

Amazon To Grab 2nd Place in Tablet Market

Written by Marco Attard
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IHS iSuppli says the Amazon Kindle is "already shaking up the market"-- predicting the Amazon tablet will beat the competition to take 2nd place in the global Q4 2011 tablet market.

The iPad, of course, will remain firmly entrenched in 1st place.

Preliminary Estimated Global Ranking of the Top 5 Media Tablet Brands in the Fourth Quarter of 2011 (Ranking by Unit Shipments in Thousands)

Q4 2011 Rank	Brand	Estimated Q4 2011 Shipments	Estimated Q4 2011 Market Share	Q3 2011 Shipments	Q3 2011 Market Share	Sequential Growth
1	Apple	18,598	65.6%	11,123	69.7%	67.2%
2	Amazon	3,900	13.8%	0	0.0%	NA
3	Samsung	1,370	4.8%	1,250	7.8%	9.6%
4	Barnes & Noble	1,320	4.7%	750	4.7%	76.0%
5	HTC	355	1.3%	253	1.6%	40.3%
	Others	2,800	4.6%	2,582	4.3%	90.0%
	Total	28,343	100.0%	15,958	100.0%	77.6%

Source: IHS iSuppli December 2011

The analyst estimates Amazon will ship 3.9M Kindle Fire tablets in Q4 2011, taking over 13.8% of global tablet shipments. The total exceeds Samsung (1.8M units with 4.8% share) and is only 2nd to Apple (18.6M units with 65.6% share).

The Kindle Fire totals also contribute to a 7.7% increase in iSuppli 2011 tablet shipment estimates-- the analyst now predicts 2011 tablet shipments will reach 64.7M (up from August 2011 forecasts of 60M), with Y-o-Y growth reaching 273%.

The analyst also expects shipments will reach 287.2M by 2015.

Ultimately the ace up Amazon's retail sleeve is "rock bottom" pricing-- at \$199, the Kindle Fire

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costs less than it the \$201.70 iSuppli estimates the tablet costs to make. According to the analyst, Amazon plans to use the Kindle Fire to boost physical good sales, allowing the company to afford making a loss on hardware-- something the rest of the Android-based competition cannot.

After all Amazon offers Kindle Fire customers free one-month membership to Amazon Prime, with free movie and TV show access, the Kindle ebook lending library and (crucially) free 2-day shipping on physical goods.

Will Apple strike back at the Amazon attack? Some analysts speculate Apple will launch a lower-cost iPad version-- but more realistically, Apple could simply reduce iPad 2 prices with the inevitable iPad 3 launch, just as it did with the iPhone 4 launch last year.

Go [Red-Hot Kindle Fire Blazes its Way to Second Place in Tablet Market \(IHS iSuppli\)](#)