

SAN JOSE MERCURY NEWS

Apple unveils tiny iPod shuffle that talks

By John Boudreau

March 12, 2009

It's a new recession iPod.

Apple on Wednesday rolled out the third generation of its low-end iPod shuffle, which has speech-based functions that tell users what song is playing and who is singing it. The VoiceOver technology on the \$79 device, which the Cupertino company calls the world's smallest digital music player, also recites the names of playlists, giving users a new way to navigate their music on the screenless iPod.

The new shuffle, which holds up to 1,000 songs, can tell users other information as well, such as how much battery life remains. In addition to English, it can communicate in 13 other languages, including Mandarin, Japanese, Turkish, German and French.

And it's about half the size of the previous model, smaller than a AA battery.

"These are exactly the kinds of products you need to come up with in the midst of a recession," Interpret analyst Michael Gartenberg said. "It's not a stripped-down experience. It has a new cool user interface that isn't even on the high-end iPods. Apple has worked hard not to make this a race to the bottom."

Apple launched the first of its iPod line during the last economic downturn, in 2001.

The new 4-gigabyte device — which costs \$10 more than the second-generation model it replaces, which had half the capacity — will give a "small boost" to the company's bottom line, Piper Jaffray analyst Gene Munster said in a note to investors. The high-margin shuffle could nudge iPod sales for the current quarter from 9.5 million to 10 million, he said.

Munster said the new shuffle indicates that innovative tinkering continues at Infinite Loop.

"Following a disappointing Macworld, investors had been wondering what was next for Apple," he wrote. "The shuffle is a small part of the overall story but the innovation we are seeing is encouraging for future product development."

Munster sees a possible launch of a 10-inch touch-screen tablet-type device or low-end MacBook next year.

The new shuffle comes in two colors, silver and black. Apple is still selling the 1GB shuffle, which plays about 240 songs and comes in an array of colors, for \$49, without any upgrades.