

Publisher's note



Welcome to the new edition of our annual magazine, the informative, inquisitive, and at times irreverent companion to www.dvd-and-beyond.com, our industry website.

Time flies. With this issue, we celebrate 20 years of service to the packaged media industry. With correspondents and collaborators in faraway places and closer to home, we have endeavoured to provide you with as comprehensive a coverage of activities in the disc-based video market as we could. We did it, and continue doing it, in total independence, on which our reputation is built.

A film buff from my young age, I was naturally interested with the creative ways of bringing full motion video into the home in a good quality and in a convenient manner. Adding interactivity to the whole enterprise heightened my curiosity of technologies pointing on the horizon.

So, our journey into the coverage of packaged media, as the sector came to be known, began with a newsletter – *CD-info* – devoted to the new Compact Disc Interactive. (I discovered, penning this foreword, that the first issue of the monthly letter actually came out in January 1993 – some 22 years ago!). The front page announcing the ground-breaking Video CD format is reproduced on page 42.

If the Philips-developed CDi format failed to find favour with consumers and eventually disappeared, the corporate sector gave it a honest try as a training tool. The likes of Burger King and Hard Rock Cafe used the disc to train their worldwide staff in the dozens of languages the format enabled. We kept track of this activity with our re-titled *CDi Professional Applications* newsletter in January 1997.

Then, DVD broke into the market and the rest is history... *DVD Intelligence* was born in February 1998 and quickly established itself as the newsletter of record on all things DVD, principally focusing on Europe.

To be of even greater assistance to the burgeoning community of authoring houses, packaging companies, replicators, indeed everyone in the supply chain, in 1999 we launched the *DVD Primer* – an annual European directory of all those above-mentioned.

By 2003, the exponential growth of the number of actors with a stake in DVD became unmanageable for a printed publication, so we launched our industry website www.dvd-intelligence.com. It has been thriving ever since, attracting 15,000 professionals a month from all over the globe (check the visitors' log on the homepage!).

The magazine has become a platform for high-quality strategic analyses by frontline professionals, independent industry observers and consultants to help packaged media executives elbow their way into an ever more crowded market. For several years now, discs are no longer the only way of distributing content to the

home. Of necessity, we have been taking stock of the array of delivery channels with a view to helping packaged media professionals understand the challenges and seize opportunities. To reflect this editorial focus, both our website and magazine have been renamed www.dvd-and-beyond.com and *DVD and beyond* two years ago.

Our 20 years of service to the industry also coincide with Lavinia Carey's 20-year tenure as the powerful Director General of the British Video Association. In exclusivity for *DVD and beyond*, she reflects on the changing market and the BVA's achievements in fortifying Europe's biggest homevideo market.

Another long-time friend, packaged media pioneer Bob Auger, began his journey into videoland five decades ago! Needless to say his contribution has a unique flavour.

A publication, launched at the dawn of DVD, that still offers today food for thought on the present and future of discs, surely is a reminder that, notwithstanding the decline in total consumer spending on packaged media, DVD and Blu-ray Discs continue to be the cash cows of the home video industry. Discs are still the largest generator of spending in the European video market – last year accounting for a 77% share of total consumer outlay on video across all platforms. Tony Gunnarsson, from IHS, tells the story.

And Blu-ray may get a shot of adrenalin with the emerging 4K format in which the CE industry pins its hopes. To bring a 3840 x 2160 pixel image to the home requires a lot of storage. A BD disc is potentially a prime candidate for the job. Revamping the specs, the Blu-ray Disc Association announces a 3-layer 100GB disc (?) for the end of this year. Bill Foster warns, however, that consumers who think they are future-proofing by buying a '4K' TV today could be in for a nasty shock.

We summarise a seminal article by three academics who revisit the article of faith that moving away from discs towards digital online delivery will be environmentally-friendlier by reducing CO₂ production.

The *pièce de résistance* is the must-read 14-page section that collates the view of 14 industry movers and shakers who answered our detailed questionnaire on the present and future of packaged media.

Last, but not least. The support we have received from the industry, especially in these times of economic uncertainty, has been once again most gratifying. It helps maintain this publication as the annual review that market-leading companies prefer to use in their efforts to reach customers in Europe.

Thank you for being part of this 20-year journey!





arvato ... everything from a single source!

archiving services | authoring & encoding | studio services | replication: CD, DVD, Blu-ray, SACD, Pure Audio, UHD/4K |
creative packaging | fulfilment | digital video services | copy protection

www.arvato-entertainment.com
contact: ilona.growe@bertelsmann.de

arvato
BERTELSMANN

01/2014



topac

... we make innovation possible!

customer service | print management | special packaging | product development | 3D animation | mock-ups |
environment friendly | FSC certification | carbon neutral packaging | product database | rapidity | quality

www.arvato-entertainment.com
contact: susanne.klose@bertelsmann.de

arvato
BERTELSMANN

01/2014

Contents

DVD and Beyond 2015 is the annual companion magazine to the industry website, www.dvd-and-beyond.com, Europe's premier online source of news, data and analysis for professionals involved in DVD, Blu-ray Disc and new delivery technologies.

4 A room with a view



A powerful voice in the industry, *Lavinia Carey* stepped down after 20 years as Director General of the British Video Association. Elbowing her way into the seat of power at Westminster, cajoling politicians into supporting the creative industry, Lavinia reflects on the changing market and the BVA's achievements over these past two decades in exclusivity for DVD and Beyond.

6 European video market - declining physical media consumption



The growth of pay-TV and other digital platforms within the European video landscape continues at a steady pace, says *Tony Gunnarsson*, Analyst with IHS. Physical video still dominates consumer spending, but the decline in physical consumption has severe adverse effects on the physical home entertainment in Europe.

12 Evolve or die - a personal journey through videoland



Packaged media pioneer *Bob Auger* established the authoring facility that became Panasonic's base for the launch of DVD in Europe. He has lived through all the skirmishes, battles and successes of disc-based video. Now heading his consultancy Newmérique, he offers a personal account of the changes in the audiovisual landscape over the past five decades.

16 UHD TV - not yet ready for prime time



From the number of '4K' TVs to be found in stores these days you could be forgiven for thinking the era of ultra high definition TV is already upon us. From the broadcasters' perspective, it's certainly not the case. *Bill Foster*, from Digital Decoded, says consumers who think they are future-proofing by buying a '4K' TV today could be in for a nasty shock.

18 How people watch television



It shouldn't be news to anyone in the television and video industries that their customers or "viewers" have been finding lots of new ways to watch their content over the past few years. If it is, they should probably find a role which doesn't involve knowing how their industry is changing, advises *David Mercer*, Principal Analyst at Strategy Analytics.

22 Transactional TV-based VOD



One of the advantages of transactional TV-based Video-on-Demand is that video content is delivered via a closed digital platform, capturing almost 100% legitimate consumption and spending, points out *Tania Loeffler*, Video Analyst with IHS. TV-based VOD also enters homes via set-top boxes, already attached to the device on which most people still want to watch movie content – their television.

26 Which content delivery method is greener?



It is an article of faith in some quarters that the sooner we get rid of packaged media – whose manufacturer produces quantities of CO₂ – and switch to 'eco-friendly' video streaming the better. But is it true? Publisher *Jean-Luc Renaud* reports on the research carried out by three academics who have examined in detail the evidence in a seminal paper

28 From ownership to access - changing attitude towards content



Consumers still spend around \$57bn on packaged entertainment content worldwide in 2013. This figure keeps declining, however the biggest challenge is not that consumers turn away from physical media, but that many are losing the desire to own content whatever formats. *Carl Hibbert*, Head of Media & Entertainment at Futuresource compiled the data.

30 Executive interviews

Fourteen executives share their experiences, expectations and concerns about DVD, Blu-ray, UltraViolet, 4K and the future of packaged media in a fast-changing marketplace.

Andy Evans *aeCreate*
Sylvia Hitzel *Singulus Technologies*
Jean Noel Fournillier *Novobox*
Sven Deutschmann *arvato Replication*
Jason Gish *Testronic*
John Fitzgerald *EDC GmbH*
Mike Redfern *Alpha Duplication*
Steve Brown *Cinram*
Nicolaus Hettler *CDA GmbH*
Arno Weger *kdg mediascope GmbH*
Edward Hall *Channel 4*
Leon Kohlen *i-Frame*
Mette Bono *DDD Solutions*
Mathew Gilliat-Smith *Fortium Technologies*

Publisher & Editor-in-Chief
Jean-Luc Renaud

Designer
Megumi Komiya

Research & Administration
Nick Renaud-Komiya

26 Windridge Close
St Albans AL3 4JP, UK
tel +44 1727 764556
info@dvd-and-beyond.com

Printed by
Premier Print Group
ISSN 2049-7687
©2015 Globalcom Ltd