

Apple juggernaut sends ripples through tech world

April 29 2011, By PETER SVENSSON , AP Technology Writer



A customer, right, tries on the Apple Inc.'s iPad 2 tablet computer at a shop in Hong Kong Friday, April 29, 2011. The iPad 2 went on sale in Hong Kong, South Korea, Singapore and eight more countries on Friday. (AP Photo/Kin Cheung)

(AP) -- Consumer technology companies reporting financial results this week are looking like rowboats bobbing in the wake of Apple Inc.'s supertanker.

Close to oblivion in 1997, Apple is now the world's second-most valuable company, after [Exxon Mobil](#) Corp. On April 20, it reported [net income](#) of \$5.99 billion for the January-to-March period, nearly double that of a year ago. It shipped a record 18.65 million iPhones during the quarter. Its iPad tablet computers are so popular, the company couldn't make enough.

Apple's ascendancy has produced many losers and a few winners, as underscored over the past two weeks:

- Microsoft Corp.: loser.

Apple dethroned Microsoft as the world's most valuable technology company a year ago. In its mid-fall report, it surpassed Microsoft in quarterly revenue. In the January-March period this year, it surpassed Microsoft in net income, too.

On Thursday, Microsoft reported that revenue from the [Windows operating system](#) declined for the second straight quarter because people are buying fewer Windows computers.

Some prospective buyers are going to Macs instead - Apple reported that it sold 28 percent more units. Others are going to iPads. [Goldman Sachs](#) now believes that more than 30 percent of iPads sold may be replacing PC sales. In the 90s, the trend was the opposite, as Windows PCs were crowding out Macs.

- Nokia Corp.: loser.

Nokia said this week that it will slash 7,000 jobs through layoffs and outsourcing. It still sells more phones than anyone else, but it's losing share to Apple, especially when it comes to smartphones.

Research firm Strategy Analytics also said revenue from Apple's [iPhone](#) sales surpassed that of Nokia's phones in the January-to-March period, as iPhones are much more expensive than the average Nokia phone. That makes Apple the world's largest phone maker by revenue.

To better compete with the iPhone, Nokia is ditching its old Symbian software and adopting Microsoft's [Windows Phone 7](#). But the transition

will take time; the first Windows-powered Nokia phones aren't expected until late 2011 or early 2012.

- Research In Motion Ltd.: loser.

The maker of the BlackBerry is in a predicament that's similar to Nokia's. RIM warned Thursday that net income, revenue and unit sales for the quarter ending in May will come in below its previous forecast.

The company's high-end phones are looking old compared with the iPhone and ones running Google Inc.'s Android software. They aren't selling as well as the company expected.

RIM promised investors that new phones with revamped software will bring sales roaring back in the latter half of the year, but investors are skeptical, sending RIM's stock down Friday.

- HTC Corp., Samsung Electronics Co. and Motorola Mobility Holdings Inc.: winners, indirectly.

Although all three companies compete with Apple's iPhone, they are doing well. Unlike Nokia and RIM, the three are betting on Google's Android system, which comes the closest to mimicking the look, feel and functions of the iPhone.

Motorola Mobility is a shadow of the old Motorola, once the world's second-largest maker of phones. But its focus on Android-powered smartphones is showing signs of success. It reported on Thursday a near-doubling of smartphone sales in the first quarter.

HTC of Taiwan has been making smartphones for a decade, and sales are really taking off with the help of Android. On Friday, it reported selling 9.7 million in the first quarter.

For South Korea's Samsung, smartphone sales were a bright spot in the first quarter as overall phone sales declined and other electronics were weak. The company is embroiled in patent litigation with Apple.

- Verizon Wireless: winner.

The No. 1 U.S. cellphone carrier posted a jump in new contract-signing customers - the more profitable kind - after it introduced its version of the iPhone on Feb. 10, which ended AT&T Inc.'s exclusive grip on the device in the U.S.

(Verizon Wireless is a joint venture of Verizon Communications Inc. of New York and Vodafone Group PLC of Britain.)

- AT&T and Sprint Nextel Corp: mixed.

Verizon's new subscribers came at the expense of AT&T and Sprint Nextel Corp. But neither carrier saw signs of current customers moving to Verizon for the sake of the iPhone. Rather, it seems customers weighing between carriers were more likely to go to Verizon because of the iPhone.

AT&T appeared to be splitting new iPhone customers evenly with Verizon Wireless.

Sprint lost lucrative contract customers in the quarter, but continued its long turnaround by signing up a record number of people on cheaper, contract-free plans.

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