



Blu-ray Disc News

News and Views from the Blu-ray Disc Association

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Blu-ray Disc will prevail: so says Disney's Chapek

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*Bob Chapek
Worldwide President
Walt Disney Studios Home
Entertainment*

With the large majority of Hollywood studios working hard at publishing content on the Blu-ray Disc format, many organizations in tinsel town are going through a steep learning curve in terms of the entertainment potential that Blu-ray Disc offers to studios and consumers alike.

One major studio that has been a staunch Blu-ray Disc supporter from day one has been Walt Disney. Bob Chapek, Worldwide President of Walt Disney Studios Home Entertainment believes that Blu-ray Disc is close to gaining a critical mass of users and that this holiday season will help clarify consumer perceptions.

Asked what his assessment was of Blu-ray Disc's rollout to date Chapek responded, "I think it's all going according to plan. Some people were surprised, and some weren't about the announcements that took place with competitive studios in the HD DVD camp a few months ago. But to me, that was the last act of a desperate format trying to pull itself out of a nose dive.



Bob Chapek

"It was too little, too late. Consumers are voting with their dollars in anywhere from a 2:1 to 3:1 ratio domestically (in the US), and even higher than that internationally. We have 90 per cent market shares in Australia and Japan and anywhere from 70 to 80 per cent market shares in Europe

“Consumers continue to buy Blu-ray Discs as more players come on the market and discs become more prevalent and start to gain dominance at retail. When Blu-ray first came out it was getting 50/50 shelf space with HD DVD, and now the shelf space has clearly turned in favour of Blu-ray, and that means sales will continue to slide towards Blu.”

“In my mind, the artificial extension of the format war, through whatever incentives were given, was counter to the consumer. The consumers made up their minds what format they preferred by some pretty large margins, and (the Paramount and DreamWorks decisions to back HD DVD exclusively) just served to extend what is an unnecessary format war, and confused the consumers and put at risk those who may now buy a format that will become obsolete very shortly,” Chapek



Ratatouille – Disney’s next BD hit

continued.

“Aside from that little monetary distraction, consumers continue to buy Blu-ray Discs as more players come on the market and discs become more prevalent

and start to gain dominance at retail. When Blu-ray first came out it was getting 50/50 shelf space with HD DVD, and now the shelf space has clearly turned in favour of Blu-ray, and that means sales will continue to slide towards Blu. That will make the already inevitable outcome seem even more inevitable.”

Asked if he could see when the contest would end, Bob Chapek agreed that it will take longer than he initially anticipated clarifying the market situation. “I would have said that it would be over by the end of the calendar year, but that was before the surprise announcements (from Paramount and DreamWorks). My guess is that within the next year it will become clear in everybody’s mind that Blu-ray is the ultimate successor to DVD,” concluded Bob Chapek.



Price cut boosts PS3 sales in US

Sony Corporation says that sales of its PLAYSTATION 3 (PS3) gaming consoles have risen fast in the United States since it cut the price of its 80 gigabyte model by \$100 and launched a 40 gigabyte model. In the two weeks ending Nov. 11, Sony said it sold more than 100,000 consoles of all types.

The price cuts makes the PS3 more competitive against Nintendo Co.'s Wii and Microsoft Corp.'s Xbox 360 as the holiday season opens, Sony chairman and chief executive Howard Stringer said. "It's the breakthrough we've been anticipating," Stringer commented. "We've been holding our breath."

“Sony had been selling between 30,000 and 40,000 consoles per week before the Oct. 29 price cut. In the first week after the price drop, sales rose to 75,000. Sales rose again to more than 100,000 per week after the introduction of the 40 gigabyte model on Nov. 2.”

Sony said it had been selling between 30,000 and 40,000 consoles per week before the Oct. 29 price cut. In the first week after the price drop, sales rose to 75,000. Sales rose again to more than 100,000 per week after the introduction of the 40 gigabyte model on Nov. 2, Sony said.

"Obviously, we've taken so much heat over the year on PS3," Stringer said from his office in Tokyo. "Finally, the turning point has been passed." Stringer said Sony is poised to benefit from the difficulty Nintendo has had producing Wii consoles fast enough to keep up with demand. "It's a little fortuitous that the Wii is running out of hardware," Stringer said.

Executives said the rising sales also boost the Blu-ray Disc format since PS3 comes with its own integral BD drive. "It puts us vastly ahead of where the other format is going to be in terms of an installed base in people's homes by the end of this holiday season," Andrew House, Sony's chief marketing officer, said.



Howard Stringer

"The inclusion of the Blu-ray drive in PS3 reflects Sony's absolute commitment to the format," said Howard Stringer. "We firmly believe that Blu-ray is the best High Definition format for consumers, providing superior capacity, next-generation games, more hit movie titles and the best possible picture and sound quality." In its first year, more than 200 software titles have been released for PS3 and more than 60 million pieces of content have been downloaded from PlayStation Network worldwide.

"When we designed PS3 our goal was to introduce a system so technically advanced that it could stand the test of time and take the industry in a whole new direction, which for PS3 was High Definition entertainment," said Jack Tretton, president and chief executive at SCEA.



CD Video of California to install BD 50 production line

As more and more companies look to publish their content on Blu-ray Disc, the demand for BD disc manufacturing facilities is growing strongly. News from the US tells of one company in the Californian movie heartland investing in Blu-ray Disc manufacturing resources.

Hong Kong-based optical media equipment and process technologies supplier, Anwell, has announced that CD Video of California has agreed to purchase both Blu-ray Disc and HD DVD production systems. The order was placed after Anwell demonstrated its BD 50 production system at the company's R&D facility in Dongguan China. The system will be officially launched first quarter 2008.

Minh Nguyen, owner of US-based CD Video, stated that he was proud to become the first independent replication facility who can offer both HD and BD formats to its customers. CD Video will install a BD line in Q1 2008.

Mr. Nguyen states that to keep up with the market demand and technology CD Video needs to be an early adaptor of both formats and sees Anwell and its North American Agent TS&S as the ideal partner for CD Video. Roel TS&S is very excited with this Agreement and believes that Anwell will become a major player in the North American market for the next generation formats.



Left to right - Roel Theunisse TS&S, Minh Nguyen owner CD Video, Pierre van Dongen TS&S and Russell Yau Anwell

Mr. Russell Yau, the President of Anwell Americas, states that Anwell has been developing their BD products for the past two years, and to be ready for the expected increase in demand in 2008.



Panasonic's next generation BD player in US stores for Black Friday

Panasonic has announced that its next generation Blu-ray Disc player, the DMP-BD30, is now shipping and is available prior to Black Friday in channel partner stores in many regions of the USA. The BD30 is the first Blu-ray Disc player to incorporate Final Standard Profile 1.1 - a supplementary interactive function added to the Blu-ray Disc standard which opens the door to a variety of new and unique functions such as Picture-in-Picture and audio mixing.

Panasonic worked closely with Hollywood film makers and industry professionals to develop High Definition technologies now available in the DMP-BD30 including "PHL Chroma Processing" for optimized Blu-ray Disc and DVD playback and an SD Memory Card slot. The SD Card slot allows BD30 owners to network between their High Definition products including playback of digital still images and High Definition video recorded in the AVCHD High Definition Camcorder format.



“With the growing consumer awareness of High Definition and the approaching 2009 digital transition, we are projecting a marked increase in interest in High Definition TV this holiday season. In order to fully appreciate the High Definition entertainment experience, the consumer needs a 1080p playback device to show HD content. Blu-ray Disc players are the perfect complement to an HDTV.

*Gene Kelsey
Vice President
Panasonic Entertainment
Group*

“With the growing consumer awareness of High Definition and the approaching 2009 digital transition, we are projecting a marked increase in interest in High Definition TV this holiday season, said Gene Kelsey, Vice President of Panasonic’s Entertainment Group. “In order to fully appreciate the High Definition entertainment experience, the consumer needs a 1080p playback device to show HD content. Blu-ray Disc players are the perfect complement to an HDTV.

“With supplementary Consumer Awareness campaigns ranging from the “I do Blu” television and print campaigns to activities such as the Disney Blu-ray Mall Tour, co-sponsored by Panasonic, consumers are buying more Blu-ray software than ever before,” said Kelsey. “Further driving the success of Blu-ray is the blockbuster Blu-ray Disc movies that are either now in release or will shortly be available for the Holidays. The availability of Blu-ray titles such as *Fantastic 4 – Rise of the Silver Surfer*, *Spider-Man 3*, *Ratatouille*, *Live Free or Die Hard*, *Pirates of the Caribbean - At World's End*, the *Harry Potter* series, and *3:10 to Yuma* will certainly drive consumer excitement in Blu-ray.”

With an SRP of \$499.95, the DMP-BD30 also features a slimmer profile while offering a myriad of technological advances, including Deep Color Compatibility, and HDMI 1.3B, that enhances step gradation from 8-bit 256 all the way up to 12-bit, 4,096 step gradation. To further enhance the viewing experience, the DMP-BD30 also provides 1080/24p playback, so the consumer can enjoy the same 24-fps (frames per second) reproduction as the original movie. This eliminates the need to utilize 3.2 pull down, a process which converts 24-fps images to 60-fps, resulting in a smoother picture.

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