

Wal-Mart previews 'Disc to Digital' movie service

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A "Walmart Entertainment" stamp in indelible ink has been placed on a disc, preventing any further conversion, but allowing it to still be played, at a Wal-Mart store in Rosemead, Calif., Wednesday, April 11, 2012. Wal-Mart is set to unveil its "disc-to-digital" service for converting old DVDs into an online library that is available over the Internet. The fee it will charge per disc is meant to cover the cost of hosting and delivering reams of movie files to various devices. The world's largest retailer also aims to keep drawing customers to its big-box stores as their movie-watching habits change. (AP Photo/Reed Saxon)

(AP) -- Wal-Mart Stores Inc. previewed its "Disc to Digital" service for converting DVDs into an online library on Wednesday. Based on my experience, I'd give it a six out of 10.



That's the number of discs I was able to convert from a completely unscientific sampling of my personal DVD library.

The new service allows movie fans to walk into any <u>Walmart</u>, where they can present their old DVDs and get permanent access to an online version of each movie that can be streamed from a <u>home computer</u> or a mobile device. The DVDs are stamped with a special ink to prevent further conversion. The DVDs, however, can still be played. Each DVD conversion costs as little as \$2.

Three of my four failed conversions were no surprise - two were obscure documentaries, and one was a film from The Walt Disney Co., which is not participating in the service. One was a bit puzzling: "Water for Elephants," a fairly successful romance released last year by 20th Century Fox, one of the studios that is partnering with Wal-Mart.

Wal-Mart's category director for movies, Louis Greth, said the retailer hasn't yet cleared the rights for all the titles from participating studios. That will result in some titles not being available. Some actors and directors have not agreed to sign over digital rights to movies they took part in. In the case of director George Lucas, that includes all six "Star Wars" movies.

Fox confirmed that the digital rights for "Water for Elephants" have not been cleared.

Still, with 4,000 titles available for digital conversion when the service launches nationwide on Monday, the retailer hopes to give U.S. customers another reason to come into stores. Wal-Mart also wants to take part in the shift in the way people watch movies. More and more people are choosing to watch on portable devices like Apple's <u>iPad</u>, and allowing people to convert their DVD libraries is seen as an important bridge to a fully portable age.



Greth called the plan "the right first step" to ease consumers into owning movies online.

Five major studios are participating in the service, which gives consumers permanent access to their movies through Wal-Mart's Vudu online movie service.

Customers must bring in the physical discs themselves and an employee will search a database to see if they are available. For \$5 per disc, movies can be upgraded from DVD to a high-definition online version. Blu-ray discs converted to HD will still cost \$2 each. Each disc that gets converted gets stamped with indelible ink so it can't be reused by someone else.

Vudu can be accessed through computers, Internet-connected TVs, video game consoles and by way of a special player available on iPads and iPhones. Access requires a hard-wired Internet connection or Wi-Fi.

Participating studios include Viacom Inc.'s Paramount, Comcast Corp.'s Universal, Sony Corp., Time Warner Inc.'s Warner Bros. and News Corp.'s 20th Century Fox.

The Walt Disney Co. is developing its own online storage system called KeyChest, and is not involved in the Wal-Mart offer.

The service makes Wal-Mart part of the fledgling UltraViolet system for storing online movies. Several of the participating studios have begun to release new titles with the functionality, which allows purchased movies to be viewed through the Flixster online movie application. Fox has delayed introducing new titles on the UltraViolet standard until improvements are made.

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