

# TELECOM & MEDIA VANTAGE™

A view of the consumer marketplace in wireless, telecommunications, consumer electronics, and media

By Eleanor Baird

## CAN THE PALM PRE COMPETE?

The Smartphone market is an increasingly crowded place. After Apple's success with the iPhone, more companies, from GPS manufacturer Garmin to PC manufacturers like Acer and Asustek, are throwing their hats in the ring. In January at the Consumer Electronics Show (CES), wireless industry pioneer Palm announced that they were launching a new Smartphone, called the Pre (pronounced like "tree"). Since then, we've heard relatively little about the Pre.

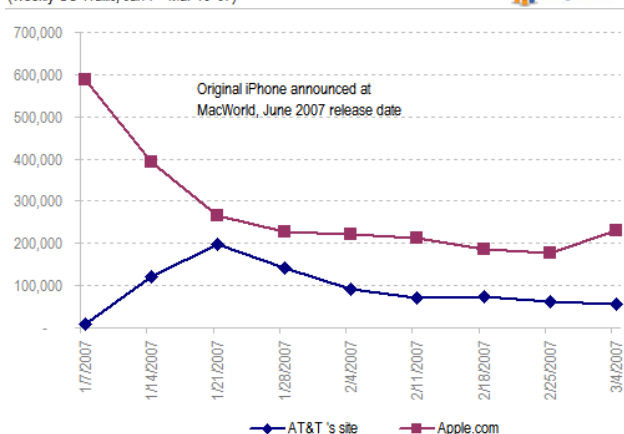
Still, despite a weak economy, no solid release date, little advertising, and a crowded Smartphone marketplace, it doesn't seem like the Pre has faded from consumers' minds. Traffic on just the informational pages on Sprint.com and Palm.com since CES suggest that a lot of people are curious about the Pre.

- Unique visitors to Pre information pages on the manufacturer and/or carrier site(s) alone have been hovering around the 100,000 mark for the last seven weeks.
- Interest in the device around CES (week of January 4th) was high: nearly 400,000 people checked out one or both of these pages.
- A median of about 1.6x more visitors have visited Palm's site over Sprint's so far for information about the device.

This may be in part because the Pre information pages on Palm's site are more robust at the moment, including pictures of the Pre's functions.

This traffic has come despite the fact that neither Palm nor Sprint has consistently featured the Pre in a prominent way on their site since the announcement. For example, in mid-March, although there was a front page link on the Palm site to information on the Pre, it was far below a feature for the Treo Pro, and was not mentioned on Sprint's homepage.

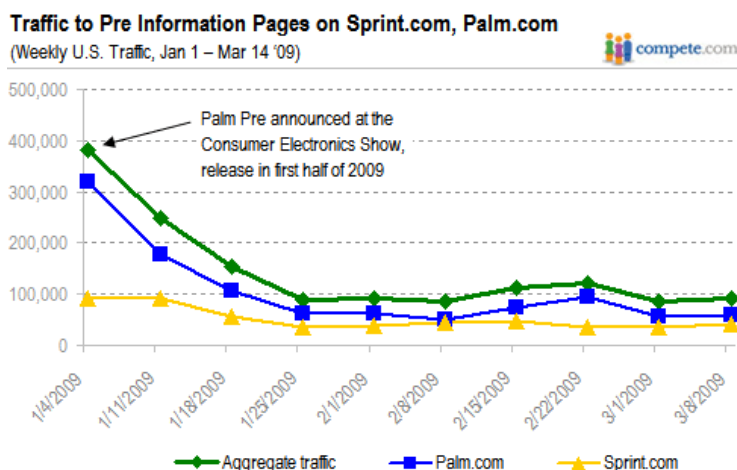
**Traffic to iPhone information pages on Apple.com, AT&T's site**  
(Weekly US Traffic, Jan 7 - Mar 10 '07)



the Pre's numbers are fairly strong in comparison, especially when you factor in how much buzz surrounded Apple's first foray into a Smartphone market that was much less crowded in early 2007. Online interest the week that the iPhone was announced resulted in 600,000 visitors to the information on Apple.com, about 50% more than the aggregate traffic we saw to the Pre on Sprint.com and Palm.com.

Although we don't know yet how strong Pre sales will be, and eclipsing the phenomenal popularity of the iPhone would be a difficult task at best, it looks like the Pre may be positioned to have a fighting chance in a very challenging marketplace.

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### Smartphone Intelligence

37% of Smartphone owners use their device at least 1x a month to check the price of an item they are considering buying.

Compete's intelligence and targeting services analyze consumer behaviors and competitive best practices to help companies maximize their returns on marketing, product development, and procurement.

Compete will be CTIA in Las Vegas from April 1-4. To learn more about Smartphone Intelligence, or our work in wireless space electronics space, contact Dave Kalil

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