

# WHAT IS SO GREAT ABOUT THE iPad?

By

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The iPad will change the way you use computers, read books, and watch TV – as long as you're willing to do in the Steve Jobs way.

What's the big deal about Apple's iPad, currently arriving in stores on the biggest wave of hype since, well, Apple's iPhone? The easy answer is that the iPad comes from Apple, and we always expect big things from Apple because it is run by Steve Jobs, whose California garage was the birthplace of the personal computer in 1976. Since then, Jobs has transformed computing by making machines people actually like to use. He's changed the movie business, buying Pixar and ushering in the era of computer animation, and he's led a takeover of the music business with the iPad and the iTunes music store. Then came the iPhone, and even now, nearly three years after its introduction, no other phone comes close.

Jobs is a relentless perfectionist whose company creates such beautifully designed products that they have changed our expectations about how everything around us should work. He has an uncanny ability to cook up gadgets that we didn't know we needed, but then suddenly can't live without. The iPads is his personal pet project. It's something he's been working on for years, reportedly even while he was recuperating from a liver transplant. Jobs calls it "a truly magical and revolutionary device", and supposedly has told people close to him that the iPad is the most important thing he's ever done.

Which is why so many of us raced to San Francisco in January to get an up-close view of the miraculous tablet. Yet my first thought, as I watched Jobs run through his demo, was that it seemed like no big deal. It's a bigger version of the iPod Touch, right? Then I got a chance to use an iPad, and it hit me : I want one. Like the best Apple products, the user interface is so natural it disappears. The iPad runs on the iPhone operating system, so it's even easier to use than a Mac. Like the iPhone, the iPad is a sleek, slim device. It has a nice 9.7 inch screen, weighs only one and a half pounds, and can play movies for 10 hours on a single battery charge. Right away I could see how I would use it. I'd keep it in the living room to check e-mail and browse the Web. I'd take it to the kitchen and read *The New York Times* while I eat breakfast. I'd bring it with me on a plane to watch movies and read books.

That may not be life-changing, but is it worth 500 bucks? Yup. Done. Sold. No wonder, then, that by some accounts Apple has received preorders for 240,000 iPads, and some analysts project it could sell up to 5 million units in the product's first 12 months. One early adopter is Steve Wozniak, who co-founded Apple with Jobs. Woz has already ordered three iPads and plans to camp out in front of an Apple store the night before the iPad's debut, just for kicks. "We all say we want things to be simpler, and now here is this simple thing. I think it will be huge success," Wozniak says.

But the very simplicity of the iPad masks its transformational power. Some say the iPad heralds a new era of computing, and I'm inclined to believe them. (The interface is so intuitive – navigating with your fingers rather than a keyboard and mouse – that it will change what we expect from our computers.) Today we talk about "getting on the Internet", but with iPad you can have a persistent online connection, and that's a pretty profound shift. Combine the form factor with the 24/7 link to a store, and you have the perfect machine for impulse purchases. The iPad could eventually become your TV, your newspaper, and your bookshelf. Pretty soon, Apple might even become your cable company – sort of – by selling subscriptions, via iTunes, to individual shows or channels. Say you're reading the latest Henning Mankell on your iPad.

While you're sitting there with it in your lap, why not check your e-mail or flip on an episode of *The Office* ?

Perhaps more important, this elegant little device comes loaded with Jobs's grandiose ambition and is yet another example of his willingness to defy conventional wisdom and bend the ethos of Silicon Valley to his own will. The Internet is supposed to be all about freedom and choice – yet here comes Steve Jobs with an Internet that is a completely closed system. Apple not only sells you the device but also operates the only store on the planet that sells software for it. Such “walled gardens” were supposed to be a thing of the past, cracked open first by the freewheeling PC revolution and then demolished by the anything-goes-and-everything-is-free-World Wide Web. Jobs figures he can get away with this radical lockdown because the products Apple makes are so good, outstripping the imaginations of even the most engaged consumer. Jobs argues that this tighter control allows Apple to create a more seamless user experience – your iTunes account stores your credit-card information, which makes it very, very easy to buy stuff. There's no friction. Thinking about an old song from high school? Go to iTunes, grab it, pay a buck, and listen. I do that all the time now on my iPhone, and I'll probably make bigger purchases – movies, books, TV series – my iPad. In fact, a closed system may be the only way to deliver the kind of techno-Zen experience that Apple has become known for.

The closed system also lets Apple make more money, because it collects 30 percent of whatever customers spend on apps or content. Same goes for movies, music, and books. Instead of making a one-time sale, each iPod sold becomes a recurring revenue stream for Apple. The company's move toward a closed system actually began seven years ago, when it launched the iTunes Store to sell digital media for its iPods. Then came the iPhone and the App Store. Thanks in part to these steady revenue streams, Apple's sales grew 12 percent last year despite the recession. No wonder this model is catching on with others. Amazon, with the Kindle, lets you download free books from sources other than Amazon, but for books that cost money, you must buy from Amazon. Microsoft connects its Zune music player to an online store called Zune Marketplace – its imitation of Apple's iPod and iTunes Store.

This shift represents nothing less than a complete rethinking of the past 30 years of tech history, when we've had chips made by Intel and AMD ; operating software like Windows made by Microsoft ; computers made by Dell, HP, and others ; and applications made by thousands of independent software companies. With iPad, Apple is making its own microprocessor and its own operating system – basically, Apple is embracing the old vertical-integration model that was once the norm in the computer industry before the PC revolution Jobs helped create. By having its own microprocessor, instead of a chip that everyone else can use, Apple can tightly integrate its operating system with the chip to get better, faster performance. Rivals won't be able to match it.

All this is a dream come true for Jobs, but it's a move so brazen that even Microsoft, at the height of its powers, would not have dared to attempt it. Buy into the World according to Steve and you're making a Faustian bargain – you sacrifice freedom for the sake of a lovely device that (mostly) works just the way it's supposed to, eliminating the headaches and confusion that most tech products bring with them.

What are you giving up? Well, you can't run any Web browser – only Safari, the one made by Apple. You can't play videos that are created in Adobe's Flash software, which is used for about 75 percent of all Web videos, including everything on Hulu. Jobs has griped that Flash is glitchy, which may be the case, but blocking sites like Hulu also creates one more reason to buy shows on iTunes instead. And all the contents you buy from iTunes is wrapped in encryption software so that it can run only on Apple devices. If at some point you want to buy another brand of device – some newer, faster, cooler gadget we can't yet imagine – you won't be able to take your Apple content with you. Apple could also decide to block the applications of rival technology – as happened last year when the company wouldn't approve Google Voice, a telecommunications application, for the iPhone.

It's a dangerous path, according to Jonathan Zittrain, a Professor at Harvard Law School and cofounder of the Berkman Centre for Internet and Society. "The price is you are giving up the freedom to choose what code you run and what content you see or experience", on a device you own, he says. "The fear is that we could be charmed by platforms that turn out to be not very good for us".

Of course, bacon isn't good for us, either, but it's pretty tempting. For now, consumers seem perfectly willing to give up a little freedom to enter Apple's world. The iPad arrives ready to run virtually all the 150,000 apps that have been created for the iPhone over the past two years. Thousands more, built specially for the iPad, will arrive in short order. Apple has created iPad versions of its Mac-based word processing, spreadsheet, and presentation apps (available for 10 bucks each) and will preload the device with a few simple apps of its own creation : calendar, address book, photo manager, notepad, maps, e-mail, YouTube.

The iPad won't play videos that are created in Flash software, which is used for about 75% of all Web videos.

Never mind that you're giving up control to a company that doesn't always play well with others. Apple is nuts about secrecy, for example. Even now, it won't let most developers use actual iPads in their labs, so the programmers are all flying blind, writing code without being able to see what their software will look like on the actual device. The few developers who did get iPads have to keep the devices in secret rooms, chained to a desk. These folks all live in fear of Apple. Several contacted by Newsweek either ignored our requests or wrote back saying they didn't dare to comment. Others would talk to us, but only if we promised them anonymity. When I called Apple PR to see if Jobs or some other Apple exec-might do an interview for this article, the first thing the PR guy asked me was whether I'd talked to any outside developers, and if so, which ones. I didn't name names. As for my interview request? Forget about it.

Let's be honest : Jobs and his crew make the Church of Scientology look like a bunch of easy going sweethearts. But that's not deterring developers. They saw the boom of the iPhone market and can't wait to jump on the next wave. Apple may be a nightmare to deal with, but it's rounded up a huge pool of customers – 75 million iPhones and iPod Touch units have been sold – and created an online store that makes it easy for developers to reach them. The lucky developers will make a fortune.

"Apple has created an ecosystem that consumers trust. It's a very compelling place to be as a developer", says Bart Decrem, founder and CEO of Tapulous, maker of games like Tap Tap Revenge and Riddim Ribbon. Those apps have been smash hits on the iPhone and iPod Touch, with more than 25 million downloads and a rumored \$ 1 million a month in revenues. Tapulous is creating a new title for iPad, and Decrem says the device's snappy Apple developed microprocessor offers new freedom to game designers who in the past have had to make compromises because of the iPhone's limited power. "Now that limitation gets blown away. My designers can do whatever they want to do", Decrem says.

How big will the tablet craze be? Trip Hawkins – a tech-industry veteran who once worked at Apple, then founded videogame giant Electronic Arts, and currently is CEO of Digital Chocolate, a game maker – says that as Google and others rush into the tablet-computer space, the market is going to explode. Within a decade there will be 1 billion tablet computers in the world, he predicts, adding that even then, I'm probably being conservative". Paul Saffo, a tech forecaster and Professor at Stanford University, expects Apple to roll out a family of other iPad models – a small one the size of a paperback, a big one the size of two magazine pages – perhaps as soon as this fall. (Apple won't confirm, match.) Further out, we might have tablets on plastic sheets that you could roll up or fold like a map – "may be by the second term of the Chelsea Clinton administration", Saffo says.

When designers at *Wired*, the tech magazine, created a stunning demo of what a magazine

might look like on a tablet like the iPad with interactive graphics, videos embedded into stories, and an advertisement that let you spin a car around and see it from all sides – many of us in the media business were blown away. And that’s just the beginning. The main thing to know about the iPad is that right now nobody, not even Steve Jobs himself, really knows how this device will be used. “With the iPad, a lot of people are hoping there’s a killer app that we just can’t conceive of yet”, says Peter Farago, vice president of marketing at Flurry Analytics, which studies how people use mobile apps. Flurry started tracking iPad use a few months ago – these were test units inside Apple – and found the biggest use appears to be games. Looking ahead, Farago says, “there are basic questions, almost anthropological questions : How am I going to use this through my day? Are there going to be things that just blow my head off and I just haven’t seen it yet”?

No doubt there will be. Remember that it has been less than three years since the iPhone debuted, that the App Store has not reached its second birthday, yet it already offers 150,000 apps and has delivered more than 3 billion downloads. Now comes the iPad, with a bigger screen, faster processor, an ecosystem of eager developers, and millions of loyal customers who are hungry for Apple’s next big thing. Analysts say that device could generate \$ 2.5 billion in new revenues this year, which helps explain why Apple now stands ready to boom, with revenues expected to soar nearly 50 percent, to about \$ 54 billion in the current fiscal year. Magical? Revolutionary? You bet.

(Courtesy : Newsweek - With Nick Summers)

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