Great leap forward
By Paul Best
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Price crunch: 1997's Sony DCR PC-10 cost $4500 whereas today's DCR HC30 is a much kinder $1300.

Just seven or so years ago, most ordinary people happily sat down to watch TV on a 68cm box holding a fat picture tube, with (if you were prepared to dig a little deeper into your pockets) stereo sound and VCR.

Few had heard of a plasma television flat enough to mount on a wall, let alone widescreen. For all but a few audiophiles, surround sound - five speaker channels and subwoofer - was a cinema-only experience.

The first chunky black-box DVD players were being launched, but it was a new-fangled technology that only a "lunatic fringe", as one supplier described the class of early adopter, could be bothered getting its head around. As for DVD recorders with a hard-disk drive like a computer, well, that was still the province of men in starched lab coats.

"It's been a giddy ride," says Pioneer's general manager for corporate strategy and marketing, Darren Johannesen. "The (consumer electronics) industry was desperately in need for something new to happen and there was pent-up demand for whatever that something happened to be."

Elsewhere, the idea of surfing the World Wide Web was largely the domain of geeks and nerds. People still took pictures on 35mm film, carried music about on a portable CD player or shouldered a boom box and used mobile phones exclusively for talking.

In a handful of years, the landscape of our lives has been rapidly transformed. Now we are decorating our lounge areas with plasma screens, home projectors, DVD players and mini home-theatre systems at an unprecedented rate. Almost half of the Myer/Megamart group's television sales are now plasma, with 42-inch the most popular size.

Digital camera ownership has soared in Australia, with sales of 1.6 million expected this year - 60 per cent higher than the film camera market at its peak - with about 400,000 of the sales expected in the month leading up to Christmas.

According to GfK Marketing Services, more than 1.1 million DVD players and 5800 recorders were sold in the first nine months of the year. In 2001, only 87 DVD recorders were sold.

The latest Australian Communication Authority figures show that eight out of every 10 people have mobile phones, with each person sending more than 300 messages a year.

We are jumping aboard the internet express, signing up to broadband and even getting wireless connections that let us roam about the home.
Free-falling prices have contributed the most to sharpening our interest, bumped along in the audiovisual market by a flood of non-branded products, many from obscure Chinese makers, and commoditisation, which has seen rival manufacturers source components from the same suppliers. And, as demand has increased, higher volumes have reduced prices further.

Six years ago, the purchase of a first-generation plasma left little change out of $30,000. DVD players cost $2000. The first DVD recorders cost about $7000. Home-theatre-in-a-box - a set of five satellite speakers and a bass - was struggling to catch on.

When the cost of entry-level plasmas dipped below $5000 in April, sales spiked, with volume tripling for that month, year on year.

"From a consumer's point of view, the biggest difference is that, in 1998, plasma was such an aspirational item but also an unattainable item," says Philips' national sales and marketing manager, Amanda Hart.

It was similar with DVD players. "Getting it under $1000 was the big story," Sony's David Allen says. Now no-name players can be picked up for as little as $60, and name brands for $200 or less.

The trend is everywhere. In four years, DVD recorder prices have fallen, in some cases to less than a 10th of the price; home-theatre-in-a-box to less than a quarter of the price.

Canon once offered a digital camera without zoom and with less than half a megapixel for $900. Today you can buy a 3-megapixel, 3x optical zoom camera packaged with a compact photo printer for $600.

At the same time, products have become slicker, smaller (screens and monitors aside) and lighter. "Everything we make has gone from chunky and clunky to incorporating a strong design element that is based around a digital lifestyle," Pioneer's Johannesen says.

In the AV market, black - or in one case, a green Philips plasma - has made way for silver, slab-like boxes for thinner, smarter machines. Digital cameras, mobile phones and digital audio players have become fashion accessories. The first digital cameras weighed more than 500 grams, a notebook PC up to 7kg. Now, a compact digital camera generally weighs about half of that, an ultra-portable notebook about 1kg. Manufacturers have been known to put weights in DVD players to give them a solid feel.

But everything has also become more powerful and feature-rich. DVD players are making way for recorders. Notebook computers, less than 5 per cent of Toshiba's consumer market four years ago, now make up 35 per cent of its sales. Battery life has tripled in the past few years, hard drives have jumped from 5GB to as much as 100GB; and processor speeds and screen resolution have improved.

It may seem that consumer electronics have revolutionised our lives in a relatively short time, but industry observers say it is about to leap forward again.

Digital cameras will be ubiquitous. Higher-resolution, cheaper models will result in larger storage cards. Cameras in mobile phones will also improve, threatening the lower end of the traditional digital camera market.
Motorola's marketing manager for personal communications, Nick Mann, predicts we'll see a 3-megapixel phone camera before the end of next year, capable of storing 1 GB of data.

Handsets will become increasingly tailored to specific markets and content, he says. For a youth market, it may be a phone, camera and MP3 player. Motorola has just signed a joint venture to offer Apple iTunes on its handsets by next March.

As content is developed for third-generation mobile networks, so handsets will become more universally equipped to handle them. "Anything you can do on your desktop, you'll be able to do on your handset," Mann says.

In the home, there'll be a large screen in the main living area, with smaller screens, most likely LCD, in other rooms. This, predicts Philips' Amanda Hart, is the next big jump.

Stand-alone devices will make way for networked devices. "Once a stand-alone product like a VCR sat by itself, then it became integrated into a home theatre system, which in turn became integrated into a home network," Johannesen says.

At the centre of the home network will be an entertainment hub operating off a converged AV/computer platform, delivering broadcast TV services as well as broadband content such as on-demand video, music and information.

Toshiba's new notebook computer, running Microsoft's Media Centre, has a TV tuner, wireless internet, DVD recording, optical and video component output and hi-fi quality speakers. In six months, it is likely to have high-definition TV and an electronic program guide.

Everything will operate wirelessly and, in time, connect wirelessly to other audio-visual components such as screens or speakers. Early next year, Toshiba will launch a TV tuner that will wirelessly broadcast channels to any device with the same wireless standard.

"The notebook-centric platform appears to be the way a true convergent product is going," says Toshiba's general manager, Mark Whittard. "You'll need some sort of intelligent hub to manage your data and all your communication."

He also sees screens that fold, glass control panels you can write on or dictate to, and an intelligent hub that not only controls your entertainment systems but elements such as lighting and security.

The notebook-style machines will also have much more storage space to accommodate the explosion in digital content, whether it be home videos, digital photo albums, music or DVD libraries. Hard drives with capacities of 250GB and a terabyte (500GB) are likely.

Future DVD technology, such as Blu-ray, will store up to five times as much as a single-layer disc today. SD memory cards commonly used in digital cameras will expand from 1GB today to 10GB by the end of next year.

If this happens, we may see content on today's CDs and DVDs delivered on SD cards, that are not only more difficult to damage but also to pirate.

"It'll be like the old document management systems that corporations have had for years," Whittard says. "But it's going to be in the home."