

# Wal-Mart offers video streaming on website

July 26 2011, By MAE ANDERSON , AP Retail Writer

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Now playing: Movies at Walmart.com. The world's largest retailer on Tuesday started streaming many movies the same day they come out on DVD, in a second bid for a share of popular movie rental and streaming website Netflix Inc.'s business and just two weeks after Netflix announced new price increases.

Wal-Mart Stores Inc. bought video-streaming service Vudu.com 18 months ago and now offers 20,000 titles that can be viewed on almost any device with Internet access, from computers to televisions to Sony's PlayStation3 and other Blu-Ray disc players.

Movies are available at Walmart.com to rent for \$1 to \$5.99 or to purchase for \$4.99 and up. Wal-Mart is not offering subscriptions, making its service more similar to Apple Inc.'s [iTunes](#), which charges \$3.99 to rent newly released movies and \$14.99 to buy a movie.

In addition to Netflix, another competitor [streaming](#) movies and [TV shows](#) by subscription is Hulu.com, which now offers a [premium service](#) for \$7.99 a month with more back-season shows and more movies. Without a subscription, Hulu viewers can watch shows and [movies](#) free in exchange for watching advertising.

The movie offering fits with the Wal-Mart website's strategy of offering a "seamless continuous shopping service," said Steve Nave, senior vice president and general manager of [Walmart.com](#).

Wal-Mart's announcement comes on the heels of Netflix saying it will

raise rates and charge separately for streaming and rental DVDs. Its second price hike in eight months, Netflix's planned increases could amount to 60 percent for existing customers, starting Sept. 1. New subscribers have to pay the new prices immediately.

Netflix plans to charge \$16 a month for services that used to cost \$10 a month when bundled together, for example. It's still charging \$8 a month for streaming, which it launched late last year. But instead of charging \$2 more for a plan that includes one DVD at a time by mail, the company will charge \$8 and up for DVD plans.

Customers have taken to social media sites Facebook and Twitter to vent their anger over Netflix's increases, but executives said they anticipated the reaction. The company's willingness to risk alienating subscribers signals it needs more revenue to cover rising costs.

As of March, Netflix had 22.8 million subscribers in the U.S. - about 34,000 more than the number of households subscribing to Comcast Corp.'s cable-TV service.

Wal-Mart, based in Bentonville, Ark., has tested the movie-rental waters before. It previously offered a DVD-by-mail service that cost \$12.97 per month for two titles and \$17.36 per month for three titles. But it ceded that program to Netflix in February 2010, letting customers continue their subscriptions with Los Gatos, Calif.-based Netflix without a rate hike. Apple is based in Cupertino, Calif.

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