



# Blu-ray Disc News

News and Views from the Blu-ray Disc Association

17 October 2008

Blu-ray Disc movie market update

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## Iron Man on Blu-ray Disc re-writes record book

We live in turbulent times – with stock markets in free fall and many leading banking names going to the wall, it is a challenging time for any new technology introduction. However, the home entertainment industry's historic resiliency to turbulent economic times was struck home last week by a big, fat iron fist.

IRON MAN

*Day one Blu-ray Disc sales alone amounted to 260,000 units, a single-day record, according to Paramount. In just one week, Iron Man has already become the best-selling Blu-ray Disc title all year. The title also spiked total weekly Blu-ray Disc sales to record heights.*

As the markets were tumbling, in the U.S. *Iron Man* posted the strongest first-week sales tally of any new release this year, with distributor Paramount Home Entertainment selling 7.2 million DVDs and Blu-ray Discs.

Day one Blu-ray Disc sales alone amounted to 260,000 units, a single-day record, according to Paramount. In just one week, *Iron Man* has already become the best-selling Blu-ray Disc title all year. The title also spiked total weekly Blu-ray Disc sales to record heights.

The sales frenzy easily pushed *Iron Man*, at \$318.3 million the year's No. 2 box office hit, to the No. 1 spot on Nielsen VideoScan's First Alert sales chart for the week ended Oct. 5.

*Iron Man* also debuted at No. 1 on the Blu-ray Disc sales chart.





On *Home Media Magazine's* video rental chart for the week, *Iron Man* scored its third chart victory, with *Forgetting Sarah Marshall*, from Universal Studios, debuting at No. 2.

On all three charts, the two newcomers pushed the previous week's top seller and renter, Warner's *Sex and the City: The Movie*, to No. 3.

## Blu-ray Disc makes the family room relevant, so says Disney

Blu-ray won the battle against HD DVD standard earlier this year. But there is the war that Blu-ray must win against DVD, the de-facto home entertainment video format.

According to some estimates, there are about 800 Blu-ray titles on the U.S. market, meanwhile, there are between 90 and 100 thousand DVD titles. Obviously, the format that features more content will be the dominant on the market, which means that it will be challenging for Blu-ray to take over DVD on the mainstream market.

However, the belief that Blu-ray Disc represents the future of the Home Entertainment industry is held throughout Disney's senior management ranks.

Recently reported in *Big Picture Big Sound*, Disney's worldwide president, Bob Chapek, sounded bullish over Blu-ray's prospects. Whilst today Blu-ray Disc and DVD co-habit peacefully, he sees a time not far off when the market will make the transition to an entirely HD world.



**Bob Chapek**

"It's evolving from one to the other as consumers make the move now with no qualms over to Blu-ray," commented Bob Chapek. "Blu-ray sales have picked up dramatically since a year ago, and I think that's just the tip of the iceberg relative to what's going to happen this fourth quarter. Because now the retailers have their stores set with not two formats but one format, and that just started happening this summer. And then on top of it, content is now starting to be made widely available. And player prices are coming

down and now there's actually enough players to be had, set-top and gaming systems. So all the stars are aligning to make this fourth quarter be the breakout quarter for Blu-ray with a larger, mass audience.

This fall sees a strategically important release from Disney in the form of *Sleeping Beauty*. One of the company's crown jewels and part of its Platinum Collection, it is a good indication of Disney's confidence in the format to release such an important title now. And it is not just a re-release – Disney has invested heavily in developing its BD-Live enabled interactivity for *Sleeping Beauty* fans. Never seen before on

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*Bob Chapek  
President  
Walt Disney Studios Home  
Entertainment*



## UK's LOVEFiLM falls for Blu-ray Disc

*"We are amongst the sharp edge of the UK entertainment scene and we've seen good uptake of Blu-ray."*

*Simon Morris  
International marketing  
director  
LOVEFiLM*

this scale, nor with such attention to detail, Disney has transformed the home entertainment experience from passive viewing to totally immersive interactivity.

"As much I believe as we wowed the industry with what will be coming out on BD-Live for *Sleeping Beauty*, we have only begun to scratch the surface of what's possible," stated Bob Chapek. "It's going to open up a whole new world of entertainment that's going to make the family room relevant again and give home theater enthusiasts another reason to get excited about watching their movies.



**Disney's BD-Live titles (starting with *Sleeping Beauty*) will include features such as movie chat, interactive trivia games and personalized video messages that can put you into a scene from the movie.**

"And I think long-term, it gives filmmakers a big opportunity because, think of this in the hands of some of the greatest filmmakers in the world and what they could potentially do from a story standpoint with this interactivity and connectivity, and we've got some really great things planned. So I'll just leave it at that," concluded Chapek.

As reported on *Pocket-Lint*, LOVEFiLM, the UK's largest online rental service, claims that Blu-ray is proving to be a success despite some parties suggesting that downloads will supersede the format before it gets going.

"We are amongst the sharp edge of the UK entertainment scene and we've seen good uptake of Blu-ray", Simon Morris, international marketing director for LOVEFiLM. The comments come as the online DVD rental market has now surpassed high street rentals.

LOVEFiLM, which currently has around one million paying subscribers and adding more by the day, says that although they are pushing legitimate downloads, consumers just don't seem to be ready for it. "People don't want to watch poor quality streamed



movies. The iPlayer might be great for television, but it's not reshaping consumer usage through movies, it's throw away TV."

Interest in Blu-ray in the US has meant the market leader NetFlix has started charging a premium for Blu-ray rentals over the standard DVD versions. Will LOVEFiLM do the same here? "No", was the solid answer from Morris. "We are about range, convenience, and value for money. It doesn't make sense to charge extra for Blu-ray titles."

Starting on a kitchen table in 2004, LOVEFiLM, which now sends out about two million disks a month, is seeing a 40% growth year on year. The credit crunch might be making people worry about their jobs, but it also means they are staying in more. "Video shops are always filled with couples rowing", says Morris, the founder of Football365.com and serial entrepreneur. This is where he believes the success of LOVEFiLM has come from.

"For £3.99 you can get a movie straight to your door. If we haven't got it we will get it for you no matter what it takes." Bold words, but with a catalogue of around 60,000 movies on the books, and plenty of contacts in the industry, one that he is pretty sure the company can meet.

So what's of the future? Unsurprisingly Morris sees the death of the general video shop on the high street. "The writing is on the wall", says Morris. "Generalist shops will be gone by the Olympics. Why would you want to visit one?"



**Simon Morris**

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to help

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