

## Dish aims to launch Web TV service by year's end

## May 8 2014, by Ryan Nakashima

Dish says it plans to launch its Internet-delivered TV service by year's end on mobile devices, game consoles and smart TVs for about \$20 to \$30 a month. It will contain live sports, entertainment and children's programming.

That's a lot less than the typical pay TV package that Dish Network Corp. sells to its 14.1 million satellite TV subscribers, but it will have far fewer channels.

The aim is to make a TV product appeal to <u>young adults</u> who love sports and have kids but won't pay \$100 a month for TV, Dish Chairman Charlie Ergen told analysts and reporters on a conference call Thursday.

Dish and The Walt Disney Co. signed a deal in March that made live ESPN, ABC and Disney Channel streams available for such a service. Ergen said enough other programmers have come on board to launch the service today. However, the technology isn't ready, he said.

"We have enough programming contracts to launch the service now," Ergen said. He said it would take more time to create technology to insert targeted commercials on <u>mobile devices</u> and track viewing. "There's a few things we have to invent that will take us some time, so we're looking at something by the end of the year," he said.

Dish CEO Joe Clayton said the target audience is young adults aged 18 to 35 who are urban, well-educated, and would likely spend \$20 to \$30 a



month to watch about 20 to 30 channels.

The Dish executives' comments came after Dish reported that it gained 40,000 traditional satellite TV subscribers in the quarter through March and saw revenue rise 6 percent to \$3.59 billion. But net income fell 18 percent to \$175.9 million, or 38 cents per share, as expenses also rose. The results were short of the 43 cents of earnings analysts expected and shares fell.

Ergen said the Internet TV <u>service</u> would not likely have a big impact on earnings immediately and noted that the traditional pay TV business was "hanging in there pretty well."

He said it was a bet on the future in case the pay TV business takes a sudden turn.

"It's a bit like the lobster that gets boiled," he said. "You don't really know you are dead and boiled until it's too late. Dish is just a company that would rather be out front and make some mistakes and be ahead of the curve."

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