



AUSTRALIAN VIDEO RENTAL RETAILERS ASSOCIATION

MEDIA RELEASE

MYTH BUSTED! – Video stores not in decline, says latest report

The most comprehensive analysis of the Australian video rental industry ever undertaken shows that the video store is set to be a part of shopping strips for years to come.

“Reports of the industry’s death have been greatly exaggerated,” says industry spokesperson, AVRRA executive director Ross Walden. “We’ve always known that video rental businesses are strong and getting stronger – this industry paper confirms that.”

The *Video Stores In Australia Industry Paper* was commissioned by the Australian Video Rental Retailers Association (AVRRA), the only industry body representing Australian video rental stores including Blockbuster, Civic Video, Leading Edge Video, Network Video, and Video Ezy stores.

The industry paper was produced by Marque Lawyers with data anonymously and voluntarily supplied to chartered accountants RSM Bird Cameron for compilation. The analysis found:

- in 2008, each video store surveyed recorded on average \$643,833 in total income – the sixth year of continuous growth;
- income is forecast to grow 9.25% in 2009, well ahead of inflation;
- in 2008, the average rental spend per transaction was \$8.59, representing a 17% increase in the average spend per rental transaction since 2004;
- the industry remains at a steady number of stores of around 1730;
- challenges such as the global financial crisis and alternative video channels have failed to diminish Australians’ love of the video store; and
- stores averaged 56,538 transactions in 2008 and this is on track to grow a further 3.7% in 2009.

Video stores have proven immune to global financial crises and online alternatives. “People still want personal service and maximum choice,” says Mr Walden. Value for money is also critical. “As in the past people have turned to video stores in financially tough times to get the most bang for their buck. We don’t think that’s changing any time soon – the future looks bright.”

Media: Interviews are available with Ross Walden, AVRRA board members and store owners around Australia. The paper is available via Hootville Communications’ Debra Maynard 02 9665 7182 or 0407 299 007.

About AVRRA

AVRRA is the only independent industry body for Australia’s video and DVD rental industry. It represents video libraries throughout Australia. Visit: www.avrra.com.au