

# Free Web Tools Gnawing at Digital-Content Market

**The digital content creation market continues to grow healthily, driven by new Web-based distribution methods, an analyst report said Wednesday.**

The total digital content creation (DCC) market grew 16 percent from \$2.6 billion to about \$3.04 billion in 2006, Jon Peddie Research reported. In 2007, the market is expected to be about \$3.5 billion, while JPR expects to see the total DCC market to reach \$4.8 billion in 2012.

"We are seeing big shifts in the digital content creation market," said Kathleen Maher, a senior analyst at JPR, in a statement. "For example, there have been game-changing acquisitions by Adobe with the acquisition of Macromedia and Serious Magic, Autodesk's acquisition of Alias and Colorfront and Google's acquisition of Sketchup and YouTube. The landscape is changing right in front of us all. It's all good, but companies are going to have to be nimble to adapt."

The problem for software vendors, Maher said, is that a growing number of free, Web-based software tools have emerged to fix basic still-image problems, such as red-eye and contrast. Sites like Shutterfly, have few analogues in the digital video market, however, preserving their territory, Maher said.

"In the future however, instant video editing tools have the potential to confuse the market for traditional vendors," the report said.

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