



Apple Computer no longer exists. The company renamed itself Apple Inc. at the January 2007 Macworld Conference in San Francisco on the same day it introduced *iPhone*, a product people are still blinking at in amazement. The move stands to define Apple as a more fully fledged global consumer electronics competitor. A few hours after the announcement, the company's stock price rose 6%.

iPhone's impact and instant notoriety could be gauged through reverberations that followed in short order from the press and industry gadflies: "Shocking, stunning, surprising" – *MacWorld*; "Your life in your pocket" – *Belfast Telegraph*; "The holy grail of gadgets" – *The Globe & Mail, Canada*.

After years of projections and jibber-jabber about the meaning of convergence in Broadcast, Telecoms, and Internet, you can now hold it

iPhone Calling: Apple Computer Is Dead. Long Live Apple, Inc.

Apple has repositioned itself as a 21st Century Sony, suggests Howard Greenfield

in your hand. (If you wait until this summer, that is).

Analysts have long anticipated a Quadruple Play offering from service providers that integrates video, Internet phone, and wireless services in one package. If ever there was a device that embodied that combination, this is it. Steve Jobs, Apple's CEO, went so far as describing the iPhone as "a revolutionary and magical product that is literally five years ahead of any other mobile phone."

Now that the iPhone accolades and adulation have simmered down, cautions regarding what the product can actually deliver have surfaced. "Apple faces a number of potential obstacles to reaching the company's goal of selling 10 million units next year," Doug Kass, Street Insight, was quoted in *MacDaily News*. "I can't see it being that successful," opined

John C Dvorak in *MarketWatch*. "Apparently Ballmer feels the same way." Jonathan Weber, *TimesOnline*, noted that; "overwhelming success tends to breed arrogance and greed – especially with someone like Jobs," and suggested that a backlash against Apple was inevitable.

Those few that have played with the prototype extol its large

mobile device screen, virtual CD rack interface, and innovative e-mail and voice-mail features. But with no Blackberry-like keyboard, availability only through Cingular (AT&T), and an unproven combination of features many have adopted a wait-and-see approach.

Nonetheless it will still be back to the drawing boards for some manufacturers. Disruption is still king, with no end in sight to obsolete technologies. Paul Saffo, Associate Professor at Stanford University, considers iPhone to be the first "no compromise cyberspace portal," a bold leap forward, long overdue, but with some unknowns at tail end. "It's pushing the envelope on interaction—and let's face it: that's been stalled for a very long time," he said.

"iPhone goes beyond keyboards, or stylus and thumb dials and it has a full scale Operating System. Microsoft just doesn't get that—it thinks it can settle for less because it's not my desktop machine. But just the opposite is true: I need more because it's not my desktop machine." When it comes to some of the concerns regarding the successful uptake of the iPhone by the public: "We won't know the limitations until the thing is shipped," says Saffo.

For Saffo, the really big question is: "Have they gone a bridge too far, or can they take the bold vision and turn it into an experience that goes all the way or is this like MacDraw on the 128K Mac?"

iPhone: The Good, The Bad, and The Ugly

The Good Slick, elegant, integrated device combines long-awaited broadband, broadcast, and telecoms strengths in a single device

The Bad Limited availability, Cingular (AT&T) only, no standard keyboard

The Ugly Disruption ahead: redefines communications; sends industry back to drawing boards; poses bandwidth cost and performance questions



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