

Worldwide Market for Enterprise-Class Multiformat Transcoders

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Executive Summary

In the last decade video content has become more and more prevalent on the Internet and through mobile video services. Unlike the broadcast market, there are many different codec and containers used to deliver content over these unmanaged networks. Multiformat transcoding products were developed to take in content in one format and output it in another oftentimes at varying resolutions and bit rate profiles.

Many vendors in this market were formed to serve a particular niche. Some have expanded beyond their original niche while others have stayed put. Most are small privately held firms that were founded in the last ten years. Few of them are serving all segments of the market. In-Stat expects some of these vendors will be acquired by larger companies in the next few years in order to round out a company's product portfolio.

The multiformat transcoder products are often based on flexible software platforms whether running on a server or contained in a hardware appliance. They have to be able to quickly integrate new codecs and container formats as they become available. WebM and VP8 are recent examples.

The growth in the file-based multiformat transcoder market will continue over the next several years as more tape archives are converted to digital files, more video content is uploaded or streamed over the Internet, and multiscreen TV delivery services move from lab trials in 2010 to deployments. Since the further out in the network the video is transcoded, the more transcoders are needed, multiscreen TV delivery from top tier pay-TV service providers are expected to propel sales of live multiformat transcoders. There are a lot of headends in the world that will need to be outfitted.

The Americas market will remain the largest due to its large number of media companies and pay-TV providers who are making investments in multiformat transcoding. EMEA follows while Asia revenues follow behind.

HIGHLIGHTS

- The market is mostly comprised of small vendors who were founded in the last ten years.
- Revenue from enterprise-class multiformat transcoders will grow from US\$XX million in 2009 to US\$XX million in 2014.

Figure 1. Worldwide Live vs. File Multiformat Transcoder Revenues (US\$ in Millions)

XX

Report Summary

In the last decade, video content has become more and more prevalent on the Internet and through mobile video services. Unlike the broadcast market, there are many different codec and containers used to deliver content over these unmanaged networks. Multiformat transcoding products were developed to take content in one format and output it in another oftentimes at varying resolutions and bit rate profiles.

The market for multiformat transcoders will continue to grow as the move to upload video content on the Internet continues to gain momentum. Multiscreen TV delivery services (TV Everywhere) are in their infancy. Over the next several years, top-tier pay-TV service providers will invest in multiformat transcoding equipment in order to provide these services to their subscribers.

The report contains descriptions of the multiformat transcoder vendors, their products, partners, and customers. Worldwide five-year revenue forecasts are provided for live and file-based multiformat transcoders by region.

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Methodology

The discussion in this report covers In-Stat's analysis of the worldwide market for enterprise-class multiformat transcoders. We have not included MPEG broadcast encoders nor consumer-level transcoder products in our analysis.

Our research methodologies include the following:

- In person, email, and phone interviews with transcoder vendors from February to July 2010.
- Analysis of In-Stat's databases and verification with other In-Stat analysts.
- Analysis of product literature and financial statements from vendors.
- Background research of encoding/transcoding and streaming technologies. Sources included white papers, magazines, and journals.

Companies interviewed for this report include AmberFin, Anystream, ATEME, Digital Rapids, Elemental, Envivio, Harmonic, Inlet, Media Excel, Telestream, and ViewCast.

All data shown represent worldwide shipments, unless specifically noted otherwise. All revenues and ASPs are US\$ unless otherwise noted.

The numbers in this report are calculated at a higher precision than shown. As a result, some of the numbers may not calculate exactly due to rounding.

The Americas region includes the countries in North and South America, EMEA includes both Eastern and Western Europe and the Mid-East/Africa, Asia/Pacific includes India, Australia, and New Zealand.

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- #IN0904001MBI *Worldwide Real-Time Broadcast MPEG Encoder Market*, March 2009
<http://www.in-stat.com/catalog/mmcatalogue.asp?id=289#IN0904001MBI>
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