

Short-video app Quibi shutting down just months after launch

October 22 2020, by Tali Arbel



This combination photo shows Meg Whitman at The Hollywood Reporter's Women in Entertainment Breakfast Gala in Los Angeles on Dec. 11, 2019, left, and Jeffrey Katzenberg at the 26th annual Screen Actors Guild Awards in Los Angeles on Jan. 19, 2020. Katzenberg and Whitman are bringing Quibi to a phone near you with movies, shows and news served in quick bites. (AP Photo)

Short-video app Quibi said it is shutting down just six months after its early April launch, having struggled to find customers.

The [company](#) said Wednesday that it would wind down its operations and plans to sell its assets. "Quibi is not succeeding," its [top executives](#) bluntly declared in a slew of new streaming services started to challenge Netflix over the past few years, most of which were part of much bigger tech and [entertainment companies](#), like Apple and Disney.

Quibi, short for "quick bites," raised \$1.75 billion from investors including Hollywood players Disney, NBCUniversal and Viacom and its leadership were big names: entertainment industry heavyweight Jeffrey Katzenberg and former Hewlett-Packard CEO Meg Whitman.

But the service struggled to reach viewers, despite a 90-day free trial, as short videos abound on the internet and the coronavirus pandemic kept many people at home. Part of the appeal of the service, which started at \$5 a month, was supposed to be that you could watch short videos while out, without access to a TV. Being stuck at home made TV more desirable than watching on a phone, and Quibi has more than 60 million subscribers. Netflix has had a blockbuster year.

"While we have enough capital to continue operating for a significant period of time, we made the [difficult decision](#) to wind down the business, return cash to our shareholders, and say goodbye to our talented colleagues with grace," Whitman, the CEO, said in a statement.

The company said that money from the sale of its assets will go toward paying off liabilities and whatever remains will be returned to investors.

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