URL:

https://stvp.stanford.edu/blog/videos/how-do-you-compete-against-more-established-competitors

Wirt explains that PalmOne has competed in the wireless forum by forming close relationships with the carriers to provide solutions that are integrated into their network. The largest market is largely saturated, so wireless companies are looking for additional services to offer their customers, and this is what PalmOne provides.

Transcript

Well that is a good question, how do we deal with the competition and we couldn't pick a tougher set of competitors than we have on the hand held side.. We've got to compete with HP and Sony, I mean both pretty big formidable companies and on the wireless side we've got to compete with Nokia and Motorola and Samsung and Sony Ericsson, I mean wow those are probably the toughest set of competitors you can pick.. Your question specifically was about the wireless side and our strategy here has been to form a very close relationship with the carriers.. Understand what they are really trying to drive at and provide solutions that are applications based and deeply integrated in to the network.. Now what that means is for this product the reason it's got a keyboard on it and it's not that many other phone products that have keyboards on it is we wanted to drive a higher data use which is an objective that the carriers have.. They sell out of voice services.. 100% of the people in this room have cell phones, there is not going to be anymore penetration.. Carriers want to make more money from this group of people, they've got to get you to use their network more and the way they see you using the network more is using more services.. So on this, what am I going to do with this? I am going to do voice and maybe some SMS.. What am I going to do on this? Well I can do voice, I can download a whole bunch of applications, I can send a lot of e-mail..

What they find is that person that uses this on their network uses somewhere between 40% and 100% dollars per month of services than somebody that uses a voice based phone, carriers love that.. They call it ARPU, Average Revenue per User and we generate between 40% and 100% more ARPU than a regular phone does.. So we're specializing this area, connecting to the computers our key capability, understanding applications of getting the e-mail to work on this is what we think our core value add in and capabilities and it comes from the PDA heritage of the company.. So we think we can do that better than Motorola, and all the companies you just named and if you look at the reviews for the product anyway so far we have, now we got to keep on your toes, those are big companies with big R&D budgets and we are working really hard to understand what the end users want and understand what the carriers want and integrate network application in the phone, they are going to drive the ARPU higher which makes us a very valuable partner for that carrier so that's how we have been competing and intend to continue competing...