uses of video over the Internet will leverage HD TV devices, complementing the current bundled entertainment programming business model.

Set top boxes will last for a long, long time with the addition of Internet access capability. The issue is whether bringing Internet protocol (IP) to the set top box will destroy the proprietary bundling of channels for TV. The value of bundling is likely to create persistence of the cable industry business model as it exists now.

Bringing IP to the TV set is not significantly different than having the Internet available on the PC or cell phone. IP TV brings more content, particularly health services as new content, but it is not anticipated to disrupt the existing bundled channel services entertainment and sports model that cable providers bring now.

Set top box dedicated device markets at \$8.7 billion in 2011 are anticipated to reach \$15.6 billion by 2018 as next generation gateways and cloud computing are introduced to manage Internet connectivity to HD TV devices in the home.

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WinterGreen Research is an independent research organization funded by the sale of market research studies all over the world and by the implementation of ROI models that are used to calculate the total cost of ownership of equipment, services, and software. The company has 35 distributors worldwide, including Global Information Info Shop, Market Research.com, Research and Markets, Bloomberg, and Thompson Financial.

Companies Profiled

Market Leaders

Pace	Cisco
Google / Motorola	ARRIS
Netgem	EchoStar Technologies
Technicolor / Thompson Set Top Boxes	

Market Participants

BendBroadband	Com21	Teleste
Broadcom	Ericsson	Ubee
CableLabs	Harmonic	Zoom Telephonics
Casa Systems	Huawei	Selected Cable Modem and Set
Comcast Business Services	Sequans	Top Box Companies
CommScope	Skyworth Digital Holdings Ltd	

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**Set Top Boxes: Market Shares, Strategies, and Forecasts,
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Report Methodology

This is the 511th report in a series of primary market research reports that provide forecasts in communications, telecommunications, the Internet, computer, software, telephone equipment, health equipment, and energy. Automated process and significant growth potential are priorities in topic selection. The project leaders take direct responsibility for writing and preparing each report. They have significant experience preparing industry studies. Forecasts are based on primary research and proprietary data bases.

The primary research is conducted by talking to customers, distributors and companies. The survey data is not enough to make accurate assessment of market size, so WinterGreen Research looks at the value of shipments and the average price to achieve market assessments. Our track record in achieving accuracy is unsurpassed in the industry. We are known for being able to develop accurate market shares and projections. This is our specialty.

The analyst process is concentrated on getting good market numbers. This process involves looking at the markets from several different perspectives, including vendor shipments. The interview process is an essential aspect as well. We do have a lot of granular analysis of the different shipments by vendor in the study and addenda prepared after the study was published if that is appropriate.

Forecasts reflect analysis of the market trends in the segment and related segments. Unit and dollar shipments are analyzed through consideration of dollar volume of each market participant in the segment. Installed base analysis and unit analysis is based on interviews and an information search. Market share analysis includes conversations with key customers of products, industry segment leaders, marketing directors, distributors, leading market participants, opinion leaders, and companies seeking to develop measurable market share.

Over 200 in depth interviews are conducted for each report with a broad range of key participants and industry leaders in the market segment. We establish accurate market forecasts based on economic and market conditions as a base. Use input/output ratios, flow charts, and other economic methods to quantify data. Use in-house analysts who meet stringent quality standards.

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Interviewing key industry participants, experts and end-users is a central part of the study. Our research includes access to large proprietary databases. Literature search includes analysis of trade publications, government reports, and corporate literature.

Findings and conclusions of this report are based on information gathered from industry sources, including manufacturers, distributors, partners, opinion leaders, and users. Interview data was combined with information gathered through an extensive review of internet and printed sources such as trade publications, trade associations, company literature, and online databases. The projections contained in this report are checked from top down and bottom up analysis to be sure there is congruence from that perspective.

The base year for analysis and projection is 2010. With 2010 and several years prior to that as a baseline, market projections were developed for 2011 through 2017. These projections are based on a combination of a consensus among the opinion leader contacts interviewed combined with understanding of the key market drivers and their impact from a historical and analytical perspective. The analytical methodologies used to generate the market estimates are based on penetration analyses, similar market analyses, and delta calculations to supplement independent and dependent variable analysis. All analyses are displaying selected descriptions of products and services.

This research includes referencde to an ROI model that is part of a series that provides IT systems financial planners access to information that supports analysis of all the numbers that impact management of a product launch or large and complex data center. The methodology used in the models relates to having a sophisticated analytical technique for understanding the impact of workload on processor consumption and cost.

WinterGreen Research has looked at the metrics and independent research to develop assumptions that reflect the actual anticipated usage and cost of systems. Comparative analyses reflect the input of these values into models.

The variables and assumptions provided in the market research study and the ROI models are based on extensive experience in providing research to large enterprise organizations and data centers. The ROI models have lists of servers from different manufacturers, Systems z models from IBM, and labor costs by category around the world. This information has been developed from WinterGreen research proprietary data bases constructed as a result of preparing market research studies that address the software, energy, healthcare, telecommunications, and hardware businesses.

YOU MUST HAVE THIS STUDY

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The study is designed to give a comprehensive overview of the Set Top Box equipment market segment. Research represents a selection from the mountains of data available of the most relevant and cogent market materials, with selections made by the most senior analysts. Commentary on every aspect of the market from independent analysts creates an independent perspective in the evaluation of the market. In this manner the study presents a comprehensive overview of what is going on in this market, assisting managers with designing market strategies likely to succeed.

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Set Top Box Product Description

This section describes selected companies and selected products. Products for this market segment are described with attention to the most significant aspect of features and functions in this category of product. The juxtaposition of a range of different product descriptions from a single market category provides a really good way to access market directions and achieve market competitive analysis. This section is arranged in three pieces: immersive products, conference room products, and end point products. Company products are described in the appropriate sections, meaning a company is mentioned several times in the chapter in different places.

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PACE HDC7240 PRODUCT HIGHLIGHTS

- High performance cable HD PVR solution
- Complies with the latest EU regulations
- Power consumption limited
- Features an innovative and elegant design
- Twin DVB-C tuners
- DOCSIS 2.0 cable modem
- IPV6 support
- A 3.5" hard drive
- Allows for the use of low capacity (160GB) as well as high capacity hard drives at a cost effective price
- Equipped with an Ethernet port for multi-TV connection
- Two USB ports
- Product can be customized for European, Pan-American and APAC markets

Source: WinterGreen Research, Inc.

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ABOUT THE COMPANY

WinterGreen Research, research strategy relates to identifying market trends through reading and interviewing opinion leaders. By using analysis of published materials, interview material, private research, detailed research, social network materials, blogs, and electronic analytics, the market size, shares, and trends are identified. Analysis of the published materials and interviews permits WinterGreen Research senior analysts to learn a lot more about markets. Discovering, tracking, and thinking about market trends is a high priority at WinterGreen Research. As with all research, the value proposition for competitive analysis comes from intellectual input.

WinterGreen Research, founded in 1985, provides strategic market assessments in telecommunications, communications equipment, health care, Software, Internet, Energy Generation, Energy Storage, Renewable energy, and advanced computer technology.

Industry reports focus on opportunities that expand existing markets or develop major new markets. The reports access new product and service positioning strategies, new and evolving technologies, and technological impact on products, services, and markets. Innovation that drives markets is explored. Market shares are provided. Leading market participants are profiled, and their marketing strategies, acquisitions, and strategic alliances are discussed. The principals of WinterGreen Research have been involved in analysis and forecasting of international business opportunities in telecommunications and advanced computer technology markets for over 30 years.

The studies provide primary analytical insight about the market participants. By publishing material relevant to the positioning of each company, readers can look at the basis for analysis. By providing descriptions of each major participant in the market, the reader is not dependent on analyst assumptions, the information backing the assumptions is provided, permitting readers to examine the basis for the conclusions.

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