

Apple's iconic iPhone turns 5

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Even more than the introduction of the personal computer, the iPhone has upended the technological world order and revolutionized how people manage their daily lives.

And as of Friday, it's just 5 years old.

"There has been no other device that has changed social and technological life in such a short time," said Clifford Nass, a Stanford University sociologist and psychologist who studies how technology impacts society. "There has been nothing like it in the world."

First put on the market June 29, 2007, the iPhone created a platform that has inspired thousands of developers from around the world to write apps that enable users to organize their lives in ways most people couldn't imagine before 2007 - allowing them to get minute-by-minute news updates, find places to eat, get directions and locate friends no matter where they are. For its latest model, the iPhone 4S, Apple added [voice recognition technology](#) named [Siri](#), which serves as a digital assistant that answers questions and sends emails on [voice command](#).

"It's breathtaking innovation that cannot be overstated," summed up [Silicon Valley](#) futurist Paul Saffo.

When Apple first unveiled the iPhone, though, many failed to see the technological tsunami it would trigger. Some analysts called it "overhyped." Others saw it more as a toy than serious computing device like RIM's BlackBerry, so beloved by its users that they jokingly

referred to it as the "CrackBerry" because of its addictive features. On Thursday, RIM announced plans to cut 5,000 jobs by the end of its fiscal year after another dismal quarter of plunging revenue. Nokia, meanwhile, has announced it will slash 10,000 jobs by 2013.

"Both of those companies - Nokia and RIM - are facing extinction," said Sterne Agee analyst Shaw Wu.

Other companies, from Japan's Sony to Taiwan's [HTC](#) to Microsoft, also have failed to keep up with Apple, which now garners about 75 percent of the smartphone market profits and has sold 218 million iPhones, said Chetan Sharma, an independent wireless analyst.

Apple took its first step away from being simply a computer company with the iPod digital music player. But it was the iPhone that made Apple "the most valuable company in the world," noted Needham analyst Charles Wolf.

For its fiscal 2007 year, Apple reported \$24.6 billion in revenue. For its current fiscal year, Wu predicts the company will hit \$160 billion in sales - a 550 percent increase that is directly related to the success of the iPhone. The iPhone not only juiced sales of Apple's Macintosh computers but also played a critical role in the 2010 launch of the iPad, which now dominates the tablet market as competitors struggle to match its popularity.

"Even Steve Jobs, I would guess, did not appreciate the sheer magnitude of what he unleashed," Saffo said of the late Apple co-founder.

As an "intimate" pocket computer, the iPhone allows users to remain constantly connected with friends and family wherever they go through texting and social media apps, but it also has become a barrier to human interactions, Nass said. Loaded with games, news apps, music and video,

it can lead people to be disengaged with those around them, he said.

The iPhone also can be addictive, said Cynthia Jones, a 48-year-old San Jose teacher who complains she can't live without hers, which she says has both enriched and diminished her life.

Jones says the device allows her to keep in touch with family and friends through texting, emails and phone calls, but also leaves her no down time.

"Everyone now is completely engulfed in their iPhones and it seems like nobody's talking to each other anymore," Jones said. "It has changed our whole sense of time. There's no more relaxing with the iPhone around because people are always on their phones, constantly doing things."

Many experts say it's still far too early to fully assess the [iPhone](#)'s legacy. Although Apple's move into the smartphone market unseated powerful rivals, the company faces fierce competition from new competitors, especially Samsung, whose devices run on Google's Android mobile operating system.

Android, which runs on dozens of other competing gadgets from numerous companies, dominates the smartphone industry with 61 percent of the market, according to researcher IDC. Apple has about 20 percent market share, the researcher reports.

Apple, though, has never worried about what everyone else is doing.

"[Apple](#) has always viewed the world in its own way," Wu said. "Now the world sees it their way."

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