



Conference « The new challenges of VOD »

Estoril, 9th of November 2007

The new challenges of VOD for European distributors were apprehended with the presentation of four different platforms: Pelka Hanssen presented Headweb in Scandinavia, Jürgen Steidler Redfrog in Germany, Abel Palos Filmklik in Hungary and Laurence Rostein Glowria in France. This debate enabled us to ponder the media chronology in Europe and its possible harmonization and to compare the different European platforms in terms of contracts, pricings, share revenues, commercial issue (rent or sell-thru), editorial line, marketing, public targeting...

HEADWEB - Pelka Hansson

A new download service in Sweden claims to offer a downloaded movie service on Internet. Headweb uses [P2P](#) technology to sell downloaded movie without [Digital Rights Management \(DRM\)](#) protection. The downloaded movie will be fully compatible with regular [DVD](#) players (when burned on a DVD disc) and maintains the same video and audio quality you will get from retail DVDs.

Furthermore, Headweb builds on other movie download services by working on more platforms than Windows, even apparently supporting Linux or Mac OS. The company is working on offering full DVD downloads, but will expand to other formats in the near future. Since the service will be expected to protect copyright, it uses watermarking technology that will make it possible to identify a movie being shared illegally and to link it to the users' account. This watermarking won't be visible and won't cause any problems for the user, unless the download is spread through file sharing networks. The company believes that watermarking is an excellent alternative to DRM for the consumer.

To encourage users to share the movies they download to more users, Headweb will offer "*credits*" which can be later used as payment in the store. While its not fully Live yet, Headweb claimed in July that around 500 titles had been brought to the service.

GLOWRIA - Laurence Rostein

Glowria is initially a renter of DVDs at home. It has emerged in this market for several years and is the market leader in France. Glowria has expanded its area of expertise by creating a VOD platform. It now has 5000 titles in its catalog. It has negotiated contracts with the US majors, as well as the local majors. It proposes a fee with MG and based on the share of the revenue. Glowria's content offers movies but also documentaries, TV series ...

Glowria proposes both VOD on IP TV and for download on the PC. 70% of the trade is done by IP TV. Glowria has partnerships with large groups of

entertainment: Fnac, Allociné, Carrefour and has entered into agreement with some telecom operators (Neuf Cegetel, SFR). It has a competitive advantage as an aggregator of content. Glowria uses its expertise in the area of DVD rentals to focus on the optimization of catalogues and on their knowledge of customer behaviour. Glowria has teamed up with industrial key players such as Intel, Microsoft, Netgem (setop box) and others to be a leader in the VOD market and stay on top of technological developments.

Glowria will implement early 2008 VOD platforms via its partner Carrefour in 3 other countries in Europe: Italy, Spain, Belgium. Each country will have its own portal to take into account the specificities of each territory and to respect the chain of rights.

FILMKLIK - Abel Palos

Filmklik is a new platform initiated by Budapest Films (Hungary). It has for the moment a little more than 250 titles in its catalogue. Filmklik is the second Hungarian VOD website. Unlike the first one ([T-mobile](#) owned [Origo Téka](#)), Filmklik is available to every Hungarian user, that have 1 Mb/s internet speed at least. Users can purchase license to streaming media, or to download them and burn on to DVD. The movie content is in two different qualities. Users - based on their internet connection speed - can decide which one they are going to use.

The catalogue consists of films, videos, documentaries, but also amateur video. Its aim is to recreate the atmosphere of cinema, but at home.

Filmklik was launched recently : it hopes to develop its catalogue to independent films and to be the main platform for East Europa.

RED FROG - Jürgen Siedler

The Red Frog platform has not yet been launched. Other VOD platforms already exist in Germany. In order to differentiate itself from its competitors, Red Frog will offer a download content without DRM technology. The platform aims at promoting independent films in Europe. In addition, Red Frog wants to put on an original and different editorialisation: the user will provide content depending on his mood or on a colour corresponding to the content. Besides the product presentation of movies further information and comments relating to the films on range as well as latest trends in art, music, literature or theatre will be communicated. The movies will be presented in the cultural setting the audience relates to. This calls for appropriate editorial refurbishment.

Red frog's objective is to develop its own label. *red frog* will stand in Europe for quality, orientation, innovation and simple handling.

Red frog combines the digital sale and rental of movies with the build up of a community of users. This community has an affinity for movies, is looking for a digital home and for possibilities of communication and self-representation. The community will develop around an interface of professional and amateur movie worlds. The connection of online distribution of films with web 2.0 structures will establish successful and economically profitable synergies.

