



MOVIE RENTALS

There are a variety of ways movies can be rented today compared to just 10 years ago. With the new ways to rent movies such as on the internet or at the grocery store, going to a movie rental store might not give you the best deal possible. With new rental options, learning how to compare rental prices for many different products can save money.

Key Terms

In order to understand the movie rental process, consumers need to be familiar with some key terms. These terms are words that can be seen at a movie rental store and other places where movies are rented.

- **Blu-ray** – A high definition version of a DVD movie that usually costs more than a regular DVD. The consumer must have a Blu-ray player to play this type of movie.
- **Business Day** – A day in which businesses are open. These are usually Monday through Friday, except for days that have national holidays. Renting from companies that deliver through the mail will state how many business days it will take to receive your movie.
- **Credit Card** – A card that can be used to purchase products immediately and then pay for them at a later date.
- **Debit Card** – A card that is linked to a checking or savings account and used to purchase products. Consumers must have money in a checking or savings account for it to work, and is just like carrying cash.
- **Due Date** – When renting a movie, this is the date and time that the customer must have the movie back to the store before having to pay late fees.
- **Kiosk** – A computer station available for public use. With movie rentals, it is a large computer where you can scan a credit card to receive a movie.
- **Late Fees** – An extra amount of money that must be paid if the movie is returned after the due date.
- **Membership Card** – A card that shows an individual belongs to a club or organization. In this case, many movie rental stores have membership cards which are required to rent from that particular store or chain of stores.
- **Membership Fee** – An amount that customers have to pay to join a store before being allowed to rent any movies.
- **New Release** – A movie that just came out onto DVD.
- **Streaming video** – A method of watching videos over the internet. The movie is played through a provider such as Netflix. There is no hard copy of the movie downloaded to the computer.
- **Subscription** – Paying a monthly amount of money to receive a product or service.
- **Queue** – (pronounced “Q”) – a list of movies that a customer would like to view. This is most often used with a membership when renting movies through the mail.

Movie Rental Options

There are a variety of ways that movies can be rented. Below is brief overview of those options which consumers need to take into consideration when renting a movie.

Renting a Movie from a Store

- Must be 18 years of age or older to open an account
- Requires completing paperwork to create an account and get a membership card
- Usually does not require a fee to create a membership account
- Cannot rent movies or other merchandise from this store without a membership card
- Requires a credit card be kept on file in case a movie is lost or not returned and the store will charge the customer for it
- Provides a selection of hundreds of movies and often have several copies of newly released movies which are in high demand
- Allow customers to check out up to 8 movies at a time
- Requires movies be returned back to the same store where it was rented
- Prices at movie rental stores vary. Some promote features such as “no late fees”, “multiple day rentals” or other special promotions. An example might be that if a movie is returned within 24 hours, a cheaper rate will be charged and a refund or credit will be given. But if it is kept longer than 24 hours, the full rate will be charged.
- Customers will be charged for movies that are not returned and the customer will then own the movie



Renting a Movie from the Mail

- Requires creating an account, usually on the internet, using the customer's name, address, contact information and a credit card or debit card
- Must be 18 years of age or older to open an account
- The account will require a monthly fee for the subscription for movie rental. The fee will be automatically charged each month, regardless of the number of movies rented.
- To cancel an account, customers will have to call or e-mail the company to stop service.
- A variety of rental plans are available and most depend on the number of DVD's that can be rented at a time
- There is a much wider variety of movies to rent from recent releases to older movies
- Some companies offer downloadable movies which can be viewed immediately but this will work best with high speed internet access
- Some services may offer streaming videos that can be shown on the home TV but this service is an additional fee and requires additional hardware with access to a broadband internet connection
- Cost of renting Blu-ray DVD's may be higher than regular DVD's
- Customers can create a list, also called a queue, of movies they would like to view
- Movies will be mailed in the order listed on the customer's queue
- Movies are usually received within one business day
- Once movies are sent back and received by the rental location, the next movie on the queue will be mailed
- There is no charge to mail movies back to the rental location
- Some retail movie rental stores also have an online service. An advantage to this type of service is that movies may be returned to the store and new movies rented on site instead of having to wait for the next movie to arrive in the mail.

Renting a Movie from a Kiosk

- Movie rental kiosks are often found at major retail stores
- Kiosk movie rentals do not require a membership card or a monthly fee
- A credit or debit card is needed to pay for the rental purchase
- The fee to rent a movie from a kiosk is usually \$1 per day. The customer has 24 hours to return the movie back to the kiosk location before being charged another \$1. The credit card must be scanned when the movie is returned to determine any additional charges if it is not returned within 24 hours.
- Some companies will allow movies to be returned to any kiosk owned by the same company while others may require the movie to be returned to the same kiosk.
- Some companies have limits on the amount of movies that can be checked out at one time while others do not.
- A disadvantage of movie rental kiosks is that it is limited by the size of the kiosk. A kiosk usually holds between 50 and 75 titles with a few copies of each one.

Movies on Demand

- Can be purchased from your home through cable or satellite companies or downloaded on the computer through a variety of services like iTunes
- Prices range from \$2.00 to \$5.00 per movie through cable or satellite companies and up to \$20.00 through download services
- Movies purchased through download services become the property of the consumer and can be viewed unlimited times
- Movies must be watched on the TV it was ordered from
- Some services offer standard and high definition versions of movies
- The movie rental will last for 24 hours and the consumer can watch it or stop and start the film as desired with a digital remote
- All of the services are different in terms of the cost structure, as some charge extra for new releases or Blu-ray, if even offered at all



Library Check-Out

- Consumers may go to a local library and check-out movies to view
- There is no cost for this service unless the movie is not returned by the due date. Fees can become costly if the movie is not returned.
- The selection of movies at most libraries is very limited

References and Resources

Information adapted from University of Florida 4-H Youth Development Consumer Choices Contest Study Materials found at:

http://florida4h.org/projects/consumer_choices.shtml

<http://www.apple.com/itunes>

<http://www.blockbuster.com/download>

<http://www.consumerreports.org/cro/index.htm>

<http://www.dvdplay.com/>

http://filmtvindustry.suite101.com/article.cfm/mail_order_movie_subscription_services

<http://www.moviecube.com/>

<http://www.netflix.com>

<http://www.redbox.com/>