



SEARCH

NEWS REVIEWS CHARTS FEATURES PEOPLE MEDIA CAREERS OPINIONS VIDEO

PHOTOS

ENTERTAINMENT & TECHNOLOGY SUMMIT

Posted: Fri., Oct. 16, 2009, 5:51pm PT

Email or Share Talk Back Print

Studios adjust to digital distribution

Pics now play in as many as 250 formats

By SUSANNE AULT

A movie used to enjoy a second life on DVD. Now that has exploded into third, fourth, fifth and more lives on digital platforms as studios adjust to the new ways people watch movies outside of theaters.

In addition to slotting discs into traditional DVD players, average Joes and Janes are now downloading or streaming entertainment to PCs, gaming consoles, iPods and other portable devices. To capture that emerging business, studios must distribute movies to dozens of new digital retailers that were virtually unheard of just a few years back, including Xbox Live, PlayStation Store and Amazon Video on Demand.

A single movie can be offered in as many as 250 digital formats worldwide to accommodate the various video resolutions and encoding guidelines of these digital retailers.

Faced with such new responsibilities, studios are changing business models to better cater to digital. Today, many titles launch on cable/satellite video-on-demand, Web-based download sell-through/rental services and physical DVD simultaneously. Historically, studios would give DVD a head start on store shelves, thinking that's where consumers go most.

"We know that consumers are changing their patterns from one platform to another. And we don't want to lose that consumer," says Steve Nickerson, president of Summit Home Entertainment. "If you don't offer it at the same time, you risk losing the sale."

Since its launch two years ago, Summit has rolled out its titles to nearly all available digital services day-and-date with their DVD bow.

Many other studios do continue to impose about a weeks-long window between DVD street and cable/satellite VOD, in the hopes of promoting the more valuable sale over rental transaction. But even that is disappearing as studios are chasing the increasingly digital consumer.

In fact, Warner Home Video decided to street "Observe and Report" and "Ghosts of Girlfriends Past" to certain cable/satellite providers several days before their September DVD releases.

Sony Pictures Home Entertainment began launching select titles day-and-date with VOD this year, starting with August release "Obsessed."

"It's much more beneficial if the consumer buys content (instead of) renting content," says Sean Carey, SPHE exec VP digital distribution. "That being said, we do feel that, for some titles, moving the VOD date to the same day as sell-through can grow (the business)."



Gamers can download films directly to their consoles from online store Xbox Live.

MORE ARTICLES:

- Broadcast shows reach auds online**
- GPU revolution poised to go public**

MOST VIEWED:

- Audiences go 'Wild' at box office** (3520 views)
- Amelia** (1703 views)
- Will Ferrell is a 'Go' for indie project** (1068 views)
- Abrams keeps it all in the fan family** (1062 views)
- Ballon boy was 'hoax,' official says** (867 views)
- Auds embrace 'Wild Things' on Friday** (795 views)

VARIETY TO GO

- Widget
- Digital Edition
- iPhone
- Mobile Delivery
- RSS Feed
- Subscribe Now!

Get Variety in your inbox See list of newsletters **SIGN UP**

-- Advertisement --

-- Advertisement --



Download sales are also rising in prominence at Sony, where more than 3% of home entertainment revenues for "Nick and Nora's Infinite Playlist" came from iTunes transactions.

"This is still a small portion of the home entertainment pie, but digital is becoming an increasingly significant portion," Carey adds.

With the help of the Entertainment Technology Center, studios are engineering an interoperable digital master format (IMF) to further boost their digital businesses. Studios would seriously simplify -- and save money on -- the distribution process with one movie file, instead of 250, that could be delivered to fit most digital retailers.

Based at the U. of Southern California, the ETC has been overseeing regular studio meetings toward this IMF goal. The ETC expects to create a master specification by early 2010, having already completed more than half the work by September.

"We have an outline for all the necessary components required to make the IMF work," says David Wertheimer, ETC executive director. "We are all pleased with the progress. Everyone wants more efficiency in the system. This will definitely take what is now a highly people-intensive, manual process into something that is automatic, predictable and reliable. Studios want to make it easier to get content out as broadly as possible to as many companies that provide digital entertainment."

TIP SHEET

What: Entertainment and Technology Summit

When: Monday

Where: Loews Santa Monica Beach Hotel

Web: digitalhollywood.com/VarietySummit.html

Sponsor: SNL Kagan

Read next article: [Broadcast shows reach auds online](#) >

TALKBACK:

[VIEW ALL DISCUSSIONS](#) | [COMMENT ON THIS ARTICLE](#)

Have an opinion about this article? Be the first to [comment](#)

Broadcasting & Cable | LA 411 | Library Journal |
Multichannel News | New York 411 | Publishers Weekly |
School Library Journal | Criticas | Tradeshow Week |
Variety | Video Business

Manufacturing:

Control Engineering | Consulting Specifying Engineer |
Design News | Industrial Distribution | Logistics
Management | Kellysearch | Manufacturing Business
Technology | Modern Materials Handling | Plant
Engineering | Purchasing | Purchasing Data | Supply
Chain Management Review

Subscriptions:

All Magazine and eNewsletter Subscriptions

Converting | DM2-DecisionMaker | Expert Business
Source | Graphic Arts Blue Book | Graphic Arts Monthly |
Hot Frog | Packaging Digest | Tracom Group | Zibb

Gifts & Furnishings:

Casual Living | Furniture Today | Gifts & Decorative
Accessories | Home Textiles Today | Home Accents
Today | Jewelers' Circular Keystone | Kids Today |
Playthings

Hospitality:

Chain Leader | Foodservice Equipment & Supplies |
HOTELS | Restaurants & Institutions

EDN | Instat | PV Society | Semiconductor International |
Test & Measurement World | TWICE

Building & Construction:

Building Design & Construction | CanaData | Construction
Equipment | Custom Builder | Daily Commercial News |
Housing Giants | HousingZone | Interior Design | Journal
of Commerce | Market Insights | Professional Builder |
Professional Remodeler | Reed Connect | Reed
Construction Bulletin | Reed Construction Data |
SmartBuilding Index | RS Means