

# Saturation of the iPod

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Nicely done research. Good presentation (summaries rather than raw data). Just a few writing problems.

Grade = A

### 1. *Introduction*

The iPod, developed by Apple Computers, is a portable media player that has become one of the icons of this generation. Rarely will one see somebody with a media player that is not an iPod. The device is as much technical as it is trendy.

This study will show the effect the iPod has had on the college-age market as well as its primary uses.

## 2. History of the iPod <sup>1</sup>

2.1 ~~The~~ iPod was first introduced in September 2005 by Steve Jobs of Apple Computers as a five gigabyte media player that would allow one to have “1,000 songs in your pocket”. This first generation was only Mac compatible; therefore, Windows users could not use this version of the iPod. The original price for this version of the iPod was \$399 for the five gigabyte ~~model~~ and \$499 for the ten gigabyte. It featured a somewhat mechanical scroll wheel surrounded by four buttons for menu functions. A small display above the wheel would show the user ~~their~~ his or her options and display music being played.

2.2 The *second generation* of the iPod remedied the main problem of the first generation: the Windows incompatibility issue. However, this problem was not completely fixed because there was different software for the Mac OS and Windows (Mac used iTunes and Windows used Musicmatch). iTunes for Windows had not been released yet. Another slight problem was that ~~in order~~ for the iPod to work with a Windows system, the system would have to be formatted as FAT32, which was not being used very often anymore. This generation of the iPod came in ~~ten-10~~ and ~~twenty-20~~ gigabyte versions and had the same scrolling, menu and display functionality as the first generation.

2.3 Playing the largest role in the general adoption of the iPod was the release of the *third generation* in 2003. It completely remedied any of the Windows incompatibility issues, namely the software incompatibility. Now, the iPod was released with iTunes for Mac and Windows, making it universally compatible with both major operating systems. Many more options for capacity were offered with

this generation. The ~~ten~~10, ~~fifteen~~15, ~~twenty~~20, ~~thirty~~30 and ~~forty~~40 gigabyte designs were available for different prices. Additionally, the mechanical scroll wheel was upgraded to a touch-sensitive wheel with the menu buttons under the display rather than around the scroll wheel. This gave the third generation iPods a much sleeker look, making it more appealing to the general public. Due to this third generation, iPod began to dominate sales in the portable digital media player market. It held 90% of sales for hard-drive based players and 70% of sales for all portable media players.

2.4 Many people view the *fourth generation* iPod as the final ~~nail in the coffin~~ step in the wide adoption of iPods. The iPods were now being made smaller, lighter and thinner. Fourth generation iPods were sold in ~~twenty~~20 and ~~forty~~40 gigabyte versions. Now fully compatible with Windows (as was its third generation predecessor), the iPod now looked as we know it today. It featured a touch-sensitive scroll wheel with the menu options clickable on the wheel (this new feature adopted the name, “click wheel”).

“~~nail in the coffin~~” is a negative idiom, usually used when describing the final bad that happens before something fails: “The final nail in the coffin was the slump in sales of orange pops. The company could not recover and went out of business shortly thereafter.”

2.5 The *fifth generation* iPod is the current standard. It contains all of the elements of the preceding generations but is now much thinner and features a color screen. They have the ability to play video up to a 480x480 resolution. These iPods are available in the ~~thirty~~30 and sixty ~~gigabyte~~60 versions. The scroll wheel was

made marginally smaller to accommodate for a bigger display to make the viewing of movies slight more enjoyable.

2.6 Finally, the iPod Mini (replace by the iPod Nano) was a physically smaller version of its parent iPod. Its capacity only reached four gigabytes, but was ideal for many people who liked the smaller look and slightly smaller price. On September 7<sup>th</sup>, 2005, the iPod Mini was replaced by the iPod Nano, which was also available in the four gigabyte version, but was 62% smaller in size and featured a color screen.

### 3. Saturation of the iPod

We performed a few studies of iPod penetration into the college-age market as well as the customers of the Poughkeepsie Galleria on a Saturday afternoon.

#### 3.1 People Watching – Marist College

The following is the data we collected on every Thursday for ten weeks in one hour time increments from 12 P.M. to 1 P.M. This data was collected on the bench located between Lowell Thomas and Dyson.

#### **People Carrying iPods on the Marist College Campus**

<b>Date</b>	<b># People Watched</b>	<b># People with iPod</b>	<b>% People with iPod</b>
2/4/2006	130	39	30.00%
2/11/2006	143	43	30.07%
2/18/2006	148	38	25.67%
2/25/2006	177	42	23.73%
3/4/2006	121	48	39.67%
3/25/2006	136	30	22.06%
4/1/2006	109	29	26.61%
4/8/2006	128	31	24.22%
4/22/2006	141	40	28.37%
4/29/2006	112	29	23.78%
<b>Totals:</b>	1,345	369	

**% of People with iPod over 10 week period: 27%**

Judging from this data, approximately one out of every three people carries an iPod while walking to their destination on the Marist College campus.

#### 3.1.1 – Potential Flaws with Data Collection

Some of the flaws that could cause inaccuracy in the data include:

- a) Counting the same person twice walking one way then the other

b) Mistaking another type of media player for an iPod – white ear bud wires can be purchased anywhere **IMO, this really isn't a problem. The study could just as easily have measured MP3 player use in general, rather than just iPods...**

c) Not counting people who had iPods concealed and who were not using the standard white ear buds

d) A miscount on the number of people who walked by

### 3.2 Survey – Marist College

We wrote a very brief survey to find out more detailed information about people's portable media players. One of the main pieces of information we tried to retrieve was the main use of one's iPod, be it movies, TV shows or just music. Here are the results of the survey:

a) Do you own any variation of an iPod?

Yes – 64%

No – 36%

b) If so, for what main function do you use your iPod?

Music – 78%

Video – 13%

TV Shows – 9%

#### 3.2.1 – Potential Flaws with Data Collection

a) People can falsify information given on their survey

b) People might be swayed to lie about having an iPod due to the popularity of the device



### 3.3 Survey – Poughkeepsie Galleria

We gave out the same survey in the Poughkeepsie Galleria to try to get a feel for iPod adoption in more diverse age groups. Therefore, we added one more question inquiring about the survey-taker's age-group. Here are the results of the survey:

#### **Ages 15-25**

a) Do you own any variation of an iPod?

Yes – 53%

No – 47%

b) If so, for what main function do you use your iPod?

Music – 87%

Video – 10%

TV Shows – 3%

#### **Ages 26-40**

a) Do you own any variation of an iPod?

Yes – 39%

No – 61%

b) If so, for what main function do you use your iPod?

Music – 75%

Video – 18%

TV Shows – 7%

### **Ages 41 and up**

a) Do you own any variation of an iPod?

Yes – 23%

No – 77%

b) If so, for what main function do you use your iPod?

Music – 89%

Video – 6%

TV Shows – 5%

The results of this survey are quite interesting. It would appear that iPods are owned more often by younger people from ages 15 to 25. A common remark stated by the older folks was “No, but my son/daughter has one”. Music is always the predominant reason for iPod purchase. However, in the 26 to 40 age bracket, people are more inclined to use the iPod for movies and TV Shows (most likely while on the job or commuting to the job).

#### *3.3.1 – Potential Problems with Data Collection*

a) People can falsify information given on their survey

b) People might be swayed to give a false age due to social reasons

#### 4. Reasons for Mass Adoption of the iPod

The following are some reasons that the iPod has become so popular. We feel these have had a strong effect on the adoption of the iPod as the top portable media player on the market.

##### 4.1 – iTunes – The ability to get music without leaving the home <sup>2 3</sup>

iTunes was launched on January 9, 2001 as an application for playing and organizing music files. Today, with over 200 million users, it offers more than just organization.

Users can listen to free web radio from all around the world. ~~As~~, as well as download podcasts that can be listened to later. The number of available podcasts now outnumbers the number of radio stations in the world.

It also offers a gateway into the iTunes Music Store, where users can purchase music, video and other media. For just 99 cents, users can purchase and download songs without ever leaving their seats. The same applies to TV shows, podcasts, audio books, and movies.

##### 4.2 – Podcasting – Used for many different reasons <sup>4 5</sup>

Podcasting (which is a combination of the words “iPod” and “broadcasting”) refers to the distribution of some kind of “show” (be it in audio or video format) via RSS feeds. Users normally subscribe to podcasts, which are then regularly checked for updates. Podcasting is another way to deliver syndicated web content to users “on-the-go”. Using podcasts, users do not have to sit at their computers to enjoy your media.

They can download it (or have it ~~automatically~~ download automatically), put it on to their iPods (or have it ~~automatically~~ synchronize automatically) and take it with them wherever they go.

Podcasting is just another way that the iPod has made certain kinds of media more portable. Missing a radio show used to mean that you missed it forever, but with podcasting, you can save your favorite radio shows and listen to them weeks after their original transmission dates.

## 5. Future iPod endeavors

With the amount of iPod users and uses growing every day, it is hard to say what the future holds for the iPod. New, “non-traditional” uses for the iPod are being explored every day.

### 5.1 – Duke University – Academic <sup>6</sup>

In August 2004, Duke University gave out over 1600 iPods to first year students. These 20GB iPods were equipped with Belkin Voice Recorders that could be used to record field notes, class discussions and lectures (60% of first year students reportedly used the recording capabilities). ~~15~~Fifteen fall courses and 33 spring courses used the iPod as an educational tool. Foreign language, music as well as social science and humanities classes were among the top users of the iPod.

The use of the iPod as an educational tool has been successful at Duke University. If this trend continues, we may see more schools pushing the iPod onto students.

### 5.1 – Airlines – In-flight Entertainment <sup>7 8</sup>

In-flight Entertainment (providers for the industry) has been trying to negotiate a deal with Apple to bring the iTunes music store to passengers on planes. Ideally, they would like to see the iTunes music store and iPod docks in seat-backs. Passengers could then purchase music and video (with their frequent flier miles if they chose) during the flight and download it straight to their iPods.

This could mean a whole new market for Apple. However, there is one problem holding this back. Currently, users are not able to transfer music from their iPods

back to their computers. Therefore, anything purchased in-flight would be stuck on the iPod until Apple implements a new system.

## 6. Conclusion and Predictions for the Future

It is quite apparent by the information in this report that the iPod is one of the largest innovations for both our technological and sociological generation. Many people will continue to carry these iPods as their main portable media players.

However, the technology of the iPod is beginning to hit a glass ceiling. Until there is a significant paradigm shift in how data is stored in a computer system, there will not be many updates to the iPod. Although, as stated earlier, institutions are coming up with more uses for the iPod, so we will not see a significant drop in sales any time in the near future.

The iPod has earned its ~~staple~~-stable spot in many people's lives, and it is not going to be phasing out any time soon.

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