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Disney will launch a ‘one-app experience’ in 2023, bringing Hulu content to Disney+

Article

The news: **Disney** will launch a “one-app experience” later in 2023 that will bring content from **Hulu** to **Disney+**, CEO Bob Iger said during the company’s Wednesday earnings call. The announcement is a sign that Disney intends to retain its share of Hulu and invest more heavily in streaming.

By the numbers:

- Total revenues totaled $21.81 billion, a 13% increase and landing just above expectations of $21.79 billion.
- Parks, experiences and products revenues grew 17% to $7.7 billion, with most ($5.5 billion) coming from theme parks.
- Disney+ subscribers missed the mark, declining 2% to 157.8 million, mostly due to losses in India. But recent price increases helped offset those losses, and **Disney announced that it plans to raise prices again in 2023**.
- Linear TV revenues were down 7%, totalling $6.63 billion.

Owning the streaming market: Disney's linear losses and streaming revenue gains are yet another indication that legacy media companies see a streaming-first future. The company appears to be satisfied with a temporary loss in streaming subscribers as long as revenues increase, likely because it has its sights set on getting full ownership of **Hulu.**

- For a brief moment after **Bob Iger** reprised his role as CEO, Disney's pursuit of Hulu looked less than certain. Former CEO **Bob Chapek** failed several times to purchase the remaining 33% share of Hulu from **Comcast**—the deal comes to a head in **January 2024**.
- But with the news that Disney plans to wrap Hulu content into its streaming offerings, it seems clear that Disney isn't willing to give up its share of the service, which has one of the largest viewer and subscription counts in the industry and holds significant sway with advertisers.
- Narrower losses on Disney+ stand in contrast to streaming services like **Peacock** and **Paramount+**, which have seen losses widen quarter after quarter in an attempt to drive subscriptions that the market has (mostly) punished.

Challenges: Although the company remains near the top of the streaming market for now, a number of challenges could slow its roll.

- For one, there's the ongoing **Writers Guild of America** strike, which has halted a number of major Disney productions including **Marvel** films and **Star Wars** shows. The company's CFO said Disney "hasn't really quantified" the strike's impact, but we think the stalemate could go on for quite a while.

- Price hikes also aren't so simple: While helping revenue growth, they could also be responsible for the recent dips in subscriptions. Disney isn't the only company raising prices, either: Most streamers have plans or are likely to increase prices this year as revenues shrink, which could have an impact on overall subscription movement.