

Behind all the iPhone hype

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Thursday, June 28, 2007

It was back in March that the Onion, a satirical weekly news outlet, published a tongue-in-cheek article on the "iLaunch," a new product-unveiling product from Apple that guaranteed to generate more publicity than a celebrity meltdown or a natural disaster.

"Get ready for the future of product introduction," a fake Steve Jobs proclaims in the piece. "The iLaunch will be able to make announcements from this, or any other stage, making human participation in generating consumer awareness almost entirely unnecessary."

At the time, it was just another funny jab at the Apple marketing machine -- a parody of how much hype Apple generates every time CEO Steve Jobs launches a new product. Today, as the national obsession with the iPhone takes on epic proportions, the Onion's spoof has the ring-tone of truth.

Even Paris Hilton couldn't compete with the celebrity treatment lavished on what the bloggers are calling the "Jesus Phone," an all-in-one handheld device that allows you to surf the Internet, check e-mails, listen to music, watch videos and, oh yeah, make phone calls.

Details about the phone are reported on the Internet with the breathlessness usually reserved for movie stars. Consumers are already camping out in lines expected to stretch for blocks. Hundreds of articles crowd newspapers, magazines and the Internet -- and The Chronicle is no exception. Analysts estimate that two-thirds of the population of the United States knows about the iPhone and expects Apple and its partner AT&T to sell 3 million phones in the first weeks.

Roll the credits and you will find that this is a Steve Jobs production from start to finish. Over the years, through trial and error Apple's maestro has created his own powerful brand of marketing mojo. The secret? He seems to be simultaneously in tune with his customers and two steps ahead of his competition. How else to explain his ability to create cult followings out of consumer electronics? What other CEO could inspire such unbridled technolust that Stephen Colbert would use his air time to lobby Apple for a free iPhone? Who else would inspire Conan O'Brien to lampoon the iPhone's lesser-known features -- from cheese grater to blow dryer -- in a fake commercial?

In the process, Jobs has muscled his way into one of the world's most brutally competitive markets, rattling the cell phone industry's most dominant players by producing the No. 1 must-have mobile phone on the market. And all this before he has even sold a single phone.

The lines already forming outside Apple stores promise to eclipse those formed by video game addicts who slept on sidewalks to be the first to buy the PlayStation 3 last year.

Ever since Apple unveiled the Macintosh computer in 1984 in the legendary Super Bowl commercial, Jobs has become the standard-bearer of how to market consumer products. The "sheer scope of Steve Jobs' brilliance" eclipses every CEO in corporate America, past and present, said Peter Sealey, a 40-year veteran of the marketing business.

Since Jobs made his prodigal return a decade ago to the Cupertino company he co-founded, he has transformed Apple into an increasingly commanding force in the new digital universe by combining innovation and design in gotta-have-it gadgets. First with the iPod, now perhaps with the iPhone, Jobs not only has achieved technological dominance, he has become corporate America's top hypester. To be sure, not everything he touches turns golden. Who can forget the ill-fated Cube computer Apple put out in 2000? Or even the iTunes phone that Apple put out jointly with Motorola in 2005, the firm's first foray into the cell phone market? And, certainly, Apple had its share of failures during Jobs' exile, punctuated by the failed Newton computer in 1993.

But it seems that Jobs, and Apple, have been riding a hot streak since the iPod came out in 2001. So ascendant is Jobs that he might be the only business leader in history to inspire an anonymous impersonator, who has landed a book deal and significant notoriety by penning the humorous and very popular blog, "The Secret Diary of Steve Jobs."

"Jobs is a showman who creates an aura about his products that defies marketing. You can't buy the kind of marketing he gets," Sealey said. "He brings the best of Hollywood to a superb array of consumer electronics and he does it with elan and skill. He's the best in the world at doing that, bar none."

That Svengali showmanship powers an Apple hype machine so well oiled that it runs as quietly in the background as a Toyota Prius. In classic Apple style, Jobs revved that machine into overdrive at the annual MacWorld Conference and Expo in January when he pulled the iPhone from his jeans pocket to show it off to the world for the first time.

"In 1984 we introduced the Macintosh. It didn't just change Apple, it changed the whole computer industry. In 2001, we introduced the first iPod, and it didn't just change the way we all listen to music, it changed the entire music industry. Today," he said to thunderous applause, "we are going to reinvent the phone." Behind the scenes, he had already reinvented the marketing. Not only has the iPhone campaign been Apple's most effective, it seems destined for business school textbooks and lecture hall series.

Consider this: Apple has a smaller marketing budget than most major high-tech companies. Yet the iPhone just dialed up six months of frenzied publicity while the company hit the mute button. Sure, Apple ran a couple television ads during the Academy Awards. But until the company unfurled an advertising campaign in recent weeks, it stuck to its script of building suspense by saying very little.

That trademark secrecy was golden. The slow trickle of information from the notoriously secretive company fired up the blogosphere populated by Apple's passionate, evangelical users. By the time Apple began broadcasting a series of tantalizing television commercials and allowed a handful of elite reviewers to air their impressions on Tuesday, the iPhone had already captured the imagination of the mass-market consumer, the one Apple must reach to ring up billions in new cell-phone sales.

A limited release of phones in a limited number of stores further generated "buzz, excitement and enthusiasm about a product nobody yet understands or knows anything about," said Harvard Business School Professor David Yoffie, who studies technology and strategy.

"We still don't know yet whether Steve will deliver or not, but he has in fact created a viral machine that has disseminated the message of a revolutionary product that will change the way people think about phones,"

Yoffie said.

Even marketing expert Steve Nelson got swept up in the excitement. "When I first saw the television ads, I thought, 'Wow, this really is the future of the phone,' " said Nelson, a longtime Apple user and executive vice president and chief strategy officer of Berkeley digital marketing firm Clear Ink. "It makes any other phone seem like it could have been owned by Alexander Graham Bell. ... These ads really are effective at making the general marketplace wake up and pay attention that this is something really different."

If Nelson sounds like he's overexcited, he is not alone. Apple is often referred to less as a corporate entity and more as a religious congregation. For Catholics, June 29 is a holy day dedicated to Saints Peter and Paul. For Apple believers, it is a holy day of deliverance of another kind.

Count Rocco Palmo among the believers who hope this will be a good Friday for the iPhone. Palmo, a 24-year-old Catholic commentator in Philadelphia who describes his recent conversion to the Macintosh faith as a spiritual experience, is intrigued by the iPhone, although he's not sure he can afford to be an early adopter with the hefty price tag.

Palmo, whose irreverent blog Whispers in the Loggia covers the inner workings of the Vatican as "Page Six" for the Catholic Church, speaks in reverent tones of Apple building the technological equivalents of the Sistine Chapel and other religious sites and shrines. The release of the "God Machine" has become a cultural watershed, he says.

But will the iPhone transcend the hype and achieve rapturous heights at the cash register?

"There is genuine excitement and genuine belief in what this company can do," Palmo said. "We all want to see greatness accomplished in our time. Anyone who does that, we want to cheer them on."

This article appeared on page A - 1 of the San Francisco Chronicle