EMEA mobile GPS navigation market races ahead

– Shipments of handheld solutions in first half 2004 overtake total for all of 2003

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For immediate release

- EMEA mobile GPS navigation solution shipments reached 843,000 units in H1 2004
- 720,000 of these were shipped with, or for use on, handhelds
- The majority of solutions shipped were bundled with a mobile device
- Dedicated, transferable GPS navigation devices accounted for just under 80,000 units
- Smart phone solutions will grow, but represent only around 3% of the market today

EMEA H1 2004 – highlights from the Canalys research

The first half of 2004 saw a marked rise in the shipments of GPS navigation solutions for handhelds in EMEA (Europe, Middle East & Africa) according to new estimates just released by Canalys. The number of units sold from January to June was over 720,000, compared to less than 700,000 for the whole of last year.

"Consumer demand for such solutions, particularly in countries such as Germany, the Netherlands, Belgium, the UK and France, is one of the key reasons that handheld shipments in the region have continued to grow over the past year, while shipments elsewhere, particularly in North America, have faltered," said Chris Jones, Canalys director and senior analyst.

Canalys research shows that a high proportion, almost three-quarters, of navigation solutions for handhelds were sold as bundles (comprising a handheld, software, GPS module and associated car kit and accessories) rather than as a separate software purchase, with a further 9% being based on handhelds with integrated GPS, such as the Mio Technology Mio 168 and Navman PiN. This means that around 40% of all handhelds shipped in the six-month period were shipped as GPS navigation solutions.

"This highlights just how big an influence GPS navigation is on the mobile device market," Jones added. "We predicted last year that EMEA handheld shipments would rise on the back of what we identified then as a major new application, but the extent of the dependency is even higher than we first expected. The device vendors that were able to take early advantage of this emerging trend and work with the GPS hardware and navigation software vendors to help put these solutions together have reaped the rewards, as have the retailers and other intermediaries who assembled some very price-competitive bundles."

Handheld vendors do not have the navigation market to themselves, however, and competition is emerging in several forms. As in other application areas, such as personal information management (PIM) and mobile e-mail, smart phone vendors are expected to take an increasing share. Solutions designed for Symbian or

Microsoft based smart phones are available from companies such as Route 66, Wayfinder and Webraska, and although adoption of navigation on smart phones is low today the huge volumes being shipped of this class of device make it an attractive target for software providers. Mobile network operators will increasingly promote off-board solutions, paid for by subscription, that always offer the most recent available maps and dynamic routing capabilities to help motorists avoid problem areas. Some operators have already started to establish their navigation market credentials by advertising solutions based on own-brand wireless handhelds, such as the O2 xda II.

In addition to handheld, wireless handheld and smart/feature phone based solutions, the Canalys Mobile Navigation service monitors shipments of transferable devices – dedicated, fully-integrated mobile GPS units such as the TomTom GO, Navman iCN 630 and Garmin Quest. The company estimates that transferable solutions made up 9% of the market in H1 2004, compared to 4% for smart/feature phones and 87% for handhelds/wireless handhelds. The leading vendors overall were TomTom, with 26% share by units, followed by Navigon on 20% and ViaMichelin on 12%.

EMEA mobile GPS navigation solutions
Market shares H1 2004

Vendor (top 3)	H1 2004 shipments	% share
Total	**843,320**	**100.0%**
TomTom	220,780	26.2%
Navigon	170,750	20.2%
ViaMichelin	100,490	11.9%
Others	351,300	41.7%

Source: Canalys estimates, © canalys.com ltd. 2004
Includes all solutions based on mobile and transferable devices
Excludes air/sea navigation and fixed, in-car systems

About Mobile Navigation

The shipment estimates discussed in this release come from Mobile Navigation, the continuous service from Canalys designed specifically for providers of GPS navigation software, hardware and services. Clients benefit from receiving advice and analysis of EMEA navigation market trends through regular reports and presentations, shipment tracking databases, forecasts and direct access to the Canalys analysts. More information is available from the Canalys web site.

About Canalys

Canalys specialises in providing high quality market data, analysis and advice to the world's leading technology providers. It is recognised as a key supplier of continuous advisory services and confidential custom projects for marketing managers and strategists within blue-chip IT, telecoms and consumer electronics companies. It has unrivalled expertise in European routes to market for all kinds of high technology products and services, and provides worldwide market data and trends analysis.

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