

Big tech push on campus; Portability is a major issue as laptops, phones in demand

August 6 2009, By Rex Crum

With summer in full swing, the last thing on many students' minds is going back to school.

But with billions of dollars in sales at stake, technology companies have already launched many of their efforts to entice students, and their parents, with new products and gadgets to take back to campus.

And in the words of Stephen Baker, director of IT research at NPD Group, it should come as no surprise what the hot tech devices are for this back-to-school season.

"Go out and round up the usual suspects," Baker said. "It's really not any different than how it's been for the last five or six years."

By that, Baker means there will be the usual mix of new products and deals on PCs, especially notebooks, and mobile phones.

The recent strong quarterly results from Apple Inc., which derives most of its sales from consumers, suggest that when it comes to tech products, recession or not, consumers are willing to spend to get what they want.

"Notebook PCs get the biggest bump this time of year," Baker said. "Not necessarily because of new netbooks, but because this is when students like to go out and get an appropriate notebook for college, or a family might get something new for their high school student."



Retailers such as Best Buy Co. Inc. recognize the demand for the types of products that students are looking for at this time of year, and say portability is a key consideration for shoppers.

"At back-to-school time, notebooks are always one of our biggest sellers," said Jeremy Clay, a customer solutions supervisor for Best Buy in San Francisco. "But video cameras and camcorders, USB drives and ports, iPod docks are also popular right now."

Clay said Best Buy has also set prices on its own Insignia brand of electronics to appeal more to students and their parents. The stores offer products such as an Insignia AM/FM alarm clock radio with a built in dock for <u>iPods</u> and other <u>MP3 players</u> for \$49.99, and a 7-megapixel digital camera for \$79.99.

Apple has been running a program in which a qualifying student, educator or parent who purchases a <u>notebook</u> or desktop Mac and iPod, can get a rebate for up to \$229 on the iPod. Although any iPod with a list price of up to \$229 qualifies, Apple has been promoting its iPod touch in its online ads.

Apple isn't the only PC maker taking steps specifically aimed at the back-to-school buying dollar. Hewlett-Packard Co. has set up several Web sites, including an online back-to-school <u>buying guide</u>, a page on Facebook, and what the company called the H-P Academy, where students, parents and teachers can sign up for savings deals.

The company also offers \$60 off a printer when a new PC is purchased, and a \$50 rebate if someone buys a qualifying printer and trades in their old printer.

"We're out in a big way for back to school this year," said Adam Smith, H-P's consumer segment marketing manager for PCs in the Americas



region. "We know that for students, portability and backpackability are big issues, so laptops are clearly a preferred form factor."

Smith said that in addition to H-P beefing up its student-focused Web presence, the company has for the first time put together a tour of university bookstores where H-P representatives have set up booths and displays to show off the company's notebooks and other products. Smith said H-P's tour has taken it to Texas A&M University, the University of Memphis, and other schools.

"We're trying to be there where students and parents are going to be and show them what we have to offer," Smith said.

And at Best Buy, the company worked with H-P, Dell Inc., Sony Corp. and Toshiba to offer what it calls its Next Class line of laptops that start at \$649.99 and come loaded with a full version of Microsoft Office Home and Student Edition software, as well as 12 months of antivirus protection.

In addition to PCs, the other major source of back-to-school tech purchases will come from mobile smartphones. And even though some of the most-anticipated new smartphones were recently released, such as Apple's iPhone 3GS and the Pre from Palm Inc., the market is set to see an influx of new devices over the rest of the summer.

"We are going to see more smartphones released than you've ever seen before," said Ken Dulaney, mobile phone analyst with Gartner Inc.

Dulaney said the combination of full QWERTY keypads and touchscreens proliferating through the mobile phone market are appealing more to younger consumers who want more of the easy functionality of their computers on their mobile phones.



"You have someone like AT&T saying they expect to sell 75 percent of their phones with QWERTY pads this fall," Dulaney said. "That's because kids are starting to give up on the old keypads."

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Citation: Big tech push on campus; Portability is a major issue as laptops, phones in demand (2009, August 6) retrieved 20 April 2024 from https://phys.org/news/2009-08-big-tech-campus-portability-major.html

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