

# Connected TVs to Outsell Games Consoles For First Time This Year

A new report from Informa Telecoms & Media reveals that worldwide sales of connected TVs will surpass games consoles for the first time in 2011. While Microsoft, Nintendo and Sony will sell 37 million consoles this year, consumers will buy 52 million connected TVs from the likes of Samsung, Sony and LG.

“The market for connected devices – connected TVs, connected Blu-ray players, games consoles, media-streaming devices and hybrid set-top boxes – is continuing to grow globally, as consumers seek to access services such as Netflix and iPlayer via their televisions. In 2016, 1.8 billion in-home video devices – including tablets – will be sold, an increase of almost 800% from today. And by this time, 70% of all in-home video devices sold will be able to connect to the Internet,” comments Andrew Ladbroke, analyst at Informa Telecoms & Media.

“Until now, many online video services were launched primarily with the game console in mind, mainly because console users innately understand how to connect these devices and demand interactive video services from them. However, this is beginning to change as connected TVs bring these services to a mainstream audience,” Ladbroke continues.

The largest consumer electronics manufacturers stand to make the biggest gains, in particular the big three: Samsung, LG and Sony. However, TV manufacturers will be faced with a conflict of interest. On the one hand, they must build and support a platform that works across both the latest and legacy devices, effectively reducing the differences between the two – and, on the other, they must persuade users that the latest iteration is a superior device and worth purchasing. Only if they do this successfully will CE manufacturers be able to seize the balance of power away from traditional video aggregators.

But the big three will not have it all their own way. “Just as Sony was toppled by the emergence of Samsung and LG, so these established companies should be wary of Chinese manufacturers such as Hisense and TCL. These manufacturers are following the high-volume low-price model laid down by Samsung and are likely to be the biggest beneficiaries of connected TVs as the Chinese market burgeons to sales of over 47 million in 2016,” adds Ladbroke.

The main losers will be media-streaming devices, which Informa does not believe will move far beyond the niche status they currently occupy. This has major implications for players that have launched stand-alone boxes, not least Apple. Informa believes that, if Apple is to win in the connected home, it must launch a TV, or at least turn its Apple TV device into something more than a convenient way to access video via iTunes.

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