

A Product of the

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Michael Malcolm, founder and CEO of Kaleidescape and Patti Lorin, creative director, demonstrate their product that offers a simple and convenient way to access movies and music anywhere in the home.

## New technology delivers simplicity, function to the fairer sex

By **Becky Bergman**

Photos by Dennis G. Hendricks

**W**hen a local dealer installed a Kaleidescape entertainment server in the Northern California home of a well-known celebrity (no name-dropping here), the mission was simple: Get the customers hooked on the convenience and simplicity of

accessing movies and music from anywhere in the home through a high-tech multi-room set-up.

Although the installer was friends with the couple, he wanted to surprise them and learn if they would keep the system once they experienced first-hand the benefits of the technology.

And the payoff? "The wife wouldn't let the system go," says Mike Malcolm, Kaleidescape founder and CEO.

Not surprising, given that this year

women will outspend men in the \$122 billion technology market, according to the Consumer Electronics Association. Further research shows women now account for more than 50 percent of all technology purchases.

Tech gadgets are just the latest area in which women are exerting their decision-making power. Women are responsible for 80 percent of all household spending in the U.S., amounting to a \$1.6 trillion market.

# 'Wife Acceptance' a growing factor in electronics sales

And if you need more appreciation for the female chief purchasing officer: Women now head 33 million households, up from 21 million in 1980, according to the Center for Women's Business Research.

As the male population wrestles with the ageless question of what women want, one thing is certain: The famously high-testosterone electronic industry is undergoing a fundamental shift in how it manufactures and sells its products.

And those changes are winning the hearts — and opening the pocketbooks — of women.

There is even a whole new metric in the women-friendly electronics field: Wife Acceptance Factor (WAF). "WAF is so popular, you can log online and find hundreds of message boards that provide posts on WAF-ratings for different electronics," says Mr. Malcolm.

Companies like Mountain View-based Kaleidescape are developing and marketing products with a high WAF — flat-screen televisions, "invisible" speakers recessed into walls or ceilings, concealed wires, user-friendly touch screens, easy access to entertainment and electronic components in colors that appeal to women.

"Just ask a woman what she

wants and she'll tell you," says Carol Campbell, director of business development for Marketing Matters in Southern California. "Have you ever heard a guy say he would like to change the details of a product or even ask how to make it easier to use? Women will ask you those questions and they'll tell you their opinions."

"Women invest so much time and due diligence into choosing a contractor, product, brand or service that when they are satisfied customers, they pay back handsomely with loyalty and referrals," says Ms. Campbell, who also teaches a popular course WHERE? called "What Women Want: Selling Home Entertainment Systems that Benefit Her Lifestyle."

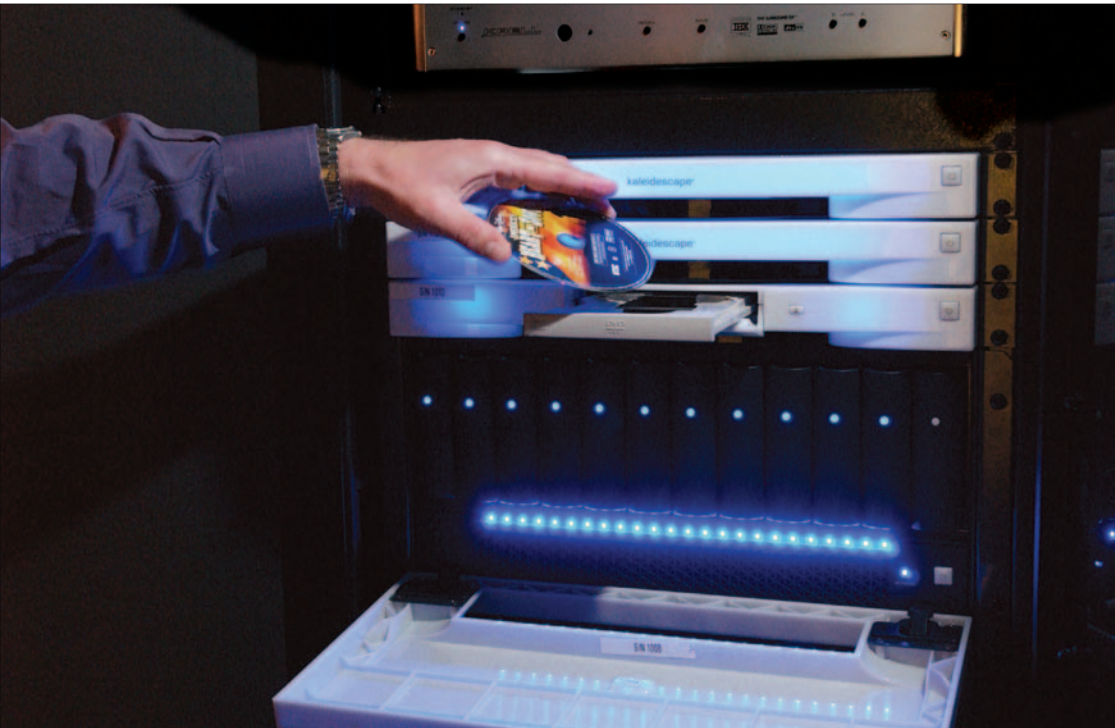
"Women network by nature. We will tell our friends what the experience was like. If our dog doesn't like you, we'll tell our friends. We can hurt you."

The Kaleidescape System's server is a box of computer-style hard drives that stores movies imported from DVDs and plays them on demand. From skipping the FBI warnings to selecting favorite scenes, viewers have complete control to the system on any TV that has the Movie Player connected. You can even pause a movie in the living room and pick up where you left off in the master bedroom.

Don't cancel your Netflix service just yet. The starting price for a basic system, which can store up to 660 DVDs and 6,000 CDs, will run a whopping \$22,000.

There is good news for men. A recent study found that given the choice between a high-definition TV or a one-carat diamond ring, 58 percent of women respondents said they would choose the entertainment over jewelry.

"When I was growing up, the kid that had the swimming pool was the most popular family on the block and everyone wanted to hang out there," says Ms. Campbell. "Today, it's the family with the home theater system. Moms love it especially because they can keep an eye on their kids and know where they are and what they're doing at all times."



The Kaleidescape System server stores movies imported from DVD and plays them on demand.

## Build loyalty: What Women Want

- A convenient, reliable system that matches their home and enhances their lives.
- To feel safe, know their property is secure and enjoy entertaining with family and friends.
- To know that the system works. They also want to trust that if it doesn't work, a qualified installer is there to fix it.
- A salesperson who will address her needs with qualitative benefits that speak her language.
- A fun and comfortable shopping experience.
- To be notified of special sales or other value-added shopping experiences.
- To be asked the right qualifying questions so that she can tell you what she wants.
- To contribute to a retailer's or manufacturer's market strategy by engaging with surveys, Web sites and other forms of communication that she can share with her friends.
- To be treated with respect.

In return, women who are satisfied customers will pay back handsomely with loyalty and by referring friends.