Growth in smart connected devices expected to continue

Andrew Berg, Wireless Week

Top 5 Smart Connected Device Vendors, Shipments, and Market Share, Q3 2012
(shipments in millions)

Vendor	3Q12 Unit Shipments	3Q12 Market Share	3Q11 Unit Shipments	3Q11 Market Share	3Q12/3Q11 Growth
Samsung	66.1	21.8%	33.5	14.0%	97.5%
Apple	45.8	15.1%	33.1	13.9%	38.3%
Lenovo	21.1	7.0%	13.2	5.5%	60.0%
HP	14.0	4.6%	17.6	7.4%	-20.5%
Sony	11.0	3.6%	8.7	3.7%	25.4%
Other	145.6	48.0%	132.7	55.6%	9.7%
Total	303.6	100.0%	238.9	100.0%	27.1%

Source: IDC Worldwide Quarterly Smart Connected Device Tracker, December 10, 2012.

The global connected device market continues to grow, according to the latest number from IDC reseach.

According to the report, shipments of PCs, tablets, and smartphones as a collective grew 27 percent annualy in the third quarter of 2012, hitting a record 303.6 million shipments valued at $140.4 billion dollars.
IDC says expectations for the holiday season quarter are that shipments will continue to reach record levels, rising 19.2 percent over the third quarter and 26.5 percent over the same quarter a year ago. Total fourth quarter shipments are expected to reach 362.0 million units with a market value of $169.2 billion dollars.

Holiday season growth will be driven by tablets and smartphones, which are expected to grow 55.8 percent sequentially and 39.5 percent year-over-year respectfully, while PCs are expected to decline slightly from this quarter a year ago.

IDC credits at least part of the growth to the advent of cloud-based services, which enable people to more easily move from device to device, which in turn encourages the purchase and usage of different devices for different situations.

From a vendor perspective, Samsung maintained the top position in the third quarter with 21.8 percent market share based on shipments. Apple, which ranked second overall in shipments, led all vendors in value with a total of $34.1 billion in the quarter and an average selling price (ASP) of $744 across all device categories.

Following Samsung's 21.8% share and Apple's 15.1% share were Lenovo (7.0%), HP

(4.6%), and Sony (3.6%).

Ryan Reith, program manager at IDC, said that the big difference between Apple and Samsung's ASPs is a telling sign of different market approaches.

"The fact that Apple's ASP is $310 higher than Samsung's with just over 20 million fewer shipments in the quarter speaks volumes about the premium product line that Apple sells," Reith says.

Looking forward, IDC expects the worldwide smart connected device space will continue to surge well past the strong holiday quarter and predicts shipments to surpass 2.1 billion units in 2016, with a market value of $796.7 billion worldwide.

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