# Macintosh vs Windows 95

## #20 The Macintosh Strategy

### Summary

We have spent the last 19 notes in this series explaining various Macintosh advantages over a PC with Windows 95. In this note we'd like to step back and say how all those advantages add up to fundamentally change personal computing.

This is the final note in the Macintosh Advantage Briefs series…for now. In the future, we'll continue to let you know our perspectives on what's special about  Apple® Macintosh® computers. There are still a lot of Macintosh advantages that we didn't cover in this series—we haven't even touched on Macintosh vs. PC video capture, for example. And we didn't say anything about the relative cost of phone support. (If you buy a Macintosh in the U.S. and many other countries, you get a free 800 technical support number that you can call as much as you want, for as long as you own your Macintosh. From Microsoft, you either call a 900 number which costs $1.95 per minute, or you call a long distance number and pay toll charges. You might ask yourself why Apple can afford to give away free technical support and Microsoft can't—maybe Macintosh users don't need as much help as Windows users? Or maybe Microsoft is just running short on cash.) We'll be in touch from time to time about this and other issues.

To see previous entries in the series, visit us on the Internet at http://www.apple.com/whymac/

### What We've Done

Anything Apple says about its direction tends to suddenly show up in the feature plans of certain other computing companies, so we won't be too specific about what's coming. But in general terms, here's where Apple thinks the marketplace is going, and where we're looking to take the Macintosh platform.

### Technology: The Transition To Next-Generation Computing

The industry is entering two critical technology transitions that will eventually render previous standards obsolete. On the hardware side, everyone in the industry is moving beyond old-style CISC chip technology, on which Pentium, for example, is based, to new architectures that include new instruction sets. The only disagreement in the industry is over what to call the transition. Apple and most other companies call it RISC. Intel calls it "VLIW" or "Beyond RISC." The name isn't critical. The  important thing is that we all agree the industry is moving toward new instruction sets, forcing recompilation and rewriting of existing programs.

On the software side, the industry is just beginning the transition to component software (also called object-oriented software). Component software is important because it breaks large operating systems and programs into small modules that are much more easily updated, debugged and changed around. It's the key to the next generation of computer software because it will allow programs and operating systems to be customized more easily, and will enable smaller developers to get back into software development.

Going along with the two technology transitions is a major evolution in the way computer customers think. The general-purpose computer market is dying. Just as the automobile market moved from general-purpose transpor-tation to market segments in the 1920s, the computer market is moving into a much more segmented world today. For example, the needs and desires of home users are very distinct from those of business, and the differences are growing rapidly. One of the biggest challenges for computer companies in the 1990s is delivering very different products to different people.

## Apple's Strategy: Drive the Transitions

The combination of new hardware and component software is essential to deliver the next generation of features that computers users want. A high-performance architecture such as RISC is essential to really make multimedia, 3D, speech recognition, and other leading-edge technologies become mainstream. And the flexibility of component software is required if we're to customize computers for different markets.

Apple believes that the Macintosh platform is for delivering the next generation, because Apple is the only computer company that can change the hardware and software in tandem. So we have already made the transition to next-generation hardware. On the Intel PC side, the hardware transition is just starting with the move to Intel's P6 chip, which reportedly runs many existing applications slower than a Pentium. And beyond that, there's a lot of uncertainty over what other changes P7 and other chips may bring.

In component software, Apple is investing heavily with a number of major partners—including IBM, Novell, Oracle, Adobe, and others—to create an open, cross-platform component software product called OpenDoc.® Shipment of OpenDoc on Macintosh is scheduled for the very near future.

And in terms of our market focus, Apple is now focused on creating specific products and solutions that address the needs of different types of customers. Some people have erroneously called this a move into market niches. Apple doesn't view it that way—in reality, the center is evaporating, and in the fairly near future only market segments will be left. Apple's move into segmentation gets the Macintosh platform ahead of that trend.

### Making the Transition Easy

The last time Apple made a transition to a new generation of computers (the 1984 move from the Apple II to the Macintosh), Apple made a number of errors that we're committed not to repeat.

- First, we failed to give Apple's installed base of loyal Apple II users an easy growth path into the next generation. With the move to Power Macintosh,® Apple has given its new computers the ability to run old-style Macintosh software, so investments are protected and customers can move easily.

- Second, in 1984 Apple failed to make it easy for DOS users to move to its new systems. This time, we are correcting that by providing a number of products that make it easy to use DOS and Windows files, and even run DOS and Windows programs, on a Power Macintosh. With this change, DOS and Windows users have, for the first time, a realistic alternative to the Intel/Microsoft standard.

- Third, in 1984 Apple failed to license other companies to make Macintosh-compatible computers. Without alternative sources, prices remained too high, and some customers were uncomfortable making a commitment to the Macintosh platform. Apple has decisively changed that situation by licensing Macintosh-compatible computers, some of which are shipping today. With the 1996 advent of the Common Hardware Reference Platform (our shared base hardware design codeveloped with IBM), very open licensing will be in place.

### How It All Adds Up

One of the most common errors people make when evaluating the Macintosh strategy is to look at one part as if it's the whole thing. So they'll say that Apple's strategy to make the Macintosh successful is licensing. Or that the strategy is PowerPC.™ In reality, the strategy is the sum of all those initiatives together: the combination of leading the technology transitions (with PowerPC and OpenDoc), driving more segment-focused marketing, changing the Macintosh business model to embrace compatibility and openness, and of course innovating so the Macintosh becomes even more attractive to users. The synergy between those initiatives is much more powerful than any one of them would be alone.

### What About the Future?

It's common in the computer industry today to look on Windows 95 as if it's the endpoint in the evolution of personal computing. Computers have now been perfected; everyone else can just pack up and go home. In reality, the interesting changes are just beginning, and Windows 95 is at best a rest stop on the road to the next generation of personal computing (apparently it doesn't even take full advantage of Intel's latest chip). No doubt eventually the PC companies will sort out this and many other transitional issues they face in the next few years. Someday you'll be able to get next-generation computers from the PC crowd. But Apple believes it can deliver the benefits of the next generation much sooner, with a smoother transition, and with more attractive features. And this time we're not keeping the new generation to ourselves.

### Questions or Comments?

You can send e-mail to the Macintosh Platform Marketing team at competition@applelink.apple.com