

# Analysis on Apple TV+: Future Development Direction of Streaming Media Platform

Yuyang Shen<sup>1\*</sup>

<sup>1</sup>International Business School in Suzhou, Xi'an Jiaotong-Liverpool University, 215000 Suzhou, China

**Abstract.** Streaming media had been a popular form of entertainment since 2019 due to COVID-19. Netflix, Home Box Office, and other streaming media offer an abundance of media resources to all kinds of audiences. Notwithstanding that streaming media had been flourishing, they still had trouble constructing sustainable profitability. Apple TV+, being one of the streaming media corporations, found out a way to achieve sustainable profitability. The platform also benefited from the flourishing of the streaming media industry. In order to promote the sustainable development of the streaming media industry, the article is mainly about Apple TV+ achieving sustainable profitability by adapting short and quality streaming media products and making proper use of the parent Company Apple Inc's financial support. SWOT analysis will be used to make a further explanation. The advice is offered in the article to expose the revelation of future development for both Apple TV+ and the industry, which is to combine franchises with short series and make use of co-branding to enlarge its media resources. Additionally, the research also reveals the weakness of Apple TV+ that Apple TV+ has difficulty in retaining loyal customers due to the lack of rich and attractive streaming media resources.

## 1 Introduction

With the development of technology and media communication, the audience can enjoy TV series and other media resources in different ways. The new form of media and developing communication channels captured the most of audience's attraction [1]. Netflix, being one of the greatest streaming media companies in the industry, is one of the driving forces behind this shift. Netflix, whose entrance into the TV creation realm brought a vital change to traditional media, first raised the concept of web TV [2]. Another corporation, Apple TV+, was also a vital force to promote the shift of traditional media. Barr introduced in his research that the second type of Apple TV made it accessible for the audience to watch Netflix's movies in the box, which dealt with the technical issue of web TV

[3]. Based on the harness of technology from Apple TV and plentiful original creation from Netflix, streaming media has become a major entertainment these days. More and more streaming media companies such as Hulu, and YouTube. Even traditional media started to construct their streaming media platform such as Paramount+ and Disney+.

According to Nielsen's report of viewing rates among the greatest streaming media platform, Netflix's original creation *Ginny&Georgia*, a TV series of 20 episodes, occupied the first place of the most viewed series during the week of January 16 to 22, 2023 [4]. Netflix also occupied the first six positions on the list, followed by HBO's original *The last of us* and Paramount's original *Criminal Minds*. Although Apple TV+ 's series seemed not to be as popular as their competitor's series in the latest report, they are still unignorable forces in the

---

\* Corresponding Author: [Yuyang.Shen2102@student.xjtlu.edu.cn](mailto:Yuyang.Shen2102@student.xjtlu.edu.cn)

industry. Adorno cited in his report that Apple TV+ has gained the second highest place in IMDb's streaming media point although its platform has fewer media resources than other bigger platforms [5].

Based on Apple TV+'s situation, the research will make a prediction and reflective suggestion on the future development of streaming media. the research will first make an introduction to Apple TV+ such as product type, business scope, business scale, target customers, and market position of the enterprise. Secondly, the research will analyze the advantage and disadvantages of Apple TV+'s marketing strategy by SWOT model and afterward offer 3 persuasive suggestions for Apple TV+. Finally, based on the analysis, the prediction of the streaming media will be made.

## 2 Basic information

Apple TV+ offers streaming media services such as TV series, entertainment, document, and kid education program. At the same time, it also sells smart hardware such as Apple TV 4K, an HDTV set-top box that offers a better viewing experience. The hardware services were initially set up in 2006. It gradually made a supplement to its original streaming media called Apple TV+ in 2019. The first original streaming media production of Apple TV+ was <Dickinson> first displayed at Tribeca TV Festival [6]. The excellent products were stably produced after 2019. For instance, Severance, Shining Girls, and Defending Jacob received plenty of good comments. Based on the products above, it is obvious to find out the strategy of Apple TV+, which is to produce short but high-quality series. Additionally, Apple TV+ offered a lower price for customers only if the Apple TV+ could be sold with Apple TV set-top box at the same time. Nevertheless, it greatly narrows the customer initially because few of the customers would be pleased to buy an expensive set-top box in order to be accessible to a streaming media platform which was lack media resources. Due to the production strategy, the Apple TV+ platform is lack popular original IP and media resources produced by other streaming media platforms.

## 3 SWOT analysis of Apple TV+ strategy

### 3.1 Strength

The powerful financial support from its parent company, Apple Inc, empowered them to promote this attractive marketing campaign. On the other hand, powerful financial support also brings Apple TV+ rich resources. Apple TV is positioned as a mid-end to the high-end streaming platform which has both hardware support and original streaming media product. Its positioning is determined by the product that Apple TV offers. As a streaming media platform, Apple TV provides original series, purchases copyright of videos from other platforms, and launches services on this platform. It also provides hardware facilities -- Apple TV box compared with other streaming media platforms. Apple TV box starts at 206 dollars, which is higher than other TV hardware products and belongs to the high-end market. An Apple TV+ subscription costs 4.99 dollar per month, which is relatively low compared to other streaming platforms such as Netflix, having a price of subscription of 12.99 dollars per week. Beyond that, Apple TV+ 's first-year free program could be attractive to most potential customers. Even Steven Allen Spielberg was hired to work as Apple TV+'s art director. The surprising capital strengthened the foundation of Apple TV+, which minimize the gap between Apple TV+ and other streaming media corporations in the industry.

In terms of content positioning and terrific financial support, Apple TV is different from other streaming media platforms in the way of marketing great IP and popular series. The reason why Apple TV+ could gain an excellent comment might reflect the success of their production strategy, which is much different from the main streaming media such as Netflix and HBO. Specifically, Netflix and other main streaming media corporations are fond of creating a few popular and attractive IPs in a year to gain a sharp increase of attention in duration, while offering some tiny but ordinary series for the rest of the time. However, unlike most of the corporations in the streaming media industry, Apple TV+ stick with offering the finest and shortest theory to maintain audience attraction in a stable range, which will not appear as a sharp decrease attraction or a sharp increase attraction. Apple TV is committed to creating short series and marketing them in the way of multiple high-quality short series. The short and excellent series mode can reasonably allocate

resources and reduce the dependence on a certain popular IP in order to capture the audience's attention. The strategy would balance the output of each series from Apple TV+ and make sure the audience could have a stable but high-quality experience during the subscription. The action would also increase the number of long-term subscribers.

### 3.2 Weakness

Apple TV+ has a relatively small content library compared to other streaming media platforms brings a major challenge to the growth and success of the platform. A study by Deloitte found that the availability of content is the key factor for consumers to subscribe to streaming media services [7]. Although Apple TV+ has some high-quality original content, its content is not as rich as Netflix, which means that users who are looking for multiple content options may not be able to find the required content on Apple TV+ and may choose to subscribe to other streaming media services.

In addition, due to the lack of a popular franchise partner, Apple TV+ is difficult to retain users for a long time. A franchise partner could be beneficial for a media company to seek data from its audience and specifically guide its next franchise product. Jarrar et al stated in the research that most of Bond's audience base was a male audience who was aged from 25 to 45 [8]. The data will be a benchmark to decide the target audience of the platform. Unlike its competitors, Apple TV+ has not been in the market for many years and has not established a huge database of its audience. It is a relatively new streaming media platform in the market, without the same popular original franchise programs and movies. Retention of users is crucial to the success of any streaming media platform because it will generate recurring revenue and help build a loyal user base. Without a diversified content library and databases, Apple TV+ may find it difficult to retain long period users, because users may decide to unsubscribe after viewing the available original content. It will drop in a negative circle without a buttress from databases and long-period subscribers. Sustainable profitability will be seriously influenced.

### 3.3 Opportunity

Apple TV+, as a streaming media department set up by Apple, shares the same customer group with its parent company. Tien mentioned in his research that Apple Inc's distribution channel decided that most of its customers will mainly be people aged 22-45 who have a higher consuming capacity in various areas such as Asia, America [9]. A variety of customers offer Apple TV+ different valuable segmentation based on the area they lived. Apple TV+ could produce the streaming series based on values and tradition. *Pachinko*, a story about four generations of overseas Korean families originally written by the Korean writer Min Jin Lee, was adopted by Apple TV+ and finally received great success among Apple users in Korean [10]. It vindicates that the pluralistic customers from Apple Inc. offer a great opportunity to recreate their production.

Most customers would choose Apple's main products iPhone, and iPad because the products could symbolize social status [11]. By strengthening the connection between Apple Inc. and its customer, Apple TV+ could be able to plant their subjective idea into the content. Erstwhile, the different digital products such as iPad, and MacBook sold by Apple Inc. offered a channel for Apple TV+'s distribution. Unlike other streaming media corporations, Apple TV+ is more convenient to build their platform, being an original part of the IOS system applied in each of Apple's devices. Arocha explained in her research that Apple TV even applied a specific TV OS system and TV app store in their Apple TV product [12].

Externally, most streaming media corporations have suffered from a decrease in subscribers since 2022. According to Netflix's financial report, the increasing rate decreased by 6.5% and revenue barely topped 300 billion dollars. Although Apple TV+ occupied 7% of the streaming media's market share in 2022, the situation reflected the streaming media industry still has not yet been solidified. Apple TV+ still has a chance to capture more attention from the audience and gain more market shares from the industry during the dwindling of the streaming media industry.

### 3.4 Threat

Apple TV+ has been a newcomer to the streaming media platform. Unlike Netflix, HBO, and paramount which have a greater market share, Apple TV+ has to seek a market share under such fierce competition. Most of the audience's attraction has been captured during the pandemic. Potential Audiences are expecting to enter the Movie Theater to gain a better experience of watching movies. Netflix has spent a lot on the science fiction of their most popular product Stranger Things. Nevertheless, it is not as competitive as Paramount's franchise Maverick. Both of these products include a large amount of science fiction. But the way of enjoying the media brings the difference of competitiveness. TV and other family audio devices still need further progress compared to the theater's screen. Although Apple TV+'s main strategy is to launch short and high-quality streaming media products, it is occasionally faced a recession in the streaming media industry. India, being one of the greatest markets for Netflix, occurred a decrease in subscriptions to Netflix [13]. Additionally, Apple TV+ is still figuring out the business operation mode of the streaming media platforms. Apple TV+ was a branch of Apple TV service when it was originally founded. Unlike other streaming media platforms, it is lack experience in launching, advertising, and producing. Although Apple Inc., the parent company of Apple TV+, has various experiences with propaganda, the media industry is different from the technology industry. The sustainable financial support from Apple Inc. will preclude Apple TV+ from being an independent streaming service platform. Paramount+, Disney+, and HBO+ have long been successful media corporations in both the Movie and TV series industry, which will be easier than Apple TV+ to find a streaming media platform. In the case of fierce competition for streaming media market share, Apple TV is not familiar with the business operation mode, which easily leads to its failure to quickly integrate into the market and obtain a high exposure rate.

## 4 Suggestions

Based on the SWOT analysis above, suggestions will mainly focus on dealing with Apple TV+'s threat of saturated market share and the weakness of retaining loyal subscribers.

In the first place, Apple TV+ should insist on its producing strategy, that is to produce short and qualitative TV series. Producing strategy would keep the platform being in possession of a healthy and sustainable development. Faced with such fierce competition, Apple TV+ should stand on long-term development rather than short-term development. Netflix is known for launching several low-quality series and high-quality series in a year. Most of its streaming media sometimes have awful feedback. Although the strategy might increase the exposure rate to a certain degree, the subscriber will feel unworthy in the next few subscribing periods. However, Apple TV+ should also make a trial to develop the franchise product. Franchise products could increase the identification rate of a streaming media platform. For instance, people will identify Game of Thrones as a symbol of HBO, but few people would identify anything when mentioning Apple TV+. It does not mean Apple TV+ should spend more resources on franchises. Combined with the short and quality producing, Apple TV+ could also produce the series and media product that fits their production strategy. The unique producing strategy would highly increase Apple TV+'s identification rate. Moreover, the combined production strategy could let Apple TV+ cut the spending on the franchise which is not popular without having a great cost. The combined strategy frees Apple TV+ from depending on users' data to produce media products. The combined strategy adopted by Apple TV+ can effectively reduce its dependence on user data to produce media products. This is achieved by leveraging established franchises and co-branded media resources, which have already proven to be successful. Through this approach, Apple TV+ can create unique content while also partnering with established media companies, thus minimizing the need for user data to generate successful media products. By prioritizing user privacy and delivering quality content, Apple TV+ can build a loyal customer base and establish a reputation for excellence in the streaming media industry. In conclusion, the combined strategy is a strategic solution that benefits both Apple TV+ and its customers.

Additionally, Apple TV+ should increase the investment in platform construction, increase the richness of platform content, buy high-quality resources from other platforms, and invest in this platform to attract users.

Apple TV+ could make use of its price advantage to the most degree to attract and retain consumers if they purchase more popular media products from other media companies. By choosing the Apple TV+ platform, subscribers could enjoy various media resources at a lower price on Apple TV+ platform. Nevertheless, purchasing high-quality from other streaming media platforms is not a sustainable way to increase the content richness and quality of Apple TV+'s platform.

Co-branding could be also an effective way to increase the platform's influence. Specifically, the co-branding strategy for Apple TV+ could be divided into 2 sections. In the first place, Apple TV+ could invest in various streaming products from other streaming media platforms by giving the play a great financial support advantage. It promotes Apple TV+ by investing in a different realm of streaming media. Secondly, Apple TV+ could cooperate with different entities at the beginning of production. The entities are not limited to a television station, a movie corporation, or a football club. The co-branding strategy will absolutely increase the media resources Apple TV+ is in possession of and be more worthy than pure investment. At the same time, the quality of the media product could be maintained at a high standard because Apple TV+ participates in the whole producing process, which keeps the product following the platform's high-quality requirements. At the same time, the co-branding strategy could access Apple TV+ to gain audiences from other realms. Attention could be captured in TV series and movies and in documentaries, reality shows, sports games.

## 5 Conclusion

To draw a conclusion, being a newcomer in streaming media, although Apple TV+ has made significant achievement since its launch, the fierce and recession streaming media market are still affecting Apple TV+'s advantage. Apple TV+ does have advantages such as a low-price subscription mode, a short and quality series strategy, and powerful financial support. They also have disadvantages such as a lack of content richness and experience. Meanwhile, opportunities and threats also exist. The unsolidified streaming media market, fierce competition between platforms, and recession interest from subscribers will be influential to Apple TV+'s future progress. Suggestions for co-branding and developing

franchise partners were mentioned in the article to promote Apple TV+'s future progress. Additionally, Apple TV+ could also develop itself as a propaganda platform for its parent company Apple Inc. to increase its brand influence. The suggestions would be beneficial for Apple TV+ to be the future leading platform in the streaming media industry, and it can be also used as a reference for other platforms. However, limitations still exist. Apple TV+ is a dynamic streaming media platform that operational strategy might change based on the dynamic market. Thus, future study is likely to focus on how Apple TV+ conducts a dynamic marketing strategy to deal with the dynamic market.

## References

1. E. Steiner, K. Xu, Binge-watching motivates change: Uses and gratifications of streaming video viewers challenge traditional TV research, *C* **26**, 1 82-101(2020)
2. B. Burroughs, House of Netflix: Streaming media and digital lore, *P C* **17**, 1, 1-17 (2019).
3. T. Barr, Television's newcomers: Netflix, Apple, Google and Facebook, *TJA* **61**, 4 (2011).
4. J. Adorno, Apple TV+ has the highest-rated content of any streaming service for the second year in a row, *9to5Mac*. Available at: <https://9to5mac.com/2022/06/28/apple-tv-plus-highest-rated-content/> , Accessed: February 20, 2023, (2022) .
5. Top Ten Nielsen. Available at: <https://www.nielsen.com/top-ten/> , Accessed: March 11, 2023, (2023).
6. Apple TV+, Apple. Available at: <https://www.apple.com/apple-tv-plus/>, Accessed: February 21, 2023.
7. Digital Media Trends Survey. Deloitte Insights. Available at: <https://www2.deloitte.com/us/en/insights/industry/technology/digital-media-trends-consumption-habits-survey.html> , Accessed: March 6, 2023, (2022).
8. Y. Jarrar, L. Emeagwali, , A. Awobamise, Awobamise, Attracting younger

- millennials: Lifting bond out of a transitional sinkhole, *DHSS* **46**, 1, 115-123 (2019).
9. N. H. Tien, International distribution policy comparative analysis between samsung and apple, *IJRMMS* (2019).
  10. S.T. Ogawa, Zainichi Cinema” in a Global Frame: Apple TV+’s Pachinko (2022) and the Cosmopolitan Middlebrow, *TA* **5**, 1, 746 (2023).
  11. M. Sohaib, J. Mlynarski, R. Wu, Building Brand Equity: The Impact of Brand Experience, Brand Love, and Brand Engagement—A Case Study of Customers’ Perception of the Apple Brand in China, *S* **15**, 1 (2022).
  12. J. B. Arocha, Getting to the core: A case study on the company culture of Apple Inc. (2017).
  13. V. Khanna, A study on factors affecting subscription rates of netflix in India an empirical approach, *DBR* **18**, 1, 83-100 (2017).