



WarnerMedia to Launch Three-Tiered Streaming Service in 2019

11.29.2018

AT&T-owned Warner Media will roll out its new subscription streaming service by the end of next year, company executives said during an investor presentation in New York on Thursday.

The new service, which has yet to be named, will be made available to consumers in three tiers: an entry-level movie-focused package, a premium service with original TV shows and big movies, and a third option that combines the first two plus adds much more library content.

"You must develop a direct relationship with your viewers," AT&T CEO Randall Stephenson told analysts. "And if you're a communications company, you can no longer rely exclusively on oversized bundles of content."

How much each of these tiers would cost and what role advertising would play on each of them has not yet been revealed.

On Monday, WarnerMedia named Brad Bentley general manager and executive vice president of direct-to-consumer development. In this role, Bentley will oversee the nascent streaming service. Bentley is moving over from DirecTV and AT&T Entertainment Group where he was head of marketing.

The announcement currently evokes more questions than answers, such as who will run the programming side of the service, where will it acquire content from other than Warner Bros., and what will happen to Warner Bros. content - including almost all of the shows that now air on The CW, which is co-owned by Warner Bros. and CBS and has a multi-billion, multi-year deal with Netflix?

The WarnerMedia streaming service will face a great deal of competition in this space from the likes of established competitors Netflix, Amazon Prime Video, Hulu, CBS All Access and Disney, which also plans to launch its own SVOD service in 2019. To prepare for this, Disney already has sunset some of its deals with Netflix with many Disney movies, including Star Wars prequels *The Force Awakens* and *The Last Jedi*, leaving the service after this year. In October, two of Disney's Marvel series - *Luke Cage* and *Iron Fist* - were canceled and late Thursday, *Daredevil* got the axe. Disney has said it plans to introduce new Marvel series on its upcoming streaming service.

WarnerMedia also has been consolidating its efforts in the streaming and digital realms, shutting down standalone streaming services FilmStruck, which programmed films from the Warner Bros. library, and Drama Fever, which showed Korean dramas. AT&T also shuttered Turner's digital studio Super Deluxe soon after it closed its acquisition of Time Warner.

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