

In a Role Reversal, Disney Will Lose Titles to Netflix

Description

Disney ([NYSE: DIS](#)) is about to upend the entire streaming ecosystem by launching Disney+, the much-anticipated “Netflix killer.” Disney’s streaming service will be the “forever home” of all of its enviable pop-culture intellectual property — including Marvel and *Star Wars*, and all of their attendant films and TV shows, past and future.

Only that’s not exactly what Disney+ will have when it launches on Nov. 12. Thanks to existing streaming deals, Disney is still a ways away from consolidating its many media properties on the service. And in an interesting role reversal, Disney actually stands to *lose* some of its own films to **Netflix** ([NASDAQ: NFLX](#)) — for a little while, anyway.

From Netflix to Disney+ — and from Disney+ to Netflix

When it comes to licensing deals, the big narrative right now is certainly not that Disney+ is losing content. On the contrary: Disney is supposed to be bringing all of its content home. That’s shaping up to be a [major problem for existing subscription video on demand \(SVOD\) services](#), particularly Netflix.

When Netflix launched, it had its pick of the litter when it came to streaming deals: It was, after all, the only game in town. Then, the competition arrived and started to grow. A big part of the problem for Netflix is that its newest streaming rivals aren’t just [tech companies](#) — many are media giants looking to consolidate their TV and movie firepower behind their own services. Just as original content helps Netflix operate more efficiently, it also makes sense for content owners to create streaming services — if Netflix makes “original shows,” these show and movie owners are creating “original streaming services.” It’s the same formula in reverse.

So Netflix isn’t just gaining competition. It’s losing titles, including [popular shows like *The Office*](#) (which is heading to **Comcast**’s new NBCUniversal SVOD service, Peacock) and, of course, massively popular Disney films like *Star Wars: The Force Awakens* and *Avengers: Infinity War*.

These films are coming back to Disney+, because they’re owned by Disney. It makes sense that Netflix would lose that content, but why would it work the other way around?

Disney films, far from home

Netflix may be losing a lot to Disney+, but the reverse is also true. Disney+ will reportedly launch with some films in its library that will later disappear, at which point they’ll be available on Netflix.

Why? Disney inked a streaming deal with Netflix for those titles before realizing its the extent of its own streaming ambitions. It’s a fairly simple sequence of events that leads to an amusingly counter-intuitive result — and a pretty unfortunate one, from Disney’s perspective. It was supposed to be pulling the rug out from under Netflix, losing titles to its strongest rival in its first few months as a streaming service

isn't exactly what Disney was hoping to see.

Disney is being tight-lipped about the awkward reality — the company isn't saying which films are going to disappear. The most we know is that, according to CNET, one deal will move "[popular movies from 2016 through 2018](#)" to Netflix for roughly six years.

A reprieve for Netflix

Whatever these films are, they will almost certainly end up back in the Disney+ library after their long stint with Netflix. In the meantime, though, these titles buy Netflix some time before the full weight of its budding licensed-content crisis comes crashing down.

Depending on the films, six years could be significant: If Netflix is keeping any Marvel or *Star Wars* films for that long, it would be a major coup. Holding onto Marvel fans, and onto subscribers in general, will be a big deal for Netflix as it [prepares to reinvest in original content](#) and create the shows and movies that will keep it afloat long after Disney's titles have gone home.

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