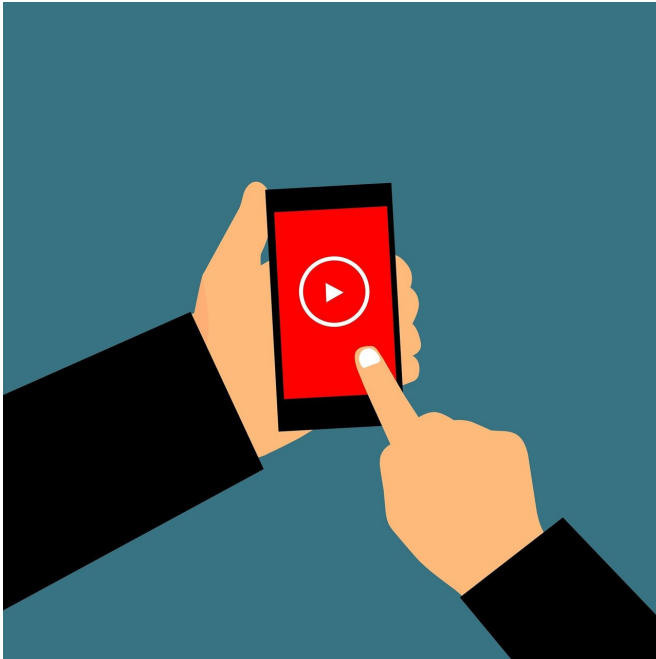


Netflix says it will retain the streaming crown; not worried about Disney Plus and Apple TV Plus

17 October 2019, by Jefferson Graham



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Netflix, which dominates streaming, says it will continue to hold the crown, even in the face of intense new competition in November from the likes of Apple and Disney.

The new streamers, which also include Warner Media's HBO Max and the Peacock, from NBC, both set to launch in the spring, "have some great titles (especially catalog titles)," Netflix said in a note to accompany its third quarter earnings Wednesday. But "none have the variety, diversity and quality of new original programming that we are producing around the world."

However, the company saw a smaller subscriber gain than analysts projected, for the second

quarter in a row, with 6.7 million added, short of its 7 million projection. The company, which now has 158 million subscribers worldwide, had lost 130,000 subscribers domestically in the previous quarter.

Still, Netflix announced some eye-popping viewership numbers for its original programming. In the first four weeks of the third season of its breakout hit *Stranger Things*, Netflix said about 64 million people tuned in.

And for the docu-drama limited series *Unbelievable*, about two police officers trying to solve a rape case, 32 million tuned in for the first 28 days.

By comparison, the highest rated scripted TV show, *NCIS*, saw some 12.5 million tuning in to a recent episode.

Apple's TV Plus is set to debut on Nov. 1, and looks to undercut Netflix with a substantially lower subscription fee, \$4.99 monthly, or one year free with purchase of an Apple product (iPhone, iPad, computer, Apple TV streaming box or iPod Touch.) The Disney Plus service, which offers library content from the Disney, Marvel, Pixar, National Geographic and Lucasfilm libraries, is \$6.99.

Netflix's most popular pricing is \$13.99 monthly.

"The likely outcome," from the launch of new streaming services "will be to accelerate the shift from linear TV to on demand consumption of entertainment," says Netflix. "Just like the evolution from broadcast TV to cable, these once-in-a-generation changes are very large and open up big, new opportunities for many players."

For example, Netflix notes that in the first decades of cable, networks like TBS, U.S., ESPN, MTV and

Discovery didn't siphon audience share from each other, but instead, they collectively took audience share from broadcast viewing.

Netflix repeated its prediction that streaming would replace linear TV over the next decade. "Our focus will continue to be on pleasing our members and growing engagement because that approach has served us well since 1997."

On a video interview posted on YouTube after the earnings, Netflix CEO Reed Hastings said the "Streaming Wars" and the new competition "draws more attention," to Netflix and other streamers, "and helps consumers shift more quickly from linear to streaming TV."

He noted that YouTube is "seven times larger," than Netflix, "but it's free," and he said his goal is to catch up.

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APA citation: Netflix says it will retain the streaming crown; not worried about Disney Plus and Apple TV Plus (2019, October 17) retrieved 20 October 2021 from <https://techxplore.com/news/2019-10-netflix-retain-streaming-crown-disney.html>

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