

REFERENCES

Australian Financial Review, Brandweek, BRW, Business Times Singapore, Fast Company, Financial Times, Forbes, Guardian, Jerusalem Post, Montreal Mirror, The Nation, Outside, San Francisco Chronicle, Selling Power, Sports Illustrated, Sunday Times, The Times

Sony Walkman

Make it pocket-size

APPL E MAY HAVE BROUGHT US THE IPOD, BUT IT WAS SONY who came up with the original template some two decades earlier. That was, of course, the Walkman, the portable cassette player that laid the foundations for every handheld entertainment device since, right up to the iPod and Sony's own multimedia portable PlayStation PSP. The Walkman—and its modern incarnations—is such a daily necessity for millions (if not billions) of people that it's impossible to imagine a world without it. Yet it nearly never happened: it underwent no market research, there was no obvious demand for it, even its name was nonsense.

Sony went ahead with the Walkman anyway, on the orders of its maverick cofounder Akio Morita, and for the first month after it went on sale in July 1979, it looked like the omens had been correct: only 3,000 of the first batch of 30,000 units sold.

Then, somehow, it started to catch on. Most likely because anybody who actually tried the Walkman was amazed by the unexpectedly high-quality stereo sound. A press demonstration was held in a park where journalists could try it out on the move and observe active young people enjoying it while they rode bicycles. Sony even took the unusual step of hiring demonstrators to walk the streets and persuade passersby to have a listen. Suddenly the Walkman crossed a word-of-mouth threshold and retailers in

Japan had trouble keeping any in stock. Sony had to double its production run every month.

Word spread overseas when tourists bought them in Japan and raved about them back home, and initial plans to modestly launch the device under several region-specific names (including Soundabout in the United States, Stowaway in the United Kingdom, and Freestyle in Sweden) were shelved. Everybody wanted this new “Walkman”—a word that instantly entered the vernacular. In 1986 the name was even included in the Oxford English Dictionary. Other manufacturers rapidly produced their own versions, but whatever they called them, to the buying public they were all Walkmans.

Stories vary as to how the Walkman actually came about, but Akio Morita was certainly its champion. In one account, Morita wanted to listen to music while he played tennis. In another, he observed cofounder Masaru Ibuka staggering around with a conventional tape recorder and wanted to do him a favor. In yet another, he wanted to give the device to his children so he would not have to listen to their rock music. According to Sony’s official history, Ibuka was about to travel overseas and wanted to listen to music while on the plane, so Sony’s engineers whipped something up in four days, converting an existing player called the Pressman, which used special batteries that disappointingly ran out during Ibuka’s trip (and were not easily replaceable). Whatever actually inspired the Walkman is irrelevant—because it served all of these purposes and many more besides.

Technically, the Walkman was nothing special. The first model was built in such a hurry—four months, for a summer launch—there was no choice but to fling it together from pieces cannibalized from existing products with some canny modifications suggested by Morita, including twin headphone jacks for shared music and a “talk” button that muted the sound so you could have a conversation with someone. Many years later, in fact, a German inventor attempted to sue Sony for patent infringement, claiming he had come up with the idea in 1972 while on a skiing trip, but the British

patent court found that the idea was technologically “obvious” and therefore did not amount to an “invention.”

It was Morita, however, who was the first to exploit the commercial potential in this “obvious” device. “Our plan is to lead the public with new products rather than ask them what kind of products they want,” he said in his autobiography. “The public do not know what is possible but we do.”

Many thought the first Walkman needed a recording function: Morita alone disagreed. Neither was he overly concerned with its looks. Above all, it had to be reliable, or it would flop. Later models were prettier, most notably the stunning (for its time) Walkman II, which was the size of a cassette case. Morita also insisted on new, lightweight headphones.

Above all, as John Nathan points out in his comprehensive history of the company, *Sony: The Private Life* (HarperCollinsBusiness, 1999), the Walkman existed solely because of Morita’s instinct and determination that it should.

Perhaps the Walkman was so successful because it provided much more than music: with its headphones it was an insular, cocooning experience that provided a little bubble of privacy, even on a crowded commuter train. Its relative cheapness (launched at a modest \$280) and compact size also meant anybody could now enjoy the quality of stereo sound previously available only to those who could afford expensive hi-fi equipment. It was also remarkable that Morita, in his sixties, and Ibuka, in his seventies, had such a strong instinct for what would sell to consumers in their teens and early twenties.

Akio Morita and Masaru Ibuka met in the Japanese navy during World War II when they were working on a research project into heat-seeking weapons. In 1946, Ibuka set up a company that converted AM radios into shortwave radio receivers, and soon Morita joined him. Their company was initially called Tokyo Tsushin, or Tokyo Telecommunications Research Institute, and their factory was on the third floor of a bombed department store. Their main

focus was radios, but in need of cash they quickly turned out some cheap consumer goods including a rice cooker that tended to burn the rice and an electrically heated cushion that caught fire and burned people's bottoms.

They had more success with more complicated technology, producing Japan's first reel-to-reel tape recorder (the G-type), then, in 1955, Japan's first transistor radio, after Ibuka, on his first trip to the United States in 1952, negotiated the rights to license the transistor technology, which had been invented in Bell Laboratories in 1948, for \$25,000 from Bell's parent company, Western Electric.

Ibuka handled technology development while Morita showed a knack for marketing. In 1957, Sony claimed it had built the world's first pocket-sized radio, the TR-63; when it turned out to be slightly larger than most pockets, Morita simply had his salesmen demonstrate it using shirts with slightly larger pockets. More importantly, this was the first Japanese transistor radio to be exported, and it met with great success.

In 1958, they changed the name of the company to Sony, a made-up word they believed suggested youthfulness. More importantly, it was a word that was easily pronounced everywhere, especially as it was written in Roman characters, an unusual step at the time for a Japanese company. Morita also showed an early penchant for travel and an ability to charm, both of which were important in breaking into overseas markets. His visit to the Dutch electronics giant Philips in 1953 convinced him Sony should seek a global market. So, in 1963, he moved his family to New York for a year and became a hit on the social scene, entertaining the likes of Henry Kissinger. With his distinctive mop of white hair and outspoken views—particularly for a Japanese businessman—he became the global face both of Sony and Japanese manufacturing. In the early 1970s, he grew his hair long because, he told a group of executives, the company should be a trendsetter and he did not want to fall behind the times either.

Under Ibuka's guidance, Sony established itself as a technological pioneer, including among its successes the Trinitron television (a new format that set the standard for decades to come), the PlayStation in all its forms, the first videocassette recorder designed for home use, and, with Philips, compact disc technology.

But Morita understood that branding and salesmanship were just as important as products. Early on, he turned down an order for 100,000 radios from the American company Bulova because they had to carry Bulova's logo; despite the financial cost, he always said that was the best decision he ever made. Sony's logo dates back to 1973, and is almost identical to the one designed in 1957. There has been constant emphasis on making the design of all Sony products as uniform as possible, so that each is instantly recognizable as "a Sony." According to company history, in 1983 Morita himself thought up one of Sony's most effective advertising campaigns with the classic catchphrase: "It's a Sony!"

This blend of constant research and unchanging brand values gave the Sony name such cachet that for many years it was able to charge 20 to 30 percent more than its rivals for similar products. That margin has eroded recently as Sony struggled to compete in plasma screens and computers, but the company—now headed by non-Japanese-speaking, Welsh-born Howard Stringer—is still viewed by many consumers as the premium Japanese brand of electronics, particularly following the success of its market-dominating PlayStation and PlayStation Portable video game systems.

NOTES

"Our plan is . . ." Morita, Akio. *Made in Japan*, E.P. Dutton, 1986.

REFERENCES

Morita, Akio. *Made in Japan*, E.P. Dutton, 1986.

Nathan, John. *Sony: the Private Life*, Houghton Mifflin, 1999.

BusinessWeek, *Daily Mail*, *Financial Times*, *Fortune*, *The Guardian*, *The Independent*, *The Independent on Sunday*, *Los Angeles Times*, *New York Times*, Sony company history