

## Top 25 Trends Contributing to Logitech's Success

### The PC

**The development of the graphical user interface for personal computers:** The graphical user interface shapes virtually every experience people have with the personal computer today: from navigating the Internet to creating and enjoying digital media, and communicating with voice and video using the PC. Without the Macintosh® and Microsoft Windows®, the mouse – and many other Logitech peripherals – would not have the same indispensable role in the lives of so many computer users.



#### **IBM PC 5150**

**The first IBM PC (1981) cost \$1,565 in the U.S. – a fraction of the price of most previous PCs and the equivalent of \$4,000 today. Global competition in the information technology industry and the rise of competitive manufacturing have commoditized PC technology to the point of true affordability.**

**The development of the Internet:** The World Wide Web and the Internet forever changed the face of the PC industry, strengthening the home PC market by providing people access to a virtually infinite amount of content, and offering a new network for communications and media distribution. This assortment of complex content and new capabilities demands effective navigation devices and PC communications peripherals, such as those manufactured by Logitech.

**The computer becoming a lifestyle platform:** Early PCs were used as productivity tools, most often in the work environment. The evolution of the PC into a lifestyle platform used in the home – which has been accelerated by the rise of the Internet – transformed the industry and the kind of peripherals used with the computer. For example, a PC used for entertainment and communications needs speakers and a webcam, a sophisticated mouse and keyboard, and a game controller, to enable people to naturally and intuitively interact with these applications.

**The development of the USB standard:** USB technology, which became prevalent in the late 1990s, standardized the software and hardware development needed to plug devices into the PC. The advent of USB allowed Logitech to focus its resources on making better products and new types of peripherals, rather than tailoring its peripherals to fit different PCs with different connectors, and developing the drivers needed to make them work.

**Wireless becoming reliable:** Advances in wireless technology enabled the development of reliable, easy-to-use cordless PC peripherals – and created the opportunity for Logitech to become the cordless company. Radio frequency (RF) cordless technology in cordless mice and keyboards offered consumers a great reason to upgrade the peripherals that came with their PC. Today, products commonly ship with 2.4 GHz and Bluetooth® wireless technology. Bluetooth technology allows for even greater integration of wireless devices, connecting mobile phones, PDAs, headphones, wireless music system components, and computers, as well as mice and keyboards.



**Logitech® Harmony®  
880 Remote**

## The Digital Home

**Entertainment going digital:** The convergence that defines the digital home of today and tomorrow was triggered by the transition of home entertainment from analog to digital. The transition saw DVDs become the standard format for video rather than video tapes, and the MP3 format and CDs prevail over cassettes. This shift has allowed the PC to take on a greater role in home entertainment...

**The PC becoming an entertainment device:** The more entertainment goes digital, the wider the door opens for the PC to enter the world of entertainment – literally to enter the living room and share space with DVD players, Hi-Fi speakers and HDTVs. The Media PC is the most tangible evidence of this trend, but any PC can be used as an entertainment device, aided by peripherals designed specifically for this environment...

**Design becoming important as technology is more visible in the home:** As the PC and other consumer electronic devices have become more visibly part of interior design, leading manufacturers have placed greater emphasis on industrial design. The design of a technology device and its peripherals – such as a living-room PC and its mouse/keyboard, home-theater speakers, or a universal remote control – can be as important as its functionality in determining the success or failure of that product.

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## Content

**Storage devices becoming hidden:** Thanks to home-networking technologies and advances in cable, satellite and Internet entertainment networks, people can enjoy their media and be physically removed from the device or the system that hosts the content. For example, content such as music can be experienced on a home-entertainment system in the living room even if the content is stored on a PC located in the den. In such an environment, personal peripherals such as a Logitech remote control are even more important to the experience of controlling and enjoying the content, while the device that hosts the content is less visible to the user.

**The continued growth of processing power:** As consumers use their PCs to do more multi-tasking, particularly with computing intensive background applications such as video encoding and ripping music, a PC's ability to process multiple information streams becomes a defining part of the digital experience. Today's multi-core (dual, 4x, 8x) processors use multiple brains or "cores" in a computer to manage these application streams. As people do more with their multi-brained PCs, the control devices used to navigate and manage tasks become even more important.

**Broadband enabling new applications:** Higher broadband speeds are allowing people to experience increasingly rich content and change the kind of applications we use. This trend reveals itself today with applications such as Google Earth and will become even more visible with next-generation operating systems Microsoft Windows® Vista™ and Mac® OS X Leopard. These sophisticated computing environments and applications create opportunities for more advanced devices that can navigate them.

**The emergence of high definition:** People are not simply demanding richer content; they also seek increasingly high definition. Take, for example, the latest HDTVs and Sony's Blu-ray technology, which deliver video quality with much-improved resolution over today's more typical monitors and DVD players. The trend for high definition – whether in terms of content (images, video, etc.) or hardware (such as Xbox® 360 and the forthcoming PlayStation® 3) –requires equivalent quality standards from its control devices. Consumers' desire to enjoy such advanced content is matched only by their need to have the right peripheral to control it.

## Digital music

**The rise of digital music:** Digital music has created new ways for consumers to experience and enjoy their favorite music. People can now listen to MP3 music and other digital music file formats using their PC as an audio jukebox, creating a need for performance PC speakers, wireless streaming systems and remote control devices from companies such as Logitech. And, of course, digital music created the opportunity for companies such as Apple to introduce portable devices to play this music...

**The introduction of iPod:** The advent of the iPod® and MP3 players created a portable music phenomenon, while a huge market has developed for accessories – speakers, headsets, cases, etc. – that enhance the experience of using these players.



Apple® iPod

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## Communications

**The development of VoIP technology:** While traditional telephone systems and mobile phone networks provide the most common ways of making a phone call today, a communications revolution is underway. People are now taking advantage of a different network, the Internet, and a wide range of voice-over-IP (VoIP) services – many of which are free or more affordable than traditional telephone services – to make audio calls. To make VoIP calls, people are using either standalone network phones, or their PC with peripherals from companies such as Logitech...

**The PC becoming a communications tool:** The computer is fast becoming the communications center of the new millennium. Using VoIP and video communications technology on the PC, people can see and/or talk with friends and family from nearly anywhere, as long as they are connected to the Internet. Popular applications such as Skype® and Windows® Live™ Messenger allow consumers to make voice and video calls to other PC users for free. Webcams and PC calling devices from companies such as Logitech are critical components in defining the experience, just as the quality of a mobile or home telephone is paramount to traditional phone calls.

**The emergence of video blogging and personal broadcasting:** Today's popular social networking and video sharing Web sites such as MySpace, YouTube and Grouper are enabling people to publicly showcase their webcam video clips – in some cases creating Internet stars – a whole new means of personal expression on the Web. Meanwhile, some traditional media companies are broadcasting individually generated video content submitted by average consumers – making it possible for someone with a webcam or camcorder to see their video clips on television.

## Mobility

**The growth of notebook PCs:** Many analysts are predicting that soon, the sales of notebook PCs will surpass desktop PCs. The notebook requires tailored peripherals for the portable environment – for use around the home, throughout the office, or on the go. They also require peripherals such as mice, webcams, speakers or headsets that make the sometimes awkward experience of using a small notebook more comfortable.

**Technology increasingly going mobile:** Technology has gone mobile with cellular phones, portable music players and PSP™. And when technology devices are portable, they are more personal. Consumers want accessories and peripherals that are stylish and comfortable – in addition to enhancing the capabilities of the platform – presenting an opportunity for companies such as Logitech, with a rich history of delivering innovative designs and technologies.



### **Logitech® QuickCam® Orbit™ webcam**

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**The proliferation of Wi-Fi:** The advent of Wi-Fi technology has enabled consumers to connect to the Internet in a variety of places. And as municipalities begin to implement regional Wi-Fi networks for public use, it will be easier than ever for people to connect and stay connected to the Internet while on the go, with mobile platforms such as a notebook PC, a PSP or a multi-purpose phone – strengthening the demand for peripherals that enhance the on-the-go digital experience.



**Sony® PSP™**

## **Gaming**

**The extension of gaming beyond the office/den:** The gaming industry is evolving rapidly, extending beyond the office and into living rooms in the modern home, thanks to the huge popularity of Sony's PlayStation and Microsoft's Xbox platforms, and more recently the media PC. These living-room platforms require stylish peripherals that blend with modern home décor, and create a clear need for cordless game controllers.

**Game titles defining needs for new peripherals:** As the gaming industry evolves, the types of games broaden. Games for PCs and consoles offer the fun of car racing, sports, flight simulation, strategy games and first-person shooters. Each new game brings new possibilities and new demands to the world of game controllers and peripherals.

**Gaming going mainstream:** No longer is gaming a niche application, as millions of people enjoy gaming on the PlayStation, Xbox and the PC, and emerging mobile platforms such as the PSP. Gaming has its own media industry, cultural icons and competitive leagues. And gaming platforms require their own peripherals and accessories that allow people to enhance and personalize their gaming experience.

**Gaming becoming mobile:** When Sony launched the PSP, it was a sign that gaming in public was not something to be hidden – it could be cool. Such is the PSP's popularity, that since April 2005, Sony has shipped more than 16 million of them. The PSP is also yet another opportunity for Logitech to bring peripherals to a new platform in another new environment.

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