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# Even Apple TV+ is thinking about ads now

Article

**The news:** **Apple** is the next streamer to cave into the ad-supported video (AVOD) trend. The company is considering launching ads for Apple **TV+** as early as 2023, Digiday reports.

**After all, why not?** Why shouldn't Apple TV+ get in on the AVOD pile, especially if every other major streamer is doing it? Even the historically ad-averse brands like **HBO** and **Netflix** have made space for ads, so Apple's move will go over much more smoothly.

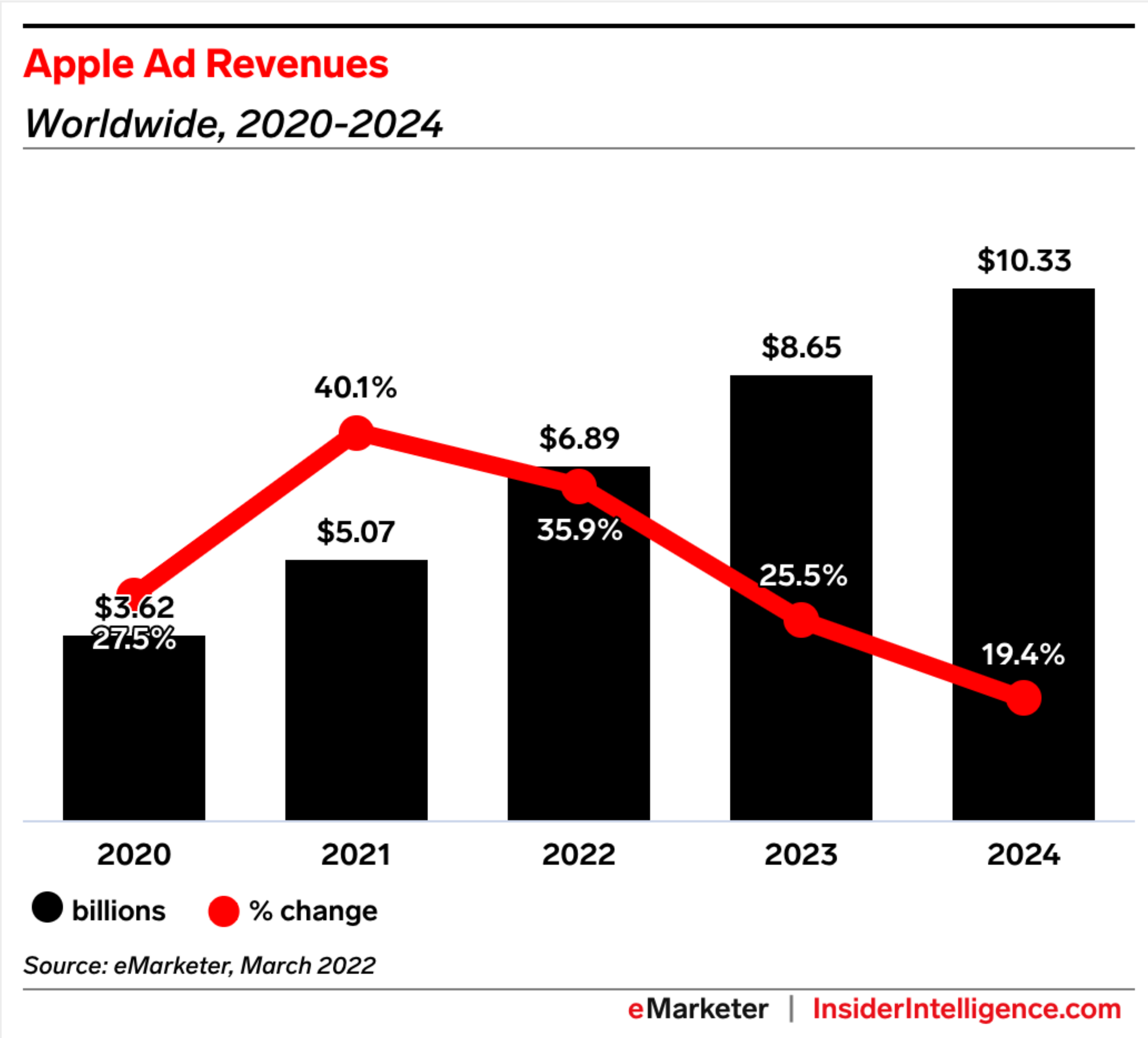
- So how will ads fit into AppleTV+'s monetization model? The streaming service currently costs $4.99 per month, so it's hard to imagine a cheaper subscription unless the service chooses to launch a free-with-ads option—something that would make sense given its relatively small user base (38.7 million US viewers) compared with other streamers.

- But Apple is also going all-in on the "premium content" brand. It could implement a **Disney+-esque price hike** for its ad-free subscription and introduce an ad-supported tier for the current $4.99 value.
- Apple TV+ also has plenty of brand-friendly, award-winning shows like "**Ted Lasso"** and "**The Morning Show"** in its repertoire that marketers will surely want to piggyback off of.

**It's not just about streaming ads:** Apple TV+ getting ads may seem like an obvious domino falling in a recent trend, but Apple's ad ambitions go far, far beyond streaming.

- Since the introduction of **AppTrackingTransparency** (ATT), the opt-in tracking policy that's hurt platforms' ability to advertise on iOS (and cost companies like Meta $10 billion), Apple's own ad business has skyrocketed.
- In 2022, Apple's ad revenues will total **$4.14 billion** almost entirely off of search advertising on the **App Store**, where even more ad placements are set to debut. Its advertising fervor is extending into maps, books, podcasts, and now TV. With its own ad infrastructure in place, Apple might not even need to take on the extra expense of finding an ad tech partner like Netflix and Disney did.
- Apple's rising ad presence has earned the negative attention of some of its Big Tech peers—and understandably so, since its changes are shaking their businesses—but the fact that so many streamers are getting into AVOD means Apple TV+'s move will be much easier to defend.

**The big takeaway:** It's only natural that Apple would want a slice of the AVOD pie that so many streaming competitors are eager to get in on. Its existing ad technology and tech background could spare it the expense of a costly ad partner, but because its reach is much lower than Disney or Netflix, it may not be able to cash in on the trend of higher and higher CPMs (the cost per 1,000 impressions).

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