



Date: **March 24**

Time: **1 EST**

Total Chat Participants: **21**

Total Duration: **45 minutes**

**BusinessCompute** 12:32 Hi, and welcome to today's live channel chat with Tim Coulling of Canalys. We'll get started at the top of the hour.

**kristingoodson9** 12:36 Do I need to register?

**BusinessCompute** 12:36 You need to register for the tablet drawing. But you do not need to register to simply chat. We will provide the registration link later.

**kristingoodson9** 12:37 Okay thanks!

**BusinessCompute** 12:48 We'll get started at the top of the hour. If you have friends or colleagues who would benefit from a live chat on tablets with Tim Coulling of Canalys, there's still time to shoot them a quick email or text.

**BusinessCompute** 12:53 And tell them about the Dell Venue giveaway!

**timcoulling** 12:59 Hi all.

**BusinessCompute** 12:59 Hi, Tim, and welcome

**BusinessCompute** 12:59 This is Peter.

**thechannelcompany** 1:00 Good Morning Tim!

**timcoulling** 1:00 Thanks for inviting me.

**BusinessCompute** 1:00 Ready to get started?

**timcoulling** 1:00 Sure thing

**kristingoodson9** 1:00 Hello!

**BusinessCompute** 1:00 Good morning or good afternoon, depending on where you are. And welcome to today's live channel chat on Business Compute Forum.

**BusinessCompute** 1:00 I'm Peter Krass, the site's editor. I'll be your moderator today.

**BusinessCompute** 1:00 Today our guest is Tim Coulling. Tim is a senior analyst at research firm Canalys. He's also the author of a recent Canalys report on worldwide tablet shipments.

**BusinessCompute** 1:01 If you haven't yet seen the Canalys survey results, here's a link to the company's Feb. 2 press release...

**BusinessCompute** 1:01 <http://canalys.com/newsroom/worldwide-tablet-shipments-fall-first-time-%E2%80%93-down-12-q4-2014>

**BusinessCompute** 1:01 Tim is here today to discuss the changing market for tablets. And the implications for the channel.

**BusinessCompute** 1:01 To start, Tim will answer a few questions from me. Then, after about 10 minutes, he'll be happy to take your questions...

**BusinessCompute** 1:01 Also, we will be giving away a Dell Venue tablet to one lucky person attending this channel chat. You could be a winner!

**BusinessCompute** 1:01 To be eligible for this tablet drawing, you'll need to register. We'll provide the registration link later in this chat.

**BusinessCompute** 1:02 Just to be clear, you do not need to register to participate in this chat. But you do need to register to be included in the tablet drawing.

**BusinessCompute** 1:02 Any questions about the chat format, I mean.

**kristingoodson9** 1:02 I got it thanks for being here everyone!

**BusinessCompute** 1:03 OK. Good. Then let's start our live channel chat with Tim Coulling of Canalys.

**BusinessCompute** 1:03 Tim, to get us started, can you give us a brief description of the tablet survey? Who you talk to, what kinds of questions you ask, etc.

**timcoulling** 1:05 The report was based on our tablet shipment estimates which we publish on a quarterly basis. We also speak regularly with channel partners through our channel partner forum discussing drivers/barriers regarding tablet adoption.

**BusinessCompute** 1:05 Great. So one of your findings is that worldwide tablet sales fell for the first time in last year's fourth quarter, by 12 percent. What happened?

**timcoulling** 1:08 We witnessed a slowdown in tablet shipments throughout 2014. This was primarily due to issues with channel inventory as well as a lack of impetus to upgrade existing models. Apple's products were not refreshed mid-year and for the most part year old tablets still performed well. In Q4 Apple were unable to match the excitement that came with the Air launch.

**BusinessCompute** 1:09 Could you say a bit more about that channel inventory issue? What exactly was wrong?

**timcoulling** 1:11 Sure, we noted that some vendors were particularly aggressive with shipments to their distributor partners. Unfortunately supply exceeded demand causing problems for many vendors as prices fell to get units moving again.

**BusinessCompute** 1:12 OK, I said we would open the floor to everyone's questions after 10 minutes or so...

**BusinessCompute** 1:12 So let's do that now. Please submit your tablet questions for Tim Coulling of Canalys.

**BusinessCompute** 1:13 Tim, while we're waiting, what do you think of the forthcoming Windows 10 and its chances on tablets?

**BusinessCompute** 1:13 So far, Windows's share on tablets is pretty small, right?

**timcoulling** 1:14 That's a great question. Yes you are right Windows share was under 10% in Q4.

**BusinessCompute** 1:15 Do you think Win10 can improve that?

**kristingoodson9** 1:15 What are some advantages of tablet use in businesses compared to PCs?

**timcoulling** 1:15 The issue for windows in tablets has primarily been due to a lack of applications. Windows 10 brings universal apps that will be able to run on all devices, from smart phones to the Surface Hub.

**caryw30** 1:16 Tim do you believe that the Windows tablets will increase with Microsoft's stated claim of better security for their tablets?

**timcoulling** 1:16 This should raise interest with Devs if the process is not overly complex.

**caryw30** 1:17 Thanks Tim

**BusinessCompute** 1:18 Tim, how about the earlier question...what are the use cases for tablets in business? Has that been sorted out? In other words, which applications or tasks are best for a PC, best for a tablet, best for a phone?

**BusinessCompute** 1:18 Or is that still up in the air?

**timcoulling** 1:19 Kristen - Tablets can be great products for mobile workers, field sales or support workers, retail advisers etc. They are certainly not mass market products in business just yet but there are many cases where they can improve productivity.

**rochoje** 1:20 Do you think that Apple will ever add multi-user modes to their tablets? For business that share resources, schools loaning them out, families trying to share, just surprises me that they don't allow such a thing currently. What do you recommend when clients ask about that situation

**BusinessCompute** 1:20 Tim, how about screen sizes. Lots of attention to smaller phablets. But you're expecting more 8-inch-plus tablets this year, right? Why?

**rogerklein1656** 1:20 If we logged in are we considered "registered" for the chat?

**kristingoodson9** 1:21 ok thanks! How often are people replacing their tablets?

**thechannelcompany** 1:21 we will post the link shortly for the giveaway to register!

**timcoulling** 1:21 The 7 inch market has been commoditized by microbrand vendors

**rogerklein1656** 1:22 OK, thanks. Sorry to interrupt!

**BusinessCompute** 1:22 So tiny margins as a result?

**kristingoodson9** 1:22 Are there any tablet brands that are dying out?

**timcoulling** 1:23 as a result vendors are looking to get better margins at larger screen sizes. Channel partners are also having difficulty making margin on \$100 tablets.

**timcoulling** 1:23 Add in competition from phablet and you have a screen size that is on the wane.

**BusinessCompute** 1:23 Thanks, Tim. How about the earlier question - what are typical renewal cycles for tablets? People are holding onto them for fairly long periods of time, I think.

**ustreamer-4062** 1:24 smaller tablets are harder to use once you get older and can't see them

**kristingoodson9** 1:25 Yes I prefer bigger screens

**BusinessCompute** 1:25 OK, while we're waiting for Tim's answer, I want to give you info on the tablet drawing...

**timcoulling** 1:25 Refresh cycles are certainly lengthening. There was a period of quick cycles as screen sizes changed and processors improved but now we have reached a point where innovation has slowed.

**BusinessCompute** 1:26 Ok, thanks, Tim.

**BusinessCompute** 1:26 Let me briefly interrupt...

**BusinessCompute** 1:26 Please remember, we are giving away a Dell Venue tablet to one lucky person attending this chat. To be eligible for this tablet drawing, you must register. I said I would supply the link later in the chat. Here it is:

**BusinessCompute** 1:26 <http://nr-pages.crn.com/IntelBCFregistration>

**BusinessCompute** 1:26 (You may need to copy and paste.)

**BusinessCompute** 1:26 But Tim is still taking questions. So please keep them coming.

**timcoulling** 1:26 We would expect people to hold onto tablets for approximately 3-4 years now.

**BusinessCompute** 1:27 Wow, 4 years seems like a long time. How does that compare with desktops and notebooks?

**timcoulling** 1:28 Well that is for a good quality product. You would not hold onto a \$100 tablet that long. Similar cycles to PCs

**kristingoodson9** 1:28 are the 2-in-1 notebook still in high demand? Is there a bright future for those?

**timcoulling** 1:29 In business the cycles may be slightly less

**caryw30** 1:30 Tim thats about right for us. We generally give new tablets to new hires unless there is an issue with the current tablet

**timcoulling** 1:31 Aside from cracked screens they tend to be pretty reliable and usage is not too processor intensive at the moment.

**BusinessCompute** 1:31 Tim, how about the 2-in-1s? In theory, they can save users a lot of money. And the Microsoft Surface seems to be selling well.

**BusinessCompute** 1:32 Microsoft showed the sales figs in their last quarterlies...I forget the exact number, but it was large.

**timcoulling** 1:34 So on the subject of 2-in-1 currently we do expect sales to take off. The Surface Pro 3 has been well received and is certainly a viable laptop replacement for interested users. Windows 10 has continuum which is made for 2-in-1's. If MS can deliver what it promises then we can expect that market to heat up in 2016.

**kristingoodson9-1** 1:35 Isn't Nokia coming into the Tablet market in 2016?

**BusinessCompute** 1:35 Thanks. I just checked...Surface sales were reported at \$1.1B for the most recent quarter.

**timcoulling** 1:36 Yeah they give a revenue number which has been growing.

**timcoulling** 1:37 With the larger screen and tighter integration with One Note they appear to be getting the product right now

**BusinessCompute** 1:37 Nokia has shown an Android tablet, I think. But I also think they can't re-enter the market until next year, due to the Microsoft acquisition of the phone business.

**kristingoodson9-1** 1:37 ah okay

**BusinessCompute** 1:38 Tim, does that sound right to you re Nokia?

**timcoulling** 1:38 Yes Nokia is producing a tablet with Foxconn, it is a branding exercise from them. They can enter Smart phones again in Q4 2016 I believe.

**timcoulling** 1:38 OEM/ODMs will licence the brand and IP from Nokia.

**BusinessCompute** 1:39 Tim, looking ahead, does the tablet opportunity for the channel change in any important ways? Or will it pretty much be more of the same?

**BusinessCompute** 1:40 Or maybe somewhere in between?

**timcoulling** 1:41 I think that Windows 10 brings a significant opportunity for the channel. A joined up approach from Microsoft with products that work together should raise interest from businesses. The free upgrade will likely see SMBs jump into Windows 10 quickly.

**BusinessCompute** 1:41 Interesting, thanks. Okay, we have about 5 more minutes. Any new questions for Tim?

**BusinessCompute** 1:42 Or did we miss any earlier questions?

**kristingoodson9-1** 1:42 Any emerging regions in the world that are having a burst of demand for tablets?

**timcoulling** 1:42 Also Apple and Google are working hard to raise the profile of iOS and Android as far as businesses are concerned. All of these products require assistance around security and solutions that deliver ROI

**timcoulling** 1:43 Thanks Kristin - Yes

**caryw30** 1:43 I thought the free upgrade for 10 was for the consumer market only. Am I wrong?

**BusinessCompute** 1:43 HP has been making a similar push...mobility for business, as opposed to consumers.

**timcoulling** 1:44 We are seeing high growth markets turn more towards mobility products markets in LatAm and Asia have seen PCs slow down

**kristingoodson9-1** 1:44 hmm.. I wonder why

**timcoulling** 1:45 To clarify the free consumer update will likely drive SMB adoption

**caryw30** 1:45 Ok thanks Tim for clearing that up

**timcoulling** 1:45 Cost of hardware is a key driver for the change Kristin.

**kristingoodson9-1** 1:46 ohh makes sense.

**kristingoodson9-1** 1:46 I bet there is a lot of price competition these days.

**timcoulling** 1:46 Due to the price war in consumer market all vendors are looking to businesses, especially SMB, to improve margins

**BusinessCompute** 1:47 So, sounds like a good, new biz opportunity for the channel.

**kristingoodson9-1** 1:48 Does this bring more security issues though?

**timcoulling** 1:49 PC vendors are feeling the pinch. There appears to be no end in sight of low consumer pricing. Many are trying a vertical approach to business sales or targeting job roles

**BusinessCompute** 1:50 Thanks, everyone. I'm afraid we've run out of time. I want to thank you for attending today's live channel chat on Business Compute Forum. And thanks also to Tim Coulling of Canals for being our guest.

**BusinessCompute** 1:50 Later today, we will post a transcript of today's chat on the BCF chat archive. So please tell your friends and colleagues who missed today's session that they can read the transcript.

**ustreamer-34991** 1:50 doesn't blackberry have a tablet coming out for business?

**timcoulling** 1:50 Thanks for all the questions.

**rochoje** 1:50 Thanks Tim

**timcoulling** 1:51 Have a good day everyone

**kristingoodson9-1** 1:51 Thanks for answering our questions!

**BusinessCompute** 1:51 We have more live chats scheduled over the next few weeks, so please keep an eye on the site and/or our social feeds (Twitter, LinkedIn and FB).

**BusinessCompute** 1:51 Thanks, and have a great rest of your day.

**caryw30** 1:52 Thanks Tim for a great show

**ustreamer-3252** 1:52 thanks