

It's home entertainment for the holidays

Circuit City refocuses on category after Q2 loss widens

BY DANNY KING

Circuit City's fiscal second-quarter loss almost quadrupled as sales declines in rear-projection TVs, DVD players, DVDs and CDs more than offset a slight increase in revenue from flat-panel TVs.

The No. 2 U.S. electronics retailer, which withdrew its fiscal 2009 forecast, also said its continued revamping of home entertainment sales practices would be a primary part of its effort to spark holiday sales.

Circuit City, which will curtail store openings for fiscal 2010, will try to improve home entertainment results for the holiday season by broadening its "Simple to Shop"



Circuit City plans more promotion of Blu-ray hardware and software.

program, which will include more aggressive interaction between salespeople and customers, more home-theater demonstrations and increased promotion of Blu-ray discs and players, chief operating officer John Harlow said on a conference call with analysts.

Initiatives to improve home entertainment sales boosted the company's fiscal second-quarter

gross margin by almost 1% of sales.

Despite an increase in Circuit City's same-store flat-panel TV sales for the quarter ended Aug. 31, overall same-store TV sales in the U.S. fell almost 10%, while DVD player sales declined more than 10%. Comparable store sales dropped 14% in the U.S. and 13% overall.

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TV shows get second-season chances

BY SUSANNE AULT

Once without hope for extended lives on DVD, TV shows *Everwood*, *Night Court* and *Knot's Landing*

are being granted second-season releases by Warner Home Video.

When the first seasons of these shows debuted on disc years ago—in September, 2004; February, 2005; and March, 2006, respectively—the product sold below Warner's expectations.

But fan demand for subsequent seasons on DVD didn't subside, studio executives acknowledge.

Due to falling DVD production costs and lower revenue expectation for TV DVD product, Warner is now offering the shows



Warner is readying the second seasons of *Everwood*, *Night Court* and *Knot's Landing* for release in 2009.

another chance, and second-season DVD sets of *Everwood*, *Night Court* and *Knot's Landing* are all due sometime in 2009.

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Well Go Stomps DVD

Well Go USA will release *Stomp Live* on DVD on Dec. 16 (prebook Nov. 18; \$19.98) and on Blu-ray Jan. 27 (prebook Dec. 30; \$34.98). *Stomp Live* is the first title in 10 years from the live performance franchise and Well Go's first Blu-ray release. "Stomp is a huge evergreen brand, and this fantastic live performance filmed in HD will surely please fans," said Tony Vandeverdonk, VP of sales and operations for Well Go. The title will be supported by print ads, an online sweepstakes and flyers distributed at U.S. tour venues. A special edition steel case release is planned for next year. **vb** —Marcy Magiera



VIDBITS

Paramount teams for *Iron Man*, *Jones* promos

■ Several Dell desktop and notebook computers will come pre-loaded with a digital copy of Paramount's *Iron Man*, which streamed on DVD and Blu-ray Disc on Sept. 30. Participating models include the \$649 Inspiron 1525, \$899 XPS 420 and \$1,299 XPS 630. The movie is in Windows Media format. This is the first time Paramount Digital Entertainment has offered a film pre-loaded into PCs. —Susanne Ault

■ Paramount is hyping the Oct. 14 DVD and Blu-ray Disc release of *Indiana Jones and the Kingdom of the Crystal Skull* with a \$25,000 marching band contest. ESPN will post video on its site of seven university bands playing the *Indiana Jones* theme song. Meanwhile, Papa John's is offering an "XL Explorer" pizza, which will be delivered in a limited-edition box featuring a scene from *Indiana Jones*. The orders also will include a \$3 off coupon for the DVD. —S.A.

