

Those who know me can attest to the affinity I have for my cellphone. I've had a phone since the 5th grade. When the first iPhone (iPhone 3) came out, I got it. I currently have the iPhone 11. When Steve Jobs created Apple and all its devices, he carried the essence of Alexander Graham Bell. The telephone was more than just a technological advancement. It was a commercial and societal advancement changing the course of history. Steve Jobs and other phone creators were only following in the footsteps of Bell (and others).

Bell's creation (1876) was a product of the existing telegraph. The early prototype of the telephone was primitive; it was ahead of its time, but there was work to be done. Bell couldn't handle the business aspect of productivity by himself. By 1877, Gardiner Hubbard and Thomas Sanders accompanied Bell in Bell Telephone Company. The three focused not only on technology but marketing. This would lead to local and national success. First, they chartered telephones with two-point communications used between a few business buildings, etc. Second, the first telephone switchboard was created. Subscribers far and wide were connected.

Moving forward were several financial components. Hubbard pushed the company to be the exclusive telephone manufacturer. Specifically, he wanted to, "...lease the instruments and license local providers of telephone service."(pg. 119) Bell would draw attention to "service and consumer equipment". Hubbard's focus would attract other franchises who desired to rent, sell, or build their telephones. While this happened, Bell gained income from the renting fees. Examples of this would be the eventual creation of AT&T. AT&T is a telephone device and service distributor, but their supply comes from a bigger manufacturer. Everyone wanted telephones and their source was Bell Telephone Company. Fischer states, "About 10,000 Bell instruments were in use throughout the nation, but Bell now had serious competition."(pg. 120)

Telephone business and production gave rise to the countries the first example of a monopoly. The physical telephone was a complicated and complex device. Fischer says of Bell, “Bell responded to the challenge by rebuilding its hardware ... eventually developed new switchboards and procedures to alleviate switchboard congestion.”(pg.120) Revamped production took the early 1900s by storm. All companies associated with Bell aimed for “high-quality service - clear sound, instant access, and the like - for the urban business customers they courted.”(pg.120) One of Bell’s biggest competitors, Theodore N. Vail, flamboyantly shifted business patterns. Fischer writes, “For several years Vail pressed aggressive expansion, patent protection, and business reorganization.”(pg. 121) Costs of his quality services led to increasing consumer prices, especially in larger demographics. Bell, competing, raised his prices too. Consumers boycotted telephones in 1886 because of this. However, a flux in charges was commonplace. Users were faced with paying for messaging rates. As the telephone advanced in quality, it was only inevitable that consumers would pay the price. Pricing wars would only lead to further disagreements between Hubbard, Bell, and Vail. Patents became an important aspect of any new advancements. More and more, the telephone became a monopoly.

When considering the financial and commercial success of the telephone, it’s beneficial to categorize who the primary consumer was. Fischer labels physicians, druggists, and businessmen are the first users. Some were hesitant to let go of the telegraph. Written records worked better for their line of work. However, as times changed, there was a need to collect information differently. Next, manufacturers, lawyers, bankers, and even shopkeepers would adopt the telephone. In larger states (NY, NJ) hospitals, stores, and more featured telephones. Residences were the last to feature telephones. Primarily homes with doctors or other workers would have phones. This was a concern for Bell, who desired for local residents to have access

to the phone. I don't know if this was genuine or if his motive was to profit off families. Either way, households weren't far behind. Vail and Bell fought over the matter, and "residential service was therefore a stepchild in the system."(pg. 124)

In the grand scheme, the telephone business continued to be a profitable business. Fischer explains, "Between 1880 and 1893 the number of telephones in the United States grew from about 60,000 - roughly one per thousand people - to about 260,000 - or one per 250 people."(pg.124) Like any business there would be several challenges and this was largely due to the business/monopoly aspect of things. All of this speaks widely to American business ventures.

There are so many takeaways from this chapter. The biggest for me is the marketing and business behind technological advancements. Often we solely focus on the physical components which is totally understandable. I understand that the telegraph and telephone were new and renowned. Technology, science, and math all lead to those discoveries. However, in order to sustain innovation, business practices must be applied. I believe this is why Apple is so successful. While their phones have great technological capabilities, their marketing is ahead of the curve. What good is the product if there is not a good strategy to sell and promote it? This is why millions of people await Apple unveiling events. They have to be ahead of the game because other companies like Samsung, etc are competing. A similar parallel can be made between Bell and Vail. Both sold the same product, but their brands stood for different qualities. Bell focused on reliability, while Vail focused on high-quality products. The same fight carries on between the top sellers (Apple and Samsung). If a new telephone company were to come out, they would have to work to beat them in so many retail areas. Communication and marketing go hand in hand to ensure the success of any business. Perhaps if companies focused on messaging, they would see an increase in customer use and satisfaction.