

Video Encoder - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The Video Encoder Market size is estimated at USD 2.44 billion in 2024, and is expected to reach USD 3.05 billion by 2029, growing at a CAGR of 4.60% during the forecast period (2024-2029).

The demand for the video encoder is consistent, owing to the increasing number of content creators. As a result of the viral spread, the IPTV industry is growing rapidly. Furthermore, the market for video encoders has constantly been rising since the pandemic. The COVID-19 pandemic resulted in a large increase in video consumption, particularly VOD content.

Key Highlights

-Video encoders convert analog or digital video to another digital video format for delivery to a decoder. Video encoders input SDI as an uncompressed digital video signal into H.264 or HEVC for television broadcasting. These encoders are designed for ISR, and IPTV typically accepts analog composite video, SDI, or Ethernet, along with application-specific metadata, for transporting to different viewing or storage devices over a wireless or IP-based network for viewing via computer monitors or for being captured by storage devices.

-The purpose of encoding a video is to create a digital copy transmitted over the internet. Broadcasters can choose between a hardware or software encoder, depending on the purpose of the stream and the budget. Most professional broadcasters use hardware encoder, but due to the high price point, most beginner-level to mid-experienced broadcasters go with live streaming encoder software.

-In addition, in January 2021, Magewell launched its new Ultra Encode family of universal live media encoders, providing H.264, H.265, and NDI|HX encoding with multi-protocol support for a wide range of professional applications, live streaming, remote contribution to IP-based production, and AV-over-IP.

-Hardware and software encoders function similarly, taking RAW video files and converting them into digital files. Hardware

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encoding devices have the sole purpose of encoding, while software encoders work with a computer's operating system; thus, encoding is not the primary function. Software encoders have graphic interfaces to manage the conversion process and allow control over elements, such as bitrate and stream quality.

-Streaming is a method of delivering data over the internet without making end users fully download the data. Live streaming is another stream that is sent over the internet in real-time without being recorded and stored.

-In recent years, video streaming platforms have witnessed rapid growth, especially during the pandemic. The growth was even higher as people spent extended time on the internet. For instance, according to the International Telecommunication Union (ITU), during the COVID-19 pandemic, internet user rank increased to 4.9 billion in 2021, from 4.1 billion in 2019.

Video Encoder Market Trends

Increasing Popularity of Video Streaming Platforms is Expected to Drive the Market Growth

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- In recent years, video streaming platforms have witnessed rapid growth, especially during the pandemic. The growth was even higher as people spent extended time on the internet. For instance, according to the International Telecommunication Union (ITU), during the COVID-19 pandemic, internet user rank increased to 4.9 billion in 2021, from 4.1 billion in 2019.

- In addition to entertainment, remote education, remote work, and remote health services were some of the major areas that witnessed a rapid growth in user count. With the remote working culture expected to continue in some form or other, video streaming platforms are expected to stay in demand. For instance, according to Upwork's 'Future of Workforce Pulse Report, by 2025, 36.2 million Americans will be working remotely, an 87% increase from pre-pandemic levels.

- Similarly, according to CNNIC, to work from home, around 469 million employees in China use online services, accounting for around 45.4% of the Chinese internet user base as of December 2021. With the subscriber base of video streaming platforms reaching new heights, the demand for video encoders is expected to witness an upward trend. For instance, according to Netflix, its subscriber base increased by 8.3 million in the last three months of 2021, with total subscriber growth for the year reaching 18.2 million.

- Furthermore, considering the growing user base of video streaming platforms, the vendors operating in the video encoding market are increasingly focusing on developing innovative solutions to fulfill various requirements of video streaming platform providers. For instance, in June 2022, Skywire Broadcast collaborated with Kiloview to launch a professional high-end encoding P series video encoder device. According to the company, the newly launched encoder adopts Kilo Link as a patented algorithm of Kiloview that is designed to solve the poor connectivity problems making it highly suitable for outdoor live streaming and transmission in scenarios such as concerts, live events, field broadcasts, etc.

Asia-Pacific is Expected to Hold the Largest Market Share

- The advent of terrestrial digital television broadcasting in China has improved existing services and paved the way for new applications. The DTT broadcast standard enables wide-area fixed reception on HDTV and multiple SDTV programs. New services also include mobile, wearable, and high-speed applications.

- The Chinese government is also working to improve people's viewing experience, and China encouraged major cities to start offering free terrestrial HDTV broadcast content. This helps drive growth in the digital terrestrial market and the HDTV industry as a whole, including high-definition flat panels, chipsets, transmitters, software, and content creation.

- According to the IBEF, in October 2020, India will emerge as the world's sixth-largest OTT market by 2024. The market is

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expected to grow at a CAGR of 28.6% over the next four years, amounting to a revenue of USD 2.9 billion. The investments made by OTT services like Netflix, Amazon, Disney+ Hotstar, and others in originals, as well as acquired content, will enable subscription video-on-demand to make up 93% of the total OTT revenue, increasing up to 30.7% by 2024, amounting to USD 2.7 billion. Kerala is expected to launch one of the first state-owned OTT platforms, CSPACE. The Kerala State Government will establish a state-owned over-the-top (OTT) platform in November 2022 to offer film enthusiasts various short films and documentaries.

- In June 2021, online video consumption in India was growing exponentially, accounting for 80% of consumers' internet traffic. However, the user experience depends on data usage and network speed. MX Player is one of the first OTT platforms with video encoding and compression technology upgraded to H.266 (versatile video coding), reducing streaming video data usage by more than half. With H.266, MX Player users will be able to stream content with less data, and network bandwidth and video streams will load faster and buffer less since they require only half (or less) the data they may need otherwise.

- South Korean organizations are developing video encoder solutions to drive the broadcasting and streaming market. For example, KT Corp is driving the pay TV services industry in South Korea regarding subscriptions and supervision, owing to its monopoly in the DTH segment and strong position in the IPTV segment, where it has the greatest share.

- In recent years, technological advances have led to the rapid spread of devices such as cameras, displays, and tablets that can record and display 4K video in higher resolution than high-definition televisions (HDTVs). With the proliferation of these devices, expectations are rising for next-generation video encoding for delivering HD video over broadcast and network delivery in Japan. 4K TVs are becoming increasingly popular in the home, and many models are available from major TV manufacturers.

Video Encoder Industry Overview

The video encoder market is highly competitive and fragmented. This is due to significant players such as Harmonic Inc., CommScope Holding Company Inc., MediaKind, etc. The players in the market are adopting major strategies, like product innovations, mergers and acquisitions, and strategic partnerships, to widen their product portfolio and expand their geographical reach.

- May 2022 - Lutech SpA and Imagine Communications are to launch their new IP video and audio contribution and distribution network, "IP Matrix." The project could benefit from the flexibility provided by a full IP, software-based network. It could take advantage of the capabilities of Imagine's extensively deployed, standards-based Selenio Network Processor, which employs encoders. The fully new contribution infrastructure Rai Way, designed for its video and audio networks and built on cutting-edge technologies like the SNP, could combine the best of both traditional SDI and state-of-the-art IP worlds.

- March 2022 - Globecast and Ateame collaborated to provide additional security options. Globecast would employ strong encryption techniques developed by Ateame to protect satellite uplinked content in the most secure manner possible. The service provider could give the highest video quality at the lowest bitrates and latency while keeping broadcasts safe by employing Ateame encoders.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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