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Blu-ray player: A Trojan horse for Internet video?

Issue: Internet-connected Blu-ray optical disc players are likely to achieve significant scale in the U.S. as conduits for over-the-top video delivery. We estimate 15–20 million units may be in place within the U.S. in 2010.

Background: With a unified software platform, large-scale manufacturing processes and affordable retail prices, Blu-ray players combine attractive attributes other single-purpose Internet video devices lack. What's more, as a platform for Internet video delivery, the Blu-ray category got an immediate lift in November when Sony's Blu-ray inclusive PS3 video game platform began supporting the Netflix Inc. streaming video service. The Netflix/PS3 arrangement means an additional 7–8 million Blu-ray devices in the U.S. are now enabled for video streaming, bringing the current installed base to around 12 million.

Implications: With connected Blu-ray players growing in popularity at the same time that Internet video content offerings are proliferating, the first large-scale consumer platform for Internet video to the TV set is becoming a reality. As the installed base rises, Blu-ray players could represent a competitive affront to subscription video providers that historically have had control over in-home set-top devices.

ABOUT THE AUTHOR

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Stewart has been reporting on and writing about the cable television and media industries for more than 25 years, for publications and organizations including *Multichannel News*, *Cable World*, *CED Magazine* and Paul Kagan Associates. He has founded and served as editor of several national business magazines and is the author of the book *Fast Forward: Video on Demand and the Future of Television*; the editor of the book *Definitive Broadband*; and a co-author of *Broadband Planet*, published in 2004 by Cisco Press. He joined One Touch Intelligence as Senior Director of Communications Intelligence in September, 2007.

ABOUT VIDEOTRAK

VIDEOTRAK helps industry executives understand the emerging economics and dynamics of the Internet-video sector by offering exclusive analysis of distribution and content providers, business models, market statistics and consumer behaviors that are shaping the fast-growing category.

VIDEOTRAK service deliverables include: business intelligence alerts, analyst support, monthly Internet TV analysis reports, and bi-annual sector analysis reports.

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