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NANA TECHNOLOGY

Where can you find upside in the mature high-tech business?
Selling gadgets designed for seniors. **BY PHOUNG LY**

WHEN ARLENE HARRIS'S MOM BOUGHT a cellphone in 2001—mostly for emergencies, but also just to stay in touch—she discovered the hard way that the technology wasn't nearly sophisticated enough for someone of, shall we say, post-retirement age. Harris's 80-year-old mother couldn't read the text on the tiny screen, much less punch in the correct numbers on the hamster-sized keyboard. The experience was so frustrating that her mother ended up keeping the phone turned off most of the time.

Most daughters would have shrugged it off. But Harris, a 47-year veteran of the wireless industry, decided to do something about the problem. Let the big companies churn out ever thinner and sexier gadgets, she figured; she was going to make a cellphone designed for the over-65 crowd. Her Jitterbug phone, with its jumbo text, oversized buttons, and ergonomic ear cushion, seems to have hit a sweet spot in the market. Since her company, GreatCall (jitterbug.com), introduced the \$147 Jitterbug in 2006, it's sold more than 20,000 phones. GreatCall, which raised \$36.6 million in funding this summer, is expected to turn a profit next year. Competitors have taken notice: In September, Verizon Wireless announced the Coupe, a \$20 phone designed for older folks.

The early success is validation for Harris, 59, who started GreatCall with her husband, Martin Cooper, 78, a legend in the industry who is often credited with inventing the first portable cellphone. The couple was convinced that seniors are eager to get onboard with new technology, but simple physical limitations—fading eyesight chief among them—are holding them back. "There are a whole bunch of people who want to have a cellphone. They want a rudimentary phone book, and they just want to make and receive calls," Harris says. "But they can't get those things very easily on the devices out there."

The Jitterbug is on the leading edge of a new wave in product design that Andrew Carle of George Mason University has dubbed "nana technology": gadgets fashioned with the needs and interests

FINDING HER CALLING
Industry vet Harris is making phones with oversized buttons and ergonomic ear cushions.

of seniors in mind. Carle sees a wealthy market for such devices that until now has been largely ignored. For example, according to the National Association for Home Care and Hospice (nahc.org), Americans spend an estimated \$47.5 billion each year on home visits from health workers and other caregivers, some of which might not be necessary if seniors had dependable access to good communication devices.

The senior demographic is big and getting bigger. Americans



age 65 and older number at least 36.8 million, or more than 12% of the population—a portion expected to grow to 20% by 2030. Moreover, many have disposable income; their median household net worth is \$176,600, compared with \$14,200 for people under 35. “One of the most powerful generations on the planet is still what we call silver surfers,” says Tim Bajarin, president of Creative Strategies (creativestrategies.com), a tech consulting firm. “They have built-up wealth and income they can use on technology, and they have become more and more interested in it.”

Nintendo is certainly aware of the trend. Its Brain Age for the Nintendo DS portable game system was among the first mainstream games pitched to older consumers. Inspired by the work of a Japanese neuroscientist, it was designed to keep aging minds active. Although the company doesn't claim that drawing pictures and solving number puzzles on Brain Age (brainage.com) will sharpen cognitive skills, it is heavily promoting the product to seniors at events like last fall's “coolest grandparent” competition at the Nintendo World Store in Manhattan. Nintendo salespeople have also been hanging out at county fairs, retirement homes, and the annual AARP convention.

More than 8.6 million copies of Brain Age have been sold worldwide since the product was launched in April

2006, and the \$20 game continues to be a top-ten seller, says Beth Llewellyn, a Nintendo spokeswoman. In some ways, she says, seniors can be better customers than their grandkids. A year after Brain Age was introduced in the U.S., the product is still racking up strong sales, which is unusual for a

A “BOOMING” MARKET: ONE IN FIVE AMERICANS WILL BE 65 OR OLDER BY 2030, UP FROM 12% TODAY.

Nintendo game. Most young gamers won't buy a game that is so 12 months ago, Llewellyn says, because they “live and die for the latest.”

Many companies tout their technology as a way for Grandma to keep living her life even as she becomes forgetful. E-pill (epill.com), based outside Boston, sells electronic medication reminders disguised in wristwatches and pagers. Some of the most popular items are watches with six to 12 vibrating alarms and an alert button that will display the wearer's name, medical information, and emergency contacts.

For customers who are less active, there's the MD.2 dispenser, which works like a gumball machine. Pills roll out in cups at preprogrammed times, and if they aren't taken within a certain period, the \$900 machine will call the patient's son, daughter, or other caregiver. E-pill founder and president Stefan Solvell says the small company began selling in 1999 and

has been profitable since 2001.

Companies are even making it easier for seniors to stay offline. Take Celery. The Troy, N.Y., outfit (mycelery.com) sells devices that allow people who don't use computers to receive e-mail messages and photos. They work like fax machines: E-mail from authorized

addresses—no spam—spits out on paper. The user can feed a handwritten letter into the machine, and it appears on the recipient's computer as e-mail. Presto Service (presto.com), a startup in Mountain View, Calif., sells a similar product for incoming mail only.

Just like everyone else, seniors outgrow products, so companies hoping to serve that burgeoning market need to be ready to introduce next-generation devices, Harris says. In the early 1990s, GreatCall sold SOS emergency phones that made only outbound calls. At one point it had as many as 25,000 customers, but that number dropped to 5,000 by 2006. Harris says customers left for cellphones so they could make and receive calls. Her answer was to introduce the Jitterbug. Although the phone looks simple, she says it takes sophisticated software to make it seem that way. “My mom loves it and uses it all the time,” Harris says. “She can figure it out—that's why.” □

GEARED TO GEEZERS



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« **PRESTO** An e-mail solution for the computerphobic: a device that accepts messages and digital photos only from selected friends and family members and automatically prints them out.



« **E-PILL** Like a gumball machine on a timer, it dispenses pills and calls for help if the patient doesn't take them.



» **NINTENDO'S BRAIN AGE** Its challenges appeal to older players who want to keep their minds sharp.

