

## Studios' view-everywhere system has soft launch

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In this film publicity image released by Warner Bros. Pictures, Charlie Day, left, and Jennifer Aniston are shown in a scene from "Horrible Bosses." With the release of "Horrible Bosses" on home video Tuesday, Warner Bros. becomes the first studio to launch a title using UltraViolet, a fledgling industry standard for saving your movie purchases online so you can view them anywhere. (AP Photo/Warner Bros. Pictures, John P. Johnson)

(AP) -- A Hollywood initiative that aims to revive home video sales by enabling you to watch your purchased movies on multiple devices had a soft start Tuesday as Warner Bros. released "Horrible Bosses" without

many of the hoped-for partnerships in place.

Several movie studios had intended to launch the UltraViolet system with an array of retailers and gadget makers to form an interconnected web of shared commerce. The concept was that you could buy a Blu-ray disc from Wal-Mart and have a digital version streamed to you by cable giant [Comcast Corp.](#) without even removing the shrink wrap.

Today, when you buy a digital movie, you are typically restricted to watching on specific devices. Movies bought on Apple Inc.'s iTunes work only on Apple devices, and those bought on Amazon.com can be watched on computers and TVs but not iPhones or iPads. The idea behind UltraViolet is to unshackle movies from those constraints.

In reality, a back-end system to allow such seamless viewing across devices hasn't been created. The early version of UltraViolet lives inside a walled garden that is owned entirely by one movie studio - in this case, [Warner Bros.](#)

[Sony Corp.](#)'s movie studio launches its first UltraViolet titles, including "The Smurfs," on Dec. 2, but it also has no third-party digital streaming partner lined up. It, too, plans to have customers redeem online copies from a website it owns.

Still, the early trial is meant to familiarize people with the notion of owning something that doesn't sit on a shelf - in part to jump-start sluggish sales of digital downloads of movies. That is something Hollywood needs to counter shrinking sales of discs.

"We are at the very beginning of the rollout of UltraViolet. It's a first step," said Thomas Gewecke, Warner Bros.' president of [digital distribution](#). "You'll see more and more services launching with every coming month."

Warner Bros., a unit of [Time Warner Inc.](#), will now package this UltraViolet digital right with every disc, whether DVD or Blu-ray, for no extra fee on top of the \$17 to \$25 price tag. Upcoming movies including "Green Lantern" and "Harry Potter and the Deathly Hallows: Part II" will come with the "UV" label attached.

When you buy a disc, you'll get a slip with a redemption code directing you to create an account on Flixster, the online movie database service that Warner Bros. bought in May.

Then, it's a matter of finding the Flixster application on your iPhone, iPad, Android-powered device, or computer. The movie will appear in your personal movie collection, and you can stream or download it. For now, Flixster's movie-viewing capability isn't available on set-top boxes, game consoles or Web-connected TVs.

By planting the seed inside millions of discs, Warner Bros. hopes the idea will spread quickly. Eventually the plan is to allow you to buy movies straight from Flixster, while still allowing you to access purchased movies from whichever device you own without the need to personally transfer files using a cable or data storage device.

So far, studios have had trouble forging partnerships with cable TV operators, online retailers and other companies that serve up digital movie copies. One problem is that potential partners might have to bear the expense of streaming films to customers without getting the revenue from the initial sale.

John Calkins, executive vice president of global digital and commercial innovation for Sony Pictures, said progress toward reaching deals with partners has been slow but steady.

"It's taken us three or four years to get this far," he said. "We're not

discouraged there's not a retailer there at launch. All these things we think are completely solvable."

Hollywood has been trying to find new revenue streams as people buy fewer DVDs and instead turn to cheaper options such as \$1-a-night DVD rental kiosks operated by Redbox, or subscriptions from mail-order and online streaming company Netflix Inc. In the second quarter, for the first time in a decade, Americans spent more money renting movies than buying them, which is bad news for studios because rentals bring in less revenue.

Combined DVD and Blu-ray sales in the U.S. are expected to drop by \$583 million, or 8 percent, this year, but digital download sales are seen growing by only \$51 million, or 11 percent, according to research firm IHS Screen Digest.

Although digital downloads are priced more cheaply than DVDs at around \$15 for standard-definition, consumers haven't embraced them.

Mark Teitell, executive director of the Digital Entertainment Content Ecosystem, the industry group that created UltraViolet, said the problem is that people only want to buy things that work across many devices.

"Consumers have very obviously voted that what they want is something that gives them interoperability, or the ability to use retailers and devices interchangeably," Teitell said. "They've shown that by not buying much content yet in video."

Tom Adams, principal analyst and director of U.S. media for IHS Screen Digest, said such a view-anywhere system is the least studios can do to keep the [home video](#) market from contracting further.

The new system may have trouble taking off, especially without the

cooperation of major digital retailers Apple or Amazon.com Inc.

One expected participant is Wal-Mart Stores Inc.'s Vudu online video store, which is a partner in the UltraViolet alliance. Vudu surprisingly leapt past Sony Corp.'s PlayStation Store for a second-place market share of 6 percent for digital video transactions in the first half of the year, IHS said. The research firm credited the online retailer for its cut-rate \$2 movie rentals, wide compatibility across a range of devices and large collection of high-definition movies.

A Wal-Mart spokeswoman declined to comment on the company's plans.

UltraViolet's launch comes as online retailers are launching their own systems based on distant computer servers known as the cloud.

The Walt Disney Co. is working on its own online ownership system called KeyChest.

Amazon has stored digital movie purchases for some time and is integrated into many connected TVs and set-top boxes.

Apple launches its iCloud service on Wednesday, which saves and pushes digital purchases to all your devices, but that system won't include movies for now.

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