

Canalys launches new programme aimed at the digital home

– Research analyst joins to support new initiative

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For immediate release

Canalys announced today its first continuous service dedicated to studying the market for emerging technologies in the home. The Digital Home Analysis service will provide marketing executives with the key information they need to track and understand trends across the converging television, consumer electronics and IT industries. Its primary focus will be to monitor the developing market for intelligent platforms in the home, and the competitive issues facing vendors that come from the PC, games console and video recording sectors.

Canalys has a tremendous track record of success in helping leading vendors and operators to navigate the obstacles raised by convergence within the mobile industry. Suddenly many of the dynamics within that sector, where distinct business and adoption models are impinging upon one another, are being revisited in the consumer electronics business. Steve Brazier, Canalys president & CEO said, “It is already possible to record live television on a PC, do messaging and chat via games consoles, and use a TV to browse the web or display photos. Consumers suddenly are faced with lots of choices, but while this innovation can be liberating, it introduces many pitfalls too. Customers are bewildered by the options and the difficulties in connecting their devices together. Vendors are struggling to define profitable value chains amidst fierce competition. Investors in bandwidth are at risk of losing control over content provision, and therefore their ability to charge a premium for it.”

The rapid emergence of new digital technologies is a global phenomenon, but the competition for dominance in the home will remain largely national. The adoption of digital TV and pay-TV varies widely by country and across continents. There is not even common acceptance of which technology is optimal, with successful implementations being found across satellite, cable and fibre. Over the last two years most of the advanced economies in the world have delivered widespread broadband availability, but provision of fast broadband remains in its infancy. Countries, such as Germany, where there is little competition in broadband, will move more slowly to higher-speed services. Fast broadband will become essential for the Internet to provide real competition to TV broadcasters for the delivery of movies and real-time TV. Content owners will influence the outcome of these technology battles too, as they will limit where their material is available and permit only restricted distribution of their encrypted content across devices. There are a few examples of valuable content that is distributed under European-wide agreements, notably Champions League football, but the vast majority of content is both language and culture dependent.

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The Digital Home Analysis service is designed to give vendors, content owners and service providers the information they need to understand this very complex European market. It will provide quarterly market share information for the three categories of intelligent device in the home, as well as three-year forecasts and supporting information on broadband and digital TV adoption in the different countries. It will identify which channel players are effective at shipping digital home equipment, and where profits exist. It will also provide clients with the information they need regarding wired and wireless device connectivity and trends in digital rights management technology. Most importantly, Canalys will take a unique, wholly converged view of the consumer technology market and deliver accurate information that is not hindered by historical ties to a particular industry. Full information regarding this service can be found at

<http://www.canalys.com/services/dha.htm>.

In related news, Canalys also announced today that Carl Gressum has joined the team as a research analyst in support of the new service. Carl, a Norwegian citizen, most recently had been working for Nomatica, a French online reseller of consumer electronics equipment.

About Canalys

Canalys specialises in delivering high-quality market data, analysis and advice to the world's leading technology companies. It is recognised as a key provider of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms and consumer electronics companies. It has unrivalled expertise in European routes to market for all kinds of high technology products and services in the consumer, SMB and large enterprise segments, and provides worldwide market data and trends analysis.

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