

Subscription overload? Get ready for Apple's

August 17 2020, by Jefferson Graham, Usa Today



Credit: Pixabay/CC0 Public Domain

You know that the iPhone is Apple's best-selling product, right?

But how are you at guessing no. 2?

The iPad? The Apple Watch? A Macintosh computer? Wrong on all three.

Apple's "Services," the division that's all about bugging you to subscribe to things that you may or not be interested in.

You're out of room on iCloud! Time to buy more.

You need Apple Care warranty protection with that new computer.

Want to listen to music or read an article on that iPhone or iPad? You'll need to subscribe to Apple Music or Apple News.

Apple, which reported \$26.4 billion worth of iPhones sold in the recent quarter, vs. \$13.1 billion for "Services" (to \$7B for Macs and \$6.5B for iPads), is in a unique situation among rivals. It has over 1 billion people using the iPhone, a welcome audience to sell more things to.

Even if just a small percentage of iPhone owners say yes to "Services," Apple can still grow. Look at how Apple Music has grown to a solid no. 2—behind Spotify, with 80 million subscribers. (An 8% buy-in from the base.)

The Google-owned Android operating system actually has more users worldwide than Apple's iOS, but most Android phones are sold by different manufacturers like Samsung, Huawei, LG and Hisense, which prevents Google from working its base like Apple does.

For the last few years, Apple has been on a tear to increase its "Services" response rates (that's why iPhone owners get so many nag messages) and in the fall, it looks to go even further, per Bloomberg, by bundling many offerings into an even bigger subscription play called "Apple One." The plan is said to offer Apple users discounts for agreeing to have monthly deductions from their accounts for Apple Music, News, TV, Arcade and iCloud.

"By bundling services, customers get more for their money and Apple gets more money from each customer," notes Gene Munster, an investor and analyst with Loup Ventures.

Companies like it because it's consistent, steady income. And if you're dealing with subscription overload now (how many services are you on the hook for monthly?) Munster thinks Apple will go beyond just bugging you to subscribe to software, by offering leases for hardware, as well.

"Eventually, the company could offer a 360° bundle, which could include iPhones, Macbooks, iPads, AirPods, services, storage and support," he says.

Munster adds that such a bundle would be a "logical extension of what Apple has done so well over the last 15 years, making a combination of hardware, software and services easy to use."

Subscription self assessment

Before you start doing the math, and shudder at the thought of forking over monthly stipends to Apple for your Mac, iPhone, iPad or Watch, perhaps this weekend would be a great time take a step back and examine just how many subscriptions you're paying for now.

Because beyond the guaranteed monthly income, companies also love subscriptions because many of us never get around to canceling. So what to do? You might consider an app like Truebill, Tracksmysubs or Trim, which compile all those charges into one place to help you easily follow them.

Sadly, they also will ding you, urging you to subscribe for more tools, but even with the free versions, you can still see your recurring charges.

Mine are a doozy. Amazon, Netflix, HBO Max, Hulu and Sling TV for the TV, which is way more than I need, at \$76 monthly, plus \$50 for Internet services, \$95 for software (mostly backup) and then add in phone, newspaper and miscellaneous charges, and it's a growing collection that shows no signs of slowing down.

And now I've got to subscribe to my Mac too? Please.

Apple is expected to announce the new One subscription plan, along with a set of 4 new iPhones in mid-September, for mid-October release.

(c)2020 U.S. Today

Distributed by Tribune Content Agency, LLC.

Citation: Subscription overload? Get ready for Apple's (2020, August 17) retrieved 18 April 2024 from <https://techxplore.com/news/2020-08-subscription-overload-ready-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.