

DVD Players - UK - March 2010

Report Price: £1500 / \$3000 / €2250



What is this report about?

Despite the launch of the high definition disc format Blu-ray in 2006, UK consumers continue to be focused around the standard definition DVD format. This has seen manufacturers continue to innovate in both market areas with increasing functionality. In terms of Blu-ray this has been in an effort to add value to encourage consumers to trade up (and has been accompanied by falling prices). In terms of standard DVD, manufacturers have employed added functionality as a way of maintaining market value in an increasingly commoditised marketplace.

Despite signs in the marketplace that players are getting to a price point more consumers will consider, the future of the Blu-ray format is by no means assured. The rising popularity of HDTV PVR subscriptions, HD download sites as well as new technologies such as wireless TVs now coming to the market threaten to bypass the DVD player entirely. While all players have innovated to maintain relevance in an increasingly digital world (for example, with the inclusion of USB ports), the question remains how it will continue to remain the first point of call for consumers looking for video entertainment.

What have we found out?

- Manufacturers' price cuts and greater education of consumers will be required to increase Blu-ray drive adoption in 2010. Standard DVD players remain by far the most widely used technology (78% of respondents), whereas newer formats such as Blu-ray remain underused (just 11%).
- DVD players have been relegated in importance compared to other living room gadgets with 18% of respondents saying they are using personal video recorders more.
- Extra functionality is a key differentiator between basic and more expensive DVD players. But the challenge for manufacturers is to show how increased functionality is relevant to users, particularly over 55-year olds who are the most likely group to say increased functionality isn't important.
- Despite increased marketing efforts by console manufacturers, few respondents download films to watch on their Xboxes and PS3s. What are the barriers to greater consumption of movie entertainment this way, and what lessons could Microsoft and Sony take from the music industry to encourage sales?
- Given the success of 3D movie features such as Avatar in the cinema, the DVD player market could be given a boost: Samsung is expected to be the first to market with a 3DTV and 3D Blu-ray player package in May 2010.
- Men are the more likely to seek out more advanced DVD players, such as Blu-ray. Manufacturers are now actively targeting women by focussing on more emotional marketing appeals and sponsorship of female-friendly events.

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