

Hands to hands against palm

[Business](#), [Marketing](#)



An electronics and personal computing firm has been watching closely the success of the Palm Pilot and seeks to introduce a competitive device, beta-named " Organize My Life!" or OML for short. The OML marketing manager has gathered some intelligence on the Palm Inc. sales and believes that, for all its success, some potential markets are being underserved.

Hand-held personal digital assistants (PDAs) were introduced unsuccessfully at first by Apple in 1993. Some analysts argue that the Newton, Apple's market offering, was not clearly positioned to the consumers; others argue that it was simply ahead of its time. 3Com's Palm Computing focused the PDA, limiting its functionality to calendars and appointments, contact directory information, and to-do lists, so as to convey its technological benefits more clearly to the potential user. In only five years. Palm achieved more than two-thirds of the global market to support, this claim. Over 5. 5 million devices have been sold, and sales continue to show strong growth (sales are expected to reach 13 million in the next two years).

Competitors offer Internet access, including wireless variants, but the OML group has data that indicate only 17% of PDA users would pay extra for this feature—these users already have PC Internet access and view the PDA's access version as redundant, and Worse, likely to be slow. OML is considering' conducting research to investigate whether other features, such as voice recognition capabilities, stereo quality sound systems for downloading music, video and digital photographic abilities, and global positioning mapping (" u r here") software would be valued.

In addition to seeking data on features, OML is considering the attractiveness of this technology to another segment. Its data indicate the typical palm Pilot

user is a male, in his early 40s, college-educated, and a white-collar professional with a relatively high income. OML is interested in serving the university student market. An important concern is that the typical student has fewer discretionary funds than the current PDA purchaser profile.

Thus, OML marketing discussions revolve around questions like these: 1. What is the price point beyond which students would be less inclined to purchase this device? 2. If the device were priced at, say, \$299 or less, which features would be prohibitive to continue to offer? 3. What are students' priorities in terms of the functions and features they would like to see bundled into the PDA? 4. Would the benefits sought depend on whether this device were targeted to undergraduates "in general" compared with engineering and computer science students and compared with MBA graduate students? 5. How do we choose the features to offer and the segments to target?