Apple vs. Netflix: Why turf wars are flaring in big tech

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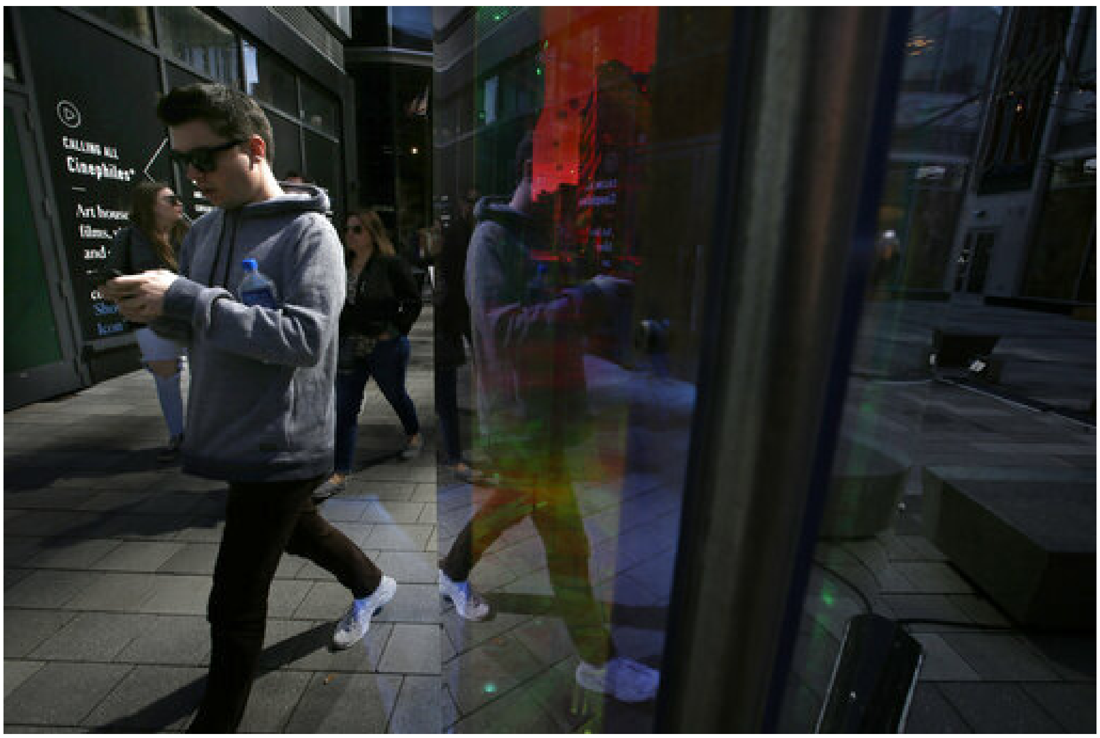

In this Sunday, March 24, 2019 photo people walk on a pedestrian walkway, in Boston's Seaport district. Apple's latest move into streaming video illustrates an escalating trend: Tech's biggest companies, faced with limits to their growth, are encroaching on each other's turf. (AP Photo/Steven Senne)

Apple's latest move into streaming video illustrates an escalating trend: Tech's biggest companies, faced with limits to their growth, are encroaching on each other's turf.

Apple is taking on Netflix. Facebook is edging into Amazon's sphere with its e-commerce plans. Google, which has already challenged Amazon and Microsoft in cloud computing, is launching an online game service that could undercut the lucrative game-console business at Microsoft and Sony.

Apple, which is also launching a gaming service and introducing its own credit card , may be veering the most outside its comfort zone, technology industry analyst Rob Enderle said.

"This is an awful lot of breadth really quickly for a company that hasn't been known for being great at breadth," Enderle said. "This is much more diversity than Apple's ever had."

Before, when the company's product suite grew too varied, "what Steve Jobs did with Apple was, he made the company focus," Enderle said.

These are different times, however, and Apple may have decided that it doesn't have much choice amid declining sales of its premier product, the iPhone.

"They have kind of bled the device market dry," said Sally Edgar, of UK-based technology consultancy Waterstons. "Companies will increasingly be about subscription services. I think they have to do it to survive."

In this June 13, 2016 file photo, the Apple logo is shown on a screen at the Apple Worldwide Developers Conference in the Bill Graham Civic Auditorium, in San Francisco. Apple's latest move into streaming video illustrates an escalating trend: Tech's biggest companies, faced with limits to their growth, are encroaching on each other's turf. (AP Photo/Tony Avelar, File)

Tech companies, of course, have explored new markets and fought turf battles over them for years.

Facebook and Google have long scrapped over digital ads. Google and Amazon are battling it out over voice assistants in the home. Google and Microsoft have competing search engines. And Apple and Google have waged an epic smartphone battle for roughly a decade.

But longtime tech industry analyst Tim Bajarin sees new urgency in the latest push into streaming services and other businesses that bring in continuous flows of money—not just when consumers make big investments in new phones or other hardware.

"It's just becoming clearer today that the only way a company is going to grow is by adding a recurring revenue model," Bajarin said. "Apple is becoming an aggregator of content. They now have multiple services that will help them grow their bottom line."

Enderle said Apple is still in the "honeymoon phase" after a Monday announcement at its Cupertino, California, headquarters. Apple brought out new A-list entertainment partners such as Oprah Winfrey and Steven Spielberg and video game partners such as the creators of "SimCity" and the "Final Fantasy" series. What happens next may be harder for the company to manage.

"It always looks great on the front end and then you have to execute," he said.