

Netflix subscribers face dilemma as prices climb

31 August 2011, By MICHAEL LIEDTKE , AP Technology Writer



In this Nov. 22, 2010 photo, a movie selected from among Netflix's "Watch Instantly" titles begins to download on a home computer screen in New York. Millions of Netflix subscribers will be wrestling with a new dilemma during the next month as they decide how to respond to price changes that will hit the video service's existing customers beginning Thursday, Sept. 1, 2011. (AP Photo/James H. Collins, File)

(AP) -- The toughest choice most Netflix customers usually face is figuring out which movie to put at the top of their queues.

But millions of Netflix [subscribers](#) will be wrestling with a new dilemma as they decide how to respond to price changes that will hit the video service's existing customers beginning Thursday.

The new system will impose substantially higher rates on customers who want to keep renting [DVDs](#) through the mail and enjoying the more immediate gratification of [streaming](#) video over high-speed Internet connections.

A small number of [Netflix Inc.](#)'s nearly 25 million U.S. subscribers will be unaffected because they had already limited their usage to Internet video streaming. Others will have to pay as much as 60 percent more unless they are prepared to wean themselves from one of Netflix's entertainment

options or just close their service entirely.

Here's a few factors for Netflix subscribers to consider:

- Find out which day of the month Netflix bills you.

Click "Your Account & Help" on the top right, then look for the next billing date in the center. That is when the new rates take effect. For example, if Netflix doesn't charge you until the 22nd of each month, you still have another three weeks before being charged more to have both DVD rentals and Internet video. If you usually get billed on the second day of each month, you will need to make a change promptly to avoid being charged more.

- Know the new prices.

For the first time since it introduced Internet streaming in 2007, Netflix is offering DVD-only plans. For \$8 per month, customers can rent an unlimited number of DVDs per month, with a maximum of one disc out per time. DVD-only plans allowing two discs out at time will cost \$12 per month and three DVDs at a time will go for \$16 per month.

The cheapest package that combines Internet video and DVD rentals (one disc at a time) will cost \$16 per month - up from \$10 per month under the old system.

The price for an Internet-streaming only plan remains \$8 per month.

- If you're among the customers who want to keep just one of Netflix's entertainment options, assess what you like to watch on the service and how you watch it.

Internet streaming is more convenient because there's no waiting for video to be delivered by the U.S. postal system. It also enables viewing on

personal computers, tablet computers and phones, besides television sets. The negatives: It requires high-speed Internet access, which isn't cheap, and Netflix's streaming library is about one-fifth the size of the 100,000 selections in the DVD section.

DVDs remain the best way to see the latest movies after they have ended their run in theaters. In some cases, Netflix must wait four weeks after DVDs go on sale in stores before they can mail them to customers, but that's far better than Internet streaming where the wait can last several years.

Internet streaming is better for watching good documentaries (which sometimes are available at the same time as the DVDs), catching up on past seasons of TV shows and enjoying older movies.

If you like to watch series such as "The Wire" and "Curb Your Enthusiasm" that have previously been shown on HBO, stick with DVDs because those titles have never shown up in Netflix's streaming library.

- Before abandoning Internet streaming, remember it is probably going to keep getting better because it is Netflix's top priority. Netflix has left no doubt that it intends to spend big bucks to make its streaming library more compelling. The company already has secured the exclusive rights to a series starring Academy Award-winning actor Kevin Spacey. That series, "House of Cards," initially will be available late next year only to Netflix's streaming customers.

- Keep some perspective. Sure, a 60 percent increase sounds outrageous, but it's only \$6 more per month to have your DVDs and Internet [video](#), too. Most people could cover that cost by cutting out one or two visits to Starbucks or some other store each month.

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