

Home video spending in US falls 2 percent in 2011

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(AP) -- Home video spending in the U.S. fell 2 percent to about \$18 billion in 2011. A surge in the popularity of movie streaming services like Netflix Inc. and gains in Blu-ray disc sales helped offset some of the drop in DVD purchases.

The <u>Digital Entertainment Group</u>, a consortium of <u>Hollywood studios</u> and <u>electronics manufacturers</u>, said Tuesday that sales of Blu-ray, which became the high-definition standard in February 2008, were up 20 percent, to \$2 billion for the first time. The number of households with a Blu-ray player rose 38 percent to nearly 40 million.

Digital streaming plans, which weren't broken out last year, racked up nearly \$1 billion in sales. DVD sales declined 20 percent to about \$6.95 billion.

The overall drop in home movie spending was smaller than in 2010, when the industry reported a 3 percent decline.

"The industry's performance clearly stabilized in 2011," the DEG said in a statement.

Americans made fewer visits to brick-and-mortar movie rental stores. Spending in that category fell 29 percent to \$1.64 billion. Spending on mail-order disc rental services and streaming services rose 4 percent to about \$2.37 billion.



Spending at popular rentals kiosks, such as those offered by Coinstar Inc.'s Redbox, jumped 31 percent to \$1.66 billion.

Movie buffs also rented more flicks through video-on-demand services offered through set-top boxes, with spending on VOD up 7 percent at \$1.87 billion. Sales of movies through digital download services like iTunes rose 9 percent to \$554 million.

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