



Will Smartphones Replace the Laptop?

By Pam Baker

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Whether end-users pack the laptop, or pocket a smartphone, depends entirely on the tasks of the day. "If your job doesn't require you to type big documents, or produce spreadsheets and other complicated data, take the smartphone," says Mets Group's Jack Gold. "Otherwise, take the laptop too."

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Smartphones combine the functionality of PDAs and cell phones into a single handheld gadget, making life simpler for data gatherers, spreaders and users.

The on-the-go gadgetry will allow many users to leave the laptop and its cumbersome accessories at home. But do not throw out the laptop just yet.

"Smartphones are convenience-extenders for most people, not replacements for laptops," Jack Gold, analyst for [Meta Group](#) told NewsFactor. "The small screen is too hard on the eyes, and you can't do complex applications like Excel, PowerPoint and long Word Documents on a smartphone."

Microsoft's Play of the Day

Even so, Microsoft is pushing hard to get a bigger piece of the action in the smartphone market. Just a few weeks ago, Dutch carrier KPN began selling [Sierra Wireless'](#) Voq professional phones using Microsoft OS at US\$121 in Europe. The phone will debut in the U.S. on the [AT&T](#) Wireless' network at \$200-\$400.

But the software giant is still a long way from making a dent in the smartphone market, primarily because too many handset manufacturers are shunning Microsoft. "The battle is between [Symbian](#), [Palm](#), RIM (BlackBerry) and Microsoft," says Gold. "Microsoft's biggest problem is that most phone manufacturers are scared of Microsoft, and don't want to use their system for fear Microsoft will seize control of the market, as it did in the PC market."

The fear factor is a major plus for Symbian. "We have no hidden agenda. We are totally open in philosophy and practice, and handset manufacturers appreciate that," Jerry Panagrossi, vice president, U.S. operations for Symbian, told NewsFactor.

Symbian owns the lion's share of the smartphone market now, and will maintain that lead in the foreseeable future, say analysts. UK-based Symbian was founded by a

consortium of major handset makers, including [Nokia](#), [Sony Ericsson](#), [Siemens](#), [Panasonic](#) and [Samsung](#), among others. [Motorola](#), Nokia's primary competitor, was also a major shareholder, but jumped ship recently, headed for safer harbor in the Microsoft camp because of concerns over Nokia's hold, as largest shareholder, over Symbian.

Heart-Felt Technology

"Microsoft has a slight advantage with enterprises because of interface capabilities with business e-mail applications," says Gold. "But Microsoft has the least amount of market share. They are not in the red, but they are definitely in catch-up mode. They have to win the hearts and minds not only of carriers but of consumers." An unlikely event in the foreseeable future, he says, because many consumers and carriers are wary of Microsoft's promises to play fair.

"They want you to drink the Microsoft Kool-Aid and just go buy their products," says Gold. "But few people are lining up with their cup."

Microsoft's Peace Offering

In an effort to reassure carriers, Microsoft is recently opened its Windows CE source code, allowing device makers to revise the code without having to reveal the changes to Microsoft or share it with competitors.

But it may be a case of too little, too late, counters Symbian. "We let Darwinism play out in the mobile market. We offer flexibility in choice of UI, as opposed to Microsoft, who tries to shoehorn one UI on the manufacturer," says Panagrossi. "Plus, we give manufacturers 95 percent of source code from the beginning; the other 5 percent is not ours to give since we license some technology too."

But Microsoft's move will have some impact, says Gold. He predicts that in the next two to three years, Symbian will have 35-40 percent of the smartphone market, Microsoft 20-25 percent, Palm 10-15 percent, and RIM 5-10 percent.

Who's Buying What

"The connectivity will be seamless and invisible to most consumers," says Gold. "They are not going to care so much about the operating system. They just want the device to be simple to use, and to work when they turn it on."

The enterprise and prosumer (high-tech, gadget gurus) segments, however, will have a far more critical eye. "PalmSource and Symbian will be very strong with prosumers," Hugues de la Vergne, principal analyst at [Gartner](#), told NewsFactor. "Whereas Microsoft, because of its compatibility with existing systems and its stable reputation, will be a big appeal to the enterprise segment."

Phone by Any Other Name

Whether end-users pack the laptop, or pocket a smartphone, depends entirely on the tasks of the day. "If your job doesn't require you to type big documents, or produce spreadsheets and other complicated data, take the smartphone," says Gold. "Otherwise, take the laptop too."

But whether end-users pick up a cell or a smartphone depends a great deal on the level of success handset manufacturers and carriers achieve in branding efforts.

"A free phone is a free phone, is a free phone. Cell phones have become a commodity, almost a throw-away on the low end." says de la Vergne. "The way to differentiate a brand is through product innovation, and smartphones are one of the key areas to achieve this. That's why smartphones are critical to the success of handset manufacturers." 