

Report: Smart TV Shipments Grow 15% Worldwide in 2012

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SANTA CLARA, CA – Smart TVs are moving from a novelty to mainstream, with shipments expected to grow 15% worldwide in 2012, says **NPD DisplaySearch**. With the shift, regional preferences and TV consumption habits are changing.

Critical to the development of connected TV has been the accessibility of content and broadcast services, which have helped propel penetration in Europe and Japan. In China, the availability of attractive free content on the internet has had a similar effect, says the firm. Connected TV shipment shares were 26% in China and 34% in Western Europe in 2011. In 2012, they have grown to more than 40% in both regions. Japan has the highest penetration with more than 55%, says NPD DisplaySearch.

Smart and connected TV shipments account for a large percentage of TVs in most regions, but North America seems to be pursuing a different direction. Penetration is hovering around 20%, which is the lowest level of any region, according to the firm.

Smart TV shipments are tightly linked to content consumption habits. For consumers in China, there is plenty of free content on the Internet and few structured services. This favors TVs with built-in browsers. Furthermore, Chinese consumers consider a TV to be a prestigious purchase and are prepared to invest more in them, says the research company.

Conversely, Western Europe consumes more free content every month than North America. Terrestrial broadcasters' catch-up services are beginning to dominate in Western Europe. These broadcasters have no interest in hardware, so connected TVs are flourishing with open standards like HbbTV, rapidly gaining acceptance and evolving with new features. The development of the Ginga standard in Brazil is following a similar path in Europe, with commercial broadcasters uniting around a common platform.

Nearly 9.5 million consumer-controlled (open Internet access) smart TVs shipped in the second quarter, with 43 million expected to ship in 2012. This figure is forecast to grow to 95 million in 2016.