

3D TV

A new era in home entertainment?

Bite Sized Thought Piece

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Renewed interest in 3D is led by the film industry

3D technology is not a new phenomenon. The film industry first trialled the technology in the early 1950s and then again in the 1980s, but failed at the time to make a lasting impact. However, recent developments in 3D technology, with digital projection and new polarized lenses, have brought about a revival of 3D cinema.

There has been an explosion in the number of 3D cinema screens across the UK in 2009 with studios releasing a broad slate of 3D movies. This is led by blockbusters such as the Disney Pixar animated film UP and groundbreaking releases such as James Cameron's forthcoming film Avatar, which is being billed by the industry as setting a new benchmark in the movie-going experience.

A survey by Ipsos MediaCT in September 2009 showed that a fifth of British consumers have seen a 3D movie at the cinema, rising to almost a third amongst 15-24 year olds.





Bringing 3D technology into the living room

In November 2009, Channel 4 scheduled a week of 3D TV broadcasts. This included unseen vintage 3D footage of the Queen's coronation, based on current 3D technology using 3D glasses and existing TV sets. For many consumers, this will be their first experience of 3D TV and although Channel 4 designed this as a retro 3D experience, it is likely to stimulate discussion around the new wave of in-home 3D technology.

TV manufacturers are at the forefront of developments in 3D. The main players are each preparing to launch 3D televisions in the coming year, which will be supported by large-scale marketing activity and in-store support. Sony is also building 3D compatibility into its Blu-ray devices, which will offer a further incentive to own a player and help develop the Blu-ray market.

In the UK, Sky has announced their intention to launch a 3D satellite service in 2010 with a dedicated 3D channel offering movies, entertainment and sport. This service will be viewed through the next generation of 3D TV sets via Sky HD set-top boxes enabling Sky to offer a new tier of premium-priced content.

Despite these coming developments only 18% of consumers are aware that new 3D TV broadcasts will be available in the near future. This leaves the industry the significant task to sell the idea of 3D and convince consumers it will offer a step change in the in-home viewing experience.

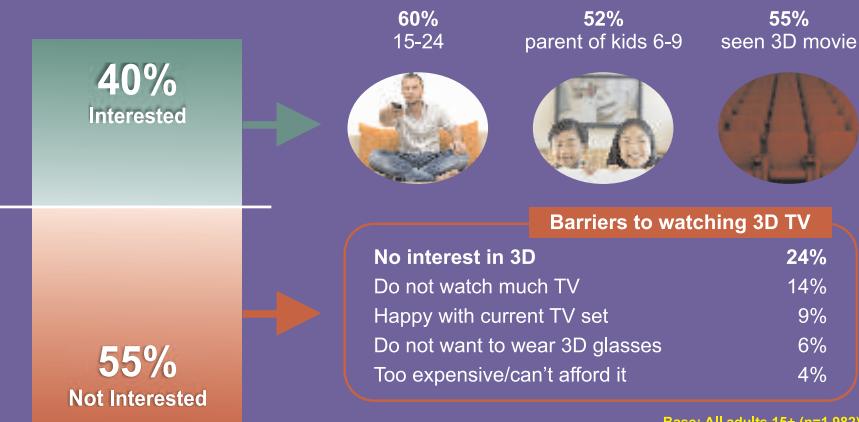
Interest in watching 3D TV at home

Based on research from Ipsos MediaCT, overall interest in the idea of watching 3D TV broadcasts at home has broad appeal at 40%. Interest rises amongst males compared to females (46% vs 35%) and in particular holds more appeal amongst those aged 15-24 (60%) and households with children aged 6-9 years (52%).

Interest in 3D TV is higher (55%) amongst those who have seen a film in 3D at the cinema highlighting how 3D cinema experiences might drive interest in 3D viewing at home.

However, 3D doesn't appeal to all consumers and 55% stated no interest in watching 3D TV at home (rising to 71% amongst those aged 55+). The key barrier is a general lack of interest and apathy towards the technology (24%), followed by not watching enough TV (14%) and being happy with current TV sets (9%).

Interest in watching 3D broadcasts on TV at home



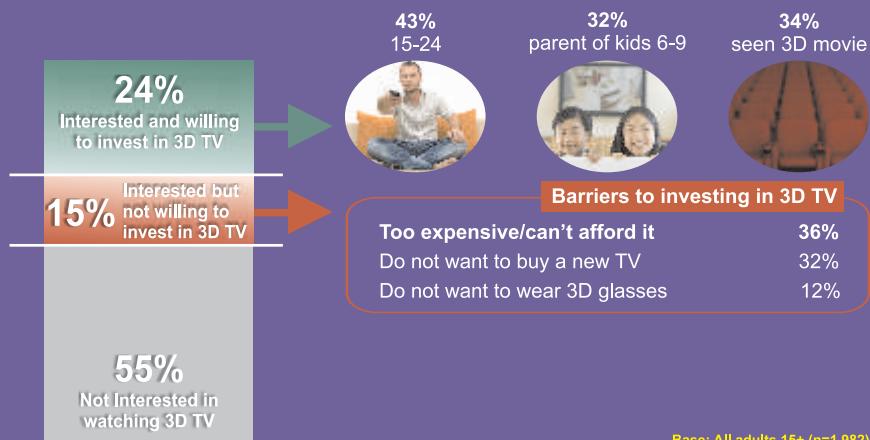
Base: All adults 15+ (n=1,982)

Are consumers ready to invest in new 3D TV sets?

For the next wave of 3D technology and related services to take off, consumers will need to justify the investment in new TV sets. Research from Ipsos MediaCT indicated that amongst those interested in watching 3D TV broadcasts, once informed that they would need to buy a new TV (and still wear glasses), interest levels drop away with just 1 in 4 remaining in the market. Interest remains high amongst those aged 15-24 (43%) and in households with children aged 6-9 (32%) who should both be initial targets within the market.

For those falling out of the market at this stage the main barrier is perceived expense (36%) followed by a reluctance to upgrade their TV (32%). This is not surprising given many consumers will have recently upgraded and bought new flat screen HD Ready TVs.

Interest in watching 3D when informed will need to buy new TV and wear glasses to view 3D broadcasts



A further hurdle to overcome in selling new 3D services will be the depth of content that can be offered. Initial services are likely to be limited to a handful of recent movies filmed in 3D and sports events that can be filmed and broadcast in 3D as they happen. Will this be enough to tempt the consumer to invest in a new TV?



3D TV - the next step

Research by Ipsos MediaCT shows there is an opportunity for 3D TV, but broadcasters and manufacturers face a considerable challenge in convincing consumers, having so recently bought into high definition technology, that they should now invest in 3D.

The latest 3D movies have helped create an appetite for 3D content. However, key to the success of 3D TV will be whether it turns out to be a significant leap in technology from the consumer's perspective and whether the resulting buzz is enough to convince them that it is worth the investment. The Channel 4 week of 3D broadcasts provided a novel experience for viewers, but new 3D services requiring the purchase of a 3D TV will need to be more than 'novel' – they will need to offer an amazing experience that consumers will want to return to again and again.

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