

NCR to install 200 Blockbuster DVD kiosks in NY

The Associated Press

NCR Corp. said Tuesday that it's installing Blockbuster Express DVD rental kiosks at more than 200 Duane Reade drugstores in New York City, as the movie rental company gears up to compete with alternative forms of movie delivery to offset dwindling business at its stores.

NCR said most of the kiosks will be in place before the end of the year. Each kiosk will hold more than 900 DVDs.

NCR licensed the Blockbuster Express name from Blockbuster Inc. for the kiosks and the two will share in the revenue generated. NCR will use the kiosks of TNR Holdings Corp., which it acquired in April. TNR operates the nation's second largest chain of kiosks after Coinstar Inc.'s Redbox, a Blockbuster rival.

The New York City expansion is part of Blockbuster's plan to install 2,500 NCR-operated kiosks nationally this year. The biggest clusters of these kiosks are in Florida, Georgia, Massachusetts, New York and Arizona, NCR said.

Blockbuster faces stiff competition from alternative outlets for movie rentals. Initially, it was Netflix Inc., with its movies-by-mail service and no late fees, as well as movie streaming through computers, gaming consoles and other devices.

Then it was Redbox, where people can rent a movie for \$1 per day. The Blockbuster Express kiosks will match Redbox's pricing.

Blockbuster is caught in a tough situation. It has to adapt to new technology of delivering movies without alienating the 50 million people a year who still go to its stores to rent movies.

It has yet to strike that balance. In the third quarter, Blockbuster's loss rose more than fivefold as revenue fell. In the meantime, Blockbuster continues to close stores and move to new technology, including streaming movies to more devices.

NCR, based in Duluth, Ga., makes ATMs, self-service kiosks, barcode scanners and other products. It also provides information technology services. Duane Reade Holdings Inc. is a privately held regional drugstore chain based in New York.

Shares of NCR were up 12 cents to \$9.53 in afternoon trading. Dallas-based Blockbuster was unchanged at 63 cents.

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