

Disney+ and Hulu to unite in a single app this year

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Disney+ plus Hulu equals Disnulu?

Someone may or may not come up with a better name than that, but by the end of 2023, there will be a new streaming app combining the libraries of Disney+ and Hulu, Disney CEO Bob Iger revealed during an earnings call last night.

Iger clarified that customers will still be able to sign up for Disney+ or Hulu only—or ESPN+ only, for that matter. However, the new app will bring a “one-app experience” in the US with Disney+ and Hulu’s selection of movies and TV shows.

The move is somewhat natural, considering Disney owns 67 percent of Hulu. Iger explained the business rationale behind uniting the libraries, calling it a “local progression” of Disney’s consumer offerings “that will provide greater opportunities for advertisers while giving bundle subscribers access to more robust and streamlined content, resulting in greater audience engagement and ultimately leading to a more unified streaming experience.”

Disney already offers a similar service outside the US in Star, which combines Disney+ offerings with content from other Disney properties, like FX Networks and Freeform.

Comcast owns 33 percent of Hulu and has a deal enabling it to sell that share to Disney in 2024 for its “fair market value,”

as reported by The Hollywood Reporter. Under previous CEO Bob Chapek, Disney said that it would “love” to completely own Hulu, even before 2024.

When asked by Barclays analyst Kannan Venkateshwar if the new app will help Disney change Hulu’s “cost structure,” including by “dropping content spending or the number of titles on Hulu,” Iger responded by saying that any final deal is in Comcast’s hands “to some extent.” He added that Disney has had “constructive” conversations with Comcast about selling Hulu.

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Disney combining its properties comes as other previously siloed streaming services are uniting. On May 23, the world will meet Max, a combination of HBO Max and Discovery+. Meanwhile, streaming services are becoming more open about sharing their content with other platforms, as seen in Amazon looking to license its original movies and shows and HBO Max shows winding up on Roku and Tubi. Users are getting tired of managing a large number of streaming service subscriptions to find the content they want to watch, and uniting programs seems to be one approach streaming companies are using to try to appease and maintain subscribers.

Higher price, cheaper library

During Wednesday’s Q2 2023 earnings call, Iger also revealed that Disney+’s ad-free tier will see a price hike in 2023.

At the same time, Disney plans on spending less on content in general, with most of the reductions said to be coming in 2024 and going into 2025. The CEO argued that much of the programming Disney+ has made is not driving subscriber numbers. Meanwhile, marketing for big projects with big money potential, like *Avatar: The Way of Water*, *The Little Mermaid*, and *Guardians of the Galaxy*, has been spread thin.

If you think that people will cancel if Disney+ raises prices,

that's not what the bigwigs at Disney believe. When the company raised prices for its ad-free subscription in 2022 by \$3, the damage was reportedly not that bad.

"We were pleasantly surprised that the loss of subs due to what was a substantial increase in pricing for the non-ad-supported Disney+ product was *de minimis*," Iger said. "It was some loss, but it was relatively small. That leads us to believe that we, in fact, have pricing elasticity."

Disney+ has been losing subscribers since Q4 2022 and is said to have lost 4 million this year, with US and Canada losses totaling around 300,000.

Disney doubling down on a cheaper library *and* a price hike for no ads may be a hard sell, as viewers already have many on-demand libraries to choose from. The streaming landscape is evolving quickly, and in a few months, it may be harder to convince people to pay more for a smaller-budget library without ads, considering the questions around the value of Disney+'s library and the many options users have, including free ones.

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