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High Dynamic Range (HDR) TV shipments are to reach 4 million units in 2016 before growing to over 30m by 2020, IHS reports-- but the market for standard dynamic range (SDR) displays compatible with basic HDR formats will be four times as large.



Thus the analyst predicts nearly all the 112 million 4K TVs shipped in 2020 will be HDR-compatible, but only 30% will have "true" HDR performance capabilities. It also says global 4K TV demand should continue growing in 2016, even if overall TV shipments should decline "slightly," leading to concerns of lack of volume growth in the total market and continuous price erosion, particularly in categories such as 4K.

Technologies of the HDR variety promise to improve ASPs and profits, but only if the benefits of such technologies are communicated well to consumers.

“As with many new technologies in the TV market, the ability to introduce them to consumers in a way that communicates the value is crucial to achieving lasting premiums and profits,” the analyst remarks. “In the case of HDR, only some sets have enhanced display performance that can allow the consumer to see the benefit, while the rest will have little discernable difference to consumers, who may become confused about the value of HDR as a result.”

SDR TVs should shrink rapidly as a segment within the 4K TV category, but will remain the only choice for HD resolution TVs, since HDR benefits are primarily featured with 4K content. IHS says 4K TV shipments will grow from 55m in 2016 to over 100m by 2019, achieving 100% share of 50-inch and larger shipments.

As with many new TV technologies, HDR is featured primarily in larger screen sizes, where larger premiums support additional costs. As such, over 80% of HDR TV shipments will come from 50-inch and larger screen sizes.

Go HDR TV Shipments Will Grow to 4.3M Units in 2016, but HDR-Compatible Market More Than Four Times Larger, IHS Markit Says