

Netbooks will soon cost 99 USD

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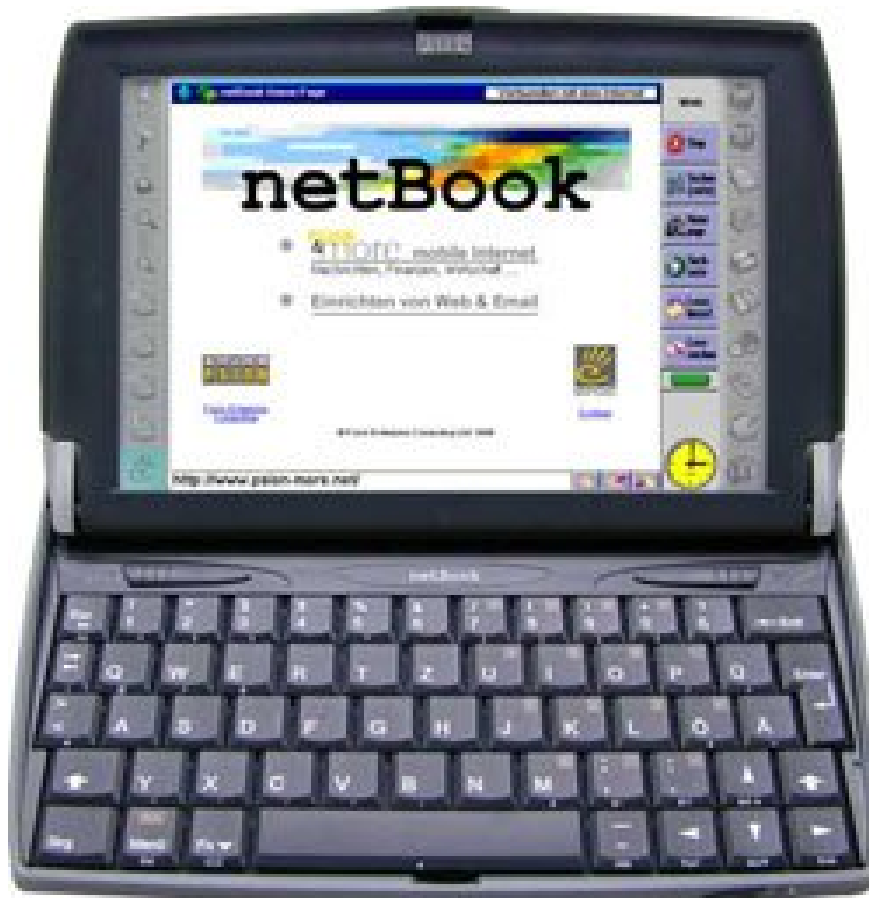
Netbook makers and telecom carriers must accept the inevitable trend that netbooks will be sold for \$ 99.

Netbooks like the Asus Eee PC, Dell Mini 9 and HP 2133 Mini-note will soon be sold for only \$ 99. Do you believe it? However, at that time, you will have to sign a 2-year contract using mobile broadband connection. The low selling price is actually a subsidy like the way you buy a mobile phone.

Recently the Wall Street Journal reported that HP had negotiated with telecom service providers about such a 'settlement', but HP did not reveal which telecommunications company it was. One could bet that if HP had that move, firms like Dell and Asus would do the same.

Meanwhile, PC World predicts that HP has negotiated with US mobile carrier AT&T - the company has signed an agreement with Lenovo and Ericsson to sell its normal size ThinkPads at a discount of 150 USD if customers sign a 2-year contract. with AT&T.

In addition, AT & T several weeks ago announced a strategy to sell non-mobile devices, but mobile broadband applications. These devices include netbooks. In other words, the mobile phone sales model is about to be applied by AT&T to devices other than phones.



While AT&T is leading the US market in promoting the sale of subsidized netbooks, its competitors also have their own special incentives to carry out a subsidized netbook plan.

AT&T exclusively sells iPhone in the US. According to comScore, low-income consumers are buying iPhones as an alternative to having to buy netbooks, cameras, and music players. This shows that many people will find buying a single device for all their computer and communication needs.

In fact, the idea of selling subsidies on laptops and netbooks is not new. They are very popular outside the United States. For example, in Taiwan, you can buy an Asus Eee PC for just \$ 29 with a two-year contract with Far EastOne. In the UK, laptops are sold for free for more than a year, and it is 'bait' for customers to sign up for mobile broadband contracts.

In the United States and possibly elsewhere in the world, PC World analyzed a number of reasons for the sale of subsidized netbooks as follows:

First, in the context of a difficult economy and high unemployment, consumers will seek to reduce costs, including phone bills. Thus, telecom carriers will be anxious to hunt for other ways to earn revenue.

Mobile phone sales are increasing slowly, while notebook sales have increased. For the first time in PC industry history, notebook sales have officially exceeded desktop sales, according to IDC. In particular, netbooks contributed a large part to this trend. On the other hand, the netbook market is getting more crowded. A year ago, almost only the Asus Eee PC, but now with the top selling success of Asus, PC giants have jumped into the netbook market. Lenovo, Dell and HP already have products on the market, firms like Fujitsu, Packard Bell, LG, Toshiba, Samsung, Sharp and many others, either already or are about to have it. Thus, companies will have to

compete in many ways, including cooperating with telecom carriers to sell subsidized netbooks.

Plus, Moore's Law. Prices of mini electronic devices, including display prices, microprocessors and, most importantly, storage devices will continue to decline. Subsidies are a form of reasonable application in the context of this declining price.

Therefore, the price of a netbook is likely to drop to a magical level of 99 USD. All that needs to be done is that netbook makers and telecom carriers must accept this inevitable trend.

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