

# Dave Tansley CNN

## Speaker key

IV Interviewer  
DT Dave Tansley

IV The digital revolution could also spell the end of traditional bulky televisions. More and more customers are switching to the new technology with flat panel TVs and mega screens, and here to explain why companies are pulling the plug on old-fashioned TV sets is David Tansley who's from consulting firm Deloitte... Deloitte and Touché...?

DT Deloitte...

IV Deloitte and Touché. Is it really time? Do they really have to go? Is flatter just better now?

DT This time last year we predicted that we would see a flat screen frenzy through 2005 with massive consumer demand for bigger, flatter TVs at a price point that's becoming more affordable to more people, and I think recent announcements from High Street retailers regarding their plans to withdraw the sale of more traditional TV sets probably reinforces that this trend is happening.

IV So what about the people that aren't quite ready to invest in the new technology? Are they going to run into troubles, like getting their old TV repaired as well?

DT With any generation of technology, eventually it becomes obsolescent and very difficult and costly to support, but we're also seeing a change to consumer buying patterns. The replenishment cycle for domestic electronic goods is shortening: rather than a TV being expected to last ten years, we're now seeing people swapping their equipment in much shorter timeframes.

IV What about CD players? I feel like - okay I'm behind - but I feel like they just came out? You know, they're only... I've only had mine for, you know, five or six years. They're already becoming obsolete.

DT The CD player is something of a success story and there have been various attempts to replace the CD format with the new formats such as SACD, but in general those attempts have failed and, you know, we see some life in the CD yet. What I think we are seeing though is the beginning of the real battle for the digital home, the digital living room, with many companies - telecoms companies, media companies, device manufacturers - all fighting for a stake of what they see as a lucrative market going forward.

IV And even videocassette recorders... We all know that most movie rental places have replaced those with DVDs, but now you can hardly buy videotapes.

DT It's amazing. The most modern VCR of just a few years ago looks quaintly old-fashioned when set alongside a DVD player, and I think the same is true with the older generation TV sets. They just don't have the modern look and feel and aesthetic of the more modern replacements.

IV What you were talking about with the CDs especially, you know, a lot of this is really just moving online into digital music that you can download. Are we eventually going to be looking at the demise of even stores where you can buy music? You know, your typical big record store that we used to call it? Is that going to disappear with this new technology?

DT I think revenues will be impacted. There is something very tactile about walking into a real store and picking up and browsing merchandise and I think no online alternative is ever going to fully replace that, but what we are seeing is that more and more content is digital, and as we move into the digital era, you can do more things with it. And we were talking about TVs just a few moments ago - we're really just seeing the beginning of a new trend. In future, TVs are going to get even bigger, even thinner, even brighter and higher clarity, and they'll have much more functionality. They will have software in them that allows you to customise them; they'll have inbuilt digital storage; they'll have communications applications that interact with the internet and allow you to make video calls and that kind of thing, so we're really just at the beginning of something rather than seeing the end of something.

IV Fair enough. But is there any technology that you actually might miss?

DT Well, you're talking to something of a Luddite, actually. I still play analogue records and, as something of a, somebody that likes music, I find the whole experience of playing a record is still quite compelling for me, and I think analogue records are making something of a comeback. So, not everything disappears forever.

IV Okay, the good stuff will stick around. David Tansley, thanks so much for joining us. Well, still to come on Business International...