

Apple pivot led by star-packed video service

March 25 2019



Apple CEO Tim Cook speaks during a company product launch event at the Steve Jobs Theater at Apple Park

With Hollywood stars galore, Apple unveiled its streaming video plans Monday along with news and game subscription offerings as part of an effort to shift its focus to digital content and services to break free of its reliance on iPhone sales.

Director Steven Spielberg, TV host Oprah Winfrey and Hollywood stars Jennifer Aniston, Reese Witherspoon and Steve Carrell made appearances at the event that brings Apple into direct competition with Netflix and the rest of the entertainment sector.

"We all want to be heard, but we also need to listen... to be able to harness our hopes and dreams and heal our divisions," Winfrey told a packed audience in the Steve Jobs Theater on Apple's campus in Silicon Valley.

"That is why I have joined forces with Apple. The Apple platform allows me to do what I do, in whole new way."

The Apple TV+ service, an on-demand, ad-free subscription service, will launch this year in 100 countries, the company said.

"We believe deeply in the power of creativity," Apple chief executive Tim Cook said.

"Great stories can change the world. We feel we can contribute something important to our culture and to our society through great storytelling."

Apple revealed only a few of the programs to launch but announced it was working with celebrities on both sides of the camera including Octavia Spencer, J.J. Abrams, Jason Momoa and M. Night Shyamalan.



Actors Steve Carell, Reese Witherspoon and Jennifer Aniston speak during an event launching Apple TV+ at Apple headquarters on March 25, 2019, in Cupertino, California

The new content will be available on an upgraded Apple TV app, which will be on smart television sets and third-party platforms including Roku and Amazon's Fire TV.

Apple will also allow consumers to subscribe to third-party services like HBO and Starz from the same application. The cost of the service, along with financial deals with content creators, were not disclosed.

"These people could go where the money is, but they are going where Apple is," Creative Strategies analyst Carolina Milanesi said of the star

power on display at the event.

She expected Apple TV+ to be more of a channel at its streaming video service, similar to an HBO, than to be a "one-stop-shop" that would stand alone.

Apple is aiming to leverage its position with some 900 million people worldwide who use at least one of its devices. But some suggested Apple's path may be harder than anticipated.

"I don't want to know which famous people Apple has signed up. I want to know if the annual budget is \$1bn or \$10bn," tweeted Benedict Evans, a Silicon Valley investor and blogger.



Ann Thai, Apple senior product marketing manager for app store, introduces Apple Arcade during a launch event

"Getting audience for a TV platform is like orbital mechanics—the only way to go up is to burn more fuel."

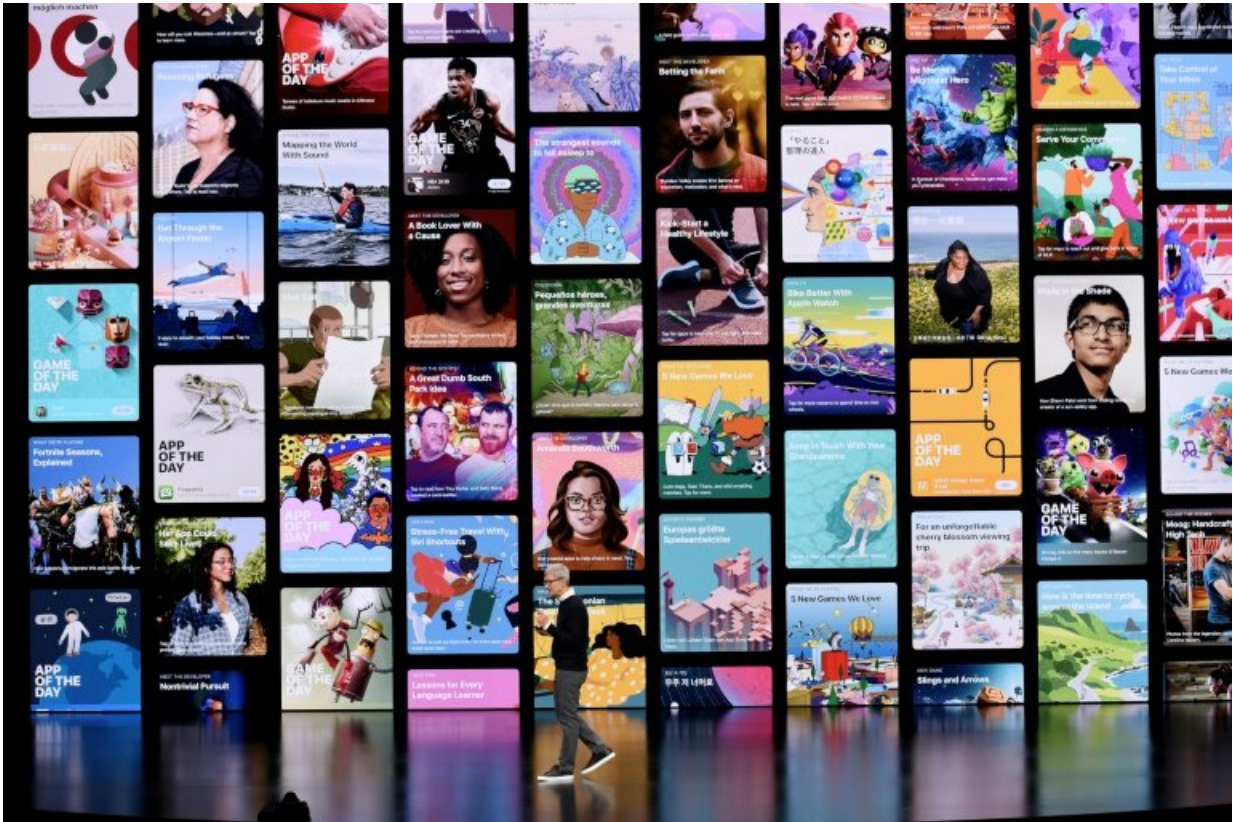
While some view Apple's move as a reinvention of the iconic company, analyst Richard Windsor said on his Radio Free Mobile blog that the video service "is very unlikely to ever be big enough to wean Apple off of its long addiction to selling hardware."

More than 300 magazines

Meanwhile, a new Apple News+ service at a cost of \$9.99 per month will include The Los Angeles Times and Wall Street Journal, digital news sites and more than 300 magazine titles including Rolling Stone, Time, National Geographic Wired and The New Yorker.

"We think Apple News+ will be great for customers and great for publishers," Cook said.

Apple News+ was launched in the US and Canada in English and French and will be available later this year in Britain and Australia, the company said.



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Separately, the company said it was launching a new game subscription service called Apple Arcade later this year with at least 100 titles at launch.

"Apple Arcade will introduce an innovative way to access a collection of brand new games that will not be available on any other mobile platform or in any other subscription service," Apple said in a statement.

The game service will be available in 150 countries, with pricing to be announced later.

The move comes as Apple shifts to emphasize digital content and other services to offset a pullback in the once-sizzling smartphone market, and with many news organizations struggling to monetize their online services.

Selling privacy

Apple highlighted privacy and data protection for its new services, responding to consumer concerns about personal information bought and sold by Silicon Valley firms.



Oprah Winfrey, speaking at the Apple product launch event, will be producing

shows for Apple's new streaming video service

It said advertisers would not be able to track the activity of subscribers to the news service and its Arcade would have no ads, ad tracking or additional purchases.

On additional services, Apple said it would offer a credit card in partnership with Goldman Sachs to be integrated with Apple Pay.

Those signing up will get a physical card and one for a digital wallet, with the two companies pledging to refrain from sharing or selling data to third parties for marketing and advertising.

Apple Card features that could shake up the credit card industry include not charging fees, giving users cash back on purchases, and providing tools for people to better manage their debt.

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