

Tablet market grows more slowly than expected as Apple regains share

IDC figures point to slowdown as consumers and economic concerns point to short-term saturation - but sales to business could provide next big driver

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Apple's iPad Air (left) and iPad Mini tablets helped it regain share in the tablet market in the fourth quarter of 2013. Photograph: Glenn Chapman/AFP/Getty

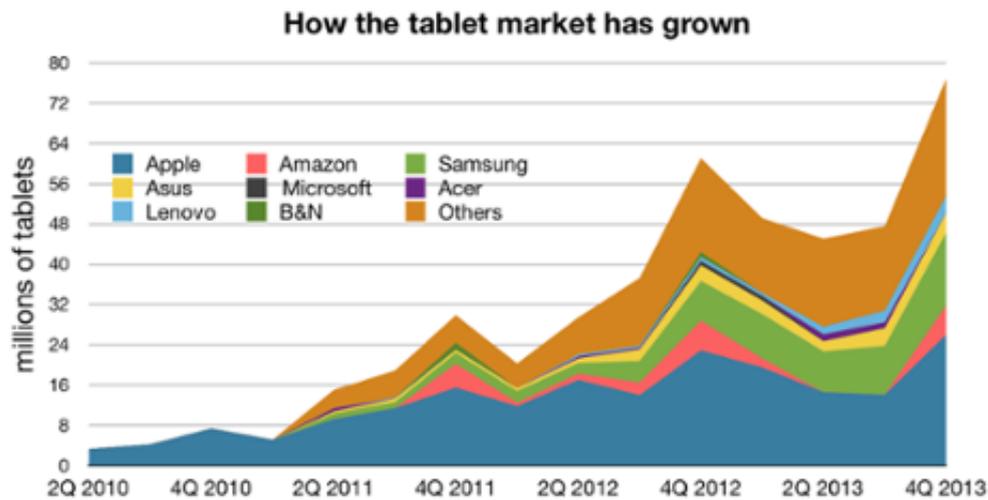
The tablet market didn't live up to expectations in the fourth quarter of 2013, according to early data from IDC, as sales growth to consumers slowed with mature markets approaching saturation.

IDC says that a total of 76.9m units were shipped in the fourth quarter, up 28.2% on the figure from the same time last year. Apple led the pack with 26.0m, a 33.8% share, compared to 22.9m (38.2%) in the same period in 2012. Samsung nearly doubled the number of tablets it shipped to remain in second place, hitting 14.5m (18.8%) compared to 7.8m (13%) a year before.

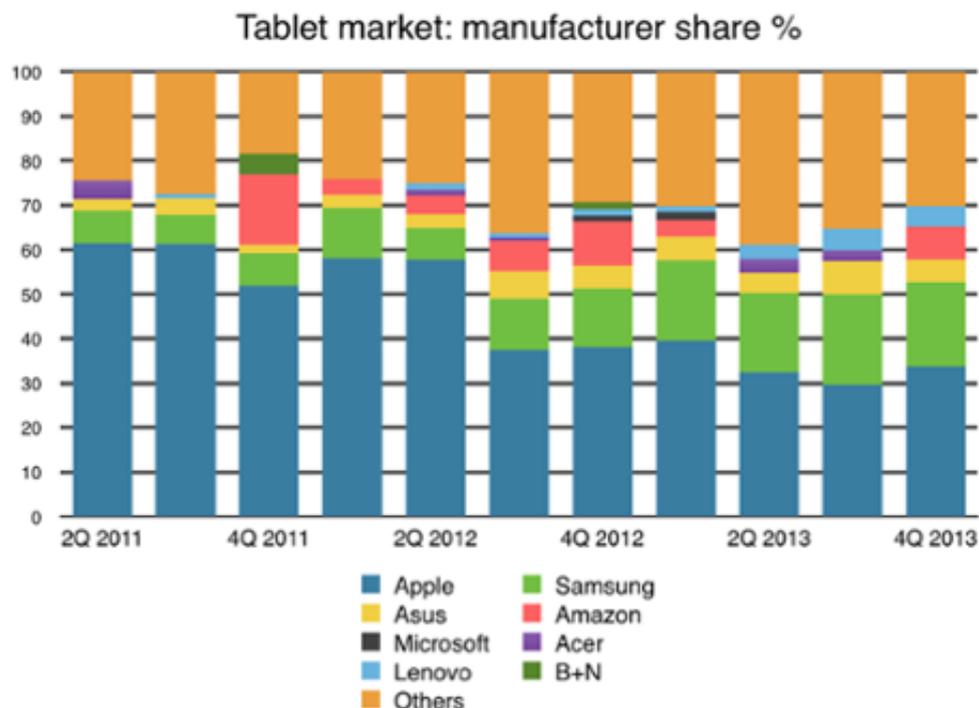
The question is now when, and whether, commercial tablet purchases will begin to ramp up in the way that they did to drive PC sales back in the 1990s.

With Apple's sales growing by 13.5%, slower than the overall market, IDC questioned the space for the company to further grow its iPad sales: "The numbers bring into focus the challenges the company faces as it attempts to grow its tablet business in markets outside of its traditional mature-market strongholds and in the face of continued success from competitors both large and small," it said.

Apple chief executive Tim Cook seems to have been aware of these concerns during the company's earnings call on Monday, when he emphasised the iPad's presence in large "enterprise" businesses, and suggested that it has "huge potential", citing figures for the proportion of iPad activations in companies (90%). "I think the road in enterprise is a longer one," Cook said. "The arc is longer than in consumer, which can immediately go out and buy things, etc. And I think we've done a lot of the groundwork."



How the tablet market has grown in size, by manufacturer. Source: IDC. Photograph: /PR/IDC



Tablet market 2011-2013: manufacturer share as percentage. Photograph: /PR/IDC

Consumers' eagerness to buy tablets - and the number who haven't yet done so - seems unclear. Pew Internet, which carries out wide-ranging studies involving statistically representative numbers of US households, says that 42% of American adults now own a tablet computer, compared to 55% who have a smartphone, and around 78% who have a desktop or laptop computer.

IDC didn't provide a breakdown by operating system, but the strong showing of Samsung and Asus points to Android tablets running Google services made up more than 50% of the market. Amazon's Kindle Fire, which had a 7.6% share, runs a "forked" version of Android, and many tablets sold in China - which would be a substantial part of the "others", comprising 30.3% of sales, do not have Google services on board, and instead use local services.

Though the year-on-year increase was 28.2%, IDC increased the number that it says were sold in the fourth quarter 2012 upward by 7.5m to 60m.

The China factor

Most of those extra sales last year were in China, IDC suggested. It is likely to revise the total figure for the latest quarter upwards too as more data is supplied from vendors - which could put growth above 30%.

Apple, which shipped a record 26m tablets, regained share compared to the third quarter of the year, helped by the release of its new iPad Air and iPad mini retina in October. Samsung's share was essentially flat from the third quarter.

Asus, which sells Google's Nexus 7 tablet as well as its own devices, saw sales grow only slightly, from 3.1m a year ago to 3.9m, maintaining a 5.1% share.

"While the market's growth rates remain impressive, they're down dramatically compared to the year-over-year rates of the same quarter one year ago (87.1%) and indicate a significant slowing of the overall market," IDC said in a statement. For 2013, it put total tablet shipments at 217.1m units, compared to 144.2m in 2012 - a growth of 50.6%.

But Microsoft seems so far not to have turned up to the tablet party in any strength. IDC figures suggest that it shipped fewer than 3.4m tablets, the figure of fifth-placed Lenovo - and IDC smartphones and tablets analyst Francisco Jeronimo told The Guardian that fewer than a million were shipped to resellers - although it may have sold more than that due to stocks already in stores. Microsoft "had good performance in some channels," he noted.

• **Smartphone sales passed a billion in 2013, with Apple and Samsung dominant and China the largest market**



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