Behind Apple's 'Slow-Roll' Marketing Push for Its New Streaming Service

By Tiffany Hsu

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Show business may be Apple's latest big experiment — but it is not the company's top priority.

How can you tell? By comparing the amount Apple has spent in recent months to advertise Apple TV Plus with how much it has allocated to getting the word out on the latest iPhone.

In October, Apple spent $19.9 million on television commercials for Apple TV Plus, the streaming service that went live Friday with a slate of shows featuring Reese Witherspoon, Jason Momoa and Oprah Winfrey. That same month, according to the measurement company iSpot.TV, Apple spent $38.6 million on television ads to market the iPhone.

The same disparity was evident in September, when Apple spent $14.9 million on commercials promoting Apple TV Plus and $28.6 million on television ads for the iPhone, according to iSpot.TV.

Apple applied the same spending strategy to the online push. In October, there were 139 unique digital ads for Apple TV Plus, which cost the company less than $1.7 million, while iPhones were featured in 245 separate ads, which cost an estimated $2.3 million, according to the advertising analytics platform Pathmatics. In September, there was an exception. Digital ads for Apple TV Plus that month cost Apple an estimated $3.8 million, compared with $2.4 million for iPhone ads.

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Taken together, the company spent a total of $71.9 million on iPhone ads and $40.3 million on Apple TV Plus spots on television and online in the past two months. (Billboard tracking companies said that data for Apple's recent outdoor ads are not yet available.)

"The marketing is never going to be at the level of iPhone — that continues to be the Rock of Gibraltar for Apple," said Daniel Ives, an analyst with Wedbush Securities. "Services like streaming are more like the fuel in the growth engine."

Apple, which once spent $1.8 billion on advertising in a single year, has a history of getting the most out of introducing new products. Its ad campaigns, including the dystopian "1984" ad for the Macintosh computer during the 1984 Super Bowl and its "Silhouette" campaign for iPods starting in 2003, created brand loyalty by conferring status on supposedly ahead-of-the-curve Apple users. Its publicity department increased desire for Apple products by cleverly doling out information to the news media. And the company's slick stage presentations helped turn tech execs into celebs and customers into devoted fans.

But as Apple's first real foray into original entertainment, Apple TV Plus has presented the company with a new marketing challenge. Can its advertising cut through the noise in the increasingly crowded world of entertainment?

Times Square offers a clue. Apple has huge billboards on its southern periphery for several of its Apple TV Plus shows overlooking the throngs of wandering tourists and fast-moving commuters — but it is competing for attention with signage close by for Netflix and HBO.

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On the New Jersey-side of the Lincoln Tunnel, by contrast, three gargantuan signs for the iPhone 11 Pro, which was unveiled and made available in September, hang above the three tunnel entrances, dominating the sight lines of captive drivers and passengers in the traffic-clogged patch of Weehawken below.

Lee Clow, who crafted many of Apple's best-known ads over more than 30 years, announced his retirement in February from TBWA\Media Arts Lab, the agency he founded in 2006 to serve Apple. Geoff Edwards, who has worked on branding for entertainment players like the Walt Disney Company and the Hollywood Foreign Press Association, took over creative duties in May for services such as Apple TV Plus, Apple Music and Apple Pay.

Compared with the marketing blitz for Disney Plus, the streaming service that will arrive Nov. 12, the Apple TV Plus campaign seems more muted. Disney has promoted its service, which will include Pixar films and the Marvel franchise, across its many businesses, including theme parks, stores, hotels, cruise lines and TV channels like ABC, ESPN and Freeform.

On Monday, just as the Apple TV Plus series “The Morning Show” was premiering at a lavish event at Lincoln Center, Disney Plus introduced a trailer for its heavily promoted live-action “Star Wars” show “The Mandalorian.” The next day AT&T’s entertainment division, WarnerMedia, held an event in Burbank, Calif., to promote its wide-ranging HBO Max streaming service, which will includes everything from Sesame Workshop shows to “Game of Thrones” on its May debut.

Dan Rayburn, an analyst with Frost & Sullivan, suggested that it might have been wise of Apple not to do an iPhone-level marketing blast for the service, which has a relatively modest lineup compared to the vast libraries offered by its streaming rivals.

“Consumers are just drowning in content right now, and all of these services are competing for our time,” he said. “But they’re all approaching the market differently. This isn’t some race for Apple. It’s a slow roll.”

Soon after Apple made details about Apple TV Plus available in September, ads for the streaming service seemed to surge. The tech giant barraged the 71st Primetime Emmy Awards with commercials. Spots appeared during football games, sitcoms and talk shows. Billboards went up featuring celebrities like Jennifer Aniston and Mr. Momoa.

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Mr. Momoa, who is starring in the Apple TV Plus show “See,” stopped by “The Graham Norton Show” for the Oct. 25 episode. He compared the show to “Game of Thrones,” saying, “Apple put everything in. They invested big on this one.”

Ms. Aniston, who stars with Ms. Witherspoon on Apple TV Plus’s “The Morning Show,” went on “The Late Show with Stephen Colbert,” where she talked briefly about the program before discussing “Friends,” the hit sitcom that will soon become an exclusive streaming property on HBO Max. On Thursday, “CBS This Morning” co-host Gayle King aired a more in-depth conversation with Ms. Aniston and Ms. Witherspoon about the new show.

Some analysts suggest that Apple’s streaming platform, priced at $5 a month, is meant to be a selling point for consumers interested in springing for Apple devices. The iPhone, Apple’s prize product, generated $33.3 billion in sales in the company’s most recent quarter, compared to $12.5 billion from Apple services like the App Store and Apple Music. But iPhone sales have been weakening, which may explain the continued marketing onslaught on its behalf.

The iPhone shows up frequently in Apple TV Plus programs like “The Morning Show,” and Apple’s retail employees will show off the streaming service during occasional in-store sessions.

The company is offering a free year of Apple TV Plus to those who buy a new iPhone, iPad or Mac laptop. Hailee Steinfeld, who stars on the Apple TV Plus show “Dickinson,” said on Instagram this week that students with an Apple Music subscription will also have free access to Apple TV Plus.

It is “only a matter of time” before the company offers Apple TV Plus as part of a bundle with its news, music and gaming offerings, Mr. Rayburn said.

Ads for Apple TV Plus have appeared on websites like YouTube, Entertainment Weekly and Vogue, according to Pathmatics. Apple is also advertising the service with companies that have competing streaming platforms, such as Hulu and NBC.

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The tech giant may also be positioning itself to win accolades from Hollywood: Apple took out a full-page ad in the most recent issue of “Emmy,” the publication of the Academy of Television Arts & Sciences. The issue featured Apple TV Plus in its cover story and included a voucher for a free 3-month trial to the service for 25,000 academy members.

Mr. Ives, the Wedbush analyst, said Apple TV Plus marketing has been "aggressive" compared to most other Apple launches. He expects advertising to pick up more during the holidays and also a year from now, when Apple will be trying to convert customers who signed on for a free year.

"This is a pivotal juncture for Apple to be successful — they cannot trip over their shoelace," Mr. Ives said. "They were late to the game, they've underinvested in content and they have a lot of room to make up."