

Apple's Tim Cook had the best week in tech

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When you're asked to meet with elected officials via teleconference in Washington, D.C., (along with key competitors) and they don't ask too many questions to you, it's a given that you had a really good week.

And when you follow it up the next day with a stunning earnings release that had one analyst say his "jaw dropped" when he read the numbers,

there's no question that Apple CEO Tim Cook clearly had the best week in tech.

His compatriots among the big tech CEOs—Facebook's Mark Zuckerberg, Google's Sundar Pichai and Amazon's Jeff Bezos—didn't fare as well in D.C.

In case you missed it, let's break it down for you and begin by setting the scene. Facebook, Google, Apple and Amazon CEOs were called to Capitol Hill, for the first time in unison, to defend themselves against anti-trust charges. And they followed it up the next day with earnings reports, all, on the same day.

Or, a mind-boggling \$200 billion combined worth of revenues in just one quarter. That's a little less than half of what the U.S.'s largest company, Walmart brought in (\$524 billion) for all of 2019.

During a pandemic, when many people were forced to work or learn from home, consumers responded by buying lots of new computers, iPads and even iPhones from Apple (\$59.7 billion worth), and a whole lot of everything from Amazon (\$88.9 billion) at a time when many [retail stores](#) were closed.

In his testimony to Congress, Bezos described it as like "Christmas" in March for the company, which struggled to keep up with demand. On the earnings call this week with analysts, Apple CEO Tim Cook sounded almost embarrassed about the company's fortunes.

Meanwhile, Google reported a 2% drop in revenues (\$31.6 billion), and said its advertising business was impacted, due to the "fragile" economy, while Facebook, which is also primarily an advertising business, reported \$18.7 billion, up 11% from the year-ago quarter, but a lower increase than usual.

Which brings us back to Cook.

When you're asked to appear before Congress and defend your company, "you're a loser when you walk into that environment," says Gene Munster, an investor and analyst with Loup Ventures. "A good day is escaping from major blows, like Tim Cook did, vs. substantive blows, like Facebook and Google got."

Cook was asked about how Apple treats [app developers](#) and plays favorites at its App Store, where the company clearly controls what consumers can see with iron-clad enforcement. Apple gets to decide who can participate, and can ban people at will, as it did recently with the alternative e-mail service, Hey, which was initially rejected by Apple. Cook's defense: it's all in keeping up with quality of the store and not putting apps in front of iPhone users that invade their privacy and the like.

But in the realm of antitrust, if the government decreed that Apple ditch the App Store, it's a tiny, portion of its business, worth less than 5%, and wouldn't impact Apple, says Munster.

Like, say, having to divest of the iPhone business or Macintosh computers.

And because he got so few questions and they were only about the App Store, not Apple's TV business or dealing with suppliers who provide parts for the iPhone and Mac computers, Munster says Cook walked away unscathed.

Then came the spectacular earnings. "I thought iPhone sales would be down 20%," he says. "It was up (by 2%.) Because of stay-at-home and learn-at-home, the iPad and Macs are on fire."

Remember, this is even at a time when the company had closed down the retail Apple Stores at the beginning of March and didn't see many re-open until late May. So getting products delivered was more challenging.

Which brings us to Amazon.

The e-tailer also benefited from high consumer demand for just about everything and the companies ability to fulfill the orders. Pols focused on how Amazon deals with third-party sellers and competitors, also a small portion of its business, but Amazon got fewer questions than Pichai or Zuckerberg. The ones he did get were not nice.

But Google and Facebook had the worst week, combined, with most of the (heated) questions from the elected officials, says Munster. Most of the questions dealt with the secretive algorithms of the companies, and the potential for political bias, as well using their size to crush competitors. The earnings drop and resistance to advertising during a pandemic didn't help, Munster adds.

The chairman of the antitrust sub-committee said afterwards that he saw ample proof why Amazon, Google and Facebook needed to be broken up.

Munster predicts that if that were to happen, Facebook would be forced to give up subsidiaries Whatsapp and Instagram, Google would need to shed portions of its business like Pixel phones, Google Maps and Calendar, and Amazon might lose the high-profit division Amazon Web Services, which provides back end Internet services to companies like Netflix and SmugMug.

The big omission in the statement from Rep. David Cicilline D-RI, the chairman of the House Judiciary's subcommittee on antitrust: yes, break up Facebook, Google and Amazon, but no mention of having Cook start

to tear apart Apple.

Like we said, the former Alabama native clearly had the best week in tech.

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