

Warner Bros. to impose delay on Redbox, others

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(AP) -- Warner Bros. on Thursday joined studios Universal Pictures and 20th Century Fox in demanding shipments be delayed to \$1-per-night DVD rental kiosks like Redbox in an attempt to preserve demand for higher-priced disc purchases.

The unit of [Time Warner](#) Inc. said that starting in October, it will supply kiosk companies only after 28 days have elapsed from the time movie DVDs and Blu-ray discs are made available for sale.

The decision comes amid slumping DVD sales and follows News Corp.'s Fox decision last week to impose a 30-day delay on kiosk companies like Redbox. News COO Chase Carey has said the kiosks were "grossly undervaluing" movies.

Last year, General Electric Co.'s Universal moved to delay shipments for 45 days from the sale date. Both Fox and Universal have been sued by Redbox over allegedly violating [antitrust laws](#), and a federal judge is expected to rule soon on the Universal case.

The decision by Warner Bros. leaves [Hollywood studios](#) split over the fast-growing, low-cost renter. Lions Gate Entertainment Corp. agreed Tuesday to make its films available to Redbox for five years, aligning it with [Sony](#) Corp.'s movie studio, which last month cut a similar deal.

Redbox President Mitch Lowe said in a statement the kiosk will continue to provide "convenient, affordable access to new release DVDs" from all

studios including Warner Bros.

In the past, Redbox bought Universal discs from retailers despite that studio telling its distributors to cut supply last year. The move keeps customers happy but cuts into Redbox's profit margins.

[Redbox](#), a subsidiary of Bellevue, Wash.-based Coinstar Inc., has 17,900 kiosks in the U.S. and plans 8,500 more this year.

Warner Home Video also said Thursday it will push mail-order [DVD](#) rental companies such as Netflix Inc. to share revenue from rentals in exchange for providing goods on the sales date.

In the past, Netflix purchased discs outright from Warner Bros. in bulk.

Netflix spokesman Ken Ross said the company will evaluate Warner's latest proposal.

"We've had a direct business relationship with Warner Bros. for the last 10 years and that doesn't change," he said.

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