Online service to offer movies before DVD

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Revelations Entertainment, an independent Hollywood movie distributor, has formed a new online movie service called ClickStar, which will offer a limited selection of downloadable movies before they are released on DVD.

The wait time and difficulty in transferring movies from computers to television sets is what has hindered legal online movie distribution from becoming as popular as music services such as Apple's iTunes, experts told United Press International.

In the past, Hollywood has required online distributors, such as Movieline and CinemaNow, to delay releasing movies for months after they become available on video.By the time the movies appear online, people have had easier methods of watching them on their own TV sets via DVD, video, pay-per-view or even premium cable channels such as HBO, explained Susan Schrank, a digital-media analyst in Arlington, Va.,, with Rider Research, a firm in New York City.

"If it's available for the same amount on pay-per-view on your TV at the same time as the online release, that's what people are going to go for," Schrank said.

Older movies do not suffer from the timeliness problem, so they can become popular online if they are priced competitively.In February 2004, for example, Movielink offered a selection of films to AOL's broadband subscribers for $0.99 per title and reported that its downloads increased by 15 percent in the following months.

Releasing films online earlier than their DVD release can help combat piracy, said Adam Thomas, media research manager at Informa Telecoms & Media in London.

"One of the major factors driving piracy is a desire to see films in the home before they are released to DVD, so by offering a legitimate alternative, ClickStar's model can only help," Thomas said."There is already a trend towards shorter windows, and while this experiment will initially focus on the independent sector, if it works the major studios will sit up and take notice.This could have a radical impact on film-industry business models."

People want a legal way to use online content on their various personal entertainment devices, said Lori McCreary, chief executive officer of Revelations Entertainment.

"Look at how well iTunes is doing," McCreary said."People want a legal alternative.When given a choice most people will go the legal route."

ClickStar is compatible with Intel's Digital Home technology, which allows people to view on their TV sets and radios, wirelessly, content they have gathered on their computers.

"The way consumers experience digital content is going to change," said Kevin Corbett, vice president of Intel's Digital Home Group."People watch movies on their laptops when they're traveling for short periods of time, (but) no one wants to stare at a computer screen to watch a movie for two hours."

Current services require people to use cables to connect their computers to their TV sets, which can be complicated.

"To enter the mainstream, it is essential that films can be viewed via a

TV screen, rather than a PC," Thomas said."To be effective, the PC-to-TV connection must be extremely user-friendly, to attract people with little technical knowledge."

In the past, Intel has worked with Movielink and other online-content distributors to create content for its Digital Home system.

Online services also are relying on people continuing to switch to broadband.Most modem users would be unable to download a larger movie file or use many of the graphics-intensive extras that online services offer.

Nizar Allibhoy, ClickStar's CEO, said the online system also will provide extras.

"We want to build the service as a whole new medium," Allibhoy said."Now with broadband and a two-way connection, there's a whole new arena of value-added features that go beyond extras on DVDs."

ClickStar has not yet announced whether the service will be subscription or per use -- although it will begin charging on a per-rental basis.Later iterations may allow users to burn downloaded movies to DVD.

"We want to reach as many people and provide as much content as possible," Allibhoy said.

The service is expected to launch in early 2006 and use Microsoft Windows Media technology and digital-rights management.

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