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Bricks over clicks

Victorian rental store wins small business award, State Government backs more rental and small business success.

ews surrounding DVD rental has been overwhelmingly negative in 2011, particularly in relation to competition from downloadable media

But as the books of July 3AW Momentum Small Business Success Award winner, Movie Stars Movie & Game Rental Cheltenham can attest, that viewpoint owes as much to trend and heresay as it does to fact.

"We actually had 400% growth month on month for our first year," says store co-owner Shaun Sargent. "That's why they recognised us."

"The Small Business Success Award given to Movie Stars in Cheltenham recognises businesses who have gone from strength to strength and is an acknowledgment of their success," Victorian Parliamentary Secretary for Small Business, Russell Northe told Screen Print.

Victoria's 495.000 Small Businesses currently generate nearly half of the state's private sector jobs and about 30% of its productivity according to Northe. The sector, which includes around 462 video rental stores and has an annual 14% churn rate, is highly competitive - making MSM&GR's win that much more impressive.

Northe says that his government is committed to boosting all small business operators during its tenure, including rental stores.

"After a challenging year for retailers, including the video rental industry, the Victorian Coalition Government is committed to encouraging and reinvigorating the retail sector. The Victorian Coalition Government came to

office on a commitment to support SMEs in Victoria to successfully start, run and grow their According to 3AW station spokesperson

David Mann it was no surprise to see The Network Group rental store doing so well at a time when the retail economy is suffering.

"Retail is difficult no matter what area you're in. In difficult times people still like to have a bit of enjoyment, and if a DVD is part of that, so be it - it's good. We were thrilled that they'd actually turned it around and managed to succeed in business - there's no complacency about them, they're trying to reinvent the world.

Sargent also cites what he terms 'old school values' as a key component of his success: "you walk into a shop and you get served," he says.

"We surveyed 200 of our customers and asked them what do they think we do very well - 99% of them said customer service. The other thing they were looking for obviously is range. We've found a lot of the larger brands of video stores are cutting back their weekly range to make room for retail,

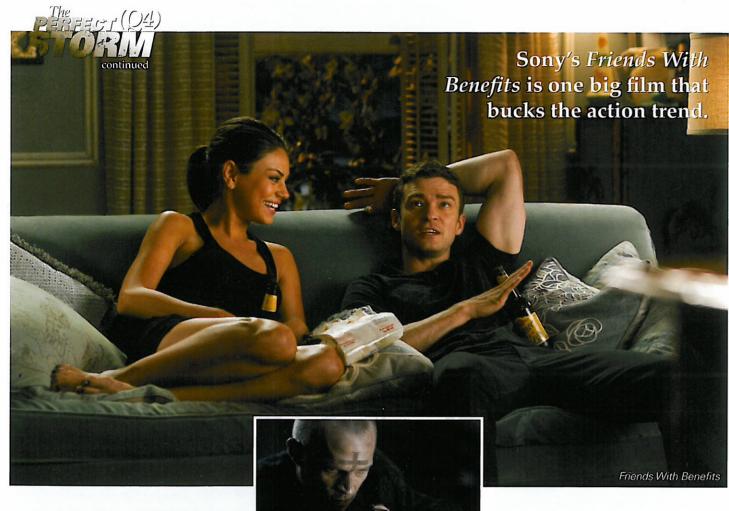
> and growing our weekly range. We've put everything back into the business." "We actually had Network Chief Keran Wicks says that on any occasion one of her group's stores wins such 400% growth month an award, it demonstrates both the viability of rental, and that Network is lucky to have some of on month for our the most savvy rental operators in the business.

"Certainly we play a part in that success, but more importantly it's the positivity and proactivity of store owners (like this) that really show the public that rental still has a large part to play in today's retail landscape." Wicks says.

and we've done the opposite - we keep growing

Sargent says that while many people would be reluctant to open a rental store given the expansion of competing content delivery methods Home Entertainment has seen over the past 24 months, he and his partners saw only an opportunity for success when they opened their

"(Customer Service) is lacking in a lot of retail places, but particularly in video stores. It seems fairly common that you can walk into a store and see a young girl or guy that doesn't seem that keen. We really pushed that home down to walking out with the customer and helping them pick titles - asking them if they needed help, like you do in a clothing store."



great story-telling," Bijelic says. "Where there are great stories and great characters, audiences will come out in force."

Belic cites Disney's Pirates Of The Caribbean: On Stranger Tides, which stars Johnny Depp, and Dreamworks Studio's teen adventure - I Am Number 4 as films that demonstrate this.

While rental stores seem pleased by the success of the current crop of blockbusters, they're not quite jumping out of their skins at the prospect of so many landing in the period of time leading up to Christmas in particular. Rental groups have previously outlined their opposition to a release schedule that often leaves them with no new titles during the latter holiday periods in particular.

"I think there's as many AAA releases (this year) as there's been in the past, I don't think it's an incredible year." says Leading Edge Group buyer Peter Taylor. "They've (rental stores) only got a certain amount of money to spend, and if the major distributors decide to bring these titles out on a date that aren't rental skewed, then so be it."

Krausz believes that a good blockbuster title has an interesting well written story underpinning it. "The actors tend to be a lower rung. First of all you've got a good script, and secondly you've got some terrific looking visuals and effects that make the story come to life," he says - pointing to Transformers: Dark Side Of The Moon as a film that's guilty of overlooking plot for visuals.

That film has resonated deeply with cinema goers nonetheless - Transformers has now grossed

NEWS UPDATE

GfK Retail and Technology Australia have released the retail sales figures to June this year.

The data indicates that the now mature video software market has declined by 14% in value YTD 11, while the year to the end of June 2011 was down 11%. Blu-ray continues to gain popularity with value up 58% YTD 11, and 60% for the year to the end of June 2011.

a billion dollars worldwide, and at news time was running neck and neck with the latest Harry Potter film (another Q4 blockbuster) in terms of ticket

Krausz concedes that there has however, been an increase in the quality of some films within the

"The reason that the increase in quality is there is the CGI and 3D have added so much to action tent pole blockbuster films. They look so much better, but not necessarily in terms of storylines and dialogue - though I have to admit Captain America was one that impressed me," he says.

The success of this year's blockbusters also

owes something to the rise of the social media and internet forums currently dominating our downtime. Many sites allow fans to explore and discuss their favourite films in depth, which is turn has offered marketers more scope to reach

"There are certainly more ways for a movie fan to engage with a film, that's for sure," says Flanagan. "I have to say is a good development. You can now be part of the story telling experience like never before via a number of different levels of engagement. As an avid movie lover, I enjoy the Facebook updates, the teaser trailers and the gossip that circulates any new release. They all add to the affinity I have with a movie that is realized when I finally get to sit down and watch the full feature."

Ultimately though, Flanagan says that fans are chasing just one thing from the big movies on offer - and it isn't to be reminded about their 9 to 5, or the swirling economic and social chaos sweeping the streets of London or the global stock exchange.

"New release blockbusters help create excitement and fanfare for the whole home entertainment category. The hype and anticipation that surrounds these titles reminds movie fans exactly what they want from a good movie - to be transported to another time and place and to be left breathless."

This is of course, as long as that other time and place isn't the circa 1980s opening night screenings of Howard The Duck.



