

Projector Industry Needs a Better Defense

Written by Bob Snyder
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To survive, says **Pacific Media Associates**, any industry needs to innovate and change. Like a sports team, our industry needs a strong offense. Product innovation is one type of offense: for example, in our case, short-throw projectors, interactive projectors, PC-free presentations, and solid state illumination (laser, LED, and hybrid).

But a sports team also needs a strong defense. PMA's Dr. Coggshall will make a presentation at the **Projection Summit 2012** conference entitled *Playing Defense in the 2012 Projector Business*.

Some--or many--**projector manufacturers probably need to seek better defensive strategy** and tactics than they now have.

His thinking goes like this:

1. Unlike most other industries, where prospective new entrants to an industry do their homework by looking at the size of the market and the number and strength of competitors before jumping in, but a lot of companies apparently neglected this step, leading to too many big fish in too small a pond. The natural response to this over-competition is to cut prices, so that many manufacturers are now making less-than-desired profits.
2. As in many high-tech product categories mostly manufactured in Asia, projector manufacturers focused too heavily on market share as measured in UNITS. That was fine in the early days when annual growths were triple- and double-digit, but not today when growths are single-digit. Now they should be focusing on PROFITS, or at least REVENUES.
3. Compared with the potential offered by projector technology, the projector industry has not been very creative in exploiting it fully. (a) The ranges of sizes (and portability) and prices generally exceeds those of flat panel displays (FPDs) but the projector market has lagged the FPD market substantially in units growth, though currently apparently not in profits. (b) Projector manufacturers--like FPD manufacturers--have focused on too few "sweet spots" that are now

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commoditized, with resultant over-competition and price-cutting. (c) New projector models are so similar to old ones that there is little reason for users to replace their old ones.

Overall, concludes Dr. Coggshall, the projector industry has been doing things the same old way for too long, and has been so risk-averse it has missed opportunities.

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