

Geopolitical Dynamics, Chipmaking Momentum, and Market Imperatives Shape the Rise of VVC

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EINPresswire.com/ -- The global video ecosystem is entering a new phase as traffic volumes rise and expectations for quality continue to increase. The industry is once again facing a familiar challenge of determining which next-generation codec can support future growth while

maintaining efficiency across networks, devices, and platforms.



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Robert Moore, OP Solutions

This question comes at a time when older compression technologies still underpin much of the world's video infrastructure, even as operators, device makers, and content platforms confront mounting pressure from accelerating consumption. For Versatile Video Coding (VVC), the successor to HEVC, success will depend not only on its technical efficiency but also on market readiness, semiconductor roadmaps, and broader geopolitical and

commercial factors shaping adoption.

In a recent vidcast interview for journalists, Robert Moore, President of OP Solutions, LLC—and a member of the Media Coding Industry Forum (MC-IF)—discussed why VVC's widespread adoption is not a matter of if, but when.

Where Hardware Goes, Content Follows

"There is often a bit of back and forth as to whether content providers or hardware suppliers will be the first to adopt a codec," Moore explained. "Traditionally, chip suppliers make the first move, creating an installed base in hardware. Over time, content providers follow once that installed base reaches critical mass."

The history of HEVC illustrates this trajectory. After the codec was finalized in 2013, major system-on-a-chip (SoC) vendors—MediaTek and Qualcomm—quickly integrated it into their mobile platforms. Apple adopted it soon thereafter. Combined, these three companies

represented 75 to 85 percent of the global phone market, dramatically accelerating HEVC's penetration.

"It's logical that VVC will take a similar path," Moore said. MediaTek has already announced support, integrating VVC into its flagship TV platforms, while Intel is enabling VVC playback on upcoming laptop products. "The expectation is that other manufacturers will follow."

Mobile: The Next Major Domino

While adoption is beginning in TVs and PCs, mobile phones represent the next—and most consequential—battleground.

According to Ericsson's Mobile Network Data Traffic Update for Q2 2025, mobile network traffic grew 19% year-over-year, driven largely by an increase in smartphone subscriptions and rising online video consumption.

"Last year, Qualcomm and MediaTek held between 50 and 60 percent of worldwide mobile SoC share," Moore noted. "Apple accounted for about 20 to 25 percent, and HiSilicon held another 10 to 15 percent."

These four companies will ultimately determine which codecs dominate mobile devices. And once one supplier integrates VVC, Moore expects rapid follow-on adoption.

"The question is simply which one will go first," he added.

Editorial note: Qualcomm is a member of MC-IF, which has endorsed VVC.

A Global Codec for a Geopolitical Era

While technical considerations often define early codec conversations, the geopolitical environment increasingly influences the calculus.

"There has been widespread Chinese participation in VVC standard setting," Moore said. "In 2020, I co-authored an article showing that three of the top five companies with accepted contributions to VVC were based in mainland China."



Robert Moore, OP Solutions

China's active role reflects a strategic interest in cultivating alternatives to Western-centric technology platforms. But VVC is not a regional standard—it is genuinely global. Companies from China, the United States, Korea, Japan and Europe, among others, have been deeply involved in its development.

"This is a global standard," Moore emphasized. "And for some Chinese companies, VVC may present less geopolitical risk than adopting proprietary alternatives from the West, such as AV1 or even AV2."

Pricing Pressures and Patent Pools

Licensing remains a high-visibility concern in any codec transition, but Moore argues the issue is often overstated.

"Between 2003 and 2009, MPEG LA launched its H.264 pool at 20 cents per unit—about 35 cents today when adjusted for inflation," he said. "There was broad participation, and the industry accepted the price."

Today, two primary patent pools oversee licensing for VVC: Access Advance and Via LA, the latter formed through the merger of MPEG LA and Via Licensing Corporation. Both organizations also administer licensing programs for HEVC, and each has deliberately structured its VVC offering to minimize the incremental cost for companies already participating in their HEVC pools.

Under Access Advance's model, an HEVC license in the United States is approximately 40 or 20 cents per mobile device depending on the country/territory of sale for the mobile device. For devices which include both HEVC and VVC, the royalty is 50 or 25 cents per mobile device. Via LA has taken a different approach, setting its HEVC license at roughly 20 cents per unit and offering VVC at no added cost to existing HEVC licensees.

"Together, these pricing structures position VVC's licensing fees significantly below historical norms when adjusted for inflation, reducing one of the perceived barriers to next-generation codec adoption," said Moore.

Compared to historical norms, these prices are far below inflation-adjusted equivalents. And in a world where flagship smartphones routinely exceed \$800, the incremental cost becomes negligible.

"Pointing to patent royalties as a barrier to adoption is a red herring," Moore said. "It ignores both history and the overall benefit of the codec."

Efficiency: VVC's Most Compelling Advantage

Beyond geopolitics and licensing structures, the strongest argument for VVC's adoption lies in its

ability to deliver meaningful efficiency gains across the entire video ecosystem. With video accounting for roughly 80% of global internet traffic, the industry faces mounting pressure to find ways to reduce bandwidth consumption without compromising quality. At the same time, devices are expected to support increasingly advanced formats—from 4K and 8K streaming to HDR, high-motion sports content, and emerging immersive experiences.

VVC directly addresses these demands. Its advanced compression tools enable higher-quality video at substantially lower bitrates, easing the strain on congested mobile and fixed networks. Lower bitrates help reduce the energy required for video playback, prolonging battery life on mobile devices. Meanwhile, the improved efficiency translates into meaningful savings in cloud storage and distribution, where video files make up the overwhelming majority of data volume.

“There are significant benefits to compressing video more efficiently,” Moore explained. “As video traffic continues to rise, more efficient codecs offer a way to reduce strain on networks and lower storage requirements in the cloud.”

[Click here to read the Q&A based on the interview.](#)

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