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Netflix Opens Up Streaming-Only for US Customers, DVD Plans Get Price Bump

Netflix finally pulled the trigger: US customers can now switch over to an \$8 per month unlimited-streaming plan and leave those red envelopes behind once and for all. If the dollar a month you'd save by switching from the single-DVD plan isn't enough incentive to switch, Netflix has you covered: the difference will actually be [...]



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In fact, all of the DVD-by-mail plans are getting a price bump, ranging from \$1 to \$8 per month, depending on the size of the plan. Streaming video started out as a nice bonus for subscribers; now DVD delivery is really a premium add-on to the main streaming business.

This is partly because technology has caught up and partly because our TV-watching habits have changed. When Netflix introduced "Watch Instantly" in early 2007, it was Windows-only, and you needed a pretty solid broadband connection to avoid long buffering waits or bitrate adjustments that made the video barely watchable.

Now Netflix can stream video to a huge range of set-top boxes, game consoles, mobile and portable devices, or direct to your television, even over Wi-Fi or 3G. Our data services are stronger, our devices are more connected, and Netflix's **services** on both the back and front end have become more sophisticated.

Video streaming has also changed from a cute idea to a widely-used, universally-expected practice. Netflix alone accounts for about 20% of broadband usage at peak hours. Users talk about new titles streaming on Netflix the way they used to talk about movies becoming available to watch on HBO.

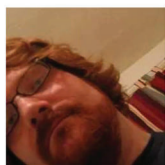
The service quickly got company. Hulu stepped into to compete with Netflix in 2007 as a free streaming TV site, owned by networks and supported by ads. Network sites stopped fiddling around with previews and "webisodes," and **started their own serious streaming services**, ranging from new content to whole back catalogs. Now, even the cable companies are pushing to bring their content to the web.

Streaming to PCs or mobile devices may not be as crucial to Netflix's business and future plans as the various ways it gets to your television screen, but their pay-once, watch-everywhere model is the paradigm every other service has had to either emulate or outcompete.

As Epicenter's [John C Abell](#) points out, the \$9 one-DVD-per month plan has effectively been a streaming-only plan for most of its users for a long time. Is an extra \$24 per year worth it for quick access to the handful of hot DVD titles -- or one well-loved *Curious George* DVD -- that can't be had via Watch Instantly? And what about the price hikes for the big plans? Since Blockbuster went bankrupt, few will bolt -- but will users who've been renting a box set at a time pay a mint for the privilege or be tempted to cut back? That's what Netflix subscribers now have to figure out.

See Also:

- [Home AV Product of the Year: Netflix Streaming](#)
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- [Netflix Officially A Streaming Video Company With DVDs On the Side ...](#)
- [Netflix PS3 App Ditches Disc, Adds HD and Surround Sound](#)
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Tim is a technology and media writer for Wired. He loves e-readers, Westerns, media theory, modernist poetry, sports and technology journalism, print culture, higher education, cartoons, European philosophy, pop music and TV remotes. He lives and works in New York. (And on Twitter.)

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