

Apple Takes On IBM's PCjr

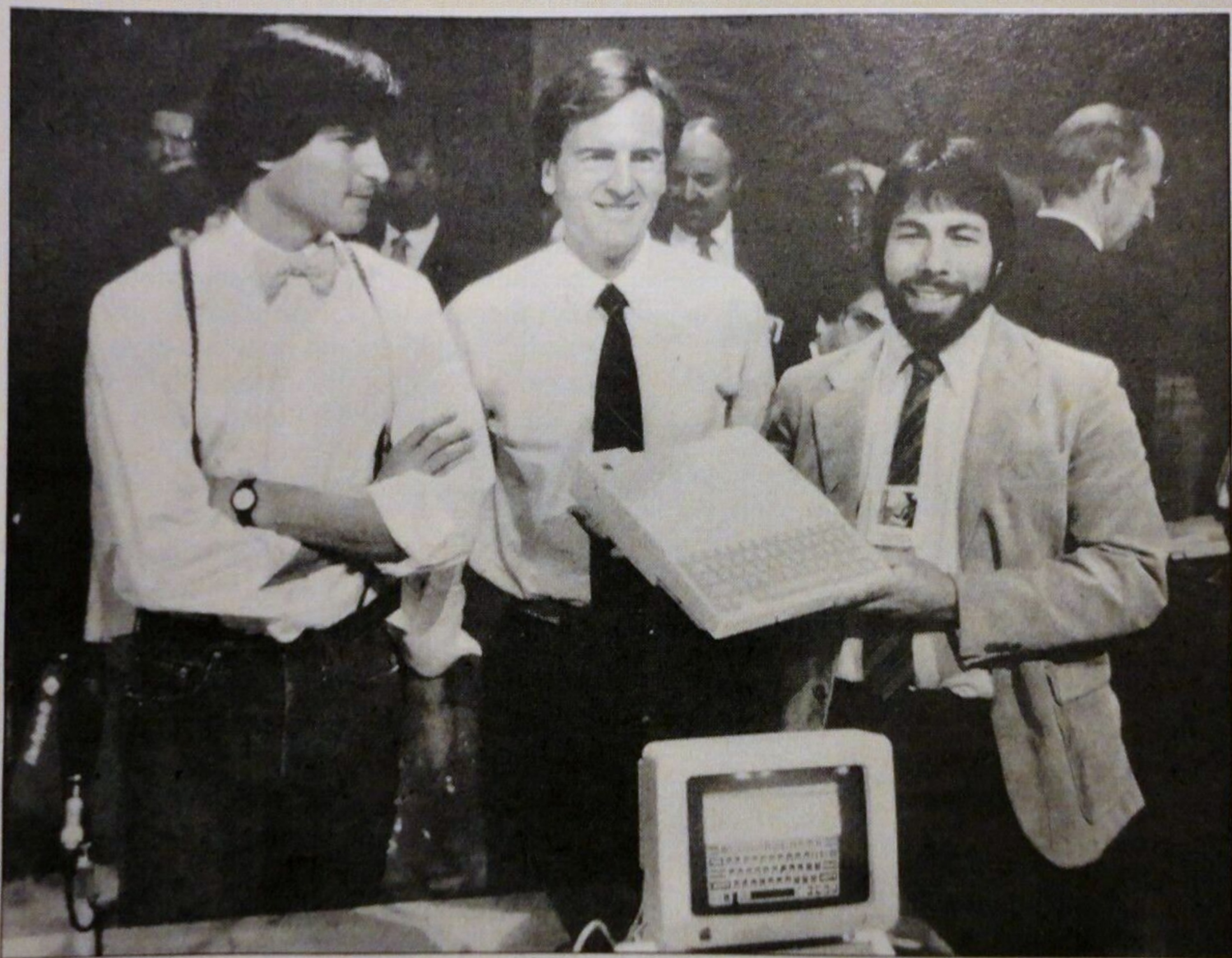
It was a spectacle reminiscent of the auto industry in its heyday: glaring spotlights, blaring music and 1,500 excited dealers awaiting the unveiling of a company's latest offering. But the new model on center stage at San Francisco's Moscone Convention Center last week was Apple's IIC—a sleek \$1,295 computer with a built-in disc drive, aimed at the home market and designed to compete head-on with IBM's slow-selling PCjr.

The original Apple II was also introduced in San Francisco seven years ago at a hobbyist show, under less splashy circum-

duction with chairman Steven Jobs and president John Sculley. In 1980, when other Apple executives predicted the demise of the II, Wozniak insisted otherwise. "They lost touch with the real world," he says, "but every night I was up using software, visiting users' groups, seeing the excitement."

The IIC is not for hobbyists: it is aimed at home applications such as budget keeping, letter and report writing, and education. Upcoming Apple commercials, for example, will advise children on "how to talk your parents into parting with \$1,300."

One criticism is that Apple has raised



Jobs, Sculley and Wozniak display the IIC: New competition on the home front

stances—and the extravaganza last week was staged partly to show just how far the Apple corps had come. One area of the Moscone Center, for example, featured early Apple memorabilia, including a 1977 balance sheet that logged slightly more than \$14,000 in total assets. (Current assets: \$56.6 million.) In another hall, displays by 86 software and accessory manufacturers suggested how Apple's early financial struggle paid off—almost by accident. "We were so small at the beginning," says longtime Apple employee Phil Roybal, "that we had to be totally open and let other people do things to us. We used to joke that we had the largest research and development team in the country."

Plugging In: The \$1.5 million IIC celebration was a triumph for cofounder and technical whiz Stephen Wozniak, a likable, slightly disheveled fellow who appeared at the intro-

false expectations by calling the computer a portable. Although small and light (7½ pounds), the IIC still requires a \$600 flat panel display and a separate battery pack to operate as a true portable. Whatever it's called, Apple dealers are delighted. "They have a winner," says the owner of one Connecticut computer shop. "If I could take 100 today, I would."

This summer Apple will spend more advertising money than Coke or Pepsi—and its campaign will include comparisons with IBM's PCjr. "This will really hold IBM's feet to the fire," says Howard Lefkowitz, a computer-store owner in Maryland. Even so, IBM still has room to counterattack, perhaps by modifying the jr's unpopular keyboard and lowering their price (about \$1,300). "At least," says Lefkowitz, "IBM now knows what they have to beat."

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