

Apple TV+ seeks stardom on streaming service stage

November 1 2019, by Glenn Chapman



The Apple TV+ on-demand streaming service was set to debut in more than 100 countries at \$4.99 per month

Apple moved into new territory Friday with a streaming television service that features a budding library of original shows starring big-

name celebrities, aimed at winning over its gadget lovers at home and on the go.

The Apple TV+ on-demand streaming service launched 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," in addition to a handful of already familiar titles.

The arrival of Apple TV+ "marks a pivotal new chapter" for the Cupertino, California-based titan, said Wedbush analyst Dan Ives.

"We believe Apple's goal here on this streaming endeavor is to be a major distribution platform for content," Ives said in a note to investors.

Ives said Apple is seeking to attract viewers from a massive worldwide customer base of approximately 1.4 billion active iOS device users.

The brand set the smartphone standard with its iPhone more than a decade ago but is moving to diversify into services and digital content as iPhone sales soften.

The first Apple TV box for streaming shows from the internet to its devices or television sets was released some 12 years ago, with the company long downplaying it as "a hobby."



Jennifer Aniston, Apple CEO Tim Cook and Reese Witherspoon attend Apple TV+'s "The Morning Show" world premiere

The new streaming service competes with the likes of Netflix and Amazon, among others, and comes as rivals such as Walt Disney Co. and AT&T's Warner Media are set to launch their own on-demand services.

Original Apple TV+ shows have so far been met with lukewarm early reviews, but the low subscription price and an offer of year-long memberships free with purchases of the company's devices was expected to get viewers to tune in.

"We expect Apple will do well initially, especially due to their free offer," said Convergence Research analyst Brahm Eiley.

As an early promotion, Apple began allowing anyone with compatible devices to watch the first episodes of its original shows, which include "The Morning Show" with Jennifer Aniston and Reese Witherspoon about a popular news broadcast, and "Dickinson," starring 22-year-old actress Hailee Steinfeld as poet Emily Dickinson.

Massive movie money

Apple has budgeted some \$6 billion for streaming television content, according to analysts.

The Silicon Valley-based tech giant has a formidable war chest of some \$200 billion that can be tapped.

Netflix, meanwhile, has budgeted \$15 billion this year for original shows, on top of the billions it has devoted to exclusive productions in recent years.



Walt Disney Co's Disney+ streaming service is set to launch just days after Apple TV+

Amazon, which has deep pockets thanks to its e-commerce and cloud services, has also poured cash into original shows for its Prime Video service.

This sets up a potential spending war among the major streaming players, according to analysts.

Avi Greengart of the research firm Techsponential said Apple may not get a direct return on its streaming investment but that the new offering "is something additive" which keeps users in its ecosystem.

"A lot of things in the Apple ecosystem don't have to generate direct returns," Greengart said.

"As long as you have more options in the iOS ecosystem that makes everything else more compelling."

Disney on deck

Apple TV+ is launching ahead of a Disney+ online streaming service set to debut November 12 in the United States, Canada and the Netherlands, before rolling out worldwide.

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



Netflix is the streaming market leader, with programs such as "Chilling Adventures of Sabrina"

As well as offering Disney's enormous catalog within its first year, including all Pixar movies, it will feature a cornucopia of newly commissioned shows playing off famous franchises such as "Star Wars."

It will cost \$6.99 a month in the United States.

"It is a crucial time for Cupertino, as it recently launched its trifecta of new smartphones with iPhone 11 strong out of the gates thus far and

now looks to convert millions of Apple device users onto its streaming platform," analyst Ives said.

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

NBCUniversal's Peacock service is also launching next year.

Netflix chief executive Reed Hastings said during a recent earnings call that he is unfazed by the new rivals.

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

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