

Netflix gets kid friendly as it raises US prices

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In this file photo made July 20, 2010, a Netflix customer holds up a movie in Palo Alto, Calif. Netflix has made it easier and more fun for kids and families to instantly watch a huge range of kid-friendly TV shows and movies with its new "Just for Kids," experience. (AP Photo/Paul Sakuma, file)

(AP) -- Netflix Inc. is giving kids and their parents a new reason to embrace its Internet video subscription service as it raises prices to the dismay of many customers.

A "Just For Kids" tab has been added to subscribers' accounts on Netflix's website. Clicking on the feature will pull up a list of kid-friendly recommendations drawn from about 1,000 movies and TV shows in Netflix's Internet video streaming library.

It won't suggest titles that are only available as DVD rentals delivered through the mail. That's an option that Netflix is trying to make less enticing to subscribers so it can save postage and spend more money

expanding its selection of video streaming options.

As part of its de-emphasis on DVDs, Netflix last month announced that it will unbundle the unlimited video streaming option from its most popular plans with disc rentals. Beginning Sept. 1, Netflix's 24.6 million U.S. subscribers who want DVDs and unlimited streaming will have to buy the plans separately. The change will translate into a rate hike of up to 60 percent, or \$6 per month for those getting one DVD at a time. Tens of thousands of subscribers have posted angry comments on the Internet promising to close their Netflix accounts in protest.

The children's feature grew out of Netflix's recognition that its video streaming service is making it easier for kids to watch movies on a variety of devices at almost any time and any place with a high-speed Internet connection. The video can be streamed through video game consoles, the iPad tablet computer and smartphones. Netflix makes it even easier by allowing several people from the same household to stream through the same account.

That convenience and affordable pricing has established Netflix has a major provider of children's entertainment. The company, which is based in Los Gatos, Calif., says about half its subscribers have watched at least two movies or TV shows made for kids within the past 90 days.

Netflix has been mulling a change that would eliminate household sharing of Internet video streaming and require each individual user to pay a monthly fee. The decision to create a kid's-only section within its streaming library shouldn't be interpreted as a sign that Netflix is moving any closer to charging each user, said Todd Yellin, the company's vice president of product innovation. "It doesn't nix that idea (and) it doesn't fuel that idea," he said in an interview. "It's just something that's a possibility, but not imminent."

To shape its definition of kid's entertainment, Netflix relied on ratings from Common Sense Media, a nonprofit group focused on how children's issues. Netflix children's section will highlight different categories with the icons of popular characters such as SpongeBob SquarePants, Dora The Explorer and Miley Cyrus to appeal to its new section's the under-12 demographic.

The children's channel initially will only be confined to Netflix's website. Yellin said the company plans to add the tab to accounts accessed through the Nintendo Wii and other video game consoles, as well as the iPad.

Netflix's stock fell \$5.41, or about 2 percent, to \$240.87 in midday trading Tuesday. The stock price has dropped by more than 15 percent since the company announced its rate increase on July 12.

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