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Comcast Takes Aim at Netflix

By SAM SCHECHNER



Comcast will launch an Internet streaming-video service that will give existing Comcast video customers a selection of old TV shows and movies, Sam Schechner reports on digits. Photo: Getty Images.

[Comcast](#) Corp. opened a new front in the Internet-video wars Tuesday, unveiling a new subscription service that will compete more directly with online streamer [Netflix](#) Inc.

The Philadelphia-based cable operator said it plans this week to launch Xfinity Streampix, which will give Comcast video subscribers a selection of older movies and prior-season TV shows that they can watch on TVs and Internet-connected devices.

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Comcast's service will cost \$4.99 a month for most Comcast subscribers, cheaper than Netflix, which offers similar types of programming and charges \$7.99 a month.

But Comcast will make Streampix available for no extra charge to more than two million subscribers who pay for expensive tiers of video service. Comcast, the biggest U.S. cable operator, had 22.3 million video subscribers at Dec. 31.

"We want to be the single stop for video needs for consumers," said Marcien Jenckes, who is in charge of Comcast's video offerings.

The new offering highlights how Netflix's success in building a sizable streaming service is drawing in an array of rivals. The Los Gatos, Calif., company had signed up 21.7 million Web-streaming subscribers as of Dec. 31. That compares with 28.2 million subscribers as of Sept. 30 for [Time Warner Inc.](#)'s HBO, the most popular premium cable channel, according to SNL Kagan.



WSJ Marketplace Editor Dennis Berman visits Mean Street to discuss the possibility that cable TV is facing extinction, caused by the proliferation of alternative methods of distributing video content. Photo: AP.

Internet retailer [Amazon.com](#) Inc. has been striking content-licensing deals with various Hollywood studios for its own Web-streaming service, which is bundled as a sweetener to customers who pay \$79 a year for discounted shipping through an offering called Amazon Prime. Meanwhile, satellite-TV operator [Dish Network Corp.](#) sells a streaming movie subscription service to its existing TV subscribers, and telecom giant [Verizon Communications](#) Inc. recently struck a deal with [Coinstar](#) Inc.'s Redbox to launch a similar service later this year, too.

"Netflix leads a big, growing market and big growing markets always attract competition," said Netflix spokesman Steve Swasey.

And while Streampix is limited to Comcast's video subscribers, the cable operator negotiated expansive content rights with media companies that would allow it to sell the service nationwide to anyone, according to people familiar with the pacts.

Media executives who have negotiated deals with Comcast say that the cable giant has been seeking nationwide rights in many of its agreements to renew TV channels, even for new TV shows. Such deals could let Comcast quickly offer a nationwide online video package should a tech giant like [Apple](#) Inc. or [Google](#) Inc. opt to do so. But Comcast executives said they currently have no plans for such an offering.

"We really have no intention to launch something out of our footprint," said Mr. Jenckes. Instead, he said the new Streampix service would make Comcast's existing subscriptions more attractive.

Streaming Guide Comparing online video subscription outlets			
	Comcast	NETFLIX	amazon.com
U.S. AVAILABILITY	Comcast video subscribers only (via Xfinity Streampix)	Nationwide	Nationwide
COST	Free with certain tiers of Comcast TV; \$4.99/month for other Comcast subscribers	\$7.99/month	Bundled with \$79/year shipping service Amazon Prime
OFFERING	Selection of prior seasons of TV shows like '30 Rock' and older movies	More than 40,000 movies and TV episodes	More than 15,000 movies and TV episodes

The Wall Street Journal

Comcast said the new service isn't a Netflix competitor, but a way to enhance its other offerings to keep viewers from cutting off cable subscriptions, and to sign up for pricier tiers of service. In that way, it is similar to Comcast's existing Xfinity TV offering that gives a selection of newer shows to Comcast video customers in and out of the home, as part of their standard video subscriptions.

There will be some overlap between Streampix and Netflix, however. When it launches, Streampix will include

such shows as "30 Rock," from its own NBCUniversal unit and "Lost" from Walt Disney Co.'s ABC, as well as movies like "Ocean's Eleven," from Time Warner's Warner Bros. Netflix has "30 Rock" and "Lost" on streaming but not "Ocean's Eleven." The programs, typically of prior seasons of

shows, will be available on many Comcast platforms, from video-on-demand menus in TV set-top boxes, to apps for mobile devices like Apple's iPad.

Netflix has been investing in original programming of its own, with an eye to distinguishing its service from rivals—just as premium cable channels like HBO have long done. Netflix has begun streaming "Lillyhammer," a Norway-based Mafia drama, and has committed to an original series with actor Kevin Spacey and to finance production of new episodes of the sitcom "Arrested Development," which had originally been canceled in 2006. On Tuesday, Netflix said that it had signed a deal for exclusive access to certain Weinstein Co. movies, including "The Artist," which is nominated for Best Picture at the coming Academy Awards.

Netflix may continue to have an edge because it generally has the widest selection of older TV shows and movies, media executives say. But Amazon.com appears to be increasing its investment and is getting a bigger selection. Comcast's offering in early talks with media companies didn't appear to be as broad, the executives said, though the company says it expects to add more content.

—Stu Woo contributed to this article.

Write to Sam Schechner at sam.schechner@wsj.com

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