

Home viewers go ape for Blu-ray

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People are sick of poor quality pirated copies, says Frank Canturi, owner of Network Video store in Sydney's Cronulla. Photo: Rob Homer

It's going to take more than a heroic canine or a bunch of humanoid apes to drive rentals and sales of DVDs this year.

Movies that pulled in a combined \$330 million at the box office including *Red Dog* and *Rise of the Planet of the Apes* have hit the rental channel in time for Christmas. Across the industry though, revenues this year are expected to be down about 8 per cent from the \$1.29 billion last year, according to the Australian Home Entertainment Distributors Association.

The two bright spots are Blu-ray and digital delivery. Revenues from movies in the Blu-ray format increased 60 per cent on 2010 while digital revenues are expected to hit about \$80 million this year, up from \$25 million in 2010.

Frank Canturi, owner of the Network Video store in Cronulla in Sydney's south, said the peak holiday period was shaping up nicely, thanks partly to increased interest in Blu-ray from movie fans, some of whom had tired of pirated product.

"People have got sick of those illegal copies, where someone's head is in the way or you hear the person holding the camera sneeze right in the middle of a love scene," he said. "Blu-ray is really taking off as the price of players comes down. Plasma and 3D television prices have also fallen and people want good quality movies."

After 29 years in the rental business, Mr Canturi said he had heard many predict the imminent demise of stores like his.

The trick to survival was to stay on the cutting edge of technology, he said, adding: "I think we still have quite a few good years left yet."

Others in the home entertainment business are focused on the growing number of televisions and games machines connected to the internet.

Quickflix founding chairman Stephen Langsford waited years for the right time to launch into online digital delivery. That time came this year.

Quickflix has 100,000 subscribers to its DVD rental business. It isn't saying yet how many have signed up for digital delivery but reports that take-up has exceeded expectations.

Mr Langsford said 2012 would be the transformative year when many movie lovers would happily abandon rental DVDs in favour of streaming movies direct to their computer, TV or games console.

There is a structural shift toward the internet where there is more choice and efficient delivery. Rental stores will have to face up to that, just like other retailers have, Mr Langsford said.

Estimates vary on how many video stores remain but they are definitely fewer than they were a year ago.

This thinning of the ranks did not mean the physical store was a broken model, said Keran Wicks, managing director of Network Group, which has 337 stores and claims 30 per cent market share. Its revenues in 2011 are on par with 2010, even though 15 of its stores closed this year.

That doesn't mean consumer interest has dropped, Ms Wicks said. The closures were simply rationalisation forced by rising wages and costs, so the demand that used to support three video stores, for example, now supports one really good one.

Ms Wicks said Quickflix had moved too early. Data is still very expensive in this country and many movies still go on to DVD first.

In the meantime, she was hoping for a nice, rainy summer. Bad weather is good for us.