

85% of all flat-panel TVs will Be internet-connected smart TVs by 2016 - Gartner

Nearly 85% of all flat-panel TVs produced in 2016 will be smart TVs, according to Gartner. Worldwide unit production of flat-panel smart TVs will grow from 69 million in 2012 to 198 million in 2016. Worldwide unit production of smart TVs in 2013 is expected to reach 108 million.

However, analysts said that smart TVs alone won't spur demand in the market. TV manufacturers must recognise the need to offer some compelling reasons for consumers to choose their brand over a competitor's.

"In the end, the choice may be all about the extra content that one TV brand offers over another. Consumers will be asking questions such as: Which Internet TV services can the TV access? Are these the sites I think are valuable? Can I use my smartphone or tablet with this TV?," said Paul O'Donovan, principal research analyst of Gartner. "It is critical for the TV industry during this global economic downturn and decline in consumer confidence levels, to sustain sales and maintain or grow market share - especially in emerging markets. This is difficult when demand has slowed, so the extra functionality offered by smart TVs becomes the product differentiator - if prices are already competitive and all other variables are equal between brands."

Defining a smart TV

Gartner defines a typical smart TV as having the ability to search the Internet for video content and then play that content back. It may or may not include a browser, but there is the functionality to add apps from an app store operated either by the TV manufacturer or by a third party. The functionality of the smart TV can include an interactive capability with live TV broadcasts, as well as a range of connectivity options to other consumer devices such as smartphones, tablets or PCs.

Internet-connected smart TVs will be able to access a wide variety of content from the Internet over a broadband connection and will receive traditional TV broadcasts via terrestrial transmissions or via satellite, cable or an Internet Protocol TV (IPTV) set-top box. They will still be connected in this way because pay-TV services will continue to carry much of the premium TV content - such as sports and events - that will not be readily available over the Internet. However, it is the connection to the home broadband that makes a smart TV different. Today's smart TVs can access video content on the Web in many ways - such as via YouTube, Netflix, Hulu and other sites, as well as social networks - and can run some applications commonly found on devices such as smartphones or tablets.

Greater access to a wide range of content

The TV market is evolving, with the TV becoming the central component bringing together the multiple screens now present in the home. The smart TV offers consumers greater access to a wide range of content in the living room that has, until recently, only been available on PCs, smartphones and tablets.

"With connectivity to smartphones and tablets comes the ability to pull content from the Internet on one device and push that content to the TV. For those TV manufacturers that also make smartphones and tablets, the marketing advantage of the smart TV makes educating the consumer a lot easier," said O'Donovan.

More detailed analysis is available in the report ["Market Trends: Smart TVs Are the Focus of the TV Market, Worldwide, 2012"](#).

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