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Quarterly Newsletter of the Entertainment Merchants Association (EMA)

EMA to Manage NAVD

The National Association of Video Distributors (NAVD) and EMA have entered into an agreement under which EMA will assume responsibility for managing NAVD when longtime NAVD Executive Director Bill Burton retires in the spring.



Under the agreement, EMA will provide association management services for NAVD. EMA will coordinate Board and committee meetings, provide financial management, and be responsible for member communications and public relations for NAVD. EMA will also produce the NAVD trade conference, which will return this year after taking a one-year hiatus.

"As we examined our options, we felt the best way to go was to outsource our management services to EMA," NAVD President Bob Webb noted. "By doing so, NAVD gets the benefit of an established, stable, and professional management team that is well known within the industry and it allows our Board to focus on the strategic issues facing our membership."

"EMA is very excited to assume this responsibility," declared Mark Fisher, President and CEO of EMA. "There are a great number of synergies between our two organizations, and we look forward to leveraging those to benefit NAVD."

EMA's Mission

To protect the rights of, promote the health and vitality of, and provide a forum for those engaged in the sale, rental, and/or commercial delivery of video or video game content to consumers through physical media or over-the-top Internet-based delivery.

EMA Vice-Chairman John Marmaduke on EMA and the Industry

Why is the EMA important to you and to Hastings Entertainment?

We've always believed at Hastings Entertainment that a trade industry association can help the overall health of the industry and prevent harmful legislation or actions that individual members would be powerless to oppose. We first supported an industry association when I was NARM board President. I asked as a Presidential privilege from the NARM board to fund an upstart VSDA with \$100,000 with no strings attached. I felt the video industry was going to end up being as big as the music industry (I understated the case!) and needed its own trade organization.

Later, when I was on the board of IEMA – the Interactive Entertainment Merchants Association, which represented video game retailers – we saw the strategic fit to aligning VSDA and IEMA so the two trade organizations merged into EMA.

Currently, EMA helps protect our member's right to rent and sell entertainment products. Without this protection, our businesses, our customers' participation, and the overall creative community would have been limited by industry and legislative overreach.

I see EMA playing a critical role in our industry in the future, not only with networking opportunities but with many of the legislative and especially cross-disciplinary functions. EMA is much more diverse than it used to be. The more diverse our industry, the more need for a strong trade industry organization.

Looking into your crystal ball, what will Hastings Entertainment look like in five years?

We see the Hastings store model morphing into many of the ancillary licensed items that were created by the artists, authors, superheroes, and creative properties of the many products we sell. Today our trend business is larger than our CD business, yet many of those trend items still originate from recording artists. The same is true with comic and book characters, video game properties, TV series, and movie stars.

Our customers can't seem to get enough of these products and, while



John Marmaduke

disc sales are diminishing, our customer's appetite keeps growing for the many products that packaged entertainment drive. Our customers want to define or enhance their lifestyle with their favorite media stars. Who would have guessed that "The Walking Dead" lamp would be a red-hot item for Christmas? Obviously, many fans of the series did because they bought it and made it a Christmas bestseller, along with licensed items from "Hunger Games," "Despicable Me," "The Hobbit," "Doctor Who," "Minecraft," and "The Avengers."

With the closing of Blockbuster's corporate stores in the U.S., there was a lot of chatter about the demise of brick and mortar rental. How do you respond?

We have seen the decline of brick and mortar rental for the last few years but that decline seems to be moderating. We have lowered the cost of our rental offer and have seasonal promotions that make it easier for customers to get reacquainted with the brick and mortar rental experience. In alternative rental sites, you're either going to have difficulty finding what you want or pay a premium for it. In our brick and mortar environment you can find everything you want at a value price and we're in-stock during peak demand.

You are also a leader in music retailing, which has gone through a very disruptive transition in recent years. What can the video industry learn from the music industry?

The music industry's mismanagement of a disruptive transition to digital has been avoided by the video industry except in one area: There seems to be a race to the bottom on pricing. The video industry has been very good at keeping the viability of the disc, as it's still incredibly popular as we've seen this last year with dollar volumes coming back for a slight gain. Most customers prefer the disc; it's small, efficient, a great value, portable, and the viewing experience is ★★★★★.

Digital Forums and Salon

Digital EMA recently presented three well-attended events that provided knowledge-sharing and networking opportunities for the digital video community. Digital EMA (www.DigitalEMA.org) is the Entertainment Merchants Association's community of retailers, distributors, content creators, service and technology companies, and other stakeholders engaged in the commercial digital delivery of video and video game content to consumers through over-the-top Internet-based portals.



EMA President & CEO Mark Fisher Welcomes Attendees to the Digital EMA Annual Forum

The first event was a roll-out of EMA's digital supply chain initiatives, held in New York City in early December. At the roll-out, attendees were briefed on EMA's best practices for metadata, specifications for mezzanine files, best practices and standards for content availability (avails) metadata, best practices and specifications for image artwork, and proposed best practices for closed captioning of Internet Protocol-delivered video programming. Several leading retailers noted that they were beginning to implement these standards, specifications, and best practices. Special Sponsors for the roll-out were 3rd i QC, Deluxe Entertainment, and Telestream.

In conjunction with the roll-out meeting, Digital EMA presented a salon in New York City on the topic of "Balancing Optimized Monetization & Customer Satisfaction through Release Windows." As with previous salons, the evening began with informal networking. Following the networking, Russ Crupnick of The NPD Group provided data on the impacts of windows, which led into a lively discussion facilitated by Ted Cohen of TAG Strategic.

Finally, on the opening day of the Consumer Electronics Show (CES) in Las Vegas, Digital EMA held its Annual Forum at CES. The forum was attended by almost 100 representatives from retailers, distributors, content providers, and service and technology companies. Attendees were engaged by research presentations from PricewaterhouseCoopers and IHS Screen Digest, a discussion on industry collaboration featuring DEG: The Digital Entertainment Group, Entertainment Identification Registry, and EMA, and updates on EMA's digital supply chain initiatives. Premiere Sponsors for the forum were FilmTrack and Mediamorph and Participating Sponsors were 3PlayMedia and CaptionMax.

"Hidden Gems" Rental Profits Program Highlights Easy-to-Overlook Titles



Each month, EMA's videoretailer.com highlights a select number of upcoming new release video titles beyond the major box office hits, titles that have the potential to do well in the market but are at risk of being overlooked. As part of the Rental Profits Program, these "Hidden Gems" are promoted to retailers, sell-through merchants, and others.

Studios submit their titles for consideration, and an anonymous team of experienced video retailers reviews the submissions and identifies those most likely to rent and sell well based on the filmmaking, genres, actors, and artwork. The "Hidden Gems" picks are based purely on high profit potential.

The "Hidden Gems" are promoted in emails to more than 2,800 video retailers, industry insiders, and other subscribers. Each title is highlighted in an individual email prior to its prebooking date. The titles are also promoted in a monthly webcast and weekly prebooking announcements throughout the month that go to all subscribers, and are highlighted in a special section of the EMA website.

Studios interested in having titles considered as "Hidden Gems" may contact Bob Tollini at bob.tollini@gmail.com. Individuals who wish to be on the email list to receive "Hidden Gems" announcements should email their request to info@entmerch.org.

Applications Now Available for 2014 EMA Scholarship

Applications for the 2014 academic scholarship to be awarded by the EMA Scholarship Foundation are now available and are due by March 14, 2014.

One academic scholarship will be awarded to an employee of an EMA-member company or an immediate family member who will be engaged in undergraduate and graduate study on a full-time basis. The awardee will receive up to \$16,000 total, which will be issued in four annual increments. Complete rules and the scholarship application are available at the EMA website (www.entmerch.org).

The Scholarship Foundation is making a significant change this year by awarding one large scholarship rather than numerous smaller ones. Given the substantial costs of higher education, the Foundation decided it could be more impactful by supporting one individual with a larger grant.



Welcome New Members

EMA recently welcomed the following to membership in the Association (through December 31). [Descriptions provided by the companies.]



3Play Media (www.3playmedia.com) provides a more technologically advanced and cost-effective captioning and subtitling solution. We work with more than 700 customers across media & entertainment, large corporations and educational institutions. Our methods allow us to reduce the cost of captioning and simplify the process, while maintaining premium quality levels. We provide all major caption formats, flexible workflows, an API, and fast turnaround. 3Play Media was born out of MIT in 2007 and continues to operate in Cambridge, MA.

3rd i QC (<http://3rdiqc.com>) is an independent third-party consulting service specializing in quality control and assurance for the home and personal entertainment markets. With over twenty-five years of dedicated expertise, our aim is to protect the value of TV and film product and evaluate its quality from the exact perspective of your end user: the consumer. Our services include native language speakers for international product, multi-platform testing, and our own proprietary reporting/communication system. Being the only truly independent quality assurance company in the industry, our interest lies with our clients alone. 3rd i's mission is that your materials enter the marketplace smoothly and without any surprises.



FilmTrack (www.filmtrack.com) is a leading provider of content and rights management for the global film and television industry. A cloud-based, SaaS company, FilmTrack offers enterprise-class solutions for delivery and display of rich media and content, contract administration, invoicing, rights management, availability and physical materials tracking. FilmTrack's technology, product suite and services, which are now in use by some of the world's foremost film and television distributors, help companies drive sales productivity and growth by better managing and monetizing IP throughout its life cycle.

Mediamorph (www.mediamorph.com) is a software-as-a-service company that provides media industry workflow, data and analytics solutions. Mediamorph helps Media and Entertainment companies to prosper in a rapidly changing environment. They do this through their industry leading cloud-based platform that collects rights, performance and social data on an industry-wide scale. They then overlay that data with tools to automate operations, perform data analysis and optimize business results. Their services include: Cross Platform Audience Measurement, Contracts and Rights Management, Accounting and Royalty Automation and Social Data Dashboards. All major Hollywood studios, leading television networks and the largest video service operators use Mediamorph to better measure, understand and future-proof their businesses.



The Peter Rodgers Organization, also known as PROFilms (www.profilms.com), is celebrating over three decades as a distinguished distributor of quality entertainment properties, acting as agent for independent producers, international production and distribution firms, producer estates and investment groups who control large film libraries. Our programming is currently being broadcast on ME-TV, Aspire, Cosi, Retro TV, AMC and other cable and broadcast outlets. TV series include "The Rifleman," "Hopalong Cassidy," "The Bill Cosby Show," "Celebrity Bowling," "I Spy" and over 300 feature films.

Deluxe Entertainment (www.bydeluxe.com) is the leading global provider of digital content solutions and technologies for the film, television and advertising industries. For nearly 100 years, Deluxe has been a trusted partner to the world's most influential and successful content owners, creators and distributors, helping them bring their visions to life, store them and deliver them directly to their customers. From capture to consumption, in whatever format or language is required, Deluxe provides complete solutions that integrate and support the creation, adaption, preservation, management and distribution of content that enable easy access and high-resolution viewing on any device, anywhere in the world.



Dolby (www.dolby.com) creates audio, video, and voice technologies that transform entertainment and communications in mobile devices, at the cinema, at home, and at work. For nearly 50 years, sight and sound experiences have become more vibrant, clear, and meaningful in Dolby.



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2014 EMA Events



Independent Product Market

June 3-4

Marina del Rey Marriott, Marina del Rey, CA

By Invitation Only

LOS ANGELES ENTERTAINMENT SUMMIT JULY 21 - 23, 2014



Los Angeles Entertainment Summit

July 21-23

Hyatt Regency Century Plaza, Century City, CA

By Invitation Only



Digital Media Pipeline

October 8

Skirball Cultural Center, Los Angeles, CA

For event sponsorship information, contact Carrie Dieterich: cdieterich@entmerch.org; 818-385-1500 x227