

Best Buy's Internet video service ready to debut

May 18 2010, By MICHAEL LIEDTKE , AP Technology Writer

(AP) -- Best Buy Co. is about to give its customers one less reason to buy DVDs.

The largest U.S. consumer electronics retailer said Tuesday that it will start renting and selling the latest [video](#) releases over high-speed Internet connections by the end of this month. It will compete against an array of other similar services offered by Wal-Mart Stores, Amazon.com Inc., [Netflix](#) Inc., Apple Inc. and [Blockbuster Inc.](#)

[Best Buy](#) began working on the digital delivery system late last year as part of a partnership with Sonic Solutions.

The service will bear the CinemaNow brand, which Best Buy bought from Sonic Solutions for an undisclosed amount. Sonic Solutions will provide the technology for piping the video to buyers.

Best Buy eventually intends to reach all the Web-connected devices sold through its more than 1,000 stores. For starters, it will be available on some Blu-ray players made by [LG Electronics](#) and some home theater packages sold by Best Buy. Next in line: Samsung's Internet-ready Blu-ray players and TVs.

Rentals are expected to cost about \$4 per title, while consumers who want to own will pay about \$15. CinemaNow will have all the latest studio releases on the same day Best Buy and other retailers start selling them on DVDs and Blu-ray discs.

Although it plans to heavily promote the convenience of digital delivery, Best Buy isn't expecting Internet video to surpass DVD sales right away.

That's because most consumers still aren't ready to make the leap to the new technology, said Ryan Pirozzi, Best Buy's director of digital video. He predicted it will be 2012, at the earliest, before the Internet video service gains enough traction to encourage Best Buy to begin phasing out DVDs in its stores.

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