



Live from PEVE

Digital Entertainment 2010: Digital and 3D top of the agenda

London 12th March 2010: This year's PEVE Digital Entertainment conference is underway at the BFI on London's Southbank. With more than 300 delegates digital and 3D have been the focus of this year's event.

In yesterday's opening keynote speech, Jim Wuthrich, President International Home Video & Digital, Warner Brothers Home Entertainment discussed the holistic approach that his company is taking to digital and physical distribution. Warner films are being released day-and-date across Blu-ray Disc, DVD and digital (VOD and EST). Wuthrich urged the other studios to follow suit.

The no.1 VOD title in 2009 was '80-year old digital dynamo' Clint Eastwood's Gran Torino, which achieved \$60m on digital (compared to a U.S box office of \$148m). Of the \$125m U.S home entertainment consumer spend, 20% was digital.

Global VOD spend in 2010 is forecast to grow by 19% to \$2.5bn with EST (electronic sell through) accounting for \$900m.

Later in the day, Sony Pictures Managing Director Europe John McMahon, talked about a paradox of choice. Too much choice is bad for the consumer and the industry, he said, leading consumers to make ill-informed purchase decisions and in the worst case, turning them away from making any purchases.

Ben Keen, Screen Digest's Chief Analyst highlighted recent research showing an increase in US box office revenues over the 10 year period that the theatrical to DVD window has shrunk from 23 to 17 weeks.

In the cinema, burn rates for 2D films have reached a point where 48% of a blockbuster's takings are in the first week of release. However, this figure drops dramatically to 26% for 3D releases. This is against a backdrop of movie sell-through revenues falling by 28% over the past five years.

Day two was dominated by discussions on 3D which has the potential to be the killer app Blu-ray has been waiting for. In the morning keynote address, RealD's Managing Director for Europe, Bob Mayson stated that 3D increases per screen box office revenue by a factor of three to four and also that the success of 3D cinema is driving 3D in to the home.

Tom Morrod, Screen Digest's Head of TV Technology predicts that "With the current roll-out of 3D technology in the living room, 25% of households in established markets will have at least one 3D television in the home by the end of 2014."

In the lively panel debate following this, speakers from across the 3D ecosystem agreed that the move to digital technology will ensure that this time round 3D is not simply a fad. However, Gerry O'Sullivan, Director of Strategic Product Development, BSkyB, warned that the industry must think carefully about the pricing of 3D content otherwise "between us we could very easily kill it if we get too greedy."

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