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Open Versus Shut Approaches to Building Business

Holman Jenkins's "Apple's Second Date With History" (Business World, May 26) accurately details the fall and rise of Apple computers. It neglects, however, the key to Apple's success: a laser focus on customer experience.

The current mobile universe is dominated by the value propositions of Apple (pitched at media-loving consumers) and Blackberry (pitched at business users). Google, Palm, Microsoft and a myriad of others have sought to define themselves as hybrids between Apple and Blackberry. This approach has not inspired increased adoption. It is true that Google has and will continue to have a much broader universe of applications due to its platform openness. Consumers, however, continue to spend most of their time using well-built, experience-friendly applications—not those thrown together on shoestring budgets.

The long-tail hypotheses, whereby specialized applications and content are profitably delivered to ever smaller customer segments, continues to prove elusive. In a recent study of 250 smart-phone users, Marconi Pacific determined that people's favorite applications are more often than not the most used and useful applications rather than the newest (only 25% of survey respondents indicated their coolest app was under three months old). This speaks volumes about whether simply having a wider universe of applications gives Google a competitive advantage over Apple. We strongly believe that Apple's meteoric rise has come from strong quality control and deep understanding of the target customer base.

Technology systems trend toward openness, and Google definitely has a unique and dominant position in the market. Apple's closed system, however, has such a "network" effect at this point (music, phone, computer, Apple TV, etc.) that it still has staying power. In the near term Apple has built a defendable competitive position because it delivers a top-notch customer experience.

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