

Apple: The Future Dominant Player in the Streaming Media Industry

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Abstract. Apple's technology, Internet and streaming business is the leader among many technology companies today. With its strong target audience, ability to innovate and keep up with market developments, Apple is poised to lead the media services industry in the future. Apple's ability to close the loop by combining software and hardware development with its rich streaming services will enable it to significantly improve customer retention and enhance the user experience. Secondly, Apple has a strong innovative spirit that has given it a leading edge in the streaming industry by constantly introducing new products, such as VR and AR. The rapid growth of the young population and economic growth is an opportunity for Apple to succeed in the media services industry. At the same time, Apple's streaming industry is extensive, including the music, fitness and smart home industries. This study analyzes all aspects of Apple's approach to the streaming industry and concludes that Apple should invest more research efforts and costs in combining wearable devices with media services in the future.

Keywords: Streaming Media; Internet; Innovation; Technology Companies.

1. Introduction

If we were to choose one of the most promising media service companies, it would inevitably be Apple, a company that combines software and hardware development with a wealth of streaming services. Apple is already a leader in the technology, Internet, and streaming media industries. With its strong target audience, ability to innovate and keep up with market developments, Apple will lead the media services industry in the future.

Apple is currently the world's largest technology media company. For nine consecutive years, Apple has been ranked No. 1 on the Interbrand list, with a brand value of \$408 billion, as well as one of the highest market capitalizations in the world and named the World's Most Valuable Brand. Apple's corporate headquarters is geographically located in Cupertino, Calif. Its retail stores span 25 countries. It was founded in 1976 by Steve Jobs. Apple has taken a leading position in the technology industry with its products such as iPhone smartphones, iPad tablets, Mac computers and more. At the same time, Apple also has great achievements in the service media industry, where media services, such as apple tv+, apple music, iTunes and iMessage, have been widely used by the public.

2. Analysis

2.1 The Advantages of Apple

Apple's corporate strategy is to bring the best user experience to its customers through its innovative hardware, software, and services. In terms of improving the user experience, Apple has focused on making significant improvements in a variety of hardware products and cross-platform connectivity. For example, it continues to optimize iCloud's synchronization performance across Apple's platforms and products. In terms of hardware, it takes feedback from users and constantly tries to iterate on product updates. Apple's strategic statement always emphasizes the need for services and products to be centered on improving people's lives. Apple's software and services are focused on simplicity and user-friendliness, trying to simplify the use of software so that users don't need to perform cumbersome operations, and increasing the diversity of technology and services so that users can enjoy Apple's integrated services on more levels, such as media and entertainment, education,

business, and health care. Apple also places great emphasis on the rapid development of media services, software, and hardware.

In order to continue to lead the industry, Apple has continued to innovate with a range of streaming services and, in recent years, has attempted to enter the AR/VR space. To meet the needs of a wide range of users, Apple is constantly introducing more innovative products. Of course, Apple has always adhered to the principle of maintaining the highest quality of each product and service, forging a technology media empire centered on user needs through the integration of each platform of software, hardware, and media services.

Apple's target audience covers almost the entire world, and it can close the loop between the software, hardware and media services it develops, improving the user experience while also quickly promoting its products and services and increasing brand awareness. Apple's strengths are clear, especially in media services, which include digital content stores, streaming services, iCloud, and more. Apple's media services revenue is increasing year by year, and in 2021, according to Apple's annual earnings release, about 19% of its revenue comes from its services. Among the most well-known media services are Apple TV+, Apple News+, Apple Arcade and Apple Fitness, among others. Involved in the scope of film and television, games and entertainment, news, and health, etc. Its iCloud system can easily allow users to use these services on various hardware products, so that one account covers all media services. This simple and clear usage model is very popular among users and is bound to be the key to Apple's future success in the media services industry.

Meanwhile, the copyright coverage of Apple Music and Apple TV+ is also one of Apple's biggest advantages. The massive amount of music and movie information allows users to enjoy the latest and most comprehensive entertainment with the lowest consumption. As mentioned above, Apple is constantly expanding its business areas, and in recent years, Apple has invested about 6% of its own revenue in innovation and research and development. It is worth mentioning that Apple is one of the first companies in the world to start developing virtual reality technology and has already launched a series of more mature services, such as Colibri, ARki, Jigspace and so on. Moreover, users can use these virtual reality services directly on their existing Apple hardware products without the need to replace them, which greatly reduces user expenses and increases the use of Apple's virtual reality services.

2.2 The Weaknesses of Apple

Apple currently has many weaknesses to be concerned about. Apple's products have always been overpriced, facing a customer base that is high-income and high-spending, while the vast majority of lower-income users cannot afford its high production costs. Likewise, Apple's advertising is weaker than that of other top brands, relying mostly on the self-promotional effects of Apple's products and services.

Apple's streaming services are still in their infancy and are less well advertised and have fewer users than mature Netflix and Disney. Moreover, some of Apple's streaming services are not compatible with the software and some other brands of hardware products, which leads to some users not being able to use the services provided by Apple without purchasing Apple's hardware products. More interestingly, more and more parents are claiming that Apple's media and entertainment services do not provide parental controls, while more and more mainstream entertainment services now have comprehensive parental independent control systems, such as TikTok, YouTube and Instagram, which is a major disadvantage for Apple in terms of competition.

2.3 The Opportunities of Apple

At the opportunity level, Apple's customer retention and service innovation are outstanding. To date, Apple has a 92% customer retention rate, and its large customer base gives Apple great potential for success in the Internet and technology. The rapid growth of the young population and the growing economy is also an opportunity for Apple's media services to succeed, as more and more young people like the simplicity of Apple's products. Apple Music, Apple's most successful media service, is

gaining more and more popularity among young people because of its clear interface, simple operation, and massive music library.

Apple has also indicated that Apple Music is already planning to expand its music streaming service to nearly 52 emerging markets around the world. Not only in music but also other services such as fitness and smart home, Apple is rapidly promoting its products through the combination of "service + hardware". According to Strategy Analytics, Apple's HomePod Mini smart speaker has already captured 10.2% of the market. The Apple Watch smartwatch also continues to introduce a variety of fitness-assisted functions and is well-liked by users.

2.4 The Threats of Apple

However, Apple's success has been accompanied by many threats. In particular, the monopolistic behavior of Apple's digital app store was raised by Mark Zuckerberg. He said that Apple should not make all kinds of high fees in the App Store. At the same time, Apple's biggest market comes from Chinese customers, too single market makes Apple face such unexpected events like Covid-19 will be greatly affected, Apple should find a better response to face the unexpected events.

3. Summary

Apple's biggest problems today are weaker advertising, high prices, and some of Apple's streaming services and software that aren't compatible with other brands of hardware. If it is not resolved in time, it will be difficult to keep up with the rapid development of the industry. In the future, Apple should focus on continuing to develop the combination of wearable devices and media services. At present, Apple's existing wearable devices such as Apple Watch and AirPods have already started to try to combine with various media services with great success. Therefore, Apple should have huge development space in this market. At the same time, Apple's development in virtual reality technology is also a basis for becoming a giant in the media service industry in the future. The current VR/AR technology has gradually spread in the world, and the development of the Internet in the next decade is destined to develop in 3D instead of staying in 2D. Apple's acquisition of the artificial intelligence startup Regaind and the artificial intelligence tool Desk Connect in 2017 is also a good help for Apple to combine media services with virtual reality in the future.

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