

## **AT&T Plans \$500M OTT Video Venture with Crunchyroll Majority Owner**

Ben Munson

AT&T and the Chernin Group today [announced](#) [1] a joint venture to “acquire, invest in and launch over-the-top (OTT) video services.” The companies are committing \$500 million toward the effort.

To that end the companies plan to invest in advertising and subscription-based video-on-demand (VOD) as well as streaming.

“Combining our expertise in network infrastructure, mobile, broadband and video with The Chernin Group’s management and expertise in content, distribution, and monetization models in online video creates the opportunity for us to develop a compelling offering in the OTT space,” AT&T Chief Strategy Officer John Stankey said in a statement.

Chernin owns a majority stake in Crunchyroll, a subscription-based VOD service that specializes in Japanese entertainment, including anime. Crunchyroll is a featured application on Apple TV.

“Consumers are increasingly viewing video content on their phones, tablets, computers, game consoles and connected TVs on mobile and broadband networks. AT&T’s massive reach on those platforms across mobile and broadband and their commitment to the online video space make them the perfect fit for this venture with us,” Chernin Group CEO Peter Chernin said in a statement.

AT&T and Chernin last year unsuccessfully bid for Hulu.

[Speaking last month at an investor conference](#) [2], AT&T CFO John Stephens saw opportunities in the large amount of AT&T customers—including 50 million wireless subscribers—who don’t currently have a video subscription.

“We need to keep it open to an over the top offering,” Stephens said, adding that AT&T might be open to partnering with a third-party service.

Netflix, the larger player in the OTT video space, has recently had to pay Comcast in exchange for better network access to accommodate user demand. AT&T and Verizon are rumored to have similar deals in the works with Netflix.

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<http://www.wirelessweek.com/news/2014/04/t-plans-500m-ott-video-venture-crunchyroll-majority-owner>

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### **Links:**

[1] [http://www.businesswire.com/news/home/20140422005954/en/Chernin-Group-ATT-Create-Venture-Acquire-Invest#.U1ZuL\\_IdWVM](http://www.businesswire.com/news/home/20140422005954/en/Chernin-Group-ATT-Create-Venture-Acquire-Invest#.U1ZuL_IdWVM)

[2] <http://www.wirelessweek.com/news/2014/03/t-shifting-focus-away-opportunities-europe>