
Blu-Ray DVD
Sony Corporation

Executive Summary

Sony created Blu-Ray DVD as the next-generation successor to the DVD format. The disk format is superior to both DVD and its competition, HD-DVD in capacity and quality. The cost of manufacturing a Blu-Ray DVD is higher, however, due to the one limitation of the disk – its proneness to scratching.

Blue Ray DVD succeeded in edging out its main competitor, HD-DVD in February of 2008, but has not realized the expected profits. As such, a campaign to create demand for Blue-ray DVD is needed.

Our group has put together a simple plan to create brand awareness for Blu-ray. The primary goal of this plan is to create a pull strategy, enhancing demand for the products.

About Blue-Ray DVD

In 1998, commercial HDTV sets began to appear in the consumer market; however, there was no commonly accepted, inexpensive way to record or play HD content. In fact, there was no medium with the storage required to accommodate HD codecs, except JVC's Digital VHS and Sony's HDCAM.[5]

Blu-ray Disc was developed by the Blu-ray Disc Association, a group of companies representing consumer electronics, computer hardware, and motion picture production. The standard is covered by several patents belonging to different companies. As of April 2008, a joint licensing agreement for all the relevant patents had not yet been finalized.

The DVD Forum (which was chaired by Toshiba) was deeply split over whether to develop the more expensive blue laser technology or not. In March 2002, the forum voted to approve a proposal endorsed by Warner Bros. and other motion picture studios that involved compressing HD content onto dual-layer DVD-9 discs. In spite of this decision, however, the DVD Forum's Steering Committee announced in April that it was pursuing its own blue-laser high-definition solution. In August, Toshiba and NEC announced their competing standard Advanced Optical Disc. It was finally adopted by the DVD Forum and renamed HD DVD the next year, after being voted down twice by Blu-ray Disc Association members.

HD DVD had a head start in the high definition video market and Blu-ray Disc sales were slow at first. When PlayStation 3 launched, every PS3 unit also functioned as a Blu-ray Disc player. By January 2007, Blu-ray discs had outsold HD DVDs, and during the first three quarters of 2007, BD outsold HD DVDs by about two to one.

Some analysts believe that Sony's PlayStation 3 video game console played an important role in the format war, believing it acted as a catalyst for Blu-ray Disc, as the PlayStation 3 used a Blu-ray Disc drive as its primary information storage medium. They also credited Sony's more thorough and influential marketing campaign. More recently several studios have cited Blu-ray Disc's adoption of the BD+ anti-copying system as the reason they supported Blu-ray Disc over HD DVD

In January 2008, a day before CES 2008, Warner Brothers, the only major studio still releasing movies in both HD DVD and Blu-ray Disc format, announced it would release only in Blu-ray Disc after May 2008. This effectively included other studios that came under the Warner umbrella. This led to a chain reaction in the industry, including major U.S. retailers dropping HD DVD in their stores. Following these new developments, on 19 February 2008, Toshiba announced it would be ending production of HD DVD devices, allowing Blu-ray Disc to become the industry standard for high-density optical disks. With this, all major Hollywood studios now support Blu-ray.

About Sony

Sony is a multinational conglomerate corporation headquartered in Tokyo, Japan and one of the world's largest media conglomerates with revenue of \$70.303 billion (as of 2007) based in Minato, Tokyo. Sony is one of the leading manufacturers of electronics, video, communications, video game consoles and information technology products for the consumer and professional markets, which developed the company into one of the world's richest companies.

Sony Corporation is the electronics business unit and the parent company of the Sony Group, which is engaged in business through its five operating segments — electronics, games, entertainment (motion pictures and music), financial services and other. These make Sony one of the most comprehensive entertainment companies in the world. Sony's principal business operations include Sony Corporation (Sony Electronics in the U.S.), Sony Pictures Entertainment, Sony Computer Entertainment, Sony BMG Music Entertainment, Sony Ericsson and Sony Financial Holdings. As a semiconductor maker, Sony is among the Worldwide Top 20 Semiconductor Sales Leaders. The company's slogan is Sony. Like no other

Current Blu-Ray Advertising

Currently Blu-ray advertising is not very prevalent. The promotion seems to be limited to PoP displays in retail locations such as Target and Wal-Mart. Additionally, Movies are announced to be available on DVD and Blu-Ray Video, often with the Blu-ray disk placed in front of the DVD. Blu-Ray players are rarely, if ever promoted.

Sony seems to be employing a push strategy, having retailers push Blu-Ray players and video. We do not believe this is working to Sony's benefit. .

Creative Brief

Problem Statement: Blu-Ray sales have not grown as anticipated. We attribute this to low brand awareness.

Primary Target Audience: Technophiles and Sci-Fi fans.

Secondary Target Audience: Those in the market for a new movie player

What is our goal: Increase brand awareness by 50% Create a demand to increase sales by 25%

The Key Idea: Get it in high quality, get it in Blu-ray

Why should this work: Technophiles and sci-fi psychographics love the next best thing, and they are critiques of quality. This should create a demand.

Brand Personality: The thing to have. Solid. HD. High Quality experience.

Advertising Strategy

We suggest that Sony begin a pull strategy to create demand for the new product. Since the format is more likely to be geared towards those that are into high definition products, advertising should be aimed at those mediums. To that end, we suggest the following channels

- High Definition TV channels and programs
- High Definition Radio Stations
- Cooperative advertising with sci-fi movies

We also suggest that Blu-Ray make extensive use of billboard advertising with newly released movies. We suggest the tag line “**Get it in high quality, get it in blu-ray**”

Promotional Strategy

Create promotions as such:

- Radio Contests that give away free BD Players and movies
- Displays at Sci-Fi type conventions, with free BD movie giveaways
- Offer BD displays in movie rental locations such as Blockbuster and Hollywood Video