

UltraViolet Faces an Uncertain Future

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In 2008, film and television content providers, networks, retailers, and electronics manufacturers formed one of the grandest alliances since they united in support of the DVD format back in the early nineties. After four years of negotiation, they launched [UltraViolet](#) (UV), creating a standard format for delivering content to multimedia consumers. Despite the impressive collaboration, the response to UV has been underwhelming at best, meaning the service's future is anything but certain.

UV is an online library where consumers can store digital copies of movies and television shows. Designed by the Digital Entertainment Content Ecosystem, an [alliance](#) that includes companies such as Sony, Comcast, Phillips, and Best Buy, it provides consumers with the ability to watch content stored in "the cloud" on multiple devices and platforms, as long as that content, streaming service, or device is part of the alliance. At this point, Apple (iTunes), Disney, and Netflix are not part of that alliance.

The consortium hopes UV proves a profitable [alternative](#) to declining DVD sales in an era of streaming media, and you can read more about its origins in an [excerpt](#) from our interview with Sony's Richard Berger. Yet, so far, the service has attracted [criticism](#) for being “clumsy and confusing.” For starters, consumers must accept multiple permissions and login requirements to access UV content. Rather than a single UV account, consumers also must register with the studio that distributed the film or television show. Then, they must download software or signup at a third party website, like Flixster, to stream content. It’s little surprise this experience has left many consumers [unhappy](#).

Another part of the problem rests with the rapid proliferation of cloud computing technologies. According to a recent market research [report](#), many consumers simply don’t understand the term “even though they use [cloud computing] all the time.” Studios hope to address this [confusion](#) through marketing tools, consistently identifying UV (and cloud computing) with the more recognizable term “streaming media.”

A lingering piracy concern for content providers centers on UltraViolet "disc to digital" conversion services—a process in which consumers can pay a small fee to obtain a digital copy of a DVD they already own. Right now, this process is available on approved [Samsung](#) Blu-Ray players and in-store from [Walmart](#). Yet, as MIP learned at the Consumer Electronics Show, there currently is no way to prevent people from registering the same disc multiple times (i.e., a consumer

can share his or her disc with a friend, which grants streaming rights to both parties from a single disc).

At the moment, Warner Bros. is one of the most visibly active alliance members. It has created the first UV [app](#), asked corporate sibling HBO for an [exception](#) to its digital windowing agreement, and signed a [deal](#) with Amazon to get the retailer to support the studio's UV licenses. It's also leading the launch of [UV-enabled discs](#), working with [Panasonic](#) to get its UV app on connected televisions, and pioneering disc to digital conversion [technology](#) with Samsung.

Despite this activity, many industry leaders are taking a “[wait and see](#)” approach as they are unsure about UV's viability against more market-ready competitors like Apple. Ultimately, UV will need the [support](#) of all its partners as well as a few remaining holdouts, like Apple or Disney, if it is going to make good on its promise to revitalize the home entertainment marketplace.