

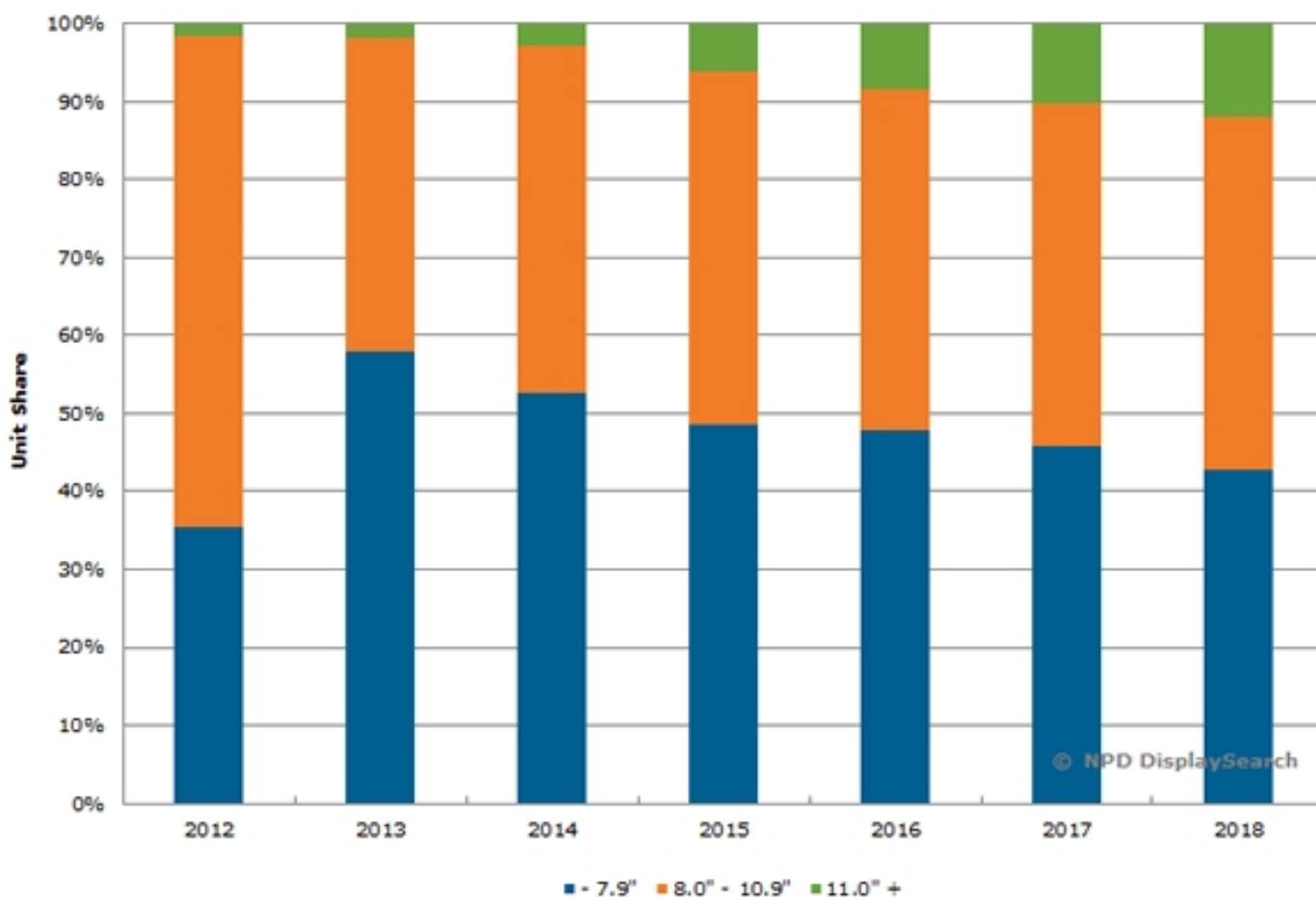
NPD: Tablet Shipments in First Decline

Written by Marco Attard
17 July 2014

According to NPD DisplaySearch tablet shipments are down for the first time in Q1 2014, leading to the analyst's reduction of its 2014 shipment forecast to 285 million units with a growth rate of just 14%.

The analyst continues annual growth will continue falling in the future, and will slow down to single digits by 2017.

Figure 2: Global Tablet PC Shipment Forecast by Size



Source: NPD DisplaySearch [Quarterly Mobile PC Shipment and Forecast Report](#)

Tablet shipments for Q1 2014 total 56m units, down from 59m in Q4 2013, with many vendors reporting "weak" shipments due to delayed product launches. On the other hand notebook PC

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shipments are "better than expected," if due to the commercial refresh cycle and Windows XP migration.

"Tablet demand in 2014 is being affected by falling demand for the 7-inch class in emerging regions and in China, where many local white-box brands have experienced lower-than-expected shipment growth," DisplaySearch says. "Most major brands have recently reduced their business plans for 2014. There is a risk that the replacement cycle for tablet PCs will lengthen beyond the one to two year range unless brands can develop more attractive usage scenarios."

Another factor causing decline in tablet demand is the competition between 5.5-inch+ smartphones (aka phablets) and small 7-7.9-inch tablets. DisplaySearch says smaller tablet share "peaked" at 58% in 2013, and as such should decline in 2014 and beyond. Meanwhile vendors should move to larger devices, and 8-10.9-inch tablets are forecast to overtake 7-7.9-inch models by 2018.

Additionally 11-inch+ tablets will find a niche, with shipments to make 10% of the market by 2018. In other words? Larger displays equals larger (or at least growing) tablet revenues, at least according to DisplaySearch.

Go [NPD DisplaySearch Quarterly Mobile PC Shipment and Forecast Report](#)