

Indies Turning More Blu

By Chris Tribbey

SUPPLIER For most of Blu-ray Disc's American life, it's been a studio game.

New and recent theatrical releases are the norm, with a few catalog titles thrown in for good measure. A few independents would take a risk with one or two scenic or nature titles, but that was about it.

Slowly but surely, that's changing.

In 2007, through mid-August, studios accounted for more than 90% of that year's Blu-ray releases (142), according to data from *The DVD Release Report*. During the same period, only a few independents were releasing Blu-ray, with 15 total such discs.

In 2008, through mid-August, studios have accounted for just less than 70% of releases so far this year (187), with more than a dozen independents streeting a total of 82 Blu-ray Discs.

Authoring and replication prices continue to come down, while the large replicators are adding more capacity. But while more independents are releasing more Blu-ray product, a few issues are keeping some from going Blu, with consumer acceptance of the format being the No. 1 issue.

"The biggest obstacle is no doubt consumer acceptance," said Vanguard Cinema CEO Freyr Thor. "In order to really enjoy the difference, you need to trade out not only your TV but your sound equipment as well, for something more expensive. In today's economy, who's prioritizing this upgrade at home?"

"With increased consumption volume, manufacturing costs come down as well. Sony can also do its part to en-

tice more releases on Blu-ray by simplifying their costly licensing structure."

Vanguard bowed several HD DVD titles before that format imploded.

"In essence we needed to find a place of comfort in sales numbers relative to cost, where profit could be made," Thor said. "We had found that sweet spot with the HD DVD format. ... We have yet to find the same place of comfort with Blu-ray."

Consumer adoption of the format is also the top concern for Westlake Entertainment.

"As consumers accept the format, there will be more and more room for a company like Westlake to have Blu-ray titles," said Westlake Entertainment principal Larry Cohen. "But let's face it, the category of independent film, as much as we love it, is probably not the first genre the current Blu-ray customer is searching for."

He said Westlake would start releasing titles on Blu-ray in April, beginning with the *Hoop Dreams* sequel *Hoop Reality*.

MPI Media Group has announced its first four Blu-ray titles, starting with the original 1974 *Texas Chainsaw Massacre* Sept. 30. But it wasn't an easy decision.

"For many independents, at this point, much of their content may not make sense for Blu-ray," said MPI EVP Badie Ali. "At the end of the day, the economic principle of supply and demand is king."

MTI Home Video president Larry Brahm said household hardware penetration is the biggest issue.

"As more players come down in price and get a deeper penetration into the marketplace, the demand for independent product in the format will increase accordingly," he said,

adding that in January MTI will release its first Blu-ray with *Pirates 2*.

"We're not that concerned about the replication and authoring costs," he said. "They will all come into line as the format increases in demand."

Replication and authoring costs are what's stopping LifeSize Entertainment from releasing Blu-ray, according to president Bruce Frigeri.

"It doesn't make sense to tack on another replication bill," he said.

For anime suppliers, there are other impediments. Only Funimation and Bandai Entertainment have Blu-ray titles out or ready to go, while others are holding off.

It has little to do with consumer acceptance or replication and authoring costs, according to Shawne Kleckner, CEO and president of The Right Stuf International.

"The problem is anything made before four or five years ago wasn't mastered at a high enough quality for high-definition," he said.

Also, because anime distributors license their content from Japan, they confront another problem.

"The Japanese are scared to death a Blu-ray released here will get out before they can release their Blu-ray there," Kleckner said.

However, Blu-ray has been huge for other independents. Topics Entertainment president Greg James said his company's *Over America* has sold more than 100,000 units, and other scenic titles also have done well. Topics has six more Blu-rays lined up.

"For us, we're just really happy that all the major retailers are carrying it," he said. "We were really lucky because Sony wanted those titles, and they helped us with the replication." **MM**

