

US satellite TV network launches Netflix challenge

September 23 2011



The Netflix logo is displayed outside of their headquarters in Los Gatos, California, in July 2011. Netflix shares plunged nearly 15 percent on Wall Street on Thursday as the video rental giant slashed its forecast for subscriber growth.

US satellite television provider DISH Network has teamed with Blockbuster to stream films in a challenge to online video rental giant Netflix.

DISH on Friday said it will charge monthly subscriptions of \$10 for a "[Blockbuster](#) Movie Pass" that lets people stream films or television shows as well as rent DVDs and videogames.

"With millions of Internet-enabled [DISH Network](#) set-top boxes deployed in US homes and our ability to offer services from the iconic

Blockbuster brand, we are uniquely positioned to take advantage of the myriad of ways consumers seek access to their favorite movies, TV shows or games," DISH chief executive Joe Clayton said in a release.

The announcement came as Netflix sought to make amends with subscribers upset at a new pricing scheme which resulted in a whopping increase for many customers.

Netflix is separating its DVD rental service from its online streaming unit and apologizing for the handling of the price hike.

Chief executive Reed Hastings made no change to the new pricing scheme but apologized for botching communications surrounding the move.

Netflix announced in July that online streaming and DVD-by-mail service that previously cost subscribers \$10 per month will jump to \$16 monthly. Subscribers can also opt to sign on for one service or the other for \$8 a month.

The DVD service will be renamed Qwikster "because it refers to quick delivery" and Netflix will be used for video streaming. Customers who get both will receive two separate charges.

The Los Gatos, California-based Netflix also said it would be adding videogames to Qwikster offerings.

"We've created a package that combines the best assets of the movie entertainment and video gaming industries with the convenience and integration provided by a multichannel [video provider](#)," Blockbuster president Michael Kelly said of the [Netflix](#) rival to launch in October.

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Citation: US satellite TV network launches Netflix challenge (2011, September 23) retrieved 26 April 2024 from <https://phys.org/news/2011-09-satellite-tv-network-netflix.html>

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