

Movies-for-download making inroads

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U.K. movie-goers now have easier access to Hollywood blockbusters anywhere they go thanks to Universal Pictures. The studio giant will allow customers to purchase movies to keep in three different downloadable formats onto computers, mobile phones or portable video players.

This marks a big move for a major Hollywood studio in providing a new delivery service via legal downloading of recent box-office hits, especially in the face of the recent digital-rights-management debate.

But it's a move that was inevitable, it was only time before more and more movie and television studios jumped on the bandwagon following the music industry, as they try to win over lost consumers.

"Download-to-own has the potential to completely revolutionize the way people watch movies," said Peter Smith, president of Universal Pictures International.

"King Kong," "Nanny McPhee" and "Pride and Prejudice" are among the titles available for purchase when the service starts April 10, but more titles most likely will be available as the company moves to digitizing its catalogue.

But in the United States, there has already been a move to movie downloading, where movies can be purchased or have limited play.

Sites like MovieLink and CinemaNow that rent videos online for



Windows applications only allow consumers to download for 24 periods and range in price from \$1.99 to \$3.99.

Apple's iTunes allows for select TV show downloads from ABC, NBC Universal, USA Network, Disney and the Sci-Fi Channel among others for \$1.99 per episode -- just on the video iPod.

Not to be left out, even Google has its own online Google Video Store where customers can purchase classic cartoons and CBS shows.

But services TiVo and DIRECT TV have made plans too to launch new to-go services that would allow subscribers to transfer recorded shows to a number of portable media players with TiVo To Go and DirecTV 2Go.

Even Amazon has been reported to be speaking with movie studios such as Paramount Pictures, Warner Brothers and Universal Studio about starting its own movie download service.

And as early as January 2006, the Starz Entertainment Group LLC launched its own video download service Vongo, for purchase or download of its some 1,000 movies onto different consumer electronics.

This is in addition to live streaming of the Starz TV Channel for \$9.99 a month and pay-per-view movies for \$3.99.

"With the advent of downloading videos ... there's no worry about taking back DVDs to stores, no mail, it's instant," cable network Starz' spokesman Tom Southwick told UPI in January.

"It's a much more convenient way to access movies than having to deal with the physical deeds," he added.

Their model differs too from others in that it's not a pay-per-view model



but rather a subscription fee and a move prompted by increase interest by customers for video downloading.

In a December 2005 study of 488 Starz subscribers, 70 percent of users admitted to no longer going to the video store and 72 percent said they rented fewer DVDs, while 60 percent bought fewer DVDs.

Video stores like Blockbuster too will have to start worrying as consumer interest in downloading becomes more evident.

The video company was refocusing its clientele toward online service in 2006, closing more retail stores -- a push after competitor online-based service Netflix gained must ground in the arena.

The company gained some 4 million subscribers last year alone, compared to Blockbusters only 1 million.

But Netflix spokesman Steve Swasey told UPI that the videodownloading industry and its technology was too young and that most Americans preferred watching DVDs on TV especially with the move to high-definition TVs and DVDs.

"Downloading is more a future vision than a practical reality," Swasey told UPI, acknowledging that the service will be popular in the next five to 10 years. "And as a future vision, Netflix shares that vision. We'll be coming out with downloadable content when the right time comes."

But the company may want to move faster especially if studios can cut the middleman out by distributing movies for download directly from their own service on their site.

Still, experts warn that piracy could persist especially outside the United States, if certain copyright protections could be hacked into, further



spelling bad news for the entertainment industry.

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