

Is the iPad losing Momentum?

Written by Marco Attard
16 November 2011

Will the Apple iPad colossus receive a beating from the hungry low-cost competition this holiday season? Goldman Sachs analyst Bill Shope thinks so, writing "...we believe it is prudent to assume the iPad is facing some near-term demand challenges."



The reasoning comes via Hon Hai forecasts predicting "more limited upside to iPad units" by reducing Q4 2011 forecasts from 15.4M units to 11.6M due to "weak demand."

Pricing is the obvious reason for such "demand challenges", and Shope believes the iPad is long "overdue" a price cut. And that's before one even mentions heavyweight competition labelled "Amazon Kindle Fire."

The Apple disciples might insist the iPad has a superior app ecosystem or a bigger screen, but ultimately one main factor drives purchase choices in these troubled times-- tightening budgets.

A Kindle Fire costs \$199, while the cheapest iPad costs \$499. Barnes & Noble offers a Nook tablet at a price similar to the Fire's. You don't need to be a Goldman Sachs analyst to do the math. Hell, you don't even need an abacus.

No one gets between a lean, hungry dog and his dinner, specially not a greedy one.

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Of course, Apple could re-energise iPad demand by launching Siri on the device or simply slashing prices... and profit margins.

It's good to know the tablet wars will continue waging on.

Go [Goldman: Demand for the iPad is Fading \(Businessinsider.com\)](#)