

Disney will bring Hulu content into Disney Plus and raise its ad-free prices

Disney is combining Hulu and Disney Plus into a single streaming app. During Disney's Q2 earnings call on Wednesday, CEO Bob Iger announced that the company is going to create a "one-app experience" within the US and said that it's raising the price of its ad-free plan, which currently costs \$10.99 per month.

"While we continue to offer Disney plus Hulu and ESPN plus as standalone options, this is a logical progression of our DTC [direct-to-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," Iger said.

He continued, "Meanwhile, the pricing changes we've already implemented a proven successful, and we plan to set a higher price for our ad-free tier later this year to better reflect the value of our content offerings."

While Disney's streaming business posted a less-than-expected loss of \$659 million, it still lost 4 million subscribers globally when compared to the previous quarter for a total of 157.8 million – a potential sign that price hikes have started to offset a loss in subscribers.

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We still don't know how much Disney will increase the price of its ad-free plan or if this pricing will change once Disney Plus and Hulu become available as a single app. The company just raised its prices on both Hulu and Disney Plus last year and also introduced a \$7.99 per month ad-supported tier, which Disney chief financial officer Christine McCarthy said will launch in Europe at the end of this year.

Iger added that the combined app will roll out by the end of the calendar year and that the company will share more details "in the future." Hulu content is already bundled into the Disney Plus app in select countries outside of the US. Disney's announcement comes fresh off the heels of Warner Bros. Discovery's announcement that it's bundling HBO Max and Discovery Plus into a single app called Max, which will launch later this month.

"How that ultimately unfolds is to some extent in the hands of Comcast and in the hands of, basically, a conversation or a negotiation that I've had with them," Iger said when answering a question about Comcast. "There seems to be real value in having general entertainment combined with Disney Plus, and ultimately, Hulu is that solution."

The company also announced plans to remove some content from its streaming services, with Disney CFO McCarthy stating that the company is "in the process of reviewing the content on our DTC services to align with the strategic changes in our approach to content curation." This will result in an impairment charge of anywhere from \$1.5 to \$1.8 billion.

<https://www.theverge.com/2023/5/10/23718969/disney-plus-hulu-combining-same-app-us>