

Depth Perception **Part 2**

This is the second installment of a two-element, two-part treatment of 3D in the December and January issues of *CustomRetailer*, containing comments from a cross-section of industry executives covering the progression of the 3D market in both the flat-panel and the projection sectors. It offers a discussion of the latest technology advancements, and what the prospects are for integrators for a profitable 2011 in the 3D category as a whole.

Although we have divided companies into two groups based on whether projectors or flat-panel TVs make up the preponderance of their product offerings, some crossover comments were provided by companies that supply both projectors and panels.

Last month, executives from JVC, Runco, Digital Projection, Panasonic, Samsung and Sharp offered their views. This month's coverage includes comments and news from NuVision, Toshiba, Sony, LG, SIM2 and projectiondesign LLC.

3D PROJECTORS

CustomRetailer: What elements or perceptions about consumers' desires have helped to shape your approach toward developing and marketing 3D projection systems?

Alberto Fabiano, executive vice president, SIM2: The principle behind the development of our dual-projector system was that this system was the most efficient system, and one that required the least amount of pain from the installer or end user at the time of installation. What you have is a system based basically on normal stereoscopic viewing, so you don't need a special polarized or silver screen; it can be projected on any material—and the glasses are passive, so you don't have the conundrum of a failing battery. The second reason we chose this system is the upgradability path. If we sold a C3X LUMIS to someone already at \$43,000, why not give the end user the ability to upgrade it to a 3D system without having to change the whole thing out for a completely new C3X LUMIS 3D system at \$79,995?

The upgradability is key to our concept.



We wanted to offer a system that a customer wouldn't be forced into; they can buy the 2D system now and later, add the second projector for 3D, and if they decide something else again, they can always split the system and have two fantastic 2D projection systems. We've added an electric sliding system inside the projector that moves the 3D filters out of the way, and at that point, it can be transformed back into 2D, without any of the 3D devices in the light path.

We feel that the C3X is the Lexus of projectors; we're in the luxury industry, not just the projector industry. That's the philosophy we follow in everything we do.

Gary Plavin, president, projectiondesign LLC: What we'd been doing all along is looking very quietly at how to do 3D the right way. We were the first people, at the commercial shows to show a single-chip portable active 3D projector—the F10AS 3D. We pushed that technology and it was done very smoothly, but it wouldn't scale to high definition. So we went back and looked at what had to be done. And what we can now do is take in full-page, left- or right-eye with the new technology that we're coming out with.

We believe, going forward, that that technology will be future-proof for the customer. It produces a smoother image, and more enjoyable experience for the client, because it hap-



pens faster. Our avielo optix 3D is a quantum breakthrough going forward, because right now, it's all about image processing. It will be shipping in the first quarter.

CR: How can integrators successfully promote 3D projection systems over flat-panel 3D? What elements do you suggest they highlight in presentation?

Fabiano: Movie selection today is still too narrow. What we're really focusing on is 3D integration with providers like DirecTV or DISH. That makes it interesting and exciting—live concerts, sports like soccer and football. That creates an extra dimension to the viewing experience. Another big thing dealers should really highlight are high-challenge video games. That's a perfect way to fully immerse in 3D.

CR: What sorts of integrator supports or special programs are you offering to help them be able to demonstrate your technology to potential clients?

Fabiano: We made strategic partnerships with screen manufacturers like Stewart Filmscreen and are showing the system there, in California. We also offer our showroom in Miramar, Fla., with a 3D system set up right there on several varieties of screens from different manufacturers so you can actually see its performance on them. We are also always available to take a 3D system to a dealer and perform a demo there, at their site.

Plavin: We're working on a whole series of new classes surrounding 3D and the tools for selling that. Our plan for the first quarter is a 3D road show where we're going to travel and work with dealers to demonstrate and show projected 3D the right way. We'll cover the country through all of our representatives, and we're refining how we are going to do that right now. Dealers will be able to go and demo it within their territory, and we're working out details.

CR: How do you see the 3D market evolving in terms of the pricing of future iterations of projector systems? Will it remain a highly profitable segment for integrators who sell projection systems for a long time to come?

Fabiano: SIM2 is working on preparing more affordable 3D projection solutions, in 2011. We have to consider the evolution of the 3D sets out there in pricing; it's quite dramatic. We're positioning ourselves to be ready to respond to the market demand for a lower-priced product. But for those customers looking for excellence in a 3D projection system. SIM2 will always be focused on the high-performance, luxury market. As such, we always come out first with top-line products first to establish a benchmark, and to show that we're in command of that market segment.

Plavin: It's the industry's own darned fault. It's up to the industry to hold pricing. I do believe that projection technology pricing won't degrade as fast as panel technology. There are different price points, sizes of engines—there's a bit more of a 3D matrix to the product offerings in terms of projection technology versus flat-panel displays. Going into 2011, it will hold.

3D FLAT PANELS

CustomRetailer: Since custom integrators and specialty retailers sell 3D proactively versus how a mass-market retailer might approach their sale, what are you making available (i.e., programs, marketing initiatives, technology seminar co-sponsorships, etc.) specifically tailored to that go-to-market segment that will

help those sellers of your brand make the case for 3D? Also, what are you doing in terms of general marketing supports for 3D?

David Hester, CEO, NuVision: We've just launched our 3D sets, which come with two pairs of glasses and with a Panasonic 3D Blu-ray player. That promotion ran through November and was for purchases of our 46- and 55-inch 3D sets. In December, we are hoping to launch a 72-inch set and then, in January, we'll extend the line to a 40-inch size. Also starting in January, we're putting a training site on our website to explain to consumers how to get the best 3D experience.

With all our TVs, we do ongoing training and customer events. We recently held one at World



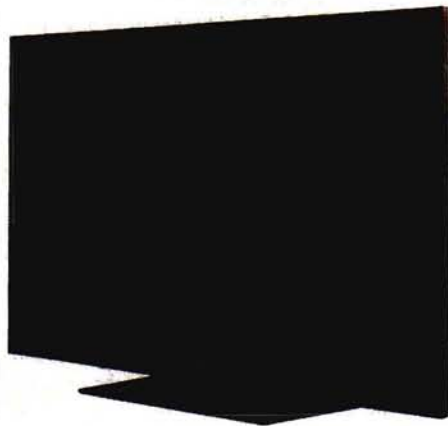
Wide Stereo with Bob Cole's team, where we talked through 3D's advantages and also pre-trained the staff. It was well attended.

We're also taking our TVs around and co-promoting them with the launch of the newest Rolls-Royce model, as our product is aimed at that top five percent luxury market. We are also widening our market presence. As of November, we were "live" in 58 Magnolia stores and four Sixth Avenue Electronics stores.

Tim Alessi, director of new product development, LG Electronics: LG has stepped up its sales training efforts on 3D, giving retailers more tools to sell the benefits of this cool new feature. A key element of the training is to emphasize that LG Infinia LED and plasma HDTVs deliver the ultimate 2D high-def experience, while offering an immersive 3D experience for special sports and movie content. In-store demonstration materials show how consumers can enjoy Blu-ray Disc 3D content at the simple touch of the 3D button on the remote.



Neal Manowitz, director, Sony home audio and video business: Sony is driving the total 3D experience from the lens to the living room. Our motion-picture studio is not only producing new 3D movies and Blu-ray 3D titles, but also educating industry directors, cinematographers and camera operators on how to create 3D movies correctly at our 3D Tech Center. Sony is also driving consumer interest in 3D in the theater with its SXRD 3D cinema projectors, which are used in thousands of theaters showing 3D movies. In homes, Sony's PlayStation group is bringing more and more 3D titles to market for the PS3 game system, driving consumer adoption. Finally, in the consumer electronics market, Sony is marketing over 30 3D-capable products, including BRAVIA TVs, an ES 3D front projector, numerous Blu-ray Disc players and home theater systems and audio products. Simply put, no other company has as much invested in 3D, and we'll look to drive the format as we enter 2011.



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