

YouTube to offer online movie rentals

2 September 2009, By RYAN NAKASHIMA , AP Business Writer



YouTube is considering streaming movies for rental, a move that would see the free video-sharing site charging for content for the first time, The Wall Street Journal reported Wednesday.

The newspaper, citing "people familiar with the company's plans," said Google-owned YouTube is holding talks with major movie studios including Lions Gate Entertainment Corp., Sony Corp. and Warner Bros. about integrating newer titles for rental.

"Negotiations are continuing and there are no guarantees a deal will be struck," the newspaper said.

YouTube, known mainly for its user-contributed amateur videos, already has struck deals with some studios to screen clips and full-length movies but does not currently charge for anything on the site.

YouTube recently announced an agreement with US media and entertainment giant Time Warner to show clips from Time Warner property Warner Bros. with advertising revenue being split between them.

Google bought YouTube in 2006 for 1.65 billion dollars but the Mountain View, California-based Internet search and advertising giant has not yet managed to turn a profit with the site despite its massive global popularity.

The Wall Street Journal said that while details vary from studio to studio, "generally speaking the agreements (under discussion) would allow consumers to stream movies on a rental basis for a fee."

"In some cases, these titles might be available on the site on the same day that they come out on DVD," the newspaper said.

It said new movie rentals were likely to cost around 3.99 dollars, the price Apple charges for new movie rentals through iTunes.

The Journal said Google plans to test the service on 10,000 of its employees for three months. It said the trial was supposed to start at the beginning of September, but was pushed back as the studio negotiations dragged on.

Besides Apple, Amazon.com and Netflix also allow users to rent movies online.

Online video website Hulu.com, a fast-growing rival to YouTube, offers full-length television episodes and movies for free and has reached agreements with three of the four major US broadcast television networks.

A YouTube spokesman told the Journal the company is always working to expand on "its great relationships with movie studios and on the selection and types of videos we offer our community."

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APA citation: YouTube to offer online movie rentals (2009, September 2) retrieved 22 September 2021 from <https://phys.org/news/2009-09-youtube-online-movie-rentals.html>

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