

Questioning Hulu's Future

By Kevin Sanson

5-6 minutes

Earlier this month, *Fast Company* published a lengthy [feature](#) on Hulu arguing the streaming service's success has jeopardized its future growth as well as the tenure of its CEO, Jason Kilar. Reporter Nicole Laporte writes that Hulu's accomplishments have made it an easy target for networks and studios fearful of what digital distribution threatens to do to traditional business models:

“Half the people at [networks and studios] wish [Hulu] would go away,’ says one source who, like many of the dozens of studio execs, agents, producers, and Kilar's colleagues I interviewed for this story, asked not to be identified for fear of alienating any of the parties involved.”

MIP decided to look back at other commentaries, discussions, and speculations that the site has prompted in its short history. With few exceptions, we stuck to entries with 1,000 words or more and kept them in chronological order. While our list is not exhaustive, it does highlight how the tenuous relationship between Kilar and his company's corporate parents (News

Corp., Disney, and Comcast/NBCUniversal) has always lurked in the background of the site's success, suggesting perhaps that this story's conclusion was foretold from the beginning.

2008

- *Ed. Note:* Hulu officially launches as a free streaming site in March.
- Less than a month later, Hulu's "[counterintuitive](#)" approach to online video earns praise.
- The Associated Press [names](#) Hulu "Website of the Year."

2009

- Hulu attracts attention for turning a [profit](#) despite drawing fewer users than its rival YouTube.
- *Ed. Note:* Disney purchases a stake in the company in March.
- Hulu's growing popularity raises [questions](#) about how to accurately measure audiences for online video.
- Attention turns to the unlikely [partnership](#) between old and new media that spawned Hulu.
- After the site hits a major [milestone](#), questions about a possible subscription model start to circulate.
- The NBC-Comcast merger draws attention to the "[threat](#)" Hulu poses to cable television.
- Here's a 2009 *Charlie Rose* interview with Kilar:

2010

- Hulu suffers its first major [setback](#): Viacom pulls Comedy Central programs, including *The Daily Show with John Stewart* and *The Colbert Report*, in a disagreement over license fees.
- Reports emerge that Hulu faces increasing [pressure](#) from its parent companies to earn more money and establish a subscription service.
- Hulu [launches](#) a beta version of HuluPlus in the summer as an invite-only preview service for \$9.99 per month. Hulu ultimately drops the price to \$7.99 after its official launch. The move [highlights](#) differing opinions on how to monetize online video.
- Complicated licensing agreements detract from the service's "anytime, anywhere" promise as viewers voice [frustrations](#) over the difficulty in understanding what they can or cannot access on Hulu, and for how long.
- Rumors emerge about a possible \$2 billion IPO. The news [prompts](#) *Modern Family* co-creator Steve Levitan to [criticize](#) digital delivery methods, saying sites like Hulu unfairly benefit from content without compensating those who create it.
- *Ed. Note:* In October, Hulu's owners scrap plans for an IPO.



Hulu CEO Jason Kilar

2011

- Hulu's parent companies [contemplate](#) turning Hulu into an online cable operator to resolve concerns over cannibalizing their content.
- After Viacom returns to Hulu, Kilar [posts](#) a blog post about the future of television that the [trades](#) frame as a major affront to Hulu's owners.
- Hulu gains [notice](#) as an emergent source of international content, especially U.K. television series.
- FOX limits [access](#) to online videos for non-cable subscribers, a move that prompts discussion about cord cutting, authentication, piracy, and the future of Hulu.

2012

- Hulu [announces](#) a \$500 million commitment to original content development and [pitches](#) content to advertisers at this year's upfronts.

- [HuluPlus](#) attracts 2 million paid subscribers and revises its content strategy.
- [Variety](#) obtains a confidential internal memo between News Corp. and Disney that outlines anticipated changes to the streaming service, including new content deals that risk diluting Hulu's competitive advantage. The memo also raises questions about Kilar's [future](#) at the company.
- Hulu's corporate parents are the source of concern for viewers who worry about the [threat of authentication](#) and "[an increasingly erratic and confusing consumer experience.](#)"
- Here's a 2012 *Charlie Rose* interview with Kilar: