HP's Acquisition of Palm Gives Tech Giant an Edge

NEW YORK--(BUSINESS Wire) -- HP's recently-announced acquisition of Palm for $1.2 billion will enable the technology giant to offer an integrated mobile experience to businesses and consumers worldwide on a variety of devices. By controlling both the software and hardware for smartphones, tablets, netbooks, and other form factors, HP can control its own destiny, a new AMI report finds.

Palm's webOS is widely regarded as an excellent operating system designed specifically for mobile usage, and HP has the financial strength, distribution channels, global reach, and marketing muscle to make good use of Palm?s assets. The road will not be easy, but the market for mobility products and services is large, growing, and still in its early stages. The global market for mobile devices is wide open, despite Apple's tremendous success with the iPhone and iPad, the increasing adoption of Google?s Android OS, and RIM's presence in the enterprise.

According to David Shiang, VP at AMI-Partners, "There's certainly room for an established brand such as HP to introduce innovative mobile devices and gain significant share. Many in the industry consider webOS to be the best mobile operating system available, and HP should be able to be capitalize on what looks like a low-risk acquisition."

Research in 12 top countries conducted by AMI-Partners shows that the market for smartphones among small and medium businesses is growing fastest in India and China, with the U.S. not far behind. By 2014, AMI expects that China will be the second largest market, trailing only the US.

Among small businesses, BlackBerry is in wide usage, while the Apple iPhone has yet to make major inroads in China, India, and Mexico. HP and Palm, by comparison, have installed bases in these countries that can be leveraged when HP rolls out new products based on webOS.

Among medium businesses, BlackBerry and Apple have good presence where they are offered, which is to be expected. However, HP and Palm devices are also in use, especially in the US, UK, and India. HP's global brand and installed base, coupled with the Palm acquisition, should allow the company to become a much bigger player in the growing market for connected mobile devices.

AMI-Partners will soon be releasing a series of reports on SMB Mobility Market Opportunities covering the US, Western Europe, India, and China. The reports analyze the key drivers of SMB mobility and the evolving range of devices and services that enable a mobile workforce. They also provide actionable go-to-market perspectives related to SMB mindset, attitudes, buying behavior, purchase decision-making, influencers, and IT adoption.

For more information about the report series contact David Shiang at dshiang@ami-partners.com.

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