U.S. tablet shipments soar during holidays, threaten to surpass PCs

Poornima Gupta, Reuters

(Reuters) - Apple Inc Chief Executive Tim Cook's prediction that tablets would one day outsell personal computers [1] appears to be coming true.

Holiday season shipments of tablet computers touched a record 52.5 million, up 75 percent from a year ago, as consumers snapped up a wide range of the touch-enabled mobile devices and lower priced offerings, according to International Data Corp (IDC), which tracks both markets [2].

Growth of the tablet market handily outpaced that of personal computers, with PC shipments sliding 6.4 percent to 89.8 million in the October-December period.

In another sign of the rise of tablets, Apple, the No. 1 seller of tablets, shipped 22 million of them in the fourth quarter, compared with 15 million personal computers shipped by No. 1 PC seller Hewlett-Packard Co during the same period.

But increasing competition means that Apple's one-time stranglehold on the tablet market continues to loosen. The market share of its iPad [3] fell to 43.1 percent in the fourth quarter from 51.7 percent the previous year, IDC said.

Samsung Electronics [1], the No. 2 seller of tablets with its flagship Galaxy brand, captured 15.1 percent of the market, more than double its 7.3 percent share a year earlier.

Software [4] maker Microsoft [5] Corp, which launched its Surface with Windows RT tablet during the holidays, shipped about 900,000 units, IDC said.

Microsoft [5] has been banking on Surface to showcase its new Windows 8 software [4] to compete with Google [6] Inc's Android-based tablets and the iPad [7].

Amazon.com Inc, despite having a wider range of products for the holidays, saw its share slip to 11.5 percent from 15.9 percent. Asian manufacturer Asus, which makes the Google-branded Nexus 7 tablet, saw a its share increase to 5.8 percent from 2 percent, IDC said.

IDC's figures underscore the sliding fortunes of PC makers such as HP and Dell Inc, which is now in the process of taking itself private.

"New product launches from the category's top vendors, as well as new entrant Microsoft, led to a surge in consumer interest and very robust shipments totals during the holiday season," said Tom Mainelli, research director, tablets, at IDC.

"The record-breaking quarter stands in stark contrast to the PC market, which saw shipments decline during the quarter for the first time in more than five years," Mainelli said.

(Reporting By Poornima Gupta; Editing by Steve Orlofsky)

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