

## It's on ... Amazon's stand-alone streaming targets Netflix

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This Sept. 6, 2012, file photo, shows the Amazon logo in Santa Monica, Calif. Amazon is taking on Netflix and Hulu with a stand-alone video streaming service. Starting the week of April 18, 2016, customers can pay \$8.99 a month to watch Amazon's Prime video streaming service. Previously, the only way to watch Prime videos was to pay \$99 a year for Prime membership, which includes free two-day shipping on items sold by the site. The video-only option won't come with any free shipping perks. (AP Photo/Reed Saxon, File)

Amazon.com Inc. is taking on Netflix and Hulu with its own stand-alone

video streaming service, just weeks before Netflix raises prices for longtime subscribers.

New customers can now pay \$8.99 a month to watch Amazon's Prime video streaming service. Previously, the only way to watch Amazon's videos was to pay \$99 a year for Prime membership, which includes free two-day shipping on items sold by the site, and other perks.

At \$8.99 a month, Amazon's stand-alone streaming service is \$1 less than Netflix's standard membership and \$1 more than Hulu's basic subscription.

Netflix said earlier this year that a "substantial number" of its longtime members who paid \$7.99 monthly—and have been protected from price hikes—will now pay an additional \$2 starting in May.

Amazon's decision to break off its video streaming service could cause some defections at Netflix, wrote Wedbush analyst Michael Pachter in a note to clients.

Both companies have invested heavily in original and exclusive programming. Netflix has "Orange is the New Black," "House of Cards" and a couple of series based on Marvel comic characters. Amazon's offerings include "Transparent," "Mozart in the Jungle" and previously aired HBO shows. With Hulu, users can watch many current TV episodes a day after they air on a network. Hulu is also growing its exclusive offerings, with "The Mindy Project" and "Difficult People."

Netflix Inc. declined to comment Monday. Representatives for Amazon and Hulu did respond to a request for comment.

Amazon may be a rival, but Netflix is also an Amazon customer. The Los Gatos, California-based streaming company uses Amazon Web

Services to store its content and help run parts of its site and apps.

Besides its stand-alone video service, Amazon is also offering a new pay-as-you-go option for its full Prime membership for \$10.99 a month and comes with free two-day shipping, video streaming and other perks. Amazon's website said that users who opt to pay \$10.99 monthly, instead of the \$99 annual fee, can cancel at any time. The \$99 a year option remains the cheapest way for most people to get both free two-day shipping and video streaming, equaling about \$8.25 a month.

Shares of Seattle-based Amazon.com Inc. rose \$5.22 to \$630.11 in afternoon trading Monday. Netflix Inc. shares fell \$4.44, or 4 percent, to \$107.07.



In this Friday, Jan. 17, 2014, file photo, a person displays Netflix on a tablet in North Andover, Mass. Amazon is taking on Netflix and Hulu with a stand-alone

video streaming service. Starting the week of April 18, 2016, customers can pay \$8.99 a month to watch Amazon's Prime video streaming service. Previously, the only way to watch Prime videos was to pay \$99 a year for Prime membership, which includes free two-day shipping on items sold by the site. The video-only option won't come with any free shipping perks. (AP Photo/Elise Amendola, File)

## **Streaming services: What Amazon, Netflix and Hulu cost**

Amazon is taking on Netflix and Hulu, offering a stand-alone streaming service for the first time.

Starting this week, the e-commerce company says customers can now pay \$8.99 a month just to watch Amazon's Prime video streaming service. Previously, the only way to get access to Amazon's videos was to pay \$99 a year for Prime membership, which includes free two-day shipping on items sold by the site. The video-only service does not come with free shipping.

Here's how the Amazon, Netflix and Hulu streaming services compare:

### **AMAZON PRIME VIDEO**

Price: \$8.99 a month for stand-alone streaming.

Offerings: Movies and past seasons of TV shows, such as "The Sopranos" and "Downton Abbey." Original programs include "Transparent," "Mozart in the Jungle" and "Catastrophe."

### **NETFLIX**

Price: \$9.99 for standard membership.

Offerings: Movies and already-aired TV shows, including "Friends" and "Breaking Bad." Original series include "House of Cards," "Orange is the New Black" and "Jessica Jones."

## HULU

Price: \$7.99 a month for its basic subscription with commercials. An ad-free version costs \$11.99 a month.

Offerings: Current TV episodes, such as "Empire" and "Modern Family," a day after they air on network TV. Original series include "The Mindy Project," "Difficult People" and "Casual." Movies are included.

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