

# FORTUNE



Subscribe To Fortune Magazine  
Magazine Customer Service

[Home](#)

[Fortune 500](#)

[Technology](#)

[Investing](#)

[Management](#)

[Rankings](#)

[Video](#)

[Newsletters](#)

[RSS](#)

# Apple 2.0

Mac news from outside the reality distortion field  
By Philip Elmer-DeWitt

MARCH 7, 2008, 9:17 AM

Type Size  

## iPhone v. BlackBerry: A battle for hearts and minds of developers

One of the advantages Research In Motion's (RIM) Blackberry has over Apple (AAPL) is the number of third-party developers writing applications for it: 650 as of last summer, according to RIM co-CEO Mike Lazaridis ([link](#)). Except the rogue developers writing unauthorized apps for jailbroken iPhones, there has been only one developer writing native apps for the iPhone: Apple. Everybody else has been making relatively slow, crippled web apps.



All that changed after the iPhone special event on Thursday. Not only did Apple announce that it was giving IT managers everything they'd asked for in an enterprise cellphone — from push e-mail to a kill pill for lost or stolen iPhones (see [here](#)) — it released a [software developers kit](#) (SDK) that gives third-party programmers the same tools Apple's inhouse programmers used to write the apps that come with the iPhone.

The message was clear: Apple is going to battle RIM for the hearts and minds of developers, the key element in any successful computing device. As Piper Jaffray's Gene Munster put it in a report to clients this morning: "The platform with the most active developer community will likely win the battle in the mobile computing arena."

So how are programmers reacting to the new SDK, which was made available as a free download to registered developers? One sign was that Apple's servers nearly ground to a halt trying to handle the demand. [Valleywag](#)'s Jordon Golson reported at 3:20 p.m. Thursday that he could barely get to the info page.

The developers Apple trotted out to demo — EA, Salesforce, AOL, Epocrates, Sega — certainly seemed pleased with what they were able to produce with two weeks lead time (see [here](#)). And the consensus among developers polled after the event was that the SDK exceeded expectations. (See, for example, Ephraim Schwartz's roundup for [InfoWorld](#).)

"The tools look awesome," wrote John Gruber on [Daring Fireball](#). "Far better and more advanced than what most Mac developers were expecting."

Gruber believes developers will accept the terms of the business deal the company is offering them — albeit somewhat grudgingly. "Apple's 30/70 split with developers is steep, but initial reaction from the developers I follow on Twitter seems to be positive. Paul Kafasis of [Rogue Amoeba](#) told me via IM, '70%? That's... that's... livable,' which seems to sum up the consensus sentiment."

But "the \$99 fee for getting your app listed in the store [per-developer, not per-app] is a no-brainer," Gruber adds. "This is going to be a gold rush." ([link](#))

Despite the initial enthusiasm, taking on the BlackBerry in its home turf is not going to be easy. The iPhone may have captured 28% of U.S. smartphone sales last quarter versus RIM's 41%, as Jobs proudly announced yesterday, but the installed base of BlackBerries in corporations probably approaches 10 million. The only two companies Apple could name that were using the iPhone as an enterprise device were board-of-director buddies Genentech and Disney.

The first obstacle the iPhone faces are the corporate IT departments that would have to support it. IT is heavily invested in RIM across the board, not just for all those BlackBerries, but for the RIM servers that push data to them.

Moreover, the end users Apple is targeting — all those road warriors with little bricks clipped to their belts — have also made an investment of sorts, an investment of time, energy and brainpower training their thumbs on the BlackBerry's miniature keyboard. Their complaints about the iPhone's touchscreen echo the contempt PC users raised on DOS had for the original Mac, with its mouse and graphical user interface.

As Piper Jaffray's Munster points out, Apple lost the OS wars to Microsoft (MSFT) in the 1980s not because it used a mouse, but because it lacked the support of a robust developer community. In the mobile OS wars to come, Steve Jobs seems determined not to make that mistake again.

[Back to main column](#)

Filed under [Apple](#), [Blackberry](#), [Microsoft](#), [RIM](#), [SDK](#), [Steve Jobs](#), [iPhone](#)

[17](#) Comments | [Add a Comment](#) | [Email](#) | [Digg](#) | [Facebook](#)

"The iPhone costs less than a blackberry." Interesting. I signed up for a two year service contract with Verizon, got a Blackberry 8830 for only \$149. A lot cheaper than an iPhone. Also, with my Blackberry I can tether to my computer and utilize it as a high speed connection to the internet. Haven't heard anything about that from iPhone.

© 2008 Cable News Network, A Time Warner Company ALL RIGHTS RESERVED.  
Terms under which this service is provided to you. Privacy Policy  
\* : Time reflects local markets trading time.† - Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. †Disclaimer  
Copyright © 2008 BigCharts.com Inc. All rights reserved. Please see our Terms of Use.  
MarketWatch, the MarketWatch logo, and BigCharts are registered trademarks of MarketWatch.  
Intraday data delayed 15 minutes for Nasdaq, and 20 minutes for other exchanges. All Times  
Intraday data provided by ComStock, an Interactive Data Company and subject to the Terms  
Historical, current end-of-day data, and splits data provided by FT Interactive Data.  
Fundamental data provided by Hemscoff.  
SEC Filings data provided by Edgar Online, Inc.  
Earnings data provided by FactSet CapitalStreet, LLC.

Powered by [WordPress.com](#).

## Most Popular

MOST  
READ

MOST  
COMMENTED

EDITOR'S  
PICKS

1. [Work part-time](#) [More](#)
2. [Fort Worth's natural gas rush](#) [More](#)
3. [Buffett goes to Wharton](#) [More](#)
4. [Microsoft running out of options](#) [More](#)
5. [No such thing as recession in Disneyland?](#) [More](#)

## More Apple 2.0

RECENT  
POSTS

RECENT  
COMMENTS

- [iPhones for Vodafone — and Telecom Italia, too](#)
- [Apple analyst does a U-turn, changes downgrade to upgrade](#)
- [Why Apple is now worth four Dells](#)
- [Top-paid CEOs: Steve Jobs drops from No. 1 to No. 120](#)
- [Steve Jobs makes Time's 'most influential' list](#)
- [Apple's new Hollywood deal: Death of the DVD?](#)
- [Analyst: Touchscreen MacBook 3-5 years away](#)
- [Safari market share tripled on Windows after Apple gambit](#)
- [3G iPhone rumor roundup: Spring break edition](#)
- [Apple updates iMacs](#)

## Search This Column

SEARCH

ARCHIVES

Search

[View all entries from this:](#) [Week](#), [Month](#)

## Topics

TAGS

BLOGROLL

3G | A Greener Apple | AAPL | Adobe | Al Gore | Amazon | Android | Antitrust | Apple | Apple history | Apple Legal | Apple Stores | Apple TV | Asia | AT&T | Battery problems | BBC | Beatles | Blackberry | Blu-ray | Carphone Warehouse | CES | China | Christmas | Comic relief | Components | Deferred revenue | Dell | Digital Rights Management | Disney | Europe | European Commission | FairPlay | Fake Steve Jobs | FCC | Flash | Fox | Foxconn | France | Germany | Get-a-Mac Ads | Google | Gphone | Gray market | Hacked | Mac | Intel | iPhone | iPod | iPod touch