

Analysts Chime In: 10-inch Tablets vs 7-inch Tablets

by Jacqueline Emigh - 4/1/2011

Will Apple's tablet competitors really sell more 7-inch models than 10-inchers, as the perpetual rumormongers at the Digitimes predicted this week? Analysts interviewed this week by TabletPCReview are mainly pessimistic over other manufacturers' chances with iPad-sized devices, for now at least. Yet opinions on the future fate of the smaller gadgets range all over the map.

In a report drawn from unnamed sources in the touch panel space, Digitimes argued that 7-inch tablets face better prospects since they are priced lower and avoid direct competition with the [iPad](#) (that actually sports a 9.7-inch display, even though it is commonly referred to as a 10-inch tablet). The Digitimes report also included the nonsensical statement that, "[Samsung Electronics' 7-inch Galaxy Tab](#) and [ViewSonic's 7-inch ViewPad](#) are both generating stronger sales than their 10.1-inch models."

In an email Q&A with TPCR, Avi Greengart, research director at Current Analysis, poked holes in this statement right off the top. "That's laughable," according to the analyst. "Of course, Samsung is seeing higher sales of 7-inch [than] 10-inch tablets. It hasn't launched the 10-inch model yet."

Yet, as attested to by a string of announcements before, during and after the recent CTIA show, the small smattering of iPad wannabes available today will soon be joined by a multitude of new entrants in both the 7- and 10-inch categories.



120 Tablet Variants

"I count close to 120 tablet variants planned for 2011, and I suspect that the market can absorb only a fraction of them," Greengart noted.



None of the analysts interviewed by TPCR disagreed that 7-inch tablets will carry lower pricing. Nor would anyone argue that Apple is not about to step into 7-inch territory – any time soon, that is. After all, Apple's Steve Jobs has uttered harsh criticisms of the 7-inch form factor on numerous occasions.

"Trying to outdo Apple in its market niche is a tough strategy, which is why Steve Jobs is perfectly comfortable in 'recommending' that his competitors stick with 10-inch tablets," pointed out Michael Morgenstern, principal at [Marconi Pacific](#).

Seven-incher Pros and Cons

Analysts do perceive advantages as well as disadvantages to the 7-inch form factor. The major pluses include lighter weight and greater portability, said Rod Enderle, principal analyst at the [Enderle Group](#). Smaller tablets also tend to be better on battery life, since they use less power.

Smaller tablets are generally better suited to gaming and taking photos, Enderle told me. "But are less useful as Web viewers, and the [on-screen] keyboard can take up too much real estate if you want to type heavily."

"Portability is definitely a plus for the 7-inch tablets," Morgenstern concurred. "However, we have been hard-pressed to identify a cohort of consumers that values portability above other characteristics and still prefers a tablet over a smartphone," according to the analyst.

10-inch Price Cut?

As virtually everyone sees it, Apple will continue to dominate 10-inch tablets, although some do foresee certain opportunities for low-priced 10-inchers as the market heads more mainstream.

"Currently, 10-inch tablets from other manufacturers do not provide the same level of functionality, richness of applications, ecosystem, or ease of use relative to [the iPad].," said Levi Shapiro, partner, TMT Strategic Advisors.

"[Yet] Apple is focused on the high-margin, tip-of-the-pyramid consumer. Competitors without a significantly lower price point don't have a chance with that segment. I'm talking to you, [Motorola Xoom](#). As the tablet market expands to the mass audience, much lower price points will be imperative."



Will Tab and NOOK Prevail?

Yet how much of a dent will seven-inch tablets manage to make against the iPad? Some point to bits of traction already behind Samsung's seven-inch, Galaxy Tab and Barnes and Noble's NOOK Color.

Samsung's first ever tablet will greet its numerous upcoming rivals with an early market edge. The 7-inch Tab received mixed-to-positive reviews upon its release last fall, Nevertheless, Samsung shipped 2 million units of the device last year, all in the fourth quarter, say new numbers from the [Gartner Group](#).

For its part, the NOOK Color continues to expand in capabilities, with more custom Android apps and a probable upgrade to Android OS 2.2 and Adobe Flash anticipated for this spring. About 3 million units have shipped so far, according to [industry](#) estimates.

"Research suggests that consumers – not Geeks in Palo Alto, but real customers in the heartland – are willing to carry no more than two devices. One of these is a smartphone. That means NOOK could be a 'last man standing' if it continues to innovate and provide meaningful functionality," Shapiro said.



A Hazier Crystal Ball

For other 7-inch devices, which have yet to see the light of day, the crystal ball grows hazier. Some analysts wonder what unmet demands these smaller tablets might fill, or if there's even enough room for them in the market.

"Currently, it seems to us that the Galaxy and others are seeking to differentiate themselves from Apple simply by being a different size," Morgenstern contended. "The 7-inch tablet is too small to spend a long time surfing [with] or consuming media, such as video."

"Like their bigger cousins, 7-inch tablets need to offer high resolution screens with good visibility", suggested J. Gerry Purdy, principal analyst, [MobileTrax](#).

"Vendors wanting to gear their tablets to [business](#) use should urge developers to optimize their enterprise apps for multiple tablet form factors", Shapiro advised. "We will see more and more carriers subsidize tablets for their user base, similar to smartphones today, in the interests of encouraging greater [data](#) consumption," he elaborated.

"M2M (mobile-to-mobile) connected devices are already the fastest growing segment in mobile. Tablets that integrate a full suite of enterprise-ready applications will be an important component of this growth."

A 7-inch iPad?

Will Apple ever pull an "about face" on its 7-inch tablet stance? Some analysts wouldn't be too surprised.

"It is certainly possible," answered Greengart. "Jobs said that nobody needed video on an iPod...until they did. Apple has a history of dismissing product categories until it is ready to enter the category themselves."

"Apple could and will introduce a 7-inch iPad if the form factor takes off," Enderle agreed. "Until Apple sees a threat, though, it will market the 10-inch product as superior and drive people to it, rather than build a smaller offering."