

Audio Visual Equipment (AV)

Overview

Audio Visual Equipment Data Table (\$ millions)

	2006	2007	2008
Total Market Size	1,279	1,381	1,491
Total Local Production	341	368	397
Total Exports	874	944	1,020
Total Imports	1,812	1,957	2,114
Imports from the U.S.	113	122	132

2007 exchange rate: 1 EUR = \$ 1.37

Source: Statistics Austria, FEEL, Federal Economic Chamber

Note: The statistics are unofficial estimates

The Austrian population is 8.3 million with 3.5 million households. In 2006 there were a total of 3.4 million TV households and 1.3 million DVD households registered.

Consumer spending on video was USD 2.3 billion. Total AV spending amounted to USD 4.7 billion in 2006 according to the Federal Economic Chamber. Free-to Air TV is very popular: a very large number of German language channels are available for free on satellite TV, which is received by around 50 percent of TV households. The dominant public service broadcaster is ORF (Austrian Broadcasting Corporation). There are no Austrian-originated commercial TV broadcasters, but a large number of German satellite channels are available to households with a satellite dish. Among these are digital channels offered by Premiere Austria, which is the local version of German Pay TV operator Premiere. It had around 330,000 subscribers at the end of 2006. The operator has key movie Pay TV rights and also offers the Austrian Soccer League.

Cable was in 41 percent of Austrian households at the end of 2006, 36 percent analogue and 5 percent digital with few digital subscribers. However, even if the penetration remains low, all Austrian cable operators have upgraded networks and already offer triple-play services. For instance, UPC Telekabel is a leading provider of video, voice, and broadband Internet services. Based on the company's operating statistics as of December 31, 2006, UPC Telekabel's networks reached approximately 978,000 homes and served up a total of 1,077,000 services to 698,000 Austrian customers. These include 456,000 television, 49,000 digital television, 398,000 broadband Internet, and 173,000 telephony customers. UPC's network in Austria is almost entirely upgraded to two-way capability, with approximately 99 percent of basic cable subscribers served by a network with a bandwidth of at least 860 MHz.

UPC offers multiple tiers of Chello brand high-speed Internet access service with download speeds ranging from 2,048 kbps to 25,600 kbps. High-speed Internet access is available in all of the cities in which they operate. Approximately 35% of basic cable

subscribers also receive Internet access service, representing approximately 76 percent of their Internet subscribers.

Leading telecom companies are Telekom Austria, United Telekom Austria (UTA), and eTel Austria. Pay Per View services are provided by Chello Media/UPC Telekabel Digital TV (through Arrivo On Demand, on cable networks) and Premiere (Premiere Direkt Film, Event, Sport and Erotik on DTH). Arrivo on Demand's service is dedicated to cinema and offers approximately 23 movies per day, at a price of 3 Euro/title.

With 53.5 percent of all households, broadband technology is taking off quite rapidly. Connections are made both through DSL accounting for 11.5 percent market share of all households and cable for a 16.2 percent. A total of 1.2 million households have now access to broadband in Austria. Chello (UPC) is a market leader, along with Aon a subsidiary of Telekom Austria and UTA. Telekom Austria had 1.5 million Internet customers at the end of 2006. It had 693,600 DSL access lines, among which 571,400 are retail (82.4 percent) and 122,300 are wholesale (17.6%).

The major dealers for AV equipment B2C are Media Markt, Saturn, Conrad and Cosmos. Multinational companies like Sony, Philips and Panasonic have offices in Austria. Main competitors are AV and electronics suppliers from Japan, Korea, Taiwan, the United States and European countries.

There are two main buyer profiles. Young people who buy the more affordable AV equipment and families in their late thirties that replace aging AV equipment with state of the art equipment, which is more expensive.

There are several buyer groups: Companies which own amusement parks buy large AV displays and equipment as well as Cineplex (large cinemas) and rental and staging firms offer AV service for events, theaters, concert halls and entertainment facilities. The market for general business A/V is well developed. The majority of the commercial clients purchase high quality equipment through established distributors.

Households are prepared to pay more for quality equipment. The consumer electronics entertainment segment of the AV market including HIFI stereo equipment, TV sets (digital-ready and HDTV compatible sets) is the fastest growing segment. Products of high demand include home entertainment systems, LCD and Plasma TVs, DVD players/recorders, Digital Portable Audio Players (mp3). The demand for LCD projectors for home cinema is also increasing.

Businesses are looking increasingly at DLP technology and for large displays. LED rather than plasma is in demand. In addition, they are looking for integration services such as image projection and manipulation related software and audio integration solutions. Popular AV products in the conference room and public stations (e.g. subway stations), include electronic display systems, control systems and beamers. Demand for wireless, portable products is growing.

Best Products/Services:

Titles that benefited from strong marketing support and promotions during the previous release windows continue to be top titles in VOD, which remains a hit driven market. Free content helps to grow numbers of orders, but on demand usage is increasing on a transactional basis as well. . High in demand are home entertainment systems, LCD and Plasma TVs, DVD players/recorders, Digital Portable Audio Players (mp3) and LCD projectors for home cinema.

Opportunities

No special projects or specific opportunities are available at the present time.

Resources

Web Resources:

FEEI (Association of the Electrical and Electronics Industries) - <http://www.feei.at/>

RTR – Rundfunk und Telekom Regulierungs GmbH (Regulator) - <http://www.rtr.at/>

UPC Telekabel - <http://www.upc.at>

Telekom Austria -<http://www.telekom.at>

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