

CNN's streaming service shutting down a month after launch

21 April 2022, by Tali Arbel and David Bauder



This image shows the logo for the new CNN streaming service CNN+ which debuted on March 29. CNN's brand-new streaming service is shutting down only a month after launch. In a Thursday memo, incoming CNN chief executive Chris Licht said the service would shut down at the end of April. Credit: CNN+ via AP

CNN is shutting down its CNN+ streaming service less than a month after its launch, a spectacular flameout for a venture that had attracted stars like Chris Wallace and Alison Roman and was seen as a way to attract a new generation of news consumers.

It had started March 29, shortly before CNN was taken over by [new corporate parents](#). The new leaders of Warner Bros. Discovery quickly let it be known they considered CNN+ an ill-conceived idea.

The subscription-based service will be shut down at the end of April. Executives said some CNN+ programming and employees will be absorbed into the television network and website but there will be layoffs. The head of CNN+, Andrew Morse, is leaving the company.

In a memo to employees on Thursday, incoming CNN Chief Executive Chris Licht said consumers wanted "simplicity and an all-in service" rather than stand-alone offerings. Discovery had previously suggested that it wanted to merge the new company's separate streaming services, which include Discovery+ and HBO Max, into a single app.

In a Thursday town hall, executives also said that the service's inability to show live breaking news was a crucial failing. Because of contracts with cable and satellite companies, CNN+ could not stream the CNN television network.

"It's a little bit like The New York Times subscription without The New York Times," said J.B. Perrette, head of Discovery's streaming services.

Perrette said Discovery had learned from trying to launch its own news service in Poland, and in seeing the experiences of other paid streaming services in the United States like Fox Nation, that CNN+ could not expect to get near one million subscribers. Unlike CNN+, which was charging customers \$5.99 a month, broadcast networks like ABC, CBS and NBC offer free news-streaming services.

"Those are the facts," Perrette said. "We've learned from painful history, financially costly history."

If the company is going to go in a different direction than CNN+, "we can't let it go on one second more than it needs to," he said.

There had been skepticism from outside CNN about whether the streaming service could succeed, particularly given the glut of streaming services already available. Even Netflix, the streaming pioneer, is feeling the competitive pressure.

"This is a service leveraging the CNN brand that is

not delivering the type of content that the CNN brand is known for, the live impactful news content," said Parks Associates research director Paul Erickson. "It was already a bit of a tricky proposition to begin with"—even without the change in corporate ownership.

Under AT&T, there were \$100 million in development costs and some 500 employees assigned to building out CNN+. Perrette told the employees they would have "first dibs" on some 100 jobs currently open at CNN. Licht's memo said there would be at least six months of severance pay for departing staffers.

In the meeting, a CNN staff member wondered why AT&T, CNN's previous corporate owner, was allowed to develop and start the service with new management coming in that clearly had its reservations about it. But executives said they were not allowed, until the takeover was formally approved weeks ago, to be involved in meetings about the service.

The executives said accountability for the rapid failure lies squarely with previous management.

"Would we have preferred to have this discussion six months ago, nine months ago?" Perrette said. "Couldn't do it."

The CNN+ service's flagship was arguably Wallace's daily interview show, for which he left his previous job as "Fox News Sunday" host. Wallace did not immediately return a message seeking comment.

It also featured programming from food-media star Roman, former NPR host Audie Cornish, ex-NBC News host Kasie Hunt, Jemele Hill, Rex Chapman and current CNN personalities Anderson Cooper, Wolf Blitzer, Jake Tapper, Sara Sidner and Kate Bolduan. Some of the shows hadn't even started yet.

Warner Bros. Discovery is led by Discovery CEO David Zaslav, who has his own vision for CNN and its Warner siblings.

Licht said in his memo that the "incredibly difficult"

decision to shutter CNN+ is the right one for the long-term success of CNN. It will allow leaders to refocus resources on the core products that "drive our singular focus: further enhancing CNN's journalism and its reputation as a global news leader."

On the television network, Licht is expected to increase CNN's emphasis on news coverage with less commentary.

He told staff members that the decision was no reflection on the service that they had built.

Licht acknowledged in the staff meeting that the experience with CNN+, at least initially, will have repercussions with personnel and those who might want to come there.

"We have to own the erosion of trust and build it back," he said.

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