

Apple Music and Apple TV+ both see price hikes, as consumers debate whether or not to cut back on services

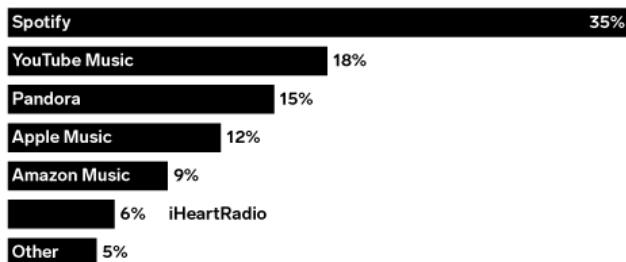
Article

The news: Apple is increasing the price of its **Apple Music** and **Apple TV+** subscription services as well as its **Apple One** bundle, its first significant pricing rise in the US in years.

- Effective immediately, the cost of Apple Music is going up by around one dollar for individual users and two dollars for families. As a result, a single user's monthly subscription to Apple Music will rise to \$11 from the previous \$10.
- Apple TV+ will increase from \$5 per month to \$7 a month.
- Apple One, which bundles the aforementioned services with the company's **Arcade**, **iCloud+**, **News+**, and **Fitness+** offerings, will now cost \$16.95 per month, up from \$14.95.

Digital Audio Service Used Most Often by US Teens and Adults, Jan 2022

% of respondents



Note: ages 12+; among those who currently use any digital audio service
Source: Edison Research and Triton Digital, "The Infinite Dial 2022," March 23, 2022

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Why the hikes? Everything's getting more expensive—and that includes streaming.

- Major subscription services like **Disney+** and **Hulu** have been increasing their prices frequently lately.
- An Apple spokesperson said Music's increase was a result of higher licensing fees and payments to performers. Another factor is Apple TV+ now offers a more robust offering than when it debuted with a limited content library.
- Still, this comes as 61% of consumers believe they're paying too much for streaming services, per April data from Fandom—and prices have only risen since then.
- Although Apple is increasingly relying on subscriptions for revenue, it is also reportedly considering ads for TV+.

Our take: With these hikes, Apple is testing how much its brand equity is worth to consumers. It's entirely possible that consumers are willing to pay one or two dollars more to Apple even if it means canceling, say, their Peacock or Discovery+ subscriptions.