

Long-awaited video service expected from Apple on Monday

March 25 2019, by Michael Liedtke And Tali Arbel



In this June 4, 2018 file photo, Apple CEO Tim Cook speaks during an announcement of new products at the Apple Worldwide Developers Conference in San Jose, Calif. Apple is expected to announce Monday, March 25, 2019, that it's launching a video service that could compete with Netflix, Amazon and cable TV itself. (AP Photo/Marcio Jose Sanchez, File)

Apple is expected to announce Monday that it's launching a video service that could compete with Netflix, Amazon and cable TV itself.

It's a long-awaited attempt from the iPhone maker, several years after Netflix turned "binge watching" into a worldwide phenomenon.

The new video service is expected to have original TV shows and movies that reportedly cost Apple more than \$1 billion—far less than Netflix and HBO spend every year.

Also expected is a subscription service consisting of news, entertainment and sports bundled from newspapers and magazines.

Apple is making the announcements at its Cupertino, California, headquarters during an event likely to be studded with Hollywood celebrities.

The iPhone has long been Apple's marquee product and main money maker, but sales are starting to decline. The company is pushing digital subscriptions as it searches for new growth.

Making must-have TV shows and movies that are watchable on any device has propelled Netflix into a force in both Silicon Valley and Hollywood.

But Apple remained focused on making on gadgets: iPhones, iPads, computers and its Apple TV streaming box for TVs. Apple co-founder Steve Jobs began toying with the idea of building a powerful TV business, but he couldn't pull it off before his death in 2011. It has taken his successor, CEO Tim Cook, nearly eight years to draw up the script that the company will now try to execute.



In this July 28, 2016 file photo, the Apple logo is shown on a sign hanging in front of a new Apple Store in the Williamsburg section in the Brooklyn borough of New York. Apple is expected to announce Monday, March 25, 2019, that it's launching a video service that could compete with Netflix, Amazon and cable TV itself. (AP Photo/Mark Lennihan, File)

"Apple is very late to this game," eMarketer analyst Paul Verna said. "Netflix has become the gold standard in how to create and distribute content, using all the data they have about their viewers."

Netflix's prowess has attracted 139 million subscribers worldwide. But Apple will have several other deep-pocketed competitors fighting for consumers' dollars. Amazon has also become a formidable force in video streaming. Walt Disney Co. is launching its own service this year, armed with an imposing library that became more formidable with its purchase of 21st Century Fox's films and TV series. AT&T is debuting another streaming service built around HBO.

Apple has plenty of money to spend, though, with about \$245 billion in cash and marketable securities. It must prove itself attractive to Hollywood even without a track record for supporting high-quality programming and then ensuring it gets widely seen.

As part of its efforts to make quick connections, Apple hired two longtime Sony television executives, Jamie Erlicht and Zack Van Amburg, in 2017. They have reportedly signed up stars such as Oprah Winfrey, Steven Spielberg and Jennifer Aniston.

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