

Blockbuster to sell, rent movies through TiVo

March 25 2009, By DEBORAH YAO , AP Business Writer

(AP) -- Blockbuster Inc. plans to rent and sell its movies and TV shows through TiVo Inc.'s digital video recorders in the second half of this year.

The Dallas-based [video rental](#) company is playing catch-up to rival [Netflix](#) Inc., which already offers free instant streaming of its movies and TV shows through [TiVo](#) DVRs and other devices with its "Watch Instantly" service.

But unlike Netflix, Blockbuster's fee-based TiVo offering will include new releases available two to four weeks after they hit video rental stores - ahead of pay-per-view. The deal is expected to be announced Wednesday.

TiVo users will be able to rent 10,000 [Blockbuster](#) titles for \$1.99 to \$3.99, and purchase movies for \$14.99 to \$19.99 each. The Blockbuster feature will be available for standalone users of the TiVo Series 2 and 3 units, TiVo HD and TiVo HD XL DVRs.

"This is the first mass-market product that we will be inside," said Kevin A. Lewis, senior vice president of digital entertainment at Blockbuster.

Blockbuster already has deals that build its video-on-demand technology into Vizio televisions and a media player by 2Wire. It plans to expand its VOD capability to mobile devices, Blu-ray players and other consumer electronics.

Netflix also offers video streaming through Xbox game consoles, Internet-capable Blu-ray players from LG and Samsung, as well as on the Roku digital [video player](#).

Expanding its reach is a key strategy for Blockbuster, which has seen its video [rental business](#) decline as DVD-by-mail services and online video viewing rise in popularity.

The company posted a loss for the fourth quarter, but U.S. same-store sales at locations open at least a year rose by 4 percent, as sales of products such as video games, DVD players and other devices helped offset softer video rentals.

Blockbuster said it will sell TiVo DVRs at its retail stores and on its Web site.

Joe Miller, TiVo's senior vice president of consumer sales and affiliate marketing, said the Blockbuster deal means the addition of "another marquee brand in home entertainment."

Alviso, Calif.-based TiVo has deals with Amazon.com and its software is licensed by Comcast Corp., Cox Communications Inc. and DirecTV Group Inc. for use with their set-top boxes. TiVo has 3.3 million subscribers, of which 1.6 million own standalone TiVo DVRs.

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