Netflix’s ad-supported tier could cost between $7 and $9 per month



Netflix’s forthcoming ad-supported tier may cost between $7 and $9 per month, according to a report from *Bloomberg*. Depending on which plan you currently pay for, that could be a significant savings; the company currently offers plans at $9.99, $15.49, and $19.99 per month.

After the company reported that it lost subscribers for the first time in more than a decade, co-CEO Reed Hastings indicated in April the company was ready to consider a cheaper offering supported by advertising, despite years of spurning the idea of ads. Co-CEO Ted Sarandos confirmed the ad tier was in the works in June, and Netflix announced Microsoft as the technological partner helping to deliver ads in July.

Perhaps unsurprisingly, the ad-supported tier will have some downgrades from the no ads plans; executives have said that some content will be missing from the ad tier at launch, while code spotted in its mobile app indicates Netflix may not let

users on the ad-supported tier download shows for offline viewing.

Netflix is planning to launch the ad tier in a few markets before the end of the year

Bloomberg's Friday report sheds light on a few more details of the ad tier. The company aims to sell approximately four minutes of ads per hour and wants to show ads ahead of and in the middle of content. Earlier this week, *Bloomberg* reported that Netflix doesn't plan to include ads with its kids content or original movies. Netflix is targeting to launch the ad-supported plan in "half a dozen markets" in the final quarter of this year, *Bloomberg* says. The company plans to launch the tier more broadly in early 2023.

In an email to *The Verge*, Netflix spokesperson Kumiko Hidaka said that *Bloomberg*'s report is "all just speculation at this point." She said that the company is "still in the early days of deciding how to launch a lower priced, ad supported tier and no decisions have been made."

The new ad plan arrives at a turbulent time. After April's shocking drop in subscribers, Netflix reported another subscriber drop three months later. Netflix also raised its prices across all of its plans in the US in January — its third price hike in recent years —and is testing ways to turn password-sharing viewers into customers who pay for extra streams. And the company is facing competition from other streaming services like Disney Plus, whose own ad-supported plan is set to launch in December, and HBO Max, which launched a $10 ad-supported plan in June 2021 that comes without downloads or 4K streaming.

Update August 26th, 8:17PM ET: *Updated with Netflix's statement on the report.*

https://www.theverge.com/2022/8/26/23324142/netflix-is-getting-ads-price-streaming-tv-movies