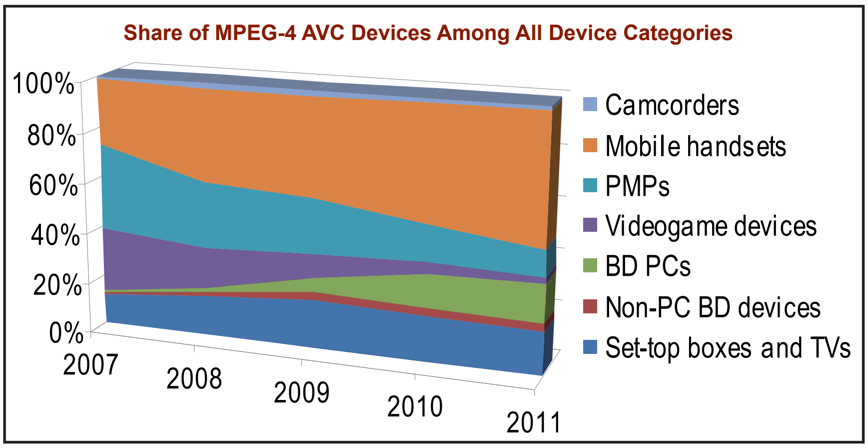
Moore Analysis

MPEG DOMINATION



Terrestrial and pay TV transmissions and services are not the only areas where MPEG-4 AVC can claim dominance among next generation codecs. Practically every product category in the consumer electronics toy box and a growing presence of Internet software and content are going over to the new MPEG standard creating a much greater video footprint for the standard than it has ever occupied.

The chart illustrates how MPEG-4 AVC has expanded into new device categories, such as mobile handsets and Personal Media Players (PMP). And those new device categories will dominate the entire MPEG-4 AVC device market for the foreseeable future. DTC forecasts that more than 207 million of these devices will ship in 2008 growing to more than 730 million in 2011.

Not only have AVC's greater compression-efficiency improvements, nonproprietary status, and lower licensing fees taken the codec into new kinds of devices, it's also making preliminary inroads onto the Internet. In 2008, DTC estimates that more than 340 million Internet media players – either bundled with PCs or downloaded from the Internet – with native MPEG-4 AVC decoding will 'ship' into the marketplace. Millions of free video segments through the use of YouTube and the Flash Media Player put the video MPEG standard on the map. Free content, however, isn't the only MPEG-4 AVC content available on the Internet. DTC estimates that more than 200 million 'buys' of MPEG-4 AVC encoded content will be purchased on the Internet in 2009.

Before the era of iTunes and YouTube, MPEG video standards only made their way into consumer electronics products and network connected set-top boxes. Now, more than 10 years after MPEG-2 kicked off the digital video era, the MPEG family is a critical piece of the digital video entertainment revolution on the Internet.

Myra Moore is chief analyst for Digital Tech Consulting (DTC), a market research firm that tracks and analyses the consumer digital video marketplace. More information on the company and its latest research on the size of the MPEG-4 AVC and other digital video markets is available at www.dtcreports.com.