

# VIDEO STORE MAGAZINE

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This computer-generated image from MoviebankUSA illustrates the automated store concept.

## Vending Machine Services Targeting the Big Apple

By HOLLY J. WAGNER

Although naysayers believe that video vending machines are a concept with limited appeal, MoviebankUSA is out to test that theory with an all-automated video store set to open in Manhattan soon.

"Our main business is to sell the machines to video stores. We are opening this store to make a live showroom to demonstrate that it works to video store owners, investors and customers," said MoviebankUSA CEO Oliver Delouis.

The store, slated for West Houston Street, will have 500 square feet of floorspace and machines sufficient to rent DVDs, VHS and video games to up to 10 customers at a time. The store is expected to have 5,000 copies available at launch. The machines will not stock adult titles, but they have the capacity to be set so that the account holder will never see adult titles even at sites that offer them. That means parents can ensure their children can use the machines without ever seeing adult titles, Delouis said.

Initially scheduled to open in September, the opening has been delayed because of permitting issues for the landmark zone site.

But even before that, Manhattanites will be able to rent DVDs from MoviebankUSA machines in an estimated 30 New York Duane Reade drugstores under a new contract between the companies. Duane Reade may expand the offering over time, based on customer response.

Each MoviebankUSA machine offers hundreds of new-release and catalog movie titles at prices ranging from 99 cents for a six-hour rental to \$2.50 for a 24-hour rental. Ingram Entertainment serves as the distributor, Delouis said.

Customers can search by actor, director or title online at [moviebankusa.com](http://moviebankusa.com) and reserve the title online for pickup at the nearest machine. Reservations are good for three hours, and the machines' card readers will match the customer to the online request so there is no need to search again while on site. The machines will be available 24/7 at some locations.

Delouis plans to open concept stores in other cities, but the Manhattan site will be the flagship. He thinks New Yorkers will embrace the convenience of renting from vending machines.

"We are planning to open stores in every key city of the

## Moviebank Part of N.Y. Vending Rise

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country, but we don't want to make a business of this. We want to show that it works to the local video stores and investors," he said.

MoviebankUSA machines hold from 400 to 2,500 DVDs. The price range is from \$18,000 to \$40,000 per machine and includes maintenance, support, marketing and training, Delouis said.

New Yorkers can already rent DVDs from machines at a handful of restaurants, hotels and drug stores that have DVDExpress machines. DVDExpress uses machines from DVDPlay, the same company that provides DVD vending machines to McDonald's company-owned stores in Denver. It has 30 locations in and around New York City. "We will be very well equipped to service a national network, but the New York market is still underserved," said Arun

Mathur, director of DVDExpress. "A concept like DVDExpress and Moviebank can coexist very easily."

Stepping up to fill some of that need is ELO Media, which just announced a deal with Price Chopper markets upstate in the Albany area. The grocer will put machines into three stores upstate in Schenectady, Latham and Saratoga, said spokeswoman Orit Polak.

The machines hold 700 units, and in the New York deployment machines will have 500 spaces allocated to \$2.99, 48-hour rentals and 150 slots to sellthrough, which takes more space because product is in the original packaging.

Whether New Yorkers will embrace the concept remains to be seen, said analyst Dennis McAlpine: "So far, the problem has been not very many machines, not much supply, so they are basically working off the same titles."