Disney+ Tests Out a Bold Pandemic Experiment With Mulan



Mulan, the live-action remake of the 1998 animated Disney classic, arrives on Disney+ today, marking the beginning of an experiment from the company to see how much revenue a major motion picture can rake in through premium video rentals instead of a traditional theatrical release.

The film, whose planned March theatrical release was pushed back three times amid widespread theater closures due to Covid-19, will be available for active Disney+ subscribers to watch beginning today on the service for a one-time “Premier Access” price of $29.99 on Amazon Fire TV, Apple, Google and Roku devices, along with directly on disneyplus.com. Disney+ said those who purchase the film will then have unlimited access to the film, and will be able to download it to their devices, for as long as they remain Disney+ subscribers.

The similar premium model will roll out in Canada, Australia and some Western Europe markets before the film becomes available to all Disney+ subscribers for no additional cost on

Dec. 4.

It’s Disney+’s first foray into premium video-on-demand, which had a surge in interest amid theater closures, and the company is hoping it will help strengthen the value proposition of a Disney+ subscription while bringing in some additional revenue for the media company. In a quarterly earnings call with investors last month, Disney CEO Bob Chapek said it was just one example of how the ongoing pandemic has “forced us to consider different approaches and look for new opportunities.”

“We see this as an opportunity to bring this incredible film to a broad audience currently unable to go to movie theaters, while also further enhancing the value and attractiveness of a Disney+ subscription with this great content,” Chapek said.

The decision to move Mulan to digital premium video comes as media companies that are being squeezed by the continued fallout from the pandemic make extraordinary business decisions to account for a collapse in both ad sales and theatrical revenue. NBCUniversal opted to make all of its theatrical releases available for premium rental—for $20 each—as theaters closed, and kids animated film Trolls World Tour, which went straight to premium rental in April, raked in more than $100 million in rental revenue after three weeks.

Disney, which last quarter saw its studio business dip 55% from $3.8 billion to $1.74 billion, may be hoping to replicate that kind of success from its rival (although Mulan costs $10 more than NBCUniversal’s $20 price point). Putting the film on premium VOD, Chapek said, is a “one-off” decision prompted by the pandemic, not a new business model that the company is seriously considering. With that said, the company is hoping to learn from the experiment.

“We find it very interesting to be able to take a new offering, our Premier Access offering, to consumers at that $29.99 price and learn from it and see what happens not only

in terms of the uptake of the number of subscribers that we get on the platform, but the actual number of transactions on the Disney+ platform that we get on that PVOD offering," Chapek explained.

Whether or not the release will be a successful one remains to be seen, and likely won't be disclosed until Disney's next quarterly earnings call. Luckily for Disney, there's a stopgap if digital rentals don't perform: Mulan will still debut in theaters in some major international markets that have more fully reopened, including China—which will almost certainly bring in some considerable box-office revenue.

https://www.adweek.com/tv-video/disney-plus-tests-out-a-bold-pandemic-experiment-with-mulan/