

"Quality will survive!"

2005 was a successful year for Shots Video. The company was able to create a huge impact on the market with their numerous US labels, niche products and their own productions. Sign Europe spoke to the Managing Director Oscar Heijnen about their success and their prospects in the coming year.

Was 2005 the most successful year in the company history of Shots Video?

In my opinion Shots Video is still a small "global player". We are still at the beginning of our job after nine years in business. However, we made a huge step forward in 2005, but my team and I still have enough tasks to solve. We are a successful European company where DVD sales are concerned, but in the new sectors such as internet, mobile communication, we are just starting and it could take a few years before we can consider ourselves "big players" in these markets. 2005 was a great and a very successful year for us. Shots Video's turnover increased by 44 per cent. At the

same time my team gained experience, so I am optimistic about 2006.

Considering the multitude of labels which Shots Video successful established on the European market last year, the questions arises as to where the know-how, which lies behind this success, originated?

The decisive factor behind the running of a company like Shots Video are the people who work here! They have to have the same passion and visions about the future as I have. They must be able to see where I'm heading and thus have to work twice as hard with me together, in order to reach this goal mutually. The team spirit is extremely important – with the correct balance of the right financial incentives for my staff. Employees only work hard when you give them something in return. The company's earnings are parallel to those of the staff. This means that when the company signs a large contract or enjoys high earnings, the staff, who work or have worked on this

success, or have given up their weekends and worked late at night, receive a bonus, because they are responsible for this triumph. I have often been asked how can Shots Video spend 150,000 Euros on a booth and marketing for the Venus, how can Shots Video buy and build a 4,500 m² warehouse and office premises which cost between two and three million Euros and how can Shots Video take on numerous famous DVD labels for thousands of dollars? The answer is simple: the profits flow straight back into the company. We do not spend our profits on private expensive things, we re-invest them for the benefit of the company. Our goal is not to make as much profit as possible. No, we want to invest in our future. This structure differs to those of many other companies on the market but it is exactly this system which constitutes our success. The staff and the financial structuring are our know-how.

Did you personally anticipate your labels being so successful?

Yes, but I never expected the success to be so huge. I thought we could grow by ten or twenty per cent, but the success was higher than anticipated and so we were able to win over a large slice of the cake. There was not a single country or company division in which the turnover was less than the previous year. That certainly says something about our products and our members of staff. My sales team and I visited and visit every company in Europe which deals with DVD's. We work 24 hours a day. We do not merely meet new partners in different European countries, but across the continents worldwide. Shots Video is becoming global.

Shots Video has begun to focus on a very hard and extreme hardcore course with the US labels. Will this consumer trend continue?

Yes, it is a trend and it will continue, but as is the case with all trends, something new will come along. The label's success is however not only based on

"We shall try to sell more DVD's in the new year and that's why we shall listen to our customers and provide them with what they want." Oscar Heijnen



SHOTS VIDEO



Shots Video presented numerous high end niche products at their exclusive booth at the 9th Venus in Berlin

this current trend. The name is synonymous for quality and many people have underestimated these names. Max Hardcore, for example, was making extreme porno films before any other label had even started this. Zero Tolerance, Anabolic, Mayhem, Red Light District are labels which look like the "real thing", but Max Hardcore is symbolic for real extreme hardcore. He was the first and, as he says himself, the last. He is a pioneer of hard sex, throat fucking and pissing. Nobody makes films like he does. He is the "real thing". Driving a Mercedes is not the same as driving a Daewoo. There is nobody in this sector who is better than Max. However, we must not forget the rest of the US labels with which we made this step forward: Max Hardcore Extreme European Version (7 titles every 6 weeks), Evolution Erotica by Tom Byron (2 titles every 6 weeks), Extreme 2.0 by Rob Black (7 titles every 6 weeks), Darling

Girl by Rob Black (2 titles every 6 weeks), Insanity (1 title every 6 weeks), Sexy Entertainment (5 titles every 6 weeks), Maximum Grind (5 titles every 6 weeks), Digital X (5 titles every 6 weeks) und Transsexuals (1

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title every 6 weeks). Tom Byron closed a market gap with "ass eaters" and his label, together with Extreme 2.0 by Roy Black, will be equally as successful as Max Hardcore in 2006. I personally believe that it will be even more successful as there is no pissing in this film and thus appeals to a larger group of consumers. We negotiate with other large labels in order to see how we could cooperate on the European market. I cannot however say anything specific

before the deals are signed. It could take a month or half a year, but we shall be launching a new and large label in Europe. The only thing I can say at the moment is that it will be bigger than anything we have done to date.

In addition to your own productions, US labels of diverse styles and niche productions, Shots Video has also launched a gay label. How did the trade react to this label?

We are still currently trying to establish our own labels, introduced at the Venus in October, as a brand. As everybody knows we are back on the niche market with high end labels such as: Deep Throat and Anal (1 title every 6 weeks), Clinic Sex (extreme sex with unusual instruments, 1 title every 6 weeks), Wetlands (pissing label, 1 title every 6 weeks), Old & Young (men over 60 with young women, 2 titles every 6 weeks), Mature (women over 60 with young guys, 1 title every 6 weeks), Incest (father-daughter stories, 1 title every 6 weeks), Mister D (English rapper who also makes music in his films, 1 title every 6 weeks), Sexy (won a Venus Award in 2004, housewives, 1 title every 6 weeks), Holland (in Dutch, the bestseller in Holland, 1 title every 6 weeks), Serial rape (a label with much violence for the local market, 1 title every 6 weeks), Bi-Sex (1 title every 6 weeks), Men's Lounge (a high end gay label, 1 title every 6 weeks) und STGT (a very well-known series in Dutch for the Dutch market, 1 title every 6 weeks). These labels all have one or two new releases every six weeks and are currently very successful, including the gay label. The only thing which will

change in this sector in 2006 is the artwork of the label "Sexy". The exterior cover, according to our customers, does not correspond to the content. The label will be given a new logo and a harder cover as requested by our customers. They give us a lot of feedback, which enables us to make better products, which in turn are sold better and faster by our customers. The utmost quality is our precedent goal, since it is this which reaps long term success. Where our



Looking optimistically to the future: Oscar Heijnen (President) and Pierre Barendregt (Sales Europe, CEO)

own productions are concerned, we shall be launching a new line in March 2006. "Scream" is an extreme SM label and "CG: Candy Girls" provides a product for a very special niche: teenagers who wear glasses. New titles from both these labels will likewise be released every six weeks. I can give more details in a few months, but the quality will be perfect because we have invested in cameras and other equipment. We have also invested in new computers, technology and in our editing and design studio. This is clearly apparent in the artworks and in the films.

There is a trend towards high quality covers and attractive packaging. The cover is new, but the content remains the same?

I can only speak for Shots Video products, but all our labels have a persistent better quality. In the past we provided productions with fewer scenes, but changed this in 2004 and 2005, so that our own productions and the US licences all have a minimum five scenes and feature between five and twelve actresses per film as well as having attractive locations. We use state-of-the-art photo and film equipment. All three production companies, which shoot exclusively for Shots Video, have to purchase new

cameras every year. We have started filming in high definition, and are thus prepared for the future. Shots Video has taken a tremendous leap regards premium quality and customers who haven't seen one of our titles in the past three years and watch a new DVD shall not believe their eyes.

What other trends and developments are planned in the new year?

Well, I can say a lot about new developments, because we are working on several. In general, the internet will play a larger role in our life, whether as a private person or as a business man. It is generally known that Shots Video has a high-tech page, where customers can find everything they're looking for: updates on new releases, the latest articles for sale, personal prices and discounts, easy to use methods of payment, details

on mail order and arrival of ordered articles, general information on Shots Video with a direct email contact, addresses for customer service and sales personnel, the latest developments at Shots, a rapid search engine, the latest catalogue which can be downloaded, trailers....The trend is drifting towards the customers being able to submit

Shots Video exclusively owns more than 700 worldwide productions and the same number of European licences. That is the company basis.

smaller orders on a weekly basis, because the customer receives his personal discount based on the annual order value at Shots Video. It therefore makes no difference if someone orders weekly for 200 Euros or yearly for 10,000 Euros. The discount is the same. Shop owners can thus minimize any risks, in that they need not purchase on a large scale but weekly. Our website is a great help for this. The customers also receive emails when new interesting articles are available. We are continually amending and updating our site.

Video-On-Demand, eroticism for the mobile telephone, Pay TV...the distribution channels are clearly changing. How does Shots Video react to this transition?

Shots Video signed various partnerships in 2005 regards Video-On-Demand and Pay TV. This sector is however merely a small part of our business. We are currently working on building a department which should fortify Shots Video in this field of the business. Unfortunately we haven't been able to find the right people, but this should change in 2006 after Peter Rotgans joined the company as our new Internet Manager. Shots Video is continually on the look-out for experienced people in this field, as well as those for the distribution and sales divisions. We can always do with good members of staff, who can help us stay on track whilst expanding rapidly. Those interested can contact me directly by email at oscarheijnen@shotsvideo.nl. All enquiries will be dealt with confidentially.

2005 was a difficult year for many companies in the erotic branch. How do you assess the market in this coming year?

We shall invest in new technologies, since that is where the future lies, and if you own content, you will always be in business and earn money. Shots Video exclusively owns more than 700 worldwide productions and the same number of European licences. That is the company basis. The market is shrinking because Dutch traders also purchase in other countries. Companies which work globally will survive. Companies which are regionally limited will have problems. The market is large enough for us all.

The companies should cooperate instead of battling with one another. Think long term!

The price slump was a huge problem in the previous year. Do you think this will continue or will responsible market patterns win recognition?

Quality will prevail, since consumers do not want to see poor material. As was the case in 2005, the market for quality titles will grow and for cheap products it will diminish. The prices cannot fall any further as we have hit rock bottom with DVD prices at



Investing in the future of his company:
Oscar Heijnen, Owner and Managing Director of Shots Video

ful. And if you supply a product which nobody else has in their collection, then it sells well since there is no competition. At Shots Video we are continually trying to find something which no one else has. That is not easy in a market, in which several good companies are trying to do the same thing. However, if you land a hit, then it's a blast. For example, two years ago when we were the first company to produce pissing films specifically for the British market. The actresses didn't urinate on each other in these films and so they were the only titles allowed on to the British market at the time. This was a huge success and now everybody is doing it. This is a good example of the flexibility and diversity at Shots Video.

Video has produced this collection under our own logo Maximum Grind. The collection is small and is comprised of between 30 and 50 articles. They are all in stock and each have our specially designed packaging. My design studio has really done a great job. These articles simply have to be seen! We shall have to wait and see how the products sell. It is complicated selling toys and the storage is even more complicated. On the other hand, however, we do have the financial background and sufficient room in the new warehouse, which should be completed by the end of 2006, but it's a long way until then. I need more market data and information, in order to be able to assess as to what degree Shots Video will be involved in love toys in 2006. It could go in both directions.

0.85 Euros a piece. There is only one grade cheaper: if you offer them for nothing.....

What can the trade expect from Shots Video in the new year regards customer service and support for specialist stockists?

Many high quality new releases! 60 new titles every six weeks automatically if the customer wishes and a great variety of different labels and prices. We shall try to sell more DVD's in the new year and that's why we shall listen to our customers and provide them with what they want. If they want cheap DVD's, then we shall produce cheap DVD's. If they want higher class labels, then we shall produce high end DVD's. If they want toys, we shall manufacture toys.

Your diversity of your company's collection is immense. How important is this varied selection for your success on the market?

Our diversity is currently based on the sales in the sex shops and on the rental promotions in video stores. We try to give our customers that what the consumer demands and that's why the choice is so large. Our company structure also permits us to test new niches. Sometimes these niches disappear after two releases but sometimes new niches are very success-

You presented your own toy collection at the 9th Venus. Does this sector play a significant role in your expansion plans?

Maybe... we launched a toy collection because our customers asked for one. Shots

In which countries does Shots Video want to be more established on the relevant markets?

I can answer that question quite easily: in all countries. We don't concentrate specifically on certain countries, but rather we look at them all. Our main target is Europe. We are well anchored in this market; we have worked successfully here and shall continue to do so this year.

