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Comparison of tablet market leaders

This paper will do comparative analysis of tablet market leaders in the global market. It will discuss the methodology and references used to determine market leaders. In addition, the paper will try to predict future trends of the tablet market leadership.

There are a number of ways to designate market leader of an industry segment. [1] One way is to designate based on the revenue. Another way could be based on number of users of the product. For industry segment like tablet, total number of shipments can also be considered to determine leadership. While reliable data for revenue or number of users couldn't be availed, there are reliable data points for number of shipments for tablets. This paper will take calculate market share based on the number of worldwide tablet shipments to draw list of current leaders in the market.

Data for number of shipments is referenced from IDC (International Data Corporation) Worldwide Quarterly Tablet Tracker. [2] It is also cross referenced from StatCounter to verify correctness. [3] Based on the data available during the second quarter of 2018 and 2019, following tablet manufacturers are the market leaders:

Tablet market leaders

Vendor	2Q19 Shipments	2Q19 Market Share	2Q18 Shipments	2Q18 Market Share
Apple	12.3	38.1%	11.6	34.1%
Samsung	4.9	15.2%	5.0	14.9%
Huawei	3.3	10.3%	3.5	10.5%
Others	11.8	36.5%	13.7	40.6%
Total	32.2	100%	33.9	100%

Source: IDC Worldwide Quarterly PCD Tracker, August 1, 2019. Shipments in millions. [2]

Based on the data above, current market leaders are Apple, Samsung and Huawei. Analyzing historical market share data from 2012 to 2018 [4], it is evident that Apple and Samsung are undisputed market leaders in the tablet segment. Primary reason for the leadership is undoubtedly superior product quality of both companies. Their global distribution channels are also a major factor. Both Apple and Samsung are widely available in all major markets

worldwide. Contrast that to Huawei which has near to zero penetration in the US market despite having 10% market share worldwide. [5]

However, overall worldwide tablet market is on decline. Observing unit sales data from Gartner and IDC [4], after peaking in 2014, the market has been on constant decline. Following tables depicts the drop in overall sales:

Unit sales – global tablet market

	2010	2011	2012	2013	2014	2015	2016	2017	2018
Units (million)	17.6	60.0	116.3	195.4	216.0	206.8	174.8	163.5	145.6

Source: 2010 to 2014 figures are estimated by Gartner. 2014 to 2018 figures are estimated by IDC. [2]

When detachable tablets were introduced in the market, such as Microsoft Surface Go, analysts predicted the tablet market would lift. However even introduction of detachable tablets didn't help with overall sales. To quote Jitesh Ubrani from IDC,

“The detachable market is at a crucial stage as it has been driven primarily by premium products from Microsoft and Apple and growth has slowed in recent months. Though consumers and businesses alike have shown interest in the detachable form factor, those operating on tighter budgets have had very few options available to them and hence some have opted for traditional PCs. However, with the launch of the Surface Go, Chrome OS-based detachable tablets, and hopefully a more affordable iPad Pro in the future, the detachable category still has a bright future, provided the performance and software lines up with users' expectations.” [6]

Nearly all the tablets run on either Apple's iOS or Google's Android operating system. Apple has derived a improved and customized version of iOS for its tablets. This results in a significantly better user experience compared to Android, which lacks dedicated version for tablets. The better availability of apps and better OS experience could explain Apple's dominance. Other manufactures such as Samsung started to realize this soon and they developed heavily modified version of Android OS to better support tablet needs. Google also came with dedicated OS for detachable tables called Chrome OS in 2017. [4]

One more reason that can explain Apple's runaway success with tablets is the first mover advantage. Even though the form of the tablet was conceptualized in the middle of the 20th century, there were just proof-of-concept products until 2010. In 2010, Apple released the iPad, the first mass-market tablet to achieve widespread popularity. [7] Thereafter tablets rapidly rose in ubiquity and soon became a large product category used for personal, educational and workplace applications, with sales stabilizing in the mid-2010s.

In my opinion, the market leadership positions are less likely to change even though overall tablet sales are declining. Apple has introduced new iPad OS for its tablets in 2019. It is a

derivation from iOS but with a greater emphasis put on multitasking. With renewed push into education and enterprise category, Apple's lead is likely to be unabated. While developed markets such as United States and Europe are saturated, there are still a lot of growth opportunities in the developing world markets like China, India, Indonesia, Korea, and Vietnam. Huawei's products can take up significant portion of these markets as they are affordable products compared to Samsung or Apple. I predict that by end of the year 2020, Huawei will displace Samsung to become the no 2. Samsung will still be in top 10 but is more likely to be overtaken by its affordable alternatives like Lenovo and Xiaomi.

References

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