

Interview

VIDEO BUSINESS

Oscar Heijnen is optimistic about the future of the market



"Growth is everywhere, but most of all, among your own customers."

EXCLUSIVE The adult market is changing, likewise Shots Media. Flexibility is priority for the company in Holland when it comes to finding new sales channels or new developments. Oscar Heijnen and his team, however, are not turning their backs on the DVD market and doesn't think that 2008 is as doomed as many others are predicting

As owner of Shots Media, how would you summarize 2007?

Oscar Heijnen: A great year, in which we opened our new distributions centre. We had been working on this for years and 2007 was the year that it happened. It was also the year of the most successful Shots Media Party ever. An important year where we created the tools for a great 2008.

What expectations and goals do you have for this year?

Oscar Heijnen: Go for it, and bring the company to the next level.

What can the market expect from Shots Media in 2008?

Oscar Heijnen: More toys. There will be a big introduction this summer. The development and marketing department is working overtime at themoment.

Will Shots alter the release schedule of their different

labels? Will there be any new labels this year?

Oscar Heijnen: Yes, there will be about 5 new label and we will remove two labels from our program.

Shots specializes in niche labels. Will you continue with this code of practice?

Oscar Heijnen: Yes, actually the two labels that will disappear from our program are standard boy/ girl productions. We will replace them by niche labels. We are more successful

in this part of the market.

How will Shots be positioned on the toy market in 2008?

Oscar Heijnen: When we started with toys, exactly two years ago in January, we had a lot to learn, and we will learn a lot in the future. We spent a lot of money on this lesson but we have finally turned this market into a good profitable segment for Shots. It took Shots about 10 years to reach the top in the DVD market; it will take Shots maximum 5

years to reach the top of the European toy market. Our minimum goal is to double our turnover this year in this segment. I personally think we can do a lot more than double, but let's see how our new toy designing studio does its job and how fast we can release new items and re-invest profits.

What changes will a) the DVD market and b) the toy market experience in 2008?

Oscar Heijnen: Other compa-

The three musketeers: Oscar Heijnen, Pierre Barendregt and Dennis Heijnen



panies will be leaving the DVD market, because they think it's done. There is a good chance of getting a bigger piece of the cake in this market if you are awake.

The toy market will be experience a huge competition, between companies and labels that have been in this market for years and the newcomers. This will certainly be very interesting, I'm curious how we and others will succeed in this market.

Sales are dropping everywhere, producers suffer in the price battles and sex shops are closing – where are your hopes for the film market?

Oscar Heijnen: Shots has never had one year that suffered a fall in turnover on the year before, sales are not dropping! Not with us anyway. The market is simply changing. Shots is changing with the market. The film market will always have a future. I remember when we got the VHS and later the DVD came. We and all other companies sold their content twice, on VHS and DVD. This was a very profitable time, because the costs were almost the same.

Today in 2008, we still have DVD, we have broadcast, we have pay tv, we have VOD, we have downloads, we have mobile, and a lot more. How more interesting can you make a market?

The changing distribution channels have been discussed extensively. Shots Media reacted to this development quickly, whereas many suppliers who didn't embrace this new medium are now paying the penalty. Is flexibility a strong point at Shots Media?

Oscar Heijnen: Yes, but I think other companies in the market are also flexible, maybe we are more so, I don't know; let somebody else answer that. The success of a company is not really so hard to explain, it's a combination of the people behind it, the thoughts, the product. And you simply have to work your ass off!

Apparently, if you own content, then you are on the winning side as



Shots Media and their customers celebrated the opening of their new distribution centre in summer 2007

this can be marketed on all channels (DVD, VoD, IP TV, Pay TV, mobile phones etc.). Is this true and what policy does Shots adopt in this sector?

Oscar Heijnen: Yes this is true, Shots is partnering with the biggest companies in this part of the market.

Shots Media were the first to do it and many followed suit: a DVD supplier entered the toy business in 2006. Was this because of a fall in sales in the DVD sector? Was this a worthwhile decision?

Oscar Heijnen: Shots is simply trying to get a piece of the

market in as many different types of markets as possible, as long as it is in the adult industry. This makes the company stable. We have a very successful magazine publishing department, not many companies do this, or try it and do not succeed. I think that our mobile business will be between 15 and 20% of our total turnover this year. Who is doing this? We do. It's all extra and yes maybe the DVD business will drop another 10% this year, that's a pity, but we are not dependent on this, and this makes me sleep very well, that's why we enter different sectors of this market.

The toy market is considered to have huge potential. Don't you think this is rather naive in view of the fact that more and more suppliers are entering the market and the dangers of a consequent price battle are eminent?

Oscar Heijnen: First of all, yes, it is a huge market but the cake is going to be in the hand of more companies. Most of the time the result is more competition, which lowers prices and increases quality.

Shots Media has increased its collection with products such as FeelzToys and Cobeco. Is your goal to become a wholesaler where the retailer can

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A new era began at Shots Media in 2007



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Welcome to Shots Media....



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get everything from DVD to lubricants?

Oscar Heijnen: Yes and no.

Our goal is to have a one-stop shop for our customers, and we can not develop everything ourselves. We are launching our own Spanish fly in February and shall be launching a new silicone toy line in March. This will replace those collections, because we simply think we can do it better.

Delivery times and sufficient stocks are vital factors for

as it is in the adult market. How does Shots give this word a meaning with its DVDs and toys?

Oscar Heijnen: Well, what is quality? We call a product quality if a customer is more than happy with it and if it fulfils our personal standards. Every company in the world yells that they have the best quality, ask my customers, I think we are on the good side.

Branding of both toys and films is becoming increasingly more important in the adult

about the product, that we sell more again.

Shots Media is globally active and can thus compare the individual markets. Where do you see the most growth potential?

Europe is probably chewed to the bone, or do you disagree?
Oscar Heijnen: No, there is still some growth in Europe, as you know a DVD company and a toy company filed bankruptcy proceedings in the last two months. They were not big but this opens access to a extra piece of the cake. If you can

mainstream markets. Is this one of your long term goals?

Oscar Heijnen: Yes and no. I still think the biggest market is the traditional adult market. Are you going to buy a 30 inch vibrator in a Supermarket ?

And then there are the new target groups: women and couples. Has Shots got an eye on these too?

Oscar Heijnen: Yes, woman are becoming a very big piece of the market, we are already working in this market successfully.



"I still think the biggest market is the traditional adult market." Oscar Heijnen

sector. Considering how saturated the markets are, not a bad idea, but also a difficult task. How does Shots create brand awareness amongst consumers?

Oscar Heijnen: We get the best brand awareness through the sales of the product. That is always the way we did it. Of course we market the product and we have a lot of promotion tools but the sale of a product is the best way to promote it. So we try to sell as many as possible, and the result of that is, if I'm right

retailers. How does Shots meet these demands?

Oscar Heijnen: We stock huge quantities; this is the only way to do it. We have a guarantee that we ship in 24 hours. If we can't meet this, we compensate our customer.

The world quality is nowhere so over-used and superfluous

get it you can grow. And secondly, Shots is active in so many parts of the market that we still cannot say everywhere that we are the number one, so let's say, if you are number 5 you still can grow 5 places, and that can make a big difference. Growth is everywhere, in Europe, outside Europe, but most of all, among your own customers.

There are allegedly still many fields that can be harvested on the toy market and many suppliers are aiming at the

We cannot re-invent the wheel, but do you believe that pornography can be given a new and high grade image by producing expensive feature films and refresh the market?

Oscar Heijnen: No, we at Shots produce films that sell, we sell films that consumers want. Does the consumer want expensive features? I do not think so. We still are listening to the market, you never know, things can change and are changing all the time. We stay awake, but I'm not busy re-inventing the wheel.