

# cue entertainment

The home entertainment business in high definition

September 2009

## The Wizard

## of

# OZ



SING-ALONG-EDITION

# THE GIFT OF BOX SETS

The key word in the box set home entertainment market this Christmas is “perception”.

For consumers made anxious by endless reports of recession, it’s all about the perception that box sets mean great stuff at prices that will be kind to their wallets and purses. Distributors are looking to entice cash-strapped consumers to spend more by reinforcing that perception that while box sets might look expensive, they offer great value.

“It’s important to create a range that maintains quality — and still feels very much like a gift purchase — but also be aware of price, as people won’t have the level of disposable income they had last year,” says UCA Senior Product Manager, Maya Jenkins.

Retailers, however, are wary that disposable income might not find its way into the home entertainment coffers despite the general view that box sets do indeed provide great value for money.

HMV Senior DVD Manager Andy Anderson says that even £5 children’s DVDs are affected by the downturn let alone £50 Complete Season box sets since consumers still need to spend money on basics before entertainment.

The challenge facing retailers this fourth quarter is to balance premium product with affordability. Says Anderson: “The question is not about what the box set is, it is about how much people are able to spend. It doesn’t matter how good the value it is – if you haven’t got the money, you can’t buy it.”

## Packaging

Retail observers note that producing high-end box sets can certainly help maintain margin but they warn that there is a danger of damaging value perception by lowering quality to achieve target price points.

Many distributors’ box set strategies this Q4 will involve a makeover of existing products’ artwork to reinvigorate sales of a box set franchise.

HMV’s Anderson, however, does not believe changing the packaging sells more box sets but he does think the improvements to the quality of packaging have raised consumer expectations about the standard they can expect.

Using the example of “The Sopranos” when it was originally available in six clip cases, Anderson says, “if one of the DVDs fell off the spindle, it rattled and it was clunky and felt like a VHS. Once it had gone into a digipak it was slightly thinner, so you had more room on your shelf and it looked cleaner.”

He adds that smaller is not necessarily always more beautiful for box sets, suggesting that distributors need to be wary of changing the packaging completely or they could alienate dedicated franchise fans.

Dustin Wills, Global Sales director of creative agency Shorewood.blueprint agrees. When a

## BOX SET FOCUS

**Box sets are a key part of the holiday season catalogue strategy and studios are gearing up to fulfil consumers’ perception that expensive limited editions offer good value. Jody Raynsford takes a peek at what will be under the tree.**



consumer is paying good money for a box set, the weight of the physical package is important to reinforce the value of the purchase, he says: “To differentiate with size and weight is a ‘must’ to stand out from the standard packages at retail.”

Wills argues that it would be going in the wrong direction to make box sets smaller and more compact and so the emphasis needs to be on distributors and retailers being more creative about generating space for such packaging.

Cue has learned that several major grocers are currently working on new merchandising solutions for Q4 to incorporate bigger box sets into their ranges, either through slimmed down packaging for use in-store or through making larger box sets available online.

“We have got some big plans for Q4 which include: New units to display high value boxsets in store; Roll in pallets for out of department space; higher promotion participation earlier in the season and box sets on side stacks,” reveals Asda DVD Buyer Duncan Tate. “As you can see we have identified the opportunity box sets have for Q4, and we are currently in the process of planning a strategy to maximise this opportunity in Asda.”

The impact of the supermarkets on box set pricing is sure to bring more pressure on the online and specialist sector.

## Online presentation

One area of the market where size and weight are less significant for consumers is online. “It’s more about how we present the product to customers,” says Simon Homent, DVD Category Buyer at Play.com.

Clearly, online retailers cannot show the packaging or size easily on a web page, making it all the more important to ensure artwork is eye-catching. The job of merchandising product is made much easier when the packaging is refreshed to produce a brand image. “It also helps customers with their collection building,” Homent says.

Without the ability to physically pick up a box set and obtain information from the sleeve, visual imagery is vital in helping customers understand what they are buying, and Homent says that enlarged images do help sales.

In reality, online retailers prefer smaller and lighter product to lower their postage costs. “It also brings the pricing down to a more attractive level for consumers put off by the bigger ticket box sets,” Homent notes.

## The whole package

The trend is not solely towards smaller, slimmer and lighter; the desire to create box sets that are a little bit special and that can command a slightly higher price for core buyers is very much present this Q4.

Blu-ray has provided many new opportunities as content is slowly but surely ported across to the format. High definition box sets are able to command or maintain higher prices and deliver revenue that standard definition is unlikely to do without greater volume.

For example, Network DVD’s release of the iconic series “The Prisoner” on Blu-ray is a six-disc package, featuring all new artwork and a host of special features plus a book on the making of the series, which will be a high value purchase for fans.

Shorewood.blueprint’s Wills confirms that a stunning box set package has to offer premium content. A great box set should contain all the necessary historical material plus extras and features that the hardcore fan has not seen or bought in the past, he says. Beyond that, what makes a box set successful is the experience it creates with the consumer, and how the consumer interacts with the whole package. “Good size and weight, as well as unique materials and interesting package construction round the package off,” he says.

Wills says the latest trend in special packaging is the use of customised injection moulded plastic, a process and material that makes it easy to recreate any type of shape desired. Shorewood.blueprint has used the process for a bust of Jack Skellington from “Tim Burton’s A Nightmare

Continued on page 46

Continued from page 44

Before Christmas” and a head from “Terminator”. “You are able to create true collector’s items, and sometimes theme the package to an iconic image or character from the title,” he says.

Following a strategy employed by its Consumer Products division, Walt Disney Studios Home Entertainment (WDSHE) has signalled its intention to create varied SKUs for different consumer groups, both developing its high value box sets and extending its total range.

Keeping premium pricing will continue to be important with one of its key Blu-ray box sets, the “Pixar Luxor Lamp Junior” Collector’s pack that includes a working Luxor Lamp Junior. With room to include all of Pixar’s titles on Blu-ray, with space for next year’s “Up” release, WDSHE is looking to again built hype and demand for the SKU with a limited availability strategy developed with the collector in mind.

The studio’s focus will be very much on gifting through its key TV-on-DVD franchises: “Lost: Complete Season 1 to 5” box set with promotion across the franchise in October; “Desperate Housewives Season 1-5” box set in November; and a “super premium” Season 1-8 “Scrubs” box set with the release of the eighth season of the studio’s No.1 TV-on-DVD franchise in December.

Each of these have been designed to target the core fan base, with the “Scrubs” box set offered as a limited availability SKU to drive hype and demand for the product.

**Gifting**

Sony Pictures Home Entertainment’s range of TV franchises old and new — including a new “Monty Python” SKU — will make up a significant part of its box set range for Q4. SPHE Managing Director Andy Armstrong says: “We will have strong box sets coming through. Gifting is a huge

opportunity for everyone — and particularly for us this year, not least because we’ve got great product to put together. Whether it’s ourselves or through our UCA alliance with Universal, we will bring a great collection of box sets together.”

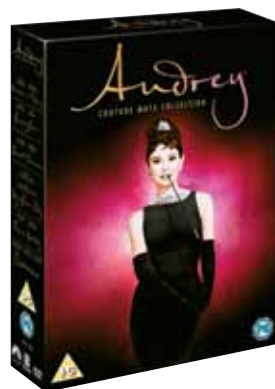
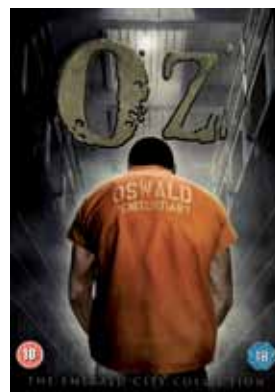
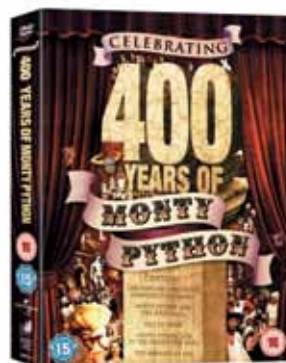
Besides re-promoting all of its existing “Monty Python” box sets, including the “Monster” box set, SPHE will make available a 40th Anniversary box set containing all the “Flying Circues” feature films in one place.

The studio also has key TV franchises available in complete box sets, including more recent classics such as “Seinfeld” 1-9 box set with coffee table book, “The Shield Complete Box Set” and “Dawson’s Creek” besides classic fare such as “Moonlighting”, “Bewitched” and “I Dream Of Jeannie”.

As part of its wide-ranging Christmas Stars catalogue campaign in Q4, Paramount will release several gifting sets including complete TV collections, double and triples. The new titles will be released on Sept. 7 and available at campaign price from Oct. 5. The studio has pulled together some new collections based around Hollywood legend Jerry Lewis with a new 11-disc box set of the comedian’s films.

The studio has also gone all-out in producing a beautiful new Audrey Hepburn collection using iconic imagery. “Audrey The New Collection” is a box set that includes “My Fair Lady” for the first time and a new bonus disc with more than two hours of classic footage. Paramount will support the box set release with a comprehensive press and online campaign for its Sept. 14 release.

Repackaging is an important part of Paramount’s strategy, particularly around the TV franchise and gifting box sets. It will rework franchises such as “Frasier”, “Oz” and “Sex And The City” with eco-packaging as it looks lower the price point and drive volume. To push gifting, Paramount is repackaging many of its gifting doubles and franchise box sets, such as the “Mission Impossible Collection”, to create more appealing artwork at impulse prices. These will sit alongside new Q4 box sets such as its “Rewind To The 80s Collection” featuring 10 iconic movies from the decade and franchise box sets such as “Elvis At The Movies”, “The John Wayne Westerns Collection” and “The John Wayne Paramount Collection”.



**Impulse vs fan**

HMV’s Anderson is keen to point out that the line between box sets and triples shouldn’t be confused. Box sets are franchises aimed at certain demographics while triples are aimed at the cheaper end of the market – trying to drive additional sales in-store. “You can’t target people with a triple. It is an impulse buy,” he says.

ITV DVD will also look to target the impulse buyer and gifter with several triples including the “Classic Period Drama Collection”, featuring TV adaptations of “Wuthering Heights”, “Moll Flanders” and “Dr Zhivago” and the “Classic Girls Collection” of TV series “Pollyanna”, “Ballet Shoes” and “The Railway Children”.

The distributor also boasts one of the biggest releases this year with the “Sherlock Holmes Complete Box Set” featuring all 41 episodes from the much-loved 1980s television series “The Adventures Of Sherlock Holmes”, starring Jeremy Brett as the great British detective.

A high value box set, with a dealer price of £81.70, ITV DVD is looking to take advantage of the hype and awareness around Guy Ritchie’s “Sherlock Holmes” remake, which is set for cinematic release on Boxing Day. The distributor has already enjoyed success with box set collections that exploit new theatrical releases — it sold 50,000 units of classic TV adaptation “Brideshead Revisited” around the limited theatrical release of the feature film version.

The ITV Icons re-brand will extend to some of its best-selling box set collections in 2009 with “Lewis The Collection”, “Kavanagh Q.C Complete Collection”, “Hornblower Complete Collection”, “The Royle Family Bumper Edition” and seminal drama “Jewel In The Crown Complete Series”.

**Value propositions**

Last year, Twentieth Century Fox Home Entertainment (TCFHE) had three highly successful box set campaigns, which saw its key titles and franchise marketed under umbrella brands. In 2009, TCFHE is replacing this type of campaign with a single huge promotion focusing on the key franchises and product.

With more than 100 SKUs in its box set



Continued from page 46

campaign and a further 11 SKUs added this year, TCFHE's box set offering will be tailored to each retailer with target price points from £10 and under, plus £12, £15 and £20. With a significant media spend behind it, the box set campaign will focus on the core franchises to drive product.

The studio is also well-placed with new box set opportunities, including an "X-Men Quadrilogy" box set on DVD and Blu-ray – following the release of "X-Men Origins: Wolverine" – and the "Ice Age" trilogy. TV catalogue box set sales will revolve around new seasons of its powerhouse brands, including "24 Season 7: A Whole New Day" on Oct. 19, "The Simpsons Season 12" on Sept. 28 and "Family Guy Season 8" on Nov. 9.

As a satellite label of Universal Pictures and Sony Pictures Home Entertainment, UCA is able to draw from two vast catalogues, picking the cream of the crop to produce high quality sets that range from mainstream new releases, such as its as recent Comedy Collection ("Forgetting Sarah Marshall", "Step Brothers", "Pineapple Express" and "Walk Hard: The Dewey Cox Story"), through to talent driven sets (the Al Pacino and Robert De Niro SteelBooks), genre sets (its "Greatest Westerns" and "Greatest Ever Costume Dramas" sets) and heritage classics, which include the Screen Legends and Screen Goddess ranges.

UCA will offer many of its 70 box sets from an on-shelf price point of £8 although the majority of sets will sit around the £15 mark. Among the new releases for this year are a "Will Ferrell 4 Film Box Set" and a "Cameron Diaz 4 Film Box Set", and recent releases, such as the "Arnold Schwarzenegger 3 Film Box Set", which came out in June, will also be included.

Promotional activity will start in October although UCA's box sets range will also play an important part of its Gift Selector campaign which will run throughout December (see UCA Q4 focus on page 64).

#### Box sets on-demand

Although more people are staying at home, the expected boom in home entertainment is being met in different ways, not least via the internet although sometimes the lingo remains the same. Video On Demand subscription services such as Virgin Media's TV Choice on Demand and BT Vision offer a rolling slate of one-off programming, popular shows and entire seasons of



TV content all available immediately to consumers.

In recent TV advertising, BT Vision calls its VOD offer of the first season of "CSI: Crime Scene Investigation" a 'box set', highlighting just how important the concept is in trying to win over viewers.

Adding to the mix are personal video recorders (PVRs) such as Sky+, which let users record entire series at the touch of a button, and catch-up services such as the BBC iPlayer, and it would seem the physical box set is under attack from all sides.

Not so, according to the BVA research conducted in association with TNS Worldpanel. It found that far from making consumers reluctant to purchase box sets if they are also available on-demand, the relationship is actually positive.

According to the research, the spend by consumers who claim to watch catch-up services was 9% up in 2008 compared to those who don't.

Richard Cooper, Senior Analyst at Screen Digest, compares the availability of entire series on-demand to the use of newspaper cover mounts to drive DVD sales. "There is always renewed interest in the full price product they were advertising," he says.

Screen Digest research on cover-mounted product shows that, depending on how old the product is, sales leap three or four times their original number simply because it stimulates awareness of a title.

"It has come back into their conscious mind and it is a very similar phenomenon that comes about when you see something like the unfortunate death of Michael Jackson," Cooper says, pointing

to the resurgence in the singer's music and DVD sales.

VOD services in their current form are largely supportive of the DVD business, he adds, noting that people who buy box sets have to have seen the TV series somewhere in order to look out for it on disc. "The only kind of business DVD is likely to miss out on is casual consumption like impulse purchases — but then how many people impulse-buy box sets?" he asks.

On PVRs, Cooper says these are now fulfilling the older time-shift function of VHS players that the majority of DVD players did not offer. "The market is well-used to this dynamic. It really has come back into its own through the PVR and catch-up services," he says.

PVR consumption patterns show, however, that content is continually being replaced rather than collected, Cooper says: "None of them really hold on to a series. Obviously programmes drop off the catch-up schedules, so there is a limited life to those, whereas if someone buys a DVD they can watch it whenever they like."

Cooper also points to geographical variation in availability of many of the cable, satellite and IPTV services that offer catch-up and VOD content, and even broadband. For the majority of consumers, going to a shop and physically purchasing a box set is quite simply the most convenient way of getting the content they want to watch.

VOD services also cannot offer what is essential to box set sales in Q4 — the element of gifting. TV box sets in particular fulfil the gifting criteria that even film on DVD does not have, says Cooper: "If you know someone likes a TV series, then giving it as a gift really is a win-win as you are giving them something that has a high perceived value to the individual."

# DESIGNED TO SHIFT BOXES

In a crowded market place, a strong sleeve image, particularly for non-blockbuster movies, is an important weapon in a marketing exec's armoury when trying to tempt consumers into buying titles they are not familiar with.

Film posters usually inform the design of their DVD counterparts but as Amanda Colvin, Group Marketing Director of creative agency freeform. London says, a DVD serves a different purpose to a theatrical release. "Theatrical is about telling people it's here, DVD is about communicating what it's about. With DVD you often have to include a lot more information than on theatrical artwork. It has to work a lot harder," Colvin says.

The agency's work on Metrodome's film "Shifty" illustrates her point. The theatrical poster uses black and yellow colours with a simple image of the two main stars. The DVD sleeve repeats the same colour palette but features more images, more information about the film and plenty of positive critical quotes to encourage consumers to buy.

Working on a film's theatrical art can help with a DVD's design, says David Frost, co-owner of agency All City Media. "Ideally you want to have created such a good theatrical campaign that it's synonymous with the film and so becomes its brand ID, such as Momentum's 'Control'. We've worked on campaigns where the DVD marketing has been onboard early as the theatrical release is essentially teeing up the DVD release."

A good sleeve image must engage consumers and tempt them to take another look, according to Did Dilley, Creative Account Director at KeeScott: "A good sleeve is one that is striking enough to attract the consumer to pick it up off the shelf and take a closer look. The mark of a good sleeve is one that exudes quality and makes a lesser title hold its own alongside the blockbuster releases without being overshadowed by them."

Frost supports this sentiment: "What attracts me is uncomplicated design. The more noise on a sleeve the more it will merge with its environment."

Simplicity is certainly a mantra followed by Second Sight, an indie label that has always produced striking sleeves. MD Chris Holden believes eye-catching design is about producing something different: "I've always leaned towards clean designs. We try not to crowd too much on there, especially when you have great images. The 'Berlin Alexanderplatz' box set is a good example. Although the design was very simplistic, I think we also did it in an interesting way," he says.

Play.com DVD Category Manager Simon Homent believes clean designs certainly help display online. "It is difficult to display packshots that are too busy: The simpler the better. If the film's big draw is the cast, then it needs headshots. If it is an actioner, it needs explosions and helicopters! We do manage to display lenticulars and 3D packshots with some of the functionality we have, but it is hard to replicate the in-store experience," he says.

Discovering what works on a sleeve is, of course, the big trick. While there's no real formula, using



## DESIGN FOCUS

**The art of sleeve design has always played an important role in the release of a title and can often make the difference between a sale or not. Toby Weidmann discovers just what makes a good sleeve.**

design cues that have already been successful can help position a title, notes Freeform's Head Of Creative, Vince Newland. "Using a pre-existing design as a base can help find a title's voice. The success of the 'Trainspotting' campaign, for instance, still reverberates around the industry. But you have to find just the right balance between what people are familiar with and has that seal of approval, and then add a dimension that separates it from everything else," Newland says.

It's particularly important to work with the marketing department throughout the design process, he adds: "There's no point designing something really edgy, contemporary and left-field if their plan is very mainstream. You're pulling in two different directions, so there has to be a synergy."

Lee Acaster, owner of Jelly Creative, believes that special interest titles often allow for more artistic freedom than feature films. "We are often given a very open brief, which means we get much more chance to spread our creative wings," says Acaster. "There are lots of generally accepted rules, though. For a live comedy DVD, for instance, have the artist's name as big as possible, have the word 'Live'

on there prominently, a large image of the artist smiling with eyes to camera. Rules are there to be broken, but the simple fact is that most of the time they work. The key is knowing when to break them."

The sleeve of a non-film title is often the first part of its marketing and can influence the rest of the campaign, says Colvin: "With comedy titles, you're always looking for something different but yet within the same parameters. You want to create something that stands out more than last year because you're after more sales."

Fitness can be a challenging genre, according to Acaster, whose company created the sleeve for "Natalie Cassidy's Then & Now Workout". "There is a lot of competition for shelf space, and the sleeve is often the main driving force behind sales. We have worked on a lot of successful titles over the last few years, but it can take a lot of time and effort to get them just right," Acaster says.

While it's unlikely sleeve art will ever return to the creative freedom of the pre-certification era — when the presiding mantra seemed to be "anything goes" — not least because there are rules and regulations now that must be abided by, it's clear that good sleeve art can still excite DVD consumers, as a quick glance at any film forum that showcases film posters and sleeve designs, illustrates.

If, as the guidelines for the Video Packaging Review Committee (VPRC) state, "Packaging is the public face of the industry and one by which it may be judged", then the industry would seem to be in good shape

