

CONTACTS:

Janessa Rivera
 Gartner
 + 1 408 468 8312
christy.pettey@gartner.com

Robert van der Meulen
 Gartner
 + 44 (0) 1784 267 738
rob.vandermeulen@gartner.com

Gartner Says Mobility Is Reshaping Consumer Gadget Spending and Behaviour

STAMFORD, Conn., 14 March, 2013 — Household adoption and spending on consumer technology products is shifting faster than expected in favour of gadgets and services that are portable or mobile and those that deliver networking capabilities and entertainment, according to a recent survey by Gartner, Inc. The major change is that mobility is now reshaping mainstream consumer behaviour in fundamental ways, the way people organise their lives and the spaces they live in.

The Gartner survey was conducted during July and August of 2012 and included responses from more than 8,000 consumers in the US, the UK, Canada and the BRIC countries (Brazil, Russia, India and China).

"Early adopters tend to leave the home laptop in the bag and are abandoning the home office in favour of the sitting room couch or bedroom to do online activities in a more comfortable environment using a tablet or smartphone," said Nick Ingelbrecht, research director at Gartner. "This early adopter trend is becoming mainstream consumer behaviour. Consequently, technology and service providers are faced with no alternative but to innovate for mobility. If they do nothing, they face a potential train wreck as consumers abandon gadgets, services and applications that do not fully support changing mobile lifestyles."

The average household spending by users of media tablets, e-readers, laptops and digital cameras has fallen even as household penetration of these devices has increased (see Table 1). Falling prices and increased technology performance are primary drivers of increasing adoption and multiple purchases.

Table 1

Household Penetration and Average Annual Spending by Device Owners, 2010 vs. 2012

	2012 Household Penetration (%)	2010 Household Penetration (%)	2012 Average Spend (US\$)	2010 Average Spend (US\$)
Mobile phone	94	NA	289	173
Laptop computer	55	40	726	821
Tablet	17	3	503	624
Desktop computer	60	60	642	754
Netbook	14	7	462	493
E-book reader	14	5	185	233
Television set	96	96	685	593
Set-top box (DVR, video recorder, digital decoder/cable box)	45	25	98	107
Digital camera/Camcorder	65	36	292	364
Personal media player or mobile Internet device player	37	33	165	139
Handheld video game device	18	16	225	200
Video game console	25	23	258	324
Printer for Mac or PC	44	42	144	157
Home networking equipment	47	32	121	81

Note 1: Spending base: Household currently owns and uses this device. Falling average selling prices (ASPs) of tablets over the past two years have driven down the average spend on these devices. Conversely, consumers are spending more on average on other devices as they upgrade to gadgets such as smartphones and smart TVs from less expensive legacy products.

Source: Gartner (March 2013)

According to the survey, legacy products such as TVs and desktop computers have the highest mean years between upgrades, at four-and-a-half years and four years, respectively, while newer product classes such as tablets and e-readers have yet to be replaced by the majority of respondents. Replacement and upgrades of fixed devices such as desktop PCs and game consoles will be deferred or abandoned as consumers find they can do most of what they want on more recently purchased portable devices anywhere they want when they want. The things they can't do will either get postponed to a later time or be forgotten about altogether as consumers reorganise tasks and activities to the devices and services they prefer to use.

"Where they are occurring, the lengthening of gadget replacement cycles reflects a mixture of economic pressures on the consumer wallet and hardware product maturity," said Amanda Sabia, principal research analyst at Gartner. "Increasingly, upgrades are taking place in software, content and application ecosystems supported by cloud services, relieving the requirement for hardware upgrades."

Ms Sabia said PC and game console vendors can address attrition of desktop PC replacements by focusing product road maps and consumer branding initiatives on upgrade paths to portable devices or, alternatively, on home media hubs that provide storage and remote retrieval to the personal cloud.

The shift to wireless access and portable devices represents both a threat and an opportunity to technology vendors. Some static device ownership paradigms such as desktop computers and television sets remain stable while others, such as TV-related boxes and home networking equipment, increase. Consumers' shift to more mobile devices and applications provides opportunities for equipment to deliver Internet access and content as well as to accelerate the development of mobile solutions and portable extensions to traditionally fixed products and services.

More detailed analysis is available in the report "User Survey Analysis: Consumer Gadget Spending Shifts to Mobile and Multiscreen Home Entertainment." The report is available on Gartner's web site at <http://www.gartner.com/resId=2357315>.

About Gartner

Gartner, Inc. (NYSE: IT) is the world's leading information technology research and advisory company. Gartner delivers the technology-related insight necessary for its clients to make the right decisions, every day. From CIOs and senior IT leaders in corporations and government agencies, to business leaders in high-tech and telecom enterprises and professional services firms, to technology investors, Gartner is a valuable partner in over 13,000 distinct organizations. Through the resources of Gartner Research, Gartner Executive Programs, Gartner Consulting and Gartner Events, Gartner works with every client to research, analyze and interpret the business of IT within the context of their individual role. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 5,500 associates, including 1,400 research analysts and consultants, and clients in 85 countries. For more information, visit www.gartner.com.

###