

Disney Plus sheds subscribers for second straight quarter

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Subscribers to Disney Plus fell for the second straight quarter, the company said on Wednesday, though it stemmed financial losses as it

competes with Netflix for viewers.

Analysts had foreseen an increase in subscribers for the period, but a hike in prices sent customers turning away from the platform that streams Marvel, Star Wars and Disney content across the globe.

Total subscribers to Disney Plus fell to 157.8 million, the Burbank, California-based group said, with the company losing \$659 million in its streaming unit, though this was not as bad as expected.

The contraction of the Disney Plus [subscriber](#) portfolio was mainly due to an 8 percent drop in India, where the Hotstar version of the service accounts for almost a third of the global total. But the entertainment giant also saw a slight decline in North America.

"We were pleasantly surprised that the loss of subs due to what was a substantial increase in pricing... was relatively small," CEO Bob Iger told analysts after the company posted its earnings.

Solid performance

Disney said that despite the fall in subscribers, revenue per customer had increased and added it believed the subscribers would again pick up, especially with the rise of cheaper ad-based service.

Overall, Disney generated \$21.8 billion in revenue, with a solid performance by its [theme parks](#).

The company pointed to especially good attendance at Disney resorts in Paris, Shanghai and Hong Kong.

Iger came out of retirement late last year to return as [chief executive](#), taking back the reins from Bob Chapek, who he had hand-picked to

succeed him in 2020.

In his first post-return earnings in January, Iger announced a major restructuring of the company as well as belt-tightening and layoffs that he said saved the company over \$5 billion.

Strike factor

Looking forward, Disney will be watching how long the writers' strike in Hollywood plays out with production of Marvel Studios' "Blade" as well as Star Wars series "Andor" already shut down.

More than 11,000 Hollywood television and movie writers went on their first strike in 15 years last week .

The last time Hollywood writers laid down their pens and keyboards, in 2007, the strike lasted 100 days, costing LA's entertainment economy around \$2 billion.

This time, the two sides are clashing as writers demand higher pay, minimum guarantees of stable employment and a greater share of profits from the boom in streaming, while studios say they must cut costs due to economic pressures.

Also looming over Disney is the feud with Florida governor Ron DeSantis, though the potential impact on the bottom line remains unclear.

Disney, a major employer in the southern state with its Orlando-based Walt Disney World theme park, has been under increasing legal sanction by the governor after it spoke out last year against a DeSantis-backed education bill concerning LGBTQ youth.

DeSantis, a rising conservative star with presidential ambitions, called out the "woke" corporation as part of his battle with institutions he deems too progressive.

In response, Iger led Disney to file suit against DeSantis, alleging "a targeted campaign of government retaliation" against the [company](#).

"We never wanted or and we certainly never expected to be in a position of having to defend our business interests in [federal court](#), particularly having such a terrific relationship with the state as we've had for more than 50 years," Iger told analysts Wednesday.

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