

DVD Recorder Sales to Reach \$12B by 2009

Online staff -- 4/26/2005

Electronic News

<http://www.reed-electronics.com/electronicnews/article/CA527769.html>

Consumers are saying "Sayonara" to the VCR and local electronics stores are saying "Hello" to more DVD players and DVD recorders, in what has become one of the biggest electronics success stories in history, according to Semico Research Corp.

While most consumers still need a VCR if they wanted to archive a favorite TV show or camcorder content, DVD recorders are rapidly taking the place of the VCR in the home, with DVD recorders by units forecasted to grow from 22.8 million this year to 86.9 million by 2009, representing a compound annual growth rate (CAGR) of 39.7 percent, the Phoenix, Ariz.-base market research firm said.

DVD recorder revenues are expected to reach \$12 billion by 2009 from \$6.3 billion this year, a CAGR of 18 percent.

"Adoption has been hampered in recent years by the existence of several different formats: DVD-RAM, DVD-R/RW, and DVD+R/RW," said Adrienne Downey, senior analyst at Semico, in a statement.

"Now that the industry is starting to make players, recorders and media more compatible with these different formats, an even worse format war is brewing: the fight over the next generation, high-definition and high-density DVD," she explained.

"Two blue-laser-based formats, Blu-ray and HD DVD, have divided the consumer electronics industry, the PC industry, as well as Hollywood itself. Developed in China, a third high-definition format, EVD, is red-laser-based and complicates the whole mess even more," Downey added.

As a result, the question of who will win the format war is open.

With the coming of high-definition television around the world, DVD recorders will need to be able to hold substantially more data per disc than ever before, Semico concluded.

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