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Sophisticated cell phones replacing PDAs

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DALLAS -- R.I.P., PDA.

The stand-alone personal digital assistant -- that iconic, handheld gadget that sprang to life with the '90s computing revolution -- is rapidly vanishing from pockets, desktops and boardrooms. Once a symbol of the with-it, mobile professional, these stand-alone minicomputers are destined to become mere flotsam on the sea of endless electronic innovation, some experts say.

"The device that was pre-eminently an organizer centered around being a replacement for paper, that device is dead," said Alex Slawsby, senior mobile analyst for IDC research.

Says Yankee Group analyst John Jackson:

"It's become a very expensive paperweight."

The sleek, brushed aluminum profile of the Palm V or VII is no longer a fixture in corporate meetings, having been

replaced by ever more sophisticated cell phones. Personal digital assistants lacking wireless phone or Internet connectivity are increasingly relegated to trivial chores.

Today, for example, Dallas public-relations executive Tony Katsulos carries his Palm m125 on the road only to wake him up using its alarm. He long ago gave up trying to keep it in sync with his desktop computer's calendar. A laptop or his T-Mobile Sidekick perform all other essential duties. Both can access the Internet and e-mail, and the Sidekick makes cellular calls.

"The Palm really became a duplicate,"

Katsulos said of his \$250 investment. "It turned into super high-priced carbon paper."

This year, for the first time, smart cell phones are expected to outsell PDAs. Consumers increasingly find cell phones more easily handle the address book and calendar chores the Palm Pilot had commanded when it burst on the scene 1996. IDC predicts two smartphones will be sold for every one PDA this year.

Overall, PDA sales are flat. In 2003, market research firms say shipments declined anywhere from 5.3 percent to 17.9 percent, depending on how the device is defined. Best Buy and other retailers have begun reducing the size of PDA displays, filling in with products

in higher demand. Earlier this year, palmOne, the leading PDA maker, cut 100 workers, 12 percent of its staff.

The rise of smartphones as PDA markets

stagnate has prompted conjecture that the entire market segment -- once one of the most vibrant in consumer electronics -- is on its last leg.

Executives with PalmSource, the

firm that licenses the Palm operating system to phone and PDA manufacturers, have pooh-poohed suggestions that the PDA is dead. There is not just one killer device, but a need for a wide variety of handheld computers, they say.

Still, even palmOne is working hard

to promote new hybrid phone-PDA devices such as the Treo 600, which contains most PDA functions. And traditional cell phone makers such as Nokia are selling some phones with full keyboards. The two worlds are colliding.

The first smartphones functioned

more like phones than PDAs. Many were hard to use and made users enter data on tiny cell phone keypads. But that's quickly changing. The newest models can be used to download and play games, take pictures and video, store and play music and surf the Web.

About the only growth segment for

PDAs is in the low end. Sony, Dell, palmOne and Toshiba all reported the majority of their sales were in their sub-\$250 lines for the fourth quarter of 2003,

Gartner research said.

Everybody else who wanted a PDA

already has made the purchase, say the analysts. "The last bit of market not tapped is the soccer mom," Jackson said.

PDAs may never achieve mass market

appeal. But, say analysts, they will probably continue to occupy significant business niches. Delivery drivers and hospital workers, for example, have found they work well for specialized chores. And many retailers find them ideal for scanning bar codes and tracking inventory.

In general, though, corporations

never found PDAs compelling enough for a major investment. In some respects, PDAs were overhyped both as a replacement for paper and as a substitute for laptops. In the earliest days, prognosticators believed companies would gobble them up, issuing them to workers in exchange for increased productivity.

Information-technology managers,

however, scowled at the problems created by their docking stations and syncing software. The first models were inherently insecure. And the steady drop in notebook computer prices made PDAs suddenly seem less attractive.

As a result, today more than 70

percent of all PDAs are purchased by consumers with their own money, according to Gartner. Broad penetration in that market has also been illusive.

A recent study by Dallas-based Parks

Associates ranked various electronic appliances on how their owners perceived the device's importance and benefit to daily life. Of all products surveyed, PDAs ranked lowest. Mobile phones and personal computers topped all categories.

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Meanwhile, smartphone growth is

being supercharged by the very nature of the cell phone business, Jackson said.

While PDA owners tend to keep them for three or more years before upgrading, consumers tend to replace cell phones much more quickly as they change calling plans, encounter problems or grow tired of styles.

And the actual cost of smartphones

is often subsidized by carriers eager to lock in subscribers to long-term service agreements. Some smartphone models are selling for as much as \$150 under their list prices, while PDAs range from about \$100 to \$500.

On top of that, many consumers simply

found PDAs were more trouble than they were worth.

Burt Janz, a New Hampshire-based

software developer, says a PDA could never rival his fountain pen and Day-Timer for utility and ease of use. In fact, he says, using PDAs during business meetings inevitably detracted from the quality of discourse.

"It's interesting how the conversation

shifts from actually getting work done to conversing about the technology itself," said Janz, who coincidentally writes software for handhelds. "And it's never about how well it works.

"It's always, 'You know, I have this problem. I scratched the screen and blah, blah.' I'm listening and thinking, 'Get a piece of paper!' My God, you spent \$500 on that thing and you hate it? That's enough for Day-Timers for 10 years!"

PHOTO: GOODBYE: Tony Katsulos of

Dallas is one of a growing number of people who have abandoned personal digital assistants such as the one he is holding. (KRT photo

GRAPHICS: PDA shipments. PDAs shipped

to retailers. Worldwide estimate. 2002: 12.1 million. 2003: 11.5 million. Decline: -5.3%. Graph. (Source: Gartner Inc.; KRT graphics