



# The Apple iPod and the iTunes Music Store Magic in a small package

Just three years ago, Apple Computer introduced its first digital music players (called mp3 players because mp3 was the main digital music format). Most of these players were small, based on flash memory, and could hold only a pocketful of songs (maybe 20 or 30). These little players were ridiculously expensive, some over \$200. Then along came Apple with a small, white, round cornered box with a screen and a funny wheel. They called it iPod and it was different.



"Let me try this," he told the music industry. "It's only for Macs, you know, that tiny little corner of the computer market. We'll try it out there and see how it goes." The music industry agreed, and the rest is history.

What was this little thing? As usual, in the computer industry, it was not a piece of hardware that really made the difference. It was a piece of software. Just a small, little addition to the iTunes software called "The iTunes Music Store."

The iPod had a hard drive. You could store thousands of songs on it. It worked seamlessly with Apple's music jukebox program, cleverly called iTunes. Plug in your iPod, open iTunes, and pretty much whatever music was on your computer was nearly instantly copied to your iPod. Amazing stuff. And really expensive. Twice as much, or more, as the other mp3 players on the market. But that high-res screen! Thousands of songs! Most importantly, the iPod had a scroll-wheel navigation device that users controlled naturally and quickly with their thumbs. The damn little box was a snap to use.

The iPod caught on like wildfire. They sold like mad. Soon there was a second generation iPod that sold even more. Then the 3G (third generation) iPod. Each had a little better, bigger drive, more capacity and a slightly tuned scroll-wheel to make it even easier to operate. These things were selling so fast that Apple couldn't make enough of them. They were de rigour in Hollywood, and anywhere else you needed to say "I'm cool." It was more than just a piece of computer hardware; it was your own personal music machine, your musical identity tucked into a tiny little white plastic box.

The music industry howled. Pirates were swapping music files to put on these mp3 players, and they weren't paying anyone for the music! Treason! You could almost hear the cracking noises as the nearly 100-year-old edifices of the recorded music industry began to crumble. What would the music industry do? They were losing money for the first time! It couldn't have anything to do with the acts they promoted that were crap, and that most of the albums they trotted out were trash. Of course, it all had to do with musical piracy. (This part is a long and sordid tale, to be told in another venue.) Who could save them, what could save them?

The music industry's salvation came from...you guessed it, Apple Computer. CEO and Reality Distortion Field manipulator Steve Jobs went after the music industry and, perhaps, beat them at their own game.

It was a testing of the waters. Put some feelers out to see if people would buy music online (for 99¢ a track, or \$9.99 an album) instead of just sharing and trading. It might work. Maybe sell a million tracks in six months. The store went online and the millionth song sold just under a week later. A few months rolled by and Apple did something it had never done before. It released iTunes and the iTunes Music Store for the Windows operating system. You were no longer tied to the Macintosh platform to get the full fix of iPod, iTunes and the iTunes Music Store. Now it was available to the other 97% of computer users.

You might think that Apple would rest on their laurels. Ha! Soon came the next thing - the iPod mini. The original iPod had grown larger and required larger hard drives, and the starting price point was a tad too high. The iPod mini was \$50 cheaper, much smaller (about the size of a pack of smokes), but held fewer songs. Oh, and it came in 5 designer colours as well. Guess what happened? Yup. Couldn't keep the damn things in stock. They sold even faster than the originals.

It took Mr. Jobs and company a while, but eventually, iTunes Music Stores began to pop up in other countries. First the UK, France, and Germany. Much of Europe followed, and eventually (after what seemed to be an eternal hold out by a few Canadian companies), Canada got the iTunes Music Store. Now available almost worldwide, in a few months iTunes plans to localize in Japan.

How did Apple's rivals do? Well, Napster came back as a paid service and said they'd kick the crap out of Apple. Real Networks said similar things when they rolled out Rhapsody. Wal-Mart, Sony, Coke, Virgin, you name the company, they rolled out a new online music store with the express purpose of whipping Apple's tail. It hasn't happened yet, and nobody sees it happening for a while.

The CEO of Dell Computers said the iPod is just a "fad." Bill Gates of Microsoft said that iPods will soon be supplanted by

mobile phones that can play music. There is little sign that their words are true (at least yet). The most recent market share statistics show that Apple commands 70% of the overall digital music player market (all kinds). One month after introducing the iPod Shuffle into the Flash Player market, Apple had over 58% of the market. That share has risen in the last few months. The iTunes Music Store has now sold close to 500 million (yes, half a billion) songs and commands over 80% of the online digital music market. A new study shows that the iTunes Music Store is now more popular than most file sharing sites.

And that's not the half of it. There are iPod models running the price range (in \$50 increments) from \$100 US to \$600 US. With a plethora of models and features to choose from, the range remains unmatched by any other maker, and has a coolness and style that can't even come near to being PSP (Playstation Portable), succumbed to the iPod style and included white (white! with a black player) earbuds with the machine. I guess they want their users to look like they have iPods. The cool factor is so high that an entire industry has arisen to complement the sale of iPods. I'm talking, of course, about iPod accessories. There are over 400 products available to go with your iPod, and more coming almost every day. You can buy protective "socks," hard cases, soft cases, carrying cases, car tuners, voice recorders, photo card readers, boom boxes, special headphones - even the "iGuy," an iPod case with little arms and feet that you can bend and pose - talk about anthropomorphizing a piece of technology! These things are pure magic.

Look around next time you're out in your car, or on a walk, or a bike ride. Look at the people on the street. See how many you can spot with white cords running from their ears to their pockets. These people are iPodding. These people are "in the groove," "with the scene," they are hip cats, and they might just be taking over the world. In the 50's we were scared that "pod people" might come from outer space and take over, but we were wrong. The pods didn't come from outer space. They came from Cupertino, California.

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