

Streaming TV war kicks into gear with Apple, Disney launches

October 27 2019, by Glenn Chapman



Apple has enlisted stars such as Steve Carell, Reese Witherspoon and Jennifer Aniston for its new streaming television service to rival Netflix, and is among several major new players in the growing segment

The streaming television war is set to enter a new phase as titans Apple

and Disney take direct aim at market leader Netflix, vying for consumers abandoning their cable TV bundles for on-demand services.

The shift away from "linear" television is likely to escalate with powerful new entrants to streaming coming this year and in early 2020.

The new landscape has important implications for longtime segment leader Netflix, which is now locked in a battle with deep-pocketed rivals for actors, directors and producers to win and keep audiences.

"The Cinderella ride that Netflix has been on has some [stormy weather](#) ahead," said Wedbush Securities equity research managing director Daniel Ives.

"You are talking about some of the biggest brands in technology involved in this battle."

An Apple TV+ service will launch November 1 in more than 100 countries at \$4.99 per month. Apple is spending heavily on new content and promises a "powerful and inspiring lineup of original shows, movies and documentaries."

Entertainment colossus Disney will launch its own online streaming service, chock full of popular franchises such as "Star Wars" and Marvel superheroes, on November 12 in the US, Canada and the Netherlands, before rolling out worldwide.

And more competition looms on the horizon, as AT&T's WarnerMedia will launch its "HBO Max" in early 2020 after reclaiming the rights from Netflix to stream its popular television comedy "Friends."



The Disney+ streaming service will be priced lower than Netflix in an effort to win over consumers seeking to move away from traditional television packages

NBCUniversal's Peacock service is also launching next year.

Disney chief executive Bob Iger told investors on a recent earnings call that "nothing is more important to us" than the Disney+ platform.

As well as offering Disney's enormous back catalog, including all [animated films](#) and Pixar movies within its first year, it will feature freshly commissioned shows. It will cost \$6.99 a month in the US.

Spotlighting originality

Netflix, which began streaming television to subscribers online some 12 years ago, has so far stayed ahead of Amazon Prime and Hulu, key rivals in the US market.

Netflix chief executive Reed Hastings said he is unfazed by the new rivals.

"Disney will be a great competitor," he told analysts recently. "Apple is just beginning but, you know, they will probably have some great shows too."

The budget for original shows at Netflix this year is \$15 billion, and the California-based company this week announced plans to issue \$2 billion in notes to have more cash for uses including creating and acquiring content.



Netflix remains the streaming leader with its unrivaled global reach but is facing

powerful new competitors including Apple and Disney

Ives said Netflix remains the leader until proven otherwise.

"Netflix is on the top of the mountain and will continue to be the leader, but there are legitimate opportunities for number two and number three players with Apple, HBO, and Amazon in the running," the analyst wrote.

Big-name entertainment industry talent has been recruited to make shows for the competing services, and Netflix is also showcasing local talent from countries around the world.

Cable TV obsolete?

As Disney and other major studios begin streaming directly to viewers, and keep coveted shows or films on their own services to attract subscribers, traditional cable companies "should be very concerned," according to IHS Markit analyst Fateha Begum.

"The cable [service](#) provider as a middle man bundling content is no longer needed," Begum said.

"I don't think cable TV will die, it still provides the one place for content you want, but this will push cable and pay TV services to innovate further."

Cable TV companies may have to end revenue-boosting tactics such as charging monthly fees for boxes needed to access their services.

Citation: Streaming TV war kicks into gear with Apple, Disney launches (2019, October 27)
retrieved 3 May 2024 from

<https://techxplore.com/news/2019-10-streaming-tv-war-gear-apple.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.