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- Is the channel in crisis?
- Successfully going-to-market through the channel
- Changing with the market

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Mobile Computing in Asia Pacific

by Cindy Payne

Mobile computing has finally taken Asia-Pacific by storm, and the region is now leading the world in portable PC growth. According to IDC Asia-Pacific, the global portable PC market is expected to grow by 15.6% this year, while the Asia-Pacific* markets will expand by 16.5%. Web-savvy executives, needing to maximize their time and access data anywhere, are leading the region's mobile revolution.

Asia-Pacific accounted for only 7% of last year's worldwide notebook unit shipments, surpassed by the US (41%), Japan (22%) and Western Europe (22%). However, IDC Asia/Pacific is predicting a robust 21.4% regional unit growth rate for the period 1998-2003, which is almost 8% more than the forecasted worldwide growth rate. Although the notebook market in Asia-Pacific contracted by 6% in 1998 due to the economic crisis, with this year's recovery unit shipments should reach more than 1.2 million by year-end.

Meanwhile, Australia leads the region in early adoption, representing 25% of the region's notebook shipments. China has emerged as the region's shining star, accounting for 20% of the total notebook market in Asia-Pacific. Posting an impressive 45% growth rate in notebook unit shipments from 1998 to 1999, China is positioned to be a major player in the region's mobile computing industry.

Leading vendors in the Asia-Pacific portable market include Toshiba, IBM and Compaq. Toshiba enjoyed 21.5% market share in 1998, and is ranked first in the region. IBM and Compaq followed, posting 13% and 10% of the region's market share respectively, each gaining share over 1997 figures. Conversely, Samsung's market share eroded by about 4% due to the Korean market fallout, while Packard Bell/NEC and Apple lost ground with the inevitable market consolidation. Vendors poised to take a strong market position in the coming years include Dell, IBM and Taiwan-based Twinhead.

Mobile computing products revolutionize business

Portable computing devices are fast becoming common business platforms among Asia-Pacific enterprises. While notebooks and palmtops have become lighter and thinner, they are now boasting desktop-class performance. As a result, busy Asian executives now work from their hotel rooms or from home offices as efficiently as their office-based counterparts.

As in other global markets, the price/performance gap for mobile computing devices is narrowing due to increasing competition. Units are providing more value for money, offering the latest technology, such as electronic messaging, data capture and Web capabilities, at increasingly lower prices. According to IDC Asia/Pacific, the bulk of notebook shipments in the Asia-Pacific region dropped from the US$2.0K-2.5K range in 1997, to US$1.5K-2.0K in 1998. The resulting margin squeeze is forcing vendors to search for new user segments beyond the traditional corporate and small-to-medium business professionals. The education sector and the growing consumer market are emerging as potential targets.

Mobile computing in the future

The Web is set to become a key feature in the region's mobile computing arena. Mobile users are becoming highly Web-enabled, with devices offering a variety of communication modes. Future mobile computing solutions will have to be application-specific to service all the vertical market players entering the regional user base. As consumers-at-large get on the bandwagon, mobile computing vendors will have no option but to offer tailored service and support programs to cater to the masses.

* The IDC Asia/Pacific research referred to in this article does not include Japan in the Asia-Pacific regional findings.