



Video to go

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It used to be that all technology companies, big and small, made the pilgrimage to Las Vegas once a year to a gigantic trade show, and that show was called Comdex.

What a difference a year or two makes. Falling attendance at Comdex—to the extent that organizers announced in June that the 2005 show would be canceled—and a huge swell of interest in consumer electronics has created a reversal of fortunes, making the Consumer Electronics Show the technology trade show in Las Vegas that every technology company wants to attend.

This month the organizers of CES are conservatively expecting 120,000 attendees from 110 countries. That's about half of Comdex's attendance in its heyday (and even lower than last year's 132,000 attendees), but consumer electronics is still where the action is. Although the compound annual growth rate of the semiconductor market overall is expected to slow to something more like 10 percent, from its historic level of 17 percent, analyst firm Semico is forecasting that consumer electronics will hold a CAGR of 25 percent between 2003 and 2008. "The consumer market is the fastest-growing end use growth market out there," says Connie Wong, director of wireless communications at Semico. "It's not the killer application, but it's something even better: the killer market."

Analysts believe that the hot applications for CES 2005 will focus on portable media players—those with a handheld form factor and video capabilities—and more technologies for enabling the digital home, from home media servers to wireless technology for networking all the entertainment devices in the home.

Over the past few months, a handful of companies have announced handheld audio/video players. Although it won't be ready for customers in time for CES, you can bet Texas Instruments will be talking about what it announced recently—digital TV on a single chip, designed specifically for cell phones.

Digital Cube Inc.'s i-Station is part of the hot product category of portable video media players that is expected to steal the show at CES. This particular device incorporates a digital media processor from Sigma Designs. Sigma Designs is expected to make several announcements at CES.

Code-named "Hollywood," the chip will receive live digital TV broadcasts at 24 to 30 frames per second, using new television infrastructure that is being developed for cell phones. Several similar products that put video onto an iPod-like media player are expected at CES in January. Initial products are expected to run only stored video such as movies, but future versions may include television receiver capabilities.

Some have even speculated that Apple Computer may add this capability to a future generation of the iPod, but Mike Paxton, senior analyst for converging markets and technologies at analyst firm InStat (a division of EB's parent company), doesn't think so; he's not even convinced that this is a feature consumers will want. "I have my doubts about how many people want to pay several hundred dollars for

this or to have their PDAs upgraded for it," he says. "If you go to Tokyo, you see people with those types of devices. But is that model going to be applicable to the United States or Europe?"

Another area that is expected to generate a lot of attention this year is home media servers—boxes that include a broadband connection, a hard drive and in-home networking capabilities. Set-top boxes and personal video recorders were their predecessors, and the upcoming generation, including "entertainment PCs," offers the features of previous generations, plus more.

For instance, Dave Networks will be offering its own improvement on the concept at CES in the form of DaveTV, a new Internet network of content available to PC users who download the software or those who have the company's Xport digital media receiver. The device allows users to access content from both their cable and satellite providers, in addition to Internet content, and uses software technology to ensure secure digital content and prevent piracy.

Along the same lines, other companies are also expected to unveil enhancements to personal video recorder devices. One such enhancement expected at the show allows TiVo users with a broadband connection and a new product to be able to view their personal TiVo menus and content, whether they are at home or traveling.

Technologies for networking all these home devices will also be hot at CES this year, with 802.11n (the high-bandwidth version of Wi-Fi, the standard for which IEEE is still finalizing) and ultra wideband (a technology that has limited silicon available but is still embroiled in a standards war at IEEE) duking it out for dominance. Both of these technologies have the high bandwidth required to send high-quality video from device to device in the home.

Who's going to come out on top among semiconductor vendors at this year's CES? "Freescale Semiconductor has an advantage, because it is out with a UWB product," says Semico's Wong. "But there is still time for other players to capture opportunities in the market, because we don't see the digital home taking off until at least 2006."

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