

iPad reactions: Nothing could have met hype

But some analysts say device is still impressive piece of hardware

By Suzanne Choney

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Apple's new iPad was met with a certain amount of "meh" reaction yesterday from some who expected the "Moses" tablet to be as compelling as the "Jesus" iPhone when it was announced more than two years ago. The iPad — due out in 60 days — doesn't have a camera. It doesn't use facial recognition. There isn't wireless high-definition transmission for video. It doesn't have Flash for Web video.

But expectations — and hype — were wildly high for the device, which had been rumored for months. The reality, say some analysts, is still pretty impressive.

"What Apple did today is give this form factor, which has been around for 15 years, a reason to exist in the way no one else has. That's critical," said Michael Gartenberg, longtime technology observer and vice president of strategy and analysis at Interpret, LLC. "They answered the question of why does this type of device need to exist? What are consumers going to do with it? And why would they want to buy it?"

"It didn't live up to the hype; nothing really could," said technology consultant Rob Enderle. And while the iPad's 9.7-inch display "isn't right yet for eBooks," he said, the iPad does "bring color and multimedia to eReaders," and potentially makes mobile and stationary game consoles "obsolete," and "is closer to what a netbook was supposed to be than what it became."

The iPad, he said, represents the start of "a massive transition for the PC and consumer electronics industries."

However, he said, the LED-backlit display "isn't right yet for eBooks, and the AT&T network is already over capacity and failing in places." That suggests, he said that a second- or third-generation iPad with a better display and running on faster, 4G, or fourth-generation wireless networks may "be vastly more popular and capable."

The iPad will cost \$499 for a 16-gigabyte model, \$599 for a 32 GB version and \$699 for a 64-gigabyte model with Wi-Fi only, and will be available in 60 days. It will cost an additional \$130 for units that also can use 3G, which should be out in 90 days, making the most expensive model \$829. AT&T will charge \$29.99 a month for "unlimited use," and \$14.99 a month for up to 250 megabytes. There will be no contract with AT&T required.

The pricing of the tablet itself and the optional AT&T use is a "positive development for the device and for connected electronics in general," said Ross Rubin, director of industry analysis for The NPD Group research firm.

"This product is not something that fits in your pocket or is constantly going to be around you," like a phone, said Rubin. "It's something that's designed to be used more in a setting where perhaps you're sitting down at home or a coffee shop, and you're far more likely to have Wi-Fi available in such locations. And so to be able to allow limited amount of 3G access for \$14.99 a month, or unlimited access for \$30 a month, really brings down the barrier to entry for connectivity anywhere."

Said Gartenberg: "The fact that they could get a starting price of \$499 is absolutely critical. This couldn't be a success at a \$999 price. One of the reasons tablets have failed in the past is because they cost more than laptops and did less."

At Wednesday's unveiling of the iPad, a New York Times representative demonstrated a special version of the newspaper that will work on the iPad. Some thought other newspaper and publishing deals with Apple also would be announced Wednesday.

"They did demonstrate a viable new platform for consuming all sorts of content, including books and magazines," said Gartenberg. "Now it's up to the people who produce that content to get it onto the platform."

That still may happen, he said. "Expectations would be inflated if Apple got up and said, 'This device IS the savior of periodicals, the same way that the iPod and iTunes were a definite savior to the music industry. They didn't launch the iPod and say, 'This is a savior to the music industry,' but they made it that."

Egil Juliussen, principal analyst at iSuppli, echoed that comment, saying the iPad "will be a game changer if it

becomes the Trojan horse that changes the slowly dying print information business to an electronic information market."

Jonathan Blake, director of emerging media technologies at Ball State University, which has a partnership with Apple, said he is disappointed the iPad does not have a camera, "but no contract" required from AT&T "is a huge plus to me."

Right now, he said, "When I look at the iPad, it's just a big blank slate that inspires a bunch of ideas. That's what I think the strength is more than anything. That's why it's going to be a while before people figure out exactly how best to use it."

Paul Kent, general manager for the Macworld Expo to be held next month in San Francisco, said that Apple "knows mobility — they have demonstrated this over and over again with the iPod, iPhone and MacBook successes.

"The price point and functionality promises of the iPad are very enticing — combine that with Apple's genius in creating a seamless mobility experience and this looks to be a very viable product."

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