

Press Release

Fabulous “Phablets” To Drive Profound Changes in Device Landscape

Large Smartphones to Dominate as PCs Stabilize and Tablets and Small Smartphones Decline

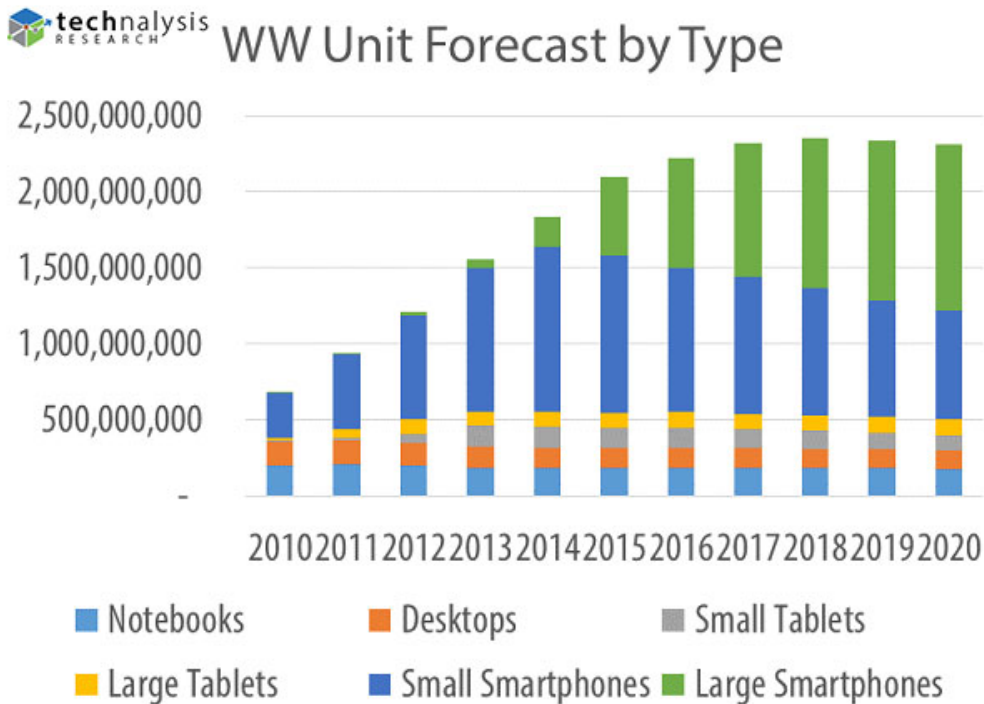
Foster City, CA – February 26, 2015: While the nickname may invoke cringes, there’s no denying the impact that “phablets” (defined as large smartphones with screens 5” and larger) are having on the worldwide smart connected device world. According to a new worldwide forecast report released today by TECHanalysis Research, the large smartphone category will grow to become the largest segment among PCs, tablets and smartphones—which together make up total smart connected devices—and will reach shipments of over 1 billion by 2019. In fact, large smartphones are expected to briefly take the crown of best-selling computing device away from smaller smartphones in Q4 of 2016 and then, from an annual perspective, will take full command in 2018.

“Not only are ‘phablets’ driving very strong worldwide smartphone growth over the next several years,” explained TECHanalysis Research founder and chief analyst Bob O’Donnell, “they’re also impacting the tablet and PC markets. As more people move to larger smartphones, their interest in tablets—especially smaller ones—diminishes and that, in turn, is providing renewed vigor to the PC market.”

Even with the momentum of large smartphones, however, the TECHanalysis Research Smart Connected Devices Forecast predicts that total worldwide smartphone shipments will peak in 2018 at about 1.8 billion, as longer device lifetimes and slower refresh cycles start to take their toll and offset the rapid growth in developing markets. Total worldwide smart connected device shipments are also expected to peak in 2108 at just under 2.4 billion units, but revenues for the combined category will actually peak this year at around \$650 billion.

“The days of unending computing device growth are ending and vendors are going to need to adjust,” continues O’Donnell. “The average selling prices of devices, especially smartphones and tablets, are coming under severe strain, and that will likely put continued pressures on these companies and their suppliers.”

The chart below highlights the historical worldwide unit shipments by category from 2010 to 2014 and then forecasts the numbers out to 2020.



Some of the other highlights from the forecast:

- PC shipments will remain relatively stable at just above 300 million units annually through 2018, in part due to a positive impact from Windows 10 as well as continuing purchases by businesses in the commercial channel
- Tablet shipments will never reach PCs, falling from their high of nearly 236 million in 2014 down to 208 million in 2020
- Google-created operating systems will dominate the landscape of devices with about 65% share, but the ongoing splintering and fracturing of Android will limit Google's ability to leverage this

The TECHAnalysis Research forecast offers both a quarterly (through 2016) and annual (through 2020) view into unit shipments, average selling prices and revenues both worldwide and in the US for PCs, tablets and smartphones. The forecast also breaks the numbers out by form factor within each group (e.g., small tablets vs. large tablets), by consumer and commercial splits, and by operating system.

Highlights of the study are available in slide format [here](#) and a copy of the complete report along with a pivot table is available for purchase from TECHAnalysis Research. For additional information, please e-mail the author at bob@technalysisresearch.com.

Founded by technology market research veteran Bob O'Donnell, TECHAnalysis Research, LLC provides strategic consulting and market research services to the technology industry and professional financial community. Building on a deep understanding of critical technology and business trends, in conjunction with hard-hitting, original research, the firm provides unique "out-of-the-box" perspectives that are still grounded in the practical realities of the technology, media and telecom markets.