



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Contents in this issue

- Blu-ray Disc powers its way through Black Friday in U.S.
- Europe's consumers back Blu-ray Disc with their wallets
- Germany joins Blu-ray Disc's millionaire club
- Blu-ray Disc Association to stage BD authoring seminar & workshops
- Blu-ray Disc Group Italia votes retailer on to executive board

Blu-ray Disc powers its way through Black Friday in U.S.

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Andy Parsons

Chairman

Blu-ray Disc Association

US Promotions Committee

Despite the projected slowing in holiday spending, this past weekend in the United States, known to many as "Black Friday weekend," saw a dramatic increase in consumer spending from 2007.

According to a survey by the National Retail Federation, more than 172.8 million adults shopped this weekend, making it the biggest Black Friday weekend ever, with nearly 42.6 percent of those shoppers going out the Friday after Thanksgiving. On average, each shopper spent about \$372 this weekend, a 7.2 percent increase from 2007, according to the NRF.

On-line sales reflect Main Street action

At the same time, PriceGrabber.com, a part of Experian, has revealed that economic conditions motivate value-driven consumers which lead to an 11 percent increase in traffic year-over-year on Black Friday. Data from PriceGrabber.com shows that online consumers are taking advantage of promotions on popular electronics including: LCD and Plasma TV's, Blu-ray Disc Players, Laptops, and Video Game Consoles.



Consumers queue for Black Friday deals

"Prior to the Black Friday weekend, 71 percent of shoppers intended to spend less money this holiday season compared to last year and 66 percent planned to give practical gifts," said Ron LaPierre, President of PriceGrabber.com. "Thanksgiving

and Black Friday traffic shows that value drives consumer spending. Consumers are responding to aggressive promotions and price drops on popular electronics."

Blu-ray Disc players were the third strongest product category (and the strongest consumer electronics product category) in terms of growth in sales relative to Black Friday 2007. According to Pricegrabber.com, Blu-ray Disc players witnessed a 147 per cent increase in sales relative to the same period last year.

Market responds to Blu-ray Disc's appeal

These retail figures are not surprising when you look at Blu-ray Disc's strong underlying performance. According to the Blu-ray Disc Association, in the U.S. October saw the highest sales volume of Blu-ray movies since the introduction of the format. The BDA reports that US consumers snapped up 2.3 million discs, marking the first time that disc sales have surpassed two million in a single month. For the year, Blu-ray Disc sales are approximately four times greater than in 2007. Since the format's introduction, nearly 20 million discs have been sold – of these 14 million have been sold in 2008.



Home entertainment proves a big draw for consumers

"Despite the difficult economic climate around the world, we have been gratified to see Blu-ray Disc's popularity grow faster than ever," commented Andy Parsons, Chairman of the BDA's US Promotions Committee. "I think the reason for this is obvious: the value that a Blu-ray Disc player provides is unbeatable. You can step up to the spectacular high def experience that Blu-ray provides, as well as continue to enjoy your current DVD library, all with the same unit. And when times are tough, it's nice to escape for a while and enjoy the best looking, best sounding entertainment available in the comfort of your own home."

The BDA believes that much of the momentum that the Blu-ray Disc format has gained over the Black Friday weekend will be carried forward. An NPD Group report recently noted that nine out of 10 U.S. households now know what Blu-ray is. Among those who are familiar with its features and benefits, purchase intent is three times higher than the norm. Indeed, 58 per cent of consumers who plan on buying a Blu-ray Disc player are doing so because they have an HDTV and want to optimize viewing of videos.

For more information, or to contact a BDA spokesperson, please respond to info@blu-ray-news.net

Europe's consumers back Blu-ray Disc with their wallets



The BDA European Promotions Group reports a strong upsurge in Blu-ray Disc player sales across key European markets including Germany, France, Great Britain, Italy, Spain and the Netherlands.

During the six-month period from April – October this year, monthly Blu-ray Disc player sales have grown on average by 244 per cent across all six countries. The strongest growth has been experienced in Great Britain, which has seen 425 per cent growth in player sales over this period, followed by Germany (242%), Netherlands (197%) and Italy (165%) (*Source GfK*). The BDA anticipates that this trend will continue, or even increase, in November and December as consumers are attracted into stores by attractive offers being provided by many European retailers.

This market intelligence contradicts rumours of shortages of Blu-ray players in Europe, and also diminishing consumer interest in the new home entertainment platform in the face of the economic downturn.

“Compared like-for-like, Blu-ray Disc is establishing itself in Europe at a significantly faster rate than DVD did in the 1990s,” commented Frank Simonis, Chairman of the BDA European Promotions Group. “Whilst it is true that now consumers are more discerning and are looking to maximise value for money, there is considerable evidence that Blu-ray ticks most of the boxes for European consumers and they have not been deterred from upgrading their home entertainment system to High Definition and Blu-ray Disc.

“At IFA in August, many BDA member companies announced series of new Blu-ray players,” continued Simonis. “Now, we are seeing these new players coming to market with a wide range of price points, features and functions. Whatever your budget, there is a Blu-ray player to suit your needs this Christmas. And furthermore, we see the upwards sales trend increasing into the New Year and beyond – Blu-ray will enter the mainstream this quarter.”



Frank Simonis (left) with Steve Foulser

The groundswell in interest in the Blu-ray Disc format is mirrored in the software markets where sales entered a renewed and steeper growth path in October and now major new releases can account for double digit market share in terms of total sales value.

For example, in the UK during November there were 462,500 Blu-ray Discs sold generating revenues of £7,500 000. This represents a 165 per cent increase in sales volumes compared with October and a 251 per cent increase in sales volumes when compared with this July.

“In a new format introduction environment, disc sales are heavily influenced by the installed base of players,” commented Steve Foulser from Walt Disney Studios Home Entertainment and Vice Chairman of the BDA European Promotions Committee. “Now we are experiencing significantly stronger demand for Blu-ray movies as more people buy players.

“The economic downturn is a concern for all businesses, but we feel cautiously optimistic that in Blu-ray Disc we have a platform that really appeals to consumers. With Blu-ray, they may not have to stay at home – they may want to stay at home,” Foulser continued.

Germany joins Blu-ray Disc's millionaire club

Blu-ray Disc number 1.000.000 has been sold in Germany. At the end of October the magic million milestone of sold Blu-ray Discs was achieved.

Thanks to blockbuster releases such as *Sex And The City* and Steven Spielberg's *Indiana Jones And The Kingdom Of The Crystal Skull*, the one millionth sale raced through in calendar week 43, which recorded about 130 percent higher sales compared to the previous weeks.

The Blu-ray Disc Association reports that support for the format in Germany is expected to grow consistently during the pre-Christmas period. In November, 85 new films and documentaries have been released on Blu-ray Disc in

Germany. A further 66 titles will follow in December including *The Chronicles of Narnia: Prince Caspian* and *The Dark Knight*. With this strong performance by the studios in recent months, there will be more than 700 different Blu-ray titles on the German market at the end of this year.

Thilo Röhrig, Chairman of the Blu-ray Group Germany: “This is a great development. The BD catalogue became wider during the past weeks and months and will deliver more highlights in 2009. Consumers in Germany are being given a number of very good reasons to switch from DVD to Blu-ray.”

For more information, or to contact a BDA spokesperson, please respond to info@blu-ray-news.net



Thilo Röhrig

Market Development Germany

Software Sales in Germany until October 2008



Blu-ray Disc Association to stage BD authoring seminar & workshops

Blu-ray Disc offers significant new revenue generating opportunities for every part of the supply chain from content owners through to publishers and retailers. For the production community – the people that actually author and master Blu-ray Discs – there are new craft skills that need to be acquired. BD-Live and BD-Java, for example, provides the ability to transform a passive movie into a truly interactive online experience. But BD-Live is a new programming interface and the authoring teams need to learn how to exploit the vast potential that this new exciting technology offers.

To help share these skills amongst the creative community, the Blu-ray Disc Association is organizing a three-day Blu-ray Disc Authoring seminar and series of workshops. The event is scheduled for 10-12 February 2009 and will take place in Barcelona, Spain. The event is open to all interested people – outside as well as inside the BDA.

“The seminar will have a technical focus and will be aimed at engineers that are already working with Blu-ray Disc or is still working with DVD but intends to step up to BD in the near future,” explained Niels Leibbrandt, Senior Manager Technology Marketing, Sony Home Entertainment Marketing Europe. “Authoring houses, content owners to application developers - all these groups will gain valuable information from this workshop.”

The BDA is in the process of inviting a broad range of Blu-ray solution providers and format experts to present at the event. It will update the Blu-ray Disc production community on key technologies; deliver information and tools to facilitate the growth of BD production; allow Blu-ray producers to meet BD creation experts and exchange best practice and, importantly, it will educate and support newcomers in Blu-ray Disc authoring.

“Blu-ray Disc is a real technology and a real business model, there for the industry to grow and support,” continued Leibbrandt. “This BDA sponsored event is aimed to propagate the new craft skills and to encourage the technical creative community to come on board. If you are serious about Blu-ray Disc, this is a must attend event.”

For more information on the seminar, or to receive the official invitation, please respond to BDAuthoringSeminar@Thomson.net



Niels Leibbrandt

Blu-ray Disc Group Italia votes retailer onto executive board

As reported in the last issue of Blu-ray Disc News, an important aspect of the European Blu-ray Disc format promotion work is carried out by regional task forces, which apply a local flavour to the strategic messaging.

One of the richest and most diverse cultures in Europe exists in Italy and news comes that the group has renewed its executive board in order to strengthen the Blu-ray promotion platform within Italy.



Fabrizio Ferrucci

One year from the constitution of the Association, Fabrizio Ferrucci (CEO of Sony Pictures Home Entertainment Italia) and President of the Association has been confirmed for 2008/2009. The members elected of the Board are: Vice Presidents: Alberico Lissoni (Director Consumer Sharp Italia) and Renato Picinini (CEO of GRE-Trony e Sinergy). Board members include Roberto Masserini (Corporate Planning & Communication Manager, Panasonic Italia) and Fabrizio Conti (Financial Director, Universal Pictures Italia).

A significant development in this election is the entry of a retail company in the Board, making Blu-ray Disc Group Italia the only task force in Europe that has a retailer among its members.

“The board, with Renato Picinini’s presence, will be true reflection of all the members of the association,” commented Fabrizio Ferrucci. “It will reinforce the great synergy among trade companies, software and hardware companies started this year.”

For more information, or to contact a Blu-ray Disc Group Italia spokesperson, please respond to barbara.carnevale@ANIE.IT

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to help

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