

## AOL buys online video company StudioNow for \$36.5M

January 25 2010

---

(AP) -- AOL Inc. said Monday that it is boosting its ability to create Web videos by paying \$36.5 million for StudioNow Inc., a Web site that lets companies buy custom-made online videos from a network of freelance filmmakers.

AOL will merge Nashville-based StudioNow into its own content management system, Seed.com, which has aggregated assignments for writers and photographers.

The deal closed Friday, New York-based AOL said. It paid a combination of stock and cash, with some of the cash being paid out over several years.

Though it still provides dial-up Internet service, AOL's focus is on generating ad revenue from its Web sites. But AOL has struggled in that transformation as its [advertising revenue](#) has failed to offset the drop in revenue from the dial-up business. That has resulted in cost-cutting measures, including layoffs.

AOL now has been trying to fill its Web sites with inexpensive material produced by freelancers paid by the post. The StudioNow purchase fits into that strategy. AOL cited a study projecting that spending on online video advertising will outstrip that of any other online format.

AOL completed its spin-off from [Time Warner](#) Inc. in December, undoing their 2001 merger.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: AOL buys online video company StudioNow for \$36.5M (2010, January 25) retrieved 27 April 2024 from <https://phys.org/news/2010-01-aol-online-video-company-studionow.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.