

Dish, Disney deal envisions Internet-delivered TV

March 4 2014, by Ryan Nakashima

Dish Network and Disney have reached a landmark deal that envisions the day when Dish will offer a Netflix-like TV service to people who'd rather stream TV over the Internet than put a satellite receiver on their roof.

The deal announced late Monday paves the way for Dish to offer live local broadcasts from ABC TV stations and programming from ABC Family, Disney Channel, ESPN and ESPN2 over mobile devices, set-top boxes and other means, similar to how Netflix's video streams are delivered today.

No start date for such a service was announced. It is likely that Dish will have to cut similar deals with other programmers to make such a service attractive. A Dish spokesman refused to speculate on what the offering would cost.

As part of the new rights deal, Dish Network Corp. agreed to disable—for three days after the initial broadcast—a function on its Hopper digital video recorders that allows people to automatically record and strip out commercials from prime-time weeknight programming. But that's only for programs on ABC, which is owned by The Walt Disney Co.

Dish CEO Joseph Clayton said in a statement the deal was "about predicting the future of television."

Anne Sweeney, co-chairman of Disney Media Networks, said in a statement that both Disney CEO Bob Iger and Dish's majority shareholder, Charlie Ergen, were directly involved in carving out "one of the most complex and comprehensive" deals ever.

"We planned for the evolution of our industry," she said.

With the deal, both sides are dropping a legal battle between them over the so-called AutoHop function, which had threatened to cut into the revenue of media companies like Disney by stripping out ads. Dish hasn't made public how many of its 14 million subscribers use the Hopper.

Dish customers will also gain access for the first time to Disney's WatchESPN, Watch Disney, Watch ABC Family and Watch ABC apps, which allow for live and on-demand program viewing on mobile devices in or out of the home.

Dish is also picking up a slew of new channels including Disney Junior, Fusion, ESPN Goal Line, Longhorn Network and the upcoming SEC ESPN Network when it launches sometime this fall. It also gains more access to more on-demand Disney programming.

The companies said they would work together on new advertising models. Last month, Dish announced a technology partnership with rival satellite TV company DirecTV to launch a system that helps target political ads to viewers based on where they live.

Dish and Disney said they are looking at dynamically inserting ads into programming based on viewer data, developing new ways of advertising on [mobile devices](#), and measuring viewing for longer than the current industry standard that includes the live broadcast plus three days of DVR viewing.

The two sides have been quietly negotiating a new deal since before the last one expired at the end of September, deftly avoiding a signal blackout like the one between CBS Corp. and Time Warner Cable Inc. last August that caused massive subscriber defections.

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