efforts to recast Blockbuster's strategy and put the company in better position to improve its dismal bottom-line performance. But Keyes's initial strategy overhaul met with limited success and failed to turn the company's financial performance around.

In a second attempt to stem the bleeding, conserve cash, and get the company back on track, Blockbuster executives launched another round of strategic initiatives in 2009–2010:

- Selling the company's 184-store subsidiary in Ireland during the third quarter of 2009.
- Closing 470 underperforming Blockbuster stores in the first four months of 2010, on the heels of having closed 586 company-owned stores (and 299 franchised stores) in 2009.
- Going forward with plans to close an additional 81 stores by year-end 2010.
- Continuing to increase the size of its library of movie, TV episode, and video game titles. (The library included more than 125,000 titles as of May 2010.)
- Pursuing rapid expansion of the Blockbuster-branded vending machine kiosk network from 2,225 locations to 10,000 locations by the end of 2010. Seeking to expand its revenues from DVD rentals, Blockbuster entered into a strategic alliance with NCR in August 2008 to place vending machines containing a limited selection of movie DVDs in high-traffic locations; the kiosks were owned and operated by NCR, which also controlled the pricing and location of the kiosks. Blockbuster was responsible for providing the DVD titles that were older than 26 weeks past their release dates on a consignment basis and received 50 percent of the rental revenue from these titles. NCR was responsible for providing the DVDs for newer titles and paid Blockbuster a license fee of 1 to 10 percent of net revenues, depending on the monthly revenues of each individual kiosk and the total number of kiosks deployed. Blockbuster's share of the revenues from the vending machine kiosk locations in place during the first three months of 2010 was less than $5 million. In May 2010, NCR had deployed over 4,000 Blockbuster Express kiosks and plans were proceeding to deploy an additional 6,000 kiosks by year-end.
- Instituting new in-store and online merchandising techniques and graphics packages to make it easier for prospective renters to make decisions on their entertainment selections and thereby reduce the store walkout rate and browse-but-don't-rent rate at the Blockbuster website.
- Giving Blockbuster Online subscribers the option of exchanging their DVDs through the mail or returning them to a nearby Blockbuster store in exchange for free in-store movie rentals.
- Instituting a Blockbuster Rewards program that offered in-store benefits to members and encouraged them to rent movies and games only from Blockbuster stores.
- Introducing Direct Access whereby in-store customers could access Blockbuster's by-mail inventory and have DVD titles shipped directly to their homes.
- Increasing store remodeling efforts in select locations. (The remodeling typically entailed brighter paint, lower shelves, and new merchandising displays.)
- Renegotiating the leases for 2,036 stores in the United States in 2009 and the first four months of 2010 to significantly reduce future store occupancy costs.
- Instituting a higher daily rental rate for each day a customer chose to keep a rental following the initial rental period.
- Selling the DVD inventories of titles that were rented infrequently.
- Curtailing non-essential or discretionary capital expenditures in 2010 and lengthening the payment cycle to certain vendors.
- Further reducing selling, general, and administrative expenses in 2010.
- Aggressively exploring options to sell, license, or divest some of the company's international operations.
- Suspending the payment of 7½ percent dividends on the company's Series A convertible preferred stock for five consecutive quarterly periods beginning February 15, 2009, and ending May 14, 2010. Suspension of the dividend payment for further quarters was expected because, under Delaware law (the state where Blockbuster was incorporated),