

What the future holds for personal media players

Maya Jasmin, contributing analyst at Digital Tech Consulting
(12/15/2008 12:01 AM EST)

URL: <http://www.eetimes.com/showArticle.jhtml?articleID=212300469>

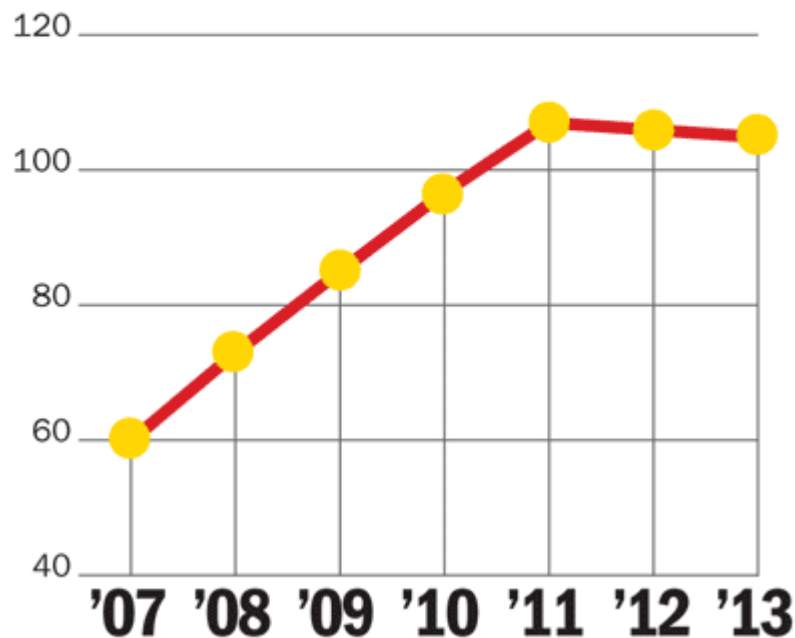
With online digital video content swiftly branching out to different viewing channels ranging from mobile handsets to the PC monitor and right onto the living room TV, how does a dedicated traditional Personal Media Player (PMP) compete in a digital video future populated with more and more multifunction devices?

There are several challenges the dedicated PMP will face in the near future. Such challenges may threaten PMP's legitimacy as a standalone product, but it remains to be seen whether any of the threats will actually manifest into full fledged foes.

The first and arguably most threatening challenge is the convergence trend. With convergence looming around every corner and spanning the entire Consumer Electronics (CE) product space, initially it seems only natural that the dedicated PMP functions would eventually reside in a device like a mobile phone/PMP device or a portable video game system that plays back digital audio and video.

Estimated personal media player shipments for 2007-2013

Units, millions



SOURCE: Digital Tech Consulting

However, even with the obvious benefits of a converged product that would theoretically save space and time, Digital Tech Consulting (DTC) believes that it is an overrated idea in the PMP market.

Perhaps less talked about, but more threatening to the traditional standalone PMP market is the proliferation of online video content to the TV. With options like the Netflix/Roku Internet set-top box or AppleTV becoming available, online video content is no longer confined solely to the tiny screen of a PMP, or the desk space where the family PC resides.

Consumers now have a legitimate option of watching true Internet video content on the living room HDTV.

So what does this imply for the PMP market?

DTC believes that like so many other potential challenges to existing technology, this threat will only foster more advancement in the PMP market.

Future improvements in storage capacity are important for data-intensive video, especially as the small devices evolve into portable movie library vaults.

As PMP video storage capacity grows from several hours today to several hundred hours in the future, the ability to play back movie collections on multiple monitors will expand PMP use from the gym and the car into the family room.

As high definition (HD) content availability increases, the ability to store more data, whether through greater physical storage or through the shrinking of file size via improved compression, becomes vital to the PMP's future growth. And DTC expects the PMP evolution to rise to the occasion. Evident in larger screen sizes and better video resolution, the PMP is poised to remain a staple for many years to come.

While DTC recognizes that convergence and advances in the portability of Internet video content are certifiable trends, we do not believe that the stand-alone PMP market has to worry about suffering any vital blows to unit shipments in the foreseeable future.

Despite the competition that the PMP is facing, DTC forecasts the continued growth of the market over the next four years, going from nearly 60 million in 2007 to 107 million in 2011--driven largely by the continuous decline in the incremental cost to add video capability to MP3 players. Even with the market approaching full saturation in the 2012–2013 timeframe and experiencing slight annual declines thereafter, the future of the PMP is fortified.

Maya Jasmin is contributing analyst at Digital Tech Consulting, a research firm that specializes in tracking and analyzing the consumer digital video market.