

Newsweek

December 9, 2006

www.newsweek.com

TECHNOLOGY

BEYOND THE VIDEO STORE

BY RAMIN SETODDEN

IF YOU STUMBLERED INTO A video store over Thanksgiving weekend, you probably witnessed the same frenzy we did. The new-release shelves looked like a scene from "Twister." You couldn't even find "Nemo." And the checkout line felt longer than "The Passion of the Christ." But 28-year-old Hadass Elias of New York avoided the crowds by renting "The Terminal" from a drugstore's vending machine on the day it was released. "It's much faster," she says.

Coming soon to a street corner near you: rental kiosks and disposable DVDs. The latest innovations in video rental are piggybacking on the success of services like Netflix and video-on-demand, which have eliminated many of the annoyances of brick-and-mortar stores: no long lines or confusing return dates. But how convenient are they? **TIP SHEET** compared new and old rental options as we hunted for three holiday movies: the new release "Elf," with Will Ferrell; the 1995 comedy "Home for the Holidays," directed by Jodie Foster; and the 1946 classic "It's a Wonderful Life." Here's how they checked out.

Vending machines: Kiosks that dispense DVDs are a hit in Europe, and now they've landed in the United States. MovieBar&USA, which rolled

them out this fall in New York City drugstores, will expand next year to Philadelphia, Boston, Washington, D.C., San Francisco and Los Angeles. Renters insert a membership card programmed with their age (to prevent kids from renting one of numerous adult films), scroll through a list of

more titles and locations.

Disposable DVDs: A new offering from Atlanta-based Flexplay, disposable DVDs are treated with a chemical that causes them to go blank two days after being taken out of their wrapper. None of our holiday titles are available yet—just the schmaltzy release

aren't friendly to the environment and that forgetful consumers may feel dismayed when their DVDs fade to black mid-movie—with no option of getting an extension. (CEO Jeff Arnold says they've allowed a buffer of 12 extra hours for slow watchers.) The verdict: if the format catches on, it's our pick, since you don't have to worry about the hassle of returns.

Online rentals: Netflix, which ships DVDs in the mail, has spawned imitators. Blockbuster recently launched its own service, priced at \$17.49 a month for three rentals at a time. But how does it compare? We ordered and waited. Blockbuster's "Elf" arrived the next day. All three Netflix DVDs came two days later, along with Blockbuster's final two. The verdict: Blockbuster's our favorite. It offers two in-store rentals a month and a free "Bourne Supremacy" DVD.

Video stores: On a recent Sunday, we visited a brick-and-mortar Blockbuster, where someone had just returned "Elf." "Wonderful Life" was checked out and the clerk informed us that the Jodie Foster film "must've been stolen, because it doesn't even show up in the computer." To get all our selections, it took three stores in 29 blocks, 53 minutes and \$13.87. And we forgot "Elf" needed to be returned early, so we were charged \$8.67 in late fees. The verdict: why walk when you can click?



titles and pick up a movie or two from the slot. You return the title to the same location. Lousy instructions make the machines difficult to navigate, but we found "Elf" (\$9.99 cents for six hours, or \$2.49 per day). Classics like "Vertigo" were part of the inventory, but the other two films on our list were not. The verdict: we like the price flexibility, but want

MAIL SERVICES ★★★★★

Reliable, if you don't mind the wait, Blockbuster is our favorite. **DISPOSABLE DVDS ★★★★★** A neat idea. We hope it catches on with more titles in the coming year.

VIDEO STORES ★★★

It's fun to browse, but not to wait in line. And the late fees bite.

VENDING MACHINES ★★

How do you operate this thing again? We'd rather use it to buy popovers.

"Noel" with Susan Sarandon (\$4.99 at Amazon.com and at select malls and airports this week). A handful of new titles will be available next year, along with disposable videogames. Critics note the discs