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Makers hope market ready for ultra-mobile PCs

MOBILE DEVICES COMBINE LAPTOP POWER WITH SMARTPHONE TRICKS

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When it comes to surfing the Internet, playing games or watching movies on the road, a laptop can be too big and a smartphone too small. That's why some tech heavyweights have been working on a device that falls in between.

The gadget — essentially a handheld computer — has essentially the same processing power as a laptop but in a considerably smaller size. Like a smartphone, it can connect to the Internet while out on the road, but offers a bigger screen and the ability to display Web sites that most smartphones can't.

A new generation of the devices, sometimes called ultra-mobile personal computers or UMPCs, is slated to hit stores this fall and has some consumers salivating.

Pat Merg, a program manager at tool maker Snap-on and self-described techie, tested out a Samsung UMP demonstration unit two years ago and is eager to own one. Merg, who at 6-foot, 5-inches tall is a big guy, finds his smartphone too small to take notes on and his laptop too big to use easily on an airplane.

The UMPC, though, "is a perfect-size device," said Merg, a San Jose resident.

But technology analysts are skeptical that most

consumers are like Merg. The technology industry has been trying to market UMPC-like gadgets ever since Apple debuted the Newton 15 years ago, but consumers haven't embraced them.

"It's been proven over and over and over again that the world doesn't want such a device," said Bob O'Donnell, an analyst at technology research firm IDC. "I see no reason why that's changed."

But backers of the new devices, like Intel, say they'll find a mass market among consumers who are used to using the Internet for entertainment or to connect with friends and who increasingly expect to do that while away from their desktop computers.

"The market potential is huge," said Pankaj Kedia, who is helping to spearhead the company's handheld computing effort.

Microsoft kicked off development of the latest version of handheld computers two years ago with its "origami" project, but it never really caught fire with consumers.

More recently, Intel has been working to refine the idea with its Mobile Internet Device platform built around some new, low-power processors. Intel envisions that manufacturers will develop at least four different types of such gadgets: some for entertainment, some for navigation, some for communication and some as general office devices, replacing laptops.

The Internet is becoming one of the primary ways consumers communicate, and an important destination for movies, music and games, noted Kedia. Because most content on the Internet has been optimized for PCs, consumers have been limited in where they can access it, he said.

As Intel sees it, consumers will want these new

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handheld gadgets because they'll be able to get the same Internet experience they get from their desktop or laptop computer.

That's something they generally can't do with smartphones, because they typically have a hard time pulling up full Web pages and some, such as the iPhone, can't use programs like Adobe's Flash, which underlies sites like YouTube.

"When you want to do things like social networking, user-generated content, Facebook, and so on, you want to do it wherever you are," Kedia said.

As many as five models of the Intel MIDs will be on store shelves by the holiday season, mostly for navigation or entertainment uses.

But it remains far from certain that people will be eager to buy them. Analysts point to a number of factors that could dissuade consumers.

First is price. The handheld gadgets are likely to cost \$500 or more. That's a hefty price, especially when the upfront cost for a smartphone is as low as \$100, and laptops can cost as little as \$400.

And, as with a smartphone, UMPCs are likely to cost more than their upfront price. In order to access the Internet from everywhere, consumers will most likely have to pay a monthly service charge for a data connection.

Consumers who already are paying monthly bills for cell phones, cable television and Internet service have shown a lot of reluctance to take on new monthly charges, noted IDC's O'Donnell.

Another obstacle is likely to be their size. The gadgets' larger screen size means consumers won't be able to put them in their pockets like a cell phone. That means consumers will have to carry

them in a case or a bag, at which point they might decide it's just as easy to carry a laptop.

And manufacturers will have to make it easy to get movies, music and the like on the devices, as Apple has done with its iPods and iTunes, said Rob Enderle, principal analyst at the Enderle Group, a technology consulting firm.

"This is not for your mainstream buyer," Enderle said. "This is not a device that if you build it, they will come."

Still Enderle and others think the handheld Internet devices could eventually find a niche audience.

Roger Kay, founder and president of consulting firm Endpoint Technologies, acknowledges the spotty history of handheld devices. "The technology wasn't up to it and the usage model wasn't clear," Kay said. "But we're getting there. We're very close."

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