Retail sees disappointing 3-D TV sales during holiday season

by Michael Grotticelli January 10th, 2011

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Remember a year ago at CES 2010? The new “big thing” then was 3-D TV, and it was hyped everywhere. Manufacturers jumped onboard with 3-D hardware for the home, while programmers announced extensive plans for 3-D programming.

Now, with the CES 2011 conference behind us, it appears that the 3-D hype has dramatically subsided. The technology won’t disappear, but it will not get the same marketing emphasis as before. In American homes, at least, the industry now knows that 3-D TV will be a long, hard slog for years to come.

Over the recent holiday season, 3-D TV just didn’t sell — anywhere. DisplaySearch, the market research firm, recently downsized projections that 5 percent of TVs sold this year would be 3-D models; that number is now 2 percent.

Best Buy, the major national electronics retailer, had dismal results. The retailer reported that quarterly revenue from its stores fell 5 percent year-to-year compared with the company’s expectations of flat or modest growth. The lack of 3-D TV sales was blamed. There were many examples of the retailer dramatically slicing prices to move 3-D sets before Christmas.

In fact, the latest data from Nielsen confirmed that a majority of North American consumers might have become disenchanted with 3-D TV technology. Only 3 percent of consumers surveyed said they would definitely buy a 3-D set in the next year.
On the international level, a survey of more than 27,000 potential buyers found that less than one-quarter are likely buyers of 3-D sets, and less than 10 percent of consumers worldwide said they would be buying a 3-D set over the next year.

Most interesting, however, are the large number of potential buyers who seem to be openly opposed to owning a 3-D system. Nearly 60 percent of those surveyed said they would not be purchasing 3-D TV set.

There is much argument as to why consumers are so turned off to 3-D TV. One major reason is the expensive electronic glasses each viewer is required to wear to see a 3-D image. Survey after survey has found that consumers hate the glasses. So far, much research has gone into eliminating the glasses, but no successful technology has yet to come to market.

An earlier Nielsen study also found that U.S. consumers became less likely to purchase a 3-D TV set after they experienced using one. That could again be the glasses or an overexposure to 3-D marketing that, in the end, led to a disappointing experience.

This all adds up to bad news for consumer electronics manufacturers. Many invested heavily in 3-D for the North American market. It is also bad news for networks, programmers and pay-TV distributors who have spent millions of dollars upgrading their equipment and programming to 3-D.

Perhaps James Cameron, whose “Avatar” feature film set off the whole 3-D craze, will get the last laugh.

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Michael Grotticelli is writer and editor of Broadcast Engineering’s “Beyond the Headlines” and “Sports Technology Update” e-newsletters. Each week, he provides a fresh perspective on the latest in 3-D technologies and innovations as well as report on real-world applications of 3-D in the broadcast, professional video and film industries.

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