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Why the iPad Will Flop

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I don't get it. It costs \$500 for the basic model, when you could get a laptop with a lot more functionality for about the same price. The iPad hype machine has been in full effect this week, and I still think it's just that—hype.



[As I wrote previously](#), nobody has ever made a commercially successful tablet computer. The iPod was not the first portable MP3 player, but it was the first that got widespread appeal for its simplicity and superior storage capacity for the cost. The iPhone was not the first smartphone, and it still faces fierce competition from rivals at Research In Motion ([RIMM](#)) (the maker of the BlackBerry), Nokia ([NOK](#)), and HTC.

While mainstream media has been ecstatic about the iPad (it made the cover of both TIME and Newsweek), it's been blasted by tech critics. Gizmodo, one of the most popular tech websites, wrote their analysis with a succinct headline: "[8 Things That Suck About the iPad.](#)"

What is this thing?

So, why then is there so much hype? It's not just a rhetorical question. For one, even if you are not a Mac user, everyone loves Steve Jobs. He has been a visionary in the computing industry and made computers accessible to the masses with the old Apple II. Steve Jobs also turned Apple around completely from the 1990s, a time when an old computer science professor of mine said that "Apple tried really hard to go out of business."

That said, Steve Jobs has been wrong before. One of his earlier projects before he was ousted as the Apple CEO (and obviously before he was re-hired later) was the Apple Lisa. It was a computer built in 1983 with a graphical user interface and features now associated with a modern computer—significantly ahead of its time in 1983. Unfortunately, it was horribly expensive and ended up as a commercial flop.

The iPad could be even worse. At least the Lisa was ahead of its time. The iPad isn't ahead of anything, but it's certainly expensive. Tablet computers didn't flop when HP ([HPQ](#)) was making them because HP lacked vision or creativity; they flopped because tablets were a bad idea. They're not as useful as a laptop, and they're not mobile enough or cheap enough to replace a smartphone—and of course, they can't make phone calls.

In short, tablets try to fill a niche that doesn't exist.

What I find most amusing about this is the talk that the iPad will "save the media industry." No, it won't. It is just another means to distribute media. If customers are not interested in watching something on a computer, they also won't be interested in watching it on a tablet. As far as the iPad being a "Kindle Killer", that may be so, but both Kindle and the iPad are competing against another format for books, called paper.

I don't buy the iPad hype. Analyst expectations for iPad revenue are way overblown. If I turn out to be wrong, I'll gladly eat my words, but I'm pretty sure that I'm not wrong.

Update: Here's David Letterman's take on the iPad. Watch the whole thing; he nailed it: <http://www.youtube.com/watch?v=AEjPqfQtd4>

Disclosure: None