

FRONT LINES

Will Convergence Work?

Mo Marshall & Galen Gruman

AT ISSUE: New devices that claim to merge the best of cell phones and PDAs into one unit are beginning to hit the market. Those that debuted at the recent Comdex trade show certainly caused some excitement.

The appeal is clear: People want simplicity, which in the mobile device market means fewer devices to manage. But functional integration is a complex issue. Even where functions might work together in theory, the practical result can be, at an extreme, a Rube Goldberg contraption where everything is compromised for the worse. For the industry, the challenge of convergence is to find a way to make it truly work, once we've figured out where it really can work. How realistic is that goal?

Galen says:



I'm puzzled by the apparent trend to converge various mobile devices into some sort of jack-of-all-trades device. Based on past efforts to merge various functions into one convenient box, I

see major disappointment loom ahead. Here's why:

- Multifunction devices typically do one or two things well and the rest badly. So they don't really solve the problem they're trying to address.
- Those that somehow figure out how to do them all well — and the only example I can think of are those printer/copier/fax machines — are big, bulky, complex, and/or resource-intensive. A device that is a Web-enabled phone, a PDA, a Game Boy, an MP3 player, and an email terminal will be bulky and a pig for battery power. If you need all those things, there's a device called a subnotebook that could better suit your needs.
- Multifunction devices are expensive. Consumer products tend to succeed when they are affordable for the mass market. The \$700 multifunction PDAs are perilously close in price to a subnotebook, and much more difficult to use. On the other end, the cheaper, more targeted devices like Palm's PDAs and Research in Motion's BlackBerry

messengers have done well precisely because they are affordable and do their schtick well.

My projection: Users will have a few devices — phone, PDA, and subnotebook — they use routinely. They may connect to share address books and basic data, but they won't become one device.

Mo says:

Hang on, we're not talking about adding a toaster to your cell phone! We're talking about merging some high-demand capabilities into a single, integrated device.

A certain degree of convergence is essential. Sure, business users, who make up most of the first-adopter population in the U.S., may be content to buy, upgrade, and juggle service accounts for multiple devices. But that's not going to work for the mass market.

To drive wide consumer adoption, wireless devices must effectively support at least the lowest common denominator of requirements:

1. a phone function
2. interactive data capabilities (tomorrow's answer to email, Internet connectivity, and instant messaging)
3. a strong graphical interface
4. a single, understandable service and billing structure.

Those are going to be the essential core capabilities. Devices targeting specific demographics will then differentiate themselves by adding auxiliary functions such as MP3 for the teen market or robust scheduling and alerting for business users.

Today, neither phones nor PDAs can support these four fundamental requirements. First-generation convergence devices, which are just now hitting the market, will take us part-way there; but they won't yet have smoothly integrated interactive data capabilities or strong enough interfaces to convert the mass market. A second wave of devices — perhaps another 18 months away — will do a better job.

Each issue, Editor-in-Chief Mo Marshall and Executive Editor Galen Gruman debate a key question facing mobile strategists. Send us your views or submit a question by emailing us at editors@mbizcentral.com.

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