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DVD KIOSKS KEEPING IT SIMPLE

MoviebankUSA unveils self-serve outlets in Soho

By ZACHARY PINCUS-ROTH

Upping the ante in the U.S.'s burgeoning DVD kiosk market, Gotham-based MoviebankUSA will officially open its first standalone DVD rental store on Houston Street in Soho with a red-ribbon press event today.

Store, which opened for business April 6, is only 450 square feet and looks like a bank lobby full of ATMs. It consists of one DVD dis-

pensers and six interactive screens that let renters choose movies, access information about them, watch trailers and swipe a credit card or their MoviebankUSA membership card. Approximately 1,200 titles and 4,000 individual DVDs are available.

Since October, MoviebankUSA has been operating kiosks inside 25 Duane Reade drugstores in Manhattan. Company has 16,000 members so far.

MoviebankUSA is one of a growing number of kiosk-based rental services. Silicon Valley-based DVDPlay has almost 500 kiosks, which carry up to 350 DVDs each, in grocery and convenience stores, restaurants and apartment buildings nationwide, with plans for almost 2,000 by the end of the year. McDonald's put 104 of them in Denver locations in May and plans to expand the operation to Salt Lake City in July.

San Francisco-based DVD Station has 14 kiosks in seven states, including one in Grand Central Station. It plans to put kiosks in 300 Barnes & Noble-managed college bookstores nationwide and will open its first standalone cafe-type store in San Fran in two weeks.

Another MoviebankUSA store will open in Queens in the first week of May. MoviebankUSA plans to put individual kiosks in more Duane Reades and is negotiating with chains in Florida, Chicago and the West Coast for similar distrib deals.

While DVD kiosks are a new concept in the U.S., such outlets, operated by companies like Video Future and Cinebank, are the norm in Europe.

"You don't need to hang around in those stores where it's hard to find

MoviebankUSA spins Gotham DVD kiosks

a video, where the staff is like a fast-food staff," said MoviebankUSA co-founder Stephan de Laforcade.

Though de Laforcade acknowledged MoviebankUSA doesn't have the selection of, say, Netflix — which offers 40,000 titles — MoviebankUSA is better for impulse renting, as customers don't have to wait for discs to come in the mail.

DVDs cost 99¢ for six hours, \$2.49 for 24 hours and 99¢ for every day thereafter. DVDPlay and DVD Station charge as little as a dollar a day, though prices differ by location.

Low overhead

Prices are low because kiosks save on rent and staff. Rent for the store in Soho — an extremely expensive neighborhood — costs around \$5,600 a month.

Customers can go to MoviebankUSA's Web site to reserve a movie at a specific location, thus avoiding fruitless trips to the store. DVD Station has the same service, and DVDPlay is planning it.

In addition to operating its kiosks, MoviebankUSA is the exclusive U.S. distributor of kiosks made by Video Systems Italia, the leading Euro kiosk manufacturer (Cinebank is the distrib in Europe). MoviebankUSA offers kiosks to buyers who want to attach their own brands to them as long as they don't put them in areas where MoviebankUSA's are located.

As Americans start to become aware of kiosks, "the more people who open stores, the better it is for the market," said de Laforcade.