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'Good for the Soul'

With iPod's fifth birthday around the corner, Steve Jobs discusses the MP3 player's design, the cool factor and the impact on how we listen to music.

WEB EXCLUSIVE**By Steven Levy**

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Oct. 15, 2006 - Oct. 23 marks the fifth anniversary of Apple's iPod. CEO Steve Jobs reflected with NEWSWEEK's Steven Levy (author of "The Perfect Thing," a book about the iPod out this month) about the past, present and future of the device that changed Apple—and the world.

NEWSWEEK: During the iPod's development process did you get a sense of how big it would become?

Steve Jobs: The way you can tell that you're onto something interesting is if everybody who knows about the project wants one themselves, if they can't wait to go out and open up their own wallets to buy one. That was clearly the case with the iPod. Everybody on the team wanted one.

Other companies had already tried to make a hard disk drive music player. Why did Apple get it right?

We had the hardware expertise, the industrial design expertise and the software expertise, including iTunes. One of the biggest insights we have was that we decided not to try to manage your music library on the iPod, but to manage it in iTunes. Other companies tried to do everything on the device itself and made it so complicated that it was useless.

What was the design lesson of the iPod?

Look at the design of a lot of consumer products—they're really complicated surfaces. We tried make something much more holistic and simple. When you first start off trying to solve a problem, the first solutions you come up with are very complex, and most people stop there. But if you keep going, and live with the problem and peel more layers of the onion off, you can oftentimes arrive at some very elegant and simple solutions. Most people just don't put in the time or energy to get there. We believe that customers are smart, and want objects which are well thought through.

Some people say that iPod might lose its cachet because it's too popular—how can it be cool when Dick Cheney and Queen Elizabeth have one?

That's like saying you don't want to kiss your lover's lips because everyone has lips. It doesn't make any sense. We don't strive to appear cool. We just try to make the best products we can. And if they are cool, well, that's great.

What products, maybe outside technology, do you consider cool?

I like things that do the job and kind of disappear into my life. Like Levis. They just kind of get faded and disappear, and you don't think about it much. If you look, you appreciate the design, but you feel something from them, too. A lot of quality is communicated through a feeling that people have. They don't understand exactly why, but they know that a lot of care and love was put into the designing of the product.

Let's talk about the iTunes store. How did you get the record labels, which had been resisting digital music, to sign up?

It was a process over 18 months. We got to know these folks and we made a series of predictions that a lot of things they were trying would fail. Then they went and tried them, and they all failed, for the reasons that we had predicted. We kept coming back to visit them every month or two, and they started to believe that we might actually have some insight into this, and our credibility grew with them to the point where they were willing to take a chance with us. Now, remember, it was initially just on the Mac, so one of the arguments that we used was, "If we're completely wrong and you completely screw up the entire music market for Mac owners, the sandbox is small enough that you really won't damage the overall music industry very much." That was one instance where Macintosh's [small] market share helped us. Then about six months later we were able

to successfully persuade them to take down the barriers and let us move it out to the whole market.

Now people at some labels think that iTunes, with its dominant market share has too much power. We've never once gone to them and asked them to lower their prices.

No, but you've asked them not to raise their prices, when some of them wanted to.

Our core initial strategy on the store was that if you want to stop piracy, the way to stop it is by competing with it, by offering a better product at a fair price. In essence, we would make a deal with people. If they would pay a fair price, we would give them a better product and they would stop being pirates. And it worked. If we go back now and we raise prices—this is what we told the record companies last year—we will be violating that implicit deal. Many [users] will say, "I knew it all along that the music companies were gonna screw me, and now they're screwing me." And they would never buy anything from iTunes again.

Do you think that it's fair to the customer that the songs they buy from Apple will only work on iTunes and the iPod?

Well, they knew that all along.

At one point you were saying, "When our customers demand it, that's when we'll consider interoperability."

Nobody's ever demanded it. People know up front that when they buy music from the iTunes music store it plays on iPods, and so we're not trying to hide anything there.

Microsoft has announced its new iPod competitor, Zune. It says that this device is all about building communities. Are you worried?

In a word, no. I've seen the demonstrations on the Internet about how you can find another person using a Zune and give them a song they can play three times. It takes forever. By the time you've gone through all that, the girl's got up and left! You're much better off to take one of your earbuds out and put it in her ear. Then you're connected with about two feet of headphone cable.

iPods now have video, games, audio books and podcasts. Will iPods always be about the music?

Who knows? But it's hard to imagine that music is not the epicenter of the iPod, for a long, long, long, long, long time. I was very lucky to grow up in a time when music really mattered. It wasn't just something in the background; it really mattered to a generation of kids growing up. It really changed the world. I think that music faded in importance for a while, and the iPod has helped to bring music back into people's lives in a really meaningful way. Music is so deep within all of us, but it's easy to go for a day or a week or a month or a year without really listening to music. And the iPod has changed that for tens of millions of people, and that makes me really happy, because I think music is good for the soul.

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