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Business

Hollywood's Not So Dirty Little Secret

DVA is expanding the shelf life of movies, one DVD at a time

● The entertainment industry's largest close-out company, Distribution Video & Audio (DVA), has been a successful wholesaler for 20 years. Over the years, DVA has played a pivotal role in preventing movies from being turned onto the scrap heap by studios wanting to dispose of excess product. For that, moviemakers are eternally grateful. *MM* spoke with DVA president Ryan Kugler about this quickly rising DVD supplier.

Kyle Rupprecht (MM): How does DVA work?

Ryan Kugler (RK): We are a wholesaler of DVDs of all genres (except adult), CD music and video games to retailers around the world. We buy excess films from the major studios and redistribute them to markets that they might not sell to (such as dollar stores, mom and pop stores, libraries and online sellers) as well as national retailers like Best Buy, Target, etc. DVA basically extends the shelf life of film content, which is something that is good for everybody—studios, actors, directors and consumers.

MM: The company has grown from selling 100,000 units per year to more than 15 million. How do you account for such rapid growth?

RK: We are currently moving about 20 million units per year. DVA has enjoyed a pretty consistent 10 percent growth each year, primarily

we attribute our growth to the relationships DVA has established and built over the years with the major and indie studios.

We continue to grow by increasing awareness of what we do and opening up new accounts. People want to keep product on shelves longer and we help them do that. Also there is tremendous consumer demand for entertainment at a lower price point, especially in a troubled economy.

Format wars also help us grow as lots of excess inventory becomes available. We actually just sold off the last of the VHS inventory, and with HD DVD losing to Blu-ray there is a lot of top-quality HD inventory available and lots of consumers who still want it.

MM: This year marks the 20th anniversary of DVA. How is the company changing?

RK: We are acquiring more accounts as well as picking up other formats that the studios distribute such as Blu-ray, HD, PSP/UMD. At the same time we are sticking to what is tried and true for us: Routine, personal contact with our customers, allowing us to be aware of what they are looking for and then we provide it.

There are challenges that face the industry: DVD sales



have flattened as people are confused by the marketplace. The format war with Blu-ray and HD DVD confused the customer and many don't understand why they should be buying Blu-ray at a higher price point when they already have a DVD player at home. An education process will be required so people understand what the value of the new format is and why it's worth paying a higher price.

MM: What do you find most satisfying about this business?

RK: I have been doing this for 17 years now and I still get great satisfaction out of closing deals, landing new accounts and getting our customers exactly what they need! It's also a great feeling to know that we are helping more people to watch more films, making the medium more accessible to consumers and helping to keep artists' work in the spotlight for longer.

—KYLE RUPPRECHT

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