Apple's path to the app store wasn't a straight road

By Chris O'Brien
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The unveiling of the iPhone almost four years ago stands as a pivotal moment in computing history. The elegant design not only ushered in the mobile computing revolution, it also ignited an entire billion-dollar business based on mobile apps.

And, it is widely believed, this was all part of a master plan designed by Steve Jobs and Apple. But in a recent conversation with former Apple insider Bob Borchers, a very different picture emerged, one that hasn't been reported until now. What he told me is that the mobile app ecosystem developed far differently from what Apple originally envisioned.

And it happened because Apple did two things: It listened to users. And it adapted.
Those aren't two qualities people usually associate with Apple. But according to Borchers, that's wrong. "One of the things that Apple does very, very well is that they are flexible in their thinking," Borchers said. "And I don't think they get enough credit for this."

Apple declined to comment for this column.

On the eve of Apple's iCloud announcement Monday, this back story on iPhone apps offers a tantalizing peek at how the company manages the introduction of new products, and how its initial plans can change dramatically.

Borchers is currently a general partner at Opus Capital. Before that, he was senior director of worldwide product marketing for the iPhone until June 2009, and was part of the original iPhone team.

Getting off the Web

Apple and Steve Jobs originally envisioned that developers would create what it called "Web apps" for the iPhone. These would be little programs that ran inside the Safari browser. While Apple knew developers would want to write applications for the iPhone, the company didn't see huge numbers of apps as critical to the phone's initial success.

But what developers really wanted was the ability to write applications that ran on the iPhone itself, so-called native apps. The distinction may seem technical, but it's quite a big difference. For instance, Web apps would likely be slower than native apps and have far fewer features, making them less appealing to users.

Inside Apple, Borchers said much of the focus was on just making sure the thing worked. "The first priority when the iPhone launched was stability," Borchers said. "The idea of your phone crashing during a call because of a third-party app was not acceptable."

A few months after the phone went on sale, developers had created about 10,000 Web apps,

with mixed reception from users. But at the same time, savvy developers began hacking their iPhones, or "jailbreaking" them, to write native apps.

Onto the iPhone

At first, Apple fought this. But then a funny thing happened: Apple changed its mind and allowed developers to write native apps.

"One of the interesting things about this was that it was an admission that Apple got it wrong," said Carl Howe, an analyst at the Yankee Group. "And that's amazing, because Apple doesn't like to say it didn't get it right."

From his perch at the company, Borchers told me that Apple continued to talk to developers after the iPhone's launch about the Web app system.

"A range of app developers wanted access to the native capabilities of the iPhone, but the game developers were able to make the most compelling case," Borchers said.

Even so, the company continued to believe that Web apps and native apps would be equally important.

"My expectation was that we would have a Web app store and a native app store," Borchers said.

App Store is born

But in June 2008, Apple introduced the App Store, which decisively tipped the balance in favor of native apps. Never before had there been such a central hub to discover and manage mobile apps.

"They centralized the buying experience," Howe said, "and they made it simple for people."
By September 2008, three months after the app store opened, users had downloaded 100 million native apps.

Apple's shift on apps had profound implications. It made it a much stronger force in gaming than it otherwise would have been. It's led to an explosion of apps more sophisticated than what would have been possible if Apple had limited developers to Web apps.

And it has arguably helped Apple maintain a dominant position in the mobile market, since more apps written for the iPhone means more customers want iPhones, giving developers even more incentives to write apps for all those customers -- an amazing virtuous circle.

"Like many Apple innovations, what seems deceptively simple in hindsight was fairly complex to work out at the time," Gartenberg said.

Contact Chris O'Brien at 415-298-0207 or cobrien@mercurynews.com. Follow him at Twitter.com/sjcobrien and read his blog posts at www.siliconbeat.com.