

# Hulu no longer for sale, owners say

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After months of being courted by technology giants and TV signal providers, online video service Hulu is no longer for sale, its media company owners said Thursday.

The [Walt Disney Co.](#), News Corp., [Comcast Corp.](#) and Providence Equity Partners had been shopping the site since June after receiving an unsolicited takeover offer.

They tested the waters for other interest, and dozens of companies, from Internet giants [Google](#) Inc. and Yahoo Inc. to [satellite TV providers Dish Network](#) Corp. and DirecTV, began circling.

But the owners said in a joint statement Thursday that Hulu "holds a unique and compelling strategic value to each of its owners" and that they would refocus on "mapping out its path to even greater success."

Bidding on the service reached as high as around \$2 billion, according to a person familiar with the matter.

The owners decided collectively that it would be better to build out Hulu than sell it for a short-term gain, the person said.

The site had been bulking up on content to top up its roster of reruns from Disney's ABC, News Corp.'s Fox and Comcast's NBC. It recently said it would add Spanish-language programming from Univision, adding to a whole host of content from rival media companies including [Viacom Inc.](#)'s MTV and film studio Miramax.

It had even teamed up with documentary maker Morgan Spurlock on an original show series.

The service has been gaining traction while online streaming rival [Netflix Inc.](#) has stumbled badly.

Hulu said last month it had more than a million subscribers who pay \$8 a month for a deep catalog of TV shows, less than a year after launching the premium tier last November. CEO Jason Kilar has said Hulu is on track to make around \$500 million in revenue this year, up from \$263 million in 2010, and that the company is profitable.

In comparison, Netflix had 24.6 million paying subscribers at the end of June, but it warned last month that it expected a net 600,000 to leave by the end of September after a series of unpopular decisions. They included hiking prices as much as 60 percent on millions of customers and splitting its streaming and DVD-by-mail services into two separately-billed operations, a move it has since reversed.

Hulu's value may have fallen after consumers were seen railing against Netflix's price increase and Netflix balked at paying an estimated \$300 million a year for Disney and Sony movies through pay TV channel Starz, said Needham & Co. analyst Laura Martin.

With the market to pay to stream movies and TV shows cooling, media companies may have decided they could no longer cash out their stakes in Hulu and continue to sell content for top dollar to buyers like Netflix and Amazon.com Inc.

It may have seemed more profitable for Hulu to try to add subscribers and sell more advertising over the long haul.

"Suddenly, when those other entities can offer less cash ... then owning

Hulu looks more attractive," she said.

Starz' shows are still in search of an online home and could migrate to Hulu after its deal with Netflix expires in March, she said.

Hulu's advertising model also has promise.

Despite lagging far behind online video sites like YouTube in terms of monthly visitors, Hulu viewers watch more ads than patrons of other sites. [Hulu](#) accounted for nearly a billion of the 5.7 billion ads viewed in the United States in August, the most of any entity, according to tracking firm comScore Inc.

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