

Plasma TV Sales, Prices Decline for the First Time



Revenue for plasma televisions took a substantial hit in February, according to the latest figures released by the NDP Group on Tuesday, generating only \$181 million compared to the nearly \$216 million in February 2006.

While the consumer electronics market also dipped as a whole, the decrease in plasma TV sales was a 16 percent dollar volume drop in February when compared to the same period last year. This was the first ever year-over-year decline in revenue for plasma units, according to the NPD Group.

NPD attributed the drop to continuing price declines that drove the category down more than 35 percent from February of 2006. The average price of a plasma TV in February was \$1,688, according to the NDP, which represents the second lowest price in three years, just shy of November's \$1,672.

"Unlike LCD TVs, plasma TVs have not been able to offset lower average prices by reaching high volumes in their larger screen sizes," said Ross Rubin, the NPD Group's director of industry analysis, in a statement.

"While these lower prices have allowed plasma manufacturers to reach out to a broader consumer base with a differentiated display technology, it's still not enough to keep revenue on the rise."

However, they have tried to increase the quality of their displays. Panasonic, for example, on Tuesday announced plans to make a 42-inch plasma HDTV, the first HDTV plasma of that size.

February's decline also came despite a 30 percent uptick in actual unit sales, the NPD Group said. Best-selling screen sizes for the month included 42-inch plasmas followed by 50-inch models, which are continuing to grow in popularity. Fifty-inch plasmas were also the top revenue producers for the month, with an average price of \$2,040.

Despite a slow down in most CE categories and an 18 percent drop in overall TV unit sales that month, televisions continued to dominate the space, bringing in over \$900 million in revenue. As expected, LCD TVs showed the highest revenue growth with a 58 percent dollar volume increase over February 2006.

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