

Report uncovers Apple's secret plan to go to war with Netflix

Yoni Heisler



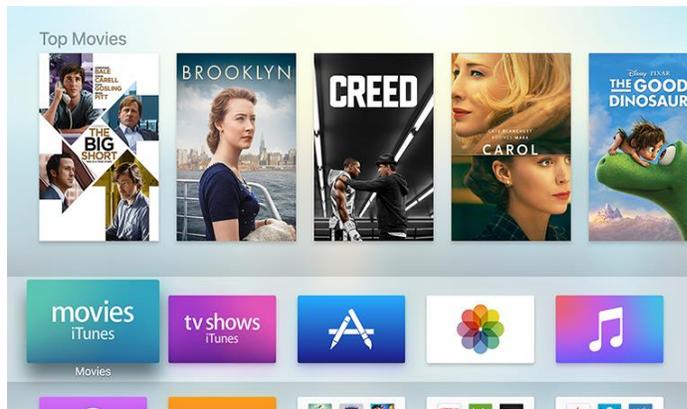
In a world where Steve Ballmer is an NBA owner and former Apple executive Tony Fadell is a Google employee, I suppose the notion of Apple getting into the TV production business in an effort to take on Netflix

isn't *that* crazy. Echoing a report which first surfaced this past August, a recently published *FastCompany* article sheds some new light on Apple's somewhat ambitious attempt to develop original programming and, in turn, make an impactful and bold entry into the TV business.

According to the report, Apple has been steadily increasing its presence in Hollywood circles, all in an effort to ultimately release content that will presumably be available exclusively as part of a subscription service, perhaps tied to Apple Music. And not surprisingly, Apple appears to be going after big name talent.

FastCompany adds:

Apple appears to be taking a “two-lane approach” to original programming. The first, which *Vital Signs* falls under, is a slate of short films, music videos, and documentaries...



These originals are seen as essential in goosing Apple Music’s subscriber totals.

The second lane—which for now is more deeply undercover—is an effort to do what Amazon and

Netflix have done for their tens of millions of users: offer its own original TV-style entertainment. Apple being Apple, though, it not only wants to find its own *House of Cards*, but it wants several of them at once.

Taking on industry incumbents like Netflix and HBO is clearly no small task, but Apple certainly has deep enough pockets to fund such an ambitious endeavor. As we highlighted a few months ago, it would cost Apple approximately \$540 million to deliver a selection of 10 wide-ranging TV programs at once. To provide a bit of context, consider these figures: It costs Netflix about \$50 million to produce one season of *House of Cards*, AMC about \$39 million to produce one 13-episode season of *Mad Men*, and HBO about \$60 million to produce one season of *Game of Thrones*.





So while producing top-notch quality shows isn't cheap, Apple clearly has a big enough bank account to foot the bill and not even notice that the money is missing. During Apple's most recent holiday quarter, for example, the company raked in a quarterly net *profit* of \$18.4 billion.