

The book of Jobs

It has revolutionised one industry after another. Now Apple hopes to transform three at once.

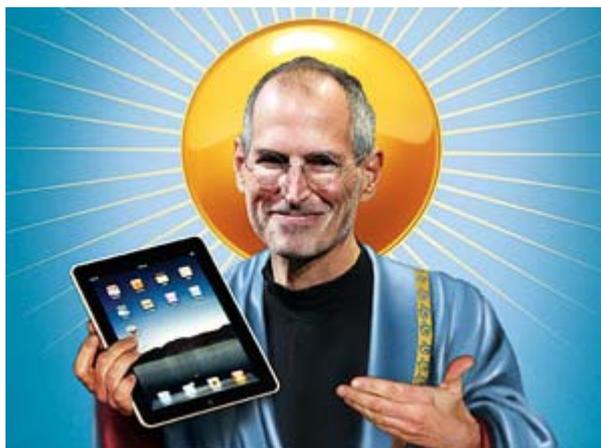


Illustration by Jon Berkeley

APPLE is regularly voted the most innovative company in the world, but its inventiveness takes a particular form. Rather than developing entirely new product categories, it excels at taking existing, half-baked ideas and showing the rest of the world how to do them properly. Under its mercurial and visionary boss, Steve Jobs, it has already done this three times. In 1984 Apple launched the Macintosh. It was not the first graphical, mouse-driven computer, but it employed these concepts in a useful product. Then, in 2001, came the iPod. It was not the first digital-music player, but it was simple and elegant, and carried digital music into the mainstream. In 2007 Apple went on to launch the iPhone. It was not the first smart-phone, but Apple succeeded where other handset-makers had failed, making mobile internet access and software downloads a mass-market phenomenon.

As rivals rushed to copy Apple's approach, the computer, music and telecoms industries were transformed. Now Mr Jobs hopes to pull off the same trick for a fourth time. On January 27th he unveiled his company's latest product, the iPad—a thin, tablet-shaped device with a ten-inch touch-screen which will go on sale in late March for \$499-829 (see article). Years in the making, it has been the subject of hysterical online speculation in recent months, verging at times on religious hysteria: sceptics in the blogosphere jokingly call it the Jesus Tablet.

The enthusiasm of the Apple faithful may be overdone, but Mr Jobs's record suggests that when he blesses a market, it takes off. And tablet computing promises to transform not just one industry, but three—computing, telecoms and media.

Companies in the first two businesses view the iPad's arrival with trepidation, for Apple's history makes it a fearsome competitor. The media industry, by contrast, welcomes it wholeheartedly. Piracy, free content and the dispersal of advertising around the web have made the internet a difficult environment for media companies. They are not much keener on the Kindle, an e-reader made by Amazon, which has driven down book prices and cannot carry advertising. They hope this new device will give them a new lease of life, by encouraging people to read digital versions of books, newspapers and magazines while on the move. True, there are worries that Apple could end up wielding a lot of power in these new markets, as it already does in digital music. But a new market opened up and dominated by Apple is better than a shrinking market, or no market at all.

Keep taking the tablets

Tablet computers aimed at business people have not worked. Microsoft has been pushing them for years, with little success. Apple itself launched a pen-based tablet computer, the Newton, in 1993, but it was a flop. The Kindle has done reasonably well, and has spawned a host of similar devices with equally silly names, including the Nook, the Skiff and the Que. Meanwhile, Apple's pocket-sized touch-screen devices, the iPhone and iPod Touch, have taken off as music and video players and hand-held games consoles.

The iPad is, in essence, a giant iPhone on steroids. Its large screen will make it an attractive e-reader and video player, but it will also inherit a vast array of games and other software from the iPhone. Apple hopes that many people will also use it instead of a laptop. If the company is right, it could open up a new market for devices that are larger than phones, smaller than laptops, and also double as e-readers, music and video players and games consoles. Different industries are already converging on this market: mobile-phone makers are launching small laptops, known as netbooks, and computer-makers are moving into smart-phones. Newcomers such as Google, which is moving into mobile phones and laptops, and Amazon, with the Kindle, are also entering the fray: Amazon has just announced plans for an iPhone-style "app store" for the Kindle, which will enable it to be more than just an e-reader.

If the past is any guide, Apple's entry into the field will not just unleash fierce competition among device-makers, but also prompt consumers and publishers who had previously been wary of e-books to take the plunge, accelerating the adoption of this nascent technology. Sales of e-readers are expected to reach 12m this year, up from 5m in 2009 and 1m in 2008, according to iSuppli, a market-research firm.

Hold the front pixels

Will the spread of tablets save struggling media companies? Sadly not. Some outfits—metropolitan newspapers, for instance—are probably doomed by their reliance on classified advertising, which is migrating to dedicated websites. Others are too far gone already. Tablets are expensive, and it will be some years before they are widespread enough to fulfil their promise. In theory a newspaper could ask its readers to sign up for a two-year electronic subscription, say, and subsidise the cost of a tablet. But such a subsidy would be hugely pricey, and expensive printing presses will have to be kept running for readers who want to stick with paper.

Still, even though tablets will not save weak media companies, they are likely to give strong ones a boost. Charging for content, which has proved difficult on the web, may get easier. Already, people are prepared to pay to receive newspapers and magazines (including The Economist) on the Kindle. The iPad, with its colour screen and integration with Apple's online stores, could make downloading books, newspapers and magazines as easy and popular as downloading music. Most important, it will allow for advertising, on which American magazines, in particular, depend. Tablets could eventually lead to a wholesale switch to digital delivery, which would allow newspapers and book publishers to cut costs by closing down printing presses.

If Mr Jobs manages to pull off another amazing trick with another brilliant device, then the benefits of the digital revolution to media companies with genuinely popular products may soon start to outweigh the costs. But some media companies are dying, and a new gadget will not resurrect them. Even the Jesus Tablet cannot perform miracles.

Fonte: The Economist. Disponível em: <<http://www.economist.com>>. Acesso em: Feb. 1st 2010.