

Demand for iPad, rivals leads IDC to up forecast

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In this March 7, 2012 file photo, an Associated Press reporter holds up the new iPad during an event in San Francisco. A leading market-research group is increasing its forecast for tablet computers this year because of strong demand for the iPad and competition from cheaper devices such as Amazon's Kindle Fire. (AP Photo/Jeff Chiu, File)

(AP) -- Thanks to strong demand for Apple's iPad and competing devices such as Amazon's Kindle Fire, worldwide shipments of tablet computers are likely to grow faster than expected this year, according to a newly revised forecast from a leading market-research group.

IDC said shipments in the last three months of 2011 were higher than expected. As a result, the research group now projects shipments of 106 million in 2012, up from its previous forecast of nearly 88 million.

The new figure, out Tuesday, represents a 54 percent increase from the nearly 69 million devices shipped in 2011.

Since the iPad's debut in 2010, millions of people have flocked to these easy-to-use, easy-to-carry devices to watch movies, play games and catch up on the latest news and books.

Many businesses have also embraced them. Some airline pilots, for instance, are ditching heavy flight manuals for iPads to make planes lighter and save fuel. Schools are also starting to replace paper textbooks with electronic versions on tablets. Election workers in Oregon used iPads to help the disabled vote.

The rise of tablet computers comes at a time when sales of traditional personal computers are slowing, particularly among consumers in the U.S. and other industrialized countries. Another research group, Gartner, has forecast that PC shipments will grow at a relatively weak 4 percent this year as products fail to excite consumers the way tablets have.

People and businesses are still buying PCs, which can run multiple programs side by side on the same screen and have keyboards more suited for extensive typing than on-screen ones available for tablets. Gartner expects shipments of nearly 370 million PCs this year, about 3.5 times what IDC projects for tablets.

But traditional PC makers have sparked much of their growth by turning to emerging markets. In industrialized markets, there's evidence that people are delaying replacements for their years-old PCs and buying tablets instead.

"Frankly, most are just waiting for a compelling reason to upgrade," said Tom Mainelli, IDC's research director for mobile connected devices.

That reason could come late this year when Microsoft releases a new version of Windows designed to support PCs and tablets. Successful PCs running Windows 8 will likely mimic tablets with slim designs, longer battery life and the ability to turn on instantly, Mainelli said.

Those qualities helped Apple dominate a market it helped create.

Apple sold more than 40 million iPads last year, including 15 million in the holiday quarter. High demand is expected when a third version, with a sharper screen and a faster processing chip, goes on sale Friday. Apple already has stopped taking advance orders for Friday and said customers should expect a two- to three-week wait for purchases made Tuesday through its online store.

Although some researchers estimate that Apple has more than 60 percent of the market for tablet computers, rivals have done well.

The Kindle Fire came out in November with a lower price tag - \$199, compared with \$499 and up for the iPad at the time. The Fire has a smaller screen and fewer features, but it's good enough for many consumers. IDC estimates that Amazon.com Inc. shipped 4.7 million Kindle Fires by year's end (Amazon does not release figures).

Mainelli said he initially expected the Fire, which runs on a modified version of Google's Android system, to take sales away from other Android tablets. Instead, the Fire's success may have helped other Android products, too, including Samsung Electronics Co.'s Galaxy devices and Barnes & Noble Inc.'s Nook Tablet.

"It seems all the attention that the Fire launch garnered raised awareness

of media tablets in general, and a great number of vendors benefited from this increased awareness," he said.

The 68.7 million tablets shipped in 2011 represents a 9 percent increase from IDC's forecast of 63.3 million and is about 3.5 times the 19.4 million shipped in 2010. IDC says 28.2 million tablet computers were shipped in the final three months of 2011, about 2.5 times more than a year earlier.

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