

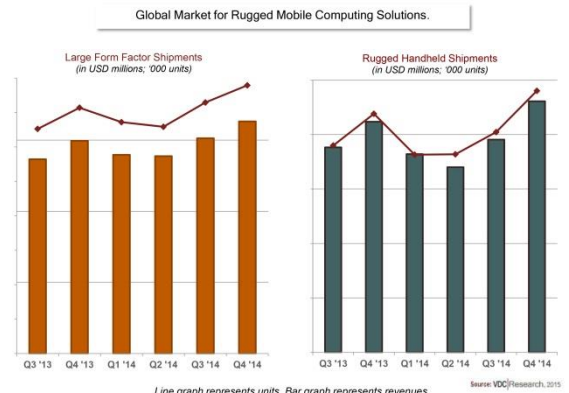
Rugged Mobile Market Eyes Promising Rebound in 2015, According to VDC Research

While still threatened by the proliferation of consumer mobile devices in the enterprise, the rugged mobile market is showing evidence of growth potential this year.

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The rugged mobile market, although flat overall in 2014 compared to 2013, saw significant year-over-year growth in the second half of 2014 and particularly in Q4, according to a new report by VDC Research ([click here](#) for more info). This represents a turn from 2011, when VDC published a report suggesting that one-fourth of the rugged market (especially the handheld segment) was at risk from the onslaught of consumer smartphones and tablets. “It has been undeniable that the rugged mobile computer market has lost its way over the past several years,” says David Krebs, Executive Vice President at VDC. “Be it the competition from lower-cost consumer devices eroding opportunities or the overall economic malaise, the headwinds facing this sector have been palpable.” Although the market outcome followed the 2011 report narrative, the analysis did not fully take into account the market dynamics and the degree to which the market has transformed over the past 3 years. From sweeping consolidation to massive changes to device design and mobile OS bets, the rugged mobile market has fundamentally changed.



In its recently published report, which captures Q4 2014 and full-year 2014 shipment figures for rugged mobile computing solutions, VDC finds that revenue shipments for all rugged handheld devices were up 4% in the second half of 2014 and Q4 2014 were up an even more impressive 8.9% over Q4 2013. Although the rebound has been fueled almost entirely by the US market with several large-scale rollouts in the retail and transportation/logistics sectors, positive momentum is beginning to show in other regional markets. Rugged Android has been a key storyline with major enterprise customers overcoming their tension by placing big bets on these solutions. More OS see-sawing in the rugged handheld space is anticipated. However, with the absence of a viable Microsoft alternative (until perhaps Windows 10), Android-powered handheld devices are expected to account for more share moving forward.

Individual form factor segments are seeing evidence for optimism. Rugged smartphone shipments grew by 9.8% in 2014 with growing demand in various field mobile segments including construction, utilities, manufacturing and others. Opportunities in public safety are expected to become especially interesting with increasing demand for broadband applications. The rugged tablet market grew by 17.5% in 2014, recording especially strong growth in Q4 2014. The opportunities were very diverse with strong investments in embedded manufacturing applications and also as a notebook alternative for first responder solutions. Even notebooks closed 2014 with three consecutive quarters of growth after heavy contractions in 2013. Although much of the 2014 notebook momentum was powered by XP migration initiatives, there are still positive indicators for this segment in 2015.

“The outlook for rugged mobile solutions through 2015 is generally positive and certainly an improvement over previous years,” says Krebs. “The market has clearly changed and what will be especially critical for vendors and solution providers that amid the growing noise surrounding enterprise mobility is maintaining focus on the markets and applications where the value proposition of rugged technology can be clearly articulated and supported.”

About VDC Research

Founded in 1971, VDC Research provides in-depth insights to technology vendors, end users, and investors across the globe. As a market research and consulting firm, VDC's coverage of AutoID, enterprise mobility, industrial automation, and IoT and embedded technologies is among the most advanced in the industry, helping our clients make critical decisions with confidence. Offering syndicated reports and custom consultation, our methodologies consistently provide accurate forecasts and unmatched thought leadership for deeply technical markets. Located in Natick, Massachusetts, VDC prides itself on its close personal relationships with clients, delivering an attention to detail and a unique perspective that is second to none.