



Contact *iGR*

Matthew Vartabedian

Office: 708.387.0475

mattv@iGR-inc.com

FOR IMMEDIATE RELEASE

One Reason Behind the Apple iPad's Success: Other Tablets Cost Too Much

New iGR study quantifies 'Apple iPad Price Premium' compared to Android tablets

AUSTIN, Texas, October 18th, 2011 – Apple dominates the tablet market – the computing niche which it, perhaps arguably, created in 2010 with the first iPad. Ever since the first iPad's debut at \$499 for the "base model," Apple has maintained a price advantage against new entrants to the space. According to a new report from *iGR*, entrants into the tablet space likely need to price their tablets far less than the \$499 Apple iPad 2 in order to stand a chance at generating the same level of sales.

"Our ongoing survey results are pretty clear and consistent," says Matt Vartabedian, vice president of the wireless and mobile research service, "the vast majority of respondents are only interested in an iPad – and it would take a discount well over \$100 to convince them to buy another OEM's tablet."

Almost all competing tablets launched to-date that have similar specs to the Apple iPad – i.e., screen size, processing power, battery life, weight, etc. – have cost more than the iPad. One good example is the original Motorola Xoom. Even smaller tablets, such as the original Samsung Galaxy Tab 7-inch or the HTC Flyer, have cost more than the iPad. And as the march of Honeycomb-based tablets continued, the various OEMs – Acer, Asus, Toshiba, Sony, Lenovo – have all made some sort of compromise in specifications or distribution model to reach that \$499 price level.

Vartabedian adds that the "Apple premium" comes into effect on a closer examination of the primary research survey data. Potential Apple iPad buyers are more likely to spend \$499 or more for a tablet; potential Android tablet buyers are much less likely to spend a similar amount. In fact, they are more likely to spend substantially less than \$399.

Potential iPad buyers were also asked how much less a competing tablet would have to cost in order to incentivize them to buy that other tablet. And while the range of answers varied, *iGR*

was able to calculate an average “discount” that a competing tablet OEM should embrace in order to work toward generating the same level of momentum surrounding the Apple iPad.

iGR's report provides an analysis of the overall tablet market in the U.S. and discusses the survey data which led to its conclusion. The report includes an overview of tablet market drivers, including pricing and content, as well as quarterly U.S. tablet sales estimates and forecast by platform and OEM .

About *iGR*

iGR is a market strategy consultancy focused on the wireless and mobile communications industry. Founded by Iain Gillott, one of the wireless industry's leading analysts, in late 2000 as *iGillottResearch*, *iGR* is now entering its twelfth year of operation. *iGR* continuously researches emerging and existent technologies, technology industries, and consumer markets. We use our detailed research to offer a range of services to help companies improve their position in the marketplace, clearly define their future direction, and ultimately improve their bottom line.

iGR researches a range of wireless and mobile products and technologies, including: smartphones; tablets; mobile applications; bandwidth demand and use; small cell architectures; DAS; LTE; WiMAX; VoLTE; IMS; NFC; GSM/GPRS/UMTS/HSPA; CDMA 1x/EV-DO; iDEN; SIP; macro-, pico- and femtocells; mobile backhaul; WiFi and WiFi offload; and SIM and UICC

A more complete profile of the company can be found at www.igr-inc.com.