

Outlook grim for US consumer tablet market as holidays draw near

November 14 2014, by Sarah Parvini, Los Angeles Times

The U.S. tablet market posted an 8 percent decline in revenue during the back-to-school season, leaving the once-thriving product category in a tough spot as the holidays draw near.

The number of tablets sold during that period rose 3.5 percent compared to last year, suggesting shoppers were more interested in cheaper tablets, according to [market research](#) company The NPD Group.

The bad news has continued into the fall. Over the last eight weeks, tablet unit sales declined 16 percent and revenue dropped 18 percent.

Tablet unit sales declined across operating systems - both Android and iOS unit sales sank 16 percent. While Windows' unit sales dropped 23 percent, revenue increased 11 percent compared to this period in 2013, due to the success of the \$799 Surface Pro 3, one of the most expensive tablets on the [market](#).

"The slowdown has been pervasive, and even the launch of the new iPads at the end of this period has not served to reignite sales growth," said Stephen Baker, vice president of industry analysis at The NPD Group. "With the holidays fast approaching, the potential for a positive tablet sales season appears grim."

Android tablet sales took the hardest hit during the last eight weeks as the market for small-screen products waned. Android's 7-inch [tablet](#) saw unit sales decline 40 percent. The figures reflect what analysts have

expected as the number of large smartphones, such as the iPhone 6 Plus, increases.

The biggest change is the in the large-screen Android market, where a deluge of entry-level large-screen tablets has bolstered the unit share of under-\$200 products from 15 percent last year to 49 percent over the last eight weeks.

The days of easy growth and native demand are gone, Baker said.

"Tablets will need to compete with a more aggressive PC market, and a growing large-screen smartphone market, for attention this holiday season," he said. "It is not entirely clear whether tablets are up to that task."

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