U.S. CAR AUDIO MARKET EXPERIENCED SLOW GROWTH SINCE 1999, WHICH IS EXPECTED TO CONTINUE THROUGH 2006; WITH POCKETS OF STRONG GROWTH IN SOME CATEGORIES, PARTICULARLY INVOLVING NEW TECHNOLOGIES

Growth in OEM speaker consumption is expected to result from the continuing efforts of auto manufacturers to increase per vehicle revenues, offering higher-quality (and consequently, higher price) speakers as standard and option packages in new vehicles. Growth will be concentrated in the form of premium speakers and speaker separates as opposed to conventional speakers, as auto manufacturers improve their offerings. Likewise, the U.S. speaker aftermarket is expected to be the fastest-growing aftermarket audio category through 2006.

(PRWEB) November 3, 2002 -- Natick, Massachusetts, October 31, 2002 - A recent study by VDC has found that the strong growth of the U.S. car audio market in the late 1990s has slowed considerably. "The OEM and Aftermarket for 12 Volt Electronics, Volume 1: The U.S. Car Audio Market, 9th Edition" has found that overall growth has slowed to a paltry 1.2% average annual growth from 1999 to 2001, as the industry struggles with declining prices and a weak economy. Considering this economic climate and the slowdown in automobile sales, however, VDC believes that this market, estimated at more than $6.2 billion in 2001, has performed reasonably well, and expects the industry overall to grow at an annual rate of 2.3%, to nearly $7 billion in 2006. Although the overall estimates and growth forecasts by no means indicate overwhelming growth and opportunity, the overall picture obscures strong growth and opportunities in several categories, in particular the OEM and aftermarket for speakers.

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For further information or direct quotes contact the individual specified at the bottom of the press release.

To view the entire press release including charts go to
www.vdc-corp.com/telecom/press/02/pr02-42.html

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U.S. OEM SPEAKER MARKET BEING DRIVEN BY IMPROVED FACTORY-INSTALLED AUDIO SYSTEMS

The OEM speaker market is expected to be the fastest-growing OEM audio category through 2006, with a average annual growth of 3.8% that will increase the market from $498 million in 2001 to $600 million in 2006. Unlike other OEM product categories, this growth will not be driven by increases in U.S. automobile sales. Growth in OEM speaker consumption is expected to result from the continuing efforts of auto manufacturers to increase per vehicle revenues, offering higher-quality (and consequently, higher price) speakers as standard and option packages in new vehicles. Growth will be concentrated in the form of premium speakers and speaker separates as opposed to conventional speakers, as auto manufacturers improve their offerings.

U.S. SPEAKER AFTERMARKET DRIVEN BY EMERGING TECHNOLOGIES

Likewise, the U.S. speaker aftermarket is expected to be the fastest-growing aftermarket audio category through 2006. VDC expects U.S. aftermarket consumption of speakers to increase from an estimated $564 million in 2001, to nearly $660 million in 2006. The majority of growth is expected to be in speaker separates, rather than coaxial or enclosed speakers. Some factors influencing this market over the next five years include:

- More vehicles are being manufactured with space built-in for speaker separates, making it easier and less expensive to install these products.
- Suppliers are increasingly offering speaker lines that directly fit into specific vehicles, making upgrades easier and less expensive.
- Digital radio and multimedia will drive consumer purchases of upgraded audio equipment across the board, so that they can fully take advantage of the capabilities of new technologies.

October 2002

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ABOUT THE STUDY

The report, "The U.S. OEM and Aftermarket for 12-Volt Electronics, Ninth Edition," is a multiclient study designed to provide subscribers with relevant and up-to-date market intelligence to support strategic marketing and product planning decisions. This report includes:

- Forecasts for OEM and aftermarket head units, speakers, and electronics;
- Market share rankings for OEM and aftermarket head units, speakers, and electronics;
- Major issues, technology trends, and OEM needs that affect the future of this market;
- Results of an extensive survey of over 70 retailers ranging from national chains to independent specialty stores;
- Results of two extensive end-user studies, one of mobile audio enthusiasts and another of motor vehicle owners as a whole;
- Discussion of the industry structure and the influences generated by the various types of participants;
- A directory of industry participants, including profiles of all major suppliers;
- An examination and analysis of the forthcoming market for both satellite and terrestrial (IBOC) digital radio; and
- Recommendations providing insight into current and future opportunities in mobile audio products, including discussion of the impact of MP3 technology, mobile video, navigation, and the e-commerce channel on the market for mobile audio.

Volume two of this report, "The U.S. OEM and Aftermarket for 12-Volt Multimedia and Communications," will cover the markets for mobile video, navigation, and telematics, as well as the forecast for future integrated products containing audio, video, and telematics functionality. This report is forthcoming.

Venture Development Corporation, a technology market research and strategy firm, was founded in 1971 by graduates of Harvard Business School and MIT. Over the years, VDC has developed and fine-tuned a unique and highly successful methodology for forecasting and analyzing dynamic technology markets. The company has over 30 years of experience in providing market research, strategic analysis and consulting services to technology companies worldwide. The VDC mission is to provide our clients with strategic and tactical information that satisfies real needs and will provide lasting value, fostering client loyalty and respect.

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Report Availability
www.vdc-corp.com/telecom/reports/02/br02-12.html

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For further information regarding "The U.S. OEM and Aftermarket for 12-Volt Electronics, Ninth Edition" contact:

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