

Gartner: Worldwide sales of non-smartphone connected devices will exceed 112 million units in 2015

More than 112 million non-smartphone connected devices (mobile PCs, tablets and mobile hot-spot devices) will be sold worldwide in 2015, up 5.6 percent from last year, as demand for ubiquitous internet access for mobile, social and information drives greater adoption, according to Gartner, Inc.

"Mobile access is not just about smartphones," said Tracy Tsai, Gartner research director. "Consumers and business users alike want to connect multiple mobile devices to the internet at an affordable cost or at an acceptable data rate."

Increasing demand for devices lead to new business models



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The increasing number of non-smartphone devices and the need to connect these devices offer new revenue opportunities for device vendors and telecommunications service providers. Some vendors are trying new business models. HP, for example, is collaborating with Qualcomm and T-Mobile to provide 200 megabytes (MB) data free per month for the lifetime of a device over the HP Stream Book 13 on a 4G laptop priced at \$299. This is about \$70 more compared with the same model without the cellular-embedded feature.

"There is also potential for accelerated growth in this market," said Ms Tsai. "Gartner predicts the price gap between cellular and non-cellular devices will narrow to less than 10 percent, or \$20. When this happens, the adoption of cellular devices will accelerate beyond 160 million units in 2019, with the potential of more than 600 million units in 2019."

According to Gartner, there are differences in consumer and business user buying trends and usage between the different device segments of cellular-embedded notebooks, ultra mobiles, tablets and mobile hot-spot devices, as well as significant regional differences.

Mobile PCs (notebooks and premium ultra mobiles)

Globally, cellular-embedded mobile PCs (notebooks and premium ultra mobiles) will grow from 1.8 million to 4.9 million from 2014 through 2019, with a penetration rate growing from 1.3 per cent to 2.7 per cent of total mobile PCs. The total volume, or the penetration, remains low as the majority of mobile PCs are still for desk-based use at home or at work, where fixed broadband is generally available.

Premium ultra mobiles will grow the fastest, from 492,000 units in 2014 to 3.2 million units in 2019. They are emerging as a notebook replacement for mobile users and business travellers who have higher needs for portability and also cellular connectivity as Wi-Fi is not always available. These users are more willing to pay for the benefit of easy access to the internet. More than 60 per cent are sold in Western Europe. Higher average selling prices of these devices remain a barrier for sales in emerging markets.

Cellular-embedded notebooks will continue to grow, but at a slower rate, from 1.3 million to 1.6 million units from 2014 through 2019. This form factor, with screen sizes of 14 inches and 15.6 inches, is particularly preferred by business users in Europe and North America.

Tablets (basic and utility ultra mobiles)

This is the largest segment of cellular-embedded devices with sales of 50 million units in 2014, growing to 76 million units in 2019. More than 84 percent of cellular-embedded tablet sales (basic and utility ultramobile) are from consumers.

In contrast with premium ultra mobiles, more than 62 percent of cellular-embedded tablets are from emerging markets. According to a Gartner user survey in 2014, only 25 percent of tablets in the US and 33 per cent in Germany are cellular-embedded. However, the percentage of cellular tablets is more than 52 percent in India and 49 percent in Brazil.

Users in emerging markets rely on tablets not only for data but also for voice over internet protocol (VoIP) calls. Tablets are the primary internet devices for social, information and entertainment. However, the fixed-broadband services' penetration rate is only six percent for households in India and the best way to get on the internet is through cellular-embedded devices.

Mobile hot-spot devices

Cellular-embedded mobile hot-spot devices are My Wi-Fi hot-spot devices and USB dongles with built-in 2G/3G/4G modems or through removable 2G/3G/4G SIM cards. The total mobile hot-spot devices number is expected to grow from 54 million to 70 million units from 2014 through 2019. Demand for USB modem-type hot-spot devices is decreasing as they are less flexible than a wireless mobile hot-spot.

With the increasing number of devices from notebooks to ultra mobiles, some users do not want to pay for different data plans or data sharing plans. One alternative is going through tethering from smartphones, but some carriers restrict this and it can be expensive. The other alternative is to have a mobile hot-spot to support all the connectivity needs. Japan is the market with the highest demand for mobile hot spot-type devices, with around five million units in 2014, with that number expected to grow to 8.7 million units in 2019. The demand for mobile hot spots is strong in Japan due to a relatively expensive data plan and a less-flexible data package.

More information is available in the report ["Forecast Analysis: Cellular-Embedded Notebooks, Ultramobiles and Mobile Hot Spot Devices, Worldwide, 2014-2019."](#)

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