

Apple's iPod problem

By [Arik Hesseldahl](#)

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After years of strong growth, sales for the iPod appear to be plateauing and may soon decline for the first quarter since it was introduced seven years ago. Everyone who wants an iPod now has one, it seems. Perhaps the iPod's biggest benefit to Apple these days is in helping it sell Macintosh computers.

Chris Wysopal is the head of a four-iPod family. His wife and two kids all carry the pint-size nano music player from Apple, while he uses a 2003-vintage device he got as a hand-me-down from his wife. But as much they love their iPods, the Wysopal family has no plans to buy any new ones in the foreseeable future. "They're all working, so there's no need to buy more," says Chris.

Strange as it may sound, Apple may have an iPod problem. The iconic music player cemented the company's reputation for innovation and fueled its financial success in recent years. But those days appear to be over. Legions of iPod owners see little reason to upgrade, especially with the rocky economy. As a result, some analysts believe this will be the first quarter since the iPod was introduced in 2001 that sales will decline from the year-earlier quarter. "The reality is there's a limited group of people who want an iPod or any other portable media player," says analyst Gene Munster of Piper Jaffray. "So the question becomes, what does Apple do about it?"

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