Everything you need to know before Apple’s March 25 “it’s show time” event



Enlarge / The Steve Jobs auditorium on Apple’s new campus.

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On March 25, Apple executives and partners will take to the stage in the Steve Jobs Theater at Apple’s Cupertino campus to talk about subscriptions, software, services, entertainment, and media. These are all things Apple has dealt with before, but never before has an event focused so completely on them as we’re expecting later this month.

That’s not to say it’s impossible that hardware will appear. The timing is right for an update to Apple’s base iPad model, and reports and rumors have been joined by developer beta evidence to imply that hardware refreshes are imminent for a few Apple products like the iPad, iPad mini, iPod touch, and AirPods. These would fit perfectly in an event focused on services like TV, Music, and News: they are media-consumption devices, first and foremost.

But this will be Apple’s first public event after it reported a marked decline in worldwide iPhone sales, worrying pundits, analysts, and investors that the iPhone-hardware-dependent company is in for difficult times. It is fitting (and perhaps telling) that the event will focus on services—the division Apple is happiest to boast about right now—rather than hardware.

Of course, you should be skeptical when you read hot takes on the Internet declaring that Apple is *doomed* because its iPhone sales are down primarily in China. It’s not good news, but other companies would give anything to have the financial and market position that Apple does in most of its worldwide business interests, even with that rare sign of weakness.

I write “most” because Apple is actually lagging substantially behind in the one area I expect the March event to emphasize the most: television.

The iTunes Store is a relatively successful platform for buying episodes of TV series, but many people these days prefer to watch TV shows that are part of a streaming subscription bundle like Netflix, Hulu, or Amazon Prime. And while we generally liked the Apple TV 4K as a media-streaming hardware solution when we reviewed it, Apple’s market share in that space is unimpressive. The cheaper, more accessible, less closed-off Roku platform dominates. That’s not to mention the fact that many of today’s TVs ship with Netflix and the like built right in, and more than half of US households own video

game consoles with ample video streaming app libraries.

But the same story was emerging for music on iTunes before Apple launched the massively successful Apple Music service. Could the same happen again with television or with news? And what do we know about the new iPads that may or may not be announced? Let’s explore both the definites and the possibilities at Apple’s March 25 event.

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Definites

An Apple streaming TV service

The television industry perfectly fits the classic profile as a dilapidated industry ready for the kind of technological house-flipping that has previously led to Apple’s biggest successes. With the iPod, iPhone, Macintosh, AirPods, and other hit products, Apple has identified product categories that showed great promise but were badly handicapped by shortsighted design decisions or industry fragmentation. Television service is just such a product.

Television networks are the definitions of dinosaurs. Their business models and technologies are archaic and under threat from newer innovations. And thanks to near-monopolies held by local cable providers, poor bargaining positions with those cable providers on the part of networks, bloated subsidies for content like ESPN that not everyone wants, and glacial innovation, the user experience for cable television service is almost universally awful right now—and it’s badly priced, too.

It’s fitting that the TV industry itself, in which I have previously worked, calls streaming services “OTT”—”over the top.” Look right there in the name: the only way to produce a

good user experience is to skip right over the entire infrastructure the industry has spent decades building and monopolizing.

- Apple launched a major update to its Apple TV hardware with 4K support in 2017. New hardware is not needed right now, but the Apple TV 4K's features can give us some background on Apple's TV strategy.
  Samuel Axon
- Most notably, Apple's TV app consolidates content from almost every Apple TV streaming app (Netflix is a notable exception) into one feed, and the app features some live sports and news as well. Apple's new service will build on this.
  Samuel Axon
- The Apple TV also lets users pick a default TV provider for the device and manage subscriptions to networks like Showtime. The new service will be a provider of its own, and we've seen reports Apple is trying to secure add-on subscriptions like HBO for the new service, too.
  Samuel Axon

Apple's efforts with Apple TV just illustrate how bad the situation is. Even Apple, with its powerful bargaining position, couldn't rally the entire industry behind the Apple TV 4K into a good solution built on top of the various streaming services. The channels all use different technologies, they don't play nicely together, and their arcane and exclusive deals with cable providers mean that Apple can't guarantee a universal experience for all its Apple TV users. Further, the brutal grip of cable providers chokes the networks that try to break ranks from the status quo.

A popular biography of former Apple CEO Steve Jobs by Walter Isaacson revealed that this TV problem was what most vexed Jobs as he approached his final days running the company. He was obsessed with solving it, the same way iTunes addressed a

similar mess in the music industry in the early 2000s.

This month's Apple event carries the tagline, "It's show time"—a tagline used for an event years ago at which Apple first announced the future Apple TV product. Apple's current leadership seems to believe it has finished the work Jobs started.

But whereas previous efforts looked to work closely with networks to simply provide a better tech platform for distributing those networks' existing content, the new service appears to be more like Amazon Prime Video: an original-content machine augmented by licensed content and add-ons of premium channels like Starz or HBO Now.



Enlarge / It doesn't look like much, but this neighborhood/municipality in Los Angeles called Culver City is home to numerous film and TV companies—most famously Sony Pictures, and now, Apple's growing LA campus as well.
Samuel Axon
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