

# The great streaming consolidation

## Article

Are Disney+, HBO Max, Hulu, Discovery+, and Peacock on their way from five to two? Our analyst Jeremy Goldman thinks it could happen by 2025. He shared his thoughts on a recent [“Behind the Numbers”](#) podcast.

**Mouse ears:** Disney owns two-thirds of Hulu; Comcast owns one-third.

- Disney could integrate Hulu into the Disney platform, but it wants **full control**.
- Disney is negotiating to see if it can move the timetable forward and the price down for that move.

- But Hulu is growing, so is Comcast ready to sell right now?

### **Hulu by the numbers:**

- Hulu's ad revenues will be nearly \$4.4 billion this year, over \$5 billion next year, and over \$6 billion in 2024.
- When it comes to viewership, 36% of Americans watch Hulu this year, 38% will watch it next year, and 40% will watch it in 2024.

"Hulu has a very different demo than Disney+, and I think there are some questions about whether or not what [Disney CEO] Bob Chapek was saying is necessarily the best thing for Disney+ as a platform," Goldman said. "But the comments that he made recently are the most definitive that it would be a strong consideration to merge the two platforms. Obviously, if you do that, you have a lot of things in your favor, including the fact that Disney+ is going into advertising and will be able to charge higher [costs per thousand] (CPMs) the less players that are in the market."

**Brand power:** Don't forget that ESPN could also roll up into this Disney+-Hulu mashup. Will that dilute the brands?

- It's testing the waters by adding some not-so-kid-friendly Marvel content. "Can they have content that is less Disneyish on a platform that's called 'Disney?'" Goldman asked. "Ultimately, I think if they control all of the platforms that is the more valuable thing than the merging of those brands."
- Plus, Disney+ could have sub-brands for ESPN and others in much the way it currently does with National Geographic.

**Brotherly love:** Rumor has it that [Warner Bros. Discovery \(WBD\) and NBCUniversal will merge.](#)

- WBD must wait two years (2024) until it can make another move following Warner Bros. acquisition of Discovery.
- WBD is looking to cut costs following that acquisition, including [shuttering CNN+ after less than a month.](#)
- "They are doing things to signal they are trying to get their house in order," Goldman said. But if WBD remains cheap enough for long enough, Comcast might get involved.

- [HBO Max and Discovery+ are set to merge starting next year](#). “It’s not all that far-fetched,” Goldman said, if that merged platform then merges with Peacock, which is owned by NBCU.

**Why we care:** As more players get into advertising, and there are fewer players, more CPM can be changed. Plus, having more advertising options available through one ad manager (e.g., ESPN, Disney, Hulu) makes it easier for advertisers. But regulators will have their eyes open as these supermergers take place.

For consumers, bundling through consolidation could be a welcomed event because you’d have more content for the whole family under one app.

Listen to the full podcast.

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