

Clash of the titans: Why Apple vs. Amazon is the battle to watch

Article



So far this year, there's been **Google versus Microsoft** and **TikTok versus ... well, everyone**. But another battle is emerging: Apple versus Amazon.

Our analyst Jeremy Goldman shared three areas where the tech behemoths are going head to head.

1. The competition for ad dollars is on

Amazon has a big head start. Its US ad revenues will reach \$33.96 billion this year, per our forecast, while Apple's will only reach \$5.21 billion.

Apple is doubling down on ads, particularly around Apple TV+. In addition, AppTrackingTransparency has “kneecapped” the competition by limiting the amount of data they have access to.

Meanwhile, Amazon's ad business may be impacted by sweeping job cuts at the company.

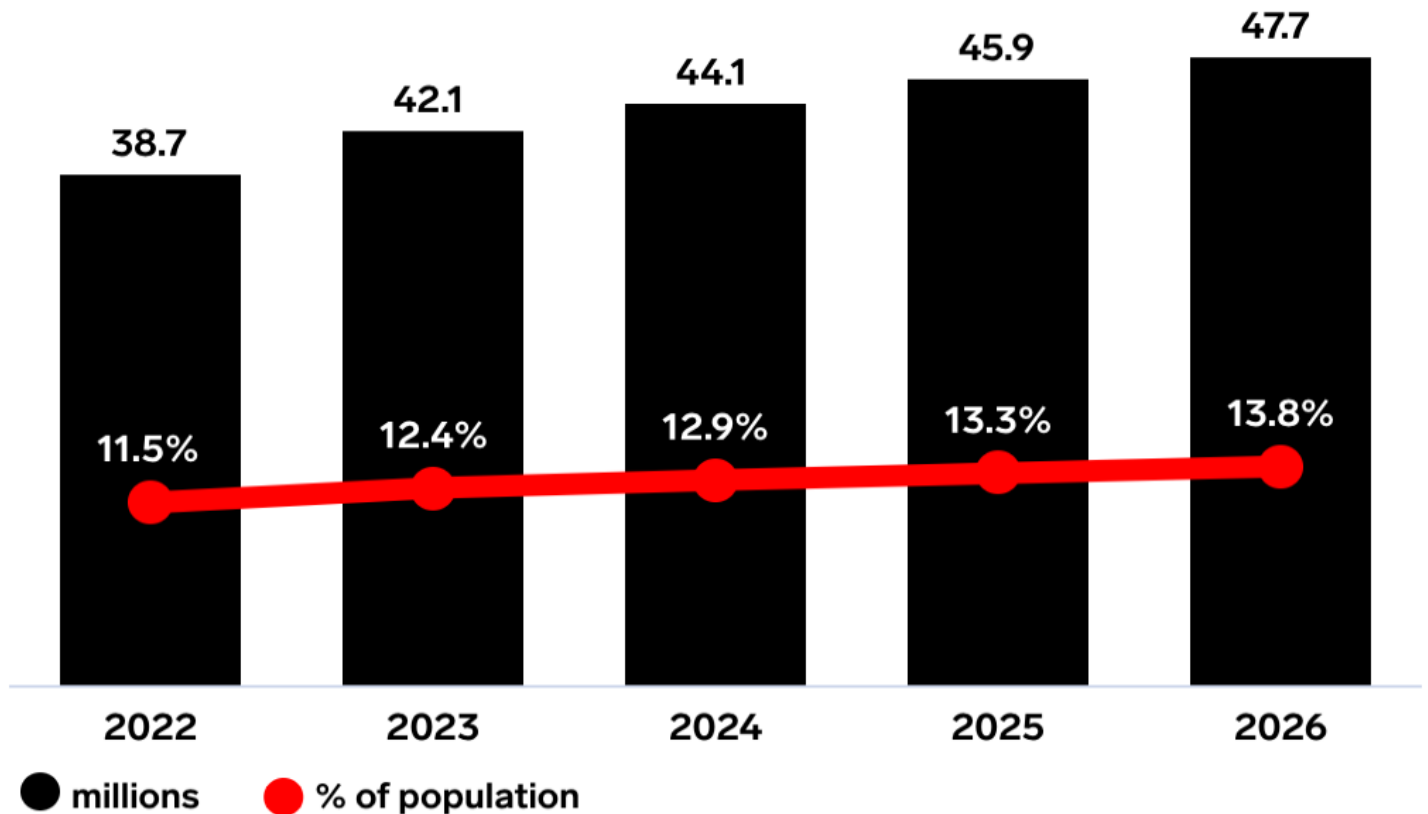
“That could be a potential disruption in terms of their ability to maintain continuity,” said Goldman on a recent “**Behind the Numbers: The Daily**” podcast episode. Amazon's foundations are so stable, it probably won't shake the company too much, he said.

2. Both companies have lofty streaming ambitions

This year, Amazon Prime Video will amass 157.3 million US viewers, just over 13 million shy of Netflix's 170.6 million. By contrast, Apple TV+ has just over 42 million.

Apple TV+ Viewers

US, 2022-2026



Note: individuals of any age who watch Apple TV+ via app or website at least once per month

Source: eMarketer, September 2022

eMarketer | InsiderIntelligence.com

“Prime Video has been around for a while, and is also bundled with a subscription service that is incredibly famous,” said Goldman. “Apple has a lot of subscriptions as well, but they’re less well known and make up a smaller portion of revenue.”

With its acquisition of MGM in 2022, Amazon has been able to offer legacy MGM content and gain an edge over its competitors.

For its part, **Apple announced it intends to allocate \$1 billion a year** toward producing movies for theatrical release, a substantial increase over past years.

Goldman said Apple also sees these projects as a way to raise awareness for its Apple TV+ streaming service, which has room for growth.

“If you look at how well Apple TV+ is doing in relation to all of Apple, it’s a very small bit of what they do, and obviously, they think they can make it a lot bigger,” he said.

3. They’ve set their sights on health and wellness

When it comes to consumer technology, Apple may have the upper hand.

“What is Apple, at its core? It’s hardware, the software that supports it, and the content that supports that,” said Goldman.

Looking at Amazon, its tech strategy is more sporadic. “It’s a bunch of things that you might not think go together, but they all plug into your life,” said Goldman.

But now, each company is applying its tech strategy to one vertical: health.

Apple has released a lot of **new health and safety features** that are embedded on its latest devices, like the Apple Watch Series 8, Apple Watch SE, and iPhone 14. “And again, it’s embedded with the existing hardware they’re offering as a value add to make their products more sticky,” Goldman said.

Amazon has just completed a **major acquisition of One Medical**, which has a network of clinics across the US. “And that’s a perfect example of how Amazon thinks about integrating all different types of services and products that you need in your life,” Goldman said.

Listen to the full podcast.

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