Networking Makes Itself At Home

Aided by widespread broadband communication and proliferating digital media files, networking and network-aware entertainment electronics are settling into the home. Today’s technology is easy to use, and customers are more comfortable with networking and motivated to share content between systems, said Mark Kirstein, vice president of multimedia content and services for iSuppli Corp. (El Segundo, Calif.). Network-enabled consumer electronics systems will increase at a 64.4 percent compound annual growth rate, to 154.5 million units, by 2009, the firm said.

With DVD and gaming capabilities, plus state-of-the-art video and graphics performance, multifunction videogame consoles exemplify convergence, iSuppli said. Today’s consoles represent the largest installed base of network-capable consumer electronics devices. Next-generation systems like Microsoft’s Xbox 360 will be adopted rapidly, greeted by expectant customers with discretionary income.

IPTV is a key driver of integrated networking. Dozens of service providers are in trial or are rolling out IPTV around the world, and cable and satellite services are preparing competitive responses to play in the networked home, iSuppli said. IPTV set-top boxes can operate as home servers and could function in the future as residential gateways.

Several obstacles could slow content sharing in the home, including system interoperability, competing business models and digital rights management. System complexity is also “a major issue,” iSuppli’s Kirstein said. “Consumers will take time to adopt this technology, as it’s very advanced for common consumers. Explosive ramps will be constrained by this ‘familiarity’ building, which only comes with time,” Kirstein said.

Standalone digital media adapters allow traditional audio/video equipment to operate in a home-networking environment. DMAs’ bridging functionality is being integrated into DVD players, DVRs and other equipment, which could give rise to multiroom DMA server systems or undermine the DMA market’s sustainability, iSuppli said.

—Compiled and written by David Roman