

Disney to shutter online movie store, website

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(AP)—The Walt Disney Co. is shutting down its Web movie service, Disney Movies Online, saying the site wasn't keeping up with user demands.

In an email to users, the company said the site would be closed as of Dec. 31.

The site allowed visitors to buy and rent movies from the Disney library, including films made by its subsidiary Pixar. It also allowed people who purchased physical discs to stream the movies from the website.

On Monday, movies on the site no longer appeared to be available for purchase or rental. The site said people who had already redeemed disc purchases can continue to stream the movies on the site through the end of the year. People who bought movies on the site previously are being offered refunds.

"The digital environment is rapidly evolving and Disney Movies Online does not have the flexibility that many users today demand," a Disney spokesperson said in a statement. "We made a business decision to close the service until we are able to provide the greatest value and experience to our customers."

Disney did not announce when its expected replacement service, Disney Movies Anywhere, would be launched.

Disney Movies Online did not attract many customers and had limited

capabilities. Users couldn't download their digital movies for offline playback, there was no support for connected devices like game consoles, and it only offered movies for streaming on Web browsers.

Disney is the only studio of the six Hollywood majors that has declined to participate in UltraViolet, a standard that gives consumers the ability to view their movie purchases on multiple devices. It is developing its own technology called KeyChest that performs a similar function.

Studios hope that giving consumers the ability to do more with their movie purchases will help boost sales.

Since launching in October of last year, UltraViolet has had about 6 million people sign up.

For the nine months through September, U.S. sales of DVD and Blu-ray discs were down 3.8 percent at \$5.4 billion, according to the industry consortium, The Digital Entertainment Group.

More people are turning to subscription video services like Netflix and digital rentals through video-on-demand services connected to their TVs. When factoring in digital forms of movie consumption, U.S. home video revenue is up 1 percent at \$12.3 billion this year.

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