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Smartphone From Dell? Just Maybe

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The compact keyboard of [Research in Motion](#)'s BlackBerry turned mobile e-mail messaging into an addictive pastime. The slick touchscreen on [Apple](#)'s [iPhone](#) turned consumers on to phones as pocket-size Web portals.

Now [Dell](#) and other personal computer makers face a major test as they contemplate entering the mobile phone market: can they come up with that next great feature that will turn their products into the latest object of desire rather than the latest flop from a clumsy PC maker grasping at a new market?

For months, rumors have swirled that Dell — like its rivals Acer, Lenovo, and AsusTek — will jump into the booming market for sophisticated smartphones. While brutally competitive and fashion-conscious, the mobile phone market holds an obvious attraction for PC makers: high growth at a time when computer sales are expected to decline for just the second time in the last 20 years. In addition, the devices could open opportunities for PC companies, weighted down by low margins, to team up with telecommunications companies on profitable business and media services.

Computer firms, however, have suffered a string of defeats when it comes to consumer devices. And even savvy phone makers like [Nokia](#), [Motorola](#) and [Palm](#) have struggled in the smartphone arena, which is dominated by R.I.M. and Apple.

Phones “are very different and much tougher than PCs,” said Ed Snyder, a telecommunications industry analyst with Charter Equity Research. The small devices place a premium on engineering and require attention to unfamiliar details like the inclusion of sensitive, always-on cellular radios. “It’s a much more difficult engineering problem, especially on a mass scale,” Mr. Snyder said.

Dell has been working on phone prototypes for months and evaluated both [Google](#)'s Android software and [Microsoft](#)'s Windows Mobile operating system to run it. Recently, some reports have suggested that company, which is based in Round Rock, Tex., will unveil a smartphone next month at a prominent mobile technology conference in Europe.

But people knowledgeable about the company's plans say the company does not plan to announce a product anytime soon. Dell continues to debate whether its current design, said to be based on an ARM processor like the one in the iPhone, will prove unusual enough to impress consumers and worthy of putting into the market.

Meanwhile, the company is also exploring how to create a more powerful product that could ship in 2010 and introduce new features capable of challenging rivals. For example, Dell could put its Zing music

software, originally intended for use in a line of portable music players, onto a smartphone.

Dell's consumer device efforts are led by Ronald G. Garriques, who used to run the mobile device division at Motorola, and Dell has a team in Chicago, made up in part of former Motorola executives, dedicated to making smaller devices like netbooks, a popular type of bare-bones laptop.

Dell declined to comment Friday on "rumors and speculation."

It is unclear if Dell could make a ground-breaking move in the mobile phone market, although the company has shown off several sleek new computers, including one of the thinnest laptops ever made. Dell's new attention to design has helped it gain ground in the consumer market.

Dell's previous struggles with consumer devices have become the stuff of legend. It shipped a hand-held digital assistant called the Axim, but dropped the device because of lackluster demand. The company entered and exited the television market in short order.

Dell has also ventured into the market for MP3 music players. Its first device, the Dell DJ, was a bigger dud than the Zune from Microsoft. A second player, based on Zing, was sent to product testers last year but was never commercially released. "Dell has been nursing along a digital music effort for a long time that did not bear fruit," said Roger Kay, president of Endpoint Technologies, which analyzes the technology industry.

Phones present a fresh challenge. Dell may have an edge over its PC rivals, however, given that a vast majority of its existing computer sales go to large corporations and government customers, said Roger Entner, an industry analyst with Nielsen Research. The phone could be tied to Dell's computers and other services like e-mail management.

"If any PC manufacturer can come into the phone market, it's Dell," Mr. Entner said. But it will not be easy. "Dell has to show on the business side the same level of integration that Apple has shown on the consumer side."

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