



## Projection Monthly - September 2005

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Dear Readers,

The summer is over (all too soon), CEDIA is on the horizon and our September issue of *Projection* hands of our subscribers. In our note this month, we decided to highlight what may be an emerging signage space - consolidation and vertical integration. This month, it is InFocus and Thomson who are

InFocus and Thomson both traditional hardware manufacturers, announced the acquisition of signage assets and both are getting into the targeted content delivery or "narrowcasting" space.

The move for InFocus is a strategic play to bolster sagging profits from what has become a deadly competition in the single-play projection industry pioneer. This is not just an area of casual interest for the company. We bet with, (the company reported an increase net loss of \$19M in Q2) any investment for InFocus at this time better be right.

But the planets may yet realign for InFocus with the acquisition of The University Network (TUN), based on-campus narrowcasting solution provider with a display footprint and network operating in over 100 universities. The company said this signals a strategic shift hinting there were other narrowcasting partners. TUN and other new digital media assets will be managed by Dr. Candace Petersen in the new InFocus Digital Media).

Petersen said the company is broadening the business model to include the solution space and point-to-point narrowcasting is not new to InFocus. The company was one of the first to use in-flight magazines and late-night entertainment to pitch its sexy, light weight data video projectors to mobile executives sitting on the plane. The company now plans to move to the other side of the experience by providing the hardware and network solutions to Universities and eventually in other venues as well.

The content management and advertising sales for the campus network will come under this new InFocus and likely to continue to be run by the TUN group based in Memphis. We were also told the group hopes to double the university network size by the end of September-this year. This shift represents a new challenge expanding into the technology intense narrowcasting space should prove to be a good fit for this display

The US division of Thomson is yet another hardware manufacturer getting into the electronic signage

company reported spending \$285M to buy PRN Corporation, a US provider of out-of-home video advertising. PRN is a high profile, in-store television network supplier based in San Francisco. The group manages over 1000 locations including Wal-Mart, Sam's Club, Costco, Albertsons, Best Buy and Circuit City.

When folded into the Thomson organization PRN, will be part of the Network Operations Services Division. PRN will continue to focus on installation and management of electronic media infrastructure, conversion and distribution of video content, and video content aggregation. The company currently manages thousands of playlists and manages thousands of customer viewing areas. PRN is heavily involved in the dynamic digital signage market at the point of purchase. PRN's reach is a whopping 200M viewers every month.

This is a good match as the Thomson's Services Division already manages electronic content flow and distribution channels including broadcast, cinema, corporate and retail. According to the company, PRN will focus a lot of this activity towards retail and advertising clients and networks.

Last month in our story on Clarity's purchase of Synelec Telecom Multimedia S.A., a digital display manufacturer in France with over 1200 display system installation sites worldwide. This move helps strengthen the digital display market the high-end control room markets where Synelec has been successful. This past spring Clarity purchased its digital media software and services division from Adspace Networks. The purchase enabled Clarity to expand its solutions and added over 3000 digital signs to its install base (see *Projection Monthly* July-05 issue, p. 10).

Clarity also claims some of the country's best-known retailers including Macy's Union Square San Francisco and Target gave Clarity a presence in malls, theaters, and other public advertising venues through the Adspace merger. This has locked Clarity into a preferred supplier relationship with Adspace for digital signage products and services.

As display hardware continues to commoditize these three manufacturers have identified the low-end digital signage solutions market with the potential for narrowcasting ad revenue, content creation, management and services-all as a way to hedge against ever shrinking profits from hardware sales.

You'll find more details on these companies and our regular coverage of 100+ timely stories, all organized into sections for easy review and reference in this month's *Projection Monthly*. If you are a subscriber, you can access past issues that is key word searchable - a very valuable business intelligence reference tool.

*Projection Monthly* is a subscription-based newsletter that covers the entire big-screen display industry including technologies, markets and applications - from the supply chain through the distribution channel. If you would like a sample copy of *Projection Monthly*, please reply to: [info@insightmedia.info](mailto:info@insightmedia.info)

See the Table of Contents for the September issue of *Projection Monthly* by clicking here.  
<http://www.insightmedia.info/archive/09-05PMTOC.php>

Until next time,

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