A look at Netflix since much-hated price hike

The Associated Press

Some key events involving Netflix since a backlash against it began over the summer:

July 12, 2011: Netflix Inc. says it will raise prices by as much as 60 percent for millions of subscribers who want to rent DVDs by mail and watch video on the Internet. The company decided to separate the two options so that subscribers who want both must buy separate plans totaling at least $16 per month. Netflix Inc. had been bundling both options in a single package starting at $10 per month.

Sept. 1: The price hike begins to take effect for existing customers. New customers had the new prices immediately.

Sept. 5: Netflix begins to offer its service in Latin America. Like its counterpart in Canada, the Latin American service is streaming-only, with no options for getting DVDs by mail.

Sept. 18: Netflix CEO Reed Hastings apologizes but keeps price hike in effect. Company creates more anger when it announces plans to split into two services — Netflix for the streaming, and Qwikster for the familiar discs in red envelopes. That means subscribers have to visit two websites to make movie requests and update billing information. Hastings says the two businesses have different cost structures and benefits, and splitting would let each grow independently.

Oct. 10: Netflix backs away from its plan to split its two services.

Oct. 24: The company discloses that it lost 800,000 U.S. subscribers in the July-September quarter, ending with 23.8 million. That loss is more than the 600,000 that Netflix had predicted.

Nov. 21: Netflix announces plans to raise $400 million by issuing debt and selling its stock. The move raises new fears about Netflix's financial strength as it girds for losses next year. It would be Netflix's first annual loss in a decade.

Dec. 6: Hastings appears before an investors' conference in New York, where he laments the company's recent mistakes but predicts they will be forgotten as Netflix's Internet video service continues to reshape the entertainment industry.

Dec. 22: Netflix says Hastings's stock option awards will be cut by 50 percent to $1.5 million in 2012. His base salary remains unchanged at $500.000.

Jan. 4, 2012: Netflix delivers its first good news in months, sending its stock up 11 percent. The company, which delivers movies and TV shows online and by mail, says customers had streamed more than 2 billion hours of video in the fourth

quarter.

Jan. 25: Netflix releases figures showing it regained almost as many U.S. customers as it lost following the price hike. It ended December with 24.4 million subscribers in the U.S., a gain of 600,000 from the end of September. It had lost 800,000 last summer. The results came after the close of market, and the company's stock soared 22 percent the next day.

Feb. 6: Verizon Communications Inc. and Coinstar Inc. unveil plans to challenge Netflix with its own streaming service to bundle with DVD rental kiosks operated by Coinstar's Redbox division. Getting an extensive library of streaming content to rival Netflix's will be expensive, though. Netflix, meanwhile, debuts its first original TV series, an eight-episode drama called "Lilyhammer," as it hopes to differentiate itself from rivals.

Feb. 21: As part of an effort to offer more exclusive material, Netflix locks up the right to show "The Artist" and other movies from The Weinstein Co. before the films are released to leading pay-TV channels such as Showtime and HBO. On the same day the multiyear deal is announced, Comcast Corp. announces plans to undercut Netflix with a less expensive version of a service that will stream old TV series and movies to devices with high-speed Internet connections.

Monday: Netflix says it suffered its first quarterly loss in seven years as it dealt with rising licensing fees and the bill for an international expansion. The first-quarter setback, however, was far smaller than analysts expected. In another encouraging sign, the company's subscriber growth accelerated during the first three months of the year, further evidence that the company is recovering from the price-hike backlash.

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