

Newest iPod packs a fistful of video

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SAN JOSE - The latest big news in personal technology is very tiny - 2.5 inches to be exact. On Wednesday, Apple unveiled its newest entry in the music player marketplace - the iPod video player. Designed for video-on-the-go, it will let consumers watch their own home movies, as well as top-rated television shows and music videos purchased from Apple's online music store, iTunes.

In what analysts called a groundbreaking deal with Walt Disney Co. and its ABC network, the new iPod allows consumers to buy - for \$1.99 apiece - episodes of five popular cable and TV shows, including "Desperate Housewives" and "Lost."

While the video iPod can be connected to a computer or television set for large-screen viewing, the selling point will be its portability, especially for travelers on planes and trains.

"The iPod has really become a portable TiVo," said Phil Leigh, an analyst with Inside Digital Media in Tampa, Fla.

So, basically, that sleek iPod or MP3 player you bought a year ago - or even last week - is now, relatively speaking, a technological dinosaur.

Sorry.

Of course, the video iPod isn't the only portable device capable of playing video - there are on-the-go DVD players and cell phones equipped to play video clips. And, if you have a Sony PlayStation Portable, you can get video downloads or watch movies on small discs.

Still, the latest trophy toy raises the question: Do we really need such technology?

Tiffany Nguyen says yes, most definitely.

The 18-year-old Sacramento State student came to Arden Fair mall's Apple Store to check out the iPod Nano; her boyfriend has one of the tiny MP3 players, and Nguyen wants one. News of the video iPod, however, has her rethinking her choices.

In particular, she likes the idea of watching TV when and where she wants.

"You could take (the video iPod) anywhere, on a road trip," said Nguyen, who says she watches about three hours of TV a day. "There aren't a lot of things out there that can do that - it really stands out."

Portability is precisely why the video iPod will be in high demand, said Beth Zimmerman, a marketing expert with Cerebellas, a Long Island-based company that tracks marketing and consumer trends.

"People are becoming accustomed to staying informed and being entertained - no matter where they are, and even if the quality is less than optimal," Zimmerman said.

The video iPod will have cross-generational appeal, she added. Teenagers and pre-teens will like it, of course - "they're very media savvy" - but it will also appeal to adults looking for ways to stay tuned in or even liven up a boring commute.

Despite its technical superiority, don't expect the video iPod to chip away at the market for similar technologies such as the video cell phone.

"Cell phone carriers are already experimenting with ways to improve their capability," said Zimmerman.

Besides, she said, consumers will still want a separate cell phone because "you can't make a phone call with your iPod - at least not yet."

Which is why you'll probably still find people toting around a fistful of devices that are supposed to simplify their lives.

Perhaps, but Noelle Papilla probably won't plunk down the \$300 for the video iPod anytime soon. The 16-year-old already has a 40 gigabyte iPod - purchased last year - and she's more than a little annoyed that her MP3 player is now virtually obsolete.

"It's a little much," said the Sacramento resident, who dropped by the Apple Store on Wednesday to browse. "(Apple) just came out with the Nano - and now this?"

Besides, she added, who wants to watch episodes of "Lost" on a tiny screen?

"The screen is way too small," she said. "And where would I go to sit and watch it?"

Stephen Goggin, however, likes the idea.

"I'd use one," the 31-year-old Santa Rosa resident said, after getting off an Amtrak train in downtown Sacramento. "I usually just listen to a Walkman or read a magazine - getting to watch TV would be better."

And that's what Steve Jobs, chief executive of Apple, is counting on.

"Never before has it been done where you can buy hit, network prime-time shows online the day after they air on TV and watch them on your computer and iPod," said Jobs during the unveiling at a packed California Theatre in downtown San Jose.

The new iPod can hold up to 15,000 songs, 25,000 photos and more than 150 hours of video. The 30-gigabyte model sells for \$299, the 60-gigabyte is \$399.

The new iPod, available in white or black, will be shipped from Apple's Asian plants starting next week, arriving in time for the lucrative holiday shopping season.

Also on Wednesday, Apple introduced a new \$1,299 iMac computer, featuring "Front Row" software operated from a six-button remote control, which allows consumers to play music, DVDs and photo slide shows. It includes a built-in video camera for video conferencing.

The new video iPod strengthens Apple's dominance in the digital music player market, where it already commands about 75 percent of sales.

"It shows other network guys and studios that this is a viable market and is a great way to distribute their content," said analyst Ben Bajarin of Creative Strategies Inc. in Campbell.

But tech analyst Larry Magid, one of the invited guests at Wednesday's unveiling, questioned whether consumers will spend \$1.99 apiece to buy a TV show or music video from iTunes. "The big market may be the soccer moms and dads that want to show off video of their kids," he said.

On Tuesday, Apple said quarterly earnings jumped fourfold from the same period in 2004, helped largely by surging sales of its iPod, which accounts for roughly a third of revenue. Since October 2001, consumers have snapped up 28 million iPods.

In San Jose on Wednesday, Disney CEO Robert Iger hailed the Apple agreement, calling it "a great marriage between content and technology. This is the future. This is the start of really something big."

Or something very, very small.

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