

Hollywood flubs movie system, miffs users

Unhappy customers use social media to spread word of the ill-conceived product.

BY RYAN NAKASHIMA
Associated Press

LOS ANGELES — Warner Bros. is learning a hard lesson about launching an ill-conceived product in the age of social media.

When the studio introduced its first movies on the new “UltraViolet” format in October, consumers were led to believe they could buy a DVD or Blu-ray, register their ownership of the movie on the UltraViolet website and then receive — at no extra cost — a digital version that could play on their computer, tablet or mobile phone.

The studio’s aim was to encourage people to purchase movies rather than rent them or subscribe to a streaming service. But UltraViolet didn’t work as advertised.

Some users were confused because the process required them to register on the UltraViolet website as well as on another website called Flixster, a movie site owned by Warner Bros. Users had to install special software before they could view movies on their computers. To make matters worse, it didn’t work as advertised for owners of Apple’s iPhones and iPads.

Within days, befuddled consumers took to Twitter and the Internet to complain. Jarren Wood, an art student from Atlanta, tweeted that he felt “conned” and called UltraViolet “a horrible hoax.” Blogger Bryan Darrow tweeted, “Flixster sucks. I want my digital copy.”

Among thousands of posts about UltraViolet on social-media sites in the weeks following the Oct. 11 launch, only 3 percent of comments were positive, according to Fizzology, a company that tracks buzz related to Hollywood movie releases.

The message from Warner Bros. “seems to be as complicated as the sign-up process. Both would benefit from simplification,” said Beth Monaghan, co-founder of public relations firm InkHouse. “If we’ve learned anything from Apple, it’s that a simple message wins almost every time.”

Warner’s UltraViolet fiasco showcases the stark differences between Hollywood and Silicon Valley when it comes to innovation. To lure consumers, technology companies strive to make their products and services easy to use. Hollywood tends to sacrifice user convenience to maintain cash cows.

One dud was an attempt to sell cards for \$15 at Walmart that gave consumers



This image provided by UltraViolet shows a screen image as it appears on their website. Warner Bros. is learning a hard lesson about launching an ill-conceived product in the age of social media. ULTRAVIOLET/AP

permanent access to the Sony Pictures movie “Battle: Los Angeles” at Walmart’s Vudu streaming site. With movies available for rental at \$4 and up, few jumped at the offer.

As more people flock to digital movie streaming, online rentals and subscription services, Hollywood is trying to persuade consumers to buy and collect movies. The push comes as U.S. sales of DVDs and Blu-ray discs have fallen by a third — from \$10.3 billion to roughly \$7 billion — in the past seven years. At the same time, Apple, Amazon, Hulu, Netflix and others have lured customers by offering cheaper alternatives to movie ownership.

UltraViolet attempts to make DVDs and Blu-rays more attractive by offering consumers the option of receiving a digital copy of a movie they buy on disc. Those digital versions, of course, are more versatile than discs, and can be placed on mobile phones and tablet devices.

But it took two weeks for Heath Parks, a technology buff in Cincinnati, to get UltraViolet to work, even after exchanging emails with Flixster CEO Joe Greenstein.

Parks said it would have been easier to use unlicensed software to copy “Green Lantern” from the discs himself.

“I could have ripped it. I could have done any of this stuff. The point is I didn’t want to do that,” he said in an interview. “My personal feeling is they rushed the

service out. I don’t think it’s ready.”

Warner Bros. declined comment to the AP.

Warner Bros., a unit of Time Warner Inc., hadn’t completed deals with retailers such as Walmart or with pay TV distributors including Comcast Corp. Such deals would have given consumers more places to access digital copies and streamed versions of their movies. Instead, users who wanted to watch movies had to go to Flixster.

Warner Bros. also didn’t have the backing of two heavyweights in the business, Apple Inc. and Amazon.com Inc., whose own systems for delivering digital movies aren’t compatible with UltraViolet, so the process wasn’t as seamless as intended.

Launching the system before the important Christmas sales period was “the right thing to do,” said InkHouse’s Monaghan. But the studio should have let consumers know that improvements are on the way, she said.

Michael Solomon, a professor of marketing at Saint Joseph’s University, said Warner Bros. might have avoided the backlash if it dubbed its launch a “beta.” Then consumers would expect glitches while the company irons out the kinks.

“If they come out with the next version ... they’ll have to work that much more to convince these people who have been burned once.”

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Shop around for interest rates

In today’s low-rate environment, you’re wise not to expect to earn tantalizing rates on your savings. For money that you may need immediately, such as an emergency fund (at least three to six months’ worth of living expenses), your first priority is safety.

Look to accounts insured by the Federal Deposit Insurance Corp. — interest-bearing checking and savings accounts and money market deposit accounts. Each account is insured up to \$250,000. (Credit union deposits are insured up to the same limits by the National Credit Union Share Insurance Fund.)

With yields on money market deposit accounts as meager as they are — the average savings account pays less than 0.3 percent — rate shopping is essential. With a \$2,500 deposit, you can earn 1.18 percent in a money market account at tulsaworld.com/incrredible-bank; if your balance drops below \$2,500, you trigger a \$10 maintenance fee. Other banks with good rates include AmTrust Direct (\$500 to open an account; tulsaworld.com/am-trustdirect) and MyBanking-Direct (\$5,000 to open an account; tulsaworld.com/my-bankingdirect). Both pay 1.15 percent, but at AmTrust Direct you need to maintain a \$10,000 balance to qualify for that rate. Money market deposit accounts generally provide checks and an ATM card for withdrawing cash or to use

SAVINGS

for purchases. You can also transfer funds electronically to a linked checking or savings account. You are limited to six transfers per month, not including cash withdrawals at the ATM.

You can open a savings account at Alliant Credit Union (tulsaworld.com/alliant-cu) with just \$5, and it pays 1.15 percent. (A \$10 contribution to Foster Care to Success, a nonprofit organization that serves foster teens, makes you eligible to join the credit union.) Or you can open an FDIC-insured savings account at CNBBankDirect, the online division of Citizens National Bank in Bluffton, Ohio, with just \$1 and earn 1.05 percent. American Express Bank (tulsaworld.com/amexbank) also offers a savings account with no minimum balance that pays 1 percent. You can link a savings account to a checking account to transfer funds.

If you meet the qualifications, a high-yield checking account is another option. The amount eligible to earn the highest rate is usually limited to \$25,000 or less, and some of the best rates are available only to residents of the states where the bank does business.

Lisa Gerstner is a staff writer and Joan Goldwasser is senior reporter at Kiplinger’s Personal Finance magazine. To send either a question or comment, go to tulsaworld.com/kiplingerfeedback.

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Investing: Four stocks for 2012

With debt woes slamming Europe, these firms that sell mainly in the U.S. and in emerging nations look especially attractive.

Chevron (symbol CVX, \$97): A spike in oil prices last summer helped the company report blockbuster third-quarter earnings. At today’s lower oil prices, analysts believe Chevron’s earnings will drop about 7 percent in 2012. Even so, the stock sells at bargain-basement prices and pays an annual dividend of \$3.24 per share (the stock yields 3.5 percent).

Microsoft (MSFT, \$25): Value-oriented stock pickers are pouring money into the Redmond, Wash., company, drawn by its cash-generating ability and the prospects for Windows 8 — the upcoming version of Microsoft’s personal-computer operating system, which will contain features aimed at smartphone and tablet users. Meanwhile, Microsoft’s gaming and business-services units are vibrant. The shares sell for nine times estimated year-ahead profits and yield 3.3 percent.

Dover Corp. (DOV, \$53): Knowles Electronics, a unit of this little-known

INVESTING

conglomerate based in Downers Grove, Ill., makes the tiny microphones used in cellphones and tablets from Apple, Nokia and Sony Ericsson. But that’s not all. Refrigerated display cases in grocery and convenience stores are made by Hill Phoenix, another of Dover’s 33 subsidiaries. Better yet, the company is increasingly integrating related businesses, cutting costs and cross-marketing, which should boost profit margins. The stock sells for 11 times estimated 2012 profits and yields 2.5 percent.

Schnitzer Steel Industries (SCHN, \$43): The Portland, Ore., company has grown rapidly by selling recycled scrap to businesses in developing nations, such as China, Malaysia and Thailand. Analysts forecast annualized earnings growth of 15 percent over the next five years and the stock selling at just 10 times estimated year-ahead profits.

Kathy M. Kristof is a contributing editor to Kiplinger’s Personal Finance magazine. To send her a question or comment, go to tulsaworld.com/kiplingerfeedback.

BUSINESS CALENDAR

Tuesday

The International Association of Administrative Professionals will hold the Will Rogers Chapters’ Educational Forum and Meeting at Hyatt Place, 7037 S. Zurich Ave. (east of Yale near 71st St., behind Sonic and QuikTrip). Networking begins at 5:15 p.m.; program begins at 5:45 p.m. Cost is \$20 for members; \$35 for guests. Susie Barnes, president and executive director of Glory House, will talk about the Christmas social and charity event. RSVP to Rachel Kingsley, 918-523-9191, or rkingsley@lcm-wci.com.

Thursday

The American Marketing Association Tulsa Chapter will hold a luncheon 11:30 a.m.-1 p.m. at the Summit Club, 15 West 6th St., 31st floor, in the Renaissance Room. Joel Book of Exact Target will speak on how to use digital media to accelerate marketing and sales performance. Cost is \$10 for members; \$15 for guests and \$5 for students. These prices are available to the first 50 registrants who pay online at tulsaworld.com/amatula.

FYI BUSINESS

» NEWS, TRENDS + EVENTS IN TULSA BUSINESS

Quill awards presented

Tulsa-area communications professionals were honored by their peers during the annual International Association of Business Communicators Bronze Quill Awards held recently at Harwelden Mansion.

Pierce H. Norton, chief operating officer of ONEOK, was named the 2011 Communicator of the Year for his recognition of the importance of and personal devotion to effective employee communications.

Ginger D. Homan, ABC, of Zia Communications, received the John Hartman Professional of the Year award, in addition to having the “Best in Show” entry for Chair & Art Pairings.

Lucia O’Connor of O’Connor Ink was awarded the Leon Bolen Service Award, which honors an IABC member for volunteerism and support of the chapter’s goals.

Additionally, the chapter awarded 32 Bronze Quill awards for exceptional work completed in 2010 and 2011.

Awards of Excellence were given to the following individuals:

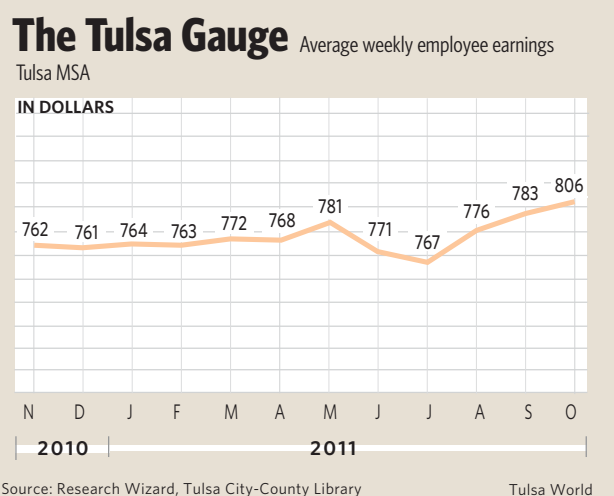
- Jarrod Kopp, Juliane Spinuzzi, Jessica Carthen and Ramon Cardiel, FW Murphy, for Configurator Cafe Direct Mail Invitation for 2010 IBEX Tradeshow.
- Carthen, Cardiel and Jinger McPeak, FW Murphy, for Full Integration Marine.
- Carthen, Cardiel and Jim Saunders, FW Murphy, for We Stick with Murphy.
- Kopp, Juliane Spinuzzi, Carthen and Cardiel of FW Murphy for Configurator Cafe 2010 IBEX Tradeshow.
- Tom Droege, Nicole Morgan and Greg Rex, Rex PR, for Terminal Happiness: Tulsa International Airport Concourse Renovation.
- Charlene Bassett, ONEOK, for ONEOK Quarterly.
- Brad Borrer, ONEOK, for Bakken Pipeline Media Outreach.
- Rick Ayre and Jennifer Pigeon, ONEOK, for ONEOK Online.
- Jennifer Pigeon, ONEOK, for Never Sees Obstacles Audio Piece.
- Michael McCulloh, ONEOK, for Systems Analyst Never Sees Obstacles.
- Hayley Westwood, ONEOK, for Email Retention Policy Implementation.
- Chris Owen, Jason Hudson and Roux Carroll, RL Hudson, for Marketing Communications App.
- Amethyst Cavallaro, Williams, for Williams Preventative Care.
- Shannon Frederick, ABC, and Russell Shaffer, Walmart, for Home Office My Sustainability Plan Launch.

Cigna and CTCA expand options

Cigna and Cancer Treatment Centers of America have agreed to expand health care options and accessibility for cancer patients and their families who are Cigna customers.

Under a new national agreement, Cigna customers have in-network access to all four CTCA regional cancer care hospitals and affiliated physicians in Chicago, Philadelphia, Phoenix and Tulsa. The agreement also marks a new level of innovation and clinical collaboration with quality-of-care provisions established by Cigna and CTCA to enhance the quality of oncology care available to Cigna customers.

CTCA specializes in treating complex and advanced-stage cancer and is home to Patient Empowered Care. This unique treatment model combines state-of-the-art clinical treatments and technology with an array of complementary therapies —



such as nutritional therapy, naturopathic medicine, pain management, oncology rehabilitation, mind-medicine and spiritual support.

J'nar Spa and Salon opens

Not only does the Hyatt Regency Downtown have a new look and name, so does its full-service spa. Longtime businesswoman and entrepreneur Janar Green is the owner of the J'nar Spa and Salon, which is located on the second floor of the hotel at 100 E. Second St.

The spa offers a full line of therapeutic and relaxing services including facials, massage, body treatments, manicures, pedicures and hair styling.

Hours of operation are 10 a.m. to 6 p.m. Tuesday through Saturday. Special occasions such as wedding parties, girls’ night out and birthday celebrations are welcome and by appointment.

Medical clinic and lab opens

National Occupational Health Services recently opened its Occupational Medical Clinic & Lab at 6848 E. 41st St.

The new clinic allows NOHS to offer worker injury care and is staffed with a full-time physician.

NOHS has long been a provider of occupational health services such as physical exams, drug and alcohol testing, hearing and vision testing, pulmonary testing, respiratory clearance, vaccinations and immunizations, blood lab work and DNA testing.

All of these services are also offered by a mobile on-site division that travels the midwest to service business and industry clients.

Along with NOHS administrative offices are the offices of National Background Reporting, the sister company that offers a secure Web-based background information system that allows clients to order background reports on potential and current employees.

The clinic is open from 8 a.m. to 6 p.m. Monday through Friday. For additional information, visit tulsaworld.com/nohs.

— COMPILED BY LAURIE WINSLOW, World Staff Writer