



PLAYSTATION 3 DELAY PART OF HIGH-DEFINITION SHOWDOWN

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Two new high-definition DVD formats are set for a high-stakes showdown this year, as electronics giants Toshiba and Sony prepare for an expensive war over how you play videos at home.

This week, Sony announced it was delaying the release of the highly anticipated PlayStation 3 until mid-November. The video game console also will play DVDs and is expected to be the main vehicle for Sony's high-definition DVD format Blu-Ray.

The president of Sony said the delay was due to efforts to finalize the copyright protection technology and other standards for the Blu-Ray DVD disc.

Meanwhile, Toshiba, along with a coalition of Hollywood studios and other electronics companies, will release a HD-DVD next month in conjunction with the release of a selection of movies in the HD-DVD format.

The showdown between Blu-Ray and HD-DVD comes as companies try to bring the home theater experience up to speed with the booming high-definition television industry. About 22 percent of Americans own a high-definition television, according to a Gallup poll, and that number is expected to climb as the costs of the sets fall.

The battling formats

The standard DVD player uses a red laser to read the digital content on a plastic disc. Both high-definition DVD players substitute a blue laser that will read the data on eight micro-thin layers piled on top of each other.

Blue lasers have a shorter wavelength than red lasers, meaning the player can read more densely packed data on a disc with the same dimensions as the regular DVD.

The massive storage capacity (up to 50 gigabytes) will allow manufacturers to offer more content on one disc. Additionally, the improved technology will translate to a denser and finer screen image, providing the opportunity for even greater detail on high-definition television sets.

The two formats are incompatible with each other, but both would allow standard DVDs to play on high-definition players.

High-definition, but high costs?

Even though they operate similarly, there are notable differences between the two formats. The laser technology of Blu-Ray gives it a larger storage capacity than HD-DVD, but the latter will be cheaper for manufacturers and consumers.

Toshiba's initial HD-DVD player, to be released in mid-April, will carry a \$500 price tag. Initial reports from Sony and its partners indicate that Blu-Ray players will cost at least \$1,000, although Playstation 3 will likely have a retail price between \$400 and \$500.

Some experts are calling the entire showdown a waste of money and technology, citing the growth in Internet downloads and video-on-demand. According to a poll by Starz Entertainment Group, 60 percent of those who use video-on-demand services are buying fewer DVDs.

Recent sales figures indicated that total DVD sales are not rising at the rates of a few years ago. Sales of DVDs in 2005 rose 5 percent to \$16.3 billion, the industry reported, a sharp slowdown from 33.6 percent the year before.

"While they fight, Rome is burning," Robert Heiblim, a consultant to electronics companies, told The New York Times. "High-definition video-on-demand and digital video recorders are compelling, and people will say, 'why do I need [a high-definition DVD player]?"

Coalitions clash

In the 1980s, Sony lost a costly format war that pitted its own Betamax videocassette formats to the more popular VHS format.

While Sony was involved in a protracted court battle with Universal Studios over the legality of home videotaping, the VHS manufacturers caught fire with the growing movie rental business.

Twenty years later, Sony is once again involved in a high-stakes battle. This time, however, it has gathered a coalition of fellow electronics companies Panasonic, Phillips and Samsung and computer giants Apple and Dell. Sony owns entertainment companies Columbia/Tri-Star and MGM. In addition, 20th Century Fox and Disney have partnered with the Blu-Ray group.

On the other side, Toshiba has major partners in Intel and Microsoft. Microsoft's near dominance of operating systems for PCs gives the HD-DVD consortium an advantage over the Blu-Ray group. Hollywood studios Universal, Paramount and Time Warner have already begun announcing DVD releases for HD-DVD.

When Toshiba releases its HD-DVD player next month, Warner Home Video will release movies including "The Matrix" and "Batman Begins" in the HD-DVD format.

--Compiled by Brian Wolly for NewsHour Extra
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