Google Seen Passing Apple in Tablets as iPad Loses Ground

By Lisa Rapaport - Mar 12, 2013

Google Inc. (GOOG)’s software will power more tablets than Apple Inc. (AAPL)’s operating system for the first time this year as smaller, cheaper alternatives to the iPad gain favor with consumers, according to IDC.

Devices running Google’s Android software will climb to 49 percent of the market in 2013, while Apple’s share will slip to 46 percent, IDC said in a statement today. Last year, Apple commanded 51 percent, compared with Google’s 46 percent.

Machines introduced since the iPad’s debut in 2010 -- including Google’s own Nexus tablet and products from Amazon.com Inc. and Samsung Electronics Co. -- are gaining ground with prices starting around $200, less than half the cost of the newest iPad model. Apple released the iPad mini in October, charging $329 for the most affordable version, in a bid to defend its market dominance amid mounting competition.

“One in every two tablets shipped this quarter was below 8 inches in screen size,” Jitesh Ubrani, an analyst at IDC, said in the statement. “We expect smaller tablets to continue growing in 2013 and beyond.”

Global shipments will reach 190.9 million units this year, IDC said, higher than its prior prediction for 172.4 million. The tablet market will surge to 350 million units by 2017.

Microsoft Corp. (MSFT)’s Windows 8 software will be used on 7.4 percent of tablets by 2017, up from just 1 percent last year, IDC said. Devices with the operating system, including Microsoft’s Surface tablet, will take a small share from both Apple and Google.

As multi-functional tablets gain in popularity, fewer consumers will buy dedicated e-readers from Amazon or Barnes & Noble Inc. (BKS) After peaking at 26.4 million units in 2011, e-reader shipments slipped to 18.2 million last year and will “grow only modestly” this year and in 2014 before starting a gradual decline by 2015, IDC said.

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