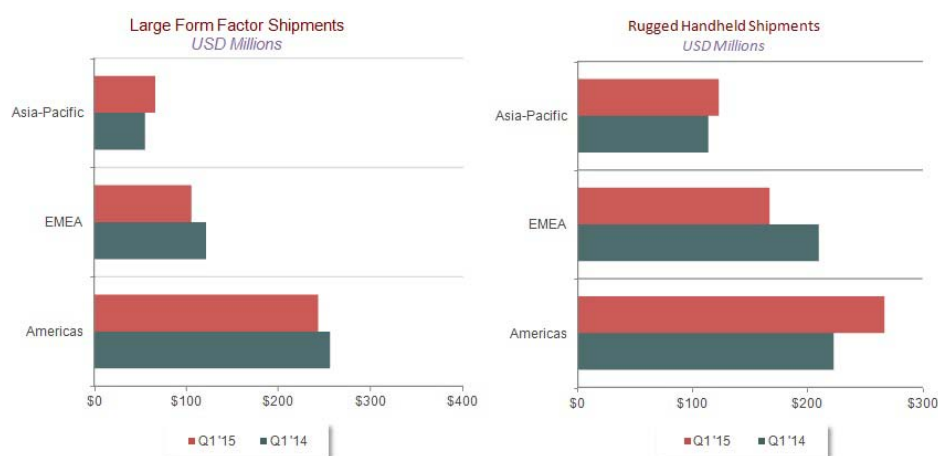


Softening Notebook Market and Weak European Economy Mute Global Performance in Q1, According to VDC

Following a year of sizeable gains with the retirement of XP, the notebook market takes a sharp fall in Q1.

Natick, MA (PRWEB) July 7, 2015

The rugged notebook market contracted heavily in Q1, dropping 27% year-on-year to less than \$200 million, according to a new report by VDC Research ([click here](#) for more info). This is the smallest size of the market in more than 4 years, erasing nearly all gains from the growth in 2014 that came from the retirement of Windows XP, which spurred organizations to upgrade their installed bases. With the transition behind them, it looks increasingly unlikely that the impending release of Windows 10 will have much effect to boost the market. Also affecting the downward momentum for the form factor is the trend among enterprises to re-evaluate the degree of ruggedness required in their line-of-business deployments, with the net effect being that fully rugged deployments are being eschewed in favor of semi-rugged, and semi-rugged notebooks are increasingly overlooked in favor of durable or even consumer-grade notebooks.



The tablet market, by contrast, has found renewed energy, returning once again to high levels of growth, surging ahead nearly 40% year-on-year to a market size of \$176 million in Q1 2015. The market, which has seen an unparalleled period of growth among rugged devices spanning over 10 consecutive quarters, stands in stark contrast to the consumer market, which has cooled considerably and has even begun to contract. Despite limited encroachment of the notebook market, the rugged tablet market has nevertheless reached the point where it could soon eclipse the former, as the gap continues to narrow between the two. VDC anticipates considerable action in this market, particularly with the acquisition of Motion Computing by Xplore in April and the entry of Zebra into the market as a challenge to Panasonic.

The rugged handheld market, which continues to dominate the total rugged market at more than \$550 million, saw relatively flat performance, with YoY growth of 2% over Q1 2014. However, this lackluster figure belies the sharpening contrast between the North American market, which saw its third consecutive quarter of YoY growth at nearly 30%, versus a weakening European market, which tumbled 20% during the same period. "Major deployments from the market leaders in the Americas will continue to bolster the global market throughout 2015, with Android making increased headway among tier-1 companies as enterprises warm to the OS," says Kathryn Nassberg, Research Analyst for VDC. "The combination of renewed refresh cycles and green field opportunities will continue to offer growth potential, especially if Windows 10 can be brought to market in a timely manner to ease the OS uncertainty that has plagued the market following the less-than-smooth launch of Windows Embedded Handheld 8 and the gradual phasing out of Windows Embedded 6.x."

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.