

Apple dominated tech news in 2012, but how much longer?

January 1 2013, by Jon Swartz



Apple dominated tech news in 2012. Ho hum.

Whether it was the maiden voyage of CEO Tim Cook in the post-Steve Jobs era, new products, the absence of non-[Apple](#) products (see [Google Maps](#)) or a worldwide legal scrum, America remain riveted on Apple.

How long it lasts remains a parlor game in Silicon Valley, as the company continues to cart out the latest iteration of [iPhone](#) and iPad while its stock sinks into the low \$500 range. (The rest of techdom should have such concerns.)

While Apple was a headline grabber, so were its chief rivals, [Google](#), Amazon.com and Microsoft.

What created ripples in tech in 2012:

-Tim Cook's first year as Apple CEO, post-Steve Jobs. Cook, 52, was No. 3 in Time magazine's person of the year vote (President Barack Obama won) in his first full year as Apple CEO.

Cook's year was punctuated by: a mea culpa about labor practices at Chinese factories pumping out Apple products; a smackdown in federal court with nemesis Samsung over patents; new iPhones and iPads; and charges of tax dodging by Apple.

Cook ended the year with introspective interviews in Bloomberg Businessweek and on NBC.

-[iPhone 5](#) launch. Each and every iPhone that has come out since Apple's prized smartphone first appeared in 2007 has been greeted with enormous hype and pre-launch anticipation, perhaps none more than the iPhone 5, as many people were expecting it months earlier, when Apple instead unveiled the iPhone 4S.

Though it might have arrived later than some rumors suggested, the iPhone 5 (\$199 and up, with a two-year contract) kept Apple in front of the smartphone pack despite spirited competition from Samsung and others. Apple sold 5 million iPhone 5s the first weekend the device went on sale in September; it sold 2 million in the first weekend it went on sale in China in December.

-Apple-Samsung tilt in court. Patent tussles between mobile rivals Apple and Samsung reached a crescendo in 2012. Apple's suit against Samsung in U.S. District Court drew international attention to the case that went

to a jury decision in the Mac maker's favor. Jurors found Samsung violated six of Apple's design patents covering iPads and iPhones.

But the victory, handing Apple more than \$1 billion in damages, was short-lived, because the judge denied Apple's request to ban sales of Samsung devices. Apple has appealed the ruling to the U.S. Court of Appeals for the Federal Circuit. Meanwhile, little has changed for consumers using Android-based devices from Apple's bid to crush Google's operating system.

Apple and Samsung spent the year embroiled in more than 50 lawsuits in 10 countries. The globe-trotting lawsuits, from Apple against Android partners, and vice versa, are expected to continue unabated for years. The real winners: lawyers. The actual losers: consumers.

-Google Maps flap. It started when Apple booted Google Maps as a built-in feature in iOS 6, the newest version of Apple's mobile operating system, in favor of its own Apple Maps. It ended, in a sense, with the triumphant return of a fresh new Google Maps app in December.

Shortly after launching, Apple Maps was subject to howls of complaints from users about missing landmarks and inaccurate directions. It lacked features such as a panoramic street view of your surroundings, and public transit directions. The brouhaha prompted an apology from [Tim Cook](#) and contributed to management changes at Apple.

For now, Apple continues to work on Maps. And the new Google Maps app scored 10 million downloads in the first two days after its release.

-iPad Mini launch. It lacked the flash and panache of the typical unfurling of an Apple product, but the introduction of the 7.9-inch iPad in October is likely to have packed a wallop in holiday sales.

Still, the new [iPad](#) faces mounting competition from Amazon.com's Kindle Fire, Google's Nexus 7- and 10-inch tablets, and Microsoft's Surface.

Android tablets are making advances. Researcher IDC forecasts Android's share of the worldwide market rose to 42.7 percent in 2012 (from 39.8 percent), while Apple declines to 53.8 percent (from 56.3 percent).

-Windows 8 launch. Microsoft's much-ballyhooed Windows 8 launch has been nothing short of a slow-motion belly flop.

A secretive fall event to launch its new Windows-based Surface tablets came across as an effort to ape Apple's marketing buzz. Microsoft missed a lesson: Apple makes devices available almost immediately. Microsoft didn't. The tablet went on sale in late October. Microsoft hasn't disclosed Surface RT sales figures, but estimates range around 1 million for the December quarter.

What's worse for Microsoft: Since the release of Windows 8, U.S. stores have sold 13 percent fewer Windows-based devices into the first week of December compared with the same period the year before, according to researcher NPD Group. The radically redefined interface has caused some to pause over the new operating system. Early indications suggest Windows 8 won't save the PC market from being eaten away by tablets from Apple and Amazon.com. CEO Steve Ballmer will increasingly be under pressure in 2013.

-Facebook IPO. The social-networking icon suffered a face-plant with its much-anticipated initial public offering in May, but it also raked in a ton of cash - some \$16 billion.

Yet that wasn't enough to assuage the hype-driven dreams of investors

and hundreds of Facebook employees who expected much, much more. There is an upside, however: Facebook shares have bounced back the past few months amid increased advertising revenue and an aggressive - albeit belated - mobile ad push under the stewardship of Chief Operating Officer Sheryl Sandberg. Kind of makes you wonder when she might ascend to the CEO throne.

-The saga of John McAfee. The software pioneer was a man on the run for several weeks, after he was named a person of interest in the mysterious death of a fellow American in Belize. Through his personal blog, ever-evolving cellphone numbers, and a tight-knit group of handlers, McAfee, 67, evaded capture.

Until one of his cellphones betrayed him, leading to his arrest in Guatemala and eventual deportation to the USA in December. Now the founder of antivirus-software company McAfee awaits his judicial fate.

Whatever the final outcome, McAfee's Kurtz-like journey - he spent three weeks in disguise and admitted to faking a heart attack - should make for a must-read and TV viewing. Oh yeah, did we mention that he sold the multimedia rights to a Canadian publisher?

-Instagram photo flap. Faster than you can say "Cheese," Instagram officials reversed their unpopular decision to change a terms-of-use agreement that would have allowed advertisers to use the photos of Instagram's 30 million members.

Public outcry was swift and deep. For Facebook, which acquired Instagram for \$1 billion in April, the episode was the latest reminder that any attempt to monetize personal information at the expense of privacy will be met with widespread resistance.

-Yahoo and Marissa Mayer. No one doubted Marissa Mayer would be

CEO of a tech company. But the smart money was on her leading a startup - not Yahoo, a rival of Google, where she became rich and famous.

Mayer, 37, hit the ground running, swiping executives from Google and beginning to shape Yahoo into the mobile Internet behemoth she insists it has to be to survive against Google, Apple, Facebook and Amazon.com. She is the youngest CEO of a Fortune 500 company, and ranked No. 14 on Fortune magazine's list of America's most powerful businesswomen.

-Video games are still in play. Beloved franchises such as "Call of Duty" and "Halo" can still be counted on for big sales. That's despite flat revenue of \$25 billion industrywide and the closure of several high-profile companies, including 38 Studios, a studio started by ex-major league pitcher Curt Schilling, with the help of artist Todd McFarlane and others.

"Call of Duty: Black Ops II," released in November, became the fastest game in the history of the series to top \$1 billion in sales. Also in November, Microsoft relaunched its popular Xbox franchise with "Halo 4," racking up more than \$220 million in the first 24 hours.

For an industry in flux, there are other good signs. The last time the industry began the move to new console systems, in 2005, retail video game sales were half that of today, said Liam Callahan, analyst with The NPD Group. "This really demonstrates the (the industry's) long-term health," he said.

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